



**39th ANNUAL REPORT  
2008-2009**

**BOARD OF DIRECTORS**

SHRI S. J. TAPARIA	Chairman
SHRI SUSHEEL G. SOMANI	Director
SHRI S. J. PAREKH	Director
SHRI SURENDRA SOMANI	Director
SHRI SANJAY DOSI	Director
SHRI VINOD MIMANI	Director
SHRI KARTHIK ATHREYA	Director
SHRI ADARSH SOMANI	Director
SHRI B. K. TOSHNIWAL	Director
SHRI V. N. KHANNA	Director
SHRI RAJENDRA SOMANI	Managing Director

**COMPANY SECRETARY**

SHRI SANJAY JAIN

**BANKERS**

CENTRAL BANK OF INDIA  
PUNJAB NATIONAL BANK

**AUDITORS**

KHANDELWAL JAIN & CO.  
Chartered Accountants, Mumbai

**REGISTERED OFFICE**

1076, DR. E. MOSES ROAD,  
WORLI,  
MUMBAI - 400 018

**WORKS**

VILLAGE - SAVROLI,  
KHOPOLI - 410 203.  
DIST. - RAIGAD.

## NOTICE

NOTICE is hereby given that the **THIRTY NINETH** Annual General Meeting of the Company will be held on **Saturday 12<sup>th</sup> September 2009** at **10.00 a.m.** at Shree S K Somani Memorial Hall Hindi Vidya Bhavan 79 Marine Drive Mumbai 400 002 to transact the following business:

### ORDINARY BUSINESS:

1. To consider and adopt the Audited Accounts for the year ended March 31, 2009 and the Reports of the Directors and the Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Shri V N Khanna who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri B K Toshniwal who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Shri Sanjay Dosi who retires by rotation and being eligible, offers himself for reappointment.
6. To appoint Auditors and to fix their remuneration.

### SPECIAL BUSINESS:

7. To consider and if thought fit to pass with or without modification(s) the following resolution as a special resolution

“RESOLVED THAT, pursuant to Section 269 read with Section, 198, 309, 310, 316(4) and Schedule XIII of the Companies Act 1956 (“the Act”) and approval of the Central Government, if required, consent of the members be and is hereby accorded for reappointment of Shri Rajendra Somani as Managing Director of the company for a period of five years with effect from 1<sup>st</sup> April 2010 to 31<sup>st</sup> March 2015 and for payment of remuneration to Shri Rajendra Somani as detailed herein below:

- a) Salary Rs. 2,00,000 - 75,000 - 5,00,000.
- b) Commission: As may be determined by the Board from year to year, subject to the applicable provisions of the Companies Act, 1956.
- c) Perquisites:  
Medical Reimbursement: Expenses incurred for Shri Somani and his family, subject to a ceiling of one month's salary in a year or three months' salary over a period of three years.

Leave Travel Concession: For Shri Somani and his family once in a year incurred in accordance with the Rules specified by the Company.

Club Fees: Subject to a maximum of two clubs. This will not include admission and life membership fees.

Personal Accident Insurance: Premium not to exceed Rs. 4000/- per annum.

For the purpose of this Category, family means the spouse, the dependent children and dependent parents of Shri Somani.

Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income-tax Act 1961.

Gratuity not exceeding half a month's salary for each completed year of service. Past service of Shri Somani shall be taken into account for the purpose of calculating gratuity.

Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on Perquisites.

Free use of car with driver for the Company's business, all the expenditure in connection therewith being borne by the Company and free telephone and computer facilities at the residence.

Shri Somani shall be entitled to one month's privilege leave on full pay for every eleven months' service.

Shri Somani shall be entitled to reimbursement of all or any expenditure actually and properly incurred for Company's business. He shall not be entitled to any sitting fee for attending meetings of the Board of Directors' or Committees thereof.

Subject to the superintendence and control of the Board of Directors of the Company, Shri Somani shall be responsible for the day to day management of the Company and shall carry out such duties as may be entrusted to him by the Board of Directors.

*The appointment may be terminated by either party giving to the other party, three months' notice in writing.*

Compensation for loss of office in case of any termination before would be payable to Shri Somani as per the provisions of the Companies Act, 1956.

“RESOLVED FURTHER THAT an application if required be made to the Central Government, pursuant to the provisions of Section 269 read Section 316 and schedule XIII of the Act, for the approval for providing remuneration to Shri Rajendra Somani in excess of limits specified in Schedule XIII and considering the fact that he is also the Managing Director of M/s Oriental Containers Limited and thus attracting the provisions of Section 316 of the Act”.

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary, to give effect to this resolution and to accept the terms and conditions for appointment and remuneration payable to Shri Rajendra Somani as Managing Director of the Company as may be specified by the Central Government while granting the approval and to modify the terms and conditions accordingly”.

By Order of the Board

**SANJAY JAIN**  
Company Secretary

Mumbai  
June 30, 2009

**Registered Office:**  
1076, Dr. E. Moses Road  
Worli, Mumbai – 400 018.

### NOTES:

1. 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.

2. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 3<sup>rd</sup> September 2009 to 12<sup>th</sup> September 2009(both days inclusive).
4. a) The Dividend if declared, will be payable to those Equity Shareholders whose names stand on the Register of Members on 12<sup>th</sup> September 2009.  
b) In respect of shares held in the electronic form, the dividend will be payable to the beneficial owners of shares as on the close of 2<sup>nd</sup> September 2009 as per details furnished by the Depositories for this purpose.  

Members who have not encashed the dividend warrants for the financial year 2001-02 and/or any subsequent dividends are requested to write to the Company giving the necessary details.
5. Members are requested to intimate change in their address, if any, to the Company/R & T Agent.

**ANNEXURE TO NOTICE:**

The Explanatory Statement pursuant to Section 173(2) of the Companies Act 1956 for the item no.7 of the accompanying notice is as under:

The present term of appointment of Shri Rajendra Somani as Managing Director of the company shall expire on 31<sup>st</sup> March 2010. Shri Rajendra Somani is associated with the Company for the last 35years and has provided immense contribution in growth of the Company. The Board of Directors are of the view that services of Shri Somani are required and shall be useful to the company.

Accordingly the Board of Directors, after taking into consideration the financial position of the Company, trends in the industries, Shri Somani's past performance and past remuneration packages of Managerial personnel in the same industries, at their meeting held on 30<sup>th</sup> June 2009 reappointed Shri Somani, as Managing Director

of the company for a period of five years w.e.f. 1<sup>st</sup> April 2010 to 31<sup>st</sup> March 2015 , subject to approval of members of the Company and prior approval, if required, of the Central Government for payment of remuneration to him.

Shri Rajendra Somani is also the Managing Director of M/s Oriental Containers Limited, a Group Company, within the provisions of Section 316 of the Companies Act, 1956.

For the proper functioning of our Company and M/s Oriental Containers Ltd. as a single unit, it is desirable to re-appoint Shri Rajendra Somani as the Managing Director of the Company pursuant to the provisions of Section 269 read with Section 316 of the Companies Act, 1956.

Shri Rajendra Somani by qualification is a Mechanical Engineer and by occupation he is an industrialist having working experience of more than 35 years as an industrialist.

The remuneration payable to Shri Somani along with the remuneration as may received by him from Oriental Containers Ltd. may exceed the limits prescribed in Schedule XIII of the Companies Act 1956 hence the Company will file an application to the Government of India, Ministry of Corporate Affairs after receipt of shareholders' consent pursuant to the provisions of Section 269 read with Section 316 and Schedule XIII and all other applicable provisions of the Companies Act 1956.

Shri Rajendra Somani is concerned or interested to the extent of the remuneration proposed in the aforesaid resolution.

Apart from Shri Rajendra Somani, Shri Surendra Somani and Shri Adarsh Somani being relative of Shri Rajendra Somani may also be treated as concerned or interested in the resolution.

None of the other Directors is concerned or Interested in the resolution.

The above may also be treated as an abstract referred to in Section 302 of the Companies Act, 1956.

The resolution as set out on Item 7 of the notice is recommended for your approval.

## DIRECTORS' REPORT

To  
The Members

Your Directors have pleasure in presenting the **THIRTY NINETH ANNUAL REPORT** of the Company with the Audited Statement of Accounts for the year ended March 31, 2009.

	Rupees In Lacs	
	2008-2009 Rupees	2007-08 Nine months Rupees
<b>FINANCIAL RESULTS</b>		
Gross Profit	1193.87	457.82
Deduction there from:		
Interest	262.27	232.87
Depreciation	133.87	120.68
Profit before prior period adjustment	797.73	104.28
Prior Period adjustment	(12.40)	0.89
Profit before taxation and exceptional items	810.13	103.39
Less		
Provision for Taxation		
Current Tax	169.30	32.00
Provision for Deferred Tax	(27.74)	(154.35)
Fringe Benefit Tax	6.50	7.00
MAT Credit entitlement	-	(25.00)
Income Tax for earlier years	-	3.67
Profit after taxation before exceptional items	662.07	240.08
Income tax/FBT for earlier years	0.79	-
Exceptional item net of tax	(241.30)	-
<b>Profit after taxation</b>	<b>902.58</b>	<b>240.08</b>
Surplus b/f from last year	1022.44	970.02
<b>Net Profit available for appropriations</b>	<b>1925.02</b>	<b>1210.10</b>
Proposed Dividend for Equity Shares	96.29	96.30
Tax on Proposed Dividend	16.37	16.36
Transfer to General Reserve	500.00	75.00
Balance carried to Balance Sheet	1312.36	1022.44
	1925.02	1210.10

### DIVIDEND

Your Directors have recommend a Dividend of Rs 1/- per equity share for the year ended March 31,2009 which if approved at the ensuing Annual General Meeting will be paid to i) all the members whose names appear in the Register of Members as on 12<sup>th</sup> September 2009 and ii)all those members whose names appears as beneficial owners in the details furnished by National Securities Depository Ltd. and Central Depository Services Ltd.as on close of business hours on 2<sup>nd</sup> September 2009.

### OPERATIONS :

The sales and other income for the year under review were Rs.61.85 crores as against Rs.24.59 crores in the previous financial year. The net profit is Rs 9.02 crores for the year under review as against Rs.2.40 crores in the previous financial period.

### SUBSIDIARY COMPANIES

USL Shinrai Automobiles Ltd. and USL Auto Services Ltd are subsidiaries of the Company.

Information relating to the subsidiary companies pursuant to Section 212 of the Companies Act 1956 is given in this report and forms part of the Annual Report.

The audited statement of accounts, Reports of Board of Directors and Auditors of the subsidiary company i.e. USL Shinrai Automobiles Ltd. and USL Auto Services Ltd. are annexed .

### CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements pursuant to clause 32 of the listing agreement entered into with Bombay Stock Exchange Ltd. and prepared in accordance with the Accounting Standards prescribed by the Institute of Chartered Accountants of India, in this regard are attached hereto.

### FIXED DEPOSITS

Fixed Deposits accepted from the public during the year were within the prescribed limits. All the deposits which matured during the year under review were either repaid or renewed, except 21 deposits amounting to Rs 9.16Lacs which remained unclaimed as at March 31,2009.

Of these one deposit aggregating Rs. 1.00 Lac have since been renewed or repaid on the date of this report.

### DIRECTORS RESPONSIBILITY STATEMENT

The Board of Directors of the Company Confirms:

- (I) that in the preparation of the accounts for the year ended 31<sup>st</sup> March 2009 the applicable accounting standards have been followed.
- (II) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 the year under review.
- (III) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguard of the assets of the Company and for preventing and detecting fraud and other irregularities;
- (IV) that the directors have prepared the accounts for the year ended 31<sup>st</sup> March 2009 on a 'going concern' basis.

### CREDIT RATING

Working capital facilities of the Company have been awarded BB rating by CRISIL which represent stable capacity for timely payment of short term debt obligations.

### CASH FLOW STATEMENT:

In conformity with the provisions of Clause 32 of the Listing Agreement the Cash Flow Statement for the year ended 31<sup>st</sup> March 2009 is included in this annual report.

### LISTING

Your Company is listed with the Bombay Stock Exchange Ltd. at P.J.Towers, Dalal Street, Mumbai - 400 001. The Listing Fee for the year 2009-2010 has been paid by the Company within the time prescribed by the Stock Exchange.

### INDUSTRIAL RELATIONS AND PERSONNEL

Your Company continued to enjoy warm and healthy relations with its employees at all locations. Your Directors take this opportunity to record their appreciation for the outstanding contribution made by the employees at all levels.

### PARTICULARS OF EMPLOYEES

As none of the employees was paid remuneration exceeding the limit

prescribed u/s 217 (2A) of the Companies Act, 1956, hence particulars as required under section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 need not to be given.

#### **CORPORATE GOVERNANCE**

Pursuant to Clause 49 of the Listing Agreement entered into with Bombay Stock Exchange Ltd, a Report on Corporate Governance together with a certificate obtained from the Statutory Auditors confirming compliance is given in Annexure I.

A report in the form of Management Discussion and Analysis Report is annexed hereto as Annexure II and forms part of this report.

#### **DISCLOSURE OF PARTICULARS**

Informations as per the Companies (Disclosure of particulars in the report of Board of Directors) Rules 1988, relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo are given in Annexure- III forming part of this Report.

#### **DIRECTORS**

Shri V N Khanna, Shri B K Toshniwal and Shri Sanjay Dosi Directors of the Company retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for reappointment as Director liable to retire by rotation.

The term of office of Shri Rajendra Somani as Managing Director shall expire on 31<sup>st</sup> March 2010. The Board of Directors at its meeting held

on 30<sup>th</sup> June 2009 has reappointed him as Managing Director of the Company for a period of five years i.e. from April 1, 2010 to 31<sup>st</sup> March 2015; subject to your approval at the forthcoming Annual General Meeting and subject to approval of the Central Government for payment of remuneration. A Resolution for his re-appointment along with the explanatory statement is included in the notice convening 39<sup>th</sup> Annual General Meeting of the Company.

#### **AUDITORS**

The Auditors, M/s. Khandelwal Jain & Co., Chartered Accountants hold office until the conclusion of the forthcoming Annual General Meeting and are recommended for reappointment. Certificate from the Auditors has been received to the effect that their reappointment, if made, would be within the limits prescribed under section 224(1B) of the Companies Act 1956.

#### **ACKNOWLEDGEMENT**

The Board of Directors thanks the Bankers and all the Stakeholders, for their continued co-operation and support to the Company.

For & on behalf of the Board

S J TAPARIA  
SANJAY DOSI  
B K TOSHNIWAL  
RAJENDRA SOMANI

Mumbai  
30<sup>th</sup> June 2009

## ANNEXURE - I

### Report on Corporate Governance for the Year Ended 31<sup>st</sup> March 2009 (in accordance with Clause 49 of the Listing Agreement with Bombay Stock Exchange)

#### 1. Corporate Governance Philosophy

The Company is committed to good Corporate Governance. Corporate Governance envisages Commitment of the Company towards the attainment of high level of transparency, accountability and business propriety with the ultimate objective of increasing long term shareholders value, keeping in view the needs and interests of all stakeholders.

#### 2. Board of Directors:

The Company has a non-executive Chairman. Ten out of Eleven Directors are Non-Executive Directors, forming over 50% of

total No. of Directors. The Company has four independent directors and one Managing Director.

None of the Directors holds directorships in more than the permissible number of companies under the applicable provisions. Similarly, none of the Directors on the Board's sub-committee holds membership of more than ten committees of the boards, nor is any director a chairman of more than five committees of boards.

The names and categories of the directors on the board, their attendance at board meetings during the year from April 08 to March 09 and at the last annual general meeting, and the number of directorships and committee members held by them in other companies are given below:

Name	Category	Board Meeting during the year Apr. 08 to Mar. 09		Attendance at the last AGM as on 27.09.08	No. of Directorships in other Public Companies		No. of Committee Positions held in other Public Companies	
		Held	Attend		Chairman	Member	Chairman	Member
Directors in Office								
Shri S. J. Taparia	Non-Executive / Independent	5	5	No	Nil	5	Nil	2
Shri Susheel G. Somani	Non-Executive / Not Independent	5	4	Yes	Nil	11	Nil	Nil
Shri S. J. Parekh	Non-Executive / Not Independent	5	5	Yes	2	8	1	-
Shri Surendra Somani	Non-Executive / Not Independent	5	5	Yes	Nil	7	1	2
Shri Sanjay Dosi	Non-Executive / Independent	5	5	Yes	Nil	1	Nil	Nil
Shri Vinod Mimani	Non-Executive / Independent	5	1	No	Nil	1	Nil	Nil
Shri Karthik Athreya	Non Executive / Independent	5	4	No	Nil	1	Nil	Nil
Shri Adarsh Somani	Non Executive / Not Independent (w.e.f. 23.05.08)	5	3	Yes	Nil	8	Nil	Nil
Shri B. K. Toshniwal	Non Executive / Not Independent	5	5	Yes	Nil	3	Nil	Nil
Shri V. N. Khanna	Non Executive / Not Independent	5	5	Yes	Nil	4	Nil	3
Shri Rajendra Somani	Executive / Not Independent	5	5	Yes	Nil	13	Nil	Nil

#### Notes:

- The information as required under Annexure I to clause 49 is being made available to the board.
- The gap between two board meetings did not exceed four months. The dates on which the board meetings were held are as follows:

May 23, 2008      June 30, 2008      July 30, 2008      Oct 18, 2008      January 23, 2009

The last AGM of the Company was held on September 27, 2008.

**3. Payment to Non-Executive Directors:**

Details of remuneration paid/payable to directors for the year ended March 31, 2009 are as follows:

Sr. No.	Director	Sitting Fees		Total
		Board	Committee	
1.	Shri Susheel G. Somani	20000	20000	40000
2.	Shri S. J. Parekh	25000	0	25000
3.	Shri Surendra Somani	25000	0	25000
4.	Shri S. J. Taparia	25000	25000	50000
5.	Shri Vinod Mimani	5000	0	5000
6.	Shri Sanjay Dosi	25000	45000	70000
7.	Shri V N Khanna	25000	0	25000
8.	Shri B K Toshniwal	25000	20000	45000
9.	Shri K. Athreya	20000	0	20000
10	Adrash Somani	15000	0	15000

**4. Particulars of Directors:**

Particulars of Directors as required under Para VI (A) of Clause 49 of the Listing Agreement, seeking Appointment/ Re-appointment are as under:

Name of Directors	Shri V. N. Khanna	Shri B. K. Toshniwal	Mr. Sanjay Dosi	Rajendra Somani
Qualification (s)	B. Com	B. Com, FCS	B. Com, FCA	Mechanical Engineer
Expertise of Functional Area	Vast experience in marketing and administration	Expertise in manufacturing and marketing of packaging products, expertise in finance, legal, secretarial and administration	Expertise and rich experience in finance, audit and accounts.	Vast and rich experience as an industrialist in manufacturing, marketing, innovation of new products and finance.
Director of other Ltd. Companies	1. Svaraj Trading & Agencies Ltd. 2. Shree Venkatesh Karriers Ltd. 3. Excel Glasses Ltd. 4. Koprana Limited	1. Sarvamangal Mercantile Co. Ltd. 2. Top Seal India Ltd. 3. Oriental Containers Ltd.	1. USL Shinrai Automobiles Ltd.	1. Claridge Moulded Fibre Ltd. 2. G. Claridge & Co. Ltd. 3. Hotel Empire Ltd. 4. Oriental Containers Ltd. 5. Parijat Shipping & Finale Ltd. 6. S.V. Trading & Agencies Ltd. 7. Svaraj Trading & Agencies Ltd. 8. Sarvamangal Mercantile Co. Ltd. 9. Sampada Chemicals Ltd. 10. Shree Madhu Industrial Estate Ltd. 11. USL Shinrai Automobiles Ltd. 12. The Aluminium Industries Ltd. 13. Top Seal India Ltd.
Membership of Committee of Board of Directors of other Companies	Audit Committee: 1. Koprana Ltd. 2. Excel Glasses Ltd.  Shareholder Grievances Committee: 1. Excel Glasses Ltd.	NIL	NIL	NIL



## 5. AUDIT COMMITTEE

### (a) Terms of reference

The Audit committee has adequate powers and detailed terms of reference to play an effective role as required under Section 292A of the Companies Act, 1956 and Clause 49 of listing Agreement with the Stock Exchange, which inter-alia include overseeing financial reporting processes, reviewing periodic financial results, financial statements and adequacy of internal control systems with the Management.

### (b) Composition

The Audit Committee of the Company comprises three directors, of which majority are independent, non-executive directors, possessing knowledge of corporate finance, accounts and company law. The Chairman of the Committee is an independent non-executive director. The Company Secretary acts as the Secretary to the Committee.

The Members of the Committee are:

- i) Shri Sanjay Dosi Non Executive /Independent
- ii) Shri S. J. Taparia Non Executive /Independent
- ii) Shri Susheel Somani Non Executive / Non Independent

Shri Sanjay Dosi, is the Chairman of the Audit Committee and was present at the last Annual General Meeting held on September 27, 2008.

### (c) Meetings and Attendance

During the year ended March 31, 2009, five meetings of the Audit Committee were held on the following dates:

- (i) May 23, 2008
- (ii) June 30, 2008
- (iii) July 30, 2008
- (iv) October 18, 2008
- (v) January 23, 2009

### Attendance at the Audit Committee Meetings

Name	No. of Audit Committee Meetings during April 08 to March 09	
	HELD	ATTENDED
Shri Sanjay Dosi	5	5
Shri S. J. Taparia	5	5
Shri Susheel G. Somani	5	4

## 6. Remuneration Committee:

During the year under review your Company did not have remuneration committee. The Managing Director is paid remuneration in accordance with the provisions of the Companies Act 1956 and pursuant to the approval of members accorded by way of resolution passed at the general meeting. The details of remuneration for the financial year April 08 to March 09 are as under:

(Amount in Rs.)

Name	Salary	Allowance	Total
Shri Rajendra Somani	1,68,000/-	90,000/-	2,58,000/-

**Note:** Salary includes Company's contribution to Provident Fund

Shri Rajendra Somani is paid Salary for part of the year.

## 7. CODE OF CONDUCT

The Board at its meeting held on 22<sup>nd</sup> November, 2005 adopted and approved the code of conduct.

The Board members and Senior Managers shall observe the highest standards of ethical conduct and integrity and shall work to the best of their ability and judgment.

The said code has been communicated to all the board members and senior managers and the compliance of the same has been affirmed by them. The code of conduct is posted on the web site of the Company.

A declaration signed by the Managing Director affirming the compliance of the code of conduct by the Board members and senior managers is given below:

I hereby confirm that,

The Company has obtained from all the members of the Board and senior managers affirmation that they have complied with the code of conduct for Directors and senior managers in respect of the financial year 2008 - 2009.

Sd/-

Rajendra Somani  
 Managing Director

## 8. CEO/CFO CERTIFICATION

The CEO/CFO, i.e. the Managing Director heading the finance function, discharging that function has certified to the Board that :

- a) They have reviewed financial statements and the cash flow statement for the Year Ended March 31, 2009 that to the best of their knowledge and belief:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading,
  - ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are to the best of their knowledge and belief no transaction entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c) They accept the responsibility for establishing and maintaining internal controls for the financial reporting and that they have evaluated the effectiveness of the internal control systems of the company, pertaining to financial reporting and they have disclosed to the auditors and the audit committee deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps they taken or propose to rectify these deficiencies.
- d) They have indicated to the auditors and the audit committee
  - i) significant changes in internal control over financial reporting during the year;
  - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii) instances of significant fraud of which they have become aware and involvement therein, if any, of the management or any employee having a significant role in the company's internal control system over financial reporting .

The above Certificate was placed before the Board meeting held on June 30, 2009.

## 9. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

### (a) Composition

The Shareholders/Investor Grievance Committee of the Company comprises two directors, of which one is independent and one is not independent. The Chairman of the Committee is an independent non-executive director. The members of the Committee are:

- i) Shri B. K. Toshniwal Non Executive / Not Independent
- ii) Shri Sanjay Dosi Non Executive / Independent

**Shri Sanjay Dosi is the Chairman of the Committee.**

### (b) Meetings and Attendance

For the year ended March 31, 2009 four meetings of the Shareholders/Investor Grievance Committee were held on May 23, 2008, June 30, 2008, Oct 18, 2008, Jan 23, 2009

Attendance at the Shareholders Grievances Committee Meetings

Name	No. of Shareholders / Investor Grievance Committee Meetings during April 08 to March 09	
	HELD	ATTENDED
Shri B. K. Toshniwal	4	4
Shri Sanjay Dosi	4	4

### (c) Compliance officer- Shri Sanjay Jain - Company Secretary

### (d) Shareholders Complaint Status:

The Company has received 15 nos. of investors complaints during the year from Apr 08 to Mar 09 and all the complaints were disposed off.

A separate committee for share transfers is delegated with the powers to approve physical share transfers. As the shares of the company are under compulsory dematerialized trading for all investors, this delegation is considered adequate. The Company had no shares pending for transfer at the close of the financial year.

## 10. GENERAL BODY MEETING

### i) Information about last three Annual General Meetings is as under

Year	Date	Time	Location
2007-08	27.09.2008	10.00 a.m.	Shri S.K. Somani Memorial Hall, Hindi Vidya Bhavan, 79, Marine Drive, Mumbai 400 002.
2006-07	22.12.2007	10.30 a.m.	Shri S.K. Somani Memorial Hall, Hindi Vidya Bhavan, 79, Marine Drive, Mumbai 400 002.
2005-06	27.12.2006	10.30 a.m.	Shri S.K. Somani Memorial Hall, Hindi Vidya Bhavan, 79, Marine Drive, Mumbai 400 002.

### (ii) Special Resolutions passed in the previous three AGM(s):

No Special resolutions were passed in the last three AGM(s).

### (iii) Passing of Special Resolution of Postal Ballot:

No Special Resolution was passed through postal ballot during the financial year 2008-09.

## 11. DISCLOSURES

- No transaction of material nature has entered into by the Company with Directors or Management and their relative etc. that may have potential conflict with the interest of the company. The Register of Contracts containing transactions in which Directors are interested is placed before the Board regularly.
- Transactions with the related parties are disclosed in Note no 12 of Schedule 18 of Notes forming part of the Accounts.
- The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India in the preparation of financial statements.
- The senior management has made disclosures to the Board relating to all material financial and commercial transactions stating that they did not have personal interest that could result in a conflict with the interest of the Company, at large.
- The Company has complied with various rules and regulations prescribed by Stock Exchanges, Securities and Exchange Board of India or any other statutory authority relating to the capital markets during the last three years. No penalties or strictures have been imposed by them on the Company.
- The Managing Director CEO / CFO has certified to the Board in accordance with Clause 49 (V) of the Listing Agreement pertaining to CEO / CFO certification for the Year ended March 31, 2009.

Details of Shares held by non-executive Directors of the Company as at March 31, 2009.

Name of Director	No. of shares held
Susheel G Somani	2,19,121
Surendra Somani	5,63,792
S J Pareh	7,780
S J Taparia	1,000
Sanjay Dosi	20
Vinod Mimani	Nil
B K Toshniwal	2,600
V N Khanna	6,680
Adarsh Somani	2,73,170
Karthik Athreya	Nil

## 12. MEANS OF COMMUNICATION

The Unaudited Financial Results of the Company for each Quarter is placed before the Board of Directors in the fourth week of succeeding month. The Quarterly Financial Results of the Company is published in the Free Press Journal and Navshakti (Mumbai).

## 13. MANAGEMENT DISCUSSION AND ANALYSIS:

The Management Discussion and Analysis Report is annexed hereto and forms part of this Annual report.

## 14. GENERAL SHAREHOLDERS INFORMATION

Registered Office: 1076, Dr. E. Moses Road, Worli, Mumbai – 400 018.

### Annual General Meeting

Day and Date: Saturday 12<sup>th</sup> September, 2009

Time: 10.00a.m.

Venue : Shri S K Somani Memorial Hall  
 Hindi Vidya Bhavan  
 Marine Drive Mumbai 400002.

### Key Financial Reporting F.Y. 2009- 2010

Unaudited Financial Results for the quarter ended June 30, 2009.

: on or before July 31, 2009

Unaudited Financial Results for the quarter ended September 30, 2009.

: on or before October 31 2009

Unaudited Financial Results for the quarter ended December 2009

: on or before January 31 2010

Unaudited Financial Results for the quarter ended March 31, 2010

: on or before April 30 2010

Or 30th June 2010 if Audited Financial Results for the last quarter are given.

**Book Closure:** The Register of Members and Share Transfer Books will remain closed from 3<sup>rd</sup> September, 2009 to 12<sup>th</sup> September, 2009 (both days inclusive).

**Date of Dividend Payment:** Within 25 days of the date of AGM.

#### Dematerialisation of shares:

The trading in the Equity Shares of the Company has been made compulsory in the Demat Form by all the investors. The Company's Equity Shares are available for trading in the Depository System of both NSDL and CDSL. As on 31.03.2009 90,99,610 Shares representing 94.50% of Equity Shares are held in the Demat Mode. The International Security Identification Number (ISIN) of the Company is INE 730A01014.

**Listing at Stock Exchanges:** The Equity Shares of the Company are listed at Bombay Stock Exchanges Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.

**Stock Code :** Bombay Stock Exchange , Mumbai : 513121

**Trading Code :** BSE "S" Group.

#### Stock Market Data

Monthly high and low prices of Equity Shares of the Company quoted at Stock Exchange, Mumbai and during the year ended 31.03.09 are as under:

(Amount in Rs.)

Month	Bombay Stock Exchange (BSE)	
	High	Low
April 2008	69.80	55.10
May 2008	65.85	52.10
June 2008	70.45	43.50
July 2008	65.90	50.00
August 2008	67.70	49.00
September 2008	59.00	34.60
October 2008	52.00	31.65
November 2008	34.75	22.80
December 2008	29.80	23.85
January 2009	40.40	29.00
February 2009	30.80	23.15
March 2009	24.00	19.10

### Distribution of Shareholding as on 31<sup>st</sup> March 2009.

No. of Equity Shares held	No. of Share holders	% of Share holders	No. of Shares held	% of Share holding
Upto 500	6485	92.70	744618	7.73
501 to 1000	235	3.36	180454	1.87
1001 to 2000	101	1.44	148690	1.54
2001 to 3000	39	0.56	96282	1.00
3001 to 4000	25	0.36	89278	0.93
4001 to 5000	14	0.20	64382	0.67
5001 to 10000	27	0.38	205870	2.14
10000 and above	70	1.00	8099969	84.12
<b>TOTAL</b>	<b>6996</b>	<b>100.00</b>	<b>9629543</b>	<b>100.00</b>

### Categories of Shareholding as on 31<sup>st</sup> March 2009.

Category	No. of Share holders	% of Share holders	No. of Shares held	% of Share holding
Indian Promoters	74	1.06	5281128	54.84
Banks/ FI	5	0.07	9970	0.10
FII	1	0.01	961641	9.99
Mutual Funds	1	0.01	291860	3.03
NRI	20	0.29	3489	0.04
Domestic Companies	150	2.14	947454	9.84
Resident Individuals	6745	96.42	2134001	22.16
<b>TOTAL</b>	<b>6996</b>	<b>100.00</b>	<b>9629543</b>	<b>100.00</b>

### Registered Office / Plant Location :

1) 1076 Dr. E. Moses Road  
Worli, Mumbai – 400 018

2) Village – Savroli  
Khopoli – 410 203  
Dist. Raigad.

### Address for Investor Correspondence :

i) **Registered office:**  
Sanjay Jain  
Compliance Officer  
Oricon Enterprises Ltd.  
1076, Dr. E. Moses Road,  
Worli, Mumbai-400 018.  
Tel No. 2496 4656-60  
E-mail:sanjayjain@ocl-india.com  
share@ocl-india.com

ii) **Registrar & Transfer Agent:**  
Bigshare Services Pvt. Ltd.  
E-2 Ansa Industrial Estate,  
Saki Vihar Road,  
Sakinaka, Andheri (E),  
Mumbai – 400 072.  
Tel. No. 28470652-53  
E-mail: bigshare@bom7vsnl.net.in

**AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER  
CLAUSE 49 OF THE LISTING AGREEMENT**

To the Members of  
**ORICON ENTERPRISES LIMITED**

1. We have examined the compliance of conditions of Corporate Governance by the **Oricon Enterprises Limited**, for the year ended on 31<sup>st</sup> March, 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Bombay Stock Exchange Limited (herein after referred to as 'the agreement').
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and based on our review and to the best of our information and explanations given to us, we certify that the conditions of Corporate Governance as stipulated in the Clause 49 of the agreement have been complied with in all material aspects by the Company *except that*,
  - (i) *non-appointment of an independent director on the Board of Directors of USL Shinrai Automobiles Limited, a material non-listed Indian subsidiary Company upto 28th January, 2009; and*
  - (ii) *non-posting of the 'Code of Conduct' on the website of the Company, upto 27th June, 2009.*
4. 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 **KHANDELWAL JAIN & CO.**  
CHARTERED ACCOUNTANTS

**(NARENDRA JAIN)**  
PARTNER  
Membership no. 048725

Place : Mumbai  
Date : June 30, 2009

## ANNEXURE –II TO THE DIRECTORS' REPORT

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### A. ECONOMY AND BUSINESS OUTLOOK:

India has admirably fought the downward spiral of recession, which exemplifies its resilience and fortitude. As economic distress looms over the US, UK, Europe and Japan, IMF's March, 2009 forecasts confirm the calamity. Global real GDP growth is projected to shrink by 0.5 percent to 1 percent in 2009 as against a growth rate of 3.2 percent in 2008. World Bank projects Global GDP to contract by 1.7 percent and OECD expects Global GDP to contract by 2.7 percent. As per WTO projection, Global trade is expected to shrink by 9 percent, as compared to an increase of 2 percent in 2008.

Indian economy has displayed tenacious endurance and weathered the crisis admirably, in sharp contrast to its international counterparts. The credit for this rests on the clear directives and speedily realized policies under the jurisdiction of the Government of India and RBI's policies are directed towards achieving price, financial and exchange rate stability, income growth, employment generation and public debt management.

The financial year 2008-2009 began with inflation at close to 8% which had risen to a level of over 12 percent by the end of the month of September 2008. However with the gradual decline in the price of petroleum, basic metals, oil seeds, edible oils there was a sharp fall in the inflation rate to 0.26 percent at the end of March 2009. The sharp fall in the inflation is facilitated aggressive monetary easing, aimed at stemming the economic slow down and facilitating economic growth.

#### B. INDUSTRY STRUCTURE AND DEVELOPMENT :

Your Company is now engaged in manufacturing of pentanes and business of real estate. Over the years the petrochemical industry has shown a steady growth, but the performance of this industry in the last couple of years has been subdued. One of the main reasons for this is the steep increase in the input prices mainly due to spurt in crude oil prices.

Due to the impact of the global slowdown the real estate industry has witnessed sharp fall in the demand. By early 2009, many developers had adopted the obvious strategy of price correction in existing projects to clear mounting inventories and lure the consumers back into the market.

#### C. OPPORTUNITIES & THREATS :

The real estate industry is on path of recovery and the prices of residential as well as commercial projects are stabilized. The company sees it as an opportunity to develop its property at Worli, Mumbai.

The performance of petrochemical division may be affected due to lower demand on account of setting up of manufacturing units by new entrants.

#### D. SEGMENTWISE PERFORMANCE:

Your Company has identified segments reporting in terms of AS 17 issued by Institute of Chartered Accountants of India (ICAI), these are Petrochemicals and Trading. The following are the abridged results of these segments:

	Segment Revenue (Rs. in Lacs)	Segment Results Profit/(Loss) from each segment before interest and tax (Rs. in Lacs)
Petrochemicals	2000.54	171.44
Trading	2769.36	15.63
Total	4769.90	187.07

#### E. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company has effective systems of internal control :

- Effective system of accounting and administrative control.
- Existence of Audit Committee of Directors and system of internal audit by an outside independent firm.
- Performance review system by the management with preset objective.

#### F. FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

The sales and other income for the year ended March 2009 is Rs. 61.85 Crores as against Rs. 24.58 Crores for the nine months period ended 31st March 2008. The manufacturing and other expenses is Rs. 49.91 Crores as against Rs. 20.00 Crores for the said period. After providing Rs. 1.34 Crores for depreciation, Rs. 1.48 Crores towards provision for taxation, the company has earned net profit of Rs. 9.02 Crores.

#### G. HUMAN RESOURCES / INDUSTRIAL RELATIONS:

Your Company has team of qualified and dedicated personnel who have contributed to the consolidation of the operations of your Company. Your Company's industrial relations continued to be harmonious during the year under review.

As on March 31, 2009 the employee strength (on permanent rolls) of the company was 75.

#### H. CAUTIONARY STATEMENT:

Statements in the Management Discussion and Analysis describing the Company's objectives, estimates, expectations or projections may constitute "forward looking statements", within the meaning of applicable laws and regulations. Actual results may differ materially from those either expressed or implied in the statements. Important factors that could make a difference to your Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and international markets, changes in the Government regulations, tax laws and other statutes and other incidental factors.

### Annexure-III to the Directors' Report

(Information pursuant to the Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

#### FORM-A

##### i) Power and Fuel Consumption :

1. Electricity	Current year April 08 to Mar. 09	Previous period July 07 to Mar. 08
a) Purchase units	616494	452480
Total Amount (Rs.)	2992012	2373150
Rate/Units (Rs.)	4.85	5.24
b) Own Generation (in unit)	30824	14648
Total Amount (Rs.)	307919	174317
Rate/Units (Rs.)	10.00	11.90
2. COAL	—	—
3. FURNACE OIL QTY. (K. Ltr.)	647	528
4. OWN FUEL (KL)	—	—

##### ii) Consumption per unit of production :

Product	Standard	Current year April 08 to March 09	Previous year July 07 to March 08
Pentane Pure (ISO Pentane)			
Electricity	Not determined	180.7 UNITS/MT	172.6 UNITS/MT
Furnace Oil	0.20 MT/MT of Products	0.173 MT/MT of Products	0.183 MT/MT of Products

##### B) Technology Absorption :

Petro Product offering from the company are continuously upgraded and optimized to explore the export market.

##### C) Foreign exchange earnings and outgo:

The required information in respect of the Foreign Exchange earnings and outgo has been given in the Notes Forming Part of the Accounts for the period ended March 31, 2009.

**AUDITORS' REPORT**

TO THE MEMBERS OF  
ORICON ENTERPRISES LTD.

1. We have audited the attached Balance Sheet of **ORICON ENTERPRISES LIMITED** as at 31<sup>st</sup> March 2009 and also the Profit & 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 from 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 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, and read with the amendments made by the Companies (Auditor's Report) (Amendment) Order 2004, issued by the Central Government of India in terms of sub section (4A) of Section 227 of the Companies Act, 1956, and on the basis of such checks of books and records of the Company as we considered appropriate and according to the information and explanation given to us we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent they are applicable to the Company.
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 purposes 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, The Profit & Loss Account and the 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 & Loss Account and the 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.
- (e) On the basis of the written representations received from the Directors as on 31<sup>st</sup> March, 2009 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, 2009 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 the explanations given to us, the said accounts and read together with significant accounting policies and 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 2009;
  - (ii) in the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date; and
  - (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For **KHANDELWAL JAIN & CO.**  
Chartered Accountants

**(NARENDRA JAIN)**  
PARTNER  
Membership No.048725

Place : Mumbai  
Date : 30<sup>th</sup> June, 2009

## ANNEXURE TO THE AUDITORS' REPORT

(REFERRED TO IN PARAGRAPH (3) OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF ORICON ENTERPRISES LIMITED FOR THE YEAR ENDED MARCH 31, 2009)

- i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets, except in case of Furniture and Fixtures, Electrical Installation and Equipments for which quantitative records have been maintained without item wise break up of value.
- b) We are informed that the fixed assets other than Dies and Tools, Furniture and Fixtures, Electrical Installation and Equipments have been physically verified by the management at reasonable intervals during the year and as explained to us no material discrepancies were noticed on such verification.
- c) During the year, the Company has not disposed off any substantial part of fixed assets.
- ii) a) The management has conducted physical verification of the inventory at reasonable intervals, except material in transit and stocks lying with third parties and in bonded warehouse, which are verified with reference to the certificates obtained and/or subsequent clearance of goods. In our opinion, the frequency of physical 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) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of the inventory and no material discrepancies were noticed on physical verification between the physical stock and book records.
- iii) a) The Company has not granted loans to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
- b) The Company had taken unsecured loan from one party covered in the register maintained under section 301 of the companies Act, 1956. The maximum amount involved during the year was Rs.37,16,917/- and the year end balance of loans taken from such party was Rs.34,66,917/-
- c) In our opinion and according to the information and explanation given to us the rate of interest and other terms and conditions on which these loans have been taken are not prima facie prejudicial to the interest of the Company.
- d) The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest.
- iv) In our opinion, and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the Company and the nature of its business, with regard to the purchase of inventory, fixed assets and for sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.
- v) a) In our opinion and according to the information and explanation given to us, the particulars of contracts or arrangements, referred to in section 301 of the Companies Act, 1956, have been entered in the register required to be maintained under that section.
- b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi) In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under with regard to deposits accepted from the public *except for delay in filing of return of deposits with the Registrar of Companies and Reserve Bank of India*. According to the information and explanations given to us, no order under the aforesaid Sections has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company.
- 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 explanations given to us, the Central Government has not prescribed for the maintenance of Cost Records under Section 209(1)(d) of the Companies Act, 1956 in respect of the products of the Company.
- ix) a) According to the information and explanations given to us, and the records examined by us, generally the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employee's state insurance, income-tax, custom duty, excise-duty, cess and other statutory dues, *except for delay in payment of unclaimed dividend to Investor Education and Protection Fund and there are slight delays in depositing undisputed statutory dues in respect of Maharashtra Value Added Tax (MVAT), Central Sales Tax, Service Tax, Provident Fund & Tax deducted at source with the appropriate authorities*. According to the information and explanations given to us, there were no other undisputed statutory dues which have remained outstanding as at 31<sup>st</sup> March, 2009 for the period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, and the records examined by us, dues in respect of sales-tax, income-tax, custom duty, wealth-tax, service tax, excise duty, cess as at 31<sup>st</sup> March, 2009 that have not been deposited with the appropriate authority on account of any disputes and the forum where the dispute is pending are as under:-

Sr. No.	Name of the Statute	Nature of the Dues	Period to which the amount relates	Amount (Rs.)	Forum where dispute is pending
1	Central Excise Act, 1944	Excise Duty (Classification of goods)	March 2001 to Aug. 2001	62,30,637	Assistant Commissioner of Central Excise
2	Central excise Act, 1944	Excise Duty (Classification of goods) Penalty	June '96 to Feb' 2001	75,938 30,80,610	Central Excise & Service Tax Appellate Tribunal
3	Central excise Act, 1944	Excise Duty (Classification of goods) Penalty	July 1998 to Feb 2001	1,41,503 10,24,509	Central Excise & Service Tax Appellate Tribunal

- x) The Company has no accumulated losses as at the end of the financial year and has not incurred cash loss in the current financial year or in the immediately preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution or bank.
- xii) Based on the information and explanations given to us, the Company has not granted any loans and/or advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The Company is not a Chit Fund Company or nidhi/mutual benefit fund/society.
- xiv) The Company has maintained proper records of transactions and contracts in respect of dealing and trading in shares, securities, debentures and other investments and the timely entries have generally been made therein. All shares, securities, debentures and other investments have been held by the Company in its own name except to the extent of the exemption granted under Section 49 of the Companies Act, 1956 and save for certain shares which are either lodged for transfer or held with valid transfer forms.

- xv) In our opinion and according to the information and explanations given to us, the terms and conditions of guarantees given by the company for loans taken by others from banks and financial institutions are not prima facie prejudicial to the interests of the company.
- xvi) In our opinion, the term loans raised during the year have been applied for the purpose for which they were raised.
- xvii) According to the information and explanations given to us and on an examination of the Balance Sheet of the Company, we report that, on an overall basis, funds raised on short-term basis have, prima facie, not been used during the year for long-term investment.
- xviii) The Company has not made any preferential allotment of shares during the year.
- xix) In our opinion and according to the information and explanations given to us, the Company has not issued any secured debentures during the year covered by our report. The Company has created security or charge in respect of debentures issued in earlier years.
- xx) During the year covered by our Audit Report the Company has not raised any money by public issues.
- xxi) To the best of our knowledge and belief and 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 **KHANDELWAL JAIN & CO.**  
 Chartered Accountants

**(NARENDRA JAIN)**  
 PARTNER  
 Membership No.048725

Place : Mumbai  
 Date : 30<sup>th</sup> June, 2009



**BALANCE SHEET AS AT 31ST MARCH, 2009**

	Schedule	As at 31st March, 2009 Rupees	As at 31st March, 2008 Rupees
<b>SOURCES OF FUNDS :</b>			
Shareholders' Funds :			
Share Capital	1	9,63,49,194	9,63,49,194
Reserves and Surplus	2	91,68,41,094	83,78,49,517
		<u>101,31,90,288</u>	<u>93,41,98,711</u>
<b>Deferred Tax Liability</b>		1,83,20,348	2,10,94,418
(Refer Note No. B - 14 of Schedule 18)			
<b>Loan Funds:</b>			
Secured Loans	3	16,749,189	75,64,551
Unsecured Loans	4	13,94,21,840	24,49,63,320
		<u>15,61,71,029</u>	<u>25,25,27,871</u>
	<b>Total</b>	<u><b>118,76,81,665</b></u>	<u><b>120,78,21,000</b></u>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	5	29,92,03,641	29,51,66,221
Less: Depreciation		20,88,83,442	19,56,81,889
		<u>9,03,20,199</u>	<u>9,94,84,332</u>
Net Block		1,21,59,089	88,57,233
Capital Work in Progress		<u>10,24,79,288</u>	<u>10,83,41,565</u>
<b>Investments</b>	6	69,08,43,639	65,89,57,920
<b>Current Assets, Loans and Advances</b>			
Inventories	7	1,30,38,334	1,73,77,262
Sundry Debtors	8	20,11,80,162	3,95,51,539
Cash and Bank Balances	9	1,03,71,299	3,29,45,822
Loans and Advances	10	49,23,51,869	52,62,67,379
		<u>71,69,41,664</u>	<u>61,61,42,002</u>
<b>Less: Current Liabilities &amp; Provisions</b>			
Liabilities	11	32,36,33,641	18,27,38,141
Provisions	12	1,72,19,083	1,67,42,083
		<u>34,08,52,724</u>	<u>19,94,80,224</u>
<b>Net Current Assets</b>		37,60,88,940	41,66,61,778
<b>Miscellaneous Expenditure</b>	13	1,82,69,798	2,38,59,737
	<b>Total</b>	<u><b>118,76,81,665</b></u>	<u><b>120,78,21,000</b></u>
Significant Accounting Policies and Notes to the Accounts	18		

Note: The Schedules referred to above form an integral part of the Balance Sheet.

As per our report of even date annexed  
 FOR KHANDELWAL JAIN & CO.  
 Chartered Accountants

**NARENDRA JAIN**  
 Partner  
 Membership No. 048725

Mumbai  
 30th June, 2009

**SANJAY JAIN**  
 Company Secretary

For & on behalf of the Board

**S. J. Taparia** Chairman

**Sanjay Dosi** Director

**B K Toshniwal** Director

**Rajendra Somani** Managing Director

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2009**

	Schedule	Year ended 31st March, 2009 Rupees	Nine Months period ended 31st March, 2008 Rupees
<b>INCOME</b>			
Sales, and other income	14	<b>61,84,58,680</b>	24,58,62,803
<b>EXPENDITURE</b>			
Manufacturing and Other expenses	15	<b>49,90,72,134</b>	20,00,80,113
Interest & Finance Charges	16	<b>2,62,27,643</b>	2,32,86,790
		<b>52,52,99,777</b>	22,33,66,903
<b>PROFIT BEFORE DEPRECIATION</b>			
		<b>9,31,58,903</b>	2,24,95,900
Less : Depreciation		<b>1,33,86,818</b>	1,20,67,595
<b>PROFIT BEFORE PRIOR PERIOD ADJUSTMENT</b>			
		<b>7,97,72,085</b>	1,04,28,305
LESS/(ADD) : Prior period adjustment		<b>(12,40,505)</b>	89,061
<b>Profit before taxation and exceptional items</b>			
		<b>8,10,12,590</b>	1,03,39,244
<b>Less : Provision for Taxation</b>			
- Current Tax (Refer Note B9 of Schedule 18)		<b>1,69,30,080</b>	32,00,000
- Deferred Tax		<b>(27,74,070)</b>	(1,54,35,680)
- Fringe Benefit Tax		<b>6,50,000</b>	7,00,000
- MAT Credit Entitlement		<b>—</b>	(25,00,000)
		<b>1,48,06,010</b>	(1,40,35,680)
<b>Profit after taxation before exceptional items</b>			
		<b>6,62,06,580</b>	2,43,74,924
Income/fringe benefit tax for earlier years		<b>79,000</b>	3,67,000
<b>Profit after taxation before exceptional items</b>			
		<b>6,61,27,580</b>	2,40,07,924
Add: Exceptional items (Net of Tax) [Refer note no.B-8 of Schedule 18)		<b>2,41,30,080</b>	—
<b>Profit after taxation</b>			
		<b>9,02,57,660</b>	240,07,924
<b>Add : Balance brought forward from previous year</b>			
		<b>10,22,44,169</b>	9,70,02,328
<b>AMOUNT AVAILABLE FOR APPROPRIATIONS</b>			
		<b>19,25,01,829</b>	12,10,10,252
<b>APPROPRIATIONS :</b>			
Proposed dividend on Equity Shares		<b>96,29,543</b>	96,29,543
Tax on Proposed Dividend		<b>16,36,540</b>	16,36,540
		<b>1,12,66,083</b>	1,12,66,083
Transfer to General Reserve		<b>5,00,00,000</b>	75,00,000
Balance carried to Balance Sheet		<b>13,12,35,746</b>	10,22,44,169
		<b>19,25,01,829</b>	12,10,10,252
<b>EARNINGS PER SHARE ( EPS )</b>			
On profit after taxation before exceptional items			
Basic /Diluted Earnings per share ( Rs. )		<b>6.87</b>	2.49
On profit after taxation			
(Basic / Diluted Earnings per share (Rs.) ( Refer Note No.B -13 of schedule 18 )		<b>9.37</b>	2.49

Significant Accounting Policies and Notes to the Accounts 18

Note: The Schedules referred to above form an integral part of the Profit and Loss Account

As per our report of even date annexed  
 FOR KHANDELWAL JAIN & CO.  
 Chartered Accountants

**NARENDRA JAIN**  
 Partner  
 Membership No. 048725

Mumbai  
 30th June, 2009

**SANJAY JAIN**  
 Company Secretary

For & on behalf of the Board

**S. J. Taparla** Chairman

**Sanjay Dosi** Director

**B K Toshniwal** Director

**Rajendra Somani** Managing Director

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2009**

(Amount in Rupees)

PARTICULARS	For the Year ended 31-03-2009	For the period ended 31.03.2008
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax, prior period adjustments and exceptional items	7,97,72,086	1,04,28,305
Adjustments for :		
Depreciation	1,33,86,818	1,20,67,595
Deferred Revenue Expenditure written-off	55,89,939	41,92,454
Dividend Received	(2,17,076)	(2,10,050)
Interest Expense	2,58,19,005	2,26,92,790
Interest Received	(1,10,34,323)	(1,15,14,029)
Profit on Sale of Long term Investments	(4,33,516)	(8,76,000)
Loss on Sale of assets	1,20,291	3,93,21,374
Surplus on sale of assets	(16,42,771)	(1,51,98,495)
Compensation received against relinquishing rights in property	3,12,00,000	—
Sundry balances written off	82,17,841	52,84,709
Sundry balance written back	(47,61,920)	(97,01,171)
Operating Profit before Working Capital changes	14,60,16,374	5,64,87,482
Adjustments for :		
Trade and other receivables	(14,85,63,457)	5,46,99,302
Inventories	43,38,928	(27,82,578)
Trade payables	14,62,12,519	(80,82,673)
Cash generated from operations	14,80,04,364	10,03,21,533
Direct Taxes paid (Net of Refund)	(1,21,46,499)	(1,82,47,898)
Cash Flow before prior period Adjustments & exceptional items	13,58,57,865	8,20,73,635
Prior period adjustments	12,40,505	(89,061)
<b>NET CASH FROM OPERATING ACTIVITIES : TOTAL (A)</b>	<b>13,70,98,370</b>	<b>8,19,84,574</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Purchase of Fixed Assets (including Capital Work-in-Progress)	(81,41,505)	(26,78,498)
Sale of Fixed Assets	21,39,444	3,43,36,550
Sale of Investment	6,90,625	11,25,000
Purchase of Investment	(3,21,42,828)	(63,44,087)
Interest Received	1,10,34,323	1,15,14,029
Dividend Received	2,17,076	2,10,050
<b>NET CASH FROM / (USED IN) INVESTING ACTIVITIES : TOTAL (B)</b>	<b>(2,62,02,865)</b>	<b>3,81,63,044</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Secured Loans (Net of Repayments)	87,37,054	3,35,561
Proceeds from Unsecured Loans (Net of Repayments)	(10,56,75,073)	(6,31,49,228)
Interest Paid	(2,52,37,826)	(2,37,94,859)
Dividend paid (including dividend tax)	(1,12,94,183)	(1,13,15,460)
<b>NET CASH FROM FINANCING ACTIVITIES : TOTAL (C)</b>	<b>(13,34,70,028)</b>	<b>(9,79,23,986)</b>
<b>NET INCREASE IN CASH &amp; CASH EQUIVALENTS TOTAL (A+B+C)</b>	<b>(2,25,74,523)</b>	<b>2,22,23,632</b>
Cash and Cash equivalents - Opening Balance	3,29,45,822	1,07,22,190
Cash and Cash equivalents - Closing Balance	1,03,71,299	3,29,45,822
<b>NOTES :</b>		
1. Above statements have been prepared in the indirect method.		
2. Cash and Cash Equivalents represents Cash and Bank balances only.		
3. Previous year's figures have been regrouped and reclassified, wherever necessary.		

As per our report of even date annexed  
FOR **KHANDELWAL JAIN & CO.**  
Chartered Accountants

**NARENDRA JAIN**  
Partner  
Membership No. 048725

Mumbai  
30th June, 2009

**SANJAY JAIN**  
Company Secretary

For & on behalf of the Board

**S. J. Taparia** Chairman

**Sanjay Dosi** Director

**B K Toshniwal** Director

**Rajendra Somani** Managing Director

**Schedules Forming Part of the Balance Sheet**
**SCHEDULE - 1**

<b>SHARE CAPITAL</b>	<b>As at 31st March, 2009 Rupees</b>	<b>As at 31st March, 2008 Rupees</b>
<b>Authorised :</b>		
1,37,50,000 (P.Y. 1,37,50,000) Equity Shares of Rs. 10 each	<b>13,75,00,000</b>	13,75,00,000
10,000 11% Cumulative Redeemable Preference Shares of Rs. 100 each	<b>10,00,000</b>	10,00,000
1,00,00,000 Unclassified Shares of Rs. 10 each	<b>10,00,00,000</b>	10,00,00,000
	<b><u>23,85,00,000</u></b>	<b><u>23,85,00,000</u></b>
<b>Issued :</b>		
96,42,072 (P.Y. 96,42,072) Equity Shares of Rs. 10 each	<b>9,64,20,720</b>	9,64,20,720
	<b><u>9,64,20,720</u></b>	<b><u>9,64,20,720</u></b>
<b>Subscribed and Paid-up :</b>		
96,29,543 (P.Y. 96,29,543 ) Equity Shares of Rs. 10 each.	<b>9,62,95,430</b>	9,62,95,430
Share Forefited Account	<b>53,764</b>	53,764
	<b><u>9,63,49,194</u></b>	<b><u>9,63,49,194</u></b>
<b>TOTAL</b>		

- Notes : 1. a) 19,30,800 Equity Shares are allotted as fully paid up as Bonus shares by capitalising Rs.31,00,000/- from General Reserve, Rs.1,57,08,000/- from Share Premium and Rs.5,00,000/- from Capital Redemption Reserve.
- b) 1,00,000 Equity Shares of Rs.10/-each are allotted as fully paid up shares to the shareholders of erstwhile Hempri Containers Pvt Ltd pursuant to the scheme of Amalgamation.
- c) 12,529 Partly paid Equity Shares have been forefited by the Company during the year 2003-04.
- d) 42,73,875 Equity Shares of Rs.10/-each are allocated as fully paid up shares to the shareholders of erstwhile Scientific Vaccum Coatings Pvt Ltd pursuant to the scheme of Amalgamation.

**Schedules Forming Part of the Balance Sheet**
**SCHEDULE - 2**

<b>RESERVES AND SURPLUS</b>	<b>As at 31st March, 2009 Rupees</b>	<b>As at 31st March, 2008 Rupees</b>
<b>Capital Reserve</b> As per last Balance Sheet	<b>11,13,014</b>	11,13,014
<b>Capital Redemption Reserve</b> As per last Balance Sheet	<b>5,00,000</b>	5,00,000
<b>Amalgamation Reserve</b> As per last Balance Sheet	<b>1,31,09,745</b>	1,31,09,745
<b>Share Premium Account</b> As per last Balance Sheet	<b>18,60,32,106</b>	18,60,32,106
<b>General Reserve</b> As per last Balance Sheet	<b>53,48,50,483</b>	52,73,50,483
Add : Transfer from Profit and Loss Account	<b>5,00,00,000</b>	75,00,000
	<b>58,48,50,483</b>	53,48,50,483
<b>Profit and Loss Account</b>	<b>13,12,35,746</b>	10,22,44,169
<b>TOTAL</b>	<b>91,68,41,094</b>	83,78,49,517

**Schedules Forming Part of the Balance Sheet**

**SCHEDULE - 3**

<b>SECURED LOANS</b>	<b>As at 31st March, 2009 Rupees</b>	<b>As at 31st March, 2008 Rupees</b>
Deferred Payment Credits	<b>18,87,647</b>	43,60,705
Working Capital Loans from Banks		
- Cash Credit	<b>44,13,957</b>	32,03,846
- Working Capital Demand Loan	<b>1,00,00,000</b>	—
Interest Accrued & Due on above	<b>4,47,585</b>	—
<b>TOTAL</b>	<b>1,67,49,189</b>	<b>75,64,551</b>

**Notes :**

Working Capital Loans i.e. Cash Credit / Working Capital Demand Loan is secured by (i) hypothecation of inventories, book debts (ii) first charge on Company's immovable properties at Khopoli and (iii) hypothecation on Machineries at Company's plant at Khopoli and guaranteed by three Directors jointly and severally.

Deferred payments credits are secured against hypothecation of Specific Capital Assets i.e. Motor Cars.

Instalments repayable within one year Rs.14,58,665/-  
(P.Y Rs.24,35,998/-)

**SCHEDULE - 4**

**UNSECURED LOANS**

Fixed Deposits (Repayable within one year Rs.28,76,000/-) (Previous year Rs. 38,53,000/-)	<b>32,03,000</b>	51,20,000
Inter Corporate Deposits (includes loan from subsidiary Rs. Nil [Previous year Rs. 1,30,66,528/])	<b>86,25,966</b>	9,08,44,515
Term Loan From : Banks	<b>12,74,59,280</b>	14,89,98,805
Term Loans (Repayable within one year Rs. 2,63,35,296/-) (Previous year Rs. 2,28,46,636/-)		
Interest Accrued & Due on above	<b>1,33,594</b>	—
<b>TOTAL</b>	<b>13,94,21,840</b>	<b>24,49,63,320</b>

Schedules forming Part of the Balance Sheet

SCHEDULE - 5

FIXED ASSETS

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 1st April 2008	Additions during the year	Deductions during the year	As on 31st March, 2009	Upto 31st March 2008	For the Year	Deductions during the year	Total Upto 31st March 2009	As on 31st March, 2009	As on 31st March 2008
Freehold Land	10,29,043	—	4,52,229	5,76,814	—	—	—	—	5,76,814	10,29,043
Buildings ## (Refer note no. B-17 of Schedule 18)	5,01,07,819	7,35,788	—	5,08,43,607	2,00,66,974	30,30,248	—	2,30,97,222	2,77,46,385	3,00,40,845
Residential Flats #	4,73,475	—	—	4,73,475	2,87,646	9,291	—	2,96,937	1,76,538	1,85,829
Plant & Machinery	20,48,35,642	1,29,725	—	20,49,65,367	14,69,50,574	72,45,958	—	15,41,96,532	5,07,68,835	5,78,85,068
Electric Installations	9,08,881	67,265	—	9,76,146	8,15,570	16,825	—	8,32,395	1,43,751	93,311
Office Equipments	54,87,452	1,63,346	—	56,50,798	46,87,668	1,13,534	—	48,01,202	8,49,596	7,99,784
Computers	44,56,094	1,00,473	—	45,56,567	38,45,608	2,44,341	—	40,89,949	4,66,618	6,10,486
Furniture & Fixtures	38,53,387	31,13,729	—	69,67,116	34,26,467	5,48,781	—	39,75,248	29,91,868	4,26,920
Vehicles	2,15,13,791	5,29,323	3,50,000	2,16,93,114	1,33,63,526	21,41,820	1,85,265	1,53,20,081	63,73,033	81,50,265
Fire Fighting Equipments	4,35,423	—	—	4,35,423	3,59,368	10,452	—	3,69,820	65,603	76,055
Laboratory Equipments	11,92,651	—	—	11,92,651	10,77,837	15,849	—	10,93,686	98,965	114,814
Weighing Machines	8,72,563	—	—	8,72,563	8,00,651	9,719	—	8,10,370	62,193	71,912
<b>TOTAL</b>	<b>29,51,66,221</b>	<b>48,39,649</b>	<b>8,02,229</b>	<b>29,92,03,641</b>	<b>19,56,81,889</b>	<b>1,33,86,818</b>	<b>1,85,265</b>	<b>20,88,83,442</b>	<b>9,03,20,199</b>	<b>9,94,84,332</b>
Previous year	38,17,17,175	4,57,389	8,70,08,343	29,51,66,221	21,21,63,208	1,20,67,595	2,85,48,914	19,56,81,889	9,94,84,332	—

# Includes deposit for Shares in Co-operative Society Rs.5,000/-.

## Buildings includes Rs. 3,42,08,890 /- pursuant to the scheme of amalgamation with Scientific Vacuum Coating Pvt Ltd with the company.

**Schedules Forming Part of the Balance Sheet**
**SCHEDULE - 6**
**INVESTMENTS (At Cost)**

Long Term Investments Face Value		As at 31st March, 2009		As at 31st March, 2008	
		Nos.	Rupees	Nos.	Rupees
<b>A. Unquoted : Equity Shares (fully paid-up)</b>					
<b>1. Equity Shares in Subsidiary Companies</b>					
10	Oriental Containers Ltd.	32,46,192	<b>30,88,66,364</b>	30,00,000	27,67,23,536
10	USL Shinrai Automobiles Ltd.	1,00,000	<b>10,00,000</b>	1,00,000	10,00,000
10	USL Auto Services Ltd.	50,000	<b>5,00,000</b>	50,000	5,00,000
<b>2. Equity Shares in Associate Company</b>					
10	National Cotton Products Pvt. Ltd. (Refer note no. B-17 of schedule 18)	23,25,600	<b>35,65,26,108</b>	23,25,600	35,65,26,108
<b>Other Investments (Fully Paid up)</b>					
<b>3. Unquoted: Equity Shares in Others</b>					
10	New India Co-operative Bank Ltd.	10	<b>102</b>	10	102
100	Madhavpura Mercantile Co-op. Bank Ltd.	875	<b>87,500</b>	875	87,500
10	Saraswat Co-operative Bank	1,000	<b>10,000</b>	1,000	10,000
<b>B. Unquoted : Preference Shares</b>					
100	14.5% Redeemable Cumulative Preference Shares of Excel Glasses Ltd.	1,30,000	<b>1,30,00,000</b>	1,30,000	1,30,00,000
<b>C. Quoted : Equity Shares</b>					
10	Soma Paper Mills Ltd.	39,287	<b>17,19,409</b>	39,287	17,19,409
10	Kopran Ltd.	32,500	<b>1,03,413</b>	32,500	1,03,413
10	KDL Biotech Ltd.	—	—	81,250	2,57,109
10	Hindustan Tin Works Ltd.	62,500	<b>25,00,000</b>	62,500	25,00,000
100	Bayer Crop Science Ltd.	24	<b>2,219</b>	24	2,219
10	Indian Dyestuff Industries Ltd.	13	<b>447</b>	13	447
10	IMP Power Ltd.	23,500	<b>63,44,087</b>	23,500	63,44,087
<b>D. Quoted : Others</b>					
100	6.75% Bonds of Unit Trust of India	1,782	<b>1,83,990</b>	1,782	1,83,990
<b>TOTAL</b>			<b><u>69,08,43,639</u></b>		<b><u>65,89,57,920</u></b>
Aggregate Book Value - Quoted			<b>1,08,53,565</b>		1,11,10,675
Unquoted			<b>67,99,90,074</b>		64,78,47,245
Aggregate Market Value - Quoted			<b>22,45,111</b>		67,81,078



**Schedules Forming Part of the Balance Sheet**

	As at 31st March, 2009 Rupees	As at 31st March, 2008 Rupees
<b>SCHEDULE - 7</b>		
<b>INVENTORIES</b>		
As taken, valued and certified by the Managing Director.		
Stores and Spares	7,09,758	7,10,931
Fuel	3,66,058	3,88,267
Raw Materials	29,63,450	93,64,142
Stock in Trade :		
Finished Goods	70,64,510	36,24,770
Others	15,09,489	32,89,152
Goods-in-transit	4,25,069	—
TOTAL	<u>1,30,38,334</u>	<u>1,73,77,262</u>
<b>SCHEDULE - 8</b>		
<b>SUNDRY DEBTORS</b>		
Unsecured :		
Outstanding for a period exceeding six months :		
Considered Good	4,04,95,929	1,80,08,074
(Includes due from subsidiary Rs. 3,34,62,834/- [P.Y.Rs.Nil])		
Other Debts-Considered Good	16,06,84,233	2,15,43,465
(Includes due from subsidiaries Rs.2,38,37,645/- [P.Y.Rs.21,79,220])		
TOTAL	<u>20,11,80,162</u>	<u>3,95,51,539</u>
<b>SCHEDULE - 9</b>		
<b>CASH AND BANK BALANCES</b>		
Cash on hand	10,60,057	9,09,902
Bank balances with Scheduled banks :		
In Current Accounts	30,19,474	52,83,420
In Fixed Deposit Accounts	—	2,25,00,000
In Margin Deposits Accounts	62,91,768	42,52,500
TOTAL	<u>1,03,71,299</u>	<u>3,29,45,822</u>
<b>SCHEDULE - 10</b>		
<b>LOANS AND ADVANCES</b>		
(Unsecured, Considered Good)		
Advance & Deposits to Subsidiary Companies	5,66,83,107	11,11,94,401
Advances recoverable in cash or in kind for value to be received	8,86,18,826	8,12,86,547
Sundry Deposits	27,96,48,236	25,06,42,491
Balance with Excise Authorities	14,04,482	20,14,221
Advance payment of Income-tax (Net of provisions and including refund receivable)	6,59,97,218	7,86,29,719
MAT Credit entitlement	—	25,00,000
TOTAL	<u>49,23,51,869</u>	<u>52,62,67,379</u>

**Schedules Forming Part of the Balance Sheet**

	<b>As at 31st March, 2009 Rupees</b>	<b>As at 31st March, 2008 Rupees</b>
<b>SCHEDULE - 11</b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors —		
Amount outstanding to Micro, Small & Medium Enterprises (Refer note no. B-4 of schedule 18)	—	—
Others	<b>14,87,49,929</b>	<b>1,75,71,175</b>
<u>Deposit Received</u>		
From Subsidiary Companies	<b>2,05,00,000</b>	<b>2,05,00,000</b>
From Others	<b>14,34,15,836</b>	<b>13,12,91,098</b>
Unclaimed Dividends	<b>8,25,781</b>	<b>8,53,881</b>
Investor Education and Protection Fund	—	<b>3,73,362</b>
Other Liabilities	<b>1,01,42,095</b>	<b>1,21,48,625</b>
<b>TOTAL</b>	<b><u>32,36,33,641</u></b>	<b><u>18,27,38,141</u></b>
<b>SCHEDULE - 12</b>		
<b>PROVISIONS</b>		
Proposed Dividend	<b>96,29,543</b>	<b>96,29,543</b>
Tax on Dividend	<b>16,36,540</b>	<b>16,36,540</b>
Gratuity	<b>43,51,000</b>	<b>38,86,000</b>
Leave Encashments	<b>14,52,000</b>	<b>13,90,000</b>
Fringe Benefit Tax (Net of advance FBT)	<b>1,50,000</b>	<b>2,00,000</b>
<b>TOTAL</b>	<b><u>1,72,19,083</u></b>	<b><u>1,67,42,083</u></b>
<b>SCHEDULE - 13</b>		
<b>MISCELLANEOUS EXPENDITURE</b>		
(to the extent not written off or adjusted)		
Deferred Revenue Expenditure:		
Voluntary Retirement Scheme	<b>2,38,59,737</b>	<b>2,80,52,191</b>
Add: Expenses during the year	—	—
	<b><u>2,38,59,737</u></b>	<b><u>2,80,52,191</u></b>
Less : Amount written off during the year	<b>55,89,939</b>	<b>41,92,454</b>
<b>TOTAL</b>	<b><u>1,82,69,798</u></b>	<b><u>2,38,59,737</u></b>

**Schedules Forming Part of the Profit and Loss Account**

	Year ended 31st March, 2009 Rupees	Nine Months Period ended 31st March, 2008 Rupees
<b>SCHEDULE - 14</b>		
<b>SALES AND OTHER INCOME</b>		
Gross Sales	50,75,02,059	18,39,39,051
Less : Excise Duty	<u>3,05,12,331</u>	<u>2,65,63,461</u>
Net Sales	47,69,89,728	15,73,75,590
Rent Received (Gross TDS Rs.1,90,74,136/- [P.Y. 1,56,83,765-] )	11,23,46,162	6,53,17,782
Forfeiture of Deposit	1,19,81,415	—
Bad debts written back (net)	92,825	54,27,361
Dividend	2,17,076	2,10,050
Interest (Gross - Tax deducted Rs. 25,11,617/- (P.Y. Rs. 4,13,360/-)	1,10,34,323	1,15,14,029
Foreign Exchange Gain (Net)	—	7,25,530
Surplus on Sale of Assets	15,22,480	—
Insurance Claim	26,12,717	—
Profit on Sale of Long Term Investment	4,33,516	8,76,000
Sundry Balances w/back (Net) (Refer note no. B-7 of Schedule 18)	—	44,16,462
Miscellaneous Income	<u>12,28,438</u>	—
TOTAL	<u><u>61,84,58,680</u></u>	<u><u>24,58,62,803</u></u>
<b>SCHEDULE - 15</b>		
<b>MANUFACTURING AND OTHER EXPENSES</b>		
Purchase of Goods & Others	27,35,93,525	92,88,075
Consumption of Raw Materials, Components and goods	14,95,82,283	11,31,16,456
Payments to and Provisions for Employees :		
Salaries, Wages and Bonus	1,29,36,402	1,07,40,556
Gratuity	7,53,951	8,68,700
Contribution to PF, FPF and Superannuation Scheme	12,02,399	10,03,086
Employees Welfare Expenses	<u>15,27,311</u>	<u>11,08,261</u>
	1,64,20,063	1,37,20,603
Stores, Spares Consumed	19,32,902	12,25,450
Power and Fuel	1,87,57,268	1,32,84,767
Transportation and Forwarding	(2,95,018)	6,34,654
Rent	19,96,255	19,62,307
Rates and Taxes	12,48,836	8,84,241
Excise Duty	(9,178)	4,28,083
Insurance	7,21,337	3,90,981
Repairs and Maintenance :		
Building	3,74,887	11,47,020
Plant & Machinery	9,18,920	8,36,059
Others	<u>10,11,053</u>	<u>10,11,597</u>
	<u>23,04,860</u>	29,94,675

**Schedules Forming Part of the Profit and Loss Account**

	Year ended 31st March, 2009 Rupees	Nine Months Period ended 31st March, 2008 Rupees
<b>SCHEDULE - 15 (Contd.)</b>		
Directors' Sitting Fees	3,20,000	1,90,000
Auditors' Remuneration :		
Audit Fees	5,51,500	3,37,080
Tax Audit Fees	1,10,300	1,12,360
Taxation & Company law matters	4,77,134	—
	<u>11,38,934</u>	<u>4,49,440</u>
Donation	26,756	14,854
Brokerage & Commission	51,30,060	8,02,050
Legal & Professional Charges	69,32,682	50,65,288
Sales tax paid for earlier years	27,42,237	1,57,109
Vehicle Expenses	45,41,200	37,82,343
Foreign Exchange Fluctuation	1,65,22,255	—
(-) Recovered from Parties	<u>(1,64,39,569)</u>	<u>—</u>
	82,686	—
Miscellaneous Expenses	45,18,663	53,13,246
Loss on sale of Assets (Net)	—	2,41,22,879
Sundry balances w/off (Net) [Refer note no. B-7 of Schedule 18]	34,55,921	—
Deferred Revenue expenditure written off :		
Voluntary Retirement Scheme	55,89,939	41,92,454
(Increase) / Decrease in Stocks (Refer Schedule 17)	<u>(16,60,077)</u>	<u>(19,39,842)</u>
TOTAL	<u><u>49,90,72,134</u></u>	<u><u>20,00,80,113</u></u>
<b>SCHEDULE - 16</b>		
<b>INTEREST &amp; FINANCE CHARGES</b>		
<u>Interest :</u>		
Term Loans	1,90,68,713	1,57,27,712
Others	67,50,292	69,65,078
Bank Charges & Other Financial Charges	4,08,638	5,94,000
TOTAL	<u><u>2,62,27,643</u></u>	<u><u>2,32,86,790</u></u>
<b>SCHEDULE - 17</b>		
<b>(INCREASE) / DECREASE IN STOCKS</b>		
<b>Stocks at Commencement :</b>		
Finished Goods	36,24,770	12,84,892
Stock in Trade	32,89,152	36,89,188
	<u>69,13,922</u>	<u>49,74,080</u>
<b>Less :</b>		
<b>Stocks at Close :</b>		
Finished Goods	70,64,510	36,24,770
Stock in trade – others	15,09,489	32,89,152
	<u>85,73,999</u>	<u>69,13,922</u>
(Increase) / Decrease in Stocks	<u><u>(16,60,077)</u></u>	<u><u>(19,39,842)</u></u>

## SCHEDULE 18

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2009

#### (A) SIGNIFICANT ACCOUNTING POLICIES

##### 1. System of Accounting

The Company follows the Mercantile System of accounting and recognises Income and Expenditure on accrual basis except if stated otherwise.

##### 2. Fixed Assets and Depreciation

###### i. Fixed Asset:

- a) Fixed Assets are stated at cost of acquisition, inclusive of freight, duties, taxes, borrowing cost, erection expenses/commissioning expenses etc. up to the date the assets are put to use.
- b) Modvat Credit availed on purchase of fixed assets is reduced from the cost of respective assets.
- c) Exchange difference on account of foreign exchange fluctuation, if any, is adjusted in the carrying cost of fixed assets.

###### ii. Depreciation:

- a) Depreciation has been provided for on straight line method on Plant and Machineries, acquired up to 31<sup>st</sup> March 1988, at the rates prevailing at the time of the acquisition (as per Circular 2/89 dated 07.03.1989 issued by Department of Company Affairs) and for Plant and Machineries, acquired after 31<sup>st</sup> March 1988, at the rates as per Schedule XIV of the Companies Act, 1956.
- b) Leasehold Land is amortized over the period of lease.
- c) Depreciation on other assets has been provided on written down value method at the rates specified in Schedule XIV of the Companies Act, 1956.

##### 3. Investments

Long Term Investments are valued at cost. Provision for diminution in value investment is made to recognise a decline other than temporary.

##### 4. Inventory

- a) Raw materials are valued at cost (net of modvat) or net realisable value which ever is lower. Cost is ascertained on first in first out (FIFO) basis.
- b) Finished goods and work in process inventory are valued at cost or net realisable value whichever is lower.
- c) Stock of Shares are valued at cost or market value whichever is lower.
- d) Fuel, Stores, Spares and Consumables are valued at weighted average cost or net realisable value whichever is lower.

##### 5. Excise and Customs Duty

Excise and Customs Duty payable in respect of finished goods and raw-material lying at factory/bonded premises are provided for and included in the valuation of inventory.

##### 6. Sales/Turnover

Sales/Turnover includes sales value of goods and excise duty thereon wherever applicable.

##### 7. Employee Benefits

###### a) Defined Contribution Plan

Company's contribution towards Superannuation Scheme with Life Insurance Corporation of India, Provident Fund, Employee's State Insurance Scheme, Government Welfare Fund and Employee's Deposit Linked Insurance are accounted for on accrual basis.

###### b) Defined Benefit Plan

Liability on account of Gratuity is accounted for on the basis of Actuarial Valuation at the end of each year.

##### c) Other Long term

Liability on account of other long term benefit such as 'leave encashment' is made on the basis of actuarial valuation at the end of the year.

##### d) Other Short Term

Employee Benefits are charged to revenue in the year in which the related services are rendered.

##### 8. Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date for impairment so as to determine the provision for impairment loss, if any, required, or the reversal, if any, required of impairment loss recognized in previous periods.

##### 9. Government Grants

Special Capital Incentives received for setting up a unit in backward area is treated as capital reserve.

##### 10. Foreign Exchange Transaction

- i. The transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transaction.
- ii. Current Assets and Current Liabilities in Foreign currency outstanding at the Balance Sheet date are translated at the exchange rates prevailing on the date of Balance Sheet.  
The resulting Exchange Difference, if any, is charged to the Profit & Loss Account.

##### 11. Export Benefit/Incentive

The unutilised Export benefits / incentives against Export as on the Balance Sheet date are recognised as Income of the year.

##### 12. Expenditure incurred under Voluntary Retirement Scheme are amortised over a period of ten years.

##### 13. Borrowing Costs

Borrowing Costs directly attributable to the acquisition or construction of Fixed Assets are capitalised as part of the cost of the Assets, up to the date the Assets are put to use. Other Costs are charged to the Profit and Loss Account in the year in which they are incurred.

##### 14. Earning Per Share (E.P.S.)

The earnings considered in ascertaining the Company's EPS comprises the net profit after tax. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

##### 15. Taxes on income

- i. Current tax is measured at the amount expected to be paid to the taxation authorities, using the applicable tax rates and tax laws.
- ii. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been announced up to the balance sheet date. Deferred tax assets and liabilities are recognised for the future tax consequences attributable to timing differences between the taxable income and accounting income. The effect of tax rate change is considered in the profit and loss account of the respective year of change.
- iii. Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws are recognized only if there is a virtual certainty of its realization supported by convincing evidence. Deferred tax assets on account of other timing differences are recognized only to the extent there is reasonable certainty of its realization.
- iv. At each balance sheet date the carrying amount of deferred tax assets is reviewed to reassess realization.

##### 16. Other Accounting Policies

These are consistent with the generally accepted accounting practices.

**B) NOTES TO THE ACCOUNTS**

**SCHEDULE - 18**

	Year ended <b>31.03.09</b> Rupees	Nine Months Period ended on 31.03.08 Rupees
1. Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of Advances)	<b>42,74,558</b>	—
2. Contingent Liabilities not provided for in respect of:		
a) Bills Discounted	—	8,00,824
b) Guarantees given by Company's Bankers and counter-guaranteed by the Company	<b>17,02,500</b>	17,02,500
c) Disputed demands of Excise Duty	<b>1,25,73,094</b>	1,25,73,094
d) Income Tax demands disputed in appeals	<b>4,57,11,168</b>	3,39,07,500
e) Assignment of sales tax liability	<b>28,05,66,289</b>	28,23,24,134
f) Sales Tax demands disputed in appeals	—	4,65,327
g) On account of guarantee / security given by the Company on behalf of associate and other Company	<b>65,00,00,000</b>	65,00,00,000
h) On account of corporate guarantee to a company for financial facility extended to subsidiary company	<b>4,00,00,000</b>	—
3. Some of the balances of Sundry Debtors, Deposits, Loans & Advances, Sundry Creditors are subject to confirmation from the respective parties and consequential reconciliation/adjustment arising therefrom, if any. The management, however, does not expect any material variation.		
4. There are no Micro, Small & Medium Enterprises, to whom the Company owes dues on account of principal amount together with interest as at the Balance Sheet date. This has been determined to the extent such parties have been identified on the basis of information available with the Company.		
5. In the opinion of the Management, Current Assets, Loans Advances are approximately of the value stated if realised in the ordinary course of business. The provision for all known and determined liability is adequate and not in the excess of the amount reasonably required.		
6. The Shares / Debentures held as investment by the company have been classified as Long term investment by the Management. No provision for the diminution if any, in the value of other investment has been made in the accounts as the Management is of the view that such diminution is not of permanent nature and the same is not intended to be traded.		
7. Sundry debit balances written off (Net) amounting to Rs.34,55,921/- are net of sundry credit balances written back amounting to Rs.47,61,920/-. (Previous Year Sundry credit balances written back (Net) amounting to Rs.44,16,462/- are net of sundry debit balances written off amounting to Rs.52,84,709/-).		
8. Exceptional item represents,	<b>Current Year Rupees</b>	<b>Previous Year Rupees</b>
Compensation received against relinquishing rights in property	<b>3,12,00,000</b>	—
Tax expense on above	<b>(70,69,920)</b>	—
Exceptional item (Net of Tax)	<b>2,41,30,080</b>	—
9. MAT Credit entitlement aggregating to Rs. 80,00,000/- not recognised in earlier years has been utilised during the year and accordingly current tax for the year is lower to that extent.		
10. During the period, the company has reviewed its fixed assets for impairment loss as required by Accounting Standards 28 "Impairment of Assets". In the opinion of management no provision for impairment loss is considered necessary.		

11. The disclosure in respect of Segment information as per Accounting Standard - 17 on "Segment Reporting" issued by the Institute of Chartered Accountants of India for the year ended 31st March, 2009 is given as follows:

(a) Business Segments:

(Amount in Rs.)

Particulars	Petrochemicals		Trading		Total	
	31.03.2009	31.03.2008	31.03.2009	31.03.2008	31.03.2009	31.03.2008
<b>REVENUE :</b>						
External Revenue	20,00,53,953	14,78,95,264	27,69,35,775	94,80,326	47,69,89,728	15,73,75,590
Inter-segment Revenue	—	—	—	—	—	—
<b>Total Revenue</b>	<b>20,00,53,953</b>	<b>14,78,95,264</b>	<b>27,69,35,775</b>	<b>94,80,326</b>	<b>47,69,89,728</b>	<b>15,73,75,590</b>
<b>RESULT</b>						
Segment Result	1,71,44,348	1,25,36,007	15,62,587	1,92,251	1,87,06,935	1,27,28,258
Add : Unallocable Income net of unallocable expenditure	—	—	—	—	7,58,49,833	(88,78,808)
Less: Interest Expenses	—	—	—	—	(2,58,19,005)	(2,26,92,790)
Add: Interest Income	—	—	—	—	1,10,34,323	1,15,14,029
<b>Profit Before Prior Period Adjustment</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>7,97,72,086</b>	<b>1,04,28,305</b>
Less/(Add): Prior Period Adjustment	—	—	—	—	(12,40,505)	89,061
<b>Profit Before Taxation &amp; exceptional items</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>8,10,12,591</b>	<b>1,03,39,244</b>
Less: Provision for Current Tax	—	—	—	—	1,69,30,080	32,00,000
Less: Provision for Deferred Tax	—	—	—	—	(27,74,070)	(1,54,35,680)
Less: Fringe Benefit Tax	—	—	—	—	6,50,000	7,00,000
Less: Income/fringe benefit tax for earlier years	—	—	—	—	79,000	3,67,000
Less: MAT Credit Entitlement	—	—	—	—	—	(25,00,000)
<b>Profit After taxation before exceptional item</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>6,61,27,581</b>	<b>2,40,07,924</b>
Exceptional items (Net of Tax)	—	—	—	—	(2,41,30,080)	—
<b>Profit After taxation</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>9,02,57,661</b>	<b>2,40,07,924</b>
<b>OTHER INFORMATION</b>						
Segment Assets	6,71,85,580	8,13,87,996	17,77,07,547	—	24,48,93,127	8,13,87,996
Unallocable Assets	—	—	—	—	126,53,71,465	130,20,53,491
<b>Total Assets</b>	<b>6,71,85,580</b>	<b>8,13,87,996</b>	<b>17,77,07,547</b>	<b>—</b>	<b>151,02,64,592</b>	<b>138,34,41,487</b>
Segment Liabilities	52,48,784	59,63,912	14,24,88,375	92,46,487	14,77,37,159	1,52,10,399
Unallocable Liabilities	—	—	—	—	21,14,35,912	20,53,64,243
<b>Total Liabilities</b>	<b>52,48,784</b>	<b>59,63,912</b>	<b>14,24,88,375</b>	<b>92,46,487</b>	<b>35,91,73,071</b>	<b>22,05,74,642</b>
<b>Capital Expenditure</b>						
Segment Capital Expenditure	50,15,156	23,35,497	—	—	50,15,156	23,35,497
Unallocable Capital Expenditure	—	—	—	—	31,26,349	3,42,998
<b>Total Capital Expenditure</b>	<b>50,15,156</b>	<b>23,35,497</b>	<b>—</b>	<b>—</b>	<b>81,41,505</b>	<b>26,78,495</b>
<b>Depreciation/Amortisation</b>						
Segment Depreciation/Amortisation	30,33,221	23,07,737	—	—	30,33,221	23,07,737
Unallocable Depreciation/Amortisation	—	—	—	—	1,59,43,536	1,39,52,312
<b>Total Depreciation/Amortisation</b>	<b>30,33,221</b>	<b>23,07,737</b>	<b>—</b>	<b>—</b>	<b>1,89,76,757</b>	<b>1,62,60,049</b>

(b) Secondary Segment Reporting (Geographical Segments)

The distribution of the company's Sales, Assets and Capital Expenditure by Geographical market is as under :

	31.03.2009	31.03.2008
<b>Sales Revenue</b>		
India	47,35,91,087	15,15,38,718
Outside India	33,98,641	58,36,872
<b>Total Revenue</b>	<b>47,69,89,728</b>	<b>15,73,75,590</b>
<b>Segment Assets</b>		
India	151,02,64,592	138,34,41,487
Outside India	—	—
<b>Total Assets</b>	<b>151,02,64,592</b>	<b>138,34,41,487</b>
<b>Capital Expenditure</b>		
India	81,41,505	26,78,495
Outside India	—	—
<b>Total Capital Expenditure</b>	<b>81,41,505</b>	<b>26,78,495</b>

12. Related Party Disclosure

- A. Disclosure requirement as per Accounting Standard 18 (AS-18) "Related Party Disclosure" issued by the Institute of Chartered Accountants of India.

List of Related Parties where the Company has entered into Transactions during the year :

1) Subsidiary Companies

- a. USL Shinrai Automobiles Ltd.
- b. USL Auto Services Ltd.
- c. Oriental Containers Ltd.

2) Associate Companies

National Cotton Products (P).Ltd.

3.) Key Management Personnel

Rajendra Somani                      Managing Director

- 4) Enterprises over which Key Management Personnel & their Relatives exercise significant influence where the Company has entered into Transactions during the year :

- a. G.Claridge & Co. Ltd
- b. Oriental Enterprises
- c. Kopran Ltd
- d. Shree Gayatri Trust

Note : Related Party Relationships have been identified by the Management and relied upon by the Auditors.



B. DETAILS OF TRANSACTIONS BETWEEN THE COMPANY & RELATED PARTIES & THE STATUS OF OUTSTANDING BALANCES AS ON 31st March, 2009.

Nature of Transaction	(Amount in Rs.)							
	Subsidiaries *		Key Management Personnel & Relatives		Enterprises in which Key Management Personnel & their relatives are having significant influence		Associates*	
	31.03.2009	31.03.2008	31.03.2009	31.03.2008	31.03.2009	31.03.2008	31.03.2009	31.03.2008
a. Interest Received	94,32,165	1,01,23,562	—	—	—	—	—	—
b. Rent Paid	—	120,000	—	—	8,40,000	9,00,000	3,60,000	1,50,000
Received	2,40,00,000	1,80,00,000	—	—	—	—	—	—
c. Rates & Taxes paid	—	—	—	—	3,60,000	—	—	—
d. Dividend	—	—	—	—	—	—	2,200	2,200
e. Remuneration to Key Management Personnel	—	—	258,000	774,000	—	—	—	—
f. Loans & Advances Given	12,20,28,890	7,70,27,553	—	—	51,50,000	10,88,42,690	3,66,15,385	10,91,00,000
g. Receipts towards Loans & Advances Given	17,65,40,184	3,43,07,448	—	—	1,97,46,896	10,06,00,000	3,38,50,000	14,67,26,000
h. Loans & Advance Taken	—	5,58,62,987	—	—	6,62,20,418	7,35,00,600	—	—
i. Payment towards Loans & Advances taken	1,30,66,528	8,29,51,412	—	—	8,82,20,418	5,15,00,600	36,72,460	—
j. Deposit Paid	—	—	—	—	—	—	2,65,00,000	—
k. Receipts towards deposit paid	—	—	—	—	—	—	—	10,50,00,000
l. Sale of goods / services	5,57,38,900	94,80,326	—	—	7,51,50,364	—	—	—
m. Reimbursement towards currency exchange Fluctuation	1,16,33,043	—	—	—	67,70,112	—	—	—
n. Receipts towards Sale of goods / services	1,22,50,684	94,80,326	—	—	6,00,58,065	—	—	—
o. Balances as on 31st March, 2009								
1. Loans & Advances Taken	—	1,30,66,528	—	—	—	2,20,00,000	—	36,72,460
2. Loans & Advances given	5,66,83,107	11,11,94,401	—	—	51,50,000	1,97,46,896	27,65,385	—
3. Debtors / Other Receivables	5,73,00,479	21,79,220	—	—	2,18,62,411	—	—	—
4. Deposits Received	2,05,00,000	2,05,00,000	—	—	—	—	—	—
5. Deposits paid	—	—	—	—	—	—	3,00,00,000	35,00,000

\* Also refer note no. 2(h) above & note no. 17 below

13. Earnings per Share

Particulars	Year ended March 2009	Period ended March 2008
(a) Profit after Taxation before exceptional items	6,61,27,581	2,40,07,924
(b) Profit after taxation	9,02,57,661	2,40,07,924
(c) Weighted Average number of Equity Shares	96,29,543	96,29,543
(d) Earnings per share (EPS) on profit after taxation		
- Basic Earnings per share on Profit after taxation before exceptional items (Rs.) [(a) / (c)]	6.87	2.49
- Basic Earnings per share on Profit after taxation (Rs.) [(b) / (c)]	9.37	2.49

The company does not have any outstanding dilutive potential equity shares. Consequently, the basic and diluted earnings per share remains the same.

14. The Tax effects of Significant Timing (Temporary) Differences that resulted in Deferred Tax Assets & Liabilities & description of the Financial Statement items that creates these differences are as follows:

	Particulars	Deferred Tax Assets/(Liability) As at 31.03.2009 Rupees	Deferred Tax Assets / (Liability) as at 31.03.2008 Rupees
	<u>Deferred Tax Liabilities:</u>		
1	Depreciation	(1,42,65,071)	(166,08,780)
2	Deferred Revenue Expenditure	(56,41,629)	(62,78,950)
	<b>Total (A)</b>	<b>(1,99,06,700)</b>	<b>(2,28,87,730)</b>
	<u>Deferred Tax Assets:</u>		
1	Provision for Gratuity/Leave Encashment	15,86,352	17,93,312
	<b>Total (B)</b>	<b>15,86,352</b>	<b>17,93,312</b>
	<b>Net Deferred Tax Liability</b>	<b>(1,83,20,348)</b>	<b>(2,10,94,418)</b>

15. Figures of the previous period have been re-grouped, re-classified and re-arranged wherever necessary. The current year consists of 12 months and previous period consists of 9 months. Hence current year figures are not comparable with those of previous period.
16. Consequent to Accounting Standard-15 - "Employee Benefits" (Revised 2005) becoming effective, the company has made the provision for Defined Contribution Plan and Defined Benefit Plan.

**I. Defined Contribution Plan:**

During the year the company has recognised Rs. 2,61,700/- (Previous period Rs. 2,64,600/-) towards Superannuation Scheme with Life Insurance Corporation of India and Rs. 9,40,699/- (Previous period Rs. 7,38,486/-) towards Provident Fund, Employee's State Insurance Scheme, Government Welfare Fund and Employee's Deposit Linked Insurance etc. as Defined Contribution Plan Obligation.

**II. Defined Benefit Plan:**

**Gratuity**

Liability is computed on the basis of Gratuity payable on retirement, death and other withdrawals as per the Act and already accrued for past service, with the qualifying wages/salaries appropriately projected, as per the Projected Unit Credit Method.

I. Actuarial Assumption	Year Ended	Nine Month
	31.03.2009	period ended 31.03.2008
Particulars	Gratuity (%)	Gratuity (%)
Discount Rate Current	6%	8%
Rate of Increase in Compensation Levels	6%	6%
II. Table Showing Change in Benefit Obligation	Gratuity (Rs.)	Gratuity (Rs.)
Projected Benefit Obligation (PBO) at the beginning of the period	38,86,000	30,99,800
Interest Cost	2,99,322	1,81,736
Service Cost	2,41,669	1,83,982
Benefits paid	(2,88,951)	(82,500)
Actuarial (gain) / loss on Obligations	2,12,960	5,02,982
Projected Benefit Obligation (PBO) at the end of the period	43,51,000	38,86,000
III. Tables of Fair value of Plan Assets		
Fair Value of Plan Assets at the beginning of the period	—	—
Expected Return on Plan Assets	—	—
Contributions	2,88,951	82,500
Benefits paid	(2,88,951)	(82,500)
Gain / (loss) on Plan Assets	—	—
Fair Value of Plan Assets at the end of the period	—	—
IV. Tables of change in Plan Assets		
Fair Value of Plan Assets at the beginning of the period	—	—
Actual return on Plan Assets	—	—
Contributions	2,88,951	82,500
Benefits paid	(2,88,951)	(82,500)
Fair value of Plan Assets at the end of the period	—	—
V. Funded Status		
Funded Status	(43,51,000)	(38,86,000)

**VI. Limits of Corridor not considered since total actuarial gain/loss is being recognised**

Actuarial (loss) for the period - Obligation	(2,12,960)	(502,982)
Actuarial gain (loss) for the period - Plan Assets	—	—
Sub-Total	(2,12,960)	(502,982)
Actuarial loss recognised	(2,12,960)	502,982
Unrecognised actuarial gains (losses) at the end of the period	—	—

**VII. The Amounts to be recognised in Balance Sheet and Income Statement and the related analysis**

Present Value of Obligation	43,51,000	38,86,000
Fair value of Plan Assets	—	—
Difference	43,51,000	38,86,000
Unrecognised Actuarial gains (losses)	—	—
Unrecognised Transitional Liability	—	—
Liability Recognised in Balance Sheet	43,51,000	38,86,000

**VIII. Net Periodic Cost**

Current Service Cost	2,41,669	1,83,982
Interest Cost	2,99,322	1,81,736
Expected Return on Plan Assets	—	—
Net Actuarial (gain) loss recognised in the period	2,12,960	5,02,982
Expenses Recognised in the Income Statement	7,53,951	8,68,700

**IX. Movements in the liability recognised in the Balance Sheet:**

Opening Net Liability	38,86,000	30,99,800
Expense as above	7,53,951	8,68,700
Contributions paid	(2,88,951)	(82,500)
Closing Net Liability	43,51,000	38,86,000

17. The Company has provided guarantee / security to the extent of Rs.65,00,00,000/- by way of mortgage of its property situated at Worli and pledge of 23,25,600 equity shares held in associate Company, as a guarantor for the financial assistance provided by a lender to M/s. G. Claridge & Co. Ltd. and National Cotton Products Private Limited, associate Company.

**18. Remuneration to Managing Director**

Particulars	Year ended 31st March, 2009	Period ended 31st March, 2008
Salary	1,50,000	4,50,000
Contribution to Provident Fund	18,000	54,000
Perquisites	90,000	2,70,000
<b>Total</b>	<b>2,58,000</b>	<b>7,74,000</b>

19. Additional information pursuant to the Provision of Paragraph 3, 4C and 4D of Part II of Schedule VI of the Companies Act, 1956.

**a) Particulars in respect of Goods Manufactured :**

Class of Goods	Unit of Quantity	Licensed Capacity		Installed Capacity		Actual Production	
		31-3-2008	31-3-2009	31-3-2008	31-3-2009	Current year	Previous period
Petrochemical Products	M. T.	14,600	14,600	10,000	10,000	4,141	3,279

(a) Licenced and installed capacities are based on maximum utilisation of Plant & Machinery on Annual basis.

(b) Installed capacities are as certified by the Management and accepted by the Auditors being technical matter.

(c) Production figures in tonnes are estimated from the respective quantities in numbers by applying standard tonnage ratios used by the Company.

**b) Particulars of Opening & Closing Stocks :**

Class of Goods	Unit of Quantity	As at 30th June, 2007		As at 31st March, 2008		As at 31st March, 2009	
		Quantity	Value Rupees	Quantity	Value Rupees	Quantity	Value Rupees
Petrochemical Products	M. T.	27	12,84,892	64	36,24,770	141	70,64,510
Shares	Nos.	1,80,199	36,89,188	1,80,199	32,89,152	30,351	15,09,489

## c) Particulars in respect of Sales :

Class of Goods	Unit of Quantity	Current Year		Previous Year	
		Quantity	Value Rupees	Quantity	Value Rupees
1. Petrochemical Products	M.T.	4,064	20,00,53,953	3,242	14,75,05,238
2. Sale of Trading Goods :					
(i) Shares	Nos.	1,63,698	19,65,925	—	—
(ii) S S Sheets & Plate	M.T.	570	14,61,36,842	—	—
(iii) Chemicals	Kgs.	16,500	7,51,50,364	—	—
(iv) Aluminium Foil	M.T.	357,184	5,14,47,552	75,753	94,80,326
(v) Plastic Closure	Nos.	44,67,600	22,35,092	—	—
3. Others	—	—	—	—	3,90,026
			<b>47,69,89,728</b>		<b>15,73,75,590</b>
d) Purchases of Trading Goods :					
(i) Shares	Nos.	13,850	14,90,480	—	—
(ii) S S Sheets & Plate	M.T.	570	14,60,78,692	—	—
(iii) Chemicals	Kgs.	16,500	7,36,12,483	—	—
(iv) Aluminium Foil	M.T.	357,184	5,02,21,672	75,753	92,88,075
(v) Plastic Closure	Nos.	44,67,600	21,90,198	—	—
			<b>27,35,93,525</b>		<b>92,88,075</b>
e) Materials & Components consumed/sold :					
Naptha/N.G.L	M.T.	4,407	14,95,82,283	3,451	11,31,16,456
			<b>14,95,82,283</b>		<b>11,31,16,456</b>
f) C.I.F.Value of Imports:					
Goods			<b>12,36,33,738</b>		<b>92,94,437</b>
g) Expenditure in Foreign Currency (on actual payment basis)					
Travelling & Others			<b>27,825</b>		<b>4,96,002</b>
h) Earnings in Foreign Exchange on					
Exports of Goods (F.O.B Value)			<b>33,98,641</b>		<b>58,36,872</b>

i) Value of Raw-Materials, Spare parts and

Components Consumed / sold and percentage of the total Consumption:

	Current Year Percentage	Value Rupees	Previous Year Percentage	Value Rupees
<b>(A) Raw Materials and Components</b>				
Imported	—	—	—	—
Indigenous	100	14,95,82,283	100	11,31,16,456
	<u>100</u>	<u>14,95,82,283</u>	<u>100</u>	<u>11,31,16,456</u>
<b>(B) Stores, and Spares</b>				
Imported	—	—	—	—
Indigenous	100	19,32,902	100	12,25,450
	<u>100</u>	<u>19,32,902</u>	<u>100</u>	<u>12,25,450</u>

As per our report of even date annexed  
FOR KHANDELWAL JAIN & CO.  
Chartered Accountants

**NARENDRA JAIN**  
Partner  
Membership No. 048725  
Mumbai 30th June, 2009

**SANJAY JAIN**  
Company Secretary

For & on behalf of the Board

**S. J. Taparia** Chairman  
**Sanjay Dosi** Director  
**B K Toshniwal** Director  
**Rajendra Somani** Managing Director

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

#### I. Registration Details

Registration No. : L28100MH1968PLC014156

 State Code  

 Balance Sheet Date          
 Date Month Year

#### II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue

        

Rights Issue

        

Bonus Issue

        

Private Placement

        

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

Total Liabilities

         

Total Assets

         

Source of Funds

Paid-up Capital

        

Reserves &amp; Surplus

        

Deferred Tax Liability

       

Secured Loans

       

Unsecured Loans

        

Application of Funds

Net Fixed Assets

        

Investments

        

Net Current Assets

        

Miscellaneous Expenditure

       

Accumulated Losses

        

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

Turnover

        

Total Expenditure

        

+/- Profit / Loss Before Tax \*\*

          

+/- Profit / Loss After Tax

         

\*\* Profit before exceptional items

(Please tick (✓) appropriate box + for profit, — for loss)

Earning per Share in Rs.

      

Dividend rate %

 

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

Not Applicable

Note : For ITC Code of Products please refer to the publication Indian Trade Classification based on harmonised commodity description and ending system by Ministry of Commerce, Directorate General of Commercial Intelligence & Statistics Kolkata - 700 001.

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO  
 COMPANY'S INTEREST IN SUBSIDIARY COMPANIES, FOR THE YEAR ENDED 31ST MARCH 2009**

1. Name of the subsidiary :	<b>USL Shinrai Automobiles Ltd.</b>	<b>USL Auto Services Ltd.</b>
2. Financial year of the Subsidiary Company ended on :	31st March, 09	31st March, 09
3. Holding Company's Interest Number of Shares	1,00,000	50,000
— Extent of Holding :	100%	100%
4. The net aggregate of the Subsidiary's profits (Losses) so far as it concerns members of the Holding Company and is not dealt with in the Holding Company's accounts		
i) For the Financial year of the subsidiary (Rs. in Lacs) :	(77.48)	(0.18)
ii) For the previous financial years of the subsidiary since it became the Holding Company's subsidiary (Rs. in Lacs) :	(146.48)	(3.50)
5. The net aggregate amount of Profit/Losses of the Subsidiary dealt with in the company's accounts		
i) For the Financial year of the Subsidiary :	Nil	Nil
ii) For the previous financial years of the subsidiary since it became the Holding Company's subsidiary :	Nil	Nil

For & on behalf of the Board

**S. J. Taparla** Chairman

**Sanjay Dosi** Director

**B K Toshniwal** Director

**Rajendra Somani** Managing Director

**SANJAY JAIN**  
Company Secretary

Mumbai  
30th June, 2009

**AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS****TO THE BOARD OF DIRECTORS OF ORICON ENTERPRISES LIMITED**

1. We have examined the attached Consolidated Balance Sheet of **ORICON ENTERPRISES LIMITED** ('the Company') and its subsidiaries as at 31<sup>st</sup> March, 2009 and also the Consolidated Profit & Loss Account and the Consolidated Cash Flow Statement for the period ended on that date annexed thereto. These Consolidated financial statements are the responsibility of the Company's Management and have been prepared by them on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these consolidated 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 the identified financial 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 consolidated financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit financial statements of subsidiaries whose financial statements reflect total assets of Rs.23,53,85,790/- as at 31<sup>st</sup> March, 2009 (Previous year Rs.28,75,96,656/-), total revenue of Rs.206,58,59,713/- (Previous year Rs.218,16,13,065/-) and net cash flow amounting to (Rs.1,29,36,093/-) [Previous year (Rs.29,96,934/-)] for the year then ended. These financial statements have been audited by other auditors whose report has been furnished to us and our opinion, in so far as it relates to the amounts included in respect of these entities, is based solely on the reports of those respective auditors.
4. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of the Accounting Standards (AS) 21 on "Consolidated Financial

Statements" and Accounting Standards (AS) 23 on "Accounting for Investments in Associates in Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of the company and its subsidiaries included in the consolidated financial statements.

5. *Note no. B-4 of Schedule 18, regarding non-incorporation of the accounts of its subsidiary viz. Oriental Containers Limited in the consolidated financial statements.*
6. On the basis of the information and explanations given to us and on the consideration of the separate audit report on individual audited financial statements of the Company and its subsidiaries, we are of the opinion that the attached consolidated financial statements, *Subject to our comments in Paragraph 5 above, consequential cumulative impact thereof on the consolidated financial statements is not ascertainable* and read with the other notes and the significant accounting policies thereon, give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company and its subsidiaries as at 31<sup>st</sup> March, 2009;
  - (ii) in the case of the Consolidated Profit and Loss Account, of the Consolidated Profit of the Company and its subsidiaries for the year ended on that date; and
  - (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Company and its subsidiaries for the year ended on that date.

**For KHANDELWAL JAIN & CO.**  
**Chartered Accountants**

**(NARENDRA JAIN)**  
PARTNER

**Membership No.048725**

Place : Mumbai  
Date : 30<sup>th</sup> June, 2009



**CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2009**

	Schedule	As at 31st March, 2009 Rupees	As at 31st March, 2008 Rupees
<b>SOURCES OF FUNDS :</b>			
<b>Shareholders' Funds :</b>			
Share Capital	1	9,63,49,194	9,63,49,194
Reserves and Surplus	2	87,06,56,021	80,35,43,805
		<u>96,70,05,215</u>	<u>89,98,92,999</u>
<b>Deffered Tax Liability</b> (Refer Note No. B-14 of Schedule 18)		1,83,20,348	2,10,94,418
<b>Loan Funds :</b>			
Secured Loans	3	19,20,69,008	21,31,94,371
Unsecured Loans	4	18,05,66,049	24,49,63,320
		<u>37,26,35,057</u>	<u>45,81,57,691</u>
<b>TOTAL</b>		<u>135,79,60,620</u>	<u>137,91,45,108</u>
<b>APPLICATION OF FUNDS :</b>			
<b>Fixed Assets</b>			
Gross Block	5	37,29,64,492	35,92,96,504
Less : Depreciation		24,61,65,696	22,73,16,545
Net Block		<u>12,67,98,796</u>	<u>13,19,79,959</u>
Capital Work in Progress		1,21,59,089	88,57,233
		<u>13,89,57,885</u>	<u>14,08,37,192</u>
<b>Goodwill on Consolidation</b>		91,81,383	91,81,383
<b>Investments</b>	6	67,28,52,034	64,47,13,611
<b>Current Assets, Loans and Advances</b>			
Inventories	7	8,10,24,654	13,86,48,071
Sundry Debtors	8	24,13,96,648	18,49,98,496
Cash and Bank Balances	9	4,00,37,898	4,96,76,328
Loans and Advances	10	55,14,42,689	43,12,57,837
		<u>91,39,01,889</u>	<u>80,45,80,732</u>
<b>Less : Current Liabilities &amp; Provisions</b>			
Liabilities	11	37,61,84,062	22,63,04,550
Provisions	12	1,90,18,307	1,77,22,997
		<u>39,52,02,369</u>	<u>24,40,27,547</u>
<b>Net Current Assets</b>		51,86,99,520	56,05,53,185
Miscellaneous Expenditure	13	1,82,69,798	2,38,59,737
<b>TOTAL</b>		<u>135,79,60,620</u>	<u>137,91,45,108</u>
Significant Accounting Policies and Notes to the Accounts	18		

Note : The Schedules referred to above form an integral part of the Consolidated Balance Sheet.

As per our report of even date annexed  
 FOR KHANDELWAL JAIN & CO.  
 Chartered Accountants

NARENDRA JAIN  
 Partner  
 Membership No. 048725

Mumbai  
 30th June, 2009

SANJAY JAIN  
 Company Secretary

For & on behalf of the Board

S. J. Taparla Chairman  
 Sanjay Dosi Director  
 B K Toshniwal Director  
 Rajendra Somani Managing Director

**CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009**

	Schedule	Year Ended 31st March, 2009 Rupees	Nine Months Period Ended 31st March, 2008 Rupees
<b>INCOME</b>			
Sales and other income	14	243,58,62,243	217,08,00,553
<b>EXPENDITURE</b>			
Manufacturing and Other Expenses	15	229,14,30,376	210,09,52,753
Interest & Finance Charges	16	5,33,88,806	3,91,13,552
		<b>234,48,19,182</b>	<b>214,00,66,305</b>
<b>PROFIT BEFORE DEPRECIATION</b>		<b>9,10,43,061</b>	<b>3,07,34,248</b>
Less : Depreciation		1,90,34,416	1,63,34,228
<b>PROFIT BEFORE PRIOR PERIOD ADJUSTMENT</b>		<b>7,20,08,645</b>	<b>1,44,00,020</b>
LESS/(ADD) : Prior period adjustment		(12,40,505)	89,061
<b>Profit before taxation and taxation exceptional items</b>		<b>7,32,49,150</b>	<b>1,43,10,959</b>
Less : Provision for Taxation			
— Current Tax		16,930,080	32,00,000
— Deferred Tax		(27,74,070)	(1,54,35,680)
— Fringe Benefit Tax		10,18,625	10,16,118
— MAT Credit Entitlement		—	(25,00,000)
		<b>1,51,74,635</b>	<b>(1,37,19,562)</b>
<b>Profit / (Loss) after taxation for the year</b>		<b>5,80,74,515</b>	<b>2,80,30,521</b>
Less : Income tax / FBT for earlier year (s)		79,000	4,28,425
<b>Profit after taxation before exceptional items</b>		<b>5,79,95,515</b>	<b>2,76,02,096</b>
Exceptional Items (Net of Tax) [Refer note no B-8 of Schedule 18]		2,41,30,080	—
Profit / (Loss) after taxation before minority interest & Share of profit of Associate		<b>8,21,25,595</b>	<b>2,76,02,096</b>
Less : Minority Interest		—	(8,58,670)
Less : Share of Loss of Associate		37,47,296	31,54,445
<b>Net Profit for the year</b>		<b>7,83,78,299</b>	<b>2,53,06,321</b>
Add : Balance brought forward from previous year		6,80,08,770	6,14,68,532
<b>AMOUNT AVAILABLE FOR APPROPRIATIONS</b>		<b>14,63,87,069</b>	<b>8,67,74,853</b>
<b>APPROPRIATIONS :</b>			
Proposed Dividend on Equity Shares		96,29,543	96,29,543
Tax on Proposed Dividend		16,36,540	16,36,540
		<b>1,12,66,083</b>	<b>1,12,66,083</b>
Transfer to General Reserve		5,00,00,000	75,00,000
Balance carried to Balance Sheet		8,51,20,986	6,80,08,770
		<b>14,63,87,069</b>	<b>8,67,74,853</b>
<b>EARNINGS PER SHARE (EPS)</b>			
On profit after taxation before exceptional items			
Basic/Diluted Earnings per share (Rs.)		5.63	2.63
On profit after taxation			
(Basic / Diluted Earnings per share (Rs.))		8.14	2.63
(Refer Note No. B-13 of Schedule 18)			

Significant Accounting Policies and Notes to the Accounts 18

Note : The Schedules referred to above form an integral part of the Consolidated Profit &amp; Loss Account.

 As per our report of even date annexed  
**FOR KHANDELWAL JAIN & CO.**  
 Chartered Accountants

**NARENDRA JAIN**  
 Partner  
 Membership No. 048725

 Mumbai  
 30th June, 2009

**SANJAY JAIN**  
 Company Secretary

For &amp; on behalf of the Board

**S. J. Taparia** Chairman  
**Sanjay Dosi** Director  
**B K Toshniwal** Director  
**Rajendra Somani** Managing Director

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009**

(Amount in Rupees)

PARTICULARS	For the year ended 31.03.2009	For the period ended 31.03.2008
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit / (Loss) before tax, prior period adjustments and exceptional items	7,20,08,645	1,44,00,020
Adjustments for :		
Depreciation	1,90,34,416	1,63,34,228
Deferred Revenue Expenditure written-off	55,89,939	41,92,454
Dividend Received	(2,17,076)	(6,60,050)
Interest Expenses	5,29,80,168	3,85,19,552
Interest Received	(17,48,594)	(13,90,467)
(Profit) / Loss on Sale of Long term Investments (Net)	(4,33,516)	(8,76,000)
Loss on sale of assets	1,20,291	3,93,21,374
Surplus on sale of assets	(16,42,771)	(1,51,98,495)
Compensation received against relinquishing rights in property	3,12,00,000	—
Sundry balances written off	82,17,841	52,84,709
Sundry balances written back	(47,61,920)	(97,01,171)
Operating Profit before Working Capital changes	<b>18,03,47,423</b>	9,02,26,154
Adjustments for :		
Trade and other receivables	(19,78,98,576)	3,12,38,682
Inventories	5,76,23,417	(2,46,21,777)
Trade payables	15,60,22,062	(89,95,798)
Cash generated from operations	<b>19,60,94,326</b>	8,78,47,261
Direct Taxes paid (Net of Refund)	(1,20,57,115)	(2,17,76,239)
Cash Flow before prior period Adjustments	<b>18,40,37,211</b>	6,60,71,022
Prior period adjustments	12,40,505	(89,061)
<b>NET CASH FROM OPERATING ACTIVITIES : TOTAL (A)</b>	<b>18,52,77,716</b>	6,59,81,961
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Purchase of Fixed Assets (including Capital Work-in-Progress)	(1,77,72,073)	(1,42,11,946)
Sale of Fixed Assets	21,39,444	3,43,36,550
Sale of Investment	6,90,625	11,25,000
Purchase of Investment	(3,21,42,828)	(63,44,087)
Interest Received	17,48,594	13,90,467
Dividend Received	2,17,076	6,60,050
<b>NET CASH FROM / (USED IN) INVESTING ACTIVITIES : TOTAL (B)</b>	<b>(4,51,19,162)</b>	1,69,56,034
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayments of Secured Loans (Net of Proceeds)	(2,11,65,130)	1,96,87,993
Repayments of Unsecured Loans (Net of Proceeds)	(6,56,75,073)	(59,11,205)
Repayment of Deferred Sales tax Liability	—	(10,80,915)
Proceeds towards warrants subscription	—	1,53,00,000
Interest paid	(5,16,62,598)	(3,93,06,784)
Dividend paid (including dividend tax)	(1,12,94,183)	(1,13,15,460)
<b>NET CASH FROM FINANCING ACTIVITIES : TOTAL (C)</b>	<b>(14,97,96,984)</b>	(6,20,02,357)
<b>NET INCREASE IN CASH &amp; CASH EQUIVALENTS TOTAL (A+B+C)</b>	<b>(96,38,430)</b>	(2,09,35,638)
Cash and Cash Equivalents - Opening Balance	4,96,76,328	3,06,68,797
Add: Adjustment in Cash and Cash Equivalents on ceasing of a Subsidiary	—	(19,28,107)
Cash and Cash Equivalents - Closing Balance	<b>4,00,37,898</b>	4,96,76,328
<b>NOTES:</b>		
1. Above statements have been prepared in the indirect method.		
2. Cash and Cash Equivalents represents Cash and Bank balances only.		
3. Previous years' figures have been regrouped and reclassified, wherever necessary.		

As per our report of even date annexed  
FOR KHANDELWAL JAIN & CO.  
Chartered Accountants

NARENDRA JAIN  
Partner  
Membership No. 048725

Mumbai  
30th June, 2009

SANJAY JAIN  
Company Secretary

For & on behalf of the Board

**S. J. Taparla** Chairman  
**Sanjay Dosi** Director  
**B K Toshniwal** Director  
**Rajendra Somani** Managing Director

**Schedules Forming Part of the Consolidated Balance Sheet**
**SCHEDULE - 1**

<b>SHARE CAPITAL</b>	<b>As at 31st March, 2009 Rupees</b>	<b>As at 31st March, 2008 Rupees</b>
<b>Authorised :</b>		
1,37,50,000 Equity Shares of Rs. 10 each	<b>13,75,00,000</b>	13,75,00,000
10,000 11% Cumulative Redeemable Preference Shares of Rs. 100 each	<b>10,00,000</b>	10,00,000
1,00,00,000 Unclassified Shares of Rs. 10 each	<b>10,00,00,000</b>	10,00,00,000
	<b><u>23,85,00,000</u></b>	<b><u>23,85,00,000</u></b>
<b>Issued :</b>		
96,42,072 (P.Y. 96,42,072) Equity Shares of Rs. 10 each	<b>9,64,20,720</b>	9,64,20,720
	<b><u>9,64,20,720</u></b>	<b><u>9,64,20,720</u></b>
<b>Subscribed and Paid-up :</b>		
96,29,543(P.Y. 96,29,543) Equity Shares of Rs. 10 each.	<b>9,62,95,430</b>	9,62,95,430
Share Forefited Account	<b>53,764</b>	53,764
	<b><u>9,63,49,194</u></b>	<b><u>9,63,49,194</u></b>

**Notes :**

- 1) a) 19,30,800 Equity Shares are allotted as fully paid up as Bonus shares by capitalising Rs.31,00,000/- from General Reserve, Rs.1,57,08,000/- from Share Premium and Rs.5,00,000/- from Capital Redemption Reserve.
- b) 1,00,000 Equity Shares of Rs.10/-each are allotted as fully paid up shares to the shareholders of erstwhile Hempri Containers Pvt Ltd pursuant to the scheme of Amalgamation.
- c) 12,529 Partly paid Equity Shares have been forefited by the Company during the year 2003-04.
- d) 42,73,875 Equity Shares of Rs.10/-each are allocated as fully paid up shares to the shareholders of erstwhile Scientific Vaccum Coatings Pvt Ltd pursuant to the scheme of Amalgamation.

**Schedules Forming Part of the Consolidated Balance Sheet**

**SCHEDULE - 2**

<b>RESERVES AND SURPLUS</b>	<b>As at 31st March, 2009 Rupees</b>	<b>As at 31st March, 2008 Rupees</b>
<b>Capital Reserve</b>		
As per last Balance Sheet	<b>11,13,014</b>	11,13,014
<b>Capital Redemption Reserve</b>		
As per last Balance Sheet	<b>5,00,000</b>	5,00,000
<b>Amalgamation Reserve</b>		
As per last Balance Sheet	<b>1,31,09,745</b>	1,31,09,745
<b>Share Premium Account</b>		
As per last Balance Sheet	<b>18,60,32,106</b>	18,59,55,688
Add : Reinstatement on ceasing of Subsidiary Company	—	76,418
	<b>18,60,32,106</b>	<b>18,60,32,106</b>
<b>General Reserve</b>		
As per last Balance Sheet	<b>53,47,80,170</b>	52,72,80,170
Add : Transfer from Profit and Loss Account	<b>5,00,00,000</b>	75,00,000
	<b>58,47,80,170</b>	<b>53,47,80,170</b>
<b>Profit and Loss Account</b>	<b>8,51,20,986</b>	6,80,08,770
<b>TOTAL</b>	<b>87,06,56,021</b>	<b>80,35,43,805</b>

**Schedules Forming Part of the Consolidated Balance Sheet**
**SCHEDULE - 3**

<b>SECURED LOANS</b>	<b>As at 31st March, 2009 Rupees</b>	<b>As at 31st March, 2008 Rupees</b>
<b>Term Loans</b>		
From Kotak Mahindra Primus Limited	<b>17,14,78,505</b>	20,00,67,542
Interest Accrued & Due on above	<b>9,49,641</b>	13,57,458
Deferred Payment Credits	<b>47,79,320</b>	85,65,525
Cash Credit Loan from Banks	<b>44,13,957</b>	32,03,846
Working Capital Demand Loan	<b>1,00,00,000</b>	—
Interest Accrued & Due on above	<b>4,47,585</b>	—
	<b><u>19,20,69,008</u></b>	<b><u>21,31,94,371</u></b>

**Notes :**

Working Capital Loans i.e. Cash Credit / Working Capital Demand Loan is secured by (i) hypothecation of inventories, book debts (ii) first charge on Company's immovable properties at Khopoli and (iii) hypothecation on Machineries at Company's plant at Khopoli and guaranteed by three Directors jointly and severally.

Term loans from Kotak Mahindra Primus Limited are secured against hypothecation of Vehicles, amount receivables, book debts, current assets & guaranteed by the Holding Company.

Deferred Payment Credits are secured against hypothecation of Specific Capital Assets i.e. Machine, Motor Car/Bus.

**SCHEDULE - 4**
**UNSECURED LOANS**

Fixed Deposits (Repayable within one year Rs.28,76,000/- P.Y. Rs. 38,53,000/-)	<b>32,03,000</b>	51,20,000
Inter Corporate Deposits (Refer note no. B-4 of schedule 18) (includes loan from subsidiary Rs.Nil [P.Y. Rs. 1,30,66,528/-)	<b>4,86,25,966</b>	9,08,44,515
Term Loan From : Banks	<b>12,74,59,281</b>	14,89,98,805
Term Loans [Repayable within one year Rs.2,63,35,296/- (P.Y. Rs. 2,28,46,636/-)		
Interest Accrued & Due on above	<b>12,77,802</b>	—
	<b><u>18,05,66,049</u></b>	<b><u>24,49,63,320</u></b>

Schedules forming Part of the Consolidated Balance Sheet

SCHEDULE - 5

FIXED ASSETS

(Amount in Rupees)

DESCRIPTION	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	As on 1st April 2008	Additions during the year	Deductions during the year	Deductions on ceasing of a subsidiary	As on 31st March, 2009	Upto 1st April 2008	For the year	Deductions during the year	Deductions on ceasing of a subsidiary	Total Upto 31st March, 2009	As on 31st March, 2009	As on 31st March 2008
Freehold Land	10,29,043	—	4,52,229	—	5,76,814	—	—	—	—	—	5,76,814	10,29,043
Buildings ##	7,96,77,259	11,15,576	—	—	8,07,92,835	3,38,05,503	46,43,826	—	—	3,84,49,329	4,23,43,506	4,58,71,756
Refer note no. B-17 of Schedule 18												
Residential Flats #	4,73,475	—	—	—	4,73,475	2,87,646	9,291	—	—	2,96,937	1,76,538	1,85,829
Plant and Machinery	21,66,23,918	3,74,039	—	—	21,69,97,957	15,21,70,634	81,78,334	—	—	16,03,48,968	5,66,48,989	6,44,53,284
Electric Installations	65,27,697	89,389	—	—	66,17,086	43,59,599	3,06,002	—	—	46,65,601	19,51,485	21,68,098
Office Equipments	67,24,464	6,57,320	—	—	73,81,784	54,07,114	2,34,106	—	—	56,41,220	17,40,564	13,17,350
Computers	93,14,557	4,45,846	—	—	97,60,403	75,14,366	7,75,112	—	—	82,89,478	14,70,925	18,00,191
Furniture & Fixtures	1,06,06,064	35,75,729	—	—	1,41,81,793	79,81,469	9,96,981	—	—	89,78,450	52,03,343	26,24,595
Vehicles	2,58,19,391	82,12,318	3,50,000	—	3,36,81,709	1,35,52,358	38,54,744	1,85,265	—	1,72,21,837	1,64,59,872	1,22,67,033
Fire Fighting Equipments	4,35,423	—	—	—	4,35,423	3,59,368	10,452	—	—	3,69,820	65,603	76,055
Laboratory Equipments	11,92,651	—	—	—	11,92,651	10,77,837	15,849	—	—	10,93,686	98,965	1,14,814
Weighing Machines	8,72,562	—	—	—	8,72,562	8,00,651	9,719	—	—	8,10,370	62,192	71,911
<b>TOTAL Rs.</b>	<b>35,92,96,504</b>	<b>1,44,70,217</b>	<b>8,02,229</b>	<b>—</b>	<b>37,29,64,492</b>	<b>22,73,16,545</b>	<b>1,90,34,416</b>	<b>1,85,265</b>	<b>—</b>	<b>24,61,65,696</b>	<b>12,67,98,796</b>	<b>13,19,79,959</b>
Previous Year	95,09,92,560	1,19,90,837	8,70,08,343	51,66,78,550	35,92,96,504	24,00,68,885	1,63,34,228	2,85,48,914	5,37,654	22,73,16,545	13,19,79,959	—

# Includes deposit for Shares in Co-operative Society Rs.5,000/-.

## Building includes Rs. 3,42,08,890 /- pursuant to the scheme of amalgamation of Scientific Vacuum Coating Pvt Ltd with the company.

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**Schedules Forming Part of the Consolidated Balance Sheet**

**SCHEDULE - 6**

**INVESTMENTS (At Cost)**

Long Term Investments Face Value	As at 31st March, 2009		As at 31st March, 2008		
	Nos.	Rupees	Nos.	Rupees	
<b>A. Unquoted : Equity Shares (Fully Paid up)</b>					
1. Equity Shares in Subsidiary Companies					
10	Oriental Containers Ltd. [Refer note B-4 & 16 of Schedule 18]	<b>3246192</b>	<b>30,88,66,364</b>	3000000	27,67,23,536
2. Equity Shares in Associate Companies					
10	National Cotton Products Pvt. Ltd. (Refer note no. B-17, of Schedule 18)	<b>2325600</b>	<b>34,00,34,503</b>	23,25,600	34,37,81,799
Other Investments (fully Paid Up)					
3. Equity Shares in Others					
10	New India Co-operative Bank Ltd.	<b>10</b>	<b>102</b>	10	102
100	Madhavpura Mercantile Co-op Bank Ltd.	<b>875</b>	<b>87,500</b>	875	87,500
10	Saraswat Co-operative Bank.	<b>1000</b>	<b>10,000</b>	1000	10,000
<b>B. Unquoted : Preference Shares</b>					
100	14.5% Redeemable Cumulative Preference Shares in Excel Glasses Ltd.	<b>130000</b>	<b>1,30,00,000</b>	130000	1,30,00,000
<b>C. Quoted : Equity Shares</b>					
10	Soma Paper Mills Ltd.	<b>39287</b>	<b>17,19,409</b>	39287	17,19,409
10	Kopran Ltd.	<b>32500</b>	<b>1,03,413</b>	32500	1,03,413
10	KDL Biotech Ltd.	—	—	81250	2,57,109
10	Hindustan Tin Works Ltd.	<b>62500</b>	<b>25,00,000</b>	62500	25,00,000
100	Bayer Crop Science Ltd.	<b>24</b>	<b>2,219</b>	24	2,219
10	Indian Dyestuff Industries Ltd.	<b>13</b>	<b>447</b>	13	447
10	IMP Powers Ltd.	<b>23500</b>	<b>63,44,087</b>	23500	63,44,087
<b>D. Quoted Others</b>					
100	6.75% Unit Trust of India Bonds	<b>1782</b>	<b>1,83,990</b>	1782	1,83,990
TOTAL		<b><u>67,28,52,034</u></b>		<b><u>64,47,13,611</u></b>	
Aggregate Book Value - Quoted		<b>1,08,53,564</b>		1,11,10,674	
Unquoted		<b>66,19,98,470</b>		63,36,02,937	
Aggregate Market Value - Quoted		<b><u>22,45,111</u></b>		<b><u>67,81,078</u></b>	



**Schedules Forming Part of the Consolidated Balance Sheet**

<b>SCHEDULE - 7</b>	<b>As at 31st March, 2009 Rupees</b>	<b>As at 31st March, 2008 Rupees</b>
<b>INVENTORIES</b>		
As taken, valued and certified by the Managing Director		
Stores and Spares	98,29,117	1,24,82,255
Fuel	7,74,007	7,10,507
Raw Materials	29,63,450	93,64,142
Material in Process	27,12,381	20,17,035
Stock in Trade :		
Finished Goods	6,28,11,141	11,07,84,980
Others	15,09,489	32,89,152
Goods-in-transit	4,25,069	—
<b>TOTAL</b>	<b><u>8,10,24,654</u></b>	<b><u>13,86,48,071</u></b>
<b>SCHEDULE - 8</b>		
<b>SUNDRY DEBTORS</b>		
Unsecured:		
Outstanding for a period exceeding six months:		
Considered Good (includes due from a subsidiary Rs. 3,34,62,834/- [P.Y.Rs.Ni.]	5,02,89,570	2,28,06,513
Others Debts-Considered Good (includes due from a subsidiary Rs. 2,19,26,225 [P.Y.Rs.Nil]	19,11,07,078	16,21,91,983
<b>TOTAL</b>	<b><u>24,13,96,648</u></b>	<b><u>18,49,98,496</u></b>
<b>SCHEDULE 9</b>		
<b>CASH AND BANK BALANCES</b>		
Cash on Hand	13,53,964	13,11,133
Bank Balances with Scheduled Banks:		
In Current Accounts	3,23,92,166	2,16,12,695
In Fixed Deposit Accounts	—	2,25,00,000
In Margin Deposit Accounts	62,91,768	42,52,500
<b>TOTAL</b>	<b><u>4,00,37,898</u></b>	<b><u>4,96,76,328</u></b>
<b>SCHEDULE 10</b>		
<b>LOANS AND ADVANCES</b>		
(Unsecured, Considered Good)		
Advances recoverable in cash or in kind for value to be received (includes recoverable from subsidiary Rs. 3,99,177/- P.Y.Rs.Nil)		
Sundry Deposits	11,95,51,179	8,71,73,602
Balance with Excise Authorities	35,62,11,718	25,21,96,973
Advance payment of Income-tax (Net of provision)	14,04,482	20,14,221
MAT Credit entitlement	7,42,75,310	8,73,73,041
	—	25,00,000
<b>TOTAL</b>	<b><u>55,14,42,689</u></b>	<b><u>43,12,57,837</u></b>

**Schedules Forming Part of the Consolidated Balance Sheet**

	As at 31st March, 2009 Rupees	As at 31st March, 2008 Rupees
<b>SCHEDULE - 11</b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors:-		
Amount Outstanding to Micro, Small & Medium Enterprises	—	—
Others	17,38,29,718	6,94,56,893
Deposit Received	14,34,15,836	13,12,91,098
Unclaimed Dividends	8,25,781	8,53,881
Investor Education and Protection Fund	—	3,73,362
Other Liabilities	5,81,12,727	2,43,29,316
	<u>37,61,84,062</u>	<u>22,63,04,550</u>
TOTAL		
<b>SCHEDULE 12</b>		
<b>PROVISIONS</b>		
Proposed Dividend	96,29,543	96,29,543
Tax on Dividend	16,36,540	16,36,540
Gratuity	54,18,585	42,69,370
Leave encashments	21,82,895	19,79,579
Fringe Benefit Tax (Net of Advance FBT)	1,50,744	2,07,965
	<u>1,90,18,307</u>	<u>1,77,22,997</u>
TOTAL		
<b>SCHEDULE 13</b>		
<b>MISCELLANEOUS EXPENDITURE</b>		
(to the extent not written off or adjusted)		
Deferred Revenue Expenditure:		
Voluntary Retirement Scheme	2,38,59,737	2,80,52,191
Add: Expenses during the year	—	—
	<u>2,38,59,737</u>	<u>2,80,52,191</u>
Less: Amount written off during the year	55,89,939	41,92,454
	<u>1,82,69,798</u>	<u>2,38,59,737</u>
TOTAL		

**Schedules Forming part of the Consolidated Profit and Loss amount**

<b>SCHEDULE 14</b>	<b>Year ended</b>	<b>Nine Months</b>
<b>SALES AND OTHER INCOME</b>	<b>31st March, 2009</b>	<b>Period ended</b>
	<b>Rupees</b>	<b>31st March, 2008</b>
	<b>Rupees</b>	<b>Rupees</b>
Sale and Services	234,30,26,278	212,41,60,025
Less : Excise Duty	3,05,12,331	2,65,63,461
Sales and Service (Net)	231,25,13,947	209,75,96,564
Rent Received (Gross-TDS Rs. 1,55,39,176/- P.Y. Rs. 1,19,90,185/-)	8,83,46,162	4,73,78,775
Forfeiture of Deposit	1,19,81,415	—
Sundry Balance written back (Net) [Refer note no. B-7 of Schedule 18]	—	44,16,462
Bad debts written back (Net)	92,825	54,27,361
Dividend	2,17,076	6,60,050
Interest (Gross-TDS Rs. 3,74,289/- P.Y. Rs. 26,851/-)	17,48,594	13,90,467
Surplus on Sale of Assets (Net)	15,22,480	—
Foreign Exchange Gain (Net)	—	7,25,530
Profit on sale of Long term Investment	4,33,516	8,76,000
Insurance Claim	26,12,717	—
Insurance Commission	85,28,591	55,01,273
Miscellaneous Income	78,64,920	68,28,071
	<b>243,58,62,243</b>	<b>217,08,00,553</b>
<b>SCHEDULE 15</b>		
<b>MANUFACTURING AND OTHER EXPENSES</b>		
Purchases of goods	164,18,21,025	156,44,70,669
Consumption of Raw Materials and Components & goods	14,95,82,283	11,31,16,456
Payments to and Provisions for Employees:		
Salaries, Wages, and Bonus	3,43,33,446	2,77,78,309
Gratuity	14,66,020	12,52,070
Contribution to PF, FPF, and Superannuation Scheme	25,16,770	16,66,582
Employees Welfare Expenses	23,22,561	20,68,414
	4,06,38,797	3,27,65,375
Stores, Spares Consumed	11,06,69,428	10,70,18,577
Power and Fuel	1,99,83,308	1,47,23,782
Transportation and Forwarding	16,74,913	25,37,448
Rent / License Fees	32,81,803	27,42,307
Registration & Octroi charges	16,86,56,697	17,40,96,622
Rates and Taxes	14,07,417	9,25,065
Excise Duty	(9,178)	4,28,083
Insurance	3,03,51,008	3,08,07,967
Repairs and Maintenance :		
Building	7,66,407	1,15,11,689
Plant & Machinery	1,05,49,335	8,36,059
Others	18,47,690	10,11,597
	1,31,63,432	1,33,59,344
Directors Fees	3,59,000	1,90,000
Auditor's Remuneration:		
Audit Fees	5,84,075	3,80,000
Tax Audit Fees	1,21,330	1,23,596
Taxation & Company law matter	4,77,134	—
	11,82,539	5,03,596
Donation	26,756	14,854
Managerial Remuneration	27,01,440	21,63,700
Brokerage & Commission	51,30,060	8,02,050
Selling & Marketing Expenses	63,99,125	75,86,721
Profit / (Loss) on sale of Assets (Net)	—	2,41,22,879
Legal & Professional Charges	69,32,682	58,47,669
Sales tax paid for earlier years	27,42,237	1,57,109
Vehicle Expenses	45,41,200	37,82,343
Miscellaneous Expenses	2,20,07,702	2,13,02,933
Deferred Revenue expenditure written off		
Voluntary Retirement Scheme	55,89,939	41,92,454
Sundry Balances w/off	34,55,921	—
Foreign Exchange Fluctuation	1,65,22,255	—
(-) Recovered from parties	(1,64,39,569)	—
	82,686	—
(Increase) / Decrease in Stocks (Refer Schedule 17)	4,90,58,156	(2,67,05,250)
	<b>229,14,30,376</b>	<b>210,09,52,753</b>

**Schedules Forming part of the Consolidated Profit and Loss amount**

	<b>Year ended 31st March, 2009</b>	<b>Nine Months Period ended 31st March, 2008</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>SCHEDULE 16</b>		
<b>INTEREST &amp; FINANCE CHARGES</b>		
Interest		
Term Loans	4,08,42,247	1,57,27,712
Others	1,21,37,921	2,27,91,480
Bank Charges & Others Financial charges	4,08,638	5,94,000
	<u>5,33,88,806</u>	<u>3,91,13,552</u>
<b>SCHEDULE 17</b>		
<b>(INCREASE) / DECREASE IN STOCKS</b>		
Stocks at commencement :		
Finished Goods	11,07,84,980	8,40,34,887
Stock in Trade	32,89,152	36,89,188
Materials in Process	20,17,035	16,61,842
	<u>11,60,91,167</u>	<u>8,93,85,917</u>
<b>Less : Stocks at close:</b>		
Finished Goods	6,28,11,141	11,07,84,980
Stock in Trade - others	15,09,489	32,89,152
Materials in Process	27,12,381	20,17,035
	<u>6,70,33,011</u>	<u>11,60,91,167</u>
(Increase) / Decrease in Stocks	<u>4,90,58,156</u>	<u>(2,67,05,250)</u>

**Schedule 18**
**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**
**A) SIGNIFICANT ACCOUNTING POLICIES**
**1. Basis of Consolidation**

The consolidated financial statements relates to Oricon Enterprises Limited ("the company" or "the parent company"), its subsidiary companies and associate "collectively referred to as the group".

**a) Basis of Accounting**

The consolidated financial statements of the Company, its subsidiaries and associate are prepared under the historical cost convention and in accordance with the requirements of the Companies Act, 1956, Accounting Standard 21 "Consolidated Financial Statements" and Accounting Standard 23 "Accounting for Investments in Associates in Consolidated Financial Statements" issued by the Institute Chartered Accountants of India.

**b) Principles of Consolidation**

The Consolidated Financial Statements (CFS) have been prepared on the following basis:

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

ii The CFS 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.

iii The excess of the cost to the company of its investment in subsidiary company over the company's portion of equity of the subsidiary as at the date on which investment in subsidiary is made, is recognized in the financial statement as Goodwill. The excess of Company's share of equity and reserve of the subsidiary Company over the cost of acquisition is treated as Capital Reserve.

iv. Minority Interests in the CFS is identified and recognized after taking into consideration:

- The amount of equity attributable to minority's at the date on which investments in a subsidiary is made.
- The minority's share of movements in equity since the date parent subsidiary relationships came into existence.

c) The particulars of subsidiaries & associate companies and the percentage of ownership interest therein of the company as on 31st March, 2009 are as under:

Name of Company	w.e.f.	Country of Incorporation	Percentage of holding as at 31st March, 2009	Reporting Date
<b>Subsidiaries</b>				
USL Shinrai Automobiles Ltd.	March 31, 2006	India	100%	March 31, 2009
USL Auto Services Limited	March 31, 2006	India	100%	March 31, 2009
<b>Associate</b>				
National Cotton Products Pvt Ltd. (NCPPL)	October 27, 2007	India	38%	March 31, 2009

**2. Method of Accounting**

The accounts are prepared under the Historical Cost Convention unless otherwise stated.

**3. Fixed Assets and Depreciation**
**i. Fixed Asset:**

- a) Fixed Assets are stated at cost of acquisition, inclusive of freight, duties, taxes, borrowing cost, erection expenses / commissioning expenses etc. up to the date the assets are put to use.
- b) Modvat Credit availed on purchase of fixed assets is reduced from the cost of respective assets.
- c) Exchange difference on account of foreign exchange fluctuation, if any, is adjusted in the carrying cost of fixed assets.

**ii. Depreciation:**

a) Depreciation has been provided for on straight line method on Plant and Machineries, acquired up to 31<sup>st</sup> March 1988, at the rates prevailing at the time of the acquisition (as per Circular 2/89 dated 07.03.1989 issued by Department of Company Affairs) and for Plant and Machineries, acquired after 31<sup>st</sup> March 1988, at the rates as per Schedule XIV of the Companies Act, 1956.

b) Leasehold Land is amortized over the period of lease.

Depreciation on other assets has been provided on written down value method at the rates specified in Schedule XIV of the Companies Act, 1956.

c) In case of subsidiary, USL Shinrai Automobiles Limited depreciation is provided on the Plant & Machinery on written down value method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956.

**4. Investments**

Long Term investments are valued at cost. Provision for diminution in value investment is made to recognize a decline other than temporary.

An investment in an associate is accounted for in consolidated financial statements under the equity method.

**5. Employee Benefits****a) Defined Contribution Plan**

Company's contribution towards Superannuation Scheme with Life Insurance Corporation of India, Provident Fund, Employee's State Insurance Scheme, Government Welfare Fund and Employee's Deposit Linked Insurance are accounted for on accrual basis.

**b) Defined Benefit Plan**

Liability on account of Gratuity is accounted for on the basis of Actuarial Valuation at the end of each year.

**c) Other Long term**

Liability on account of other long term benefit such as 'leave encashment' is made on the basis of actuarial valuation at the end of the year.

**d) Other Short Term**

Employee Benefits are charged to revenue in the year in which the related services are rendered.

In case of subsidiary, USL Shinrai Automobiles Limited provision for Gratuity and leave encashment is accounted for on actual basis and charged to Profit & Loss Account.

**6. Impairment of Assets**

The carrying amounts of assets are reviewed at each Balance Sheet date for impairment so as to determine the provision for impairment loss, if any, required, or the reversal, if any, required of impairment loss recognised in previous periods.

**7. Government Grants**

Special Capital Incentives received for setting up a unit in backward area is treated as capital reserve.

**8. Expenditure incurred under Voluntary Retirement Scheme are amortized over a period of ten years.****9. Borrowing Costs**

Borrowing Costs directly attributable to the acquisition or construction of Fixed Assets are capitalized as part of the cost of the Assets, up to the date the Assets are put to use. Other Costs are charged to the Profit and Loss Account in the year in which they are incurred.

**10. Taxes on income**

a) Current tax is measured at the amount expected to be paid to the taxation authorities, using the applicable tax rates and tax laws.

b) Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been announced up to the balance sheet date. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences between the taxable income and accounting income. The effect of tax rate change is considered in the profit and loss account of the respective year of change.

c) Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws are recognized only if there is a virtual certainty of its realization supported by convincing evidence. Deferred tax assets on account of other timing differences are recognized only to the extent there is reasonable certainty of its realization.

d) At each balance sheet date the carrying amount of deferred tax assets is reviewed to reassure realization.

**11. Other Accounting Policies**

These are set out under "Significant Accounting Policies" as given in the financial statements of Oricon Enterprises Limited and its subsidiaries.

**B) NOTES TO THE CONSOLIDATED ACCOUNTS**
**SCHEDULE - 18**

(Amount in Rupees)

	Year ended 31.03.2009 Rupees	Period ended 31.03.2008 Rupees
1. Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of Advances)	42,74,558	—
2. Contingent Liabilities not provided for in respect of:		
a) Bills Discounted	—	8,00,824
b) Guarantees given by Company's Bankers and counterguaranteed by the Company	17,02,500	17,02,500
c) Disputed demands of Excise Duty	1,25,73,094	1,25,73,094
d) Income Tax demands disputed in appeals	4,57,11,168	3,39,07,500
e) Assignment of sales tax liability	28,05,66,289	28,23,24,134
f) Sales Tax demands disputed in appeals	—	4,65,327
g) On account of guarantees/securities given by the Company on behalf of associate and other Company	65,00,00,000	65,00,00,000
h) On account of corporate guarantee to a company for financial facility extended to subsidiary company	4,00,00,000	—
i) Property tax payable on land & premises belonging to the landlord are being disputed by the landlord with Brihanmumbai Municipal Corporation (B.M.C.). The additional liability, if any in this respect will be accounted for on settlement of the legal case. The amount in dispute is not determinable.		
3. Some of the balances of Sundry Debtors, Deposits, Loans & Advances, Sundry Creditors are subject to confirmation from the respective parties and consequential reconciliation/adjustment arising therefrom, if any. The management, however, does not expect any material variation.		
4. The financial statements of Oriental Containers Limited, being wholly owned subsidiary w.e.f. May 2, 2006 (incorporated in India) have not been included in preparation of Consolidated Financial Statements as the control is temporary in nature.		
5. In the opinion of the Management, Current Assets, Loans & Advances are approximately of the value stated if realised in the ordinary course of business. The provision for all known and determined liability is adequate and not in the excess of the amount reasonably required.		
6. The Shares / Debentures held as investment by the company have been classified as Long term Investment by the Management. No provision for the diminution if any, in the value of other investment has been made in the accounts as the Management is of the view that such diminution is not of permanent nature and the same is not intended to be traded.		
7. Sundry debit balances written off (Net)' amounting to Rs.34,55,921/- are net of sundry credit balances written back amounting to Rs.47,61,920/-. (Previous Year Sundry credit balances written back (Net)' amounting to Rs.44,16,462/- are net of sundry debit balances written off amounting to Rs.52,84,709/-).		
8. Exceptional item represents,	Current Year Rupees	Previous Year Rupees
Compensation received against relinquishing rights in property	31,200,000	—
Tax expense on above	(7,069,920)	—
Exceptional item (Net of Tax)	<u>2,41,30,080</u>	<u>—</u>
9. MAT Credit entitlement aggregating to Rs. 80,00,000/- not recognised in earlier years has been utilised during the year and accordingly current tax for the year is lower to that extent.		
10. During the year, the company has reviewed its fixed assets for impairment loss as required by Accounting Standards 28 "Impairment of Assets". In the opinion of management no provision for impairment loss is considered necessary.		

11. The disclosure in respect of Segment information as per Accounting Standard - 17 on "Segment Reporting" issued by the Institute of Chartered Accountants of India for the year ended 31st March, 2009 is given as follows:

(a) Business Segments:

(Amount in Rs.)

Particulars	Petrochemicals		Trading		Automobiles		Total	
	31.03.2009	31.03.2008	31.03.2009	31.03.2008	31.03.2009	31.03.2008	31.03.2009	31.03.2008
<b>REVENUE :</b>								
External Revenue	20,00,53,953	14,78,95,264	27,69,35,775	94,80,326	183,55,24,219	194,02,20,974	231,25,13,947	209,75,96,564
Inter-segment Revenue	—	—	—	—	—	—	—	—
<b>Total Revenue</b>	<b>20,00,53,953</b>	<b>14,78,95,264</b>	<b>27,69,35,775</b>	<b>94,80,326</b>	<b>183,55,24,219</b>	<b>194,02,20,974</b>	<b>231,25,13,947</b>	<b>209,75,96,564</b>
<b>RESULT</b>								
Segment Result	1,71,44,348	1,25,36,007	15,62,587	1,92,251	5,26,98,536	3,63,53,765	7,14,05,471	4,90,82,023
Add: Unallocable Income net of unallocable Expenses							5,18,34,748	24,47,082
Less: Interest Expenses							(5,29,80,168)	(3,85,19,552)
Add: Interest Income							17,48,594	13,90,467
<b>Profit Before Prior Period Adjustment</b>							<b>7,20,08,645</b>	<b>1,44,00,020</b>
Less/(Add): Prior Period Adjustment							(12,40,505)	89,061
<b>Profit Before Taxation &amp; exceptional item</b>							<b>7,32,49,150</b>	<b>1,43,10,959</b>
Less: Provision for Current Tax							1,69,30,080	32,00,000
Less: Provision for Deferred Tax							(27,74,070)	(1,54,35,680)
Less: Fringe Benefit Tax							10,18,625	10,16,118
Less: Income/fringe benefit tax for earlier years							79,000	4,28,425
Less: MAT create entitlement							—	(25,00,000)
<b>Profit After taxation and before Minority Interest and share of loss of associate</b>							<b>5,79,95,515</b>	<b>2,76,02,096</b>
Less: Minority Interest							—	(8,58,870)
Less: Share of loss of associate							37,47,296	31,54,445
<b>Profit After Taxation before exceptional item</b>							<b>5,42,48,219</b>	<b>2,53,06,321</b>
Exceptional Items (Net of Tax)							(2,41,30,080)	—
<b>Profit After taxation</b>							<b>7,83,78,299</b>	<b>2,53,06,321</b>
<b>OTHER INFORMATION</b>								
Segment Assets	6,71,85,580	8,13,87,996	17,77,07,547	—	29,17,64,764	27,10,19,767	53,66,57,891	35,24,07,763
Unallocable Assets							119,82,35,301	124,69,05,155
<b>Total Assets</b>							<b>173,48,93,192</b>	<b>159,93,12,918</b>
Segment Liabilities	52,48,784	59,63,912	14,24,88,375	92,46,487	7,55,68,250	6,53,89,947	22,33,05,409	8,06,00,346
Unallocable Liabilities							19,02,17,307	18,45,21,619
<b>Total Liabilities</b>							<b>41,35,22,716</b>	<b>26,51,21,965</b>
<b>Capital Expenditure</b>								
Segment Capital Expenditure	50,15,156	23,35,497	—	—	96,30,568	1,00,62,671	1,46,45,724	1,23,98,168
Unallocable Capital Expenditure							31,26,349	18,13,778
<b>Total Capital Expenditure</b>							<b>1,77,72,073</b>	<b>1,42,11,946</b>
<b>Depreciation / Amortisation</b>								
Segment Depreciation / Amortisation	30,33,221	23,07,737	—	—	56,47,598	41,50,804	86,80,819	64,58,541
Unallocable Depreciation / Amortisation							1,59,43,536	1,40,68,141
<b>Total Depreciation / Amortisation</b>							<b>2,46,24,355</b>	<b>2,05,26,682</b>

(b) Secondary Segment Reporting (Geographical Segments)

The distribution of the company's Sales, Assets and Capital Expenditure by Geographical market is as under :

	31.03.2009	31.03.2008
<b>Sales Revenue</b>		
India	230,91,15,306	209,17,59,692
Outside India	33,98,641	58,36,872
<b>Total Revenue</b>	<b>231,25,13,947</b>	<b>209,75,96,564</b>
<b>Segment Assets</b>		
India	173,48,93,192	159,93,12,918
Outside India	—	—
<b>Total Assets</b>	<b>173,48,93,192</b>	<b>159,93,12,918</b>
<b>Capital Expenditure</b>		
India	1,77,72,073	1,42,11,946
Outside India	—	—
<b>Total Capital Expenditure</b>	<b>1,77,72,073</b>	<b>1,42,11,946</b>



12. Related Party Disclosure

Disclosure requirement as per Accounting Standard 18 (AS-18) "Related Party Disclosure" issued by the Institute of Chartered Accountants of India.

A List of Related Parties where the Company has entered into Transactions during the year :

- 1) Subsidiary Company:
  - a. Oriental Containers Ltd.
- 2) Key Management Personnel
  - a. Rajendra Somani Managing Director
  - b. Sevantilal J. Parekh Director
  - c. Varun Somani Director
- 3) Enterprises over which Key Management Personnel & their Relatives exercise significant influence where the Company has entered into Transactions during the year:
  - a. G.Claridge & Co. Ltd.
  - b. Oriental Enterprises
  - c. Kopran Ltd.
  - d. Shree Gayatri Trust
- 4) Associate Companies
  - a. United Shippers Ltd.
  - b. Elian Trading Corporation
  - c. Matrix Insurance
  - d. National Cotton Products Pvt. Ltd.

Note : Related Party Relationships have been identified by the Management and relied upon by the Auditors.

B DETAILS OF TRANSACTIONS BETWEEN THE COMPANY & RELATED PARTIES & THE STATUS OF OUTSTANDING BALANCES AS ON 31st March, 2009.

Nature of Transaction	(Amount in Rs.)							
	Subsidiary Companies		Key Management Personnel & Relatives		Enterprises in which * Key Management Personnel & their relatives are having significant influence		Associate Company	
	31.03.2009	31.03.2008	31.03.2009	31.03.2008	31.03.2009	31.03.2008	31.03.2009	31.03.2008
a. Interest Paid	—	—	—	—	—	—	—	—
b. Rent Paid	—	—	—	—	8,40,000	9,00,000	3,60,000	1,50,000
c. Rates & taxes paid	—	—	—	—	3,60,000	—	—	—
d. Dividend	—	—	—	—	—	—	2,200	2,200
e. Remuneration to Key Management Personnel	—	—	29,59,440	21,63,700	—	—	—	—
f. Loans & Advances Given	9,32,34,054	—	—	—	51,50,000	10,88,42,690	3,66,15,385	10,91,00,000
g. Receipts towards Loans & Advances Given	9,28,34,877	—	—	—	1,97,46,896	10,06,00,000	3,38,50,000	14,67,26,000
h. Loans & Advance Taken	1,30,66,528	5,58,62,987	—	—	6,62,20,418	7,35,00,600	—	—
i. Payment towards Loans & Advances taken	—	8,29,51,412	—	—	8,82,20,418	5,15,00,600	36,72,460	—
j. Deposit Paid	—	—	—	—	—	—	2,85,00,000	—
k. Sale of goods / services	5,38,27,480	94,80,326	—	—	7,51,50,364	—	3,71,362	26,18,832
l. Reimbursement towards currency exchange Fluctuation	1,16,33,043	—	—	—	67,70,112	—	—	—
m. Receipts towards Sale of goods/Services	1,00,71,464	94,80,326	—	—	6,00,58,065	—	2,87,954	—
n. Receipts towards deposit paid	—	—	—	—	—	—	—	10,50,00,000
o. Balances as on 31st March, 2009								
1. Loans & Advances Taken	—	1,38,66,528	—	—	—	2,20,00,000	—	36,72,460
2. Loans & Advances given	3,99,177	—	—	—	51,50,000	1,97,46,896	27,65,385	—
3. Debtors/Other Receivables	5,53,89,059	—	—	—	2,18,62,411	—	3,04,376	2,20,968
4. Deposits paid	—	—	—	—	—	—	3,00,00,000	35,00,000

\* Also refer note no. 2(h) above and note no. 17 below.

13. Earnings per Share

Particulars	Year ended	Period ended
	31st March, 2009	31st March, 2008
(a) Profit after Taxation before exceptional items	5,42,48,220	2,53,06,321
(b) Profit after taxation	7,83,78,300	2,53,06,321
(c) Weighed Average number of Equity Shares	96,29,543	96,29,543
(d) Earnings per share (EPS) on profit after taxation		
- Basic Earnings per share on Profit after taxation before exceptional items (Rs.) [(a) / (c)]	5.63	2.63
- Basic Earnings per share on Profit after taxation (Rs.) [(b) / (c)]	8.14	2.63

The Company does not have any outstanding dilutive potential equity shares. Consequently, the basic and diluted earnings per share remains the same.

14. The Tax effects of Significant Timing (Temporary) Differences that resulted in Deferred Tax Assets & Liabilities & description of the Financial Statement items that creates these differences are as follows :

	Particulars	Deferred Tax Assets/(Liability) as at 31.03.2009 Rupees	Deferred Tax Assets/(Liability) as at 31.03.2008 Rupees
	<b>Deferred Tax Liabilities</b>		
1.	Depreciation	(1,42,65,071)	(1,66,08,780)
2.	Deferred Revenue Expenditure	(56,41,629)	(62,78,950)
	<b>Total (A)</b>	<b>(1,99,06,700)</b>	<b>(2,28,87,730)</b>
	<b>Deferred Tax Assets</b>		
1.	Provision for Gratuity/Leave Encashment	15,86,352	17,93,312
	<b>Total (B)</b>	<b>15,86,352</b>	<b>17,93,312</b>
	<b>Net Deferred Tax Liability</b>	<b>(1,83,20,348)</b>	<b>(2,10,94,418)</b>

15. Figures of the previous period have been re-grouped, re-classified and re-arranged wherever necessary. The current year in respect of parent company and its subsidiaries, consist of 12 months i.e. from 01.04.08 to 31.03.09 and previous period in respect of parent company consist of 9 months from 01.07.07 to 31.03.08, in respect of Subsidiaries USL Shinrai Automobiles Ltd. (USAL) and USL Auto Services Ltd. (UASL) consist of 12 months from 01.04.07 to 31.03.08. Hence current year figures are not comparable with those of previous period.
16. Consequent to Accounting Standard-15-"Employee Benefits" (Revised 2005) becoming effective, the company has made the provision for Defined Contribution Plan and Defined Benefit Plan.

**I. Defined Contribution Plan:**

During the year the company and its subsidiaries has recognised Rs.2,61,700/- (Previous year Rs.2,64,600/-) towards Superannuation Scheme with Life Insurance Corporation of India and Rs.22,55,070/- (Previous year Rs.14,01,982/-) towards Provident Fund, Employee's State Insurance Scheme, Government Welfare Fund and Employee's Deposit Linked Insurance etc. as Defined Contribution Plan Obligation.

**II. Defined Benefit Plan:**

**Gratuity**

Liability is computed on the basis of Gratuity payable on retirement, death and other withdrawals as per the Act and already accrued for past service, with the qualifying wages/salaries appropriately projected, as per the Projected Unit Credit Method.

i. Actuarial Assumption	Year Ended 31.03.2009	Nine Month period ended 31.03.2008
Particulars	Gratuity (%)	Gratuity (%)
Discount Rate Current	8%	8%
Rate of Increase in Compensation Levels	6%	6%
<b>ii. Table Showing Change in Benefit Obligation</b>		
	Gratuity (Rs.)	Gratuity (Rs.)
Projected Benefit Obligation (PBO) at the beginning of the period	38,86,000	30,99,800
Interest Cost	2,99,322	1,81,736
Service Cost	2,41,669	1,83,982
Benefits paid	(2,88,951)	(82,500)
Actuarial (gain) / loss on Obligations	2,12,960	5,02,982
Projected Benefit Obligation (PBO) at the end of the period	43,51,000	38,86,000
<b>III. Tables of Fair value of Plan Assets</b>		
Fair Value of Plan Assets at the beginning of the period	—	—
Expected Return on Plan Assets	—	—
Contributions	2,88,951	82,500
Benefits paid	(2,88,951)	(82,500)
Gain / (loss) on Plan Assets	—	—
Fair Value of Plan Assets at the end of the period	—	—
<b>IV. Tables of change in Plan Assets</b>		
Fair Value of Plan Assets at the beginning of the period	—	—
Actual return on Plan Assets	—	—
Contributions	2,88,951	82,500
Benefits paid	(2,88,951)	(82,500)
Fair value of Plan Assets at the end of the period	—	—
<b>V. Funded Status</b>		
Funded Status	(43,51,000)	(38,86,000)
<b>VI. Limits of Corridor not considered since total actuarial gain/loss is being recognised</b>		
Actuarial (loss) for the period - Obligation	(2,12,960)	(502,982)
Actuarial gain (loss) for the period - Plan Assets	—	—
Sub-Total	(2,12,960)	(502,982)
Actuarial loss recognised	2,12,960	502,982
Unrecognised actuarial gains (losses) at the end of the period	—	—
<b>VII. The Amounts to be recognised in Balance Sheet and Income Statement and the related analysis</b>		
Present Value of Obligation	43,51,000	38,86,000
Fair value of Plan Assets	—	—
Diff	43,51,000	38,86,000
Unrecognised Actuarial gains (losses)	—	—
Unrecognised Transitional Liability	—	—
Liability Recognised in Balance Sheet	43,51,000	38,86,000
<b>VIII. Net Periodic Cost</b>		
Current Service Cost	2,41,669	1,83,982
Interest Cost	2,99,322	1,81,736
Expected Return on Plan Assets	—	—
Net Actuarial (gain) loss recognised in the period	2,12,960	5,02,982
Expenses Recognised in the Income Statement	7,53,951	8,68,700
In the books of subsidiary USL Shinrai Automobiles Limited, during the year Rs. 7,12,069/- (Previous year Rs. 3,83,370/-) has been charged towards Gratuity based on actuarial valuation.		
<b>IX. Movements in the liability recognised in the Balance Sheet:</b>		
Opening Net Liability	38,86,000	30,99,800
Expense as above	7,53,951	8,68,700
Contributions paid	(2,88,951)	(82,500)
Closing Net Liability	43,51,000	38,86,000

In respect of subsidiary USL Shinrai Automobiles Limited the liability in respect of Gratuity as at 31.03.09 is Rs.10,67,585/- (Previous year Rs.3,83,370/-).

17. The Company has provided guarantee / security to the extent of Rs.65,00,00,000/- by way of mortgage of its property situated at Worli and pledge of 23,25,600 equity shares held in associate Company, as a guarantor for the financial assistance provided by a lender to M/s. G. Claridge & Co. Ltd. and National Cotton Products Private Limited, associate Company.

18. Remuneration to Managing Director(s)

Particulars	Year ended 31st March, 2009	Period ended 31st March, 2008
Salary	16,62,000	12,10,000
Contribution to Provident Fund	1,99,440	1,45,200
Perquisites	10,98,000	8,08,500
<b>Total</b>	<b>29,59,440</b>	<b>21,63,700</b>

As per our report of even date annexed  
 FOR KHANDELWAL JAIN & CO.  
 Chartered Accountants

NARENDRA JAIN  
 Partner  
 Membership No. 048725

Mumbai  
 30th June, 2009

SANJAY JAIN  
 Company Secretary

For & on behalf of the Board

**S. J. Taparia** Chairman

**Sanjay Dosi** Director

**B K Toshniwal** Director

**Rajendra Somani** Managing Director

**DIRECTORS' REPORT**

To,  
The Members,

Your Directors are pleased to present the Tenth Annual Report together with the audited Balance Sheet and the Profit & Loss Account for the year ended 31<sup>st</sup> March, 2009.

**FINANCIAL RESULTS :**

The working results of the company show a turnover of Rs.20,505 lacs as against Rs. 21,663 Lacs for the previous year.

Your directors are hopeful and confident of better results in the current year.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE :**

- i) The Company does not own any manufacturing facility. Hence, the particulars relating to conservation of energy and technology absorption as stipulated in the Companies (Disclosure of particulars in Report of Board of Directors) Rules, 1988 are not applicable.
- ii) Foreign Exchange Earnings / Outgo:  
Expenditure in Foreign Currency is Rs. 80,700/- USD\$1,610/-

**DIRECTOR'S RESPONSIBILITY STATEMENT :**

We, the Directors of USL Shinrai Automobiles Limited confirm the following:

- a) that in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- b) that they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31<sup>st</sup> March, 2009, and of the profit of the Company for that period;
- c) that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance

with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

- d) that they have prepared the annual accounts on a going concern basis.

**DIRECTORS :**

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company Dr. Suresh Parikh and Mr. Gopaldas Mantri retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Mr. Sanjay Doshi was appointed as an Additional Director with effect from 29<sup>th</sup> January 2009. By virtue of Section 260 of the Companies Act, 1956 he would cease to hold office at the Annual General Meeting and is eligible for appointment as Director. The Company has received a notice in writing from member, pursuant to the provisions of section 257 of the Companies Act, 1956 signifying his intention to propose the candidature of Mr. Sanjay Doshi for the office of Director.

**SECRETARIAL COMPLIANCE CERTIFICATE :**

Secretarial Compliance Certificate obtained from Practicing Company Secretary is attached herewith.

**PARTICULARS OF EMPLOYEES :**

The Company does not have any employee whose particulars are required to be given pursuant to the provisions of section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

**AUDITORS :**

The Company's Auditors M/s. Batliboi & Purohit, Chartered Accountants, retire at ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

**For and on behalf of the Board**

Place : Mumbai  
Date : 22<sup>nd</sup> June, 2009.

**S. J. Parekh**      **Varun Somani**  
**Chairman**        **Director**

**AUDITORS' REPORT**

**AUDITORS' REPORT TO THE MEMBERS OF  
USL SHINRAI AUTOMOBILES LIMITED**

1. We have audited the attached Balance Sheet of **M/s. USL SHINRAI AUTOMOBILES LIMITED ('the Company')** as at 31st March, 2009, and also the 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 the 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 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 the 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 (Auditors' Report) Order 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of section 227 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.
4. Further to our comments in the Annexure referred to above, we report that:
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (ii) 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;
  - (iii) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (iv) In our opinion, the Balance Sheet, and Profit & 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;
  - (v) On the basis of written representations received from the directors as on 31st March, 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
  - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with 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:
    - a) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
    - b) In the case of the Profit and Loss Account, of the Loss of the year ended on that date; and
    - c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

**For Batliboi & Purohit  
Chartered Accountants**

**Kaushal Mehta  
Partner  
Membership No. 111749**

Place : Mumbai  
Dated : 22nd June, 2009

**ANNEXURE TO THE AUDITORS' REPORT  
(Referred to in paragraph 3 of our report of even date)**

- (i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) All fixed assets have been physically verified by the management during the year. As informed, no material discrepancies were noticed on such verification.
- c) There was no substantial disposal of fixed assets during the year.

- (ii) a) As per the information furnished, the inventories have been physically verified by the management at regular intervals during the year. In our opinion, having regard to the nature and location of stocks, the frequency of the physical verification is reasonable.
- b) In our opinion and according to the information and explanations given to us, 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 and no material discrepancies were noticed on physical verification.
- (iii) a) As per the information furnished, the Company has granted interest free deposit, to one company, covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 2.10 crores and the year end balance of deposit given to the above company was 2.10 crores.
- b) In our opinion and according to the information and explanations given to us, the terms and conditions for such deposit is not prima facie prejudicial to the interest of the Company.
- c) The deposit given is re-payable on demand and is interest free.
- d) As per the information furnished, the Company has taken loan from one company covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 11.25 crores and the year end balance of loan taken from the above companies was 5.50 crores.
- e) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loan are not prima facie prejudicial to the interest of the company.
- f) In respect of loan taken, repayment of the principal amount is on demand and interest payment is regular.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items are of special nature for which alternative quotations are not available, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regards to purchases of the inventory, fixed assets and with regards to the sale of goods. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act that need to be entered into the register maintained under Section 301 have been so entered.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the Register maintained under Section 301 and exceeding the value of Rupees five lakhs in respect of any party during the year, have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits during the year from the public within the meaning of the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and rules made there under.
- (vii) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
- (viii) According to the information and explanations given to us the maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956, for any of the products of the Company.
- (ix) a) According to the information and explanations given to us and based on the books as produced and examined, the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees state insurance income tax, wealth tax, service tax, sales tax, customs duty and excise duty, cess and other undisputed statutory dues were outstanding, at the

## USL SHINRAI AUTOMOBILES LIMITED

year end, for a period of more than six months from the date they became payable.

- (c) According to the records of the company, there are no dues outstanding of income tax, sales tax, excise duty on account of any dispute.
- (x) *The Company's accumulated losses at the end of the financial year are more than fifty percent of its net worth. The Company has incurred cash loss during the year. In the immediately preceding financial year the Company has incurred cash loss.*
- (xi) Based on our audit procedures and the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to banks, financial institution or debenture holders.
- (xii) Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and/or 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. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provision of clause 4 (xiv) of the companies (Auditors' Report) order, 2003 (as amended) are not applicable to the company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

- (xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and an overall examination of the Balance Sheet and Cash Flow Statement of the company, we report that no funds raised on short term basis have been used for long term investment.
- (xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The company has not raised any money by way of public issues during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

**For Batliboi & Purohit  
Chartered Accountants**

**Kaushal Mehta**

Place : Mumbai  
Dated : 22nd June, 2009

**Partner  
Membership No. 111749**



# USL SHINRAI AUTOMOBILES LIMITED

## BALANCE SHEET AS AT 31ST MARCH, 2009

	Schedule	As at 31st March 2009 (Rupees)	As at 31st March, 2008 (Rupees)
<b>SOURCES OF FUNDS:</b>			
<b>SHAREHOLDERS' FUNDS :</b>			
Share Capital	A	<u>10,00,000</u>	<u>10,00,000</u>
<b>LOAN FUNDS:</b>			
<b>Secured Loans :</b>			
Kotak Mahindra Prime Ltd.		17,14,78,505	20,00,67,542
(Secured against Hypothecation of vehicles, amount receivables / Bookdebts current assets & guaranteed by Oricon Enterprises Ltd. Holding Co.)			
Interest Accrued & Due		9,49,614	13,57,458
		<u>17,24,28,146</u>	<u>20,14,25,000</u>
Kotak Mahindra Prime Ltd.		28,91,673	42,04,820
(Secured against Hypothecation of Vehicle)			
<b>Unsecured Loans</b>		<b>9,50,00,000</b>	<b>9,50,00,000</b>
(Including Rs. 5,50,00,000/- of Oricon Enterprises Ltd. - Holding Company)			
Interest Accrued & Due		24,28,138	1,61,94,401
		<u>9,74,28,138</u>	<u>11,11,94,401</u>
<b>TOTAL</b>		<b><u>27,37,47,957</u></b>	<b><u>31,78,24,221</u></b>
<b>APPLICATION OF FUNDS:</b>			
<b>FIXED ASSET</b>			
Gross Block	B	7,37,60,851	6,41,30,283
Less: Depreciation		<u>3,72,82,255</u>	<u>3,16,34,657</u>
Net Block		<u>3,64,78,596</u>	<u>3,24,95,626</u>
<b>CURRENT ASSET</b>			
Inventories	C	6,79,86,320	12,12,70,809
Sundry Debtors	D	4,21,27,906	12,19,23,567
Cash & Bank Balances	E	2,96,60,117	1,67,16,985
Loans & Advances	F	13,65,11,825	6,26,40,699
		<u>27,62,86,168</u>	<u>32,25,52,060</u>
Less: Current Liabilities & Provisions	G	7,74,79,490	6,75,69,167
<b>Net Current Assets</b>		<b>19,88,06,678</b>	<b>25,49,82,893</b>
<b>Debit Balance in Profit &amp; Loss Account</b>		<b>3,84,62,683</b>	<b>3,03,45,702</b>
<b>TOTAL</b>		<b><u>27,37,47,957</u></b>	<b><u>31,78,24,221</u></b>
Notes forming part of Accounts	M		

As per our report of even date attached.

For and on behalf of  
**BATLIBOI & PUROHIT**  
Chartered Accountants

(K.A. Mehta)  
Partner  
Membership No. : 111749

Place : Mumbai  
Date : 22nd June, 2009

For and on behalf of the Board

**SEVANTILAL J. PAREKH** Chairman

**VARUN S. SOMANI** Director

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009

	Schedule	Year ended 31st March 2009 (Rupees)	Year ended 31st March 2008 (Rupees)
<b>INCOME :</b>			
<b>Sales :</b>			
Cars		185,33,55,472	198,30,64,290
Service		3,71,15,236	3,28,04,994
Spare & parts		<u>16,00,77,496</u>	<u>15,04,20,778</u>
		<u>205,05,48,204</u>	<u>216,62,90,062</u>
<b>Other Income</b>	H	<b>1,53,11,509</b>	<b>1,56,31,183</b>
<b>TOTAL (A)</b>		<b><u>206,58,59,713</u></b>	<b><u>218,19,21,245</u></b>
<b>EXPENDITURE :</b>			
Cost of material purchases	I	152,76,82,259	163,62,10,313
Direct Expenses	J	42,62,90,088	44,64,07,606
Administrative Expenses	K	7,09,95,671	6,28,07,653
Selling & Marketing Expenses	L	63,99,125	75,86,721
Interest		3,65,93,328	2,43,37,926
Depreciation		<u>56,47,598</u>	<u>41,50,804</u>
<b>TOTAL (B)</b>		<b><u>207,36,08,069</u></b>	<b><u>218,15,01,023</u></b>
<b>Profit &amp; (Loss) before Taxation</b>	(A-B)	<b>(77,48,356)</b>	<b>4,20,222</b>
<b>Provision for Fringe Benefit Tax</b>		<b>3,68,625</b>	<b>3,16,118</b>
<b>Profit &amp; (Loss) after Taxation</b>		<b>(81,16,981)</b>	<b>1,04,104</b>
<b>Add: Balance Brought forward from Last year</b>		<b>(3,03,45,702)</b>	<b>(3,04,49,806)</b>
<b>Balance Carried forward to Balance Sheet</b>		<b><u>(3,84,62,683)</u></b>	<b><u>(3,03,45,702)</u></b>
<b>Earning Per Share</b>		<b>(77)</b>	<b>4</b>
Notes forming part of Accounts	M		

As per our report of even date attached.

For and on behalf of  
**BATLIBOI & PUROHIT**  
Chartered Accountants

(K.A. Mehta)  
Partner  
Membership No. : 111749

Place : Mumbai  
Date : 22nd June, 2009

For and on behalf of the Board

**SEVANTILAL J. PAREKH** Chairman

**VARUN S. SOMANI** Director

# USL SHINRAI AUTOMOBILES LIMITED

## Schedules Forming Part of the Balance Sheet as at 31st March, 2009

### Schedule A : Share Capital

	As at 31st March 2009 (Rupees)	As at 31st March 2008 (Rupees)
<b>Authorised Share Capital</b>		
1,00,000 equity shares of Rs. 10/- each	10,00,000	10,00,000
<b>Issued, Subscribed and Paid-up Capital :</b>		
1,00,000 equity shares of Rs. 10/- each fully paid up (All shares are held by Holding Company - Oricon Enterprises Ltd.)	10,00,000	10,00,000

### SCHEDULE C : Inventories

	As at 31st March 2009 (Rupees)	As at 31st March 2008 (Rupees)
Cars	5,57,46,631	10,71,60,210
Spare & parts	76,15,857	1,01,73,048
Accessories	15,03,502	15,98,276
Lubricant	4,07,949	3,22,240
Work In Progress	27,12,381	20,17,035
<b>TOTAL</b>	<b>6,79,86,320</b>	<b>12,12,70,809</b>

### Schedule D : Sundry Debtors

Unsecured considered good more than six months	97,93,641	47,98,439
Others	3,23,34,265	11,71,25,128
<b>TOTAL</b>	<b>4,21,27,906</b>	<b>12,19,23,567</b>

### Schedule E : Cash & Bank Balances

Cash on hand	2,92,972	4,00,296
With schedule banks in current accounts	2,93,67,145	1,63,16,689
<b>TOTAL</b>	<b>2,96,60,117</b>	<b>1,67,16,985</b>

### Schedule F : Loans & Advances (unsecured considered good)

Advances recoverable in cash or in kind or for value to be recd.	65,28,532	57,80,003
Deposits (Incl. Rs. 2.10 crores with Oricon Enterprises Ltd.	2,25,58,482	2,25,49,482
Others - Incentive Receivable	2,34,98,643	2,58,17,537
Kotak Mahindra Prime Ltd. - Margin Account	7,50,00,000	—
Tax Deducted at sources	80,30,809	79,79,780
Fringe Benefit Tax	8,95,359	5,13,897
<b>TOTAL</b>	<b>13,65,11,825</b>	<b>6,26,40,699</b>

### Schedule G : Current Liabilities & Provision

<b>Sundry Creditors :</b>		
For Goods	2,04,09,652	1,56,56,775
For Expenses	64,10,983	66,89,744
Advances from Customers	97,45,010	1,21,66,766
Other Liabilities	3,82,25,622	3,15,61,815
Provision for Retirement Benefit	17,98,480	9,72,949
Provision for Fringe Benefit Tax	8,89,743	5,21,118
<b>TOTAL</b>	<b>7,74,79,490</b>	<b>6,75,69,167</b>

### SCHEDULE B : FIXED ASSETS

S.No.	Name of the Assets	GROSS BLOCK				DEPRECIATION			NET BLOCK	
		As at 01/04/2008 Rupees	Additions during the year Rupees	Deduction during the year Rupees	As at 31/03/2009 Rupees	As at 31/03/2008 Rupees	For the year Rupees	As at 31/03/2009 Rupees	As on 31/03/2009 Rupees	As on 31/03/2008 Rupees
1.	Air Conditioner	19,60,797	—	—	19,60,797	11,81,150	1,08,449	12,89,599	6,71,198	7,79,647
2.	Building	2,95,69,440	3,79,788	—	2,99,49,228	1,37,38,529	16,13,578	1,53,52,107	1,45,97,121	1,58,30,910
3.	Computers	48,58,464	3,45,373	—	52,03,837	36,68,758	5,30,771	41,99,529	10,04,308	11,89,706
4.	Electrical Installation	36,58,019	22,124	—	36,80,143	23,62,877	1,80,728	25,43,605	11,36,538	12,95,142
5.	Furniture & Fixtures	67,52,678	4,62,000	—	72,14,678	45,55,002	4,48,200	50,03,202	22,11,476	21,97,676
6.	Office Equipments	12,37,012	4,93,974	—	17,30,986	7,19,450	1,20,572	8,40,022	8,90,964	5,17,562
7.	Workshop Equipments									
	a) Plant & Machinery	85,53,027	—	—	85,53,027	32,74,035	7,34,308	40,06,343	45,44,684	52,78,992
	b) Workshop Tools	32,35,246	2,44,314	—	34,79,560	19,46,024	1,98,069	21,44,093	13,35,467	12,89,222
	Vehicle	43,05,600	76,82,995	—	1,19,88,595	1,88,832	17,12,924	19,01,756	1,00,86,839	41,16,768
	<b>Total</b>	<b>6,41,30,283</b>	<b>96,30,568</b>	<b>—</b>	<b>7,37,60,851</b>	<b>3,16,34,657</b>	<b>56,47,598</b>	<b>3,72,82,255</b>	<b>3,64,78,596</b>	<b>3,24,95,625</b>
	<b>Previous Year</b>	<b>5,40,67,610</b>	<b>1,00,62,671</b>	<b>—</b>	<b>6,41,30,283</b>	<b>2,74,83,853</b>	<b>41,50,804</b>	<b>3,16,34,657</b>	<b>3,24,95,625</b>	<b>2,65,83,757</b>

# USL SHINRAI AUTOMOBILES LIMITED

## Schedules forming part of Accounts for Profit & Loss Account for the year ended 31st March 2009

	For year ended 31st March, 2009 (Rupees)	For year ended 31st March, 2008 (Rupees)
<b>Schedule H : Other Income</b>		
Scrap Sales	5,38,620	8,32,897
Finance Incentives	24,71,623	28,62,014
Insurance commission	85,28,591	55,01,273
Interest Received	1,46,436	5,85,662
Miscellaneous Income	36,26,239	58,49,337
<b>TOTAL</b>	<b>1,53,11,509</b>	<b>1,56,31,183</b>

## Schedule I : Cost of Material Purchases

<b>Cars Purchases :</b>		
Opening Stock	10,71,60,210	8,27,49,995
Add: Purchases	136,82,27,500	155,51,82,594
Less: Closing Stock	5,57,46,631	10,71,60,210
<b>TOTAL</b>	<b>141,96,41,079</b>	<b>153,07,72,379</b>
<b>Accessories Lubricant Spare &amp; Parts Purchases</b>		
Opening Stock	1,20,93,564	1,50,19,773
Opening Stock W-I-P	20,17,035	16,61,842
Add: Purchases	10,61,70,270	10,28,66,918
Less: Closing Stock	95,27,308	1,20,93,564
Closing Stock W-I-P	27,12,381	20,17,035
<b>TOTAL</b>	<b>10,80,41,180</b>	<b>10,54,37,934</b>
<b>TOTAL</b>	<b>152,76,82,259</b>	<b>163,62,10,313</b>

## Schedule J : Direct Expenses

<b>Octroi Charges :</b>		
Car	3,63,95,494	3,67,95,754
Spares	22,57,634	25,59,910
Insurance Charges	2,96,29,671	3,04,16,986
Registration Charges	13,00,03,569	13,47,40,958
Fuel Expenses	12,26,040	14,39,015
Workshop Expenses	84,98,216	85,89,443
Rent Stockyard	12,85,548	9,00,000
Transportation Charges	19,69,931	19,02,794
Sales Tax	20,90,71,792	22,39,19,602
Service Tax	59,52,193	51,43,144
<b>TOTAL</b>	<b>42,62,90,088</b>	<b>44,64,07,606</b>

## Schedule K : Administrative Expenses

Payment to Employees	2,42,18,734	1,98,06,772
Directors Remuneration	27,01,440	13,89,700
Telephone & Trunkcall	10,34,171	8,81,213
Electricity Charges	41,13,149	3,74,670
Repairs & Maintenance		
For P/Mach.	11,32,199	
For Building	3,91,520	
For Others	8,36,637	20,08,377
Auditors Fee		
For Audit	27,575	28,090
For Taxation	11,030	11,236
Office & Miscellaneous	1,16,93,592	1,01,23,265
Rent	2,40,00,000	2,40,00,000
Conveyance & Travelling	8,35,624	8,12,300
<b>TOTAL</b>	<b>7,09,95,671</b>	<b>6,28,07,653</b>

## Schedule L : Selling & Marketing Expenses

Advertisement	26,43,449	17,13,908
Sales Promotion	19,18,946	21,00,099
Event	18,36,730	31,941
Commission on Cars	—	37,40,773
<b>TOTAL</b>	<b>63,99,125</b>	<b>75,86,721</b>

## SCHEDULE: M

### SCHEDULE: M FORMING PART OF ACCOUNT FOR THE YEAR 31<sup>ST</sup> MARCH 2009

#### NOTES ON ACCOUNTS

#### 1) Accounting Policies

##### a) Accounting Convention:

The financial statements are prepared under the historical cost convention, on an accrual basis and in accordance with the generally accepted accounting principles in India, and the relevant provisions of the Companies Act, 1956 of India.

##### b) Revenue Recognition:

Sales are inclusive of sales tax, depot charges, insurance and registration charges.

##### c) Depreciation:

Depreciation is provided on Written down value method (W.D.V) based at the rates and in the manner prescribed in schedule XIV of the Companies Act, 1956. Depreciation on fixed assets is calculated on pro-rata basis from the date of such additions.

##### d) Fixed Assets:

Fixed Assets are stated at cost of acquisition or construction less depreciation.

##### e) Inventories:

- Cars in stock are valued at lower of the cost or net realizable value.
- Spare parts, accessories are valued at lower of the cost or net realizable value. Cost is determined on FIFO method.

##### f) Retirement Benefits:

- Contribution to Provident Fund and Pension Fund are charged to Profit & Loss Account.
- Provision for Gratuity is accounted based on the actual valuation and charged to Profit & Loss Account.
- Provision for Leave Encashment is made on the leave outstanding at the year ended and charged to Profit & Loss Account.

- a) Debit and credit balances including Sundry Debtors and Creditors for which confirmation are not available are subject to adjustment or settlements. Sundry Debtors exceeding six months referred to Schedule "D" are considered good and recoverable.

- The company has given Interest free security deposit to a company listed in the Register maintained u/s.301 of the Companies Act, 1956.

#### 3) Contingent Liabilities not provided for:

Property Tax Payable on the land & premises belonging to the landlord are being disputed by the landlord with Brihanmumbai Municipal Corporation (B.M.C). The additional liability if any in this respect will be accounted for on settlement of the Legal case. The amount in dispute is not determinable.

#### 4) Deferred Taxation

Accounting for taxes on income (AS-22) issued by the Institute of Chartered Accountants of India, has become applicable to the company. Considering carried forward losses and unabsorbed depreciation, company has not recognized any deferred tax asset as there is no virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

#### 5) Managerial Remuneration:

The break-up of Managerial Remuneration paid is:-

Name	Basic Salary	HRA	Convey- ance	Special Allowance	Medical Allowance	P. Fund	Grand Total
Varun Somani	15,12,000	7,56,000	1,80,000	72,000	-	1,81,440	27,01,440

#### 6) Details of Retirement Benefit :

The net value of the defined benefit commitment is detailed below:

	Funded		Non-funded	
	Gratuity	Leave	Gratuity	Leave
Present Value of Commitments	Nil	10,67,585/-	7,30,895/-	
Fair Value of Plans	Nil	Nil	Nil	
Net Liability in the balance sheet	Nil	10,67,585/-	7,30,895/-	

#### 7) Impairment of Fixed Assets

There was no impairment loss on Fixed Assets on the basis of review of carrying cost of the assets carried out by the Management in accordance with Accounting Standard 28 issued by the Institute of Chartered Accountants of India.

# USL SHINRAI AUTOMOBILES LIMITED

**8) Segment Information**

The Company is the Dealer of Toyota Cars and is in the business of servicing of cars incidental to the dealership. Due to the Nature of business and risk and return profile, the business of the company is considered as a single segment and accordingly there are no separate reportable segment as required by the Accounting standard on segment Reporting (AS-17) issued by the ICAI.

**9) Foreign Currency**

Expenditure in foreign currency is Rs.80,700/- USD\$ 1,610/- (Previous year NIL)

**10) Related Party Disclosures**

**A. Related Parties & their Relationship**

**I. Holding Company:**

a) Oricon Enterprises Ltd.

**II. Associate Company**

- a) United Shippers Ltd.
- b) USL Auto Services Ltd.
- c) Elian Trading Corporation
- d) Matrix Insurance
- e) Hindustan Tin Works

**III. Key management Personnel and his/her Relatives**

a) Mr. Varun Somani (Director)  
(Remuneration paid as per note no.5)

**B. Transactions with related Parties – Year Ended March 31, 2009**

Particulars	Holding Co.	Associate Company	Total Company
Unsecured Loan opening Bal.	9,50,00,000	—	9,50,00,000
Loan taken during the year	2,15,00,000	4,00,00,000	6,15,00,000
Loan repaid during the year	6,15,00,000	—	6,15,00,000
Rent Paid	2,40,00,000	—	2,40,00,000
Sales of Goods, Services & Facilities	1,02,613	3,71,362	4,73,975
<b>Balance with Related Parties</b>			
Debtors	1,10,950	3,04,376	4,15,326
Unsecured Loan	5,50,00,000	4,00,00,000	9,50,00,000
Interest	12,83,930	11,44,208	24,28,138
Creditors	19,11,420	—	(19,11,420)
Deposit (receivable)	2,10,00,000	—	2,10,00,000

**11) Income Tax**

The Assessment from Income tax department is completed till A.Y. 2006-2007. In view of the carried forward losses under the Income Tax Act, no provision for Income Tax has been made.

**12) Sales Tax**

Sales tax assessment is completed till A. Y. 2005-2006. The payment towards sales tax due is being regularly paid on due date.

**13) Additional information pursuant to paragraphs 4(c) and 4(d) of part II of schedule VI of the Companies Act, 1956.**

**a) Stock and Turnover:**

	For the year ended 31 <sup>st</sup> MARCH, 2009		For the year ended 31 <sup>st</sup> MARCH, 2008	
	QTY. Nos.	VALUE Rs.	QTY. Nos.	VALUE Rs.
<b>A. TURNOVER</b>				
Cars	1600	18,53,355,472	1787	19,86,057,948
Spares Parts (*)		12,21,29,023		10,04,36,601
Accessories (*)		2,49,67,576		2,54,70,241
Lubricants (*)		1,29,80,897		1,25,16,375
<b>B. PURCHASES</b>				
Cars	1534	13,68,227,500	1818	15,55,182,594
Spares Parts (*)		8,36,15,250		7,64,37,823
Accessories (*)		1,31,77,265		1,22,32,934
Lubricants (*)		93,77,755		79,37,758
<b>C. OPENING STOCK</b>				
Cars	125	1,07,160,210	94	8,27,49,995
Spares Parts (*)		1,21,90,083		1,39,88,099
Accessories (*)		15,98,276		19,45,474
Lubricants (*)		3,22,240		4,70,644
<b>D. CLOSING STOCK</b>				
Cars	59	5,57,46,631	125	10,71,60,210
Spares Part)		76,15,857		1,21,90,083
Accessories (*)		15,03,502		15,98,276
Lubricants (*)		4,07,949		3,22,240

(\*) Consists of various items and hence quantitative details not possible.

b) Previous year figures have been regrouped, rearranged wherever necessary.

As per our report of even date attached.

For and on behalf of the Board

**BATLIBOI & PUROHIT**

Chartered Accountants

**SEVANTILAL J. PAREKH** Chairman

**(K.A. Mehta)**

Partner

**VARUN S. SOMANI** Director

Membership No. : 111749

Place : Mumbai

Date : 22nd June, 2009

# USL SHINRAI AUTOMOBILES LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH' 2009

	For the year ended 31 <sup>st</sup> March 2009 (Rs. in lacs)	For the year ended 31 <sup>st</sup> March 2008 (Rs. in lacs)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit / (Loss) before taxes	(77.48)	4.20
Adjustment for:		
Depreciation	56.47	41.50
Interest Expenses	365.93	242.63
<b>Operating Profit before Working capital changes</b>	<b>344.92</b>	<b>288.33</b>
(Increase) \ Decrease in sundry Debtors	1,056.15	(274.37)
(Increase) \ Decrease in Inventories	532.84	(218.39)
Increase \ (Decrease) in sundry creditors	99.10	102.69
(Increase) \ Decrease in Loans & Advances	(996.89)	(88.20)
<b>Cash generated from operations</b>	<b>1,036.12</b>	<b>(189.94)</b>
Less :- Fringe Benefit Tax	(3.69)	(3.16)
<b>Net Cash from operating activities (A)</b>	<b>1,032.43</b>	<b>(193.10)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(96.30)	(100.63)
<b>Net cash from investing activities (B)</b>	<b>(96.30)</b>	<b>(100.63)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from short term borrowing	400.00	0.00
Repayment of Short term borrowing	(874.54)	435.56
Interest Paid	(332.16)	(154.63)
<b>Net Cash from financing activities (C)</b>	<b>(806.70)</b>	<b>280.93</b>
<b>Net Changes In cash &amp; cash equivalent (A+B+C)</b>	<b>129.43</b>	<b>(12.80)</b>
<b>Net Increase / (Decrease) in cash &amp; cash Equivalent:</b>		
<b>Cash &amp; cash equivalent at beginning of period</b>	<b>167.17</b>	<b>179.96</b>
<b>Cash &amp; cash equivalent as at 31st March</b>	<b>296.60</b>	<b>167.16</b>
	<b>129.43</b>	<b>(12.80)</b>

As per our report of even date attached.

For and on behalf of

**BATLIBOI & PUROHIT**

Chartered Accountants

(K.A. Mehta)

Partner

Membership No. : 111749

Place : Mumbai

Date : 22nd June, 2009

For and on behalf of the Board

**SEVANTILAL J. PAREKH**

Chairman

**VARUN S. SOMANI**

Director

## ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF

### SCHEDULE VI TO THE COMPANIES ACT, 1956

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

<b>I Registration Details</b>	
Registration No.	011-122386
State Code	11
Balance Sheet Date	31-Mar-2009
<b>II Capital Raised During the Year :</b>	<b>(Amount in Rs. Thousand)</b>
Public Issue	NIL
Right Issue	NIL
Bonus Issue	NIL
Private Placement	NIL
<b>III Position of Mobilisation and Deployment of Funds :</b>	<b>(Amount in Rs. Thousand)</b>
Total Liabilities	273747
Total Assets	273747
<b>Sources of Funds</b>	
Paid-up Capital	1000
Reserves and Surplus	NIL
Secured Loans	175319
Unsecured Loans	97428
Deferred Credit	-
<b>Application of Funds</b>	
Net Fixed Assets	36478
Investments	NIL
Net Current Assets	198806
Misc. Expenditure	NIL
Accumulated Losses	38463
<b>IV Performance of Company :</b>	
Turnover	2065860
Total Expenditure	2073608
Profit/(Loss) Before Tax	(7748)
Earnings per Share (Rs.)	(77)
Dividend Rate (%)	-
<b>V Generic Names of Three Principal Products/Service of Company (as per monetary terms) :</b>	
Item Code (ITC Code)	-
Product Description	Cars
Item Code (ITC Code)	-
Product Description	Service Station

# USL AUTO SERVICES LIMITED

## DIRECTORS' REPORT

To,  
The Members.

Your Directors are pleased to present the **Fifth** Annual Report together with the audited Balance Sheet and the Profit & Loss Account for the year ended 31<sup>st</sup> March, 2009.

### **FINANCIAL RESULTS :**

Company has incurred a loss of Rs. 17,621/- for the year ended 31<sup>st</sup> March, 2009 as against loss of Rs. 29,171/- incurred for the previous year.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE :**

Particulars in respect of conservation of energy, technology absorption have not been given in view of the nature of the business.

There were no foreign exchange earning and outgo during the year.

### **RESPONSIBILITY STATEMENT :**

We, the Directors of USL Auto Services Limited, confirm the following :

- a) that in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- b) that they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31<sup>st</sup> March, 2009, and of the loss of the Company for that period;
- c) that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) that they have prepared the annual accounts on a going concern basis.

### **DIRECTOR :**

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company Mr. Varun Somani retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

The Board acknowledges the valuable contributions of Mr. Sunil S. Parekh, Director, whom the company lost in the terror attack of 26/11/08 in Mumbai.

### **PARTICULARS OF EMPLOYEES :**

The Company does not have any employee whose particulars are required to be given pursuant to the provisions of section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

### **AUDITORS :**

The Company's Auditors Mukesh M. Lotia & CO. retire at ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

For and on behalf of the Board,

S. J. Parekh      Varun Somani  
Director          Director

Mumbai  
22nd June, 2009

## AUDITORS' REPORT

TO THE MEMBERS,

We have audited the attached Balance Sheet of M/s. **USL AUTO SERVICES LIMITED** as at 31<sup>st</sup> March, 2009 and the Profit and Loss Account for the year ended on that date annexed thereto, which we have signed under reference to this report. 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.

We have 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditors' Report) Order 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we report that :
  - I. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - II. 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;
  - III. The Balance Sheet, Profit & Loss Account dealt with by this report are in agreement with the books of account.
  - IV. In our opinion the Balance Sheet, and Profit & Loss Account dealt with by this report comply with the mandatory Accounting Standards referred in sub-section (3C) of section 211 of the Companies Act, 1956;
  - V. In our opinion, and based on information and explanations given to us, none of the directors are dis-qualified as on 31<sup>st</sup> March, 2008 from being appointed as directors in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
  - VI. In our opinion and to the best of our information and according to the explanations give to us, the said accounts read together with the Significant Accounting Policies and other 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.
    - a) In the case of Balance Sheet, of the state of Affairs, of the Company as at 31<sup>st</sup> March, 2009.
    - b) In the case of the Profit and Loss Account of the Loss of the Company for the year ended on that date.
    - c) In the case of cash flow statement the same is not applicable.

For Mukesh M. Lotia & Co.  
Chartered Accountants

Place : Mumbai  
Date : 22nd June, 2009

M. M. Lotia  
Proprietor  
(Membership No. 034371)

## ANNEXURE TO THE AUDITORS' REPORT

Statement referred to in our Report of even date to the members of the **M/s. USL AUTO SERVICES LIMITED** on the accounts for the year ended 31st March, 2009.

- i. The Company has no Fixed Assets and hence provisions of clause No. (4) (i) regarding maintenance of proper records, physical verification, etc of the fixed assets is not applicable.
- ii. The Company is not carrying any inventory of raw materials, stores & spares etc. hence provisions of clause No. (4) (ii) is not applicable.
- iii. The Company has not taken/granted any secured or unsecured loans from / to any companies / firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. According to the information and explanations provide by the management, we are of the opinion that there are no loans secured/unsecured taken / granted that need to be entered in to the register maintained under section 301. Accordingly, the clause (iii) of the order is not applicable.
- iv) 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. during the course of audit, no major weakness has been noticed in these internal controls.
- v) a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered in to the register maintained under Section 301 of the Companies Act, 1956 have been so entered.  
b) According to information and explanations given to us, the transaction on pursuance of contract or arrangements entered in the register maintained under section 301 of the companies act, 1956 during the year have been made at prices which are reasonable having regards to prevailing market prices at the relevant time.
- vi) The Company has not accepted deposits from the public and the provisions of section 58A, 58AA and other relevant act are not applicable to the company.
- vii) In our opinion, the Company does not have an internal audit system.
- viii) As the Govt. has not prescribed maintenance of cost records to the company, clause 4 (viii) pertaining to the same is not applicable.
- ix) According to the records of the company and information and explanations given to us, the Company has deposited statutory dues including, Cess and other Statutory dues with the appropriate authorities during the year.
- x) As this is the fourth year since registration of the company the clause relating to accumulated losses is not applicable.
- xi) As the company has not obtained any loan from a financial institution or Bank nor has issued any debentures, clause 4 (xi) is not applicable.
- xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, considering the nature of activities carried on by the Company during the period, the provisions of any special statute applicable to chit fund / mutual benefit fund / societies are not applicable to it.
- xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investment. Accordingly, the provision of clause 4 (xiv) of the companies (Auditors' Report) order 2003 are not applicable to the company.
- xv) The Company has not given any guarantee for the loans taken by others from banks or financial institutions.
- xvi) The company did not have any term loans obtained / outstanding during the period.
- xvii) Based on the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no short term funds raised by the Company have been applied towards long term assets / investments.
- 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 Act during the period.
- xix) The company has not raised any money by public issue during the period.
- xx) The company did not have any outstanding debentures during the period.
- xxi) During the course of our examination of the books of accounts carried out in accordance with the generally accepted auditing practice in India, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

**For Mukesh M. Lotia & Co.  
Chartered Accountants**

**M. M. Lotia  
Proprietor  
(Membership No. 034371)**

Place : Mumbai  
Date : 22nd June, 2009

# USL AUTO SERVICES LIMITED

## BALANCE SHEET AS AT 31st MARCH, 2009

	Schedule	As at 31/3/2009 (Rupees)	As at 31/3/2008 (Rupees)
<b>SOURCES OF FUNDS:</b>			
<b>SHAREHOLDERS' FUNDS:</b>			
Share Capital:	A	5,00,000	5,00,000
<b>TOTAL</b>		<b>5,00,000</b>	<b>5,00,000</b>
<b>APPLICATION OF FUNDS:</b>			
<b>CURRENT ASSETS</b>			
Sundry Debtors	B	NIL	NIL
Cash on hand		935	935
Bank Balances with schedule bank in current A/c.		5,547	12,586
		6,482	13,521
<b>Loans &amp; Advances:</b>	C	3,57,304	3,65,304
		3,63,786	3,78,825
<b>Less: Current Liabilities &amp; Provisions:</b>	D	2,75,965	2,75,910
<b>NET CURRENT ASSETS</b>		<b>67,631</b>	<b>1,02,915</b>
<b>MISCELLANEOUS EXPENDITURE</b> (to the extent not written off or adjusted)	E	12,885	15,222
<b>DEBIT BALANCE IN PROFIT &amp; LOSS ACCOUNT</b>		<b>3,99,484</b>	<b>3,81,863</b>
<b>TOTAL</b>		<b>5,00,000</b>	<b>5,00,000</b>
<i>Notes forming part of Accounts</i>	G		

As per our report of even date attached. For and on behalf of the Board  
For and on behalf of  
**For MUKESH M. LOTIA & CO.**  
Chartered Accountants

**SEVANTILAL J. PAREKH** Director

**(MUKESH M. LOTIA)**  
Proprietor  
Membership No. : 034371

**VARUN S. SOMANI** Director

Place : Mumbai  
Date : 22nd June, 2009

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2009

	Schedule	Year ended 31.03.2009 (Rupees)	Year ended 31.03.2008 (Rupees)
<b>INCOME:</b>			
Other Income		—	—
<b>TOTAL (A)</b>		—	—
<b>EXPENDITURE:</b>			
Administrative Expenses	F	10,084	21,634
<b>Auditor's Remuneration :</b>			
Audit Fees		5,000	5,000
Preliminary Expenses Written off		2,537	2,537
<b>TOTAL (B)</b>		17,621	29,171
<b>PROFIT / (LOSS) FOR THE YEAR TOTAL (A-B)</b>		<b>(17,621)</b>	<b>(29,171)</b>
Provision for Fringe benefit tax		—	—
<b>PROFIT (LOSS) BROUGHT FORWARD FROM LAST YEAR</b>		<b>(3,81,863)</b>	<b>(3,52,692)</b>
<b>PROFIT &amp; (LOSS) CARRIED TO BALANCE SHEET</b>		<b>(3,99,484)</b>	<b>(3,81,863)</b>
<b>Earning per share</b>		<b>(0.35)</b>	<b>(0.58)</b>

*Notes forming part of Accounts* G

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As per our report of even date attached. For and on behalf of the Board  
For and on behalf of  
**For MUKESH M. LOTIA & CO.**  
Chartered Accountants

**SEVANTILAL J. PAREKH** Director

**(MUKESH M. LOTIA)**  
Proprietor  
Membership No. : 034371

**VARUN S. SOMANI** Director

Place : Mumbai  
Date : 22nd June, 2009



# USL AUTO SERVICES LIMITED

## Schedules 'A' to 'E' forming part of the Balance Sheet

### Schedule A : Share Capital

	As at 31.03.2009 (Rupees)	As at 31.03.2008 (Rupees)
<b>Authorised :</b>		
50,000 equity shares of Rs. 10/- each	5,00,000	5,00,000
<b>Issued, Subscribed and Paid-up Capital :</b>		
50,000 equity shares of Rs. 10/- each fully paid up (All shares are held by Holding Company- Oricon Enterprises Ltd.)	5,00,000	5,00,000

### Schedule B : Sundry Debtors considered good

	Nil	Nil
More than six months	Nil	Nil
Other	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>

### Schedule C : Loans & Advances - considered good

Fringe Benefit Tax - Advance	1,04,637	1,04,637
Security Deposit	5,000	5,000
Tax Deducted At Source	2,41,667	2,41,667
Prepaid Expenses	6,000	14,000
<b>Total</b>	<b>3,57,304</b>	<b>3,65,304</b>

### Schedule D : Current Liabilities & Provision

<b>Sundry Creditors :</b>		
For Expenses	1,70,574	1,56,604
Duties & Taxes	—	1,925
Provision - Fringe Benefit Tax	1,05,381	1,05,381
Salary Payable	—	12,000
<b>Total</b>	<b>2,75,955</b>	<b>2,75,910</b>

### Schedule E : Miscellaneous Expenditure (to the extent not written off or adjusted)

Preliminary expenses	15,222	17,759
Less : Written off during the period	2,537	2,537
<b>Total</b>	<b>12,685</b>	<b>15,222</b>

## Schedule 'F' forming part of the Profit and Loss Account

### Schedule F : Administrative Expenses

	For the year ended 31.03.2009 (Rupees)	For the year ended 31.03.2008 (Rupees)
Employees Remuneration and other benefits	—	12,000
Telephone expenses	—	7,459
Office and Miscellaneous Expenses	10,084	2,000
Travelling & Conveyance	—	175
<b>TOTAL</b>	<b>10,084</b>	<b>21,634</b>

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH' 2009

	For the year ended 31st March, 2009 (Rupees)	For the year ended 31st March 2008 (Rupees)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit / (Loss) before taxes</b>	<b>(17,621.00)</b>	<b>(29,171.00)</b>
Adjustment for:		
Preliminary Expenses	2,537.00	2,537.00
<b>Operating Profit before Working capital changes</b>	<b>(15,084.00)</b>	<b>(26,634.00)</b>
(Increase) \ Decrease in sundry Debtors	0.00	1,03,822.00
Increase \ (Decrease) in sundry creditors	45.00	(17,59,376.00)
Increase \ (Decrease) in Loan & Advances	8,000.00	(35,944.00)
<b>Cash generated from operations</b>	<b>(7,039.00)</b>	<b>(17,18,132.00)</b>
<b>Net Cash from operating activities (A)</b>	<b>(7,039.00)</b>	<b>(17,18,132.00)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	0.00	0.00
<b>Net cash from investing activities (B)</b>	<b>0.00</b>	<b>0.00</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from short term borrowing	0.00	0.00
Repayment of Short term borrowing	0.00	0.00
Interest Paid	0.00	0.00
<b>Net Cash from financing activities (C)</b>	<b>0.00</b>	<b>0.00</b>
<b>Net Changes in cash &amp; cash equivalent (A+B+C)</b>	<b>(7,039.00)</b>	<b>(17,18,132.00)</b>
<b>Net Increase / (Decrease) in cash &amp; cash Equivalent :</b>		
<b>Cash &amp; cash equivalent at beginning of period</b>	<b>13,521.00</b>	<b>17,31,653.00</b>
<b>Cash &amp; cash equivalent as at 31st March</b>	<b>6,481.94</b>	<b>13,521.00</b>
	<b>(7,039.06)</b>	<b>(17,18,132.00)</b>

As per our report of even date attached.

For and on behalf of the Board

For **MUKESH M. LOTIA & CO.**

Chartered Accountants

**SEVANTILAL J. PAREKH** Chairman

**(MUKESH M. LOTIA)**

Proprietor  
Membership No. : 034371

**VARUN S. SOMANI** Director

Place : Mumbai

Date : 22nd June, 2009

# USL AUTO SERVICES LIMITED

## SCHEDULE : G

Notes on Accounts forming part of Balance Sheet as at 31.03.2009 and also Profit and Loss Account for the year ended on that date.

### 1) Major Accounting Policies

#### a) System of Accounting :

i) The Company follows accrual system of accounting except in cases of significant uncertainties.

#### b) Retirement Benefits :

i) Company has no liability for Gratuity, Leave Encashment as this is the fifth year since registration.

### 2) Deferred Taxation :

This is the fifth year of the company and therefore there are no deferred income tax on account of timing differences which is accounted for by applying the tax rate & laws enacted or substantially enacted as of the Balance Sheet date.

3) Expenses are shown net of recovery, wherever applicable.

### 4) Related party Transaction:

a) Related parties and nature of relationship where control exists:

Sr. No.	Name of Related Party	Nature of Relationship	Particulars
1	USL Shinrai Automobiles Ltd.	Associate Company	—
2	Shri. Sevantilal J. Parekh	Director	—
3	Shri. Sunil S. Parekh (upto 26th November 2008)	Director	—

5) As the company does not carry on any manufacturing, activity, particulars as required by 4(c) and 4(d) of part II of schedule VI of the Companies Act, 1956 has not been given.

6) Previous year figures have been regrouped, rearranged wherever necessary.

## ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

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

#### I Registration Details

Registration No. 11-149394  
State Code  
Balance Sheet Date 31-Mar-2009

#### II Capital Raised During the Year :

(Amount in Rs. Thousand)

Public Issue NIL  
Right Issue NIL  
Bonus Issue NIL  
Private Placement NIL

#### III Position of Mobilisation and Deployment of Funds :(Amount in Rs. Thousand)

Total Liabilities 500  
Total Assets 500

#### Sources of Funds

Paid-up Capital 500  
Reserves and Surplus NIL  
Secured Loans NIL  
Unsecured Loans NIL  
Deferred Credit —

#### Application of Funds

Net Fixed Assets NIL  
Investments 88  
Net Current Assets 13  
Misc. Expenditure 399  
Accumulated Losses

#### IV Performance of Company :

Turnover 0  
Total Expenditure 18  
Profit/(Loss) Before Tax (18)  
Earnings per Share (Rs.) (0)  
Dividend Rate (%) —

#### V Generic Names of Three Principal Products/Service of Company (as per monetary terms) :

Item Code (ITC Code) —  
Product Description  
Item Code (ITC Code) —  
Product Description

As per our report of even date attached.

For MUKESH M. LOTIA & CO.

Chartered Accountants

(MUKESH M. LOTIA)

Proprietor

Membership No. : 034371

Place : Mumbai

Date : 22nd June, 2009

For and on behalf of the Board

SEVANTILAL J. PAREKH Chairman

VARUN S. SOMANI Director

For and on behalf of the Board

SEVANTILAL J. PAREKH Director

VARUN S. SOMANI Director

Place : Mumbai

Date : 22nd June, 2009



Regd. Office : 1076, Dr.E.Moses Road, Worli, Mumbai - 400 018

**ATTENDANCE SLIP**

Please complete this attendance slip and hand it over at the Entrance of the Hall.

I/We hereby record my presence at **Thirty Ninth** Annual General Meeting of the Company, on **Saturday, September 12, 2009** at 10.00 a.m. at Shri S. K. Somani Memorial Hall, Hindi Vidya Bhavan, 79, Marine Drive, Mumbai-400 002.

Full name of the Shareholder in Block Letters \_\_\_\_\_

Folio No : \_\_\_\_\_

DPID No.: \_\_\_\_\_

Client I.D. No. : \_\_\_\_\_

Name of Proxyholder \_\_\_\_\_

\_\_\_\_\_  
Signature of Proxyholder

\_\_\_\_\_  
Signature of the Shareholder

**ORICON ENTERPRISES LTD.**

Regd. Office: 1076, Dr. E. Moses Road, Worli, Mumbai 400 018.

**PROXY FORM**

I/We \_\_\_\_\_  
of \_\_\_\_\_ in the district of \_\_\_\_\_ being a  
Member/Members of the above-named Company, hereby appoint Shri \_\_\_\_\_  
of \_\_\_\_\_ in the district of \_\_\_\_\_  
or failing him Shri \_\_\_\_\_ of \_\_\_\_\_  
in the district of \_\_\_\_\_

\_\_\_\_\_ as my /our Proxy to vote for me/us and on my/our behalf  
at **Thirty Ninth** Annual General Meeting of the Company to be held on **Saturday, September 12, 2009** at 10.00 a.m. at  
Shri S. K. Somani Memorial Hall, Hindi Vidya Bhavan, 79, Marine Drive, Mumbai-400 002 and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2009.

Affix  
Re. 1  
Revenue  
Stamp

Signature

Folio No. : \_\_\_\_\_

DPID No. : \_\_\_\_\_

Client ID No. : \_\_\_\_\_

**NOTE:** The proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the Meeting.

**BOOK-POST**



*If undelivered, please return to:*



1076, Dr. E. Moses Road, Worli, Mumbai - 400 018.

Saroj Indl. Co-op. Prod. Soc. Ltd.  
2309 1252, 2308 3635