UNION QUALITY PLASTICS LTD



28TH

ANNUAL REPORT

2011-2012

UNION QUALITY PLASTICS LTD.

BOARD OF DIRECTORS	**Mr. Zuzar A Kathawala** Chairman & Managing Director **Mrs. Durriya Z Kathawala** Director **Mr. Sunil R Tripathi** Executive Director **Mr. Jayaram Ananthanarayan** Independent Director **Mrs. Naseem Arsiwala** Independent Director **Mr. Rameshchandra K Mishra** Independent Director
BANKERS	**ICICI BANK LIMITED** **HDFC BANK LIMITED** **ORIENTAL BANK OF COMMERCE**
AUDITORS	**M/S. PAREKH SHAH & LODHA** CHARTERED ACCOUNTANTS
SHARE REGISTRAR & TRANSFER AGENT	**Bigshare Services Pvt. Ltd.** E – 2/3, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (E), Mumbai – 400 072. Tel. No. 2852 3474, 2856 0652/53, 569 36291 Fax No. 28525207. Email : bigshare@bom7.vsnl.net.in
REGISTERED OFFICE	**UNION QUALITY PLASTICS LTD.** 5th Floor, A.G.H Chambers, 379/381 Narsi Natha Street, Mumbai – 400009.
WORKS	Plot No.204, G.I.D.C., Industrial Estate, Umbergoan - 396171 , Dist. Bulsar Gujarat

NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTY EIGHT ANNUAL GENERAL MEETING OF THE COMPANY WILL BE HELD ON SEPTEMBER 27TH, 2012 AT 11.00 A.M. AT THE REGISTERED OFFICE OF THE COMPANY AT 5TH FLOOR, A.G.H CHAMBERS, 379/381 NARSI NATHA STREET MUMBAI – 400009, TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2012, Profit & Loss Account for the year ended as on that date and the Reports of the Directors and Auditors thereon.

2. To appoint a Director in place of Mr. Zuzar Kathawala who retires by rotation and, being eligible, offer himself for re-appointment.

3. To appoint a Director in place of Mrs. Durriya Kathawala who retires by rotation and, being eligible, offer herself for re-appointment.

4. To appoint M/s. Parekh Shah & Lodha, Chartered Accountants, Mumbai, as the Statutory Auditors of the Company to 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 mutually agreed upon between the Board of Directors and the Auditor's plus service tax, traveling and out of pocket expenses.

Registered Office:
5th Floor, A.G.H Chambers,
379/381 Narsi Natha Street,
Mumbai – 400009

By order of Board of Directors of
Union Quality Plastics Limited

Place: Mumbai
Date: 24th August, 2012

Z. A. KATHAWALA
Managing Director

D. Z. KATHAWALA
Director

Notes :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself only on poll and the proxy need not be a member of the Company. The instrument appointing proxy should, however, be deposited at the Registered office of the Company not less than forty eight before the commencement of the meeting.

2. Members/Proxies should bring the Attendance slip duly filled in for attending the meeting and members who hold shares in electronic form (Demat) are requested to bring their Client ID and DP ID numbers for identification of attendance at the meeting

3. The Register of Members and Share Transfer Books will remain closed from 20th September, 2012 to 27th September, 2012 (both days inclusive)

4. Members are requested to notify the change in their address to the Company and/or Registrar & Share Transfer Agent of the Company in physical mode and always quote their folio no. in all correspondence with the Company. In respect of holding in electronic form, members are requested to notify any change of address and change in bank details in their Depository participants.

5. Members are requested to bring their copy of Annual Report to the Meeting.

6. Members seeking further information on the accounts or any other matter contained in the Notice are requested to write to the Company at least 7 days before the meeting so that relevant information can be kept ready at the meeting.

Registered Office:
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By order of Board of Directors of
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Place: Mumbai
Date: 24th August, 2012

Z. A. KATHAWALA
Managing Director

D. Z. KATHAWALA
Director

DIRECTORS' REPORT

To,
The Members

Your Directors have pleasure in presenting the 28th Annual Report on the business and operations of the Company together with the Audited Accounts for the year ended 31st March, 2012.

1. FINANCIAL RESULTS: **(Rs. In Lacs)**

Particular	**(31/03/2012)**	**(31/03/2011)**
Turnover (including other income)	2827.76	3597.93
Profit before Tax & Depreciation	64.10	308.73
Less - Depreciation	26.71	29.37
Less – Provision for Taxation	(12.25)	Nil
Profit after tax	49.64	279.36
Add : Profit /(loss) B/fd	(1882.75)	(2162.12)
Total amount Available for Appropriations	(1833.11)	(1882.75)
Transfer to reserves	Nil	Nil
Proposed Dividend (Including Corporate Dividend Tax)	Nil	Nil
Balance Carried forward	(1833.11)	(1882.75)

2. OPERATIONS AND BUSINESS PERFORMANCE

Total income for the year was Rs. 28.28 crores. The Company is taking measures to increase its market demand.

3. DIVIDEND

In view of conservation of profit, the Directors had not recommended any dividend for this year.

4. FIXED DEPOSITS:

During the year under review company has not taken any deposits from public.

5. QUALITY MANAGEMENT

The company is committed to supply products and services conforming to customers requirements by involving employees, vendors sub – contractors and customers to achieve its vision of being a cost–efficient global suppliers of quality products.

6. PERSONAL

As required by the provision of section 217(2A) of the companies act 1956 of the companies act 1956, read with companies (particulars of employees) Rules, 1975 as amended, there are no employees covered for the year under review.

7. DIRECTORS

In pursuance of the Companies Act, 1956, and articles of association of the company Mr. Zuzar Kathawala and Mrs. Durriya Kathawala retires by rotation and being eligible, offer themselves for reappointment.

During the year Mr. Rameshchandra Mishra was appointed as Independent Director of the Company and Mr. Ahmedally Kathawala resigned from Directorship of the Company

8. DIRECTORS RESPONSIBILITY STATEMENTS

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, the Directors confirm:

i) That in the preparation of the annual accounts for the financial year ended 31st March 2012, the applicable accounting standards have been followed and no material departures have been made from the same;

ii) That they had selected such accounting policies, applied them consistently, made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

iii) That they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) That they had prepared the annual accounts on a going concern basis.

v) That Auditors comment on the internal audit system of the company, Directors wants to clarify that our internal accounting system is strong enough to take care of internal control for accounts under the supervision of management. Hence, we have not deputed outside agency to carry on internal audit.

vi) The company is engaged in manufacturing business where staff turnover ratio is very high. Hence maintaining retirement and other benefit and provision for gratuity on accrual basis is very difficult. Keeping in view the above the Company follows a policy of providing gratuity liability and retirement and other benefits on actual payment basis.

9. **CONSERVATION OF ENERGY , ABSORPTION OF TECHNOLOGY AND FOREIGN EXCHANGE AND OUTGO:**

Additional information as required as per section 217(I)(e) of the companies act, 1956 read along with companies (Disclosures of particulars in the report of board of Directors) Rules, 1988 is given below;

(I) Conservation of Energy:

Continuous monitoring and awareness amongst employees has helped to avoid waste of energy. Adequate measures had helped in reducing the consumption of energy and overall electricity bill. It is planned to extend the measures taken during the current year which yielded good results, to other areas/equipment/offices.

(II) Technology Absorption:

Company has not incurred major expenditure on R& D activity during the year under review; however the company is searching various technology and methods which will help in reducing the consumption of energy, increase in input / output ratio and produce internationally acceptable quality products, company have the ISO 9001: 2000 Certificate.

Information regarding technology imported during the last five years:

a.	Technology imported	:	No
b.	Year of import	:	Not applicable
c.	Has technology been fully absorbed	:	Not applicable
d.	If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of actions	:	Not applicable

(III) Foreign Exchange:

During the year company has earned foreign exchange by export turnover which amounts to Rs. 71.80 lacs and had incurred Rs. 17.19 lacs towards expenditure in foreign exchange during the year. Company is making all efforts to capture the international market.

10. AUDITORS

M/s. PAREKH SHAH & LODHA, Chartered Accountants, Statutory Auditors of the Company retire at the conclusion of ensuing annual general meeting and, being eligible, offer themselves for reappointment as statutory auditors. Members are requested to approve the same and fix their remuneration.

11. AUDITORS OBSERVATION :

The comment of the auditors in their reports is self explanatory and need no further clarification.

12. CORPORATE GOVERNANCE:

Your Company believes in coherent and self-regulatory approach in the conduct of its business to achieve highest standard of Corporate Governance. It has complied with the requirement of the Corporate Governance as stipulated by SEBI. A separate report on Corporate Governance along with Auditor's Certificate on its compliance is annexed to and forms part of the report.

13. APPRECIATION

Your Directors would like to place on record their appreciation of the consistent support, co-operation and assistance from our customers, suppliers, shareholders, employees and other business associates including various agencies of the central and Maharashtra state governments and Bankers for their continued understanding, assistance and support.

On Behalf of the Board of Directors
For Union Quality Plastics Limited

Zuzar A Kathawala
Chairman

Place: Mumbai
Date : August 24th, 2012

CORPORATE GOVERNANCE: **Annexure - A**

COMPANY'S PHILSOPHY ON CODE OF GOVERNANCE:

The Company aims at ensuring high ethical standards in all areas of its business operations to enhance its stake holder's value

In accordance with Clause 49 of the Listing agreement with the Stock Exchanges, the details of governance including compliances by the Company with the provisions of Clause 49 are as under:

1. BOARD OF DIRECTORS:

As on 31.03.2012, The Company's Board consisted of Two Promoter Directors, One Executive Director & Three independent directors, who have rich experience in their fields.

The Board of the Company met 6 times during the last financial year on the following dates: -- 30.04.11, 31.07.11, 08.08.11, 03.10.11, 31.10.11, 31.01.12

Code of conduct:

The Company has already implemented a Code of Conduct for all Board Members and Senior Managements of the company in compliance with Clause 49 (1) of the Listing Agreement. But, since the operations of the Company were not much, the application of the code of conduct was limited to that extent

The constitution of the Board (as on 31.03.2012) and the attendance of the Directors are given below:

Name of the Director	Category of the Director	No. of other Directorship (*)	No. of Board meetings Attended	Attendance at Last AGM
Zuzar A. Kathawala	Managing Director	4	6	Yes
Ahmedally Kathawala	Executive Director	3	5*	Yes
Durriya Z. Kathawala	Promoter Director	3	6	Yes
Sunil R. Tripathi	Executive Director	Nil	6	Yes
Ananthanarayan Jayaram	Independent Director	1	6	Yes
Naseem Shabbir ARsiwala	Independent Director	Nil	6	Yes
Rameshchandra Mishra	Independent Director	NIL	2*	No

* Mr. Ahmedally Kathawala resigned from Directorship of the Company and Mr. Rameshchandra Mishra was appointed as Independent Director of the Company on 31.10.2011011

- Excludes Directorship in Foreign Companies, Companies u/s 25 of the Companies act, 1956
- The Director(s) are neither Chairman nor members of any other committee(s) other that Audit committee, grievance committee, remuneration committee of the Company as mentioned in this report.

Detailed Agenda is circulated/ sent to the members of the Board in advance The Board discuss/ deliberate and decides on all the topics/ matters including those suggested in the Listing Agreement, as and when the requirement arises.

Risk Mitigation Plan: The Company has already adopted a risk mitigation plan, suitable to the Company. During the year there were no activities that required the assessment of risk.

2. AUDIT COMMITTEE:

The total strength of the Audit Committee is three. The said committee was constituted to exercise powers and discharge function as stipulated in Clause 49 of the Listing Agreement, and other relevant statutory and regulatory provisions. The Chairman of the audit committee is an independent/non executive director, and of the other two members one is executive director and the other is non-executive / independent director.

During the relevant financial year, Four Audit Committee Meetings were held on 30.04.11, 31.07.2011, 31.10.11 and 31.01.12

The constitution of the Committee (as on 31.03.2012) and the attendance of each member of the Committee is given below

Name of the Member	Category	No. of Meetings	Attendance (No)
Jayaram Anantha Narayan	Chairman	4	4
Sunil R. Tripathi	Member	4	4
Naseem Shabbir Arsiwala	Member	4	4

3. SHARE HOLDERS GRIEVANCE/ SHARE TRANSFER COMMITTEE:

Share Holder's Grievance Committee

During the year two committee meeting was held on 30.09.11 and 29.03.2012. Share Holders Grievance Committee consists of one independent Director, and two directors.

The data for the year is as follows: No Complaints received from share holders/ Exchange during the year 2012 unresolved complaints (including pertaining to the previous year(s):2011. Majority of these complaints pertain to listing matters which the Company is addressing.