

INDEPENDENT AUDITOR'S REPORT

To :

The Members of
UCAL POLYMER INDUSTRIES LIMITED

Report on Financial Statements

We have audited the accompanying financial statements of UCAL POLYMER INDUSTRIES LIMITED which comprise of the Balance Sheet as at 31stMarch 2016, Statement of Profit & 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

The Management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards Specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) rules 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent; and design implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, 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 31st March 2016; and
- b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date.
- c) In the case of 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 2016, ('the Order') issued by the Central Government of India in terms of Sub section (11) of Section 143 of the Act, we give in the Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2 As required by section 143(3) of the Act, we report that:
 - (a) we have sought and 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 and 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 aforesaid financial statements comply with the Accounting Standards Specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.

- (e) On the basis of written representations received from the directors as on 31st March 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2016 from being appointed as a director in terms of section 164(2) of the Act.
- (f) With respect the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls refer to our separate report in Annexure "B".
- (g) With respect to the other matters to be included in the Auditors report in accordance with Rule 11 of the Companies (Audits and Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanations given to us:-
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - (ii) The Company has no sum, which is required to be transferred to Investor Education and Protection fund
 - (iii) The company did not have any contracts including long term derivative contracts for which there were any material foreseeable losses,

For R.Subramanian And Company
Chartered Accountants
ICAI regd. No. 004137S

Place : Chennai
Date : 30th May 2016

R.Rajaram
Partner
M.No: 25210

Annexure "A" referred to in Paragraph 1 under the heading "Report on other legal and regulatory requirements" of our Report of even date to the members of UCAL POLYMER INDUSTRIES LIMITED on the accounts of the company for the year ended 31st March, 2016 :

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

1. (a) The company is maintaining proper records showing full particulars including quantitative details and situation of its fixed assets.

(b) As explained to us, these fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification;
2. According to the Information and explanation given to us, physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed.
3. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses 3 (a) and 3(b) are not applicable.
4. According to the information and explanations given to us and on the basis of our examination of the books of account, the company has not provided any loan or investments or Guarantees or Securities which falls under the purview Sec 185 and Sec 186 of Companies Act 2013.
5. According to the information and explanations given to us, the Company has not accepted deposits from the public and consequently the directives issued by the Reserve Bank of India and provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and Companies (Acceptance of Deposits)amended Rules, 2015 are not applicable.
6. On the basis of records produced to us, we are of the opinion that, prima facie, the cost records prescribed by the Central Government under sub-section (1) of Section 148 of the Act have been made and maintained. However, we are not required to and have not carried out any detailed examination of such records.
7. (a) According to the information and explanations given to us, the Company is regular in depositing with the appropriate authorities the undisputed statutory dues in the case of Provident Fund, Employees' State Insurance, Income Tax, Service Tax, Sales Tax, Customs Duty, Excise Duty and Cess. To the best of our knowledge and according to the information and explanations given to us, there are no arrears of outstanding statutory dues as at March 31, 2016 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and based on the records of the company examined by us, the dues of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty , Excise Duty and Cess and other material statutory dues as on 31st March 2016 which have not been deposited on account of disputes are given below:

Name of the Statute	Nature of Dues	Amount Rs.	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	1,60,149/-	CIT Appeals
Income Tax Act, 1961	Income Tax	75,48,160/-	CIT Appeals
Income Tax Act, 1961	Income Tax	65,35,400/-	CIT Appeals
The Employees Provident Funds & Miscellaneous Provisions Act,1952	Provident Fund	14,47,358/-	EPF,Appellate Tribunal, New Delhi
Central Excise Act, 1944	Service Tax	81,93,320	Joint Commissioner of Central Excise, Appeals

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of any dues to financial institutions, banks and debenture holders.
9. In our opinion and according to the information and explanations given to us, the Company has not raised any money by the way of initial public offer (including debt instruments) and hence this clause is not applicable.
10. According to the information and explanations given to us, by the Company, no fraud on or by the Company has been noticed or reported, during the year.
11. The company has not paid any managerial remuneration as per the Sec 197 of The Companies Act 2013 and Schedule V of the Companies Act 2013.
12. The Company is not a Nidhi company hence this clause is not applicable.
13. All transactions mentioned are in compliance with Sec 188 of the Companies Act 2013 and are disclosed as required under the applicable Accounting Standard.
14. The Company has made an allotment of Equity Shares only to its holding company and the requirements of Sec 42 of the Companies Act 2013 would not be applicable to it. The amounts raised were used for the purpose for which the funds were raised.

15. The company has not entered into any non-cash transactions with the Directors or the persons connected with him which will come under the purview of Sec 192 Companies Act 2013.

16. As the Company is not in non-banking financial services this clause is not applicable.

For R.Subramanian And Company
Chartered Accountants
ICAI regd. No. 004137S

Place : Chennai
Date : 30th May 2016

R.Rajaram
Partner
M.No: 25210

Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Ucal Polymer Industries Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

For R.Subramanian And Company
Chartered Accountants
ICAI regd. No. 004137S

Place : Chennai
Date : 30th May 2016

R.Rajaram
Partner
M.No: 25210

UCAL POLYMER INDUSTRIES LIMITED
BALANCE SHEET AS AT 31ST MARCH 2016

PARTICULARS	Note No.	As at 31st March 2016 Rs.	As at 31st March 2015 Rs.
EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	16,352,170	12,500,000
(b) Reserves & Surplus	3	246,015,218	171,530,944
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	4	-	12,560,200
(b) Deferred tax liabilities (Net)	5	7,078,231	7,877,560
(3) Current Liabilities			
(a) Short-Term Borrowings	6	45,359,216	47,146,112
(b) Trade Payables	7	55,448,838	48,774,162
(c) Other Current Liabilities	8	20,581,336	78,019,473
(d) Short-Term Provisions	9	11,747,106	4,058,190
TOTAL		402,582,115	382,466,641
ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
- Tangible Assets	10	83,485,250	73,281,337
(b) Non-Current Investments	11	140,551,254	140,551,254
(c) Long-Term Loans & Advances	12	46,020,553	47,137,151
(d) Other Non-Current Assets	13	-	6,722,252
(2) Current Assets			
(a) Inventories	14	20,024,857	18,593,470
(b) Trade Receivables	15	99,892,267	84,096,854
(c) Cash & Bank Balances	16	1,784,492	4,904,093
(d) Short-Term Loans & Advances	17	10,823,442	7,180,230
TOTAL		402,582,115	382,466,641
See accompanying accounting policies and notes to accounts	01 02 to 38		
For and on behalf of the Board of Directors		As per our report of even date R.SUBRAMANIAN AND COMPANY Chartered Accountants FRN: 004137S	
V. KRISHNAMURTHY CHAIRMAN	M.R. SHIVAKUMAR DIRECTOR	R. RAJARAM PARTNER M.No.25210	
Place : Pudhucherry			
Date : 30-05-2016			

UCAL POLYMER INDUSTRIES LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2016

Particulars	Note No.	Year Ended 31st March 2016 Rs.	Year Ended 31st March 2015 Rs.
Revenue From Operations (net)	18	343,100,273	329,151,927
Other Income	19	275,120	562,990
Total Revenue		343,375,393	329,714,917
Expenses:			
Cost of Materials Consumed	20	140,344,631	143,712,425
Changes in Inventories of work-in-progress	21	896,159	1,335,704
Employee Benefit Expense	22	26,946,989	28,923,113
Financial Costs	23	9,436,787	11,623,957
Depreciation and Amortization Expense		13,349,790	10,032,612
Other Expenses	24	88,660,450	75,168,078
Total Expenses		279,634,806	270,795,889
Profit Before Exceptional Items		63,740,587	58,919,028
Exceptional Items		-	-
Profit Before Tax		63,740,587	58,919,028
Tax expense:			
(1) Current tax		21,498,000	20,470,000
(2) (Excess) / Short Provision for Tax Relating to Earlier Years		1,132,991	(239,164)
(3) Deferred Tax		(799,329)	124,685
Profit / (Loss) for the year		41,908,925	38,563,507
Earning per equity share:			
No.of equity shares		1,635,217	1,250,000
Earnings per share - Basic & Diluted		25.63	30.85
See accompanying accounting policies and notes to accounts	01 02 to 38		
For and on behalf of the Board of Directors		As per our report of even date R.SUBRAMANIAN AND COMPANY Chartered Accountants FRN : 004137S	
V. KRISHNAMURTHY CHAIRMAN	M.R. SHIVAKUMAR DIRECTOR		R. RAJARAM PARTNER M.No.25210
Place : Pudhucherry			
Date : 30-05-2016			

UCAL POLYMER INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

Particulars	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
		Rs.		Rs.
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		63,740,587		58,919,028
<i>Adjustments for:</i>				
Depreciation and amortisation	13,349,790		10,032,612	
Finance costs	9,122,379		11,256,351	
Interest income	(246,920)		(55,407)	
Net unrealised exchange (gain) / loss	1,541,326	23,766,575	(327,559)	20,905,997
Operating profit / (loss) before working capital changes		87,507,162		79,825,025
<i>Changes in working capital:</i>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories	(1,431,387)		(1,726,237)	
Trade receivables	(15,795,413)		70,500	
Short-term loans and advances	(3,643,212)		(263,108)	
Long-term loans and advances	1,116,934		(2,263,000)	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	6,674,676		(3,470,526)	
Other current liabilities	(182,175)		683,905	
Short-term provisions	(50,270)	(13,310,847)	117,700	(6,850,766)
		74,196,315		72,974,259
Cash flow from extraordinary items		-		-
Cash generated from operations		74,196,315		72,974,259
Net income tax (paid) / refunds		19,753,856		19,664,059
Net cash flow from / (used in) operating activities (A)		54,442,459		53,310,200
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances	(16,831,451)		(18,459,043)	
Fixed Deposit	(5,966)		(14,096)	
Interest received				
- Others	245,140		49,478	
		(16,592,277)		(18,423,661)
Cash flow from extraordinary items		-		-
		(16,592,277)		(18,423,661)
Net income tax (paid) / refunds		-		-
Net cash flow from / (used in) investing activities (B)		(16,592,277)		(18,423,661)

Particulars	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
	Rs.		Rs.	
C. Cash flow from financing activities				
Repayment of long-term borrowings	(25,200,000)		(27,671,121)	
Net increase / (decrease) in working capital borrowings	(1,786,896)		10,721,757	
Finance cost	(9,438,586)		(11,632,028)	
Dividends paid	(2,500,000)		(2,500,000)	
Tax on dividend	(508,941)	(39,434,423)	(424,875)	(31,506,267)
Cash flow from extraordinary items				-
Net cash flow from / (used in) financing activities (C)		(39,434,423)		(31,506,267)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		(1,584,241)		3,380,272
Cash and cash equivalents at the beginning of the year		4,227,997		520,166
Effect of exchange differences on restatement of foreign currency		(1,541,326)		327,559
Cash and cash equivalents				
Cash and cash equivalents at the end of the year		1,102,430		4,227,997
Reconciliation of Cash and cash equivalents with the Balance Sheet:				
Cash and cash equivalents as per Balance Sheet		1,784,492		4,904,093
Less: Bank balances not considered as Cash and cash equivalents		(682,062)		(676,096)
Net Cash and cash equivalents		1,102,430		4,227,997
See accompanying notes forming part of the financial statements				
For and on behalf of the Board of Directors		As per our report of even date		
		R. SUBRAMANIAN AND COMPANY		
		Chartered Accountants		
		FRN: 004137S		
V. KRISHNAMURTHY	M.R. SHIVAKUMAR	R. RAJARAM		
CHAIRMAN	DIRECTOR	PARTNER		
		M.No.25210		
Place: Pudhucherry				
Date : 30-05-2016				

UCAL POLYMER INDUSTRIES LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

Background:- The company was incorporated on 09/09/1999 and a wholly owned subsidiary of M/s.UCAL Fuel Systems Limited. The company is engaged in the manufacture and sale of moulded rubber and plastics auto components & sub assemblies.

NOTE NO.1 - SIGNIFICANT ACCOUNTING POLICIES:

a. Basis of preparation of financial statements:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the Act 1956"), as applicable. The statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

b. Fixed Assets:

Fixed Assets are stated at cost less depreciation. Cost includes taxes and duties (other than excise duty for which CENVAT credit is available), freight, installation and other direct or allocated expenses and interest on related borrowing during the period of construction. No depreciation has been provided in respect of leasehold land and it will be written off in the year in which lease period expires.

c. Depreciation

In respect of fixed assets (other than freehold land and capital work-in-progress) acquired during the year, depreciation / amortization is charged on a straight line basis so as to write off the cost of the assets over the useful lives.

d. Revenue and Expenditure Recognition

Revenue is recognized and expenditure is accounted for on their accrual.

e. Inventory Valuation

Inventories are valued at "lower of cost or net realizable value". Cost has been ascertained as follows:

- (a) Raw Materials and Stores and Spares – First in first out basis
- (b) Work-In-Progress – Material cost plus appropriate share of overheads
- (c) Finished goods – Material cost plus appropriate share of overheads.

f. Retirement Benefits

Contribution payable by the company under defined contribution schemes towards retirement benefits in the form of provident fund for the year is charged to Profit & Loss Account. Gratuity liability is funded and the appropriate accrual of liability is valued actuarially as per 'Projected Unit Credit' method for the year is charged to Profit & Loss Account. Provision for leave salary is made taking into consideration the credit available to each employee as at the end of the financial year.

g. Foreign Currency Transaction

Transactions in foreign exchange are initially recognized at the rates prevailing on the date of transaction. All monetary assets and liabilities are restated at the balance sheet date using year end rates. Resultant exchange difference is recognized as income or expense in that period.

h. Segment Reporting

The Company has only one Business segment and Geographical Segment that of manufacturing Rubber and Plastic parts for Carburettors.

i. Impairment of Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired, after considering adjustment if any already carried out.

j. Earnings Per Share

The earnings considered in ascertaining earnings per share comprises of the net profit after tax before exceptional items. The number of shares used in computing earnings per share is the weighted average number of shares outstanding during the year. Diluted earning per share comprises of weighted average share considered for deriving basic earnings per share as well as dilutively potential equity shares.

k. Taxes on Income

Tax expense comprises of current tax and deferred tax. Current income tax is provided on the taxable income for the period as per the provision of Income tax Act 1961. Deferred tax is recognized, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and is capable of reversal in one or more subsequent periods. Deferred tax assets are not recognized unless there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

UCAL POLYMER INDUSTRIES LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

Note No.		As at 31st March 2016 Rs.	As at 31st March 2015 Rs.
2	Share Capital		
	Equity Share Capital		
	Authorised Share capital 20,00,000 (20,00,000) shares of Rs.10/- each	20,000,000	20,000,000
	Issued, subscribed & fully paid share capital 16,35,217 (12,50,000) Equity shares of Rs.10/- each fully paid	16,352,170	12,500,000
	Total	16,352,170	12,500,000

2.1 Reconciliation of shares outstanding at the beginning and at the end of the year

	Equity shares No.	Equity shares No.
Shares outstanding at the beginning of the year	1,250,000	1,250,000
Shares issued during the year	385,217	-
Shares outstanding at the end of the year	1,635,217	1,250,000

2.2 List of share holders holding more than 5% each (Equity shares)

Particulars	31.03.2016		31.03.2015	
	No.	% of Holding	No.	% of Holding
UCAL Fuel Systems Limited (Holding Company)	1,635,217	100%	1,250,000	100%

UCAL POLYMER INDUSTRIES LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

Note No.		As at 31st March 2016 Rs.	As at 31st March 2015 Rs.
3	Reserves and Surplus		
	General Reserve:-		
	Opening Balance	12,100,000	12,100,000
	Add:- Additions during the year	-	-
	Closing Balance	12,100,000	12,100,000
	Securities Premium Reserve:-		
	Opening Balance	-	-
	Add:- Additions during the year	40,447,785	-
	Closing Balance	40,447,785	-
	Surplus in Statement of Profit and Loss		
	Opening Balance	159,430,943	124,214,627
	Less:- Depreciation Transferred to Retained Earnings	-	338,249
	Profit during the year	41,908,925	38,563,507
	Less:- Appropriations		
	Transfer to General Reserve	-	-
	Proposed Dividend - 40% - (Previous Year 20%)	6,540,868	2,500,000
	Tax on Proposed Dividend	1,331,567	508,941
		193,467,433	159,430,944
	Total Reserves and Surplus	246,015,218	171,530,944

4	Long-term borrowings		
	Secured loan		
	From Bank	-	12,560,200
	Total	-	12,560,200

Current maturity of Long-term debt grouped separately

12,560,200

25,200,000

Term Loan II is secured by Equitable mortgage of land of M/s.Minica Real Estates Private Limited. It is additionally secured by an equitable mortgage of the land and building of the factory situated at Puducherry. The loan is repayable in 20 quarterly instalments of Rs.63,00,000/- The number of installments payable for the Term Loan - II is 2. It carries currently an interest of 13.95% p.a.

UCAL POLYMER INDUSTRIES LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

Note No.		As at 31st March 2016 Rs.	As at 31st March 2015 Rs.
5	Deferred Tax Liabilities (net)		
	Deferred Tax Asset		
	On account of provision for leave encashment	461,417	573,452
	Less:- Deferred Tax Liabilities		
	On account of timing difference of Depreciation on fixed assets	7,539,648	8,451,012
	Total	7,078,231	7,877,560

6	Short-Term Borrowings		
	Secured		
	Cash Credit from Bank	45,359,216	47,146,112
	Total	45,359,216	47,146,112

This loan is secured by Hypothecation of Domestic Trade Receivables with age up to 90days due from the Holding Company viz., M/s.UCAL Fuel Systems Limited and carry an interest rate of 13.20% p.a

7	Trade Payables		
	- Others	55,448,838	48,774,162
	Total	55,448,838	48,774,162

8	Other Current Liabilities		
	Current Maturities of Long Term Debt (Secured) - Ref Note - 4	12,560,200	25,200,000
	Interest Accrued and due on borrowings	148,813	465,020
	UCAL Fuel Systems Ltd (Holding Company)	-	44,300,000
	Duties & Taxes	987,220	636,950
	Statutory Dues	1,477,582	879,823
	Creditors - Others	867,642	827,825
	Other Payables	4,539,879	5,709,855
	Total	20,581,336	78,019,473

9	Short-Term Provisions		
	Provision for Employee Benefits	382,300	432,570
	Proposed Dividend	6,540,868	2,500,000
	Provision for Tax	3,492,371	616,679
	Tax on Proposed Dividend	1,331,567	508,941
	Total	11,747,106	4,058,190

UCAL POLYMER INDUSTRIES LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

NOTE NO.10 - FIXED ASSETS

(All Amounts in Rs.)

FIXED ASSETS										
DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01.04.2015	ADDITIONS	DELETIONS / ADJUSTMENTS	AS AT 31.03.2016	AS AT 01.04.2015	FOR THE YEAR	DELETIONS / ADJUSTMENTS	UPTO 31.03.2016	AS AT 31.03.2016	AS AT 01.04.2015
LEASEHOLD LAND	1,597,833	-	-	1,597,833	-	-	-	-	1,597,833	1,597,833
BUILDINGS	14,723,026	5,585,009	-	20,308,035	4,165,964	522,455	-	4,688,419	15,619,616	10,557,062
PLANT & MACHINERY	119,173,549	17,594,200	-	136,767,749	61,877,487	12,280,776	-	74,158,263	62,609,486	57,296,062
OFFICE EQUIPMENT	1,471,085	54,990	-	1,526,075	893,339	121,168	-	1,014,507	511,568	577,746
FURNITURE & FITTINGS	1,741,398	319,504	-	2,060,902	1,392,180	55,068	-	1,447,248	613,654	349,218
VEHICLES	3,118,508	-	-	3,118,508	215,092	370,323	-	585,415	2,533,093	2,903,416
TECHNICAL KNOW-HOW FEES	1,261,082	-	-	1,261,082	1,261,082	-	-	1,261,082	-	-
TOTAL	143,086,481	23,553,703	-	166,640,184	69,805,144	13,349,790	-	83,154,934	83,485,250	73,281,337

UCAL POLYMER INDUSTRIES LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

Note No.		As at 31st March 2016 Rs.	As at 31st March 2015 Rs.
11	Non-Current Investments		
	Investments in Subsidiary (Unquoted Investments in UPIL - USA - subsidiary company - 30,00,000 shares of US \$ 1 each)	140,551,254	140,551,254
	Total	140,551,254	140,551,254

12	Long Term Loans and Advances		
	Unsecured considered good		
	Security Deposits	1,720,553	1,317,151
	Capital Advances	-	1,520,000
	Other Loans and Advances	44,300,000	44,300,000
	Total	46,020,553	47,137,151

* Interest free Advance given to M/s. Bharat Advisory Services Private Limited in which director is holding 16% of shares.

13	Other Non-Current Assets		
	Goods in transit - Capital Goods	-	6,722,252
	Total	-	6,722,252

14	Inventories		
	Raw materials (at cost) (Valued First in First out basis)	13,790,407	11,140,065
	Work in progress	3,724,107	3,709,663
	Finished goods	401,340	1,311,943
	Consumable Dies (at cost)	124,500	-
	Stores and spares (at cost)	1,631,608	2,316,046
	Goods in transit	352,895	115,753
	Total	20,024,857	18,593,470

UCAL POLYMER INDUSTRIES LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

Note No.		As at 31st March 2016 Rs.	As at 31st March 2015 Rs.
15	Trade Receivables Unsecured/ Considered good		
	Trade receivables - Outstanding for a period exceeding six months from the date they become due for payment	655,149	-
	Trade receivables - Outstanding for a period less than six months from the date they become due for payment	99,237,118	84,096,854
	Total	99,892,267	84,096,854

16	Cash and Bank Balances		
	Cash and Cash Equivalents		
	Balances with banks	1,073,304	4,214,099
	Cheques, drafts on hands		
	Cash on hand	29,126	13,898
	Other Bank Deposits		
	- Fixed Deposit - under lien	50,000	50,000
	- Margin money to bank against Letter of Credit	632,062	626,096
	Total	1,784,492	4,904,093

17	Short-Term Loans and Advances Unsecured / Considered good		
	Supplier Advance	4,971,547	4,436,228
	Capital Advances	4,500,000	-
	Other Loans & Advances	811,042	912,253
	Prepaid Expenses	207,402	207,755
	Balance with Central Excise	333,451	1,623,994
	Total	10,823,442	7,180,230

UCAL POLYMER INDUSTRIES LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

Note No.		Year Ended 31st March 2016 Rs.	Year Ended 31st March 2015 Rs.
18	Revenue From Operations		
	Rubber Bonded Components	121,573,426	159,509,704
	Plastics and Assembly Parts	254,841,624	213,035,143
	Others	16,079,108	6,463,227
	Less: Excise Duty	49,393,885	49,856,147
	Total	343,100,273	329,151,927

19	Other Income		
	Interest income	246,920	55,407
	Other Non-Operating Income	28,200	507,583
	Total	275,120	562,990

20	Cost of Materials Consumed		
	Opening Stock		
	Raw Materials / Components	11,140,065	6,087,813
	Add: Purchases		
	Raw Materials / Components	113,026,196	112,509,409
	Outworks	29,968,777	36,255,268
		154,135,038	154,852,490
	Less: Closing Stock		
	Raw Materials / Components	13,790,407	11,140,065
	Total	140,344,631	143,712,425

21	Changes in inventories of Work-in-Progress		
	Opening Stock	5,021,606	6,357,310
	Closing Stock	4,125,447	5,021,606
	(Increase) / Decrease in Work-in-Progress	896,159	1,335,704

UCAL POLYMER INDUSTRIES LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

Note No.		Year Ended 31st March 2016 Rs.	Year Ended 31st March 2015 Rs.
22	Employees Benefits Expense		
	Salaries and wages	21,717,081	23,486,865
	Contribution to provident and other funds	1,889,842	1,922,422
	Staff welfare expenses	3,340,066	3,513,826
	Total	26,946,989	28,923,113

23	Finance Costs		
	Interest Expenses	9,122,379	11,256,351
	Bank charges	314,408	367,606
	Total	9,436,787	11,623,957

24	Other Expenses		
	Consumption of stores and spare parts	25,983,535	25,742,940
	Audit Fee:		
	Statutory Audit	200,000	100,000
	Tax Audit	50,000	20,000
	Power & Fuel	8,909,399	9,554,484
	CSR Spends	2,150,000	-
	Rent	27,989,712	24,060,000
	Repairs to Buildings	5,424,446	1,252,676
	Repairs to Machinery	3,500,205	2,570,082
	Repairs to Others	4,607,289	5,828,187
	Insurance	172,656	268,114
	Rates and Taxes	180,360	170,518
	Miscellaneous Expenses	9,492,848	5,601,077
	Total	88,660,450	75,168,078

UCAL POLYMER INDUSTRIES LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

25. Related Party Disclosures

Name of the related parties and relationship:

- a. UCAL Fuel Systems Limited - Holding Company
- b. UPIL – USA - Subsidiary Company
- c. Fellow Subsidiary Company
 - i. Amtec Precision Products Inc.U.S.A
 - ii. North American Acquisition Corporation
(Wholly owned subsidiary of Amtec)
 - iii. Amtec Moulded Products Inc.U.S.A
(Wholly owned subsidiary of Amtec)
- d. Parties having significant interest:-
 - i. Bharat Foundations Private Limited
 - ii. Bangalore Union Services Private Limited
 - iii. Minica Servies Private Limited
 - iv. Magnetic Meter Systems India Limited
 - v. Sujo Land & Properties Private Limited
 - vi. Southern Ceramics Private Limited

Related Party relationship is identified by the company and relied upon by the auditor.

UCAL POLYMER INDUSTRIES LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

Description of amounts with respect to related parties: (Figures in Rs.)

Nature of Transactions	Holding Company	Subsidiary Company	Parties having significant interest
Sale of Goods (Net excise duty)	319,498,217 (305,038,342)	----	----
Labour Charges Paid	---	----	11,627,380 (16,664,816)
Rent	120,317 (120,000)	----	23,599,795 (20,100,000)
Dividend paid	6,540,868 (2,500,000)	----	-----
Investments	-----	140,551,254 (140,551,254)	-----
Net Receivables	96,626,427 (80,377,824)	-----	---- ----
Net payables	----- (44,300,000)	-----	14,108,293 (20,181,874)

Figures in brackets represent corresponding amount of previous year

UCAL POLYMER INDUSTRIES LIMITED**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016****26. Contingent Liabilities and Commitments (to the extent not provided for)**

	(All Amounts in Rs.)	
	2015-16	2014-15
Contingent Liabilities:-		
Taxation matter under appeal with Commissioner of Income Tax (Asst Year 2008-09)	160,149	160,149
Taxation matter under appeal with Commissioner of Income Tax (Asst Year 2012-13)	7,548,160	8,693,130
Taxation matter under appeal with Commissioner of Income Tax (Asst Year 2013-14)	6,535,400	---
E.P.F.O with Assistant Commissioner	1,447,358	1,447,358
Taxation matter under appeal with Joint Commissioner of Central Excise	8,193,320	---
Commitment:-		
Estimated amount of contracts remaining to be executed on capital account, net of advances, not provided for	25,500,000	2,280,000

27. Earnings per Share (EPS) calculation (Basic & Diluted):

	Unit	2015- 16	2014-15
(a) Profit after tax	Rs	41,908,925	38,563,507
(b) No. of Equity share	Nos.	1,635,217	1,250,000
(c) Nominal Value per Share	Rs.	10	10
(d) Earnings per Share	Rs.	25.63	30.85

UCAL POLYMER INDUSTRIES LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

28. Retirement Benefits

Disclosures for defined plans based on actuarial reports as on 31ST March 2016

Description	As on 31 ST March 2016 Rs		As on 31 ST March 2015 Rs	
	Funded	Non-Funded	Funded	Non-Funded
	Gratuity	Leave encashment	Gratuity	Leave encashment
(i) Change in Defined Benefit Obligation				
Opening defined benefit obligation	2,470,810	432,570	1,613,680	314,870
Current Service cost	270,880	111,130	185,570	69,460
Interest Cost	180,000	33,740	149,270	29,130
Actuarial loss / (gain)	208,930	195,140	522,290	19,110
Benefits paid	(326,220)	---	---	---
Closing defined benefit obligation	2,804,400	382,300	2,470,810	432,570
(ii) Change in Fair Value of Assets				
Opening fair value of plan assets	2,119,340	-	1,605,080	-
Expected return on plan assets	176,060	-	159,840	-
Actuarial gain / (loss)	(8,590)	-	12,590	-
Contributions by employer	59,448	-	341,830	-
Benefits paid	(326,220)	-	---	-
Closing fair value of plan assets	1,960,580	-	2,119,340	-
(iii) Amount recognized in the Balance Sheet				
Present value of obligations as at year end	2,804,400	382,300	2,470,810	432,570
Fair value of plan assets as at year end	1,960,580	-	2,119,340	-
Amount not recognized as an assets		-		-
Net asset / (liability) recognized as on 31.03.2016	(843,820)	382,300	(351,470)	432,570
(iv) Expenses recognized in the profit & loss account				
Current service cost	270,880	111,130	185,570	69,460
Interest Cost	180,000	33,740	149,270	29,130
Expected Return on Plan Assets	(176,060)	----	(159,840)	----
Net actuarial loss / (gain) recognized in the current year	217,530	195,140	509,700	19,110
Expenses Recognised in Statement of Profit & Loss	492,350	50,270	684,700	117,700
(v) Principal actuarial assumptions used				
Discount rate (p.a)	7.90%	7.90%	7.80%	7.80%
Expected rate of return on plan assets (p.a)	9.00%	N/A	9.00%	N/A
Salary Escalation (p.a)	7.00%	7.00%	7.00%	7.00%
Attrition rate (p.a)	5.00%	5.00%	5.00%	5.00%

UCAL POLYMER INDUSTRIES LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

29. Small, Micro & Medium enterprise:

There are no Micro, Small and Medium Enterprises under the Micro, Small & Medium Enterprises Development Act 2006 determined on the basis of information available with the company and hence no disclosure is required.

30. Sales

	2015-16		2014-15	
	Qty / No.	Value (Rs.)	Qty / No.	Value (Rs.)
Rubber Bonded Components	8,690,751	103,822,495	14,388,396	130,056,162
Plastics and Assembly Parts	16,663,818	224,985,237	14,724,930	193,341,346
Others	7,148	14,292,541	6,254	5,754,419
TOTAL		343,100,273		329,151,927

31. Raw Materials and Components Consumed

	UOM	2015-16		2014-15	
		Qty	Amount (Rs.)	Qty	Amount (Rs.)
Raw Material					
PLATE SS	Nos	891,000	2,673,000	3,435,280	10,511,957
Other Components and raw materials (which do not individually account for more than 10% of the total consumption)			138,567,790		134,536,172
TOTAL			141,240,790		145,048,129

32. Value and Percentage of Consumption of Imported and Indigenous Raw Materials and Components

	2015-16		2014-15	
	Rs.	%	Rs.	%
Imported	58,679,204	41.43	37,614,787	25.93
Indigenous	82,561,586	58.45	107,433,342	74.07
TOTAL	141,240,790	100.00	145,048,129	100.00

UCAL POLYMER INDUSTRIES LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

33. Value of Imports on CIF Basis

	2015-16 Rs.	2014-15 Rs.
Raw Materials/Components	67,689,678	44,928,019
Consumables	1,322,485	962,972
Capital Goods	7,280,970	4,693,930

34. Expenditure in Foreign Currency

	2015-16 Rs.	2014-15 Rs.
Foreign Travel Expenditure	-----	----
Consultancy Charges	-----	----

35. Auditors' Remuneration

	2015-16 Rs.	2014-15 Rs.
For Audit Fees	200,000	100,000
For Tax Audit	50,000	20,000

36. Earnings in Foreign Currency

	2015-16 Rs.	2014-15 Rs.
Export of Goods on CIF basis	----	----

UCAL POLYMER INDUSTRIES LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

37. Previous year figures have been reclassified to conform to this year's classification.

38. Figures have been rounded off to the nearest Rupees.

For and behalf of the Board

For R. SUBRAMANIAN AND COMPANY
Chartered Accountants
FRN: 004137S

V. KRISHNAMURTHY
CHAIRMAN

M.R. SHIVAKUMAR
DIRECTOR

R. RAJARAM
PARTNER
M.No.25210

Place : Pudhucherry
Date : 30-05-2016