

**32<sup>nd</sup>**

**ANNUAL REPORT**

**2010**

**SHIVALIK RASAYAN LIMITED**

# SHIVALIK RASAYAN LIMITED

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Shri Rahul Bishnoi	:	Chairman
Shri S. K. Singh	:	Managing Director
Shri Anirudh Bishnoi	:	Director
Shri Tejasvi Bishnoi	:	Director
Shri Ashwani Sharma	:	Director
Shri Puneet Chandra	:	Director
Shri Harish Pande	:	Director
<b>AUDITORS</b>	:	M/s Ramkrishna & Company, Chartered Accountants, D-63, Panchsheel Enclave, New Delhi - 110 017
<b>REGISTERED OFFICE AND FACTORY</b>	:	Village Kolhupani, P.O. Chandanwari, Dehradun - 248 007
<b>CORPORATE OFFICE</b>	:	1506, Chiranjiv Tower, 43, Nehru Place, New Delhi - 110 019 Tel No. (011) 26221811, 26418182 E-mail: srl@vsnl.com, srl@airtelmail.in Website: www.shivalikrasayan.in
<b>SHARE REGISTRAR</b>	:	M/s Beetal Financial & Computer Services Pvt. Limited BEETAL House, 3 <sup>rd</sup> Floor, 99, Madangir, Behind Local Shopping Complex, New Delhi - 110 062 Tel No. (011) 29961281, 29961282 E-mail: beetal@beetalfinancial.com

# NOTICE

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NOTICE is hereby given that the Thirty Second Annual General Meeting of Shivalik Rasayan Limited will be held on Wednesday the 29<sup>th</sup> September, 2010 at 3.00 P.M. at the Registered Office of the Company at Village Kolhupani, Dehradun to transact the following business:

## ORDINARY BUSINESS

1. To consider and adopt the Balance Sheet as on 31<sup>st</sup> March 2010, Profit & Loss Account for the period from 1<sup>st</sup> April 2009 to 31<sup>st</sup> March 2010 and the report of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Anirudh Bishnoi, who retires by rotation and being eligible offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:-

“RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, approval of the members be and is hereby accorded for re-appointment of M/s Ramkrishna & Company, Chartered Accountants, as auditors of the Company to hold office from the conclusion of this Annual General Meeting, till the conclusion of the next Annual General Meeting of the company on such remuneration as may be fixed by the Board of Directors plus Services Tax, reimbursement of actual traveling and out-of-pocket expenses incurred by them for the purpose of audit.”

By order of the Board  
for Shivalik Rasayan Ltd.

Sd/-  
S. K. Singh  
Managing Director

Place : New Delhi  
Dated : 1<sup>st</sup> June, 2010

## NOTES:

1. The relevant explanatory statement pursuant to section 173(2) of the Companies Act, 1956 is annexed hereto.
2. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. A Proxy Form is sent herewith. The Proxy Form duly completed should reach the Registered Office of the company not later than 48 hours before the start of the meeting.
3. If any more information is require by any shareholder, he is requested to convey the same to the Registered Office of the Company so as to reach us at least one week before the date of the meeting.

# DIRECTORS' REPORT

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## TO THE MEMBERS

Your Directors have pleasure in presenting their 32<sup>nd</sup> Annual Report together with an audited statement of account for the year ended on 31<sup>st</sup> March 2010 and Auditors' Report thereon.

## WORKING RESULTS

The Sales of your company have increased by 7.38% and net profit increased by 169.56% during the year when compared to last year's performance.

Financial Data (Rs. in Lac)	Current Year	Previous Year
Sales	2164.63	2015.80
Other Income	13.36	4.93
Profit before Depreciation	69.92	31.47
Depreciation	9.73	9.03
Profit for the year before Tax	60.19	22.44
Provision for taxation	19.40	5.85
Deferred Tax Assets/(Liability)	0.48	(1.28)
NET PROFIT FOR APPROPRIATION	41.27	15.31

## DIVIDEND

The company has recovered accumulated losses and financial positions of the company does not allow this year to recommend any dividend.

## CURRENT OUTLOOK

The net profit before depreciation is Rs.69.92 lacs. Protection under safeguards is still continuing till 2011.

## FINANCE

The Company has issued bonus shares to the existing share holder of the company in the ratio of 1:1 during the year.

## CORPORATE GOVERNANCE

Your Company has fully complied with the requirements of Clause 49 of the Listing Agreement regarding Corporate Governance.

A report of Corporate Governance Practices and Management Discussion and Analysis are given as annexure to this report.

## DIRECTORS' RESPONSIBILITY STATEMENT

In terms of provisions of Section 217(2AA) of the Companies Act, 1956, your directors confirm as under:-

- a) that in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) that the directors have selected such accounting policies 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;

## **DIRECTORS' REPORT**

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- c) that the directors have 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;
- d) that the directors have prepared the annual accounts on a going concern basis.

### **DIRECTORS**

Shri Anirudh Bishnoi retires by rotation and is eligible for re-appointment.

### **SECRETARIAL COMPLIANCE CERTIFICATE**

A Secretarial Compliance Certificate pursuant to Section 383A of the Companies Act, 1956, is attached herewith.

### **QUALIFICATION IN THE AUDITORS' REPORT**

The qualifications in the Auditors' Report have been well explained in the Notes to Financial Statements and are self-explanatory. Further, the Directors would like to clarify as under:-

The company has been making a provision towards the payment of gratuity liability in its books of account as per the provisions of the Payment of Gratuity Act, 1972. Similarly, liability towards leave encashment is being provided for encashable leave due to the employees on the basis of last salary drawn. Accounting Standard (AS) - 15 "Accounting for Retirement Benefits in the Financial Statements of Employers" issued by the Institute of Chartered Accountants of India, states that the liability towards retirement benefits should be ascertained and provided for on the basis of actuarial valuation. Further, it requires that the company should make contribution to a trust fund or insurer for this purpose. The circumstances of the company so far do not permit it to bear expenses for an Actuarial Valuation and contribute to a trust fund from the already scarce sources of funds. However, your Directors are hopeful that with the improving position of the company, steps will be taken to comply with the relevant provisions in the future.

### **LISTING FEES**

The Annual Listing Fee for the year 2009-10 had been paid to Delhi Stock Exchange where the company's shares are listed.

### **AUDITORS**

M/s Ramkrishna & Company, Chartered Accountants, New Delhi retires at the conclusion of this Annual General Meeting and being eligible, offer themselves for re-appointment. A letter has been received from them stating that the re-appointment, if made, will be in accordance with the provisions of Section 224(1B) of the Companies Act, 1956.

# DIRECTORS' REPORT

## CONSERVATION OF ENERGY/TECHNOLOGY ABSORPTION/RESEARCH AND DEVELOPMENT

### 1. Disclosure of Particulars with respect to Conservation of Energy

#### Power and Fuel consumption

##### Electricity

	Current Year	Previous Year
Unites (Kwh)	776574	769197
Total Cost (Rs.)	4103485	2587072
Rate / unit (Rs.)	5.28	3.36

##### Coal (used in boiler)

Quantity (kg.)	1060220	831540
Total Cost (Rs.)	7235452	5635498
Average Rate (Rs.)	6.82	6.78

The company is taking measures to achieve more efficiency in power and fuel consumption. The quality of coal used is being monitored to bring down consumption levels.

### 2. Technology Absorption

The company could not undertake any technology absorption measures due to constraint of funds.

### 3. Foreign exchange earnings and outgo: Rs. 1.93 Crore

#### PARTICULARS OF EMPLOYEES

There were no employees as per the requirements of Section 217(2A) of the Companies Act, 1956.

#### PERSONNEL

The company continued to maintain harmonious and cordial relations with its workers. The Directors wish to place on record their appreciation for the services and untiring efforts of the employees at all levels.

#### ACKNOWLEDGEMENT

The Board takes this opportunity to sincerely thank all its stakeholders namely, shareholders, customers, suppliers/contractors, employees, government agencies, local authorities for their continued trust and support to the company.

for and on behalf of the Board of Directors

Place : New Delhi  
Dated : 1<sup>st</sup> June, 2010

Sd/-  
**RAHUL BISHNOI**  
Chairman

## **MANAGEMENT DISCUSSION AND ANALYSIS**

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### **Product**

SHIVALIK RASAYAN LIMITED is one of the leading manufactures of Dimethoate Technical and Malathion Technical in India. Both the products are old generic products.

### **Dimethoate Technical**

Sales of Dimethoate Technical have been increased from 860.370 MT to 929.105 MT. Cheaper Import of Dimethoate Technical from China has been restricted due to levy of Safe Guard Duty by the Government of India on Dimethoate Technical.

### **Malathion Technical**

Malathion Technical has registered a sale of Rs.199.61 lacs during FY 2009-10.

### **Opportunities & challenges**

Dimethoate Technical import has been the major threat from China because of low price offering. But Government of India levied a Safeguard Duty of 28% w.e.f., 23.03.2009 on Dimethoate Technical which will help your company to optimize the production of Dimethoate Technical and shall be in a position to give competition to international players.

### **Financial Review**

During the year 2009-10 your company expects an increase in demand of Dimethoate Technical due to enlarged area of crop cultivation and farmers shifting from traditional crop to cash crops which will increase consumption of pesticides.

During the year under review your company has issued bonus shares in the ratio of 1:1 share to the existing share holders.

During the year under review, the gross fixed assets of your company have increased to Rs.479.35 lacs 2009-10 from Rs.470.45 lacs in the year 2008-09.

Company has been regular in meeting its obligations towards payment to regulatories and other statutory payment.

## REPORT ON CORPORATE GOVERNANCE

### Company's philosophy on Corporate Governance

Good corporate practices ensure that a Company meets its obligations to optimize shareholders value. Corporate governance has assumed great significance in India in the recent past in the form of amendment in the Companies Act, 1956 and Listing Agreement with Stock Exchanges. Most of the provisions of the Corporate Governance code prescribed by the Companies Act and the Listing Agreement have been complied with and balance will be complied within the prescribed period.

### Board of Director

#### a) Composition of the Board

As on 31<sup>st</sup> March, 2010 the Board of Directors comprised of Seven Directors out of which four are Non-Executive Directors, One Chairman, One Managing Director and one Executive Director. Out of the Seven Directors Company has Four Independent Directors.

#### b) Number of Board Meetings

During the year ended 31<sup>st</sup> March, 2010,

#### c) Directors' attendance record and Directorship in other public Limited Companies:

Name of the Director	Position	Board Meetings held during the year	Board Meetings attended during the year	Whether attended last AGM	Directorship in other public Limited Companies*
Shri Rahul Bishnoi	Chairman	7	7	Yes	No
Shri S. K. Singh	Managing Director	7	7	Yes	No
Shri Ashwani Sharma	Executive Director	7	7	Yes	No
Shri Harish Pande	Independent Director	7	7	Yes	No
Shri Anirudh Bishnoi	Independent Director	7	6	Yes	No
Shri Tejasvi Bishnoi	Independent Director	7	4	Yes	No
Shri Puneet Chandra	Independent Director	7	4	No	No

\* Excludes Directorship in Private Limited Companies

#### d) Disclosures

- (i) The details of related party transaction with the Company as required by Accounting Standard (AS-18) on Related Party Transactions have been given in Schedule 13 of the Notes of Accounts. Besides this, Company has no materially significant transaction with the related parties viz. Promoters, Directors or the management or relatives and their subsidiaries, etc. that may have a potential conflict with the interest of the Company at large.
- (ii) No Non-executive director is holding any equity shares of the company.

#### e) Remuneration of Directors, sitting fees etc. for the year 2009-10

Shri S. K. Singh, Managing Director and Shri Ashwani Sharma was paid salary and perquisites of Rs.10,54,138. Besides this Managing Director and Director was entitled to Company's contribution to provident fund and gratuity fund.

## REPORT ON CORPORATE GOVERNANCE

No commission and Sitting fees paid to non-executive directors for the year ended on 31<sup>st</sup> March 2010.

### Committees of the Board

#### a) Audit Committee

##### (i) Terms of Reference

Apart from all the matters provided in Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, the Audit Committee reviews report of the internal auditors, meets statutory auditors as and when required and discusses their findings, suggestions, internal control system, scope of audit, observations of auditors and other related matters. It also reviews major accounting policies followed by the company.

##### (ii) Composition

As on 31<sup>st</sup> March, 2010, the Committee consists of three non-executive and independent Directors, namely Shri Harish Pande, Shri Anirudh Bishnoi and Shri Tejasvi Bishnoi.

##### (iii) Attendance record of the Audit Committee

The Committee met four times during the year. The attendance record of the members at the meetings is as follows:-

Name of the member	Status	No. of meetings attended
Shri S.K. Singh	Chairman	4
Shri Harish Pande	Member	4
Shri Anirudh Bishnoi	Member	4

#### b) Investors' Grievance Committee

##### (i) Terms of Reference

The Committee has been constituted to look into the redressal of shareholders and investor complaints, non-receipt of Balance Sheet and any other matter relating to shareholders/investors grievance.

##### (ii) Composition

As on 31<sup>st</sup> March, 2010, the committee comprises of three non-executive Directors.

##### (iii) Attendance record of the Investors Grievance Committee

The committee met four times during the year. The attendance record of the members at the meetings is as follows:

Name of the member	Status	No. of meetings attended
Shri Harish Pande	Chairman	4
Shri Anirudh Bishnoi	Member	4
Shri Tejasvi Bishnoi	Member	4

##### (iv) Investors' complaints received and resolved during the year

During the year under review, Company has not received any complaint from the investors.

## REPORT ON CORPORATE GOVERNANCE

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### c) Share Transfer Committee

#### (i) Terms of Reference

The Committee of the Board of Directors has been constituted to review and approve the request for transfer/transmission of shares and issue of duplicate shares certificates. The Share Transfer Committee also reviews the status of Shareholding pattern of the Company and significant changes, if any.

#### (ii) Composition

As on 31<sup>st</sup> March, 2010, the Committee consists of three non-executive and independent Directors, namely Shri Harish Pande, Shri Anirudh Bishnoi and Shri Tejasvi Bishnoi

#### (iii) Attendance record of the Audit Committee

The Committee met four times during the year. The attendance record of the members at the meetings is as follows:-

Name of the member	Status	No. of meetings attended
Shri Harish Pande	Chairman	12
Shri Anirudh Bishnoi	Member	12
Shri Tejasvi Bishnoi	Member	12

### Management

#### a) Management discussion and analysis

Management discussion and analysis report forms part of this Annual Report.

#### b) Disclosure on Risk Management

The company has further strengthened the Risk Management System in the Company. The Board of Directors periodically reviews the Risk Assessment and minimizing procedure thereof.

### Shareholders

#### a) Means of Communication

The quarterly, half-yearly and annual Audited Financial Results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board. The results are published in accordance with the guidelines of Stock Exchanges and are posted on the Web-site of the Company.

#### b) Investor Grievances

As mentioned earlier, the Company has constituted an Investors Grievance Committee for redressing shareholders and investors' complaints. Shri Harish Pande, Director of the company is the Chairman to the Committee as well as Compliance Officer.

#### c) Share Transfers

All share transfers are handled by Company's Registrar and Share Transfer Agent M/s Beetal Financial & Computer Services (P) Limited, Beetal House, 3<sup>rd</sup> Floor, Madangir, Behind Local Shopping Centre, New Delhi - 110 062.

#### d) General Body Meetings

Details of the last three Annual General meetings are as under:

## REPORT ON CORPORATE GOVERNANCE

Financial Year	Date	Time	Venue
2008-09	30 <sup>th</sup> Sept., 09	3.00 PM	Village Kolhupani, P.O.Chandanwari, Via Prem Nagar, Dehradun
2007-08	10 <sup>th</sup> Sept., 08	3.00 PM	Village Kolhupani, P.O.Chandanwari, Via Prem Nagar, Dehradun
2006-07	29 <sup>th</sup> Sept., 07	3.00 PM	Village Kolhupani, P.O.Chandanwari, Via Prem Nagar, Dehradun

### Additional Shareholders Information

a) **Annual General Meeting**

Date : 29<sup>th</sup> September 2010  
 Venue : Village Kolhupani, P.O.Chandanwari,  
 Via Prem Nagar, Dehradun  
 Time : 3:00 p.m.

b) **Book Closure**

The Register of Members and Share Transfer Books of the Company shall remain closed from 25<sup>th</sup> September 2010 to 29<sup>th</sup> September 2010 (Both days inclusive)

c) **Listing at stock exchange and Stock Price**

Company's shares are listing with Delhi Stock Exchange and listing fee for the financial year ended 31.03.2010 has been paid. Since the Delhi Stock Exchange is closed itself, stock price is not available till date.

The ISIN numbers allotted to the company for demat of Shares are as under:

NSDL - INE788J01013  
 CDSL - INE788J01013

d) **Distribution of shareholding as on 31<sup>st</sup> March 2010**

Category	No. Of Shares	% of Shares holding
Promoters & Group Companies	2373120	69.39
Financial Institutions & Banks	129780	3.79
Others	917100	26.82
<b>Total</b>	<b>3420000</b>	<b>100.00</b>

e) **Plant Location & Registered Office**

Village Kolhupani, P.O.Chandanwari, Via Prem Nagar, Dehradun

f) **Address for Correspondence**

Shivalik Rasayan Limited, 1506, Chiranjiv Tower, 43, Nehru Place, New Delhi - 110 019  
 Telephone: 011-26221811, 26418182, Fax: 011-26213081  
 Website: www.shivalikrasayan.in  
 E-mail - srl@vsnl.com, srl@airtelmail.in

## SECRETARIAL COMPLIANCE CERTIFICATE

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To

The Members,

**SHIVALIK RASAYAN LIMITED**

We have examined the registers, records, books and papers of **SHIVALIK RASAYAN LIMITED** as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the company for the financial year ended on 31<sup>st</sup> March, 2010 in my/ our opinion and to the best of my/our information and according to the examinations carried out by me/us and explanations furnished to me/us by the company, its officers and agents, I/We certify that in respect of the aforesaid financial year:

1. The company has kept and maintained all registers as stated in Annexure "A" to this certificate, as per the provision of the Act and the rules made there under and all entries therein have been duly recorded.
2. The company has duly filed the forms and returns as stated in Annexure "B" to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities as per detail prescribed therein.
3. The company being limited Company, the comments are not required.
4. The Board of Directors duly met Seven Times respectively on 20<sup>th</sup> April 2009, 21<sup>st</sup> April 2009, 30<sup>th</sup> June 2009, 12<sup>th</sup> August 2009, 30<sup>th</sup> September 2009, 15<sup>th</sup> December 2009 and 31<sup>st</sup> March 2010 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the minutes Book maintained for the purpose.
5. The company did not close its Registrar of Members during the financial year.
6. The Annual General Meeting for the financial year ended on 31/03/2009 was held on 30<sup>th</sup> September, 2009 after giving due notice to the members of the company and the resolutions passed there at were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meetings was held during the Financial Year.
8. As per the explanations and information given, the company has not advanced any loan to its directors/person/company/ to which Section 295 of the Act.
9. The company has complied with the provisions of section 297 of the Act.
10. The company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the company has not obtained any approvals from the Board of directors, members or Central Government.
12. The company has not issued any duplicate share certificates during the financial year.
13. I. The company has delivered all the certificates on lodgment thereof for transfer in accordance with the provisions of the Act. There was allotment of 1710000 equity shares as bonus shares during the financial year.
  - II. The company has not deposited any amount in a separate bank account as no dividend was declared during the financial year.
  - III. The company was not required to post warrants to any member of the company as no dividend was declared during the financial year.
  - IV. The company was not required to deposit any amount in unpaid dividend account, application money due for Refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investors Education and protection Fund as there was no amount outstanding.
  - V. The company has complied with the requirements of section 217 of the Act.
14. The Board of the director of the company is duly constituted. There was no appointment of additional, alternate or casual director in the board meeting during the financial year.

## SECRETARIAL COMPLIANCE CERTIFICATE

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15. There were no appointed of Managing Director/Whole time Director/ Manager during the financial year 2009-2010.
16. The company has not appointed any sole-selling agents during the financial year.
17. The company was not obtained any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as prescribed under the various provisions of the Act during the financial year.
18. The directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The company has issued 1710000 bonus equity shares during the financial year.
20. The company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the company to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposit including any unsecured loans falling within the purview of sections 58A during the financial year.
24. The amount borrowed by the company from its directors, members, banks, public financial institutions and others during the financial year are within the borrowing limits of the company and that the necessary resolutions as per the section 293(1)(d) of the Act have been passed.
25. The companies has complied the provisions of the Act regarding loans and Investments, or given guarantees or provided securities to other bodies corporate.
26. The company has not altered the provision of the Memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.
27. The company has not altered the provision of the Memorandum with respect to the objects of the company during the year under scrutiny.
28. The company has not altered the provision of the Memorandum with respect to name of the company during the year under scrutiny and complied with provisions of the Act.
29. The company has altered the provision of the Memorandum with respect to share capital of the company during the year under scrutiny and complied with provisions of the Act.
30. The company has not altered its Articles of Associations of the company during the year under scrutiny and complied with provisions of the Act.
31. As explain by the Company representative there was/were no prosecution initiated against or show cause notices received by the company and no fines or penalties or any other punishment was imposed on the company during the financial year, for offences under the Act.
32. The company has not received any money as security from its employees during the year.
33. The provisions of section 418 of the Act relating to Provident Fund are not applicable to the company.

for AMJ & Associates  
Company Secretaries

Sd/-

Manoj Kumar Jain  
(Partner)

C.P. No. : 5629

Place: New Delhi  
Date : 01.06.2010

SHIVALIK RASAYAN LIMITED

# SECRETARIAL COMPLIANCE CERTIFICATE

Annexure "A"

Registers as maintained by the Company :

1. Register of Members U/s 150 of the Act
2. Minutes Books of the Meetings u/s 193 of the Act.
3. Books of Accounts U/s 209
4. Register of Directors, Managing Directors, Manager and Secretary U/s 303
5. Register of directors' shareholding u/s 307.
6. Register of particulars of contracts in which directors are interested u/s 301
7. Share Transfer Register
8. Board Meeting Attendance Register

Annexure "B"

Forms and Returns as filed by the Company with the ROC, or other authorities during the financial year ending 31<sup>st</sup> March, 2010.

S. No.	Form No./Return	Filed U/s	For	Date of filing and Receipt Number	Whether Filed within prescribed time	Whether additional fees paid
1	Form - 23AC and 23 ACA (Balance Sheet & P&L A/c)	220	31.03.2009	04.11.2009 Vide S.R.N. P39663349	No	Yes
2	Form-20B (Annual Return)	159	30.09.2009	03.11.2009 Vide S.R.N. P39592464	Yes	No
3	Form-66 (Compliance certificate)	383A	31.03.2009	03.11.2009 Vide S.R.N. P39542337	Yes	No
4	Form-23	192	Registration of Resolutions	11.04.2009 Vide S.R.N. A59724757	Yes	No
5	Form-23C	233B (2)	For App of Cost Auditor	29.04.2009 Vide S.R.N. A60869120	Yes	No
6	Form-I (Cost Audit Report)	233 (B) (4)	31.03.2009	19.02.2010 Vide S.R.N. A78855236	Yes	No
7	Form-2	75(1)	Return of Allotment	11.04.2009 Vide S.R.N. A59726497	Yes	No
8	Form-2	75(1)	Return of Allotment	29.04.2009 Vide S.R.N. A60869591	Yes	No

## AUDITORS REPORT ON CORPORATE GOVERNANCE

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To the shareholders of  
Shivalik Rasayan Limited,

We have examined the compliance of Corporate Governance by Shivalik Rasayan Limited for the Year ending on 31<sup>st</sup> March, 2010 as stipulated by Clause 49 of the Listing Agreement of the 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 provisions relating to 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 us, we certify that the Company has complied in all material aspects with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement to the extent it was applicable on the Company.

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

for AMJ & Associates  
(Company Secretaries)

Sd/-  
(Manoj Kumar Jain)  
Partner  
C.P.NO. - 5629

Place: New Delhi  
Date: 01.06.2010

# AUDITORS' REPORT

TO THE MEMBERS OF SHIVALIK RASAYAN LIMITED

- 1) We have audited the attached Balance Sheet of M/s Shivalik Rasayan Limited as at 31<sup>st</sup> March 2010 and also the annexed Profit and Loss account and the Cash Flow Statement 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 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 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 issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
  - a) Further to our comments in the Annexure referred to above, we report that:
  - b) 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;
  - c) 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 of the Company;
  - d) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
  - e) In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, to the extent applicable, except as reported in Para (f) hereunder;
  - f) On the basis of written representations received from the Directors as on 31<sup>st</sup> March, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31<sup>st</sup> 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;
  - g) *As indicated in Note No. 1(vi) of Schedule 14, Provision for Gratuity to the tune of Rs. 5,07,675/- (Previous Year Rs. 3,54,618/-) has been made on managements estimate as per the provisions of the payment of Gratuity Act, 1972. Provision for leave encashment has been made this year Rs. 1,30,591/- (Previous Year Rs. 14,116/-) for encashable leave due to the employees on the basis of last salary drawn. The above treatment is not in compliance with Accounting Standard (AS) - 15 "Accounting for Retirement Benefits in the Financial Statements of Employers" issued by the Institute of Chartered Accountants of India, which states that the liability towards retirement benefits should be ascertained and provided for on the basis of actuarial valuation;*
  - h) Subject to the foregoing, in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India: -
    - i) In the case of the Balance Sheet, of the state of affairs of the company as at 31<sup>st</sup> March, 2010;
    - ii) In the case of Profit and Loss Account, of the profit for the year ended on that date; and
    - iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

for **RAMKRISHNA & COMPANY**  
Chartered Accountants

Sd/-  
**(R.K. GUPTA)**  
F.C.A.  
Proprietor

Place : New Delhi  
Dated: 1<sup>st</sup> June 2010

## ANNEXURE TO THE AUDITORS' REPORT

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Annexure to the auditors' report of even date to the members of Shivalik Rasayan Limited on the financial statements for the year ended 31<sup>st</sup> March 2010.

1. a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
b) The fixed assets of the company have been physically verified by the management during the year and no serious discrepancies between the book records and physical inventory have been noticed.
2. a) The inventory has been physically verified during the year by the Management. In our opinion, the frequency of verification is reasonable.  
b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.  
c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of accounts.
3. The company has not taken any loan from the companies or individual covered in the register maintained under section 301 of the Companies Act, 1956. The company has not granted any loan to any party covered in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
5. The company has not made any transactions covered u/s 301 of the Companies Act, 1956 during the year.
6. In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from the public.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the Order made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete.
9. a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, sales tax, income-tax, wealth tax, customs duty, excise duty and other material statutory dues applicable to it.  
b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of sales tax, income-tax, customs duty, wealth-tax, excise duty and cess which have not been deposited on account of any dispute.

## **ANNEXURE TO THE AUDITORS' REPORT**

---

10. In our opinion and according to the information and explanation given to us, the company has recovered its accumulated losses in the current year. The company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
11. In our opinion and according to the information and explanation given to us, the company has no dues payable to a financial institution, bank or debenture holders during the year.
12. In our opinion and according to the information and explanation given to us, the company has not granted any loan and advances on the basis of securities 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. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
15. In our opinion and according to the information and explanation given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
16. In our opinion and according to the information and explanation given to us, the company did not have any term loan.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, in our opinion funds raised on short-term basis have not been used for long-term investment and vice versa.
18. That the company has issued bonus shares to existing share holders in the ration of 1:1 during the year.
19. According to the information and explanations given to us, 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.
20. In our opinion and according to the information and explanation given to us, the Company has not issued any debentures.
21. In our opinion and according to the information and explanation given to us, the Company has not raised money by public issues during the period covered by our audit report.
22. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For **RAMKRISHNA & COMPANY**  
Chartered Accountants

Sd/-  
**(R. K. GUPTA)**  
F.C.A.  
Proprietor

Place : New Delhi  
Dated: 1<sup>st</sup> June, 2010

**SHIVALIK RASAYAN LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH, 2010**

PARTICULARS	SCHEDULES	AS AT 31.3.2010 AMOUNT(Rs.)		AS AT 31.3.2009 AMOUNT(Rs.)	
<b>SOURCES OF FUNDS</b>					
<b>Shareholders Funds</b>					
Share Capital	1	34,200,000		17,100,000	
Reserves & Surplus	2	<u>24,227,361</u>	58,427,361	37,198,757	54,298,757
<b>Loan Funds</b>					
Secured Loans	3		-		74,311
Deferred Tax Liability	4		427,870		477,862
<b>TOTAL</b>			<u>58,855,231</u>		<u>54,850,930</u>
<b>APPLICATION OF FUNDS</b>					
<b>Fixed Assets</b>					
Gross block	5	47,935,552		47,045,265	
Less : Depreciation		<u>32,517,107</u>	15,418,445	<u>31,544,031</u>	15,501,234
<b>NET CURRENT ASSETS</b>					
<b>Current Assets, Loans &amp; Advance</b>					
Inventories		19,269,068		14,044,909	
Sundry Debtors		26,719,033		37,329,842	
Cash and Bank balances		18,645,910		18,046,582	
Loans and Advances		<u>13,947,884</u>		<u>3,986,037</u>	
		78,581,895		73,407,370	
Less : Current liabilities & Provisions	7				
Current liabilities		29,448,498		30,088,465	
Provisions		<u>5,816,611</u>	43,316,786	<u>4,104,209</u>	39,214,696
		35,265,109		34,192,674	
<b>MISCELLANEOUS EXPENDITURE</b>	8		120,000		135,000
(To the extent not written off or adjusted)					
<b>TOTAL</b>			<u>58,855,231</u>		<u>54,850,930</u>
<b>NOTES TO FINANCIAL STATEMENTS 13</b>					

Sd/-  
(VINOD KUMAR)  
FINANCE MANAGER

Sd/-  
(S.K.SINGH)  
MANAGING DIRECTOR

Sd/-  
(RAHUL BISHNOI)  
CHAIRMAN

**AUDITORS' REPORT**

Signed in terms of our report of even date attached  
for **RAMKRISHNA & COMPANY**  
Chartered Accountants

Sd/-  
(R.K. GUPTA)  
F.C.A.  
Proprietor

Place : New Delhi  
Dated : 1st June, 2010

**SHIVALIK RASAYAN LIMITED**  
**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

PARTICULARS	SCHEDULES	FOR THE YEAR ENDED 31.03.2010 AMOUNT (Rs.)	FOR THE YEAR ENDED 31.03.2009 AMOUNT (Rs.)
<b>INCOME</b>			
Gross Sales		216,463,623	201,580,503
Less: Excise Duty		<u>17,364,655</u>	<u>20,900,493</u>
Net Sales		199,098,968	180,680,010
Other income	9	1,336,293	493,471
Increase/(Decrease) in stock	10	<u>(395,754)</u>	<u>(686,543)</u>
		<u>200,039,507</u>	<u>180,486,938</u>
<b>EXPENDITURE</b>			
Raw Materials, Consumables, Stores and Spare consumed		147,825,682	146,063,080
Manufacturing & Other expenses	11	45,076,344	30,362,587
Financial charges	12	<u>145,127</u>	<u>913,421</u>
		<u>193,047,153</u>	<u>177,339,088</u>
Profit before depreciation		6,992,354	3,147,850
Depreciation		<u>973,076</u>	<u>903,675</u>
Profit for the year before Tax		6,019,278	2,244,175
Provision for taxation		<u>(1,940,667)</u>	<u>(584,979)</u>
Profit for the Year		4,078,611	1,659,196
Deferred Tax Assets/Liability		<u>49,993</u>	<u>(127,818)</u>
BALANCE TRANSFERRED TO GENERAL RESERVES		<u>4,128,604</u>	<u>1,531,378</u>
<b>EARNINGS PER SHARE(Rs.)</b>			
BASIC / DILUTED		1.19	0.97

Sd/-  
(VINOD KUMAR)  
FINANCE MANAGER

Sd/-  
(S.K.SINGH)  
MANAGING DIRECTOR

Sd/-  
(RAHUL BISHNOI)  
CHAIRMAN

**AUDITORS' REPORT**

Signed in terms of our report of even date attached  
for **RAMKRISHNA & COMPANY**  
Chartered Accountants

Sd/-  
**(R.K. GUPTA)**  
F.C.A.  
Proprietor

Place : New Delhi  
Dated : 1st June, 2010

## SHIVALIK RASAYAN LIMITED

### CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

PARTICULARS	<---2009-10--->		<---2008-09--->	
	AMOUNT	AMOUNT	AMOUNT	AMOUNT
<b>A. Cash flow from Operating Activities</b>				
Net Profit after interest and prior period				
adjustments	4078611		1659195	
Adjustments for Financial Charges	38299		850147	
Depreciation	973076		903675	
Interest Received	(854543)		(40975)	
<b>Operating Profit before Working</b>	<u>4235443</u>		<u>3372042</u>	
<b>Capital Changes</b>				
Adjustments for				
Trade & other receivables (net)	648962		(4753763)	
Inventories	(5224159)		7575805	
Trade Payables & Other liabilities	1072435		(24573463)	
<b>Cash generated from Operations</b>	<u>732681</u>		<u>(18379379)</u>	
Financial Charges	(38299)		(850147)	
<b>Net Cash Flow from Operating Activities</b>		<b>694382</b>		<b>(19229525)</b>
<b>B. Cash Flow from Investing Activities</b>				
Addition to Fixed Assets	(890286)		(875237)	
Sale of Fixed Assets	0		0	
Interest Received	854543		40975	
<b>Net Cash Flow from Investing Activities</b>		<b>(35743)</b>		<b>(834262)</b>
<b>C. Cash Flow from Financing Activities</b>				
Net proceeds of long term borrowings	0		(281737)	
Net proceeds of short term borrowings	0		(3725000)	
<b>Net Cash Flow from Financing Activities</b>		<b>0</b>		<b>4006737)</b>
<b>NET INCREASE IN CASH &amp; CASH EQUIVALENTS</b>		<b>658639</b>		<b>(24070525)</b>
<b>CASH &amp; CASH EQUIVALENTS AT THE START</b>		<b>18046582</b>		<b>2252107</b>
<b>OF THE YEAR</b>				
<b>CASH &amp; CASH EQUIVALENTS AT THE CLOSE</b>		<b>18645910</b>		<b>18046582</b>
<b>OF THE YEAR</b>		<b>599328</b>		<b>15794475</b>

Note : Previous year figures have been recast/regrouped wherever necessary to confirm to the classification adopted for the current year.

Sd/-  
(VINOD KUMAR)  
FINANCE MANAGER

Sd/-  
(S.K.SINGH)  
MANAGING DIRECTOR

Sd/-  
(RAHUL BISHNOI)  
CHAIRMAN

#### AUDITORS' REPORT

Signed in terms of our separate report of even date attached  
for **RAMKRISHNA & COMPANY**  
Chartered Accountants

Sd/-  
(R.K. GUPTA)  
F.C.A.  
Proprietor

Place : New Delhi  
Dated : 1st June, 2010

**SHIVALIK RASAYAN LIMITED**

**SHIVALIK RASAYAN LIMITED**  
Schedule To Financial Statements

PARTICULARS	SCHEDULES	AS AT 31.03.2010 AMOUNT(Rs.)	AS AT 31.03.2009 AMOUNT(Rs.)
<b>SHARE CAPITAL</b>			
Authorised capital			
3500000 equity shares of Rs.10/- each		<u>35,000,000.00</u>	<u>35,000,000.00</u>
Issued, subscribed and paid up	1		
1710000 equity shares of Rs.10/- each fully paid up		17,100,000	17,100,000
Add: 17,10,000 equity share issued as Bonus shares		17,100,000	
out of General Reserves & Share Premium		<u>34,200,000</u>	<u>17,100,000</u>
Account		<u>34,200,000</u>	<u>17,100,000</u>
<b>RESERVES AND SURPLUS</b>			
General Reserves	2	7,198,757	7,198,757
Add: Profit transferred from P&L A/c		4,128,604	
Less: Bonus share issued		<u>(6,825,193)</u>	
Share Premium Account		30,000,000	30,000,000
Less: Bonus share issued		<u>(10,274,807)</u>	
		<u>24,227,361</u>	<u>37,198,757</u>
<b>SECURED LOAN</b>			
From Banks	3		
ICICI Bank Car Loan		-	74,311
(Against hypothecation of car)		<u>-</u>	<u>74,311</u>
<b>DEFERRED TAX ASSETS (NET)</b>			
Deferred Tax Asset arising on account of:	4		
Expenditure incurred-allowable in future		134,868	180,220
Retirement Benefits		1,197,666	1,184,633
		<u>1,332,534</u>	<u>1,364,853</u>
Less: Deferred Tax Liability arising on account of:			
Depreciation		<u>1,760,404</u>	<u>1,842,716</u>
		<u>(427,870)</u>	<u>(477,862)</u>
<b>CURRENT ASSETS, LOAN AND ADVANCES</b>			
Inventories	6		
(Valued at cost or market value, whichever is lower, as certified by the management)			
Raw Material		9,406,078	4,489,267
Coal		364,000	130,000
Packing & Consumable Stores		1,522,256	1,053,154
Work-in-progress		1,594,234	1,367,248
Finished stock		<u>6,382,500</u>	<u>7,005,240</u>
		19,269,068	14,044,909

PARTICULARS	SCHEDULES	AS AT 31.03.2010 AMOUNT(Rs.)		AS AT 31.03.2009 AMOUNT(Rs.)	
<b>Sundry Debtors</b>					
(Unsecured -considered good)					
Sundry Debtors		26,719,033	26,719,033	37,329,842	37,329,842
Cash and Bank balances					
Cash in hand		265,521		31,758	
Balance with Scheduled banks					
In Current account		18,380,389		18,014,824	
			18,645,910		18,046,582
<b>LOANS AND ADVANCES</b>					
(Unsecured-considered good)					
Advance recoverable in cash or in kind or for value to be received		10,398,207		297,773	
Security deposits		1,277,603		2,648,486	
Other deposits		2,272,075		1,039,778	
			13,947,884		3,986,037
			<u>78,581,896</u>		<u>73,407,370</u>
<b>CURRENT LIABILITIES AND PROVISIONS 7</b>					
<b>CURRENT LIABILITIES</b>					
Sundry Creditors			26,680,363		27,418,422
Expenses payable			2,027,918		1,534,415
Sales Tax Payable			109,016		174,155
Service Tax Payable & cess thereon			1,302		26,615
TDS Payable & cess thereon			550,882		517,008
Advance Received for Supplies			36,017		384,850
Securities of Employees			43,000		33,000
			<u>29,448,498</u>		<u>30,088,465</u>
<b>PROVISIONS</b>					
Provision for Taxation			1,940,667		584,979
Provision for FBT			-		33,990
Provision for Gratuity			3,080,037		2,800,914
Provision for Leave Encashment			795,907		684,326
			<u>5,816,611</u>		<u>4,104,209</u>
<b>MISCELLANEOUS EXPENDITURE 8</b>					
(To the extent not w/o or adjusted)			135,000		150,000
Less: 1/10th w/o during the year			(15,000)		(15,000)
			<u>120,000</u>		<u>135,000</u>
<b>OTHER INCOME 9</b>					
Miscellaneous income			481,750		452,496
Interest received			854,543		40,975
			<u>1,336,293</u>		<u>493,471</u>
<b>INCREASE/(DECREASE) IN STOCK 10</b>					
Closing stock					
Stock-in-process		1,594,234		1,367,248	
Finished Goods (excluding Excise Duty)		6,382,500	7,976,734	7,005,240	8,372,488
Less : Opening stock					
Stock-in-process		1,367,248		1,155,591	
Finished Goods (excluding Excise Duty)		7,005,240	8,372,488	7,903,440	9,059,031
			<u>(395,754)</u>		<u>(686,543)</u>

SHIVALIK RASAYAN LIMITED

PARTICULARS	SCHEDULES	AS AT 31.03.2010 AMOUNT(Rs.)	AS AT 31.03.2009 AMOUNT(Rs.)
<b>MANUFACTURING AND OTHER EXPENSES</b>	<b>11</b>		
Establishment		10,945,301	7,158,963
Contribution to Provident and Other Funds		426,340	424,961
Directors' Remuneration		1,006,160	837,440
Rent, Rates and Fees		1,376,381	1,450,794
Printing and Stationery		1,041,366	92,553
Postage, Telegram & Telephone		312,307	241,433
Fuel and Power expenses		11,977,384	8,393,582
Ice Consumed		1,185,810	741,649
Traveling and Conveyance expenses			
Directors		782,093	324,781
Other		445,327	306,280
Vehicle Maintenance		411,020	332,665
Legal expenses		174,770	6,310
Business Promotion		601,925	254,397
Insurance		402,002	303,519
General Expenses		715,506	128,402
Charity & Donation		25,701	9,702
Advertisement Expenses		152,391	133,706
Books & Periodicals		7,799	9,117
Diwali Expenses		641,723	73,778
Filing Fees		5,892	53,326
Office Maintenance		78,140	60,483
Membership & Subscription		41,300	37,100
Water & Electricity		86,800	75,110
Repairs & Maintenance			
Plant and Machinery		3,108,277	1,324,037
Others		120,282	452,746
Testing and Consultancy Charges		3,228,559	1,776,783
Auditors Remuneration		1,952,000	1,236,692
Audit fee		42,000	42,000
In Other capacity		44,500	42,000
Freight and Cartage		433,049	252,431
Laboratory expenses		225,322	346,580
Sales Commission		6,111,394	5,005,635
Fringe Benefit Tax		33,990	122,464
Fire & Safety		11,112	14,951
Environment/Pollution Control Exp.		135,980	
Preliminary Exp. r/o		15,000	15,000
		<u>45,076,344</u>	<u>30,362,587</u>
<b>FINANCIAL CHARGES</b>	<b>12</b>		
Interest Paid		38,299	850,147
Bank Charges		106,828	63,274
		<u>145,127</u>	<u>913,421</u>

Sd/-  
(VINOD KUMAR)  
FINANCE MANAGER

Sd/-  
(S.K. SINGH)  
MANAGING DIRECTOR

Sd/-  
(RAHUL BISHNOI)  
CHAIRMAN

**AUDITORS' REPORT**  
Signed in terms of our report of even date attached  
for **RAMKRISHNA & COMPANY**  
Chartered Accountants

Sd/-  
(R.K. GUPTA)  
F.C.A.  
Proprietor

Place : New Delhi  
Dated : 1st June, 2010

**SHIVALIK RASAYAN LIMITED**  
**SCHEDULE- 5 - OF FIXED ASSETS AS PER THE COMPANIES ACT.**

PARTICULARS	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
	As On	Additions	Sold	As on	Upto	During	Sold /	Up to	As on	As on
	01.04.2009	during the	during	31.03.2010	01.04.2009	the year	Adjst.	31.03.2009	31.03.2010	31.03.2009
Land	2360502	0	0	2360502	0	0	0	0	2,360,502	2360502
Building	3780443	0	0	3780443	2470052	126267	0	2596319	1,184,124	1310392
Plant & Machinery	35652974	588566	0	36241540	26605215	569615	0	27174830	9,066,710	9047759
Water & Effluent treatment	738373	164400	0	902773	557733	15118	0	572851	329,922	180639
Furniture & Fixture	618908	60519	0	679427	226346	35626	0	261972	417,455	392562
Workshop Equipment	20582	0	0	20582	20078	0	0	20078	504	504
Laboratory Equipment	582543	0	0	582543	323926	27671	0	351597	230,946	258617
Electric Installation	1061067	0	0	1061067	379160	36656	0	415816	645,251	681907
Safety Equipment	132209	0	0	132209	54646	6280	0	60926	71,283	77562
Office Equipment	421578	19500	0	441078	227654	20604	0	248258	192,820	193924
Airconditioner	278625	0	0	278625	134570	13235	0	147805	130,820	144055
Generator	21745	0	0	21745	12911	1033	0	13944	7,801	8834
Cycle	1300	0	0	1300	1168	92	0	1260	40	132
Computer	300045	57301	0	357346	249893	18814	0	268707	88,639	50152
Vehicle	1074372	0	0	1074372	280679	102065	0	382744	691,628	793693
<b>TOTAL</b>	<b>47045265</b>	<b>890286</b>	<b>0</b>	<b>47935552</b>	<b>31544031</b>	<b>973076</b>	<b>0</b>	<b>32517107</b>	<b>15418445</b>	<b>15501234</b>
<b>PREVIOUS YEAR</b>	<b>46170028</b>	<b>875237</b>	<b>0</b>	<b>47045265</b>	<b>30640356</b>	<b>903675</b>	<b>0</b>	<b>31544031</b>	<b>15501234</b>	<b>15529672</b>

Sd/-  
(VINOD KUMAR)  
FINANCE MANAGER

Sd/-  
(S.K. SINGH)  
MANAGING DIRECTOR

Sd/-  
(RAHUL BISHNOI)  
CHAIRMAN

**AUDITORS' REPORT**  
Signed in terms of our report of even date attached  
for **RAMKRISHNA & COMPANY**  
Chartered Accountants

Sd/-  
(R.K. GUPTA)  
F.C.A.  
Proprietor

Place : New Delhi  
Dated : 1st June, 2010

## NOTES TO FINANCIAL STATEMENTS

### SCHEDULE - 13 - NOTES TO FINANCIAL STATEMENTS

#### 1. Significant Accounting Policies

##### i) Basis of Accounting

The accounts have been prepared under the historical cost convention except where otherwise stated.

All the incomes and expenditure have been accounted for on accrual basis, except where otherwise stated.

##### ii) All fixed assets are stated at cost less accumulated depreciation.

##### iii) Depreciation

Depreciation has been calculated for the year on all assets of the Company on straight line method at the rates specified in Schedule - XIV (inserted by the Companies Amendment Act, 1988) to the Companies Act, 1956. However, depreciation has not been provided on workshop equipment as these have already reached their retention values.

##### iv) Inventories Inventories are valued at cost or net realizable value, whichever is lower. Cost of inventories is ascertained on the weighted average basis. Further, in respect of the manufactured inventories, i.e. process stocks and finished goods, appropriate share of manufacturing expense is included on direct cost basis. Finished goods valuation is inclusive of excise duty payable on them.

##### v) Investments

No Long term investments are by the company during the current financial year.

##### vi) Retirement benefits

Provision for Gratuity to the tune of Rs.5,07,675/- (Previous Year Rs.3,54,618/-) has been made on management's estimate as per the provisions of the Payment of Gratuity Act, 1972.

Provision for leave encashment has been made this year Rs.1,30,591/- (Previous Year Rs.14,116/-) for encashable leave due to the employees on the basis of last salary drawn.

The above treatment is not in compliance with Accounting Standard (AS) - 15 "Accounting for Retirement Benefits in the Financial Statements of Employers" issued by the Institute of Chartered Accountants of India, which states that the liability towards retirement benefits should be ascertained and provided for on the basis of actuarial valuation.

##### vii) Revenue Recognition

a) Sales are accounted for on dispatch of goods from the factory to the customers. Net Sales are stated exclusive of returns, sales tax, excise duty and applicable trade discounts and allowances.

b) The claims are accounted for on settled basis.

##### viii) Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

##### ix) A deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount being considered. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on prevailing enacted or substantially enacted regulations. Deferred tax assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

#### 2. Contingent Liabilities -

(as confirmed and certified by the management)

Guarantee issued by the Banker on behalf of the company Rs.5,00,000/- (Previous year Rs.5,00,000/-)

#### 3. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. Nil (Previous year Rs. Nil).

#### 4. The Company has provided Rs.19,40,667/- as Income Tax by debiting to Profit & Loss Account.

## NOTES TO FINANCIAL STATEMENTS

5. In the opinion of the Management, the value on realization of current assets, loans and advances in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet.
6. As per direction of Institute of Chartered Accountants of India, net sales are shown after deducting excise duty paid thereon.
7. The company has pledged its fixed deposit receipts aggregating Rs.50,000/- (Previous Year Rs.50,000/-) with Punjab National Bank, Indira Nagar Branch, Dehradun as security against guarantee issued in favor of Sales-Tax Officer.
8. Profit before tax of the Company for the Financial Year ended 31/03/2009 and 31/03/2010 was Rs. 22.44 Lakh and Rs.60.19 Lakh respectively. Company hopes to maintain its profitability in future also.
9. Commission for marketing the products of the company has been paid to the selling agents this year Rs.61,11,394/- (previous year Rs.50,05,635/-).
10. Additional information pursuant to the provisions of Schedule VI to the Companies Act, 1956.  
(Certified by the management but not verified by the Auditors being technical matter)

	<u>Current Year</u>		<u>Previous Year</u>	
A. Production Data:				
Actual Production				
Malathion Technical	182.000 MT		315.520 MT	
Dimethoate Technical	919.355 MT		611.500 MT	
NaSH (By Product)	496.867 MT		401.518 MT	
B. Finished goods Product	<u>Current Year</u>		<u>Previous Year</u>	
	<u>Qty.</u>	<u>Amount</u>	<u>Qty.</u>	<u>Amount</u>
Malathion Technical				
Opening Stock	Nil	Nil	0.250	24450
Closing Stock	19.500 MT	2476500	Nil	Nil
Dimethoate Technical				
Opening Stock	33.000 MT	7005240	59.500 MT	7878990
Closing Stock	23.250 MT	3906000	33.000 MT	7005240
NaSH (By Product)				
Opening Stock	8.901 MT	Nil	5.553 MT	Nil
Closing Stock	20.978 MT	Nil	8.901 MT	Nil
C. Turnover Product-Sales				
Malathion Technical	162.500 MT	19961570	315.770 MT	47281206
Dimethoate Technical	929.105 MT	194554386	638.000 MT	152729143
NaSH	484.790 MT	1947667	398.170 MT	1570154
Others	Nil	Nil	Nil	Nil
D. Consumption	<u>Current Year</u>		<u>Previous Year</u>	
	<u>Consumption</u>	<u>Value</u>	<u>Consumption</u>	<u>Value</u>
Raw Material and consumable consumed				
Organic Chemicals	2237929 Kg/Lt.	69789425	69789425 Kg/Lt.	60277903
Inorganic Chemicals	1580472 Kg/Lt.	73820479	73820479 Kg/Lt.	81425064
Others	8577 Kg/No.	4215778	4215778 Kg/No.	4360113

## NOTES TO FINANCIAL STATEMENTS

E.	<u>% of Consumption</u>	<u>Value</u>	<u>% of Consumption</u>	<u>Value</u>
Consumption of imported and indigenous raw materials and stores and percentage of each consumption.				
<u>Phosphorus Pentasulphide</u>				
Imported	33.63 %	24888009	13.82 %	10226551
Indigenous	66.37 %	49110191	86.18 %	63771649
<u>Methanol</u>				
Imported	100 %	12754537	100 %	12754537
Indigenous	-	-	-	-
<u>Maleic</u>				
Imported	100 %	8566543	48.15 %	4124790
Indigenous	-	-	51.85 %	4441753
<u>Others</u>				
Imported	-	-	-	-
Indigenous	100 %	52506402	100 %	50743800
F. Personal Expenses				
a) Employees drawing remuneration of Rs.24,00,000/- or more per annum employed throughout the year:				
		<u>Current Year</u>	<u>Previous Year</u>	
Number of Employees		Nil	Nil	
b) Employees drawing remuneration of Rs.2,00,000/- or more per month employed part of the year:				
Number of Employees		Nil	Nil	
G. CIF Value of Imported Raw Materials				
		Rs. 4,62,09,089/-	Rs. 2,71,05,878/-	
H. Remuneration to Directors				
		Rs.	Rs.	
Salary		10,06,160/-	8,37,440/-	
Perks		47,978/-	41,389/-	
		<u>10,54,138/-</u>	<u>8,78,829/-</u>	
11. Miscellaneous Income Rs.13,36,293/- (Previous Year Rs.4,93,471/-) includes Sale of Unusable Stores Rs. 4,05,525/- (Previous Year Rs.3,93,700/-), Insurance Claim received Rs.2,225/- (Previous Year Rs.4,796/-), Other Miscellaneous Income Rs.74,000/- (Previous Year Rs.54,000/-) and Interest Rs.8,48,664/- (Previous Year Rs.40,975/-).				
12. During the year company has issued bonus shares to existing share holders in the ration of 1:1 during the year.				
13. Related Parties Transactions The company has not taken or given any loan to any companies or individual in which directors have significant influence.				
14. Balance with banks other than Scheduled Banks in Current Account are as under:-				

## NOTES TO FINANCIAL STATEMENTS

15. Particulars in respect of car taken on lease required to be disclosed under the Accounting Standard 19 on 'Leases' issued by Institute of Chartered Accountants of India.

a) Minimum lease payments outstanding		Rs. Nil
b) Present value of minimum lease payments		Rs. Nil
c) Amount Due	Minimum lease payments	Present value of minimum lease payments
(i) Not later than one year	Rs. Nil	Nil
(ii) Later than one year	Rs. Nil	Nil

16. As per management information, the Company is complying with all the regulations of Delhi Stock Exchange.

17. The company has not dealt with any organization covered under the "Micro, Small & Medium Enterprises Development Act, 2006" during the year as certified by the management.

18. Earnings per Share

The following is a computation of earnings per share and a reconciliation of the equity shares used in the computation of basic and diluted earnings per share.

	<u>Current Year</u>	<u>Previous Year</u>
Profit after Taxation (Rs.)	40,78,611	16,59,196
a) Basic earnings per equity share - weighted average number of equity shares outstanding	34,20,000	17,10,000
b) Effect of dilutive potential equity shares	Nil	Nil
c) Dilutive earnings per equity share - weighted average number of equity shares and potential Equity share equivalents outstanding	34,20,000	17,10,000
d) Nominal Value of Equity Shares (Rs.)	10.00	10.00
e) Basic Earnings per Share (Rs.)	1.19	0.97
f) Diluted Earnings per Share (Rs.)	1.19	0.97

19. Previous year figures have been recast / regrouped wherever necessary to confirm the classification adopted for the current year.

20. Schedule 1 to 13 form integral part of the Balance Sheet.

Sd/-  
(VINOD KUMAR)  
FINANCE MANAGER

Sd/-  
(S.K. SINGH)  
MANAGING DIRECTOR

Sd/-  
(RAHUL BISHNOI)  
CHAIRMAN

### AUDITORS' REPORT

Signed in terms of our separate report of even date attached  
For RAMKRISHNA & COMPANY  
Chartered Accountants

Sd/-  
(R.K. GUPTA)  
F.C.A.  
Proprietor

Place: New Delhi  
Dated: 1<sup>st</sup> June 2010

SHIVALIK RASAYAN LIMITED

# SHIVALIK RASAYAN LIMITED

## Balance Sheet Abstract and Company's General Business Profile

I. Registration Details    Registration No.     State Code  (Refer Code List I)

Balance Sheet Date   

II Capital Raised during the year (Amount to Rs. Thousands)

Public Issue	Rights Issue	Bonus Issue	Private Placement
<input type="text" value="NIL"/>	<input type="text" value="NIL"/>	<input type="text" value="17100"/>	<input type="text" value="NIL"/>

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	Total Assets
<input type="text" value="58855"/>	<input type="text" value="58855"/>

Sources of:	Paid up Capital	Reserves & Surplus	Secured Loans	Unsecured Loans
Funds	<input type="text" value="34200"/>	<input type="text" value="24227"/>	<input type="text" value="NIL"/>	<input type="text" value="NIL"/>
Applications:	Net Fixed Assets	Investments	Net Current Assets	Misc. Expenditure
of Funds	<input type="text" value="15418"/>	<input type="text" value="NIL"/>	<input type="text" value="43316"/>	<input type="text" value="120"/>
	Accumulated Losses			
	<input type="text" value="NIL"/>			

IV. Performance of Company (Amount in Rs. Thousands)

	Turnover	Total Expenditure
Profit / Loss before tax	<input type="text" value="199098"/>	<input type="text" value="194020"/>
Profit / Loss after tax	Earning per Share in Rs.	Divided

+ -	+ -	
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="text" value="6019"/>	<input type="text" value="4078"/>	<input type="text" value="1"/>

(Please tick Appropriate box + for Profit - for Loss)

V. Generic Names of Three Principal Products / Services of Company (as per monetary terms)

Item Code No. (ITC Code)	<input type="text" value=""/>
Product Description	D I M E T H O A T E   T E C H N I C A L
Item Code No. (ITC Code)	<input type="text" value=""/>
Product Description	M A L A T H I O N   T E C H N I C A L
Item Code No. (ITC Code)	<input type="text" value=""/>
Product Description	<input type="text" value=""/>

Sd/- <b>(VINOD KUMAR)</b> FINANCE MANAGER	Sd/- <b>(S.K. SINGH)</b> MANAGING DIRECTOR	Sd/- <b>(RAHUL BISHNOI)</b> CHAIRMAN
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Place: New Delhi  
Dated: 1<sup>st</sup> June, 2010

FORM OF PROXY  
**SHIVALIK RASAYAN LIMITED**  
DEHRADUN

I/We \_\_\_\_\_ of \_\_\_\_\_ in the District of \_\_\_\_\_ being a member of SHIVALIK RASAYAN LIMITED hereby appoint Mr. \_\_\_\_\_ or failing him, Mr. \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ as my/our proxy in my / our absence to attend and vote for me/us and on my/our behalf at Thirty Second Annual General Meeting of the Company to be held at 3.00 p.m. on Wednesday the 29<sup>th</sup> September, 2010 and at any adjournment thereof. As witness my/our hand/hands this \_\_\_\_\_ day of \_\_\_\_\_ 2010.

Signed by the said \_\_\_\_\_

In the presence \_\_\_\_\_

- Notes:** i) The Proxy need not be a member  
ii) The Proxy duly signed across Rs.1/- revenue stamp should reach the Company's Registered Office at least 48 hours before the time fixed for meeting.

----- CUT HERE -----

ATTENDANCE SLIP  
**SHIVALIK RASAYAN LIMITED**  
Village Kolhupani, P.O. Chandanwari,  
Dehradun – 248 007

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

NAME AND ADDRESS OF THE SHAREHOLDERS.

L.F. No(s)

No. of Share(s) held:

I hereby record my presence at THIRTY SECOND ANNUAL GENERAL MEETING of the Company on Wednesday the 29<sup>th</sup> September, 2010.

SIGNATURE OF THE SHAREHOLDERS / PROXY

Strike out whichever is not applicable.

SHIVALIK RASAYAN LIMITED

# **BOOK POST / UPC**

If Undelivered please return to :

**Shivalik Rasayan Limited**

1506, Chiranjiv Tower

43, Nehru Place

New Delhi - 110019