

UCAL POLYMER INDUSTRIES LIMITED

ANNUAL REPORT

2013-14

UCAL POLYMER INDUSTRIES LIMITED

BOARD OF DIRECTORS

Dr.V. Krishnamurthy	- Chairman
Mr.M.R.Shivakumar	- Director
Dr.M.S. Ananth	- Director

AUDITORS

M/s. R.Subramanian And Company
Chartered Accountants
No.6 Krishnaswamy Avenue
Luz, Mylapore
Chennai – 600 004

BANKERS

Central Bank of India

FACTORY & REGISTERED OFFICE

B-114-116 PIPDIC Industrial Estate,
Mettupalayam
Pudhucherry – 605 009

REPORT OF DIRECTORS TO THE SHAREHOLDERS

The Directors have pleasure in presenting the FIFTEENTH ANNUAL REPORT together with the Audited Accounts for the year ended 31st March 2014.

	(Rs.)	
	For the year Ended 31.3.2014	For the year Ended 31.3.2013
Gross Sales	305,461,695	279,788,568
Less: Excise Duty	45,683,340	44,097,151
Net Sales	259,778,355	235,691,417
Other Income	171,018	173,514
Total Income	259,949,373	235,864,931
Total Expenditure	193,179,001	168,052,951
Profit before Interest & Depreciation	66,770,372	67,811,980
Interest	17,122,323	21,399,848
Profit before Depreciation	49,648,049	46,412,132
Depreciation	9,433,621	8,716,623
Profit before Taxation	40,214,428	37,695,509
Provision for Taxation	12,685,159	12,434,009
Profit after Taxation	27,529,269	25,261,500
Transfer to General Reserve	2,100,000	-
Dividend	2,500,000	1,250,000
Tax on Dividend	424,875	202,781
Balance Carried to Balance Sheet	22,504,394	23,808,719

DIVIDEND

Your Directors recommend a dividend of 20% (Rs.2/- per equity share of Rs.10/- each) for the year ended 31st March 2014.

PERFORMANCE AND OPERATIONS

The turnover of the company during the year 2013-14 is Rs. 259,778,355 registering an increase of 10.22% over previous year. The profit after tax of the company for the year under review is Rs.27,529,269 as against Rs.25,261,500 in the previous year.

DIRECTORS

Dr. M.S. Ananth was appointed director during the year and his appointment will be confirmed at the ensuing Annual General Meeting. Mrs. Meenakshi Jayakar resigned from the Board with effect from 20th November 2013. The Board wishes to place on record its appreciation for the services rendered by her.

In accordance with the requirements of the Companies Act, 1956 and the Articles of Association of the Company, Dr.V. Krishnamurthy retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

FIXED DEPOSITS

The Company has not accepted any deposits during the year.

AUDITORS

The Auditors of the Company M/s.R.Subramanian & Co.,Chartered Accountants retire at the Annual General Meeting and being eligible offer themselves for reappointment.

ENERGY, TECHNOLOGY & FOREIGN EXCHANGE

A. CONSERVATION OF ENERGY

a. Energy conservation measures undertaken

Energy saving projects implemented during the financial year 2013-14 as follows:

1. Plastic injection molds were converted from Semi-automatic to Fully automatic resulted in 20% power savings due to consistent quality output with 50% productivity increase.
2. Rubber curing oven heater capacity is optimized by converting Flat type heaters to U type heaters, minimizing the power consumption.
3. Auto valve is installed in CNC grinding machine air line output, resulted in improving compressor efficiency.

b. Additional investments and proposals if any being implemented for energy conservation

During the financial year 2014-15, it is proposed to convert all the remaining plastic injection & rubber compression molding machine motors to servo motor for reduced power consumption to the extent of 30% from the current level. Common coolant tanks with one chiller is planned to be implemented for Rubber grinding CNC machines. Auto valve is planned to install in CNC grinding machine air line input, result in avoiding air loss and improve compressor efficiency.

c. Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods

The measures undertaken to conserve energy have resulted in an annual savings of Rs. 5 lakhs. The proposed measures are estimated to result in an annual savings of more than Rs.25 lakhs.

d. Total Energy consumption and energy consumption per unit of production

Not applicable

B. TECHNOLOGY ABSORPTION

1. Specific areas in which R&D was carried out by the company - Nil
2. Benefits derived as a result of the above R&D - Nil
3. Future plan of action - Nil
4. Expenditure for R&D - Nil

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts in brief made towards technology absorption, adoption & Innovation – Nil
2. Benefits derived as a result of such efforts- Nil
3. In case of imported technology (imported during last five years from beginning of financial year), the following information may be furnished
 - a) Technology imported : Nil
 - b) Year of Import : Not applicable
 - c) Has technology been fully absorbed : Not applicable
 - d) If not, areas where this has not taken place and future plans: not applicable

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Earnings

Foreign exchange earnings : Nil

Expenditure

Capital expenditure : Rs. 5,466,792

Raw material/components : Rs.25,705,921

Consumables : Rs. 2,137,198

Total Foreign exchange outflow : Rs.33,309,911

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to sub-section (2AA) of Section 217 of the Companies Act, 1956, the Board of Directors of the Company hereby state and confirm that,

- i. In the preparation of the annual accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departures;
- ii. The Directors had 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 3rd March 2014 and of the profit of the Company for that period;
- iii. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The Directors had prepared the annual accounts on a going concern basis.

PARTICULARS OF EMPLOYEES

There are no employees whose particulars need to be furnished as per Section 217 2 (A) of the Companies Act, 1956.

COMPLIANCE CERTIFICATE

Compliance Certificate under Sec 383A of the Companies Act, 1956 is annexed to this Report.

ACKNOWLEDGEMENT

The Directors place on record their appreciation for the various Departments of the Central and State governments, Pondicherry Industrial Promotion Development and Investment Corporation Limited (PIPDIC), District Industries Centre (DIC), Pondicherry and Central Bank of India for the assistance rendered by them. The Board also places on record its deep appreciation for the services rendered by all the employees of the company.

For and on behalf of the Board



V.KRISHNAMURTHY
CHAIRMAN

Place:Pudhucherry
Date 29.04.2014



P Sriram & Associates
Practising Company Secretaries

Compliance Certificate

Registration No. 59-001488
Authorized Capital: Rs. 2,00,00,000/-

To,
The Members,
M/s. UCAL POLYMER INDUSTRIES LIMITED

We have examined the registers, records, books and papers of **UCAL POLYMER INDUSTRIES LIMITED** (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31st March 2014**. In our opinion and to the best of our information and according to the examinations carried out by us and information, explanations and declarations 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 registers as stated in **Annexure 'A'** to this certificate, as per the provisions and the rules made there under and all 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 at the dates specified therein.
3. The company being a public limited company the applicability of Section 3(1)(iii) does not arise.
4. The Board of Directors met **5 (FIVE)** times on **16.05.2013, 12.08.2013, 07.11.2013, 20.11.2013 and 12.02.2014** in respect of which meetings the proceedings were recorded including the circular resolutions passed, in the Minutes Book maintained for the purpose.
5. The Company has not opted to close its Register of Members, and / or Debentures holders and hence compliance with the provisions of section 154 of the Act does not arise.
6. The Annual General Meeting of the Company for the financial year ended on **31.03.2013** was held on 25.09.2013 and the resolutions passed thereat were recorded in Minutes Book maintained for the purpose.
7. No Extraordinary General Meeting was held under the financial year under Review.



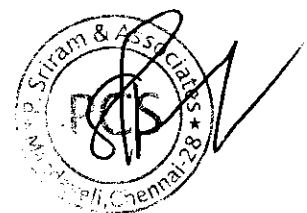


8. As per the information and declaration given by the management, the company had not granted any loans to directors, persons, firms, or companies referred in the provisions of Section 295 of the Act.
9. As per the information and explanation given by the management, the Company had entered into inter -se transaction specified under section 297 of the Act and no approval of Central Government has been obtained since in the opinion of the management, the said transactions were entered at the prevailing market prices during the Financial year under review.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. According to the information, explanations and declaration furnished by the management, there was no instance falling within the purview of section 314 of the Companies Act, 1956 and hence the company was not required to obtain any approval from the Board of Directors, members, Central Government during the financial year under review.
12. The Board of Directors had not received any request for issue of duplicate share certificates during the year under review.
13. The Company, during the financial year under review, has:
 - (i) Not made any allotment of shares and delivered all share certificates towards transfer requests in accordance with the provisions of the Act and had not received any request for transmission.
 - (ii) Declared dividend and has paid such dividend within 5 (Five) days from the date of declaration during the financial year under review and hence not opened a separate bank account.
 - (iii) Paid dividend by way of cheques within a period of 5 (Five) days from the date of declaration and hence transfer of unpaid/unclaimed dividend to "unclaimed dividend account" of the company does not arise.
 - (iv) No unpaid dividend, application money due for refund, matured deposits, matured debentures and the interest accrued thereon, which has remained unclaimed or unpaid for more than seven years to be transferred to Investor Education and Protection Fund.
 - (v) Generally complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and there was no appointment of alternate directors and directors to fill casual vacancies except Change in designation and appointment of Additional director which were made in accordance with the provisions of the Act, during the financial year under review.





15. The Company had not appointed any Managing Director / Whole-time director / manager during the financial year under review.
16. The Company had not appointed any sole-selling agents during the financial year under review.
17. As per the information and explanation given by the management, the Company had no transaction during the financial year under review, which necessitated the Company to seek any approval from the Regional Director, Registrar of Companies and Central Government.
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 there under.
19. The Company has not issued shares / debentures / other securities during the financial year under review.
20. The Company has not bought back any shares during the financial year under review.
21. The Company has not issued any redeemable preference Shares / debentures and hence the question of redeeming any preference shares / debentures does not arise.
22. The Company had not kept in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares during the financial year under review.
23. According to the information and explanation given by the management, the Company had not accepted any deposits from public, shareholders and director's relatives during the year under review and hence the question of complying with the provisions of Section 58A and 58AA read with Companies (Acceptance of Deposit) Rules, 1975 does not arise.
24. The amount borrowed by the Company from banks as Secured Loans during the financial year under review are within the borrowing limits of the company as fixed by the Board of Directors in terms of section 292 of the Act and the resolution passed as per section 293(1)(d) of the Act in duly convened general meeting.
25. According to the information, explanations and declaration furnished by the management, the Company has not made any loans and investments, or given guarantees or provided securities to other bodies corporate, during the financial year under review.
26. The Company had not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the financial year under review.
27. The Company had not altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny.
28. The Company had not altered the provisions of the memorandum with respect to name during the year under scrutiny.





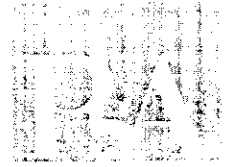
29. The Company had not altered the provisions of the memorandum with respect to share capital of the company during the year under scrutiny.
30. The Company had not altered its articles of association during the financial year under scrutiny.
31. According to the information, explanations and declaration furnished by the management, no prosecution has been initiated against the Company or no show cause notices has been received by the company for any alleged offences under the Act and hence the question of fine or penalties does not arise.
32. The Company had not received any amount as security from its employees during the financial year, hence the applicability of the provisions of section 417(1) of the Act does not arise.
33. As per the information and explanations furnished by the management, the Company had not constituted its own provident fund pursuant to the provisions of Section 418 of the Act. However the company had been regular in depositing both employees and employers contribution to Provident Fund with prescribed authorities.

Place: Chennai
Date: 29.04.2014

Signature :

Name of Company Secretary: P. Sriram
C. P. No. : 3310





Annexure A

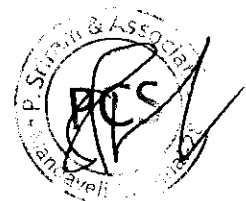
Registers as maintained by the Company for the financial year ending on 31st March 2014.

1. Register of Members u/s 150 of the Companies Act, 1956.
2. Register of Directors u/s 303 of the Companies Act, 1956.
3. Register of Directors Shareholdings u/s 307 of the Companies Act, 1956.
4. Register of Contracts, Companies and Firms in which Directors of the Company are interested u/s 299, 301 and 301(3) of the Companies Act, 1956.
5. Minutes of the Annual General Meeting / Extra Ordinary General Meeting & Board Meetings u/s 193 of the Companies Act, 1956.
6. Register of Charges u/s 143 of the Companies Act, 1956.
7. Register of Investments u/s 372A of the Companies Act, 1956.

Annexure B

Forms and Returns as filed by the Company with the Registrar of Companies, during the financial year ending on 31st March 2014

Name of the Document	Date of Event	Date of filing	Due Date	Remarks
Form 32	10.11.2013	13.11.2013	10.12.2013	In Time
Form 32	20.11.2013	06.01.2014	20.12.2013	Belated
Form 32	20.11.2013	18.12.2013	20.12.2013	In Time
Form 23AC & ACA - XBRL	25.09.2013	09.11.2013	24.10.2013	Belated
Form 66	25.09.2013	30.10.2013	24.10.2013	Belated
Form 20B	25.09.2013	30.11.2013	24.11.2013	Belated



R.Subramanian and Company

CHARTERED ACCOUNTANTS

New No:6, Old No.36, Krishnaswamy Avenue, Luz, Mylapore, Chennai - 600 004.
Phone : 24992261 / 24991347 / 24994231, Fax : 24991408
Email : rs@rscompany.co.in Website : www.rscompany.co.in



INDEPENDENT AUDITOR'S REPORT

To

The Members of
Ucal Polymer Industries Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Ucal Polymer Industries Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

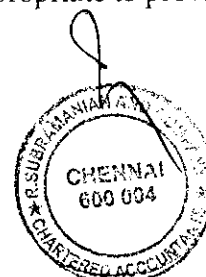
Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, 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 purpose 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 those books;

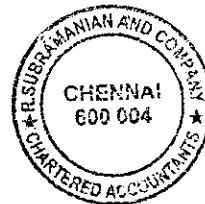
c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;

e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **R. SUBRAMANIAN AND COMPANY**
Chartered Accountants
Firm's No. 004137 S

Place : Chennai
Date : 29th April 2014




R. Rajaram
Partner
M.No.25210

UCAL POLYMER INDUSTRIES LIMITED
ANNEXURE REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE

1. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. Some of the fixed assets were physically verified during the year by the management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

No major asset has been disposed of during the year and hence the concept of going concern is not affected.

2 Inventories were physically verified during the year by the management at reasonable intervals. In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventories followed by the management was reasonable and adequate in relation to the size of the Company and the nature of its business.

In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

3. In our opinion and according to the information and explanations given to us, the company has not granted any loan to Companies covered in the register maintained under section 301 of the Companies Act 1956.

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 for the purchase of inventory and fixed assets and for the sale of goods and services and there was no continuing failure to correct any major weakness.



5. In our opinion and according to the explanations given to us, transactions made in pursuance of contracts or arrangements requiring entry in the registers maintained under section 301 of the Companies Act, 1956 have been entered.

The transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

6. The company has no fixed deposits requiring compliance of provisions of Section 58 and 58 AA or any other relevant provisions of the act and the rules framed there under
7. The Internal Audit function has been carried out by a firm of Chartered Accountants and is commensurate with the size of the company and the nature of its business.
8. We have broadly reviewed the books and records maintained by the company relating to the manufacture of Automotive Parts like Float Assembly, Fuel Pump/Rail Assembly, Vacuum Pump etc. pursuant to the order made by the Central government for the maintenance of cost records under Section 209(1) (d) of the Companies Act 1956 and we are of the opinion that prima-facie the prescribed accounts and records have been made and maintained for the period under audit. We have not made a detailed examination of the records with a view to determining whether they are accurate or complete.
9. According to the information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, cess and any other statutory dues with the appropriate authorities during the year. The company has no dues towards Investor Education and Protection Fund and Wealth Tax.

According to the information and explanations given to us, there were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, cess and other material statutory dues were in arrears as at 31st March 2014 for a period exceeding six months.



According to the information and explanations given to us, there were no dues in respect of Income-tax, Sales-tax, Wealth Tax Service Tax, Custom Duty, Excise Duty, cess which have not been deposited on account of any dispute.

10. The Company does not have accumulated losses at the end of the financial year. The Company has not incurred any cash loss during the financial year and the immediately preceding financial year.
11. The Company has not defaulted in the payment of dues to financial institutions, banks and debenture holders during the year.
12. The Company has not granted any loan or advance on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanations given to us the Company is not a Chit Fund, Nidhi or Mutual Benefit fund or Society.
14. In our opinion and according to the information and explanations given to us the Company is not dealing in or trading in shares, debentures and other investments.
15. In our opinion and according to the information and explanations given to us the Company has not given any guarantee for any loans taken by others from banks and financial institutions during the financial year.
16. To the best of our knowledge and belief and according to the information and explanations given to us, no new term loan has been availed by the Company during the year.
17. In our opinion and according to the information and explanations given to us the Company and on the basis of overall examination of the accounts of the Company, short term loan availed by the Company has not been used for long term Investments.



