

Marvel

29th

ANNUAL REPORT

2013 - 2014

CONTENTS

Page No.

1. Board of Directors	2
2. Notice	3-18
3. Directors' Report	19-23
4. Report on Corporate Governance	24-38
5. Management Discussion and Analysis Report	39-41
6. Independent Auditor's Report	42-46
7. Balance Sheet	47
8. Statement of Profit and Loss Account	48
9. Cash Flow Statement	49
10. Notes to Financial Statements	50-68
11. Proxy Form & Attendance Sheet	69-70

BOARD OF DIRECTORS :

Mr. Pavan Chawla	Managing Director
Mr. Pankaj Chawla	Whole-time Director
Mr. Ankit Chawla	Whole-time Director
Mr. Pradeep Singh	Director
Dr. P.K. Bhardwaj	Director
Mrs. Kirti Bhardwaj	Director

STATUTORY AUDITORS :

M/s Shanti Prashad & Company
Chartered Accountants
M-96, Connaught Circus,
New Delhi - 110 001

BANKERS :

Union Bank of India
Industrial Finance Branch
M-11, Connaught Circus,
New Delhi - 110 001

**REGISTRAR &
SHARE TRANSFER AGENT :**

BEETAL Financial & Computer
Services Pvt. Ltd.
Beetal House, 99 Madangir,
Behind Local Shopping Centre,
Near Dada Harsukh Das Mandir,
New Delhi - 110 062

REGISTERED OFFICE :

G-73, Connaught Circus,
New Delhi - 110 001

WORKS :

- i) 64/3, Link Road,
Industrial Area,
Site IV, Sahibabad,
Ghaziabad [U.P.]
- ii) 83-84, Malanpur Indl. Area,
Distt. Bhind [M.P.]
- iii) 85-86, Malanpur Indl. Area,
Distt. Bhind [M.P.]

BRANCHES :

Delhi, Gwalior, Mumbai, Gurgaon

NOTICE

NOTICE is hereby given that TWENTY NINE Annual General Meeting of the Members of **M/s MARVEL VINYLs LIMITED** will be held on Tuesday, the 30th day of September, 2014 at 12.30 p.m. at A-40, Rajouri Garden, New Delhi - 110027, to transact the following business: -

ORDINARY BUSINESS

1. To receive, consider and adopt the Financial Statements of the Company for the year ended 31st March, 2014 including audited Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Pankaj Chawla [DIN: 00104666] who retires by rotation and being eligible offers himself for re-appointment.
3. To confirm the payment of dividend on 18% Cumulative Redeemable Preference Shares for the Financial Year 2013-14.
4. To appoint M/s Shanti Prashad & Co., Chartered Accountants [FRN: 019923N], as the Auditors to hold office from the conclusion of the Twenty Nine Annual General Meeting until the conclusion of the next Annual General Meeting and authorize Board to fix their remuneration.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification[s], the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ["the Act"] and the Companies [Appointment and Qualifications of Directors] Rules, 2014 [including any statutory modification[s] or re-enactment thereof for the time being in force] and Clause 49 of the Listing Agreement, Dr. P. K. Bhardwaj [holding DIN: 00367315], a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company w.e.f. September 30, 2014 to hold office for 5 [five] consecutive years for a term up to the conclusion of the Annual General Meeting of the Company to be held in the calendar year 2019."

6. To consider and if thought fit, to pass with or without modification[s], the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ["the Act"] and the Companies [Appointment and Qualifications of Directors] Rules, 2014 [including any statutory modification[s] or re-enactment thereof for the time being in force] and Clause 49 of the Listing Agreement, Mrs. Kirti Bhardwaj [holding DIN:00367196], a Non-Executive Director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company w.e.f September 30, 2014 to hold office

for 5 [five] consecutive years for a term up to the conclusion of the Annual General Meeting of the Company to be held in the calendar year 2019."

7. To consider and if thought fit, to pass with or without modification[s], the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ["the Act"] and the Companies [Appointment and Qualifications of Directors] Rules, 2014 [including any statutory modification[s] or re-enactment thereof for the time being in force] and Clause 49 of the Listing Agreement, Mr. Pradeep Singh [holding DIN: 00222620], a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company w.e.f September 30, 2014 to hold office for 5 [five] consecutive years for a term up to the conclusion of the Annual General Meeting of the Company to be held in the calendar year 2019."

8. To consider and, if thought fit, to pass with or without modification, the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 88, 94 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder [including any statutory modification[s] for the time being in force], consent of the Company be and is hereby accorded to maintain and keep the Company's Register of Members, Index of Members, Register and Index of Debenture Holders, if any, Register of Security-holders and all other documents/records in relation thereto, be so kept at the office of the Registrar and Share Transfer Agents of the Company situated BEETAL Financial & Computer Services Pvt. Ltd Beetal House, 99 Madangir, Behind Local Shopping Centre, Near Dada Harsukh Das Mandir, New Delhi - 110062

"RESOLVED FURTHER THAT the Board of Directors or any Committee thereof of the Company be and are hereby authorized to do all such things and take all such actions as may be required from time to time for giving effect to the above resolution and matters related thereto."

9. To consider and if thought fit, to pass with or without modification[s], the following resolution as a **Special Resolution:**

"RESOLVED THAT in supersession of all the resolutions passed by shareholders in the past and pursuant to the provisions of section 180(1)(a) and other applicable provisions, if any of the Companies Act, 2013 [including any statutory modifications or amendments thereof] and Rules made there under, consent of the Shareholders be and is hereby accorded to the Board of Directors and its Committee[s], to mortgage or create charge on all or any of the immovable and movable properties [including pledge of securities held in subsidiaries/associates] of the Company, its subsidiaries and associates where so ever situated, present and future, and /or conferring power to enter upon and to take possession of assets of the Company in certain events, to or in favour of any Bank[s] or Financial Institution[s] situated within or outside India [hereinafter referred to as "the Lenders"] to secure repayment of rupee term loans or foreign currency loans or a combination of both lend, advanced or agreed to lend and

advanced by the lender(s) to the Company either jointly or severally or in any other combination thereof, as the case may be, in terms of the loan agreement(s), entered into/ to be entered into by the Company with each of the lenders for the purpose of implementation of the project(s) of the Company, its subsidiaries and associates.

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

"RESOLVED THAT in supersession of all the resolution passed including the modified Resolution passed at the AGM held on September 27, 2010 consent of the company is hereby accorded under section 180 [1] (c) of the Companies Act, 2013 and other applicable provisions, if any, to the Board of Directors of the company, to borrow any sum or sums of money, from time to time for the purpose of the company, upon such terms and conditions and with/without security, as the Board of Directors may, in its absolute discretion, thinks fit and proper, notwithstanding the fact that the money / monies to be borrowed together with the monies already borrowed by the company (apart from the temporary loans obtained from the company's bankers in the ordinary course of business) may not exceed, at any time, a sum of Rs. 100 Crores (Rupees One Hundred Crores) and the Board of Directors of the company be and is hereby empowered and authorized to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest repayment, security or otherwise howsoever as it may think fit.

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

"RESOLVED THAT pursuant to the provisions of Section 14 and any other applicable provisions, if any, of the Companies Act, 2013, approval of the shareholders be and is hereby accorded to the Company to amend the Articles of Association of the Company in the following manner;

- (i) To insert the following in place of Article 2:

The regulations contained in Table F of Schedule I of the Companies Act, 2013, shall apply to the Company in so far as they are not inconsistent with or repugnant to any of the regulations contained in the Articles of the Association of the Company.

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

"RESOLVED THAT, pursuant to the provisions of Section 61 and all other applicable provisions, if any, of the Companies Act, 2013, read with the relevant Rules thereof [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and pursuant to the provisions of the Memorandum and Articles of Association of the Company, the existing Authorized Share Capital of the Company is:

- (a) Rs. 5,50,00,000 (Rupees five Crores fifty Lakhs only) divided into 55,00,000 (fifty five Lakhs only) Equity Shares of Rs. 10/- each (Rupees Ten only),
(b) Rs. 2,00,00,000 (Rupees Two Crores only) divided into 2,00,000 (Two Lakhs only) 18% Redeemable Preference Shares of Rs. 100/- each (Rupees One Hundred only),

be and is hereby increased to Rs. 11,00,00,000 (Rupees Eleven Crores only) comprising of:

- [a] Rs. 5,50,00,000 [Rupees five Crores fifty Lakhs only] divided into 55,00,000 [fifty five Lakhs only] Equity Shares of Rs. 10/- each [Rupees Ten only],
- [b] Rs. 2,00,00,000 [Rupees Two Crores only] divided into 2,00,000 [Two Lakhs only] 18% Redeemable Preference Shares of Rs. 100/- each [Rupees One Hundred only]
- [c] Rs. 3,50,00,000 [Rupees Three Crores fifty Lakhs only] divided into 3,50,000 [Three Lakhs fifty Thousand only] 12% Redeemable Preference Shares of Rs. 100/- each [Rupees One Hundred only]"

RESOLVED FURTHER THAT, the Memorandum of Association of the Company be and is hereby altered by substituting the existing Clause V thereof with the following new Clause V:

"V. The Share Capital of the Company is:-

- [a] Rs. 5,50,00,000 [Rupees five Crores fifty Lakhs only] divided into 55,00,000 [fifty five Lakhs only] Equity Shares of Rs. 10/- each [Rupees Ten only],
- [b] Rs. 2,00,00,000 [Rupees Two Crores only] divided into 2,00,000 [Two Lakhs only] 18% Redeemable Preference Shares of Rs. 100/- each [Rupees One Hundred only]
- [c] Rs. 3,50,00,000 [Rupees Three Crores fifty Lakhs only] divided into 3,50,000 [Three Lakhs fifty Thousand only] 12% Redeemable Preference Shares of Rs. 100/- each [Rupees One Hundred only]"

RESOLVED FURTHER THAT, for the purpose of giving effect to this Resolution, the Board or a Committee thereof, be and is hereby authorized to do all such acts, deeds, matters and things and to give such directions as may be necessary or expedient and to settle any question, difficulty or doubt that may arise in this regard, as the Board or a Committee in its absolute discretion may deem necessary or desirable and its decision shall be final and binding."

13. Issue and Offer of Cumulative Non - Convertible Non - Participating Preference Shares.

To consider and, if thought fit, to pass with or without modification, the following Resolution as a **Special Resolution**:

"RESOLVED that in accordance with the provisions of Sections 55, 62 and other applicable provisions, if any, of the Companies Act, 2013 ["Act"] read with Rule 9 of the Companies [Share Capital and Debentures] Rules, 2014 ["Rules"] framed there under, as may be amended from time to time and the Articles of Association of the Company and the regulations/guidelines, if any, prescribed by any relevant authorities from time to time, to the extent applicable and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such terms, conditions and modifications as may be considered necessary by the Board of Directors [hereinafter referred to as the "Board" which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by this Resolution or as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board], the consent of the Company be and is hereby accorded to the Board, to invite/offer, issue and allot 3,50,000 - 12% Cumulative Non - Convertible Non - Participating Preference Shares [CNCPSs] of

Rs.100/- each, aggregating Rs. 3.50 crore, for cash at par, to the promoters of the company, and/or its nominees, in one or more tranches, upto the date of next AGM

"RESOLVED FURTHER that in accordance with the provisions of Section 43 of the Act, the CNCPS shall:

- carry a preferential right vis-à-vis Equity Shares of the Company with respect to payment of dividend and repayment in case of a winding up or repayment of capital;
- be non-participating in the surplus funds;
- be paid dividend on a cumulative basis;
- be non - convertible into equity shares of the Company;
- carry voting rights as per the provisions of Section 47[2] of the Act;
- be redeemed after a period of 20 years but shall not be convertible."

"RESOLVED FURTHER that the Board be and is hereby authorized to do all such acts, deeds and things and execute all such deeds, documents and writings, as it may in its absolute discretion deem necessary or incidental including paying such fees and incurring such expenses in relation thereto as it may deem appropriate and file documents, forms, etc. as required with the regulatory /statutory and authorized the officials of the Company for the aforesaid purpose, as may be deemed fit."

Registered Office :

G-73, Connaught Circus,
New Delhi 110001

Date : 14.08.2014

Place : New Delhi

By Order of the Board

for **MARVEL VINYLs LIMITED**

PAVAN CHAWLA

CHAIRMAN &
MANAGING 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 / HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT OF PROXY IN ORDER TO BE EFFECTIVE, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, DULY COMPLETED AND SIGNED, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.** Proxies submitted on behalf of the companies / bodies corporate etc., must be supported by an appropriate resolution/ authority, as applicable.
2. As per Section 105 of the Companies Act, 2013 and relevant rules made there under, a person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the company carrying voting rights. Further, a member holding more than ten percent (10%) of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
3. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
4. Additional information pursuant to Clause 49 of the listing agreement with the stock exchanges in respect of the Directors seeking appointment as mentioned under items nos. 5,6 and 7 contained in the notice of annual general meeting are furnished and forms part of this Notice. The said Directors have furnished necessary consents/ declarations for their appointment. Further, all the Independent Directors have affirmed that they meet the requirements specified under Clause 49 I(A)(iii) of the listing agreement in respect of their position as an "Independent Director" of the Company.
5. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 with respect to special business set out in the notice is annexed hereto.
6. Copies of all documents referred to in the notice are available for inspection at the registered office of the Company during normal business hours on all working days upto and including the date of the annual general meeting of the Company.
7. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, September 27, 2014 to Tuesday, September 30, 2014 (both days inclusive).
8. Members seeking any information with regard to accounts are requested to write to the Company Secretary at least ten days in advance of the annual general meeting, to enable the Company to keep the information ready.
9. Members are requested to:
 - a. Bring their copy of the annual report for the meeting.
 - b. Send to their depository participant/ registrar the ECS bank mandate form, to ensure safe and prompt receipt of dividend, if any. This is to avoid fraudulent encashment of dividend warrants.

- c. Note that all correspondence relating to share transfers should be addressed to registrar and transfer agents of the Company, vi BEETAL Financial & Computer Services Pvt. Ltd Beetal House, 99 Madangir, Behind Local Shopping Centre, Near Dada Harsukh Das Mandir, New Delhi - 110062
 - d. Quote their DP ID No. /Client ID No. or folio number in all their correspondence.
10. The annual report for 2013-14 along with the notice of annual general meeting, attendance slip and proxy form is being sent by electronic mode to all the shareholders who have registered their email ids with the depository participants/ registrar and share transfer agent unless where any member has requested for the physical copy. Members who have not registered their email ids, physical copies of the annual report 2013-14 along with the notice of annual general meeting, attendance slip and proxy form are being sent by the permitted mode. Members may further note that the said documents will also be available on the Company's website www.marvelvinyls.com for download. Physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during normal business hours on working days. For any communication, the shareholders may also send requests to the Company's investor email id viz. grievances@marvelvinyls.com.
11. Pursuant to Section 101 of the Companies Act, 2013 and rules made there under, the companies are allowed to send communication to shareholders electronically. We thus, request you to kindly register/update your email ids with your respective depository participant and Company's registrar and share transfer agent (in case of physical shares) and make this initiative a success.
12. SEBI has made the submission of PAN by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/Registrar and Share Transfer Agent.
13. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate risks associated with physical shares and for ease in portfolio management. Members can contact the Company or Registrar and Share Transfer Agent for assistance in this regard.
14. Members who hold shares in physical form in multiple folios in identical names or join holding in same order of names are requested to send share certificates to Registrar and Share Transfer Agent, for consolidation in to single folio.
15. **Voting through electronic means**

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with rule 20 of the Companies [Management and Administration] Rules, 2014, and clause 35B of the listing agreement, the Company is pleased to provide to the members the facility to exercise their right to vote at the Annual General Meeting [AGM] by electronic means and the business may be transacted through e-Voting services provided by Central Depository Services Ltd [CDSL].

The instructions for members for voting electronically are as under:-**In case of members receiving e-mail:**

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department [Applicable for both demat shareholders as well as physical shareholders] <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant M/s Marvel Vinyls Limited on which you choose to vote.
- (xii) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- (xiii) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves, link their account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution/Authority letter in PDF format in the system for the scrutinizer to verify the same. Further, they are requested to send the scanned copy of the Board Resolution/ Authority letter to the email id of Scrutinizer [manishrmg@rmgcs.com], RTA [beetalrta@gmail.com] and Company [investors@marvelvinyls.com].

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. [i] to sl. no. [xiii] above to cast vote.
- (B) The voting period begins on 19th September, 2014 [9.00 a.m.] and ends on 20th September, 2014 [6.00 p.m.]. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date [record date] of 29th August 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ["FAQs"] and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com

Mr. Manish Gupta, Practicing Company Secretary [C.P. No. 4905] has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

The scrutinizer shall within a period of not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in employment of the Company and make a scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

The results of the e-voting along with the scrutinizer's report shall be placed in the Company's website www.marvelvinyls.com and on the website of CDSL within two days of passing of the resolution at the AGM of the Company. The results will also be communicated to the stock exchange where the shares of the Company are listed.

ANNEXURE TO THE NOTICE

STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

Pursuant to Sec 102 of the Companies Act, 2013 ["the Act"], the following Statement sets out all material facts relating to the Special business mentioned in the accompanying notice

ITEM NO.5:

Dr. P.K. Bhardwaj is a Non- Executive Independent Director of the Company. He joined the Board of Directors of the Company on 11.07.2005

Dr. P.K. Bhardwaj period of office as a director is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013 and Clause 49 [as amended] of Listing Agreement, Dr. P.K. Bhardwaj being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing Dr. P.K. Bhardwaj as a candidate for the office of Director of the Company.

Dr. P.K. Bhardwaj is not disqualified from being appointed as Director in terms of Section 164 of Companies Act, 2013 and has given his consent to act as Director. The Company has also received a declaration to the effect that he meets the criteria of independence as provided in 149(6) of Companies Act, 2013.

In the opinion of the Board, Dr. P.K. Bhardwaj fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder and Clause 49 of Listing Agreement for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Dr. P.K. Bhardwaj as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

Dr. P.K. Bhardwaj is a practicing consultant and also holds a degree of M.B.B.S. and M.S. The Board considers that his continued association would be immense benefit to the Company and it is desirable to continue to avail services of Dr. P.K. Bhardwaj as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Dr. P.K. Bhardwaj as an Independent Director, for the approval by the shareholders of the Company.

Except Dr. P.K. Bhardwaj, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.5.

ITEM NO.6:

Mrs. Kirti Bhardwaj, aged 56 years (approx...), is a Non-Executive and Independent Director of our Company. She holds a Master's degree in English and History. She has more than a decade of experience in the manufacturing sector.

As per the provisions of Sec 149 of the Act which has come in to force with effect from April 01, 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation.

Mrs. Kirti Bhardwaj has given a declaration to the Board that she meets the criteria of independence as provided under Sec 149(6) of the Act. In the opinion of the Board, Mrs. Kirti Bhardwaj fulfills the conditions specified in the Act, and the Rules made thereunder for the appointment of Independent Director and he is Independent of the management.

In compliance with the provisions of Sec 149 read with Schedule IV of the Act, the appointment of Mrs. Kirti Bhardwaj as Independent Director is now being placed before the members for their approval.

The terms and conditions of the appointment of Mrs. Kirti Bhardwaj pursuant to the provisions of Schedule IV of the Act, shall be opened for inspection at the Registered Office of the Company by any Member during the normal business hours on any working day of the Company.

Mrs. Kirti Bhardwaj and Dr. P.K. Bhardwaj are interested and concerned in the Resolution as mentioned at Item no. 6 of the Notice. Other than those mentioned above, no other Director, Key Managerial Personnel or their respective relatives are concerned or interested in the aforesaid Resolution.

ITEM NO.7:

Mr. Pradeep Singh is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 10/10/2005.

Mr. Pradeep Singh period of office as a Director is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013 and Clause 49 [as amended] of the listing Agreement, Mr. Pradeep Singh being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing Mr.

Pradeep Singh as a candidate for the office of Director of the Company.

Mr. Pradeep Singh is not disqualified from being appointed as Director in terms of Section 164 of Companies Act, 2013 and has given his consent to act as Director. The Company has also received a declaration to the effect that he meets the criteria of independence as provided in 149(6) of Companies Act, 2013. In the opinion of the Board, Mr. Pradeep Singh fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder and Clause 49 of the listing Agreement for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Pradeep Singh as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

Mr. Pradeep Singh is an M. Tech [Polymer] and has a vast experience and possesses a technical knowledge of chemistry to handle production and use of polymers and related fields. The Board considers that his continued association would be immense benefit to the Company and it is desirable to continue to avail services of Mr. Pradeep Singh as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Pradeep Singh as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Pradeep Singh, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.7.

ITEM NO.8

In terms of the provisions of Section 94 of the Companies Act, 2013 [the Act], inter alia, register of members, the index of members, the register and index of debenture holders, if any maintained under Section 88 of the Act have to be kept at the registered office of the Company or at such other place in India, if approved by means of a special resolution passed by the company in a general meeting.

Keeping of the registers and returns at the new address requires approval of the shareholders of the company by way of a special resolution passed in a general meeting in terms of Section 94 of the Act.

An advance copy of the proposed special resolution is also being delivered to the Registrar of Companies, Gujarat, in terms of Section 94 of the Act for their information.

Your Directors recommend the resolution for approval as a Special Resolution.

None of the Directors, Key Managerial Personnel of the Company or their relatives are concerned or in any way interested in this resolution.

ITEM NO. 9 & 10

Members of the Company in the past had approved resolutions for mortgaging the properties of the company in favour of the lenders and also for exercising the borrowing limits for the purpose of business of the company.

Pursuant to notification of Section 180 of the Companies Act, 2013, prior consent of the Shareholders by a special resolution is required to enable the Board of Directors to exercise these powers which, in aggregate, may exceed the paid-up capital and free reserves of the Company and to create charge on movable/immovable properties of the Company in favour of the lenders.

Further, the Ministry of Corporate Affairs vide their circular no.4 dated: 25-03-2014 had clarified that all such resolutions passed in this regard are valid and effective only for a period of one year up to 11-09-2014. Any such mortgages and borrowings after this date would require a fresh prior approval of the shareholders under section 180 of the Companies Act, 2013 through a special resolution. It is imperative that such an authority is required to be delegated to the Board of Directors or its Committee for carrying on the business of the Company in the ordinary course and the Board is of the view that borrowing limits of up to Rs. 100 Crores would be sufficient to carry on the business. Accordingly, the Board of Directors of the company at its meeting held on 14.08.2014 had approved these proposals subject to your approval.

None of the Directors / Key Managerial Personnel and their relatives are interested or concerned, financially or otherwise in the above special resolution set out under Item No: 9 & 10 of the Notice.

ITEM NO.11

Table A of the erstwhile Companies Act, 1956, prescribes a standard and uniform set of regulations to be followed by every public limited company. It is common practice for all such companies to adopt "Table A" regulations, except those that are not inconsistent or repugnant to their own set of Articles of Association.

Since, the Companies Act, 2013, has been notified and became effective, a new "Table F" has been prescribed in place of "Table A" of erstwhile Companies Act, 1956. Your company intends to adopt this new Table F, except in so far as they are not inconsistent with or repugnant to any of the regulations contained in the Articles of the Association of the Company.

ITEM NO.12

Presently the existing Authorised Share Capital of the Company is:-

- [a] Rs. 5,50,00,000 [Rupees five Crores fifty Lakhs only] divided into 55,00,000 [fifty five Lakhs only] Equity Shares of Rs. 10/- each [Rupees Ten only],
- [b] Rs. 2,00,00,000 [Rupees Two Crores only] divided into 2,00,000 [Two Lakhs only] 18% Redeemable Preference Shares of Rs. 100/- each [Rupees One Hundred only]
In order to augment further capital raise, it is necessary to increase the Authorised Share Capital to Rs.11,00,00,000 [Rupees Eleven Crores only] comprising of :-
 - [a] Rs. 5,50,00,000 [Rupees five Crores fifty Lakhs only] divided into 55,00,000 [fifty five Lakhs only] Equity Shares of Rs. 10/- each [Rupees Ten only],
 - [b] Rs. 2,00,00,000 [Rupees Two Crores only] divided into 2,00,000 [Two Lakhs only] 18% Redeemable Preference Shares of Rs. 100/- each [Rupees One Hundred only]
 - [c] Rs. 3,50,00,000 [Rupees Three Crores fifty Lakhs only] divided into 3,50,000 [Three Lakhs fifty Thousand only] 12% Redeemable Preference Shares of Rs. 100/- each [Rupees One Hundred only]

The alteration to the Capital Clause of Memorandum of Association of the Company is consequent upon increase in the Authorised Share Capital.

In order to accommodate the increased paid-up capital consequent to the proposed allotment of preference shares, the Authorised Share Capital of the Company needs to be increased. A change to the Authorised Share Capital of the Company necessitates an amendment to Clause V of the Memorandum of Association of your Company.

As per the provisions of the Companies Act, 2013, any increase in Authorised Capital and consequent amendment to the Memorandum of Association of the Company requires consent and approval of the Members of the Company.

The Board of Directors recommends the Resolutions in Item No. 12 of the Notice for approval by the Members. None of the Promoters Directors, Key Managerial Personnel or their relatives are interested in the Resolution(s) No. 12 of the accompanying Notice, except to the extent of allotment of preference shares that will be allotted to them pursuant to the Preference Share Issue.

The Memorandum of Association referred herein above shall be open for inspection at the Registered Office of the Company on all working days between 11:00 hrs. to 13:00 hrs. up to the date of declaration of the result.

ITEM NO.13

The Board of Directors at their meeting held on August 14, 2014, had approved the offer of issuance of 3,50,000 - 12% Cumulative Non - Convertible Non - Participating Preference Shares

[CNCPSs] of Rs. 100/- each, aggregating Rs. 3.50 crore, for cash at par, to the promoters of the company, and/or its nominees, in one or more tranches, upto the date of next AGM.

Section 55 of the Act read with Rule 9 of the Companies (Share Capital and Debentures) Rules, 2014 ("Rules") framed there under, inter alia, requires a company to obtain the prior approval of the Shareholders, by way of a Special Resolution for issuance of preference shares. These provisions have come into effect w.e.f. April 1, 2014.

Accordingly, the approval of the Members is being sought, by way of a Special Resolution, to offer and issue Cumulative Non - Convertible Preference Shares at par to the promoters of the company, and/or its nominees, in one or more tranches, upto the date of next AGM.

A statement of disclosures as required under Rule 9(3) of the Companies (Share Capital and Debentures) Rules, 2014 and the terms of issue of the Cumulative Non - Convertible Preference Shares are as under:

Issue size, number of preference shares to be issued and nominal value of each share	3,50,000 CNCPS at a nominal value of Rs. 100/- each aggregating Rs. 3.50 crore.
Nature of shares	Cumulative, Non-participating and Non - Convertible into equity shares.
Objectives of the issue	To augment the capital base for further expansion of the company and to meet the long term financial requirements of the Company.
Manner of issue of shares	In one or more tranches upto the date of next AGM
Issue Price	CNCPS will be issued at par.
Terms of issue and rate of dividend on each share	Issued and offered on a Rights basis in accordance with the provisions of Section 62(1) (a) of the Act. A dividend of Rs.12/- per share per annum, if declared, would be payable on a pro rata basis from the date of allotment.
Terms, manner and modes of redemption	CNCPS are redeemable at par and will be redeemed after the expiry of 20 years from the date of allotment and are not convertible into equity shares of the Company.
Redemption Price and terms of redemption	Redemption of CNCPS will be based on the par value. At the end of 20 years from the date of issue/allotment, the CNCPS will be compulsorily redeemed and cash will be given to the shareholders. However, the CNCPS holder would have an option to redeem the CNCPS into cash at an earlier date as per Letter of Offer to be approved by the Board.

Shareholding pattern of the Company as on Date:

Category Code	Category of Shareholder	Number of Shareholders	Total Number of Shares	Number of Shares held in Dematerialization Form	Total Shareholding as a Percentage of Total Number of Shares		Shares Pledged or Otherwise Encumbered	
					As a percentage of [A+B] ¹	As a percentage of [A+B+C]	Number of Shares	As a Percentage
[I]	[II]	[III]	[IV]	[V]	[VI]	[VII]	[VIII]	[IX] = [VIII]/[IV]*100
(A)	Shareholding of Promoter and Promoter Group²							
1	Indian							
[a]	Individuals/ Hindu Undivided Family	12	2346040	1988320	43.59	43.59	0	0.00
[b]	Central Government/ State Government[s]	0	0	0	0.00	0	0.00	
[c]	Bodies Corporate	2	1658360	1653960	30.80	30.80	0	0.00
[d]	Financial Institutions/ Banks	0	0	0	0.00	0.00	0	0.00
[e]	Any Others(Specify)						0	
[e-i]	Partnership Firm	1	20000	0	0.37	0.37	0	0.00
	Sub Total (A) (1)	15	4024400	3642280	74.77	74.77	0	0.00
2	Foreign							
a	Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0	0	0.00	0.00	0	0.00
b	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
c	Institutions	0	0	0	0.00	0.00	0	0.00
d	Any Others(Specify)	0	0	0	0.00	0.00	0	0.00
	Sub Total (A) (2)	0	0	0	0.00	0.00	0	0.00
	Total Shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)	15	4024400	3642280	74.77	74.77	0	0.00
(B)	Public shareholding							
1	Institutions							
[a]	Mutual Funds/ UTI	0	0	0	0.00	0.00	0	0.00
[b]	Financial Institutions / Banks	0	0	0	0.00	0.00	0	0.00
[c]	Central Government/ State Government[s]	0	0	0	0.00	0.00	0	0.00
[d]	Venture Capital Funds	0	0	0	0.00	0.00	0	0.00
[e]	Insurance Companies	0	0	0	0.00	0.00	0	0.00
[f]	Foreign Institutional Investors	0	0	0	0.00	0.00	0	0.00

(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00	0	0.00
(h)	Any Other (specify)	0	0	0	0.00	0.00	0	0.00
	Sub-Total (B) (1)	0	0	0	0.00	0.00	0	0.00
B 2	Non-institutions							
(a)	Bodies Corporate	9	797000	0	14.81	14.81	0	0.00
(b)	Individuals							
I	Individuals - i. Individual shareholders holding nominal share capital up to Rs 1 lakh	673	259200	200	4.82	4.82	0	0.00
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	7	279400	0	5.19	5.19	0	0.00
(c)	Any Other (specify)							
	Foreign Corporate Body	1	22583	0	0.42	0.42	0	0.00
	Sub-Total (B)(2)	690	1358183	200	25.23	25.23	0	0.00
(B)	Total Public Shareholding (B) = (B) (1) + (B) (2)	690	1358183	200	25.23	25.23	0	0.00
	TOTAL (A) + (B)	705	5382583	3642480	100.00	100.00	0	0.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued							
1	Promoter and Promoter Group	0	0	0	0.00	0.00	0	0.00
2	Public	0	0	0	NA	0.00	0	0
	Sub-Total (C)	0	0	0	NA	0	0	0
	GRAND TOTAL (A) + (B) + (C)	705	5382583	3642480	NA	100.00	0	0.00
Expected dilution in equity capital upon conversion of preference shares		Nil, since the CNCPS are not convertible into equity shares therefore, no dilution in equity capital upon conversion of preference shares is expected.						

The issue of CNCPS is in accordance with the provisions of the Articles of Association of the Company. There is no subsisting default in the redemption of preference shares issued by the Company.

The Directors commend the Resolution at Item No.13 of the accompanying Notice, for the approval of the Members of the Company.

Mr. Pavan Kumar Chawla, Mr. Pankaj Chawla and Mr. Ankit Chawla, being Directors of Marvel Vinyls Limited, may be deemed to be concerned or interested in the Resolution pertaining to the issue of Cumulative Non - Convertible Preference Shares to the promoters of the company "Marvel Vinyls Limited". None of the other Directors or Key Managerial Persons of the Company or their respective relatives is concerned or interested in the passing of the above Resolution.

ANNUAL REPORT 2013-14

Name of Director	Mr.Pankaj Chawla	Dr. P.K. Bhardwaj	Mrs. Kirti Bhardwaj	Mr. Pradeep Singh
Date of Birth	02.10.1962	02.02.1957	12.06.1959	11.08.1961
Date of Appointment	Since Inception	July 11, 2005	July 11, 2005	October 10, 2005
Expertise in specific professional areas	PVC Film & Sheeting, Leather cloth	Commercial Matters	Commercial Matters	PVC Film & Sheeting, Leather cloth
Qualifications	B.Com (Hons.); MBA	M.B.B.S.; M.S.	M.A. [English & History]	M.Tech. [Polymer]
List of other Indian Public Limited Companies in which Directorship held	N.A.	N.A.	N.A.	N.A.
Chairman / Member of the Committee of Board other Public Limited Companies	N.A.	N.A.	N.A.	N.A.
Name of Shares held in the Company	711520	Nil	Nil	Nil

Registered Office :
G-73, Connaught Circus,
New Delhi 110001

Date : 14.08.2014
Place : New Delhi

By Order of the Board
for **MARVEL VINYLs LIMITED**

PAVAN CHAWLA
CHAIRMAN &
MANAGING DIRECTOR

DIRECTORS' REPORT

Dear Shareholders,

The Directors of your Company have pleasure in presenting to you the Twenty Nine Annual Report on the business & operations of the Company and Audited Statement of Accounts for the year ended 31st March 2014 along with the Auditor's Report thereon.

FINANCIAL RESULTS

The Financial Results of the Company for the year ended 31st March 2014 are as follows:

Particulars	(Rs. in Lacs)	
	Year ended 31.03.2014	Year ended 31.03.2013
Revenue from Operations	19,900.60	18,183.12
Profit before Depreciation & Finance Cost	1107.94	1132.03
Finance Cost	557.51	512.83
Depreciation	209.77	194.69
Profit/(Loss) before Tax	340.66	424.51
Provision for Current Tax	107.00	100.00
Provision for Deferred Tax	4.65	34.16
Income tax Adjustment for Earlier Year	0.00	[3.07]
Net Profit/(Loss) after Tax	229.01	293.41
Profit brought forward	481.45	252.16
Appropriations		
Transferred to General Reserve	17.18	22.01
Proposed Dividend on Pref. Shares	36.00	36.00
Provision for Tax on dividend	6.12	6.12
Balance carried to Balance Sheet	651.17	481.45

OPERATIONS

During the year production was 20646 MT as compared to 19744 MT in previous year. The Gross business receipt of your Company during the year was Rs. 199.00 crore as compared to Rs. 181.83 Crores during the previous year representing a growth of 9.44%.

During the year, your Company has successful develop new products for export markets resulting into increase in exports and identified new destinations/buyers. Your Company has successfully made foot hold in footwear and upholstery market. Your Company has further increase the production capacity of knitted fabrics for in-house use as part of backward integration programme undertaking. Though company sales [Revenue from operations] improved by 9.44% but overall profit declined. This was on account of higher interest cost, depreciation, Rupee depreciation loss and new product cost incurred during the year. The results of new development & expansions undertaken shall have complete effect in coming financial years.

DIVIDEND

Board of Director of your Company has Recommended Preference Dividend on 18% Cumulative Redeemable Preference Shares for the financial year 2013-14. However no dividend has been recommended for the equity shares as the company needs funds for the further expansion.

Preference dividend for the financial year 2012-13 was deposited in separate Bank Account of Union Bank of India and disbursed within the stipulated time.

CONTRIBUTION TO NATIONAL EXCHEQUER

Your company has contributed a sum of Rs. 1371.59 Lakh, to the exchequer by way of Central Excise Duty, Education Cess and Higher Secondary Education Cess in addition to contribution through other direct and indirect taxes.

DIRECTORS

As per the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Pankaj Chawla, Director of the Company retires by rotation and being eligible offer himself for re-appointment.

As per Section 149 and other and applicable provisions of the Companies Act, 2013, your Directors are seeking appointment of Dr. P. K. Bhardwaj, Mrs. Kirti Bhardwaj, and Mr. Pradeep Singh as Independent Directors for five consecutive years for a term up to 31st March, 2019

Brief details of the Directors being appointed / reappointed have been incorporated in the Notice for the forthcoming Annual General Meeting.

CORPORATE GOVERNANCE REPORT

A separate section on Corporate Governance is included in the Annual Report and the Certificate from Company's auditors confirming the compliance with the code of Corporate Governance as enumerated in Clause 49 of the listing agreement with the Stock Exchange is annexed hereto.

The Board of Directors of the Company has evolved and adopted a Code of Conduct and posted the same on the Company's website www.marvelvinyls.com. The Directors and Senior Management personnel have affirmed their compliance with the code for the year ended 31st March, 2014.

DEPOSITS

The Company has not accepted any deposits and as such, no amount of principal or interest was outstanding on the date of the Balance Sheet.

POLLUTION CONTROL

The Company's plants do not generate any effluent beyond permissible limits.

RESEARCH AND DEVELOPEMENT

With the continuing Research and Development activities, the company endeavors to improve and maintain its technical superiority and quality of its products. One of the objectives of the company is to manufacture products giving an import substitution and to improve and develop good export market.

AUDITORS:**STATUTORY AUDITORS**

The Statutory Auditors, M/s. Shanti Prashad & Co., Chartered Accountants will retire at the ensuing Annual General Meeting and are eligible for re-appointment. M/s. Shanti Prashad & Co., Chartered Accountants, have confirmed that their re-appointment, if made, shall be in accordance with the provisions of Section 139 and will satisfy the criteria as provided in Section 141 of the Companies Act, 2013.

The Board recommends their re-appointment as Statutory Auditors and to fix their remuneration for the financial year 2014-15.

COST AUDITORS AND COST AUDIT REPORT

Pursuant to The Companies [Cost Audit Report] Rules, 2011, the Cost Audit Report for the financial year 2012-13 was filed on 14/01/2014 vide SRN No.S28990828 with the Ministry of Corporate Affairs.

DIRECTORS' RESPONSIBILITY STATEMENT

Subject to disclosures in the Annual accounts and also on the basis of the discussion with the Statutory Auditors of the Company from time to time, the Board of Directors state as under:

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed and there were no material departures.
- ii) that we 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 at the end of the financial year and of the loss of the Company for that period.
- iii) that we have 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 we have prepared the annual accounts on a going concern basis.

INFORMATION UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has constituted an Internal Complaint Committee under Section 4 of the captioned Act. No complaint has been filled before the said committee till date.

PARTICULARS OF EMPLOYEES

Statement pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies [Particulars of Employees] Rules, 1975 are not applicable to the Company as there was no employee drawing remuneration to the extent mentioned therein.

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

Information pursuant to Section 217(1) (e) of the Companies Act, 1956, read with the Companies [Disclosure of Particulars in the Report of Board of Directors] Rules, 1988 is given in the Annexure to the Directors' Report.

ACKNOWLEDGMENT

Your Directors would like to convey their deep appreciation for the co-operation received from employees, Company's bankers, Customers and Government Authorities during the year under review. Directors also place on record their appreciation for the confidence reposed by the shareholders.

for and on behalf of the Board

PLACE : New Delhi
DATE : 14.08.2014

PAVAN CHAWLA
CHAIRMAN &
MANAGING DIRECTOR

ANNEXURE - A: TO THE DIRECTORS REPORT

Information as per section 217 [1] [e] of The Companies Act, 1956 read with the Companies [Disclosure of Particulars in the Report of Board of Directors] Rules, 1988 and forming part of the Directors' Report for the year ended 31st March 2014.

FORM A. CONSERVATION OF ENERGY :

- a) Energy Conservation Measures Taken : The energy requirements for manufacturing operations are not large and the power consumption is within reasonable limits. Hence no special measures were necessary.
- b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy. : Nil
- c) Impact of measure at [a] & [b] above for reduction of energy consumption and consequent impact on the cost of production. : Not applicable
- d) Total energy consumption and energy consumption per unit of production : Not applicable

FORM B. TECHNOLOGY ABSORPTION :**[a] Research & Development :**

- i) Specific areas in which R & D is carried out by the company. : The research and development efforts of the company are directed towards quality control, reduction in cost, development of new imported designs, process and import substitutes.
- ii) Benefits derived as a results of the above R & D. : Overall improvement in performance of Products, reduction in production cost, control on rejections of defectives.
- iii) Future plan of action : To continue work in design and development of new models and products; to constantly review quality and performance of existing products for appropriate modifications etc. To set up one more unit.
- iv) Expenditure on R&D :
 - [a] Capital Expenditure : 2.63
 - [b] Recurring Expenses : 42.99
 - [c] Total Expenditure : 45.62
 - [d] Total R&D expenditures as a percentage of total turnover : 0.25

(b) Technology Absorption, Adoption & Innovation :

Efforts, in brief, made towards the Technology absorption, Adoption and innovation : The company is making effort to use the latest technology available in its operations. Modifications/ upgradations of process, equipments and products are carried out to suit market requirements and to achieve optimum operational efficiency.

Innovation is encouraged, recognized and rewarded. This policy is not restricted to technology but includes innovation in other process and HRD.

Benefits derived as a result of the above R & D : Modifications of existing products as well as development of new products have been done to meet the requirements of international standards. The continuous improvement in revenue productivity is due to the above effort. This will also improve the quality and productivity of your company.

Foreign Exchange Outgo

- Raw Material	: 5263.77
- Consumable Goods	: 173.62
- Capital Goods	: 36.94
- Other Expenses	: 4.30

Foreign Exchange Earning

- Export (FOB)	: 5385.16
----------------	-----------

for and on behalf of the Board

PLACE : New Delhi
DATE : 14.08.2014

PAVAN CHAWLA
CHAIRMAN &
MANAGING DIRECTOR

Report on Corporate Governance

COMPANY'S PHILOSOPHY

Corporate Governance is a set of systems and practices to ensure that the affairs of the company are being managed in a way which ensures accountability, transparency, and fairness in all its transactions in the widest sense and meet its stakeholders' aspirations and societal expectations. It is believed that good Corporate Governance emerges from the application of best and sound management practices and compliance with the law coupled with adherence to the highest standard of transparency and business ethics.

The objective of Good Corporate Governance is to enhance the long-term shareholder value and maximize interest of other stakeholders. This in turn will lead to corporate growth and the actions of the management arising out of this Corporate Governance would create wealth for the Company as well as for the society at large. Corporate governance is a journey for constantly improving sustainable value creation and is an upward moving target. It is ensured that all the provisions of corporate governance as stipulated under clause 49 of the listing agreement with the stock exchange where the Company is listed, are complied with.

I. Board of Directors

The Board is at the core of our Corporate Governance practice and oversees how the Management serves and protects the long-term interests of all our stakeholders. We believe that an active, well-informed and Independent Board is necessary to ensure the highest standards of Corporate Governance.

(A). Composition

The present strength of the Board is Six [6] Directors. The Board comprises of Three [3] Executive and Three [3] Non-Executive Independent Directors representing the optimum combination of professionalism, knowledge and business experience.

The composition of the Board of Directors complies with the provisions of Companies Act, 1956, and the requirements of Listing Agreement. The composition of Board, Number of Shares held, along with the number of Directorships and Committee positions (Chairmanships/ Memberships) held by them in other companies as on 31st March, 2014 are given herein below:

Name of Director	No. of shares held	Number of outside Directorship#	Number of Committee positions in other Indian Public Limited Companies*	
			Chairmanship	Membership (inclusive of chairmanship)
As prescribed in the explanation under Clause 49(1)(c) of the Listing Agreement				
Executive Directors				
Mr. Pavan Chawla Managing Director	567700	Nil	Nil	Nil
Mr. Pankaj Chawla Whole Time Director	711520	Nil	Nil	Nil
Mr. Ankit Chawla Whole Time Director	281050	Nil	Nil	Nil
Non -Executive Directors				
Dr. P.K. Bhardwaj Director	0	Nil	Nil	Nil
Mrs. Kirti Bhardwaj Director	0	Nil	Nil	Nil
Mr. Pradeep Singh Director	0	Nil	Nil	Nil

* For this purpose, only audit committee and stakeholder relationship committee (earlier called Shareholders/Investor Grievance Committee) have been considered. It also excludes Alternate Directorship, Directorship in Private Companies, Foreign Companies and Companies registered under section 8 of the Companies Act, 2013.

Notes:

None of the Directors on the Board is a member on more than 10 committees or Chairman of more than 5 committees [as per Clause 49 I D (2)] across all the companies in which he is a Director. Necessary disclosures with respect to Committee Positions held by them in other companies as on 31st March, 2014 have been received from all the Directors.

(B) Non-Executive Directors' compensation and disclosures:

No remuneration / compensation has been paid to Non-Executive Directors (NEDs) for attending Board and its committees meetings of the Company.

(C) Board Meetings

During the year under review Nine (9) Board Meetings were held i.e 30/04/2013, 30/05/2013, 14/08/2013, 29/08/2013, 25/09/2013, 14/11/2013, 26/11/2013, 13/02/2014, 24/02/2014

The maximum time gap between any two consecutive meetings did not exceed four months as stipulated under clause 49 of the Listing Agreement.

The Details of Attendance of each Director at Board Meetings is given below:

S.No	Name of Directors	No. of Board Meetings Attended	Attendance at Last AGM (Yes/No)
1	Mr. Pavan Kumar Chawla	9	YES
2	Mr. Pankaj Chwala	9	YES
3	Mr. Ankit Chawla	9	YES
4	Dr. P.K. Bhardwaj	5	YES
5	Mrs Kirti Bhardwaj	5	NO
6	Mr. Pradeep Singh	6	NO

(D) CODE OF CONDUCT

The Board of Directors has laid down a code of conduct for the Board members and Senior Management Personnel in alignment with Company's mission and objectives and aims at enhancing ethical and transparent process in managing the affairs of the Company. A copy of the Code of Conduct is available on the website of the Company i.e. www.marvelvinyls.com

All the members of the Board and the Management Committee have affirmed their compliance with the Code of Conduct as on 31st March, 2014 and a declaration to that effect, signed by the Managing Director and CEO, is attached and forms part of this report.

II. BOARD COMMITTEES

The Board is in the Progress of constituting set of Committees i.e. Audit Committee, Nomination and Remuneration Committee as per Section 177 & 178 of the Companies Act, 2013 with specific terms of reference/scope to focus effectively on the issues and ensure expedient resolution of diverse matters. The details of the Board committees are given as under:

(A) Audit Committee

Your Company has an Audit Committee at the Board level, which acts as a link between the Management, the Statutory Auditors and the Board of Directors and it oversees the financial reporting process.

The Audit Committee of the Company as on 31st March, 2014 comprised of three members out of which Two are Non-Executive Independent Directors and One Executive Director and is chaired by Dr. P.K. Bhardwaj, an Independent and Non-Executive Director.

The detail of composition of Independent Audit Committee, which is to be formed as per Section 177 of the Companies Act, 2013 is been given below:

Sl.No.	Name of Member	Designation
1	Dr. P. K. Bhardwaj	Chairman
2	Mrs. Kirti Bhardwaj	Member
3	Mr. Pankaj Chawla	Member

All members of the Audit Committee are capable of understanding financial statements and one member possesses financial expertise in accordance with Clause 49.

Apart from the members of Audit Committee, generally, meetings are also attended by Chief Financial Officer (Whole-time Director), GM (Accounts) and Company Secretary. Representatives of Statutory Auditors are invited to the meetings.

The Company Secretary acts as the Secretary to the Committee.

[B] Meetings and attendance during the year:

The Committee met four times during the financial year ended on 31st March, 2014 on the following dates:

30th May, 2013, 14th August, 2013, 14th November, 2013 and 13th February, 2014.

All the members were present in all the four meetings

[C] Role and Terms of reference of Audit Committee**Powers of Audit Committee**

The Audit Committee shall have powers, which should include the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

Role of Audit Committee

The role of Audit Committee shall include the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is true, correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditor including the cost auditor, if applicable under the provisions of law, and the fixation of audit fees.
- Monitoring and effectively supervise the Company's financial reporting process with a view to provide accurate, timely and proper disclosures and at the same time maintain the integrity and quality of the financial reporting compliance with the legal and regulatory requirements and includes reviewing the company's Internal Control Process
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
- Reviewing, with the management, the Annual Financial Statements before submission to the Board for approval, with particular reference to:
 - a. Changes, if any, in accounting policies and practices and reasons for the same;
 - b. Major accounting entries involving estimates based on the exercise of judgment by management;
 - c. Compliance with listing and other legal requirements relating to Financial Statements; and
 - d. Qualifications in the draft Audit Report.
- e. Reviewing, with the management, the Quarterly Financial Statements before submission to the Board for approval.
- f. Disclosure of any related party transactions.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out such other functions as may be specially referred to the Committee by the Company's Board of Directors and / or other Committees of Directors.
- Reviewing the following information:
 - i. Management discussion and analysis of financial condition and results of operations;
 - ii. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - iii. Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - iv. Internal audit reports relating to internal control weaknesses; and
 - v. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
- To call for comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and to discuss any related issue with the internal and statutory auditors and the management of the company.

Further, the Committee also discharges such other role/functions as may be specifically referred to the Committee by the Board of Directors and / or other committees of Directors of the Company. The Audit Committee acts as a link among Board of Directors, Statutory Auditors and Internal Audit functions.

[D] Nomination and Remuneration Committee

The Board of Directors has constituted a Nomination and Remuneration Committee [earlier called Remuneration committee] in compliance with the provisions of Section 178 of the Companies Act, 2013. Committee comprises of three directors, all of whom are non-executive directors and at least half are Independent Directors. No meeting was held during the year under review.

The aim of remuneration policy is to ensure that Executive Directors of the Company are rewarded in fair and responsible manner, for their individual contributions to the success of the Company and are provided with appropriate incentives to encourage enhanced performance.

The Composition of the committee is as below:

Sl.No.	Name of Member	Designation
1	Dr. P. K. Bhardwaj	Chairman
2	Mrs. Kirti Bhardwaj	Member
3	Mr. Pradeep Singh	Member

The committee was renamed as Nomination and Remuneration Committee [earlier called Remuneration committee] by the Board of Directors on May 30, 2014.

Terms of Reference:

The role/broad terms of reference of the committee shall, inter-alia, include the following:

- laying down criteria, to identify persons who are qualified to become directors & who can be appointed in senior management.
- Recommending to the Board, appointment & removal of directors & senior management
- Carrying out evaluation of every director's performance.
- Formulating criteria for determining qualifications, positive attributes & independence of directors.
- Recommending to Board, a policy relating to remuneration of directors, KMP & other employees
- Devising a policy on Board diversity
- Prevailing general economic condition and emoluments being offered by other Companies in the industry.

III. SUBSIDIARY COMPANIES

The Company does not have any subsidiary Company.

IV. DISCLOSURES**[A] Basis of Related Party Transaction**

The details of all transactions with related parties are placed before the Audit Committee periodically, with justification wherever required.

There were no materially significant related party transactions, pecuniary transaction or relationships between the Company and its Directors for the financial year ended 31st March, 2014 that may have a potential conflict with the interests of the Company at large. All details relating to financial and commercial transactions where Directors may have a pecuniary interest are provided to the Board and the interested Directors neither participate in the discussion nor do they vote on such matters. The details of related party transactions have been given in the Notes to the Accounts forming part of the Balance Sheet.

(B) Disclosure of Accounting Treatment

The Financial Statements have been prepared following the prescribed Accounting standards and amended schedule VI of the Companies Act, 1956. Further the Company has also followed the Guidelines of Accounting Standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its Financial Statements. In case of any deviation with the prescribed Accounting Standards, reasons for such deviation are mentioned in the Notes to Accounts forming integral part of the Financial Statements.

(C) Board Disclosures- Risk Management

The Company has a well-defined Risk Management Framework in place, which helps the management to identify and monitor the business risks on a continuous basis and initiate appropriate risk mitigation steps as and when deemed necessary. The Company periodically places before the board for review, the risk assessment and minimization procedures being followed by the Company.

(D) Proceeds from Public Issues, Rights Issues and Preferential Issues etc.

There was no issue during the last year.

(E) Remuneration of Directors

The Board of Directors has constituted a Nomination and Remuneration Committee (earlier called Remuneration Committee).

The broad terms of reference of Nomination and Remuneration Committee are to determine on behalf of Board and on behalf of shareholders with agreed terms of reference, the Company's policy on specific remuneration package[s] for executive director[s].

The details of the Remuneration/Sitting fees, Allowances and Perquisites paid to the Executive Directors and Non-Executive Directors in respect of the Financial Year 2013-14 are given herein below:

Name & Designation	Salary (Including Allowances & Perquisites (p.m.) (Rs. In Lakhs)
Executive Directors	
Mr. Panvan Kumar Chawla	14.16
Mr. Pankaj Chawla	13.35
Mr. Ankit Chawla	12.60
Non- Executive Directors	
Dr. P.K. Bhardwaj	Nil
Mrs. Kirti Bhardwaj	Nil
Mr. Pradeep Singh	Nil

(F) Management

A Management Discussion and Analysis Report containing discussion on the matters specified in clause 49 (IV F) forms part of the annual report.

(G) Shareholders

The Quarterly, Half yearly and Annual Financial Results of the Company are published in the newspapers as per clause 41 of the Listing Agreement. The Company also informed the significant events to its Shareholders. The complete Annual Report is sent to every Shareholder of the Company.

ANNUAL REPORT 2013-14

Your company has a Shareholder/Investor Grievance committee. The Composition of the committee is as below:

Sl.No.	Name of Member	Designation
1	Dr. P.K. Bhardwaj	Chairman
2	Mrs. Kirti Bhardwaj	Member
3	Mr. Pankaj Chawla	Member

The Shareholder/Investor Grievance committee specifically looks into the redressal of Shareholders and Investors Complaints such as transfer of shares, non-receipt of share [s] and ensures expeditious share transfer process.

As per the provisions of Companies Act, 2013, the Stakeholders Relationship committee [earlier called Share Transfer and Shareholders/Investors Grievance committee] has been dispensed off as this will be applicable if the company has more than 1000 shareholders, debenture-holders, deposit-holders and any other security holders at any time during the financial year and this criteria is not fulfilled by your company and hence w.e.f April 1, 2014, this Shareholders/Investors Grievance committee has been dissolved by the Board of Directors on May 30, 2014.

Details of Queries/Complaints received and resolved during the year under review:
During the Financial Year 2013-14, The Company has received no Complaints from any investor of the Company. Further no share transfer was pending as on March 31, 2014.

V. CEO/CFO Certification:

A certificate from Mr. Pavan Kumar Chawla, Managing Director and Mr. Pankaj Chawla, Whole Time Director and Chief Financial Officer [designated as CFO in terms of Companies Act, 2013 w.e.f. 01/04/2014], on the financial statements of the Company was placed before the Board.

VI. Report on Corporate Governance

The Company has complied with mandatory requirements of Clause 49. The Company has also submitted quarterly compliance report to all the stock exchanges including BSE Limited.

VII. Compliance

A Certificate from the Auditors of the Company regarding compliance of condition of this clause 49 is annexed hereto.

VIII. GENERAL BODY MEETING :-

Financial Year	Date	Time	Venue
2012-2013	28th September, 2013	12.30 P.M.	A-40, Rajouri Garden, New Delhi-110027
2010-2011	29th September, 2012	12.30 P.M.	A-40, Rajouri Garden, New Delhi-110027
2009-2010	29th September, 2011	12.30 P.M.	A-40, Rajouri Garden, New Delhi-110027

EXTRA ORDINARY MEETING: NIL**VIII. MEANS OF COMMUNICATION**

The company regularly intimates its Financial Results and other necessary event based information to all its stakeholders in the following manner:

EVENT BASED:	
Publication	Important Notices and Financial Results are regularly informed through publication in the newspapers immediately after these are approved by the Board. The publication is normally made in the editions of Financial Express (English) and Jansatta (Hindi) and Business Standard (Hindi & English).
News Releases, Presentations, etc.	Official news releases and Official Media Releases, if any, are sent to the Stock Exchanges.
Website	All the relevant information for the stakeholders of the Company is made available on the Company's website.
Designated Exclusive Email ID:	An email id has been designated exclusively for investor servicing.
ANNUAL	
Annual Report	Annual Report of the Company containing, inter-alia, Audited Accounts, Directors' Report, Auditors' Report and other important information is circulated to the members and others entitled thereto for each financial year.
COMMUNICATION ADDRESS FOR INVESTORS	
Share Department	Mr. Shikhar Goel Compliance Officer G-73, Connaught Circus, New Delhi - 110001 Email: cs@marvelvinyls.com Tel: [011] 45306666 Ext. 611
Registrar & Share Transfer Agent	M/S. Beetal Financial & Computer Services (P) Ltd Beetal House, 3rd Floor, 99, Madangir, (Behind Local Shopping Complex), Near Dada Harsukh Das Mandir, New Delhi -110062 Ph: 011-29961281

I. GENERAL SHAREHOLDERS' INFORMATION**i) Annual General Meeting**

AGM	YEAR	DATE, DAY & TIME	VENUE
29th	2013-14	30th September, 2014	12.30 P.M. A-40, Rajouri Garden, New Delhi - 110027

ii) Financial Calendar:

Financial Year	Ending March 31
Date of Book Closure	27.09.2014 - 30.09.2014
Preference Dividend Payment Date	On or before 29th October, 2014

iii) Financial Reporting Calendar in respect of Unaudited Quarterly Results (2014-15)

Unaudited quarterly results for the quarters	Tentative date of reporting
April -June 2014	Upto Second week of August, 2014
July- September 2014	Upto Second week of November, 2014
October-December 2014	Upto Second week of February, 2014
January-March 2015	Upto Last week of May, 2015

iv) Listing on Stock Exchanges and Stock Code

S. No.	Stock Exchanges
1.	Bombay Stock Exchange Ltd.
2.	Delhi Stock Exchange Association Ltd.
3.	The Calcutta Stock Exchange Association Ltd.
4.	Madras Stock Exchange Ltd.
5.	Ahmedabad Stock Exchange Ltd.
6.	Jaipur Stock Exchange Ltd.

Demat ISIN : INE345L01018

Corporate Identity Number (CIN) : L74899DL1985PLC021085

v) Payment of Listing Fees and Custodial Charges

Annual Listing fee for the financial year 2013-14 has not been paid to the Bombay Stock Exchange (BSE) and payment of Listing Fees to the other stock exchanges is also pending. The company has been seriously contemplating delisting from all the Stock Exchanges, except BSE, without causing any harm to the shareholders / investors. Besides this, there is no material non-compliance of the Listing Agreement or the Companies Act, 1956 during the Financial Year ended on 31.03.2014.

Custodial Charges have been paid to NSDL and CDSL for the financial year 2013-14 on the basis of the beneficial records maintained with them as on March 31, 2014.

Further, Pursuant to Clause 47(c) of the Listing Agreement, half yearly certificate from a Practicing Company Secretary, confirming due compliance of share transfer formalities has been obtained by the Company and the same has also been submitted to all the stock exchanges including Bombay Stock Exchange within the stipulated time.

vi) Shareholding Pattern as on 31st March, 2014:

Particulars	No. of Shares	% of shareholding
(A) PROMOTERS AND PROMOTER GROUP (Also includes Persons Acting in Concert, if any)	4024400	74.77
(B) PUBLIC SHAREHOLDING		
NRI/OCBs/FII's/Insurance Companies	0	0.0
Mutual Funds/Banks/Financial Institutions	0	0.0
Bodies Corporate	797000	14.81
Public Individuals	538600	10.01
Foreign Body Corporate	22583	0.42
Clearing Members	0	0.0
Total (A) + (B)	5382583	100.00

vii) Distribution of Shareholding as on 31st March, 2014

Shareholding of Nominal Value of Rs.	No. of Shareholders	% of total Shareholders	No. of Shares	Share Amount (in Rs.)	% of Shareholding
Up to 5000	559	79.40	1,06,800	10,68,000	1.9842
5001-10000	76	10.80	71,200	7,12,000	1.3228
10001-20000	29	4.12	38,400	3,84,000	0.7134
20001-30000	-	-	-	-	-
30001-40000	2	0.28	7,100	71,000	0.1319
40001-50000	9	1.28	39,600	3,96,000	0.7357
50001-100000	2	0.28	14800	1,48,000	0.2750
100001 & above	27	3.84	51,04,683	5,10,46,830	94.8371
Total	704	100%	53,82,583	5,38,25,830	100%

viii) Dematerialization of Shares:

The Equity Shares of the Company are in compulsory demat segment. As on 31st March, 2014, some of the Equity Share Capital of the Company stands dematerialized.

ix) Outstanding GDRs/ADRs/Warrants Or Any Convertible Instruments

The Company has not issued any GDRs/ADRs/Warrants or any other instruments, which are convertible into equity shares of the Company during the financial year 2013-14 and no ADR/ GDR/ warrant convertible into equity share are pending for conversion as on 31st March 2014.

x) Plant Location:

- | | |
|------------------------------------------------------------------------------|-------------------------------------------------------------|
| i) 64/3, Link Road, Industrial Area,
Site IV, Sahibabad, Ghaziabad [U.P.] | ii) 83-84, Malanpur Industrial Area,
Distt. Bhind [M.P.] |
| iii) 85-86, Malanpur Industrial Area,
Distt. Bhind [M.P.] | |

xi) Address for Correspondence**xii) Correspondence should be sent to.****MARVEL VINYLs LIMITED**

G-73, Connaught Circus,
New Delhi-110001

xiii) OTHER MATERIAL INFORMATION:

In an effort to improve our services and to minimize investor grievances, we seek cooperation of our esteemed shareholders/members in the following matters:

a) Mandatory PAN Card

- The Securities and Exchange Board of India (SEBI) vide its circular dated 20th May, 2009 has made it mandatory for Transferees requesting for transfer of shares of listed companies held in physical form in their names, to furnish a self-attested copy of their PAN card to the Company/ RTA whilst lodgment of such shares.
- The Securities and Exchange Board of India (SEBI) vide its circular dated 7th January, 2010 has made it mandatory for the legal heirs to furnish a duly self-attested copy of their PAN card to the Company/RTA for effecting Transmission, Transposition and Name deletion of the deceased holder from the share certificate [in case of joint holding], in respect of the shares held in physical form whilst lodgment of such requests.

b) Compulsory Dematerialization

Pursuant to the SEBI Circular dated 29th May, 2000, all the shares of the Company have to be converted into the demat mode. For the shareholder's convenience, the process for getting shares dematerialized is as follows:

- Shareholders shall submit original share certificate along with De-materialization Request Form (DRF) to the Depository Participants (DP).
- DP shall process the DRF, generate a unique De- materialization request number and forward the DRF along with share certificate to the Registrar and Share Transfer Agent (RTA).
- RTA after processing the DRF will confirm/reject the request to depositories.
- If confirmed by RTA, depositories will credit shareholders Account maintained with DP.

The entire process shall take approximately 10-15 days from the date of receipt of DRF. All shareholders who hold shares of the Company in physical form may get their shares dematerialized to enjoy paperless and easy trading of shares.

- c) Change of address:** In case of change in postal address or any incompleteness/ incorrectness in address mentioned in any correspondence by the Company, the shareholders are requested to intimate the correct/ complete postal address (including PIN Code) to the company or to the RTA at the earliest to ensure proper delivery of documents. If the shares are held in dematerialized form, information may be sent to the DP concerned and the RTA.
- d) Registration of Email Id's:** Shareholders may register their Email IDs with the Company/ RTA to access reports and updates relating to the Company on their respective Email ID's. The members may send a request to the Company and its RTA at addresses and email ids given for Communication to get future annual reports and other updates through electronic mode on their registered Email IDs.

Declaration on Compliance of the Company's Code of Conduct

As provided under clause 49 of the listing agreement with the stock exchange, all Board members and senior management personnel have affirmed compliance with code of conduct as applicable to them for the year ended 31st March, 2014

for and on behalf of the Board

PLACE : New Delhi
DATE : 14.08.2014

PAVAN CHAWLA
CHAIRMAN &
MANAGING DIRECTOR

**CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO)
CERTIFICATION****To the Board of Directors Marvel Vinyls Limited**

We, the undersigned, in our respective capacities as Chief Executive Officer and Chief Financial Officer of Marvel Vinyls Limited ["the Company"], to the best of our knowledge and belief certify that:

- a) We have reviewed the financial statements and the cash flow statement for the financial year ended 31st March, 2014 and based on our knowledge and belief, we state that :
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading.
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We hereby declare that all the members of the Board of Directors and Management Committee have confirmed compliance with the Code of Conduct as adopted by the Company.
- d) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps have been taken or proposed to be taken to rectify these deficiencies.
- e) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
 - i) that there are no significant changes in the internal control over financial reporting during the year;
 - ii) that there are no significant changes in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
 - iii) further we report that there are no instances of fraud of which we have become aware of during the financial year ended on 31.03.2014.

for **MARVEL VINYLs LIMITED**

Pawan Chawla

Managing Director and
Chief Executive Officer

PLACE : Delhi

DATE : 14.08.2014

Pankaj Chawla

Whole Time Director and
Chief Financial Officer

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**CERTIFICATE****To the Members of Marvel Vinyls Limited**

We have examined the compliance of conditions of Corporate Governance by Marvel Vinyls Limited for the year ended on 31st March, 2014, as stipulated in Clause - 49 of the Listing Agreement of the said company with the Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in Clause - 49 of the above mentioned Listing Agreement.

1. The company has held four meetings of the Audit Committee during the financial year 2013-2014 on 30-05-2013, 14-08-2013, 14-11-2013 and 13-02-2014.
2. The Shareholders' Grievance Committee was functioning according to the Listing Agreement.

As per the records maintained by the company, no Investors' Grievances were pending for a period exceeding one month as on 31.03.2014.

We further state that such compliance is neither an assurance as to future viability of the company, nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For **Shanti Prashad & Co.**
Chartered Accountants

PLACE : New Delhi
DATE : 14.08.2014

(Ashish Kumar Agrawal)
Partner
Membership No. 522443

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**Overview**

Your company has impacting your life since 1985 through:

- PVC FLOOR COVERINGS
- SYNTHETIC LEATHER
- PVC SHEETS AND FILMS
- TECHNICAL COATED TEXTILES
- CUSTOMIZED SPECIALITY COATINGS

During the year, your Company has successful develop new products for export markets resulting into increase in exports and identified new destinations/buyers. Your Company has successfully made foot hold in footwear and upholstery market. Your Company has further increase the production capacity of knitted fabrics for in-house use as part of backward integration programme undertaking. Though company sales [Revenue from operations] improved by 9.44% but overall profit declined. This was on account of higher interest cost, depreciation, Rupee depreciation loss and new product cost incurred during the year. The results of new development & expansions undertaken shall have complete effect in coming financial years.

Domestic or overseas sales are made through the network of dealers. The quality aspect is the utmost importance. The company continued to dedicate research technology and innovation to meet the ever-growing requirement of its customers. At Marvel Vinyls Limited, all its personnel actively participate in continuous improvement of Product, Quality and design to provide/render a better product or service to its customers.

Your Company is confident of weathering the ongoing challenges successfully and stands firm in its commitment of ensuring that it continues to efficiently implement all strategic imperatives and de rigueur action plans to further strengthen its performance. It will, simultaneously chart a steady and secure growth trajectory with judicious prioritization of resources in order to sustain and enhance its leadership position in the industry.

Your Company is convinced that in its industry, it is important to maintain long term investment plans irrespective of business cycles. The company has always done so and will continue to do so even if this translates into a drop in operating margins in the short term. The company's capital expenditure program relate primarily to the company's continued investments to expand the capacities and to further improve the cost structure and company's technical/ product development capabilities

The PVC film industry in which your Company operates have significant growth potential given the low per capita consumption levels related to many other Asian economies. This growth opportunity will attract more competitors and your Company will defend its market positions in a determined manner. In the long run, the increased competition is good for all players since it will accelerate the growth of the market. Your Company will continue to focus on driving underlying volume growth by improving its market positions in existing categories while also leading market development efforts to build categories and segments for the future.

Risk Management

To sustain and grow in global market brings in uncertainties. The risk management function is integral to the company and its objective include ensuring that critical risk are identified continuously monitored or managed effectively in order to protect company businesses.

Top management of the Company is well acquainted with risk inherent to the business and strategic decision taken by the Board. Marvel Vinyls Limited has adopted integrated risk management framework that enable continuous identification, assessment, monitoring and management of the organization's risk. The Audit Committee of Board monitor the risk management framework to provide direction to the management. The framework is designed to identify and assess risk at the operational as well as entity level. The mitigation plans are designed based on management response to assessed risk. A significant proportion of the Company's revenue is derived from domestic markets. While maintaining strong relations and concentrating on customers, your Company endeavors to enhance its revenue streams.

Transport & Power & fuel

The increased cost of transportation due to rise in fuel and freight cost has become a matter of concern as it has the effect of increasing the overall cost of the product, which would have the impact on the overall profitability of our company. Similarly increase in cost of power and fuel is also a cause of concern for the Company.

Environment and Corporate Social Responsibility**Environment Consciousness**

The Company has taken utmost care that it adheres to the compliance of all the applicable laws and obtaining the necessary approvals from the regulatory bodies from time to time. There has been a constant endeavor on the part of the Company to protect the environment.

Corporate Social Responsibility**Health Care**

The Company has the medical care facilities to take care of the employees and the workers at site. Comprehensive Health Check-ups are conducted for the workers so that the workers employed are fit in all respects.

Quality Policy

The Company being an ISO 9001:2008 and R.D.S.O. approved company, the Company's Quality Policy is: -

"While being 'Quality Conscious', the Company is equally 'Price Conscious' to ensure maximum satisfaction to the customers. Proactive efforts are directed towards determining customer's requirements and to offer increased value through continuous improvement in technology, formulation and processing with the support of talented, dedicated and forward looking team."

The company has consistently shown quality improvement with regard to various processes, keeping strict control on deviations. The Quality system has paved the way for sustained quality and timely corrective and preventive action. The several steps have been taken in the past to enhance customer satisfaction and many more step to be taken in future.

The company has also got the following certifications:

- Marvel offers PVC floor coverings and synthetic leather that are approved by the Indian Railways [RDSO].
- Marvel products are ASTRU approved.
- Marvel Vinyls Limited is an ISO 9001 Certified Company.

- The product range has been marked by ISI.
- Marvel is a Government recognized Export house.

Human Resource Development

The Company realizes that the challenges of the future can best be met with competent and motivated human resource. Retention of the talent is another issue confronting the employers in this era of globalization. Marvel Vinyls Limited believes in the policy of continuous value addition to its pool of human talent and integration of individual goals with that of the Company. Training the employees forms an integral part of company's policy towards achieving its objective. The Company recognizes and appreciates the contribution of all its employees in its growth path. Marvel Vinyls Limited strives to retain talent by facilitating career growth through job enrichment and empowerment, as it believes that the pool of the human resource is the biggest asset of the organization. Your Company maintains a cordial relationship with its employees through a constructive work environment in support of productive gains.

Harmonious Industrial Relations

During the year 2013-2014, Marvel Vinyls Limited has maintained its track record of cordial industrial relations, as in past and during this year also the company created a participative atmosphere of redressing the grievances of the employees, which has yielded a peaceful and conducive working environment. Companies provide challenges, encourage initiatives and recognize and reward excellence in respect of performance. Company reviews performances/policies on periodical basis.

Internal Control Systems

The company has proper and adequate systems of internal control to ensure that its Assets are safeguarded and protected against loss from unauthorized use or disposition, and that the transaction is properly authorized, recorded, reported and compliance with applicable Acts and Rules. The company periodically reviews the adequacy and effectiveness of the control systems. At Audit Committee Meetings, the members review the financial, operating & compliance reports and suggest for improvements. The heads of various monitoring / operating cells are invited for the Audit Committee meetings to explain in detail, about their operations.

Cautionary Statement

Statement in this "Management Discussion and Analysis" describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in statement. Important factors that could influence the company's operation include demand and supply conditions, availability of inputs and their prices, both domestic and global, changes in government regulations, tax laws, monsoon, economic developments within the country and other factors such as litigation and industrial relations. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent development, information or events or otherwise.

MARVEL VINYLs LIMITED



ANNUAL REPORT 2013-14

**SHANTI PRASHAD & COMPANY
CHARTERED ACCOUNTANTS**

**M-96 CONNAUGHT PLACE,
NEW DELHI -110001
PHONES: 23416000, 23417000**

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF M/S MARVEL VINYLs LIMITED

Report on Financial Statements

We have audited the accompanying financial statements of **MARVEL VINYLs LIMITED**, 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 presentation 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. 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 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 misstatements.

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 risks of material misstatements of financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the 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 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.

ANNUAL REPORT 2013-14

- [a] In case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- [b] In case of the Statement Profit and Loss Account, of the profit for the year ended on that date;
- [c] In 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, issued by the Central Government of India in terms of sub-section [4A] of section 227 of the Companies Act, 1956, we give in Annexure a statement on the matters specified in paragraph 4 and 5 of the said 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 accounts 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 arrangement with the books of accounts;
 - [d] in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in Sub-section [3C] of section 211 of the Companies Act, 1956;
 - [e] on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the director 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.
 - [f] Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act 1956 nor has it issued any Rules under the said section, prescribing the manner in which cess is to be paid, no cess is due and payable by the Company.

For **SHANTI PRASHAD & COMPANY**
CHARTERED ACCOUNTANTS

Place : New Delhi
Dated : 30.05.2014

[ASHISH KUMAR AGGARWAL]
PARTNER
M.No. 522443

ANNEXURE REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE

1. In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars including Quantitative details and situation of fixed assets.
 - b) As explained to us, the management during the year has physically verified all the fixed assets and we are informed that no material discrepancies were noticed on such verification.
 - c) In our opinion, the Company has not disposed off any substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
2. In respect of its inventories:
 - a) As explained to us, the Inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b) The procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
 - c) The company is maintaining proper records of inventory. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book record.
3. In respect of the loans, secured or unsecured, granted or taken by the Company to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:
 - a) The company has not granted any fresh unsecured advance to any person covered in the registers maintained under Section 301 of the Companies Act, 1956.
 - b) Since the company has granted any loan to parties listed in the register maintained under section 301 of the Companies Act, 1956, so clause 5 (iii) [b], [c], and [d] of CARO 2003 are not applicable on the Company
 - e) The company has taken unsecured loans from two directors, two relative of directors, three HUF concerns and one associate company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 1043.83 lakhs and the year-end balance of loan taken from such parties was Rs. 1043.83 lakhs.
 - f) The company has taken these loans free of interest. In our opinion, other terms and conditions on which loans have been taken from the parties listed in the register maintained under section 301 of the Companies Act, 1956 are not prima facie, prejudicial to the interest of the company.
 - g) The principal amounts are recoverable on demand and there is no repayment schedule. The parties are regular in repaying the principal amounts as stipulated and have been regular in payment of interest wherever applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to

the sale of goods. There is no continued failure to correct major weaknesses in internal control system.

5.
 - a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
 - b) In our opinion and according to information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of each party during the year have been made at a price which appear reasonable as per information available with the Company.
6. In our opinion and according to the information and explanations given to us, the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and Companies [Acceptance of Deposit] Rules, 1975 with regard to the deposits accepted from the public are not applicable on the Company as the company has not accepted any deposits from public and only unsecured loans from the directors, their relatives and associates have been accepted due to condition imposed by the bankers of the company from whom loans have been raised.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
8. The company has maintained cost records as prescribed by Central Government under clause [d] of sub-section [1] of Section 209 of the Companies Act, 1956.
9. In respect of statutory dues:
 - a) According to the records of the Company, it is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amount payable in respect of income tax, wealth tax, service tax, sales tax, custom duty, excise duty and cess were in arrears, as at 31st March, 2014, for a period of more than six months from the date they become payable.
 - b) There is disputed excise duty demand of Rs. 322.49 lacs for the earlier years, which is under appeal. According to the information and explanations given to us, there is no other disputed amount in respect of sales tax, income tax, custom duty, wealth tax, service tax, excise duty or cess, which has not been deposited on account of any dispute.
10. The company has no accumulated losses at the end of the financial year covered under audit. The company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to banks.

ANNUAL REPORT 2013-14

12. According to information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The company is not a chit fund or a nidhi / mutual benefit fund/society. Therefore, the Provisions of clause 4(xiii) of the Companies [Auditor's Report] Order, 2003 [as amended] are not applicable to the Company.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies [Auditor's Report] Order, 2003 [as amended] are not applicable to the company.
15. As informed to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
16. The company has availed fresh Term Loans of Rs. 179.24 lacs [secured against the current assets and fixed assets of the company] during the financial year covered by our audit.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investments. No long-term funds have been used to finance short-term assets except permanent working capital.
18. The Company has not made any preferential allotment of shares during the financial year covered by our audit.
19. The Company has not issued any debentures.
20. The Company has not raised any money by public issue during the financial year covered by our audit.
21. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For **SHANTI PRASHAD & COMPANY**
CHARTERED ACCOUNTANTS

Place : New Delhi
Dated : 30.05.2014

[ASHISH KUMAR AGGARWAL]
PARTNER
M.No. 522443

BALANCE SHEET AS AT 31ST MARCH, 2014

	Notes	AS AT 31.03.2014	AS AT 31.03.2013
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	5	697.16	697.16
(b) Reserves and Surplus	6	1,381.23	1,199.18
		2,078.39	1,896.35
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	7	1,477.41	1,194.73
(b) Deferred Tax Liabilities (Net)		212.70	208.05
(c) Other Long Term Liabilities	8	0.00	0.00
(d) Long-Term Provisions	9	95.70	73.10
		1,785.81	1,475.88
(3) Current Liabilities			
(a) Short-Term Borrowings	10	3,481.07	3,392.22
(b) Trade Payables	11	3,563.78	2,502.29
(c) Other Current Liabilities	12	977.89	796.26
(d) Short-Term Provisions	9	336.12	229.12
		8,358.86	6,919.89
Total		12,223.06	10,292.11
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	13	2,848.51	2,763.04
(ii) Intangible Assets	14	8.33	0.22
(iii) Capital work-in-progress		0.00	5.89
		2,856.84	2,769.16
(b) Non-Current Investments	15	0.02	0.02
(c) Long-Term Loans and Advances	16	167.45	76.59
(d) Other Non-Current Assets	17	-	-
		3,024.30	2,845.76
(2) Current Assets			
(a) Inventories	18	4,105.86	2,899.77
(b) Trade Receivables	19	3,642.79	3,858.59
(c) Cash and Bank Balances	20	315.24	355.81
(d) Short-Term Loans and Advances	21	1,134.87	332.18
(e) Other Current Assets	22	0.00	0.00
		9,198.75	7,446.36
Total		12,223.06	10,292.11
Summary of significant accounting policies 4			
The accompanying notes are an integral part of the financial statements.			

As per our separate report of even date annexed

For and on behalf of the board of directors of Marvel Vinyls Ltd

For **SHANTI PRASHAD & COMPANY**
CHARTERED ACCOUNTANTS**PAVAN CHAWLA**
Managing Director**PANKAJ CHAWLA**
Whole Time Director &
Chief Financial Officer**ASHISH KUMAR AGGARWAL**
Partner
M.No. 522443/ FRN 019923N**R. K. MITTAL**
GM (Accounts)**SHIKHAR GOEL**
Company SecretaryPlace : New Delhi
Dated : 30.05.2014

ANNUAL REPORT 2013-14

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2014

	Notes	Year Ended 31.03.2014	Year Ended 31.03.2013
INCOME :			
I. Revenue from Operations	23	19,900.60	18,183.12
Less : Excise duty		1,371.59	1,378.03
Net Revenue from Operations		18,529.02	16,805.09
II. Other Income	24	37.85	154.94
III. Total Revenue [I + II]		18,566.87	16,960.03
IV. Expenses:			
Cost of Materials Consumed	25	13,318.71	11,735.42
Purchases of Trading Goods	26	592.10	746.85
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	27	(353.61)	[96.88]
Employee Benefit Expenses	28	1,114.22	940.37
Finance Costs	29	557.51	512.83
Depreciation and Amortization Expense	13/14	209.77	194.69
Other Expenses	30	2,787.53	2,502.28
Total Expenses		18,226.23	16,535.55
V. Profit before Exceptional and Extraordinary Items and Tax [III-IV]		340.64	424.48
VI. Exceptional Items		0.00	0.00
VII. Profit before Extraordinary Items and Tax (V-VI)		340.64	424.48
VIII. Extra Ordinary Items		0.02	0.03
IX. Profit before Tax (VII - VIII)		340.66	424.51
X. Tax Expense:			
[1] Current tax		107.00	100.00
[2] Deferred Tax	31	4.65	34.16
[3] Tax Adjustment for earlier years		0.00	[3.07]
XI. Profit/ (Loss) for the period from Continuing Operations (IX-X)		229.01	293.41
XII. Profit/ (Loss) for the Period		229.01	293.41
Earning Per Equity Share			
Basic/ Diluted	32	3.47	4.67
Summary of significant accounting policies 4			
The accompanying notes are an integral part of the financial statements.			

As per our separate report of even date annexed

For and on behalf of the board of directors of Marvel Vinyls Ltd

For **SHANTI PRASHAD & COMPANY**
CHARTERED ACCOUNTANTS**PAVAN CHAWLA**
Managing Director**PANKAJ CHAWLA**
Whole Time Director &
Chief Financial Officer**ASHISH KUMAR AGGARWAL**
Partner
M.No. 522443/ FRN 019923N**R. K. MITTAL**
GM [Accounts]**SHIKHAR GOEL**
Company SecretaryPlace : New Delhi
Dated : 30.05.2014

ANNUAL REPORT 2013-14

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

	Year Ended 31.03.2014	Year Ended 31.03.2013
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before tax	340.66	424.51
Depreciation	209.77	194.69
Interest	445.53	358.94
Provision for Gratuity	15.56	11.29
Provision for Leave Encashment	7.03	5.84
Loss/(Profit) on sale of fixed assets	21.63	13.28
Interest received	(32.05)	(26.47)
Dividend Income	(0.02)	(0.03)
Operating Profit before Working Capital Changes	1,008.10	982.04
Adjustments for:		
(Increase)/ Decrease in Trade and other receivable	(581.70)	(1,614.91)
(Increase)/ Decrease in Inventories	(1,206.09)	(357.47)
Increase/ (Decrease) in Trade Payable	1,061.49	520.54
Increase/ (Decrease) in Other Long & Current liabilities	139.15	91.47
Cash Generated from operations	420.95	(378.34)
Interest Paid	(445.53)	(358.94)
Direct Taxes	(96.04)	(65.37)
Net Cash from Operating Activities : (A)	(120.61)	(802.65)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	(354.33)	(284.59)
Sale of fixed assets	30.40	28.04
Expenditure on Prel.Expenses	-	-
C.D. Deposits with Banks	-	-
Dividend Income from long term investment	0.02	0.03
Net Cash Flow from Investing Activities (B)	(323.91)	(256.52)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Increase in Borrowings (Short term and Long term)	784.49	1,465.29
Repayment of Borrowings (Short term and Long Term)	(370.48)	(236.16)
Interest Received	32.05	26.47
Dividend & CDT on Pref.Share Capital paid	(42.12)	(41.84)
Net Cash Flow from Financing Activities (C)	403.94	1,213.76
Net increase in Cash and Cash Equivalents (A+B+C)	(40.57)	154.59
Cash and Cash equivalents (Opening Balance)	355.81	201.22
Cash and Cash equivalents (Closing Balance)	315.24	355.81

For and on behalf of the board of directors of Marvel Vinyls Ltd

For **SHANTI PRASHAD & COMPANY**
CHARTERED ACCOUNTANTS**PAVAN CHAWLA**
Managing Director**PANKAJ CHAWLA**
Whole Time Director &
Chief Financial Officer**ASHISH KUMAR AGGARWAL**
Partner
M.No. 522443/ FRN 019923N**R. K. MITTAL**
GM (Accounts)**SHIKHAR GOEL**
Company SecretaryPlace : New Delhi
Dated : 30.05.2014

Notes to Financial Statements for the year Ended 31st March 2014**1. Corporate information**

Marvel Vinyls Limited [the Company] is a public limited company domiciled in India and incorporated on May 30, 1985 under the provisions of Indian Companies Act, 1956. The Company operates 3 manufacturing units in India, manufacturing of PVC Film and Sheeting, PVC Floor Covering, PVC Coated/ Laminated Fabric and Knitted Fabrics. The Company caters to both domestic and international markets.

2. Basis of preparation

The financial statements are prepared on accrual basis under the historical cost convention as supplemented by revaluation of certain assets, in accordance with the generally accepted accounting principles in India and to comply with the Accounting Standards referred to in sub section [3C] of section 211 of the Companies Act, 1956 including the Rules framed there under.

3. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and the disclosure relating to contingent liabilities as at the date of financial statements and reported amount of income and expenses during the period. Difference between the actual results and estimates are recognised in the year in which the results are known or materialized.

4. Significant accounting policies:**a. Revenue recognition**

Revenue from sale of goods is recognised when significant risks and rewards in respect of ownership of goods are transferred to customers and is treated inclusive of excise duty and net of sales returns and Sales tax/ value added tax wherever applicable.

Other revenues are recognised on accrual basis, except where there are uncertainties in determination / realisation of income, the same is not accounted for. Export Incentives under Status Holder Incentive Scheme have been recorded on the basis of actual utilisation of Licenses.

b. Fixed Assets

Fixed Assets are stated at their original cost (net of cenvat availed) including taxes and other incidental expenses related to acquisition, installation and borrowing cost on loan taken for acquisition of qualifying assets upto the date of commissioning of assets. Wherever assets are revalued, cost is adjusted by the amount added on revaluation based on Govt. approved valuers' report and disclosed separately as required under the Companies Act, 1956.

Capital work in progress represents expenditure incurred in respect of capital projects under developments and are carried at cost. Cost includes related acquisition expenses, development/ construction costs, borrowing costs and other direct expenditure.

c. Depreciation

- i. Depreciation on fixed assets has been charged as per Straight Line Method at rates specified in Schedule XIV of the Companies Act, 1956.
- ii. Double shift depreciation has been provided on Plant & Machinery.

Notes to Financial Statements for the year Ended 31st March 2014

iii. Difference in depreciation on book value of fixed assets revalued and depreciation on actual cost thereof is debited to the Capital Reserve Account.

iv. Assets costing upto Rs.5000/- is fully depreciated in the year of acquisition.

d. Investments

Long terms investments are stated at cost. Any diminution in value of long term investments, other than temporary, is provided for in the books of accounts. Current investments are stated at lower of the cost or fair value.

e. Inventories**Inventories are valued on the following bases :**

Raw Material	At cost or net realisable value whichever is lower. Cost is ascertained on FIFO basis
Work-In-Progress	At lower of cost or net realisable value.
Finished goods	At cost (inclusive of Excise Duties) or market price whichever is lower.
Misc. Scrap	At net realisable value.

f. Employee benefits

Contribution towards Provident Fund is paid as per statutory provisions / Companies scheme. These benefits are considered as defined contribution plan and contribution are charges to the statement of profit and loss of the year when it becomes due.

Provision for incremental liability of gratuity has been made as per provision of payment of Gratuity Act,1972. The Leave Encashment has been provided in the books of accounts on accrual basis on the basis of earn leave at the end of the financial year.

g. Contingent Liabilities and Provisions

The Company recognize a provision when there is a present obligation as a result of past events and it is probable that an outflow of resources would be required to settle the obligation and a reliable estimate can be made.

A disclosure for contingent liability is made when there is a possible obligation or a present obligation but probably will not require and outflow of resources.

When there is a possible obligation or a present obligation in respect of which the likelihood on outflow of resources is remote no provision or disclosure is made.

h. Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are considered as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for the intended use. All other borrowing costs are charged to the statement of profit and loss as and when incurred.

i. Impairment of assets

The Company assesses at each balance sheet date whether there is any Indication that the asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the assets or the

Notes to Financial Statements for the year Ended 31st March 2014

recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The deduction is treated as impairment loss and is recognised in the statement of profit and loss. If at balance sheet date there is an indication that previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

j. Cash Flow Statement

Cash Flows are made using the indirect method, whereby profits before tax is adjusted for the effects of transaction of a non cash nature and any deferrals or accruals of Past or future cash receipts or payments. The cash flow from operating activities, financing and investing activities of the Company are segregated.

k. Foreign Currency Transactions

Transactions in Foreign currency are recorded on initial recognition at the exchange rates prevailing on or closely approximating to the date of transaction.

Monetary items denominated in foreign currency and covered by forward exchange contracts are translated at the rate ruling on the date of transaction as increased or decreased by the proportionate difference between the forward rate and exchange rate on the date of transaction, such difference is recognised in the statement of profit and loss over the life of the contract.

Other monetary items are translated at the year end and rates and exchange rates difference on such transaction is recognised in statement of profit and loss.

The Company uses foreign exchange forward contracts to hedge its exposure to movements in foreign exchange rates which are entered into on the basis of firm commitments and highly probable forecast transactions. The premium or discount arising at the inception of such forward exchange contracts are amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognized as income or as expense in the period in which same is cancelled or rolled over.

l. Taxes on Income

Tax expense comprises current income tax and deferred income tax.

Current tax is determined as the amount of tax payable in respect of taxable income for the year, in accordance with income tax act, 1961.

Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable/ virtual certainty, depending on the nature of the timing differences, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

m. Miscellaneous Expenditure

Deferred Revenue Expenditure, Preliminary Expenditure and Technical Know How fee is amortized over a period of 10 years.

Notes to Financial Statements for the year Ended 31st March 2014

(Rs. in lacs)

	AS AT 31.03.2014	AS AT 31.03.2013
5. Share Capital		
Authorised Capital		
5500000 Equity shares of Rs.10/- each	550.00	550.00
(Previous year 5500000 equity shares of Rs.10/-each)		
200000 Redeemable Preference Shares of Rs.100/- each	200.00	200.00
(Previous year 200000 Redeemable Preference shares of Rs.100/- each)		
Total	750.00	750.00
Issued,Subscribed and Paid up Capital		
5382583 Equity shares of Rs.10/- each		
(Previous year 5382583 equity shares of Rs.10/- each)		
538.26		
Less : Amount in arrears (From Others)	41.10	497.16
18% Cumulative Redeemable Preference Shares		
200000 Shares of Rs.100/- each	200.00	200.00
[Previous year 200000 Shares of Rs.100/- each]		
Total	697.16	697.16

a. Reconciliation of the share outstanding as at the beginning and at the end of the reporting year are same:

	March 31, 2014		March 31, 2013	
	No.	Rs. In lacs	No.	Rs. In lacs
Equity Shares				
As at beginning of the year	5,382,583	497.16	5,382,583	497.16
Balance As at end of the year	5,382,583	497.16	5,382,583	497.16
Preference Shares				
As at beginning of the year	200,000	200.00	200,000	200.00
Balance As at end of the year	200,000	200.00	200,000	200.00

b. Terms/ Rights attached to Shares

Equity Shares

The company has only one class of Equity Shares having a par value of Rs. 10 per Share. Each holder of equity is entitled to one vote per share.

Preference Shares

The company has only one class of 18% Cumulative Redeemable Preference Shares having a par value of Rs. 100/- per share. The Preference shares are due for redemption on 01.04.2018 and 24.03.2019.

Notes to Financial Statements for the year Ended 31st March 2014

c. Details of Shareholders holding more than 5% shares of the Company:

	March 31, 2014		March 31, 2013	
	No.	%	No.	%
Equity Shares				
Pavan Chawla	567,700	10.55	567,700	10.55
Pankaj Chawla	711,520	13.22	711,520	13.22
Ankit Chawla	281,050	5.22	281,050	5.22
Suave Enterprises (P) Ltd	1,658,360	30.81	1,658,360	30.81
Preference Shares				
Pankaj Chawla	47,100	23.55	47,100	23.55
Mrs. Saroj Chawla	23,970	11.99	23,970	11.99
Pavan Chawla (HUF)	83,480	41.74	83,480	41.74
Pankaj Chawla (HUF)	45,450	22.73	45,450	22.73

The above information is furnished on the basis of the shareholder register as at the year end.

[Rs. in lacs]

	AS AT 31.03.2014	AS AT 31.03.2013
6. Reserves and Surplus		
(a) Revaluation Reserve		
As per last Balance Sheet	207.62	
Addition during the year	(4.84)	207.62
(b) Securities Premium		
As per last Balance Sheet	105.36	
Addition during the year	-	105.36
(c) General Reserve		
As per last Balance Sheet	404.75	-
Addition during the year	17.18	404.75
(d) Surplus in the Statement of Profit & Loss		
Balance as per last financial statements	481.45	252.16
Profit for the year	229.01	293.41
Less: Appropriations	-	-
Dividend on Preference Shares	36.00	36.00
Tax of Preference Dividend	6.12	6.12
Transfer to General Reserve	17.18	22.01
	651.17	481.45
	1,381.23	1,199.18

Notes to Financial Statements for the year Ended 31st March 2014

[Rs. in lacs]

	AS AT 31.03.2014	AS AT 31.03.2013
7. Long Term Borrowings		
Term Loans		
Secured		
From Banks	380.80	541.19
From Others	0.00	0.00
	<u>380.80</u>	<u>541.19</u>
Finance Lease Obligations		
Secured		
From Banks	52.78	23.41
From Others	(0.00)	1.81
	<u>52.78</u>	<u>25.21</u>
Loans and advances from Related Parties		
Unsecured		
From Directors	94.08	81.58
From Others	949.75	546.74
	<u>1,043.83</u>	<u>628.32</u>
	<u>1,477.41</u>	<u>1,194.73</u>

Notes :

- Term Loan availed from Union Bank of India are secured against existing and future current and fixed assets of the Company in addition to personal guarantee of two directors.
- Vehicle Loans (Finance Lease Obligations) are secured against vehicles acquired by the Company.
- Term Loan from Banks having a total amount of Rs.603.02 Lacs, Out of which Rs.311.00 Lacs repayable in next year have been considered as Current Liability in Note No.12.
- Vehicle Loans (Finance Lease Obligations) having a total amount of Rs.88.15 Lacs, Out of which Rs. 35.37 Lacs repayable in next year have been considered as Current Liability in Note No.12.

8. Other Long Term Liabilities

Trade Paybles	-	-
Other paybles	-	-
Advance from Customers	-	-
	<u>-</u>	<u>-</u>

Notes to Financial Statements for the year Ended 31st March 2014

[Rs. in lacs]

	AS AT 31.03.2014	AS AT 31.03.2013
--	---------------------	---------------------

9. Provisions

	As at March 31, 2014		As at March 31, 2013	
	Long Term Rs. in Lacs	Short Term Rs. in Lacs	Long Term Rs. in Lacs	Short Term Rs. in Lacs
Provision for Employee Benefits:				
Gratuity	71.47		55.91	
Prov. for Leave Encashment	24.22		17.19	
Others :				
Proposed Dividend & Tax on Dividend		42.12		42.12
Provision of Income Tax		294.00		187.00
	95.70	336.12	73.10	229.12

10. Short Term Borrowings

From Banks :

Cash Credit Facilities	2,845.04	1,947.44
Foreign Currency Loan	636.02	1,444.78
	3,481.07	3,392.22

Notes :

- Working Capital Loan availed from Union Bank of India are secured against existing and future current and fixed assets of the Company in addition to personal guarantee of two directors.
- In Foreign Currency Loan includes a sum of Rs.636.02 Lacs as buyers credit disbursement against Bank Guarantees provided by Union Bank of India.

11. Trade Payables

Trade Creditors	3,563.78	2,502.29
	3,563.78	2,502.29

12. Other Current Liabilities

Current Maturities of Long Term Borrowings	257.58	215.10
Other Creditors	298.82	254.05
Advance from Customers	79.32	23.17
Other Liabilities	340.41	303.93
Book Overdraft [Bank]	1.77	-
	977.89	796.26

Notes to Financial Statements for the year Ended 31st March 2014
13. Tangible Assets

PARTICULARS	GROSS BLOCK				DEPRECIATION		Rs. in Lacs	
	Original Cost as at April 1, 2013	Additions for the year	Adjustment for the year borrowing costs	Deductions for the year	Original cost as at March 31, 2014	As at April 1, 2013	For the year	As at March 31, 2014
Land-Leasehold Building	232.37	-	-	-	232.37	-	-	232.37
Plant and Equipments	937.57	29.88	-	-	967.45	261.38	26.81	676.19
Furniture & Fixture	3,640.43	214.15	-	-	3,854.59	1,924.91	164.93	1,764.75
Vehicles	20.24	0.40	-	-	20.64	11.91	0.80	7.94
Office Equipment	133.76	106.08	-	61.85	178.00	30.22	16.16	141.43
	63.82	1.29	-	-	65.11	36.53	5.84	22.75
TOTAL	5,028.20	351.81	-	61.85	5,318.17	2,264.94	214.52	2,469.66

PARTICULARS	GROSS BLOCK				DEPRECIATION		Rs. in Lacs	
	Original Cost as at April 1, 2012	Additions for the year	Adjustment for the year borrowing costs	Deductions for the year	Original cost as at March 31, 2013	As at April 1, 2012	For the year	As at March 31, 2012
Land-Leasehold Building	232.37	-	-	-	232.37	-	-	232.37
Plant and Equipments	913.96	23.62	-	-	937.57	230.74	30.64	683.21
Furniture & Fixture	3,609.40	196.03	-	165.00	3,640.43	1,903.89	150.45	1,715.53
Vehicles	17.29	2.95	-	-	20.24	10.83	1.07	8.34
Office Equipment	90.92	54.10	-	11.26	133.76	24.30	11.83	103.54
	56.19	7.89	-	0.27	63.82	31.08	5.54	27.29
TOTAL	4,920.13	284.59	-	176.52	5,028.20	2,200.84	199.53	2,763.26

Note : Revaluation of factory land and building and Plant and Machinery situated at its Sahibabad Unit was carried out by an approved valuer as on 01.04.1993.

Notes to Financial Statements for the year Ended 31st March 2014

14. Intangible Assets

PARTICULARS	GROSS BLOCK				DEPRECIATION		Written down value	
	Original Cost as at April 1, 2013	Additions for the year	Adjustment for the year borrowing costs	Deductions for the year	Original cost as at March 31, 2014	As at April 1, 2013	For the year	As at March 31, 2014
Tech.Know How Fee	4.48	-	-	4.48	-	4.26	-	-
ERP Software	-	8.42	-	-	8.42	-	0.09	8.33
TOTAL	4.48	8.42	-	4.48	8.42	4.26	0.09	8.33

PARTICULARS	GROSS BLOCK				DEPRECIATION		Written down value	
	Original Cost as at April 1, 2013	Additions for the year	Adjustment for the year borrowing costs	Deductions for the year	Original cost as at March 31, 2014	As at April 1, 2013	For the year	As at March 31, 2014
Tech.Know How Fee	4.48	-	-	-	4.48	4.26	-	0.22
ERP Software	-	-	-	-	-	-	-	-
TOTAL	4.48	-	-	-	4.48	4.26	-	0.22

Notes to Financial Statements for the year Ended 31st March 2014

[Rs. in lacs]

	AS AT 31.03.2014	AS AT 31.03.2013
15. Non Current Investment		
Non Trade Quoted Investment (Equity Instruments) :		
200 equity shares of Rs. 10/- each fully paid up of M/S Mayur Uniquoters Ltd. [Market value as on 31st March'2014 Rs.262440/-, Previous year Rs. 82,000/-]	0.02	0.02
	0.02	0.02
16. Long Term Loan and Advances		
Capital Advances	76.26	2.78
Security Deposit	91.19	73.81
	167.45	76.59
17. Other Non Current Assets		
	-	-
18. Inventories		
[Taken valued and certified by the management]		
Raw Material	1,281.75	1,088.40
Work in Progress	521.79	203.99
Finished Goods	1,005.76	971.08
Trading Goods	-	-
Other [Packing material, consumable stores, Oil & Lubricants, steam coal & spare parts]	222.43	153.55
Miscellaneous Scrap	4.02	2.89
Good in Transit [Other than Finished / WAP]	1,070.11	479.85
	4,105.86	2,899.77
19. Trade Receivables		
Unsecured but considered good		
Outstanding over six months	34.52	13.19
Others	3,608.27	3,845.41
	3,642.79	3,858.59
20. Cash and cash equivalents		
Cash in Hand	5.37	18.47
Balances with Banks :		
In current Accounts	4.27	5.10
Fixed Deposits with Banks	305.60	332.24
Cheque/ Draft on Hand	-	-
	315.24	355.81

Notes to Financial Statements for the year Ended 31st March 2014

(Rs. in lacs)

	AS AT 31.03.2014	AS AT 31.03.2013
21. Short Term Loans and Advances		
Unsecured but considered goods		
Advance to Suppliers	36.51	35.41
Advance recoverable in cash or in kind or for value to be received	625.58	131.97
Imprest to staff	0.80	0.65
Balance with Revenue Authorities	249.94	38.13
Advance Income tax	222.05	126.01
	1,134.87	332.18
22. Other Current Assets		
Miscellaneous Expenditure [to the extent not written off or adjusted]	-	-
-Preliminary Expenses	-	-
23. Revenue from Operations		
Sale of Products :		
- Manufactured Products	18,517.69	16,896.97
- Traded Goods	619.11	954.90
Miscellaneous Sales [Scrap]	15.53	19.64
Export Incentives	728.75	302.61
Income from Job Work	19.53	9.00
	19,900.60	18,183.12
24. Other Income		
Interest received on Fixed Deposits	26.95	19.73
Interest received -Others	5.10	6.74
Foreign Exchange Fluctuation	0.00	98.77
Amount written back	2.93	24.31
Misc.Receipts	2.87	5.39
	37.85	154.94
25. Cost of material consumed		
Inventory at the beginning of the year [including inter-unit Goods in Transit Rs. 402,000/-]	1,088.40	1,001.63
Add : Purchases	-	-
Raw Material [incl.freight charges]	13,512.06	11,822.20
	14,600.46	12,823.82
Less : Inventory at the end of the year [including inter-unit Goods in Transit Rs. 159,501/-]	1,281.75	1,088.40
	13,318.71	11,735.42
26. Purchase of stock in trade		
Trading Goods	592.10	746.85
	592.10	746.85

Notes to Financial Statements for the year Ended 31st March 2014

[Rs. in lacs]

	Year ended 31.03.2014	Year ended 31.03.2013
27. Increase/(Decrease) in finished goods, Work-In-Progress & Misc.Scrap Stock at Close		
Finished Goods	1,005.76	971.08
(including inter-unit Goods in Transit - Rs.8246,346/-)		
Work-in-Progress	521.79	203.99
Old drums, bags etc.	4.02	2.89
Trading Goods	-	-
	1,531.57	1,177.96
Stock at Commencement :		
Finished Goods	971.08	676.27
(including inter-unit Goods in Transit - Rs.5681,990/-)		
Work-in-Progress	203.99	399.53
Old drums, bags etc.	2.89	5.28
Trading Goods	0.00	0.00
	1,177.96	1,081.08
	353.61	96.88
28. Employee benefit expenses		
Salaries,Wages,Bonus and other employees'benefit	1,048.79	879.27
Contribution to PF & ESIC	38.78	32.81
Workmen and Staff Welfare Exp.	26.66	28.30
	1,114.22	940.37
29. Financial Expenses		
Interest On Loans	437.00	353.12
Interest On Income tax	8.52	5.82
Bank Charges	89.83	93.24
Amortization of Forward Contract Premium	22.15	60.65
	557.51	512.83

Notes to Financial Statements for the year Ended 31st March 2014

[Rs. in lacs]

	Year ended 31.03.2014	Year ended 31.03.2013
30. Other Expenses		
Diff.in Excise Duty on Op./Cl.stock of Fin. Goods	2.82	4.72
Printing & Stationery	10.03	8.40
Computer Exp.	5.09	3.74
Repairs - Plant and Machinery	146.56	221.32
Repairs - Building	30.91	51.26
Office Expenses & Repair [Others]	19.18	18.40
Miscellaneous Expenses	9.59	7.79
Foreign Exchange Fluctuation	54.92	0.00
Travelling & Conveyance	116.53	80.82
Postage & Phones	33.77	27.35
Vehicle Maintenance	21.26	16.04
Rent	16.02	30.78
Electricity & Water Exp.	6.22	4.93
Power & Fuel	1,141.98	1,003.20
Advertisement & Publicity	0.91	3.85
Insurance Charges	11.22	10.11
Rates & Taxes	14.80	10.92
Commission on sales	6.91	2.67
Discount	26.54	15.54
Legal & Professional charges	41.00	39.30
Auditor's Remuneration :		
Audit Fee	2.00	2.00
Tax Audit Fee	0.35	0.35
Cost Audit fee	0.98	0.00
Turnover/Sales Tax/ Professional Tax/Entry Tax	84.22	88.53
Freight and Cartage [Others]	7.89	6.55
Freight and Cartage [Product]	381.92	295.31
Business Promotion Exp.	16.52	11.12
Packing & other consumable goods consumed	555.76	524.00
Loss on Sale of Fixed Assets	21.63	13.28
	2,787.53	2,502.28
31. Deferred Tax Liabilities(Net)		
Timing Difference between dep.as per Co.'s Act & IT Act	22.47	39.88
Timing Difference due to Gratuity	(5.05)	(3.66)
Timing Difference due to Leave Encashment	(2.28)	(1.89)
Timing Difference due to Bonus	(0.23)	(0.17)
Timing Difference due to Notional foreign exchange fluctuation	(10.26)	0.00
DTL	4.65	34.16

Notes to Financial Statements for the year Ended 31st March 2014

(Rs. in lacs)

	AS AT 31.03.2014	AS AT 31.03.2013
32. Earnings per share (EPS)		
Net profit attributable to equity shareholders	186.89	251.29
Weighted average number of equity shares	53.83	53.83
Earnings per share (basic/ diluted)- (Rs.)	3.47	4.67
33. Contingent liabilities not provided for in respect of :		
i. Bank Guarantees	23.82	83.00
ii. Disputed Excise Duty Matters	322.49	240.95
iii. Disputed Sales/Trade Tax Matters	-	1.42
34. Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	175.79	11.59
Estimated amount of contracts remaining to be executed on revenue account and not provided for	77.49	448.98
35. The Gross Sales and Cost of material as shown in the Statement of Profit & Loss are net of inter-divisional transfers of Rs. 8203.99 Lacs (Rs.7552.14 lacs in previous year) as per the Accounting Standard - 9 issued by The Institute of Chartered Accountants of India. The Gross sales inclusive of inter-divisional transfers stands at Rs.27340.78 lacs (previous year-Rs.25404.28 lacs).		
36. Provision for Gratuity and Leave Encashments are made by the Company at the year end on the assumption that such benefit is payable to all employees at the end of the accounting year. An incremental provision of Rs. 15.56 lacs towards Gratuity and Rs. 7.03,lacs towards Leave Encashment has been charged to the Statement of Profit & Loss for the year under consideration.		
37. The company had revalued its Factory Land & Building and the Plant & Machinery installed therein of its Sahibabad Unit as on 01.04.1993 as per the revaluation done by the approved valuer . The revaluation of assets had resulted in increase in the value of assets by Rs.686.79 lacs and the same was transferred to Revaluation Reserve. Consequent to the said revaluation there is an additional charge of depreciation of Rs.4.84 Lacs (Previous Year Rs. 4.84 Lacs) and an equivalent amount, has been withdrawn from Revaluation Reserve and credited to the Statement of Profit and Loss . This has no impact on profit for the year. The accumulated depreciation on revalued assets adjusted against the Revaluation Reserve upto 31st March 2014 is Rs.484.01 Lacs.		
38. Un -Secured Loans are received by the Company from the Promoters, their relatives and their associates due to a special condition proposed by the Banker of the Company from whom finances/ secured loans have been availed for the purposes of its business. Accordingly such un-secured loans are not covered under the purview of Companies (Acceptance of Deposit) Rules,1975. Hence, the provisions of section 58-A is not applicable on such deposits.		

Notes to Financial Statements for the year Ended 31st March 2014

39. Dividend of Rs. 36.00 Lacs on 18% Cumulative Redeemable Pref.Share Capital has been proposed and provided for the current year. Arrears of Preference Share dividend till 31st March,2014 is Rs.288.00 Lacs [Previous year Rs. 288.00 Lacs] .

40. In compliance of Accounting Standard 18 on "Related Party Disclosures" issued by the ICAI, details pertaining to related party transactions are as follows :

A. I. Names of related**i. Key Management Personnel**

1. Mr. Pavan Chawla - Managing Director
2. Mr. Pankaj Chawla - Whole Time Director
3. Mr. Ankit Chawla

ii. Relatives of Key Management Personnel

1. Mrs. Puneeta Chawla & Mrs. Saroj Chawla
2. Mrs.Yamini Chawla
3. Mr. Saksham Chawla

iii. Associate Concerns

1. M/s Ganesh Das & Co.
2. M/s Ganesh Das & Sons (HUF)
3. M/s Suave Enterprises (P) Ltd.
4. Mr. Pavan Chawla (HUF)
5. Mr. Pankaj Chawla (HUF)

B. Transactions with related parties**Year ended 31st March 2014**

Particulars	Key Management Personnel	Relative of Key Management Personnel	Associate Concerns	Total
Amount in Lacs				
Remuneration, HRA & Others	40.11	4.81	-	44.92
Sales	-	-	150.45	150.45
Professional charges Paid	3.60	-	3.60	
Rent Paid	2.40	9.60	-	12.00
Outstanding Balance of Deposits accepted	94.08	238.40	711.35	1,043.83
Amount receivables	31.57	-	115.40	146.97
Amount payable	10.36	2.16	2.76	15.28

The transactions of Purchase and Sale of goods and material entered into with the relative parties as above are made for cash/cheque at prevailing market prices.

Notes to Financial Statements for the year Ended 31st March 2014

41. The Company have various cancellable operating leases for Offices & Godowns that are renewable on annual basis and cancellable at its option. Rental expenses for operating leases recognised in Profit & Loss Account and amount within the purview of AS-19 on Leases is Rs.13.32 lacs.

The Company has entered into finance lease arrangements for vehicles. Some of the significant terms and conditions of such leases are as follows :

Vehicles in Fixed Assets Note "13" include assets acquired under finance lease arrangements, the details of which are given below :

	31.03.2014	31.03.2013
Carrying amount as on 31st March,2014	132.34	84.48
Gross book value as at the beginning of the year	48.01	44.89
Addition during the year	106.08	53.12
Less: Accumulated Depreciation	21.75	13.53
Net Book Value	132.34	84.48
Lease payments made during the year	61.00	20.14
Finance Charges recognised in P&L A/c	9.53	5.65

Particulars	2013-14			2012-13		
	Total	Future Finance Charges	Present Value of minimum lease payments at the balance sheet date	Total	Future Finance Charges	Present Value of minimum lease payments at the balance sheet date
Total minimum lease payments at the balance sheet date	102.60	14.45	88.15	54.72	6.52	48.20
Not later than one year	43.34	7.97	35.37	27.33	4.34	22.99
Later than one year but not later than five years	59.04	6.48	52.56	27.39	2.18	25.21
Later than Five year	0.22	-	0.22	-	-	-

Notes to Financial Statements for the year Ended 31st March 2014

- 42. Primary Segment :** The Company is primarily engaged in the business of PVC products, which is governed by the same set of risk and return and hence, it is not required to furnish segment wise reporting for Business Segment. Hence, the Geographical Segment has been presumed to the Primary Segment as per AS-17 issued by the ICAI. The analysis of geographical segment is based on the above currency risks.

Segment Revenue	31.03.2014	31.03.2013
Domestic	12,303.35	12,469.80
International	5,496.92	4,032.68
Unallocated-Interest/other	37.88	42.92
Total	17,838.14	16,545.40
Segment Results		
Domestic	239.26	594.30
International	835.65	494.80
Unallocated	37.88	42.92
Total	1,112.78	1,132.02
Less :Unallocated Expenses		
Depreciation	214.61	194.69
Finance Cost	557.51	512.83
Total Profit before tax	340.66	424.51

The Company has common fixed assets for producing goods for domestic and International market, hence separate figure for capital employed can not be furnished.

- 43.** Expenditure on account of Premium on forward exchange contracts to be recognised in the Profit and Loss account of subsequent accounting period aggregates Rs. Nil ,[Previous year Rs. Nil].
- 44.** Expenditure due to Loss in exchange fluctuation of foreign currency of Rs.54.92 Lacs for the year includes notional loss of Rs.31.62 lacs on conversion of foreign currency [as per RBI rate] on reporting date as per AS-11 issued by ICAI on the effect of changes in foreign exchange rates.
- 45.** Letters of confirmation of outstanding balances are awaited in certain cases. Further, the Company has not received any intimation from any of its transacting party that they are registered under the Micro,Small & Medium Enterprises Development Act,2006. So the information required to be furnished under the MSMED Act is not applicable.
- 46.** The Purchase of Raw Material shown in the Balance Sheet is net of sales of old empty drums and paper bags.

Notes to Financial Statements for the year Ended 31st March 2014

47. Raw material inventory

	Year ended 31.03.2014	Year ended 31.03.2013
PVC Resin	774.81	569.15
DOP/DBP	105.04	178.45
CPO/CPW	7.22	22.86
Cloth & PVC	263.29	196.12
Chemical & Stabilizer	70.81	76.64
Pigments	60.58	45.19
	1,281.75	1,088.40

48. Work in progress inventory

Product in semi-finished condition	521.79	203.99
------------------------------------	---------------	--------

49. Finished goods inventory

PVC Film & Sheeting, PVC Floor Covering, PVC Coated / Laminated Fabric and Knitted Fabrics	1,005.76	971.08
--------------------------------------------------------------------------------------------	-----------------	--------

50. Sale of products

PVC Film & Sheeting, PVC Floor Covering, PVC Coated / Laminated Fabric and Knitted Fabrics	18,517.69	16,896.97
--------------------------------------------------------------------------------------------	------------------	-----------

51. Sale of trading

PVC Resin, Man Made & Spun bond Fabric & Pigment	619.11	954.90
	619.11	954.90

52 Consumption of raw materials

PVC Resin	5,684.13	4,689.97
DOP/DBP	3,147.81	2,945.37
CPO/CPW	336.25	335.14
Cloth & PVC	1,915.11	1,762.61
Chemical & Stabilizer	1,119.01	1,008.59
Pigments	536.03	451.16
Freight & Cartage	580.37	542.59
	13,318.71	11,735.42

53. Purchase of traded goods

PVC Resin, Man Made & Spun bond Fabric & Pigment	592.10	746.85
	592.10	746.85

Notes to Financial Statements for the year Ended 31st March 2014

54. Percentage of Imported/Indigenous raw material

	31st March 2014		31st March 2013	
	%	Amount	%	Amount
Imported	45.04	5,999.15	41.15	4,829.51
Indigenous	54.96	7,319.56	58.85	6,905.91
	100.00	13,318.71	100.00	11,735.42

55. Value of Imports (CIF basis)

Raw Material	6,053.50	5,019.33
Consumable Goods	195.34	168.18
Capital Goods	41.46	38.73

56. Expenditure in Foreign Currency

Raw Material [for Mfg.& Trading]	5,263.77	4,327.58
Consumable Goods	173.62	146.03
Capital Goods	36.94	31.05
Travelling Expenses	3.39	2.86
Others	0.91	-

57. Earnings in Foreign Exchange

Export [FOB]	5,385.16	3,968.92
--------------	----------	----------

58. Previous year's figures have been rearranged/regrouped wherever necessary to make them comparable with current figures.

As per our separate report of even date annexed

For and on behalf of the board of directors of Marvel Vinyls Limited

For **SHANTI PRASHAD & COMPANY**
CHARTERED ACCOUNTANTS

PAVAN CHAWLA
Managing Director

PANKAJ CHAWLA
Whole Time Director &
Chief Financial Officer

ASHISH KUMAR AGGARWAL
Partner
M.No. 522443/ FRN 019923N
Place : New Delhi
Dated : 30.05.2014

R. K. MITTAL
GM [Accounts]

SHIKHAR GOEL
Company Secretary

MARVEL VINYLs LIMITED



ANNUAL REPORT 2013-14

MARVEL VINYLs LIMITED

REGD. OFFICE : G-73, CONNAUGHT CIRCUS, NEW DELHI-110 001

CIN: L74899DL1985PLC021085

ATTENDANCE SLIP

**PLEASE FILL THIS ATTENDANCE SLIP AND HAND IT OVER AT
THE ENTRANCE OF THE MEETING HALL.**

PARTICULARS OF SHAREHOLDERS / PROXY

DP IDCLIENT ID.....

MEMBER'S FOLIO NO.

NAME

ADDRESS

I hereby record my presence at the 29th ANNUAL GENERAL MEETING of the Company held at A-40, Rajouri Garden, New Delhi - 110 027, on Wednesday, the 30th Day of September, 2014 at 12.30 P.M.

.....
Signature of the Shareholder/Proxy

MARVEL VINYLs LIMITED

REGD. OFFICE : G-73, CONNAUGHT CIRCUS, NEW DELHI-110 001

CIN: L74899DL1985PLC021085

PROXY FORM

Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of Companies [Management & Administration] Rules, 2014

Name of the member [s] :

Registered Address :

E-mail Id :

Folio No./ Client Id.:

DP ID :

I/We, being the member [s] of shares
of the above named company, hereby appoint

1. Name:

Address:

E-mail Id:

Signature:or failing him

2. Name:
 Address:
 E-mail Id:
 Signature:or failing him

3. Name:
 Address:
 E-mail Id:
 Signature:or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29th Annual general meeting of the company, to be held on the 30th day of September At 12.30 p.m. at A - 40, Rajouri Garden, New Delhi - 110027 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1
 2
 3

Signed this..... day of..... 20.....

Affix
Revenue
Stamp

.....
Signature of shareholder

.....
Signature of Proxy holder[s]

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.