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CHANDRA PRABHU INTERNATIONAL LIMITED

25th ANNUAL REPORT 2009-2010

BOARD OF DIRECTORS

MANAGING DIRECTOR
Mr. Akash Jain

DIRECTORS
Mr. Piyush Jain
(Executive Director upto 31/05/09)
(Resigned on 18/11/09)
Mr. Ved Prakash Goel
Mr. Jagdish Jhunjhunwala
Mr. Prakash Goyal
Mr. Sudhanshu Mishra

AUDITORS
M/s. J P S & Company
Chartered Accountants
New Delhi

REGD. OFFICE
14, Rani Jhansi Road,
New Delhi 110 055

BRANCHES
Bhatinda, Chandasi, Guwahati & Gurgaon

BANKERS
State Bank of Bikaner & Jaipur
New Delhi
HDFC
New Delhi

NOTE : Members are requested to bring their copy of the Annual Report at the time of attending the Annual General Meeting. No extra copies of Annual Report shall be provided at the venue of the AGM.

No gifts or coupons would be given to the shareholders for attending the Annual General Meeting.

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Notice is hereby given that the **TWENTY FIFTH ANNUAL GENERAL MEETING** of the Members of **CHANDRA PRABHU INTERNATIONAL LTD.** will be held on Thursday, the 30th day of September, 2010 at 11.30 A.M. at Khasra No. 77, Gurudwara Road Siraspur New Delhi 110042, to transact the following business(s):

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit and Loss Account of the Company for the financial year ended 31st March, 2010, the Balance Sheet as at that date & the Reports of Directors & the Auditors' thereon.
2. To declare final dividend on equity shares.
3. To appoint a Director in place of Sh. Ved Prakash Goel who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Sh. Sudhanshu Mishra, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Statutory Auditors and to authorise Board of Directors to fix their remuneration. The retiring Auditor, M/s. J.P.S. & Company, Chartered Accountants, retires and being eligible offers themselves for re-appointment.

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as **ORDINARY RESOLUTION :-**

"**RESOLVED THAT** the Board of Directors be and is hereby authorised to appoint auditors qualified for the appointment as auditors of the Company U/S 226 of the Companies Act, 1956 for auditing the accounts of the branches of the Company U/S 228 of the Companies Act, 1956 situated at Bhatinda, Chandasi, Guwahati and Gurgaon, in consultation with the Statutory Auditors' of the company, at a remuneration to be decided by the Board of Directors and agreed by such auditors, plus out of pocket expenses."

7. To consider and, if thought fit, to pass with or without modification(s), the following resolution as **ORDINARY RESOLUTION :-**

"**RESOLVED THAT** in partial modification of earlier resolution passed by the members at the 22nd Annual General Meeting held on 29th September, 2007, approving terms and conditions and remuneration of Mr. Akash Jain, Managing Director of the Company, the Company hereby approves, in accordance with the provisions of section 198, 269, and 309 read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the increase in the remuneration of Mr. Akash Jain, Managing Director of the Company, for the remaining period of his tenure of office, with effect from September 01, 2010, as set out in the explanatory statement annexed to the notice convening this meeting.

RESOLVED FURTHER THAT all other terms and conditions of appointment of Mr. Akash Jain, Managing Director, as approved earlier by the members shall remain unchanged.

RESOLVED FURTHER THAT *any director of the* company be and is hereby authorized to do all acts, deeds and things as may be necessary and expedient to give effect to this resolution."

By order of the Board of Directors

Registered Office:
14, Rani Jhansi Road,
New Delhi 110 055

Akash Jain
Managing Director

4th September, 2010

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 AND THE PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING A PROXY, IN ORDER TO BE VALID AND EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LATER THAN 48 HOURS BEFORE THE MEETING.

2. THE EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 173(2) OF THE COMPANIES ACT,1956, SETTING OUT MATERIAL FACTS IN RESPECT OF THE SPECIAL BUSINESS UNDER ITEM NO. 6 AND 7 IS ANNEXED HERETO.

3. The Register of members will be closed from Saturday 25th September, 2010 to Thursday 30th September, 2010 (both days inclusive) under section 154 of Companies Act 1956, for the purpose of payment of dividend and 25th Annual General Meeting. The dividend declared at the AGM will be paid to those members whose names are on Register of Members of the Company as 24th September, 2010.

4. The members holding shares in physical form are requested to intimate to the registrar and Transfer Agent, Alankit Assignments Ltd, 2E/21, Jhandewalan Extn., New Delhi 110055, change of address , if any, at the earliest quoting their registered folio number. Change of address in respect of shares held in demat form is required to be intimated to the concerned Depository Participant.

5. Final Dividend on Equity shares as recommended by the Directors for the year ended March 31, 2010 when declared at the meeting will be paid on or before 29th October, 2010:-

a) To those members whose names appears on the Company Register of Members after giving effect to all valid share transfers in physical form lodged with Alankit Assignment Ltd, Registrar and share transfer agent of the Company on or before 24th September, 2010.

b) In respect of shares held in electronic form, to those "deemed members" whose names appear in the statements of beneficial ownership furnished by NSDL(National Securities Depositories Ltd.) and CDSL(Central Depository and Services Ltd.) as on 24th September, 2010.

6. Members seeking any information with regard to accounts or operations are requested to write to the Company at an early date, preferably at least seven days prior to the date of meeting, so as to enable the management to keep the information ready.

7. Members/Proxies should bring the attendance slips duly filled in for attending the meeting. Members who hold shares in dematerialized form are requested to bring their client ID and DPID numbers for easy identification of attendance at the meeting.

8. Pursuant to Section 205A and Section 205-C, the Company had no unclaimed dividend upto the Financial Year 2002-2003, therefore was no requirement to transfer to the Investor Education and Protection Fund.

9. Brief resume, pursuant to clause 49 of the Listing Agreement of the Directors proposed to be appointed/reappointed at the Annual General Meeting, nature of their expertise in specific functional areas and name of companies in which they hold directorship, are given hereinunder :

Mr. Ved Prakash Goel

Mr. Ved Prakash Goel, age about 67 years, has been a Director of the company since 1st October, 2003. He has done graduation with consistent good academic record. Mr. Goel is a well known entrepreneur having vast knowledge and experience of business and corporate functioning. His expertise in specific functional areas include

finance, investment and management. Mr. Goel does not hold any other directorship.

Mr. Sudhanshu Mishra

Mr. Sudhanshu Mishra, age 34 years, has been a Director of the company since 29th September, 2001. He has done his B.Tech with thrust to become an entrepreneur and gained qualitative experience, expertise and knowledge in the trading coal. Mr. Mishra holds other directorship in M/s. Chandra Prabhu Overseas Ltd., the subsidiary of the company, only.

EXPLANATORY STATEMENT PURSUANT TO SEC.173 (2) OF THE COMPANIES ACT, 1956

Item No. 6

Company has branches at Bhatinda, Chandasi, Guwahati and Gurgaon, according to Section 228 of the Companies Act, 1956 the account of branch office shall be audited by Statutory Auditor or a person qualified for appointment U/s. 226 of the Companies Act, 1956. The consent of the Company is required to appoint the Branch Auditors. Therefore, your directors have recommended the same for your approval.

Item No. 7

At the 22nd Annual General Meeting held on September 29, 2007, the Members of the Company approved the appointment of Mr. Akash Jain, as Managing Director of the Company, for a period of Five Years w.e.f. February 01, 2007 at a monthly remuneration of Rs. 35,000/-(Basic-Rs. 25,000, HRA-Rs. 10,000/-).

Taking into consideration the prevailing trends in the market/Industry, compensation packages and also valuable contribution made by Mr. Akash Jain, attributing to the growth of approx. 167%, in the turnover of the Company during the year under review, the compensation of staff members was increased and the Board proposed to enhance remuneration payable to Mr. Akash Jain, Managing Director of the company, to Rs, 75, 000 per month, with effect from September 01, 2010, as under:-

	Existing	**Revised**
Basic Salary (Rs.)	25,000/-	55,000/-
HRA (Rs.)	10,000/-	20,000/-

However, all other terms and conditions, of the appointment of Mr. Akash Jain, will remain unchanged. The increased remuneration will be subject to the overall limits as provided under Section 198, 269, 309, 310, 311 and in terms of Section I of Part II of Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956.

The Directors of the Company on recommendation made by the Remuneration Committee have approved the proposal of increase in their remuneration, subject to the approval of the members.

Your Directors recommend the resolution for approval by the members of the Company.

The above variation in the terms of remuneration of Mr. Akash Jain, as mentioned in Item No. 7 of the Notice will be treated as an abstract under Section 302 of the Companies Act, 1956.

None of the Directors of the Company except Mr. Akasjh Jain, is in any way concerned or interested in this resolution.

By order of the Board of Directors

Registered Office:
14, Rani Jhansi Road,
New Delhi 110 055
4th September, 2010

Akash Jain
Chairman

To the members

Chandra Prabhu International Ltd. Your Directors are pleased to have this opportunity to report on Company's progress during the year 2009-2010 and to submit the 25th Annual Report & Audited Balance Sheet as on 31st march, 2010 and Profit & Loss Account for the period ended on 31st March, 2010.

	(Rs. in Lacs)	
Financial Results	**2009-10**	**2008-09**
Turnover/Income from operations	3465.20	1298.99
Other Income	52.65	23.73
Profit/(Loss) before tax, Interest & depreciation	180.29	53.22
Interest	16.76	6.87
Depreciation	14.01	8.09
Profit/(Loss) before tax	149.52	38.26
Provision for Taxation	36.00	5.00
Provision for Fringe Benefit Tax	Nil	1.50
Tax related to earlier years (FBT)	Nil	0.06
Tax related to earlier years	0.56	0.50
Deferred Tax	(1.37)	(0.07)
Profit/(Loss) after tax	114.33	31.27
Surplus brought forward from Previous Year	252.70	221.43
PROFIT AVAILABLE FOR APPROPRIATION	367.02	252.70
Appropriations:		
Proposed Dividend	36.98	NIL
Tax on Proposed Dividend	6.29	NIL
Transfer to General reserve	3.00	NIL
Surplus carried to Balance Sheet	320.75	252.70

OVERALL PERFORMANCE

The year under review resulted in Net Profit of Rs. 114.33 Lacs as compare to Net Profit of Rs. 31.27 Lacs during the previous year. The company has outperformed during the year and the turnover during the year increased by approx 167% at Rs. 3465.20 Lacs as against Rs. 1298.98 Lacs In the previous year. The management is hopeful to maintain the momentum of growth in future also.

DIVIDEND

The Board has recommended a final dividend of Rs. 1/- per equity share [@ 10% on face value of Rs 10/- per equity share] to be appropriated from the profits for the 2009-10 subject to the approval of shareholders at the ensuing general meeting. The dividend shall be paid in compliance with applicable regulations.

CORPORATE GOVERNANCE

Your company has complied with the mandatory provisions of clause 49, relating to Corporate Governance, of the Listing Agreement with the Stock Exchanges. A comprehensive report on Corporate Governance forming part of the Directors' Report and the certificate from the company's statutory auditors confirming the compliance of conditions on corporate governance is included in the Annual Report.

FUTURE PROSPECTS

With the existing trading portfolio of synthetic rubber, Petrochemical and Coal, the Company has improved significantly its overall performance in the past. The Company had extended its product portfolio to include minerals along with the existing products which will improve performance of the company in future. Turnover in coal has sustained the growth momentum as in the past and rubber has registered tremendous growth during the year and the company shall endeavor to capitalize further.

On an overall basis, we expect a robust growth and enhanced market share on the strength of its existing product portfolio, operational efficiency and enhanced network alongwith the successful implementation of trade in minerals in future. The Board expects that the Company will continue to improve its overall performance and excel to enhance the profitability of the Company, in the present economic scenario and huge potential demand of these products in the Indian market, via its strategy competency, operational efficiencies.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

FORWARD LOOKING STATEMENTS

Forward looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projects in any such forward- looking statements.

The Company assumes no responsibility to Company amends, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events

Chandra Prabhu International Ltd. is a well known name in the trading of Coal, Synthetic Rubber and Chemicals for last many years. Over the years Chandra Prabhu International Ltd. Has built a formidable reputation of being a completely professionally managed Company where customer satisfaction is of paramount consideration.

Industry: opportunities & Threats

ite of slow recovery of economic slowdown worldwide, India economy robust turnaround is distinctively marked a difference which is positive indication for the future of the company.

As per the detailed report published by 'Economic Advisory Council to the Prime Minister' on the 'Economic Outlook for FY 2010-2011' in India, the performance of the Indian economy in 2009-10 greatly exceeded expectations. The global economic and financial situation is recovering slowly. The implications of this, for India's strategy to return to the 9.0 per cent growth trajectory, are that public policy must promote business confidence and facilitate increased investment.

In 2009-10 the mining sector output grew at 10 per cent but a slowdown is expected in 2010-11 with a projected growth of 8.0 per cent in both output and GDP arising in the sector. Overall, expectation is GDP arising in the industrial sector to expand 9.6 per cent in 2010-11, rising to 10.3 per cent in 2011-12.

The company being a trading company the activities of the company can be broadly divided into four business segments i.e. coal, Synthetic Rubber, petroleum products and minerals.

The Indian coal industry is the fourth largest in terms of coal reserves and third largest in terms of coal production in the world. Recognized as the most important source of energy for electricity generation, other industries such as steel, cement, fertilizers and chemicals are major sectors of coal consumption. As per "Indian Coal Industry outlook till 2012" a market research report by RNCOS, coal requirement for the power utility will grow at a CAGR of around 10% during 2007-2008 to 2011-12,Coal demand from the Indian cement industry looks bright and it is expected that coal requirement by the industry will rise steadily and coking coal requirement in steel production is expected to touch over 85.34 million tonnes in 2011-12

The rubber industry in India is basically divided in two sectors - tyre and non-tyre sector produces all types of auto tyres, conventional as well as radial tyres and exports to advance countries like USA. The non-tyre sector comprises the medium scale, small scale and tiny units. It produces high technology and sophisticated industrial products. Asia is now the focus of growth in the rubber industry.

The company's rubber supply is mainly to footwear industry and it shall endeavour to extend its supplies to tyre industry also. Major players of the industries using coal and synthetic rubber as raw material would play a dominant role, in determination of your Company's future prospects.

Business Outlook and Overview:

The company is aggressively strengthing its coal and rubber business, where it has core competencies, by increasing its network and source of supplies. Further minerals as new product from the International market, added to its existing product portfolio would give further impetus to its growth momentum in line with the objectives of Long-term growth, in anticipation of huge demand of minerals, require for production of high purity material for use in electronics and other newly emerging technologies.

The company shall also endeavor to canalize with the exporters of automotive tyres and tubes, Rubber footwear, cycle tyres, Pharmaceutical goods, Rubber hoses, cots and aprons, Belts and beltings and Sheeting.

Market Influencing Factors such as season, growth in industrial production: automobile industry, the ratio of utilization of domestic production and imported rubber by tyre manufacturers, Government policies have a profound influence on rubber prices. These include subsidies, restrictions on ports etc., international rubber price movements, have a slow influence and lastly stockiest and speculators also play a significant role in influencing prices.

The overall performance o the Company depends largely on trading coal and imported synthetic rubber, the core of its business portfolio. Apart from strengthening its coal

Business, to gain competitive strength and consolidate customer relationship, the Company plans to foray in mineral in the future. The Company's subsidiaries M/s South west Drilling And Infrastructure Ltd., had ventured in the field of coal mining with third parties during the year.

Internal Control Systems and Cost:

The Company presently has an adequate internal control system. The Company has an Internal Audit Department headed by a senior executive of the Company. The Company has also appointed an External firm of Chartered Accountant for a continuous Internal Audit of the affair of the Company and the Reports are sent to the Directors of the Company. At the Branches, External Firm of Chartered Accountants specifically appointed for the purpose of Internal Audit simultaneously audits all the expenses.

The Company has undertaken an extensive exercise to control the overall cost and has finalized expenditure budget for all the Branches as well as the corporate office. All the Branches/Regional offices of the Company have been given specific cost budgets in order to monitor the costs as well as to explore and finalize ways of cost reduction.

Human Resource Development:

Human Resource is not only an integral part of any organisation but also strive its success and growth. The Company believes that human resources are the key resources and integral part the organisation and endeavours to create a culture of openness and empowerment amongst its employees and provide good carrier development.

Your Company believes in trust transparency & teamwork to improve employees productivity at all levels and is committed to the welfare of the employees and their families by putting review and reward system in place.

SUBSIDIARIES

The Audited statements of accounts along with Directors Report of the Company's wholly owned subsidiaries M/s Chandra Prabhu Overseas Ltd. and South West Drilling & Infrastructure Ltd., for the financial year ended 31st March, 2010, is annexed pursuant to the provisions of section 212 of the Companies Act, 1956.

AUDITORS

M/s. J.P.S. & Company, Chartered Accountants, Auditors of the company hold office until the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. Pursuant to Section 224(1B) of the Companies Act, 1956 they have confirmed that their appointment, if made, would be within the prescribed limits. Yours Directors recommend reappointment of M/s. J.P.S. & Company, Chartered Accountants, as Auditors of the company at the ensuing Annual General Meeting.

The notes to the accounts referred to in the Auditor's Report and the observations made in the Report under Companies (Auditor's Report) Order, 2003 are self-explanatory and therefore do not call for any further comments.

DIRECTORS RESPONSIBILITY STATEMENT

The information required to be furnished in terms of section 217 (2AA) of the Companies Act, 1956 are set out hereunder:

Your Directors confirmed:

i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

ii) that the directors had 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 profit or loss of the company for that period;

iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

iv) that the directors had prepared the annual accounts on a going concern basis.

The Company's Internal Auditor has conducted periodic audits to provide reasonable assurance that the Company's established policies and procedures have been followed.

DIRECTORS

In accordance with the provisions of Companies Act, 1956 and Company's Articles of Association, Mr. Ved Prakash Goel and Mr. Sudhanshu Mishra retire by rotation at the ensuing Annual General Meeting and are eligible for reappointment. Your Directors recommend reappointment of both Mr. Ved Prakash Goel and Mr. Sudhanshu Mishra on the Board.

Subject to approval of members at the ensuing Annual General Meeting, your Directors have increased remuneration payable to Mr. Akash Jain, Managing Director of the Company from existing Rs. 35,000 per month to Rs. 75,000 per month, effective from September 01, 2010.

Brief resume, pursuant to clause 49 of the Listing Agreement of the Directors proposed to be appointed/reappointed at the Annual General Meeting, nature of their expertise in specific functional areas and name of companies in which they hold directorship included in the notes to the Notice convening the Annual General Meeting.

CONSOLIDATED FINANCIAL STATEMENT

A Consolidated Financial Statements have been prepared by your company in accordance with the requirements of the Accounting Standards issued by the Institute of Chartered Accountants of India. The audited Consolidated Financial Statements together with Auditor's Report thereon forms part of the Annual Report.

PARTICULARS AS PER SECTION 217 OF THE COMPANIES ACT, 1956.

Your company does not have any employee, whose particulars are required to be given under the provision of section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended up to date.

Information with respect to Conservation Of Energy, Technology Absorption & Foreign Exchange Earning And Outgo, pursuant to section 217 (1)(e) of the Companies Act, 1956 is as follows:-

a.	Conservation of energy	Not Applicable	
b.	Technology Absorption	Not Applicable	(Rs. In Lacs)
c.	Foreign Exchange	Earnings Current Year	NIL
		Previous Year	NIL
d.	Foreign Exchange Outgo		
			(Rs. In Lacs)
	i) Foreign Traveling Expenses	Current Year	Rs. 0.52
		Previous Year	Rs. 1.09
	ii) CIF Value of Imports	Current Year	Rs. 1112.59
		Previous Year	Rs. 185.98

PUBLIC DEPOSITS

The Company has not accepted any fixed deposits from public till date within the meaning of Section 58A of the Companies Act, 1956 and rules made there under.

COMPLIANCE WITH THE LISTING AGREEMENT

The company's equity shares continue to be listed on the Stock Exchange, Mumbai (BSE) which has nation wide trading terminals. The company has paid the Annual Listing Fees to BSE for the Financial Year 2010-2011.

ACKNOWLEDGEMENT

Your Directors place on record their warm appreciation of the assistance and cooperation extended by various Government Departments, Authorities, Reserve Bank of India, Business Partners etc. Your Directors also place on record their deep appreciation of the support provided by the Bankers associated with the company.

Your company's employees are instrumental to your company achieving higher business goals. Your directors place on record their deep admiration of the commitment and contribution of your company's employees. Your support as shareholders is greatly valued. Your directors thank you and look forward to your continuance support.

for and on behalf of
the Board of Directors

Place: New Delhi
4th September, 2010

Akash Jain
Chairman

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Corporate Governance, as Chandra Prabhu International Ltd. believes, is concerned with principles of transparency, fairness, accountability and creation of long term value for shareholders while at the same time balancing interest of others stakeholders viz. Employees, Creditors, General Public & Society at large. Corporate Governance is crucial to the very existence of a company, as it builds trust and confidence, which eventually leads to a more stable and sustained resource flows and long-term partnership with its investors and other stakeholders.

2. COMPOSITION OF BOARD OF DIRECTORS:

(A) Presently the Board of the company consists of Five Directors with an optimum combination of Executive, Non Executive and Independent Directors. The composition of the Board is in conformity with the Listing Agreement. The Board meets regularly and is responsible for the proper direction and management of the Company. The composition of the Board, number of meetings held, attendance of the Directors at the Board Meetings and last Annual General Meeting and number of Directorship and Chairmanship/Membership of committees in other companies in respect of each Director is given herein below:

Name of Directors	Category	Attendance Particulars			Other Directorships #
		at Board Meetings held during 2009-2010		at AGM held on 30/09/2010	
		Held	Attended		
Managing Director					
Mr. Akash Jain	Promoter & Executive	11	11	Yes	6
Directors					
Mr. Piyush Jain (resigned on 18/11/2009)	Promoter & Non- Executive (Executive upto 31/05/2009)	11	8	Yes	2
Mr. Prakash Goyal	Independent Non-Executive	11	10	Yes	-
Mr. Sudhanshu Mishra	Independent Non-Executive	11	8	No	1
Mr Ved Prakash Goel	Independent Non-Executive	11	6	No	2
Mr. Jagdish Jhunjhunwala	Independent Non-Executive	11	5	No	3

 # No. of other Directorships indicated above is inclusive of Directorship of Private Limited companies. None of the Directors is either Chairman or Member of committees in other companies.

(B) Date and No. of Board Meetings held

During the Financial year ended March 31, 2010, the Board met 11 (eleven) times on 17th April 2009,30th April, 2009, 31st May,2009, 31st July, 2009, 3rd September,2009, 30th September, 2009, 28th October, 2009, 31st October, 2009, 18th November, 2009, 30th January, 2010 and 29th March, 2010.

3. AUDIT COMMITTEE:

(A) The Audit Committee of the company presently consists of three Non-Executive Independent Directors. The Chairman of the committee is an independent Director having financial and accounting knowledge. The composition of Audit Committee and attendance of Directors at committee meetings is shown below :

Name of Directors	Designation	Attendance at Committee Meetings	
		Held	Attended
Mr. Prakash Goyal	Chairman	5	5
Mr. Sudhanshu Mishra	Member	5	4
Mr. Ved Prakash Goel	Member	5	5

Internal Auditors, Statutory Auditors are invited to participate in the meetings of Audit Committee wherever necessary.

(B) Meeting / Attendance

During the financial year ended 31st March 2010 the Audit Committee of the company met five times. The dates of the meetings were 30th April, 31st July, 3rd September and 28th October in 2009 and 30th January in 2010.

(C) Terms of Reference :

The terms of reference of Audit committee cover the matters specified for audit committee under clause 49 of the Listing Agreement read with Section 292 A of The Companies Act, 1956.

4. REMUNERATION COMMITTEE:

(A) The Remuneration Committee consists of three Non Executive Independent Directors with Mr. S. Mishra as Chairman and Mr. Ved Prakash Goel and Mr. Prakash Goyal as members. The terms of reference of the Remuneration Committee include fixation of salary, perquisites etc. of Executive Directors.

(B) The following are the details of the remuneration paid to Managing/Executive Directors during the Financial Year under discussion:

Name of Directors	Salary	Perquisites
Mr. Akash Jain Managing Director	Rs. 4,20,000/-	NIL
Mr. Piyush Jain Executive Director (Upto 31/5/09)	Rs. 60,000/-	NIL

Non Executive Directors of the company were not paid any remuneration during the year under review.

5. SHAREHOLDER'S GRIEVANCE COMMITTEE:

Shareholder's Grievance Committee consisting of Mr. Sudhanshu Mishra, as Chairman of the committee and Mr. Prakash Goyal & Mr. Jagdish Jhujhunwala as its members to look into redressal of shareholders and investors grievances with respect to transfer of share, dematerialisation of shares, non receipt of declared dividend or Annual report etc. and other matters relating to shareholder relationship. The Shareholders grievance committee met on 3rd September, 2009, to take note of redressal of shareholders complaint received during the year by the Company. All the members of the committee were present in these both meetings.

All requests received for Share Transfer during the year were given effect within stipulated time. The total number of complaints received and replied to the satisfaction of shareholders during the year under review was NIL Outstanding complaints as on 31st March, 2010 were NIL.

Mr. Akash Jain, Managing Director has been designated as compliance officer to monitor the share transfer process and liaison with the regulatory authorities.

6. ANNUAL GENERAL MEETINGS:

(A) The last three Annual General Meetings of the company were held at 9.30 A.M. on 30th September, 2009 at B-2639, 1st Floor, Narela Industrial Area, Narela, Delhi-110040; 9.30 A.M. on 30th September, 2008 at B-2639, 1st Floor, Narela Industrial Area, Narela, Delhi-110040, 10.00 A.M. 30th September, 2007 at B-2639, 1st Floor, Narela Industrial Area, Narela, Delhi-110040.

7. DISCLOSURES:

The disclosures on related party transactions as per Accounting Standards 18 issued by the Institute of Chartered Accounts of India are given in Note No. 24 of the Notes to Accounts (schedule-22)

There were no penalties, strictures imposed on the company by the Stock Exchange or SEBI or any Statutory Authority or any matter related to Capital Market during the last three years.

8. MEANS OF COMMUNICATION:

The means of communication between the Company and the shareholders are transparent and investor friendly. The Annual, Half yearly and Quarterly results are submitted to the Stock Exchange in accordance with Listing Agreement and the same are published regularly in the newspapers. All price sensitive information is intimated at the earliest to the Stock Exchanges. Management discussions and Analysis forms part of Annual Report, which is posted to the Shareholders of the Company.

9. GENERAL SHAREHOLDER INFORMATION:

(i) The 25th Annual General Meeting of the Members of the Company is Scheduled to be held on Thursday the 30th day of September, 2010 at 11.30 A.M. at Khasra No. 77, Gurudwara Road, Siraspur, New Delhi-110042.

(ii) Financial calendar for the year 2010-2011

First Quarter Unaudited Financial Results	First Week of August, 2010
Second Quarter Unaudited Financial Results	First Week of November, 2010
Third Quarter Unaudited Financial Resulted	First Week of February, 2011
Audited Financial Results (estimated)	First Week of July, 2011

(iii) Details of Book Closure:

From Saturday, 25th September 2010 to Thursday, 30th September, 2010 (both days inclusive)

(iv) Listing on Stock Exchange :

Name of the Stock Exchange	Address of the Stock Exchange
The Stock Exchange Mumbai	1st Floor, New Trading Ring, Rotunda Building, P J Towers, Dalal Street, Fort, Mumbai- 400 001.

(v) Stock Code

Stock Code: 530309 (BSE)
Demat ISIN: INE 368D01017 (NSDL and CDSL)

(vi) Market Price Data:

For the financial year ended March, 2010 High/ Low prices on the Stock Exchange, Mumbai during each month is as follows:

Month	High (Rs.)	Low (Rs.)
April, 2009	10.53	8.58
May, 2009	10.45	7.91
June, 2009	11.99	8.35
July, 2009	10.31	6.66
August, 2009	10.82	7.70
September, 2009	11.78	8.32
October, 2009	15.00	9.78
November, 2009	17.07	13.25
December, 2009	17.65	14.30
January 2010	17.00	11.75
February 2010	16.20	11.40
March 2010	18.00	11.00

(vii) REGISTRAR AND TRANSFER AGENTS:

Alankit Assignment Ltd.
2E/21, Jhandewalan Extension,
New Delhi- 110 055
Ph : 011 42541234
Fax : 011 23552001
E-mail : info@alankit.com
Website : www.alankit.com

(viii) SHARE TRANSFER SYSTEM

Presently the Shares Transfers, which are received in physical forms, are processed and the share certificates returned within a period of 30 days from the date of receipts, subject to documents being valid and complete in all respects.

(ix) Distribution of Share holding :

(A) Distribution of Share holding as on 31st March, 2010:

No. of Shares held	Shareholders		No. of Shares	
	Number	% to Total	Shares	% to Total
Upto 500	1255	67.328	281330	7.608
501 to 1000	280	15.021	248409	6.717
1001 to 5000	269	14.431	623661	16.865
5001 to 10000	27	1.448	220944	5.975
10001 to 20000	8	0.429	108262	2.928
20001 to 30000	5	0.268	133665	3.615
30001 to 40000	3	0.161	105820	2.862
40000 to 50000	6	0.322	268587	7.263
50001 to 100000	5	0.268	340732	9.214
100000 and above	6	0.322	1366590	36.954
Total	1864	100.00	3698000	100.00

(B) Shareholding Pattern as on 31st March, 2010 :

Categories	No. of Shares	% of Shareholding
Indian Promoters	1645678	44.49
Persons Acting in Concert	125000	3.380
Institutional Investors	Nil	Nil
Corporate Bodies	325420	8.80
Indian Public	1598932	43.24
Non Resident Indians	2970	0.08
Total	**3698000**	**100**

(x) Dematerialisation of shares:

The Company has arrangement with National Securities Depository Ltd. (NSDL) as well as Central Depository Services (India) Ltd. (CDSL) for dematerialisation of shares with ISIN No. INE 368D01017 for both NSDL and CDSL. Those shareholders who wish to know more about the same may contact the Company's Registrar and Share Transfer Agents or the Share Department of the company.

As on 31st March, 2010, 35,08,585 Equity Shares of the Company have been dematerialised representing 94.87% of the total Paid up Equity Share Capital.

(xi) The Company has not issued any GDRs/ ADRs/ warrants or any Convertible Instruments.

(xii) Code of conduct:
The Board has laid down a code of conduct for all Board Members and senior management of the company. All Board Members and senior management personnel have affirmed compliance with the code for the financial year ended 31st March, 2010. A declaration to this effect form part of the report.

(xiii) Address for correspondence:

Shareholder Correspondence may be addressed to:

Registered Office:
Share Department
Chandra Prabhu International Ltd.
14, Rani Jhansi Road,
New Delhi 110 055
Ph: 011 - 23516567
Fax: 011 - 23553698
E-mail: investorgrievance@cpil.com

or

Registrar & Transfer Agent :
Alankit Assignment Ltd.
Unit : Chandra Prabhu International Limited
2E/21, Jhandewalan Extension,
New Delhi- 110 055
Ph: 011 - 42541234
Fax: 011 - 23552001
E-mail: info@alankit.com

Declaration - Code of Conduct

All the Board Members and senior management personnel have, for the financial year ended 31st March, 2010, affirmed compliance with the code of conduct laid down by the Board of Directors in terms of the listing agreement with Stock Exchange.

For Chandra Prabhu International Ltd.

Akash Jain
Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of Chandra Prabhu International Ltd.

We have examined the compliance of Corporate Governance by Chandra Prabhu International Limited (the company) for the year ended on March 31, 2010 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 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 and the representation made by the Directors and the management, we certify that the company has complied with the conditions of corporate governance as stipulated in *Clause 49* of the *Listing Agreement*.

We state that no shareholder grievance is pending for a period exceeding one month against the company as per the records maintained by the Shareholder's Grievance Committee.

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

***for* J P S & COMPANY**
Chartered Accountants
Firm Reg. No. 004086N

J C VERMA
PARTNER
M. No. 83210

PLACE : NEW DELHI
DATED : 4th September, 2010

TO THE MEMBERS OF
CHANDRA PRABHU INTERNATIONAL LIMITED

1) We have audited the attached Balance Sheet of **M/S CHANDRA PRABHU INTERNATIONAL LIMITED** as at March 31, 2010 and also the Profit and Loss Account of the Company for the year ended on that date annexed thereto and the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

2) We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

3) As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) Order 2004 (together the "Order") issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us during the course of the audit, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order:

4) Further to our comments in the Annexure referred to in paragraph 3 above, we report that :

a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.

d) In our opinion, the Balance Sheet, the Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the mandatory Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956 to the extent applicable.

e) In our opinion, and based on information and explanation given to us, none of the directors are disqualified as on 31st March 2010 from being appointed as directors in terms of clause (g) of Sub-section (1) of section 274 of the Companies Act, 1956;

f) In our opinion and to the best of our information and according to explanations given to us, the said accounts read together with the significant Accounting Policies and other notes thereon give information required by the Companies Act, 1956, in the manner so required and present a true and fair view in conformity with the accounting principles generally accepted in India :

   i) In so far as it relates to Balance Sheet, of the **State of Affairs** of Company as at March 31, 2010;

   ii) In so far as it relates to Profit and Loss Account, of the **Profit** of the Company for the year ended on that date.

   iii) In so far as it relates to the **Cash Flow statement,** of the cash flow of the Company for the year ended on that date.

for **J P S & COMPANY**
Chartered Accountants
Firm Reg. No. 004086N

J C VERMA
PARTNER
M. No. 83210

PLACE : NEW DELHI
DATED : 2nd September, 2010

ANNEXURE

ANNEXURE TO THE AUDITORS' REPORT

Referred to in Paragraph 3 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, all the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.

c. In our opinion, the Company has not disposed of substantial part of 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, inventories have been physically verified by the management at regular interval during the year except for stock in transit.

b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company.

c. The Company has maintained proper records of inventories. As explained to us, and in our opinion, the discrepancies noticed on physical verification of inventory as compared to the book records were not material.

3. In respect of the loans, secured or unsecured, granted or taken by the company to/from companies, firm or other parties covered in the register maintained under section 301 of the Companies Act, 1956.

a. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, or other parties covered in the register maintained u/s 301 of the Companies Act, 1956, other than interest free advances aggregating to Rs. 64,50,000/- granted during the year to South West Drilling & Infrastructure Ltd wholly owned subsidiary for setting up new projects and making strategic investments in other subsidiaries/Companies.
The maximum amount due during the year is Rs. 1,33,17,046/- and the year end balance of the advances so granted is Rs. 1,32,17,046/.

b. In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such advances, may not be considered prima facie prejudicial to the interest of the Company.

c. As there are no loans granted, secured or unsecured, comments on repayment of the principal amount and payment of interest is not required.

d. There is no overdue amount of loans granted to companies listed in the register maintained u/s 301 of the Companies Act, 1956.

e. As informed, the company has not taken any loans, secured or unsecured from companies, firms, or other parties covered in the register maintained u/s 301 of the Companies Act, 1956.

4. In our opinion and according to the information and explanation given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods and services. During the course of our audit, no major weaknesses have been noticed in the internal control system in respect of these areas.

5. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:

a) Based on audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that there are no transactions or contracts that need to be entered into the register maintained under section 301 of the Companies Act, 1956.

6. The Company has not accepted any deposits from the public.

7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

8. According to the information and explanation given to us, the Central Government has not prescribed maintenance of cost records under Section 209 (1)(d) of the Companies Act, 1956.

9. In respect of statutory dues :

a. The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Value Added Tax, Central Sales Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues as applicable to it except in certain instances where delay were noticed.

b. On the basis of information and records produced before us, undisputed statutory dues which are outstanding as on 31.03.2010 for a period of more than six months from the date they became payable are, Income Tax Dues for the financial year 1995-96 Rs. 7,34,312 and 1999-2000 Rs.6,38,634.

10. The Company has no accumulated losses at the end of the financial year March 31, 2010. Further, the company has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.

11. Bases on our audit procedures and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.

12. In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.

13. In our opinion, 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, are not applicable to the Company.

14. Based on our examination of records and evaluation of the related internal controls, we are of the opinion that proper records have been maintained of the transactions and contracts and timely entries have been made in those records. We also report that the Company has held the investments in its own name.

15. In our opinion and according to the information and explanations given to us, where the Company has given guarantee for loans taken by its subsidiaries from banks financials institutions, the terms and conditions thereof are not prejudicial to the interest of the Company.

16. In our opinion and according to the information and explanations given to us term loan were applied for the purposes for which the loans were obtained.

17. According to the information and explanation given to us and on the overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short-term basis that have been used for long-term investment and vice versa.

18. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.

19. During the year, the Company has not issued any debentures.

20. The Company has not raised any monies by way of public issue during the year.

21. In our opinion and explanation given to us, no fraud on or by the company has been noticed or reported during the year that causes the financial statements to be materially misstated.

for **J P S COMPANY**
Chartered Accountants
Firm Reg. No. 004086N

J C VERMA
Partner
M. No. 83210

Place : New Delhi
Date : 2nd September, 2010

BALANCE SHEET AS AT 31ST MARCH, 2010

Particulars	Schedule	As At 31st March, 2010 Rs.	As At 31st March, 2009 Rs.
SOURCES OF FUNDS			
Shareholders' Funds :			
Share Capital	01	36980000	36980000
Reserves & Surplus	02	34864982	27758969
		71844982	64738969
Loan Funds :			
Secured Loans	03	8812472	10566283
Unsecured Loans	04	2079202	2079202
TOTAL		82736656	77384454
APPLICATION OF FUNDS			
Fixed Assets :	05		
A - Gross Block		15887253	15518308
B - Less : Depreciation		5561100	5834122
C - Net Block		10326153	9684186
Investments	06	3360463	3360463
Current Assets, Loans & Advances			
A - Inventories	07	24285556	19208040
B - Sundry Debtors	08	46888268	12942734
C - Cash & Bank Balances	09	8991566	4892059
D - Other Current Assets	11	6307318	2966420
E - Loans & Advances	12	52911572	39454779
		139384280	79464033
Less: Current Liabilities & Provisions			
A - Liabilities	13	66455486	18575409
B - Provisions	14	8116884	650000
Net Current Assets		64811910	60238624
Miscellaneous Expenditure [to the extent not written off or adjusted]			
Deferred Tax Asset (Net)	10	4238130	4101181
TOTAL		82736656	77384454
Significant Accounting Policies & Notes to Account	22		

For and on behalf of Board of Directors

As per our Report of even date

Akash Jain
Managing Director

Prakash Goyal
Director

for **J P S & COMPANY**
Chartered Accountants
Firm Reg. No. 004086N

Place : New Delhi
Date : 2nd September, 2010

J C VERMA
Partner
M. No. 83210

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

Particulars	Schedule	For the Year Ended 31st March, 2010 Rs.	For the Year Ended 31st March, 2009 Rs.
INCOME			
Sales	15	346520262	129898507
Other Income	16	5265378	2373182
		351785640	132271689
EXPENDITURE			
Cost of Sales	17	325852427	122220504
Administrative Expenses	18	2539216	2257444
Personnel Expenses	19	2047938	1985532
Financial Cost	20	2480934	1114530
Selling Expenses	21	2512440	58603
Depreciation	05	1400660	809011
		336833615	128445624
PROFIT / (LOSS) FOR THE YEAR BEFORE TAXATION		14952025	3826065
Tax Expenses			
Current Tax		3600000	500000
Deferred Tax Liability/(Assets)		(136949)	(6719)
Fringe Benefit Tax		-	150000
Profit/(Loss) After Tax		11488974	3182784
Tax related to earlier years (FBT)		-	5865
Tax related to earlier years		56461	50227
Profit/(Loss) After Tax		11432513	3126692
Add: Surplus brought forward from Previous year		25269678	22142986
Amount available for Appropriation		36702191	25269678
APPROPRIATIONS			
Less : Proposed Dividend		3698000	-
: Tax on Proposed Dividend		628500	-
: Transfer to General Reserve		300000	-
		4626500	-
Surplus Carried to Balance Sheet		32075691	25269678
No. of shares		3698000	3698000
Earning Per share		3.09	0.85
Nominal Value of Each Share		10	10
Significant Accounting Policies & Notes to Account	22		

For and on behalf of Board of Directors

As per our Report of even date

Akash Jain
Managing Director

Prakash Goyal
Director

for **J P S & COMPANY**
Chartered Accountants
Firm Reg. No. 004086N

Place : New Delhi
Date : 2nd September, 2010

J C VERMA
Partner
M. No. 83210

CASH FLOW STATEMENT

(Amount in Rs.)

Particulars	For the Year Ended 31st March, 2010	For the Year Ended 31st March, 2009
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax & extra ordinary items as per Profit & Loss Account	14952025	3826066
Adjustment for :		
Depreciation	1400660	809011
Interest Expenses	1675998	686933
Discount Received on DEPB	(660370)	(102106)
Interest Income	(2897935)	(124812)
Prior Period Expenditure	-	4124
(Loss)/Profit on Sale of Fixed Assets	195613	-
Operating profit before Working Capital change	14665991	5099216
Adjustment for :		
Tax Related to earlier years	(56461)	(56092)
Decrease in Sundry Creditors and other payables	55346963	(745539)
(Increase)/Decrease in Sundry Debtors	(33945533)	19792698
(Increase)/Decrease in Loans & Advances	(13456793)	(12023103)
(Increase)/Decrease in other assets	(3340898)	3382
(Increase)/Decrease in Inventories	(5077516)	(13712962)
Cash Generated from Operations	14135753	(1642399)
Income Tax (Paid)/Provided	(3600000)	(500000)
Fringe benefit tax Paid	-	(150000)
Net Cash Generated from Operations	10535753	(2292399)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)		
B-CASH FLOW FROM INVESTING ACTIVITIES		
(Purchase) of Fixed Assets	(2523244)	(4029766)
Sale of Fixed Assets	285000	-
Interest Received	2897936	124812
Discount Received on DEPB	660370	102106
NET CASH USED IN INVESTING ACTIVITIES (B)	1320062	(3802848)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Dividend including Dividend Tax	(4326500)	-
Proceeds from borrowings	-	(1277204)
Repayment of borrowings	193605	2906382
(Decrease)/Increase in cash & credit	(1947415)	4446831
Interest on Borrowings	(1675998)	(686933)
Prior Period Expenditure	-	(4124)
NET CASH PROCEEDS FROM FINANCE ACTIVITIES ('C)	(7756308)	5384952
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	4099507	(710295)
CASH AND CASH EQUIVALENTS AT START OF YEAR	4892059	5602354
CASH AND CASH EQUIVALENTS AT CLOSE OF YEAR	8991566	4892059

For and on behalf of Board of Directors

As per our Report of even date

Akash Jain
Managing Director

Prakash Goyal
Director

for **J P S & COMPANY**
Chartered Accountants
Firm Reg. No. 004086N

Place : New Delhi
Date : 2nd September, 2010

J C VERMA
Partner
M. No. 83210

Schedules Forming Part of the Balance Sheet

(Amount in Rs.)

Particulars	As At 31st March, 2010	As At 31st March, 2009
SCHEDULE - 01		
SHARE CAPITAL		
Authorised		
5000000 Equity Shares of Rs.10/-each	50000000	50000000
Issued Subscribed & Paid up		
3698000 Equity Shares of Rs.10/-each	36980000	36980000
TOTAL	36980000	36980000
SCHEDULE - 02		
RESERVES & SURPLUS		
General Reserve		
Opening Balance	2489291	2489291
Add ; Transferred from Profit & Loss Account	300000	-
	2789291	2489291
Surplus from Profit & Loss Account	32075691	25269678
TOTAL	34864982	27758969
SCHEDULE - 03		
SECURED LOANS		
Vehicle Loan (Secured against hypothecation of vehicles)	3628235	3434630
Cash Credit Limit	5184237	7131653
(Secured by Hypothecation of Inventory & Book Debts)		
TOTAL	8812472	10566283
SCHEDULE - 04		
UNSECURED LOANS		
From Bodies Corporate	2079202	2079202
TOTAL	2079202	2079202
SCHEDULE - 06		
INVESTMENTS (LONG TERM)		
Investment in Quoted Shares		
518292 equity shares of M/s Hilton Rubbers Ltd. fully paid up (face value Rs. 10/- per share) (Market Value Rs.466463/- Previous Year Rs.466463/-)	466463	466463
Investment in Unquoted Shares		
239400 Shares of M/s Chandra Prabhu Overseas Ltd. fully paid up (face value Rs. 10/- per share)	2394000	2394000
Investment in Unquoted Shares		
50000 Shares of M/s South West Drilling & Infrastructure Ltd. fully paid up (face value Rs. 10/- per share)	500000	500000
TOTAL	3360463	3360463

Schedules Forming Part of the Balance Sheet

SCHEDULE - 05 FIXED ASSETS

			GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
SL. NO.	DESCRIPTION		AS AT 01.04.2009 (Rs.)	ADDITIONS DURING THE YEAR (Rs.)	SALE/ ADJUSTMENT DURING THE YEAR (Rs.)	TOTAL AS AT 31.03.2010 (Rs.)	UP TO 31.03.2009 (Rs.)	FOR THE YEAR (Rs.)	DEDUCTION/ ADJUSTMENT DURING THE YEAR (Rs.)	AS AT 31.03.2010 (Rs.)	AS AT 31.03.2010 (Rs.)	AS AT 31.03.2009 (Rs.)
1	LAND	0.00%	5154290	-	-	5154290	-	-	-	-	-	5154290
2	VEHICLES	25.89%	6683350	1865444	2154299	6394495	2588671	1248545	1673686	2163530	2605562	3515803
3	PLANT & MACHINERY	13.91%	131221	-	-	131221	111597	2730	-	114327	16894	19624
4	FURNITURE & FIXTURES	18.10%	861076	-	-	861076	776845	15246	-	792091	68985	84231
5	AIR CONDITIONERS	13.91%	465631	21000	-	486631	398279	11290	-	409569	77062	67352
6	OFFICE EQUIPMENTS	13.91%	757554	-	-	757554	609749	20560	-	630309	127245	147805
7	COMPUTERS	40.00%	1146386	135800	-	1282186	1081857	47879	-	1129736	152450	64529
8	GENERATORS	13.91%	208800	449000	-	657800	178301	50100	-	228401	429399	30499
9	XEROX MACHINE	13.91%	110000	52000	-	162000	88824	4313	-	93137	68863	21176
	TOTAL		**15518308**	**2523244**	**2154299**	**15887253**	**5834123**	**1400660**	**1673686**	**5561100**	**10326153**	**9105309**
	PREVIOUS YEARS FIGURE		11488542	4029766	4308598	11209710	5025111	809011	3347372	2486750	8722960	6463431

Schedules Forming Part of the Balance Sheet

(Amount in Rs.)

Particulars	As At 31st March, 2010	As At 31st March, 2009
SCHEDULE - 07		
INVENTORIES		
a) Synthetic Rubber & Chemicals	19211143	7451368
b) Equity Shares	1786355	1786358
c) Stock in transit - Coal	-	9970314
d) Metal Scrap	3288058	-
TOTAL	24285556	19208040
SCHEDULE - 08		
SUNDRY DEBTORS		
[Unsecured Unless otherwise stated]		
Exceeding six months (considered good)	45930248	837738
Other Debts (Considered good)	958020	12104996
	46888268	12942734
TOTAL	46888268	12942734
SCHEDULE - 09		
CASH & BANK BALANCES		
Cash in Hand	3068527	1102572
Balances With Scheduled Banks		
In Current Accounts	3148039	1029487
In FDR	2775000	2710000
Cheque in Hand	-	50000
TOTAL	8991566	4892059
SCHEDULE - 10		
Deferred Tax Asset	4101181	4094462
Add: During The Year	136949	6719
TOTAL	4238130	4101181
SCHEDULE - 11		
OTHER CURRENT ASSETS		
Prepaid Expenses	74893	43630
Other Receivables	6232425	2922790
TOTAL	6307318	2966420
SCHEDULE - 12		
LOANS & ADVANCES		
(Unsecured and Considered Good)		
[Recoverable in cash or in kind or for value to be received/adjusted]		
Tax Deducted At Source	311407	25503
Advance to Customers	31661743	17862923
Other Advances	14748804	13545121
Staff Advances	69751	30653
Security & Other Deposits	6072776	7970033
VAT Receivable	-	20546
Insurance Claim form ICICI Lombard	47091	-
TOTAL	52911572	39454779

Schedules Forming Part of the Balance Sheet

(Amount in Rs.)

Particulars		As At 31st March, 2010	As At 31st March, 2009
SCHEDULE - 13			
CURRENT LIABILITIES			
A - Sundry Creditors			
For Supplies		45155821	9994640
For Services & Expenses		2184432	462282
		47340253	10456922
B - Other Liabilities		11215233	2218487
C - Advance from Customers		7900000	5900000
	TOTAL	66455486	18575409
SCHEDULE - 14			
PROVISIONS			
For Taxation		3782965	500000
For FBT		7419	150000
For Proposed Dividend		3698000	-
For Tax on Proposed Dividend		628500	-
	TOTAL	8116884	650000
SCHEDULE - 15			
SALES			
Coal		184015298	85945030
Synthetic Rubber & Chemicals		156882509	37458410
Highseas Sale		5060815	5801067
Sale of Caalcite Powder		561640	694000
	TOTAL	346520262	129898507
SCHEDULE - 16			
OTHER INCOME			
Interest Received		2860426	79253
Discount Received on DEPB		660370	102106
Foreign Currency Fluctation		1707073	-
Interest on FDR		37509	44709
Miscellaneous Balances W/Off		-	1612808
Miscellaneous Income		-	533456
Interest Rec. on Income Tax Refund		-	850
	TOTAL	5265378	2373182
SCHEDULE - 17			
COST OF SALES			
Purchase of Goods Domestic		179179815	85352586
Imported		113681978	18597772
Manufacturing Exp. Inward Freight, Cartage & Transportation		3341686	31983108
Labour Charges		34726466	-
		330929945	135933466
Increase(-)/Decrease (+)in stock			
Closing Stock	24285556		
Less: Opening Stock	19208038	(5077518)	(13712962)
	TOTAL	325852427	122220504

Schedules Forming Part of the Balance Sheet

(Amount in Rs.)

Particulars	As At 31st March, 2010	As At 31st March, 2009
SCHEDULE - 18		
ADMINISTRATIVE EXPENSES		
Advertising Expenses	93955	50414
Rent	388700	231600
Insurance	54402	32583
Electricity Expenses	125187	166057
Telephone/ Fax Expenses	232464	180716
Printing & Stationary	77756	47578
Postage & Telegram	24952	12039
Office Expenses	62371	41638
News Paper / Books & Periodcals	11795	10203
Travelling & Conveyance Expenses	114135	166302
Foreign Travelling Expenses	119046	451001
Professional Charges	89333	28196
Internal Audit Fees	11030	11030
Auditor's Remuneration	82174	62321
Filing Fees	7851	4140
Listing Fees	11130	11084
Demateriliasation Exp.	34840	28551
Charity & Donation	-	9600
General Expenses	23953	25329
Vehicle Running Expenses	51489	72882
AG.M. Expenses	22455	33063
Computer Expenses	19018	30585
Repair & Maintenance	7790	18225
Generator Running Expenses	56578	32300
Retainership Fee	30000	30000
Rate & Taxes	-	28940
Service Tax & Demand	3725	-
Bad Debts Written Off	253394	-
Scooter Running Expenses	5133	750
Testing Charges	14714	13362
Insurance - Godown	60279	18215
Membership Charges	251000	185650
AMC Charges	5500	4283
CST Demand	11868	-
Employee Compensation	-	37022
Prior Period Expenditure	-	4124
Festival Celebration exp (Diwali)	20268	-
Rate Fluctuation	-	177661
Insurance Farm House	12409	-
Loss on Sale of Car	148522	-
TOTAL	2539216	2257444
SCHEDULE - 19		
PERSONNEL EXPENSES		
Salaries, Wages & Bonus	1222270	1750167
Contribution to Provident & Other Funds	687526	118214
Staff Welfare Expenses	138142	117151
TOTAL	2047938	1985532

Schedules Forming Part of the Balance Sheet

(Amount in Rs.)

Particulars	As At 31st March, 2010	As At 31st March, 2009
SCHEDULE - 20		
FINANCIAL COST		
Bank Interest	1213496	422413
Bank Charges	804936	427597
Interest on TDS	46	-
Financial Charges	462456	264520
TOTAL	2480934	1114530
SCHEDULE - 21		
SELLING EXPENSES		
Business Promotion	59272	12960
Freight & Cartage Outward	206176	45643
Commission/Discount Allowed	2246992	-
TOTAL	2512440	58603

SCHEDULE - 22

NOTES ON ACCOUNTS
SIGNIFICANT ACCOUNTING POLICIES:

1. **Basis of Accounting**

i) The financial statements have been prepared on the historical cost convention in accordance with generally accepted accounting policies and in accordance with applicable accounting standards.

ii) The company generally follows the Mercantile System of Accounting and recognizes Income and Expenditure on accrual basis except stated otherwise.

2. **Fixed Assets.**

Fixed Assets are stated at cost of acquisition including expenses directly attributable thereto.

3. **Depreciation**

Depreciation on fixed assets has been provided on "Written Down Value" method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956 as amended.

Depreciation is calculated on a pro-rata basis only in respect of additions to Fixed Assets having a cost in excess of Rs. 5000/- Assets costing upto Rs. 5000/- are fully depreciated in the year of purchase.

4. **Investments.**

All long-term unquoted investments are valued at cost & quoted investments at their depleted value.

5. **Inventories.**

Traded goods inventories are stated at lower of cost or net realizable value. Inventory of shares is valued at cost.

6. **Foreign Exchange Transaction.**

Gains/Losses arising out of fluctuation in exchange rates are accounted for on the basis of payments. Fluctuation in foreign exchange realization is being credited/charged to Profit & Loss Account.

7. **Revenue Recognition.**

a) Sale are recognized when the products are shipped or services rendered. Sales Tax and Value Added Tax are excluded.

b) Dividend from investments is recognized in the Profit & Loss Account on receipt basis.

8. **Employee Benefits.**

Short Term employee benefits:-

Short term employee benefits are recognized as an expense on an undiscounted basis in the P & L Account of the year in which the related services are rendered.

Post Employed Benefits:-

Employees contribution to the Provident Fund and Employees Pension Scheme, a defined contribution plan is made in accordance with the Provident Fund Act, 1952 r.w. The Employees Pension Scheme, 1995.

Long Term Benefits:-

The liability of leave encashment and other compensated absences is recognized on arithmetical basis at the end of the year are charged to revenue each year.

Gratuity amounting to Rs. 16,250/- has been provided in the books of account on accrual basis.

9. **Taxes on Income.**

Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognized, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable to reversal in one or more subsequent periods.

Deferred Tax Assets (Net)

The components of Deferred tax liability and assets as

on 31st March, 2010 are as under :-

		2009-10 (Amt. in Rs.)	2008-09 (Amt. in Rs.)
Deferred (Liability)/Asset for Tax purpose			
Depreciation	=	**426949**	(11514)
Deferred Revenue Expenditure Written off	=	-	-
Provision for retirement benefits	=	**16250**	33258
Provision for doubtful debts	=	-	-
Provision written back for doubtful debts	=	**NIL**	NIL
Net Deferred Liability /(Assets)	=	**443199**	21744
Net Deferred Tax Assets	=	**136949**	6719
Net Deferred Tax Liability/(Assets)=		**136949**	6719

10. A sum of Rs. 27,67,781.60/- being shown as recoverable under Schedule no. 11 of Current Assets is an amount deposited under protest as Anti Dumping Duty imposed by the Customs Authority Delhi on Synthetics Rubber (Styrene Butadiene KHS-68) which is being contested and the company is hopeful of recovery.

11. Contingent liabilities (not provided for) in respect of :

Demands not acknowledged as debts and not provided for, in respect of which the matters are in appeal and exclusive of the effect of similar matters in respect of assessments remaining to be completed.

		2009-2010 (Amt. in Rs.)	2008-2009 (Amt. in Rs.)
a)	Foreign LCs	**25,258,726**	Nil

b) An ex-employee has filed a suit against the Company before the labour court against termination, liabilities unascertained.

c) The Income Tax cases decided in Company's favour by ITAT and Department is in further Appeal for A.Y.1997-98 & 1998-99 although The H'oble Court has decided similar issues in favour of assesses.

d) The company has given a guarantee to L & T Finance Ltd. in respect of loan taken by its subsidiary South West Drilling & Infrastructure Ltd.

13. Balances of sundry debtors & sundry creditors are subject to confirmations from the respective parties.

14. There are no outstanding balances as on 31st March 2010 in Unclaimed Dividend Account.

15. Earning per share

	2009-10 (Amt. in Rs.)	2008-09 (Amt. in Rs.)
Profit Before Taxation	14952025	3826065
Before Extra Ordinary Income		
Less : Current Year Tax	**3600000**	500000
Deferred Tax	**(136949)**	(6719)
FBT	-	150000
Tax Related to earlier year (FBT)	-	5865
Tax Related to earlier years	**56461**	50227
Profit after tax Before Extra Ordinary Items	**11432513**	3126692
Extra Ordinary Items	-	-
Profit after tax After Extra Ordinary Items	**11432513**	3126692
Equity Shares	**3698000**	3698000
E.P.S. Basic/ diluted Before Extra Ordinary Items	**3.09**	0.85
After Extra Ordinary Items	**3.09**	0.85
Face Value per share	**10**	10

16. Cash Flow Statement for the year ended 31st March, 2010 is annexed.

17. Quantitative details of goods traded is annexed.

18. The details of Prior Period Adjustment account are :

	2009-10 (Amt. in Rs.)	2008-09 (Amt. in Rs.)
Expenses	**NIL**	4124

19. Earnings in Foreign Currency :

2009-10	2008-09
NIL	NIL

20. Expenditure incurred in Foreign Currency :

	2009-10 (Amt. in Rs.)	2008-09 (Amt. in Rs.)
On account of Foreign Traveling	**52,075**	1,09,455

21. Value of Imports on CIF basis :

	2009-10 (Rs. In Lacs)	2008-09 (Rs. In Lacs)
Trading Goods	**1112.59**	185.98

22. A) Detail of Remuneration to Auditors :

	2009-10 (Amt. in Rs.)	2008-09 (Amt. in Rs.)
As Audit Fees	**65,629**	50,188
In other Capacity	**15,994**	5169
Tax Audit	**16,545**	12,133
	98,168	67,490

B) Detail of Managerial Remuneration :

Managing / Whole Time Director

	2009-10 (Amt. in Rs.)	2008-09 (Amt. in Rs.)
Salary	**3,40,000**	3,80,000
Perquisites	**NIL**	NIL
Other Allowances	**1,40,000**	1,60,000
Sitting Fee & Other Benefits	**NIL**	NIL
TOTAL	**4,80,000**	5,40,000

23. Previous year's figures have been regrouped / rearranged / re-casted wherever necessary to make them comparable with current year's figures. All figures have been rounded off to the nearest rupee.

24. Related party transactions :

a) Related Party where control exist:
Subsidiaries
i) Chandra Prabhu Overseas Ltd.
ii) South West Drilling & Infrastructure Limited

b) Name of the Related party where transactions have taken place during the year
i) Nil
ii) **Key Management Personnel.**
Managing Director
Sh. Akash Jain
Directors
Sh. Piyush Jain (Ex. Director upto 31/05/09)
(Director upto 18/11/09)
Sh. Prakash Goyal
Sh. Sudhanshu Mishra
Sh. Ved Prakash Goel
Sh. Jagdish Jhunjhunwala

c) Related Party Transactions (Key Management Personnel)

Name of Related Party Desc. of Relationship	Nature of Transaction	Amount Rs.
Mr.Akash Jain Managing Director	**Remuneration**	**4,20,000.00**
Mr. Piyush Jain Exec. Director	**Remuneration (Upto 31/05/09)**	**60,000.00**

Amount outstanding at the end of the year with all related parties :
On account of Rent : Rs. NIL
On account of Salaries : Rs. NIL

ii) **Disclosure required by clause 32 of the Listing Agreement**
Amount of Loans/Advances in the nature of loans outstanding from subsidiaries during 2009-10

Name of Subsidiaries	Outstanding as on March 31, 2009	Maximum account outstanding during the year	Investment in shares of subsidiaries of the Co. (No. of shares)
(i) CPOL	375000	375000	239400
(ii) SWDIL	13217046	13317046	50000

Note : CPOL - CHANDRA PRABHU OVERSEAS LTD. & SWDIL - SOUTH WEST DRILLING & INFRASTRUCTURE LTD.

25. Segment Reporting

The Company is predominantly engaged in commodities trading of Rubber & Chemicals, Coal & Fabric, which have been identified as main business segment

(Amount in Lacs)

S. No.	Particulars	Commodities		Unallocable		Total	
		2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
1	**Revenue**						
	Intersegment Sale	**3465.20**	1298.99	-	-	**3465.20**	1298.99
	Other Income	-	-	**52.65**	23.73	**52.65**	23.73
	Total Net Sales/Income from operations						
2	**Results**						
	Segment Results	**96.87**	14.53	**52.65**	23.73	**166.28**	45.13
	Operating Profit/(Loss)					**166.28**	45.13
	Interest Exp.					**(16.76)**	(6.87)
	Profit/(Loss) before Tax					**149.52**	38.26
	Current Tax					**36.00**	(5.00)
	Tax related to earlier years (FBT)					-	(0.06)
	Tax related to earlier years					**0.56**	(0.50)
	FBT Tax					-	(1.50)
	Deferred Tax					**(1.37)**	(0.07)
	Profit /(Loss) after Tax					**114.33**	31.27
3	**Other information**						
	Segment Assets	**1530.71**	914.63	-	51.47	**1530.71**	966.10
	Segment Liability	**811.38**	311.33	-	-	**811.38**	311.33
4	**Other**						
	Capital Expenditure	**676.95**	562.29	-	-	**676.95**	562.29
	Depreciation	**14.01**	8.09	-	-	**14.01**	8.09
	Non cash expenses other than depreciation	-	-	-	-	-	-

1. The Company's assets/liability which are not directly attributable to the business segment are shown as unallocable exp./assets/liability.
2. Trading of commodities like Synthetic Rubber, Petrochemical Products, Coal & Fabric, Agro Activity etc. has been the core business activity of the company but the company has ceased to carry out the agro activity. Accordingly, reported business segments have been reclassified in accordance with AS-17.
3. There is no geographical segment, as major turnover of the company takes place indigenously.

26. *Quantitative Details of Goods Traded/Manufactured*

S. No.	Item	M.T./Kgs	Period	Opening Stock		Purchases/Receipts		Sales/Consumption		Closing Stock	
		Mtrs/Nos.	Ending	Qty.	Amt. (Rs.)	Qty.	Amt. (Rs.)	Qty.	Amt. (Rs.)	Qty.	Amt. (Rs.)
1	**SyntheticRubber**										
	& Chemicals	**M.T.**	**Curr. Yr.**	**102250**	**7451369**	**1860118**	**1550189**	**1676008**	**155496397**	**286845**	**19211143**
	SyntheticRubber										
	& Chemicals	M.T.	Prev. Yr.	97.440	3290641	1091.847	43254470	1087.037	43953477	102250	7451369
2	**Metal**	**M.T.**	**Curr. Yr.**	**-**	**-**	**75830**	**3288058**	**-**	**-**	**75830**	**3288058**
	Metal	M.T.	Prev. Yr.	-	-	-	-	-	-	-	-
3	**Coal**	**M.T.**	**Curr. Yr.**	**2606**	**9970314**	**57934.89**	**132822461**	**60540.89**	**184015297**	**-**	**-**
	Coal	M.T.	Prev. Yr.	268	418080	27260	59763586	24922	85944630	2606	9970314
3	**Shares**	**Nos.**	**Curr. Yr.**	**-**	**1786355**	**-**	**-**	**-**	**-**	**-**	**1786355**
	Shares	Nos.	Prev. Yr.	-	1786358	-	-	-	-	-	1786358
				104856	**19208038**	**1993883**	**291129436**	**1736549**	**339511694**	**362675**	**24285556**

For and on behalf of Board of Directors

As per our Report of even date

Akash Jain
Managing Director

Prakash Goyal
Director

***for* J P S & COMPANY**
Chartered Accountants
Firm Reg. No. 004086N

Place : New Delhi
Date : 2nd September, 2010

J C VERMA
Partner
M. No. 83210

BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE

1. REGISTRATION DETAILS

Registration No. 19441 State Code : 55
Balance Sheet Date : 31.03.2010

2. CAPITAL RAISED DURING THE YEAR (AMOUNT Rs. IN THOUSANDS)

Public Issue :	Nil	Right Issue :	Nil
Bonus Issue :	Nil	Private issue :	Nil

3. POSITION OF MOBILISATION & DEPLOYMENT OF FUNDS (AMOUNT Rs. IN LACS)

Total Liabilities	827.36	Total Assets	827.36
Source of Funds : (Including Shareholders fund)			
Paid-up Capital	369.80	Reserves & Surplus	348.65
Secured Loans	88.12	Unsecured Loans	20.79
Application of Funds :			
Net Fixed Assets	103.26	Investment	33.60
Net Current Assets	648.12	Misc. Expenditure	Nil
Accumulated Losses	Nil	Deferred Tax (Asset)	42.38

4. PERFORMANCE OF THE COMPANY (AMOUNT Rs. IN LACS)

Turnover	3,517.86	Total Expenditure	3,368.34
Profit/(Loss) Before Tax	149.52	Profit/(Loss) After Tax	114.33
Earning per Share (Rs.)	3.09	Dividend	Nil

5. GENERIC NAMES OF PRINCIPAL PRODUCTS/SERVICES OF COMPANY (AS PER MONETARY TERM)

(a) Item Code : 4002909
Product Description : Synthetic Rubber

(b) Item Code : 27011200
Product Description : Coal

For and on behalf of Board of Directors

As per our Report of even date

Akash Jain
Managing Director

Prakash Goyal
Director

for **J P S & COMPANY**
Chartered Accountants
Firm Reg. No. 004086N

Place : New Delhi
Date : 2nd September, 2010

J C VERMA
Partner
M. No. 83210

SECTION 212

Statement Pursuant to section 212 of the Companies Act, 1956, relating to Company's interest in subsidiary Companies

1. *Name of the Subsidiary Company*
   Chandra Prabhu Overseas Ltd.

2. *The financial year of the Subsidiary Company ended on* **31/03/2010**

3. *Date from which it became subsidiary company* **15/04/1999**

4.a) *Number of shares held by Chandra Prabhu International Ltd. in the subsidiary company at the end of the Financial Year of the subsidiary Company.* ***239400 equity shares of Rs. 10 each.***

b) *Extent of interest/ holding* **99.75%**

5. Net aggregate amount of the Subsidiary company's profit / (loss) so far as it concerns the members of the holding company.

a) *Not dealt with in the holding Company's accounts*

Current year	**Rs. (81437)**
Previous years	Rs. (102947)

b) *Dealt with in the holding Company's accounts*

Current year	NIL
Previous years	NIL

6. As the Financial year of the Subsidiary Company coincide with the Financial Year of the holding Company, Section 212(5) of the Companies Act, 1956 is not applicable.

For and on behalf of the Board of Directors

Akash Jain
Managing Director

Place : New Delhi
Dated : 2nd September 2010

Prakash Goyal
Director

CHANDRA PRABHU OVERSEAS LTD.

BOARD OF DIRECTORS

CHAIRMAN
Mr. Gajraj Jain

DIRECTORS
Mr. Akash Jain
Mr. Nirmal Kumar Jain
Mr. Sudhanshu Mishra

AUDITORS
M/s. J P S & Company
Chartered Accountants
New Delhi

REGD. OFFICE
14, Rani Jhansi Road,
New Delhi - 110 055

BANKERS
State Bank of Bikaner & Jaipur
New Delhi - 110 005

16th ANNUAL GENERAL MEETING
Monday, 30th Aug. 2010
11.00 A.M.
Venue
14, Rani Jhansi Road,
New Delhi - 55

DIRECTORS REPORT

To
The Members

Your Directors are pleased to present the SIXTEENTH ANNUAL REPORT together with the audited Statement of Account for the year ended 31st March 2010.

OPERATIONS

There has been no activity during the year under discussion.

DIVIDEND

In view of the loss incurred, Directors do not recommend any Dividend for the year.

DIRECTORS

In accordance with the provisions of Companies Act, 1956 and Company's articles, Mr. Sudhanshu Mishra retires by rotation at the ensuing Annual General Meeting being eligible has offered himself for re-appointment.

AUDITORS

J P S and Company, Chartered Accountants Auditor of the company, retires at the conclusion of 16th Annual General Meeting of the Company and being eligible, offers themselves for reappointment.

PERSONNEL

None of the employees is in receipt of remuneration exceeding the limit as prescribed under Section 217(2A) of the companies Act 1956 during the year under review.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNING AND OUTGO: -

Information in accordance with the provision of 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, regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo are as under:-

a. Conservation of Energy		N.A.
b. Technology Absorption		N.A.
c. Foreign Exchange Earnings (F.O.B.)	Current Year	
	Previous Year	NIL
d. Foreign Exchange outgo	Current Year	NIL
	Previous Year	NIL

AUDITOR'S REPORT

Observations of Auditor's in their report are self explanatory and need no further explanation.

SECRETARIAL COMPLIANCE REPORT

In accordance with the provisions of Section 383A of the Companies Act, 1956 A Compliance Certificate from a Company Secretary in whole time practice, certifying that company has complied with all the provisions of Companies Act, 1956 is given as an annexure, form part of this report.

DIRECTOR'S RESPONSIBILITY STATEMENT

In terms of Sub Section 2AA of Section 217, Your Directors report:

i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
ii) that the directors had 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 profit or loss of the company for that period.
iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
iv) that the directors had prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENT

Your Directors thankfully acknowledge the co-operation extended by various Government Departments, bankers & other business partners.

By order of the Board of Directors

Registered Office:
14, Rani Jhansi Road,
New Delhi 110 055

GAJRAJ JAIN
CHAIRMAN

Date : 24th July 2010

AUDITOR'S REPORT
TO THE MEMBERS OF M/S CHANDRA PRABHU OVERSEAS LTD.

1) We have audited the attached Balance Sheet of **Chandra Prabhu Overseas Limited** as at March 31, 2010 and also the Profit and Loss Account of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

2) We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3) As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) Order 2004 (together the "Order") issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us during the course of the audit, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order:

4) Further to our comments in the Annexure referred to in paragraph 3 above, we report that :

a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books.

c) The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with the books of account.

d) In our opinion, the Balance Sheet and the Profit and Loss Account compiled with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956 to the extent applicable.

e) On the basis of the written confirmations received from the Directors and taken on record by the Board of Directors, we report that none of the Directors disqualified as on 31st March, 2010 from being appointed as a Director in terms of Clause (g) of Sub-section (1) 274 of the Companies Act, 1956.

f) In our opinion and to the best of our information and according to explanations given to us, the said Balance Sheet and the Profit and Loss Account read together with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and also give a true and fair view in conformity with the accounting principles generally accepted in India :

1. in the case of Balance Sheet, of the **State of Affairs** of Company as at March 31, 2010; and
2. in the case of the Profit and Loss Account, of the **Loss** of the Company for the year ended on that date.

for **J P S & COMPANY**
Chartered Accountants
Firm Reg. No. 004086N

J C VERMA
PARTNER
M. No. 83210

Place : New Delhi,
Dated: 24th July 2010

ANNEXURE TO THE AUDITORS' REPORT OF EVEN DATE

In our opinion, based on the information and explanations furnished to us and such checks as we considered appropriate in the normal course of our audit, and to the best of our knowledge and belief, we further report that :-

i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.

b) Physical verification of major assets was conducted by the Management during the year, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification as compared with the book records.

c) During the year no asset has been sold off and this does not affect the going concern of the company.

ii) a) There being no activity and no stock of inventory, question of physical verification does not arise. Therefore, no comments are required on clause ii (b) & (c).

iii) The Company has not taken or granted any loans, secured or unsecured, during the year from or to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Hence, the question of interest rate, terms & conditions and repayments does not arise.

iv) In our opinion and according to the information and explanation given to us, there is an adequate internal control procedures commensurate with the size of the Company and the nature of its business with regards to purchase of inventory, fixed assets and also for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.

v) Based on our audit procedures applied by us and according to the information and explanations given to us there are no transactions that need to be entered into the register in pursuance of Section 301 of the Companies Act, 1956.

vi) The Company has not accepted any deposits from the public.

vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

viii) According to the information and explanation given to us, the Central Government has not prescribed maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956.

ix)a) According to the records of the Company, it has been observed that the company was regular in depositing the statutory dues. Provident fund, ESIC, Wealth Tax, Custom Duty, Excise Duty etc. are not applicable to the company.

b) On the basis of records produced before us, there are no undisputed statutory dues which are outstanding as on 31st March 2009 for a period of more than six months from the date on which they became payable.

c) According to the information and explanations given to us by the management of the company and based on the records provided to us by the company there are no disputed statutory dues or liabilities.

x) The Company has accumulated losses at the end of the financial year and has incurred cash losses in the financial year and in the immediate proceeding financial year.

xi) During the year Company has not defaulted in repayment of its dues to financial institution or bank.

xii) Based on our examination and according to the explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/society.

xiv) Based on our examination of the records and evaluation of the related internal controls, we are of the opinion that proper records have been maintained of the transactions and contracts and timely entries have been made in those records.

xv) On the basis of examination and explanation given to us, the Company has given Corporate Guarantee for loans and Bank limits taken by Chandra Prabhu International Ltd. from banks.

xvi) The Company has not obtained any term loans.

xvii) On the basis of our examination of the books of accounts and the information and explanation given to us no funds have been raised on short-term basis that have been used for long term investment and vice versa.

xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.

xix) During the year the Company has not issued any debentures.

xx) The Company has not raised any money by public issue during the year.

xxi) Based upon the audit procedures performed and information and explanations given by the Management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

for **J P S & COMPANY**
Chartered Accountants
Firm Reg. No. 004086N

J C VERMA
PARTNER
M. No. 83210

Place : New Delhi,
Dated: 24th July 2010

BALANCE SHEET AS AT 31ST MARCH, 2010 (Amount in Rs.)

Particulars	Schedule	As At 31st March, 2010	As At 31st March, 2009
SOURCES OF FUNDS			
Shareholder's Funds:			
Share Capital	01	**2400000**	2400000
TOTAL		**2400000**	2400000
APPLICATION OF FUNDS			
Fixed Assets	02		
Gross Block		**1944000**	1944000
Less : Depreciation		**753705**	691058
Net Block		**1190295**	1252942
Current Assets, Loans & Advances			
Cash & Bank Balances	03	**17598**	46611
		17598	46611
Less : Current Liabilities & Provisions			
A - Liabilities	04	**380599**	394061
B - Provisions		**-**	-
Net Current Assets		**(363001)**	(347450)
Miscellaneous Expenditure (to the extent not written off or adjusted)	05	**3239**	6478
Profit & Loss Account		**1569467**	1488030
TOTAL		**2400000**	2400000
Significant Accounting Policies & Notes to Account	9		

For and on behalf of Board of Directors

As per our Report of even date
***for* J P S & COMPANY**
Chartered Accountants
Firm Reg. No. 004086N

Gajraj Jain
Director

Akash Jain
Director

Place : New Delhi
Date : 24th July 2010

J C VERMA
Partner
M. No. 83210

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010 (Amount in Rs.)

Particulars	Schedule	For the year ended 31st March, 2010	For the year ended 31st March, 2009
INCOME			
Other Income		**14384**	-
		14384	-
EXPENDITURE			
Administrative Expenses	06	**29241**	31420
Personnel Expenses	07	**84**	84
Miscellaneous Expenditure W/off	05	**3239**	3239
Financial Cost	08	**610**	2260
Depreciation	02	**62647**	65944
		95821	102947
PROFIT / (LOSS) FOR THE YEAR BEFORE TAXATION		**(81437)**	(102947)
Add: Loss brought forward from Previous year		**(1488030)**	(1385083)
Deficit Carried to Balance sheet		**(1569467)**	(1488030)
Earning Per Share		**(0.34)**	(0.43)
Normal Value of Each Share		**10**	10
No. of Shares		**240000**	240000
Significant Accounting Policies & Notes to Account	9		

For and on behalf of Board of Directors

As per our Report of even date
***for* J P S & COMPANY**
Chartered Accountants
Firm Reg. No. 004086N

Gajraj Jain
Director

Akash Jain
Director

Place : New Delhi
Date : 24th July 2010

J C VERMA
Partner
M. No. 83210

Schedules Forming Part of the Balance Sheet (Amount in Rs.)

Particulars	As At 31st March, 2010	As At 31st March, 2009
SCHEDULE - 01		
SHARE CAPITAL		
Authorised		
500000 Equity Shares of Rs. 10/- each	5000000	5000000
Issued Subscribed & Paid up		
240000 Equity Shares of Rs. 10/- each	2400000	2400000
TOTAL	2400000	2400000

SCHEDULE - 02

FIXED ASSETS

	GROSS BLOCK (AT COST)			DEPRECIATION				NET BLOCK	
DESCRIPTION	AS AT 01.04.2009 (Rs.)	ADD./ DELI. (Rs.)	AS AT 31.03.2010 (Rs.)	UP TO 31.03.2009 (Rs.)	FOR THE YEAR (Rs.)	SALE/ ADJ. (Rs.)	UP TO 31.03.2010 (Rs.)	AS AT 31.03.2010 (Rs.)	AS AT 31.03.2009 (Rs.)
BUILDING - 5%	1944000	-	1944000	691058	62647	–	753705	1190295	1252942
TOTAL	**1944000**	-	**1944000**	**691058**	**62647**	–	**753705**	**1190295**	**1252942**
PREV. YR. FIGURE	1944000	-	1944000	625114	65944	–	691058	1252942	

SCHEDULE - 03		
CASH & BANK BALANCES		
Cash in hand	9954	22116
Balance with Scheduled Banks		
in Current Account	7644	24495
TOTAL	17598	46611
SCHEDULE - 04		
CURRENT LIABILITIES		
A - Sundry Creditors		
Other Liabilities	380599	394061
B - Provisions		
Current Tax	-	-
TOTAL	380599	394061
SCHEDULE - 05		
MISCELLANEOUS EXPENDITURE		
(To the extent written off or adjusted)		
Preliminary Expenses	6478	9717
Less : Written off for the year	3239	3239
TOTAL	3239	6478

Schedules Forming Part of the Profit & Loss Account (Amount in Rs.)

Particulars		For the Year Ended 31st March, 2010	For the Year Ended 31st March, 2009
SCHEDULE - 06			
ADMINISTRATIVE EXPENSES			
Professional Charges		5726	2500
Auditor's Remuneration		5515	5515
Filing Fees		4000	3000
MCD Tax		-	9405
Membership Fee		10000	11000
Printing & Stationery		4000	-
	TOTAL	29241	31420
SCHEDULE - 07			
PERSONNEL EXPENSES			
Contribution to Provident & Other Funds		84	84
	TOTAL	84	84
SCHEDULE - 08			
FINANCIAL COST			
Bank Charges		610	2260
	TOTAL	610	2260

SCHEDULE 9
NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES.

1. BASIS OF ACCOUNTING.
The accounts are prepared using historical cash convention and on the basis of going concern and is in accordance with mandatory accounting standards and provisions of Companies Act, 1956.

2. FIXED ASSETS.
Capitalized at acquisition cost including attributable costs such as freight/insurance and specific installation charges for bring the assets to its working condition for use.

3. FOREIGN CURRENCY TRANSACTIONS.
Foreign currency transactions relating to sales of goods are recorded at the exchange rate prevailing at the time of transaction and exchange rate difference are adjusted in the Profit & Loss Account.

4. DEPRECIATION.
Depreciation on fixed assets is provided on the basis of written down value method at the rate and in the manner specified in Schedule XIV of the Companies Act, 1956.

5. MISCELLANEOUS EXPENDITURE (TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)
Expenditure carried forward of share issue expenses is being amortized at the rate of 10% on written down value.

6. REVENUE RECOGNISATION.
Sale of goods are recognized when the goods are shipped.

B. OTHER NOTES.

	2009-10	2008-09
1. Provisions for contingents liabilities		
Corporate Guarantee for CC limit of Chandra Prabhu International Limited for Rs.	**330 lacs**	330 lacs

2. PAYMENT TO AUDITORS

	(Amt. in Rs.)	(Amt. in Rs.)
Audit Fees	**5,515**	5,515

3. The estimated amount of contract remaining to be executed on capital accounts and not provided for as at 31st March, 2010 of Rs. NIL (Previous year NIL).

4. Addition information pursuant to the provisions of paragraphs 3(i)(a)&(ii), 4C&D of Part II of Schedule VI to the Companies Act, 1956 not required as there is no turnover during the year

Schedules Forming Part of the Profit & Loss Account (Amount in Rs.)

Particulars	For the Year Ended 31st March, 2010	For the Year Ended 31st March, 2009

EARNING IN FOREIGN EXCHANGE.
Value of goods exports during the year Rs. NIL (Previous year Rs.Nil).

6. Previous year figures have been re-grouped/reclassified/rearranged wherever considered necessary.

7. **EARNING PER SHARES**
Profit/(Loss) after taxation attributable to equity share holders.

	Amt. in Rs. 2009-10	Amt. in Rs. 2008-09
Profit Before Taxation Before Extra Ordinary Income	**(81,437)**	(102,947)
Less:- Current Year Tax	-	-
Deferred Tax	-	-
FBT	-	-
Tax Related to Earlier Year (FBT)	-	-
Tax Related to Earlier Year	-	-
Profit After Tax Before Extra Ordinary Items	**(81,437)**	(102,947)
Extra Ordinary Items	-	-
Profit After Tax After Extra Ordinary Items	**(81,437)**	(102,947)
Equity Shares	**240000**	240000
Earning per share basic / diluted		
Before Extra Ordinary Items	**(0.34)**	(0.43)
After Extra Ordinary Items	**(0.34)**	(0.43)
Face Value Per Share	**10**	10

8. In view of no activity during the year, the Income Tax Department is not allowing the benefits of losses as *such no deferred tax has been worked out.*

For and on behalf of Board of Directors

As per our Report of even date
for J P S & COMPANY
Chartered Accountants
Firm Reg. No. 004086N

Gajraj Jain
Director

Akash Jain
Director

Place : New Delhi
Date : 24th July 2010

J C VERMA
Partner
M. No. 83210

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1. REGISTRATION DETAILS

Registration No. 58041 State Code : 55
Balance Sheet Date : 31.03.2010

2. CAPITAL RAISED DURING THE YEAR (AMOUNT Rs. IN THOUSANDS)

Public Issue :	Nil	Rights Issue :	Nil
Bonus Issue :	Nil	Private Issue :	Nil

3. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNTS Rs. IN LACS)

Total Liabilities	24.00	Total Assets	24.00
Source of Funds: (Including Shareholders fund)			
Paid-up Capital	24.00	Reserves & Surplus	Nil
Secured Loans	Nil	Unsecured Loans	Nil
Application of Funds:			
Net Fixed Assets	11.90	Investment	Nil
Net Current Assets	(3.63)	Miscellaneous Expenses	0.03
Accumulated Losses	15.70		

4. PERFORMANCE OF THE COMPANY (AMOUNT Rs. IN LACS)

Turnover / Income	0.14	Total Expenditure	0.96
Profit / (Loss) Before Tax	(0.81)	Profit/(Loss) After Tax	(0.81)
Earning per Share (Rs.)	(0.34)	Dividend	Nil

5. GENERIC NAMES OF THE PRINCIPAL PRODUCT (S)/ SERVICE (S) OF COMPANY (AS PER MONETARY TERM)

(a) Item Code :
Product Description :

For and on behalf of Board of Directors

As per our Report of even date
for J P S & COMPANY
Chartered Accountants
Firm Reg. No. 004086N

Gajraj Jain
Director

Akash Jain
Director

Place : New Delhi
Date : 24th July 2010

J C VERMA
Partner
M. No. 83210

SECTION 212

Statement Pursuant to section 212 of the Companies Act, 1956, relating to Company's interest in subsidiary Companies

1. *Name of the Subsidiary Company*
   SOUTH WEST DRILLING & INFRASTRUCTURE LTD.

2. *The financial year of the Subsidiary Company ended on* **31/03/2010**

3. *Date from which it became subsidiary company* **27/06/2005**

4.a) *Number of shares held by Chandra Prabhu International Ltd. in the subsidiary company at the end of the Financial Year of the subsidiary Company.* ***50000 equity shares of Rs. 10 each.***

b) *Extent of interest/ holding* ***100%***

5. Net aggregate amount of the Subsidiary company's profit / (loss) so far as it concerns the members of the holding company.

a) Not dealt with in the holding Company's accounts

Current year	**Rs. (1024214)**
Previous year	Rs. 1084240

b) Dealt with in the holding Company's accounts

Current year	NIL
Previous year	NIL

6. As the Financial year of the Subsidiary Company coincide with the Financial Year of the holding Company, Section 212(5) of the Companies Act, 1956 is not applicable.

For and on behalf of the Board of Directors

Akash Jain
Managing Director

Place : New Delhi
Dated : 2nd September 2010

Prakash Goyal
Director

SOUTH WEST DRILLING & INFRASTRUCTURE LTD.

BOARD OF DIRECTORS

EXECUTIVE DIRECTOR
Mr. Abhash Jain
(appointed on 01/06/10)

DIRECTORS
Mr. Akash Jain
Mr. Jagdish Jhunjhunwala
Mr. Piyush Jain (resigned on 01/06/10)
Mr. Vinod Kumar Jain

AUDITORS
M/s. J P S & Company
Chartered Accountants
New Delhi

REGD. OFFICE
14, Rani Jhansi Road,
New Delhi - 110 055

BANKERS
HDFC Bank Ltd.
New Delhi - 110 055

5th ANNUAL GENERAL MEETING
Monday, 30th August 2010
2.00 P.M.
Venue
14, Rani Jhansi Road,
New Delhi - 55

DIRECTORS REPORT

To
The Members

Your Directors are pleased to present the FIFTH ANNUAL REPORT together with the audited Statement of Account for the year ended 31st March 2010.

FINANCIAL HIGHLIGHTS:

During the year under review the total income of the company was Rs. 30.53 Lacs as compared to Rs. 75.32 Lacs during previous year. Whereas the Loss for the year under review is Rs. 9.70 Lacs approx as compared to profit of Rs. 10.85 Lacs during the previous year. Your Directors are hopeful to improve further the performance of the company in future.

DIVIDEND

Keeping in view future development plans of the company, your directors do not recommend any dividend for the year.

DIRECTORS

In accordance with the provisions of Companies Act, 1956 and Company's articles, Mr. Vinod Kr. Jain retires by rotation at the ensuing Annual General Meeting being eligible has offered himself for re-appointment.

Mr. Abhash Jain, was appointed as director and appointed as Executive Director of the company w.e.f. 01/06/2010 for a period of three years.

AUDITORS

J P S and Company, Chartered Accountants Auditor of the company, retires at the conclusion of 5th Annual General Meeting of the Company and being eligible, offers themselves for reappointment.

PERSONNEL

None of the employees is in receipt of remuneration exceeding the limit as prescribed under Section 217(2A) of the companies Act 1956 during the year under review.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNING AND OUTGO: -

Information in accordance with the provision of 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, regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo are as under:-

a. Conservation of Energy		N.A.
b. Technology Absorption	N.A.	N.A.
c. Foreign Exchange Earnings (F.O.B.)	N.A.	NIL
d. Foreign Exchange outgo	Current Year	NIL
	Prev. Year	NIL

AUDITOR'S REPORT

Observations of Auditor's in their report are self explanatory and need no further explanation.

DIRECTOR'S RESPONSIBILITY STATEMENT

In terms of Sub Section 2AA of Section 217, Your Directors report:

i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
ii) that the directors had 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 profit or loss of the company for that period.
iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
iv) that the directors had prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENT

Your Directors thankfully acknowledge the co-operation extended by various Government Departments, bankers & other business partners.

By order of the Board of Directors

Registered Office:
14, Rani Jhansi Road,
New Delhi 110 055

ABHASH JAIN
CHAIRMAN

Date : 24th July 2010

AUDITOR'S REPORT
TO THE MEMBERS OF M/S SOUTH WEST DRILLING & INFRASTRUCTURE LTD.

1) We have audited the attached Balance Sheet of **SOUTH WEST DRILLING & INFRASTRUCTURE LTD.** as at March 31, 2010 and also the Profit and Loss Account of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

2) We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

3) As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) Order 2004 (together the "Order") issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us during the course of the audit, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order:

4) Further to our comments in the Annexure referred to in paragraph 3 above, we report that :

a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books.

c) The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with the books of account.

d) In our opinion, the Balance Sheet and the Profit and Loss Account compiled with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956 to the extent applicable.

e) On the basis of the written confirmations received from the Directors and taken on records by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 from being appointed as a Director in terms of Clause (g) of Sub-section (1) of section 274 of the Companies Act, 1956.

f) In our opinion and to the best of our information and according to explanations given to us, the said Balance Sheet and the Profit and Loss Account read together with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and also give a true and fair view in conformity with the accounting principles generally accepted in India :

1. in the case of Balance Sheet, of the **State of Affairs** of Company as at March 31, 2010; and
2. in the case of the Profit and Loss Account, of the **Loss** of the Company for the year ended on that date.

***for* J P S & COMPANY**
Chartered Accountants
Firm Reg. No. 004086N

J C VERMA
PARTNER
M. No. 83210

Place : New Delhi,
Dated : 24th July 2010

Compiled by : Religare Technova Global Solutions Limited

ANNEXURE TO THE AUDITORS' REPORT OF EVEN DATE

In our opinion, based on the information and explanations furnished to us and such checks as we considered appropriate in the normal course of our audit, and to the best of our knowledge and belief, we further report that :-

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. Physical verification of major assets was conducted by the Management during the year, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were notices on such verification as compared with the book records.
c. During the year no significant asset has been sold off and this does not affect the going concern of the company.

2. There being no trading activity and no stock of inventory, question of physical verification does not arise. Therefore, no comments are required on clause ii (b) & (c).

3. The Company has not granted any loans, secured or unsecured, during the year from or to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Hence, the question of interest rate, terms and conditions and repayment does not arise.

4. According to the information and explanation given to us, the Company has not taken any loans, secured or unsecured to companies, firms or any other parties covered in the register maintained u/s 301 of the Companies Act, 1956, other than interest free advances aggregating to Rs. 1,20,17,046/- taken from holding Company during the year for setting up new projects and making strategic investments in other subsidiaries/companies.

5. In our opinion and according to the information and explanation given to us, there is adequate internal control procedure commmensurate with the size of the Company and the nature of its business with regards to purchase of inventory, fixed assets and also for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal control.

6. Based on our audit procedure applied by us and according to the information and explanation given to us, there are no transactions that need to be entered into the register in pursuance of Section 301 of the Companies Act, 1956;

7. The Company has not accepted any deposits from the public.

8. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

9. According to the information and explanation given to us, the Central Government has not prescribed maintenance of cost records under Section 209 (1)(d) of the Companies Act, 1956.

10. a) According to the records of the Company, it has been observed that the company was regular in depositing the statutory dues Provident Fund, ESIC, Wealth Tax, Customs Duty, Excise Duty etc. are not applicable to the company.
b) On the basis of records produced before us, there are no undisputed statutory dues which are outstanding as on 31st March 2010 for the period of more than six months from the date on which they became payable.
c) According to the information and explanations given to us by the management of the company and based on the records provided to us by the company there are no disputed statutory dues or liabilities.

11. The Company does not have accumulated losses at the end of the financial year and has not incurred cash losses in the financial year ended on that date in the immediate proceeding financial year.

12. During the year Company has not defaulted in repayment of its dues to financial institution or bank.

13. Based on our examination and according to the explanations given to us the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

14. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society.

15. Based on our examination of records and evaluation of the related internal controls, we are of the opinion that proper records have been maintained of the transactions and contracts and timely entries have been made in those records.

16. On the basis of examination and explanation given to us, the Company has not given guarantee for loans taken by others from banks and other financial institutions.

17. The term loan obtained by the company has been applied for the purpose which they were raised.

18. On the basis of our examination of the books of accounts and the information and explanation given to us no funds have been raised on short-term basis that have been used for Long-term investment and vice versa.

19. The company has not made any preferential allotment of the shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.

20. During the year the Company has not issued any debentures.

21. The Company has not raised any money by public issued during the year.

22. Based upon the audit procedures performed and information and explanations given by the Management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

for **J P S & COMPANY**
Chartered Accountants
Firm Reg. No. 004086N

J C VERMA
PARTNER
M. No. 83210

Place : New Delhi,
Dated : 24th July 2010

BALANCE SHEET AS AT 31ST MARCH, 2010 (Amount in Rs.)

Particulars	Schedule	As At 31st March, 2010	As At 31st March, 2009
SOURCES OF FUNDS			
Shareholder's Funds:			
Share Capital	1	**500000**	500000
Reserve & Surplus	2	**1833723**	2857937
Loans Funds			
Secured Loans	3	**2947926**	7968419
Deferred Tax Liabilities	4	**190991**	199999
TOTAL		**5472640**	11526355
APPLICATION OF FUNDS			
Fixed Assets :	5		
A - Gross Block		**17290396**	17689660
B - Less : Depreciation		**6522937**	5291755
C - Net Block		**10767459**	12397905
Investments	6	**5528410**	3928410
Current Assets, Loans & Advances	7		
A - Cash & Bank Balances		**413272**	555058
B - Other Current Assets		**-**	384280
B - Loans & Advances		**2352191**	8492578
Less : Current Liabilities & Provisions	8	**2765463**	9431916
A - Liabilities		**13550312**	12843719
B - Provisions		**57880**	1413156
Net Current Assets (7-8)		**(10842729)**	(4824960)
Miscelleneous Expenses (to the extent not written off or adjusted)	9		
A - Preliminary Exp.		**17500**	21000
B - Share Issue Expenses		**2000**	4000
TOTAL		**5472640**	11526355
Significant Accounting Policies & Notes to Account	14		

For and on behalf of Board of Directors

As per our Report of even date
***for* J P S & COMPANY**
Chartered Accountants
Firm Reg. No. 004086N

Abhash Jain
Executive Director

Akash Jain
Director

Place* : *New Delhi
Date : 24th July 2010

J C VERMA
Partner
M. No. 83210

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010 (Amount in Rs.)

Particulars	Schedule	As At 31st March, 2010	As At 31st March, 2009
INCOME			
Other Income	10	**3053858**	7532783
		3053858	7532783
EXPENDITURE			
Administrative Expenses	11	**1139039**	61483
Personnel Expenses	12	**72000**	66000
Miscelleneous Ex. W/Off	9	**5500**	5500
Financial Cost	13	**1005103**	961591
Depreciation	5	**1811210**	2098023
		4032852	3192597
PROFIT / (LOSS) FOR THE YEAR BEFORE TAXATION		**(978994)**	4340186
Prior Period Adjustments		**-**	1894188
Current Tax		**-**	1350000
Fringe Benefit Tax		**-**	12110
Deferred Tax Liablity/(Assets)		**(9008)**	(2046)
Profit/(Loss) After Tax for the year		**(969986)**	1085934
Tax Related to Earlier Year		**54228**	-
FBT Related to Earlier Year		**-**	1694
Profit/(Loss) After Tax		**(1024214)**	1084240
Add: Surplus/Deficit brought forward from Previous year		**2857937**	1773697
Surplus Carried to Balance sheet		**1833723**	2857937
Earning Per Share		**(20.48)**	21.68
Normal Value of Each Share		**10**	10
No. of Shares		**50000**	50000
Significant Accounting Policies & Notes to Account	14		

For and on behalf of Board of Directors

As per our Report of even date
***for* J P S & COMPANY**
Chartered Accountants
Firm Reg. No. 004086N

Abhash Jain
Executive Director

Akash Jain
Director

Place : New Delhi
Date : 24th July 2010

J C VERMA
Partner
M. No. 83210

Schedules Forming Part of the Balance Sheet (Amount in Rs.)

Particulars	As At 31st March, 2010	As At 31st March, 2009
SCHEDULE - 01		
SHARE CAPITAL		
Authorised		
100000 Equity Shares of Rs. 10/- each	1000000	1000000
issued Subscribed & Paid up		
50000 Equity Shares of Rs. 10/- each	500000	500000
TOTAL	500000	500000
SCHEDULE - 02		
RESERVE & SURPLUS		
Balance as per last Balance Sheet	2857937	1773697
Profit/(Loss) During the year	(1024214)	1084240
TOTAL	1833723	2857937
SCHEDULE - 03		
SECURED LOANS		
ICICI Car Loan (Secured against Car)	384643	468419
L & T Finance Ltd. (Secured against Machinery)	2563283	7500000
TOTAL	2947926	7968419
SCHEDULE - 04		
DEFERRED TAX		
Deferred Tax Liabilities	199999	202045
Deferred Tax Liabilities/(Assets)	(9008)	(2046)
TOTAL	190991	199999

SCHEDULE - 05
FIXED ASSETS

			GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
SL. NO.	DESCRIPTION		AS AT 01.04.2009 (Rs.)	ADDITIONS DURING THE YEAR (Rs.)	SALE/ ADJUSTMENT DURING THE YEAR (Rs.)	TOTAL AS AT 31.03.2010 (Rs.)	UP TO 31.03.2009 (Rs.)	FOR THE YEAR (Rs.)	DEDUCTION/ ADJUSTMENT DURING THE YEAR (Rs.)	UPTO 31.03.2010 (Rs.)	AS AT 31.03.2010 (Rs.)	AS AT 31.03.2009 (Rs.)
1	Hydraulic Diamond Core Drill CS-14	13.91%	16729691	-	-	16729691	4803029	1658999	-	6462028	10267663	11926662
2	Car dated	25.89%	917969	518705	917969	518705	466721	144213	580028	30906	487799	451248
3	Computer	40.00%	35400	-	-	35400	18547	6741	-	25288	10112	16853
4	Printer	40.00%	6600	-	-	6600	3458	1257	-	4715	1885	1885
	TOTAL		17689660	518705	917969	17290396	5291755	1811210	580028	6522937	10767459	12396648
	PREVIOUS YEARS FIGURE		18889700	-	1200040	17689660	3193732	2620367	-	5291755	12396648	-

Schedules Forming Part of the Balance Sheet (Amount in Rs.)

Particulars	As At 31st March, 2010	As At 31st March, 2009
SCHEDULE - 06		
INVESTMENTS		
25000 Shares of South West Pinnacle & Exploration Pvt. Ltd.	250000	250000
Capital in Joint Ventures firms	5278410	3678410
TOTAL	5528410	3928410
SCHEDULE - 07		
A) CURRENT ASSETS, LOANS & ADVANCES		
CASH & BANK BALANCES		
Cash in Hand	380023	102683
Balances With Scheduled Banks In Current Accounts	33249	452375
TOTAL	413272	555058
B) OTHER CURRENT ASSETS		
CVD Receivable	-	384280
	-	384280
C) LOANS & ADVANCES (Unsecured)		
(Advances recoverable in cash or kind or for Value to be received)		
Advances	-	711712
TDS Receivable	63999	1049320
Rent Receivable (SWEPL)	2282359	6722607
Prepaid exp.	5833	8939
TOTAL	2352191	8492578
SCHEDULE - 08		
CURRENT LIABILITES		
A - Sundry Creditors		
Advance against supplies	13217046	12017046
Expenses Payable	21453	21477
Service Tax Payable	309000	802407
TDS Payable	2813	2789
TOTAL	13550312	12843719
B - Provisions		
For FBT	-	12110
For Current Year Tax	-	1350000
For Previous Year Tax	57880	51046
TOTAL	57880	1413156
SCHEDULE - 09		
MISCELLANEOUS EXPENDITURE		
(To the extent written off or adjusted)		
A - Preliminary Expenses	21000	24500
Less : Written off for the year	3500	3500
TOTAL	17500	21000
B - Share Issue Expenses	4000	6000
Less : Written off for the year	2000	2000
TOTAL	2000	4000

Schedules Forming Part of the Profit & Loss Account (Amount in Rs.)

Particulars		As At 31st March, 2010	As At 31st March, 2009
SCHEDULE - 10			
OTHER INCOME			
Interest Income		39987	896363
Lease Rent Received		3000000	6600000
Interest on TDS Refund		13871	36274
Misc. Income		-	146
	TOTAL	3053858	7532783
SCHEDULE - 11			
ADMINISTRATIVE EXPENSES			
Car Insurance		13008	18883
Repair & Maintenance of Machine		954411	-
Printing & Stationery		-	875
Auditor's Remuneration		24266	24266
Fine & Penality		2000	2000
Professional Fees		700	3309
Filling Fee		4521	12150
Interest on TDS/Service Tax		2192	-
Loss on Sale of Car		137941	-
	TOTAL	1139039	61483
SCHEDULE - 12			
PERSONNEL EXPENSES			
Salaries, Wages & Bonus		72000	66000
	TOTAL	72000	66000
SCHEDULE - 13			
FINANCIAL COST			
Bank Charges		582	1975
Hire Purchases charges on Car Loan		60088	51002
Hire Purchases charges on Machinery		944433	908614
	TOTAL	1005103	961591

SCHEDULE 14.
NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009

A. SIGNIFICANT ACCOUNTING POLICIES.

1. BASIS OF ACCOUNTING.
The accounts prepared using historical cash convention and on the basis of going concern and is in accordance with mandatory accounting standards and provisions of Companies Act, 1956.

2 FIXED ASSETS.
Capitalized at acquisition cos. including attributable costs such as freight/insurance and specific installation charges for bring the assets to its working condition for use.

3 DEPRECIATION.
Depreciation on fixed assets is provided on the basis of written down value method at the rate and in the manner specified in Schedule XIV of the Companies Act, 1956.

4. REVENUE RECOGNISATION.
Lease rentals are recognized on accrual basis.

5 DEFERRED TAX ASSETS (NET)
The components of Deferred tax liability and assets as on 31st March, 2009 are as under :-

		2009-10 (Amt in Rs.)	2008-09 (Amt in Rs.)
Deferred Assets for Tax purpose		9,008	6,622
Net Deferred Tax Assets	=	9,008	6,622

6 BORROWING COST
Borrowing costs are recognized as expenses in the period they are incurred expect for borrowings for acquition of assets which are capitalized upto the date the asset is intended for its use.

7. FOREIGN CURRENCY TRANSACTIONS
Transactions in foreign currency are recorded at the rate of exchange prevailing on the date of transaction.

8. **MISCELLANEOUS EXPENDITURE (TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)**
Preliminary expenses are amortized over a period of 10 years from the year of occurrence.

Share issue expenses are being amortized over a period of 5 years.

9 **EMPLOYEE BENEFIT**
The provisions of gratuity act and other retirement benefits are not applicable to the company.

B. **OTHER NOTES.**

1. Provisions for contingents liabilities

	2009-10 (Amt in Rs.)	2008-09 (Amt in Rs.)
	NIL	NIL

2. Value of Imports on CIF Basis :

	2009-10 (Amt in Rs.)	2008-09 (Amt in Rs.)
Trading Goods	**NIL**	NIL
Machinery & Machinery parts	***NIL***	*NIL*

3. Payment To Auditors.

	2009-10 (Amt in Rs.)	2008-09 (Amt in Rs.)
Audit Fees	**12,133**	12,133
Tax Audit Fees	**12,133**	12,133

4. The estimated amount of contract remaining to be executed on capital accounts and not provided for as at 31st March, 2010. **NIL**

5. Details regarding investments made by the company in Joint Venture as on 31st March, 2009 and its profit /loss share ratio:

1. Nagaland Coal Project	74,50,777	37.50%
2. NCP Oting (JV)	(21,72,367)	37.50%
Total Investment	**52,78,410**	

6. The Company has entered into joint venture agreement with Nagaland Coal Project & NCP Oting (JV) in the last year. Profit / Loss for the year has not been incorporated as information and audited accounts have not been received till finalization of this Balance Sheet and as such share of profit or loss could not be given or incorporated in the accounts. Profit for the year would have increased or reduced to the extent of share of profit or loss in such joint ventures and closing balance in the investment of the firm will also increase or reduce to that extent.

7. Addition information pursuant to the provisions of paragraphs 3(i)(a) and (ii), 4 C and 4 D of Part II of Schedule VI to the Companies Act,1956, not required as there is no turnover during the year.

8. **EARNING IN FOREIGN EXCHANGE.**
EXPENDITURE IN FOREIGN EXCHANGE.

2009-10	2008-09
NIL	NIL

9. **EARNING PER SHARE**
Profit after taxation attributable to equity shareholder

	2009-10 (Amt in Rs.)	2008-09 (Amt in Rs.)
Profit Before Taxation	**(978994)**	43,40,186
Before Extra Ordinary Income		
Less:- Current Year Tax	-	13,50,000
Deferred Tax	**(9008)**	(2046)
FBT	-	12,110
Tax related to earlier years (FBT)	-	*1,694*
Tax related to Previous years	**54228**	-
Profit After Tax Before Extra Ordinary Items	**(1024214)**	29,78,428
Less:- Extra Ordinary Items	-	18,94,188
Profit After Tax After Extra Ordinary Items	**(1024214)**	10,84,240
Equity Shares	**50000**	50000
Earning Per Share Basic/Diluted		
Before Extra Ordinary Items	**(20.48)**	59.57
After Extra Ordinary Items	**(20.48)**	21.68
Face Value Per Share	**10**	10

10. Previous years figures have been regrouped/ rearranged/ recasted wherever necessary to make them comparable with current year's figures. All figures have been rounded off to the nearest rupee.

For and on behalf of Board of Directors

As per our Report of even date
for J P S & COMPANY
Chartered Accountants
Firm Reg. No. 004086N

Abhash Jain
Executive Director

Akash Jain
Director

Place : New Delhi
Date : 24th July 2010

J C VERMA
Partner
M. No. 83210

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1. REGISTRATION DETAILS

Registration No.	:	138032	State Code : 55
Balance Sheet Date	:	31.03.2010	

2. CAPITAL RAISED DURING THE YEAR (AMOUNT Rs. IN THOUSANDS)

Public Issue :	Nil	Rights Issue :	Nil
Bonus Issue :	Nil	Private Issue :	Nil

3. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNTS Rs. IN LACS)

Total Liabilities	54.73	Total Assets	54.73
Source of Funds: (Including Shareholders fund)			
Paid-up Capital	5.00	Reserves & Surplus	18.34
Secured Loans	29.48	Unsecured Loans	Nil
Deferred Tax Liabilities	1.91		
Application of Funds:			
Net Fixed Assets	107.68	Investment	55.28
Net Current Assets	(108.43)	Misc. Expenditure	0.20
Accumulated Losses	Nil		

4. PERFORMANCE OF THE COMPANY (AMOUNT Rs. IN LACS)

Turnover / Income	30.54	Total Expenditure	40.33
Profit / (Loss) Before Tax	(9.79)	Profit / (Loss) After Tax	(10.24)
Earning per Share (Rs.)	(20.48)	Dividend	Nil

5. GENERIC NAMES OF PRINCIPAL PRODUCT (S)/ SERVICE (S) OF COMPANY (AS PER MONETARY TERM)

(a) Item Code :
Product Description : N.A.

For and on behalf of Board of Directors

As per our Report of even date
***for* J P S & COMPANY**
Chartered Accountants
Firm Reg. No. 004086N

Abhash Jain
Executive Director

Akash Jain
Director

Place : New Delhi
Date : 24th July 2010

J C VERMA
Partner
M. No. 83210

AUDITORS' REPORT
TO
THE BOARD OF DIRECTORS
CHANDRA PRABHU INTERNATIONAL LTD.
ON THE CONSOLIDATED FINANCIAL STATEMENT
OF M/S. CHANDRA PRABHU INTERNATIONAL LTD.
AND ITS SUBSIDARIES.

1. We have examined the attached Consolidated Balance Sheet of **CHANDRA PRABHU INTERNATIONAL LIMITED**, and its subsidiaries as at March 31, 2010, the Consolidated Profit & Loss Account and the Consolidated Cash Flow Statement for the period then ended. These financial statements are the responsibility of **CHANDRA PRABHU INTERNATIONAL LIMITED** management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with Auditing Standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified Financial Reporting framework and are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

3. We report that the consolidated financial statements have been prepared by the company in accordance with the requirements of Accounting Standards 21 Consolidated Financial Statements and Accounting Standard 23 (Accounting for investments in associates in consolidated financial statements) as notified under the Companies (Accounting Standards) Rules 2006.

4. On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of **CHANDRA PRABHU INTERNATIONAL LIMITED** and its aforesaid Subsidiaries, we are the opinion that the said Consolidated Financial Statements read together with notes thereon, give a true and fair view in conformity with the Accounting Principles generally accepted in India.

a. In the case of Consolidated Balance Sheet of the consolidated state of affairs of the Company and its Subsidiaries as at 31st March 2010.

b. In the case of Consolidated Profit and Loss Account of the Consolidated Profit of the Company and its Subsidiaries for the year then ended; and .

c. In the case of Consolidated Cash Flow Statement of the cash flows of the Company and its Subsidiaries for the year then ended.

for **J P S & COMPANY**
Chartered Accountants
Firm Reg. No. 004086N

J C VERMA
PARTNER
M. No. 83210

Place : New Delhi
Dated : 2nd September, 2010

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

(Amount in Rs.)

Particulars	Schedule	As At 31st March, 2010	As At 31st March, 2009
SOURCES OF FUNDS			
Shareholders' Funds :			
Share Capital	01	36986000	36986000
Reserves & Surplus	02	35129236	29128874
Loan Funds :			
Secured Loans	03	11760398	18534702
Unsecured Loans	04	2079202	2079202
TOTAL		85954836	86728778
APPLICATION OF FUNDS			
Fixed Assets :	05		
A - Gross Block		35121649	35151968
B - Less : Depreciation		12837741	11816936
C - Net Block		22283908	23335032
Investments	06	5994873	4394873
Current Assets, Loans & Advances			
A - Inventories	07	24285556	19208040
B - Sundry Debtors	08	46888268	12942734
C - Cash & Bank Balances	09	9422435	5493727
D - Other Current Assets	11	6313151	3359638
E - Loans & Advances	12	55257930	47938419
		142167340	88942558
Less: Current Liabilities & Provisions			
A - Liabilities	13	80386399	31813189
B - Provisions	14	8174764	2063156
Net Current Assets		53606177	55066213
Miscellaneous Expenditure [to the extent not written off or adjusted]	15	22739	31478
Deferred Tax Asset (Net)	10	4047139	3901182
TOTAL		85954836	86728778
Significant Accounting Policies & Notes to Account	23		

For and on behalf of Board of Directors

As per our Report of even date

Akash Jain
Managing Director

Prakash Goyal
Director

for **J P S & COMPANY**
Chartered Accountants
Firm Reg. No. 004086N

Place : New Delhi
Date : 2nd September, 2010

J C VERMA
Partner
M. No. 83210

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010 (Amount in Rs.)

Particulars	Schedule	For the Year Ended 31st March, 2010	For the Year Ended 31st March, 2009
INCOME			
Sales	16	346520262	129898507
Other Income	17	8333620	9905965
		354853882	139804472
EXPENDITURE			
Cost of Sales	18	325852427	122220504
Administrative Expenses	19	3705303	2350347
Personnel Expenses	20	2120022	2051616
Financial Cost	21	3488840	2078380
Selling Expenses	22	2512440	58603
Miscellaneous Exp. Written Off	15	8739	8739
Depreciation	05	3274517	2972979
		340962288	131741168
PROFIT / (LOSS) FOR THE YEAR BEFORE TAXATION		13891594	8063304
Add : Prior Period Adjustment		-	(1894188)
Tax Expenses			
Current Tax		3600000	1850000
Fringe Benefit Tax		-	162111
Deferred Tax Liability/(Asset)		(145957)	(8765)
Profit After Tax for the year		10437551	4165770
FBT related to previous years		-	7559
Tax related to earlier years		110689	50227
Profit After Tax		10326862	4107984
Add: Surplus brought forward from Previous year		26639583	22531599
Amount available for Appropriation		36966445	26639583
APPROPRIATIONS			
Less : Proposed Dividend		3698000	-
: Tax on Proposed Dividend		628500	-
: Transfer to General Reserve		300000	-
		4626500	-
Surplus Carried to Balance Sheet		32339945	26639583
Earning Per share		2.79	1.11
Nominal Value of Each Share		10.00	10.00
No. of Shares		3698600	3698600
Significant Accounting Policies & Notes to Account	23		

For and on behalf of Board of Directors

As per our Report of even date

Akash Jain
Managing Director

Prakash Goyal
Director

for **J P S & COMPANY**
Chartered Accountants
Firm Reg. No. 004086N

Place : New Delhi
Date : 2nd September, 2010

J C VERMA
Partner
M. No. 83210

CONSOLIDATED CASH FLOW STATEMENT

(Amount in Rs.)

Particulars	For the Year Ended 31st March, 2010	For the Year Ended 31st March, 2009
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax & extra ordinary items as per Profit & Loss Account	13891593	8063305
Adjustment for :		
Depreciation	3274517	2972979
Miscellaneous Expenditure (Amortised)	8739	8739
Interest Expenses	2682711	686933
Discount Received on DEPB	(660370)	(102106)
Interest Income	(2911806)	(1057449)
Prior Period Expenditure	-	4124
(Loss)/Profit on Sale of Fixed Assets	333554	-
Miscellaneous Income	(39987)	-
Operating profit before Working Capital change	16578951	10576525
Adjustment for :		
Tax Related to earlier years	(110689)	(57786)
Decrease in Sundry Creditors and other payables	54684818	(6404542)
(Increase)/Decrease in Sundry Debtors	(33945532)	19792699
(Increase)/Decrease in Loans & Advances	(6932126)	(5322399)
(Increase)/Decrease in other assets	(3340898)	3382
(Increase)/Decrease in Inventories	(5077516)	(13712962)
Cash Generated from Operations	21857008	4874917
Income Tax Paid/Provided	(3600000)	(1850000)
Fringe benefit tax Paid	-	(162110)
Prior Period Adjustments	-	(1894188)
Net Cash Generated from Operations	18257008	968619
NET CASH FLOW FROM OPERATING ACTIVITIES (A)		
B-CASH FLOW FROM INVESTING ACTIVITIES		
Sale / (Purchase) of Fixed Assets	(3041949)	(4236063)
Sale of Fixed Assets	485000	1200040
Sale / (Purchase) of Investment	(1600000)	(3678411)
Interest Received	2911806	1057449
Discount Received on DEPB	660370	102106
Miscellaneous Income	39987	-
NET CASH USED IN INVESTING ACTIVITIES (B)	(544786)	5554879
C. CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Including Dividend Tax	(4326500)	-
Proceeds from borrowings	(5020493)	(2876556)
Repayment of borrowings	193605	2906382
(Decrease)/Increase in cash & credit	(1947415)	4446831
Interest of Borrowings	(2682711)	(686933)
Prior Period Expenditure	-	(4124)
NET CASH PROCEEDS FROM FINANCE ACTIVITIES ('C)	(13783514)	3785600
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	3928708	(800660)
CASH AND CASH EQUIVALENTS AT START OF YEAR	5493727	6294387
CASH AND CASH EQUIVALENTS AT CLOSE OF YEAR	9422435	5493727

For and on behalf of Board of Directors

As per our Report of even date

Akash Jain
Managing Director

Prakash Goyal
Director

for **J P S & COMPANY**
Chartered Accountants
Firm Reg. No. 004086N

Place : New Delhi
Date : 2nd September, 2010

J C VERMA
Partner
M. No. 83210

Schedules Forming Part of Consolidated Accounts

(Amount in Rs.)

Particulars	As At 31st March, 2010	As At 31st March, 2009
SCHEDULE - 01		
SHARE CAPITAL		
Authorised		
5600000 Equity Shares of Rs.10/- each	56000000	56000000
Issued Subscribed & Paid up		
3698600 Equity Shares of Rs.10/- each	36986000	36986000
TOTAL	36986000	36986000
SCHEDULE - 02		
RESERVES & SURPLUS		
General Reserve		
Opening Balance	2489291	2489291
Add : Transferred from Profit & Loss Account	300000	-
	2789291	2489291
Balance as per last Balance Sheet		
Surplus from Profit & Loss Account	32339945	26639583
TOTAL	35129236	29128874
SCHEDULE - 03		
SECURED LOANS		
Vehicle Loan (Secured against hypothecation of vehicles)	4012878	3903049
Cash Credit Limit	5184237	7131653
(Secured by Hypothecation of Inventory & Book Debts)		
L&T Finance Ltd. (Secured against Machinery)	2563283	7500000
TOTAL	11760398	18534702
SCHEDULE - 04		
UNSECURED LOANS		
From Bodies Corporate	2079202	2079202
TOTAL	2079202	2079202

Schedules Forming Part of Consolidated Accounts

SCHEDULE - 05 FIXED ASSETS

			GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
SL. NO.	DESCRIPTION		AS AT 01.04.2009 (Rs.)	ADDITIONS DURING THE YEAR (Rs.)	SALE/ ADJUSTMENT DURING THE YEAR (Rs.)	TOTAL AS AT 31.03.2010 (Rs.)	UP TO 31.03.2009 (Rs.)	FOR THE YEAR (Rs.)	SALE/ ADJUSTMENT DURING THE YEAR (Rs.)	UPTO 31.03.2010 (Rs.)	AS AT 31.03.2010 (Rs.)	AS AT 31.03.2009 (Rs.)
1	LAND & BUILDING	5.00%	7098290	-	-	7098290	691058	62647	-	753705	6344585	6407232
2	VEHICLES	25.89%	7601319	2384149	3072268	6913200	3055392	1392758	2253714	2194436	4718764	4545927
3	PLANT & MACHINERY	13.91%	16860912	-	-	16860912	4914626	1661728	-	6576354	10284557	11946286
4	FURNITURE & FIXTURES	18.10%	861076	21000	-	861076	776845	15246	-	792091	68985	84231
5	AIR CONDITIONERS	13.91%	465631	-	-	486631	398279	11290	-	409569	77062	67352
6	OFFICE EQUIPMENTS	13.91%	757554	-	-	757554	609749	20560	-	630309	127245	147805
7	COMPUTERS	40.00%	1188386	135800	-	1324186	1103862	55877	-	1159739	164448	84524
8	GENERATORS	13.91%	208800	449000	-	657800	176301	50100	-	228401	429399	30499
9	XEROX MACHINE	13.91%	110000	52000		162000	88824	4313	-	93137	68863	21176
	TOTAL		**35151968**	**3041949**	**3072268**	**35121649**	**11816936**	**3274517**	**2253714**	**12837741**	**22283908**	**2335032**
	PREVIOUS YEARS FIGURES		32244992	4029766	1200040	35151968	8843957	2972979	206297	11816936	23335032	23478285

Schedules Forming Part of Consolidated Accounts

(Amount in Rs.)

Particulars	As At 31st March, 2010	As At 31st March, 2009
SCHEDULE - 06		
INVESTMENTS (LONG TERM)		
Investment in Quoted Shares		
518292 equity shares of M/s Hilton Rubbers Ltd. fully paid up (face value Rs. 10/- per share) (Market value Rs.466463/- Previous Year Rs.466463/-)	466463	466463
INVESTMENT in Un Quoted Share	250000	250000
25000 equity shares of M/s South West Pinnacle and Exploration Pvt. Ltd. fully paid up (face value Rs. 10/- per share) (Market value Rs. 250000/- Previous Year Rs. NIL		
Capital in Joint Ventures	5278410	3678410
TOTAL	5994873	4394873
SCHEDULE - 07		
INVENTORIES		
a) Synthetic Rubber & Chemicals	19211143	7451368
b) Equity Shares	1786355	1786358
c) Stock in Transit - Coal	-	9970314
d) Metal Scrap	3288058	-
TOTAL	24285556	19208040
SCHEDULE - 08		
SUNDRY DEBTORS		
[Unsecured unless otherwise stated]		
Exceeding six months (Considered Good)	45925498	837738
Considered doubtful	-	12104996
Other Debts (Considered good)	958020	-
	46883518	12942734
TOTAL	46883518	12942734
SCHEDULE - 09		
CASH & BANK BALANCES		
Cash in Hand	3458504	1227371
Balances With Scheduled Banks		
In Current Accounts	3188931	1506356
In CC A/c	-	-
In FDR	2775000	2710000
Cheque In Hand	-	50000
TOTAL	9422435	5493727
SCHEDULE - 10		
Deferred Tax Asset	3901182	3892417
Add : During The Year	145957	8765
TOTAL	4047139	3901182
SCHEDULE - 11		
OTHER CURRENT ASSETS		
Prepaid Expenses	80726	52569
Other Receivables	6232425	2922789
CVD Receivable	-	384280
TOTAL	6313151	3359638

Schedules Forming Part of Consolidated Accounts

(Amount in Rs.)

Particulars		As At 31st March, 2010	As At 31st March, 2009
SCHEDULE - 12			
LOANS & ADVANCES			
(Unsecured and Considered Good)			
[Recoverable in cash or in kind or for value to be received/adjusted]			
Tax Deducted At Source		375406	1074823
Advance to Customers		31661743	18,574,635
Other Advances		14748804	13545121
Lease Rent Receivable		2282359	6722607
Staff Advances		69751	30654
Security & Other Deposits		6072776	7970033
VAT Receivable		-	20546
Insurance Claim from ICICI Lombard		47091	-
	TOTAL	55257930	47938419
SCHEDULE - 13			
CURRENT LIABILITIES			
A - Sundry Creditors			
For Supplies		45155821	9994640
For Services & Expenses		2184433	462282
		47340254	10456922
B - Other Liabilities		25146145	3439221
C - Advance from Customers		7900000	17917046
	TOTAL	80386399	31813189
SCHEDULE - 14			
PROVISIONS			
For Current Year Tax		3782965	185000
Previous Year Tax		57880	51046
Fringe Benefit Tax		7419	162110
Proposed Dividend		3698000	-
Tax on Proposed Dividend		628500	-
	TOTAL	8174764	2063156
SCHEDULE - 15			
MISCELLANEOUS EXPENDITURE			
(To the extent not written off or adjusted)			
A- Preliminary Expenses		21000	24500
Less : Written off for the year		3500	3500
	TOTAL	17500	21000
B- Deferred Revenue Expenses		6478	9717
Less : Written off for the year		3239	3239
	TOTAL	3239	6478
C- Share Issue Expenses		4000	6000
Less : Written off for the year		2000	2000
	TOTAL	2000	4000
		22739	31478

Schedules Forming Part of Consolidated Accounts

(Amount in Rs.)

Particulars		For the Year Ended 31st March, 2010	For the Year Ended 31st March, 2009
SCHEDULE - 16			
SALES			
Coal		184015298	85945030
Synthetic Rubber & Chemicals		156882509	37458410
High Sea Sale		5060815	5801067
Calcite Powder		561640	694000
	TOTAL	346520262	129898507
SCHEDULE - 17			
OTHER INCOME			
Lease Rent		3000000	6600000
Interest Received		2900413	975616
Discount Received on DEPB		660370	102106
Foreign Currency Fluctation		1707073	-
Miscellaneous Income		14384	146
Interest on FDR		37509	44709
Miscellaneous Balances W/Off		-	1612808
Miscellaneous Income		-	533456
Interest Rec. on Income Tax Refund		13871	37124
	TOTAL	8333620	9905965
SCHEDULE - 18			
COST OF SALES			
Purchase of Goods Domestic		179179815	85352586
Imported		113681978	18597772
Manufacturing Exp. Inward Freight, Cartage & Transportation		3341686	31983108
Labour Charges		34726466	-
		330929945	135933466
Increase(-)/Decrease (+)in stock			
Closing Stock	24285556		
Less: Opening Stock	19208038	(5077518)	(13712962)
	TOTAL	325852427	122220504
SCHEDULE - 20			
PERSONNEL EXPENSES			
Salaries, Wages & Bonus		1294270	1816167
Contribution to Provident & Other Funds		687610	118298
Staff Welfare Expenses		138142	117151
	TOTAL	2120022	2051616
SCHEDULE - 21			
FINANCIAL COST			
Bank Interest		1213496	422413
Bank Charges		806129	431831
Financial Charges		1466977	1224136
Interest on TDS / Service Tax		2238	-
	TOTAL	3488840	2078380
SCHEDULE - 22			
SELLING EXPENSES			
Business Promotion		59272	12960
Freight & Cartage Outward		206176	45643
Commission/Discount Allowed		2246992	-
	TOTAL	2512440	58603

Schedules Forming Part of Consolidated Accounts

(Amount in Rs.)

Particulars	For the Year Ended 31st March, 2010	For the Year Ended 31st March, 2009
SCHEDULE - 19		
ADMINISTRATIVE EXPENSES		
Advertising Expenses	**93955**	50414
Rent	**388700**	231600
Insurance	**67410**	51466
Electricity Expenses	**125187**	166057
Telephone/ Fax Expenses	**232464**	180716
Printing & Stationary	**81756**	48453
Postage & Telegram	**24952**	12039
Office Expenses	**62371**	41638
News Paper / Books & Periodcals	**11795**	10203
Travelling & Conveyance Expenses	**114135**	166302
Foreign Travelling Expenses	**119045**	451001
Professional Charges	**95759**	34005
Internal Audit Fees	**11030**	11030
Auditor's Remuneration	**111955**	92102
Filing Fees	**16372**	19290
Listing Fees	**11130**	11084
Demateriliasation Exp.	**34840**	28551
Charity & Donation	**-**	9600
General Expenses	**23953**	25329
Vehicle Running Expenses	**51489**	72882
Computer Expenses	**19018**	30585
Repair & Maintenance	**7790**	18225
Generator Running Expenses	**56578**	32300
Retainership Fee	**30000**	30000
A.G.M. Expenses	**22455**	33063
Rate & Taxes	**-**	28940
Service Tax Demand	**3725**	-
Scooter Running Expenses	**5133**	750
Testing Charges	**14714**	13362
Insurance Godown	**60279**	18215
Membership Charges	**261000**	196650
AMC Charges	**5500**	4283
CST Demand	**11868**	-
Employee Compensation	**-**	37022
MCD Tax	**-**	9405
Prior Period Expenditure	**-**	4124
Festival Celebration Expenses (Diwali)	**20268**	-
Foreign Currency Fluctuation	**-**	177661
Fine & Penalty	**2000**	2000
Bad Debts Written Off	**253394**	-
Insurance Farm House	**12409**	-
Loss on Sale of Car	**286463**	-
Repair & Maintenance of Machine	**954411**	-
TOTAL	**3705303**	2350347

SCHEDULE - 23
NOTES ON CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010

1. a) The Consolidated Financial Statement have been prepared in accordance with Accounting Standard 21 (AS-21) "Consolidated Financial Statements".

   b) The subsidiary (which along with **CHANDRA PRABHU INTERNATIONAL LTD.**, the parent, constitute the group) considered in the presentation of these consolidated financial statements is as under :-

NAME OF THE SUBSIDIARY COMPANY	COUNTRY OF ORIGIN
CHANDRA PRABHU OVERSEAS LIMITED.	**INDIA**
99.75%	**100%**
PROPORTION OF OWNERSHIP INTEREST	PROPORTION OF VOTING POWER HELD IF DIFFERENT FROM PROPORTION OF OWNERSHIP INTEREST
SOUTH WEST DRILLING & INFRASTRUCTURE LIMITED	**INDIA**
100%	**100%**

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements have been prepared on the following basis:-

1. The financial statements of the company and its subsidiary company have been combined on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses.

2. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

2. **Accounting Convention**

i) The financial statements have been prepared on the historical cost convention in accordance with generally accepted accounting policies and in *accordance with applicable accounting standards.*

ii) The company generally follows the Mercantile System of Accounting and recognizes Income and Expenditure on accrual basis except stated otherwise.

3. **Fixed Assets**
   Fixed Assets are stated at cost of acquisition including expenses directly attributable thereto.

4. **Depreciation**
   Depreciation on fixed assets has been provided on "Written Down Value" method at the rates and in the manner specified in Schedule XIV of the Companies Act,1956 as amended.

5. **Investments**
   All long-term quoted investments are valued at their depleted value.

6. **Inventories**
   Traded goods inventories are stated at lower of cost or net realizable value. Inventory of shares is valued at cost.

7. **Miscellaneous Expenditure**
   The company amortizes expenditure in relation to its Public Issue including Deferred Revenue Expenditure over a period of 10 years commencing from the year of occurrence.

8. **Foreign Exchange Transaction**
   Gain/Losses arising out of fluctuation in exchange rates are accounted for on the basis of payments. Fluctuation in foreign exchange realization is being credited/charged to Profit & Loss Account.

9. **Revenue Recognition**

a) Sale of products and services are recognized when the products are shipped or services rendered.

b) Dividend from investments is recognized in the Profit & Loss Account on receipt basis.

10. **Employee Benefits.**
    Short Term employee benefits:-

Short term employee benefits are recognized as an expense on an undiscounted basis in the P & L Account of the year in which the related services are rendered.

Post Employed Benefits

Employees contribution to the Provident Fund and Employees Pension Scheme, a defined contribution plan is made in accordance with the Provident Fund Act, 1952 r.w. The Employees Pension Scheme, 1995.

Long Term Benefits:

The liability of leave encashment and other compensated absences is recognized on arithmetical basis at the end of the year are charged to revenue each year.

Gratuity amounting to Rs.16,250/- has been provided in the books of account on accrual basis.

11. **Segment Reporting**

The Accounting Policies adopted for segment reporting are in line with the Accounting Policies of the company. Revenue and expenses have been identified to the Segment based on their relationship to the business activity of the segments.

S. No.	Particulars	Commodities		Unallocable		Total	
		2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
1	**Revenue**						
	Intersegment Sale	**3465.20**	**1298.99**	-	-	**3465.20**	**1298.99**
	Other Income	-	-	83.33	99.03	83.33	99.03
	Total Net Sales/Income from operations						
2	**Results**						
	Segment Results	113.63	21.40	52.12	75.70	165.75	97.10
	Operating Profit/(Loss)	113.63	21.40	52.12	75.70	165.75	97.10
	Interest Exp.	(16.76)	(6.87)	(10.07)	(9.60)	(26.83)	(16.47)
	Profit/(Loss) before Tax	**96.87**	**14.53**	**42.05**	**66.10**	**138.92**	**80.63**
	Income Tax						
	Current Tax	36.00	(5.00)	-	(13.50)	36.00	(18.50)
	Tax related to earlier years (FBT)	-	(0.06)	-	(0.02)	-	(0.08)
	Tax related to earlier years	0.56	(0.50)	0.55	-	1.11	(0.50)
	FBT Tax	-	(1.50)	-	(0.12)	-	(1.62)
	Deferred Tax	(1.37)	0.07	(0.09)	(0.02)	(1.46)	(0.09)
	Profit /(Loss) after Tax	**61.68**	**7.54**	**41.59**	**52.48**	**103.27**	**60.02**
3	**Other information**						
	Segment Assets	1530.71	873.62	216.36	293.42	1747.07	1167.04
	Segment Liability	811.38	311.33	212.63	233.57	1024.01	544.90
4	**Other**						
	Capital Expenditure	676.95	402.97	3.73	-	682.59	402.97
	Depreciation	14.01	8.09	18.74	21.64	32.75	29.73
	Non cash expenses other than depreciation	-	-	-	-	-	-

12. **Taxes on Income**

Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognized, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable to reversal in one or more subsequent periods.

13. A sum of Rs. 27,67,781.60/- being shown as recoverable under Schedule no. 11 of Current Assets is an amount deposited under protest as Anti Dumping Duty imposed by the Customs Authority Delhi on Synthetics Rubber (Styrene Butadiene KHS-68) which is being contested and the company is hopeful of recovery.

14. **Contingent liabilities not provided for**

Demands not acknowledged as debts and in respect of which the matters are in appeal and exclusive of the effect of similar matters in respect of assessments remaining to be completed.

		2009-10 (Amt. in Rs.)	2008-09 (Amt. in Rs.)
a)	Foreign LCs	**25,258,726**	NIL

B) An ex-employee has filed a suit against the Company before the labour court against termination, liabilities unascertained.

C) The Income Tax cases decided in Company's favour by ITAT and Department is in further Appeal for A.Y.1997-98 & 1998-99 although, The H'oble Court has decided similar issues in favour of assesses.

d) The company has given a guarantee in respect of loan taken by its subsidiary South West Drilling & Infrastructure Ltd from L&T Finance Ltd of Rs.149 Lacs.

15. **Deferred Tax Assets (Net)**
The components of Deferred tax liability and assets as on 31st March, 2010 are as under :-

		2009-10 (Amt. in Rs.)	2008-09 (Amt. in Rs.)
Deferred (Liability) /Assets for Tax purpose			
Depreciation	=	456102	4892
Deferred Revenue Expenditure Written off	=	-	-
Provision for retirement benefits	=	16250	33258
Pro. for doubtful debts	=	Nil	Nil
Pro. written back for doubtful debts	=	Nil	Nil
Net Deferred Liability / (Assets)	=	472352	28366
Net Deferred Tax Liability / (Assets)	=	472352	28366
Less : Previous year extra provided			
Add : Previous year extra provided			
Net Deferred Tax (Liability) / Assets	=	145957	8765

16. Earning per share is positive Rs. (2.79) per share

	2009-10 (Amt. in Rs.)	2008-09 (Amt. in Rs.)
Profit after taxation attributable to equity shareholder		
Profit before taxation	13891594	80,63,304
Before Extra Ordinary Income		
Less:- Current Year Tax	3600000	18,50,000
Deferred Tax	(145957)	(8,765)
FBT	-	1,62,111
Tax related to earlier year (FBT)	-	7559
Tax related to earlier year	110689	50,227
Profit After Tax Before Extra Ordinary Items	10326862	60,02,172
Extra Ordinary Items	-	(18,94,188)
Profit After Tax After Extra Ordinary Items	10326862	41,07,984
Equity Shares	3698600	3698600
Earning Per Share Basic/Diluted		
Before Extra Ordinary Items	2.79	1.62
After Extra Ordinary Items	2.79	1.11
Face Value per share	10	10

17. Consolidated Cash Flow Statement for the year ended 31st March, 2010 is annexed.

18. Consolidated Quantitative details of goods traded are same as given below

S. No.	Item	M.T./Kgs	Period	Opening Stock		Purchases/Receipts		Sales/Consumption		Closing Stock	
		Mtrs/Nos.	Ending	Qty.	Amt. (Rs.)	Qty.	Amt. (Rs.)	Qty.	Amt. (Rs.)	Qty.	Amt. (Rs.)
1	**SyntheticRubber & Chemicals**	**M.T.**	**Curr. Yr.**	**102250**	**7451369**	**1860118**	**1550189**	**1676008**	**155496397**	**286845**	**19211143**
	SyntheticRubber & Chemicals	M.T.	Prev. Yr.	97.440	3290641	1091.847	43254470	1087.037	43953477	102250	7451369
2	**Metal**	**M.T.**	**Curr. Yr.**	-	-	**75830**	**3288058**	-	-	**75830**	**3288058**
	Metal	M.T.	Prev. Yr.	-	-	-	-	-	-	-	-
3	**Coal**	**M.T.**	**Curr. Yr.**	**2606**	**9970314**	**57934.89**	**132822461**	**60540.89**	**184015297**	-	-
	Coal	M.T.	Prev. Yr.	268	418080	27260	59763586	24922	85944630	2606	9970314
3	**Shares**	**Nos.**	**Curr. Yr.**	-	**1786355**	-	-	-	-	-	**1786355**
	Shares	Nos.	Prev. Yr.	-	1786358	-	-	-	-	-	1786358
				104856	**19208038**	**1993883**	**291129436**	**1736549**	**339511694**	**362675**	**24285556**

19. The details of Prior Period Adjustment account are :

	2009-10 (Amt. in Rs.)	2008-09 (Amt. in Rs.)
Expenses	NIL	4124

20. Earnings in Foreign Currency :

2009-10 (Amt. in Rs.)	2008-09 (Amt. in Rs.)
NIL	NIL

21. Expenditure incurred in Foreign Currency :

	2009-10 (Amt. in Rs.)	2008-09 (Amt. in Rs.)
On account of Foreign Traveling	52,075	1,09,455

22. Value of Imports on CIF basis :

	2009-10 (Rs. In Lacs)	2008-09 (Rs. In Lacs)
Trading Goods	1112.59	185.98
Machinery & Machinery Parts	NIL	179.30

23. **A) Detail of Remuneration to Auditors :**

	2009-10 (Amt. in Rs.)	2008-09 (Amt. in Rs.)
As Audit Fees	83,277	67,836
In other Capacity	19,855	7,978
Tax Audit	28,678	24,266
	1,31,810	1,00,080

B) Detail of Managerial Remuneration :

Managing / Whole Time Director

	2009-10 (Amt. in Rs.)	2008-09 (Amt. in Rs.)
Salary	3,40,000	3,80,000
Perquisites	NIL	NIL
Other Allowance	1,40,000	1,60,000
Other Directors		
Sitting Fee & Other Benefits	NIL	NIL
TOTAL	4,80,000	5,40,000

24. Previous year's figures have been regrouped/ rearranged / recasted wherever necessary to make them comparable with current year's figures. All figures have been rounded off to the nearest rupee.

25. **Related party transactions :**

a) Related party where control exits :
CHANDRA PRABHU OVERSEAS LTD.
SOUTH WEST DRILLING & INFRASTRUCTURE LTD.

b) Name of the Related party where transaction have taken place during the year :

ii) **Key Management Personnel.**

Managing Director	Sh. Akash Jain
Director	Sh. Piyush Jain (Ex. Director upto 31/5/09) (Director upto 18/11/09)
Director	Sh. Prakash Goyal
Director	Sh. Sudhanshu Mishra
Director	Sh. Ved Prakash Goel
Director	Sh. Jagdish Jhunjhunwala

Related Party Transaction (Key Management Personnel) as given on Page No. 24

Employees Benefit:

Rs. 63,256/- for Provident Fund has been charged to Profit & Loss Account in accordance with the Provident Fund Act, 1952 r.w. The Employees Pension Scheme, 1995.

Liability for Gratuity, privilege leaves and medical leaves is determined on arithmetical basis and Rs. 20,596/- has been charged to Profit & Loss Account.

For and on behalf of Board of Directors

Akash Jain
Managing Director

Prakash Goyal
Director

Place : New Delhi
Date : 2nd September, 2010

As per our Report of even date

***for* J P S & COMPANY**
Chartered Accountants
Firm Reg. No. 004086N

J C VERMA
Partner
M. No. 83210

CHANDRA PRABHU INTERNATIONAL LIMITED

Regd. Off. : 14, Rani Jhansi Road, New Delhi 110055

ATTENDANCE SLIP

Please complete the Attendance Slip and hand it over at the entrance of the Meeting Hall. Joint Shareholders may obtain additional Attendance Slip on request.

Name & Address of the Shareholder(s):

Ledger Folio/DP & Client ID No(s). :
No. of Shares :

I hereby record my presence at the 25th ANNUAL GENERAL MEETING of the Company held on 30th September 2010.

SIGNATURE OF THE SHAREHOLDER/REPRESENTATIVE/PROXY*
*Strike out whichever is not applicable.

---------- TEAR HERE ----------

CHANDRA PRABHU INTERNATIONAL LIMITED

Regd. Off. : 14, Rani Jhansi Road, New Delhi 110055

FORM OF PROXY

Proxy No. :
Ledger Folio/DP & Client ID No.(s) :
No. of Shares :

I/We.....of.....
being a member/members of Chandra Prabhu International Ltd., hereby appoint.....
.....of ..... or failing him
.....of ..... as my/our proxy to vote for me/us on my/our behalf at the Twenty Fifth Annual General Meeting of the Company to be held on the 30th September 2010 at and at any adjournment thereof.

Signed this ..... Day of ....., 2010

Affix Rs.1/- Revenue Stamp

NOTE : The Proxy Form duly completed must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.

BOOK POST/U.P.C.

From :

Chandra Prabhu International Limited
14, Rani Jhansi Road,
New Delhi - 110055

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Bhatia Enterprises
1384, Gali Ganesh,
Shora Kothi, Delhi-7
+91-9873702304
+91-9811419922