

BOOK POST



CEETA
INDUSTRIES LIMITED

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Ceeta Industries Limited

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Twenty Seventh
Annual Report
2010-2011

TWENTY SEVENTH ANNUAL GENERAL MEETING

Thursday, the 29th September, 2011, at 3.00 p.m., at Plot No. 34-38, KIADB Industrial Area, Sathyamangala, Tumkur- 572 104, Karnataka

BOARD OF DIRECTORS

Sri K.M. Poddar, Managing Director
Sri A. De
Sri S.K. Chhawchharia
Sri S.L. Singhania

AUDITORS

G.K.Tulsyan & Co.
Chartered Accountants, Kolkata

REGISTERED OFFICE

Plot No. 34-38, KIADB Industrial Area,
Sathyamangala, Tumkur- 572 104, Karnataka
E-mail : accounts@ceeta.com

HEAD OFFICE

240B, A.J. C. Bose Road
2nd Floor, Kolkata- 700 020
E-mail : kolkata@ceeta.com

REGISTRAR & TRANSFER AGENT

Niche Technologies Pvt. Ltd.
D- 511, Bagree Market, 71, B.R.B.Basu Road,
Kolkata- 700 001; Phone : 033-2235-7270/71

WORKS AT :**TUMKUR**

ISO 9001 : 2000 a 100% EOU Granite Unit
Plot No. 34-38, KIADB Industrial Area,
Sathyamangala, Tumkur- 572 104, Karnataka

NOTICE

NOTICE is hereby given that the **27th Annual General Meeting** of the Company will be held at the Registered Office of the Company at Plot No. 34-38, KIADB Industrial Area, Sathyamangala, Tumkur-572104, KARNATAKA on Thursday, the 29th September, 2011 at 3.00 P.M. to transact the following business :-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 and the Profit and Loss Account for the year ended on that date together with the reports of the Auditors and Directors thereon.
2. To appoint the Auditors and to authorise the Board to fix their remuneration.

SPECIAL BUSINESS**3. Appointment of Sri S. L. Singhania as a Director**

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :

“RESOLVED THAT Sri S.L Singhania, who was appointed as director in casual vacancy and who holds office up to the date of the forthcoming Annual General Meeting of the Company in terms of Section 262 of the Companies Act, 1956 and in respect of whom a notice in writing proposing himself as candidature for the office of the Director of the Company received by the Company under Section 257 of the Act, be and is hereby appointed as a Director of the company liable to retire by rotation.”

4. Revision of Remuneration of Sri Anubhav Poddar, President of the Company:

To consider and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution-

“RESOLVED THAT pursuant to the provisions of Section 314 read with Director's Relative (Office or Place of Profit) Amendment Rule, 2011 and all other applicable provisions, if any, of the Companies Act, 1956 and in line with recommendation made by remuneration committee, if any, consent be and is hereby accorded for the increase in remuneration of Sri Anubhav Poddar, President of the Company on the following terms :-

1. His remuneration shall be subject to the maximum of Rs. 1,25,000/- per month towards the aggregate of Basic Salary and perquisites as mentioned below:
 - A. **Basic Salary** Rs. 45,000/- p.m. with effect from 1st April, 2011 which may be increased at the discretion of the Board and will be subject to maximum ceiling as mentioned above.
 - B. **Perquisites** In addition to the salary he will be eligible for the following perquisites:-
 - (I) **Housing**
Housing –I
Any expenditure, exceeding 15 % of the salary of Sri Anubhav Poddar, incurred by the Company on hiring of unfurnished accommodation for Sri Poddar, subject to maximum 40% of his salary.

Housing – II

In case the accommodation is owned by the Company, fifteen percent (15%) of the salary of Sri Poddar shall be deducted by the Company.

Housing – III

In case no accommodation is provided by the company, the President shall be entitled to House Rent Allowance subject to maximum 40 % of Basic Salary.

(II) Medical Reimbursement :

Expenses incurred for self and his family subject to a ceiling of one month's salary in a year.

(III) Leave Travel Concession

For self and his family once in a year incurred for travel by Business Class to any destination in India or abroad subject to maximum 10% of his basic salary.

(IV) Fee of Clubs

Clubs' fee and charges subject to maximum of two clubs, excluding admission and life membership fees.

(V) Actual expenses incurred on gas, electricity and water shall be paid/ reimbursed by the company.

(VI) Other perquisites as per company's Rules within the maximum ceiling of remuneration.

5. Revision of Remuneration of Smt. Vrinda Poddar, Coordinator-Export promotion of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution -**

“RESOLVED THAT pursuant to the provisions of Section 314 read with Director's Relative (Office or Place of Profit) Amendment Rule, 2011 and all other applicable provisions, if any, of the Companies Act, 1956 and in line with recommendation made by remuneration committee, if any, consent be and is hereby accorded for the increase in remuneration of Smt. Vrinda Poddar, Coordinator Export Promotion of the Company on the following terms:-

1. Her remuneration shall be subject to the maximum of Rs. 1,25,000/- per month towards the aggregate of Basic Salary and perquisites as mentioned below:

A. Basic Salary– RRs. 30,000/- p.m. with effect from 1st April, 2011 which may be increased at the discretion of the Board and will be subject to maximum ceiling as mentioned above.

B. Perquisites – Perquisites In addition to the salary he will be eligible for the following perquisites:-

(I) Housing**Housing –I**

Any expenditure, exceeding 15 % of the salary of Smt. Vrinda Poddar, incurred by the Company on hiring of unfurnished accommodation for Smt. Poddar, subject to maximum 40% of his salary.

Housing – II

In case the accommodation is owned by the Company, fifteen percent (15%) of the salary of Smt. Poddar shall be deducted by the Company.

Housing – III

In case no accommodation is provided by the company, she shall be entitled to House Rent Allowance subject to maximum 40 % of Basic Salary.

(II) Medical Reimbursement :

Expenses incurred for self and his family subject to a ceiling of one month's salary in a year.

(III) Leave Travel Concession

For self and his family once in a year incurred for travel by Business Class to any destination in India or abroad subject to maximum 10% of his basic salary.

(IV) Fee of Clubs

Clubs' fee and charges subject to maximum of one club, excluding admission and life membership fees.

(V) Actual expenses incurred on gas, electricity and water shall be paid/ reimbursed by the company.

(VI) Other perquisites as per company's Rules within the maximum ceiling of remuneration.

6. Re-appointment of Sri Krishna Murari Poddar, Managing Director of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution-

“RESOLVED that pursuant to the provisions of Section 198, 302, 309, 310, 311 and Schedule XIII and all other applicable provisions if any, of the companies Act, 1956 and in line with recommendation made by remuneration committee, consent be and is hereby accorded for the reappointment of Sri K. M. Poddar as Managing Director of the Company on the following terms and conditions

1. He will be re-appointed as Managing Director of the Company effect from 1st June, 2011 for a further period of five years.

2. His remuneration shall be subject to the maximum of Rs. 1,25,000/- per month towards the aggregate of Basic Salary and perquisites as mentioned below:

A. Basic Salary Rs. 50,000/- p.m. with effect from 1st April, 2011 which may be increased at the discretion of the Board and will be subject to maximum ceiling as mentioned above.

B. Perquisites In addition to the salary he will be eligible for the following perquisites:-

(I) Housing**Housing I**

Any expenditure, exceeding 15 % of the salary of Sri K.M. Poddar, incurred by the Company on hiring of unfurnished accommodation for Sri Poddar, subject to maximum 40% of his salary.

Housing II

In case the accommodation is owned by the Company, fifteen percent (15%) of the salary of Sri K.M. Poddar shall be deducted by the Company.

Housing III

In case no accommodation is provided by the company, he shall be entitled to House Rent Allowance subject to maximum 40 % of Basic Salary.

(II) Medical Reimbursement :

Expenses incurred for self and his family subject to a ceiling of one month's salary in a year.

(III) Leave Travel Concession

For self and his family once in a year incurred for travel by Business Class to any destination in India or abroad subject to maximum 10% of his basic salary.

(IV) Fee of Clubs

Clubs' fee and charges subject to maximum of two clubs, excluding admission and life membership fees.

(V) Actual expenses incurred on gas, electricity and water shall be paid/ reimbursed by the company.**(VI) Other perquisites as per company's Rules within the maximum ceiling of remuneration.**

By order of the Board

**K. M. PODDAR
MANAGING DIRECTOR**

**PLACE: KOLKATA
DATE: 29/07/2011**

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.
2. **The Register of Members and Share Transfer Books of the Company shall remain closed from 21st September, 2011 to 29th September, 2011 (both days inclusive).**
3. Members are requested to notify immediately change of address, if any, to the registrar and transfer agent of the company.
4. Members who have shareholdings in physical form are requested to submit their shares for dematerialization at your registered depository at the earliest.

ANNEXURE TO NOTICE**Explanatory Statement, Pursuant to Section 173(2) of the Companies Act, 1956 :****Item No. 3**

Sri S.L. Singhania was appointed as independent director with effect from 15th September, 2008 in casual vacancy caused by resignation of Sri S.L. Gupta and in terms of Section 262 of the Companies Act, 1956 he holds office only up to the date up to which the director in whose place he was appointed would have held office if he had not vacated the office. Sri S.L. Singhania holds office up to the date of the forthcoming Annual General Meeting of the Company.

Sri S.L. Singhania is a business man and having 25 years experience. He also holds the directorship in seven more limited company. He hold 3800 share of the Company in his own name and 100 shares in his wife name.

Your Directors are of the view that the Company would be benefited by the wealth of experience of Sri S.L. Singhania and therefore recommended for approval, the resolution contained in Item No. 3 of the Notice convening the Annual General Meeting.

None of the Directors except Sri S.L. Singhania is interested in item no. 3 of the Notice.

Item No. 4

Our Board, in line with the recommendation of the Remuneration Committee, at its meeting held on 29-04-2011 recommended to increase in salary of Sri Anubhav Poddar with effect from 01-04-2011 on the terms and conditions detailed in the resolution.

Contribution to Provident Fund, Superannuation Fund or Annuity Fund as per rules of the Company will not be included in the computation of maximum ceiling of remuneration. Provision of car for use in connection with Company's Business will not be considered as perquisites.

As per Section 314 of the Companies Act, 1956, a Special Resolution is required to be passed in Annual General Meeting of the company for the above purpose.

Your Directors, therefore, recommend the resolution set out at item No.4 of the Notice for your approval by way of special resolution.

No other Director except Sri Krishna Murari Poddar, Managing Director, being relative of Sri Anubhav Poddar is interested in the resolution.

The explanatory statement read with the proposed resolution may be treated as an abstract of terms of the re-appointment and memorandum of interest u/s 302 of the Companies Act, 1956.

Item No. 5

Our Board, in line with the recommendation of the Remuneration Committee, at its meeting held on 29-04-2011 recommended to increase in salary of Smt. Vrinda Poddar with effect from 01-04-2011 on the terms and conditions detailed in the resolution.

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Contribution to Provident Fund, Superannuation Fund or Annuity Fund as per rules of the Company will not be included in the computation of maximum ceiling of remuneration. Provision of car for use in connection with Company's Business will not be considered as perquisites.

As per Section 314 of the Companies Act, 1956, a Special Resolution is required to be passed in Annual General Meeting of the company for the above purpose. Your Directors, therefore, recommend the resolution set out at item No.5 of the Notice for your approval by way of special resolution.

No other Director except Sri Krishna Murari Poddar, Managing Director, being relatives of Smt. Vrinda Poddar is interested in the resolution.

The explanatory statement read with the proposed resolution may be treated as an abstract of terms of the re-appointment and memorandum of interest u/s 302 of the Companies Act, 1956.

Item No. 6

Sri K.M. Poddar's tenure of office as the Company's Managing Director expired on 30-05-2011 and in line with recommendation made by remuneration committee, your Board of Directors at its meeting held on 29th April, 2011 recommended for re-appointment of Sri K. M. Poddar with effect from 01-06-2011 for a further period of five years on the terms and conditions detailed in the resolution.

Contribution to Provident Fund, Superannuation Fund or Annuity Fund as per rules of the Company will not be included in the computation of maximum ceiling of remuneration. Provision of car for use in connection with Company's Business will not be considered as perquisites.

As per Section 269 of the Companies Act, 1956, an Ordinary Resolution is required to be passed in Annual General Meeting of the company for the above purpose.

Your Directors, therefore, recommend the resolution set out at item No.6 of the Notice for your approval by way of special resolution.

No other Director except Sri Krishna Murari Poddar is interested in the resolution.

By order of the Board

K. M. PODDAR
MANAGING DIRECTOR

PLACE: KOLKATA
DATE: 29/07/2011

CEETA INDUSTRIES LIMITED

DIRECTORS' REPORT

For the year ended 31st March, 2011

Dear Shareholders,

Your Directors have pleasure in presenting their report on business and operations of your company together with the Audited Accounts of the company for 2010-2011.

FINANCIAL RESULTS

All figures in Rs. lacs.

| Particulars | Current Year | Previous Year |
|--------------------------------------|--------------|---------------|
| Total Income | 1080.93 | 885.16 |
| Profit before Interest & Description | 239.25 | 282.74 |
| Interest | 56.35 | 76.04 |
| Depreciation | 33.64 | 33.43 |
| Profit before taxation | 149.26 | 173.27 |
| Provision for Tax | - | - |
| Profit after tax | 149.26 | 173.27 |
| Prior period adjustments | - | (1.35) |
| Net Profit | 149.26 | 171.92 |

REVIEW OF OPERATIONS :

Working of the company's granite division was affected adversely due to labour strike at its works from 27-09-2010 to 24-03-2011. As a result, there was no production of granite products during the six months of the year under review. However, the total income of the company marginally increased to Rs. 1080.93 lac in 2010-11 from Rs. 885.16 lac in the previous year. Because of low level of output and continued difficult trading condition in export market for granite products, the company's profitability has been erratic and its profit before interest and depreciation (PBITD) was lower at Rs. 239.25 lac in 2010-11 as compared to Rs. 282.74 lac in 2009-10. In line with the trend of PBITD the company's Profit After Tax (PAT) was Rs. 149.26 lac in 2010-11 as against Rs. 173.27 lac in the previous year.

Prospect

The company continues to make effort to obtain profitable order for granite products from export market as also to explore possibility of diversified activity.

DIVIDEND :

Considering the huge amount of carry forward loss as also to conserve resources for working capital requirements in the absence of bank finance, no payment of dividend has been considered.

Directors

Sri K.M. Poddar is required to be appointed as the Company's Managing Director on expiry of his tenure on 31st May, 2011. Accordingly the Board at its meeting held on 29th April, 2011 recommended for his re-appointment subject to the approval of the same in the ensuing Annual General Meeting for a further period of five years on the terms as mentioned in the notice of Annual General Meeting. Sri K. M. Poddar is a promoter of the Company and holding 1,50,000 equity shares of the company in the capacity of karta of his Hindu Undivided Family. Further, he holds directorship in two other listed companies - Techno Electric & Engineering Company Ltd. and Hari Machines Ltd.

Sri S. L. Singhania, a business man having 25 years' experience, was appointed as independent director of the company with effect from 15th September, 2008 in casual vacancy caused by resignation of Sri S. L. Gupta. He vacates his office in the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. He also holds the directorship in seven more limited companies. He holds 3,800 equity share of Ceeta Industries Ltd. in his own name and 100 equity shares in his wife's name.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956 the Directors confirm that:

- a) in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that year;
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a going concern basis.

SUBSIDIARY COMPANY :

In terms of Section 212 of the Companies Act, 1956, the documents required to be annexed in respect of M/s. Kingstone Krystals Limited, a subsidiary Company are attached to this report.

CONSOLIDATED FINANCIAL STATEMENTS :

In compliance with the Accounting Standard 21 on Consolidated Financial Statements, the Annual Report also included Consolidated Financial Statement for the financial year 2010-11.

PUBLIC DEPOSITS

Your company did not accept any deposits from the public during the year under review.

AUDITORS & AUDITORS' REPORT

The Auditors, M/s. G. K. Tulsyan & Co., Chartered Accountants retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. As required under Section 224 of the Companies Act, 1956, the Company has obtained from them a certificate to the effect that re-appointment, if made would be in conformity with the limits prescribed in the said Section. The Directors recommend their reappointment.

Report of the Auditors, including reference made therein to the notes forming part of the Statement of Accounts, are self explanatory and does not require to be elucidated further.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :

Information as per Section 217(1)(e) read with Rule 2(A) and 2(B) of the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 are given in the 'Annexure A' as forming part of the report.

PERSONNEL

Your Directors would like to put on record their appreciation of the sincere and dedicated services rendered by the loyal employees of the Company. There are no employees drawing remuneration, which requires disclosure under Section 217(2A) of the Companies Act, 1956.

CORPORATE GOVERNANCE

The Company believes in and has practiced good Corporate Governance. The spirit of Corporate Governance is being gradually built up in the Company and is not just restricted to ensuring compliance with regulatory requirements but also meeting higher standards of transparency, accountability and integrity in respect of all its transactions. Based upon the above philosophy your Directors present a report on corporate governance as 'Annexure B' to their report.

On behalf of the Board of Director

PLACE: KOLKATA
DATE: 29/07/2011

K. M. PODDAR
MANAGING DIRECTOR

'ANNEXURE - A' FORMING PART OF DIRECTORS' REPORT:

INFORMATION PURSUANT TO SECTION 217 (1)(e) OF THE COMPANIES ACT, 1956 READ WITH RULE 2(A) AND 2(B) OF THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT.

A. Conservation of Energy:

| Power and Fuel Consumption | Current Year (2010-11) | Previous Year (2009-10) |
|-----------------------------------|-----------------------------------|------------------------------------|
| 1. Electricity - Purchased | | |
| Units (Kwh) | 572088 | 766002 |
| Total Amount (Rs.) | 35,40,309 | 41,36,823 |
| Rate/ Unit (Rs.) | 6.18 | 5.40 |
| 2. Electricity - Owned Generation | | |
| Through Diesel Generator | | |
| Units (Kwh) | NIL | NIL |
| Units/ Ltrs of Diesel Oil | | |
| Total Amount (Rs.) | NIL | NIL |
| Cost/ Unit (Rs.) | | |

B. Technology absorption

- a) Research & Development (R & D)
 1. Specific areas in which R & D carried out by the Company and benefits derived as a result thereof.

No research and development work has been carried out by the Company. Therefore, there is no expenditure on account of R & D.
 2. Future plan of action.

The Company being a sick Company with financial problem has kept in abeyance its plan on research and development.

b) Technology Absorption, Adaptation and Innovation

Technical Innovations/ modifications are being made on regular basis in the process to achieve cost reduction, product improvement, etc.

C. Foreign Exchange Earnings and Outgo

| | (Rs. in lacs) |
|--|----------------------|
| 1. Foreign Exchange Earnings | 63.84 |
| 2. Foreign Exchange Outgo | |
| i) CIF Value of Imports of Components & Spare Parts | 11.46 |
| ii) Expenditure in Foreign Currency on Foreign Travel & Others | 1.15 |

ANNEXURE – B' FORMING PART OF DIRECTORS' REPORT:

REPORT ON CORPORATE GOVERNANCE

1. Brief Statement on company's Philosophy on code of governance

The Company believes in and has practiced good corporate governance. The spirit of corporate governance has prevailed in the Company since its inception. The Company's philosophy is shaped by the values of transparency, professionalism and accountability.

2. Board of Directors

The Board of Directors is constituted in compliance with Clause 49 of the Listing Agreement. The Board as on 31st March, 2011 comprised four members, out of which three members are Non- Executive Independent Directors. Sri K.M. Poddar is the Managing Director.

| Sl. No. | Name | Category | No. of Director-ship in other Cos. | No. of Membership(s) / Chairmanship(s) of Board Committees of other Companies | No. of Board Meetings attended | Whether attended last AGM |
|---------|-----------------------|-------------------------------------|------------------------------------|---|--------------------------------|---------------------------|
| 1. | Sri K. M. Poddar | Promoter & Managing Director | 3 | 2 | 5 | No |
| 2. | Sri A. De | Independent, Non-Executive Director | 6 | NIL | 4 | Yes |
| 3. | Sri S.K. Chhawchharia | Independent, Non-Executive Director | 6 | 2 | 4 | No |
| 4. | Sri S.L. Singhanian | Independent Non-Executive Director | 7 | NIL | 3 | No |

Details of Board Meeting during the financial year

During the year ended 31st March, 2011, five Board Meetings of the Company were held, as follows:

| Sl. No. | Date | Board Strength | No. of Directors Present |
|---------|---------------------------------|----------------|--------------------------|
| 1 | 28 th April, 2010 | 4 | 4 |
| 2 | 30 th July, 2010 | 4 | 3 |
| 3 | 30 th October, 2010 | 4 | 3 |
| 4 | 5 th February, 2011 | 4 | 4 |
| 5 | 25 th February, 2011 | 4 | 2 |

Last Annual General Meeting (AGM) of the Company was held on 21st September, 2010.

3. Audit Committee

The Audit Committee of the Company was constituted in conformity with the requirements of Clause 49 of the Listing Agreement, as well as Section 292A of the Companies Act 1956.

The prime objective of the Audit Committee is to effectively supervise the Company's financial reporting process with a view to discharge the responsibility as per the terms of reference.

Briefly, the terms of reference of Audit Committee are as follows:

The Role of Audit Committee Under Section 292A of the Companies Act 1956 includes :

- Discuss with the Auditors periodically about the internal control systems and the scope of Audit which will include the observations of the Statutory Auditors;
- Review of the quarterly and annual financial statements before submission of the same to the Board;
- Ensuring compliance of internal control system; and
- Investigation into any matter relating to the above or referred to it by the Board.

The Role of Audit Committee Under clause 49 of Listing Agreement includes :

- Overseeing 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;
- Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services;
- Reviewing with management the annual financial statements before submission to the Board;
- Reviewing with the management, external and internal auditors, the adequacy of internal control systems;
- Reviewing the adequacy of internal audit functions;
- Discussion with internal auditors any significant findings and follow up thereon;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with Statutory auditors before the audit commences, about the nature and scope of audit as well as have post-audit discussion to ascertain any area of concern;
- Reviewing the Company's financial and risk management policies;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The composition and categories of the Audit Committee are as under:

| Sl. No. | Name | Chairman / Member / Others | No. of Meetings attended |
|---------|-----------------------|----------------------------|--------------------------|
| 1. | Sri A. De | Chairman | 3 |
| 2. | Sri S.L. Singhanian | Member | 3 |
| 3. | Sri S.K. Chhawchharia | Member | 4 |

Details of Audit Committee Meetings and Attendance

During the year ended 31st March, 2011, four meetings of the Audit Committee of the Company were held, as follows :

| Sl.No. | Date | Committee Strength | No. of Members Present |
|--------|--------------------------------|--------------------|------------------------|
| 1 | 28 th April, 2010 | 3 | 3 |
| 2 | 30 th July, 2010 | 3 | 2 |
| 3 | 30 th October, 2010 | 3 | 2 |
| 4 | 5 th February, 2011 | 3 | 3 |

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The meetings are usually held on the same day and before the Board meetings where the financial results of the Company are considered. The results are reviewed by the Committee before they are placed before the Board.

4. Remuneration Committee

The Remuneration Committee of Directors constituted mainly for the purpose of recommending the Company's policy on Remuneration Package for the Managing Director and other specified management personnel, reviewing the structure, design and implementation of remuneration policy in respect of such persons.

The composition and categories of the Remuneration Committee are as under:

| Sl. No. | Name | Chairman / Member/Others | No. of Meetings held | No. of Meetings attended |
|---------|-----------------------|--------------------------|----------------------|--------------------------|
| 1. | Sri S.K. Chhawchharia | Chairman | 1 | 1 |
| 2. | Sri S.L. Singhania | Member | 1 | NIL |
| 3. | Sri A. De | Member | 1 | 1 |

Details of Remuneration of Directors for the financial year ended on 31st March, 2011.

| Director | Consolidated Salary (Rs.) | Perquisites and other Benefits | Performance Bonus/ Commission | Sitting Fees* | Total (Rs.) |
|-----------------------|---------------------------|--------------------------------|-------------------------------|---------------|-------------|
| Sri K.M Poddar | 540000 | 211652 | - | N.A. | 751652 |
| Sri A. De | - | - | - | 4000 | 4000 |
| Sri S.K. Chhawchharia | - | - | - | 4000 | 4000 |
| Sri S.L. Singhania | - | - | - | 3000 | 3000 |

5. Shareholders/Investors Grievance Committee

The Board constituted a Committee under the chairmanship of Sri S. L. Singhania (Non-Executive Independent Director) to look into the matters of redressing of the shareholders/investors complaints, approves transfer / transmission of shares, issue of duplicate share certificates etc.

The composition and categories of the Committee are as under:

| Sl. No. | Name | Chairman / Member / Others | No. of Meetings attended |
|---------|-----------------------|----------------------------|--------------------------|
| 1. | Sri S.L. Singhania | Chairman | 4 |
| 2. | Sri S.K. Chhawchharia | Member | 4 |
| 3. | Sri A. De | Member | 4 |

There being no investor complaint pending, the committee reviewed the existing procedures for attending to complaints as and when they arise.

As per clause 47 of the Listing Agreement, Sri Alok Kumar Yaduka, Manager- Accounts & Finance, is appointed as Compliance Officer w.e.f. 29-01-2009 who oversees matters of redressing investor complaints / grievances.

The Board of Directors also constituted the sub-committee for share transfer and delegated the powers of authentication the transfer of shares to senior executives of the Company.

During the year ended 31st March, 2011, twenty two meetings of the sub- committee which were held to consider and approve of transfer/ transmission of shares, are as follows:

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| Sl. No. | Date | Sub- Committee Strength | No. of Members Present |
|---------|----------------------------------|-------------------------|------------------------|
| 1 | 20 th April, 2010 | 3 | 2 |
| 2 | 30 th April, 2010 | 3 | 2 |
| 3 | 15 th May, 2010 | 3 | 2 |
| 4 | 31 st May, 2010 | 3 | 2 |
| 5 | 15 th June, 2010 | 3 | 2 |
| 6 | 30 th June, 2010 | 3 | 2 |
| 7 | 15 th July, 2010 | 3 | 2 |
| 8 | 31 st July, 2010 | 3 | 2 |
| 9 | 18 th August, 2010 | 3 | 2 |
| 10 | 31 st August, 2010 | 3 | 2 |
| 11 | 30 th September, 2010 | 3 | 2 |
| 12 | 25 th October, 2010 | 3 | 2 |
| 13 | 20 th November, 2010 | 3 | 2 |
| 14 | 30 th November, 2010 | 3 | 2 |
| 15 | 15 th December, 2010 | 3 | 2 |
| 16 | 31 st December, 2010 | 3 | 2 |
| 17 | 17 th January, 2011 | 3 | 2 |
| 18 | 31 st January, 2011 | 3 | 2 |
| 19 | 15 th February, 2011 | 3 | 2 |
| 20 | 28 th February, 2011 | 3 | 2 |
| 21 | 15 th March, 2011 | 3 | 2 |
| 22 | 31 st March, 2011 | 3 | 2 |

Company sends reply to shareholders for their grievances on regular basis within time.

6. General Body Meetings

Location and time, where last three Annual General Meetings held:

| Number of AGM | Location | Date & Time |
|---------------|-------------------|---|
| Twenty Fourth | Registered Office | 12 th September, 2008 at 3.00 p.m. |
| Twenty Fifth | Registered Office | 22 nd September, 2009 at 3.00 p.m. |
| Twenty Sixth | Registered Office | 21 st September, 2010 at 3.00 p.m. |

Special Resolutions passed at last three Annual General Meetings:

| Financial year | Items |
|----------------|-------|
| 2007-2008 | None |
| 2008-2009 | None |
| 2009-2010 | Two |

No Special Resolution was required to be put through postal ballot last year.

No Special Resolution is proposed to be conducted through postal ballot.

7. Disclosures

The Company did not enter into any transaction of material nature with promoters, directors or the management, their subsidiaries or relatives, etc. that might have potential conflict with the interests of the Company at large.

CEETA INDUSTRIES LIMITED

The Company complies with all mandatory requirements of Clause 49 of Listing Agreement.

8. Code of Conduct

The Board of Directors has adopted the Code of Conduct for Directors and Senior Management. The said Code has been communicated to the Directors and Senior Management.

9. Means of Communication

Timely disclosure of consistent, comparable, relevant and reliable information on corporate financial performance is at the core of good governance. Towards this end –

- The Board of Directors of the Company approves and takes on record the quarterly un-audited financial results in the format prescribed by the Stock Exchanges within one month of the close of every quarter and intimates to the Stock Exchanges immediately after they are taken on record.
- The coverage is given for the benefit of the shareholders and investors by publication of the financial results in newspapers normally in 'The Financial Express' and 'Amrutha Vaani, Karnataka', within the stipulated time. The Company also publishes its annual audited results in these newspapers within the stipulated period of three months.
- The Company's website is www.ceeta.com, where it displays financial results and other reports and its e-mail address is kolkata@ceeta.com.
- At present company neither displays official news release for the above said results and reports nor making any presentation to institutional investors or to the analysts.
- The Report of the Directors, forming part of the Report and Accounts, includes all aspects of the Management Discussion and Analysis Report.

10. General Shareholders Information:

a) Annual General Meeting: Date, Time and Venue

Forthcoming Annual General Meeting is scheduled to be held on Thursday, 29th September, 2011 at 3:00 P.M. at your Company's Registered Office at Plot No.34-38, KIADB Industrial Area, Sathyamangala, Tumkur 572 104, Karnataka.

b) Financial Calendar for the year 2009 - 2010

| Financial Reporting for the quarter ending | 30 th June, 2011 | 30 th July, 2011 |
|--|----------------------------------|-----------------------------|
| Financial Reporting for the quarter ending | 30 th September, 2011 | Last week of October, 2011 |
| Financial Reporting for the quarter ending | 31 st December, 2011 | Last week of January, 2012 |
| Financial Reporting for the quarter ending | 31 st March, 2012 | Last week of April, 2012 |

c) Date of Book Closure

21st September, 2011 to 29th September, 2011 (both days inclusive) on account of forthcoming Annual General Meeting.

d) Dividend Payment Date

The Company did not declare any dividend.

e) Listing on Stock Exchanges & Stock Code

The Company's Shares are traded at Bombay Stock Exchange Limited. The stock code with The Bombay Stock Exchange Ltd. is - 514171

f) Registrar and Transfer Agents

In terms of SEBI Order No.D&CC/FITTC/CIR-15/2002 dated 27th December 2002 for having a common agency for share transfer work and electronic connectivity and in terms of the directive of the Stock Exchanges, the Company appointed **M/s.Niche Technologies Pvt.Ltd. of D-511, Bagree Market, 71, B.R.B.Basu Road, Kolkata 700 001** as the Registrar and Share Transfer Agents of the Company.

g) Share Transfer System

The transfer of shares, both in physical and electronic mode, are registered and returned within the requisite period by Registrar and Transfer Agent, if the documents are clear in all respects. The shareholders of the Company are requested to send their shares directly to the RTA for transfer or registry related work. However, for the sake of the convenience of the investors / shareholders, the Company shall continue to receive request for transfer of shares.

CEETA INDUSTRIES LIMITED

h) Stock Market Price Date - For F.Y. 2010-11 at - Bombay Stock Exchange Ltd.

| Month | High (Rs.) | Low (Rs.) | Close Price | Volume |
|-----------------|------------|-----------|-------------|--------|
| April, 2010 | 14.35 | 10.72 | 14.35 | 2000 |
| May, 2010 | 22.22 | 15.06 | 18.93 | 5600 |
| June, 2010 | 18.05 | 10.45 | 10.45 | 3100 |
| July, 2010 | 10.00 | 8.20 | 8.61 | 4300 |
| August, 2010 | 9.04 | 6.93 | 7.35 | 8000 |
| September, 2010 | NIL | NIL | NIL | NIL |
| October, 2010 | NIL | NIL | NIL | NIL |
| November, 2010 | 7.00 | 6.33 | 6.33 | 600 |
| December, 2010 | 6.50 | 5.00 | 5.00 | 3100 |
| January, 2011 | 6.10 | 4.76 | 5.52 | 4600 |
| February, 2011 | NIL | NIL | NIL | NIL |
| March, 2011 | 5.50 | 5.50 | 5.50 | 1400 |

h) Shareholding Pattern (by ownership) as on 31st March, 2011

| Sl.No. | Category | No. of Shares | % of Holding |
|--------|--|-----------------|---------------|
| 1 | Promoters | 10429400 | 71.915 |
| 2 | Banks, Mutual Funds and Financial Institutions | 32700 | 0.225 |
| 3 | Private Corporate Bodies | 106700 | 0.736 |
| 4 | NRIs / OCBs | 34900 | 0.241 |
| 5 | Indian Public | 3897175 | 26.873 |
| 6 | Indian Public | 1525 | 0.011 |
| | TOTAL | 14502400 | 100.00 |

j) The Distribution of Shareholding as on 31st March, 2011

| No. of Shares Slab | Number of Shareholders | % to Total | Number of Shares | % to Total |
|--------------------|------------------------|----------------|------------------|----------------|
| 1 – 500 | 20134 | 95.6575 | 27,71,200 | 19.1086 |
| 501 – 1000 | 630 | 2.9932 | 530300 | 3.6566 |
| 1001 – 5000 | 251 | 1.1925 | 529200 | 3.6491 |
| 5001 – 10000 | 20 | 0.0950 | 137700 | 0.9495 |
| 10001 – 50000 | 7 | 0.0333 | 104800 | 0.7226 |
| 50001 – And Above | 6 | 0.0285 | 10429400 | 71.9136 |
| TOTAL | 21270 | 100.000 | 14502400 | 100.000 |

Out of 14502400 equity shares, 38142000 shares are in physical form.

i) Dematerialization of Shares and Liquidity

The Equity Shares of the Company are registered with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) for having the facility of Dematerialization of shares and its **ISIN NO. is INE 760 J 01012**

j) Plant Location

Granite Division and Registered Office:
Plot No.34-38, KIADB Industrial Area
Sathyamangala, Tumkur – 572 104, Karnataka.

k) Address for Correspondence and Corporate Office

240B, A.J.C.Bose Road, 2nd Floor, Kolkata – 700 020
Phone- 033-22832925/ 26 E.mail : kolkata@ceeta.com

l) Compliance Certificate from the Auditors

The Company has obtained a certificate from the Statutory Auditors certifying compliance of the mandatory recommendations mentioned in the clause 49 of the listing agreement. The certificate is annexed.

Auditor's Report on Corporate Governance

To the members of Ceeta Industries Limited

We have examined the compliance of conditions of Corporate Governance by Ceeta Industries Limited, for the year ended on 31st March, 2011 as stipulated in clause 49 of the listing agreement for the said Company with stock exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the company for ensuing compliance with the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned listing agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India we have to state that no investor grievance were pending for a period of one month against the company as per the record maintained by the Shareholders/ Investors Grievances Committee.

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

4, Gangadhar Babu Lane
Kolkata - 700 012
Dated: the 29th day of July, 2011

For G.K. Tulsyan & Company
Chartered Accountants
Firm's Registration No. 323246E

G.K. Tulsyan
Partner
Membership No.50511

COMPLIANCE CERTIFICATE

CIN No of the Company L 85110 KA1984PLC021494
Nominal Capital Rs. 9,00,00,000

The Members
CEETA INDUSTRIES LTD.
PLOT NO. 34-38, KIADB INDUSTRIAL AREA
SATHYAMANGALA, TUMKUR
KARNATAKA - 572104

We have examined the registers, records, books & papers of M/S Ceeta Industries Ltd (the Company), as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under and also the provisions contained in the Memorandum & Articles of Association of the Company for the financial year ended on 31st March'2011. In our opinion & the best of our information & according to the examinations carried out by us & explanations furnished to us by the Company, its officers & agents, we certify that in respect of aforesaid financial year:

1. The Company has kept & maintained all the registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act & the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in annexure 'B' to this certificate with the Ministry of Corporate Affairs under the Companies Act, 1956 and the rules made there under. However, no forms or returns were required to be filed with the Regional Director, Central Government, Company Law Board or other authorities.
3. The Company being a Public Limited Company, comments are not required
4. The Board of Directors duly met five times respectively on 28th April' 10, 30th July' 10, 30th October'10, 5th February, 2011 and 25th February, 11 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose. The Company has not passed any Board resolution by circulation.
5. The Company has closed its Register of Members from 15th September, 2010 to 21st September, 2010 (both days inclusive) during the year under review.
6. The Annual General Meeting of the Company for the financial year ended on 31st March' 2010 was held on 21st September'10 after giving due notice to the Members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the aforesaid financial year.
8. The Company has not advanced any loan to its Directors and/ or persons, firms or Companies referred in Section 295 of the Act
9. The Company has not entered into any contract falling within the purview of Section 297 of the Act.
10. The Company has made proper entries in the register maintained under Section 301 of the act wherever applicable.
11. The Company has re-appointed the relatives of one of the director of the company in the place of profit under section 314 (1B) with approval of board of directors and members.
12. The Company has issued three duplicate Share Certificates for 300 shares during the financial year under review.
13. The Company has:
 - a) not allotted any Equity Share or other Securities during the above financial year,

CEETA INDUSTRIES LIMITED

- b) delivered all the Share Certificates received thereof for transfer/transmission/consolidation and for other purposes during the above financial year within stipulated time period and as per provisions of the Companies Act and as per SEBI guidelines ,
- c) not required to deposit any amount of Dividend in a separate Bank account for Dividend, as no Dividend was declared during the above financial year ,
- d) not required to post Dividend Warrants to any of its Member, as no Dividend was declared during the above financial year,
- e) not lying any amount in respect of unpaid Dividend account or under any other head due for transfer to Investor Protection and Education fund u/s 205C of the Companies Act,
- f) duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. The board has not appointed any additional director, alternate director or director to fill casual vacancy during the above financial year.
15. The Company has not appointed any Managing Director/Whole time Director/Manager during the year under review.
16. The Company has not appointed any Sole-selling Agent during the above financial year under review.
17. The Company was not required to obtain any approval of the Central Government, Company Law Board, Regional Director, Registrar of Companies and/or such other authorities prescribed under the various provisions of the Act.
18. The Directors have disclosed their interest in other Firms/Companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any Equity Shares or other Securities during the aforesaid financial year.
20. The Company has not bought back any Share during the above financial year.
21. The Company has not any redeemable preference shares and / or debentures outstanding during the above financial year.
22. There was no transactions' necessitating the Company to keep in abeyance the right to dividend, rights Shares and Bonus Shares pending registration of transfer of Shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A of the Act during the above financial year under review.
24. The Loan taken by the Company both secured and unsecured are within the limit prescribed under Section 293(1) (d) of the Company's Act.
25. The Company has granted Loans and Advances to other Bodies Corporate and made investment in equities of other bodies corporate as per Provisions of Section 372A of the Act during the above financial year.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under review.
27. The Company has not altered the provisions of Memorandum with respect to the objects of the Company during the above period.
28. The Company has not altered the provisions of Memorandum with respect to name of the Company during the above period.
29. The Company has not altered the provisions of Memorandum with respect to Share Capital of the Company during the above period.
30. The Company has not altered its Articles of Association during the above period.

CEETA INDUSTRIES LIMITED

31. There was no prosecution initiated against or show cause notices received by the Company during the above period for offence under the Act.
32. The Company has not received any money as security from its employees during the above period.
33. The Company has deducted both the employer's and employee's contribution towards Provident fund and deposited the same with appropriate Authorities under Section 418 of the Act during the aforesaid financial year.

FOR DROLIA & COMPANY
(Company Secretaries)

Place: 9, Crooked Lane,
Kolkata 700 069
Date : 29/07/2011

Proprietor
CP: 1362

ANNEXURE: A
Register as maintained by the Company

| SL NO | PARTICULARS | SECTION |
|-------|--|---------|
| 1. | Register of Members | 150 |
| 2. | Directors Minutes Book | 193 |
| 3. | Shareholders Minutes Book | 193 |
| 4. | Register of Directors | 303 |
| 5. | Share transfer register / transmission | --- |
| 6. | Register of Director's Shareholding | 307 |
| 7. | Register of Duplicate, consolidation and Exchange of Share Certificate | --- |
| 8. | Register of Investments | 372A |

ANNEXURE: B

| SL No. | From No./Return | Filed under Section | Date of Filing | Whether filed within Statutory Time Period |
|--------|--|---------------------|----------------|--|
| 1. | Compliance Report in in e-form- 66 for the F.Y. ended on 31st March,10 | 383A | 11/10/10 | Yes |
| 2. | Balance sheet and P/L A/c as at 31stMarch 2010 in e-form 23AC/ 23ACA | 220 | 19/10/10 | Yes |
| 3. | Annual Return made up to 21/09/10 in e-form 20B | 159 | 17/11/10 | Yes |

Auditors' Report to the Members of Messrs. Ceeta Industries Limited.

We have audited the attached Balance Sheet of Ceeta Industries Limited as at 31st March, 2011 and also the Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In accordance with the provisions of Section 227 of the Companies Act, 1956, we report that :

01. As required by the Companies (Auditors' Report) Order, 2003, issued by the Government of India under Sub-section (4A) of Section 227 of the Companies Act, 1956, and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in Paragraph 4 and 5 of the said order.
02. Further to our comments in the Annexure referred to above, we report that :
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as they appear from our examination of those books.
 - (c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the Balance sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in-section (3C) of Section 211 of the Companies Act, 1956.
 - (e) On the basis of written representation received from the directors, as on 31st March, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011, from being appointed as a director in the terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information as required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - (i) in the case of Balance sheet, of the state of affairs of the Company as at 31st March, 2011, and
 - (ii) in the case of the Profit and Loss Account of the Profit for the year ended on that date.
 - (iii) in the case of the Cash Flow Statement, the cash flows of the company for the year ended on that date.

For G.K. Tulsyan & Company
Chartered Accountants
Firm's Registration No. 323246E
G.K. Tulsyan
Partner
Membership No.50511

4, Gangadhar Babu Lane
 Kolkata - 700 012
 Dated: 29/07/2011

Annexure referred to in Paragraph No. (1) to our report of even date on the basis of such checks as we consider appropriate and in terms of information and explanations given to us, we state as follows :

01. (a) The Company maintains proper records showing full particulars including quantitative details and situation of fixed assets.
 (b) The Fixed Assets are physically verified by the management at reasonable intervals and no material discrepancies between the books of records and the physical inventory have been noticed.
 (c) The company has not disposed off a substantial part of fixed assets during the year which would not affect the going concern of the company.
02. (a) As explained to us, the inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable.
 (b) As per the information given to us, the procedures of physical verification of inventory followed by management are, in our opinion, reasonable and adequate in relation to the size of the company and the nature of its business.
 (c) The company maintains proper records of inventory. No discrepancies were noticed on verification between the physical stocks and the books of records.
03. (a) According to the information and explanations given to us, the company has not given any unsecured loans to any company covered in the register maintained u/s.301 of the Companies Act, 1956 during the year. Therefore Point (b), (c) & (d) is not applicable.
 (e) As informed to us and as per books of accounts, the company has taken unsecured loan from Eight (8) companies, mentioned in the register maintained under Section 301 of the Companies Act, 1956 and the balance out standing as at 31.03.2011 is amounting Rs.3,78,76,037.
 (f) In our opinion, the rate of interest and other terms and conditions of the loan taken, are prima facie not prejudicial to the interest of the company
04. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods. Further on the basis of our examination of the books and records of the company and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control procedures.
05. (a) According to the information and explanations, in our opinion, the transactions that need to be entered in to the Register maintained under Section 301 of the Act, have been so entered.
 (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
06. The company has not accepted any deposit from the public within the meaning of Section 58A and 58AA of the Act and the rules framed there under.
07. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
08. As informed to us, the Central Government has not prescribed the maintenance of cost records u/s. 209(1)(d) of the Companies Act, 1956.
09. (a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, custom duty, excise duty, cess and other material statutory dues as applicable with appropriate authorities and there were no such outstandings as on 31st March, 2011 for a period of six months from the date they became payable.
 (b) According to the information and explanations given to us and the records of the company examined by us, the particulars of sales tax, excise duty as at 31st March, 2011, which have not been deposited on account of disputes pending are as follows :

CEETA INDUSTRIES LIMITED

| Name of the Statute | Nature of disputed dues | Amount Rs. | Forum where dispute is pending |
|---|-------------------------|---------------------------------------|------------------------------------|
| Various Sales Tax & Central Sales Tax Act, 1961 | Demand of Sales Tax | 2049049 | Orissa Sales Tax Tribunal, Cuttack |
| Rajasthan Sales Tax & Central Sales Tax | Demand of Sales Tax | R.S.T. Rs. 791025/- and CST Rs.2496/- | The Rajasthan Tax Board, Ajmer |

10. The company's accumulated losses at the end of the financial year were more than 50% of its net worth. The company did not incur any cash losses during the financial year covered by our audit and also in the immediately preceding financial year.
11. The Company has not taken any secured loan from Bank or Financial Institution during the year, and has not defaulted in repayment of the instalments of its secured loan taken in earlier years, as applicable.
12. According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debenture and other securities.
13. According to the information and explanations given to us, the nature of activities of the company does not attract any special statute applicable to chit fund and nidhi / mutual benefit fund / societies.
14. According to the information and explanations given to us, the company is not dealing or trading in shares, debentures or other investments and hence paragraph 4(xiv) of the Order is not applicable.
15. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
16. According to the information and explanations given to us, the company has not taken any term loans during the year and hence requirement of reporting regarding application of term loans does not arise.
17. In our opinion and according to the information and explanations given to us and shown by the records examined by us, no fund raised on short term basis have been used for long term investment and vice versa during the year.
18. According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.
19. According to the information and explanations given to us, the company has not issued any debenture.
20. The Company has not raised any money by way of public issue during the year.
21. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instances of material fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by management.

For G.K. Tulsyan & Company
Chartered Accountants
Firm's Registration No. 323246E

G.K. Tulsyan
Partner
Membership No.50511

4, Gangadhar Babu Lane
Kolkata - 700 012
Dated: 29/07/2011

CEETA INDUSTRIES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2011

| Schedule | (Rs.) | As at | |
|--|-------|---------------------|---------------------|
| | | 31/03/2011 (Rs.) | 31/03/2010 (Rs.) |
| SOURCES OF FUNDS | | | |
| 1. SHAREHOLDERS' FUND | | | |
| a) Share Capital | 1 | 14,502,400 | 14,502,400 |
| b) Reserves and Surplus | 2 | <u>146,386,444</u> | <u>146,386,444</u> |
| | | 160,888,844 | 160,888,844 |
| 2. LOAN FUND | | | |
| Secured Loan | 3 | — | 419,697 |
| Unsecured Loan | 4 | <u>37,882,201</u> | <u>83,837,323</u> |
| | | <u>198,771,045</u> | <u>245,145,864</u> |
| APPLICATION OF FUNDS | | | |
| 1. FIXED ASSETS | | | |
| Gross Block | 5 | 43,242,080 | 43,745,033 |
| Less : Depreciation | | <u>21,318,251</u> | <u>18,183,299</u> |
| Net Block | | 21,923,829 | 25,561,734 |
| 2. CONSTRUCTION WORK-IN-PROGRESS | | | |
| | | 19,024,225 | 15,777,199 |
| 3. INVESTMENTS | | | |
| | | 6 | 6,282,342 |
| 4. CURRENT ASSETS, LOANS AND ADVANCES | | | |
| a) Inventories | 7 | 61,522,358 | 60,671,855 |
| b) Sundry Debtors | | 9,137,329 | 14,124,978 |
| c) Cash and Bank Balances | | 2,267,812 | 918,091 |
| d) Loans and Advances | | <u>106,642,855</u> | <u>94,980,484</u> |
| | | <u>179,570,354</u> | <u>170,695,408</u> |
| Less : Current Liabilities and Provisions | | | |
| Current Liabilities | 8 | 60,209,915 | 17,154,727 |
| Provisions | | <u>510,973</u> | <u>510,973</u> |
| | | <u>60,720,888</u> | <u>17,665,700</u> |
| NET CURRENT ASSETS | | 118,849,466 | 153,029,708 |
| 5. Profit and Loss Account | | | |
| Balance Carried forward | | <u>32,691,183</u> | <u>47,616,997</u> |
| | | <u>198,771,045</u> | <u>245,145,864</u> |
| NOTES ON ACCOUNTS | | | |
| | | 14 | |

This is the Balance sheet referred to in our annexed report of even date.

For G.K.TULSYAN & COMPANY
Chartered Accountants
Firm's Registration No. 323246E

G.K.Tulsyan
Partner
Membership No.50511

4, Gangadhar Babu Lane
Kolkata - 700012
Dated : 29/07/2011

On behalf of the Board

K.M.Poddar,
Managing Director

A.De,
Director

CEETA INDUSTRIES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

| | Schedule | Current Year ended 31/03/2011 (Rs.) | Previous Year ended 31/03/2010 (Rs.) |
|---|----------|--|---|
| INCOME | | | |
| Sales | | 28,114,203 | 25,353,765 |
| Income from Investment | | 18,618,595 | – |
| Income from Contract Work | | 36,170,119 | 13,748,654 |
| Service charges | | 6,000,000 | 6,000,000 |
| Other Income | 9 | 10,333,462 | 31,642,379 |
| Increase/(Decrease) in Stock | 10 | 8,856,437 | 11,771,697 |
| | | 108,092,816 | 88,516,495 |
| Manufacturing Expenses | 11 | 38,636,747 | 30,165,948 |
| Expenditure on Contract Work | | 24,360,993 | 9,186,082 |
| Selling, Administration and other Exp. | 12 | 21,169,894 | 20,889,148 |
| Interest | | 5,635,272 | 7,604,896 |
| Depreciation | | 3,364,096 | 3,343,181 |
| | | 93,167,002 | 71,189,255 |
| Profit/(Loss) before provision for taxation | | 14,925,814 | 17,327,240 |
| Provision for Taxation | | – | – |
| Profit after Tax | | 14,925,814 | 17,327,240 |
| Prior period adjustment | | – | (135,549) |
| Net Profit | | 14,925,814 | 17,191,691 |
| Balance brought forward from previous year | | (47,616,997) | (64,808,688) |
| Balance carried to Balance sheet | | (32,691,183) | (47,616,997) |
| Earning per Equity Share : | 13 | | |
| (Face value of Re.1/- per share) | | | |
| Basic | | 1.03 | 1.19 |
| Diluted | | 1.03 | 1.19 |

NOTES ON ACCOUNTS

14

This is the Profit and Loss Account referred to in our annexed report of even date.

For G.K.TULSYAN & COMPANY
Chartered Accountants
Firm's Registration No. 323246E

G.K.Tulsyan
Partner
Membership No.50511
4, Gangadhar Babu Lane
Kolkata - 700012
Dated : 29/07/2011

On behalf of the Board

K.M.Poddar,
Managing Director

A.De,
Director

CEETA INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

| | As on 31/03/2011 Rs. | As on 31/03/2010 Rs. |
|---|----------------------------|----------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES : | | |
| Net profit before interest, tax and extraordinary items | 20,561,086 | 24,932,136 |
| Adjustment for : | | |
| Income from Investment | (18,618,595) | – |
| Depreciation | 3,364,096 | 3,343,181 |
| Loss on sale of fixed assets (Net) | 208,155 | – |
| Interest received | (4,010,989) | (14,821,371) |
| Dividend | – | (1,094) |
| Operating profit before working capital charges | 1,503,753 | 13,452,852 |
| Adjustments for Increase/ decrease in : | | |
| Trade and Other receivables | 4,987,649 | (2,673,289) |
| Inventories | (850,503) | (2,773,238) |
| Trade Payables | 43,055,189 | (18,034,617) |
| Loans & Advances | (11,662,371) | (80,524,692) |
| Cash Generated from Operation | 37,033,717 | (90,552,984) |
| Direct Tax Paid | – | – |
| Cash Flow before extraordinary items | 37,033,717 | (90,552,984) |
| Extraordinary items | – | (135,549) |
| Net cash flow from operating activities (A) | 37,033,717 | (90,688,533) |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of fixed assets including Capital W.I.P. | (3,441,572) | (7,687,307) |
| Purchase of Investment | (43,152,940) | (2,481,188) |
| Sale of fixed assets | 260,200 | – |
| Sale of Investment | 58,649,418 | – |
| Interest Received | 4,010,989 | 14,821,371 |
| Dividend received | – | 1,094 |
| Net cash used in investing activities (B) | 16,326,095 | 4,653,970 |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Interest Paid | (5,635,272) | (7,604,896) |
| Proceeds from long term borrowings | (46,374,819) | 83,277,727 |
| Net Cash Flow from Financing Activities (C) | (52,010,091) | 75,672,831 |
| Net Increase in cash and Cash equivalent (A+B+C) | 1,349,721 | (10,361,732) |
| Cash and Cash equivalent as at beginning of the year | 918,091 | 11,279,823 |
| Cash and Cash equivalent as at end of the year | 2,267,812 | 918,091 |

Note: - Figures in brackets represent cash outflows

For G.K.TULSYAN & COMPANY
Chartered Accountants
Firm's Registration No. 323246E

G.K.Tulsyan
Partner
Membership No.50511
4, Gangadhar Babu Lane
Kolkata - 700012
Dated : 29/07/2011

On behalf of the Board

K.M.Poddar,
Managing Director

A.De,
Director

CEETA INDUSTRIES LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2011 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED AS ON THAT DATE

| | As at 31/03/2011 (Rs.) | As at 31/03/2010 (Rs.) |
|--|------------------------------|------------------------------|
| SCHEDULE-1 | | |
| SHARE CAPITAL | | |
| AUTHORISED : | | |
| 75,000,000 Equity Shares of face value Re 1/- each (Previous Year 75,000,000 Equity Shares of Re.1/-each) | 75,000,000 | 75,000,000 |
| 1,50,000 - 15% Non-Cumulative Redeemable Preference Shares of Rs.100/- each | 15,000,000 | 15,000,000 |
| | <u>90,000,000</u> | <u>90,000,000</u> |
| ISSUED, SUBSCRIBED AND PAID UP : | | |
| 14,502,400 Equity Shares of Re 1/- each (Previous Year 14,502,400 Equity Shares of Re. 1/- each) fully paid up in cash | 14,502,400 | 14,502,400 |
| | <u>14,502,400</u> | <u>14,502,400</u> |
| SCHEDULE - 2 | | |
| RESERVES AND SURPLUS | | |
| Capital Reserve on forfeiture of shares | 91,000 | 91,000 |
| Capital Reserve on account of Restructuring of Debt | 132,995,444 | 132,995,444 |
| Capital Redemption Reserve | 13,300,000 | 13,300,000 |
| | <u>146,386,444</u> | <u>146,386,444</u> |
| SCHEDULE - 3 | | |
| SECURED LOAN | | |
| Auto Loan from ICICI Bank | - | 419,697 |
| (against hypothecation of specific motor vehicles) | - | <u>419,697</u> |
| SCHEDULE - 4 | | |
| UNSECURED LOAN | | |
| From Bodies Corporate | 37,882,201 | 83,837,323 |
| | <u>37,882,201</u> | <u>83,837,323</u> |

CEETA INDUSTRIES LIMITED

SCHEDULE - 5 FIXED ASSETS

| Sl. No. | Particulars | Gross Block | | | Depreciation | | | Net Block | |
|---------|-------------------------|-------------------------------------|--|-------------------------------|---------------------------------|----------------------------|-------------------------------|--------------------------------|--------------------------------|
| | | Cost as on 01 / 04 / 10 (Rs.) | Addition during the period (Rs.) | Sales/ Adjustment (Rs.) | Cost as on 31/03/11 (Rs.) | For the period (Rs.) | Sales/ Adjustment (Rs.) | As on 31 / 03 / 11 (Rs.) | As on 31 / 03 / 10 (Rs.) |
| 1 | Land | 2,307,997 | - | - | 2,307,997 | - | - | 2,307,997 | 2,307,997 |
| 2 | Building | 10,262,776 | - | - | 10,262,776 | 316,411 | 2,383,633 | 7,879,143 | 8,195,554 |
| 3 | Plant & Machinery | 23,232,817 | - | - | 23,232,817 | 2,399,241 | 15,784,661 | 7,448,156 | 9,847,397 |
| 4 | Electrical Installation | 2,668,686 | - | - | 2,668,686 | 126,763 | 974,003 | 1,694,683 | 1,821,446 |
| 5 | Office Equipment | 736,003 | 114,148 | 4,500 | 845,651 | 36,118 | 221,734 | 623,917 | 549,494 |
| 6 | Furniture & Fixtures | 623,669 | - | - | 623,669 | 46,589 | 252,381 | 371,288 | 417,877 |
| 7 | Cars & Vehicles | 2,955,254 | - | 693,000 | 2,262,254 | 276,240 | 967,994 | 1,294,260 | 2,035,248 |
| 8 | Fire Fighting Equipment | 22,069 | - | - | 22,069 | 1,048 | 5,875 | 16,194 | 17,242 |
| 9 | Computer Equipment | 935,762 | 80,399 | - | 1,016,161 | 161,686 | 727,970 | 288,191 | 369,478 |
| | Total | 43,745,033 | 194,547 | 697,500 | 43,242,080 | 3,364,096 | 21,318,251 | 21,923,929 | 25,561,733 |
| | Previous Year's Figures | 43,559,926 | 185,207 | - | 43,745,033 | 3,343,181 | 18,183,300 | 25,561,733 | 28,719,708 |

CEETA INDUSTRIES LIMITED

| SCHEDULE - 6 | No. of Equity Shares Fully Paid up | Face Value Per share (Rs.) | As at 31/03/2011 (Rs.) | As at 31/03/2010 (Rs.) |
|---|------------------------------------|----------------------------|------------------------|------------------------|
| | INVESTMENTS | | | |
| (at cost) | | | | |
| LONG TERM TRADE INVESTMENTS : | | | | |
| A. QUOTED SHARES | | | | |
| Himalaya Granites Ltd. | 100 (100) | 10 | 3,538 | 3,538 |
| UNQUOTED INVESTMENTS : | | | | |
| P.R. Vyapaar Ltd. | 50,000 (100,000) | 10 | 664,157 | 1,328,313 |
| Bhillai Holdings Pvt. Ltd. | 50,000 (100,000) | 10 | 576,437 | 1,152,875 |
| National Savings Certificate VIIIth issue (pledged with govt.depts) | - | - | 5,000 | 5,000 |
| Transferable Development Rights (992.32 Sq. Mt.) | - | - | 4,362,710 | - |
| SHARES IN A SUBSIDIARY COMPANY | | | | |
| Kingstone Krystals Ltd. | 66,800 (66,800) | 10 | 670,500 | 670,500 |
| | | | 6,282,342 | 3,160,226 |

(Number of shares in brackets represents last year's figures.)

| | BOOK VALUE | | MARKET VALUE | |
|--------------------|------------------|------------------|------------------|------------------|
| | As at 31/03/2011 | As at 31/03/2010 | As at 31/03/2011 | As at 31/03/2010 |
| Quoted Investments | 3,538 | 3,538 | 1,605 | 1,160 |

| SCHEDULE - 7 | As at | | As at | |
|--------------|-------|------------------|-------|------------------|
| | (Rs.) | 31/03/2011 (Rs.) | (Rs.) | 31/03/2010 (Rs.) |

CURRENT ASSETS, LOANS AND ADVANCES

A. CURRENT ASSETS :

a. Inventories (As taken and certified by the Management and valued at lower of cost or net realisable value)

| | | | | |
|-----------------|------------|------------|------------|------------|
| Raw Materials | 8,616,072 | | 16,813,991 | |
| Stores & Spares | 4,994,455 | | 4,802,470 | |
| Finished Goods | 47,911,831 | 61,522,358 | 39,055,394 | 60,671,855 |

b. Sundry Debtors :

(unsecured, considered good)

| | | | | |
|---|-----------|-----------|-----------|------------|
| - Outstanding for a period exceeding six months | 4,230,992 | | 6,251,401 | |
| - Other Debts | 4,906,337 | 9,137,329 | 7,873,577 | 14,124,978 |

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CEETA INDUSTRIES LIMITED

| | (Rs.) | As at | As at |
|---|------------|--------------------|--------------------|
| | | 31/03/2011 (Rs.) | 31/03/2010 (Rs.) |
| c. Cash & Bank Balances : | | | |
| Cash in Hand (as certified by management) | 426,028 | | 115,992 |
| Balances with Scheduled Banks | | | |
| - In Current A/c | 1,646,893 | | 590,271 |
| - In Fixed Deposit | 194,891 | | 184,650 |
| - Cheque in Hand | - | 2,267,812 | 27,178 |
| | | 106,642,855 | 94,980,484 |
| | | 179,570,354 | 170,695,408 |
| B. LOANS AND ADVANCES : | | | |
| Loans (Unsecured, considered Good) | 30,499,316 | | 71,095,069 |
| Advances (Recoverable in Cash or in kind or for value to be received) | 69,966,202 | | 17,304,326 |
| Prepaid Expenses | 64,810 | | 65,811 |
| Security Deposit | 2,028,688 | | 2,043,263 |
| Accrued Interest | 18,559 | | 18,559 |
| Interest accrued but not due | - | | 16,658 |
| Advance Tax (including T.D.S) | 4,053,865 | | 4,425,383 |
| CST Claim Receivable | 11,415 | | |
| | | 106,642,855 | 94,980,484 |
| | | 179,570,354 | 170,695,408 |

SCHEDULE - 8

CURRENT LIABILITIES AND PROVISIONS

A. CURRENT LIABILITIES

Sundry Creditors :

| | | | |
|------------------------------------|------------|-------------------|-------------------|
| For goods, services, etc. | 53,868,979 | | 6,015,078 |
| Advance from Customers | 3,077,506 | | 5,419,873 |
| Mark to Market Margin (Derivative) | 16,180 | | 75,718 |
| Other Liabilities | 3,247,250 | 60,209,915 | 5,644,058 |
| | | 60,209,915 | 17,154,727 |

B. PROVISIONS

| | | | |
|----------------------|--|-------------------|-------------------|
| Provision for F.B.T. | | 510,973 | 510,973 |
| | | 60,720,888 | 17,665,700 |

SCHEDULE - 9

OTHER INCOME

| | | | |
|---|-----------|-------------------|-------------------|
| Processing Charges | 4,386,098 | | 5,858,403 |
| Gain/ (Loss) on Foreign Exchange Fluctuation(net) | 77,320 | | (13,190) |
| Miscellaneous Receipt | 1,248,946 | | 278,946 |
| Rebate & Discounts | 594,359 | | - |
| Quality defective Claim | - | | 2,807,412 |
| Dividend | - | | 1,094 |
| Liabilities Written Off | 15,750 | | 7,888,343 |
| Interest Received (TDS Rs. 400977/-) | | | |
| Previous Year Rs. 1574766/- | 4,010,989 | 10,333,462 | 14,821,371 |
| | | 10,333,462 | 31,642,379 |

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CEETA INDUSTRIES LIMITED

| | As at | | As at | |
|---|-------------------|--------|-------------------|-------|
| | 31/03/2011 | | 31/03/2010 | |
| | (Rs.) | (Rs.) | (Rs.) | (Rs.) |
| SCHEDULE - 10 | | | | |
| INCREASE/DECREASE IN FINISHED GOODS, WORK-IN-PROGRESS. | | | | |
| <u>OPENING STOCK :</u> | | | | |
| Finished goods | 39,055,394 | | 27,283,697 | |
| <u>CLOSING STOCK :</u> | | | | |
| Finished goods | 47,911,831 | | 39,055,394 | |
| Increase / (Decrease) in Stock | <u>8,856,437</u> | | <u>11,771,697</u> | |
| SCHEDULE - 11 | | | | |
| MANUFACTURING EXPENSES | | | | |
| Raw material consumed | 20,897,663 | | 9,470,543 | |
| Stores & Spares parts consumed | 8,763,306 | | 13,709,583 | |
| Power & Fuel | 82,861 | | 18,746 | |
| Electric & Water Charges | 3,668,394 | | 4,410,617 | |
| Repairs and Maintenance : | | | | |
| Plant and Machinery | 716,643 | | 999,313 | |
| Building | 107,044 | | - | |
| Packing Material Consumed | 815,386 | | 211,507 | |
| Other Manufacturing Expenses | 3,585,450 | | 1,345,639 | |
| | <u>38,636,747</u> | | <u>30,165,948</u> | |
| SCHEDULE - 12 | | | | |
| SELLING, ADMINISTRATION & OTHER EXPENSES | | | | |
| Salary, Wages, Gratuity, Allowances and Amenities | 7,045,595 | | 8,041,930 | |
| Employer's Contribution to Provident Fund | 178,212 | | 524,564 | |
| Staff Welfare Expenses | 704,200 | | 715,336 | |
| Rent | 1,023,600 | | 695,220 | |
| Rates & Taxes | 42,231 | | 90,794 | |
| Registration & Custody charges | 35,372 | | 7,742 | |
| Insurance charges | 192,609 | | 242,138 | |
| Vehicle Maintenance Expenses | 626,375 | | 386,932 | |
| Travelling & conveyance | 2,357,514 | | 2,544,846 | |
| Electricity Charges | 307,812 | | 322,408 | |
| Printing & Stationery | 208,346 | | 247,161 | |
| Communication charges | 787,352 | | 817,098 | |
| Advertisement & Publicity | 66,367 | | 484,619 | |
| Legal & Professional Charges | 944,713 | | 723,978 | |
| Security Charges | 592,979 | | 650,346 | |
| Bank charges | 49,566 | | 65,284 | |
| Remuneration to Managing Director | 701,252 | | 685,849 | |
| Repairs & Maintenance: (others) | 455,068 | | 510,434 | |
| Remuneration to Statutory Auditor | | | | |
| As Audit Fees | 40,000 | 40,000 | | |
| For Tax Audit | 6,000 | 6,000 | | |
| For certification work & I.T.Matter | 5,000 | 5,000 | | |
| Service Tax thereof | 5,253 | 5,253 | | |
| Remuneration to Internal Auditor | - | | 40,502 | |
| Packing & Forwarding Expenses | 619,950 | | 696,015 | |
| Miscellaneous Expenses | 1,671,526 | | 1,893,090 | |
| Business Promotion Expenses | 137,366 | | 434,609 | |
| Directors Sitting fees | 11,000 | | 12,000 | |
| Loss on Sale of Fixed Assets | 208,155 | | - | |
| Quality Defective Claims | 2,146,482 | | - | |
| | <u>21,169,894</u> | | <u>20,889,148</u> | |

CEETA INDUSTRIES LIMITED

SCHEDULE - 13

| | As at | As at |
|--|------------|------------|
| | 31/03/2011 | 31/03/2010 |

EARNINGS PER EQUITY SHARE

Annualised earnings per Equity share have been calculated based on the net profit/(loss) after taxation of Rs. 149.26 lacs, previous year Rs. 171.92 lacs and the weighted average number of equity shares in issue during the year of 14502400 shares, (previous year 14502400 shares).

Following is the reconciliation between basic and diluted earnings per equity share)

| | | |
|--|----------|----------|
| Basic earning per share (in Rs.) | 1.03 | 1.19 |
| Effect of dilutive potential Equity shares on conversion. | NIL | NIL |
| Dilutive Earnings per share (in Rs.) | 1.03 | 1.19 |
| Weighted average number of equity shares used in computing basic earnings per share. | 14502400 | 14502400 |
| Weighted average number of equity shares used in computing diluted earnings per equity shares. | 14502400 | 14502400 |

SCHEDULE – 14

ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

- (i) **General :**
The company follows accrual system of accounting and recognizes income and expenditure on accrual basis unless otherwise stated. The accounts are prepared on historical cost convention.
- (ii) **Fixed Assets :**
Fixed assets as on 01/06/2003 are stated at the book value and any addition to fixed assets subsequent to that date are stated at cost prevailing on the date of acquisition.
- (iii) **Depreciation :**
Depreciation on fixed assets has been provided on straight line method; in case of plant & machinery for granite division the 'triple shift basis' has been taken. The rates and manner for depreciation provision are as per schedule XIV to the Companies Act, 1956 as amended by the Companies (Amendment) Act, 1988.
- (iv) **Investments :**
Quoted Investments are stated at cost less diminution in the market value which are permanent in nature. Any decline in market value of investment in current year has been considered to be temporary in nature and hence no provision is made in the books.
- (v) **Inventories :**
Inventories of the company are stated at lower of cost or net realisable value.
- (vi) **Revenue Recognition :**
The company's sales are net of sales returns, duties and levies.
- (vii) **Foreign Exchange Transaction :**
The transactions in foreign currencies remaining outstanding at the end of the year are translated at the exchange rates prevailing on the date of the Balance sheet. Exchange rate gain/loss on transactions relating to liabilities incurred to acquire fixed assets is treated as an adjustment to the cost of fixed assets. Exchange gains and losses on foreign exchange transactions, other than those relating to fixed assets are recognized in the profit and loss account in accordance with the Accounting standard 11 of the Institute of Chartered Accountants of India.
- (viii) **Employee Retirement Benefits :**
Company's contributions to Provident fund are charged to Profit and Loss a/c. For retirement benefit of the employee, Gratuity is provided on accrual basis taking into account the actuarial valuation.
- (ix) **Contingent Liabilities :**
Contingent liability has been disclosed separately by way of notes on accounts in the Schedule and no provision has been made in the accounts.
- (x) **Earning Per share :**
The company reports basic and diluted earnings per equity share in accordance with AS-20 (Earnings Per Share). Basic earnings per equity share has been computed by dividing net profit or loss by the weighted average number of equity shares outstanding for the period. Diluted earnings per equity share, has been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period.

(xi) Segment Information - Basis of preparation

The Company at present has two segments viz. granite division engaged in manufacturing granite products and other operations which comprises trading transactions including brokerage, commission, mining, transportation, purchase / sale of property construction rights and miscellaneous services.

Segment result includes revenue less operating expenses and provision, if any, for that segment. Segment capital employed represents the net assets in particular segments. Head office income and expenses are considered as unallocable corporate expenditure net of unallocable income.

(xii) Taxation

No provision for income tax has been made since the company has no tax liability in accordance with the provision of the Income Tax Act.

B. NOTES ON ACCOUNTS :

- Depreciation on the fixed assets of Udaipur has been provided on Straight Line Method (SLM) as per the Company's uniform policy though these assets remained in-operative through out the year.
- Contingent Liability not provided for in respect of :-
 - Bank Guarantees in favour of Customs department issued by bank on behalf of the Company is Rs. 1,70,700/- which is valid up to 27.03.2012.
 - Claims against the company not acknowledged as debt is Sales Tax Demand under dispute Rs20,49,049/- (Previous year Rs. 98,21,910/-) under Orissa Sales Tax Tribunal, Cuttack.
 - The Commercial Tax Department of Udaipur have raised a demand of Rs 791025/- as R.S.T. and Rs 2496/- as C.S.T. for earlier years pending under appeal before the Rajasthan Tax Board, Ajmer.
- The company claims reimbursement of Central Sales Tax paid on purchase of indigenous goods in term of Excise Policy 2002-2007.
- Some of the debit and credit balances are subject to confirmation from parties.
- As per the information available with the company, Sundry Creditors do not include any amount payable to micro, small & medium enterprises under the provisions of Micro, Small and Medium Enterprises Development Act, 2006.
- Previous year's figures have been regrouped / rearranged wherever necessary.
- The company pays an annual premium in terms of the comprehensive group gratuity scheme policy with TATA AIG Life Insurance Company Limited covering eligible employees. The premium is based on actuarial valuation. The Company reinstated the total amount paid for gratuity fund in the asset side and liability based on actuarial valuation on the liabilities side. Considering the reduction in employment strength, no additional premium for gratuity fund was made in the current year, i.e. 2010-11.
- As the company is having deferred tax asset by concept of prudence, no provision has been made in the books.
- The company's factory remained inoperative during the period from November, 2010 to March, 2011 due to labour strike, as such no production could be effected.
- Value of finished product inventory was taken at net realizable value as on 31-03-2011.

CEETA INDUSTRIES LIMITED

| | 31/03/2011 (Rs. In lakhs) | 31/03/2010 (Rs.In Lakhs) |
|---|------------------------------|-----------------------------|
| 11. Expenditure in foreign currency | | |
| Travelling | 0.60 | 3.00 |
| Advertisement | 0.55 | 2.88 |
| Imported Consumables | NIL | NIL |
| 12. FOB Value of exports/earnings in foreign currency | 244.42 | 214.94 |
| Other earnings in Foreign Currency | NIL | (0.13) |
| 13. Value of imports on CIF basis | | |
| Components & spare parts | 11.46 | 27.71 |
| 14. Additional information pursuant to Part-II of the schedule VI of the companies Act of 1956. | | |

| a) Particulars of Capacity | Unit | Annual | | Annual | |
|----------------------------|----------|-----------------------|------------------------|--------------------------|------------------------|
| | | Licensed Current Year | Capacity Previous Year | Installed** Current Year | Capacity Previous Year |
| Granite Tiles | Sq. Mtrs | 100500 | 100500 | 100500 | 100500 |
| Granite Slabs/ Monuments | Sq. Mtrs | 23000 | 23000 | 23000 | 23000 |

** As certified by the management and relied upon by the auditors, being a technical matter.

b) Particulars of Production:

| Goods manufactured | Unit | Current Year | Previous Year |
|----------------------------|--------|--------------|---------------|
| Granite Slabs, CTS | | | |
| Granite, Tiles & Monuments | Sq.mtr | 18883.549 | 20436.903 |

c) Particulars of Opening Stock, Purchase, Sales and Closing Stock

| Class of Goods | Unit | Opening Stock | | Sales/Adjustments | | Closing Stock | |
|----------------|------------|---------------|---------------|-------------------|---------------|---------------|---------------|
| | | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year |
| Granite | Sq.mt. | 20983.867 | 15618.364 | 15170.966 | 15071.400 | 24696.450 | 20983.867 |
| Slabs etc. | Rs. in lac | 390.55 | 272.84 | 281.14 | 253.54 | 479.12 | 390.55 |

d) Particulars of Raw materials consumed (100% indigenous)

| Description | Unit | Current Year | Previous Year |
|-------------|------------|--------------|---------------|
| | CBM | 319.575 | 313.763 |
| Rough Block | Rs. In lac | 209.00 | 94.71 |

15. Stores Consumed

| | Amount in lacs | Percentage |
|-----------------|----------------|------------|
| Indigenous | 76.14 | 87% |
| (Previous Year) | (63.46) | (46%) |
| Imported | 11.49 | 13% |
| (Previous Year) | (73.63) | (54%) |

CEETA INDUSTRIES LIMITED

16. Segment Reporting

The Company has the two segments - Granite Division and Other Operations.

Summary of operating segments of the Company area:-

| | Granite | Other Operations | (Rs.in lac) Total |
|--|---------------|------------------|----------------------|
| Segmental Revenue : | 358.52 | 633.85 | 992.37 |
| TOTAL REVENUE | 358.52 | 633.85 | 992.37 |
| Segment Result : (before interest and tax) | (127.02) | 116.06 | (10.96) |
| Unallocated Corporate Expenses net of unallocable income | - | - | 176.48 |
| Operating Profit/(Loss) | - | - | 165.52 |
| Interest and other income | 14.45 | 25.64 | 40.09 |
| Interest Expenses | 11.57 | 44.78 | 56.35 |
| Net Profit / (Loss) before Tax | | | 149.26 |

OTHER INFORMATION

CAPITAL EMPLOYED

| | Granite | Other Operations | Total |
|------------------------------------|----------------|------------------|----------------|
| Segment Assets | 1170.73 | 64.67 | 1235.40 |
| TOTAL ASSETS | 1170.73 | 64.67 | 1235.40 |
| Segment Liabilities | 67.80 | 26.90 | 94.70 |
| TOTAL LIABILITIES | 67.80 | 26.90 | 94.70 |
| Net Segment Assets | 1102.93 | 37.77 | 1140.70 |
| Unallocated Assets / (Liabilities) | - | - | 141.28 |
| Net Capital Employed | - | - | 1281.98 |
| Capital Expenditure | 0.65 | 1.30 | 1.95 |
| Depreciation | 32.04 | 1.60 | 33.64 |

17. Related Party Disclosures

As per AS 18 issued by The Institute of Chartered Accountants of India, the Company's related parties disclosed below:-

List of related Parties

- Likhani Trading & Mfg. Co.Ltd
- Rashmi Properties & Investments Ltd.
- Vaibhav Heavy Vehicles Ltd.
- Coronation Refrigeration Industries Ltd
- Nouveau Metal Industries Ltd.
- Ceeta Synthetics & Turfs Ltd.
- Impact Stoneworks Pvt. Ltd.
- Shree Fincap Ltd.
- Smt.Vrinda Poddar
- Sri. Vaibhav Poddar

Enterprise under Common Control

Kingstone Krystals Ltd.. - Subsidiary Company

Key Management Personnel

- | | | |
|-----------------------|---|-------------------|
| Sri K. M. Poddar | - | Managing Director |
| Sri Arabinda De | - | Director |
| Sri S.K. Chhawchharia | - | Director |
| Sri. S.L. Singhania | - | Director |
| Sri Anubhav Poddar | - | President |

CEETA INDUSTRIES LIMITED

The Company's related party balances and transactions are summarised below:-

| Name of Related Party | Nature of Transactions during the year |
|--|--|
| Likhami Trading & Mfg. Co. Ltd. | (i) The Company received unsecured loan of Rs. 15,00,000/- and repaid Rs. 1,00,46,362/- as refund of entire loan along with interest thereon of Rs 5,46,362/-. (ii) The Company Paid rent of Rs.1,44,000/-, electricity charges of Rs.1,18,251/- and car hire charges Rs. 72,000/-. |
| Rashmi Properties & Investments Ltd. | (i) The Company received unsecured loan of Rs 1,40,00,000/- and refunded Rs. 3,65,00,000/- during the year. Interest paid / payable thereon is of Rs 7,72,561/-. Closing Balance as on 31st March, 2011 was Rs. 53,19,561/- (ii) Paid Rent of Rs 3,00,000/- and electricity of Rs.1,41,516/-. |
| Vaibhav Heavy Vehicles Ltd. | (i) The Company received unsecured loan of Rs. 1,33,00,000/- and refunded Rs.93,00,000/- during the year. Interest paid / payable thereon is of Rs 6,18,262/-. Closing Balance as on 31st March 2011 was Rs. 92,47,364/- (ii) Payment of rent for Rs.1,44,000/-. |
| Coronation Refrigeration Industries Ltd. | (i) The Company received unsecured loan of Rs 2,12,00,000/- and refunded Rs. 2,82,00,000/- during the year. Interest paid / payable thereon is of Rs 8,90,479/-. Closing Balance as on 31st March 2011 was Rs. 1,23,88,652/- (ii) Payment of property tax for Rs. 4,524/- |
| Nouveau Metal Industries Ltd | Paid rent of Rs 1,20,000/-and electricity of Rs.79,587/- |
| Ceeta Synthetics & Turfs Ltd. | The Company received unsecured loan of Rs. 98,00,000/- and refunded Rs. 1,38,00,000/- during the year. Interest paid / payable thereon is of Rs 15,73,131/-. Closing Balance as on 31st March, 2011 was Rs. 1,09,20,460/-. |
| Impact Stoneworks Pvt. Ltd. | The Company refunded entire unsecured loan of Rs. 19,00,000/- during the year. Interest paid/ payable thereon is of Rs 73,086/-. |
| Shree Fincap Ltd. | The Company refunded entire unsecured loan 59,00,000/- and interest paid /payable thereon is of Rs.49,739/-. |
| Smt. Vrinda Poddar | Remuneration includes Rs.3,00,000/- as basic salary, Rs.1,20,000/- as HRA, Provident Fund. Rs. 36,000/- and Medical reimbursement Rs.24,858/- |

CEETA INDUSTRIES LIMITED

| | |
|-----------------------|--|
| Sri Vaibhav Poddar | Paid Professional Fee of Rs.1,80,000/- |
| Sri K.M. Poddar | Remuneration paid Rs.5,40,000/-, Provident fund Rs. 64800/- and other perquisites Rs.1,46,852/- |
| Sri Arabinda De | Paid directors' sitting fee Rs. 4,000/- |
| Sri S.K. Chhawchharia | Paid directors' sitting fee Rs. 4,000/- |
| Sri S.L. Singhanian | Paid directors' sitting fee Rs. 3,000/- |
| Sri Anubhav Poddar | Remuneration includes Rs.396000/- as basic salary, Rs.158400/- as H.R.A., Provident Fund Rs.47520/- and Medical expenses for Rs 31,598/- |

Signature of Schedule 1 to 14 as per our annexed report of even date.

For G.K.TULSYAN & COMPANY
Chartered Accountants
Firm's Registration No. 323246E

G.K.Tulsyan
Partner
-Membership No.50511

4, Gangadhar Babu Lane
Kolkata - 700012
Dated : 29/07/2011

On behalf of the Board

K.M.Poddar,
Managing Director

A.De,
Director

CEETA INDUSTRIES LIMITED

Balance Sheet abstract and company's general business profile:
(Additional Information as required under Part IV of the Companies Act, 1956)

I. Registration details

| | | | |
|--------------------|------------|------------|----|
| Registration no. : | 21494 | State Code | 08 |
| Balance Sheet date | 31/03/2011 | | |

II. Capital Raised during the year (Amount in Rs.)

| | | | |
|--------------|-----|-------------------|-----|
| Public Issue | NIL | Right issue | NIL |
| Bonus Issue | NIL | Private Placement | NIL |

III. Position of mobilisation and deployment of funds (Amount in Rs.)

| | | | |
|--------------------------|--------------|---------------------|--------------|
| Total liabilities | 19,87,71,045 | Total Assets | 19,87,71,045 |
|--------------------------|--------------|---------------------|--------------|

Sources of Funds

| | | | |
|-----------------|-------------|-------------------|--------------|
| Paid-up capital | 1,45,02,400 | Reserve & surplus | 14,63,86,444 |
| Secured loan | NIL | Unsecured loan | 3,78,82,201 |

Application of funds

| | | | |
|---------------------|--------------|-------------------|-------------|
| Net fixed assets | 2,19,23,829 | Investments | 62,82,342 |
| Net current assets | 11,88,49,466 | Misc. Expenditure | NIL |
| Construction W.I.P. | 1,90,24,225 | Accumulated loss | 3,26,91,183 |

IV. Performance of the company (Amount in Rs.)

| | | | |
|---------------------------------|-------------|-------------------------|-------------|
| Turnover including other Income | 9,92,36,379 | Total Expenditure | 9,31,67,002 |
| Profit/(Loss) before tax | 1,49,25,814 | Profit/(Loss) after tax | 1,49,25,814 |
| Earning per share in Rs. | 1.03 | Dividend rate | NIL |

V. Generic name of two principal products /service of the company

| | |
|--------------------------|-----------------------|
| Item Code no. (ITC Code) | 680233 |
| Product description | Granite Slabs & Tiles |

On behalf of the Board

For G.K.TULSYAN & COMPANY
Chartered Accountants
Firm's Registration No. 323246E

G.K.Tulsyan
Partner
Membership No.50511
4, Gangadhar Babu Lane
Kolkata - 700012
Dated : 29/07/2011

K.M.Poddar,
Managing Director

A.De,
Director

CEETA INDUSTRIES LIMITED

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO
SUBSIDIARY COMPANY

Name of the Company**Kingstone Krystals Limited**

- | | |
|---|------------------|
| A. The Financial Year of the Subsidiary Company ended on | 31/03/2011 |
| B. Number of Shares in the Subsidiary Company held by Ceeta Industries Ltd. at the above date (equity shares unless stated otherwise) and % of holding. | 66,800 98.96 |
| C. The net aggregate of profits (losses) of the subsidiary company for its financial year so far as they concern the members of Ceeta Industries Ltd. | |
| a) Dealt with in the accounts of Ceeta Industries Limited for the year ended 31st March, 2011 | Nil |
| b) Not dealt with in the accounts of Ceeta Industries Limited for the year ended 31st March,2011. | Rs. 106303.94 |
| D. The net aggregate of profits (losses) of the subsidiary company for its Previous financial years so far as they concern the members of Ceeta Industries Limited. | |
| a) Dealt with in the accounts of Ceeta Industries Limited for the year ended 31st March, 2010 | Nil |
| b) Not dealt with in the accounts of Ceeta Industries Limited for the year ended 31st March,2010 | Rs. 13,41,384.69 |

Place : Kolkata
Dated : 29/07/2011

By order of the Board
K.M. Poddar
Managing Director
A. De
Director

CEETA INDUSTRIES LIMITED

DIRECTOR'S REPORT

Your Directors have the pleasure in submitting their Report and Audited Accounts for the financial year ended 31st March, 2011.

FINANCIAL RESULTS:

| | As on 31/03/2011 Rs. | As on 31/03/2010 Rs. |
|--|----------------------------|----------------------------|
| Profit/(Loss) as per Profit & Loss Account | 1,32,493 | 52,816 |
| Less: Provision for Income Tax | 25,075 | 8,874 |
| Profit / (Loss) after taxation | 1,07,418 | 43,942 |
| Balance brought forward from previous year | 13,55,441 | 13,11,499 |
| Balance carried to next year | <u>14,62,859</u> | <u>13,55,441</u> |

DIVIDEND :

In order to preserve cash resources, no dividend for the year has been recommended.

DIRECTORS:

Sri Anubhav Poddar retires at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment pursuant to the provisions of the Companies Act, 1956 and Articles of Association of the Company.

AUDITORS :

The Auditors, M/s.G.K.Tulsyan & Co., Chartered Accountants retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

PERSONNEL :

The Company has no employee drawing remuneration in aggregate of Rs.2,00,000/- or more per month, if employed for the part of the year and Rs.24,00,000/- per annum if employed through out the year.

DEPOSITS :

The Company has no outstanding deposits and it neither invited nor accepted any deposit from the public within the meaning of Sec.58A of the Companies Act, 1956 during the year under review.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUT GO :

Since your Company is not carrying any manufacturing activity, the disclosure of the information relating to conservation of energy and technology absorption is not applicable.

There have been no foreign exchange earnings and outgo during the year under review.

DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to section 217(2AA) of the Companies Act 1956 the Directors confirm that:

- I. that in preparation of the Annual Accounts, the applicable Accounting Standard 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 March 31, 2011 and of the Profit 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 safeguarding 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.

By order of the Board

A. De,
Director
S.L. Singhania,
Director

Place : Kolkata

Dated : 29th day of July, 2011

KINGSTONE KRYSTALS LIMITED

Auditors' Report

TO THE MEMBERS OF MESSRS. KINGSTONE KRYSTALS LIMITED.

We have audited the attached Balance Sheet of MESSRS. KINGSTONE KRYSTALS LIMITED as at 31st March, 2011 and also the Profit & Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As required by the Companies (Auditors' Report) Order 2003, issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956, we annex here to a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the Annexure referred to above, we report that:

- (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books.
- (c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of accounts.
- (d) In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the accounting standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956.
- (e) On the basis of written representation received from the directors as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the Directors of the Company is disqualified as on 31.03.2011 from being appointed as Director in terms of Clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said statement of accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 01. in the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2011 and
 02. in the case of the Profit & Loss Account of the Profit of the Company for the year ended on that date.

For G.K. Tulsyan & Company
Chartered Accountants
Firm's Registration No. : 323246E

4, Gangadhar Babu Lane,
Kolkata - 700 012.
Dated the 29th day of July, 2011.

U.K. Senapati
Partner
Membership No.58084

ANNEXURE TO THE AUDITORS' REPORT

- (i) The company does not have any fixed assets and as such clause (i)(a) to (i)(c) are not applicable.
- (ii) The company does not have any inventory and as such clause (ii)(a) to (ii)(c) are not applicable.
- (iii) (a) As informed to us and as per books of accounts, the company did not grant any loan to any party mentioned in the register maintained u/s.301 of Companies Act, 1956, hence clause iii(b) (c) & (d) are also not applicable.
(b) As informed to us and as per books of accounts, the company did not take any unsecured loan from any company, mentioned in the register maintained under Section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business. During the course of our audit, no major weakness has been noticed in the internal controls.
- (v) According to the information and explanations provided by the management, we are of the opinion that there have been no transactions that need to be entered in to the register maintained under Section 301 and hence Clause (v)(b) is also not applicable.
- (vi) The company did not accept any deposit from Public within the meaning of Section 58A and 58AA of the Companies Act, 1956.
- (vii) In our opinion, the company has an internally designed Internal Audit System commensurate with the size and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under Clause (d) of Sub-Section (i) of Section 209 of the Companies Act, 1956.
- (ix) In respect of Statutory dues :
 - (a) According to the records of the company, the company is regular in depositing undisputed statutory dues, and other statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us there are no undisputed amounts payable in respect of wealth tax, sales tax, custom duty and excise duty etc which are due for more than six months from the date they became payable.
 - (b) There are no dues outstanding of sales tax, excise duty and cess on account of any dispute.
 - (c) The company has neither accumulated losses nor it incurred any cash losses during the financial year covered by our audit. There was also no cash loss in the immediately preceding financial year.
 - (d) Based on our audit procedures and according to the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institutions, banks or debenture holders.
- (x) According to the information and explanations given to us and based on the documents and records produced to us, the company did not grant loans and advances on the basis of the security by way of pledge of shares, debentures and other securities.

- (xi) In our opinion and according to the explanations given to us, the nature of activities of the company does not attract any special statute applicable to chit fund and nidhi / mutual benefit fund / societies.
- (xii) As informed and explained to us in respect of the company's investment in shares and securities, proper records have been maintained of the transactions and contracts relating to dealing / trading in shares and other investments and timely entries have been made therein. The shares and other investments have been held by the company in its own names.
- (xiii) According to the information and explanation given to us, the company did not provide any guarantee for loans taken by others from bank or financial institution.
- (xiv) There are no term loans outstanding as at the end of the year.
- (xv) We have been informed by the management that no funds have been raised and used and hence Clause (xvii) is not applicable.
- (xvi) The company has not made any preferential allotment of shares to companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xvii) The company did not have any outstanding debenture during the year.
- (xviii) The company did not raise any money through a public issue during the year.
- (xix) Based on information and explanations furnished by the management, which were relied upon by us there were no frauds on or by the company noticed or reported during the year.

4, Gangadhar Babu Lane,
Kolkata - 700 012.
Dated the 29th day of July, 2011.

For G.K. Tulsyan & Company
Chartered Accountants
Firm's Registration No. : 323246E

U.K. Senapati
Partner
Membership No.58084

KINGSTONE KRYSTALS LIMITED**Balance Sheet as at 31st March, 2011**

| | Schedule | As at 31.3.2011 Rs. | As at 31.3.2010 Rs. |
|---|----------|---------------------------|---------------------------|
| SOURCES OF FUNDS | | | |
| Shareholder's Fund | | | |
| Share Capital | 1 | 675,000.00 | 675,000.00 |
| Reserve & Surplus | 2 | 1,462,859.02 | 1,355,441.12 |
| | | <u>2,137,859.02</u> | <u>2,030,441.12</u> |
| APPLICATION OF FUNDS | | | |
| Investments | 3 | 1,620,288.51 | 655,058.65 |
| Current Assets, Loans & Advances | | | |
| Sundry Debtors | 4 | – | 1,133,297.58 |
| Cash & Bank Balances | 5 | 532,918.51 | 248,111.89 |
| Loans & Advances | 6 | 26,874.00 | 88,108.00 |
| | | <u>559,792.51</u> | <u>1,469,517.47</u> |
| Less : Current Liabilities & Provisions | 7 | 42,222.00 | 94,135.00 |
| Net Current Assets | | <u>517,570.51</u> | <u>1,375,382.47</u> |
| | | <u>2,137,859.02</u> | <u>2,030,441.12</u> |
| Notes on Accounts | 9 | | |

This is the Balance sheet referred to in our annexed report of even date.

For G.K. Tulsyan & Company
Chartered Accountants
Firm's Registration No. : 323246E

U.K. Senapati
Partner
Membership No.58084

4, Gangadhar Babu Lane
Kolkata - 700 012
Dated the 29th day of July, 2011

On behalf of the Board

A. De,
Director

S.L. Singhania,
Director

KINGSTONE KRYSTALS LIMITED**Profit & Loss Account for the year ended 31st March, 2011**

| | Schedule | Year Ended 31.3.2011 Rs. | Year Ended 31.3.2010 Rs. |
|---|----------|--------------------------------|--------------------------------|
| Income | | | |
| Dividend Income | | 7,204.00 | 10,374.00 |
| Profit on Sales of Investments | | 119,401.34 | 19,979.93 |
| Interest on Income Tax Refund | | 563.00 | – |
| Speculative Profit (Shares / Commodity) | | 40147.72 | 50,369.56 |
| | | <u>167,316.06</u> | <u>80,723.49</u> |
| Expenditures | | | |
| Administrative & Other Expenses | 8 | 34,823.16 | 27,907.86 |
| | | <u>34,823.16</u> | <u>27,907.86</u> |
| Profit / (Loss) before Taxation | | 132,492.90 | 52,815.63 |
| Less : Provision for Taxation | | 25,075.00 | 8,874.00 |
| Profit / (Loss) after Taxation | | <u>107,417.90</u> | <u>43,941.63</u> |
| Balance brought forward from Last year | | 1,355,441.12 | 1,311,499.49 |
| Transfer to Balance Sheet | | <u>1,462,859.02</u> | <u>1,355,441.12</u> |
| Earning per Share | | 1.59 | 0.65 |
| Notes on Accounts | 9 | | |

This is the Profit & Loss Account referred to in our annexed report of even date.

For G.K. Tulsyan & Company
Chartered Accountants
Firm's Registration No. : 323246E

U.K. Senapati
Partner
Membership No.58084

4, Gangadhar Babu Lane
Kolkata - 700 012
Dated the 29th day of July, 2011

On behalf of the Board

A. De,
Director

S.L. Singhania,
Director

KINGSTONE KRYSTALS LIMITED

Schedules annexed to and forming part of the Balance Sheet as at 31st March, 2011 and the Profit & Loss Account for the year ended on that date.

| | As at 31.3.2011 Rs. | As at 31.3.2010 Rs. |
|--|---------------------------|---------------------------|
| Schedule - 1 | | |
| SHARE CAPITAL | | |
| Authorised | | |
| 2,50,000 Equity Shares of Rs.10/- each | 2,500,000.00 | 2,500,000.00 |
| | 2,500,000.00 | 2,500,000.00 |
| Issued, Subscribed and Paid up | | |
| 67,500 Equity Shares of Rs.10/- each fully paid up in cash | 675,000.00 | 675,000.00 |
| <i>(Out of which 66,800 Shares are held by holding company Messrs. Ceeta Industries Limited)</i> | 675,000.00 | 675,000.00 |
| Schedule - 2 | | |
| RESERVES & SURPLUS | | |
| Profit & Loss Account | 1,462.859.02 | 1,355,441.12 |
| | 1,462.859.02 | 1,355,441.12 |

| Schedule - 3 | | | | | |
|--------------------------------------|----------------------|------------------|---------------------|------------------|-------------------|
| INVESTMENTS | | | | | |
| Name of the Company | Face Value Rs. | Current Year | | Previous Year | |
| | | No. of Shares | Cost Rs. | No. of Shares | Cost Rs. |
| Equity Share (Quoted) | | | | | |
| (Long Term - Non Traded) | | | | | |
| Pokarna Ltd. | 10 | - | - | 100 | 6,694.77 |
| Gujarat NRE Coke Ltd.# | 10 | 420 | 47,360.69 | 420 | 47,360.69 |
| Reliance Industries Ltd.** | 10 | 850 | 929,295.04 | 106 | 138,020.36 |
| Karnataka Bank Ltd. | 10 | 1,500 | 192,857.78 | 1,500 | 112,457.83 |
| Total (A) | | 2,770 | 1,169,513.51 | 2,126 | 304,533.65 |
| Equity Share (Un -quoted) | | | | | |
| Ceeta Synthetics & Turfs Ltd. | 10 | 555,000 | 350,525.00 | 555,000 | 350,525.00 |
| Impact Stoneworks Pvt. Ltd. | 10 | 10,000 | 100,250.00 | - | - |
| Gujarat NRE Coke Ltd. - Class-B(Bor) | 10 | 42 | - | - | - |
| Total (B) | | 565.042 | 450,775.00 | 555,000 | 350,525.00 |
| TOTAL INVESTMENTS (A+B) | | 567,812 | 1,620,288.51 | 557,126 | 655,058.65 |

Gujarat NRE Coke includes 120 Bonus shares

** Reliance Industries Ltd. includes 53 Bonus Shares

| | Book Value | | Market Value | |
|--|----------------------|-------------------|---------------------|-------------------|
| | Current Year | Previous Year | Current Year | Previous Year |
| | Quoted Shares | 1,169,513.51 | 304,533.65 | 1,073,679.00 |
| | 1,169,513.51 | 304,533.65 | 1,073,679.00 | 338,929.50 |

KINGSTONE KRYSTALS LIMITED

| | As at 31.3.2011 Rs. | As at 31.3.2010 Rs. |
|---|---------------------------|---------------------------|
| Schedule - 4 | | |
| Sundry Debtors | | |
| (Unsecured Considered good) | | |
| Outstanding for a period not exceeding six months | - | 1,133,297.58 |
| Other debts | - | - |
| | - | 1,133,297.58 |
| Schedule - 5 | | |
| Cash & Bank Balance | | |
| Cash-in-hands (As certified by the management) | 57,483.00 | 57,573.00 |
| Balance with Schedule Banks (in Current Account) | 475,435.51 | 190,538.89 |
| | 532,918.51 | 248,111.89 |
| Schedule - 6 | | |
| LOANS & ADVANCES | | |
| (a) Loans | - | - |
| <i>(Unsecured considered good)</i> | | |
| (b) Advances | | |
| <i>(Recoverable in cash or in kind or for the value to be received)</i> | | |
| - Income Tax & T.D.S. including Advance Tax | 26,874.00 | 88,108.00 |
| | 26,874.00 | 88,108.00 |
| Schedule - 7 | | |
| CURRENT LIABILITIES & PROVISIONS | | |
| Current Liabilities | | |
| Liabilities for Expenses | 8,273.00 | 8,370.00 |
| Provisions | | |
| Provision for Income Tax (2007 - 08) | - | 32,033.00 |
| Provision for Income Tax (2008 - 09) | - | 41,075.00 |
| Provision for Income Tax (2009 - 10) | - | 3,783.00 |
| Provision for Income Tax (2010 - 11) | 8,874.00 | 8,874.00 |
| Provision for Income Tax (2011 - 12) | 25,075.00 | - |
| | 42,222.00 | 94,135.00 |
| Schedule - 8 | | |
| ADMINISTRATIVE & OTHER EXPENSES | | |
| Demat Charges | 486.16 | 881.86 |
| Bank Charges | 224.00 | 253.00 |
| Filing Fees | 1,740.00 | 1,250.00 |
| Professional Charges | 850.00 | - |
| Professional Tax | 2,500.00 | 2,500.00 |
| License Fees | 4,250.00 | 4,250.00 |
| Printing & Stationery | 12,000.00 | 6,000.00 |
| Rent Paid | 4,500.00 | 4,500.00 |
| Director's Sitting Fee | | |
| Auditor's Remuneration | | |
| Audit Fees | 5,000 | 5,000 |
| For Company Law Matters | 1,500 | 1,500 |
| For Income Tax Matters | 1,000 | 1,000 |
| Service Tax | 773 | 773 |
| | 34,823.16 | 27,907.86 |

Schedule – 9

NOTES ON ACCOUNTS

Notes annexed to and forming part of the Balance Sheet as at 31st March, 2011 and the Profit & Loss Account for the year ended on that date.

01. Accounting Policies

(a) General

The books of accounts have been maintained on accrual basis and in the accounting principles of going concern and are in consistent with the general accounting policies.

(b) Revenue Recognition

All expenses and income to the extent considered payable and receivable respectively unless specifically stated to be otherwise, are accounted for on mercantile basis.

(c) Investments

Investments are stated at cost of acquisition.

(d) Taxes on Income

Income tax comprises the current tax provision and the net change in the deferred tax asset or liability in the year. Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax base and operating loss carry forwards. Deferred tax assets if any are recognized subject to management's judgement that realization is more likely or not. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the year in which the temporary differences are expected to be received or settled. The effect on deferred tax assets and liabilities of a change in tax rate is recognized in the income statement in the period of enactment of the change.

(e) Earning per Share

The company reports basic and diluted earning per shares in accordance with Accounting Standard – 20. Basic earning per share has been computed by dividing net profit/(Loss) after tax by weighted average number of equity shares outstanding for the period.

(f) Other accounting policies unless specifically stated to be otherwise are consistent and are in consonance with generally accepted accounting principle.

Signature to Schedules 1 to 9 forming part of the Balance Sheet and Profit & Loss Account.

For G.K. Tulsyan & Company
Chartered Accountants
Firm's Registration No. 323246E

U.K. Senapati
Partner
Membership No.58084

4, Gangadhar Babu Lane
Kolkata - 700 012
Dated the 29th day of July, 2011

On behalf of the Board

A. De,
Director

S.L. Singhania,
Director

**Additional Information as required under Part IV to the Companies Act, 1956
Balance Sheet abstract and Company's General Business Profile.**

| | | |
|--|--|---|
| (a) Registration Details | Registration Number State Code Balance Sheet Date | 11437 08 31.03.2011 |
| (b) Capital raised during the year (Amount in '000) | Public Issue Right Issue Bonus Issue Private Placement | Nil Nil Nil Nil |
| (c) Position of Mobilisation & Deployment of Funds (Amount in '000) | Total Liabilities Total Assets Sources of Funds (Amount in '000) Paid-up Capital Reserves & Surplus Secured Loans Unsecured Loans Deferred Tax Application of Funds (Amount in '000) Net Fixed Assets Investments Net Current Assets Miscellaneous Expenditures Profit & Loss Account | 2,137.86 2,137.86 675.00 1,462.86 Nil Nil Nil Nil Nil 1,620.29 517.57 Nil Nil |
| (d) Performance of Company (Amount in '000) | Turnover / Income Total Expenditure Profit / (Loss) before Tax Profit / (Loss) after Tax Earning per Share (Rs.) Dividend Rate | 167.32 34.82 132.49 107.42 1.59 Nil |
| (e) Generic Names of principal products, services of the Company | Item Code Product Description | Not Applicable Not Applicable |

For G.K. Tulsyan & Company
Chartered Accountants
Firm's Registration No. 323246E

U.K. Senapati
Partner
Membership No.58084

4, Gangadhar Babu Lane
Kolkata - 700 012
Dated the 29th day of July, 2011

On behalf of the Board

A. De,
Director

S.L. Singhania,
Director

CEETA INDUSTRIES LIMITED

Report of the Auditors to the Board of Directors of Ceeta Industries Limited on the consolidated Financial Statements of Ceeta Industries Limited and its subsidiary Company.

We have audited the attached consolidated balance sheet of Ceeta Industries Limited and its subsidiary as at 31st March, 2011 and also the consolidated profit & loss account and the consolidated cash flow statement for the year ended on that date, annexed thereto. These consolidated financial statements are the responsibility of the management of Ceeta Industries Limited and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

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

We report that the consolidated financial statements have been prepared by the management of Ceeta Industries Limited in accordance with the requirements of Accounting Standard 21, consolidated Financial Statements, issued by the Institute of Chartered Accountants of India.

Based on our audit on separate financial statements and on the other financial information of the components, in our opinion and to the best of our information and according to the explanations given to us, the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.

- (a) in the case of the consolidated balance sheet of the state of affairs of Ceeta Industries Limited and its subsidiary as at 31st March, 2011
- (b) in the case of consolidated profit & loss account of the profit for the period / year ended on that date, and
- (c) in the case of the consolidated cash flow statement, of the cash flows for the period / year ended on that date.

For G.K. Tulsyan & Company
Chartered Accountants
Firm's Registration No. 323246E

4, Gangadhar Babu Lane
Kolkata - 700 012
Dated: 29/07/2011

G.K. Tulsyan
Partner
Membership No.50511

CEETA INDUSTRIES LIMITED

CONSOLIDATED BALANCE SHEET OF CEETA INDUSTRIES LIMITED AND ITS SUBSIDIARY COMPANY AS AT 31ST MARCH, 2011

| | Schedule | As at 31/03/2011 | | As at 31/03/2010 | |
|---|----------|--------------------|---------------------------|--------------------|---------------------------|
| | | (Rs.) | (Rs.) | (Rs.) | (Rs.) |
| SOURCES OF FUNDS | | | | | |
| 1. SHAREHOLDERS' FUND | | | | | |
| a) Share Capital | 1 | 14,502,400 | | 14,502,400 | |
| b) Reserves and Surplus | 2 | <u>146,386,444</u> | 160,888,844 | <u>146,386,444</u> | 160,888,844 |
| 2. Minority Interest | | | | | |
| | | | 22,171 | | 21,057 |
| 3. LOAN FUND | | | | | |
| Secured Loan | 3 | - | | 419,697 | |
| Unsecured Loans | 4 | <u>37,882,201</u> | <u>37,882,201</u> | <u>83,837,323</u> | <u>84,257,020</u> |
| | | | <u>198,793,216</u> | | <u>245,166,921</u> |
| APPLICATION OF FUNDS | | | | | |
| 1. GOODWILL ON CONSOLIDATION | | | | | |
| | | | 2,500 | | 2,500 |
| 2. FIXED ASSETS | | | | | |
| Gross Block | 5 | 43,242,080 | | 43,745,033 | |
| Less : Depreciation | | <u>21,318,251</u> | 21,923,829 | <u>18,183,299</u> | 25,561,734 |
| Net Block | | | | | |
| 3. CONSTRUCTION WORK IN PROGRESS | | | | | |
| | | | 19,024,225 | | 15,777,199 |
| 4. INVESTMENTS | | | | | |
| | 6 | | 7,232,131 | | 3,144,786 |
| 5. CURRENT ASSETS, LOANS AND ADVANCES | | | | | |
| a) Inventories | | 61,522,358 | | 60,671,855 | |
| b) Sundry Debtors | | 9,137,329 | | 15,258,275 | |
| c) Cash and Bank Balances | | 2,800,730 | | 1,166,203 | |
| d) Loans and Advances | | <u>106,669,729</u> | | <u>95,068,592</u> | |
| | | <u>180,130,146</u> | | <u>172,164,925</u> | |
| Less: Current Liabilities And Provisions | | | | | |
| Current Liabilities | 8 | 60,252,137 | | 17,163,097 | |
| Provisions | | 510,973 | | 596,738 | |
| | | <u>60,763,110</u> | | <u>17,759,835</u> | |
| NET CURRENT ASSETS | | | 119,367,036 | | 154,405,090 |
| 6. PROFIT & LOSS ACCOUNT | | | | | |
| Balance carried forward | | | <u>31,243,495</u> | | <u>46,275,612</u> |
| | | | <u>198,793,216</u> | | <u>245,166,921</u> |

NOTES ON ACCOUNTS 14

This is the Balance sheet referred to in our annexed report of even date.

For G.K. TULSYAN & COMPANY
Chartered Accountants
Firm's Registration No. 323246E

G.K. Tulsyan
Partner
Membership No.50511

4, Gangadhar Babu Lane
Kolkata - 700012
Dated : 29/07/2011

On behalf of the Board

K.M.Poddar,
Managing Director

A.De,
Director

CEETA INDUSTRIES LIMITED

CONSOLIDATED PROFIT & LOSS ACCOUNT OF CEETA INDUSTRIES LIMITED AND ITS SUBSIDIARY COMPANY AS AT 31ST MARCH, 2011

| | Schedule | Current Year ended 31/03/2011 (Rs.) | Previous Year ended 31/03/2010 (Rs.) |
|--|----------|--|---|
| INCOME | | | |
| Sales | | 28,114,203 | 25,353,765 |
| Income from Investment | | 18,737,996 | 19,980 |
| Income from Contract Work | | 36,170,119 | 13,748,654 |
| Service charges | | 6,000,000 | 6,000,000 |
| Other Income | 9 | 10,381,377 | 31,723,103 |
| Increase/(Decrease) in Stock | 10 | 8,856,437 | 11,771,697 |
| | | 108,260,132 | 88,597,219 |
| EXPENDITURE | | | |
| Manufacturing Expenses | 11 | 38,636,747 | 30,165,948 |
| Expenditure on Sub- contract Work | | 24,360,993 | 9,186,082 |
| Selling, Administration and other Exp. | 12 | 21,204,717 | 20,917,056 |
| Interest | | 5,635,272 | 7,604,896 |
| Depreciation | | 3,364,096 | 3,343,181 |
| | | 93,201,825 | 71,217,163 |
| Profit/(Loss) before provision for taxation | | 15,058,307 | 17,380,056 |
| Provision for Income Tax | | 25,075 | 8,874 |
| Profit after Tax (before prior period adjustment) | | 15,033,232 | 17,371,182 |
| Prior period adjustment | | - | (135,549) |
| Profit after Tax (before adjustment for Minority Interest) | | 15,033,232 | 17,235,633 |
| Less : Share of profit transferred to Minority | | 1,114 | 456 |
| Profit after Tax (after adjustment for Minority Interest) | | 15,032,118 | 17,235,177 |
| Balance brought forward from previous year | | (46,275,612) | (63,510,789) |
| Balance carried to Balance sheet | | (31,243,496) | (46,275,612) |
| Earning per Equity Share : | 13 | | |
| (Face value of Re.1/- per share) | | | |
| Basic | | 0.83 | 1.19 |
| Diluted | | 0.83 | 1.19 |

NOTES ON ACCOUNTS 14

This is the Profit and Loss Account referred to in our annexed report of even date

For G.K.TULSYAN & COMPANY
Chartered Accountants
Firm's Registration No. 323246E

G.K.Tulsyan
Partner
Membership No.50511
4, Gangadhar Babu Lane
Kolkata - 700012
Dated : 29/07/2011

On behalf of the Board

K.M.Poddar,
Managing Director

A.De,
Director

CEETA INDUSTRIES LIMITED

CEETA INDUSTRIES LIMITED & ITS SUBSIDIARY COMPANY CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

| | As on 31/03/2011 (Rs.) | As on 31/03/2010 (Rs.) |
|---|------------------------------|------------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES: | | |
| Net profit before interest, tax and extraordinary items | 20,692,465 | 24,984,496 |
| <i>Adjustment for :</i> | | |
| Depreciation | 3,364,096 | 3,343,181 |
| Profit on Sale of Investments | (18,737,996) | (19,980) |
| Loss on sale of fixed assets (Net) | 208,155 | - |
| Interest received | (4,010,989) | (14,821,371) |
| Dividend | (7,204) | (1,094) |
| Operating profit before working capital charges | 1,508,527 | 13,485,232 |
| <i>Adjustments for :</i> | | |
| Trading and other receivables | 6,120,947 | (3,806,586) |
| Inventories | (850,503) | (2,773,238) |
| Trade Payables | 42,978,200 | (18,034,520) |
| Loans & Advances | (11,579,263) | (80,524,692) |
| Cash Generated from Operation | 38,177,908 | (91,653,804) |
| Direct Tax Paid | (21,874) | (5,000) |
| Cash Flow before extraordinary items | 38,156,034 | (91,658,804) |
| Extraordinary items | - | (135,549) |
| Net cash flow from operating activities (A) | 38,156,034 | (91,794,353) |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets including Capital W.I.P. | (3,441,573) | (7,694,002) |
| Sale of Fixed Assets | 260,200 | - |
| Purchase of Investment | (44,237,322) | (2,481,188) |
| Sale of Investment | 58,887,972 | 1,199,717 |
| Interest Received | 4,010,989 | 14,821,371 |
| Minority Interest | 1,114 | 456 |
| Dividend received | 7,204 | 1,094 |
| Net cash used in investing activities (B) | 15,488,584 | 5,867,428 |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceed / Redemption of Equity / Pref.Share | - | - |
| Interest Paid | (5,635,272) | (7,604,896) |
| Proceeds long term borrowings | (46,374,819) | 83,277,727 |
| Net Cash Flow from Financing Activities (C) | (52,010,091) | 75,672,831 |
| Net Increase in cash and Cash equivalent (A+B+C) | 1,634,527 | (10,254,094) |
| Cash and Cash equivalent as at beginning of the year | 1,166,203 | 11,420,297 |
| Cash and Cash equivalent as at end of the year | 2,800,730 | 1,166,203 |

NOTE : Figures in brackets represent cash outflows

For G.K.TULSYAN & COMPANY
Chartered Accountants
Firm's Registration No. 323246E

G.K.Tulsyan
Partner
Membership No.50511
4, Gangadhar Babu Lane
Kolkata - 700012
Dated : 29/07/2011

On behalf of the Board

K.M.Poddar,
Managing Director

A.De,
Director

CEETA INDUSTRIES LIMITED

CEETA INDUSTRIES LIMITED & ITS SUBSIDIARY COMPANY
SCHEDULES TO THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2011
AND PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED ON THAT DATE

| | As on 31/03/2011 (Rs.) | As on 31/03/2010 (Rs.) |
|--|------------------------------|------------------------------|
| SCHEDULE - 1 | | |
| SHARE CAPITAL | | |
| AUTHORISED : | | |
| 75,000,000 Equity Shares of face value of Re.1/-each. (Previous Year 75,000,000 Equity Shares of Re. 1/- each) | 75,000,000 | 75,000,000 |
| | | |
| 1,50,000 - 15% Non-Cumulative Redeemable Preference Shares of Rs.100/- each | 15,000,000 | 15,000,000 |
| | <u>90,000,000</u> | <u>90,000,000</u> |
| | | |
| ISSUED, SUBSCRIBED AND PAID UP : | | |
| 14,502,400 Equity shares of Re.1/- each (Previous Year 14,502,400 Equity Shares of Re. 1/- each) fully paid up in cash | 14,502,400 | 14,502,400 |
| | <u>14,502,400</u> | <u>14,502,400</u> |
| | | |
| SCHEDULE - 2 | | |
| RESERVES AND SURPLUS | | |
| Capital Reserve on forfeiture of shares | 91,000 | 91,000 |
| Capital Reserve on account of Restructuring of Debt | 132,995,444 | 132,995,444 |
| Capital Redemption Reserve | 13,300,000 | 13,300,000 |
| | <u>146,386,444</u> | <u>146,386,444</u> |
| | | |
| SCHEDULE - 3 | | |
| SECURED LOAN | | |
| Auto Loan from ICICI Bank | - | 419,697 |
| (against hypothecation of specific motor vehicles) | - | <u>419,697</u> |
| | | |
| SCHEDULE - 4 | | |
| UNSECURED LOAN | | |
| From Bodies Corporate | 37,882,201 | 83,837,323 |
| | <u>37,882,201</u> | <u>83,837,323</u> |

CEETA INDUSTRIES LIMITED

SCHEDULE - 5 FIXED ASSETS

| Sl. No. | Particulars | Gross Block | | | Depreciation | | | Net Block | |
|---------|-------------------------|---------------------------------|--|-------------------------------|---------------------------------|----------------------------|-------------------------------|----------------------------|----------------------------|
| | | Cost as on 01/04/10 (Rs.) | Addition during the period (Rs.) | Sales/ Adjustment (Rs.) | Cost as on 31/03/11 (Rs.) | For the period (Rs.) | Sales/ Adjustment (Rs.) | As on 31/03/11 (Rs.) | As on 31/03/10 (Rs.) |
| 1 | Land | 2,307,997 | - | - | 2,307,997 | - | - | 2,307,997 | 2,307,997 |
| 2 | Building | 10,262,776 | - | - | 10,262,776 | 316,411 | 2,383,633 | 7,879,143 | 8,195,554 |
| 3 | Plant & Machinery | 23,232,817 | - | - | 23,232,817 | 2,399,241 | 15,784,661 | 7,448,156 | 9,847,397 |
| 4 | Electrical Installation | 2,668,686 | - | - | 2,668,686 | 126,763 | 974,003 | 1,694,683 | 1,821,446 |
| 5 | Office Equipment | 736,003 | 114,148 | 4,500 | 845,651 | 36,118 | 221,734 | 623,917 | 549,494 |
| 6 | Furniture & Fixtures | 623,669 | - | - | 623,669 | 46,589 | 252,381 | 371,288 | 417,877 |
| 7 | Cars & Vehicles | 2,955,254 | - | 693,000 | 2,262,254 | 276,240 | 228,252 | 1,294,260 | 2,035,248 |
| 8 | Fire Fighting Equipment | 22,069 | - | - | 22,069 | 1,048 | 5,875 | 16,194 | 17,242 |
| 9 | Computer Equipment | 935,762 | 80,399 | - | 1,016,161 | 161,686 | 727,970 | 288,191 | 369,478 |
| | Total | 43,745,033 | 194,547 | 697,500 | 43,242,080 | 3,364,096 | 229,145 | 21,923,829 | 25,561,733 |
| | Previous Year's Figures | 43,559,826 | 185,207 | - | 43,745,033 | 3,343,181 | 18,183,300 | 25,561,733 | 28,719,708 |

CEETA INDUSTRIES LIMITED

| SCHEDULE - 6 | No. of Equity Shares Fully Paid up | Face Value Per share (Rs.) | As on 31/03/2011 (Rs.) | As on 31/03/2010 (Rs.) |
|--|------------------------------------|----------------------------|------------------------|------------------------|
| INVESTMENTS (at cost) | | | | |
| LONG TERM TRADE INVESTMENTS : | | | | |
| A. QUOTED SHARES | | | | |
| Pokarna Ltd. | NIL (100) | 10 | - | 6695 |
| Himalaya Granites Ltd. | 100 (100) | 10 | 3,538 | 3,538 |
| Gujarat NRE Coke Ltd. | 420# (420) | 10 | 47,361 | 47,361 |
| Reliance Industries Limited | 850** (106) | 10 | 929,295 | 138,021 |
| Karnataka Bank | 1,500 (1,500) | 10 | 192,858 | 112,458 |
| | | | <u>1,173,052</u> | <u>308,073</u> |
| B. UNQUOTED INVESTMENTS: | | | | |
| Ceeta Synthetics & Turfs Ltd | 555,000 (555000) | 10 | 350,525 | 350,525 |
| Impact Stoneworks Pvt. Ltd. | 10,000 (NIL) | 10 | 100,250 | - |
| P.R. Vyapaar Ltd. | 50,000 (100000) | 10 | 664,157 | 1,328,313 |
| Bhillai Holdings Pvt. Ltd. | 50,000 (100000) | 10 | 576,437 | 1,152,875 |
| Transferable Developments Right (992.32 Sq. Mt.) | - | - | 4,362,710 | - |
| National Savings Certificate VIIIth | - | - | 5,000 | 5,000 |
| Issue (Pledged with govt. depts) | | | | |
| Gujarat NRE Coke Ltd. (B-Class-Bonus) | 42 | 10 | - | - |
| | | | <u>6,059,079</u> | <u>2,836,713</u> |
| TOTAL INVESTMENTS | | | <u>7,232,131</u> | <u>3,144,786</u> |

Gujarat NRE Coke includes 120 Bonus shares

** Reliance Industries Ltd. includes 53 bonus Shares

Note : Figures in bracket relate to previous year.

Quoted

| | | |
|--------------|-----------|---------|
| Book Value | 1,173,052 | 308,072 |
| Market Value | 1,075,284 | 340,090 |

CEETA INDUSTRIES LIMITED

| SCHEDULE - 7 | As on 31/03/2011 (Rs.) | As on 31/03/2010 (Rs.) |
|--|------------------------|------------------------|
| CURRENT ASSETS, LOANS AND ADVANCES | | |
| A. CURRENT ASSETS : | | |
| a. Inventories (As taken, valued and certified by the Management and valued at lower of cost or net realisable value) | | |
| Stores & Spares | 8,616,072 | 16,813,991 |
| Finished Goods | 4,994,455 | 4,802,470 |
| | 47,911,831 | 39,055,394 |
| | <u>61,522,358</u> | <u>60,671,855</u> |
| b. Sundry Debtors : (unsecured, considered good) | | |
| - Outstanding for a period exceeding six months | 4,230,992 | 7,384,698 |
| - Other Debts | 4,994,455 | 7,873,577 |
| | <u>9,137,329</u> | <u>15,258,275</u> |
| c. Cash & Bank Balances : | | |
| Cash in Hand (as certified by management) | 483,511 | 173,565 |
| Balances with Scheduled Banks | | |
| - In Current A/c | 2,122,329 | 780,810 |
| - In Fixed Deposit | 194,891 | 184,650 |
| - Cheque in Hand | - | 27,178 |
| | <u>2,800,731</u> | <u>11,66,203</u> |
| B. LOANS AND ADVANCES : | | |
| Loan (Unsecured, considered Good) | 30,499,316 | 71,095,069 |
| Advances Recoverable in Cash or in kind or for value to be received) | 69,966,202 | 17,304,326 |
| Prepaid Expenses | 64,810 | 65,811 |
| Security Deposit | 2,028,688 | 2,043,263 |
| Excise Duty Deposit | 11,415 | 11,415 |
| Accrued Interest | 18,559 | 18,559 |
| Interest accrued & due | - | 16,658 |
| Advance Tax (including T.D.S) | 4,080,379 | 4,513,491 |
| TOTAL (B) | <u>106,669,729</u> | <u>95,068,592</u> |
| TOTAL (A+B) | <u>180,130,147</u> | <u>172,164,925</u> |
| SCHEDULE - 8 | | |
| CURRENT LIABILITIES AND PROVISIONS | | |
| A. CURRENT LIABILITIES | | |
| Sundry Creditors : | | |
| For goods, services, etc. | 53,868,979 | 6,015,078 |
| Advance from Customers | 3,077,506 | 5,419,873 |
| Mark to Market Margin (Derivative) | 16,180 | 75,718 |
| Other Liabilities | 3,255,523 | 5,652,428 |
| | <u>60,218,188</u> | <u>17,163,097</u> |
| B. PROVISIONS | | |
| Provision for Taxation | 544,922 | 596,738 |
| | <u>60,763,110</u> | <u>17,759,835</u> |

CEETA INDUSTRIES LIMITED

| | As on 31/03/2011 (Rs.) | As on 31/03/2010 (Rs.) |
|---|------------------------------|------------------------------|
| SCHEDULE - 9 | | |
| OTHER INCOME | | |
| Processing Charges | 4,386,098 | 5,858,403 |
| Gain / (Loss) on Foreign Exchange Fluctuation | 77,320 | (13,190) |
| Miscellaneous Receipt | 1,289,657 | 339,690 |
| Rebate & Discount | 594,359 | - |
| Quality Defective Claim | - | 2,807,412 |
| Liability Written Off | 15,750 | 7,888,343 |
| Dividend | 7,204 | 1,094 |
| Interest (TDS Rs. 400977/-; Previous Year Rs. 1574766/-) | 4,010,989 | 14,821,371 |
| | <u>10,381,377</u> | <u>31,703,123</u> |

SCHEDULE - 10**INCREASE/DECREASE IN FINISHED
GOODS, WORK-IN-PROGRESS.**OPENING STOCK :

| | | |
|----------------|------------|------------|
| Finished goods | 39,055,394 | 27,283,697 |
|----------------|------------|------------|

CLOSING STOCK :

| | | |
|----------------|------------|------------|
| Finished goods | 47,911,831 | 39,055,394 |
|----------------|------------|------------|

| | | |
|-------------------------------|------------------|-------------------|
| Increase/ (Decrease) in Stock | <u>8,856,437</u> | <u>11,771,697</u> |
|-------------------------------|------------------|-------------------|

SCHEDULE - 11**MANUFACTURING EXPENSES**

| | | |
|--------------------------------|-------------------|-------------------|
| Raw material consumed | 20,897,663 | 9,470,543 |
| Stores & Spares parts consumed | 8,763,306 | 13,709,583 |
| Power & Fuel | 82,861 | 18,746 |
| Electricity & Water Charges | 3,668,394 | 4,410,617 |
| Repairs and Maintenance: | | |
| Plant and Machinery | 716,643 | 999,131 |
| Building | 107,044 | - |
| Packing Material Consumed | 815,386 | 211,507 |
| Other Manufacturing Expenses | 3,585,450 | 1,345,639 |
| | <u>38,636,747</u> | <u>30,165,948</u> |

CEETA INDUSTRIES LIMITED

| | As on 31/03/2011 (Rs.) | As on 31/03/2010 (Rs.) |
|---|------------------------------|------------------------------|
| SCHEDULE - 12 | | |
| SELLING, ADMINISTRATION & OTHER EXPENSES | | |
| Salary, Allowance & Amenities | 7,045,595 | 8,041,930 |
| Employers' Contribution to Provident Fund | 178,212 | 524,564 |
| Staff Welfare Expenses | 704,200 | 715,336 |
| Rent | 1,035,600 | 701,220 |
| Rates & Taxes | 48,981 | 105,286 |
| Registration & Custody Charges | 35,372 | 7,742 |
| Insurance charges | 192,609 | 242,138 |
| Vehicle Maintenance Expenses | 626,375 | 386,932 |
| Travelling & conveyance | 2,357,514 | 2,544,846 |
| Electricity Charges | 307,812 | 322,408 |
| Printing & Stationery | 208,346 | 247,161 |
| Communication charges | 787,352 | 817,098 |
| Advertisement & Publicity | 66,367 | 484,619 |
| Legal & Professional Charges | 945,563 | 723,978 |
| Security Charges | 592,979 | 650,346 |
| Bank charges | 49,790 | 65,537 |
| Remuneration to Managing Director | 701,252 | 685,849 |
| Repairs & Maintenance: (others) | 455,068 | 510,434 |
| Remuneration to Statutory Auditor | | |
| As Audit Fees | 45,000 | 45,000 |
| For Tax Audit | 6,000 | 6,000 |
| For certification work & I.T.Matter | 6,000 | 6,000 |
| For Company Law Matters | 1,500 | 1,500 |
| Service Tax thereof | 6,026 | 6,026 |
| Remuneration to Internal Auditor | - | 40,502 |
| Packing & Forwarding Expenses | 619,950 | 696,015 |
| Miscellaneous Expenses | 1,673,752 | 1,887,480 |
| Business Promotion | 137,366 | 434,609 |
| Director's Sitting Fee | 15,500 | 16,500 |
| Loss on Sale of Fixed Assets | 208,155 | - |
| Quality Defective Claims | 2,146,482 | - |
| | <u>21,204,717</u> | <u>20,917,056</u> |

SCHEDULE - 13EARNINGS PER EQUITY SHARE

Annualised earnings per Equity share have been calculated based on the net profit/(loss) after taxation of Rs. 150.33 lacs, previous year Rs 172.35 lacs and the weighted average number of equity shares in issue during the year of 14502400 shares, (previous year 14502400 shares).

Following is the reconciliation between basic and diluted earnings per equity share :

| | | |
|--|------------|------------|
| Basic earning per share (in Rs.) | 0.83 | 1.19 |
| Effect of dilutive potential Equity shares on conversion. | NIL | NIL |
| Dilutive Earnings per share (in Rs.) | 0.83 | 1.19 |
| Weighted average number of equity shares used in computing basic earnings per share. | 14,502,400 | 14,502,400 |
| Weighted average number of equity shares used in computing diluted earnings per equity shares. | 14,502,400 | 14,502,400 |

SCHEDULE – 14

ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A. PRINCIPLES OF CONSOLIDATION FINANCIAL STATEMENTS:

The consolidated financial statements which relate to Ceeta Industries Limited and its Subsidiary company, have been prepared on the following basis:

- The financial statements of the Parent Company and its subsidiary are combined on a line-by line basis by adding together the book value of like items of assets, liabilities, income and expenditure, after fully eliminating intra group balances, intra group transactions and any unrealised profit / loss included therein.
- The consolidated financial statements have been prepared using uniform accounting policies, except stated otherwise, for like transactions and are presented, to the extent possible, in the same manner as the Parent Company's separate financial statements.
- The excess of cost to the Parent Company of its investment in the subsidiary company is recognised in the financial statements as goodwill.
- The subsidiary Company considered in the financial statements is as follows :

| Name | Country of Incorporation | % Voting power as on 31/03/11 |
|-------------------------|--------------------------|----------------------------------|
| Kingstone Krystals Ltd. | India | 98.96 |

B. SIGNIFICANT ACCOUNTING POLICIES

- General :**
The Parent Company and its subsidiary follows accrual system of accounting and recognizes income and expenditure on accrual basis unless otherwise stated. The accounts are prepared on historical cost convention and on going concern basis.
- Fixed Assets :**
Fixed assets of the Parent Company as on 01/06/2003 are stated at the book value and any addition to fixed assets subsequent to that date are stated at cost prevailing on the date of acquisition less depreciation. There is no fixed asset in subsidiary company.
- Depreciation :**
Depreciation on fixed assets has been provided on straight line method; in case of plant & machinery for granite division the 'triple shift basis' has been taken. The rates and manner for depreciation provision are as per schedule XIV to the Companies Act, 1956 as amended by the Companies (Amendment) Act, 1988.
- Investments:**
Quoted Investments are stated at cost less diminution in the market value which are permanent in nature. The decline in market value of investment in current year has been considered to be temporary in nature and hence no further provision is made in the books.
- Inventories:**
Inventories of the Parent Company are stated at lower of cost or net realisable value. There is no Inventories in subsidiary company
- Revenue Recognition :**
The Parent Company's sales are net of sales returns and duties and levies.
- Foreign Exchange Transaction :**
The transactions in foreign currencies remaining outstanding at the end of the year, are translated at the exchange rates prevailing on the date of the Balance sheet. Exchange rate gain/loss on transactions relating to liabilities incurred to acquire fixed assets is treated as an adjustment to the cost of fixed assets. Exchange gains and losses on foreign exchange transactions other than those relating to fixed assets are recognized in the profit and loss account in accordance with the Accounting Standard 11 of The Institute of Chartered Accountants of India.

viii) Employee Retirement Benefits:

Parent Company's contributions to Provident fund are charged to Profit and Loss a/c. For retirement benefit of the employee, Gratuity is provided on accrual basis taking into account the actuarial valuation. There is no employee in subsidiary company.

ix) Contingent Liabilities:

Contingent liability has been disclosed by way of notes on accounts in the schedule and no provision has been made in the books of accounts.

x) Earning Per share:

The company reports basic and diluted earnings per equity share in accordance with AS20, earnings per share. Basic earnings per equity share has been computed by dividing net profit or loss by the weighted average number of equity shares outstanding for the period. Diluted earnings per equity share, has been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period.

xi) Segment Information - Basis of preparation

The Company at present has two segments viz. granite division engaged in manufacturing granite products and other operations which comprises trading transactions including brokerage, commission, mining, transportation, purchase / sale of property construction rights and miscellaneous services.

Segment result includes revenue less operating expenses and provision, if any, for that segment. Segment capital employed represents the net assets in particular segments. Head office income and expenses are considered as unallocable corporate expenditure net of unallocable income.

xii) Taxation

No provision for income tax has been made since the company has no tax liability in accordance with the provision of the Income Tax Act.

B. NOTES ON ACCOUNTS :

- Depreciation on the fixed assets of Udaipur has been provided on Straight Line Method (SLM) as per the Company's uniform policy though these assets remained in-operative through out the year. There is no fixed asset in subsidiary company.
- Contingent Liability not provided for in respect of :-
 - Bank Guarantees in favour of Customs department issued by bank on behalf of the Company is Rs. 1,70,700/- which is valid up to 27.03.2012.
 - Claims against the company not acknowledged as debt is Sales Tax Demand under dispute Rs20,49,049/- (Previous year Rs. 98,21,910/-) under Orissa Sales Tax Tribunal, Cuttack.
 - The Commercial Tax Department of Udaipur have raised a demand of Rs 791025/- as R.S.T. and Rs 2496/- as C.S.T. for earlier years pending under appeal before the Rajasthan Tax Board, Ajmer.
- The company claims reimbursement of Central Sales Tax paid on purchase of indigenous goods in term of Excise Policy 2002-2007.
- Some of the debit and credit balances are subject to confirmation from parties.
- As per the information available with the company, Sundry Creditors do not include any amount payable to micro, small & medium enterprises under the provisions of Micro, Small and Medium Enterprises Development Act, 2006.
- Previous year's figures have been regrouped / rearranged wherever necessary.
- The company pays an annual premium in terms of the comprehensive group gratuity scheme policy with TATA AIG Life Insurance Company Limited covering eligible employees. The premium is based on actuarial valuation. The Company reinstated the total amount paid for gratuity fund in the asset side and liability based on actuarial valuation on the liabilities side. Considering the reduction in employment strength, no additional premium for gratuity fund was made in the current year, i.e. 2010-11.

CEETA INDUSTRIES LIMITED

8. As the company is having deferred tax asset by concept of prudence, no provision has been made in the books.
9. The Parent Company's factory remained inoperative during the period from November, 2010 to March, 2011 due to labour strike, as such no production could be effected.
10. **Segment Reporting**
Value of finished product inventory was taken at net realizable value as on 31-03-2011.
11. **Segment Reporting**
The Company has the two segments - Granite Division and Other Operations.
- Summary of operating segments of the Company are:-

| | Granite | Other Operations | (Rs. in lac) Total |
|--|----------------|---------------------|-----------------------|
| Segmental Revenue : | 358.52 | 633.85 | 992.37 |
| TOTAL REVENUE | 358.52 | 633.85 | 992.37 |
| Segment Result : (before interest and tax) | (127.02) | 116.06 | (10.96) |
| Unallocated Corporate Expenses net of unallocable income | - | - | 176.48 |
| Operating Profit/(Loss) | - | - | 165.52 |
| Interest and other income | 14.45 | 25.64 | 40.09 |
| Interest Expenses | 11.57 | 44.78 | 56.35 |
| Net Profit / (Loss) before Tax | - | - | 149.26 |
| OTHER INFORMATION | | | |
| CAPITAL EMPLOYED | | | |
| Segment Assets | 1170.73 | 64.67 | 1235.40 |
| TOTAL ASSETS | 1170.73 | 64.67 | 1235.40 |
| Segment Liabilities | 67.80 | 26.90 | 94.70 |
| TOTAL LIABILITIES | 67.80 | 26.90 | 94.70 |
| Net Segment Assets | 1102.93 | 37.77 | 1140.70 |
| Unallocated Assets / (Liabilities) | - | - | 141.28 |
| Net Capital Employed | - | - | 1281.98 |
| Capital Expenditure | 0.65 | 1.30 | 1.95 |
| Depreciation | 32.04 | 1.60 | 33.64 |

11. Related Party Disclosures

As per AS 18 issued by The Institute of Chartered Accountants of India, the Company's related parties disclosed below:-

List of related Parties

- Likhami Trading & Mfg. Co.Ltd
- Rashmi Properties & Investments Ltd.
- Vaibhav Heavy Vehicles Ltd.
- Coronation Refrigeration Industries Ltd
- Nouveau Metal Industries Ltd.
- Ceeta Synthetics & Turfs Ltd.
- Impact Stoneworks Pvt. Ltd.

CEETA INDUSTRIES LIMITED

- Shree Fincap Ltd.
- Smt.Vrinda Poddar
- Sri Vaibhav Poddar

Enterprise under Common Control

Kingstone Krystals Ltd.. - Subsidiary Company

Key Management Personnel

- | | |
|-----------------------|---------------------|
| Sri K. M. Poddar | - Managing Director |
| Sri Arabinda De | - Director |
| Sri S. K Chhawchharia | - Director |
| Sri S.L. Singhania | - Director |
| Sri Anubhav Poddar | - President |

The Company's related party balances and transactions are summarised below:-

Name of Related Party Nature of Transactions during the year

- | | |
|--|---|
| Likhami Trading & Mfg. Co. Ltd. | (i) The Company received unsecured loan of Rs. 15,00,000/- and repaid Rs. 1,00,46,362/- as refund of entire loan along with interest thereon of Rs. 5,46,362/-. |
| | (ii) The Company Paid rent of Rs.1,44,000/-, electricity charges of Rs.1,18,251/- and car hire charges Rs. 72,000/-. |
| Rashmi Properties & Investments Ltd. | (i) The Company received unsecured loan of Rs 1,40,00,000/- and refunded Rs. 3,65,00,000/- during the year. Interest paid / payable thereon is of Rs 7,72,569/- Closing Balance as on 31st March, 2011 was Rs. 53,19,561/- |
| | (ii) Paid Rent of Rs 3,00,000/- and electricity of Rs.1,41,516/-. |
| Vaibhav Heavy Vehicles Ltd. | (i) The Company received unsecured loan of Rs. 1,33,00,000/- and refunded Rs. 93,00,000/- during the year. Interest paid / payable thereon is of Rs 6,18,262/- Closing Balance as on 31st March 2011 was Rs. 92,47,364/- |
| | (ii) Payment of rent for Rs.1,44,000/-. |
| Coronation Refrigeration Industries Ltd. | (i) The Company received unsecured loan of Rs 2,12,00,000/- and refunded Rs. 2,82,00,000/- during the year. Interest paid / payable thereon is of Rs. 8,90,749/- Closing Balance as on 31st March, 2011 was Rs. 1,23,88,652/- |
| | (ii) Payment of property tax for Rs. 4,524/- |
| Nouveau Metal Industries Ltd | Paid rent of Rs 1,20,000/-and electricity of Rs.79,587/- |
| Ceeta Synthetics & Turfs Ltd. | The Company received unsecured loan of Rs. 98,00,000/- and refunded Rs. 1,38,00,000/- during the year. Interest paid / payable thereon is of Rs 15,73,131/- Closing Balance as on 31st March, 2011 was Rs. 1,09,20,460/- |
| Impact Stoneworks Pvt. Ltd. | The Company received unsecured loan of Rs. 19,00,000/- during the year. Interest paid / payable thereon is of Rs. 73,086/- |

CEETA INDUSTRIES LIMITED

Shree Fincap Ltd.

The Company refunded entire unsecured loan of Rs. 59,00,000/- and interest paid / payable thereon is of Rs. 49,739/-

Smt. Vrinda Poddar

Remuneration includes Rs. 3,00,000/- as basic salary, Rs. 1,20,000/- as HRA, Provident Fund Rs. 36,000/- and Medical reimbursement Rs. 24,858/-

Sri Vaibhav Poddar

Paid Professional Fee of Rs.1,80,000/-

Sri K.M. Poddar

Remuneration paid Rs.5,40,000/-and other perquisites Rs.1,45,849/- and Provident fund Rs. 64800/- and other perquisites Rs. 1,46,852/-

Sri Arabinda De

Paid directors' sitting fee Rs. 4,000/-

Sri S.K. Chhawchharia

Paid directors' sitting fee Rs. 4,000/-

Sri S.L. Singhania

Paid directors' sitting fee Rs. 3,000/-

Sri Anubhav Poddar

Remuneration includes Rs.396000/- as basic salary, Rs.158400/- as H.R.A., Provident Fund Rs.47520/- and Medical expenses for Rs 32,598/-

Signature of Schedule 1 to 14 as per our annexed report of even date.

On behalf of the Board

For G.K.TULSYAN & COMPANY
Chartered Accountants
Firm's Registration No. 323246E

K.M.Poddar,
Managing Director

G.K.Tulsyan
Partner
Membership No.50511

4, Gangadhar Babu Lane
Kolkata - 700012
Dated : 29/07/2011

A.De,
Director

CEETA INDUSTRIES LIMITED

CEETA INDUSTRIES LIMITED

Regd Off: Plot No. 34-38, KIADB Industrial Area
Sathyamangala, Tumkur - 572 104, Karnataka

PROXY FORM

Regd.FolioNo. _____

I / We _____

of _____

being a member/members of the above named Company hereby appoint _____

_____ of _____

or failing him / her _____ of _____

_____ as my / our Proxy to vote for me/ us on my / our behalf at the Annual General Meeting of the Company to be held on 29th September, 2011 at 3.00 P.M. and any adjournment thereof.

Signed this _____ day of _____ 2011.

Signature _____

Affix Re. 1/-
Revenue
Stamp

NOTE: The Proxy form duly completed must reach at the Registered Office of the Company not less than 48 hours before the time of the meeting.

CEETA INDUSTRIES LIMITED

Regd Off: Plot No. 34-38, KIADB Industrial Area
Sathyamangala, Tumkur - 572 104, Karnataka

ATTENDANCE SLIP

Annual General Meeting on Thursday, the 29th September, 2011 at 3.00 P.M. at plot no.34-38, KIADB Industrial Area, Sathyamangala, Tumkur - 572 104, KARNATAKA.

Regd. Folio No./DP. ID./CL. ID. :

No. of Shares held:

Name of the Attending Member:

I certify that I am a registered shareholder / proxy for the registered shareholder of the Company. I hereby record my presence at the Annual General meeting of the Company at the Registered Office of the Company at Plot No.34-38, KIADB Industrial Area, Sathyamangala, Tumkur - 572 104, Karnataka on Thursday, the 29th September, 2011 at 3.00 P.M.

Member's / Proxy's Name in BLOCK Letters

Member's /Proxy's signature

NOTE: Please fill in this attendance slip and hand it over at the ENTRANCE OF THE HALL.