

**27th
Annual Report
2012 - 2013**



JALPAC INDIA LTD.



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**BOARD OF DIRECTORS**

Anil Sharma - Independent Director
K. K. Shukla - Independent Director
Madhukar Jalan - Managing Director
R. R. Malhotra - Executive Director
* D.K. Sharma - Nominee Director

AUDIT COMMITTEE

Anil Sharma - Chairman
K.K. Shukla
Madhukar Jalan

REGISTERED OFFICE

Village Tularampur
P.O. Mota Haldu
Tehsil Haldwani
Dist. Nainital (Uttarakhand)
Pin : 262 402

WORKS

Village Tularampur
P.O. Mota Haldu
Tehsil Haldwani
Dist. Nainital (Uttarakhand)
Pin : 262 402

CORPORATE OFFICE

903/911, Tolstoy House
15 Tolstoy Marg
New Delhi - 110 001

BRANCHES

307, River Palace, Wing B
Opp. Bahumali (Old Court) Nanpura Building
Surat - 395 001

C/o. R.N. Enterprises
27 AB, Royd Street
Kolkata - 700 016

BANKERS

State Bank of India
State Bank of Bikaner & Jaipur

AUDITORS

Lodha & Co.
Chartered Accountants

SHARE TRANSFER AGENTS

Niche Technologies Pvt. Ltd.
D-511, Bagree Market,
71, B.R.B.B. Road,
Kolkata - 700 001

* See directors' report



NOTICE

Notice is hereby given that the 27th Annual General Meeting of the Company will be held on 28th September 2013 , at 11 a.m. at the Registered Office of the company at Village: Tularampur, P.O. Mota Haldu, Tehsil Haldwani, Distt. Nainital (Uttarakhand) to transact the following business.

Ordinary Business:-

1. To receive, consider, and adopt the Audited Balance Sheet as at 31st March, 2013 and Profit & Loss account as on that date and Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri K.K.Shukla who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and to authorise the Board of Directors to fix their remuneration.

Special Business:

4. To consider and if thought fit, to pass, with or without modification(s), the following resolutions:

As a Special Resolution:

"RESOLVED THAT pursuant to the provisions of sections 198,269, 309 and all applicable provisions, if any, of the Companies Act, 1956 including any statutory modifications or re-enactments thereof and all other statutory provisions, if any, and subject to the consent of the shareholders in the general meeting, Shri Madhukar Jalan be and is hereby re-appointed as the Managing Director of the Company for a period of 5 years from 18th June, 2013 to 17th June, 2018 upon the terms, conditions and stipulations existing before such re- appointment with liberty to the Directors to alter and vary such terms and conditions in such manner as may be agreed upon the Directors and acceptable to Shri Madhukar Jalan.

By Order of the Board

New Delhi
24th July, 2013

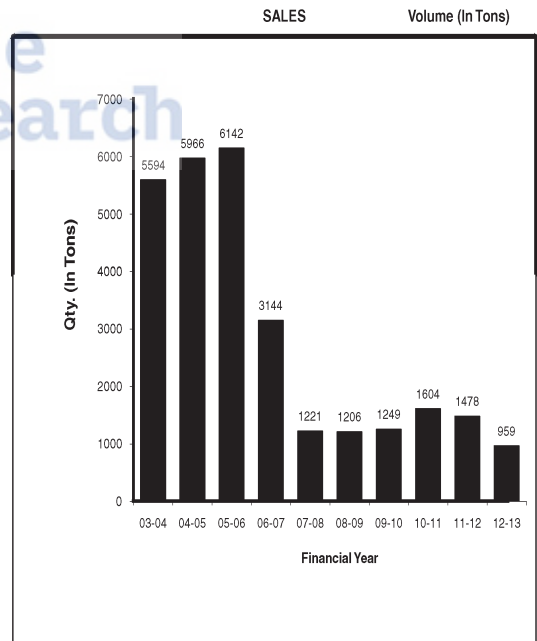
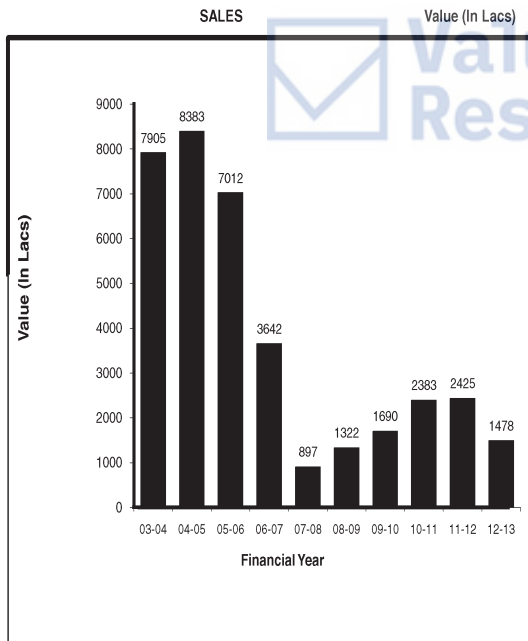
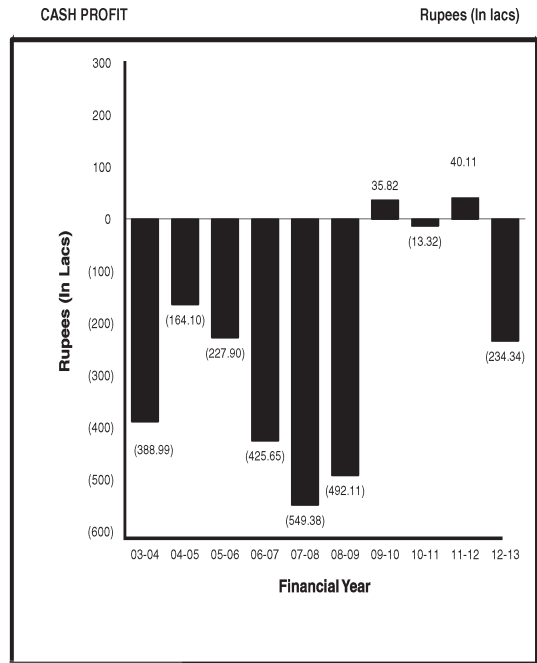
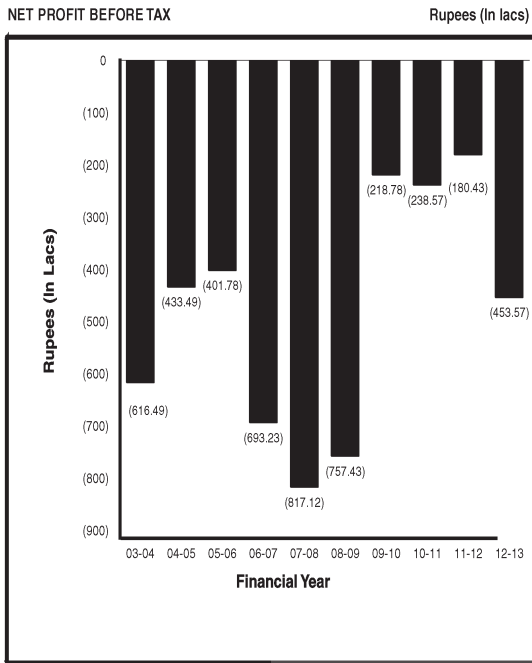
R. R. MALHOTRA
Executive Director

**Notes:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. PROXY IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. A BLANK PROXY FORM IS ENCLOSED.
2. All documents referred in the accompanying Notice are open for inspection at the Registered Office of the Company during office hours on all working days between 11.00 a.m. to 1.00 p.m.
3. The Register of Members and Share Transfer books of the Company shall remain closed from 19/09/2013 to 28/09/2013 (both days inclusive).
4. The introduction of Section 109A by the Companies (Amendment) Act, 1999 provides for nomination by the shareholders of the Company in the prescribed form No. 2B. The shareholders are advised to avail of this facility and submit duly completed form No. 2B to the Registrar & Share Transfer Agents.
6. Members who hold shares in physical form are requested to advise the Company or M/s Niche Technologies Pvt. Ltd. (Registrar & Transfer Agents of the company) immediately of any change in their addresses.
7. Members who hold shares in dematerialised form are requested to intimate details regarding change of address, etc. to the Depository Participants where they have their depository accounts.
8. An explanatory note pursuant to section 173(2) on Special Business is annexed to this notice.



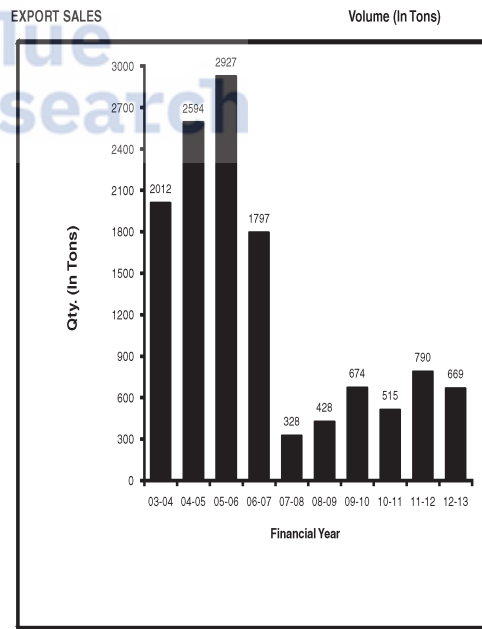
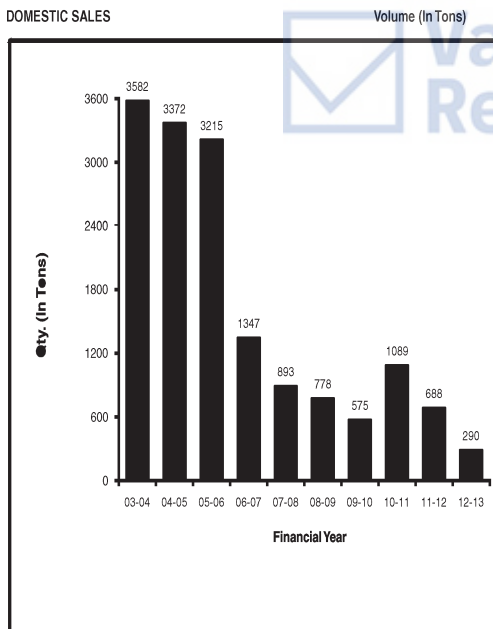
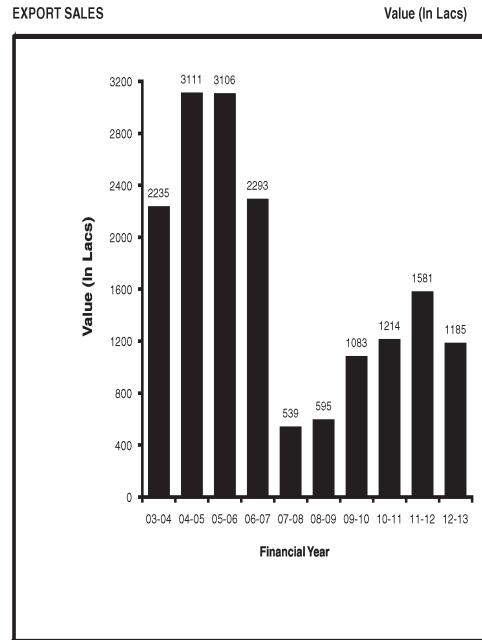
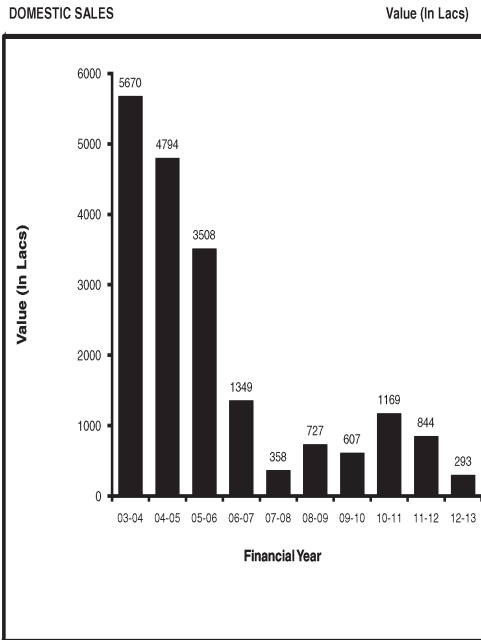
Key Performance Parameters at a Glance - Last 10 Years



- Note :-
1. Though volume increased in the financial year 05-06, value declined because of a sharp compression in raw material prices.
 2. Trial run quantities and values are excluded.
 3. Export Sales value reflects the FOB value of exports including deemed exports.



Sales Breakup - Domestic and Export



Note :- 1. Trial run quantities and values are excluded.
2. Export Sales value reflects the FOB value of exports including deemed exports.



DIRECTORS' REPORT

To
The Members,

Your Directors present the Audited Accounts of the company for the year ended 31st March, 2013.

FINANCIAL RESULTS

(Rupees in thousands)

	Year Ended 31 st March, 2013	Year Ended 31 st March, 2012
Net Sales & Other Income	148984	241984
Profit before		
Interest & Depreciation	(23306)	4242
Profit before Depreciation	(23434)	4011
Profit before Tax	(45357)	(18043)
Add : Exceptional Items	---	---
Less : Provision for FBT	---	---
Profit after Tax	(45357)	(18043)
Profit brought forward	(489117)	(471074)
Balance carried forward	(534474)	(489117)

DIVIDEND:

In view of the company being sick, the Directors do not recommend any dividend.

Operations:

The company was declared sick on 5th September 2006 and despite several offers to the lenders made in conjunction with co-promoters, no settlement has been arrived at as yet. Our latest offer dtd 3rd May 2013 is under consideration by the lenders. Hence the company is operating without any financial infusion and without any bank support and working capital.

As reported earlier, despite no bank support in terms of working capital or L/C discounting facility, a truncated operation is continuing with the support of select customers who either fund the purchase of rawmaterials or pay 100% advance. However, because of lack of working capital, our business terms are too stringent for most customers which has led to further shrinking of business.

There was a substantial decrease in the sales value compared to last year, largely because of the loss of the substantial metallized paper business generated in the first quarter of last year. That sudden demand for metallized paper for packaging of pan masala and gutkha, following the ban on use of plastics in the first quarter of the last financial, vanished as aluminium foil imported from China, replaced metallized paper in this packaging segment.

Since metallized paper sales in the first quarter of the last financial had also generated remunerative margins because of the demand and supply mismatch, the loss of this business in this financial had a very negative impact on the financial performance during this year, generating a substantially negative EBIDTA.

On account of factors explained above, the capacity utilization dropped to 11%.

Sales in quantity and value terms declined by 35% and 39% respectively. Exports, including deemed exports, decreased by 15% in quantity and 25% in value terms.

Domestic sales including jobwork declined by 58% in quantity terms and 65% in value terms.

The loss of the metallized paper business had a very negative impact on the financial performance and this was the worst financial performance in the last 4 years considering the fact that in the 3 preceding years i.e. 2009-10 till 2011-12, despite a capacity utilization of between 14 to 18%, we could generate either a positive EBIDTA or a marginally negative EBIDTA.

The EBIDTA and capacity utilization for the last four financial years is summarized below:

Year	EBIDTA Rs. in lacs	Capacity utilization % (rounded off)
2009-10	38.82	14
2010-11	(11.71)	18
2011-12	42.42	16
2012-13	(233)	11

The major factors for the poor performance this year are:

1. A further drop in capacity utilization because of no working capital.
2. With the customer portfolio being very limited because of the stringent advance terms, some of the increase in input prices other than film, could not be passed on to the customers as we could not risk losing them.
3. No business in the metallized paper packaging segment because of a total replacement of metallized paper with aluminium foil in the packaging segment that it was used in earlier.
4. Select customers are willing to support with 100% advance for a short period of time but not over a prolonged period.

Future potential – As the World and India becomes more environmentally conscious, metallized paper and metallized board which are environmentally friendly could be the turn around products for the company in the future:

Moves by the Government showing concerns for the environment by passing some legislation banning the use of plastics and encouraging the use of biodegradable products:

- a. The first move was by the Ministry of Environment and Forests, banning the use of plastics for packaging of Pan Masala, Gutkha and Tobacco products effective 1st March 2011 through a Notification No. S.O.2400(E) dtd 4.2.2011.
- b. This was followed by the Government of the National Capital Territory of Delhi, Department of Environment, banning the use of plastic including non wovens for carry bag applications in Delhi through a Notification No. F.8(86)/EA/Env/2008 dtd 23rd October 2012.
- c. More recently, the Himachal Government has banned the entry of consumer durables packed in non biodegradable material effective 1st July 2013.

Many corporates are also planning to “go green” in the future.



There is, therefore, a clear evidence that the company should focus on improving the barriers of metallized paper with the aim of introducing this into some packaging applications where business volumes would be consistent with a good long term potential. Being environmentally friendly and bio-degradable, metallized paper with improved barriers, has a huge potential in the large volume packaging segment.

Further, if plastic is eliminated from laminated whisky and liquor cartons, a huge market will open up for metallized plastic free board.

However, to stage a turn around, it is imperative that a one time settlement is achieved with the secured lenders with the help of an investor, so that fund infusion takes place and working capital constraints are removed.

Rawmaterial prices:

Polyester film along with paper is one of the major rawmaterials. Polyester film prices rose from a level of around Rs. 100/kg. basic in March 2012 to a level of Rs. 115/kg. basic in August 2012. After remaining steady for a couple of months, the prices declined to a level of around Rs. 95/kg. basic in Nov/Dec. 2012. Despite the demand of polyester film being low, the prices once again increased from a level of around Rs. 95/kg. in Nov./Dec 2012 to a level of around Rs. 115/kg. in March 2013 as a result of polyester film producers curtailing production.

Exports:

As a result of limitations of no L/C discounting facility because of no bank support, very limited business from select clients was possible, since the only payment terms that we could operate on was 100% advance on which terms very few customers, worldwide, are prepared to work.

Clubbed together, - exports (direct and deemed) decreased by 15% in quantity terms and 25% in value terms.

Product development:

The company continues to focus on enhancing the barrier of metallized paper which it views as a product with good potential because of the product being plastic free, bio-degradable and environmentally friendly

Turn around strategy and outlook:

The company's offer to the secured lenders for a one time settlement, backed by an investor is currently pending for consideration by the lenders. It is obvious that while the company has been able to continue operations right through the prolonged period of sickness for over 7 years, without any bank support or working capital, this cannot go on indefinitely.

It is imperative that a one time settlement is achieved with the secured lenders and financial infusion made to rehabilitate the company. The company depends on the investor and the lenders in this crucial area.

On the business front, the company is still confident that because of its strength in coating and capability

to produce specialty coated film and metallized paper, it can stage a financial turnaround after the financial restructuring is in place.

As reported earlier, the focus has been only on the production of value added products. More value added products can be developed once there are no financial constraints which can take the company in a positive direction.

Status of reference to BIFR/AAIFR

As reported earlier, the company is a Sick Industrial Company within section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985. A reference was filed with BIFR under Section 15(1) of the said Act by the company on 7th June, 2004 and registered by BIFR on 21st June, 2004 as case no. 217/2004. The Hon'ble BIFR in its order dated 5.9.2006 had declared the Company sick and appointed the State Bank of India as the operating agency.

A rehabilitation scheme was filed by the company in June 2009 based on a One Time Settlement with the secured lenders backed by a strategic investor. The OTS offer made by the company with backing from a strategic investor was not acceptable to the lenders, as a result of which a fully tied up Debt Resolution Scheme could not be put in place.

The Hon'ble BIFR in its order dtd 22.4.2010 had directed the Operating Agency to issue an advertisement for Change of Management as per their guidelines and had directed the Operating Agency to submit its report and a Draft Rehabilitation Scheme, if it emerges, within 4 months. As per the Hon'ble BIFR's guidelines, the existing promoters could also submit their fully tied up Draft Revival proposal with or without a co-promoter with proof of their financial resources for rehabilitation. As per their guidelines, other things being equal, the proposal from the existing promoters would still get a preference over others.

The company had made a bid within the stipulated period in July 2010 along with a co-promoter with proof of the financial resources of the co-promoter. This offer was turned down by the lenders on 3.9.2010.

The Hon'ble BIFR in its order dtd 3.3.2011 had directed the Operating Agency to reissue another advertisement for Change of Management as per their new guidelines and had directed the Operating Agency to submit its report and a Draft Rehabilitation Scheme, if it emerges, in 2 months from the date of the closing of bid/offer. The Hon'ble BIFR also directed SBI (OA) to examine the proposal of the Japanese firm that had offered to raise funds for the company.

Against this advertisement, the company had again submitted a Debt Revival Scheme (DRS) within the stipulated period along with a co-promoter. This offer was also not accepted by the lenders. Though an offer for raising funds was also received from the Japanese firm, their proposal was also turned down by the lenders.

The Hon'ble BIFR in its order dtd 17.8.2011 had observed that the company is working and the products that they are manufacturing are now having a good



market potential and that the company employs about 151 workers, whose livelihood is dependant on the company's survival. Hence the bench gave one more opportunity to the company to settle its secured debts.

The company was also asked to show cause as to why the company should not be wound up keeping in view that the dues of the secured lenders had not been settled and the various proposals submitted by the company had not been accepted by the secured lenders. The company had submitted its reply to the show cause notice for winding up on 27.10.2011.

The Hon'ble BIFR in its order dtd 29.12.2011 after considering the material on records and the submissions made, observed that the bench was convinced that the company was making sincere efforts for its revival. The board observed that the company was employing about 151 workers whose livelihood depended on the company's survival. Hence, the Bench gave one more opportunity to the company to settle its secured creditors and kept the SCN for winding up of the company in abeyance till the next date of hearing.

The company had already informed the Hon'ble Board that the strategic financial investors identified by the company earlier, who were willing to support the efforts of the company had withdrawn as the OTS settlement offers made with their support were not acceptable to the secured lenders. The company, therefore, made renewed efforts to identify a new strategic / financial investor and made an offer along with this new investor, who is also a major customer of the company on 1.3.12 which the lenders again turned down in the hearing held on 6.3.12.

Despite having identified a co-promoter/investor who was willing to participate in the Rehabilitation of the company, as a result of no settlement with the lenders, the Hon'ble BIFR had formed an opinion about the winding up of the company under Section 20(1) of SICA vide their order dtd 20.7.2012.

The Hon'ble BIFR's opinion was sent to the Hon'ble High Court of Uttarakhand.

Parallely, the company had filed an appeal against the Hon'ble BIFR's order dtd 20.7.2012 before the Hon'ble AAIFR on 21.9.12. The Hon'ble High Court of Uttarakhand adjourned the hearings keeping in view that the appeal was still pending with the Hon'ble AAIFR.

In between the bench at AAIFR was not operative. After the bench at AAIFR becoming operative, our appeal came up for its first hearing on 13.3.13.

Since a revised, enhanced offer for a One Time Settlement, backed by the investor had already been made to the lenders on 7th March 2013, the Hon'ble AAIFR adjourned the admission hearings on 13th March 13 and 3rd May 2013 to 18th July 2013. On 18th July 2013, the Hon'ble bench noted that the company was operational. Since the State Bank of India, one of the two major lenders, made a written submission conveying that the offer was under consideration, the Hon'ble AAIFR adjourned the

hearing till 4th October 2013, giving an opportunity to the company to try and achieve a settlement with the lenders.

Personnel:

After the heavy exodus of management and supervisory personnel in the earlier years, only a core management and supervisory team remains in the company. It is because of this core team that we have been able to manage operations in very adverse conditions. Because of a very difficult financial situation, all employees have been facing stressful times, especially because salary payments have been delayed, generally by around 2 months.

There was also a workers agitation from 29th November 2012 till 2nd January 2013 on account of late salaries. Finally, workers were made to understand that this delay was occurring entirely because of factors absolutely beyond the control of the management and the issue was resolved amicably.

FIXED DEPOSITS

The company has not accepted/renewed any deposits during the year.

DIRECTORS' RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 217(2AA) OF THE COMPANIES ACT, 1956:

As required under Section 217(2AA), which was introduced by the Companies (Amendment) Act, 2008 your Directors confirm that :

- I. In the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
- II. The Directors have selected prudent accounting policies;
- III. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- IV. The Directors have prepared the annual accounts 'on going concern basis'.
- V. These financial results of the company have been audited by M/s Lodha & Co. Chartered Accountants. A reference may be made to their report dated 24.7.2013 to the members together with Annexure 'A' thereto containing information as per requirement under the Companies (Auditor's Report) Order, 2003 attached with these annual accounts.

CORPORATE GOVERNANCE

The Company has complied with the mandatory provisions of Corporate Governance as prescribed in the Listing Agreement with the Stock Exchanges. A separate report on Corporate Governance is included as a part of the annual report alongwith the Auditors' Report on this compliance.



AUDITORS' REPORT:

Your directors wish to comment on the following remarks made by the auditors in their report under Companies Auditors' Report Order, 2003 as under:

1. Regarding the strengthening of Internal controls, The company despite a depleted human resource is continuously striving to improve on this front. However, overall systems are in place.
2. Please refer to point 1(c) of the annexure to the Auditor's report – the only fixed assets disposed off during the year were 2 (two) non functional Air Conditioners at the time of purchase of 2 (Two) new ones, one of them under exchange.

Other comments of the auditors in their report have suitably been explained in the relevant notes on accounts, which are self explanatory and do not call for any further comments from the Directors.

LISTING OF SECURITIES:

Trading in shares of the company has been suspended at Bombay Stock Exchange w.e.f. 24.2.2011 due to certain non-compliances. Pursuant to special resolution passed at previous Annual General Meeting held on 28.9.2010 the company has filed application for voluntary delisting on 15.3.2011 with stock exchanges at Uttar Pradesh, Kolkata, Ahmedabad and Delhi. The same is pending at respective stock exchanges. The securities of the company shall continue to be listed on the stock exchange having national wide trading terminal vis Bombay Stock Exchange, Mumbai, and therefore as per the SEBI (Delisting of Equity Shares) Regulations 2009, issued by the Securities and Exchange Board of India, no exit opportunity need to be given to the shareholders of the Company.

DIRECTORS

Mr. K K Shukla, Director retires by rotation as required under the Companies Act, 1956 and being eligible, offers himself for re-appointment.

PICUP appointed Mr. D K Sharma as Nominee

**ANNEXURE A
REPORT ON CONSERVATION OF ENERGY ETC.
FORMING PART OF THE DIRECTORS' REPORT**

A. CONSERVATION OF ENERGY :

The sodium and halogen bulb lighting arrangement on the plant boundary area was changed to a CFL arrangement.

The compressor was shifted to the Metalliser section or reduce the air loss because of distance.

B. TECHNOLOGY ABSORPTION:

The Metalliser 1 PLC System was upgraded with a S7 simatic software against the S5 older version.

An ASCO valve with a metallic seal introduced in Metalisers for better performance instead of an ADCO valve used earlier.

New Delhi
24th July, 2013

Registered Office:
Jalpac India Limited
Mota Haldu,
Haldwani, Nainital
Uttarakhand

Director on the Board of Director vide their letter no. Sec/Board/3795 dtd 15.12.2011. The details regarding DIN and declarations are awaited from PICUP.

AUDITORS

M/s Lodha & Co. Chartered Accountants, auditors of the Company, retire at the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUT GO:

Information in accordance with clause (e) of sub-section (1) of section 217 of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2013 is given in Annexure A to this Report.

PERSONNEL:

The details as required under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is -NIL

ACKNOWLEDGEMENTS:

The Directors wish to place on record their appreciation of the dedication, commitment and loyalty of the employees who have stood by the company in its most difficult hour in embattled, warlike conditions despite having to face personal financial pressures.

The Directors also wish to record their appreciation of the support and understanding displayed by the Company's Bankers and Financial Institutions.

On Behalf of the Board of Directors
sd/- sd/-
New Delhi Madhukar Jalan R.R. Malhotra
Dated 24.7.13 Managing Director Executive Director

C. FOREIGN EXCHANGE EARNING & OUTGO:

i. Total Foreign Exchange used & earned		(Rs. in Thousands)
(a) Foreign Exchange Earned	11399	
(FOB Value of Exports)		
Claim received	-	
(b) Foreign Exchange Used		
(CIF Value of Imports)		
(i) Capital Goods	-	
(ii) Raw Materials	-	
(iii) Stores & Spares	47	
(iv) Others	-	

On Behalf of the Board of Directors

sd/- sd/-
Madhukar Jalan R.R. Malhotra
Managing Director Executive Director



MANAGEMENT DISCUSSION AND ANALYSIS

1. INTRODUCTION

Your Company is engaged in the manufacture of Metallized Paper/Board, Metallized and Coated Films, Metallic yarn and Metallized films with an installed capacity of 8900 tons per annum at its plant located at Haldwani, Distt. Nainital, Uttarakhand.

Metallized paper is used mainly in the labels and the gift-wrap segment. Traditionally, metallized paper had never been looked upon as a packaging product because the barriers were not as good as plastic packaging. When the ban on use of plastics for packaging of chewing tobacco was introduced in 2011, metallized paper was used in a big way for 3 to 4 months prior to its replacement with aluminium foil.

We are trying to improve the barrier of metallized paper with the aim of introducing it in the packaging segment as a replacement for foil in applications where very stringent barriers are not required.

Metallized and coated films are used in flexible packaging, insulation, glitter powder and metallic yarn/zari applications. Metallized films are used in the packaging segment.

2. INDUSTRY STRUCTURE, DEVELOPMENTS AND BACKGROUND

Traditionally, the industry had a distinct three tier structure with no backward or forward linkages:

- a. Film manufacturers
- b. Metallizers
- c. Printing Convertors

Initially, large printing convertors had backward integrated into the metallizing arena which had an impact on a reduced market size for standalone metallizers like us. This threat, at that time, was successfully countered by increasing exports of metallized film.

As reported earlier, polyester film manufacturers who forward integrated into the metallizing business around the year 2002/2003 have continued to expand capacity continuously and now completely dominate the plain metallized film packaging segment - both domestic and exports.

This has virtually rendered the plain metallizing packaging segment unremunerative for standalone metallizers since film manufacturers price the metallized film at variable cost plus levels as they view the value chain, right from DMT/PTA/chips to the metallized film realization pushing standalone metallizing companies out of the packaging segment. As a result of this phenomenon, standalone metallizers and players in the unorganized yarn segment made a foray into the coated product segment (film for metallic yarn) as a result of which margins eroded significantly in the coated film segment also.

Another major advantage that polyester film producers with metallizers enjoy in the export market is in terms of the import duty and freight cost advantage as many of them have set up units all over the world closer to the customers and are located in advantageous free trade zones.

Both these – backward integration by our customers and forward integration by our suppliers hit our plain metallized film business hard which segment was given up because it became unremunerative at prices from the integrated metallizers. The only way to ward off this challenge is to either backward integrate into film making which entails a very huge investment, forward integrate into printing and flexible packaging or focus on specialty niche products. Your company has chosen the latter option as production of such products does not require any major capital investment and such products can be produced on the current equipment.

2.1 Recent Developments:

As the World and India becomes more environmentally conscious, metallized paper and metallized board which are environmentally friendly could be the turn around products for the company in the future:

Moves by the Government showing concerns for the environment by passing some legislation banning the use of plastics and encouraging the use of bio-degradable products:

- a. The first move was by the Ministry of Environment and Forests, banning the use of plastics for packaging of Pan Masala, Gutkha and Tobacco products effective 1st March 2011 through a Notification No. S.O.2400(E) dtd 4.2.2011.
- b. This was followed by the Government of the National Capital Territory of Delhi, Department of Environment, banning the use of plastic including non wovens for carry bag applications in Delhi through a Notification No. F.8(86)/EA/Env/2008 dtd 23rd October 2012.
- c. More recently, the Himachal Government has banned the entry of consumer durables packed in non biodegradable material effective 1st July 2013.



Many corporates are also planning to “go green” in the future.

There is, therefore, a clear evidence that the company should focus on improving the barriers of metallized paper with the aim of introducing this into some packaging applications where business volumes would be consistent with a good long term potential. Being environmentally friendly and bio-degradable, metallized paper with improved barriers, has a huge potential in the large volume packaging segment.

Further, if plastic is eliminated from laminated whisky and liquor cartons, a huge market will open up for metallized plastic free board.

2.2 Advantages to integrated polyester film producers with metallizers against standalone metallizers like us:

- A. As a consequence of their integration, have the ability to price plain metallized films at variable cost levels and use metallization as a means of selling their film.
- B. In the export segment, Indian polyester film producers with metallizing plants have a distinct advantage in terms of quicker delivery and freight costs, since they are now located in different parts of the world (Thailand, Dubai, Turkey, Mexico, Poland and USA) and are closer to the major markets.
- C. They also enjoy tariff barriers and import duty advantage against companies exporting from India because they are located in various free trade zones all over the world.
- D. Since endusers buy both plain and metallized polyester film, they prefer a single source who can supply both.

This has had a serious impact on both the domestic and export plain metallized film business as plain metallized film constituted almost 90% of our metallized/coated film export business.

2.3 Rawmaterial prices:

Polyester film along with paper is one of the major rawmaterials. Polyester film prices rose from a level of around Rs. 100/kg. basic in March 2012 to a level of Rs. 115/kg. basic in August 2012. After remaining steady for a couple of months, the prices declined to a level of around Rs. 95/kg. basic in Nov/Dec. 2012. Despite the domestic demand of polyester film being low, the prices once again increased from a level of around Rs. 95/kg. in Nov./ Dec 2012 to a level of around Rs. 115/kg. in March 2013 as a result of polyester film producers curtailing production.

2.4 Worldwide market – geographical breakup and product wise growth / decline:

The world market for metallized materials is estimated at 11,00,000 tons. The Indian market size for metallized products is estimated at around 1,10,000 tons. The approximate breakup of the world demand for metallized products is:

Europe	25%
China	25%
North America	18%
India	10%
South America	05%
Middle East	06%
South Africa	03%
Rest of the World	08%
Total	100%

The world metallized / vacuum coated product wise demand is estimated at:

Polyester	26%
PP	45%
Paper	21%
Board	01%
Other films	07%

2.5 Indian market growth:

The domestic metallized film market is growing at around 15% with most of the market captured by film producing integrated metallizers.

3. STRATEGIC VULNERABILITY:

Way back in 1994, the company had explored possibilities of backward integration into polyester film production. This option was dropped at that time because of investment constraints as also the much acclaimed management ‘mantra’ of sticking to core competency. Your company followed this percept and focussed on metallizing and coating and on the strength of its quality made inroads into major global markets becoming a top exporter in this product segment.



Despite these positives, with hindsight, the vulnerability of this strategy has been exposed because of forward integration by our suppliers and backward integration by our customers into the metallizing business. By not integrating – forward or backward, the company's metallized film expansion initiatives gave the desired results only till the time that film producers had not decided to enter the metallization business. So the success of this strategy depended on others not making a foray into the metallization business.

With radical changes in the industry and developments, it is obvious that the product mix will need a radical shift to specialty coated products and metallized paper where there is no imminent threat from polyester film producers with metallizers. This change has already been made with a shift in focus to specialized coated film products and metallized paper which film producers with metallizers do not produce.

With the world and India becoming more environmentally conscious, metallized paper, a product that the company specializes in, can be the product for the future if the barrier properties can be improved, since it is a more environmentally friendly product compared to plastic or aluminium foil.

4. BUSINESS AND FINANCIAL PERFORMANCE:

The business performance of the Company is appended below :

Quantity

	Production (Tons)		Growth Decline %
	2012-13	2011-12	
Metallized Film	856	987	(13)
Metallized Paper	101	469	(78)
Total	957	1456	(34)

	Sales (Tons)		Growth Decline %
	2012-13	2011-12	
Film : Domestic	182	221	(18)
Export (Deemed & Direct)	661	790	(16)
Job work	14	3	367
Paper : Domestic	11	328	(97)
: Export (Deemed & Direct)	8	0	
Job work	83	136	(39)
Total	959	1478	(35)

Combined Quantity

	Sales (Tons)		Growth Decline %
	2012-13	2011-12	
Domestic	193	549	(65)
Export (Deemed & Direct)	669	790	(15)
Job work	97	139	(30)
Total	959	1478	(35)

Value

	Sales value (Rs. In lacs)		Growth Decline %
	2012-13	2011-12	
Film : Domestic	244	292	(16)
Export (Deemed & Direct)	1172	1581	(26)
Job work	2	1	100
Paper : Domestic	1	441	(100)
: Export (Deemed & Direct)	13	0	
Job work	46	109	(58)
Total	1478	2425	(39)

Combined Value

	Sales value (Rs. In lacs)		Growth Decline %
	2012-13	2011-12	
Domestic	245	734	(67)
Export (Deemed & Direct)	1185	1581	(25)
Job work	48	110	(56)
Total	1478	2425	(39)



5. FINANCIAL PERFORMANCE:

The loss of the metallized paper business had a very negative impact on the financial performance and this was the worst financial performance in the last 4 years considering the fact that in the 3 preceding years i.e. 2009-10 till 2011-12, despite a capacity utilization of between 14 to 18%, we could generate either a positive EBIDTA or a marginally negative EBIDTA.

The EBIDTA and capacity utilization comparison for the last four financial years is:

	EBIDTA Rs. in lacs	Capacity utilization % (rounded off)
2009-10	38.82	14
2010-11	(11.71)	18
2011-12	42.42	16
2012-13	(233)	11

6. OPPORTUNITIES AND THREATS:

Opportunities

- a) The ban on plastics effective 1st March 2011 for packaging of Pan Masala, Gutkha and Tobacco products by the Ministry of Environment and Forests. This was followed by the Government of the National Capital Territory of Delhi banning the use of plastic including non wovens for carry bag applications. Recently, the Himachal Government banned the entry of consumer durables packed in non biodegradable material effective 1st July 2013.

These bans indicate that metallized paper, being bio-degradeable, after technical developments relating to improvement in the moisture and oxygen barriers could be a promising packaging medium in the future, since the world and India are becoming more environmentally conscious.

- b) The desire of several corporates to 'Go Green' in the future by reducing the use of plastics.
- c) Additional investment for forward integration in select niche segments like metallic yarn, glitter and holography.
- d) Additional investment for forward integration into flexible packaging.
- e) Additional investment for backward integration into film production.
- f) Product and market development initiatives in paper based products.
- g) New product developments of specialized products.

Threats

- a. While the 'Law of the Land' as on date, bans the use of plastics for packaging of pan Masala, Gutkha and Tobacco products, several litigations are pending with the Hon'ble Supreme Court including some for ban of the end product. The ban on the end product which has already commenced and implemented in several states, will impact the opportunity.
- b. The metallized paper market will be focussed upon by more standalone metallizing companies, since they like us cannot compete in the plain metallized film business.
- c. A standalone metallizer with coating facilities has backward integrated into polyester film production and this may put pressure on coated polyester based products in both the domestic and export markets.
- d. Though the threat from the unorganized sector is receding because of a reduction in excise duties which are currently at 12% and 6% respectively on film and paper, this threat still exists. There has been a need to implement the 'Rule of Law' to instill fear into those not following the laws of the land and bring such people and entities to the book, so that those following the law of the land have an advantage rather than a disadvantage in terms of business opportunities.

7. OUTLOOK:

The company's offer to the secured lenders for a one time settlement, backed by an investor is currently pending for consideration by the lenders. It is obvious that while the company has been able to continue operations right through the prolonged period of sickness for over 7 years, without any bank support or working capital, this cannot go on indefinitely.

It is imperative that a one time settlement is achieved with the secured lenders and financial infusion made to rehabilitate the company. The company depends on the investor and the lenders in this crucial area.

On the business front, the company is still confident that because of its strength in coating and capability to produce specialty coated film and metallized paper, it can stage a financial turnaround after the financial restructuring is in place.



As reported earlier, the focus has been only on the production of value added products. More value added products can be developed once there are no financial constraints which can take the company in a positive direction.

8. RISKS AND CONCERNS:

Despite having identified a co-promoter who is willing to participate in the Rehabilitation of the company, as a result of no settlement with the lenders, the Hon'ble BIFR has formed an opinion about the winding up of the company under Section 20(1) of SICA.

The Hon'ble BIFR's opinion was sent to the Hon'ble High Court of Uttarakhand.

Parallely, the company had filed an appeal against the Hon'ble BIFR's order dtd 20.7.2012 before the Hon'ble AAIFR on 21.9.12. The Hon'ble High Court of Uttarakhand adjourned the hearings keeping in view that the appeal was still pending with the Hon'ble AAIFR.

In between the bench at AAIFR was not operative. After the bench at AAIFR becoming operative, our appeal came up for its first hearing on 13.3.13.

Since a revised, enhanced offer for a One Time Settlement, backed by the investor had already been made to the lenders on 7th March 2013, the Hon'ble AAIFR adjourned the admission hearings on 13th March 2013 and 3rd May 2013 to 18th July 2013. On 18th July 2013, the Hon'ble bench noted that the company was operational. Since the State Bank of India, one of the two major lenders, made a written submission conveying that the offer was under consideration, the Hon'ble AAIFR adjourned the hearing till 4th October 2013, giving an opportunity to the company to try and achieve a settlement with the lenders.

In case the 'One Time Settlement' does not go through, there is a threat of the company being wound up.

9. INTERNAL CONTROL AND THEIR ADEQUACY:

The Company has a proper and adequate system of controls in order to ensure that all assets are safeguarded against loss from unauthorised use or disposition and that all transactions are checked, verified, recorded and reported correctly.

Internal Audit checks are carried out to ensure that the responsibilities are executed effectively and that proper adequate systems are in place.

The Board of Directors has constituted an Audit Committee with its Chairman as an Independent Director. The Committee meets periodically. The observations and recommendations of the internal and statutory auditors are addressed.

10. HUMAN RESOURCE AND INDUSTRIAL RELATIONS:

After the heavy exodus of management and supervisory personnel in the earlier years, only a core management and supervisory team remains in the company. It is because of this core team that we have been able to manage operations in very adverse conditions during the 7 years that the company has been sick. Because of a very difficult financial situation, all employees have been facing stressful times, especially because salary payments have been delayed, generally by around 2 months. Delayed salaries also lead to a workers agitation between 29th November 2012 till 2nd January 2013. This issue was resolved peacefully and amicably through negotiations.



AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF JALPAC INDIA LIMITED

We have examined the compliance of conditions of Corporate Governance by Jalpac India Limited for the financial year ended 31st March, 2013, as stipulated in Clause 49 of the Listing Agreement of the said company with the Stock Exchanges in India.

The compliance of conditions of the Corporate Governance is the responsibility of the management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with all material respect with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement except to the extent stated below:-

1. Regarding non holding of Board Meetings and Audit Committee Meetings during the two quarters (June 2012 and Dec. 2012) [Para 3(Audit Committee) and Para 2 (Board of Directors)].
2. Non-publication of Quarterly Results for all Quarters of Financial Year 2009-10 and subsequent quarters (read with Para 8).
3. Remuneration amounting to Rs. 739 Thousands Paid to an Executive director for the period from 26.10.2012 onwards is subject to requisite approval of central government. As explained to us, the company is in process to file the necessary documents/application with central government in this regard (read with Para 4).

We state that no investor grievances are pending for a period exceeding one month against the Company as per records maintained by the company, shareholders/investors grievances committee.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Lodha & Co.**
Chartered Accountants
Firm Registration no. 301051E

New Delhi,
Date : 24th July, 2013

(N.K.Lodha)
Partner
Membership No. 85155



CORPORATE GOVERNANCE REPORT

In compliance with Clause 49 of the Listing Agreement with Stock Exchanges the Company submits the report on the matters mentioned in the said Clause and practice followed by the Company:

1. COMPANY’S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance contains a set of principles, processes and systems to be followed by Directors, Management and all employees of the Company for increasing the shareholders’ value keeping in view interest of other stakeholders. Your Company believes that good Corporate Governance practices ensure accountability, transparency and compliance with the laws in true spirit in all dealings with the Government, customers, suppliers, employees and other stake holders.

2. BOARD OF DIRECTORS

The Board of Directors consists of five directors as on 31st March, 2013.

Composition and category of Directors as on 31st March, 2013 is as follows:

Category	Name of Directors
Promoter/Managing Director	Madhukar Jalan
Non Promoter Executive Director	R.R. Malhotra
Non Executive & Independent Director	Anil Sharma
Non Executive & Independent Director	K.K. Shukla
Non Executive & Nominee - PICUP	D.K. Sharma (Nominee-PICUP)*

*Note: Mr. DK Sharma has been appointed by PICUP as Nominee Director vide their letter no. Sec/Board/3795 dtd 15.12.2011. Formalities of his appointment are in process.

Attendance of each director at the Board meetings, last Annual General Meeting and number of other Directorships and Chairmanships/Memberships of Committee of each Director in various companies (other than Pvt. Ltd. companies & Trusts):

Name of Directors	Category	Board Meeting held	Board Meeting attended	Attendance At the last AGM	Other Directorship *	Membership of Committees of Board	Chairmanship of Committees of Board
Mr. Madhukar Jalan	Promoter Executive	3	2	No	Nil	Nil	Nil
Mr. R.R. Malhotra	Non-Promoter Executive	3	3	Yes	Nil	Nil	Nil
Mr. Anil Sharma	Independent Non-Executive	3	3	Yes	2	2	Nil
Mr. K.K. Sharma	Independent Non-Executive	3	3	No	Nil	1	Nil
Mr. D.K. Sharma	Independent Non-Executive	3	Nil	No	Nil**	Nil**	Nil**

* Public Limited Company

** Information not available

Note : None of the Director is a member of more than 10 Board Level Committees, or a Chairman of more than 5 such committees as required under Clause 49 of the Listing Agreement

Number of Board Meetings held and the dates on which held:

During the year 3 Board Meetings were held on the following dates: 13/07/2012, 30/08/2012 and 30/03/2013. The board however continued to function by passing necessary resolutions by circulation, whenever required.

Code of Conduct:

The Board of Directors of the company has laid down a code of conduct, which is applicable to all its members, Directors and senior management personnel of the company. All Board Members and Senior Management Executives have affirmed compliance with the Code of Conduct. The same has been posted on the website www.jalpacindia.com.



3. AUDIT COMMITTEE

The terms of reference of the Audit Committee are in accordance with the terms listed in accordance with the Listing Agreement as follows:

- i. Overseeing of the Company’s financial reporting process and the disclosure of its financial information to ensure that the financial information is correct, sufficient and credible.
- ii. Recommending the appointment, reappointment and replacement/removal of Statutory Auditor and fixation of audit fee.
- iii. Approve payment for any other services by Statutory Auditors.
- iv. Reviewing with management the Annual Financial Statements before submission to the board, focusing primarily on:
 - a. Matters required to be included in the Director’s Responsibility Statement which is included in the report of the Board of Directors.
 - b. Any changes in Accounting Policies and Practices.
 - c. Major accounting entries based on exercise of judgment by management.
 - d. Qualifications in draft Audit Report.
 - e. Significant adjustments arising out of audit.
 - f. Compliance with listing and other legal requirements concerning Financial Statements.
 - g. Any material related party transactions.
- v. Reviewing with the management, performance of external and internal auditors the adequacy of Internal Control Systems.
- vi. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
- vii. Reviewing the adequacy of Internal Audit Function, including the structure of the Internal Audit reporting structure coverage and frequency of Internal Audit.
- viii. Discussion with Internal Auditors any significant findings and follow -up thereon.
- ix. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of Internal Control Systems of a material nature and reporting the matter to the board.
- x. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- xi. To look into the reasons for substantial defaults in the payment to the bank etc, shareholders (in case of non-payment of dividends) and creditors.
- xii. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- xiii. Review the following information:
 - a. Management Discussion and Analysis of Financial Condition and Results of Operation;
 - b. Internal Audit Reports relating to Internal Control weaknesses;
 - c. Management letters/ letters of Internal Control weakness issued by Statutory / Internal Auditor.
 - d. Statement of significant related party transactions and
 - e. The appointment, removal and terms of remuneration of the Internal Auditor shall be subject to review by the Audit Committee.

The Audit Committee has the following powers:

- i. To investigate any activity within its terms of reference.
- ii. To seek any information from any employee.
- iii. To obtain outside legal and professional advice.
- iv. To secure attendance of outsiders with relevant expertise, if considered necessary.

During the year under review, three meetings of the Audit Committee were held on 13/07/2012, 30/08/2012 and 30/03/2013. The Company didn’t hold one Audit Committee meeting as per the requirement of clause 49 of listing agreement of SEBI. The composition of the committee and attendance at its meetings is given below:

Name of the Director	Category	No. of Meetings held	No. of Meetings attended
Mr.Anil Sharma(Chairman)	Independent Non Executive	3	3
Mr.K.K. Shukla	Independent Non Executive	3	3
Mr. Madhukar Jalan	Promoter/Executive	3	2



The representatives of the Internal Auditors and Statutory Auditors are also invited to the meetings.

The Executive Director is the permanent invitee to the Audit Committee.

In the absence of a Company Secretary, there is no Secretary of the Audit Committee.

As in the case of Board Meetings the financial position of the company is responsible for the subject non-compliance in respect of Audit Committee Meetings.

4. REMUNERATION TO DIRECTORS (NON MANDATORY):

The Board of the Company has constituted a Remuneration Committee, comprising of the following Independent Directors:

Mr. Anil Sharma Independent Non Executive Director
Mr. K.K. Shukla Independent Non Executive Director

The remuneration committee has been constituted to recommend/review the remuneration packages of Managing/Whole Time Directors, based on performance and defined criteria.

Details of remuneration/sitting fees paid to the Directors for the year.

The aggregate value of salary and perquisites for the year ended 31st March, 2013 to Mr. R.R. Malhotra, Whole Time Director is as follows:

	(Rs. lacs)
Salary for 2012-13	13.80
Other Benefits	3.17
Total	16.97 @

(excluding provision for gratuity and leave encashment, since the provision has been made for the company as a whole).

@ Remuneration amounting to Rs. 739 Thousands Paid to an Executive director from 26.10.2012 is subject to requisite approval of central government. The company is in process to file the necessary documents/application with central government in this regard.

At the time of Mr. R.R.Malhotra's reappointment for a further term of 5 years from 26.10.09 to 25.10.14, the remuneration committee and the AGM had approved a higher remuneration for the new tenure in line with increments given to the Management and workers.

Approval for the remuneration was sought by the company from the Ministry of Corporate affairs through its application dtd. March 09, 2010.

The Ministry of Corporate Affairs in their letter dtd August 12, 2010 while approving the appointment of Mr.R.R.Malhotra for five years , approved only the remuneration of Rs 1,38,417 /- per month approved in their letter dtd May 9, 2005 for the first three years of this tenure till 26/10/12 which Mr. Malhotra continues to draw.

The Company pays sitting fees to all Non Executive Directors for attending the Board and Audit Committee Meetings.

The details of the sitting fees paid to the Non Executive Directors during the year 2012-13 are given below:

Directors	Sitting Fees (Rs.)
Mr. K.K. Shukla	7500/-
Mr. Anil Sharma	7500/-
Total	15000/-

5. INVESTORS'/SHAREHOLDERS' GRIEVANCE COMMITTEE

The Board of the Company has constituted an Investors'/Shareholders' Grievance Committee comprising members namely Shri Madhukar Jalan and Shri R. R .Malhotra. Shri R.R. Malhotra also acts as the Compliance Officer to oversee the investors' grievances such as non receipt of dividend, annual report, delay in transfer of shares, issue of duplicate share certificate etc.

The Company has appointed M/s Niche Technologies Pvt. Ltd, Kolkata as the Share Transfer Agents for both physical and de-mat form of shareholdings.

The Company has received one investor complaints during the year and no investor complaint was pending as on 31st March, 2013.

The Company had no share transfer requests pending as on 31st March 2013.



6. GENERAL BODY MEETINGS

Location and time of last three Annual General Meetings:

No ordinary or special resolution requiring Postal Ballot under section 192A of the Companies Act, 1956 was passed during the year.

Year	Date	Time	Location
2009-2010	28.09.2010	11.00 a.m.	Village : Tularampur P.O. Mota Haldu Tehsil : Haldwani, Distt Nainital, Uttarakhand
2010-2011	30.09.2010	11.00 a.m.	Same as above
2011-2012	30.09.2011	11.00 a.m.	Same as above

7. DISCLOSURES

(a) Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large-

During the year there were some transactions made with Sungrace Finvest Pvt. Ltd. (i.e. related parties). Suitable disclosures as required by Accounting Standard-18 "Related Party Transactions" has been made in the Annual Report.

(b) Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchanges or SEBI, or any statutory authority on any matter related to capital markets, during the last three years.

In F.Y 2011-2012 trading in shares of the company has been stopped by Bombay Stock Exchange.

8. MEANS OF COMMUNICATION

The Quarterly, Half Yearly, Annual Report, Corporate Governance Report, Financial Results and Shareholders' Pattern of the company are/shall be posted on the Corporate Filing And Disinvestment System website namely www.corpfiling.co.in

However, these results could not be published in the newspaper for all quarters of Financial year 2009-10 and subsequent quarters.

The company has also developed its own website.

An E mail ID "investor@jalpacindia.com" has been created and designated exclusively for the purpose of registering complaints, if any, by investors.

Compliance with other mandatory requirements

1. Management discussion and Analysis

A Management Discussion and Analysis Report forms part of the Annual Report and includes discussions on various matters specified under clause 49(IV)(F) of the Listing Agreement.

2. Subsidiary Companies.

The Company did not have any subsidiary company as on 31/03/2013.

3. Disclosures

3.1 Related Party Transactions

The details of all transactions with related parties are placed before the audit committee as and when required.

3.2 Disclosure of Accounting Treatment

In the preparation of Financial Statements, the Company has followed the Accounting Standards as notified under Companies (Accounting Standards) Rules, 2006 to the extent applicable subject to the following:

(a) In accordance with the provision of Accounting Standard on Impairment of Assets, (AS- 28), the management has not carried out assessment of assets in use. Bankers / Financial Institutions have got the assessment done, who have valued on 18.07.2011 plant & machinery and land & building at 118174 Thousands, which is under consideration of management. Considering the inherent value and business prospects related thereto, no provision at this stage is considered necessary in these accounts on account of Impairment of assets.



3.3 Risk Management

The Company has laid down procedures to inform Board members about the risk assessment and minimization procedures. The Executive director and senior executives of the Company periodically reviews these procedures to ensure that executive management controls risk through means of a properly defined framework.

3.4 Proceeds from Public Issues, Rights Issues, the Preferential Issue etc.

No proceeds from public issue, rights issue, preferential issue etc. was received during the year.

3.5 CEO/ CFO Certification

A certificate from the Managing Director on the financial statements of the Company and on various matters specified under clause 49(V) of Listing Agreement was placed before the board.

3.6 Review of Directors Responsibility Statement

The Board in its report have confirmed that the annual accounts for the year ended 31st March, 2013 have been prepared as per applicable accounting standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

Compliance with non mandatory requirements

The Company has not adopted non mandatory requirements (except remuneration committee read with point 4 above) as specified in Annexure - I D of clause 49 of listing agreement.

Auditor's Certificate on Corporate Governance.

The Auditors Certificate on compliance of Clause 49 of the Listing Agreement relating to Corporate Governance is published as an Annexure to the Director's Report

9. GENERAL SHAREHOLDER INFORMATION.

9.1 Annual General Meeting (Tentative).

Date and Time:	By the end of September 2013
Venue:	Registered office of the Company at: Village: Tularampur P.O.Mota Haldu, Tehsil : Haldwani, Distt. Nainital, Uttarakhand

9.2 Financial Calendar (Tentative and subject to change) :

Financial Reporting for 2013-14 :	1st April 2013 to 31st March, 2014
Quarter ending June, 2013	By middle of August, 2013
Quarter ending September, 2013	By middle of November, 2013
Quarter ending December, 2013	By middle of February, 2014
Year ending March, 2014	By end of May, 2014

The Annual General Meeting for the Financial Year 2012-13 will be held on or before 30th Sept., 2013.

9.3 Date of Book Closure : To be communicated with notice of AGM

9.4 Dividend payment date : In view of the accumulated losses no dividend is being recommended

9.5 Listing on Stock Exchanges Bombay

Listing fees for 2013-2014 will be paid only to BSE. Pursuant to the Special Resolution passed in Annual General Meeting held on 28.09.2010, Company has filed the application for voluntary delisting on 15.03.2011 with stock exchanges at Kolkata, Kanpur, Ahmedabad and Delhi. The same is pending at respective stock exchanges. The securities of the company shall continue to be listed on the stock exchange having nation wide trading terminals vis the Bombay Stock Exchange, Mumbai and therefore as per the SEBI (Delisting of Equity Shares) Regulations, 2009 issued by the Securities and Exchange Board of India, no exit opportunity has been given to the shareholders of the Company. Trading in Shares of the Company has been suspended at Bombay Stock Exchange w.e.f. 24.02.2011.

Stock Code : 523230 at Bombay Stock Exchange

9.6 DEMAT ISIN NUMBER IN NSDL & CDSL : INE976B01011



9.7 MARKET PRICE DATA

As the Trading at Bombay Stock Exchange was stopped since 24.02.2011, the Monthly high/low prices of shares cannot be given during the year 2012-13.

Range of shares		Number of holders	% to total holders	Total face value (Rs)	% to total face value
From	To				
1	500	6300	89,9743	10,41,607	15,1177
501	1000	404	5,7698	3,22,740	4,6842
1001	5000	242	3,4562	5,01,019	7,2717
5001	10000	28	0.3999	2,00,769	2,9139
10001	50000	20	0.2856	4,79,990	6.9665
50001	100000	2	0.0286	1,32,236	1.9192
100001	And above	6	0.0857	42,11,639	61.1268
Total		7002	100,000	6890000	100,0000

9.8 REGISTRAR AND SHARE TRANSFER AGENTS : Niche Technologies Pvt. Ltd.
D-511, Bagri Market, 5th Floor
71, B.R.B.B. Road, Kolkata- 700001

Category	No.of Shares	%
Promoters	4107956	59.622
Nationalised Banks	300	0.004
Non Resident Indians	5080	0.074
Mutual Funds and FIs	4100	0.060
Domestic Companies	224577	3.259
General Public	2544209	36.925
Others	3778	0.055
Total	6890000	100.000

9.9 SHARE TRANSFER SYSTEM:

Share Transfers in physical form are generally registered within a month from the date of receipt, provided the documents are found to be in order. The Share transfer and Investors'/Shareholders' Grievance Committee considers and approves the transfer proposals.

All requests for dematerialisation of shares, which are in order, are generally processed within 21 days and the confirmation is given to the respective depository viz. NSDL and CDSL.

9.10 DISTRIBUTION OF SHARE HOLDING (as on 31st March 2013)

9.11 SHAREHOLDING PATTERN (as on 31/03/2013)

9.12 DEMATERIALIZATION OF SHARES:

As on 31st March 2013, 87.46 % of the total equity capital of the Company was held in dematerialised form.

Outstanding GDR/ADR/Warrants or any convertible instruments, conversion date and impact on equity.

The Company has not issued any GDR/ADR/Warrants.

9.13 Plant Location :

Village : Tularampur
P.O.Mota Haldu, Tehsil : Haldwani,
Distt. Nainital, Uttarakhand

9.14 INVESTOR CORRESPONDENCE:

(i) For any assistance regarding share transfers, transmission, change of address, non-receipt of dividend, dematerialisation of shares etc.:

Niche Technologies Pvt. Ltd.
D-511, Bagree Market, 5th Floor
71, B.R.B.B. Road, Kolkata- 700 001

(ii) For any query on Annual Report:

The Compliance Officer
Jalpac India Ltd.903/911, Tolstoy House
15, Tolstoy Marg, New Delhi - 110 001.



Declaration under Clause 49 I(D) (ii) by the Managing Director of affirmation by the Board of Directors and Senior Management of compliance with the Code of Conduct

The Shareholders,

I, Madhukar Jalan, Managing Director of the Company, do hereby declare that all the Board Members & Senior Management personnel have affirmed compliance with the Code of Conduct for the Board of Directors & Senior Management of Jalpac India Ltd for the year ended 31st March, 2013.

New Delhi
24th July, 2013

Madhukar Jalan
Managing Director





Independent Auditors' Report to the members of Jalpac India Limited – Report on the financial statements

A) Report on Financial Statements

We have audited the accompanying financial statements of Jalpac India Limited, which comprise the Balance Sheet as at 31st March 2013, the Statement of the Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

B) Management's responsibility for the financial statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

C) Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting

policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

D) Basis for Qualified Opinion:-

Attention is invited to the following Sub-Notes of Note No.2:

- i. Note no. 14 regarding preparation of accounts of the company on a going concern basis (impact unascertained) for the reason as stated in said note. Even, company's accumulated losses are in excess of net worth of the company and the company is a sick industrial company, which has been declared by Hon'ble BIFR's Order dated 05.09.2006 and Vide order dt. 10.07.2012 recommendation for winding up of the Company BIFR to Hon'ble Utrakhand High Court.*
- ii. Note No. 4(a) and 4(b)[read with note no. 4(c)] regarding non provision against custom duty saved on raw material consumed under advance license and fiscal penalty imposed respectively as stated in the said notes and on account of non fulfillment of export obligation. (impact unascertainable)*
- iii. Note No. 11 (a) & (b) regarding non-provision for shortfall in recovery against trade receivables and loans & advances for which recovery action has been initiated (amount unascertainable) as stated in the said note.*
- iv. Note No. 12 in respect of non confirmation/reconciliation of balances of trade receivables, trade payables, Other Current Liabilities (including Statutory Dues) & Provisions , certain Long Term Loans & Advances, certain Short Term Loans & Advances , certain Secured loans, Unapplied Interest on Secured Loans, Unsecured Loans, certain Bank Balances, Fixed Deposits & Margin Money, Contingent liabilities considered as ascertained by the management, consequential impact whereof presently cannot be ascertained.*
- v. Note No. 15(b) & (c) In respect of non payment of certain statutory dues and non-filing of certain statutory returns/forms w.r.t. Employee State Insurance, Provident Fund, Tax Deducted at source, Service Tax, Sales Tax [read with note no. 1(iii)], Excise Duty and other taxes (including accounting of Penalty, Interest, etc.) (amount unascertainable) and our inability to comment thereon.*



- vi. Note No. 13 regarding non-provision of losses (impact unascertainable) on account of impairment of assets in use for the reason stated in the said note and in the absence of supportive audit evidence our inability to comment thereon.
- vii. Note No. 15(a) regarding the non-provision of interest and penal interest etc. (amount unascertained).
- viii. Note No. 16(a) regarding pending appointment of Company Secretary, compilation/updation of secretarial records and other non-compliance as stated in the said note.
- ix. Note No. 16(b) regarding non-availability of full item wise detail of finished goods, raw material and stores & spares and valuation of inventory have been considered as taken and valued by the management (impact presently could not be ascertained).
- x. Note No. 2.19 regarding managerial remuneration amounting to Rs.739 Thousands paid to an executive director is subject to requisite approval of Central Government.
- xi. In view of our comment under para (i) to (x) above and on our comments in terms of Sec.227(4A)(CARO) the internal control system needs to be further strengthened to be made the same { read with note no. 12, 15 and 16(b) and 16 (c)} commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services.

We further report that the loss for the year, balance in profit & loss statement, current liabilities and Provisions, current assets and secured loans are without considering the impact of items mentioned above, the impact of which could not be determined and otherwise.

E) Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described under the head "Basis for Qualified Opinion" paragraph, the financial statements read together the note no. 2.3 and other Notes thereon, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India

- a. In the case of the Balance Sheet, of the state of affairs of the company as at 31st March 2013,

- b. In case of the Statement of the Profit and Loss, of the loss for the year ended on that date, and
- c. In case of the Cash Flow Statement, of the cash flows for the year ended on that date.

F) Report on other legal and the regulatory requirements:

- 1. As required by the Companies (Auditors' Report) Order, 2003 (The Order) (As Amended) issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 (The Act), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 2. Further to our comments in the Annexure referred to in Paragraph 1 above, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit, read with our comments in para D above;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books, read with our comments in para 2(a) above :
 - (c) The Balance Sheet, Profit & Loss Statement and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit & Loss Statement and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956.
 - (e) On the basis of written representations received from the directors of the company and information and explanations given to us, we report that none of the directors is disqualified as on 31st March 2013 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.

For LODHA & CO.
Chartered Accountants
Firm Registration No-301051E

N. K. LODHA
(Partner)

Place : New Delhi
Date : 24.7.2013

Membership No.: - 85155



ANNEXURE

(Referred to in paragraph (1) of under the heading "Report on other legal and regulatory requirements" of our report of even date of JALPAC INDIA LIMITED for the year ended 31st March 2013

1. (a) The Company has maintained proper records in respect of its fixed assets showing full particulars including quantitative details and situation of fixed assets *except in respect of certain assets where these records are in the process of updation in respect of identification, quantitative details and location/ situation.*
- (b) As per information and explanations given to us, certain fixed assets have been physically verified by the Management [read with note no.2.16 (b)] according to the programme of physical verification once in every three years in phased manner, which in our opinion, is reasonable having regard to the size of the Company and the nature of its Fixed Assets. The discrepancies noticed on such physical verification were not material.
- (c) As per the records and information and explanations given to us, fixed assets disposed off during the year were not substantial.
2. (a) As per the records and information and explanations given to us, the inventory of the company (except stocks lying with the third parties) has been physically verified by the management [read with note no. 2.16 (b) and para D (ix) above] during the year.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business [read with note no. 2.16 (b) and para D (ix) above].
- (c) In our opinion and according to the information and explanations given to us, the company has maintained proper records of inventory excluding work in progress where stocks are updated as and when physical verification has been carried out [read with note no. 2.16 (b) and para (b) above]. The discrepancies noticed on such physical verification of inventory as compared to book records were not material.
3. (a) The Company has not granted any loans, secured/ unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4 (iii) (b) to (d) of the Order are not applicable to the Company.
- (e) As per the information and records made available, during the year Company has taken unsecured loan from two parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum balance involved during the year and the year-end balance of loan was Rs 29559 Thousands and Rs. 29559 Thousands respectively.
- (f) As per the information and explanations given to us, the terms and conditions on which loan has been taken to/by the company are not, prima facie prejudicial to the interest of the Company.
- (g) In accordance with the information and explanations given to us, in respect of the aforesaid loans, there were no as such stipulated terms (schedule) for repayment of principal and interest and the same are repayable on demand respectively.
4. In our opinion and according to the information and explanations given to us, having regard to the explanations that *some of the items purchased are of special nature and suitable alternative sources do not exist for obtaining comparable quotations or where user department has shown specific preference, the internal control system needs to be further strengthened to be made the same {read with note no. 2.12, 2.15 and 2.16(b) and 16 (c)} commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services.* During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. According to the information and explanations given to us and based upon audit procedures performed, we are of the opinion that particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section; and transactions made in pursuance of such contracts or arrangements (exceeding the value of Rs. 5 lacs in respect of each party during the financial year), have been



made at prices which are generally reasonable having regard to the prevailing market prices at the relevant time.

6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from public within the meaning of section 58A and 58AA and the rules framed there under and any other relevant provisions of the Act with regard to deposits accepted from the public. We have been informed that no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this regard.
7. The Company has an internal audit system, which needs to be further strengthened to make it commensurate with the size of the Company and nature of its business.
8. As per the information and explanations provided by the management to us, the Central Government has prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 in respect of the products of the Company. However, the company is in process of compilation/updation of the required records. In absence of the same, we are unable to comment thereupon.
9. (a) According to the records and informations and explanations given to us, undisputed statutory dues including Service Tax, Custom Duty, and Excise Duty, have generally been regularly deposited by the company except Provident Fund, Employee State Insurance, T.D.S, T.C.S, Sales Tax, Fringe Benefit Tax, Service Tax and Excise Duty amounting to Rs. 3591 Thousands, 74 Thousand, 5672 Thousands, 52 Thousand, 1371 Thousands, 312 Thousands, 46 Thousands and 72 Thousands respectively, which as on 31st March, 2013 are outstanding for more than six months from the date they become payable [read with note no. 2.15 (b) & (c)].
- (b) According to the records and informations and explanations given to us, there are no dues in respect of Income Tax, Service Tax, Custom Duty, Cess and Wealth Tax that have not been deposited with the appropriate authorities on account of any dispute and the dues in respect of Sales Tax, Entry Tax and Excise Duty that have not been deposited with the appropriate

authorities on account of dispute and the forum where the dispute is pending are given below (read with note no. 2.1): -

Statute	Nature of Dues	Period	Amount (Rs.in thousands)	Forum where dispute Pending
Central Sales Tax Act	Central Sales Tax (Disallowance of Exemptions)	2000-2001 2001-2001 2003-2004 2004-2005	4197	Commercial Tax Tribunal, Noida
	Central Sales Tax (Disallowance of Exemptions)	2002-2003	517	Commercial Tax Tribunal, Noida
	Central Sales Tax (Non-Submission of 'C' Forms)	2002-2003	210	Deputy Commissioner Trade Tax, Haldwani
	Central Sales Tax (Non-Submission of 'C' Forms)	2003-2004	358	Commercial Tax Tribunal, Noida
	Central Sales Tax (Non-Submission of 'C' Forms)	2003-2004 & 2004-2005	980	Deputy Commissioner Trade Tax, Haldwani
	Central Sales Tax (Non-Submission of 'C' Forms)	2004-2005	183	Commercial Tax, Tribunal, Noida
	Central Sales Tax	2005-2006	1001	Addl. Commissioner (Appeals), Trade Tax Noida
	Central Sales Tax*	2006-2007 2007-2008 & 2008-2009	71478	Deputy Commissioner Trade, Haldwani
Uttarakhand Sales Tax Act	Sales Tax (Trade Tax on Stock Transfer)	1997-1998	8161	Trade Tax Tribunal Haldwani
	Local Sales Tax*	2006-2007	708	Deputy Commissioner Haldwani
U.P. Sales Tax Act	Sales Tax	2006-2007	43	Addl. Commissioner (Appeals), Trade Tax Noida
Uttarakhand Entry Tax Act	Entry Tax	2003-2004	690	Joint Commissioner (Appeals), Haldwani
Central Excise Act	Excise Duty (Related to Valuation)	1995	1810	CESTAT, New Delhi
	Excise Duty (Evaporation Boat)	1998	717	High Court, Naital
	Excise Duty (Related to Valuation)	1997-2000	10375	Commissioner Excise

10. The company's accumulated losses at the end of the year are more than fifty percent of its net worth and it has incurred cash loss during the current financial year (read with our comments in Para D above) but has not incurred cash losses in the immediately preceding financial year.
11. On the basis of records made available and the information and explanation given to us the company has defaulted in repayment of dues to financial institution and banks. The amount overdue on account of principal is Rs. 366269 Thousands (Rs. 336446 Thousands up to



31-03-2012) consisting delays of 1 day to 2421 days and on account of interest Rs. 235112 Thousands (198908 Thousands up to 31-03-2012) consisting delays of 14 days to 2421 days. Further, this is to be read with Note no. 2.12, 2.14 and 2.15(a).

with our comments in clause (xi) of para D above) on or by the company has been noticed or reported during the course of our audit, nor we have been informed of any such case by the management.

12. According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi / mutual benefit fund /society, therefore, the provisions of clause 4(xiii) of the said Order are not applicable to the company.
14. According to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments.
15. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
16. During the year no term loans were received by company, accordingly the provisions of clause 4(xvi) of the Order are not applicable to the Company.
17. On the basis of information and explanations given to us and on an overall examination of financial statements of the company, no funds raised during the year in short term basis have been used for long term investment.
18. According to information and explanations given to us, the Company has not made any preferential allotment of shares to any parties or companies covered in the register maintained under section 301 of Companies Act 1956.
19. No debentures have been issued/ outstanding during the year hence; the question of security/ charges thereof does not arise.
20. The company has not raised any money through a public issue during the year.
21. Based on audit procedure performed and on the basis of information and explanations provided by the management and to the best of our Knowledge and belief, *no fraud (read*

For LODHA & CO
Chartered Accountants
Firm Registration No-301051E

Place : New Delhi
Date : 24.7.2013

N. K. LODHA
Partner
Membership No.: - 85155



BALANCE SHEET
as at 31st March, 2013

PARTICULARS	NOTE NO.	AS AT 31.03.2013 (Rs. in Thousands)	AS AT 31.03.2012 (Rs.in Thousands)
1. EQUITY & LIABILITIES			
(1) SHAREHOLDERS FUNDS			
a. SHARE CAPITAL	3	149,452	149,452
b. RESERVES & SURPLUS	4	(527,370)	(482,013)
		<u>(377,918)</u>	<u>(332,561)</u>
(2) NON CURRENT LIABILITIES			
a. LONG TERM BORROWING	5	-	-
b.. LONG TERM PROVISIONS	6	8,555	7,290
		<u>8,555</u>	<u>7,290</u>
(3) CURRENT LIABILITIES			
a. SHORT TERM BORROWING	7	203,011	201,761
b. TRADE PAYABLES (REFER NOTE NO. 2.24)		71,437	66,690
c. OTHER CURRENT LIABILITIES	8	287,461	268,345
d.. SHORT TERM PROVISIONS	9	1,744	2,021
		<u>563,653</u>	<u>538,817</u>
	TOTAL	<u>194,290</u>	<u>213,546</u>
II. ASSETS			
(1) NON-CURRENT ASSETS			
a. FIXED ASSETS			
TANGIBLE ASSETS	10	145,077	166,985
b. NON CURRENT INVESTMENTS	11	33	49
c. LONG TERM LOANS AND ADVANCES	12	5,594	5,581
d. OTHER NON CURRENT ASSETS	13	130	130
		<u>150,834</u>	<u>172,745</u>
(2) CURRENT ASSETS			
a. INVENTORIES	14	18,177	16,944
b. TRADE RECEIVABLES	15	6,663	6,901
c. CASH AND BANK BALANCES	16	1,780	855
D. SHORT TERM LOAN & ADVANCES	17	15,547	14,830
E. OTHER CURRENT ASSETS	18	1,289	1,271
		<u>43,456</u>	<u>40,801</u>
	TOTAL	<u>194,290</u>	<u>213,546</u>

Significant Accounting Policies & Explanatory notes 1 & 2
The accompanying notes are an Integral part of the financial statements.

As per our report of even date

For Lodha & Co.
Chartered Accountants
Firm Registration No. : 301051E

For and on behalf of the Board of Directors

N.K. Lodha
M.No. 085155
Partner
New Delhi
24th July, 2013

R. R. Malhotra
Executive Director

Madhukar Jalan
Managing Director



PROFIT & LOSS ACCOUNT
for the Year Ended 31st March, 2013

PARTICULARS	NOTE NO.	FOR THE YEAR ENDED 31.03.2013 (Rs. in Thousands)	FOR THE YEAR ENDED 31.03.2012 (Rs. in Thousands)
REVENUE FROM OPERATIONS	19		
REVENUE FROM OPERATIONS (GROSS)		152,263	247,605
LESS : EXCISE DUTY		3,488	5,828
REVENUE FROM OPERATIONS (NET) (I)		148,775	241,777
OTHER INCOME (II)	20	209	207
TOTAL REVENUE (III)	(I + II)	148,984	241,984
EXPENSES			
COST OF MATERIALS CONSUMED		108,748	151,216
CHANGE IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS & STOCK-IN-TRADE	21	168	19,114
EMPLOYEE BENEFIT EXPENSES	22	24,774	23,445
FINANCE COSTS	23	128	231
DEPRECIATION & AMORTIZATION EXPENSE	10	21,923	22,054
OTHER EXPENSES	24	38,600	43,967
TOTAL EXPENSES (IV)		194,341	260,027
PROFIT BEFORE TAX (V) (III - IV)		(45,357)	(18,043)
TAX EXPENSE (VI)			
- CURRENT TAX		-----	-----
- DEFERRED TAX		-----	-----
PROFIT FOR THE PERIOD (V-VI)		(45,357)	(18,043)
 BASIC AND DILUTED EARNINGS PER EQUITY SHARE (Rs.)		(6.74)	(2.78)
(Refer Note No. 2.23)			

Significant Accounting Policies & Explanatory notes 1 & 2
The accompanying notes are an Integral part of the financial statements.

As per our report of even date

For Lodha & Co.
Chartered Accountants
Firm Registration No. 301051E

N.K. Lodha
M.No. 085155
Partner
New Delhi
24th July, 2013

For and on behalf of the Board of Directors

R. R. Malhotra
Executive Director

Madhukar Jalan
Managing Director



NOTES TO FINANCIAL STATEMENTS

NOTE - 1

SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31.3.2013

- 1.1 The company follows the Mercantile System of Accounting and recognises Income and Expenditure on Accrual basis. Accounts are prepared on historical cost basis and as a going concern. Accounting policies not referred to otherwise are in consonance with generally accepted accounting principles.
- 1.2 The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions in certain circumstances, affecting amounts reported in these financial statements and related notes. Actual results could differ from these estimates.
- 1.3 Sales are recognized when goods are dispatched from the factory and are recorded net of discounts/ claims, rebates and sales tax, but include excise duty, job work, export incentives such as duty draw-back and premium/loss on sale of D.E.P.B. credits.
- 1.4 Fixed assets are stated at cost of acquisition inclusive of freight, duties, taxes and incidental expenses. Where the recoverable amount of the fixed assets is lower than its carrying amount a provision is made for the impairment loss. Post impairment depreciation is provided on the revised carrying value of the assets over its remaining useful life.
- 1.5 Expenditure during construction period is included under capital work-in-progress and the same are allocated to the respective fixed assets on the completion of the construction period. Administrative and other expenses (including interest) during construction/implementation of the projects / expansion are allocated to the different projects/centre's as per allocation made by the Management.
- 1.6 Borrowing cost incurred is charged to Profit & Loss account of the year in which it is incurred, except interest on borrowing for qualifying fixed assets which is capitalised upto the date when such assets are ready for its intended use.
- 1.7 Foreign currency transactions are recorded in the books by applying the exchange rate as on the date of transaction. Monetary Assets and Liabilities related to foreign currency transactions remaining unsettled are translated at exchange rate prevailing at year end. The difference in translation of monetary assets and liabilities are recognized in profit & loss account.
- 1.8 Long Term Investments are stated at cost less provision for diminution in value other than temporary in nature.
- 1.9 Inventories are valued at lower of cost and net realizable value (except waste /scrap which is valued at net realizable value). The cost is computed on weighted average basis. Finished goods and process stock include cost of conversion and other costs incurred in bringing the inventories to their present location and condition.
- 1.10 Depreciation on fixed assets is provided on Straight Line Method at the rates given in Schedule XIV of the Companies Act, 1956. In respect of assets added/disposed off during the year depreciation is provided on prorata basis with reference to the month of addition/disposal. Continuous process plant as defined in Schedule XIV has been considered on technical evaluation.
- 1.11 Grants from the Government relating to fixed assets are shown as a deduction from gross value of fixed assets and those in the nature of project capital subsidy are credited to capital reserve. Other Government grants including incentives, duty drawbacks, etc., are credited to Profit & Loss Account or deducted from related expenses.
- 1.12 Provision for income tax liability estimated to arise on the results for the year at the current rate of tax in accordance with Income Tax Act, 1961. In accordance with the Accounting Standard-22, (Accounting for Taxes on Income), as notified under the Companies (Accounting Standards) Rules, 2006, deferred tax resulting from timing differences between book and tax profits is accounted for, at the prevailing rate of tax, to the extent that the timing differences are expected to crystallize.

Deferred tax assets arising on account of brought forward losses and unabsorbed depreciation are recognized only when there is a virtual certainty supported by convincing evidence that such assets will be realized. Deferred tax assets arising on other temporary timing differences are recognized only if there is a reasonable certainty of realization.
- 1.13 Defined Contribution Plans: Company's contributions paid/payable during the year to Provident Fund is considered as defined contribution plan and the contributions are recognized in the Profit and Loss of the year when the contribution to the respective funds are due. There are no other obligations other than the contributions payable to the respective trusts/authorities.

Defined Benefit Plans: Company's liabilities towards gratuity and leave encashment are provided for on the basis of actuarial valuation determined using the projected unit credit method as at the balance sheet date. Liability in respect of Gratuity to workers is funded with LIC.

Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.
- 1.14 Contingent Liabilities if material disclosed by way of notes, contingent assets are not recognized or disclosed in the financial statements. A provision is recognized when an enterprises has a present obligation as a result of past event(s) and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation (s), in respect of which a reliable estimate can be made for the amount of obligation.



NOTE - 2

EXPLANATORY NOTES

2.1 Contingent liabilities not provided for (as estimated and certified by management):

	(31.03.2013) (Rs in Thousands)	(31.03.2012) (Rs in Thousands)
i) Entry Tax	690	664
ii) Sales Tax matters under appeal	16639	15834
iii) Sales tax Deemed on assessments*	71197	173671**
iv) Exise Duty Matters	14005	16042
v) Arrears of Cumulative Preference Dividend (Including Corporate Dividend Tax)	12369	11264
vi) Provident Fund Demand	0	430
vii) Claim not acknowledged as debt (interest)	613	613
viii) Fiscal Penalty on advance License obligation not fulfilled (Read with Note No. 2.4(b) below)	1304087	1304087
ix) Custom Duty on EPCG obligation not fulfilled (Read with No. 2.3 below)	42052	0

*Excluding interest @ 15% p.a. from the date of order till the date of payment (amount unascertained).

** In respect of period 2005-2006, order of the concerned authorities abolishing the demand of Rs. 102300 Thousands have been received after financial year ended 31.3.2012.

2.2 Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)
Rs. Nil (Previous Year: Nil)

2.3 a) Export obligation amounting to Rs. 213179 Thousands (Previous Year Rs. 211140 Thousands) under E.P.C.G. scheme was to be fulfilled by 17.04.2011. Subsequently Company has applied for extension of the license on 19.5.2011 which has been rejected with the liberty to reapply in accordance to the BIFR order. The company has reapplied for extension suomoto on 13.05.2013. Asstt. Commissioner of Customs has directed to pay Custom Duty of Rs. 42052 thousand plus applicable interest on account of non fulfillment of export obligations & non submission of Installation Certificate in respect of EPCG licenses. As per the Foreign Trade Policy, Sick Industrial Companies are allowed for extension upto twelve years for fulfillment of export obligations. The Company has made representations before the Asstt Commissioner of Customs to keep the order in abeyance / stay pending outcome of the AAIFR proceedings (read with note no. 2.1 (ix) above and note no. 2.14 below).

b) Export obligation amounting to Rs. 5279 Thousands (Previous Year Rs. 4966 Thousands) under E.P.C.G. scheme is yet to be fulfilled by 01.02.2014. The company has executed legal undertaking/bond for Rs 1451 Thousands (Previous Years: Rs. 38251 Thousands) in respect of above EPCG licenses. Custom Duty saved and interest (including penalty) ,if any, will be accounted for on final settlement/assessment.

2.4 a) Custom duty saved amounting to Rs. 29272 Thousands out of which show cause notices of Rs.18409 thousands have been received for recovery of duty from custom department (excluding interest and penalty amount unascertained) excluding counter veiling duty on raw material consumed (previous year Rs. 26090 Thousands)on import of raw material under advance license/authorization, pending fulfillment of export obligation. The company is a Sick Industrial Company and the Foreign Trade Policy allows extension for a period of five years or more (read with note no 2.14) for fulfillment of export obligation, pending this no provision has been considered necessary by the management for custom duty saved and interest (amount of interest & penalty etc. unascertainable). Further the Company has been legally advised that considering the above and on a "Going concern concept" basis, there is no need to make any provision for customs duty saved.

b) Joint Director General of Foreign Trade has imposed fiscal penalty of Rs. 1304087 thousands on the company on account of non fulfillment of export obligations against advance licenses. As per the Foreign Trade Policy, Sick Industrial Companies are allowed extension of five years or more for fulfillment of export obligations. The Company has made representations before the Joint Director General of Foreign Trade to keep the order in abeyance / stay pending outcome of the AAIFR proceedings (read with note 2.4(a) supra and note no. 2.14 below).

c) Joint Director General of Foreign Trade has given a notice for suspension of IEC code and placing of company name in Denied Entity List. The company is taking up the matter with the authorities. (read with note 2.4(a) supra and note no. 2.14 below)

2.5 Interest on overdue bills and claims from suppliers/customers are accounted for as and when settled/ received, since it is not possible to ascertain the amount with reasonable certainty.

2.6 Liability for gratuity/leave encashment has been calculated and provided as per the AS-15 (Employee Benefits), the details in this respect are as under:

a) Defined Benefit Plan

The employees' gratuity fund scheme managed by a Trust is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized in the same manner as gratuity.



I. Reconciliation of opening and closing balances of Defined Benefit obligation :

(In Thousands)

	Gratuity (Funded) 2012-2013	Gratuity (Funded) 2011-2012	Leave Encashment (Unfunded) 2012-2013	Leave Encashment (Unfunded) 2011-2012
Defined Benefit obligation at beginning of the period	7539	6261	1772	1464
Service Cost	454	433	136	102
Interest Cost	603	501	142	117
Actuarial (gain)/loss	(255)	682	119	127
Benefits paid	(150)	(338)	(61)	(39)
Settlement cost	NIL	NIL	NIL	NIL
Plan Amendments	NIL	NIL	NIL	NIL
Defined Benefit obligation at period end	8191	7539	2108	1772

II. Reconciliation of opening and closing balances of fair value of plan assets

(In Thousands)

	Gratuity (Funded) 2012-2013	Gratuity (Funded) 2011-2012	Leave Encashment (Unfunded) 2012-2013	Leave Encashment (Unfunded) 2011-2012
For value of plan assets at beginning of the period	1696	1724	Nil	Nil
Expected return on plan assets	136	138	Nil	Nil
Actuarial gain (loss)	(61)	(5)	Nil	Nil
Actual Company Contribution	Nil	Nil	Nil	Nil
Benefits paid	Nil	(161)	Nil	Nil
Settlement cost	NIL	NIL	NIL	NIL
Fair value of plan assets at period end	1771	1696	NIL	NIL

III. Reconciliation of fair value of assets and obligations

(In Thousands)

	Gratuity 2012-13	Gratuity 2011-12	Leave Encashment (Unfunded) 2012-2013	Leave Encashment (Unfunded) 2011-2012
For value of plan assets at period end	1771	1696	Nil	Nil
Present value of obligation at period end	8191	7539	2108	1772
Funded Status (Surplus (Deficit))	(6420)	(5843)	(2108)	(1772)
Net Asset / (Liability) recognized in Balance sheet	(6420)	(5843)	(2108)	(1772)

iv. Expense recognised during the period

(In Thousands)

	Gratuity 2012-2013	Gratuity 2011-2012	Leave Encashment (Unfunded) 2012-2013	Leave Encashment (Unfunded) 2011-2012
Current Service Cost	454	433	136	102
Interest Cost	603	501	142	117
Expected return on plan assets	(136)	(138)	Nil	Nil
Past Service Cost	0	0	Nil	Nil
Actuarial (gain) / loss	(193)	687	119	127
Net Cost	728	1483	397	346



V. Investment details

All the Investments are made with Life Insurance Corporation of India.

vi. Actuarial assumptions

	Gratuity 2012-2013	Gratuity 2011-2012	Leave Encashment (Unfunded) 2012-2013	Leave Encashment (Unfunded) 2011-2012
Mortality Table (LIC)	(1994-96) duly modified	(1994-96) duly modified	(1994-96) duly modified	(1994-96) duly modified
Discount rate (per annum)	8.00	8.00	8.00	8.00
Expected rate of return on plan assets (per annum)	8.00	8.00	Nil	Nil
Rate of escalation in salary (per annum)	5.50	5.00	5.50	5.50
Turnover rate	Age up to 30 years - 3.00 From 31-44 years - 2.00 Above 44 years - 1.00			

b) **Defined Benefit Plan-**

- i) Amounts recognized as an expense and included in the Note No. 22 'Employee Benefit Expenses' (Read with Note 2.19) of herein below:-

Item 'Employment Benefit Expenses' includes Rs. 728 Thousands (Previous Year Rs. 1483/- Thousands) for Gratuity and Rs. 397 Thousands (Previous Year Rs. 346 Thousands) for Leave Encashment.

ii) **Defined Contribution Plans-**

Amount recognized as an expense and included in the Note – 22 'Employment Benefit Expenses' of Profit & Loss Statement includes Rs. 1415 Thousands (Previous Year Rs. 1262 Thousands) as Contribution to Provident and other Funds.

- c) The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors on long term basis. The above information is certified by the actuary.

2.7 Sales include Export Benefits Rs 609 Thousands (Previous Year Rs 602 Thousands).

2.8 Misc Expenditure includes prior period expenditure of Rs. 853 Thousands (Previous Year Rs.338 Thousands). Other income includes prior period income of Rs. 97 thousands (Previous Year NIL)

2.9 Company has received notices dt. 08.11.2011 and 16.03.2013 under section 13(2) of SARFAESI Act, 2002 from ARCIL and SBBJ respectively, lenders of the company, which is yet to be acted upon by the said lenders.

2.10 Trading in Shares of the Company has been suspended at Bombay Stock Exchange w.e.f. 24.02.2011 due to certain non compliances of Clauses of Listing Agreement. Pursuant to special resolution passed at Annual General Meeting held on 28.09.2010 the Company has filed an application for voluntary delisting on 15.03.2011 with stock exchanges at Uttar Pradesh, Kolkata, Ahmedabad & Delhi, the same is pending at the respective stock exchanges.

2.11 (a) (i) Trade Receivables include Rs.3386 Thousands (Previous Year Rs. 3386 Thousands) against which legal and/or other persuasive steps for recovery have been initiated. Since the Management is confident that the amount is good and recoverable, hence no provision has been made.

(ii) Trade Receivables over one year include overseas overdue Trade Receivables of Rs. 1028 Thousands (Previous Year Rs. 1017 Thousands) where intimation to appropriate authority/ RBI is pending.

(b) Long Terms Loans & Advances includes Rs. 2179 Thousands (Previous Year Rs.2431 Thousands) and Short Term Loans & Advances Includes Rs. 1180 Thousands (Previous Year Rs. 3711 Thousands*) against which legal and/ or other steps have been initiated for recovery. Management is confident that the amount is good and recoverable, however, adhoc provision of Rs. 504 thousands (Previous Year Rs. 435 thousands) against these loans and advances has been provided. * Including insurance claims NIL (Previous Year Rs. 2533 Thousands).

2.12 Balances of Trade Receivables, Trade Payables, Other Current Liabilities (including Statutory Dues) (read with Note no 2.5 & 2.24), certain Long Term Loans & Advances, certain Short Term Loans & Advances, Secured loans from ARCIL amounting to Rs. 153139 Thousands (Previous Year Rs. 150392 Thousands), Unapplied Interest on Secured Loans, Unsecured Loans, certain Bank Balances amounting to 6 Thousands (Previous Year Rs. 128 Thousands) , Fixed Deposits & Margin Money amounting to Rs. 18 Thousands (Previous Year Rs. 18 Thousands) and Contingent liabilities are subject to confirmation/reconciliation. Adjustments, if any, will be accounted for as and when reconciled/



confirmed. These accounts are reconciled in the usual course of business as and when transaction is made and Management is of the opinion that there will be no material impact on confirmation of balances.

- 2.13 In accordance with the provision of Accounting Standard on Impairment of Assets, (AS- 28), the management has not carried out assessment of assets in use. Bankers / Financial Institutions have got the assessment done, who have valued on 18.07.2011 plant & machinery and land & building at 118174 Thousands, which is under consideration of management. Considering the inherent value and business prospects related thereto, no provision at this stage is considered necessary in these accounts on account of Impairment of assets.
- 2.14 The accumulated losses as on 31st March 2013 (since March' 04) are in excess of net worth. The company had been declared a Sick Industrial Company within the section 3(1)(O) of the Sick Industrial Companies (Special Provisions) Act 1985 by Hon'ble BIFR's order dated 05.09.2006. For revival of the company, the Operating Agency (OA) SBI has submitted a TEV report and Company submitted DRS on 16.06.2009, which was not accepted to the Secured Creditors.

In the hearing held on 07.04.2010, Hon'ble BIFR asked OA (SBI), to issue advertisement for the Change of Management (COM) of the Company (which was issued on 26.05.2010) but OA had rejected the only bid filed by the Company with a co-promoter.

Further BIFR again vide its order dated 10.02.2011 directed the OA to re-issue an advertisement inviting offers for the COM by way of Take Over/ Merger/ Amalgamation/ Sale of Company as per the new guidelines. The OA had issued advertisement for bidding on 21.04.2011 and one of the clauses stated that existing promoters may submit their fully tied up Draft Revival Proposal (DRP), with or without a co-promoter, with proof of their financial resources for rehabilitation. Company filed the DRS in response to the advertisement, which was not accepted to the lenders.

Further, on the hearing held on 10.07.2012, BIFR has opined that the company should be wound up and this opinion be forwarded to concerned High Court for further action under law. Company has filed appeal before the Appellate Authority for Industrial and Financial Reconstruction (AAIFR) which is pending. In view of the above, these financial statements are prepared on "Going Concern Concept".

- 2.15 (a) The company is sick company and for the reason stated in Note 2.13 and 2.14 above (read with Note No. 2.12), no provision for interest, as calculated/estimated by the management, on secured loans from certain banks and financial institution amounting to Rs 36204 Thousands for the current year (Previous year Rs. 36024 Thousands) and Rs. 235112 Thousands up to date (Previous year Rs.198908 Thousands) has been made in the accounts, the same will be accounted for as and when settled / paid. Further penal interest etc. (amount unascertained and this is to be read with Note no. 2.12 as stated above) if any, will be accounted for as and when paid. As per the directions of Hon'ble BIFR dt. 10.02.11, secured lenders were asked to inform their outstanding of compound interest as well as simple interest. ARCIL has claimed compound interest of Rs. 141008 thousands and simple interest of Rs.99296 thousands upto Mar.'13, SBI has claimed the compound interest of Rs. 114929 thousands and simple interest of Rs. 94516 thousands upto Dec 2010 & SBBJ has claimed notional interest of 37006 thousands up to 16.03.2013, for which provision has not been made in these accounts.
- (b) Due to Cash Losses and tightness of finances the company could not make payments for the various statutory dues (TDS / TCS / PF/ ESIC/ FBT/Service Tax etc.) on time/pending for payment (including provident fund and employees state insurance dues of amounting to Rs 5049 Thousands (Previous Year 3648 thousands) and TDS and others amounting to Rs 7937 Thousands (Previous Year 6786 thousands)). The company will honour all the dues after the revival / availability of funds. Certain statutory returns/ forms are yet to be filed/ revised. Penal interest and penalty (amount unascertained) if any, will be accounted for as and when the same will be paid.
- (c) The company has not made provision for Sales Tax and excise duty demand amounting to Rs. 347 Thousands and Rs. 72 Thousands (Previous Year Rs. 347 Thousands and Rs. 72 Thousands) respectively due to pending outcome of the BIFR proceedings.
- 2.16 (a) The Company Secretary of the company has resigned in earlier period. The company is in the process of appointing a Company Secretary. Certain secretarial records are in process of updation/compilation. Further, no Board Meeting and Audit Committee Meetings were held during the quarter ended June 2012 and Dec 2012 as per the requirement of Section 285 of the Companies Act, 1956 and Listing Agreement respectively. Further, Quarterly results from financial year 2009-10 onwards have not been published in newspapers as per the requirements of Listing Agreement.
- (b) Company has initiated further steps to strengthen internal control w.r.t. purchase, sale, fixed assets and inventory however overall controls are in place. Detailed items wise full quantitative records of Stores and Work in Progress (W.I.P) are in the process of compilation/ updation and records are updated as and when physical verification has been carried out. In view of necessary security arrangement/control in place, management feel that there would not be any material adjustment/shortages etc. on compilation.
- (c) In the opinion of the Board of Directors, Current Assets and Loans and Advances (Long Term and Short Terms) have a value on realization in the ordinary course of business, at least equal to the amount at which they are stated.



2.17 During the year repayment of unsecured loan of Rs. Nil Thousands (Previous Year Rs 700 Thousands) has been made.

2.18 Auditor Remuneration(Including Service tax)

	2012-2013 (Rs. in Thousands)	2011-2012 (Rs. In Thousands)
Statutory Audit Fees	73	73
Tax Audit Fees	22	22
Certification Expenses	79	79
Out of Pocket Expenses	3	5
	177	179

2.19 Directors Remuneration Paid/Payable

	2012-2013 (Rs. in Thousands)	2011-2012 (Rs. In Thousands)
Salary	1380	1380*
Other benefits (as per Income Tax)	317	292
	1697@	1672

[excluding provisions for gratuity and leave encashment, since the provision is made for the Company as a whole.]
@ Remuneration amounting to Rs. 739 Thousands Paid to an Executive director from 26.10.2012 is subject to requisite approval of central government. The company is in process to file the necessary documents/application with central government in this regard.

2.20 Related Party Transactions (As certified by the Management):

(a) List of Related Parties

Key Management Personnel: -
Mr. M.K. Jalan - Managing Director
Mr. R.R. Malhotra - Executive Director.

Associate Enterprise:-
Jalan Chemical Industries Pvt. Ltd.
Sungrace Finvest Pvt. Ltd.

(b) Detail of Transaction:-

- i) Detail of Remuneration paid to Sh. R.R. Malhotra is given in the note no.2.19 as above.
ii) Details of loan taken from Jalan Chemical Industries Pvt. Ltd. are as below:-

Particulars	(Amount in Thousands)	
	2012-2013	2011-2012
Closing Balance Payable	26259	26259

iii) Details of loan taken from Sungrace Finvest Pvt. Ltd. are as below:-

Particulars	(Amount in Thousands)	
	2012-13	2011-2012
Loan Taken	1250	2750
Loan Repaid	—	700
Closing Balance Payable	3300	2050

2.21 (i) The Company is in only one line of business namely Aluminum & Lacquer Coating.

(ii) The segment Revenue in the geographical segments considered for disclosures are as follows:

- (a) Revenue inside India includes sales to customers located within India.
(b) Revenue outside India includes sales to customers located outside India.
Information about geographical segments (by location of customers)

	(Rs, in Thousands)		
	India	Outside India	Total
1. External Revenue - Sales including job work	32786 (89475)	119254* (157374)*	152040 (246849)
2. Carrying amount of segment Assets by location of Assets	192310 (211500)	1078 (1208)	193388 (212708)
3. Capital Expenditure	53 (96)	Nil Nil	53 (96)

(Figures in brackets represent previous year figure)

*Includes Deemed Exports Amounting to Rs. 106558 Thousands (Previous Year 147298 thousands).



2.22 Due to substantial carry over losses and unabsorbed depreciation, in consonance with the recognized accounting principles of prudence no deferred tax assets(net) has been created as per the Accounting Standard-22 "Accounting for Taxes on Income".

2.23 Earnings Per Share(EPS) – The numerators and denominators used to calculate Basic and Diluted Earnings Per Share:

	(Rs. in Thousands)	
	Year Ended March 31, 2013	Year Ended March 31, 2012
- Profit/ (Loss) after tax (Rs.)	(45357)	(18043)
- Less: Cumulative Preference Dividend (including Corporate Dividend Tax)	1105	1105
- Profit/ (Loss) attributable to the Equity Shareholders - (A)	(46462)	(19148)
- Basic/Weighted average number of Equity Shares outstanding during the year - (B)	6890,000	6890,000
- Nominal value of Equity Shares (Rs.)	10.00	10.00
- Basic Earnings per Shares (Rs.) - (A)/(B)	(6.74)	(2.78)
- Diluted Earnings per Shares (Rs.) - (A)/(B)	(6.74)	(2.78)

2.24 Pursuant to the provisions of Micro, Small and Medium Enterprises Development Act, 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. The Company is in the process of compiling relevant information from its suppliers about their coverage under the said Act. Since the relevant information is not readily available, hence disclosures relating to amount unpaid as at the year end together with interest paid/payable under this Act have not been given. However, in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of this act is not expected to be material.

2.25 The foreign currency exposure that are not hedged by a derivatives instrument or otherwise are as follows:

Particular	Document Currency	Amount in Document Currency		Amount in Rupees (in thousands)	
		2012-13	2011-12	2012-13	2011-12
Long Term Loans	USD	761752.00	761,752.00	42384	39,637
Debtors	USD	7517.72	8,526.30	343	411
	GBP	8583.69	9,039.70	735	739
Advance to Suppliers	EURO	478.10	478.10	33	33
Sundry Creditors	USD	184,173.12	184,173.12	10,017	9,422
	GBP	2,042.20	2,042.20	168	167
Advances From Customers	USD	2,68,962.96	261,931.19	14,629	13,400
	EURO	38874.98	457.00	2,704	31
	GBP	106.69	394.13	9	32

2.26 Payment made to employees by way of Loan and Advances in the nature of loan where there is (as assessed by the management)

	(Rs. in Thousands)	
	Outstanding as on 31.03.2013	Maximum balance outstanding during the year
No Interest or Interest below section 372A of Companies Act* (Previous Year)	18 (189)	185 (210)

* Pertains to advances to various employees pursuant to general business practice & employee welfare.

2.27 (a) Detail of Traded Goods (net of trade discounts, rebates etc.):

	(Amt. in Rs. Thousands)	
	2012-13	2011-12
Film- Sales	-	4117
Purchases	-	-
Opening Stock	-	4117
Closing Stock	-	-
Paper Sales	-	258
Purchase	-	-
Opening Stock	-	258
Closing Stock	-	-



(b) Detail of Work In Progress

	(Amount in Rs. Thousands)	
	2012-13 Value	2011-12 Value
Metallized Film	1111	238
Metallized Paper	84	977
	<u>1195</u>	<u>1215</u>

2.28 (a) Raw Materials & Packing Material Consumed #:

	2012-13	2011-12
	Value (Rs. In Thousands)	Value (Rs. in Thousands)
Film	85779	98898
Paper	367	19182
Chemicals	19988	27885
Others including packing	2614	5251
	<u>108748</u>	<u>151216</u>

Raw Material consumption has been computed based upon opening stock plus purchases less closing stock.

(b) Consumption of imported and indigenous raw materials, stores and spare parts and the percentage of each to the consumption:

i) Raw Material Consumed:

	2012-13		2011-12	
	% of total Consumption	Value (Rs.in Thousands)	% of total Consumption	Value (Rs.in) Thousands
Imported	--	--	--	--
Indigenous*	100	108748	100	151216*
	<u>100</u>	<u>108748</u>	<u>100</u>	<u>151216*</u>

*Including high seas purchases]

] ii) Stores and Spares Consumed

	2012-13		2011-12	
	% of total Consumption	Value (Rs.in Thousands)	% of total Consumption	Value (Rs.in) Thousands
Imported	3	47	5	159
Indigenous	97	1534	95	2775
	<u>100</u>	<u>1588</u>	<u>100</u>	<u>2934</u>

2.29 CIF Value of Imports

	2012-13 (Rs. In Thousands)	2011-12 (Rs. in Thousands)
Stores & Spares	47	159

2.30 (a) Expenditure in Foreign Currency:
(as remitted) on account of:

	2012-13 (Rs. In Thousands)	2011-12 (Rs. in Thousands)
Commission on Export Sale	53	--
	<u>53</u>	<u>--</u>

(c) Earnings in Foreign Exchange:
(on accrual basis)

	2012-13 (Rs in Thousands)	2010-11 (Rs. in Thousands)
F.O.B value of export of goods	11399	9657

2.31 The previous year's figures have been regrouped, rearranged and recasted wherever considered necessary.

As per our report of even date
For Lodha & Co.
Firm Registration No. 301051E

For and on behalf of the Board of Directors

N.K. Lodha
Partner
M.No. 085155
New Delhi
24th July, 2013

R. R. Malhotra
Executive Director

Madhukar Jalan
Managing Director



NOTE 3

SHARE CAPITAL :

Authorised

Equity Shares - 1,17,50,000 of Rs.10 each
(Previous year' 1,17,50,000 Equity Shares of Rs. 10 each)
8,25,000 Preference Shares of Rs. 100 each
(Previous year' 8,25,000 Preference Shares of Rs.100 each)

Issued, Subscribed & Paid-up

Equity Shares - 6,890,000 Rs. 10 each fully paid up
(Previous year 6,890,000 Equity shares of Rs. 10 each fully paid up)
300,000 (Previous Year 300,000) 3% Redeemable Cumulative
'Preference Shares of Rs. 100 each are redeemable
at par on 02.11.2013, with an option to the company
to redeem at any time after 36 month from 03.11.2001
5,05,000 (Previous Year 5,05,000) 0.10% Redeemable Cumulative
'Preference Shares of Rs. 100 each are redeemable
at par on 27.10.2017 with an option to the company to redeem
at any time after 36 month from 28.10.2005
Share Forfeiture Account

	AS AT 31.03.2013 (Rs. in Thousands)	AS AT 31.03.2012 (Rs. in Thousands)
	117,500	117,500
	82,500	82,500
	200,000	200,000
	68,900	68,900
	30,000	30,000
	50,500	50,500
	52	52
	149,452	149,452

Rights & Restrictions of Shareholders:

EQUITY SHARES

"The Company has only one class of Equity Shares having face value of Rs. 10/- each (Previous Year Rs. 10/- each) in its issued, subscribed and paid up Equity share capital. On a show of hands, every holder of equity shares entitled to vote and present in person shall have one vote and upon a poll, every holder of equity shares entitled to vote and present in person or by proxy shall have one vote for every shares held by him . Each shareholder has the right in profit/surplus in proportion to amount paid up with respect of shares held."

"In the event of winding up, the equity shareholders will be entitled to receive the remaining balance of assets, if any, in proportionate to their individual shareholding in the paid up equity capital of the company."

PREFERENCE SHARES

"The Company has two classes of Preference Shares as mentioned above. Upon the winding-up of the company, the holders of preference shares shall be entitled to all arrears of Preferential Dividend upto the commencement of winding-up and also to be repaid the amt. of capital paid-up or credited as paid up on such Preference Shares held by them respectively, in priority to the Equity Shares, but shall not be entitled to any other further rights of any other holders of Shares entitled to receive preferential payment over the Equity Shares, in the event of the winding-up of the company. "

Details of each shareholder holding more than 5% shares :-	EQUITY		PREFERENCE SHARES			
			3% REDEEMABLE PREFERENCE SHARES		0.10% REDEEMABLE PREFERENCE SHARES	
	As at 31st March '13	As at 31st March '12	As at 31st March '13	As at 31st March '12	As at 31st March '13	As at 31st March '12
	No. of Shares	No. of Shares	No. of Shares	No. of Shares	No. of Shares	No. of Shares
Jalan Chemical Industries Pvt. Ltd.	1,323,057	1,323,057	300,000	300,000	325,000	325,000
Sara Securities Pvt. Ltd.	645,843	645,843	-	-	-	-
The Pradeshiya Industrial and Investment Corporation of UP Ltd.	565,000	565,000	-	-	-	-
Madhukar Jalan	1,264,338	1,264,338	-	-	180,000	180,000

Reconciliation of the number of shares outstanding :-

Name of Shareholder	EQUITY		PREFERENCE SHARES			
			3% REDEEMABLE PREFERENCE SHARES		0.10% REDEEMABLE PREFERENCE SHARES	
	As at 31st March '13	As at 31st March '12	As at 31st March '13	As at 31st March '12	As at 31st March '13	As at 31st March '12
	No. of Shares	No. of Shares	No. of Shares	No. of Shares	No. of Shares	No. of Shares
Shares outstanding as at the beginning of the year	6,890,000	6,890,000	300,000	300,000	505,000	505,000
Issued during the year	-	-	-	-	-	-
Buyback during the year	-	-	-	-	-	-
Shares outstanding as at the end of the year	6,890,000	6,890,000	300,000	300,000	505,000	505,000



NOTE 4 :

RESERVES & SURPLUS

	AS AT 31.03.2013 (Rs. in Thousands)	AS AT 31.03.2012 (Rs in Thousands)
- Capital Subsidy :-		
As per last Balance sheet	2,500	2,500
Add : Addition	-	-
Less Adjustment	-	-
	2,500	2,500
- Securities Premium Account		
As per last Balance Sheet	4,604	4,604
Add : Addition	-	-
Less : Adjustment	-	-
	4,604	4,604
- Profit & Loss Statement		
Surplus / (Deficit) in Profit and Loss Statement from previous year	(489,117)	(471,074)
Profit / (Loss) for the year	(45,357)	(18,043)
Surplus / (Deficit) Profit and loss statement carried to Balance sheet	-	-
	<u>(534,474)</u>	<u>(489,117)</u>
	<u>(527,370)</u>	<u>(482,013)</u>

NOTE 5 :

**LONG TERM BORROWINGS
SECURED LOANS**

	AS AT 31.03.2013 (Rs. in thousands)	AS AT 31.03.2012 (Rs. in Thousands)
Term Loans :		
- Banks	70,007	70,007
- Others	150,139	150,392
	223,146	220,399
Less Current Liabilities of long term borrowings	223,146	220,399
	-	-

Notes:

- Term Loans from Financial Institutions (ARCIL), outstanding Rs. 153139 Thousands (Previous Yr. Rs.150392 Thousands) are secured by a first mortgage of all the company's immovable properties both present and future ranking pari-passu inter-se and first charge by way of hypothecation of all the company's movables including movable plant & machinery, machinery spares, tools and 'accessories and other movables both present & future subject to prior charges created in favour of the company's bankers on inventories, book debts and other specified movables to secure borrowings for 'working capital requirements, and also secured by personal guarantees of a Director of the company.
- Term Loans from Banks outstanding Rs. 47711 Thousands (Previous Yr. Rs. 47711 Thousands) are secured by pari-passu first charge on the fixed assets and pari-passu second charge on entire current assets comprising stock of raw materials, stock - in -process, stores etc. in factory, godown and in - transit and book - debts / receivable, both present and future.
- Term Loan from banks outstanding Rs 22296 Thousands (Previous Yr. Rs. 22296 Thousands) and Deferred Payment Guarantee are secured by first charge on fixed assets created out of bank finance and extension of charge on current assets.
- Loan at SI No. b & c is also secured by personal gaurantees of two directors.
- Loans at SI No. a, b, c and CC from Bank (including interest) is secured by the pledge of shares of promoters in the company to the extent of Rs 35000 Thouands (35,00,000 Equity Shares of Rs.10 each). Further Lenders have the right to convert the entire outstanding dues into Equity Shares of the Company in case of default.
- The company has defaulted in repayment of dues to financial institution and banks. The amount overdue on account of principal is Rs. 366269/- Thousands (Rs. 336446/- Thousands up to 31-03-2012) consisting delays of 1 day to 2421 days and on account of interest Rs. 235112/- Thousands (Rs.198908/- Thousands up to 31-03-2012) consisting delays of 14 days to 2421 days.
- This is to be read with Note No.2.12, 2.14 and 2.15 (a) of explanatory notes.



	AS AT 31.03.2013 (Rs. in Thousands)	AS AT 31.03.2012 (Rs. in Thousands)
NOTE - 6		
LONG TERM PROVISIONS		
Provision for Employee Benefits	8,555	7,290
	8,555	7,290
NOTE - 7		
SHORT TERM BORROWINGS		
SECURED LOANS		
Cash Credit- From Bank	173,452	173,452
	173,452	173,452
UNSECURED LOANS		
Loans repayable on demand from :		
- Ineterst Free Loan from Promoter companies	29,559	28,309
	29,559	28,309
	203,011	201,761

Notes:

- Cash Credit and other facilities from the Company's bankers are secured by first hypothecation of entire current assets comprising stock of raw materials, stocks-in-process, stores etc , in the factory, godown and in transit and book debts/ receivables, both present and future and second charge on entire fixed assets.
- Cash Credit is also secured by personal gaurantees of two directors. (Read with Note No. 5 (d))
- This is to be read with Note No.2.12, 2.14 and 2.15 (a) of explanatory notes.

NOTE - 8

	As at 31.3.2013	As at 31.3.2012
OTHER CURRENT LIABILITIES		
Current maturities of long term borrowings (Refer Note No.5)	223,146	220,399
Interest accrued and due on borrowings	6,031	6,031
Bank Book Overdraft	1,048	2
Advance from Customers	36,323	25,991
Statutory Dues	13,665	10,446
Others (Refer Note No.2.24)	7,248	5,476
	287,461	268,345

NOTE - 9

	As at 31.03.2013	As at 31.03.2012
SHORT TERM PROVISIONS		
Provision for Retirement Benefits:	1,744	2,021
	1,744	2,021

NOTE - 10

Particulars	Gross Carrying Value				Depreciation				Net Carrying Value	
	As at 31.03.2012	Additions	Sale / Adj.	As at 31.03.2013	Up to 31.03.2012	For the Year	Sales/ Adjustments	Up to 31.03.2013	As at 31.03.2013	As at 31.03.2012
	(Rs. in thousands)									
FIXED ASSETS										
(i) Tangible Assets										
Land Freehold	1,497	--	--	1,497	--	--	--	--	1,497	1,497
Building	37,571,	--	--	37,571	18,333	1,193	--	19,526	18,045	19,238
Plant & Equipments	481,705	--	--	481,705	340,429	20,109	--	360,538	121,167	141,276
Office Equipment, Furniture and Fixtures	9,767	53	-106	9,714	8,939	134	68	9,005	709	828
Electrical Installation	6,147	--	--	6,147	2,523	291	--	2,814	3,333	3,624
Vehicles	2,755	--	--	2,755	2,233	196	--	2,429	326	522
Total Current Year	539,442	53	106	539,389	372,457	21,923	68	394,312	145,077	166,985
Previous Year	539,346	96	--	539,442	350,403	22,054	--	372,457	-	-



**NOTE - 11
NON-CURRENT INVESTMENTS**

		As at 31.03.2013 in Thousands	As at 31.03.2012 in Thousands
LONG TERM (Other Than Trade at cost)			
UNQUOTED INVESTMENTS			
Investment in Equity Shares:			
Others:			
1	9000 (P.Y. 9000) Equity Shares of USD 1 each in Americas JIL Inc.	432	432
2	2000 Equity Shares (P.Y. 2000) of Rs. 10/- each * in Uniworth Ltd	-	215
		<u>432</u>	<u>647</u>
Less: Provision for diminution in Value of Investment		<u>432</u>	<u>647</u>
	'A'	<u>-</u>	<u>-</u>
Investment in Government or Trust Securities:			
Others:			
1	National Savings Certificates	<u>4</u>	<u>4</u>
TOTAL	(A+B)	<u>4</u>	<u>4</u>
QUOTED INVESTMENTS			
Investment in Equity Shares:			
1	2000 Equity Shares of Rs. 5/- each (P.Y. 2000 of Rs. 5/- each) in Ester Industries Ltd	88	88
2	100 Equity Shares of Rs. 10/- each in Polyplex Corporation Ltd.** (Previous Year 100 Shares)	7	7
3	2000 Equity Shares (P.Y. 2000) of Rs. 10/- each* in Uniworth Ltd.	215	-
		<u>310</u>	<u>95</u>
Less: Provision for diminution in Value of Investment		<u>281</u>	<u>50</u>
TOTAL	'C'	<u>29</u>	<u>46</u>
TOTAL	(A+B+C)	<u>33</u>	<u>49</u>
Aggregate book value of unquoted Investments		436	436
Aggregate book value of quoted Investments		310	310
Aggregate Market Value of quoted Investments		39	57
Aggregate provision for diminution in value of Investments		713	697

- * i. 50 shares pending for transfer in the name of the company.
- ii. P.Y. 2000 Shares of Woolworth India Ltd. was unquoted but in C.Y. quoted.
- iii. Name of Woolworth India Ltd. was changed to Uniworth Ltd. from 23.12.1999.
- ** 50 shares are issued as Bonus Shares from Polyplex Corporation Ltd.

**NOTE 12
LONG TERM LOANS & ADVANCES**

(Unsecured considered good unless otherwise stated)

	As at 31.03.2013 (Rs. in Thousands)	As at 31.03.2012 (Rs in Thousands)
Balance with Govt. Authorities	656	656
Security Deposit	-	-
with Govt. Authorities	2,366	2,366
with Others	2,899	2,896
Less : Provision for Doubtful Advances	<u>(327)</u>	<u>(337)</u>
	<u>5,594</u>	<u>5,581</u>



**NOTE 13
OTHER NON CURRENT ASSETS**

(Unsecured, considered good unless otherwise stated)

	AS AT 31.03.2013 (Rs. in Thousands)	AS AT 31.03.2012 (Rs. in Thousands)
Deposits with original maturity for more than 12 months *	92	92
Margin Money *	10	10
Interest Accrued on		
- FDR	24	24
- Margin Money	4	4
	<u>130</u>	<u>130</u>

* (Read with Note No. 16)

**NOTE 14
INVENTORIES**

(As valued, taken & certified by management)

At lower of cost or Net Realisable Value

Raw Material & Packing Material		
In Factory/Godown	6,546	7,674
in Transit	3,073	-
Stock in Process	1,195	1,215
Finished Goods	1,422	1,554
Scraps F.G. (at net realisable value)	2	27
Stores and Spares	5,939	6,474
	<u>18,177</u>	<u>16,944</u>

**NOTE 15
TRADE RECEIVABLES**

(Unsecured, considered good, unless otherwise stated)

- Exceeding Six months from due date.

Considered goods	5,805	6,094
Doubtful	14,444	14,444
Less : Provision for Doubtful debts	14,444	14,444
	<u>5,805</u>	<u>6,094</u>
- Other Debts	858	807
	<u>6,663</u>	<u>6,901</u>

**NOTE 16
CASH & BANK BALANCE**

	Rs. in Thousands			
	Current		Non-Current	
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
Cash & cash equivalents				
Cash in hand	880	35	-	-
Balances with Banks				
- In Current Accounts	679	231	-	-
- Deposits with original maturity of				
	<u>1,559</u>	<u>266</u>	<u>-</u>	<u>-</u>
Other bank balances :				
- Deposits with original maturity for more than 12 months	-	-	92	92
- Deposits with original maturity for more than 3 months but less than 12 months	221	589	-	-
- Margin Money**	-	-	10	10
	<u>221</u>	<u>589</u>	<u>102</u>	<u>102</u>
Less Shown under Note No. 14	-	-	102	102
	<u>1,780</u>	<u>855</u>	<u>-</u>	<u>-</u>

* Pledged with Govt. Authorities

** Pledged with bank as margin money against bank guarantees



**NOTE 17
SHORT TERM LOANS & ADVANCES**

	AS AT 31.03.2013 (Rs. in Thousands)	AS AT 31.03.2012 (Rs. in Thousands)
(Unsecured considered good unless otherwise stated)		
Advance Income Tax	869	789
Advance to Suppliers	2,572	1,580
Balance with Govt. Authorities	9,064	9,563
Prepaid Expenses	204	170
Other Short Term Advances	3,015	2,826
Less : Provision for Doubtful Advances	(177)	(96)
	15,547	14,830

**NOTE 18
OTHER CURRENT ASSETS**

(Unsecured considered good unless otherwise stated)		
Export Incentive Receivable	1,202	1,254
Interest Receivable on Security Deposit	87	-
Interest Accrued on - FDR (Rs. 371/-)	-	17
	1,289	1,271

**NOTE 19
REVENUE FROM OPERATIONS**

Sale of Products*		
- Finished Goods	147,262	231,420
- Traded Goods	-	4,375
Sale of services (Job work)	4,778	11,054
Other operating revenues :		
- Scrap Sale	223	272
- Claims Received	-	484
Revenue from operations (Gross)	152,263	247,605
Less : Excise duty	3,488	5,828
Revenue from operations (Net)	148,775	241,777

*includes duty draw back & DEPB of Rs. 609 Thousands (P.Y. Rs. 602 Thousands)

**NOTE 20
OTHER INCOME**

Income from Investments		
- Dividends Income from Long Term Investment (Rs. 400/-)	-	5
- Interest income	108	195
Prior Period Income	97	-
Miscellaneous Income (Net)	4	7
	209	207

**NOTE 21
CHANGE IN INVENTORIES OF FINISHED GOODS,
WORK-IN-PROGRESS AND STOCK - IN - TRADE**

Closing Stock		
- Finished Goods	1,422	1,554
- Scrap FG	2	27
- Stock in Progress	1,195	1,215
(A)	2,619	2,796
Opening Stock		
- Finished Goods	1,554	9,330
- Scrap FG	27	49
- Stock in Progress	1,215	8,865
- Stock in Trade	-	4,375
(B)	2,796	22,619
Less - Differential Excise duty on Inc/Dec of Finished Goods	(9)	(709)
(C)	(9)	(709)
Increased / (Decrease) in Stocks (A-B-C)	(168)	(19,114)



**NOTE 22
EMPLOYEE BENEFIT EXPENSES**

	AS AT 31.03.2013 (Rs. in Thousands)	AS AT 31.03.2012 (Rs. in Thousands)
Salaries, Wages, Bonus & Allowances	20,949	19,216
Contribution to Provident & Other Funds	2,143	2,744
Employee Welfare & other benefits	1,682	1,485
	24,774	23,445

**NOTE 23
FINANCE COST**

Interest Expenses	128	231
	128	231

**NOTE 24
OTHER EXPENSES**

Job Work charges	6	-
Power & Fuel	18,671	20,027
Stores & Spares Consumed	1,588	2,934
Rent	2,461	2,281
Repairs to Buildings	126	126
Repair to Machinery	159	419
Repairs - Others	92	94
Loss on Sale of FA	33	-
Exchange Rate difference (Net)	3,508	6,837
Insurance	444	438
Rates and Taxes	356	207
Legal & Professional Expenses	2,439	2,892
Director's Sitting Fees	15	15
Sundry Balance W/O (Net)	482	27
Travelling and Conveyance	1,989	1,666
Freight and Transportation	2,699	2,640
Commission	130	204
Provision for Diminution in value of Long term Investment	16	38
Miscellaneous Expenses	3,386	3,122
	38,600	43,967





CASH FLOW STATEMENT

	YEAR ENDED 31ST MARCH 2013 (RS. IN THOUSANDS)		YEAR ENDED 31ST MARCH 2012 (RS. IN THOUSANDS)	
A. CASH FLOW FROM OPERATING ACTIVITIES:				
PROFIT / (LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX		(45,357)		(18,043)
Adjustments for:				
Non-cash adjustment to reconcile profit before tax to net cash flows:				
Depreciation and Amortization on continuing operation	21,923		22,054	
Provision for diminution on Long Term Investments	16		38	
Loss on sale of Fixed Assets	33		-	
Unrealized foreign exchange loss/(gain)	4,190		6,374	
Sundry Balances Written Off	482		27	
Interest Income	(108)		(195)	
Dividend Income	-		(5)	
Interest Expenses	128		231	
		26,664		28,524
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES		(18,693)		(10,481)
Adjustments for :				
Decrease/(Increase) in Trade and Other Receivables	(906)		11,106	
Increase/(Decrease) in Trade Other Payables	20,615		(87,482)	
Decrease/(Increase) in Inventories	(1,233)		61,580	
		18,436		(14,796)
Cash Generated from Operations		(257)		(4,315)
Taxes Paid	-	-	-	-
NET CASH FLOW FROM OPERATING ACTIVITIES (A)		(257)		(4,315)
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets	(53)		(96)	
Sale of Fixed Assets	5		-	
Interest Received	108		195	
Dividend Received (rS. 400/-)	-		5	
NET CASH FLOW FROM INVESTMENT ACTIVITIES (B)		60		104
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Repayment / Adjustment in Borrowings	-		2,049	
Proceeds from Borrowings	1,250		-	
Interest Paid	(128)		(231)	
NET CASH USED IN FINANCING ACTIVITIES (C)		1,122		(1,818)
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)		925		(2,393)
Opening Balance:				
Cash & Cash Equivalent	266		2,922	
Others	589	855	326	3,248
Total				
Closing Balance:				
Cash & Cash Equivalent	1,559		266	
Others	221	1,780	589	855
Total				
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS		925		(2,393)

Notes: 1. Cash and cash equivalents represents Cash and Bank Balances (as per Note No. 17 of Financial Statements)
2. Previous Year figures have been regrouped / rearranged/ recasted, wherever necessary.

As per our report of even date
For Lodha & Co.
Firm Registration No. 301051E

For and on behalf of the Board of Directors

N.K. Lodha
Partner
New Delhi
24th July, 2013

R. R. Malhotra
Executive Director

Madhukar Jalan
Managing Director



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