

# **ANNUAL REPORT 2011-12**



**RESINS & PLASTICS LTD.**

## SUMMARY RESULTS

(Rs. lacs)

DESCRIPTION	01.04.2011 to 31.03.2012	01.04.2010 to 31.03.2011	01.04.2009 to 31.03.2010	01.04.2008 to 31.03.2009	01.04.2007 to 31.03.2008
<b>SUMMARISED BALANCE SHEET</b>					
Net Fixed Asset	536.67	498.13	475.67	476.21	482.14
Investments	0.02	0.02	0.02	0.02	0.02
Long term loans and advances *	30.23	21.80	-	-	-
Other non- current assets *	2.74	-	-	-	-
Net Current Assets (Working Capital)	1,831.41	1,698.94	1,483.50	1,169.70	1,292.34
	<b>2,401.08</b>	<b>2,218.88</b>	<b>1,959.20</b>	<b>1,645.93</b>	<b>1,774.50</b>
Represented by :					
Deferred Tax Liability	98.03	94.68	103.61	103.55	108.09
Other long term liabilities*	1.00	1.00	-	-	-
Long term provisions *	17.82	17.97	-	-	-
Long term borrowings **	8.85	34.35	41.15	15.55	244.02
Share Capital	357.23	357.23	357.23	357.23	361.79
Reserves	1,918.14	1,713.65	1,457.20	1,169.60	1,060.60
	<b>2,401.08</b>	<b>2,218.88</b>	<b>1,959.20</b>	<b>1,645.93</b>	<b>1,774.50</b>
<b>SUMMARISED PROFIT AND LOSS ACCOUNT INCOME</b>					
Sales	9,680.83	6,713.85	6,448.80	5,405.06	5,268.30
(Excluding Central Excise)					
Processing Charges	-	-	23.09	28.45	32.47
Misc. Income	28.50	21.59	25.43	8.97	23.46
<b>TOTAL INCOME</b>	<b>9,709.33</b>	<b>6,735.44</b>	<b>6,497.33</b>	<b>5,442.48</b>	<b>5,324.23</b>
<b>EXPENDITURE</b>					
Material Consumed	7,861.45	5,170.08	5,002.55	4,322.62	4,140.78
Overheads	1,329.76	994.07	859.84	786.61	749.47
Depreciation	34.94	36.77	36.17	36.06	36.90
Interest	29.63	8.13	2.47	12.67	21.54
<b>TOTAL EXPENDITURE</b>	<b>9,255.78</b>	<b>6,209.06</b>	<b>5,901.02</b>	<b>5,157.96</b>	<b>4,948.69</b>
<b>Profit Before Tax</b>	<b>453.55</b>	<b>526.38</b>	<b>596.30</b>	<b>284.52</b>	<b>375.54</b>
Operating Profit as }					
% to sales revenue }	4.39	7.52	8.82	5.07	6.64
Taxes	145.26	166.13	206.03	103.95	134.00
<b>Profit after Tax</b>	<b>308.29</b>	<b>360.25</b>	<b>390.27</b>	<b>180.57</b>	<b>241.54</b>
Dividend incl. Dividend Tax	103.80	103.80	104.14	83.59	83.59
Dividend Percentages	25.00	25.00	25.00	20.00	20.00
* Figures pertaining to these heads for the years 2007-08 to 2009-10 have been grouped under net current assets as per old Schedule VI prescribed under the Companies Act, 1956.					
** Includes both short term and long term for the FY 2007-08 to FY 2009-10.					
Previous year (FY 2010-11) figures have been regrouped/rearranged in conformity with the Revised Schedule VI prescribed under the Companies Act, 1956.					

## BOARD OF DIRECTORS

Shri Ashwin S. Dani	-	Chairman
Shri Gobind J. Lulla	-	Managing Director
Shri Rupen A. Choksi	-	Executive Director
Shri Abhay A.Vakil (Appointed w.e.f. 01/02/2012)	-	Director
Shri Amar A.Vakil (Resigned w.e.f. 02/02/2012)	-	Director
Shri Bharat B. Chovatia	-	Director
Shri Chatrabhuj D. Kapadia (Resigned w.e.f. 20/10/2011)	-	Director
Dr. Vinod C. Malshe	-	Director
Shri Dhiren P. Mehta	-	Director

## AUDITORS

M/s. Shah & Company  
Chartered Accountants  
Mumbai

## BANKERS

State Bank of India

## REGISTRARS & TRANSFER AGENTS

M/s Sharepro services (India) Pvt. Ltd.  
Samhita Complex  
Gala No -52 to 56, Building No.13 A-B,  
Near Sakinaka Telephone Exchange,  
Andheri -Kurla Road, Sakinaka,  
Mumbai - 400 072.  
Telephone-022-67720300/400  
Fax No. 022-28591568

## REGISTERED OFFICE

Plot No.A-8, Marol Industrial Estate of M.I.D.C.,  
Cross Road-B, Street No.5,  
Andheri (East),  
Mumbai 400 093.  
Phone No. : 6198 7000

## FACTORIES

Taloja Industrial Estate of M.I.D.C.,  
Post Box No.6,  
Taloje A.V. 410208,  
Dist. Raigad.  
Phone No. : 6551 7200

Plot No. 3607,  
GIDC. Ind. Estate, Ankleshwar,  
Dist. Bharuch 393 002.  
Phone No. : 02646-223262

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# RESINS & PLASTICS LTD.

## NOTICE:

Notice is hereby given that the Fifty First Annual General Meeting of **RESINS AND PLASTICS LIMITED** will be held at M.C. Ghia Hall, Bhogilal Hargovindas Building, 4<sup>th</sup> Floor, 18/20, K Dubash Marg, Mumbai 400001 on Tuesday, the 24<sup>th</sup> July, 2012 at 11.00 a.m. to transact the following business :-

### Ordinary Business:

1. To receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March, 2012 and Profit and Loss Account for the year ended on that date and the Reports of Directors' and Auditors' thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Shri Bharat B. Chovatia, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Dhiren P. Mehta, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint Auditors of the Company and to authorise the Board of Directors to fix their remuneration.

### Special Business:

6. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Shri Abhay A. Vakil, who was appointed as a Director with effect from 1<sup>st</sup> February, 2012 in the casual vacancy caused by the resignation of Shri C.D. Kapadia as a Director of the Company and who holds office upto the date of this Annual General Meeting pursuant to the provisions of Section 262 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director be and is hereby appointed as a Director of the Company."

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT, further to the Special Resolution passed by the Shareholders at the Annual General Meeting of the Company held on 20<sup>th</sup> July, 2011 and in view of the notifications dated 8<sup>th</sup> February, 2011, 23<sup>rd</sup> May, 2011 and 14<sup>th</sup> July, 2011 issued by the Central Government amending Schedule XIII to the Companies Act, 1956 and in accordance with the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, the Company hereby approves the remuneration payable to Shri Gobind J. Lulla, Managing Director of the Company for a period from 1<sup>st</sup> October, 2010 to 30<sup>th</sup> September, 2013 as set out in the agreement dated 18<sup>th</sup> April, 2011 and in the explanatory statement annexed hereto and that the approval of the Central Government for payment of the said remuneration shall not be required.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized to enter into supplemental agreement with Shri Gobind J. Lulla to give

effect to the aforesaid resolution and to do all acts, deeds and things as may be necessary in this regard."

### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIM/HER. A PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT IT'S REGISTERED OFFICE NOT LATER THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, the 18<sup>th</sup> July, 2012 to Tuesday, the 24<sup>th</sup> July, 2012 (both days inclusive) for the purpose of payment of dividend.
3. The Company has appointed M/s Sharepro Services (I) Pvt. Ltd. as the Registrars and Transfer Agents for both physical as well as electronic transfers. The equity shares of the Company have been inducted in both National Securities Depositories Limited and Central Depositories Services (India) Limited to enable shareholders to hold and trade the securities in dematerialised / electronic form. (ISIN - INE422F01017)
4. Members are requested to notify changes, if any, in their address to M/s Sharepro Services (I) Pvt. Ltd., the Registrar and Transfer Agents of the Company.
5. Pursuant to the provisions of Section 205A of the Companies Act, 1956, the Company has transferred dividend for the financial year ended 31<sup>st</sup> March 2004, which remained unclaimed for a period of 7 years to the 'Investor Education and Protection Fund', established by the Central Government. Members who have not claimed dividends declared by the Company for the year ended 31<sup>st</sup> March 2005 onwards are requested to write to the Company at its Registered Office.
6. The relevant explanatory statement pursuant to Section 173 of the Companies Act, 1956 in respect of the special business, is annexed hereto.

### Information pursuant to Clause 49VI A of the Corporate Governance Code with respect to the Directors seeking appointment /re-appointment:

#### Shri Bharat B. Chovatia

Shri Bharat Chovatia holds Bachelor's Degree in Commerce and Law from Bombay University and is a practicing Chartered Accountant. He is having rich and varied experience of more than 27 years in Audit, Direct Taxation and providing Business Consultancy Services to various Companies. He holds directorship in Pragati Chemicals Limited. He holds 200 equity shares in the Company.

#### Shri Dhiren P. Mehta

Shri Dhiren Mehta has done B.Com. F.C.A., A.C.S., M.F.M. and has 36 years of experience in Finance, Accounts, Taxation, Corporate Laws and in general management. He is presently working as C.E.O. and Company Secretary with Mazda Colours Limited.

He also holds directorship on the Board of the following Companies namely;

1. Aeonian Investments Company Ltd.
2. Cons Holding Ltd.
3. Sammelan Investment and Trading Ltd.
4. Sunshield Chemicals Ltd.

### Shri Abhay A. Vakil

Shri Abhay Vakil is a Science Graduate from Mumbai University and BS from Syracuse University USA and has vast and rich experience in Supply Chain, Materials Procurement, Sales & Marketing functions. Shri Abhay Vakil has been associated with Asian Paints Limited since 1974. Prior to becoming Managing Director of Asian Paints Limited in 1998, he was holding the post of Wholtime Director in the same Company. He ceased to be the Managing Director of Asian Paints Limited on 31.03.2009 and w.e.f. 1<sup>st</sup> April 2009 he holds the position of Non-Executive Director on the Board of Asian Paints Limited.

He also holds directorship on the Board of the following Companies namely:

1. Asian Paints Ltd.
2. Asian Paints Industrial Coating Ltd.
3. Vikatmev Containers Ltd.
4. Kalica Paper Industries Pvt. Ltd.
5. Asteroids Trading and Investments Pvt. Ltd.
6. Nehal Trading and Investments Pvt. Ltd.
7. Unnati Trading and Investments Pvt. Ltd.
8. Jalaj Trading and Investments Pvt. Ltd.

He holds 146,300 equity shares in the Company.

**By Order of the Board**  
**For RESINS & PLASTICS LIMITED**

### Registered Office :

Plot No. A-8, Marol Ind. Est. of MIDC,  
Cross Road B, Street No.5,  
Andheri (East),  
Mumbai 400 093.  
Mumbai : 29th May, 2012

**(ASHWIN S DANI)**  
**CHAIRMAN**

### EXPLANATORY STATEMENT

**(Pursuant to Section 173 (2) of the Companies Act, 1956)**

#### ITEM NO.6:

Shri Abhay Vakil was appointed as a Director with effect from 1<sup>st</sup> February, 2012 in the casual vacancy caused by the resignation of Shri C. D. Kapadia as a Director of the Company. By virtue of Section 262 of the Companies Act, 1956, Shri Abhay Vakil will hold office upto the date of this Annual General Meeting and is eligible for appointment. The Company has received a notice under Section 257 of the Companies Act, 1956 alongwith requisite deposit from a member of the Company proposing his candidature for the office of Director.

Your Directors recommend the resolution as item no. 6 for your approval.

None of the Directors of the company except Shri Abhay Vakil is concerned or interested in the resolution for his appointment as Director of the Company.

#### ITEM NO.7 :

Further to the Special Resolution passed by the shareholders of the Company at the Annual General Meeting held on 20<sup>th</sup> July, 2011 and in view of the notifications dated 8<sup>th</sup> February, 2011, 23<sup>rd</sup> May, 2011 and 14<sup>th</sup> July, 2011 issued by Central Government amending Schedule XIII to the Companies Act, 1956 inter alia no approval of Central Government will be required if the managerial person is not having any interest in the capital of the company and not having any interest or related to the Directors or Promoters and is having a graduate level qualification. The Board of Directors has passed a suitable resolution for payment of remuneration to Shri Gobind J. Lulla, Managing Director of the Company according to the said notifications at its meeting held on 1<sup>st</sup> February, 2012, subject to the approval of the shareholders of the Company at the ensuing Annual General Meeting.

The remuneration of Shri Gobind J. Lulla which is as per the provisions of Schedule XIII of the Companies Act, 1956, has been approved by the Remuneration Committee and is as per the Agreement dated 18<sup>th</sup> April, 2011 entered into by the Company with Shri Gobind J. Lulla. The material provisions of the same are as under:

#### A. SALARY:

Rs.1,75,000/- (Rupees One Lakh Seventy Five Thousand Only) per month with effect from 1st October, 2010 with an annual increment in salary of Rs.46,000/- per month with effect from 1<sup>st</sup> April, 2011; Rs.48,000/- per month with effect from 1<sup>st</sup> April, 2012 and Rs. 50,000/- per month with effect from 1<sup>st</sup> April, 2013.

#### B. DISCRETIONARY ALLOWANCE:

Rs.5,000/- (Rupees Five Thousand Only) per month with effect from 1st October, 2010 with an one time increment of Rs.25,500/- per month with effect from 1<sup>st</sup> April, 2011; and an annual increment of Rs.2,000/- per month thereafter with effect from 1st April, 2012 and 1st April, 2013.

#### C. PERQUISITES:

In addition to the above remuneration, the Managing Director shall also be entitled to perquisites which are divided into categories A, B & C, given herein below:

##### Category 'A':

##### i) Housing:

The Company shall provide rent free unfurnished accommodation, the rent for the same not exceeding Rs.85,000/- pm. In case no accommodation is provided by the Company, the Managing Director shall be entitled to House Rent Allowance of Rs.85,000/- per month.

##### ii) Medical Reimbursement / Assistance:

Reimbursement of medical expenses/ insurance premium for Mediclaim policy incurred for self and family subject to a maximum of Rs.15,000/- per annum.

##### iii) Leave Travel Concession:

For self and family once in a year subject to a ceiling of one month's salary per annum.

For the purpose of category 'A', 'family' means his spouse, dependent children and dependent parents.

# RESINS & PLASTICS LTD.

## Category 'B':

### Provident Fund:

The Company will contribute to the Provident Fund as per the scheme framed by the Company. The same will not be included in the computation of ceiling on perquisites to the extent of exemption under the Income Tax Act.

### Gratuity:

Gratuity payable shall be in accordance with the provisions of the Payment of Gratuity Act.

## Category 'C':

### a. Conveyance:

Provision of Company's car and reimbursement of driver's salary not exceeding Rs.8,500/- (Rupees Eight Thousand Five Hundred Only) per month with annual increment of Rs.1,500/- per month effective 1<sup>st</sup> April every year thereafter, for official use as per the rules of the Company which shall not be included in the computation of ceiling on remuneration.

### b. Telephone:

The Company will provide telephone at the residence of Managing Director and mobile phone for official purpose as per the rules of the Company. However, personal STD calls will be charged to the Managing Director.

In the event of loss or inadequacy of profits in any financial year during the tenure of the Managing Director, the salary, discretionary allowance and perquisites of Managing Director shall be within the ceiling limits specified in Schedule XIII to the Companies Act, 1956.

The above remuneration and perquisites shall be subject to such limits as are laid down in Schedule XIII to the Companies Act, 1956

**D.** The Company shall pay to or reimburse to the Managing Director and the Managing Director shall be entitled to reimbursement by the Company of all costs, charges and expenses that may have been or may be incurred by him in connection with or relating to the business of the Company.

**E.** The Managing Director shall be entitled to all leave benefits including encashment of leave at the end of the tenure of the agreement as are applicable under the Company's rules to the executives and in force from time to time.

The Agreement dated 18<sup>th</sup> April, 2011 with Shri Gobind J. Lulla will be suitably revised and supplemental agreement will be entered into by the Company with him. The other terms and conditions of the said agreement will remain the same and shall continue to apply to his appointment.

The aforesaid agreement between the Company and Shri Gobind J. Lulla is available for inspection by the members at the Registered Office of the Company between 3.00 p.m. to 5.00 p.m. on any working day of the Company.

In compliance with the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, the terms of remuneration specified above are now being placed before the Members in Annual General Meeting for their approval.

Your Directors recommend the special resolution as item no. 7 for your approval. Except for Shri Gobind J. Lulla, no other Director is concerned or interested in the resolution.

The above may be treated as an abstract of the terms of his appointment as Managing Director of the Company under Section 302 of the Companies ACT, 1956.

**By Order of the Board**  
For **RESINS & PLASTICS LIMITED**

## Registered Office :

Plot No. A-8, Marol Ind. Est. of MIDC,  
Cross Road B, Street No.5,  
Andheri (East),  
Mumbai 400 093.  
Mumbai : 29th May, 2012

**(ASHWIN S DANI)**  
**CHAIRMAN**

Statement required to be given under Part II, Section II (B)(IV) of the Schedule XIII of the Companies Act, 1956.

## I. General Information :

- (1) **Nature of industry:** The Company is manufacturing a wide range of synthetic resins such as Polyamides, Alkyd Resins, Phenolic Resins, etc. some of which are import substitutes. The products of the Company find varied applications in diversified industries such as paints, printing inks etc
- (2) **Date or expected date of commencement of commercial production:** The Company commenced operations in the year 1971.
- (3) **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** Not Applicable
- (4) **Financial performance based on given indicators:** The financial performance of the Company is mentioned in the Director's Report.
- (5) **Export performance and net foreign exchange collaborations:** The Company caters to the domestic market only and has developed indigenous technology and therefore has no foreign collaborations in this regard.
- (6) **Foreign investments or collaborations, if any:** Nil

## II. Information about the appointee:

### (1) Background details:

Shri Gobind J. Lulla, passed B.Tech (Chemical Engg.) from I.I.T. Mumbai & PGDBM from IIM Ahmedabad. Prior to joining Resins & Plastics Limited, he has worked at senior level positions with reputed Organisations viz; Asian Paints Ltd., VIP Industries Ltd., Syngenta India Ltd. & EMRI, Hyderabad. During his 33 years of work experience, he has handled several functions viz; Sales, Supply Chain Management, I.T. & Corporate Strategy.

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## (2) Past remuneration (F.Y. 2010-11):

Description	Amount Rs in Lakhs
Salary, Allowances & Perquisites	34.72
Contribution to Provident Fund	2.52
Contribution to Group Gratuity Fund	1.01
<b>Total</b>	<b>38.25</b>

## (3) Recognition or awards : Not applicable

## (4) Job profile and his suitability:

With a view to broadbase the Board, Shri Gobind J. Lulla has been appointed as an Additional Director and Managing Director of the Company. Shri Gobind J. Lulla has passed B.Tech (Chemical Engg.) from I.I.T. Mumbai & PGDBM from IIM Ahmedabad. Prior to joining Resins & Plastics Ltd., he has worked at senior level positions with reputed Organisations viz; Asian Paints Ltd., VIP Industries Ltd., Syngenta India Ltd. & EMRI, Hyderabad. During his 33 years of work experience, he has handled several functions viz; Sales, Supply Chain Management, I.T. & Corporate Strategy and his appointment on the Board will be in the best interest of the Company.

## (5) Remuneration proposed: As per the details mentioned above.

## (6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person: The proposed remuneration is in line with the trends in the industry and is befitting Shri Gobind J. Lulla's educational background, experience and competence.

## (7) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any: Shri Gobind J. Lulla has no other relationship with the Company or with the managerial personnel, except the remuneration being paid to him as Managing Director of the Company.

## III. Other information:

### (1) Reasons of loss or inadequate profits:

Intense competition in the Resin Industry coupled with increasing raw material costs has had an adverse impact on the Profits of the Company.

### (2) Steps taken or proposed to be taken for improvement:

The Company has taken several steps inter alia, innovative buying, cost optimization initiatives & product mix rationalisation for improving the Company's performance.

### (3) Expected increase in productivity and profits in measurable terms:

The Company expects marginal growth in productivity and profits due to subdued economic conditions.

## IV. Disclosures:

The details of remuneration payable/paid to Shri Gobind J. Lulla have been disclosed above. The Company does not have any scheme for grant of stock options.

By Order of the Board  
For **RESINS & PLASTICS LIMITED**

## Registered Office :

Plot No. A-8, Marol Ind. Est. of MIDC,  
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Mumbai 400 093.  
Mumbai : 29th May, 2012

**(ASHWIN S DAN)**  
**CHAIRMAN**

# RESINS & PLASTICS LTD.

## DIRECTORS' REPORT

To The Members

The Directors have pleasure in presenting the Fifty First Annual Report of the Company and audited Statement of Accounts for the Financial Year ended 31<sup>st</sup> March, 2012 –

### 1. PERFORMANCE OF THE COMPANY:

	Year Ended 31.03.2012 (Rs. in lacs)	Year Ended 31.03.2011 (Rs. in lacs)
<b>FINANCIAL RESULTS:</b>		
Revenue from Operations	9680.83	6713.85
Other Income	28.50	21.59
Profit before Depreciation and Tax	488.49	563.15
Less : Depreciation	34.94	36.77
Provision for Taxation	145.26	166.13
<b>PROFIT AFTER TAX</b>	<b>308.29</b>	<b>360.25</b>
Add/(Less) : Balance brought forward From Previous Year	1144.90	924.44
<b>DISPOSABLE PROFIT</b>	<b>1453.19</b>	<b>1284.70</b>
The Directors recommend the appropriation of the disposable profits as under :		
Proposed Final Dividend	89.31	89.31
Tax on Proposed Final Dividend	14.49	14.49
Transfer to General Reserve	31.00	36.00
Balance carried to Balance Sheet	1318.39	1144.90
	<b>1453.19</b>	<b>1284.70</b>

### 2. DIVIDEND:

Your Directors are pleased to recommend a dividend @Rs.2.50 per share (25%) on 35,72,300 equity shares of Rs.10/- each. The dividend, if approved by the shareholders at the Annual General Meeting will be paid to those shareholders, whose names appear on the Register of Members as on 24<sup>th</sup> July, 2012.

### 3. OPERATIONS:

The total revenue from operations for the year has grown by 44% from Rs.6713.85 lacs in the previous year to Rs.9680.83 lacs.

### 4. FIXED DEPOSITS:

Fixed Deposits from the Public and Shareholders stood at Rs.38.40 lacs whereas unclaimed Deposits were Nil, as at the end of the year.

### 5. DIRECTORS:

Shri Bharat B. Chovatia and Shri Dhiren P. Mehta, Directors retire by rotation and being eligible, offer themselves for re-appointment. Your Directors have pleasure in recommending these appointments.

Shri Abhay A. Vakil was appointed as Director of the

Company with effect from 1<sup>st</sup> February, 2012. Necessary approval of the shareholders will be obtained at the ensuing Annual General Meeting of the Company.

Shri C.D. Kapadia ceased to be a Director of the Company w.e.f. 20<sup>th</sup> October, 2011. The members of the Board placed on record their appreciation for the contribution, advice and guidance rendered by Shri C.D. Kapadia during his long tenure with the Company.

Shri Amar A. Vakil ceased to be a Director of the Company w.e.f. 2<sup>nd</sup> February, 2012. The members of the Board placed on record their appreciation for the contribution, advice and guidance rendered by Shri Amar A. Vakil during his long tenure with the Company.

### 6. DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956:

- (i) That in the preparation of the annual accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departures, if any;



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- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit or loss of the Company for the year under review;
- (iii) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the Annual Accounts for the year ended 31<sup>st</sup> March, 2012 has been prepared on a going concern basis.

## 7. CORPORATE GOVERNANCE:

A Report on Corporate Governance alongwith a certificate from the Auditors of the Company regarding compliance of the conditions of Corporate Governance pursuant to Clause 49 of the Listing Agreement are given in Annexure I to this Report.

## 8. MANAGEMENT DISCUSSION AND ANALYSIS:

Synthetic Resins manufactured by the Company are primarily used in the Adhesive, Industrial Coatings and Print Ink Industries.

The upward trend in prices of raw materials and solvents witnessed during the Financial Year 2010-11 continued during the Financial Year 2011-12. With the Rupee depreciation against US Dollar, increased sales to large customers having lower margins and inability of other customers to absorb such increase in prices resulted in sales price realization increase being lower than the increase in the input costs and erosion of operating margins. However, our revenue growth of 44% during the year helped us in partially arresting the decline in profits.

The Board considers the performance of the Company as reasonable in the conditions prevailing during the Financial Year 2011-12.

The Company's Management is gearing up to operate under lower margins regime and is optimistic about the prospects in the coming years.

The Company has good internal control systems, the adequacy of which has been reported by the Auditors in their report.

The number of employees stood at 92 as on 31<sup>st</sup> March, 2012.

## 9. PERSONNEL:

There were no employees who are in receipt of remuneration in excess of the limits specified under Section 217(2A) of the Companies Act, 1956.

## 10. TECHNOLOGY UPGRADATION:

The progress on technology upgradation is separately reported in the prescribed format in Annexure No.II to this report.

## 11. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Particulars in respect of conservation of energy and technology absorption by the Company are given in Form A and B respectively in Annexure No. II to this Report. The details of expenditure and earnings in foreign currencies are given in Notes No.27.4 and 27.9 respectively to the Statement of Accounts.

## 12. AUDITORS:

The Company's Auditors, M/s.Shah And Company, Chartered Accountants, retire at the ensuing Annual General Meeting and express their willingness to continue, if so appointed.

## 13. ACKNOWLEDGEMENT:

Your Directors wish to place on record their appreciation for the devoted services and the contribution made by the Company's employees at all levels for the continued growth and prosperity of the Company.

The Board of Directors also wish to place on record its appreciation for the continued co-operation and assistance received by the Company from its Bankers, State Bank of India during the year under review.

For and on behalf of the Board  
**RESINS & PLASTICS LIMITED**

**(ASHWIN S DANI)**  
**CHAIRMAN**

Mumbai : 29<sup>th</sup> May, 2012

### CORPORATE GOVERNANCE DISCLOSURES

The Company has been complying with the requirements of the said Clause to the extent and in the manner stated hereunder;

#### 1. BOARD OF DIRECTORS

The Board had 6 Non-Executive Directors and 2 Executive Directors till 20<sup>th</sup> October, 2011. After the resignation of Shri C. D. Kapadia, Non-Executive / Independent Director, the Board has 5 Non-Executive Directors and 2 Executive Directors. Out of these 3 are Independent Directors and the necessary intimation regarding non-conformity of the requirements of composition of the Board of the Listing agreement have been made to Pune / Ahmedabad Stock Exchanges vide our letter dated 17<sup>th</sup> April 2012. In spite of the initiative and efforts put in by our Board, we have not been able to find a suitable person for the post of Independent Director within the stipulated time. During the Financial Year 2011-2012, the Board met 5 times on 18<sup>th</sup> April 2011, 23<sup>rd</sup> May 2011, 20<sup>th</sup> July 2011, 20<sup>th</sup> October 2011 and 1<sup>st</sup> February 2012.

None of the Directors on the Board hold the office of Director in more than fifteen companies or membership of committee of the Board in more than ten committees or chairmanship of more than five committees.

The Constitution of the Board and other relevant details relating to Directors are given below:

Name of Director	Position	Attendance at		Directorships in other Companies *	Membership in Board Committees of other Companies
		Board Meetings	Last AGM		
Shri Ashwin S. Dani	Non-Executive Chairman/ Promoter	5	Yes	7	2 (2)
Shri Amar A. Vakil (Resigned w.e.f.02/02/2012)	Non-Executive/ Promoter	4	No	3	-
Shri Abhay A. Vakil (From 01.02.2012)	Non-Executive/ Promoter	1	-	3	1 (2)
Shri Gobind J. Lulla	Managing Director	5	Yes	-	-
Shri Rupen A. Choksi	Executive Director	5	Yes	1	-
Shri Chatrabhuj D. Kapadia (Resigned w.e.f.20/10/2011)	Non-Executive/ Independent	1	Yes	-	-
Shri Bharat B. Chovatia	Non-Executive/ Independent	5	Yes	1	-
Dr. V. C. Malshe	Non-Executive/ Independent	4	Yes	2	-
Shri Dhiren P. Mehta	Non-Executive/ Independent	4	No	4	3

\* Other Directorship do not include Alternate Directorship, Directorship of Private Limited Companies.

( ) Figures in bracket indicate Chairmanship of Committee.

#### Code of Conduct:

The Company has a Code of Conduct for Directors and members of Senior Management. The Code is available on the Company's Website. All the Board members and senior management personnel have affirmed compliance with the code.

#### Information supplied to the Board:

Agenda papers are circulated to the Members of the Board well in advance of the Board Meeting, containing all the important and adequate information for facilitating deliberation at the meeting. Wherever it is not practicable to attach or send relevant documents along with Agenda, the same are tabled at the meeting. Following information interlaid is supplied to the Board as part of the Agenda Papers:

- Annual budgets, operating plans and budgets, capital budgets.
- Operations Review & Financial Results for the Quarter and Year to Date.
- Minutes of meetings of the audit committee and other committee(s) of the Board.
- Investment of funds of the Company.
- Approval of related party transactions.
- Status of legal, tax issues i.e. demand, show cause notices.
- Compliance reports of all laws applicable to the Company.
- All other information which is relevant for decision-making by the Board.
- Quarterly details of foreign exchange exposure and the steps taken by management to limit the risks of adverse exchange rate movement.

**2. AUDIT COMMITTEE**

The Company has constituted an Audit Committee consisting of the following directors. The Audit Committee adopts a proactive, critical, objective and independent approach and engages in discussions with the external auditors about various issues including management's competence and judgement.

<b>Name</b>	<b>Designation</b>	<b>Category</b>
Shri Bharat Chovatia	Chairman	Non-Executive, Independent
Shri Chatrabhuj Kapadia (Resigned w.e.f. 20/10/2011)	Member	Non-Executive, Independent
Shri Dhiren P. Mehta	Member	Non-Executive, Independent

The details as to the date(s) on which the meetings were held and the attendance details of the members of the Committee during the Financial Year ended 31<sup>st</sup> March, 2012 are as follows:

23<sup>rd</sup> May 2011, 20<sup>th</sup> July 2011, 19<sup>th</sup> September 2011, 20<sup>th</sup> October 2011 and 1<sup>st</sup> February 2012.

<b>Name</b>	<b>Held during the year</b>	<b>Attended</b>	<b>Whether attended last AGM (Y/N)</b>
Shri Bharat B. Chovatia	5	5	Y
Shri Chatrabhuj D. Kapadia (Resigned w.e.f. 20/10/2011)	5	2	Y
Shri Dhiren P. Mehta	5	4	N

The meetings are also attended by Managing Director, representative of Statutory Auditor and the General Manager - Finance. The terms of reference of the Audit Committee include the matters specified in clause 49 (II) of the Listing Agreement with the Stock Exchanges. The terms of reference of the Audit Committee include the following:

- Overseeing the Company's financial reporting process and the disclosure of its financial information.
- Reviewing with management the quarterly, half-yearly and annual financial statements before submission to the Board, with primary focus on accounting policies and practices, compliance with accounting standards and with stock exchange and legal requirements concerning financial statements for final approval.
- Reviewing with the management performance of statutory and internal audit.
- Reviewing the adequacy of internal control systems and internal audit function, ensuring compliance of internal control systems and reviewing the company's financial and risk management policies.
- Discussing with external auditors before the audit commences nature and scope of audit as well as has post-audit discussion to ascertain any area of concern.
- Discussion on significant findings on internal audit and follow up thereon.
- Reviewing the Company's financial and risk management policies.
- Reviewing of the Cost Accounting records of the Company's products.
- Applicability, compliance and impact of various Accounting Standards and guidelines issued by the Concerned Institute / Authorities to the financial Statements of Accounts of The Company.
- Accounting Policies followed by the Company and changes required in them from time to time.
- Compliances with Stock Exchange and other Statutory / regulatory requirements.

**3. REMUNERATION COMMITTEE:**

**Terms of Reference**

The Remuneration Committee is empowered to recommend the Company's policy on specific remuneration packages for Wholetime Directors including pension rights and any other compensation related matters and issues within the framework of the provisions and enactments governing the same.

a) The Remuneration Committee consists of the following directors and the meeting was held on 18<sup>th</sup> April 2011 and 1<sup>st</sup> February 2012 during the Financial Year ended 31<sup>st</sup> March 2012.

<b>Name</b>	<b>Designation</b>	<b>Category</b>
Shri Chatrabhuj D Kapadia (Resigned w.e.f. 20/10/2011)	Chairman	Non-Executive, Independent
Shri Ashwin S Dani	Member	Non-Executive
Shri Bharat B. Chovatia	Member	Non-Executive, Independent
Shri Dhiren P. Mehta	Member	Non-Executive, Independent

- b) The remuneration paid to Managing Director, Shri Gobind J. Lulla is within the ceiling as per the agreement entered with the Company and approved by the shareholders. Details of remuneration paid / to be paid to directors during the Financial Year 2011-2012 are given below:

Directors	Remuneration paid / payable during F. Y. 2011-12 (Rs.)		
	Sitting fees #	Salary	Perquisites *
Shri Ashwin S Dani	52500	-	-
Shri Amar A Vakil (Resigned w.e.f. 02/02/2012)	30000	-	-
Shri Bharat B Chovatia	90000	-	-
Shri Chatrabhuj D Kapadia (Resigned w.e.f. 20/10/2011)	22500	-	-
Shri Gobind J. Lulla	-	3018000	1701740
Shri Rupen A. Choksi	-	1422000	410891
Dr. V. C. Malshe	30000	-	-
Shri Dhiren P. Mehta	75000	-	-
Shri Abhay A Vakil (Appointed w.e.f. 01/02/2012)	7500	-	-
<b>Total</b>	<b>307500</b>	<b>4440000</b>	<b>2112631</b>

\* Perquisites include Company's contribution / payments to provident fund, superannuation fund, gratuity fund, medical, leave travel allowance, rent free accommodation, leave encashment etc. monetary value of perquisites as per Income Tax Rules.

# includes sitting fees paid for Committee Meetings.

#### Directors' Service Contracts' Details:

Name	Designation	Service Contract Period
Shri Rupen A. Choksi	Executive Director	Agreement dt. 10.08.2010: Period 21.06.2010 to 20.06.2013.
Shri Gobind J. Lulla	Managing Director	Agreement dt.18.04.2011: Period 01.10.2010 to 30.09.2013

#### 4. SHARE TRANSFER / INVESTORS' GRIEVANCE COMMITTEE:

The Share Transfer Committee consists of following Directors:

Name	Designation	Category
Shri Ashwin S Dani	Chairman	Non-Executive
Shri Rupen A. Choksi	Member	Executive
Shri Gobind J. Lulla	Member	Executive

All Shares are transferred within a period of 30 days from the date of receipt, as long as the documents are clear in all respects and there are no complaints pending.

Attendance of each member at the meetings held during the financial year 2011-12:

Name	Held during the year	Attended
Shri Ashwin S. Dani	8	7
Shri Rupen A. Choksi	8	8
Shri Gobind J. Lulla	8	8

**Particulars of Directors retiring by Rotation at the ensuing Annual General Meeting and being eligible offer themselves for appointment / re-appointment:**

**Name : Shri Bharat B. Chovatia**

**Age : 58 Years**

**Educational Qualification:** B.Com., L.L.B., & F.C.A.

**Experience:** More than 27 years in Audit, Direct Taxation and providing Business Consultancy Services to various Companies. He is a Director on the Board of the following Companies as at 31<sup>st</sup> March, 2012:

Company	Position	Committee Membership
Pragati Chemicals Limited	Director	Nil

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**Name : Shri Dhiren P. Mehta**

**Age :** 60 Years

**Educational Qualification:** B.Com. F.C.A., A.C.S., M.F.M.

**Experience:** 36 years of experience in Finance, Accounts, Taxation, Corporate Laws and in General Management. He is presently working as C.E.O. and Company Secretary with M/s. Mazda Colours Limited.

He is a Director on the Board of the following Companies as at 31<sup>st</sup> March, 2012:

Company	Position	Committee Membership
Aeonian Investment Company Ltd.	Director	Audit & Share holders/ Investor Grievance Committee (Member)
Cons Holding Ltd.	Director	Nil
Sammelan Investment and Trading Ltd.	Director	Nil
Sunshield Chemicals Ltd.	Director	Audit Committee (Member)

**Name : Shri Abhay A. Vakil**

**Age :** 62 Years

**Educational Qualification:** B.Sc. from Mumbai University and BS from Syracuse University, USA.

**Experience:** Shri Abhay Arvind Vakil has been associated with Asian Paints Ltd since 1974. Prior to becoming Managing Director of Asian Paints Limited in 1998, he was holding the post of Wholetime Director in the same Company. He ceased to be the Managing Director of Asian Paints Limited on 31.03.2009 and w.e.f. 1<sup>st</sup> April 2009 he holds the position of Non-Executive Director on the Board of Asian Paints Limited. He has vast and rich experience in Supply Chain, Materials Procurement, Sales & Marketing functions.

He is a Director on the Board of the following Companies as of 31<sup>st</sup> March, 2012:

Company	Position	Committee Membership
Asian Paints Ltd.	Director	Share Transfer Committee (Chairman) Investor Grievance Committee (Member)
Asian Paints Industrial Coating Ltd.	Director	Audit Committee(Chairman)
Vikatmev Containers Ltd.	Director	
Kalica Paper Industries Pvt. Ltd.	Director	
Asteroids Trading and Investments Pvt. Ltd.	Director	
Nehal Trading and Investments Pvt. Ltd.	Director	
Unnati Trading and Investments Pvt. Ltd.	Director	
Jalaj Trading and Investments Pvt. Ltd.	Director	

### Details of last three Annual General Meetings held:

- 50<sup>th</sup> Annual General Meeting 20<sup>th</sup> July, 2011 at 11.00 a.m.  
M.C. Ghia Hall, Bhogilal Hargovindas Building, 2nd Floor, 18/20, K Dubash Marg, Mumbai 400001.

#### Special Resolution passed:

Appointment of Shri Gobind J. Lulla as Additional Director and Managing Director of the Company for the period of three years from 01.10.2010 to 30.09.2013.

- 49<sup>th</sup> Annual General Meeting 22<sup>nd</sup> July, 2010 at 10.30 a.m.  
M.C. Ghia Hall, Bhogilal Hargovindas Building, 2nd Floor, 18/20, K Dubash Marg, Mumbai 400001.

#### Special Resolution passed:

Re-appointment of Shri Rupen A. Choksi as Executive Director of the Company for the period of three years from 21.06.2010 to 20.06.2013.

- 48<sup>th</sup> Annual General Meeting 23<sup>rd</sup> September, 2009 at 11.00 a.m.  
M.C. Ghia Hall, Bhogilal Hargovindas Building, 2nd Floor, 18/20, K Dubash Marg, Mumbai 400001.

#### Special Resolution passed:

Re-appointment of Shri P.Ananthanarayanan as Managing Director of the Company for the period of one year from 01.10.2009 to 30.09.2010.

### Disclosures:

#### Related Party Transactions:

Transactions with related parties are disclosed in Note No.28.2 to the Accounts in the Annual Report.

## **Risk Management:**

The Company has initiated the exercise of identifying risks being faced by the company. Risk Minimisation is being built up in the operating systems, these procedures will be periodically reviewed to ensure that the Management minimizes the risks through a properly defined framework.

## **CEO / CFO Certification:**

Certificate from Shri Gobind J. Lulla, Managing Director and Smt. Sunita R. Satpalkar, General Manager – Finance in terms of clause 49(V) of the Listing Agreement entered into with Stock Exchanges, was placed before the Board of Directors of the Company in its meeting held on 29<sup>th</sup> May, 2012, for the Financial Year ended March, 2012.

## **Compliances:**

The Company has complied with the requisite regulations relating to capital markets. There were no penalties or strictures imposed on the Company by Stock Exchange or SEBI or any Statutory authority, on any matter related to capital markets, during the last three years.

## **Means of Communication:**

Quarterly /Half Yearly / Nine-Months and Annual Financial Results of the Company are published in the Free Press Journal and Dainik Navashakti.

Your Company provides necessary information to the Stock Exchanges in terms of the Listing Agreement and other rules and regulations issued by the Securities Exchange Board of India.

The Management Discussion and Analysis report forms part of the Directors' Report.

## **General Shareholders Information:**

- a) 51<sup>st</sup> Annual General Meeting will be held on Tuesday, the 24<sup>th</sup> July, 2012 at 11.00 a.m. at M.C. Ghia Hall, Bhogilal Hargovindas Building, 4<sup>th</sup> Floor, 18/20, K Dubash Marg, Mumbai 400001.
- b) The Company's Financial Year begins on 1<sup>st</sup> April to 31<sup>st</sup> March
- c) Dates of book closure: Wednesday, the 18<sup>th</sup> July, 2012 to Tuesday, the 24<sup>th</sup> July, 2012
- d) Dividend payment date: on or after 24<sup>th</sup> July, 2012
- e) Listing on Stock Exchanges: The Company's equity shares are listed on Ahmedabad Stock Exchange Ltd. and Pune Stock Exchange Ltd. The annual listing fees have been paid and there is no outstanding payment towards the stock exchanges, as on date. The Company has also paid custodial fees for the year 2012-13 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The International Security Identification Number ISIN allocated to the Company by NSDL and CDSL is INE422F01017.

## **Registrar & Transfer Agents and dematerialisation of shares:**

The Company has appointed M/s Sharepro Services (I) Pvt. Ltd. as the Registrar and Transfer Agents for both physical as well as electronic transfers. The transfers are processed within a period of 30 days from the date of receipt, if the documents are in order in all respects.

The shareholders, beneficial owners (BOs) and depository participants (DPs) are requested to send/deliver the documents/correspondence relating to the company's share transfer activity etc. to the above named Registrar and Share Transfer Agent at the following address:

### **SHAREPRO SERVICES (I) PVT. LTD.**

Unit : **Resins & Plastics Limited**

Samhita Complex, Gala No-52 to 56, Bldg No.13 A-B,  
Near Sakinaka Telephone Exchange, Andheri -Kurla Road,  
Sakinaka, Mumbai-400072

Tel. No.: 67720300 / 67720400 • Fax No. 2859 1568

Email:sharepro@sharepro.com

## **Financial Calendar**

For the year ending 31st March, 2013, results will be tentatively announced :

- |                          |   |                             |
|--------------------------|---|-----------------------------|
| July / August, 2012      | - | First Quarter               |
| October / November, 2012 | - | Half Yearly                 |
| January / February, 2013 | - | Third Quarter & Nine Months |
| May 2013                 | - | Fourth Quarter and Annual   |

July/August/September 2013 - Annual General Meeting for the year ending 31st March, 2013

Any queries with respect to the financial statements of the Company should be addressed to the General Manager - Finance at the Company's Registered Office.

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## Distribution of Shareholding as on 31.03.2012:

No. of equity shares held	No. of shareholders	% of shareholders	No. of shares	% of share holding
1 - 500	1564	77.927	416950	11.672
501 - 2000	370	18.436	364940	10.216
2001 - 10000	32	1.594	129453	3.623
10000 and above	41	2.043	2660957	74.489
<b>Total</b>	<b>2007</b>	<b>100</b>	<b>3572300</b>	<b>100</b>

## Categories of shareholders as on 31.03.2012:

	No. of shares held	% of Shares held
Directors, Relatives and associates	2546200	71.2762
Individuals	998100	27.9400
Domestic Companies	26300	0.7362
Financial Institutions	-	-
Mutual Funds/ Banks / FIs / OCBs	-	-
Non-Resident Individuals	1700	0.0476
<b>Total</b>	<b>3572300</b>	<b>100</b>

## Compliance:

Certificate from Company's Auditors on Corporate Governance, as required by Clause 49 of the Listing Agreement, is incorporated in this Annual Report.

## ANNEXURE II FORM-A

### DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. POWER AND FUEL CONSUMPTION		2011-12	2010-11	
1)	<b>Power</b>			
a)	<b>Purchased</b>			
	Units (000 KWH)	<b>1066</b>	848	
	Total Amount (Rs. in lacs)	<b>67.31</b>	47.74	
	Rate/Unit (Rs.)	<b>6.31</b>	5.63	
b)	<b>Own generation Through Diesel Generator</b>			
	Units (000 KWH)	<b>28</b>	25	
	Units per litre of Diesel	<b>1.21</b>	1.58	
	Cost/unit (Rs.)	<b>35.92</b>	24.95	
2)	<b>Light Diesel Oil/Furnace Oil</b>			
	Quantity (K.L.)	<b>334</b>	254	
	Total Amount (Rs. in lacs)	<b>119.96</b>	67.90	
	Average rate (Rs./Litre)	<b>35.92</b>	26.70	
<b>B. CONSUMPTION PER UNIT OF PRODUCTION</b>				
	<b>ELECTRICITY (KWH/TON)</b>		<b>LDO/FURNACE OIL (LITRE/TON)</b>	
	<b>2011-2012</b>	2010-2011	<b>2011-2012</b>	2010-2011
	<b>171</b>	176	<b>52</b>	54

### DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT (R & D)

#### 1. Specific areas in which R & D is carried out by the Company:

- i) Development of new products & processes related to Synthetic Resins.
- ii) Quality enhancement.
- iii) Formulation re-engineering & identification/evaluation of new and alternate raw materials.
- iv) Technology upgradation.
- v) Substitution of existing products with the new products.
- vi) Innovation of new applications of the existing products and vice-versa.
- vii) Collaborative development of products with customers to meet the specifications for industrial applications / high performance coatings.

#### 2. Benefits derived as a result of the above R & D:

- i) Modification of manufacturing facilities to improve process technology.
- ii) Cost reduction.
- iii) Development of new products process development.
- iv) Upgradation in the quality of the products.

#### 3. Future Plan of action:

Focus on research and innovation projects will continue and this will enable launch of improved as well as new products of superior quality in the market to meet clients' expectations/demands.

#### 4. Expenditure on R & D during the financial year is as follows:

	2011-2012	(Rs. in lacs) 2010-2011
a) Capital	<b>0.56</b>	--
b) Recurring	<b>13.30</b>	14.48
c) Total	<b>13.86</b>	14.48
d) Total R & D expenditure as a percentage of total turnover	<b>0.14%</b>	0.22%

#### TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

All developments were done indigenously and are covered in the above mentioned points.

For and On Behalf of the Board

Mumbai  
29th May, 2012

(ASHWIN S DANJ)   
CHAIRMAN



## AUDITORS' REPORT

### TO THE MEMBERS OF RESINS AND PLASTICS LIMITED

1. We have audited the attached Balance Sheet of **RESINS AND PLASTICS LIMITED** as at 31<sup>st</sup> March 2012, and also the statement of Profit & Loss and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4 A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable.
4. Further to our comments in the Annexure referred to in paragraph 3 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.
  - (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 such books.
  - (c) The Balance Sheet, the statement of Profit & Loss and the Cash Flow Statement referred to in this report are in agreement with the books of account.
  - (d) In our opinion, the Balance Sheet, the statement of Profit & Loss and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956;
  - (e) On the basis of written representations received from the directors, as on 31<sup>st</sup> March, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2012 from being appointed as a director in terms of Clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956.
  - (f) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Statement of Profit and Loss read together with the notes thereon give the Information required by the Companies Act, 1956. 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 31<sup>st</sup> March, 2012.
    - (b) In the case of the Statement of Profit & Loss, of the "Profit" for the year ended on that date; and
    - (c) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

FOR **SHAH & CO.**  
Chartered Accountants  
FRN 109430W

**[ASHISH H. SHAH]**  
Partner  
M. No. 103750

Mumbai,  
29th May, 2012

### **Annexure referred to in Paragraph 3 of the Auditor's Report to the members of the Resins and Plastics Limited for the year ended 31<sup>st</sup> March, 2012.**

- (1) (a) The Company has maintained proper records showing full particulars including quantitative details and location of fixed assets.
  - (b) There is a regular program of physical verification, which in our opinion is reasonable, having regard to the size of the company and the nature of fixed assets. No material discrepancies have been noticed in respect of the assets physically verified during the year.
  - (c) The company has not disposed off substantial part of its fixed assets during the year.
- (2) (a) The Inventories have been physically verified during the year by the Management. In our opinion the frequency of verification is reasonable.
  - (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
  - (c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material in relation to the operations of the company and have been properly dealt with in the books of account.

# RESINS & PLASTICS LTD.

- (3) (a) The company has not granted any loans during the year to the parties covered in the register maintained u/s 301 of the companies Act, 1956.  
In view of clause 4 (iii) ( a ) of the Companies ( Auditor's Report) Order, 2003, clause 4 (iii) ( b, c & d) are not applicable to the Company.
- (b) The Company has accepted Fixed Deposit by way of unsecured loan from a director covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 4.00 lacs and the year end balance of loans taken from such parties is Rs. 4.00 lacs.
- (c) In our opinion, the rate of interest and other terms and conditions on which loan has been taken from such party listed in the register maintained under section 301 of the Companies Act, 1956 are not prima facie, prejudicial to the interest of the Company.
- (d) The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest.
- (4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of stores, raw materials including components, packing materials, plant & machinery, equipment and other assets and with regard to the sale of goods. There is no major weakness in the internal controls procedures.
- (5) (a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under Sec. 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangement referred to in (a) above and exceeding the value of Rs 5 lakh with any party during the year have been made at prices which are reasonable having regard to the prevailing market prices.
- (6) In our opinion and according to the information and explanations given to us, the company has complied with the directives issued by the Reserve Bank of India and the provisions of sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under.
- (7) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (8) We have broadly reviewed the books of accounts and other records maintained by the company in respect of resins where pursuant to the rules made by the Central government, the maintenance of cost records have been prescribed u/s 209(1)(d) of the Companies Act, 1956. We are of the opinion that prima facie the prescribed accounts and records have been maintained by the company.
- (9) (a) The company is regular in depositing undisputed statutory dues including, provident fund, employees state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues with the appropriate authorities.
- (b) According to the information and explanation given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, service tax, custom duty and excise duty were in arrears as at 31<sup>st</sup> March, 2012 for a period of more than six months from the date they became payable.
- (c) Following dues are not deposited on account of disputes pending at various forums:

Name of the Statute	Nature of dues	Assessment Year	Amount (Rs. In Lacs)	Forum where dispute is pending
The Income tax Act, 1961	Assessment dues	2005-06	0.51	Appellate level

- (10) The company has not incurred cash loss in the current year and in the immediately preceding financial year and there are no accumulated losses in the balance sheet as on 31<sup>st</sup> March 2012.
- (11) The company has not defaulted during the year in repayment of dues to any financial institutions and banks.
- (12) The company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- (13) As the company is not a chit fund or a nidhi, mutual benefit fund or society, the provisions of clause 4(xiii) of the Companies (Auditors' report) Order, 2003 are not applicable to the company.
- (14) As the company is not dealing in or trading in shares, securities, debentures and other investments, the provisions of clause 4(xiv) of the Companies (Auditors' report) Order, 2003 are not applicable to the company.
- (15) The Company has not given any guarantees.
- (16) The company has not taken any term loan during the year.
- (17) According to the information and explanations received, the company has not applied short term borrowings for long term use.
- (18) The company has not made any preferential allotment of shares during the year.
- (19) The company has not issued any debentures during the year.
- (20) The company has not raised any money by way of public issue during the year.
- (21) As per the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

FOR SHAH & CO.  
Chartered Accountants  
FRN 109430W

[ASHISH H. SHAH]  
Partner  
M. No. 103750

Mumbai, 29th May, 2012

# ANNUAL REPORT 2011 - 2012

## AUDITORS' REPORT ON CORPORATE GOVERNANCE

**TO THE MEMBERS OF RESINS & PLASTICS LTD.,**

We have examined the compliance of conditions of Corporate Governance by **RESINS & PLASTICS LTD.**, for the year ended 31 March, 2012 as stipulated in clause 49 of the Listing Agreement entered into with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of 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, and the representations made by the directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/Investors Grievance 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 SHAH & CO.**  
Chartered Accountants  
FRN 109430W

**(ASHISH H. SHAH)**  
Partner  
M. No: 103750

Mumbai  
29th May, 2012

## COMPLIANCE CERTIFICATE

Company No. :U25209MH1961PLC012223

Authorised Capital : Rs. 5,00,00,000/-

To,  
The Members of

### RESINS & PLASTICS LIMITED

Plot No. A - 8, Marol Industrial Estate of M. I. D. C.,  
Cross Road B, Street No. 5,  
Andheri (East), Mumbai- 400093.

We have examined the registers, records, books and papers of **Resins & Plastics Limited** as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2012. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The company has kept and maintained the registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and rules made thereunder and entries therein have been recorded.
2. The company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities as mentioned in the said Annexure.
3. The Company being a public limited company has the minimum prescribed paid-up capital.
4. The Board of Directors duly met 5 (Five) times on 18.04.2011, 23.05.2011, 20.07.2011, 20.10.2011 and on 01.02.2012 in respect of which meetings notices were given and the proceedings including circular resolution passed on 19.09.2011 were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company had closed its Register of Members from Thursday, 14<sup>th</sup> July, 2011 to Wednesday, 20<sup>th</sup> July, 2011 and necessary compliance of Section 154 of the Act has been made.
6. The annual general meeting for the financial year ended on 31<sup>st</sup> March, 2011 was held on 20<sup>th</sup> July, 2011 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No extra ordinary general meeting was held during the financial year.
8. The Company has not advanced any loan to its Directors and/ or persons or firms or companies referred to in Section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of section 297 of the Act.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the company has not obtained any approvals from the Board of Directors, members or Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.
13. (i) The Company delivered all certificates on lodgment thereof for transfer/ transmission in accordance with the provisions of the Act. There was no allotment of securities during the financial year.  
(ii) The Company has deposited the amount of dividend declared in a separate bank account within five days from the date of declaration of such dividend.  
(iii) The Company has posted warrants for dividends to all the members within a period of 30 days from the date of declaration and that all unclaimed /unpaid dividend has been transferred to Unpaid Dividend Account of the Company with Corporation Bank, Mumbai on 26th August, 2011.  
(iv) The company has transferred the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.  
(v) The Company has complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the appointment of director and the director to fill casual vacancies has been duly made.
15. The appointment of the Managing Director has been made in compliance with the provisions of Section 269 read with Schedule XIII to the Act.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company had made an application under section 621A of the Companies Act, 1956 for compounding of offence committed in respect of contracts under section 297 of the Act and the order dated 13.09.2011 was received for the same.
18. The directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.

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21. The Company has not issued any preference shares/debentures during the financial year.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has complied with the provisions of sections 58A and 58AA read with the Companies (Acceptance of Deposit) Rules, 1975 in respect of deposits accepted and the company has filed the copy of Statement in lieu of Advertisement/necessary particulars as required with the Registrar of Companies, Maharashtra on 21.07.2011. The company has also filed return of deposit with the Registrar of Companies.
24. The amounts borrowed by the Company during the financial year ending 31.03.2012 is within the borrowing limits of the company.
25. The company has not made any loans or advances or given guarantees or provided securities to other bodies corporate during the financial year.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the year under scrutiny.
31. We are informed that there was/ were no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has deposited both employees' and employers' contribution to provident fund with prescribed authorities pursuant to section 418 of the Act.

Place : Mumbai  
Date : 29th May, 2012

**For Parikh & Associates**  
Signature : Sd/-  
Name of Company Secretary : P. N. Parikh  
C. P. No. : 1228

### Annexure 'A'

#### Statutory Registers as maintained by the Company

1. Register of Deposits under Rule 7 of the Companies (Acceptance of Deposits) Rules, 1975.
2. Register of Charges u/s 143 of the Act.
3. Register of Members u/s 150 of the Act.
4. Minutes Book of Board Meetings u/s 193 of the Act (in loose leaf).
5. Minutes Book of General Meetings u/s 193 of the Act.
6. Books of Accounts u/s 209 of the Act are being audited by the Statutory Auditors of the Company.
7. Register of Contracts u/s 301 of the Act.
8. Register of disclosure of interest u/s 301 of the Act.
9. Register of particulars of Directors etc. u/s 303 of the Act.
10. Register of Directors' Shareholding u/s 307 of the Act.

#### Other Registers :

1. Register of transfers.
2. Attendance Register of Board Meeting.
3. Attendance Register of General Meeting.

Place : Mumbai  
Date : 29th May, 2012

**For Parikh & Associates**  
Signature : Sd/-  
Name of Company Secretary : P. N. Parikh  
C. P. No. : 1228

## Annexure 'B'

Forms and Returns as filed by the Company with the Registrar of Companies during the financial year ended on 31<sup>st</sup> March, 2012:

Sr No.	Form No. / Return	Filed under section	For	Date of filing	Whether filed within prescribed time Yes/No	If delay in filing whether requisite additional fee paid. Yes/No
1.	Form 23C	233B(2)	Application to Central Government for appointment of Cost Auditor	14.04.2011	Yes	N.A
2.	Form 61	621A	Application to Central Government under Section 297	19.05.2011	N.A	N.A
3.	Form 23	192	Agreement for approval of terms & conditions of the appointment of Shri Gobind J. Lulla as Managing Director of the Company	24.05.2011	Yes	N.A
4.	Form 62	Rule 10 of the Companies (Acceptance of Deposits Rules, 1975	Return of Deposits as on 31.03.2011	29.06.2011	Yes	N.A
5.	Form 62	Rule 4A of the Companies Acceptance of Deposit Rules & Sec 58A	Statement in lieu of Advertisement	21.07.2011	Yes	N.A.
6.	Form 62	Rule 4A of the Companies Acceptance of Deposit Rules & Sec 58A	Statement in lieu of Advertisement (Duplicate)	21.07.2011	Yes	N.A.
7.	Form 23	192	Special Resolution passed for appointment of Shri Gobind Lulla, Managing Director for a period 01.10.2010 to 30.09.2013	04.08.2011	Yes	N.A
8.	Form 32	303	Change in designation of Shri Gobind Lulla as Managing Director w.e.f. 20.07.2011	04.08.2011	Yes	N.A
9.	Form 66	383A	Compliance Certificate for the Financial Year 2010-2011	07.09.2011	Yes	N.A.
10.	Form 20B alongwith Annual Return made as on 20.07.2011	159	Annual General Meeting held on 20.07.2011	07.09.2011	Yes	N.A.
11.	Form 21	621A	Order passes u/s 621A of the Companies Act, 1956 for compounding of offence committed under section 297 of the Companies Act, 1956	19.09.2011	Yes	N.A

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Sr No.	Form No. / Return	Filed under section	For	Date of filing	Whether filed within prescribed time Yes/No	If delay in filing whether requisite additional fee paid. Yes/No
12.	Form I	233B(4) of the Companies Act, 1956 and rule (4) of the Cost Audit (Report) Rules 2001	Cost Audit Report for the year ended 31.03.2011 (for Taloja)	28.09.2011	N.A.	N.A.
13.	Form I	233B(4) of the Companies Act, 1956 and rule (4) of the Cost Audit (Report) Rules 2001	Cost Audit Report for the year ended 31.03.2011 (For Ankleshwar)	28.09.2011	N.A.	N.A.
14.	Form 23D	233B of the Companies Act, 1956	Information by Shri Vikas Deodhar, Cost Auditor to Central Government for the year 2011-12	28.09.2011	N.A.	N.A.
15.	Form 32	303	Resignation of Shri C.D. Kapadia, Director of the Company w.e.f. 20.10.2011	01.11.2011	Yes	N.A.
16.	Form 23AC & 23ACA alongwith Annual Report for the year ended 31.03.2011	220	Adopted at Annual General Meeting held on 20.07.2011	18.11.2011	Yes	N.A.
17.	Form 1	Rule 3 of IEPF	Transfer of Unpaid Dividend to IEPF	22.11.2011	Yes	N.A.
18.	Form 8	125	Creation of Charge on 14.12.2011	12.01.2012	Yes	N.A.
19.	Form 8	135	Modification of charge on 14.12.2011	13.01.2012	Yes	N.A.
20.	Form 32	303	Appointment of Shri Abhay Vakil to fill in casual vacancy w.e.f. 01.02.2012 and Cessation of Shri Amar Vakil, director of the company w.e.f. 02.02.2012	22.02.2012	Yes	N.A.

**For Parikh & Associates**

Place : Mumbai

Date : 29th May, 2012

Signature : Sd/-

Name of Company Secretary : P. N. Parikh

C. P. No. : 1228

# RESINS & PLASTICS LTD.

BALANCE SHEET AS AT 31ST MARCH, 2012

	Note No.	As At 31-03-2012 Rs. in Lacs	As At 31-03-2011 Rs. in Lacs
<b>A. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders Funds</b>			
(a) Share Capital	2	357.23	357.23
(b) Reserves and Surplus	3	1,918.14	1,713.65
		<u>2,275.37</u>	<u>2,070.88</u>
<b>(2) Non- Current Liabilities</b>			
(a) Long- term borrowings	4	8.85	34.35
(b) Deferred tax liabilities ( Net)	5	98.03	94.68
(c) Other long term liabilities	6	1.00	1.00
(d) Long term provisions	7	17.82	17.97
		<u>125.70</u>	<u>148.00</u>
<b>(3) Current Liabilities</b>			
(a) Short- term borrowings	8	82.60	2.85
(b) Trade Payables	9	1,138.71	567.88
(c) Other current liabilities	10	80.37	71.25
(d) Short term provisions	11	172.45	145.74
		<u>1,474.13</u>	<u>787.72</u>
	<b>TOTAL</b>	<u><u>3,875.20</u></u>	<u><u>3,006.60</u></u>
<b>B. ASSETS</b>			
<b>(1) Non- Current Assets</b>			
(a) Fixed Assets			
(I) Tangible Assets	12.A	530.87	497.16
(II) Intangible Assets	12.B	0.89	0.97
(III) Intangible assets under development		4.91	-
		<u>536.67</u>	<u>498.13</u>
(b) Non- current investments	13	0.02	0.02
(c) Long term loans and advances	14	30.23	21.80
(d) Other non- current assets	15	2.74	-
		<u>33.00</u>	<u>21.82</u>
<b>(2) Current Assets</b>			
(a) Inventories	16	922.97	954.26
(b) Trade Receivables	17	2,100.07	1,147.29
(c) Cash and cash equivalents	18	110.85	268.18
(d) Short- term loans and advances	19	170.44	116.03
(e) Other current assets	20	1.21	0.89
		<u>3,305.54</u>	<u>2,486.66</u>
	<b>TOTAL</b>	<u><u>3,875.20</u></u>	<u><u>3,006.60</u></u>

**Significant Accounting Policies**

Notes No 27 to 29 are an integral part of the financial statements.

In terms of our report attached  
For **SHAH & COMPANY**  
Chartered Accountants  
FRN 109430W

**A. H. SHAH**  
Partner  
M No 103750  
Mumbai: 29th May, 2012

For and on behalf of the Board  
**ASHWIN S DANI**  
Chairman

**GOBIND LULLA**  
Managing Director

Mumbai: 29th May, 2012



# ANNUAL REPORT 2011 - 2012

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

	Note No.	For the year ended 31-03-2012 Rs. in Lacs	For the year ended 31-03-2011 Rs. in Lacs
<b>I Revenue from operations(gross)</b>	21	<b>10,701.27</b>	7,425.61
Less : Excise duty		<b>1,020.44</b>	711.76
Revenue from operations(net)		<b>9,680.83</b>	6,713.85
<b>II Other Income</b>	22	<b>28.50</b>	21.59
<b>III Total Revenue (I+II)</b>		<b>9,709.33</b>	6,735.44
<b>IV Expenses</b>			
Cost of materials consumed	23.A	<b>7,913.72</b>	5,072.10
Purchase of stock -in- trade	23.B	-	264.06
Change in inventories of finished goods, work- in - progress and stock-in-trade	23.C	<b>(52.26)</b>	(166.08)
Employee benefits expenses	24	<b>425.75</b>	384.31
Finance costs	25	<b>29.63</b>	8.13
Depreciation & amortisation expenses	12.A&B	<b>34.94</b>	36.77
Other expenses	26	<b>904.02</b>	609.76
<b>Total Expenses</b>		<b>9,255.78</b>	6,209.06
<b>V Profit before tax ( III-IV)</b>		<b>453.55</b>	526.38
<b>VI Tax Expenses</b>			
(a) Current tax		<b>143.30</b>	178.91
(b) Deferred tax		<b>3.35</b>	(8.93)
(c) Excess provision for earlier years		<b>(1.39)</b>	(3.85)
<b>VII Profit for the period from continuing operations</b>		<b>308.29</b>	360.25
<b>VIII Earning per equity shares</b>	28.3		
Basic		<b>8.63</b>	10.08
Diluted		<b>8.63</b>	10.08
<b>Significant Accounting Policies</b>	1		
<b>Notes No 27 to 29 are an integral part of the financial statements.</b>			

In terms of our report attached

For **SHAH & COMPANY**  
Chartered Accountants  
FRN 109430W

**A. H. SHAH**

Partner

M No 103750

Mumbai: 29th May, 2012

For and on behalf of the Board

**ASHWIN S DANI**  
Chairman

**GOBIND LULLA**

Managing Director

Mumbai: 29th May, 2012

# RESINS & PLASTICS LTD.

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

(Rs. Lacs)

Sr. No.	Particulars	For the Year ended 31st March, 2012	For the Year ended 31st March, 2011
<b>A.</b>	<b>Cash Flow From Operating Activities</b>		
	Net Profit Before Tax And Extraordinary Items	453.55	526.38
	<b>Adjustments For :</b>		
	Depreciation and amortisation	34.94	36.77
	Interest Income	(1.24)	(1.22)
	Finance cost	29.63	8.13
	Dividend income	(0.00)	(4.20)
	Loss/(Profit) on sale of fixed assets (net)	(9.90)	3.46
	Operating Profit Before Working Capital Changes	506.96	569.33
	<b>Changes in working Capital :</b>		
	<b>Adjustment for (increase)/decrease in operating assets :</b>		
	Inventories	31.29	(443.02)
	Trade Receivables	(952.77)	178.03
	Short terms loans and advance	(54.41)	(16.52)
	Long terms loans and advance	1.70	(41.94)
	Other non-current assets	(2.74)	(25.27)
	<b>Adjustment for (increase)/decrease in operating liabilities :</b>		
	Trade payables	570.83	172.51
	Other current liabilities	9.35	6.72
	Short term provisions	109.18	(0.53)
	Long term provisions	(103.95)	(5.61)
	Cash generated from operations	115.43	393.68
	Income Tax Paid Net Of Refund	(130.72)	(164.17)
	<b>Net Cash Flow From Operating Activities</b>	<b>(15.29)</b>	<b>229.51</b>
<b>B.</b>	<b>Cash Flow From Investing Activities</b>		
	Capital expenditure on fixed assets	(77.16)	(67.05)
	Intangible assets under development	(4.91)	-
	Proceeds from sale of fixed assets	18.51	4.36
	Dividend received (CY Rs 210/-)	0.00	4.20
	Interest received	0.93	1.04
	<b>Net Cash Flow From Investing Activities</b>	<b>(62.63)</b>	<b>(57.46)</b>
<b>C.</b>	<b>Cash Flow From Financing Activities :</b>		
	Proceeds from long term borrowings	-	3.30
	Repayment of long term borrowings	(25.50)	-
	Proceeds from short term borrowings	79.75	-
	Repayment of short term borrowings	-	(6.25)
	Finance cost	(29.63)	(8.13)
	Dividend paid	(89.53)	(86.68)
	Tax on dividend	(14.49)	(14.83)
	<b>Net Cash Flow From Financing Activities</b>	<b>(79.40)</b>	<b>(112.59)</b>
	<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(157.33)</b>	<b>59.47</b>
	Cash and cash equivalents at the beginning of the year	268.18	208.71
	<b>Cash and cash equivalents at the end of the year</b>	<b>110.85</b>	<b>268.18</b>
	Note : Previous years / periods figures have been regrouped/rearranged in conformity with the Revised Schedule VI prescribed under the Companies Act, 1956.		

In terms of our report attached

For **SHAH & COMPANY**  
Chartered Accountants  
FRN 109430W

**A. H. SHAH**

Partner

M No 103750

Mumbai: 29th May, 2012

For and on behalf of the Board

**ASHWIN S DANI**

Chairman

**GOBIND LULLA**

Managing Director

Mumbai: 29th May, 2012

## NOTE NO 1. NOTES ON BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

### A Corporate Information note on business activity :

Resins and Plastics Ltd. (RPL) is pioneer and one of India's leading Synthetic Resin manufacturer catering to a wide range of industries today such as Adhesives, Coatings, Printing Inks, Insulating Varnishes, Wire Enamels, Lamination, Construction, Cosmetics and Textiles. RPL commenced its operations in 1971 for manufacturing Alkyd Resins, Epoxy Resins, Ketonic Resins, Phenolic Resins some of which are import substitutes. RPL's manufacturing facilities are located at MIDC, Taloja in Maharashtra and GIDC, Ankleshwar in Gujarat. RPL's strength lies in its R & D ,manufacturing and strong distribution network consisting of own sales offices and branches across the country and also deals through a few major distributors across different regions.

### B Significant Accounting Policies followed by the Company

#### I) BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

The financial statements are prepared in accordance with the accounting principles generally accepted in India and comply with Accounting Standards specified by the Institute of Chartered Accountants of India under section 211(3 C) of the Companies Act, 1956.

#### II) METHOD OF ACCOUNTING

The company follows accrual basis of accounting.

#### III) FIXED ASSETS

##### a) Tangible Assets -

Gross Block of Fixed Assets are shown at the cost of acquisition, which includes taxes and duties (net of cenvat and set off availed) and other identifiable direct expenses.

Leasehold lands are amortised over the period of lease.

##### b) Intangible Assets -

Capitalised cost of software includes licence fees paid.

#### IV) DEPRECIATION

The Company has provided depreciation at the rates specified under schedule XIV to the Companies Act 1956 on the following basis :

i) On all additions upto 31-03-1994 under Written Down Value Method.

ii) On all additions after 31-03-1994 under Straight Line Method.

#### V) BORROWING COSTS

Borrowing costs that are attributable to the acquisition of assets are capitalised. All other borrowing costs are charged to Profit and Loss Account.

#### VI) INVENTORIES

a) Inventories are valued at lower of cost and net realisable value. Damaged, unserviceable and inert stocks are suitably depreciated.

b) In case of raw materials, packing materials, stores, spares and consumables, the cost includes duties and taxes other than credits under CENVAT and is arrived on First In First Out basis.

c) The finished goods cost includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads on the basis of standard cost method and excise duty as applicable on the finished goods Rs.32.40 lacs (PY Rs.26.55 lacs). Finished goods traded are valued at lower of cost and net realisable value and Excise Duty as applicable on the same is Rs.0.02 lacs (PY 1.23 lacs)

d) Work-in process is valued on the same basis as finished goods except that the conversion cost for resin processing is absorbed at 50% of expenses incurred in the respective processes.

#### VII) INVESTMENTS

Short term investments are carried at the lower of cost and fair value computed category wise. Long term investments are valued at cost.

#### VIII) TRANSACTIONS IN FOREIGN EXCHANGE

Transactions in Foreign Currencies are recorded at the exchange rates prevailing on the date of the transactions.

Exchange differences arising on foreign exchange transactions settled during the year are recognised in the Profit and Loss Account for the year.

Monetary assets and liabilities denominated in foreign currencies which are outstanding as at the year end are translated at the closing exchange rate and the resultant exchange differences are recognised in the Profit and Loss Account.

#### IX) SUNDRY DEBTORS

Debts identified as irrecoverable or doubtful are written off.

## X) EMPLOYEES BENEFITS

### A) Short Term Employee Benefits :

All employee benefits payable/paid wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

### B) Post-employment benefits :

#### a) Defined contribution plans

Defined contribution plans are Employee State Insurance Scheme and Government administered Pension Fund Scheme for all employees and Superannuation Scheme for eligible employees. The Company's contribution to defined contribution plans are recognized in the Profit and Loss Account in the financial year to which they relate.

#### b) Defined Benefit Plan

i) The Company operates a defined benefit gratuity plan for employees. The Company accounts for gratuity liability by payment of premium of Life Insurance Corporation of India under Group Gratuity Scheme which is based on actuarial valuation. The actuarial valuation method used by independent actuary for measuring the liability is the Projected Unit Credit Method carried out at each Balance Sheet date.

ii) The Company operates a defined benefit Gratuity plan for the Managing Director of the Company and is payable upon the employee satisfying certain conditions, as approved by the Board of Directors.

iii) The Company makes specified monthly contributions towards employee Provident Fund to a Trust administered by the Company. The minimum interest payable by the Trust to the beneficiaries every year is being notified by the Government. The Company has an obligation to make good the shortfall, if any, between the return on investments of the Trust and the notified interest rate. The actuarial valuation method used by independent actuary for measuring the liability as on 31st March, 2012. Shortfall on account of interest is debited to profit & loss account.

## XI) RESEARCH AND DEVELOPMENT

a) Capital expenditure are shown separately under respective heads of fixed assets.

b) Expenditure of revenue nature is written off in the year in which it is incurred.

## XII) PROVISION FOR TAXATION

Provision for current tax is computed as per 'Total Income' returnable under the Income Tax Act, 1961 after taking into account deductions and exemptions. Deferred tax is recognised for all timing differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2012

### 2. SHARE CAPITAL

(Rs. Lacs)

Particulars	As At 31-03-2012	As At 31-03-2011
<b>Authorised :</b>		
50,00,000 Equity Shares of Rs.10 each	500.00	500.00
<b>Issued :</b>		
36,61,100 Equity Shares of Rs.10 each	366.11	366.11
<b>Subscribed and Paid-up :</b>		
35,72,300 Equity Shares of Rs.10 each	357.23	357.23

#### i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

Particulars	As At 31-03-2012		As At 31-03-2011	
	No of shares	Rs in lacs	No of shares	Rs in lacs
Shares outstanding at the beginning of the year	3,572,300	357.23	3,572,300	357.23
Add : Issued during year	-	-	-	-
Shares outstanding at the end of the year	3,572,300	357.23	3,572,300	357.23

#### ii) Details of shares held by each shareholder holding more than 5% shares :

Name of Shareholder	As At 31-03-2012		As At 31-03-2011	
	No. of Equity Shares held	% of Holding	No. of Equity Shares held	% of Holding
Elf Trading & Chemicals Manufacturing Ltd.	315,680	8.84	315,680	8.84
Gujarat Organics Ltd.	268,760	7.52	268,760	7.52
Elcid Investments Ltd.	240,714	6.74	240,714	6.74

#### iii) Terms/rights attached to equity shares

The Company has only one class of shares referred to as equity shares of Rs.10 each. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in the case of interim dividend.

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The Board of Directors at its meeting held on 29/05/2012 proposed dividend of Rupees 2.50 only per share totalling to Rs. 89.31 lacs, subject to the approval by the shareholders at the ensuing Annual General Meeting. The dividend appropriation for the year ended 31st March 2012 amounting to Rs.103.80 lacs including corporate dividend tax of Rs 14.49 lacs. (Previous year Rs 103.80 lacs including corporate dividend tax of Rs 14.49 lacs)

As per the Companies act 1956, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in the event of liquidation of the Company. However no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

### 3. RESERVES AND SURPLUS

Particulars	As At 31-03-2012 Rs. in lacs	As At 31-03-2011 Rs. in lacs
a) <b>Capital Reserve</b>	4.56	4.56
b) <b>Share Premium</b>	233.58	233.58
c) <b>General Reserve</b>		
Opening balance	330.62	294.62
Add : Transferred from surplus in statement of profit & loss	31.00	36.00
Closing balance	361.62	330.62
d) <b>Surplus /(Deficit) in Statement of profit &amp; Loss</b>		
Opening balance	1,144.90	924.44
Add : Profit /(Loss) for the year	308.29	360.25
Less: Dividend proposed to be distributed to equity shareholders (Rs.2.50/- per share, PY Rs 2.50 per share)	89.31	89.31
Tax on dividend	14.49	14.49
Transfer to General Reserve	31.00	36.00
Closing balance	1,318.39	1,144.90
<b>Total(a+b+c+d)</b>	<b>1,918.14</b>	<b>1,713.65</b>

### NON-CURRENT LIABILITIES

Particulars	As At 31-03-2012 Rs. in lacs	As At 31-03-2011 Rs. in lacs
<b>4. LONG-TERM BORROWINGS</b>		
Unsecured		
Fixed Deposits from Public (Fixed deposits carries interest rate @ 8.5% to 10% pa repayable on scheduled dates unless otherwise demanded)	8.85	34.35
	<b>8.85</b>	<b>34.35</b>

### 5. DEFERRED TAX (LIABILITY) ASSET

Particulars	As At 31-03-2012 Rs. in lacs	As At 31-03-2011 Rs. in lacs
Tax effect due to Difference between the written down value of assets under the Companies Act, 1956 and Income Tax Act, 1961	99.58	96.20
Expenses allowed for tax purpose on payment basis	(1.55)	(1.52)
<b>Deferred Tax liability (Net)</b>	<b>98.03</b>	<b>94.68</b>
Deffered Tax (income)/expenses for the year	3.35	(8.93)
<b>6. OTHER LONG TERM LIABILITIES</b>		
Trade Deposits	1.00	1.00
<b>7. LONG TERM PROVISIONS</b>		
<b>Provision for employee benefits :</b>		
Gratuity (unfunded)	2.55	1.01
Leave Encashment (unfunded)	15.27	16.96
	<b>17.82</b>	<b>17.97</b>

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## CURRENT LIABILITIES

Particulars	As At 31-03-2012 Rs. in lacs	As At 31-03-2011 Rs. in lacs
<b>8. SHORT- TERM BORROWINGS</b>		
<b>Secured</b>		
Foreign Currency Loan (Buyers' credit)	<b>53.05</b>	-
I. Against Security by way of hypothecation of raw materials and finished goods stock, trade receivables and mortgage of company's movable & immovable properties		
II. Foreign currency loan carries interest @ LIBOR plus 3% p.a, repayable on their respective due dates within next 12 months		
III. Default in terms of repayment of principal and interest - NIL		
<b>Unsecured</b>		
Fixed Deposits from Public (Fixed deposits carries interest rate @ 8.5% to 10% pa repayable on scheduled dates unless otherwise demanded)	<b>29.55</b>	2.85
	<b>82.60</b>	2.85
<b>9. TRADE PAYABLES</b>		
Trade Payables	<b>1,138.71</b>	567.88
	<b>1,138.71</b>	567.88
<b>10. OTHER CURRENT LIABILITIES</b>		
<b>a) Investor Education and Protection Fund :</b>		
Unclaimed Dividend	<b>6.02</b>	6.25
<b>b) Other payables :</b>		
Statutory Remittances :		
VAT & CST Payable	<b>14.33</b>	8.83
TDS Payable	<b>5.35</b>	2.88
Work Contract Tax Payable	<b>0.14</b>	0.20
Provision for Bonus	<b>13.13</b>	13.08
Service tax payable	<b>0.28</b>	0.05
Other liabilities	<b>41.12</b>	39.96
	<b>80.37</b>	71.25
<b>11. SHORT TERM PROVISIONS</b>		
Proposed equity dividend	<b>89.31</b>	89.31
Provision for income tax on proposed dividend	<b>14.49</b>	14.49
Provision for taxation ( Net of advance tax )	<b>21.33</b>	-
Retirement benefit liability-PF(AS15)	<b>2.22</b>	-
Leave Encashment (unfunded)	<b>12.70</b>	8.45
Retirement Benefit Liability- Gratuity(AS15)	<b>-</b>	4.29
Excise Duty on Plants' stock	<b>32.40</b>	29.20
	<b>172.44</b>	145.74

## Note 12.A TANGIBLE FIXED ASSETS

Particulars	Gross Block				Depreciation				Net block	
	As at 1 April, 2011	Additions	Disposals	As at 31 March, 2012	As at 1 April, 2011	For the year	Deduction for the year	As at 31/03/2012	As at 31/03/2012	As at 31/03/2011
Land-leasehold	49.34	-	-	<b>49.34</b>	8.61	0.55	-	<b>9.16</b>	<b>40.18</b>	40.73
<b>Owned Assets :</b>										
Buildings	459.88	-	0.07	<b>459.81</b>	207.44	10.14	0.06	<b>217.53</b>	<b>242.28</b>	252.44
Plant and Equipment.*	505.87	57.00	-	<b>562.87</b>	383.16	14.97	-	<b>398.13</b>	<b>164.75</b>	122.72
Furniture and Fixtures	37.57	-	-	<b>37.57</b>	34.14	0.53	-	<b>34.67</b>	<b>2.90</b>	3.42
Vehicles	70.16	18.94	17.61	<b>71.49</b>	17.30	6.44	9.01	<b>14.73</b>	<b>56.76</b>	52.86
Office Equipment	34.86	0.66	-	<b>35.52</b>	20.22	1.39	-	<b>21.62</b>	<b>13.91</b>	14.62
Research & Development Building	11.11	-	-	<b>11.11</b>	10.11	0.10	-	<b>10.21</b>	<b>0.90</b>	1.00
Research & Development Equipments	45.66	0.56	-	<b>46.22</b>	36.30	0.73	-	<b>37.02</b>	<b>9.20</b>	9.37
<b>Total</b>	<b>1,214.44</b>	<b>77.16</b>	<b>17.68</b>	<b>1,273.93</b>	<b>717.27</b>	<b>34.85</b>	<b>9.07</b>	<b>743.06</b>	<b>530.87</b>	<b>497.16</b>
Previous year	1,163.99	66.74	16.28	<b>1,214.44</b>	688.98	36.76	8.46	<b>717.27</b>	<b>497.16</b>	

## Note 12.B INTANGIBLE FIXED ASSETS

Particulars	Gross Block				Depreciation				Net block	
	As at 1 April, 2011	Additions	Disposals	As at 31 March, 2012	As at 1 April, 2011	For the year	Deduction for the year	As at 31/03/2012	As at 31/03/2012	As at 31/03/2011
Computer Software	13.30	-	-	<b>13.30</b>	12.33	0.08	-	<b>12.41</b>	<b>0.89</b>	0.97
<b>Total</b>	<b>13.30</b>	<b>-</b>	<b>-</b>	<b>13.30</b>	<b>12.33</b>	<b>0.08</b>	<b>-</b>	<b>12.41</b>	<b>0.89</b>	<b>0.97</b>
Previous year	12.98	0.32	-	<b>13.30</b>	12.32	0.01	-	<b>12.33</b>	<b>0.97</b>	

\* Inclusive of ETP, Electric/pipe fittings & other accessories.

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### NON CURRENT ASSETS

Particulars	As At 31-03-2012 Rs. in lacs	As At 31-03-2011 Rs. in lacs
<b>13. NON-CURRENT INVESTMENTS</b>		
Trade Investment 210 Shares of Rs.10 each of Bharuch Enviro Infrastructure Ltd Unquoted, (PY 210 shares)	0.02	0.02
	<b>0.02</b>	0.02
<b>14. LONG TERM LOANS AND ADVANCES</b> (Unsecured & considered good)		
a) Sundry Deposits	11.66	12.04
b) Prepaid expenses	1.30	2.62
c) Advance payment of income tax (Net of provision )	17.27	7.14
	<b>30.23</b>	21.80
<b>15. OTHER NON CURRENT ASSETS</b>		
Retirement Benefit Assets -Gratuity (AS15)	2.74	-
	<b>2.74</b>	-

### CURRENT ASSETS

Particulars	As At 31-03-2012 Rs. in lacs	As At 31-03-2011 Rs. in lacs
<b>16. INVENTORIES</b> (As taken, valued & certified by Managing Director)		
(a) Raw Materials	415.51	500.47
(b) Work - in - Process *	82.98	56.67
(c) Finished Goods *	407.59	369.13
(Includes finished goods in transit Rs 7.82 lacs, PY Rs 28.15 lacs)		
(d) Stock-in-trade *	0.40	12.90
(e) Packing Materials	6.09	8.27
(f) Stores, Spares & Consumables	0.48	0.71
(g) Fuels	9.92	6.10
(At cost or market value whichever is lower)		
* Company deals in single product synthetic resins	<b>922.97</b>	954.26
<b>17. TRADE RECEIVABLES</b> Unsecured & considered good - Over due for more than six months - Other Debts Trade receivables includes debt due from companies controlled by Directors/relatives of directors	4.34 2,095.72	31.63 1,115.66
Name of the companies	CY	PY
	Rs in lacs	
Ms Asian Paints Ltd.	161.22	21.76
Ms Asian PPG Industries Ltd.	30.92	58.23
Ms Ricinash Oil Mill Ltd.	1.95	-
	194.09	79.99
	<b>2,100.07</b>	1,147.29
<b>18. CASH AND CASH EQUIVALENT</b>		
(a) Cash on hand	0.59	1.08
(b) Balance with banks		
i) Current Account	95.08	80.75
ii) Fixed deposits with bank	-	170.00
(c) Other bank balances		
i) In Deposit Account- In margin money	9.15	10.10
ii) Unpaid Dividend Account - In earmarked accounts	6.02	6.25
	<b>110.85</b>	268.18
<b>19. SHORT TERM LOANS AND ADVANCES</b> (Unsecured & considered good) <b>Other loans and advances:</b> Advances/claim recoverable in cash or kind		
a) Advances to vendors	62.16	13.39
b) Prepaid expenses	3.81	4.60
c) Balance with Government Authorities		
(i) Cenvat Credit Receivables	31.63	42.41
(ii) VAT Credit Receivables/Sales tax refundable	70.86	52.95
(iii) Service tax Credit Receivables	1.89	2.24
d) Loans/Advances to employees	0.08	0.44
	<b>170.44</b>	116.02

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Particulars	As At 31-03-2012 Rs. in lacs	As At 31-03-2011 Rs. in lacs
<b>20. OTHER CURRENT ASSETS</b>		
Income accrued but not due	1.21	0.89
	1.21	0.89
<b>21 REVENUE FROM OPERATIONS</b>		
a) Sale of Synthetic Resins (net of returns)		
- Home market	10,561.08	7,012.27
- Exports	122.82	90.34
- Traded goods	11.01	301.37
b) Other operating revenues :		
Processing Charges	-	18.44
Scrap sale	6.36	3.20
	10,701.27	7,425.61
Less : Excise Duty	1,020.44	711.76
<b>Total</b>	<b>9,680.83</b>	<b>6,713.85</b>
Note : Company deals in single product synthetic resins		
<b>22 OTHER INCOME</b>		
a) Interest income	1.24	1.22
b) Dividend from investments (CY Rs 210/-)	0.00	4.20
c) Net gain on foreign currency transactions & translations	-	9.94
d) Other non operating income	27.25	2.84
<b>Prior period items (net):</b>		
<b>Prior period income</b>		
Interest on IT Refund	-	2.78
Sales Tax Refund	-	1.00
<b>Prior period expenses</b>		
Short Prov of Sales Tax for earlier period	-	(0.38)
	28.50	21.59
<b>23A COST OF MATERIAL CONSUMED</b>		
Opening Stock	500.47	230.84
Add : Purchases (net of discount and sale of materials)	7,593.04	5,156.33
	8,093.51	5,387.17
Less : Closing stock	415.51	500.47
(Refer note no 27.5 for major consumption items )	7,678.00	4,886.70
<b>Packing Material Consumed</b>		
Opening Stock	8.27	3.91
Add : Purchases	233.54	189.76
Less : Closing stock	6.09	8.27
	235.72	185.41
	7,913.72	5,072.10
<b>23.B PURCHASE OF TRADED GOODS</b>		
Synthetic Resins	-	264.06
	-	264.06
<b>23.C CHANGES IN INVENTORIES OF FINISHED GOODS, WORK- IN- PROGRESS AND STOCK - IN - TRADES</b>		
<b>Stock at the end of the year :</b>		
Finished goods	407.59	369.13
Work -in- progress	82.98	56.67
Stock -in- trade	0.40	12.90
	490.97	438.71
<b>Stock at the beginning of the year :</b>		
Finished goods	369.13	244.53
Work -in- progress	56.67	28.10
Stock -in- trade	12.90	-
	438.71	272.63
Net Increase in stocks	(52.26)	(166.08)
<b>24 EMPLOYEE BENEFITS EXPENSES</b>		
a) Salaries , Wages & Allowances	337.86	295.92
b) Contribution to Provident and other funds (refer note 28.1)	45.19	43.85
c) Staff Welfare Expenses	42.69	44.54
	425.75	384.31
<b>25 FINANCE COST</b>		
a) Interest Expense	5.84	3.96
b) Other Borrowing cost	7.77	4.17
c) Net loss on foreign currency transactions and translation	16.02	-
	29.63	8.13



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Particulars	As At 31-03-2012 Rs. in lacs	As At 31-03-2011 Rs. in lacs
<b>26 OTHER EXPENSES</b>		
Power and Fuel	197.43	121.76
Consumption of stores & spare parts	45.20	20.60
Repairs- Plant & Machinery	4.92	4.50
- Building	42.63	33.08
Rent	4.87	9.67
Rates and taxes	15.10	15.05
Insurance	5.54	6.03
Freight on sales	142.19	106.62
Rebate on sales	130.33	63.44
<b>Payment to Auditor as :</b>		
a) Auditor	2.20	1.73
b) For taxation matter	0.60	0.50
c) For company law matter	0.18	0.15
d) For reimbursement of expenses	0.10	0.10
Net loss on foreign currency transactions & translation (other than considered as finance cost)	18.49	-
Bad debt	34.60	0.06
Loss on fixed assets sold	-	3.46
Miscellaneous expenses	256.71	223.02
<b>Prior period items (net):</b>		
Prior period expenses -		
-Entry tax on LDO	2.98	-
Prior period income -		
-Excess provision of bonus	(0.08)	-
	<b>904.02</b>	<b>609.76</b>

**Note No. 27 Additional information to the financial statements.**

<b>27.1 Contingent liabilities and commitments (to the extent not provided for)</b>		
I) Contingent Liabilities		
a) Income Tax demands disputed in appeals	0.51	17.26
b) Excise demands disputed in appeals	-	2.15
c) Letters of Credit and bank Guarantee issued by bank and outstanding as on 31st March , 2012	49.00	45.32
<b>27.2 Disclosure under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006</b>		
I) Principal amount remaining unpaid to any supplier as at the end of the accounting year	21.59	61.57
There are no Micro and Small Enterprises , to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2012. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.		
<b>27.3 Details on derivatives instruments and unhedged foreign currency exposures</b>		
I) <b>Outstanding forward exchange contracts entered into by the Company as on 31st March, 2012</b>		
Particulars of forward contract	As at 31 March, 2012	As at 31 March, 2011
<b>Toward import payments</b>		
In USD	451,912	-
In Rs in lacs	232.78	-
II) The foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below :		
Particulars	As at 31 March , 2012	As at 31 March , 2011
<b>In USD</b>		
Receivables	47,808	12,000
Payables	113,460	110,598
<b>In Rs in lacs</b>		
Receivables	24.64	5.42
Payables	58.47	49.92
		Rs in lacs
Particulars	F.Y. 2011-12	F.Y. 2010-11
<b>27.4 Value of imports calculated on CIF basis</b>		
Raw Materials	1,935.41	1,659.01

## 27.5 Details of major consumption items

Name of the item	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	Rs in lacs	Rs in lacs
Dimer Acid	901.82	427.65
Xylene fresh	966.08	584.70
Other	5,810.10	3,874.35
<b>Total</b>	<b>7,678.00</b>	<b>4,886.70</b>

## 27.6 Finished goods Rs in lacs

Particulars	F.Y.2011-12			F.Y.2010-11		
	Sales (net)	Closing	Opening	Sales (net)	Closing	Opening
Synthetic resins	9,674.46	407.59	369.13	6,710.65	369.13	244.53

## 27.7 Work in progress Rs in lacs

Particulars	F.Y.2011-12	F.Y.2010-11
Synthetic resins	82.98	56.67

## 27.8 Details of consumption of imported and indigenous items

Particulars	For the year ended 31 March, 2012		For the year ended 31 March, 2011	
	Rs in lacs	%	Rs in lacs	%
Raw Materials :				
Imported	2,190.78	28.53	1,445.12	29.57
Indigenous	5,487.21	71.47	3,441.58	70.43
<b>Total</b>	<b>7,678.00</b>	<b>100.00%</b>	<b>4,886.70</b>	<b>100.00%</b>
Stores spares & components :				
Imported	-	-	-	-
Indigenous	45.20	100.00	20.60	100.00
<b>Total</b>	<b>45.20</b>	<b>100.00%</b>	<b>20.60</b>	<b>100.00%</b>

## 27.9 Earning in foreign exchange Rs in lacs

Particulars	For the year ended 31 March , 2012	For the year ended 31 March , 2011
FOB value of exports	120.81	63.40

## Note no 28. Disclosures under Accounting Standards

### 28.1 Employee benefit plans

Defined benefit plan			
l) <b>Gratuity (Funded) :</b>			
The following table sets out the status of the Gratuity Plan as required under AS 15 (Revised)		Rs in lacs	
Particulars	As at 31 March, 2012	As at 31 March , 2011	
<b>1 Assumptions</b>			
Discount Rate	8%		8%
Salary Escalation	4%		4%
<b>2 Table showing changes in present value of obligations</b>			
Present value of obligations as at beginning of year	100.61		91.25
Interest cost	8.05		7.30
Current Service Cost	3.91		4.75
Benefits Paid	(21.09)		(13.86)
Actuarial (gain)/Loss on obligations	8.18		11.17
Present value of obligations as at end of year	99.67		100.61
<b>3 Table showing changes in the fair value of plan assets</b>			
Fair value of plan assets at beginning of year	96.33		95.78
Expected return on plan assets	9.05		8.51
Contributions	18.12		5.90
Benefits paid	(21.09)		(13.86)
Actuarial Gain / (Loss) on Plan assets	NIL		NIL
Fair value of plan assets at the end of year	102.41		96.33
<b>4 Table showing fair value of plan assets</b>			
Fair value of plan assets at beginning of year	96.33		95.78
Actual return on plan assets	9.05		8.51
Contributions	18.12		5.90
Benefits Paid	(21.09)		(13.86)
Fair value of plan assets at the end of year	102.41		96.33

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	Funded status	2.74	(4.30)
	Excess of Actual over estimated return on plan assets (Actual rate of return = Estimated rate of return as ARD falls on 31st March)	NIL	NIL
5	<b>Actuarial Gain/Loss recognized</b>		
	Actuarial gain/(Loss) for the year -Obligation	(8.18)	(11.17)
	Actuarial (gain)/Loss for the year - plan assets	NIL	NIL
	Total (gain)/Loss for the year	8.18	11.17
	Actuarial (gain)/Loss recognized in the year	8.18	11.17
6	<b>The amounts to be recognized in the balance sheet and statements of profit and loss</b>		
	Present value of obligations as at the end of year	99.67	100.62
	Fair value of plan assets as at the end of the year	102.41	96.32
	Funded status	2.74	(4.29)
	Net Asset/(liability) recognized in balance sheet	(2.74)	4.29
7	<b>Expenses Recognised in statement of Profit &amp; loss</b>		
	Current Service cost	3.91	4.76
	Interest Cost	8.05	7.30
	Expected return on plan assets	(9.05)	(8.51)
	Net Actuarial (gain)/Loss recognised in the year	8.18	11.17
	Expenses recognised in statement of Profit & loss	11.08	14.72
a	In accordance with AS 15 Revised pertains to Defined Benefit Plan - Gratuity liability, the company has credited Rs. 7.03 lacs (PY Rs. 8.83 lacs-debited) to Profit & Loss Account towards accrued liability based on actuarial valuation carried out as at the Balance Sheet date.		
b	The liability towards compensated absences (annual value) for the year ended 31st March,2012, based on actuarial valuation carried out using the Projected Accrued Benefit Method amounting to Rs.3.26 lacs ( PY Rs.3.57 lacs) has been recognised in the Profit and Loss Account.		
II)	<b>Provident Fund :</b>		
	a) The company manages its provident fund assets and liabilities through its provident fund trust namely "Resins & Plastics Provident fund ".		
	b) The company contributed Rs.19.59 lacs (including interest shortfall as per actuarial valuation Rs 2.22 lacs) and Rs 18.48 lacs towards Resins & Plastics Provident fund trust during the year ended March 31, 2012 and March 31,2011 respectively		

### 28.2 Related party transactions

#### I) Information of related parties

Description of relationship	Name of the related parties
<b>Key Management Personnel :</b>	
Managing Director	Mr. Gobind J. Lulla
Executive Director	Mr. Rupen A. Choksi
Chairman	Mr. Ashwin S.Dani
Director	Mr. Amar A. Vakil (resigned on 02/02/2012)
Director	Mr. Abhay A. Vakil (wef 01/02/2012)
Director	Mr. Bharat B. Chovatia
Director	Mr. Dhiren P. Mehta
Director	Dr. Vinod C. Malshe
Director	Mr. Chatrabhuj D.Kapadia (resigned on 20/10/2011)
<b>Relatives of Key Management Personnel :</b>	Mr. Nilesh Modi (son-in-law of Mr. C.D.Kapadia)
	Mrs. Lata Lulla (wife of Mr. Gobind J. Lulla)
<b>Entities in which KMP / Relatives of KMP can exercise significant influence</b>	Ms Asian Paints Ltd.
	Ms Asian PPG Industries Ltd.
	Ms Pragati Chemicals Ltd.
	Ms Ricinash Oil Mill Ltd.
	Ms Gujarat Organics Ltd.

#### II) Details of related party transactions during the year ended 31 March, 2012 and outstanding balances as at 31 st March, 2012 :

Particulars	Key Management Personnel	Relatives of Key Management Personnel	Entities in which KMP / Relatives of KMP can exercise significant influence
<b>Purchase of goods :</b>			
a) Ms Asian Paints Ltd.	-	-	470.85
	-	-	(228.38)
b) Ms Pragati Chemicals Ltd.	-	-	37.82
	-	-	(144.42)
c) Ms Ricinash Oil Mill Ltd.	-	-	17.22
	-	-	(53.40)

# RESINS & PLASTICS LTD.

d) Ms Gujarat Organics Ltd.	-	-	0.24
	-	-	(-)
<b>Sale of goods (raw materials &amp; finished goods) :</b>			
a) Ms Asian Paints Ltd.	-	-	829.00
	-	-	(188.15)
b) Ms Asian PPG Industries Ltd.	-	-	1,120.03
	-	-	(335.06)
c) Ms Pragati Chemicals Ltd.	-	-	1.78
	-	-	(148.89)
d) Ms Ricinash Oil Mill Ltd.	-	-	4.07
	-	-	(3.91)
Remuneration paid to Managing Director	47.20	-	-
	(39.41)	-	-
Remuneration paid to Executive Director	18.32	-	-
	(15.19)	-	-
Directors' sitting fees	3.08	-	-
	(4.84)	-	-
Receiving of services	-	0.36	-
	-	(0.36)	-
<b>Leasing arrangements :</b>			
Rent paid	-	10.20	0.46
	-	(5.10)	(0.46)
Rent received	-	-	1.20
	-	-	(1.20)
Interest paid on fixed deposits	0.68	-	-
	(0.61)	(0.13)	-
<b>Balances outstanding at the end of the year</b>			
Trade Receivables	-	-	194.09
	-	-	(79.99)
Trade Payables	-	-	92.37
	-	-	(67.61)
Loans & Advances	6.15	-	-
	(6.15)	(1.00)	-
Note : Figures in bracket relates to the previous year			

## 28.3 Earning per share

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
a) Profit after tax as per Profit and Loss account - Rs in lacs	308.29	360.25
b) Weighted average number of equity shares outstanding	3,572,300	3,572,300
c) Basic and diluted earning per share in rupees (Face value Rs.10/- per share)	8.63	10.08

## 28.4 Details of research and development expenditure recognised as expenses

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
a) Materials	3.06	3.55
b) Employee benefit expenses (including salary)	9.41	10.10
c) Depreciation	0.83	0.83
<b>Total</b>	<b>13.30</b>	<b>14.48</b>

## 28.5 Pursuant to the Accounting standard 29 - Provisions, Contingent Liabilities and Contingent Assets, the disclosure relating to provisions made in the accounts for the year ended 31st March,2012 is as follows:

Particulars	Rs in lacs					
	Prov. for Sales Tax dues		Prov. for leave encashment		Prov. for gratuity	
	F.Y. 2011-12	F.Y. 2010-11	F.Y. 2011-12	F.Y. 2010-11	F.Y. 2011-12	F.Y. 2010-11
Opening Balance	0.94	0.94	25.41	26.63	1.01	9.69
Additions	-	-	3.26	-	1.54	1.70
Utilization	-	-	0.70	1.22	-	10.38
Reversals	-	-	-	-	-	-
Closing Balance	0.94	0.94	27.97	25.41	2.55	1.01

## 29 Previous year's figures

i) The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. In view of this previous year's figures have been regrouped /reclassified wherever necessary to correspond with the current year's classification / disclosure.



# RESINS & PLASTICS LTD.

REGISTERED OFFICE

PLOT NO. A-8, MAROL INDUSTRIAL ESTATE OF M.I.D.C.,  
CROSS ROAD B, STREET NO.5, ANDHERI (EAST), MUMBAI 400 093.

## PROXY FORM

Regd. Folio No. /

No. of Shares

Depository A/c. No. :

I/We, Mr./Mrs./Miss ..... of ..... in the district of ..... being a member/members of **RESINS AND PLASTICS LIMITED** hereby appoint ..... of ..... in the district of ..... or failing him/her ..... of ..... in the district of .....

as my/our Proxy and to vote for me/us on my/our behalf at the **FIFTY FIRST ANNUAL GENERAL MEETING** of the Company to be held at M.C.Ghia Hall, 4th Floor, Bhogilal Hargovindas Building, 18/20 K. Dubash Marg, Kala Goda, Mumbai 400001 on Tuesday, the 24th July, 2012 at 11.00 a.m. and at any adjournment thereof.

Signed this .....day of .....2012.

Affix  
Re. 1/-  
Revenue  
Stamp

Signature

**Note :** The Proxy to be valid should be deposited at the Registered Office, at Plot No. A-8, Marol Industrial Estate of M.I.D.C., Cross Road-B, Street No.5, Andheri (East), Mumbai 400 093, not less than 48 hours before the time of holding the aforesaid meeting.



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## ATTENDANCE SLIP

NAME OF THE MEMBER

FOLIO NO. / DEPOSITORY A/C. NO.	
NO. OF SHARES	

I hereby record my presence at the **FIFTY FIRST ANNUAL GENERAL MEETING** held M.C.Ghia Hall, 4th Floor, Bhogilal Hargovindas Building, 18/20 K. Dubash Marg, Kala Goda, Mumbai 400001 on Tuesday, the 24th July, 2012 at 11.00 a.m.

SIGNATURE OF THE MEMBER/PROXY

- \* PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE AUDITORIUM.
- \* PLEASE ALSO BRING YOUR COPY OF THE ENCLOSED ANNUAL REPORT.

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