



*10th Death Anniversary*



Late Shri Manharlal V. Parekh  
(CMD)  
1934 - 2002

# PRIMA PLASTICS LIMITED

## BOARD OF DIRECTORS

Shri Bhaskar M. Parekh (Executive Chairman)  
Shri Mulchand S. Chheda  
Shri Krishnakant V. Chitalia  
Shri Rasiklal M. Doshi  
Shri Dilip M. Parekh (Managing Director)

## BANKERS

Corporation Bank  
Bank of India

## AUDITORS

M/s. G. P. Kapadia & Co.  
Chartered Accountants

## REGISTRAR & SHARE TRANSFER AGENTS

M/s. Bigshare Services Pvt. Ltd.  
E-2/3, Ansa Indl. Estate, Saki Vihar Road, Andheri (E),  
Mumbai – 400 072.

## REGISTERED OFFICE

98/4 Prima House, Daman Industrial Estate,  
Kadaiya, Nani Daman, Daman (U.T.), Pin - 396 210

## CORPORATE OFFICE

41, National House, Saki-Vihar Road,  
Andheri (East), Mumbai - 400 072.

## WORKS

Moulded Furniture Division:

- 98/4, Prima House, Daman Industrial Estate,  
Kadaiya, Nani Daman, Daman (U.T.), Pin - 396 210.
- Door No.X/588-Q, Kinfra SIP, Survey No.508 (Part),  
Block No.32, Nellad P.O., Mazhuvannur Village,  
Ernakulam District, Kerala – 686 721.

Aluminium Composite Panel Division:

- 85/1, Prima House, Daman Industrial Estate,  
Kadaiya, Nani Daman, Daman (U.T.), Pin - 396 210.

## MARKETING DEPOTS

Coimbatore, Delhi, Hubli, Jammu, Jaipur, Kanpur, Rohtak,  
Secunderabad, Vapi & Zirakpur (Punjab)

## MARKETING OFFICE

New Delhi

## 18<sup>TH</sup> ANNUAL GENERAL MEETING

Date : September 08, 2012  
Time : 11.30 a.m.  
Venue : Hotel Sandy Resorts,  
Devka Beach,  
Nani Daman,  
Daman (U.T.), Pin - 396 210

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## NOTICE

Notice is hereby given that the Eighteenth Annual General Meeting of the Members of PRIMA PLASTICS LIMITED will be held on September 08, 2012 at 11.30 a.m. at Hotel Sandy Resorts, Devka Beach, Nani Daman, Daman (U.T.), Pin - 396 210 to transact the following businesses:

### ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as at March 31, 2012, the Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend for the year 2011-12 on Equity Shares.
3. To appoint a Director in place of Shri Krishnakant V. Chitalia, who retires by rotation and being eligible, offers him for reappointment.
4. To appoint M/s. G. P. Kapadia & Co., the retiring Auditors of the Company, as Statutory Auditors, who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, on such remuneration as may be decided by the Board of Directors.

### Registered Office:

98/4, Prima House,  
Daman Industrial Estate,  
Kadaiya, Nani Daman  
Daman (U.T.), Pin - 396 210.

By Order of the Board of Directors

Mumbai  
May 28, 2012

**Bhaskar M. Parekh**  
Chairman

## NOTES:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll instead of him and the proxy need not be a member of the Company. The Proxy form should be lodged with the Company at the Registered Office at least 48 hours before the schedule time of the meeting.
2. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board resolution authorizing their representative to attend and vote at the meeting.
3. The Register of Members and the Share Transfer Book of the Company will remain closed from Monday, September 03, 2012 to Saturday, September 08, 2012 (both days inclusive) for the purpose of determining the eligibility of the Members to attend the Annual General Meeting and payment of Dividend.
4. The Board of Directors in their Meeting held on May 28, 2012 have recommended a dividend of Rupee 1/- per share on equity share of Rs.10/- each, which if approved at the Annual General Meeting, will be paid on or after September 13, 2012, to those members whose names shall appear on the Company's Register of members on September 01, 2012; in respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.
5. All documents referred to in the Notice are open for inspection at the Registered Office of the Company on all working days, except Saturdays and holidays, between 11.00 a.m. to 1.00 p.m. up to the date of the Annual General Meeting.
6. The members are requested to:
  - (a) Bring their copy of Annual Report and the attendance slips at the Meeting.
  - (b) Members desiring any information as regards the accounts are requested to write to the Company at least 10 days prior to the date of meeting to enable the Management to keep the information ready at the meeting.
7. Shareholders holding shares in dematerialized form should intimate change of their address, request for making nomination etc. if any, to their Depository Participant. Members who are holding shares in physical form are requested to notify regarding

change in address, Bank particulars, ECS details etc. if any, to the Company's Share Transfer Agent, M/s. Bigshare Services Pvt. Ltd., E-2/3, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (East), Mumbai – 400 072 quoting their folio number.

"Our Registrar & Transfer Agent, M/s. Bigshare Services Private Limited has an advance tool to interact with shareholders. Please login into iBoss [www.bigshareonline.com](http://www.bigshareonline.com) and help them to serve you better".

8. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, dividend for the financial year ended 31<sup>st</sup> March 2010 and thereafter, which remain unclaimed for a period of seven years, will be transferred by the Company to "The Investor Education and Protection Fund" (IEPF) pursuant to Section 205C of the Companies Act, 1956.
9. Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to Bigshare Services Private Limited, will be printed on their dividend warrants as per the applicable regulations of the Depositories and the Company / Bigshare Services Pvt. Limited, will not entertain any direct request from such members for deletion or / change in such bank details. While members holding shares in physical form may write to the Registrar & Share Transfer Agent / Company for any change in their addresses and bank mandates etc. and members holding shares in electronic form may write to their depository participants for immediate updating so as to enable the Registrar & Share Transfer Agent / Company to dispatch dividend warrants to the correct addresses.
10. Important Communication to Members.  
The Ministry of Corporation Affairs (vide circular nos.17/2011 and 18/2011, dated April 21 and April 29, 2011 respectively) has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold share in physical form are requested to send the email id along with their folio no. / Client id at [investor@primaplastics.com](mailto:investor@primaplastics.com) or [investor@bigshareonline.com](mailto:investor@bigshareonline.com).
11. Additional information on Director seeking re-appointment at the forthcoming Annual General Meeting.

#### **DETAILS OF DIRECTOR SEEKING REAPPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING**

**(Pursuant to Clause 49 of the Listing Agreement)**

<b>Name of Director</b>	<b>Shri Krishnakant V. Chitalia</b>
Age	73 years
Date of appointment	18-06-1996
Qualification	B.Com
Expertise in specific area	He has wide and varied Industrial experience in the filed of Plastic, Electrical and Dairy products.
Other Directorships in Public Limited Co.	Venlon Enterprises Limited.
Number of Shares held	5,295 Equity Shares

12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrar and Transfer Agents, M/s. Bigshare Services Pvt. Ltd. E-2/3, Ansa Industrial Estate, Saki Vihar Road, Andheri (East), Mumbai - 400 072.

#### **Registered Office:**

98/4, Prima House,  
Daman Industrial Estate,  
Kadaiya, Nani Daman  
Daman (U.T.), Pin - 396 210.

By Order of the Board of Directors

Mumbai  
May 28, 2012

**Bhaskar M. Parekh**  
Chairman

# DIRECTORS' REPORT, MANAGEMENT DISCUSSION & ANALYSIS REPORT

Dear Shareholders,

Your Directors submit the 18<sup>th</sup> Annual Report along with the Audited Statement of Accounts of the Company for the year ended March 31, 2012.

(Rs. In Lacs)

<b>FINANCIAL RESULTS</b>	<b>2011-2012</b>	<b>2010-2011</b>
Gross Income	<b>6,110.02</b>	6,053.62
Profit before Depreciation, Finance Cost and Tax	<b>520.38</b>	558.43
Less : Depreciation	<b>150.91</b>	158.53
Less : Finance Cost	<b>93.70</b>	69.25
Profit/(Loss) before Taxation	<b>275.77</b>	330.65
Less : Current Tax	<b>56.84</b>	67.89
Profit /(Loss) after Tax	<b>218.93</b>	262.76
Add : Balance b/f from previous year	<b>1,796.15</b>	1,711.66
Balance available for appropriation	<b>2,015.08</b>	1,974.42
Appropriation :		
Balance c/f	<b>2,015.08</b>	1,974.42
Less : Proposed Dividend	<b>110.00</b>	110.00
Less: Dividend Tax	<b>17.85</b>	18.27
Less : General Reserve	<b>50.00</b>	50.00
Balance c/f to Balance Sheet	<b>1,837.23</b>	1,796.15

## DIVIDEND

Based on the Company's performance, the Directors are pleased to recommend a dividend of Rs.1/- per Equity Share (last year Rs. 1/- per Equity Shares) for the financial year ended March 31, 2012 amounting to Rs.127.85 lacs (inclusive of tax of Rs.17.85 lacs). The dividend pay out ratio for the current year, inclusive of corporate tax on dividend distribution, is at 58.40%. This Management had maintained the consistency in dividend payout in spite of plans to invest in new manufacturing units / Joint Ventures.

## TRANSFER TO RESERVES

The Company proposes to transfer Rs. 50 lacs to the General Reserve out of the amount available for appropriations and an amount of Rs.1837.23 lacs is proposed to be retained in the Profit and Loss Account.

## OPERATIONAL PERFORMANCE

The year under review was a challenging year for manufacturing Industries in India due to multiple adverse conditions like high inflations, high oil prices, lower economic growth, euro zone debt crises etc. Despite these constraints and the challenging environment, your Company performed reasonably well and delivered positive growth in sales, however there is marginal decline in operating profits.

Your Company achieved higher net sales in moulded furniture segment of Rs. 5,572.35 lacs as against Rs. 5,247.48 lacs in the last year. The growth in sales in percentage terms achieved is 6%. The Exports were higher at Rs. 1070.05 lacs as compared to Rs. 870.46 lacs in last year. The growth in export in percentage term achieved is 23%. The moulded furniture division has earned higher profit before interest of Rs. 397.83 lacs as against Rs. 224.65 lacs in last year from its operation.

The Government of India has taken corrective steps by removing 'Anti Dumping Duty' on Polymers resulting into lower volatility in raw material prices as compared to previous years and resulted in improved margins of moulded furniture division.

However the performance of the Company has adversely impacted due to lower Sales of ACP Division at Rs. 464.71 lacs as compared to Rs.646.48 lacs in last year and resulted into a loss of Rs. 101.32 lacs before interest as compared to profits of Rs.14.66 lacs in last year.

The main raw material for ACP division is Coated Aluminum Coil and prices of the Aluminum are driven by global market and at present the prices are within the reasonable range. The Company mainly sources, its raw materials from China & other leading countries.

Overall the Company's performance is satisfactory and registered a profit before tax of Rs. 275.77 lacs.

## RECOGNITIONS

The Company has been awarded the 'Second Best Export Award' from PLEX Council of India for the exports for Financial Year 2009-10 & 2010-11.

## SUBSIDIARY COMPANY

"Prima Global (FZE)", a wholly owned subsidiary of the Company at RAK SEZ Ras Al khaimah, UAE is taking steps to start trading in UAE Countries and also looking to set up a manufacturing unit to cater the UAE & other Countries.



## **PERFORMANCE OF JOINT VENTURE**

Prima Dee-lite Plastics Pvt. Ltd., Cameroon, a Joint Venture Company manufacturing Moulded Articles had diversified in to the business of HDPE Woven Sack Bags and set up a manufacturing unit in adjacent location with total investment of INR 1600.00 lacs. The Commercial production was started from January 2012.

The total turnover of JV Company for Moulded Furniture division for the calendar year 2011 was INR 1992.48 lacs as compared to previous calendar year of INR 1432.32 lacs. The profit for the year after depreciation and tax was INR 452.87 lacs as compared to INR 341.27 lacs in the previous year.

The encouraging performance of Joint Venture Company has boosted the confidence of both the Joint Venture Partners and initiatives have been taken to explore neighboring countries to set up distribution network for Moulded Furniture Articles.

## **CONSOLIDATED FINANCIAL STATEMENTS**

The Consolidated Financial Accounts form part of this Annual Report.

Pursuant to the provision of Section 212(8) of the Act, the Ministry of Corporate Affairs vide its circular dated February 8, 2011 has granted general exemption from attaching the Balance Sheet, Profit and Loss Account and other documents of the Subsidiary Companies with Balance Sheet of the Company. The annual accounts of these subsidiaries / Joint Venture Companies and the related detailed information are available for inspection by any member at the registered office of the Company. The Company shall furnish a copy of details of annual accounts of subsidiary /Joint Venture Company to any member on demand.

## **MANAGEMENT'S DISCUSSION & ANALYSIS REPORT**

### **OVERVIEW**

The World witnessed fair bit of challenges with deepening debt crises in Europe, political unrest in Middle East & North African Countries, rising tension between Iran and the Western Countries, high oil prices, Tsunami in Japan and down grade of credit rating of USA. China and India were forced to tighten liquidity to control inflation. It is not possible to remain insulated from swings in the global economy. The Indian economy is further impacted due to allegations of corruptions at government functionaries and resulting policy indecisiveness at the centre and various states level. The over all scenarios were not positive for Industries in the year under review.

### **MOULDED FURNITURE**

Prima is committed to further invest its resources in core business within India as well as globally. It is also taking initiative to invest in latest technology and help to meet the economy of operations. These strategies are aimed to ensure consolidation of its market and to deliver long term growths. However looking to the over all adverse conditions with in India and abroad, it has decided to go slow on expansion in the year under review and may take forward look steps in appropriate time in near future.

Financial year 2011-12 was reasonable for moulded furniture and input prices were well with in the acceptable range. The demand for the product was rather stable. The Company has delivered the Financial & Operating Results in line with industry specific performance.

### **ALUMINIUM COMPOSITE PANEL**

The Indian Real Estate has partially recovered in Financial Year 2011-2012. The Residential Segment demands were on raise due to overall shortage of affordable housing and metro cities have seen demand for premium housing projects. The Commercial Segment was still stagnant and not showing sign of improvement and demand for rental premises were lower then the supply of commercial premises due to overall depressing economical conditions.

### **BUSINESS OUTLOOK**

#### **MOULDED FURNITURE**

Consumer sector story in India remains intact and the demographic factors combined with rising per capita disposable incomes are expected to fuel consumption growth in India for a long period of time. As income levels are rising there is also a clear trend of increase in share of non-food expenditure in both rural and urban India. Your Company is well placed to take advantage of the sustained growth of our economy.

The per capita consumption of plastics in our country is very low when compared with western country's consumption and it is bound to increase in years to come. Plastic moulded furniture is fast replacing conventional furniture made of woods and steel due to its various inherent advantages.

The supply of polymers was at ease with removal of antidumping duty on import of polymers by the Government of India.

The introduction of GST is expected in a short span and will integrate the country economy in to one and provide level playing in every part of the country. This is expected to boost the growth of your Company's business at pan India level. The Company expects to achieve 10-15 percent annual growth in turnover in medium term.

#### **ALUMINIUM COMPOSITE PANEL**

The Commercial real estate was not showing sign of revival in the year under review and it seems that it may take little longer

to recover the segment then expected earlier. Your Company had taken cautious approach in sales due to fund crises in realty business and worked on the approach to do secured business rather running for recoveries of dues. However this situation will not remain for a long and it is expected that the Indian business and financial activities will gain momentum in near term and lead to demand of commercial premises and recovery of this segment of Real Estate. The Management expects full fledged business in ACP Division in years to come.

The Company was selective in executions of Orders in the year under review and the sales target was even though short of the managements expectation but confident to achieve higher sales in steady manner.

### **OPPORTUNITY**

The Company is developing new moulded articles in premium segment as well as introducing new moulds for chairs for daily use as per consumers' preferences. The Company plans to further expand its manufacturing base at importunate time in near future.

The Company is focusing to expand its network to far off places to take advantage of GST regime.

The ACP products can be used in varied areas apart from commercial real estate. The Company may focus the other market of ACP by appointing nationwide dealer-distributor's network.

### **THREAT**

With the rise in demand & overall industrial sentiment, the industry is witnessing many new entrants with low capital base & to serve the local market. The new players are prone to un-ethical practices in a temporary phase.

China is a major supplier of ACP globally and has influence in the market with excess supply and moderate price.

The real estate industry is known for excessive credit time.

### **Internal Control System and Their Adequacy**

The Company's internal control systems, commensurate with the size of the Company and nature of its business, has well defined policies and procedures ensuring that all transactions are authorized, recorded and correctly reported, all assets are safeguarded and protected against loss from unauthorized use or disposition, reducing wastages and maintenance of proper accounting records for ensuring accuracy and reliability of its financial information. As a matter of proactive planning, the Board has also constituted an Audit Committee which meets periodically to review the financial performance and the accuracy of financial records.

The management duly considers and takes appropriate action on the recommendations made by the statutory auditors and the Audit Committee of the Board of Directors.

### **Risk Management**

The Company, like any other enterprise having national as well global business interests, is exposed to business risk which may be internal as well as external. We define risk as the eventuality of not achieving our financial, operative, or strategic goals as planned. To ensure our long term corporate success, it is essential to identify, analyze, and mitigate the risk by means of appropriate control measures. The risks outlined below are not exhaustive and for information only. The Board and the Audit Committee periodically review the risk management procedures.

#### **Foreign Exchange Risk**

The Company exposed to volatility in the Exchange Rate. The Company makes payment in foreign currency for import of machinery and other item including raw materials. Considering the nature of business of the Company, except by way of hedge may not be available to the Company and hence the volatility in foreign currency rates is consistently addressed by ensuring adequate cover by way forward contract. The Company also takes advantage of its natural hedge by exports of moulded articles to some extend. The Company does not deal in derivative transaction as a matter of policy.

#### **Commodity Price Rise**

The Company is exposed to the risk of price fluctuation on raw materials as well as finished goods in its entire product. The Company manages these risks in input their inventory management, input through buyer credit etc. However impact on price risk on finished goods is minimal due to its brand image and marketing network.

#### **Business Risks**

The Company developed new products to meet the growing demand and customers need. Although the competition in the market may be increasing, your Company is able to control the same by strategic planning and improved manufacturing process. Besides continues R&D activities undertaken by the Company contribute to minimization of the risk.

#### **Risk Element in Individual Business**

Apart from the risks on account of foreign exchange and commodity price, both the business of the Company are exposed to certain operating business risk, which are managed by regular monitoring and collective actions.



The identified risk are reviewed and evaluated on continues basis and suitable strategies are framed to mitigate the same. The implementation of various strategies to control the said risk is monitored regularly. The Board reviews the Risk Management process periodically.

### **Environment & Safety**

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires the conduct of all operations in such manner so as to ensure safety of all concerned, compliance of statutory and industrial requirements for environment protection and conservation of natural resources to the extent possible.

### **Human Resource**

We believe that people are the backbone of the organization and hence we lay great emphasis on optimizing their performance. The Company provides employees with a fair and equitable work environment and support from the peers to develop their capabilities. The Company strongly believes that its team of capable and committed manpower, which is its core strength, is the key factor behind all achievements and trusting them with the freedom to act and to take responsibility success. Occupational health and safety are given the utmost importance in the Company. The relationship between the Company and the employees were cordial and the Company experienced peace and harmony through out the year.

### **DIRECTORS**

Shri Krishnakant V. Chitalia retires by rotation and being eligible, offers himself for reappointment at the ensuing Annual General Meeting. Brief resume of Shri Krishnakant V. Chitalia and nature of his experience is given in the Section on Notice elsewhere in the Annual Report.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

As stipulated in Section 217(2AA) 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 for the year ended March 31, 2012, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and there has been no material departure;
- II. The Directors have selected such accounting policies and applied them consistently and made Judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2012 and of the profit of the Company for the year ended on that date;
- III. The Directors have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956. They confirm that there are adequate system and control for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- IV. Directors have prepared the Annual Accounts on a going concern basis.

### **AUDITORS & AUDITOR'S REPORT**

M/s. G.P. Kapadia & Co., Chartered Accountants, Mumbai, Statutory Auditors of the Company, holds office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

The Company has received letter from them to the effect that their reappointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such reappointment within the meaning of the Section 226 of the said Act.

The observations made in the Auditors' Report, read together with the relevant notes thereon are self-explanatory and hence, do not call for any comments under section 217 of the Companies Act, 1956.

### **PARTICULARS OF EMPLOYEES**

The Company does not have any employee drawing remuneration as stipulated under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

Additional information given as required under the Companies (Disclosures of Particulars in the report of Board of Directors) Rules, 1988.

### **ENERGY CONSERVATION**

A number of energy conservation techniques were initiated and energy was used more efficiently. Efficient maintenance and daily monitoring has resulted in lower consumption of power and there by lowered the cost of production. The Company continues to emphasize on energy conservation at the stage of selections of plant, equipment to optimize energy consumption and by installing necessary power saving equipments.

### **RESEARCH & DEVELOPMENT**

The R & D activities carried out by the Company are dedicated to the development if new product, new design of chairs for better comfort and attractive colour and modern look. The designed department is directly working in the supervision and guidance of

the Managing Director. The Company has been able to launch several new designs of chairs and other articles. The Company has developed first time in India a moulded computer table and launching in this financial year for sale. The Company further plans to develop and introduce new range of products in the current year.

## TECHNICAL ABSORPTION, ADAPTATION & INNOVATION

The Company has not imported any technology or processes know how. The Machines and moulds used for manufacturing products are regularly upgraded to cater variety products in line with the market trend and demand. The new investments are made in new technology upgraded machines & moulds.

As a result, the Company is able to give new & innovative designed product and has created strong demand of its products in export market.

## II. FOREIGN EXCHANGE EARNING AND OUTGO

### 1) Activities relating to exports, initiative taken to increase exports; development of new exports market for products and services; and export plans:-

The Company's key markets for international business are the Africa, Middle East, and Latin America. The Exports products are well established in the international market and the Exports were higher at Rs.1070.05 lacs as compared to Rs.870.46 lacs in last year. The growth in export in percentage term achieved is 22.93% due to repeated orders from its existing clients. The Company has won 14 top export awards from "PLEXCONCIL" of India in last 16 years.

### 2) Total foreign exchange used and earned.

		(Rs.)
	2011-2012	2010-2011
Foreign Exchange earned (FOB) – (Finished Goods)	97,460,862	77,849,953
Foreign Exchange earned (Capital Goods)	1,283,250	NIL
Foreign Exchange used	52,545,142	69,285,899

## FIXED DEPOSITS

The Company has not accepted any Fixed Deposit covered under Section 58A of the Companies Act, 1956 from the Members or the Public during the year.

## CORPORATE GOVERNANCE

The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report.

The requisite Certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49 is attached to this Report.

## ACKNOWLEDGEMENT

The Directors thank the Company's customers, vendors, investors and banks for their support to the Company.

The Directors also thanks the Governments of other countries, Government of India, State Governments in India and concerned Government Departments/Agencies for their co-operation.

## CAUTIONARY STATEMENT

Certain statements in the reports of the Board of Directors and Management's discussions and analysis may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied since Company's operations are influence by many external and internal factors beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any of these statements on the basis of any subsequent developments, information or events.

For and on behalf of the Board

Mumbai,  
May 28, 2012

**Bhaskar M Parekh**  
Chairman