



**Catalysing better tomorrows.....**

**VASUNDHARA RASAYANS LIMITED**

**Annual Report 2009-10**

**BOARD OF DIRECTORS**

|                               |                     |
|-------------------------------|---------------------|
| SHRI. PRAKASH CHAND JAIN      | MANAGING DIRECTOR   |
| SHRI. SANJAY KUMAR JAIN       | EXECUTIVE DIRECTOR  |
| SHRI. SUNIL KUMAR JAIN        | WHOLE TIME DIRECTOR |
| SHRI. RAJESH POKERNA          | WHOLE TIME DIRECTOR |
| SHRI. RAJESH KUMAR JAIN       | DIRECTOR            |
| SHRI. PRAVIN P.MAJMUMDAR      | DIRECTOR            |
| SHRI. RAJIV PRITIDAS KAKODKAR | DIRECTOR            |
| Dr. PARAG ASHOK SHARMA        | 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 23<sup>rd</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 Thursday, 30<sup>th</sup> day of September, 2010 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, 2010 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 Rajesh Kumar Jain 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.
4. To decide and declare dividend for the financial year 2009-2010

**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 30. 08. 2010

**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 Wednesday 22<sup>nd</sup> September, 2010 to Saturday 25<sup>th</sup>, 2010 (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).
4. "Pursuant to the provision of Section 205A(5) of the companies Act, 1956 Dividend for the financial year ended 2008-09, which remain unclaimed for a period of seven years will be transferred to the Investor Education and Protect Fund established by the Central Government pursuant to Section 205(c) of the Companies Act, 1956.

The members who have not en-cashed the Dividend Warrants so far for the financial year ended 31.03.2009 are requested to make their claim to the Company at its Registered office. It may also be noted that once the Unclaimed Dividend is transferred to the Investor Education and Protection Fund, no claim shall lie in respect thereof."

**(PRAKASH CHAND JAIN)**  
MANAGING DIRECTOR

Dated this 30. 08. 2010

## DIRECTOR'S REPORT

Your Directors have pleasure in presenting the 23<sup>rd</sup> Annual Report and Audited Accounts of your Company for the year ended 31st March, 2010.

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

|                                                                                         | (Rupees in thousands)            |                                   |
|-----------------------------------------------------------------------------------------|----------------------------------|-----------------------------------|
|                                                                                         | CURRENT YEAR<br>ENDED 31.03.2010 | PREVIOUS YEAR<br>ENDED 31.03.2009 |
| Turnover                                                                                | 170648                           | 157127                            |
| Other Income                                                                            | 1412                             | 2465                              |
| Gross Profit/(Loss)<br><i>before interest,</i><br>depreciation &<br>taxation            | 20982                            | 18699                             |
| Interest                                                                                | 3073                             | 2177                              |
| Profit before<br>depreciation & taxation                                                | 17909                            | 16522                             |
| Depreciation                                                                            | 5502                             | 5193                              |
| Profit/(Loss) before<br>Taxation                                                        | 12407                            | 11328                             |
| Provision for Taxation<br>(Including Provision for<br>Fringe benefit tax Previous Year) | 3084                             | 2179                              |
| Deferred tax                                                                            | 169                              | 881                               |
| Proposed Dividend                                                                       | 3178                             | 3178                              |
| Tax on Proposed Dividend                                                                | 527                              | 540                               |
| Net Profit after Taxation                                                               | 5446                             | 4550                              |

### 2. OPERATIONS

During the year under review the turnover of the Company Rs.1706.48 Lacs in comparison to the previous year's figure at Rs1571.27 Lacs

The company has achieved net profit after tax which is reported at Rs.54.46 lacs in comparison to Profit of Rs. 45.50 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 Rajesh Kumar Jain, 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 reappointment, 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, 2010 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**

Place: Hyderabad

**PRAKASH CHAND JAIN  
MANAGING DIRECTOR**

Dated this 30th August, 2010

## **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, 2010.

### **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.1,40,528

Earnings: Rs.12,97,40,234

**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 eight.

**Directors' Attendance record and directorship**

| Sl.No | Name of the Director        | Promoter/Executive/<br>Independent/<br>Nominee | No. of Board meetings during the year |          | Atten-dance 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.                                       | 16                                    | 16       | Yes                         | 4                                         | -                                                      |
| 2     | Shri.Sanjay Kumar Jain      | E.DIRECTOR                                     | 16                                    | 15       | Yes                         | 2                                         | -                                                      |
| 3     | Shri.Sunil Kumar Jain       | WHOLE TIME DIRECTOR                            | 16                                    | 16       | Yes                         | 3                                         | -                                                      |
| 4     | Shri.Rajesh Pokerna         | WHOLE TIME DIRECTOR                            | 16                                    | 16       | Yes                         | 2                                         | -                                                      |
| 5     | Shri.Rajesh Kumar Jain      | DIRECTOR                                       | 16                                    | -        | No                          | 2                                         | -                                                      |
| 6     | Shri.PravinPMajumdar        | DIRECTOR                                       | 16                                    | -        | No                          | -                                         | -                                                      |
| 7     | Shri.RajivPritidas Kakodkar | DIRECTOR                                       | 16                                    | -        | No                          | -                                         | -                                                      |
| 8     | Dr. Parag Ashok Sharma      | DIRECTOR                                       | 16                                    | 2        | Yes                         | -                                         | -                                                      |

**Details of Board Meetings:**

During the financial year 2009-2010 (16) Board Meetings were conducted as under:

|    |            |
|----|------------|
| 01 | 09.04.2009 |
| 02 | 29.04.2009 |
| 03 | 13.05.2009 |
| 04 | 11.06.2009 |
| 05 | 08.07.2009 |
| 06 | 29.07.2009 |
| 07 | 02.09.2009 |
| 08 | 22.09.2009 |
| 09 | 30.09.2009 |
| 10 | 14.10.2009 |
| 11 | 29.10.2009 |
| 12 | 21.11.2009 |
| 13 | 22.01.2010 |
| 14 | 29.01.2010 |
| 15 | 04.03.2010 |
| 16 | 18.03.2010 |



**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 2009-10 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.

**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 3 (Three) times during the year.

| <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:**

| <b>Year/Period</b> | <b>Day, Date &amp; Time</b>               | <b>Location</b>                                                              |
|--------------------|-------------------------------------------|------------------------------------------------------------------------------|
| 2006-2007          | Saturday, September 29, 2007 at 1.00 P.M. | Lions Bhavan, 1-8-179 Behind LIC, Near Paradise Circle Secunderabad 500 003. |
| 2007-2008          | Saturday, September 27, 2008 at 11.00 A.M | Shed No.42, Phase II, IDA, Mallapur, Hyderabad – 500 076                     |
| 2008-2009          | Wednesday, Sep. 30, 2009 at 11.00 A.M.    | Shed No.42, Phase II, IDA 2009 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. Organization sensitive to customers and investor needs would be the preferred choice.

**ANNUAL GENERAL MEETING**

The 23<sup>rd</sup> Annual General Meeting will be held on 30.09.2010 at Shed No.42, Phase II, IDA, Mallapur, Hyderabad-500076 at 11.30 am.

**FINANCIAL CALENDAR**

|                        |              |
|------------------------|--------------|
| First quarter results  | July 2009    |
| Second quarter results | October 2009 |
| Third quarter results  | January 2010 |
| Fourth quarter results | April 2010   |
| Annual results         | May 2010     |

**BOOK CLOSURE**

The register of members and the share transfer register will remain closed from 22<sup>rd</sup> September, 2010 to 25<sup>th</sup> September, 2010 (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. Kumthekar 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 31.03.2010 a total of 1969620 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.

**Status of Investor Correspondence received during the Financial Year 2009-10****VASUNDHARA RASAYANS LIMITED**

| S.No. | Nature of Complaint                    | Received  | Redressed |
|-------|----------------------------------------|-----------|-----------|
| 1.    | Non-receipt of Share sent for transfer | 01        | 01        |
| 2.    | Non-receipt of Dividend Warrants       | 04        | 04        |
| 3.    | Change of address                      | 11        | 11        |
| 4.    | Correction of name                     | 10        | 10        |
| 5.    | Non-receipt of Duplicate Share Cert.   | Nil       | Nil       |
| 6.    | Loss of Shares                         | 12        | 12        |
| 7.    | Non-receipt of Annual Report & Others  | 02        | 02        |
|       | <b>Total</b>                           | <b>40</b> | <b>40</b> |

**1. SHAREHOLDING PATTERN AS ON 31-03-2010**

| <b>Type of Holder</b>                                                                                                     | <b>Nominal Value</b>  | <b>% of Capital</b> |
|---------------------------------------------------------------------------------------------------------------------------|-----------------------|---------------------|
| A. Foreign Holding<br>Non-Resident Indians                                                                                | 5000.00               | 0.016               |
| B. Bodies Corporate                                                                                                       | 21,86,000.00          | 6.878               |
| C. Promoters, Directors and their<br>Friends/Relatives/Associates<br>(As defined under section.6<br>of the Companies Act) | 1,77,52,200.00        | 55.856              |
| D. General Public                                                                                                         | 1,18,38,800.00        | 37.250              |
| <b>TOTAL</b>                                                                                                              | <b>3,17,82,000.00</b> | <b>100.00</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.No.040-32505977

**Address for Correspondence**

**Vasundhara Rasayans Ltd**  
Shed No.42, Phase II,  
IDA, Mallapur,  
Hyderabad - 500 076.  
Ph.No.040-32505977



## **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, 2010 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, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;

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- vi) 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, 2010;
  - 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 30th August, 2010



**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. 1,12,50,000 and the year-end balance of loans taken from such companies was Rs.1,40,00,000/-.
  - 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 register maintained under the said section. Also according to our opinion, all such transactions 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 the 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, 2010. 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 30th August, 2010

**BALANCE SHEET AS AT 31ST MARCH, 2010**

| PARTICULARS                                                    | Schd | AS AT<br>31-03-2010<br>Rs. | AS AT<br>31-03-2009<br>Rs. |
|----------------------------------------------------------------|------|----------------------------|----------------------------|
| <b>SOURCE OF FUNDS</b>                                         |      |                            |                            |
| <b>SHARE HOLDERS' FUND:</b>                                    |      |                            |                            |
| SHARE CAPITAL                                                  | 1    | 31782000                   | 31782000                   |
| RESERVES & SURPLUS                                             | 2    | 14918633                   | 9471777                    |
|                                                                |      | <u>46700633</u>            | <u>41253777</u>            |
| <b>LOANS FUNDS:</b>                                            |      |                            |                            |
| SECURED LOANS                                                  | 3    | 43152178                   | 5984054                    |
| UNSECURED LOANS                                                | 5    | 14000000                   | 17000000                   |
| DEFERRED TAX LIABILITY                                         |      | 4424938                    | 4255414                    |
|                                                                |      | <u><b>108277750</b></u>    | <u><b>68493245</b></u>     |
| <b>APPLICATION OF FUNDS</b>                                    |      |                            |                            |
| <b>FIXED ASSETS</b>                                            |      |                            |                            |
| GROSS BLOCK                                                    | 4    | 120443283                  | 85520170                   |
| LESS:DEPRECIATION                                              |      | 54763984                   | 49261878                   |
|                                                                |      | <u>65679299</u>            | <u>36258292</u>            |
| <b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>                    |      |                            |                            |
| INVENTORIES                                                    | 6    | 10464662                   | 12484130                   |
| SUNDRY DEBTORS                                                 | 7    | 32855390                   | 26951471                   |
| CASH AND BANK BALANCES                                         | 8    | 5277246                    | 1490620                    |
| LOANS & ADVANCES                                               | 9    | 27005719                   | 19420586                   |
|                                                                |      | 75603017                   | 60346807                   |
| LESS:CURRENT LIABILITIES & PROVISIONS                          | 10   | 33004566                   | 28111854                   |
|                                                                |      | 42598451                   | 32234953                   |
|                                                                |      | <u><b>108277750</b></u>    | <u><b>68493245</b></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 30.8. 2010

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

| SL. NO.     | PARTICULARS                                              | Schd       | FOR THE YEAR<br>31-03-2010<br>Rs. | FOR THE YEAR<br>31-03-2009<br>Rs. |
|-------------|----------------------------------------------------------|------------|-----------------------------------|-----------------------------------|
| <b>I.</b>   | <b><u>INCOME</u></b>                                     |            |                                   |                                   |
|             | SALES                                                    | 11         | 170648437                         | 157126901                         |
|             | OTHER INCOME                                             | 12         | 1411430                           | 2464625                           |
|             | INCREASE /(DECREASE) IN STOCKS                           | 13         | (4300449)                         | 3897659                           |
|             |                                                          |            | <b><u>167759418</u></b>           | <b><u>163489185</u></b>           |
| <b>II.</b>  | <b><u>EXPENDITURE</u></b>                                |            |                                   |                                   |
|             | MATERIAL CONSUMED                                        | 14         | 94393316                          | 99255500                          |
|             | MANUFACTURING EXPENSES                                   | 15         | 19751279                          | 19947644                          |
|             | EMPLOYEES COST                                           | 16         | 10839399                          | 9669711                           |
|             | ADMINISTRATIVE, SELLING<br>DISTRIBUTION & OTHER EXPENSES | 17         | 21793022                          | 15916873                          |
|             | INTEREST                                                 | 18         | 3073856                           | 2177273                           |
|             | DEPRECIATION                                             | 4          | 5502106                           | 5193921                           |
|             |                                                          |            | <b><u>155352978</u></b>           | <b><u>152160922</u></b>           |
| <b>III.</b> | <b><u>PROFIT BEFORE TAXATION</u></b>                     | ( I - II ) | <b>12406440</b>                   | <b>11328262</b>                   |
|             | Earlier Year Expenditure                                 |            | -                                 | 77455                             |
|             | Provision for Income Tax                                 |            | 3084000                           | 2025300                           |
|             | Fringe Benefit Tax                                       |            | -                                 | 43900                             |
|             | FBT Adjustment                                           |            | -                                 | 31945                             |
|             | <i>Deferred</i>                                          |            |                                   |                                   |
|             | Current Year                                             |            | 169524                            | 881830                            |
|             | Proposed Dividend on Equity shares                       |            | 3178200                           | 3178200                           |
|             | Tax on Proposed Dividend                                 |            | 527860                            | 540135                            |
| <b>IV.</b>  | <b>NET PROFIT AFTER TAXATION</b>                         |            | <b>5446856</b>                    | <b>4549497</b>                    |
|             | <b>Add:-BROUGHT FORWARDED PROFIT</b>                     |            | <b>7346777</b>                    | <b>2797279</b>                    |
|             | <b>PROFIT CARRIED TO BALANCE SHEET</b>                   |            | <b><u>12793633</u></b>            | <b><u>7346777</u></b>             |
|             | Significant Accounting Policies &<br>Notes on Accounts   | 20         |                                   |                                   |
|             | EARNING PER SHARE (BASIC & DILUTED)                      |            | <b>2.71</b>                       | <b>2.43</b>                       |
|             | EQUITY SHARE PAR VALUE Rs 10/- EACH                      |            |                                   |                                   |

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 30.8. 2010

**1. PRAKASH CHAND JAIN**  
Managing Director

**2. RAJESH POKERNA**  
Whole Time Director

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2010.**

| <b>PARTICULARS</b>                                                                     | <b>AS AT<br/>31.03.2010<br/>Rs.</b> | <b>AS AT<br/>31.03.2009<br/>Rs.</b> |
|----------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| <b><u>SCHEDULE-1</u></b>                                                               |                                     |                                     |
| <b>SHARE CAPITAL</b>                                                                   |                                     |                                     |
| Authorised<br>45,00,000 Equity Shares<br>of Rs.10/- each                               | 45000000                            | 45000000                            |
| Issued, Subscribed & paid up<br>31,78,200 Equity Shares<br>of Rs.10 each fully paid up | 31782000                            | 31782000                            |
|                                                                                        | <b>31782000</b>                     | <b>31782000</b>                     |
| <b><u>SCHEDULE-2</u></b>                                                               |                                     |                                     |
| <b>Reserves &amp; Surplus</b>                                                          |                                     |                                     |
| Capital Subsidy Account                                                                | 2125000                             | 2125000                             |
| Profit & Loss A/c                                                                      | 12793633                            | 7346777                             |
|                                                                                        | <b>14918633</b>                     | <b>9471777</b>                      |
| <b><u>SCHEDULE-3</u></b>                                                               |                                     |                                     |
| <b>SECURED LOAN</b>                                                                    |                                     |                                     |
| From SBI                                                                               |                                     |                                     |
| Working Capital Loan<br>(Against hypothecation of stock & book debts)                  | 8976762                             | 1962947                             |
| Export Packing Credit                                                                  | 7276599                             | 4021107                             |
| Term Loan                                                                              | 26898817                            | -                                   |
| (second charge over Fixed Assets of Company)                                           | <b>43152178</b>                     | <b>5984054</b>                      |
| <b><u>SCHEDULE-5</u></b>                                                               |                                     |                                     |
| <b>UNSECURED LOAN</b>                                                                  |                                     |                                     |
| From Body Corporate                                                                    | 14000000                            | 17000000                            |
|                                                                                        | <b>14000000</b>                     | <b>17000000</b>                     |
| <b><u>SCHEDULE-6</u></b>                                                               |                                     |                                     |
| <b>INVENTORIES</b>                                                                     |                                     |                                     |
| Consumable Stores                                                                      | 389965                              | 170671                              |
| Packing Materials                                                                      | 629518                              | 397027                              |
| Raw Materials                                                                          | 5932547                             | 4103351                             |
| Work - in - Progress                                                                   | 360950                              | 448209                              |
| Stock-in-Trade                                                                         | 3151682                             | 7364872                             |
|                                                                                        | <b>10464662</b>                     | <b>12484130</b>                     |
| <b><u>SCHEDULE-7</u></b>                                                               |                                     |                                     |
| <b>SUNDRY DEBTORS</b>                                                                  |                                     |                                     |
| <b>(Unsecured &amp; Considered Good)</b>                                               |                                     |                                     |
| Debts Outstanding for a period<br>exceeding six months                                 | 1720721                             | 1136125                             |
| Other Debts                                                                            | 31134669                            | 25815346                            |
|                                                                                        | <b>32855390</b>                     | <b>26951471</b>                     |

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2010.**

| <b>PARTICULARS</b>                                              | <b>AS AT<br/>31.03.2010<br/>Rs.</b> | <b>AS AT<br/>31.03.2009<br/>Rs.</b> |
|-----------------------------------------------------------------|-------------------------------------|-------------------------------------|
| <b><u>SCHEDULE-8</u></b>                                        |                                     |                                     |
| <b>CASH AND BANK BALANCES</b>                                   |                                     |                                     |
| Cash in Hand                                                    | 23693                               | 29128                               |
| Balances with Scheduled Banks<br>In Current Account             | 5253553                             | 1461492                             |
|                                                                 | <b><u>5277246</u></b>               | <b><u>1490620</u></b>               |
| <b><u>SCHEDULE-9</u></b>                                        |                                     |                                     |
| <b>LOANS AND ADVANCES<br/>(UNSECURED &amp; CONSIDERED GOOD)</b> |                                     |                                     |
| Loan to others                                                  | 848742                              | 2763309                             |
| Prepaid Expenses                                                | 141156                              | 162140                              |
| Advances to suppliers and others                                | 3720631                             | 1037476                             |
| Advance to Staff                                                | 69242                               | 233555                              |
| Advance against Residential Flat                                | 602,250                             | -                                   |
| Advance FBT                                                     | 37,390                              | 37,390                              |
| Deposits                                                        | 1695424                             | 2294280                             |
| Balance with Sales Tax Authority                                | 2687897                             | 2221884                             |
| Balance with Excise Authority                                   | 12479363                            | 8113474                             |
| Income Tax & TDS                                                | 4674624                             | 2543222                             |
| Interest on FD Receivable                                       | 49000                               | 13,856                              |
|                                                                 | <b><u>27005719</u></b>              | <b><u>19420586</u></b>              |
| <b><u>SCHEDULE-10</u></b>                                       |                                     |                                     |
| <b>CURRENT LIABILITIES AND PROVISIONS</b>                       |                                     |                                     |
| Sundry Creditors                                                | 21034713                            | 20124358                            |
| OTHER CREDITORS                                                 | 602250                              |                                     |
| Other Liabilities                                               | 2360101                             | 2055390                             |
| Deposit & Public issue Refund                                   | 57975                               | 57975                               |
| FBT Payable                                                     | 31945                               | 31945                               |
| Advance From Customers                                          | 3,670                               | -                                   |
|                                                                 | <b><u>24090654</u></b>              | <b><u>22269667</u></b>              |
| Proposed Dividend On Equity shares                              | 3178200                             | 3178200                             |
| Tax on Proposed Dividend                                        | 527860                              | 540135                              |
| Provision for Tax                                               | 5207852                             | 2123852                             |
|                                                                 | <b><u>33004566</u></b>              | <b><u>28111854</u></b>              |

**SCHEDULE-4**  
**FIXED ASSETS**  
**SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2010**

| S. No. | PARTICULARS                 | GROSS BLOCK         |                                 |           |                              | DEPRECIATION        |          |                 |                              | NET BLOCK           |                     |
|--------|-----------------------------|---------------------|---------------------------------|-----------|------------------------------|---------------------|----------|-----------------|------------------------------|---------------------|---------------------|
|        |                             | AS ON<br>01.04.2009 | ADDITIONS<br>DURING<br>THE YEAR | DELETION  | TOTAL AS<br>ON<br>31.03.2010 | AS ON<br>01.04.2009 | DELETION | FOR THE<br>YEAR | TOTAL<br>AS ON<br>31.03.2010 | AS ON<br>31.03.2010 | AS ON<br>31.03.2009 |
|        |                             | 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.     | [A] PLANT & MACHINERY       | 58235897            | 1363577                         | 59599474  | 36921471                     | -                   | 4368022  | 41289493        | 18309981                     | 21314426            |                     |
|        | [B] PLANT & MACHINERY       |                     | 22112676                        | 22112676  |                              | -                   | 44731    | 44731           | 22067946                     | 0                   |                     |
| 3.     | [A] BUILDING                | 15683719            | 0                               | 15683719  | 6657362                      | -                   | 523836   | 7181198         | 8502521                      | 9026357             |                     |
|        | [B] VRL COLONY              | 3575994             | 0                               | 3575994   | 319                          | -                   | 119438   | 119757          | 3456237                      | 3575675             |                     |
|        | [C] IBAP BUILDING           |                     | 9066488                         | 9066488   |                              | -                   | 8160     | 8160            | 9058328                      |                     |                     |
| 4.     | LAB & FIRE FIGHTING EQUIP   | 390942              | -                               | 390942    | 241643                       | -                   | 18570    | 260213          | 130729                       | 149299              |                     |
| 5.     | FURNITURE & FIXTURES        | 716735              | 9400                            | 726135    | 532400                       | -                   | 45837    | 578237          | 147898                       | 184335              |                     |
| 6.     | OFFICE EQUIPMENT            | 1127598             |                                 | 1127598   | 810425                       | -                   | 71377    | 881802          | 245796                       | 317173              |                     |
| 7.     | COMPUTER                    | 576971              | 82208                           | 659179    | 457619                       | -                   | 100208   | 557827          | 101352                       | 119352              |                     |
| 8.     | ELECTRICAL INSTALLATION     | 2396781             | -                               | 2396781   | 2255287                      | -                   | 141494   | 2396781         | 0                            | 141494              |                     |
|        | [B] ELECTRICAL INSTALLATION |                     | 2,243,964                       | 2,243,964 |                              | -                   | 3945     | 3845            | 2240119                      | 0                   |                     |
| 9.     | TOOLS & EQUIPMENT           | 54264               |                                 | 54264     | 21913                        | -                   | 2579     | 24492           | 29772                        | 32351               |                     |
| 10.    | VEHICLES                    | 1344363             |                                 | 1344363   | 1344263                      | -                   | 0        | 1344263         | 100                          | 100                 |                     |
| 11.    | AIR CONDITIONER             | 49341               | 36,500                          | 85841     | 16117                        | -                   | 2567     | 18684           | 67157                        | 33224               |                     |
| 12.    | FORK LIFT                   | 680,350             | -                               | 680350    | 2,904                        | -                   | 50482    | 53386           | 626964                       | 677,446             |                     |
| 13.    | MOBILE                      | 10,769              | -                               | 10769     | 155                          | -                   | 799      | 954             | 9815                         | 10,614              |                     |
| 14.    | REFRIDGERATOR               |                     | 8,300                           | 8300      |                              | -                   | 161      | 161             | 8139                         | 10,614              |                     |
|        |                             | 85520170            | 34923113                        | 120443283 | 49261878                     | -                   | 5502106  | 54763984        | 65679299                     | 36268906            |                     |
|        | PREVIOUS YEAR'S FIGURES     | 80490531            | 5029639                         | 85520170  | 44067957                     | -                   | 5193921  | 49261878        | 36258292                     |                     |                     |



**SCHEDULES FORMING PART OF THE P & L A/c. FOR THE ENDED 31st MARCH, 2010.**

| <b>PARTICULARS</b>                                                                | <b>AS AT<br/>31.03.2010<br/>Rs.</b> | <b>AS AT<br/>31.03.2009<br/>Rs.</b> |
|-----------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| <b><u>SCHEDULE-11</u></b>                                                         |                                     |                                     |
| <b>SALES</b>                                                                      |                                     |                                     |
| Gross Turnover                                                                    | 178985917                           | 166005443                           |
| Less:— Excise Duty                                                                | 8337480                             | 8878542                             |
|                                                                                   | <b><u>170648437</u></b>             | <b><u>157126901</u></b>             |
| <b><u>SCHEDULE-12</u></b>                                                         |                                     |                                     |
| <b>OTHER INCOME</b>                                                               |                                     |                                     |
| Duty Drawback                                                                     | 1085985                             | 757302                              |
| Interest                                                                          | 75159                               | 101336                              |
| Misc.Income                                                                       | 250286                              | 67300                               |
| Foreign Fluctuation gain                                                          | -                                   | 1380285                             |
| Liabilities no longer req. written back                                           | -                                   | 158402                              |
|                                                                                   | <b><u>1411430</u></b>               | <b><u>2464625</u></b>               |
| <b><u>SCHEDULE-13</u></b>                                                         |                                     |                                     |
| <b>INCREASE/(DECREASE) IN STOCK</b>                                               |                                     |                                     |
| <b>CLOSING STOCK</b>                                                              |                                     |                                     |
| Finished Goods                                                                    | 2146722                             | 3577011                             |
| Finished Goods for Further Processing                                             | 1004960                             | 3787861                             |
| Work-in-progress                                                                  | 360950                              | 448209                              |
|                                                                                   | <b><u>3512632</u></b>               | <b><u>7813081</u></b>               |
| <b>LESS:OPENING STOCK</b>                                                         |                                     |                                     |
| Finished Goods                                                                    | 3577011                             | 3036634                             |
| Finished Goods for Further Processing                                             | 3787861                             | -                                   |
| Work-in-progress                                                                  | 448209                              | 878788                              |
|                                                                                   | <b><u>7813081</u></b>               | <b><u>3915422</u></b>               |
| <b>Increase / (Decrease) in Stock (A-B)</b>                                       | <b><u>(4300449)</u></b>             | <b><u>3897659</u></b>               |
| <b><u>SCHEDULE-14</u></b>                                                         |                                     |                                     |
| <b>MATERIAL CONSUMED</b>                                                          |                                     |                                     |
| Opening Stock of Raw Materials / Packing Material                                 | 4671049                             | 4180332                             |
| ADD:Purchase of Raw Materials,<br>consumables and Packing Materials               | 96674297                            | 99746217                            |
|                                                                                   | <b><u>101345346</u></b>             | <b><u>103926549</u></b>             |
| <b>LESS:Closing Stock of Raw Materials, consumables and<br/>Packing Materials</b> | <b>6952030</b>                      | <b>4671049</b>                      |
|                                                                                   | <b><u>94393316</u></b>              | <b><u>99255500</u></b>              |

**SCHEDULES FORMING PART OF THE P & L A/c. FOR THE ENDED 31st MARCH, 2010.**

| PARTICULARS                                                           | AS AT<br>31.03.2010<br>Rs. | AS AT<br>31.03.2009<br>Rs. |
|-----------------------------------------------------------------------|----------------------------|----------------------------|
| <b><u>SCHEDULE-15</u></b>                                             |                            |                            |
| <b>MANUFACTURING EXPENSES</b>                                         |                            |                            |
| Carriage Inwards                                                      | 9688399                    | 10208161                   |
| Boiler Operation charges                                              | 543744                     | 483701                     |
| Electricity Charges                                                   | 3106900                    | 2945490                    |
| Fuel for D.G.Set                                                      | 296026                     | 730032                     |
| Processing Charges                                                    | 122679                     | -                          |
| Repairs to Building                                                   | 462157                     | 477542                     |
| Repairs To Plant                                                      | 1086820                    | 447888                     |
| Packing & Forwarding charges                                          | 2394215                    | 1848132                    |
| Water Charges                                                         | 2050339                    | 3006699                    |
|                                                                       | <b><u>19751279</u></b>     | <b><u>19947644</u></b>     |
| <b><u>SCHEDULE-16</u></b>                                             |                            |                            |
| <b>EMPLOYEES COST</b>                                                 |                            |                            |
| Gratuity                                                              | 6729                       | 206688                     |
| Provident Fund                                                        | 546633                     | 500548                     |
| Salaries, Wages & Bonus                                               | 8292036                    | 7931271                    |
| Vehicle Hire charges                                                  | 474949                     | 437628                     |
| Staff Welfare & Incentive & Other Benefits                            | 1519052                    | 593576                     |
|                                                                       | <b><u>10839399</u></b>     | <b><u>9669711</u></b>      |
| <b><u>SCHEDULE-17</u></b>                                             |                            |                            |
| <b>ADMINISTRATIVE, SELLING, DISTRIBUTION<br/>&amp; OTHER EXPENSES</b> |                            |                            |
| Accounting Charges                                                    | 132000                     | 101000                     |
| Advertisement                                                         | 13208                      | 3912                       |
| Agency Charges                                                        | 384356                     | 246950                     |
| Analysis Charges                                                      | 24815                      | 19425                      |
| Auditors' Remuneration                                                | 35000                      | 35000                      |
| Bank Charges & Commission                                             | 1238966                    | 289647                     |
| Bad Debts                                                             | 2034929                    | 1302143                    |
| Board Meeting Attendant Fee                                           | 40000                      | -                          |
| Books & Periodicals                                                   | -                          | 2000                       |
| Business Promotion Expenses                                           | 51780                      | 7300                       |
| Cash Transaction Tax                                                  | -                          | 180                        |
| Cleaning charges                                                      | 12500                      | 12514                      |
| Commission on Sales                                                   | 3944069                    | 3447377                    |
| Computer Expenses                                                     | 28905                      | 51596                      |
| Consultancy Charges                                                   | 80000                      | -                          |
| Conveyance                                                            | 426519                     | 337672                     |
| Directors' Remuneration                                               | 1500000                    | 1500000                    |

**SCHEDULES FORMING PART OF THE P & L A/c. FOR THE ENDED 31st MARCH, 2010.**

| <b>PARTICULARS</b>               | <b>AS AT<br/>31.03.2010<br/>Rs.</b> | <b>AS AT<br/>31.03.2009<br/>Rs.</b> |
|----------------------------------|-------------------------------------|-------------------------------------|
| Discount Allowed                 | 10515                               | 14140                               |
| Donations & Subscriptions        | 24403                               | 27501                               |
| Electricity Charges              | 40344                               | 33466                               |
| Export & Other Charges           | 2000                                | 2500                                |
| Filing Fees                      | 6000                                | 15500                               |
| Foreign Currency Fluctation      | 77014                               | -                                   |
| Freight Outwards                 | 1598415                             | 506890                              |
| Fuel For Vehicle                 | 110966                              | 102714                              |
| Fumigation charges               | 114585                              | 135250                              |
| Garden Maintenance               | -                                   | 3000                                |
| Insurance                        | 164609                              | 183094                              |
| Internet Charges                 | 6604                                | 9412                                |
| Labour Welfare and Compensation  | 25000                               | -                                   |
| Labour Welfare Fund              | 9648                                | 15807                               |
| Legal & Professional Charges     | 57953                               | 76000                               |
| Listing and Registration charges | 294277                              | 127100                              |
| Miscellaneous Expenses           | 128791                              | 90151                               |
| Professional Fees                | 119500                              | 14000                               |
| Postage & Telegrams              | 199681                              | 77051                               |
| Printing & Stationery            | 208415                              | 175806                              |
| Guest House Maintenance          | 185784                              | 17701                               |
| Rates & Taxes                    | 121508                              | 18472                               |
| Rent                             | 189000                              | 154300                              |
| Repairs & Maintenance            | 511405                              | 115507                              |
| Sanction Fee                     | 228140                              | -                                   |
| Sea & Air Freight charges        | 5782670                             | 5599682                             |
| Service Tax On Freight           | 65358                               | 56580                               |
| Fine and Court Expenses          | -                                   | 40500                               |
| Telephone & Telex Charges        | 336561                              | 356504                              |
| Travelling Expenses              | 653124                              | 557811                              |
| Vat Excess Refund Claim          | 456091                              | -                                   |
| Vehicle Expenses                 | 11017                               | 35568                               |
| Supervision charges              | 108000                              | -                                   |
| Sundry Balance W/Off             | (1404)                              | (1849)                              |
|                                  | <b>21793022</b>                     | <b>15916873</b>                     |
| <b>SCHEDULE-18</b>               |                                     |                                     |
| <b>INTEREST</b>                  |                                     |                                     |
| On Secured Loans & others & Bank | 1091392                             | 534353                              |
| On Unsecured Loans               | 1982464                             | 1642920                             |
|                                  | <b>3073856</b>                      | <b>2177273</b>                      |

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH,2010****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 recognised on despatch 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 recognised only if there is reasonable certainty that they will be realised 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 in computing basic earning per share is the weighted average number of shares outstanding during the period. The company does not have any dilative potential equity shares.

**SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2010**

**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 AS-22, issued by the ICAI.
  - ii) Computation of Deferred Tax Liabilities (Net)

|                                                                                                           | <b>Upto<br/><u>31.03.09</u></b> | <b>For the Total as on<br/><u>Current Year</u></b> | <b><u>31.03.2010</u></b> |
|-----------------------------------------------------------------------------------------------------------|---------------------------------|----------------------------------------------------|--------------------------|
| <b>DEFERRED TAX LIABILITIES :</b>                                                                         |                                 |                                                    |                          |
| a) Tax impact of difference between carrying amount of Fixed Assets in Financial Statement and Income Tax | 3923536                         | 754201                                             | 4677737                  |
| b) Gratuity                                                                                               | 331878                          | (584677)                                           | (252799)                 |
|                                                                                                           | <u>4255414</u>                  | <u>169524</u>                                      | <u>4424938</u>           |

**3. Retirement Benefit – Gratuity**

The company has an unfunded defined contribution gratuity plan. Every employee who has completed 5 years or more of service is eligible for a gratuity on departure at 15 days salary (last drawn salary) per each completed year of service.

Consequent to the adoption of revised AS- 15 Employee Benefits issued under Companies (Accounting Standards) Amendment Rules 2008, the following disclosures have been made as required by the standard.

The following tables summaries the components of the net employee benefit expenses recongised in the profit and loss account, and the fund status and amount recognised in the balance sheet for the gratuity benefit plan.

**Profit and Loss Account**

Net Employee Benefit Expenses (recognised in employee cost)

|                                                     | <b>2009-10</b> |
|-----------------------------------------------------|----------------|
| Current Service Cost                                | 85204          |
| Interest on defined benefit obligation              | 93826          |
| Expected return on plan assets                      | -115784        |
| Net actuarial losses/(gains) recognised in the year | -56517         |
| Past Service Cost                                   | 0              |
| Actuarial (gain)/losses                             | 0              |
| <b>Total included in employee benefit expense</b>   | <b>6729</b>    |

**Balance Sheet**

Details of Provision for Gratuity

|                                                  | <b>2009-10</b> |
|--------------------------------------------------|----------------|
| Liability at the end of the Year                 | 1295332        |
| Fair Value of plan assets at the end of the year | 1498862        |
| Difference                                       | -203530        |
| Unrecognised past service cost                   | 0              |
| Unrecognised transition liability                | 0              |
| <b>Amount in Balance Sheet</b>                   | <b>-203530</b> |

**Changes in the present value of the defined benefit obligation are as follows:**

|                                                        |                |
|--------------------------------------------------------|----------------|
|                                                        | <b>2009-10</b> |
| Liability at the beginning of the Year                 | 1172819        |
| Interest Cost                                          | 93826          |
| Current Service Cost                                   | 85204          |
| Past Service Cost (non vested benefit)                 | 0              |
| Past Service Cost (vested benefit)                     | 0              |
| Benefits paid                                          | 0              |
| Actuarial (Gain)/Loss                                  | -56517         |
| <b>Liability at the end of the Year</b>                | <b>1295332</b> |
| <b>Table Showing Fair Value of Plan Assets</b>         | <b>2009-10</b> |
| Fair Value of Plan Assets at the beginning of the Year | 1275394        |
| Actual Return on Plan Assets                           | 115784         |
| Contributions                                          | 107684         |
| Benefits paid                                          | 0              |
| Fair Value of Plan Assets at the end of the Year       | 1498862        |
| Funded Status                                          | -203530        |
| <b>Actuarial (Gain)/Loss Recognised</b>                |                |
| Actuarial (Gain)/Loss on obligations                   | -56517         |
| Actuarial (Gain)/Loss for the year on plan assets      | 0              |
| Net Actuarial (Gain)/Loss                              | -56517         |
| Liability at the end of the Year                       | 2681160        |

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

| Particulars              | 2009-10 |
|--------------------------|---------|
| Investments with insurer | 100%    |

**Principal actuarial assumptions as at the balance sheet date:**

|                         | 2009-10 |
|-------------------------|---------|
| Discount Rate           | 8%      |
| Salary Escalation       | 4%      |
| Employee Attrition Rate | 2%      |

**Note:** i) The Company has introduced the Defined contribution Plan for the first time during the Previous Year. The figures for the previous years could not be provided as no Actuarial valuation was made during the previous year. The figures relating to the Current year have been provided on the basis of valuation made by the Insurer.

ii) The Company also has made a provision for Liability of related to their employee who are not covered under the above scheme. The balance of this Non-Funded Liability as on 31.03.2010 is Rs. 905865/-

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. The Company has completed the Trail run of its new IBP Plant Successfully on 21<sup>st</sup> March, 2010. This Plant is expected to start full scale commercial production in the coming year. Since the Plant has been used from 21<sup>st</sup> March, 2010, Depreciation from the Said date has been provided on this Plant.

6. Earnings Per Share:

|                                                                                                             | <b>For the year ended March 31</b> |           |
|-------------------------------------------------------------------------------------------------------------|------------------------------------|-----------|
|                                                                                                             | 2010                               | 2009      |
| Numerator used for calculating basic and diluted earnings per share - Profit after taxation.                | 86,25,056                          | 77,27,698 |
| 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.)                                                                  | 2.71                               | 2.43      |



7. Reporting Segment (Geographical Segment):

|                                                                                                      | <u>Export</u>  | <u>Domestic</u> | <u>Total</u>   |
|------------------------------------------------------------------------------------------------------|----------------|-----------------|----------------|
| Sales                                                                                                | 1376.09        | 330.39          | 1706.48        |
| Less: Direct Expenses (Freight)                                                                      | 12.80          | 3.18            | 15.98          |
| Less: Allocated Mfg. Exp.<br>(RM + Mfg. Exp.)                                                        | 1141.45        | —               | 1141.45        |
| Add: Increase in Stock                                                                               | <u>(43.00)</u> | —               | <u>(43.00)</u> |
| Segment Result                                                                                       | 186.64         | 327.21          | 513.85         |
| Less: Unallocated Overheads<br>(Employee Cost + Admn.Exp.<br>+ Interest + Depreciation<br>- Freight) |                |                 | <u>396.10</u>  |
|                                                                                                      |                |                 | 109.95         |
| Add: Other Income                                                                                    |                |                 | 14.11          |
| <b>NET PROFIT</b>                                                                                    |                |                 | <u>124.06</u>  |
| Less: Earlier year Expenditure                                                                       |                |                 | —              |
| Less: Provision for Income Tax                                                                       |                |                 | 30.84          |
| Less: Provision for FBT                                                                              |                |                 | —              |
| Less: FBT Adjustment                                                                                 |                |                 | —              |
| Less: Deferred Tax                                                                                   |                |                 | 1.69           |
| Less: Proposed Dividend                                                                              |                |                 | 31.78          |
| Less: Tax on Proposed Dividend                                                                       |                |                 | <u>5.28</u>    |
| NET PROFIT                                                                                           |                |                 | <u>54.47</u>   |

8. Related Party Disclosures:

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

1. Associates:

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

2. Key Managerial Personnel

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

9. Transactions during the year with related parties:

|  | Asso-<br>ciates | Key<br>Management<br>Personnel | Rela-<br>tives | Total |
|--|-----------------|--------------------------------|----------------|-------|
|--|-----------------|--------------------------------|----------------|-------|

**UNSECURED LOANS:**

|                           |             |   |   |             |
|---------------------------|-------------|---|---|-------------|
| a) Taken during the year  | 1,12,50,000 | - | - | -           |
| b) Repaid during the year | 1,42,50,000 | - | - | -           |
| c) Balance as at 31-03-10 | 1,40,00,000 | - | - | 1,40,00,000 |

**LOANS TO OTHERS:**

|                           |   |   |   |   |
|---------------------------|---|---|---|---|
| a) Given during the year  | - | - | - | - |
| b) Refund during the year | - | - | - | - |
| c) Balance as at 31-03-10 | - | - | - | - |

**INCOME:**

|                            |   |   |   |   |
|----------------------------|---|---|---|---|
| Interest on Unsecured Loan | - | - | - | - |
|----------------------------|---|---|---|---|

**EXPENDITURE:**

|                                |           |           |   |           |
|--------------------------------|-----------|-----------|---|-----------|
| a) Interest on Unsecured Loans | 19,82,464 | -         | - | 19,82,464 |
| b) Remuneration for Directors. | -         | 15,00,000 | - | 15,00,000 |
| c) Rent payment                | -         | -         | - | -         |

**SALES:**

|                             |            |
|-----------------------------|------------|
| a) Sales during The Year    | 76,74,070. |
| b) Received During the year | 76,74,070. |
| c) Balance As On 31-03-2010 | NIL        |

**PURCHASES:**

|                             |            |
|-----------------------------|------------|
| a) Purchase during The Year | 13,35,714. |
| b) Paid during the year     | 13,35,714. |
| c) Balance As On 31-03-2010 | NIL        |

**10. Auditors Remuneration includes:**

|            | <u>2009-2010</u> | <u>2008-2009</u> |
|------------|------------------|------------------|
| Audit Fees | 21,000           | 21,000           |
| Tax Audit  | 14,000           | 14,000           |
|            | <u>35,000</u>    | <u>35,000</u>    |

**11. Additional Information pursuant to provision of paragraph 3(ii)d), 4C & 40 of part 11 of Schedule VI of the Companies Act, 1956.(a) Licensed & 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  
(RS. IN LACS)

| Production             | Opening Stock      |                  | Closing Stock      |                  | Sales                  |                      |
|------------------------|--------------------|------------------|--------------------|------------------|------------------------|----------------------|
| Qty.                   | Qty.               | Value            | Qty                | Value            | Qty                    | Value                |
| 2282.865<br>(1988.891) | 61.966<br>(55.300) | 35.77<br>(30.36) | 44.481<br>(61.966) | 21.47<br>(73.64) | 2300.350<br>(1982.225) | 1727.07<br>(1571.27) |

(Figures in brackets relate to previous year)

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2010

(f) Details of Consumption of Raw Materials Rs in lacs

| CLASS OF GOODS       | UNIT | 2009-2010 |        | 2008-2009 |         |
|----------------------|------|-----------|--------|-----------|---------|
|                      |      | Qty       | Value  | Qty       | Value   |
| Caustic Soda         | kgs  | 66070     | 13.88  | 192397    | 56.78   |
| Soda Ash             | kgs  | 934250    | 121.45 | 786050    | 141.13  |
| Sodium Silicate      | kgs  | 56295     | 4.31   | 4026      | 0.33    |
| Anhydrous Ammonia    | kgs  | 74051     | 16.03  | 80500     | 20.26   |
| Aluminium Trihydrate | kgs  | 231253    | 34.69  | 235161    | 36.95   |
| Aluminium Hydroxide  | kgs  | 747325    | 388.61 | 538125    | 316.64  |
| Magnesium Hydroxide  | kgs  | 128250    | 78.23  | 72250     | 43.46   |
| Others               | kgs  |           | 245.29 |           | 415.00  |
|                      |      |           | 902.49 |           | 1030.88 |

(g) Consumption of Raw Material

|                   | <u>2009-2010</u> | <u>2008-2009</u> |
|-------------------|------------------|------------------|
| Raw Material type | % (Rs in lacs)   | % (Rs in lacs)   |
| Imported          | — Nil            | — Nil            |
| Indigeneous       | 100 33.54        | 100 1030.55      |

(h) Earnings in Foreign Exchange during the year.

|                      | <u>2009-2010</u>       | <u>2008-2009</u>       |
|----------------------|------------------------|------------------------|
|                      | US\$/Euro Rs.          | US\$ Rs.               |
| Export Sale in US \$ | 1774427.50 83457334.00 | 1272117.50 56781519.50 |
| Export Sale in EURO  | 705000.00 46282900.00  | 538600.00 34745360.00  |

(i) Expenditure in Foreign Currency during the Year

|                     | 2009-2010 |                 | 2008-2009 |                 |
|---------------------|-----------|-----------------|-----------|-----------------|
|                     | Euro      | Rs.<br>& Others | Euro      | Rs.<br>& Others |
| Travelling Expense  | 2000.00   | 140528.00       | -         | -               |
| Commission On Sales | -         | -               | -         | -               |

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

Signature to Schedule 1 to 20

**DIRECTORS**

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

**1. PRAKASH CHAND JAIN**  
MANAGING DIRECTOR

**B.C.KHAITAN**  
(Partner)  
Membership No.017387

**2. RAJESH POKERNA**  
WHOLE TIME DIRECTOR

12, Waterloo Street, Kolkata – 700 069.

Dated this 30th August, 2010.

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31-3-2010**

| <b>PARTICULARS</b>                                          | <b>31.03.2010</b> |                     | <b>31.03.2009</b> |                    |
|-------------------------------------------------------------|-------------------|---------------------|-------------------|--------------------|
|                                                             | <b>Rs.</b>        |                     | <b>Rs.</b>        |                    |
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>               |                   |                     |                   |                    |
| NET PROFIT/LOSS AFTER TAX AND EXTRA ORDINARY ITEM           |                   | 5,446,856           |                   | 8,267,833          |
| <b>ADJUSTMENT FOR:</b>                                      |                   |                     |                   |                    |
| DEPRECIATION                                                | 5,502,515         |                     | 5,193,921         |                    |
| PROVISION FOR TAXATION                                      | 3,084,000         |                     | 2,025,300         |                    |
| PROVISION FOR FBT                                           | -                 |                     | 43,900            |                    |
| PROVISION FOR GRATUITY                                      | -                 |                     | 206,688           |                    |
| GRATUITY PAID                                               | -                 |                     | (1,280,726)       |                    |
| INTEREST PAID                                               | 3,073,856         | 11,659,962          | 2,177,273         | 8,366,356          |
| <b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>      |                   | 17,106,818          |                   | 16,634,189         |
| <b>ADJUSTED FOR:</b>                                        |                   |                     |                   |                    |
| TRADE AND OTHER RECEIVABLE                                  | (5903919)         |                     | (13,613,399)      |                    |
| INVENTORIES                                                 | 2,019,468         |                     | (4,388,376)       |                    |
| LOANS & ADVANCES                                            | (9,716,535)       |                     | (7,177,971)       |                    |
| TRADE PAYABLES                                              | 1,808,711         | (11,792,274)        | 11,638,656        | (13,541,090)       |
| <b>CASH GENERATED FROM OPERATIONS</b>                       |                   | 5,314,545           |                   | 3,093,099          |
| <b>CASH FLOW BEFORE EXTRA ORDINARY ITEMS</b>                |                   | <b>5,314,545</b>    |                   | <b>3,093,099</b>   |
| <b>EXTRA ORDINARY ITEMS</b>                                 |                   |                     |                   |                    |
| DEFERRED TAX                                                |                   | 169,524             |                   | 881,830            |
| <b>NET CASH FROM OPERATING ACTIVITIES BEFORE TAXES PAID</b> |                   | 5,484,069           |                   | 3,974,928          |
| TAXES PAID DURING THE YEAR                                  |                   | 2,131,402           |                   | <b>(2,010,465)</b> |
| <b>NET CASH FROM OPERATING ACTIVITIES</b>                   |                   | <b>7,615,471</b>    |                   | <b>1,964,463</b>   |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>               |                   |                     |                   |                    |
| PURCHASE OF FIXED ASSETS                                    | (34,923,113)      |                     | (5,029,639)       |                    |
| REIMBURSEMENT OF EXPENSES OF FIXED ASSETS                   | -                 |                     | -                 |                    |
| ACQUISITION OF COMPANIES                                    | -                 |                     | -                 |                    |
| PURCHASE OF INVESTMENTS                                     | -                 |                     | -                 |                    |
| SALE OF INVESTMENT                                          | -                 |                     | -                 |                    |
| INTEREST RECEIVED                                           | -                 |                     | -                 |                    |
| DIVIDEND RECEIVED                                           | -                 |                     | -                 |                    |
| SHARE ISSUE EXPENSES                                        |                   |                     |                   | (5,029,639)        |
| <b>NET CASH USE IN INVESTING ACTIVITIES</b>                 |                   | <b>(34,923,113)</b> |                   | <b>(5,029,639)</b> |

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31-3-2010**

| PARTICULARS                                                     | 31.03.2010  |                   | 31.03.2009  |                  |
|-----------------------------------------------------------------|-------------|-------------------|-------------|------------------|
|                                                                 | Rs.         |                   | Rs.         |                  |
| PROCEEDS FROM ISSUE OF SHARE CAPITAL                            | -           |                   | -           |                  |
| PROCEEDS FROM LONG TERM BORROWINGS                              | 37,168,124  |                   | 3,216,704   |                  |
| PROCEEDS FROM SHORT TERM BORROWINGS                             | (3,000,000) |                   | 3,309,000   |                  |
| SHARE APPLICATION MONEY                                         | -           |                   | -           |                  |
| REPAYMENT OF FINANCE LEASE LIABILITIES                          | -           |                   | -           |                  |
| INTEREST PAID                                                   | (3,073,856) |                   | (2,177,273) |                  |
| DIVIDEND PAID                                                   | -           |                   | -           |                  |
| <b>NET CASH USED IN FINANCING ACTIVITIES</b>                    |             | <b>31,094,268</b> |             | <b>4,348,431</b> |
| <b>D. NET INCREASE/(DECREASE) IN CASH (A+B+C)</b>               |             | <b>3,786,626</b>  |             | <b>1,283,255</b> |
| <b>NET INCREASED / (DECREASED) IN CASH AND CASH EQUIVALENTS</b> |             |                   |             |                  |
| CASH AND CASH EQUIVALENTS ASAT 1-04-2009                        | 1,490,620   |                   | 207,365     |                  |
| LESS: CASH AND CAH EQUIVALENTS ASAT 31-03-2010                  | 5,277,246   |                   | 1,490,620   |                  |
|                                                                 |             | <b>3,786,626</b>  |             | <b>1,283,255</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

**1. PRAKASH CHAND JAIN**  
MANAGING DIRECTOR

**B.C.KHAITAN**  
(Partner)  
Membership No.017387

**2. RAJESH POKERNA**  
WHOLE TIME DIRECTOR

12, Waterloo Street, Kolkata – 700 069.  
Dated this 30th August, 2010.

**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 | 31-03-2010 |
| 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   | 141,282,315 |
| TOTAL ASSETS        | 141,282,315 |

**SOURCE OF FUNDS**

|                         |            |
|-------------------------|------------|
| PAID UP CAPITAL         | 31,782,000 |
| RESERVES & SURPLUS      | 14,918,633 |
| SECURED LOANS           | 43,152,178 |
| UNSECURED LOANS         | 14,000,000 |
| DEFFEREED TAX LIABILITY | 4,424,812  |

**APPLICATION OF FUNDS**

|                    |            |
|--------------------|------------|
| NET FIXED ASSETS   | 65,679,299 |
| NET CURRENT ASSETS | 42,598,451 |
| ACCMULATED LOSSES  | NIL        |

**PERFORMANCE OF THE COMPANY**

|                                    |             |
|------------------------------------|-------------|
| TURN OVER (INCLUDING OTHER INCOME) | 172,059,867 |
| TOTAL EXPENDITURE                  | 155,352,978 |
| NET PROFIT                         | 12,406,440  |
| PROFIT AFTER TAX                   | 5,446,856   |
| EARNING PER SHARE                  | 2.71        |
| 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 |
| ITEM CODE NO.       | 282810                        |
| PRODUCT DESCRIPTION | ALUMINIUM HYDROXIDE PASTE     |
| ITEM CODE NO.       | 283990                        |
| PRODUCT DESCRIPTION | MAGNESIUM TRI SILICATE        |

**FOR AND ON BEHALF OF THE BOARD**

**1.PRAKASH CHAND JAIN  
MANAGING DIRECTOR  
2.RAJESH POKERNA  
WHOLE TIME DIRECTOR**

PLACE:HYDERABAD  
Dated 30th August 2010

**=====  
VASUNDHARA RASAYANS LIMITED  
=====**

**PROXY**

**VASUNDHARA RASAYANS LIMITED**

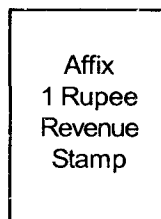
Registered Office : Shed No. 42, Phase II, IDA, Mallapur, Hyderabad - 500 076.

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 23rd Annual General Meeting of the  
Company, to be held on Thursday the 30th September, 2010 at 11.30 a.m. and at any  
adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2010

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

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



**VASUNDHARA RASAYANS LIMITED**

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

Signature \_\_\_\_\_

**ATTENDANCE SLIP**

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

hereby record my presence at the 23rd Annual General Meeting of the Company to be held at the  
Shed No.42, Phase II, IDA, Mallapur, Hyderabad – 500 076 on Thursday the 30th  
September, 2010, 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 \_\_\_\_\_

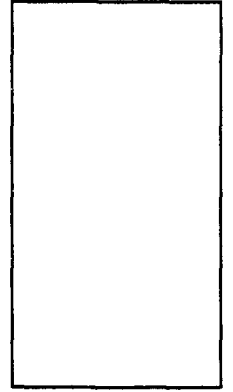
NOTES :

- 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.
- 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