



Catalysing better tomorrows.....

**VASUNDHARA RASAYANS LIMITED**

**Annual Report 2008-09**

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**VASUNDHARA RASAYANS LIMITED**

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SHRI. PRAKASH CHAND JAIN

SHRI. SANJAY KUMAR JAIN

SHRI. SUNIL KUMAR JAIN

SHRI. R/ JESH POKERNA

SHRI. RAJESH KUMAR JAIN

SHRI. PRAVIN P.MAJMUMDAR

SHRI. RAJIV PRITIDAS KAKODKAR

SHRI. Dr. PARAG ASHOK SHARMA

SHRI. RAJA JAIN

SHRI. SUJIT KUMAR JAIN

MANAGING DIRECTOR

EXECUTIVE DIRECTOR

WHOLE TIME DIRECTOR

WHOLE TIME DIRECTOR

DIRECTOR

DIRECTOR

DIRECTOR

DIRECTOR

DIRECTOR

DIRECTOR

**BANKERS**

STATE BANK OF INDIA

DADAR BRANCH, MUMBAI

**AUDITORS**

M/S. AGARWAL GUPTA NOKARI &

RUSTAGI ASSOCIATES

12, Waterloo Street

KOLKATA -700 069

**REGISTERED OFFICE**

SHED NO.42, PHASE II, IDA,

MALLAPUR,

HYDERABAD-500 076.

**FACTORY**

C-104, MIDC Industrial Area

Mahad, (Dist. Raigad)

MAHARASHTRA.

**REGISTRAR & SHARE TRANSFER AGENT**

CIL SECURITIES LTD

214 Raghavaratna Towers

Chirag Ali Lane, Abids

HYDERABAD-500001

**NOTICE**

**NOTICE IS HEREBY GIVEN THAT** the 22<sup>nd</sup> Annual General Meeting of the Members of VASUNDHARA RASAYANS LIMITED will be held at its Registered Office of the company at Shed No.42, Phase II, IDA, Mallapur, Hyderabad – 500 076 on Wednesday, 30<sup>th</sup> day of September, 2009 at 11.30 A.M. to transact the following business:

**AS ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009 and Profit & Loss Account for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To appoint Director in place of Shri Parag Ashok Sharma who retires by rotation, and is eligible for reappointment.
3. To appoint Auditors to hold the Office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting and to fix their remuneration.

**AS SPECIAL BUSINESS:**

4. To Consider and if deemed fit to pass with or without any modification(s) the following resolution as Ordinary resolution:

“Resolved that pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions if any, of the Companies Act 1956 read with Schedule XIII thereto, consent of the shareholders of the Company, be and is hereby accorded to the payment of remuneration to Shri. Prakash Chand Jain, Managing Director with effect from 1st April, 2008 at Rs.40,000.p.m.”

5. To Consider and if deemed fit to pass with or without any modification(s) the following resolution as Ordinary resolution:

“Resolved that pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions if any, of the Companies Act 1956 read with Schedule XIII thereto, consent of the shareholders of the Company, be and is hereby accorded to the payment of remuneration to Shri. Sanjay Kumar Jain, Executive Director with effect from 1st April, 2008 at Rs.10,000.p.m.”

6. To Consider and if deemed fit to pass with or without any modification(s) the following resolution as Ordinary resolution:

“Resolved that pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions if any, of the Companies Act 1956 read with Schedule XIII thereto, consent of the shareholders of the Company, be and is hereby accorded to the appointment of Shri Sunil Kumar Jain as *Whole Time Director* for a period of five years with effect from 1st April, 2008 and payment of remuneration of Rs.25,000 p.m to him.”

7. To Consider and if deemed fit to pass with or without any modification(s) the following resolution as Ordinary resolution:

“Resolved that pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions if any, of the Companies Act 1956 read with Schedule XIII thereto, consent of the shareholders of the Company, be and is hereby accorded to the appointment of Shri Rajesh Pokerna as *Whole Time Director* for a period of five years with effect from 1st April, 2008 and payment of remuneration of Rs.50,000 p.m to him.”

**REGISTERED OFFICE**  
Shed No.42, Phase II, IDA,  
Mallapur,  
Hyderabad - 500 076,  
Andhra Pradesh.

BY ORDER OF THE BOARD OF DIRECTORS

**(PRAKASH CHAND JAIN)**  
Managing Director

Dated this 2<sup>nd</sup> day of Sept, 2009.

### NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and to vote instead of himself and a proxy need not be a member of the Company. The proxies in order to be effective must be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the meeting.
2. The register of members and share transfer book of the Company will remain closed from 23.09.2009 to 26.09.2009 (both days inclusive).
3. Members are requested to:
  - i) Intimate change, if any, in their registered addresses at an early date.
  - ii) Quote Investor Registration No./Counter Receipt No./Regd.Folio No. in all their correspondence.
  - iii) Bring their copies of the Annual Reports and the Attendance Slips with them at the Annual General Meeting.
  - iv) Write to the Company's Registrars & Share Transfer Agents, M/s CIL Securities Ltd enclosing their share certificates for consolidation into one folio for better services, if they have more than one folio in identical order of name(s).

**EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 173(2) OF THE COMPANIES ACT, 1956**

**ITEM NO. 4**

The Board of Directors in its meeting held on 01.04.2008 have considered payment of remuneration to Shri Prakash Chand Jain , Managing Director of the Company for taking active part in the day-to-day affairs of the Company, subject however to the ratification and approval of the shareholders of the Company in the ensuing general meeting.

Your Directors recommend the Resolution for approval.

None of the Directors of the Company except Shri Prakash Chand Jain is concerned or interested in the Resolution.

**ITEM NO. 5**

The Board of Directors in its meeting held on 01.04.2008 have considered payment of remuneration to Shri Sanjay Kumar Jain, Executive Director of the Company for taking active part in the day-to-day affairs of the Company, subject however to the ratification and approval of the shareholders of the Company in the ensuing general meeting.

Your Directors recommend the Resolution for approval.

None of the Directors of the Company except Shri Sanjay Kumar Jain is concerned or interested in the Resolution.

**ITEM NO. 6**

The Board of Directors in its meeting held on 01.04.2008 have considered appointment of Shri Sunil Kumar Jain as Whole Time Director of the Company for taking active part in the day-to-day affairs of the Company and payment of remuneration to him, subject however to the ratification and approval of the shareholders of the Company in the ensuing general meeting.

Your Directors recommend the Resolution for approval.

None of the Directors of the Company except Shri Sunil Kumar Jain is concerned or interested in the Resolution.

**ITEM NO. 7**

The Board of Directors in its meeting held on 01.04.2008 have considered appointment of Shri Rajesh Pokerna as Whole Time Director of the Company for taking active part in the day-to-day affairs of the Company and payment of remuneration to him, subject however to the ratification and approval of the shareholders of the Company in the ensuing general meeting.

Your Directors recommend the Resolution for approval.

None of the Directors of the Company except Shri Rajesh Pokerna is concerned or interested in the Resolution.

**REGISTERED OFFICE**  
Shed No.42, Phase II, IDA,  
Mallapur,  
Hyderabad - 500 076,  
Andhra Pradesh.

BY ORDER OF THE BOARD OF DIRECTORS

**(PRAKASH CHAND JAIN)**  
Managing Director

Dated this 2<sup>nd</sup> day of Sept, 2009.

**DIRECTOR'S REPORT**

Your Directors have pleasure in presenting the 22<sup>nd</sup> Annual Report and Audited Accounts of your Company for the year ended 31st March, 2009.

**1. YOUR COMPANY'S SUMMARISED FINANCIAL RESULTS ARE AS UNDER:**

(Rupees in thousands)

	<b>CURRENT YEAR ENDED 31.03.2009</b>	<b>PREVIOUS YEAR ENDED 31.3.2008</b>
Turnover	157127	84446
Other Income	2465	1078
Gross Profit/(Loss) before interest, depreciation & taxation	18699	8150
Interest	2177	2682
Profit before Depreciation & taxation	16522	5468
Depreciation	5193	5167
Profit/(Loss) before Taxation	11328	301
Provision for Taxation (Including Provision for Fringe benefit Tax Previous Year)	2179	(38)
Deferred tax	881	(749)
Proposed Dividend	3178	
Tax on Proposed Dividend	.540	
Net Profit after Taxation	4550	(486)

**2. OPERATIONS**

During the year under review the turnover of the Company Rs. 1571.27 Lacs in comparison to the previous year's figure at Rs. 844.46 Lacs.

The company has achieved net profit after tax and dividend which is reported at Rs. 4550 lacs in comparison to loss of Rs. 4.86 lacs in the previous year. The company has been trying hard to reduce the interest and other costs and to get more profits. In future after adopting all cost cutting measures and by improving its overall sales the company is hopeful of performing much better and improves its profitability accordingly.

**3. DIVIDEND**

Your Directors are proposed 10% dividend during the year.

#### **4. FINANCIAL ACTIVITIES**

Even though the company needs more working capital to meet with the production and supply against orders in hand, the company is managing with its present level of working capital facilities.

#### **5. DIRECTORS**

In accordance with the provision of the Companies Act, 1956 and the Articles of Association of the Company Shri Parag Ashok Sharma, Director, retires by rotation at the ensuing Annual General Meeting of your Company and being eligible, offers himself for re-appointment .

#### **6. AUDITORS**

M/s Agarwal Gupta Nokari & Rustagi Associates, Chartered Accountants, Auditors of the Company hold office till the conclusion of the ensuing Annual General Meeting. The Auditors have furnished a certificate, under section 224(1) of the Companies Act, 1956, of their eligibility for re-appointment, therefore Your Directors recommend M/s Agarwal Gupta Nokari & Rustagi Associates, Chartered Accountants for appointment as your Company's Statutory Auditors from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting.

#### **7. CORPORATE GOVERNANCE**

Your Company is committed to business integrity, high ethical values and professionalism in all its activities. As an essential part of this commitment, the Board of Directors support high standards in corporate governance. A separate report on Corporate Governance along with the certificate of the Auditors, M/s Agarwal, Gupta & Nokari & Rustagi Associates, confirming compliance of the conditions of corporate governance, as stipulated under clause 49 of Listing Agreements entered into with the Stock Exchanges is annexed.

#### **8. DEPOSITS**

During the year under review, your Company has not accepted any deposits.

#### **9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EARNINGS AND OUTGO**

Additional information on conservation of Energy, Technology absorption and foreign exchange earnings and outgo as required to be disclosed in terms of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is set out in Annexure and forms part of this report.

#### **10. PARTICULARS OF EMPLOYEES**

None of the employees is drawing remuneration in excess of the ceiling laid down under the provision of Section 217 (2) (A) of the Companies Act, 1956 as amended read with the Companies (particulars of Employees) Rules, 1975.

#### **11. DIRECTORS RESPONSIBILITY STATEMENT**

In compliance of recently introduced Section 217 (2AA) in the Companies Act, 1956, your Directors state that:

- i) That in the preparation of the Annual Accounts, the applicable accounting standards have been followed and there has been no material departure;
- ii) That the selected accounting policies were applied consistently and the Directors 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 as at 31st March, 2009 and of the loss of the Company for the year ended on that date;
- iii) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) That the Annual Accounts have been prepared on a going concern basis.

**12. ACKNOWLEDGEMENTS**

The Directors wish to place on record their sincere thanks and gratitude to the State Bank of India for their continued assistance and co-operation, and the customers for their continued support and patronage.

**For and on behalf of Board of Directors**

**PRAKASH CHAND JAIN**  
**Managing Director**

**Place: Secunderabad**

**Date :- 2<sup>nd</sup> Sept, 2009.**



**ANNEXURE TO THE DIRECTOR'S REPORT**

Information under Section 217(i)(e) of Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of Director's Report for the year ended 31st March, 2009.

**A. CONSERVATION OF ENERGY**

The basic engineering design of the Plant is based on optimum consumption and provision has been made to conserve energy to the maximum possible extent which would reduce the liability on energy bills.

**B. TECHNOLOGY ABSORPTION****i) RESEARCH AND DEVELOPMENT**

1. Specific areas in which R&D carried out by the Company:  
Improvement and up gradation in quality, productivity and process efficiency, Development of new applications for utilization of our products and development of new products.
2. Benefits derived as a result of the above R&D:  
Improvement in quality of products, production efficiency and wider application of products manufactured by the Company.
3. R & D Expenditure:
  - a) Capital : NIL
  - b) Recurring expenditure : NIL
4. Future plan of action:  
Improvement in quality of products and process, production efficiency, better product mix, reduction in power and fuel consumption and wider application of the products manufactured by the Company.

**ii) TECHNOLOGY ABSORPTION, ADAPTATION AND INTIMATION**

For the Company's existing product line there is no technical collaboration.

**C. FOREIGN EXCHANGE EARNINGS AND OUT GO**

Outgo: Rs. NIL

Earnings: Rs. 9,15,26,879

**CORPORATE GOVERNANCE REPORT****1. Company's philosophy on Code of Corporate Governance:**

Vasundhara Rasayans Limited is committed to business integrity and high ethical values. The Company firmly believes in good corporate governance as implementation of the principles of Corporate Governance would encourage the process of collective thinking and bring about professionalisation of corporate management. It would also partially decentralise the responsibility of decision-making. All stakeholders, including shareholders, employees, creditors, customers, suppliers, Government and public at large will benefit by the transparency in and professionalisation of corporate management.

**2. Board of Directors:****Composition of the Board**

The total strength of the Board is Ten.

**Directors' Attendance record and directorship**

Sl. No.	Name of the Director	Promoter/ Executive/ Independent/ Nominee	No. of Board meetings during the year		Attendance at the last AGM	No. of Director ships of other Companies.	Member/ Chairman of committees other than the Company.
			Held	Attended			
1	Shri.Prakash Chand Jain	C & M.D.	12	12	No	4	-
2	Shri.Sanjay Kumar Jain	E.DIRECTOR	12	10	Yes	2	-
3	Shri.Sunil Kumar Jain	Whole Time DIRECTOR	12	12	Yes	3	-
4	Shri.Rajesh Pokerna	Whole Time DIRECTOR	12	12	Yes	2	-
5	Shri.Rajesh Kumar Jain	DIRECTOR	12	2	No	2	-
6	Shri.PravinPMajmumdar	DIRECTOR	12	1	No	-	-
7	Shri. Rajiv Pritidas Kakodkar	DIRECTOR	12	2	No	-	-
8	Dr. Parag Ashok Sharma	DIRECTOR	12	2	No	-	-
9	Shri. Raja Jain	DIRECTOR	12	7	Yes	-	-
10	Shri. Sujit Kumar Jain	DIRECTOR	12	8	Yes	-	-

**Details of Board Meetings:**

During the financial year 2008-2009(12) Board Meetings were conducted as under:

<u>S.No.</u>	<u>Date of Board Meetings</u>
1.	01.04.2008
2.	28.04.2008
3.	28.07.2008
4.	05.08.2008
5.	27.08.2008
6.	29.09.2008
7.	29.10.2008
8.	17.11.2008
9.	20.01.2009
10.	30.01.2009
11.	14.03.2009
12.	20.03.2009

**Details of Directors being appointed and re-appointed**

Shri Parag Ashok Sharma retires by rotation and being eligible offer himself for re-appointment.

**3. Audit Committee:**

The Audit Committee was constituted on 1st, August 2003 with the powers, terms of reference and role of the committee as per the requirements of the Clause 49 of the Listing Agreements with the Stock Exchanges. The Audit Committee also complies with the relevant provisions of the Companies Act, 1956.

**Composition**

The Audit Committee was reconstituted by the Board of Directors comprising of the members followed by Shri. Prakash Chand Jain, Shri.Sunil Kumar Jain and Shri.Rajesh Pokerna on 07.10.2005. The representatives of the Internal Auditors and Statutory Auditors will be permanent invitees.

- a) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b) Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment of any other services.
- c) Reviewing with management the annual financial statements before Submission to the Board.
- d) Review with the management, external and internal auditors, the internal audit report and the report of the external auditors.
- e) Review of the adequacy, and effectiveness of Internal Audit Function, the internal control system of the Company, compliance with the Company's policies and applicable laws and regulations.

The Audit Committee may also review such matters as considered appropriate to it or referred to it by the Board.

**Details of Audit Committee Meetings:**

During the financial year 2008-09 the Audit Committee has met 3 (three) times. The attendance of the Members at these meetings is as follows:

<u>Name of the Director</u>	<u>No. of Meetings</u>	<u>No. of Meetings attended</u>
1. Prakash Chand Jain	3	3
2. Sunil Kumar Jain	3	3
3. Rajesh Pokerna	3	3

The minutes of the Audit Committee Meetings are duly noted by the Board at the Board Meetings.

**4. Remuneration Committee**

The Remuneration committee was constituted during the financial year 2003-04 to take the responsibility of reviewing, recommending the directors' remuneration based on their individual performances. The Committee also sees to determine remuneration policy of the Company.

**Composition**

The Remuneration Committee was reconstituted on 07.10.2005 with Shri Sunil Kumar Jain as Chairman, Shri.Rajesh Pokerna and Shri.Sanjay Kumar Jain as other members.

**Attendance**

During the year 2008-09 the Remuneration Committee met once on 01.04.2008 to consider payment of remuneration to Shri Prakash Chand Jain, Managing Director of the Company, Shri Sunil Kumar Jain, Whole Time Director of the Company and Shri. Rajesh Pokerna, Whole Time Director of the company. All the Committee members were present at the meeting.

The minutes of the Remuneration Committee Meeting are duly noted by the Board at the Board Meetings.

**5. Share Transfer & Shareholders'/Investors' Grievances Committee**

The Company is having a "Shareholders'/Investors' Grievances Committee" in line with the amended listing agreement. The Committee is responsible for all matters concerning the share transfers, transmission, issue of duplicate share certificates and attending to the grievances of the shareholders.

The Committee oversees the performance of M/s CIL Securities Limited, the Registrar and share transfer Agents of the Company and recommends measures to improve the level of investor related services. Though the power to approve share transfers/ transmission are delegated to the Registrars and share transfer Agent, all the share transfers/transmission cases approved by the Registrar are reported to the Committee. The Committee also keeps a close watch on disposal status of all complaints/grievances of shareholders. The Company has not received any complaints from its shareholders during the year.

**Composition**

The Investors' Grievances Committee comprises of three directors, viz., Shri Prakash Chand Jain, Chairman, Shri Sunil Kumar Jain, and Shri.Rajesh Pokerna.

**Details of the Share Transfer & Shareholders'/Investors' Grievances Committee Meetings:**

As the Committee was reconstituted on 07.10.2005. The committee met thrice during the year on 01.04.2008, 28.07.2008 and 29-10-2008.

<u>Name of the Director</u>	<u>No. of Meetings</u>	<u>No. of Meetings attended</u>
1. Shri.Prakash Chand Jain	3	3
2. Shri.Sunil Kumar Jain	3	3
3. Shri.Rajesh Pokerna	3	3

The minutes of the Investors' Grievances Committee Meetings are duly noted by the Board at the Board Meetings.

**6. General Body Meetings:**

<u>Year/Period</u>	<u>Day, Date &amp; Time</u>	<u>Location</u>
2005-2006	Friday, September 29, 2006 at 11.00 am.	Lions Bhavan, 1-8-179 Behind LIC, Near Paradise Circle Secunderabad 500 003.
2006-2007	Saturday, September 29, 2007 at 1.00 pm.	-do-
2007-2008	Saturday, September 27, 2008 at 11.00 am.	Shed No. 42, Phase II, IDA, Mallapur, Hyderabad-500 076

No business was required to be transacted through postal ballot at the above meetings. Similarly, no business is required to be transacted through postal ballot at the forthcoming annual general meeting.

**7. Disclosure on materially significant related party transactions:**

Related party transactions have been disclosed under Note B-6 in Schedule 19 to the Accounts for the year under review. A statement in summary form of transactions with related parties in the ordinary course of business is placed periodically before the Audit Committee. The Pricing of all the transactions with the related parties were as on arms length basis. The Company did not have any significant related party transactions. Which may have potential Conflict with the interest of the Company.

**8. Means of communication:**

Quarterly, half yearly and annual financial results of the Company are communicated to the stock exchanges immediately after the same are considered by the Board and are published in prominent English and Telugu newspapers as required by SEBI.

**9. General Shareowner information:****INVESTOR RELATIONSHIP DIVISION - AT THE SERVICE OF THE ESTEEMED SHAREOWNERS**

Sensitive, prompt, proactive and courteous services are the cornerstones for a matured and successful service delivery mechanism. The modern era has seen the advantages of technology being translated into innovative and user-friendly services. Organisation sensitive to customers and investor needs would be the preferred choice.

**ANNUAL GENERAL MEETING**

The 22<sup>nd</sup> Annual General Meeting will be held on 30.09.2009 at Shed No. 42, Phase II, IDA, Mallapur, Hyderabad - 500076 at 11.30 am.

**FINANCIAL CALENDAR**

First quarter results	July 2008
Second quarter results	October 2008
Third quarter results	January 2009
Annual results	May 2009
Annual General Meeting	September 30 <sup>th</sup> , 2009

**BOOK CLOSURE**

The register of members and the share transfer register will remain closed from 23<sup>rd</sup> day of September 2009 to 26<sup>th</sup> day of September 2009 (both days including).

**SHARES LISTED AT**

The equity shares of the Company are listed at:

1. M/s PUNE STOCK EXCHANGE LTD  
'Shivleela Chambers'  
752, Sadashiv Peth  
R.B. Kurnthekar Marg  
PUNE - 411 030
2. M/s OTC Exchange of India  
92, Maker Towers-F  
Cuffe Parade  
MUMBAI - 400 005

**Dematerialisation of shares and liquidity**

The Company's shares are tradable compulsorily in electronic form and are available for trading in the depository system of "National Securities Depository Ltd" (NSDL). The International Securities Identification Number (ISIN) of the shares of the Company as allotted by NSDL is "INE406F01010". As on 31.03.2009 a total of 1968720 equity shares of the Company stand dematerialised.

**MARKET PRICE DATA**

The Equity Shares of the Company have not been traded during the year. Therefore, the Market price information is not available.

**Registrar & Share transfer agent:**

CIL SECURITIES LIMITED  
214, Raghava Ratna Towers,  
Chirag Ali Lane,  
Abids, Hyderabad – 500 001.

# VASUNDHARA RASAYANS LIMITED

## Status of Investor Complaints received during the financial year - 2009

Nature of Complaint	Received	Cleared
Non - receipt of Share Certificates sent for transfer	Nil	Nil
Non-receipt of dividend warrant	Nil	Nil
Change of address	01	01
Correction of Share Certificates	Nil	Nil
Non-receipt of duplicate share certificates	Nil	Nil
Request for stop transfer	02	02
Transmission	Nil	Nil
Any other complaints	01	01
<b>Total</b>	<b>04</b>	<b>04</b>

## SHARE HOLDING PROFILE

### 1. SHAREHOLDING PATTERN AS ON 31-03-2009

Type of Holder	Nominal Value	% of Capital
A. Foreign Holding Non-Resident Indians	5,000.00	0.016
B. Bodies Corporate	21, 88,000.00	6.884
C. Promoters, Directors and their Friends/Relatives/Associates (As defined under section.6 of the Companies Act)	1, 77,52, 200.00	55.856
D. General Public	1,18,36,800.00	37.244
<b>TOTAL</b>	<b><u>3,17,82,000.00</u></b>	<b><u>100.00</u></b>

### Plant Location

C-104, MIDC Industrial Area,  
Mahad - 402 309,  
Dist: Raigad, Maharashtra (India)

### Contact Person

Shri G.Bhagavanta Rao,  
Compliance Officer

### Address:

Shed No.42, Phase II,  
IDA, Mallapur,  
Hyderabad - 500 076.  
Ph: 040 - 32505977

### Address for Correspondence Vasundhara Rasayans Ltd

Shed No.42, Phase II,  
IDA, Mallapur,  
Hyderabad - 500 076.  
Ph: 040 - 32505977

**CERTIFICATE OF COMPLIANCE FROM AUDITORS AS STIPULATED UNDER CLAUSE 49 OF THE LISTING AGREEMENT OF THE STOCK EXCHANGES OF INDIA.**

**CERTIFICATE**

To the Shareholders

We have examined the compliance of conditions of Corporate Governance by **Vasundhara Rasayans Ltd.**, 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 stock exchanges of India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

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

We state that in respect of investor grievances, no grievances received from the investor during the year ended 31<sup>st</sup> March 2009 by the company as per the records maintained by them.

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 **AGARWAL GUPTA NOKARI &  
RUSTAGI ASSOCIATES**  
Chartered Accountants

12, Waterloo Street, Kolkata - 700 069.  
Dated this 2<sup>nd</sup> day of Sept, 2009.

**(B.C.KHAITAN)**  
Partner



**AUDITORS' REPORT**

To the members of  
**VASUNDHARA RASAYANS LTD.**

1. We have audited the attached Balance Sheet of **VASUNDHARA RASAYANS LIMITED** as at 31<sup>st</sup> March, 2009 and also the Profit and Loss Account for the year ended on that date annexed thereto and the Cash Flow Statement for the year ended on that date, all of 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.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principals 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 (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 of India (the 'Act'), we enclose in the annexure, a statement on the matters specified therein.
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, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the applicable accounting standards referred to in sub-section (3C) of Section 211 of the Act;
  - v) On the basis of written representations received from the directors 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 Act;

v) In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereon and attached thereto and the Statement on Significant Accounting Policies give in the prescribed manner the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) in the case of the 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 & Loss Account of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement of the cash flows for the year ended on that date.

For **AGARWAL GUPTA NOKARI &  
RUSTAGI ASSOCIATES**  
Chartered Accountants

**(B.C.KHAITAN)**

Partner

Membership No.17387

12, Waterloo Street, Kolkata – 700 069

Dated this 2<sup>nd</sup> day of Sept, 2009.

**ANNEXURES TO THE AUDITORS - REPORT AS REFERRED TO  
IN PARA 3 OF THE SAID REPORT OF EVEN DATE.**

1. a) The Company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets.
- b) The fixed assets of the Company are physically verified by the management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its business. Pursuant to such programme, a physical verification was carried out during the year and no material discrepancies between the book records and the physical inventory have been noticed.
- c) During the year, substantial part of the fixed assets have not been disposed of by the Company.
2. a) The inventory of the Company has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- b) In our opinion, 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) On the basis of our examination of inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies between the physical inventory and the book records noticed on physical verification were not material.
3. a) The Company has taken loan from one(1) company covered in the register maintained under section 301 of the companies Act, 1956. The maximum amount involved during the year was Rs. 1,70,00,000 and the year-end balance of loans taken from such companies was Rs.1,70,00,000/-.
- b) The Company has not given loan to companies covered in the register maintained under section 301 of the companies Act, 1956. The maximum amount involved during the year was Rs. Nil and the year-end balance of loans given to such companies was Rs.Nil.
- c) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.
- d) In respect of both loans granted and taken, repayment of the principal amount is as stipulated and payment of interest have been regular.
- e) There is no overdue amount of loans taken from or granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory, fixed assets and for the sale of goods. Further, during the course of our audit we have neither come across nor have we been informed of any instance of continuing failure to correct major weaknesses in the aforesaid internal control procedures.

5. According to information and explanations given to us, the particulars of all contracts with persons covered in the register maintained under section 301 have been duly entered in the reegister maintained under the said section. Also according to our opinion, all such tranşactions have been made at prices which are reasonable having regard to the prevailing market prices.
6. The Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Act and the rules framed thereunder.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government, the maintenance of cost records has been prescribed under Section 209 (1) (d) of the Act. We are of the opinion, the prima facie the prescribed accounts and records have been maintained. We have not, however, made a detailed examination of this records with a view to determine whether they are accurate or complete.
9. According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion, the Company has been regular in depositing during the year undisputed statutory dues in respect of provident fund, investor education and protection fund, income-tax, sales tax, service tax customs duty, excise duty, cess and others material statutory dues, as applicable, with the appropriate authorities in India.
10. The Company has no accumulated losses as at 31st March, 2009. The Company has not incurred any cash losses during the financial year. In the preceding financial year the company had incurred cash loss.
11. According to the records of the Company, it has not defaulted in repayment of its dues to any financial institution or bank or to debenture holders during the year.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund /societies are not applicable to the Company.
14. In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in securities.
15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for the loans taken by others from banks or financial institutions during the year.
16. The Company did not have any term loans outstanding during the year.
17. Based on the information and explanations given to us and on an overall examination of the balance sheet of the Company, in our opinion, there are no funds raised on short term basis which have been used for long term investments and vice versa.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of Act during the year.
19. The company did not have any outstanding debentures during the year.

20. The Company has not raised any money by public issue during the year.
21. During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India and according to the information and explanation given to us, 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 **AGARWAL GUPTA NOKARI &  
RUSTAGI ASSOCIATES**  
Chartered Accountants

**(B.C. KHAITAN)**  
Partner  
Membership No. 17387

12, Waterloo Street, Kolkata – 700 069

Dated this 2<sup>nd</sup> day of Sept, 2009.

# VASUNDHARA RASAYANS LIMITED

## BALANCE SHEET AS AT 31ST MARCH, 2009

PARTICULARS	Schd	AS AT 31-03-2009 Rs.	AS AT 31-03-2008 Rs.
<b><u>SOURCE OF FUNDS</u></b>			
<b>SHARE HOLDERS' FUND:</b>			
SHARE CAPITAL	1	31782000	31782000
RESERVES & SURPLUS	2	9471777	4922279
		<u>41254777</u>	<u>36704279</u>
<b>LOANS FUNDS:</b>			
SECURED LOANS	3	5984054	2767350
UNSECURED LOANS	5	17000000	13691000
DEFERRED TAX LAIBILITY		4255414	3373584
		<u>68493245</u>	<u>56536213</u>
<b><u>APPLICATION OF FUNDS</u></b>			
<b>FIXED ASSETS</b>			
GROSS BLOCK	4	85520170	80490531
LESS:DEPRECIATION		49261878	44067957
		<u>36258292</u>	<u>36422574</u>
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
INVENTORIES	6	12484130	8095753
SUNDRY DEBTORS	7	26951471	13338072
CASH AND BANK BALANCES	8	1490620	207365
LOANS & ADVANCES	9	19420586	10232150
		<u>60346807</u>	<u>31873340</u>
LESS:CURRENT LIABILITIES & PROVISIONS	10	28111854	11759701
		<u>32234953</u>	<u>20113639</u>
		<u>68493245</u>	<u>56536213</u>
<b>Significant Accounting Policies &amp; Notes on Accounts</b>	20		

The Schedules Referred to above Form an integral Part of the Balance Sheet referred to in our report of even date.

For AGARWAL GUPTA NOKARI &  
RUSTAGI ASSOCIATES  
Chartered Accountants

(B.C. KHAITAN)  
Partner

Membership No.17387

1. PRAKASH CHAND JAIN  
Managing Director

2. RAJESH POKERNA  
Whole Time Director

12, Waterloo Street, Kolkata - 700 069  
Dated this 2<sup>nd</sup> day of Sept, 2009.

# VASUNDHARA RASAYANS LIMITED

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

S. No.	PARTICULARS	Schd	AS AT 31-03-2009 Rs.	AS AT 31-03-2008 Rs.
<b>I. INCOME</b>				
	SALES	11	157126901	84446977
	OTHER INCOME	12	2464625	1078224
	INCREASE /(DECREASE) IN STOCKS	13	3897659	804214
			<b><u>163489185</u></b>	<b><u>86329415</u></b>
<b>III. EXPENDITURE</b>				
	MATERIAL CONSUMED	14	99255500	46669699
	MANUFACTURING EXPENSES	15	19947644	15795237
	EMPLOYEES COST	16	9669711	8933542
	ADMINISTRATIVE, SELLING DISTRIBUTION & OTHER EXPENSES	17	15916873	6780664
	INTEREST	18	2177273	2682424
	DEPRECIATION	4	5193921	5166460
			<b><u>152160922</u></b>	<b><u>86028026</u></b>
<b>III. PROFIT BEFORE TAXATION</b>			<b>(I - II)</b>	<b>301389</b>
	Earlier Year Expenditure		77455	-
	Provision for Income Tax		2025300	-
	Fringe Benefit Tax		43900	38325
	FBT Adjustment		31945	-
	<u>Deferred</u>			
	Current Year		881830	749455
	Proposed Dividend on Equity Shares		3178200	
	Tax on Proposed Dividend		540135	
<b>IV. NET PROFIT AFTER TAXATION</b>			<b>4549498</b>	<b>(486391)</b>
	<b>Add:- BROUGHT FORWARDED PROFIT</b>		<b>2797279</b>	<b>3283670</b>
	<b>PROFIT CARRIED TO BALANCE SHEET</b>		<b><u>7346777</u></b>	<b><u>2797279</u></b>
	Significant Accounting Policies & Notes on Accounts	20		
	<b>EARNING PER SHARE (BASIC &amp; DILUTED)</b>		<b>2.43</b>	<b>(0.15)</b>
	<b>EQUITY SHARE PAR VALUE Rs 10/- EACH</b>			

The Schedules Referred to above Form an integral Part of the Balance Sheet referred to in our report of even date.

For **AGARWAL GUPTA NOKARI &  
RUSTAGI ASSOCIATES**  
Chartered Accountants

**(B.C.KHAITAN)**  
Partner

**1. PRAKASH CHAND JAIN**  
Managing Director

**2. RAJESH POKERNA**  
Whole Time Director

Membership No. 17387  
12, Waterloo Street, Kolkata - 700 069,  
Dated this 2<sup>nd</sup> day of Sept, 2009.

# VASUNDHARA RASAYANS LIMITED

## SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2009

PARTICULARS	AS AT 31.03.2009 Rs.	AS AT 31.03.2008 Rs.
<b><u>SCHEDULE-1</u></b>		
<b>SHARE CAPITAL</b>		
Authorised 45,00,000 Equity Shares of Rs. 10/- each	<u>45000000</u>	<u>45000000</u>
Issued, Subscribed & paid up 31,78,200 Equity Shares of Rs. 10 each fully paid up	<u>31782000</u>	<u>31782000</u>
	<b><u>31782000</u></b>	<b><u>31782000</u></b>
<b><u>SCHEDULE-2</u></b>		
<b>Reserves &amp; Surplus</b>		
Capital Subsidy Account	2125000	2125000
Profit & Loss A/c	<u>7346777</u>	<u>2797279</u>
	<b><u>9471777</u></b>	<b><u>4922279</u></b>
<b><u>SCHEDULE-3</u></b>		
<b>SECURED LOAN</b>		
From SBI		
Working Capital Loan ( Against hypothication of stock & book debts)	1962947	980994
Export Packing Credit	4021107	1786356
Term Loan	-	-
(second charge over Fixed Assets of Company)	<u>5984054</u>	<u>2767350</u>
<b><u>SCHEDULE-5</u></b>		
<b>UNSECURED LOAN</b>		
From Body Corporate	<u>17000000</u>	<u>13691000</u>
	<b><u>17000000</u></b>	<b><u>13691000</u></b>
<b><u>SCHEDULE-6</u></b>		
<b>INVENTORIES</b>		
Consumable Stores	170671	228330
Packing Materials	397027	388954
Raw Materials	4103351	3563048
Work - in - Progress	448209	878788
Finished Goods for Further Processing	3787861	
Finished Good	<u>3577011</u>	<u>3036634</u>
	<b><u>12484130</u></b>	<b><u>8095754</u></b>
<b><u>SCHEDULE-7</u></b>		
<b>SUNDRY DEBTORS</b>		
<b>(Unsecured &amp; Considered Good)</b>		
Debts Outstanding for a period exceeding six months	1136125	11372828
Other Debts	<u>25815346</u>	<u>1965244</u>
	<b><u>26951471</u></b>	<b><u>13338072</u></b>



**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2009**

PARTICULARS	AS AT 31.03.2009 Rs.	AS AT 31.03.2008 Rs.
<b><u>SCHEDULE-8</u></b>		
<b>CASH AND BANK BALANCES</b>		
Cash in Hand	29128	41118
Balances with Scheduled Banks In Current Account	1461492	166247
	<b>1490620</b>	<b>207365</b>
<b><u>SCHEDULE-9</u></b>		
<b>LOANS AND ADVANCES (UNSECURED &amp; CONSIDERED GOOD)</b>		
Loan to others	2763309	2753124
Prepaid Expenses	162140	92623
Advances to suppliers and others	1037476	1310198
Advance to Staff	233555	256690
Advance against Expenses	-	10000
Advance FBT	37390	-
Deposits	2294280	1225947
Balance with Sales Tax Authority	2221884	1125325
Balance with Excise Authority	8113474	2884442
Income Tax & TDS	2543222	532757
Interest on FD Receivable	13856	-
Other - Duty Drawback Receivable	-	41044
	<b>19420586</b>	<b>10232150</b>
<b><u>SCHEDULE-10</u></b>		
<b>CURRENT LIABILITIES AND PROVISIONS</b>		
Sundry Creditors	20124357	6600346
Other Liabilities	2055390	4468251
Deposit & Public issue Refund	57975	57975
FBT Payable	31945	-
Advance From Customers	-	545914
	<b>22269667</b>	<b>11672486</b>
Proposed Dividend on Equity Shares	3178200	-
Tax on Proposed Dividend	540135	-
Provision for Tax	2123852	87215
	<b>28111854</b>	<b>11759701</b>

**SCHEDULE-4**  
**FIXED ASSETS**  
**SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2009**

S. No.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		AS ON 01.04.2008	ADDITIONS DURING THE YEAR	DELETION	TOTAL AS ON 31.03.2009	AS ON 01.04.2008	DELETION	FOR THE YEAR	TOTAL AS ON 31.03.2009	AS ON 31.03.2009	AS ON 31.03.2008
		Rs.	Rs.		Rs.	Rs.		Rs.	Rs.	Rs.	Rs.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)		
1.	LAND	676446	-	-	676446	-	-	-	-	676446	676446
2.	PLANT & MACHINERY	56642058	1593839	-	58235897	32682420	-	4239051	36921471	21314426	23959638
3.	[A] BUILDING	15590603	93116	-	15683719	6136500	-	520862	6657362	9026357	9454103
	[B] VRL COLONY	948938	2627056	-	3575994	-	-	319	319	3575675	948,938
4.	LAB&FIREFIGHTINGEQUIP	390942	-	-	390942	223073	-	18570	241643	149299	167869
5.	FURNITURE & FIXTURES	714535	2200	-	716735	487150	-	45250	532400	184335	227385
6.	OFFICE EQUIPMENT	1127598	-	-	1127598	739048	-	71377	810425	317173	388550
7.	COMPUTER	554662	22309	-	576971	365077	-	92542	457619	119352	189585
8.	ELECTRICALINSTALLATION	2396781	-	-	2396781	2103571	-	151716	2255287	141494	293210
9.	TOOLS & EQUIPMENT	54264	-	-	54264	19334	-	2579	21913	32351	34930
10.	VEHICLES	1344363	-	-	1344363	1298011	-	46252	1344263	100	46352
11.	AIR CONDITIIONER	49341	-	-	49341	13773	-	2344	16117	33224	35568
12.	FORK LIFT	-	680350	-	680350	-	-	2904	2904	677446	-
13.	MOBILE	-	10769	-	10769	-	-	155	155	10614	-
		<b>80490531</b>	<b>5029639</b>	-	<b>85520170</b>	<b>44067957</b>	-	<b>5193921</b>	<b>49261878</b>	<b>36258292</b>	<b>36422574</b>
	<b>PREVIOUS YEARS FIGURES</b>	<b>79883781</b>	<b>736575</b>	<b>129825</b>	<b>80490531</b>	<b>38901497</b>	-	<b>5166460</b>	<b>44067957</b>	<b>36422574</b>	

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# VASUNDHARA RASAYANS LIMITED

## SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2009

PARTICULARS	AS AT 31.03.2009 Rs.	AS AT 31.03.2008 Rs.
<b><u>SCHEDULE-11</u></b>		
<b>SALES</b>		
Gross Turnover	166005443	90346419
Less:— Excise Duty	<u>8878542</u>	<u>5899442</u>
	<b><u>157126901</u></b>	<b><u>84446977</u></b>
<b><u>SCHEDULE-12</u></b>		
<b>OTHER INCOME</b>		
Duty Drawback	757302	427754
Interest	101336	14434
Misc. Income	67300	33531
Dividend received	-	9600
Income from Investment	-	3085
Foreign Fluctuation gain	1380285	-
Liabilities no longer req. written back	158402	564210
Early year's adjustment A/c	-	25610
	<b><u>2464625</u></b>	<b><u>1078224</u></b>
<b><u>SCHEDULE-13</u></b>		
<b>INCREASE/(DECREASE) IN STOCK</b>		
<b>CLOSING STOCK</b>		
Finished Goods	3577011	3036634
Finished Goods for Further Processing	3787861	
Work-in-progress	<u>448209</u>	<u>878788</u>
	<b><u>7813081</u></b>	<b><u>3915422</u></b>
<b>LESS: OPENING STOCK</b>		
Finished Goods	3036634	1288772
Work-in-progress	<u>878788</u>	<u>1822436</u>
	<b><u>3915422</u></b>	<b><u>3111208</u></b>
<b>Increase / (Decrease) in Stock (A-B)</b>	<b><u>3897659</u></b>	<b><u>804214</u></b>
<b><u>SCHEDULE-14</u></b>		
<b>MATERIAL CONSUMED</b>		
Opening Stock of Raw Materials / Packing Material	4180332	2676097
ADD: Purchase of Raw Materials, consumables and Packing Materials	<u>99746217</u>	<u>48173934</u>
	<b><u>103926549</u></b>	<b><u>50850031</u></b>
<b>LESS: Closing Stock of Raw Materials, consumables and Packing Materials</b>	<u>4671049</u>	<u>4180332</u>
	<b><u>99255500</u></b>	<b><u>46669699</u></b>

# VASUNDHARA RASAYANS LIMITED

## SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2009

PARTICULARS	AS AT 31.03.2009 Rs.	AS AT 31.03.2008 Rs.
<b><u>SCHEDULE-15</u></b>		
<b>MANUFACTURING EXPENSES</b>		
Carriage Inwards	10208161	7993997
Boiler Operation charges	483701	379043
Electricity Charges	2945490	2900220
Fuel for D.G.Set	730032	559421
Material Disposal Charges paid	-	148608
Repairs to Building	477542	101828
Repairs To Plant	447888	569138
Packing & Forwarding charges	1648132	792400
Water Charges	3006699	2350582
	<u>19947644</u>	<u>15795237</u>
<b><u>SCHEDULE-16</u></b>		
<b>EMPLOYEES COST</b>		
Gratuity	206688	484635
Provident Fund	500548	410906
Salaries, Wages & Bonus	7931271	7137159
Vehicle Hire charges	437628	378865
Staff Welfare & Incentive	593576	521977
	<u>9669711</u>	<u>8933542</u>
<b><u>SCHEDULE-17</u></b>		
<b>ADMINISTRATIVE, SELLING, DISTRIBUTION &amp; OTHER EXPENSES</b>		
Accounting Charges	101000	-
Advertisement	3912	15338
Agency Charges	246950	147905
Auditors' Remuneration	35000	35000
Analysis Charges	19425	-
Bank Charges & Commission	289647	248454
Bad Debts	1302143	-
Books & Periodicals	2000	1470
Business Promotion Expenses	7300	-
Cash Transaction Tax	180	687
Cleaning charges	12514	11770
Commission on Sales	3447377	1091321
Computer Expenses	51596	47148
Conveyance	337672	237031
Directors' Remuneration	1500000	72000

# VASUNDHARA RASAYANS LIMITED

## SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2009

PARTICULARS	AS AT 31.03.2009 Rs.	AS AT 31.03.2008 Rs.
Discount Allowed	14140	-
Donations & Subscriptions	27501	28000
Electricity Charges	33466	14452
Export & Other Charges	2500	
Filing Fees	15500	5500
Foreign Currency Fluctation	-	289377
Freight Outwards	506890	559587
Fuel For Vehicle	102714	106847
Fumigation charges	135250	72820
Garden Maintenance	3000	-
Insurance	183094	146486
Internet Charges	9412	-
Labour Welfare Fund	15807	6432
Legal & Professional Charges	76000	300775
Listing and Registration charges	127100	89437
Miscellaneous Expenses	90151	77610
Members & Subscription	14000	-
Postage & Telegrams	77051	52816
Printing & Stationery	175806	201131
Guest House Maintenance	17701	51643
Rates & Taxes	18472	65296
Rent	154300	218400
Repairs & Maintenance	115507	135087
Research & Development	-	31320
Rebate & Discount	-	14500
Sea & Air Freight charges	5599682	1775003
Service Tax On Freight	56580	-
Court Expenses	40500	12500
Telephone & Telex Charges	356504	270209
Travelling Expenses	557811	303228
Vehicle Expenses	35568	42070
Sundry Balance W/Off	(1849)	2014
	<b>15916873</b>	<b>6780664</b>
<b>SCHEDULE-18</b>		
<b>INTEREST</b>		
On Secured Loans & others & Bank	534353	1182424
On Unsecured Loans	1642920	1500000
	<b>2177273</b>	<b>2682424</b>

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH 2009****SCHEDULE-19****A. SIGNIFICANT ACCOUNTING POLICIES:****a) ACCOUNTING CONVENTION:**

The Financial Statements are prepared on an accrual basis and are in accordance with the requirement of the Companies Act, 1956 and the applicable Accounting Standards.

**b) FIXED ASSETS:**

Fixed Assets are stated at cost less accumulated depreciation. Cost of acquisition is inclusive of inward freight, taxes and other incidental expenses incurred to bring the assets to their working condition for intended use.

**c) DEPRECIATION:**

Depreciation is provided for under straight line method at the rates and manner specified in Schedule XIV of the Companies Act, 1956.

**d) PURCHASES:**

Purchase includes the materials issued for production which has also been shown under raw materials consumption.

**e) REVENUE RECOGNITION:**

Sale of goods and services are recognized on dispatch of goods or when services are rendered.

**f) INVENTORIES:**

- (1) Raw materials are valued at cost.
- (2) Work in Progress is valued raw material cost and proportion of process cost.
- (3) Finished goods are valued at lower of cost of sales exclusive of excise duty and net realisable value.

**g) FOREIGN CURRENCY TRANSACTIONS:**

- (i) Foreign Currency Transactions are recorded at the exchange rate prevailing on the date of transaction with overseas clients.
- (ii) Exchange difference arising on Foreign Currency Transactions are recognised as income or expenses in the period in which they arise.

**h) RETIREMENT BENEFITS:**

- (i) **GRATUITY:** Provisions for Gratuity has been made on the books of accounts in accordance with payment of Gratuity Act, 1972.
- (ii) **LEAVE PAY:** Provision/payment of leave pay is made as per the agreement with the employees.

**i) INCOME TAX:**

Income Taxes are computed using the tax effect accounting method, where taxes are accrued in the same period the related revenue and expenses arises. A provision is made for income tax annually based on the tax liability computed after considering tax allowance and exemptions.

The differences that result between the profit offered for income taxes and profit as per financial statements are identified and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount being considered. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on prevailing enacted or substantially enacted regulations. Deferred tax assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying value at each balance sheet date.

**j) EARNINGS PER SHARE:**

In determining earnings per share the company considers the net profit after tax and includes post tax effect of any extra ordinary items. The number of shares used computing basic earning per share is the weighted average number of shares outstanding during the period. The company does not have any dilutive potential equity shares.

**SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2009**

**B. Notes on Accounts**

1. Contingent liabilities provided for Rs. Nil (previous year : Rs.Nil).

2. DEFERRED TAX LIABILITIES:

i) Deferred tax assets and liabilities have been considered in accordance with a S-22, issued by the ICAI.

ii) Computation of deferred tax liabilities (Net)

	<u>Upto 31.03.08</u>	<u>For the Total as on Current Year 31.03.09</u>	
<b>DEFERRED TAX LIABILITIES :</b>			
a) Tax impact of difference between carrying amount of fixed assets in financial statement and income tax	3254485	669051	3923536
b) Gratuity	119099	212779	331878
	<u>3373584</u>	<u>881830</u>	<u>4255414</u>

3. Gratuity liability has been provided for the year on the basis of an actuarial valuation made at the end of each financial year. The Company maintains a scheme with LIC for payment of liabilities arising on account of Gratuity. Contributions made to the fund are debited to the Provision for Gratuity account. The Contribution for the current year is Rs. 1270007.

4 The Company's significant leasing arrangements are in respect of operating lease for premises (Residential, for Directors & Employees, Guest House, Offices etc). These leasing arrangements, which are not non-cancelable, range between 11 months and 3 years generally or longer and are usually renewable by mutual consent between the parties. The amount of lease rent paid is debited to Rent Account, and is disclosed in Schedule - 18.

5. Earnings Per Share:

	For the year ended March 31 <sup>st</sup>	
	2009	2008
Numerator used for calculating basic and diluted earnings per share - Profit after taxation.	7727698	(4,86,391)
Weighted average number of shares used as denominator for calculating basic and diluted earnings per share.	31,78,200	31,78,200
Nominal value per share (Rs.)	10/-	10/-
Basic and diluted earnings per share (Rs.)	2.43	(0.15)

6. Reporting Segment (Geographical Segment):

	<u>Export</u>	<u>Domestic</u>	<u>Total</u>
Sales	916.42	654.85	1571.27
Less: Direct Expenses (Freight)	2.95	2.12	5.07
Less: Allocated Mfg. Exp. (RM + Mfg. Exp.)	694.36	497.67	1192.03
Add: Increase in Stock	22.60	16.37	38.97
Segment Result	240.56	171.43	413.14
Less: Unallocated Overheads (Employee Cost + Admn. Exp. + Interest + Depreciation - Freight)			324.51
Add: Other Income			88.63
			<u>24.65</u>
<b>NET PROFIT</b>			113.28
Less: Earlier year Expenditure			0.77
Less: Provision for Income Tax			20.25
Less: Provision for FBT			0.44
Less: FBT Adjustment			0.32
Less: Deferred Tax			8.82
Less: Proposed Dividend			31.78
Less: Tax on Proposed Dividend			5.40
<b>NET PROFIT</b>			<u>45.50</u>



7. Related Party Disclosures:

List of related parties with whom transactions have taken place during the year:

1. Associates:

- a) Taurus Chemicals Pvt.Ltd
- b) P&J Cretechem Pvt Ltd.

2. Key Managerial Personnel

- a) Prakash Chand Jain
- b) Rajesh Pokerna
- c) Sunil Kumar Jain

8. Transactions during the year with related parties:

	Asso- ciates	Key Manage- ment Personnel	Rela- tives	Total
<b>UNSECURED LOANS:</b>				
a) Taken during the year	21,00,000	-	-	-
b) Repaid during the year	4,33,920	-	-	-
c) Balance as at 31-03-09	1,70,00,000	-	-	1,70,00,000
<b>LOANS TO OTHERS:</b>				
a) Given during the year	-	-	-	-
b) Refund during the year	-	-	-	-
c) Balance as at 31-03-09	-	-	-	-
<b>INCOME:</b>				
Interest on Unsecured Loan	-	-	-	-
<b>EXPENDITURE:</b>				
a) Interest on Unsecured Loans	16,42,920	-	-	16,42,920
b) Remuneration to Directors	-	15,00,000	-	15,00,000
c) Rent payment	-	-	-	-
<b>SALES :</b>				
a) During the year	1,66,90,706			
b) Received during the year	1,50,02,310			
c) Balance as on 31-03-09	16,88,396			
<b>PURCHASE :</b>				
a) During the year	36,34,664			
b) Paid during the year	35,93,278			
c) Balance as on 31-03-09	41,386			

9. Auditors Remuneration includes:

	2008-2009	2007-2008
Audit Fees	21,000	21,000
Tax Audit	14,000	14,000
	35,000	35,000

10. Additional Information pursuant to provision of paragraph 3 (ii) (d), 4C & 40 of part 11 of Schedule VI of the Companies Act, 1956.

(a) Licenced & Installed Capacity :

1. Installed Capacity is mentioned in powder form for all products.
2. Total installed capacity in powder form is 1200 MT.

Particulars in respect of finished goods : Bulk Drugs - Antacid (Manufacturing)

(Rs. In Lacs)

Production	Opening Stock		Closing Stock		Sales	
Qty.	Qty.	Value	Qty.	Value	Qty.	Value
1988.891	55.300	30.36	61.966	73.64	1982.225	1571.27
(1602.195)	(21.255)	(12.89)	(55.3000)	(30.36)	(1568.105)	(844.47)

(Figures in brackets relate to previous year)

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH 2009**

(f) Details of Consumption of Raw Materials

Rs. in lacs

CLASS OF GOODS	UNIT	2008-2009		2007-2008	
		Qty	Value	Qty	Value
Caustic Soda Lye	kgs	192397	56.78	152877	15.51
Soda Ash	kgs	786050	141.13	752650	91.50
Sodium Silicate	kgs	4026	0.33	40000	1.97
Anhydrous Ammonia	kgs	80500	20.26	70350	15.34
Aluminium Trihydrate	kgs	235161	36.95	155824	29.16
Aluminium Hydroxide	kgs	538125	316.64	-	-
Magnesium Hydroxide	kgs	72250	43.46	41950	42.36
Others	kgs	-	415.00	-	130.77
			<b>1030.88</b>		<b>326.60</b>

(g) Consumption of Raw Material

Raw Material type	<u>2008 - 2009</u>		<u>2007 - 2008</u>	
	% (Rs in lacs)		% (Rs in lacs)	
Imported	—	Nil	—	Nil
Indigenous	100	1030.55	100	326.60

(h) Earnings in Foreign Exchange during the year.

	<u>2008 - 2009</u>		<u>2007 - 2008</u>	
	US\$/ Euro	Rs.	US\$	Rs.
Export Sale in US \$	1272117.50	56781519.50	795405.00	32210807.00
Export Sale in EURO	538600.00	34745360.00	103300.00	5893520.00

(i) Expenditure in Foreign Currency during the Year

	<u>2008 - 2009</u>		<u>2007 - 2008</u>	
	US\$ & Others	Rs.	US\$ & Others	Rs.
Travelling Expense	-	-	-	-
Commission On Sales	-	-	-	-

11. Previous year figures have been regrouped/rearranged wherever thought necessary to confirm to this year's classification.

Signature to Schedule 1 to 20

**for AGARWAL GUPTA NOKARI &  
RUSTAGI ASSOCIATES  
Chartered Accountants**

**B.C.KHAITAN  
(PARTNER)**

**DIRECTORS**

**1. PRAKASH CHAND JAIN  
Managing Director**

**2. RAJESH POKERNA  
Whole Time Director**

12, Waterloo Street, Kolkata - 700 069

Dated this 2<sup>nd</sup> day of Sept, 2009.

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2009**

PARTICULARS	31.03.2009 Rs.	31.03.2008 Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
NET PROFIT/LOSS AFTER TAX AND EXTRA ORDINARY ITEM	8,267,833	(486,391)
<b>ADJUSTMENT FOR:</b>		
DEPRECIATION	5,193,921	5,166,460
PROVISION FOR TAXATION	2,025,300	-
PROVISION FOR FBT	43,900	-
PROVISION FOR GRATUITY	206,688	484,635
GRATUITY PAID	(1,280,726)	(134,242)
INTEREST PAID	2,177,273	2,682,424
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	16,634,189	7,712,886
<b>ADJUSTED FOR:</b>		
TRADE AND OTHER RECEIVABLE	(13613399)	2,985,013
INVENTORIES	(4,388,376)	(2,308,448)
LOANS & ADVANCES	(7,177,971)	(545,723)
TRADE PAYABLES	11,638,656	273,630
<b>CASH GENERATED FROM OPERATIONS</b>	3,093,099	8,117,358
<b>CASH FLOW BEFORE EXTRA ORDINARY ITEMS</b>	<b>3,093,099</b>	<b>8,117,358</b>
<b>EXTRA ORDINARY ITEMS</b>		
DEFERRED TAX	881,830	749,455
<b>NET CASH FROM OPERATING ACTIVITIES BEFORE TAXES PAID</b>	3,974,928	8,866,813
TAXES PAID DURING THE YEAR	(2,010,465)	(326,629)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>1,964,463</b>	<b>8,540,184</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
PURCHASE OF FIXED ASSETS	(5,029,639)	(736,575)
REIMBURSEMENT OF EXPENSES OF FIXED ASSETS	-	129,825
ACQUISITION OF COMPANIES	-	-
PURCHASE OF INVESTMENTS	-	-
SALE OF INVESTMENT	-	-
INTEREST RECEIVED	-	-
DIVIDEND RECEIVED	-	-
SHARE ISSUE EXPENSES	-	(606,750)
<b>NET CASH USE IN INVESTING ACTIVITIES</b>	<b>(5,029,639)</b>	<b>(606,750)</b>

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2009**

PARTICULARS	31.03.2009		31.03.2008	
	Rs.		Rs.	
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
PROCEEDS FROM ISSUE OF SHARE CAPITAL	-		-	
PROCEEDS FROM LONG TERM BORROWINGS	3,216,704		(8,164,411)	
PROCEEDS FROM SHORT TERM BORROWINGS	3,309,000		991,447	
SHARE APPLICATION MONEY	-		-	
REPAYMENT OF FINANCE LEASE LIABILITIES				
INTEREST PAID	(2,177,273)		(2,682,424)	
DIVIDEND PAID	-		-	
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>4,348,431</b>		<b>(9,855,388)</b>
<b>D. NET INCREASE/(DECREASE) IN CASH (A+B+C)</b>		<b>1,283,255</b>		<b>(1,921,954)</b>
<b>NET INCREASED / (DECREASED) IN CASH AND CASH EQUIVALENTS</b>				
CASH AND CASH EQUIVALENTS AS AT 1-04-2008	207,365		2,129,319	
LESS: CASH AND CAH EQUIVALENTS AS AT 31-03-2009	1,490,620		207,365	
		<b>1,283,255</b>		<b>(1,921,954)</b>

The Schedules Referred to above Form an integral Part of the Balance Sheet referred to in our report of even date.

**For AGARWAL GUPTA NOKARI &  
RUSTAGI ASSOCIATES**  
Chartered Accountants

**(B.C. KHAITAN)**

Partner

Membership No.17387

12, Waterloo Street, Kolkata - 700 069

Dated this 2<sup>nd</sup> day of Sept, 2009.

**1. PRAKASH CHAND JAIN**  
Managing Director

**2. RAJESH POKERNA**  
Whole Time Director

**SCHEDULES FORMING PART OF THE ACCOUNTS  
BALANCE SHEET ABSTRACT AND GENERAL BUSINESS PROFILE  
AS PER PART VI OF SCHEDULE VI OF COMPANIES ACT,1956****REGISTRATION DETAILS**

REGISTRATION NO.	01-7242
BALANCE SHEET DATE	31-03-2009
STATE CODE	01

**CAPITAL RASIED DURING THE YEAR**

PUBLIC ISSUE	NIL
RIGHTS ISSUE	NIL
BONUS ISSUE	NIL
PRIVATE PLACEMENT	NIL

**POSITION OF MOBILISATION**

DEPLOYMENT OF FUNDS	
TOTAL LIABILITIES	96,605,099
TOTAL ASSETS	96,605,099

**SOURCE OF FUNDS**

PAID UP CAPITAL	31,782,000
RESERVES & SURPLUS	9,471,777
SECURED LOANS	5,984,054
UNSECURED LOANS	17,000,000
DEFERRED TAX LIABILITY	4,255,414

**APPLICATION OF FUNDS**

NET FIXED ASSETS	36,258,292
NET CURRENT ASSETS	32,234,953
ACCUMULATED LOSSES	NIL

**PERFORMANCE OF THE COMPANY**

TURN OVER (INCLUDING OTHER INCOME)	159,591,526
TOTAL EXPENDITURE	152,160,922
NET PROFIT	11,328,262
PROFIT AFTER TAX & DIVIDEND	4,549,498
EARNING PER SHARE	2.43
DIVIDEND RATE (%)	10%

**GENERIC NAMES OF THERE PRINCIPAL****PRODUCTS/SERVICES OF COMPANY**

(AS PER MONETARY TERMS)

ITEM CODE NO	281810
PRODUCT DESCRIPTION	DRIED ALUMINIUM HYDROXIED GEL
HYDROXIED GEL	
ITEM CODE NO.	
PRODUCT DESCRIPTION	282810
ALUMINIUM HYDROXIDE PASTE	ALUMINIUM HYDROXIDE PASTE
ITEM CODE NO.	283990
PRODUCT DESCRIPTION	MAGNESIUM TRI SILICATE

**FOR AND ON BEHALF OF THE BOARD**

- PRAKASH CHAND JAIN**  
Managing Director
- RAJESH POKERNA**  
Whole Time Director

Place: Secunderabad

Dated this 2<sup>nd</sup> day of Sept, 2009.

**VASUNDHARA RASAYANS LIMITED**

**PROXY**

**VASUNDHARA RASAYANS LIMITED**

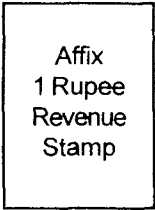
Registered Office : Shed No. 42, Phase II, IDA, Mallapur, Hyderabad - 500 076.

I/We \_\_\_\_\_  
of \_\_\_\_\_ being a member/ members of  
VASUNDHARA RASAYANS LIMITED hereby appoint \_\_\_\_\_ of  
\_\_\_\_\_ of failing him \_\_\_\_\_ of \_\_\_\_\_ as my/ out  
proxy to attend and vote for me/us and on my/our behalf at the 22nd Annual General Meeting of the  
Company, to be held on Wednesday the 30th September, 2009 at 11.30 a.m. and at any  
adjournment thereof.

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

Member's Investor Regst. No / CR. No. / Regd. folio. No. \_\_\_\_\_

No. of Shares held \_\_\_\_\_



Signature

**VASUNDHARA RASAYANS LIMITED**

Registered Office : Shed No. 42, Phase II, IDA, Mallapur, Hyderabad - 500 076.

**ATTENDANCE SLIP**

(To be handed over at the entrance of the Meeting Hall)

I hereby record my presence at the 22nd Annual General Meeting of the Company to be held at the  
Shed No.42, Phase II, IDA, Mallapur, Hyderabad – 500 076 on Wednesday the 30th  
September, 2009, at 11.30 am.

NAME OF THE ATTENDING MEMBER (IN BLOCK LETTERS)

NAME OF THE PROXY (To be filled in if the Proxy attends instead of the Members)

SIGNATURE OF THE MEMBER / PROXY

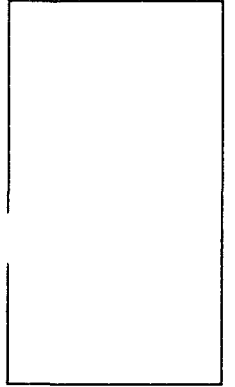
Member's Investor Reg. No. / C.R.No. / Regd.folio No. \_\_\_\_\_ No. of Shares held \_\_\_\_\_

**NOTES :**

1. Shareholders/ Proxyholders are requested to bring the attendance slips with them duly completed when they come to the meeting and hand them over at the gate after affixing their signatures on them.
2. The proxy form must be deposited at the Registered Office of the Company at Shed No. 42, Phase II, IDA, Mallapur, Hyderabad - 500 076., not less than 48 hours before the time for holding the meeting.

**Book Post  
Printed Matter**

**To**



If undelivered please return to:

**VASUNDHARA RASAYANS LIMITED**

Registered Office

Shed No. 42,

Phase II, IDA

Mallapur, Hyderabad-500 076