

PHOTOQUIP INDIA
LIMITED

ANNUAL REPORT 2010 – 2011

BOARD OF DIRECTORS

JAYANT P. SONI – Chairman & Managing Director

DHAVAL J. SONI

VIMAL J. SONI

MOHIB N. KHERICHA

MOHAN M. JAYAKAR

DR. VISHNU J. ACHARYA

REGISTERED OFFICE

A 33, Royal Industrial Estate

Naigaon Cross Road,

Wadala, Mumbai - 400 031

CORPORATE OFFICE

A-33, Royal Industrial Estate,

Naigaon Cross Road,

Wadala, Mumbai – 400 031

AUDITORS

M/s. MAYANK SHAH & ASSOCIATES

Chartered Accountants

BANKERS

BANK OF INDIA, Mumbai Overseas Branch

CITIBANK N.A., Mumbai

APNA SAHAKARI BANK LTD. Wadala Branch

SHARE TRANSFER AGENT

SHAREX DYNAMIC INDIA PVT. LTD.

17/B, Dena Bank Building

2nd Floor, Horniman Circle

Fort, Mumbai – 400 001

DESPOSITORY NO.

ISIN – INE 813B01016

NOTICE

NOTICE is hereby given that the Nineteenth Annual General Meeting of PHOTOQUIP INDIA LIMITED. will be held at A-33 Royal Industrial Estate, Naigaon Cross Road, Wadala (E), Mumbai 400 031 on Friday 30th December, 2011 at 11.30 a.m. to transact the following business.

ORDINARY BUSINESS

- i) To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2011 and the Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
- ii) To appoint a Director in place of Mr. Mohib N. Khericha, who retires by rotation and being eligible, offers himself for re-appointment.
- iii) To appoint Auditors of the Company to hold office from the conclusion of this meeting to the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS:

- 4) To consider & if thought fit, to pass with or without modification the following Resolution as a Special Resolution for the re-appointment of Mr. Jayant P. Soni as Managing Director:

“RESOLVED THAT pursuant to the provisions of Schedule XIII and Section 198, 269, 309, 310, 311 and other applicable provision, if any, of the Companies Act, 1956, approval of the shareholders of the Company, be and is hereby accorded for the re-appointment of Mr. Jayant P Soni, as Chairman and Managing Director of the Company for a period of three years with effect from 1st April, 2011 upto 31st March, 2014, on the terms and conditions, remuneration and perquisites, upto a maximum as may be permitted under Schedule XIII of the Companies Act, 1956 or any modification or re-enactment thereof set out in annexure to this notice and the Board of Directors be and is hereby authorized to alter or vary his terms of remuneration as may be agreed upon with Mr. Jayant P Soni subject to overall ceiling on remuneration specified in the said Schedule XIII and other applicable provisions of the said act, for the time being in force.”

- 5) To consider & if thought fit to pass with or without modification the following Resolution as an Ordinary Resolution for the re-appointment of Mr. Dhaval J. Soni as Whole time Director:

“RESOLVED THAT pursuant to the provisions of Schedule XIII and Section 198, 269, 309, 310, 311 and other applicable provision, if any, of the Companies Act, 1956, approval of the shareholders of the Company, be and is hereby accorded for the re-appointment of Mr. Dhaval J Soni, as Whole Time Director of the Company for a period of three years with effect from 1st April, 2011 upto 31st March, 2014 , on the terms and conditions, remuneration and perquisites, upto a Maximum as may be permitted under Schedule XIII of the Companies Act, 1956 or any modification or re-enactment thereof set out in annexure to this notice and the Board of Directors be and is hereby authorized to alter or vary his terms of remuneration as may be agreed upon with Mr. Dhaval J Soni subject to overall ceiling on remuneration specified in the said Schedule XIII and other applicable provisions of the said act, for the time being in force.”

- 6) To consider & if thought fit, to pass with or without modification the following Resolution as an Ordinary Resolution for the re-appointment of Mr. Vimal J. Soni as Whole time Director:

“RESOLVED THAT pursuant to the provisions of Schedule XIII and Section 198, 269, 309, 310, 311 and other applicable provision, if any, of the Companies Act, 1956, approval of the shareholders of the Company, be and is hereby accorded for the re-appointment of Mr. Vimal J Soni, as Whole Time Director of the Company for a period of three years with effect from 1st April, 2011 upto 31st March, 2014, on the terms and conditions, remuneration and perquisites, upto a Maximum as may be permitted under Schedule XIII of the Companies Act, 1956 or any modification or re-enactment thereof set out in annexure to this notice and the Board of Directors be and is hereby authorized to alter or vary his terms of remuneration as may be agreed upon with Mr. Vimal J Soni subject to overall ceiling on remuneration specified in the said Schedule XIII and other applicable provisions of the said act, for the time being in force.”

- 7) To consider & if thought fit, to pass with or without modification the following Resolution as a Special Resolution for the commencement of business pursuant to Section 149(2A) of the Companies Act, 1956:

“RESOLVED THAT pursuant to the provisions of section 149(2A) and other applicable provisions, if any, of the Companies Act, 1956, approval be and is hereby accorded to the Board of Directors of the Company, as they may deem fit from time to time, for commencement of all or any of the business as covered under the Other Objects Clause No. 51 of the Memorandum of Association of the company.

RESOLVED FURTHER THAT the Board of directors of the company be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution.”

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE ON HIS BEHALF ON A POLL ONLY, A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
Proxy form in order to be effective, should be duly completed, stamped, signed and must be deposited at the Registered Office of the Company not less than forty-eight hours before the Commencement of the meeting.
2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 with respect to item 4 to 7 of the Notice set out above is annexed hereto.
3. Pursuant to the provisions of Section 166(1) of the Companies Act, 1956, the Ministry of Corporate Affairs, Mumbai, Maharashtra has granted an extension of time for holding Annual General Meeting of the Company up to a period of 3 months, vide letter dated 15.09.2011.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from 29th December, 2011 to 30th December, 2011 (both days inclusive).
5. Members / Proxies should bring the Attendance Slips duly completed for attending the Meeting.
6. Members should bring their copies of the Annual Report to the Annual General Meeting. No copies will be distributed at the Meeting as a measure of economy.
7. Members are requested to notify any change in their address immediately to the Company or to its Registrar and Share Transfer Agents.
8. In view of Clause 49 of the Listing agreement with Bombay Stock Exchange Limited, additional information pertaining to Directors proposed for appointment/re-appointment at the Annual General Meeting is annexed hereto.
9. Members holding shares in de-mat mode may please note that, the bank details as furnished by the respective Depositories to the Company will be mandatorily printed on their dividend warrants/demand drafts for the purpose of distribution of dividend through Electronic Clearing Service (ECS) as advised by the Securities and Exchange Board of India (SEBI). In the absence of ECS facility, the bank account details, if available, will be printed on the dividend warrants/demand drafts. Instructions if any, given by them in respect of shares held in physical mode will not be automatically applicable to the dividend paid on shares held in de-mat mode. Members holding shares in de-mat mode must, therefore, give instructions regarding bank accounts in which they wish to receive a dividend, to their Depository Participants. The Company or the Registrar and Share Transfer Agents will not act on any direct request from these Members for change/deletion in such bank details.
10. Section 109A of the Companies Act, 1956 provides for Nomination by individuals, who are shareholders of the Company in the prescribed Form No. 2B. Members who hold shares in the physical form can nominate a person in respect of all the shares held by them by filling the prescribed form. Blank forms will be supplied by the Company's Registrar and Share Transfer Agents, Sharex Dynamic India Pvt. Ltd. on request. Members holding shares in the dematerialized form may contact their Depository Participant for recording nomination in respect of their shares.
11. Members are requested to note that in case of transfer of shares held in physical form, submission of photocopy of PAN card of the transferee(s) along with the transfer deeds and share certificate at the time of lodgement of transfer of share is now mandatory.

By Order of the Board of Directors

Place : Mumbai
Date : 2nd December, 2011

Jayant P. Soni
Chairman & Managing Director

Registered Office:
A-33 Royal Industrial Estate
Naigaon Cross Road,
Wadala, Mumbai 400 031

Annexure to Notice

Explanatory Statement setting out material facts as required under section 173 (2) of the Companies Act, 1956 in respect of items of Special Business as per the Notice.

ITEM NO. 4

The Board of Directors at their meeting held on 30th April 2011 approved the re-appointment of Mr. Jayant P. Soni as Managing Director of the Company subject to the approval of the Shareholders at the General Meeting.

The remuneration payable to Mr. Jayant P. Soni is as follows: -

I) **Annual Remuneration**

- A) Salary & Perquisites
 - i) Salary Rs. 15,00,000/-
 - ii) Perquisites
 - a) Reimbursement of Medical Expenses for self and family members upto Rs. 1,50,000/-
 - b) Leave Travel Allowance for self and family Rs. 360,000/-
 - c) Conveyance Rs. 150,000/- .
 - d) Entertainment – Rs. 75,000/-
 - e) Leave Encashment – Rs. 1,65,000/-

The total value of the above mentioned or any other perquisites which the Board of Directors is authorised to grant in its discretion and pay to Mr. Jayant P. Soni shall not exceed the annual Salary.

II) **Ceiling on Remuneration:**

The remuneration and perquisites payable to Mr. Jayant P. Soni as provided for in the Agreement to be subject to the overall ceiling on managerial remuneration as provided by Section 198 and 309 of the Act.

III) **Minimum Remuneration**

The above remuneration in I(A) and (B) above, being well within the limits prescribed under Section II of part II of Schedule XIII will be paid ad Minimum Remuneration in case of loss or inadequacy of profit.

III) **Managing Director will also be entitled to**

- 1) Provision of Car with driver (or reimbursement of driver's Salary) for use on Company's business.
- 2) Free telephone facility at residence
- 3) Reimbursement of expenses incurred bonafide in connection with the business of the Company

The Board considers that the remuneration and perquisites proposed to be paid to Mr. Jayant P. Soni upon his appointment as Managing Director are commensurate with his duties and responsibilities as Managing Director and therefore recommends the resolution set out in Item No. 4 of the Notice. The approval of Members is being sought to Mr. Jayant P. Soni's appointment as Managing Director and to the above remuneration proposed to be paid to him. The above terms and conditions are and should be deemed to be an abstract of the terms between the Company and Mr. Jayant P. Soni pursuant to Section 302 of the Act.

Mr. Jayant Soni, Mr Dhaval Soni and Mr. Vimal Soni are interested in the said appointment as Managing Director of the Company and to his remuneration respectively.

ITEM NO. 5

The Board of Directors at their meeting held on 30th April 2011 approved the re-appointment of Mr. Dhaval J. Soni as Whole Time Director of the Company subject to the approval of the Shareholders at the General Meeting.

The remuneration payable to Mr. Dhaval J. Soni is as follows: -

I) **Annual Remuneration**

- A) Salary & Perquisites
 - i) Salary Rs. 15,00,000/-
 - ii) Perquisites

- a) Reimbursement of Medical Expenses for self and family members upto Rs. 1,20,000/-
- b) Leave Travel Allowance for self and family Rs. 300,000/-
- c) Conveyance Rs. 75,000/-
- d) Entertainment – Rs. 75,000/-
- e) Leave Encashment – Rs. 1,20,000/-
- f) Children's Education – Rs. 30,000/-
- g) Provident Fund – Rs. 1,80,000/-

The total value of the above mentioned or any other perquisites which the Board of Directors is authorised to grant in its discretion and pay to Mr. Dhaval J. Soni shall not exceed the annual Salary.

II) Ceiling on Remuneration:

The remuneration and perquisites payable to Mr. Dhaval J. Soni as provided for in the Agreement to be subject to the overall ceiling on managerial remuneration as provided by Section 198 and 309 of the Act.

III) Minimum Remuneration

The above remuneration in I(A) and (B) above, being well within the limits prescribed under Section II of part II of Schedule XIII will be paid ad Minimum Remuneration in case of loss or inadequacy of profit.

III) Whole Time Director will also be entitled to

- 1) Provision of Car with driver (or reimbursement of driver's Salary) for use on Company's business
- 2) Free telephone facility at residence
- 3) Reimbursement of expenses incurred bonafide in connection with the business of the Company.

The Board considers that the remuneration and perquisites proposed to be paid to Mr. Dhaval J. Soni upon his appointment as Managing Director are commensurate with his duties and responsibilities as Whole Time Director and therefore recommends the resolution set out in Item No. 5 of the Notice. The approval of Members is being sought to Mr. Dhaval J. Soni's appointment as Whole Time Director and to the above remuneration proposed to be paid to him. The above terms and conditions are and should be deemed to be an abstract of the terms between the Company and Mr. Dhaval J. Soni pursuant to Section 302 of the Act.

Mr. Jayant Soni, Mr Dhaval Soni and Mr. Vimal Soni are interested in the said appointment as Whole Time Director of the Company and to his remuneration respectively.

ITEM NO. 6

The Board of Directors at their meeting held on 30th April 2011 approved the re-appointment of Mr. Vimal J. Soni as Whole Time Director of the Company subject to the approval of the Shareholders at the General Meeting.

The remuneration payable to Mr. Vimal J. Soni is as follows: -

I) Annual Remuneration

- A) Salary & Perquisites
 - i) Salary Rs. 15,00,000/-
 - ii) Perquisites
 - a) Reimbursement of Medical Expenses for self and family members upto Rs. 1,20,000/-
 - b) Leave Travel Allowance for self and family Rs. 300,000/-
 - c) Conveyance Rs. 75,000/-
 - d) Entertainment – Rs. 75,000/-
 - e) Leave Encashment – Rs. 1,20,000/-
 - f) Children's Education – Rs. 30,000/-
 - g) Provident Fund – Rs. 1,80,000/-

The total value of the above mentioned or any other perquisites which the Board of Directors is authorised to grant in its discretion and pay to Mr. Vimal J. Soni shall not exceed the annual Salary.

II) Ceiling on Remuneration:

The remuneration and perquisites payable to Mr. Vimal J. Soni as provided for in the Agreement to be subject to the overall ceiling on managerial remuneration as provided by Section 198 and 309 of the Act.

III) **Minimum Remuneration**

The above remuneration in I(A) and (B) above, being well within the limits prescribed under Section II of part II of Schedule XIII will be paid ad Minimum Remuneration in case of loss or inadequacy of profit.

III) **Whole Time Director will also be entitled to**

- 4) Provision of Car with driver (or reimbursement of driver's Salary) for use on Company's business
- 5) Free telephone facility at residence
- 6) Reimbursement of expenses incurred bonafide in connection with the business of the Company.

The Board considers that the remuneration and perquisites proposed to be paid to Mr. Vimal J. Soni upon his appointment as Managing Director are commensurate with his duties and responsibilities as Whole Time Director and therefore recommends the resolution set out in Item No. 6 of the Notice. The approval of Members is being sought to Mr. Vimal J. Soni's appointment as Whole Time Director and to the above remuneration proposed to be paid to him. The above terms and conditions are and should be deemed to be an abstract of the terms between the Company and Mr. Vimal J. Soni pursuant to Section 302 of the Act.

Mr. Jayant Soni, Mr Dhaval Soni and Mr. Vimal Soni are interested in the said appointment as Whole Time Director of the Company and to his remuneration respectively.

ITEM NO. 7

The Company is presently carrying on the business of manufacturing digital studio flash lights & photographic accessories. The Company is evaluating opportunities in the areas of electronics goods, devices, equipment, appliances, apparatus for better prospects. Since the activity of carrying on the business of electrical goods is covered under the Other Objects Clause 51 of the Memorandum of Association of the Company it is proposed to commence the same in accordance with the provisions of the Act.

Pursuant to Section 149(2A) of the Companies Act, 1956, approval of the shareholders is necessary by way of Special Resolution before commencement of any new business. Accordingly, approval of the shareholders is sought for commencement and carrying out of all or any of the new business and activities as mentioned in Sub-clause 51, stated under Item No.7. Clause 51 is reproduced below:

"To manufacture, buy, produce, acquire, import, export, programme, extract, assemble, improve upon, maintain, sell, market, lease, hire, design, develop, maintain, operate, convert, alter, overhaul, dispose of, distribute, consume, repair or otherwise deal in electronic goods, devices, equipment, appliances, apparatus, sensors, instruments and computers (hardware & software), data processing equipment, micro-computers, micro films, disks, microprocessor chips, optical fibers, testing equipment, electronic typewriters, electronic clocks, photocopiers, facsimile equipment, television, radio receivers, wireless apparatus, radiograms, gramophones, audio and video cassettes and discs, players and recorders, video games, electronic toys, broadcast relay and reception equipment, transmitters, telecommunications equipment, domestic and commercial refrigerators, coolers, freezers of all kinds, ventilating and cooling plants, telephone equipment and exchange, cordless telephones and air-conditioning of all kinds and of every description including all future developments in electronic and computer technology and to research in or develop equipment, machinery, apparatus, gadgets, implements, accessories, parts, spares, components and plants as also to manufacture, import, sell or otherwise deal in the plant, machinery and tools therefor."

The Board recommends the Special Resolution as set out in Item No.7 of the Notice for approval by the shareholders.

None of the Directors of the Company is concerned or interested in the aforesaid Special Resolutions except to the extent of shares held by them in the Company.

By Order of the Board of Directors

Jayant P. Soni
Chairman & Managing Director

Place : Mumbai
Date : 2nd December, 2011

Registered Office:
A-33 Royal Industrial Estate
Naigaon Cross Road,
Wadala, Mumbai 400 031

Details of the Directors seeking Appointment/Re-appointment at the 19th Annual General Meeting of the Company:

| Particulars | Jayant P. Soni | Dhaval J. Soni | Vimal J. Soni | Mohib N. Khericha |
|--------------------------------------|--|---|---|---|
| Designation | Chairman & Managing Director | Whole Time Director | Whole Time Director | Non Executive Independent Director |
| Date of Birth | 15.09.1929 | 13.12.1958 | 01.09.1961 | 04.08.1952 |
| Qualifications | Diploma in Photography | B.Sc. | B.E. (Mechanical) | FCA |
| Present Employment | Chairman & Managing Director in Photoquip India Ltd. | Whole Time Director in Photoquip India Ltd. | Whole Time Director in Photoquip India Ltd. | Non Executive Independent Directors in Photoquip India Ltd. |
| Nature of expertise | General Administration | Marketing | Product Design & Development | Finance Consultant |
| Directorship held in other Companies | NIL | NIL | NIL | <p>Public Limited Companies :</p> <p>Managing Director – Chartered Capital & Investment Ltd. Director in - Mazda Ltd. Chartered Logistics Ltd. Kirloskar Power Build Gears Ltd.</p> <p>Private Limited Companies :</p> <p>Director in Ravindu Motors Pvt. Ltd. Vijay Farms Pvt. Ltd. TD Power Systems Pvt. Ltd. DF Power Systems Pvt. Ltd. Saphire Finman Services Pvt. Ltd. Vijayjyoti Investment and Agencies Pvt. Ltd. Shri Vijaydurga Investment and Agencies Pvt. Ltd. Abhiman Trading Co. Pvt. Ltd. Vijaykirti Investment and Agencies Pvt. Ltd. Vimraj Investments Pvt. Ltd.</p> |

| | | | | |
|---|--------|--------|--------|---|
| Membership/ Chairmanship of committees of other public companies (includes only Audit Committee and Shareholders'/Investors' Grievance Committee) AC – Audit Committee STIGC-Share Transfer & Investors' Grievance Committee IGC- Investors' Grievance Committee | NIL | NIL | NIL | Member – Shareholders / Investor's Grievance Committee in Chartered Capital & Investment Ltd. Chairman – Shareholders / Investor's Grievance Committee & Audit Committee in Photoquip India Ltd. |
| Number of Shares held in the Company | 854275 | 501400 | 556459 | 0 |

DIRECTORS' REPORT

To,
The Members of
PHOTOQUIP INDIA LIMITED

Your Directors have pleasure in presenting the Nineteenth Annual Report of the Company and Audited Accounts for the year ended 31st March, 2011.

FINANCIAL RESULTS

| | (Rs. In Lacs) | |
|--|--------------------------|--------------------------|
| | Year ended 31.03.2011 | Year ended 31.03.2010 |
| Turnover & Other Receipts | 6,200.15 | 4,663.73 |
| Profit before Interest, Depreciation & Tax | 773.14 | 618.05 |
| Less : | | |
| Interest | 44.57 | 47.82 |
| Depreciation | 43.23 | 45.42 |
| Deferred Development Exp written off | 74.09 | 74.05 |
| Preliminary Expenses written off | - | 1.26 |
| Profit before Tax | 611.24 | 449.50 |
| Provision for FBT | - | - |
| Deferred Tax Liability | (0.81) | 4.63 |
| Provision for Income Tax | 127.48 | 2.10 |
| Profit (Loss) after Tax | 484.58 | 442.77 |

OPERATIONS

It gives us immense pleasure to share with you the continued growth achieved by your Company during the financial year under review.

| | 2010 – 2011 | 2009 – 2010 |
|------------------------|-----------------|-------------|
| Sales / Other Receipts | 6,200.15 | 4,663.73 |
| Exports | 4,563.20 | 3,340.67 |
| Net Profits | 484.58 | 442.77 |

DIVIDEND

Your Company is in the process of consolidating its financial position. With this view your Company has not declared dividend for the year under review.

MANAGEMENT DISCUSSION AND ANALYSIS:

The Company has strong Research & Development base and uses cutting-edge technology in development of Digital Studio Flash Lights, Photographic Accessories and other products. The Company enjoys global presence for its Digital Studio Flash Lights and Photographic Accessories.

The Company has an opportunity in increasing presence in the global arena and penetrate unexplored local market for the Company's products especially Digital Studio Flash Lights and Photographic Accessories.

The Company is exploring opportunities for commencement of the new activities in the areas of electronic goods, devices, equipment, appliances, apparatus etc as permitted under Articles of Association of the Company in the coming years. There is untapped market potential in the said business. The Company has analyzed the risk

potential and the opportunities and threats involved in the said activity. It is anticipated that with the expertise available with the Company, the new activity will give good returns in the long run.

Since, presently the Company operates in only one segment of Photographic & allied equipments, the relevant information pertaining to the same is furnished herewith, and forms a part of the report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO: [Information under Section 217 (1) (e)]

Information pursuant to the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

a) Conservation of Energy

The Company is not a major user of energy. However, the measures taken by the Company have resulted in savings in energy consumption.

- i) Energy Conversion measures taken in the recent past : No new energy conservation measures were undertaken during the year 2010-11.
- ii) Additional investment and proposal for reduction of energy consumption being implemented : NIL
- iii) Impact of measure (i) and (ii) above for reduction of energy consumption and consequent impact on the cost of production of goods : NIL

b) Technology Absorption

c) Specific areas in which Research & Development carried out by the Company:

The Company carries out R & D activities in the following areas:

Product / Process improvement and development.

Import Substitution of various components and sub-assemblies used in Cameras & Flash units and Photographic Labs.

Product support by way of indigenising tooling and design support for vendor development

The Company has an ongoing R & D:

Improvement in existing product range / progressive indigenisation of new flash lights and components & accessories.

Absorption and adoption of technology for manufacture of photographic flash.

d) Benefits derived as a result of R & D :

Considerable benefits have been derived by the Company from its Research & Development activities primarily by way of improvement in quality and time saving.

e) Foreign Exchange Earnings and Outgo

| | (Rs. In Lacs) | |
|---------------------------|----------------------|--------------------|
| | 2010 – 2011 | 2009 – 2010 |
| Foreign Exchange Earnings | 4,563.20 | 3,340.67 |
| Foreign Exchange Outgo | 1,541.60 | 987.84 |

PARTICULARS OF EMPLOYEES

The Company has no employee under section 217(2A) of the Companies Act, 1956.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Mr. Mohib N. Khericha retires by rotation and being eligible offer himself for re-appointment. Your Directors recommend his re-appointment.

Mr. Jayant P. Soni has been proposed to be appointed as Managing Director for a period of three years with effect from April 1, 2011.

Mr. Dhaval J. Soni has been proposed to be appointed as Whole Time Director for a period of three years with effect from April 1, 2011.

Mr. Vimal J. Soni has been proposed to be appointed as Whole Time Director for a period of three years with effect from April 1, 2011.

A brief resume of the Directors proposed to be appointed / re-appointed as required under Clause 49 of the Listing Agreement is provided in the Notice of the Annual General Meeting forming part of this Annual Report.

EXTENSION OF TIME FOR HOLDING ANNUAL GENERAL MEETING OF THE COMPANY:

During the year under review, the Company introduced and implemented Microsoft Dynamics NAV ERP for its accounting. The implementation went into a time over-run and accordingly an application was made for extension of time for holding the Annual General Meeting of the Company for a period of three months. Pursuant to the provisions of Section 166(1) of the Companies Act, 1956, the Ministry of Corporate Affairs, Mumbai, Maharashtra has granted the said extension of time for holding Annual General Meeting of the Company vide letter dated 15.09.2011.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the provisions of sub-section (2AA) of Section 217 of the Companies Act, 1956, your Directors confirm:

- a) that in the preparation of the Annual Accounts, the applicable accounting standards have been followed alongwith proper explanations relating to material departures;
- b) that the Directors 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 as on 31st March, 2011 and of the profit of the Company for the year ended on that date;
- c) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d) that the Directors have prepared the annual accounts on a going concern basis.

SECRETARIAL AUDIT

As Directed by Security and Exchange Board of India (SEBI) secretarial audit is being carried out at the specific periodicity by a practicing Company Secretary. The findings of the secretarial audit were entirely satisfactory.

CORPORATE GOVERNANCE

The report on corporate governance and the certificate on compliance with the conditions of corporate governance under Clause 49 of the Listing Agreement is annexed to this report.

The Company is listed on Mumbai Stock Exchange (BSE) & on Ahmedabad Stock Exchange (ASE). The Company has paid listing fees to both the stock exchanges on time.

AUDITORS

The Statutory Auditors, M/s. Mayank Shah & Associates, Chartered Accountants, Ahmedabad, retire at the conclusion of the forthcoming Annual General Meeting. The Company has received the requisite certificate pursuant to Section 224 (1B) of the Companies Act, 1956, from them regarding their eligibility for re-appointment as the Auditors of the Company. The Board recommends their reappointment

COMPLIANCE WITH THE CODE OF CONDUCT

The Company has put in place a code of conduct for its Board of Directors and senior management personnel, Declarations of compliance with the code of conduct have been received from all Board members and senior management personnel. A certificate to this effect from Mr. Jayant P. Soni, Chairman & Managing Director forms part of this Report.

PERSONNEL

The Directors wish to place on record their sincere appreciation for the dedicated services of all employees of your Company.

APPRECIATION

The Directors wish to place on record their sincere appreciation of the contribution made by the employees at all levels and for their dedication and commitment to the Company throughout the year. The Directors would also like to record their thanks to the Company's Shareholders, Bankers, Customers, Suppliers and vendors for their valuable support and co-operation.

For and on behalf of the Board of Directors

Jayant P. Soni

Chairman and Managing Director

Place : Mumbai

Date : 2nd December, 2011

CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT

I, Jayant P. Soni, Chairman & Managing Director of the Company, hereby declare that the Company has adopted a code of conduct for its Board Members and senior management, at a meeting of the Board of Directors held on 29th September, 2005 and the Board Members and senior management have affirmed compliance with the Code of Conduct as applicable to them for the year ended 31st March, 2011.

For PHOTOQUIP INDIA LTD.

Jayant P. Soni
Chairman and Managing Director

Place : Mumbai
Date : 2nd December, 2011

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE :

The Company is committed to good Corporate Governance and transparency in all its dealings and places due emphasis on business ethics, responsible conduct, integrity and accountability in the functioning of the Company and the conduct of its business internally and externally. The Company strives to achieve business excellence in increasing long term shareholder value, keeping in view the needs and interests of all its stakeholders.

2. BOARD OF DIRECTORS :

The Board of Directors of the Company comprises of 6 Directors. The Company has Executive Chairman and the number of independent Director is 50% of the total number of the Directors. The number of non executive Directors is 50% of the total number of Directors. None of the Directors on the Board is a Member on more than 10 committees and Chairman of more than 5 committees (as specified on Clause 49 of the Listing Agreement), across all the companies in which he is a Director. The necessary disclosure regarding committee positions have been made by all the Directors. The constitution of the Board is given below:

| Name | Category / Designation | No. of outside Directorship and Committee membership / Chairmanship | | | |
|-----------------------|---------------------------------------|---|-----------------|----------------------|--------------|
| | | Public Company | Private Company | Committee membership | Chairmanship |
| Mr. Jayant P. Soni | Chairman & Managing Director Promoter | Nil | Nil | Nil | Nil |
| Mr. Dhaval J. Soni | Whole time Director Promoter | Nil | Nil | Nil | Nil |
| Mr. Vimal J. Soni | Whole time Director Promoter | Nil | Nil | Nil | Nil |
| Mr. Mohib N. Khericha | Non Executive Independent Director | 4 | 10 | 3 | Nil |
| Mr. Mohan M. Jayakar | Non Executive Independent Director | 1 | 3 | Nil | Nil |
| Dr. Vishnu J. Acharya | Non Executive Independent Director | Nil | Nil | Nil | Nil |

Five (5) Board Meetings were held during the financial year ended 31st March 2011 i.e. 29th April 2010, 29th July 2010, 20th August, 2010, 23rd October, 2010, and 31st January 2011. The Company placed before the Board the annual operating plans, budgets and performance of various divisions from time to time. Information regarding recruitment of senior executives, show cause notices which are materially important, default if any, in financial obligations, details of joint ventures & collaborations, labour problems, signing of wage agreements, etc is also placed before the Board as and when the same takes place. The attendance of the Directors at the said Board Meetings and at the last Annual General Meeting is as under:

| Director | No. of Meetings | | Attendance at Last AGM |
|-----------------------|-----------------|----------|------------------------|
| | Held | Attended | |
| Mr. Jayant P. Soni | 5 | 5 | Yes |
| Mr. Dhaval J. Soni | 5 | 5 | Yes |
| Mr. Vimal J. Soni | 5 | 5 | Yes |
| Mr. Mohib N. Khericha | 5 | 5 | Yes |
| Mr. Mohan M. Jayakar | 5 | 5 | No |
| Dr. Vishnu J. Acharya | 5 | 5 | Yes |

3. AUDIT COMMITTEE:

Brief description of terms of reference

The terms of reference of the Audit Committee, as stipulated by the Board of Directors, in accordance with the items listed in Clause 49 II D of the Listing Agreement are as follows:

- (a) Overview of the Company's Financial Reporting process and disclosure of financial information to ensure that the financial statement is correct, sufficient and credible.
- (b) Reviewing with the Management, the quarterly, half yearly and annual financial statements before submission to the Board for approval, with particular reference to:
 - (i) Matters required being included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956.
 - (ii) Changes, if any, in accounting policies and practices and reasons for the same.
 - (iii) Major accounting entries involving estimates based on the exercise of judgment by management.
 - (iv) Significant adjustments made in the financial statements arising out of audit findings.
 - (v) Compliance with listing and other legal requirements relating to financial statements.
 - (vi) Disclosure of any related party transactions.
 - (vii) Qualifications in the draft audit report.
- (c) Reviewing the adequacy of Internal Audit function.
- (d) Reviewing with the Management, performance of Statutory & Internal Auditors, the adequacy of internal control systems & procedures.
- (e) Discussing with the Internal Auditors, any significant finding & follow-up on such issue.
- (f) Reviewing the findings of any internal investigations by the Internal Auditors in matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature, and then reporting such matters to the Board.
- (g) Discussing with statutory auditors before the Audit commences on the nature and scope of audit, as well as having post-audit discussion to ascertain any area of concern.
- (h) Reviewing/recommending the appointment, re-appointment & replacement or removal of internal & statutory auditors of the Company, fixation of remuneration/audit fees & also approval for payments for any other services rendered by them.
- (i) Reviewing substantial defaults in the payment to the depositors and shareholders (in case of non-payment of declared dividends) and creditors.
- (j) Reviewing the Management discussion and analysis of financial condition and results of operations.
- (k) Reviewing the Statement of significant related party transactions submitted by the management.
- (l) Reviewing the risk assessment and minimization procedures to ensure that executive management controls risk through means of a properly defined framework.

The Audit Committee has been granted powers as prescribed under clause 49II C of the listing agreement.

Composition of Audit Committee

The audit committee of the company has been constituted with three Directors, Viz.,

1. Shri Mohib N. Khericha - Chairman
2. Shri Mohan M. Jayakar
3. Shri Vishnu J. Acharya

The Committee met 4 times during the year on 28th April, 2010, 31st July, 2010, 31st October, 2010, 31st January, 2011 and the attendance of members of the committee was as follows:

| Director | No. of Meetings | |
|------------------------|-----------------|----------|
| | Held | Attended |
| Shri Mohib N. Khericha | 4 | 4 |

| | | |
|------------------------|---|---|
| Shri Mohan M. Jayakar | 4 | 4 |
| Shri Vishnu J. Acharya | 4 | 4 |

4. REMUNERATION COMMITTEE :

A remuneration committee has been constituted as a sub-committee of Board on 30th April, 2010 & 30th October, 2010. The Remuneration committee of the company has been constituted with three Directors, Viz.

1. Shri Dhaval J. Soni, Chairman
2. Shri Mohib N. Khericha
3. Shri Mohan M. Jayakar

Non-executive directors have been paid Rs. **40,750/-** by way of sitting fees for attending Board Meetings or meeting of committee thereof. The Managing Director's remuneration will also be in conformity with the existing laws and regulations and approved by the shareholders.

5. SHAREHOLDERS / INVESTORS' GRIEVANCE COMMITTEE :

As a measure of good Corporate Governance and to focus on the shareholders' grievances, if any, and towards strengthening investor relations, an Investors' Grievance Committee has been constituted as a committee of the Board, on 30th April, 2010 to redress / minimize the grievances, if any, of shareholders / investors.

The functions of the committee include specifically looking into redressing investors' grievances pertaining to:

- a) Transfer of shares
- b) Dividends
- c) Dematerialization of shares
- d) Replacement of lost / stolen / mutilated Share Certificates
- e) Any other related issues

The committee comprises of the following Directors:

- a. Shri Mohib N. Khericha - Chairman
- b. Shri Dhaval J. Soni
- c. Shri Mohan M. Jayakar

During the year the Company received three Communications pertaining to non-receipt of shares sent for transfer, non –receipt of Shares sent for transfer and non- receipt of credit or document sent for de-mat. All the Communications were satisfactorily replied. There are no shares pending for transfer for a period of more than 21 days from the day of receipt, so long as the documents are clear in all respects.

6. GENERAL BODY MEETING :

The location and time of the Annual General Meeting held during the last three years is as follows:

| Date | Venue | Time |
|--------------------|--|------------|
| September 18, 2010 | A-33 Royal Industrial Estate, Naigaon Cross Road, Wadala, Mumbai 400 031 | 10.30 A.M. |
| September 30, 2009 | A-33 Royal Industrial Estate, Naigaon Cross Road, Wadala, Mumbai 400 031 | 10.30 A.M. |
| September 20, 2008 | A-56 Royal Industrial Estate, Naigaon Cross Road, Wadala, Mumbai 400 031 | 10.30 A.M. |

7. DISCLOSURES:

- a. The independent directors do not have any material pecuniary relationship or transactions with the Company, its promoters, its management, their relatives or the Company's subsidiaries, which in the judgement of the Board affect the independence of judgement of the Directors or which may have a potential conflict with interests of the Company. The register of contracts containing the transactions in which the directors are interested is placed before the Board regularly. Transactions with related parties are disclosed in the schedules to the Annual Accounts in the Annual Report.

- b. The Company has continued to comply with the requirement of Stock Exchanges, SEBI and other statutory authorities on all matter relating to capital markets during the last three years; no penalties, strictures have been imposed on the Company either by SEBI or stock exchanges or other statutory authorities relating to above.
- c. The Company is reviewing the existing risk based control system. During the year, an analysis of the Company's risks covering strategic (business), operational, financial and legal & compliance risks, as perceived by the Management had been made and control procedures and systems for mitigating these risks have also been identified.
- d. The Company has established procedures to enable its Board to periodically review compliances of all laws applicable to the Company, as well as steps taken by the Company to rectify instances of non-compliances.
- e. The non-mandatory requirements of the Clause 49 of the listing agreement are neither necessary nor desirable and hence the Company does not consider the need to adopt them.

8. MEANS OF COMMUNICATION:

- a. The quarterly and half yearly results, published in the proforma prescribed by the Listing Agreement, are approved and taken on record by the Board of Directors of the company within one month of the close of the relevant quarter. The approved results are forthwith sent to the Stock Exchanges where the company's shares are listed. The results are also published within 48 hours in one English language and one Marathi language newspaper having wide circulation.
- b. The annual audited results are also communicated to the stock exchanges where the Company is listed, published in the newspapers.
- c. Presentation made to institutional Investors or to Analyst: No

General Information for Shareholders

- a) AGM - Date : 30th December, 2011
Time : 11.30 a.m.
Place : A-33, Royal Industrial Estate,
Naigaon Cross Road, Wadala (E)
Mumbai 400 031
- b) The financial year of the company is from 1st April 2010 to 31st March, 2011
- c) **Dates of Book Closure:** From 29th December, 2011 to 30th December, 2011 (In connection with the Annual General Meeting)
- d) The shares of the company are listed on Ahmedabad Stock Exchange and Mumbai Stock Exchange. The listing fees for the year 2010-11 have been paid to all the stock exchanges where the shares of the company are listed.
- e) **Stock Code:** Bombay Stock Exchange : **526588** and Ahmedabad Stock Exchange is **44881**.
- f) **De-mat ISIN Number for NSDL and CDSL : ISIN – INE 813B01016**
- g) **Market Price Data:** High, low during each month in last financial year i.e. 1st April 2010 to 31st March 2011 at Bombay Stock Exchange.

| Month | Highest Rate (Rs.) | Lowest Rate (Rs.) | Month | Highest Rate (Rs.) | Lowest Rate (Rs.) |
|-----------------|--------------------|-------------------|----------------|--------------------|-------------------|
| April, 2010 | 35.80 | 26.10 | October, 2010 | 47.40 | 33.30 |
| May, 2010 | 34.55 | 25.10 | November, 2010 | 58.90 | 37.25 |
| June, 2010 | 34.50 | 26.15 | December, 2010 | 54.50 | 44.10 |
| July, 2010 | 34.95 | 27.05 | January, 2011 | 58.10 | 46.10 |
| August, 2010 | 33.00 | 28.50 | February, 2011 | 51.55 | 42.55 |
| September, 2010 | 41.40 | 28.05 | March, 2011 | 51.50 | 41.00 |

- h) **Registrar and Transfer Agents for De-mat and Physical mode:** SHAREX DYNAMIC INDIA PVT. LTD., 17/B, Dena Bank Building, 2nd Floor, Horniman Circle, Fort, Mumbai 400 001.

- i) **Shares Transfer System:** Transfers of shares are processed by the Share Transfer Agent and approved by the Share Transfer Committee called as "Investors' / Shareholders' Grievance Committee", which meets at frequent intervals. Share transfers are registered and returned within 15 days from the date of receipt, if the relevant documents are complete in all respects.
- j) **Shareholders Holding More than 1% of the Share as at 31st March 2011**

| Sr. No. | Name of the Holder | No. of Shares | % to Share Capital |
|---------|--------------------------------------|----------------|--------------------|
| 1. | Jayant P. Soni | 814250 | 16.961 |
| 2. | Dhaval J. Soni | 495750 | 10.326 |
| 3. | Vimal J. Soni | 509750 | 10.618 |
| 4. | Tara J. Soni | 362114 | 7.543 |
| 5. | Nitin Arora | 98515 | 2.052 |
| 6. | Sanjay B. Shah | 50317 | 1.048 |
| 7. | Raj Kumar Lohia | 90210 | 1.879 |
| 8. | Sudha Ashok Ajmera | 87696 | 1.827 |
| 9. | Hareesh Chamanlal Soni | 61246 | 1.276 |
| 10. | Ashok Parmanand Ajmera | 81219 | 1.692 |
| 11. | Piri Systems Pvt. Ltd. | 125000 | 2.604 |
| 12. | Sulaxmi Exports & Marketing P. Ltd. | 50000 | 1.041 |
| | Total Public [1% & Above] | 2826067 | 58.867 |

- k) **Distribution of Shareholding as on 31st March, 2011**

| Distribution of Shareholding as on 31 st March, 2011 | No. of Shares | No. of Shareholders | % of Shareholders to No. of shares |
|---|-----------------|---------------------|------------------------------------|
| 1 To 5000 | 6472870 | 4205 | 88.68 |
| 5001 To 10000 | 2246000 | 265 | 5.59 |
| 10001 To 20000 | 2117160 | 138 | 2.91 |
| 20001 To 30000 | 1055390 | 40 | 0.84 |
| 30001 To 40000 | 584120 | 16 | 0.34 |
| 40001 To 50000 | 303610 | 7 | 0.15 |
| 50001 To 100000 | 2174850 | 31 | 0.65 |
| 100001 & Above | 33054000 | 40 | 0.84 |
| Total | 48008000 | 4742 | 100.00 |

Category of shareholders as on 31st March, 2011

Shareholding Pattern As At March 31, 2011

| Sr. No. | Category | No. of Shares | Total Shares | % to Share Holding |
|-----------|--|----------------|----------------|--------------------|
| A | Based in India (Promoter) | | | |
| i. | Indian Ind/HUF & Relatives | 2195664 | | 45.735 |
| ii. | Persons acting in concert | 125000 | 2320664 | 2.604 |
| B | Public Holding (Institutions) | | | |
| i. | Mutual Funds | 5000 | | 0.104 |
| ii. | Venture Cap Fund | 12000 | | 0.250 |
| iii. | Foreign Ven. Cap. Inv. | 1300 | 18300 | 0.027 |
| C. | Non Institutions | | | |
| a. | Indian Corp Bodies / Trust / Partnership | 185132 | | 3.856 |
| b. | Individual Holding | | | |
| i. | Upto Rs. 1/- lac | 1294072 | | 26.955 |
| ii. | Above Rs. 1/- lac | 792745 | 2271949 | 16.513 |
| D. | Any Other Clearing Members | 189887 | 189887 | 3.956 |
| | TOTAL | 4800800 | 4800800 | 100.00 |

- i) Dematerialization of shares and liquidity **90.26%** of the paid up capital has been dematerialized as on 31st March, 2011 & **9.74%** of the paid up capital is in physical form.

m) The company has not issued any GDRs / ADRs

Address for correspondence:

Shareholders' correspondence should be addressed to: Photoquip India Ltd., A - 33, Royal Industrial Estate, Naigaon Cross Road, Wadala, Mumbai - 400 031.

Investors Relations:

All the Complaints received from shareholders have been cleared within the financial year. The Complaints are generally replied to within 10 days from their lodgment with the Company.

Declaration under Clause 49 of the Listing Agreement regarding adherence to the Code of Conduct:

The Board of Directors of the Company has adopted the Code of Conduct for the Directors and senior Management Personnel have affirmed their compliance with the respective codes.

CEO CERTIFICATE:

We hereby certify that for the financial year ending 31st March, 2011 on the basis of the review of the financial statements and the cash flow statement and to the best of our knowledge and belief that :-

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2010-11 which are fraudulent, illegal or violative of the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls. We have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee those deficiencies of which we are aware, in the design or operation of the internal control systems and that we have taken the required steps to rectify these deficiencies.
5. We further certify that :-
 - a) there have been no significant changes in internal control during this year.
 - b) there have been no significant changes in accounting policies during this year
 - c) there have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having a significant role in the Company's internal control systems.

By Order of the Board of Directors

Place : Mumbai
Date : 2nd December, 2011

Jayant P. Soni
Chairman & Managing Director

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
PHOTOQUIP INDIA LTD.
Mumbai.

We have examined the compliance of conditions of corporate governance by Photoquip India Limited (the Company) for the year ended 31st March, 2011 as stipulated in clause 49 of the listing agreement of the Company with Stock exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above-mentioned listing agreements.

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

For MAYANK SHAH & ASSOCIATES

Chartered Accountants
(Firm. Regn. No. 106109W)

M. S. SHAH

Partner

Mem.No.44093

Place : Mumbai

Date : 2nd December, 2011

AUDITORS REPORT

To,
The Members of
Photoquip India Ltd.

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

1. We conducted our audit in accordance with Auditing Standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are 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.
2. As required by the Companies (Auditors' Report) Order, 2003 as amended by The Companies (Auditor's Report) Amendment Order, 2004 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
3. Further to our comments in the annexure referred to in paragraph 2 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 purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books;
 - c. The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account ;
 - d. In our opinion, the Balance Sheet , Profit & Loss Account and Cash Flow Statement dealt with by his report comply with the Accounting Standards referred to in Sub - section 3 [c] of section 211 of the Companies Act, 1956.
 - e. On the basis of written representations received from the Directors, and taken on record by Board of Directors, we report that none of the Directors, are disqualified as on 31st March, 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 accounts, read together with the notes thereon give the information required by the Companies Act,1956 in manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) In case of Balance Sheet, of the state of affairs of the company as at 31st March, 2011
- (ii) In case of the Profit and Loss Account, of the profit for the year ended on that date and
- (iii) In case of Cash Flow Statement, of the cash flows for the period ended on that date.

**FOR MAYANK SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS
(FIRM REGN. NO.: -106109W)**

**(M.S. Shah)
Partner
Mem. No. 44093**

Place: Mumbai
Date : 2nd December, 2011

ANNEXURE TO THE AUDITORS' REPORT
(Annexure referred to in paragraph 2 of our Auditors Report of even date on financial statements of Photoquip India Limited for the year ended 31/03/2011)

On the basis of such checks as we considered appropriate and in terms of the information and explanations given to us, we state that:-

1. a) The Company has maintained proper records showing full particulars including quantitative details.
- b) According to the information and explanation given to us, the Company has formulated a regular program of verification by which all the assets of the company shall be verified in a phased manner, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. To the best of our knowledge, no material discrepancies were noticed on the verification conducted during the year as compared with the book records.
- c) There was no disposal of a substantial part of fixed assets.
2. a) As explained to us, the inventory has been physically verified during the year by the Management. In our opinion the frequency of verification is reasonable.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the Management were reasonable and adequate in relation to the size of the company and the nature of its business.
- c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of inventory, the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of account.
3. a) According to the information and explanation given to us, the company had not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act during the current year. However in the previous Financial Years the Company had granted the interest free unsecured deposits for leased premises taken by company of Rs.68,71,156/- and advances of Rs.12,61,618/- for Capital Assets to concern in which Directors are interested.
- b) The Company has not granted any loans to parties covered in the register maintained under Section 301 of the Companies Act, the clause of rates of interest and other terms & condition is not applicable to the Company.
- c) As the Company has not granted any loans to parties covered in the register maintained under Section 301 of the Companies Act, the clause of repayment of principal amount is not applicable to the Company.
- d) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the registered maintained u/s 301 of the Act. Accordingly, clauses (iii) (f) to (iii) (j) of paragraph 4 of the order are not applicable to the company.
4. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to the purchase of inventories and fixed assets, and with regard to the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.

5. To the best of our knowledge and belief and as explained to us the Company has not entered into any transactions required to be entered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, clause 4(v)(b) of the order is not applicable.
6. In our opinion and according to the information and explanation given to us, the company has not accepted deposits from the public within the meaning of section 58A and 58AA of the Companies Act, 1956 and the rules framed there under.
7. In our opinion, the Company has an internal audit system commensurate with the size of business.
8. We have been informed that the Central government has not prescribed maintenance of Cost records under Section 209 (1) (d) of the Companies Act, 1956.
9. a) According to the records of the company and information and explanations given to us, the company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Excise Duty, Custom Duty, Service Tax, VAT, Cess, Investor Education and Protection Fund and any other material statutory dues as applicable to it, with the appropriate authorities during the year.
 b) The disputed dues that have not been deposited on account of matters pending before respective authorities are as under.

| Name of the Statute | Nature of the Dues | Amount (Rs.) | Period to which amount relates | Forum where dispute is pending |
|----------------------------|---------------------------|---|---|---|
| Bombay Sales Tax Act, 1959 | Sales Tax | 7,85,185/- 10,75,138/- 3,49,620/- | 2000 – 2001 2001 – 2002 2002 – 2003 | Assistant Commissioner of Sales Tax, Mumbai |

10. The company does not have accumulated losses at the end of the financial year and the company has not incurred cash losses during the current and immediately preceding financial year.
11. According to the information and explanation given to us, the Company has not defaulted in repayment of dues to banks. The company had no transaction with financial institution and held no debentures outstanding during the year.
12. According to the information and explanation given to us the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund, nidhi, or any mutual fund / societies are not applicable to the company.
14. In respect of dealing / trading in shares, securities and other investments, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares and other securities have been held by the Company in its own name.
15. According to the information and explanations given to us, the company has not given guarantee for loans taken by others from banks or financial institutions.
16. In our opinion the term loan have been applied for the purpose for which they were raised.
17. On the basis of an overall examination of the Balance Sheet of the Company, in our

opinion and according to the information and explanation given to us, there are no funds raised on short-term basis which have been used for long term investment.

18. The Company had not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by way of a public issue during the year.
21. During the course of our examination of the books of account and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

**FOR MAYANK SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS
(FIRM REGN. NO.:-106109W)**

**(M.S. Shah)
Partner
Mem. No. 44093**

Place : Mumbai

Date : 2nd December, 2011

PHOTOQUIP INDIA LIMITED
Balance Sheet as on 31st March, 2011

| PARTICULARS | SCHEDULE | As at 31/3/2011 Rupees | As at 31/3/2010 Rupees |
|--|----------|---------------------------|---------------------------|
| Sources of Funds | | | |
| <u>Shareholders' Funds</u> | | | |
| Share Capital | A | 4,80,08,000 | 4,80,08,000 |
| Reserves & Surplus | B | 23,20,88,715 | 18,55,89,010 |
| | | 28,00,96,715 | 23,35,97,010 |
| <u>Loan Funds</u> | | | |
| Secured Loans | C | 2,90,05,017 | 2,98,78,064 |
| Deferred Tax Liability | | 32,65,501 | 33,47,437 |
| Total RS. | | 31,23,67,233 | 26,68,22,512 |
| Application of Funds | | | |
| <u>Fixed Assets</u> | D | | |
| Gross Block | | 12,70,16,283 | 12,28,49,254 |
| Less: Depreciation | | 3,98,39,006 | 3,58,27,534 |
| Net Block | | 8,71,77,277 | 8,70,21,720 |
| <u>Investments</u> | E | 38,67,399 | 53,86,530 |
| <u>Current Assets, Loans & Advances</u> | | | |
| Inventories | F | 7,81,41,965 | 4,16,72,027 |
| Sundry Debtors | G | 2,17,85,302 | 5,91,73,869 |
| Cash & Bank Balances | H | 1,44,03,832 | 91,40,335 |
| Loans & Advances | I | 21,02,97,732 | 11,60,14,448 |
| | | 32,46,28,830 | 22,60,00,679 |
| <u>Less: Current Liabilities & Provisions</u> | J | 10,33,06,274 | 5,89,95,890 |
| <u>Net Current Assets</u> | | 22,13,22,557 | 16,70,04,789 |
| <u>Miscellaneous Expenditure</u> | K | | |
| To the extent not written off or adjusted | | - | 74,09,473 |
| Total RS. | | 31,23,67,233 | 26,68,22,512 |
| Notes forming part of the Accounts | T | | |

As per our Report of even date
FOR MAYANK SHAH & ASSOCIATES
Chartered Accountants
(FIRM REGN. NO:-106109W)

(M.S. Shah)
Partner
Mem. No. 44093

Place: Mumbai
Date : 2nd December, 2011

For and on behalf of the Board of Directors

Jayant P. Soni
Chairman & Managing Director

Dhaval J. Soni
Whole-time Director

Vimal J. Soni
Whole-time Director

Place: Mumbai
Date : 2nd December, 2011

PHOTOQUIP INDIA LIMITED
Profit & Loss Account for the year ended on 31st March, 2011

| PARTICULARS | SCHEDULE | As at 31/3/2011 Rupees | As at 31/3/2010 Rupees |
|---|----------|---------------------------|---------------------------|
| <u>Income</u> | | | |
| Sales | L | 61,24,13,311 | 45,90,78,298 |
| Other Income | M | 76,01,330 | 72,93,246 |
| | | 62,00,14,641 | 46,63,71,544 |
| <u>Expenditure</u> | | | |
| Material Consumed & Stock Variation | N | 46,80,33,105 | 34,75,09,390 |
| Manufacturing Expenses | O | 81,62,363 | 74,88,600 |
| Administrative & Other Expenses | P | 2,87,74,117 | 2,27,40,791 |
| Personnel Expenses | Q | 1,87,87,913 | 1,37,67,370 |
| Selling Expenses | R | 1,89,43,371 | 1,30,60,378 |
| Financial Charges | S | 44,57,443 | 47,82,371 |
| | | 54,71,58,311 | 40,93,48,900 |
| Profit / (Loss) before Depreciation and Amortisation | | 7,28,56,330 | 5,70,22,644 |
| Depreciation | | 43,22,544 | 45,42,003 |
| Deferred Development Expenditure Written off | | 74,09,473 | 74,05,260 |
| Preliminary Expenses Written off | | - | 1,26,209 |
| Profit / (Loss) before Tax | | 6,11,24,313 | 4,49,49,172 |
| Deferred Tax Liability / (Assets) | | (81,936) | 4,62,839 |
| Provision for Income Tax | | 1,27,48,000 | 78,49,713 |
| MAT Credit Entitlement | | | (76,39,306) |
| Profit / (Loss) after Tax | | 4,84,58,249 | 4,42,75,926 |
| Balance brought forward from Previous Year | | 14,91,93,547 | 10,59,31,658 |
| Prior Period and Extra-ordinary Items | | | |
| Income Tax Provision (Net of MAT Credit Entitlement) of the Previous year | | - | (7,90,028) |
| Prior Period Income / (Expenses) | | (19,58,542) | (2,24,008) |
| Balance carried forward to Balance Sheet | | 19,56,93,253 | 14,91,93,547 |
| Basic as well as diluted EPS | | 10.09 | 9.22 |
| Notes forming part of the Accounts | T | | |

As per our Report of even date
FOR MAYANK SHAH & ASSOCIATES
Chartered Accountants
(FIRM REGN. NO:-106109W)

(M.S. Shah)
Partner
Mem. No. 44093

Place: Mumbai
Date : 2nd December, 2011

For and on behalf of the Board of Directors

Jayant P. Soni
Chairman & Managing Director

Dhaval J. Soni
Whole-time Director

Vimal J. Soni
Whole-time Director

Place: Mumbai
Date : 2nd December, 2011

PHOTOQUIP INDIA LIMITED

Cash Flow Statement

| PARTICULARS | As at 31/3/2011 Rupees | As at 31/3/2010 Rupees |
|---|---------------------------|---------------------------|
| Cash Flow from Operations | | |
| Profit Before Tax and Extra-ordinary items | 6,11,24,313 | 4,49,49,172 |
| Adjustment for : | | |
| Depreciation | 43,22,544 | 45,42,003 |
| Loss on Sale of Fixed Assets | 14,244 | 1,94,336 |
| Loss on Sale of Investments | 2,54,866 | - |
| Interest and Dividend | (4,39,110) | (4,24,531) |
| Financial Charges | 44,57,443 | 47,82,371 |
| Deferred Development Exps written off | 74,09,473 | 74,05,260 |
| Preliminary Expenses written off | - | 1,26,209 |
| Operating Profit before Working Capital Changes | 7,71,43,773 | 6,15,74,820 |
| Adjustment : | | |
| Trade and Other Receivables | (5,68,94,717) | (6,57,15,836) |
| Inventories | (3,64,69,938) | 2,45,52,375 |
| Trade Payables and other Payables | 3,15,62,338 | (16,24,904) |
| | (6,18,02,317) | (4,27,88,365) |
| Cash generated from Operations before extraordinary & prior period | 1,53,41,455 | 1,87,86,455 |
| Prior Period Expenses | (19,58,542) | (2,24,008) |
| Cash generated from Operations after extraordinary & prior period | 1,33,82,913 | 1,85,62,447 |
| Cash Flow from Investing Activities | | |
| Sale of Investments | 12,64,265 | (51,06,530) |
| Purchase of Fixed Assets | (46,09,679) | (1,23,21,334) |
| Sale of Fixed Assets | 1,17,377 | 2,75,000 |
| Net Cash Generated from investing activities | (32,28,037) | (1,71,52,864) |
| Cash Flow from Financing Activities | | |
| Increase / (Decrease) in Term Loan | (89,92,298) | (56,54,904) |
| Increase / (Decrease) in Working Capital Loan | 81,19,251 | (2,708) |
| Financial Charges | (44,57,443) | (47,82,371) |
| Increase / (Decrease) in Other Borrowings | - | (17,90,204) |
| Interest and Dividend | 4,39,110 | 4,24,531 |
| Net Cash Flow from Financing Activities | (48,91,380) | (1,18,05,656) |
| Net Increase in Cash & Cash Equivalents | 52,63,497 | (1,03,96,073) |
| Cash and Cash Equivalents Opening Balance | 91,40,335 | 1,95,36,408 |
| Cash and Cash Equivalents Closing Balance | 1,44,03,832 | 91,40,335 |

Note : The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard -3 on Cash Flow Statements issued by The Institute of Chartered Accountants of India.

As per our Report of even date
FOR MAYANK SHAH & ASSOCIATES

Chartered Accountants
(FIRM REGN. NO:-106109W)

(M.S. Shah)
Partner
Mem. No. 44093

For and on behalf of the Board
of Directors

Jayant P. Soni
Chairman & Managing Director

Dhaval J. Soni
Whole-time Director

Vimal J. Soni
Whole-time Director

Place: Mumbai
Date : 2nd December, 2011

Place: Mumbai
Date : 2nd December, 2011

PHOTOQUIP INDIA LIMITED

Schedules forming part of Balance Sheet as at 31st March, 2011

| PARTICULARS | As at 31/3/2011 Rupees | As at 31/3/2010 Rupees |
|--|---------------------------|---------------------------|
| <u>Schedule A : Share Capital</u> | | |
| <u>Authorised Capital</u> 1,50,00,000 (Equity Share of Rs: 10/-each) | 15,00,00,000 | 15,00,00,000 |
| <u>Issued, Subscribed and Paid up Capital</u> | | |
| 4,800,800 Equity Shares of Rs. 10/- each fully paid up | 4,80,08,000 | 4,80,08,000 |
| Total Rs. | 4,80,08,000 | 4,80,08,000 |
| <u>Schedule B : Reserves & Surplus</u> | | |
| Capital Reserve | 2,30,00,000 | 2,30,00,000 |
| General Reserve | 1,33,95,462 | 1,33,95,462 |
| Profit & Loss Account | 19,56,93,253 | 14,91,93,548 |
| Total Rs. | 23,20,88,715 | 18,55,89,010 |
| <u>Schedule C : Secured Loans</u> | | |
| Term Loan | 1,09,03,017 | 1,98,95,315 |
| Working Capital Loans | 1,81,02,000 | 99,82,749 |
| Total Rs. | 2,90,05,017 | 2,98,78,064 |
| Term Loan from Apna Sahakari Bank Ltd. is secured by way of Equitable Mortgage of Land & Building located at Antop Hill, Mumbai. Working Capital Limits from Citibank NA are secured by way of Hypothecation of Stock and Book Debts of the Company, Personal Guarantee of Promoter Directors, 2 Factory Galas owned the Company and 1 Factory Gala owned by a Partnership Concern in which a Promoter Director is interested. | | |

PHOTOQUIP INDIA LIMITED

**Schedules forming part of Balance Sheet as at 31 st March 2011
Schedules D - Fixed Assets**

| Sr.No. | Particulars | Gross Block | | | | Depreciation | | | | Net Block | |
|--------|----------------------|---------------------|------------------|--------------------------|---------------------|---------------------|--------------------|--------------------------|---------------------|---------------------|---------------------|
| | | As at 01.04.2010 | Addition | Deduction/ Adjustment | As at 31.03.2011 | As at 01.04.2010 | During the Year | Deduction/ Adjustment | As at 31.03.2011 | As on 31.03.2011 | As on 31.03.2010 |
| 1 | Land | 4,50,39,530 | | | 4,50,39,530 | - | | | - | 4,50,39,530 | 4,50,39,530 |
| 2 | Office Building | 33,61,184 | | | 33,61,184 | 11,08,013 | 54,787 | | 11,62,800 | 21,98,384 | 22,53,171 |
| 3 | Factory Building | 1,90,55,459 | 16,71,637 | | 2,07,27,096 | 15,61,711 | 6,55,449 | | 22,17,160 | 1,85,09,936 | 1,74,93,748 |
| 4 | Machinery | 29,94,768 | 1,40,002 | | 31,34,770 | 9,59,805 | 1,51,859 | | 11,11,664 | 20,23,106 | 20,34,963 |
| 5 | Lab tools Equipments | 2,97,272 | | | 2,97,272 | 2,82,781 | 14,491 | | 2,97,272 | - | 14,491 |
| 6 | Dies & Moulds | 2,73,15,002 | 11,83,233 | | 2,84,98,235 | 2,02,07,527 | 17,51,825 | | 2,19,59,352 | 65,38,883 | 71,07,475 |
| 7 | Electrical Fittings | 7,12,432 | | | 7,12,432 | 2,68,821 | 31,576 | | 3,00,397 | 4,12,035 | 4,43,611 |
| 8 | Office Equipments | 13,89,063 | 1,53,639 | | 15,42,702 | 5,78,656 | 93,135 | | 6,71,791 | 8,70,911 | 8,10,407 |
| 9 | Air Conditioner | 15,94,989 | | | 15,94,989 | 3,92,808 | 1,00,963 | | 4,93,771 | 11,01,218 | 12,02,181 |
| 10 | Computer | 75,05,594 | 6,70,294 | | 81,75,888 | 54,61,838 | 6,07,778 | | 60,69,616 | 21,06,272 | 20,43,756 |
| 11 | Typewriter | 8,000 | | | 8,000 | 5,822 | 506 | | 6,328 | 1,672 | 2,178 |
| 12 | Sign Board | 9,33,671 | | | 9,33,671 | 5,02,876 | 59,101 | | 5,61,977 | 3,71,694 | 4,30,795 |
| 13 | Furniture Fixture | 68,66,256 | 3,07,995 | | 71,74,251 | 31,23,943 | 4,25,018 | | 35,48,961 | 36,25,290 | 37,42,313 |
| 14 | Motor Car | 57,76,034 | 4,82,879 | 4,42,650 | 58,16,263 | 13,72,931 | 3,76,056 | 3,11,069 | 14,37,918 | 43,78,345 | 44,03,103 |
| | Total | 12,28,49,254 | 46,09,679 | 4,42,650 | 12,70,16,283 | 3,58,27,532 | 43,22,544 | 3,11,069 | 3,98,39,006 | 8,71,77,276 | 8,70,21,722 |
| | Previous Year | 11,13,72,752 | 1,23,21,334 | 8,44,832 | 12,28,49,254 | 3,16,61,027 | 45,42,003 | 3,75,495 | 3,58,27,535 | 8,70,21,721 | 7,97,11,725 |

PHOTOQUIP INDIA LIMITED

Schedules forming part of Balance Sheet as at 31st March, 2011

| PARTICULARS | As at 31/3/2011 Rupees | As at 31/3/2010 Rupees |
|---|---------------------------|---------------------------|
| <u>Schedule E : Investments</u> | | |
| <u>Quoted</u> | | |
| Investments in Equity Shares | | |
| 9000 Equity Shares of Rs: 10/- each of Chartered Capital & Investment Ltd. (Market Value as on 31.3.11 - Rs.3,77,100/-) | 1,80,000 | 1,80,000 |
| 4,915 Equity Shares (PY 7,000) of Rs. 10/- each of Kiri Dyes Ltd. (Market Value as on 31.3.11 - Rs.13,82,590/-) | 35,81,099 | 51,00,230 |
| 175 Equity Shares of Rs. 10/- each of NHPC Ltd. (Market Value as on 31.3.11 - Rs.4,436/-) | 6,300 | 6,300 |
| <u>Unquoted</u> | | |
| Investments in Equity Shares | | |
| 4000 Equity Shares of Rs: 25/- each of Apna Sahakari Bank Ltd | 1,00,000 | 1,00,000 |
| Total Rs. | 38,67,399 | 53,86,530 |
| <u>Schedule F : Inventories</u> | | |
| (Taken as valued and certified by the Management) | | |
| Raw Material | 4,02,64,414 | 2,31,45,788 |
| Finished & Trading Goods | 3,78,77,551 | 1,85,26,239 |
| Total Rs. | 7,81,41,965 | 4,16,72,027 |
| <u>Schedule G : Sundry Debtors</u> | | |
| <u>(Unsecured and considered good)</u> | | |
| Exceeding 6 months | 66,92,059 | 38,03,351 |
| Others | 1,50,93,243 | 5,53,70,518 |
| Total Rs. | 2,17,85,302 | 5,91,73,869 |
| <u>Schedule H : Cash and Bank Balances</u> | | |
| Cash on Hand (as certified by the Management) | 15,75,108 | 15,14,966 |
| Balance with Scheduled Banks | | |
| in Current Accounts | 40,95,441 | 7,91,664 |
| in Deposit Accounts | 54,76,260 | 51,52,053 |
| Balance with Non Scheduled Banks | | |
| in Current Accounts | 18,64,107 | 12,87,871 |
| Debit Balance in Cash Credit Account | 13,92,916 | 3,93,781 |
| Total Rs. | 1,44,03,832 | 91,40,335 |

PHOTOQUIP INDIA LIMITED

Schedules forming part of Balance Sheet as on 31st March, 2011

| PARTICULARS | As at 31/3/2011 Rupees | As at 31/3/2010 Rupees |
|---|---------------------------|---------------------------|
| <u>Schedule I : Loans and Advances</u> | | |
| (Unsecured considered goods unless otherwise stated. Advances recoverable in cash or kind or for value to be received) | | |
| Advance to Suppliers | 6,73,12,796 | 2,09,66,499 |
| Security Deposits | 6,71,490 | 6,71,490 |
| Advance Tax & TDS | 2,73,17,434 | 1,47,75,004 |
| MAT Credit Entitlement | 1,44,79,745 | 1,48,76,771 |
| VAT / CST & Octroi Receivables | 8,22,33,086 | 4,60,81,670 |
| Prepaid Expenses | 8,06,678 | 9,95,654 |
| Other Advances | 1,74,76,503 | 1,76,47,360 |
| Total Rs. | 21,02,97,732 | 11,60,14,448 |
| <u>Schedule J : Current Liabilities & Provisions</u> | | |
| Current Liabilities | | |
| Sundry Creditors for Goods | 6,56,11,051 | 3,34,99,471 |
| Sundry Creditors for Expenses | 30,60,718 | 35,85,777 |
| Provisions | | |
| Provision for Taxation | 2,82,28,135 | 1,58,77,161 |
| Duties & Taxes | 1,96,143 | 61,100 |
| Provision for Expenses | 45,89,529 | 49,67,021 |
| Adjusted Gratuity Liability | 16,20,698 | 10,05,360 |
| Total Rs. | 10,33,06,274 | 5,89,95,890 |
| <u>Schedule K : Miscellaneous Expenditure</u> | | |
| Deferred Development Expenditure | 74,09,473 | 1,48,14,733 |
| Less: Expenses written off during the year | (74,09,473) | (74,05,260) |
| | - | 74,09,473 |
| Deferred Revenue Expenses | - | 1,26,209 |
| Less: Expenses written off during the year | - | (1,26,209) |
| | - | - |
| Total Rs. | - | 74,09,473 |

PHOTOQUIP INDIA LIMITED

Schedules forming part of Profit and Loss Account for the year ended on 31st March, 2011

| PARTICULARS | As at 31/3/2011 Rupees | As at 31/3/2010 Rupees |
|--|---------------------------|---------------------------|
| <u>Schedule L : Sales</u> | | |
| Domestic Sales | 15,60,93,573 | 12,50,11,012 |
| Export Sales | 45,63,19,738 | 33,40,67,286 |
| Total Rs. | 61,24,13,311 | 45,90,78,298 |
| <u>Schedule M : Other Income</u> | | |
| Interest Received | 4,13,514 | 4,09,531 |
| Dividend | 25,596 | 15,000 |
| Misc. Income | 96,044 | 1,11,068 |
| Foreign Exchange Fluctuation - Gain | 70,66,176 | 9,64,111 |
| Creditors Written Back | - | 57,93,536 |
| Total Rs. | 76,01,330 | 72,93,246 |
| <u>Schedule N : Material Consumed & Stock Variation</u> | | |
| Material Consumed | | |
| Opening Stock | 2,31,45,788 | 4,59,03,583 |
| Add: Purchases | 50,45,03,042 | 32,29,57,015 |
| | 52,76,48,830 | 36,88,60,598 |
| Less: Closing Stock | 4,02,64,414 | 2,31,45,788 |
| Total (a) Rs. | 48,73,84,416 | 34,57,14,810 |
| Stock Variation | | |
| Closing Stock - Semi-finished Goods | | - |
| Closing Stock - Trading Goods | 3,78,77,551 | 1,85,26,239 |
| | 3,78,77,551 | 1,85,26,239 |
| Less: | | |
| Opening Stock - Semi-finished Goods | | 20,36,607 |
| Opening Stock - Trading Goods | 1,85,26,239 | 1,82,84,212 |
| | 1,85,26,239 | 2,03,20,819 |
| Total (b) Rs. | (1,93,51,312) | 17,94,580 |
| Total (a+b) Rs. | 46,80,33,105 | 34,75,09,390 |
| <u>Schedule O : Manufacturing Expenses</u> | | |
| Labour Charges | 23,82,480 | 12,09,997 |
| Factory Staff Wages | 41,86,443 | 48,73,758 |
| Electricity Charges | 7,69,974 | 8,25,342 |
| Loading & Unloading Charges | 4,06,695 | 3,02,730 |
| Design & Development Charges | 4,16,771 | 2,76,773 |
| Total Rs. | 81,62,363 | 74,88,600 |

PHOTOQUIP INDIA LIMITED

Schedules forming part of Profit and Loss Account for the year ended on 31st March, 2011

| PARTICULARS | As at 31/3/2011 Rupees | As at 31/3/2010 Rupees |
|--|---------------------------|---------------------------|
| <u>Schedule P : Administrative & Other Expenses</u> | | |
| Auditors Remuneration and Expenses | 2,85,345 | 2,35,822 |
| Bad Debts | 7,41,086 | 9,33,384 |
| Conveyance | 7,70,715 | 5,74,480 |
| Custodial Fees | 28,294 | 26,128 |
| Directors Remuneration | 78,01,180 | 77,51,188 |
| Directors Meeting Expenses | 40,750 | 33,000 |
| Insurance Charges | 41,711 | 1,03,322 |
| Key Man Insurance Premium | - | 1,00,000 |
| Legal & Professional Fees | 48,42,888 | 33,78,216 |
| General & Other Admin Expenses | 10,60,026 | 3,34,294 |
| Postage & Courier | 3,11,406 | 2,08,158 |
| ECGC Premium | 12,547 | 49,273 |
| Printing & Stationery | 16,93,773 | 3,16,697 |
| Research & Development Expenses | 1,44,222 | 1,13,368 |
| Rent, Rates & Taxes | 16,38,970 | 14,58,589 |
| Repair & Maintenance | 26,60,031 | 20,62,002 |
| Security Charges | 2,29,006 | 2,66,049 |
| Society Maintenance Charges | 1,84,507 | 2,44,115 |
| Telephone & Internet Charges | 10,60,416 | 9,50,799 |
| Travelling Expenses | 41,55,715 | 29,90,459 |
| Loss on Sale of Vehicle | 14,244 | 1,94,336 |
| Loss on Sale of Investments | 2,54,866 | - |
| Vehicle Expenses | 8,02,418 | 4,17,112 |
| Total Rs. | 2,87,74,117 | 2,27,40,791 |
| <u>Schedule Q : Personnel Expenses</u> | | |
| Salary and Allowances | 1,17,20,409 | 1,06,37,866 |
| Bonus | 16,54,434 | 10,13,598 |
| Employer's ESIC Contribution | 1,85,811 | 96,747 |
| Employer's PF Contribution | 11,47,279 | 7,25,548 |
| Employer's MLWF Contribution | 4,854 | 4,518 |
| Gratuity, LTA & Medical Expenses | 30,47,105 | 9,41,289 |
| Staff Insurance, Uniform & Welfare Expenses | 8,91,860 | 2,18,813 |
| PF Administration Expenses | 1,36,161 | 1,28,991 |
| Total Rs. | 1,87,87,913 | 1,37,67,370 |
| <u>Schedule R : Selling Expenses</u> | | |
| Advertisement | 19,04,307 | 13,84,357 |
| Freight Charges | 92,37,960 | 51,43,632 |
| Packing Expenses | 15,61,832 | 50,866 |
| Sales Commission | 2,33,799 | 3,30,082 |
| Exhibition Expenses | 25,10,014 | 25,59,230 |
| Sales Promotion | 34,95,459 | 35,92,211 |
| Total Rs. | 1,89,43,371 | 1,30,60,378 |
| <u>Schedule S : Finance Charges</u> | | |
| Bank Charges & Commission | 10,24,190 | 9,28,237 |
| Interest to Banks | 28,81,753 | 38,06,724 |
| Loan Processing Fees | 5,51,500 | - |
| Interest - Vehicle Loans | - | 47,410 |
| Total Rs. | 44,57,443 | 47,82,371 |

PHOTOQUIP INDIA LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS AS ON 31.03.2011

Schedule - 'T' – Notes to Accounts and Significant Accounting Policies

1) SIGNIFICANT ACCOUNTING POLICIES :

ACCOUNTING CONVENTIONS:

i) **Basis of Preparation of Financial Statements**

The financial statements of the Company are prepared under the historical cost convention on accrual basis of accounting in all material respects in accordance with the notified Accounting Standards by Companies (Accounting Standards) Rules 2006 (as amended) and the relevant Provisions of the Companies Act, 1956. The accounting policies have been consistently applied by the Company during the year.

ii) **Use of Estimates**

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

FIXED ASSETS:

i) **Tangible :**

Fixed Assets are stated at cost of acquisition / construction (less Accumulated Depreciations). Cost comprises the purchase price and other attributable costs.

ii) **Intangible :**

Intangible Assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and accumulated impairment loss, if any.

DEPRECIATION / AMORTIZATION

i) **Tangible :**

Depreciation on Fixed Assets is provided on straight-line method on pro rata basis at rates and in manner specified in Schedule XIV of the Companies Act, 1956.

ii) **Intangible :**

Intangible Assets are amortised over their estimated useful life on a straight-line basis.

INVESTMENTS:

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investment. Long term investments are stated at cost of acquisition. Provision for diminution in the value of long term investments is made, only if such decline is other than temporary.

INVENTORIES:

Finished goods (including for trade), work-in-process, semi-finished goods for trade, Raw materials and Stores are valued at cost or net realizable value whichever is lower. Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the Company. The cost formula used for determination of cost is 'First In First Out'.

FOREIGN CURRENCY TRANSACTIONS:

- (i) All transactions in foreign currency are recorded at the rates of exchange prevailing as at the date of the transaction.

PHOTOQUIP INDIA LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS AS ON 31.03.2011

- (ii) Monetary assets and liabilities in foreign currency, outstanding at the close of the year, are converted in Indian Currency at the appropriate rates of exchange prevailing at the close of the year. The resultant gain or loss is accounted for during the year.

PROVISION AND CONTINGENT LIABILITIES AND CONTINGENT ASSETS :

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

REVENUE RECOGNITION:

- i) **Sales**
The Company recognizes sale of goods when the significant risks and rewards of ownership are transferred to the buyer, which is usually when the goods are dispatched to customers.
- ii) **Other Income**
Other Income are accounted on accrual basis.

EMPLOYEE BENEFITS :

1. Short Term Employees Benefit:

Short Term Benefits are recognized as expenditure at the undiscounted value in the Profit and Loss Account of the year in which the related services are rendered.

2. Post Employment Benefit:

- a. **Defined Contribution Plans:** Monthly contributions to the Provident Fund and E.S.I.C. which are defined contribution schemes are charged to Profit and Loss Account and deposited with the Provident Fund and E.S.I.C. Authorities on monthly basis.
- b. **Defined Benefit Plans:** Gratuity to Employees are covered under the Employees Group Gratuity Policy of Life Insurance Corporation of India (LIC) and the premium is paid on the basis of their actuarial valuation using the Projected Unit Credit Method. Actuarial gain and losses arising on such valuation are recognized immediately in the Profit and Loss Account. Any shortfall in case of premature termination / resignation to the extent not reimbursed by LIC is being absorbed in the year of payment. The amount funded by the trust administered by the Company under the aforesaid policy is reduced from the gross obligation under the defined benefit plan, to recognize the obligation on net basis. The company has started to provide leave encashment benefit on accrual basis from current year.

3. Termination Benefit:

Termination Benefits are charged to Profit & Loss Account in the year of accrual.

TAXES ON INCOME:

Tax expense comprises of current tax and deferred taxes. Provision for current income taxes is made on the taxable income at the tax rate applicable to the relevant assessment year. Deferred income taxes are recognised for the future tax consequences attributable to timing differences between the financial statement determinations of income and their recognition for tax purposes. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in income using the tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay income tax higher than that computed under MAT, during the period that MAT is permitted to be set off under the Income Tax Act, 1961 (specified

PHOTOQUIP INDIA LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS AS ON 31.03.2011

period). In the year, in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in the guidance note issued by the Institute of Chartered Accountants of India (ICAI), the said asset is created by way of a credit to the profit and loss account and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay income tax higher than MAT during the specified period.

RESEARCH AND DEVELOPMENT EXPENDITURE:

Expenditure on Research and Development of revenue nature incurred by the Company are charged to Profit and Loss Account, while those of capital nature are treated as Fixed Assets.

IMPAIRMENT OF ASSETS:

The Company assesses, at each Balance Sheet date, whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Profit and Loss account. If at the Balance Sheet date there is an indication that if previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

BORROWING COSTS:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

MISCELLANEOUS EXPENDITURE:

Deferred Revenue Expenditures are written off over a period of 5 years. Deferred Development Expenditure is expenditure incurred for the development of new products, and is written off over a period of 5 years from the year in which it is commercially developed.

2) **CONTINGENT LIABILITY :**

Contingent Liabilities not provided for in respect of:

- a) Sales Tax Liability in respect of disputed cases amounting to Rs. 22,09,943/- (Previous year Rs. 22,09,943/-)
 - b) Bond for Rs. 2,50,00,000/- issued to The President of India on behalf of Assistant of Commissioner of Customs / Central Excise at Mumbai towards obligation of exports from 100% EOU unit.
- 3) Previous year's figures have been recast and regrouped, wherever necessary, to make them comparable with those of the current year.
 - 4) Balances of Debtors, Creditors and Loans & Advances are subject to confirmation.
 - 5) **(a) Defined Benefit Plan:**

Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days' salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The following table summaries the components of net benefit expenses recognized in the Profit and Loss Account and the funded status and amounts recognized in the Balance Sheet for gratuity benefits.

PHOTOQUIP INDIA LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS AS ON 31.03.2011

| | | | |
|----------------------|-------------------------|-------------------------|-------|
| 1. Assumption | As on 31/03/2011 | As on 31/03/2010 | |
| Discount Rate | 8.00% | | 8.00% |
| Salary Escalation | 5.00% | | 5.00% |

2. Table showing changes in present value of obligations

| | As on 31.3.2011 | As on 31.3.2010 |
|--|------------------------|------------------------|
| Present value of obligations as at beginning of year | 2168148 | 1739597 |
| Interest cost | 173452 | 139168 |
| Current Service Cost | 202064 | 179722 |
| Benefit Paid | (241169) | (46990) |
| Actuarial (Gain) / Loss on obligations | 365234 | 156651 |
| Present Value of Obligations as the end of the year | 2667729 | 2168148 |

3. Table showing changes in the fair value of plan assets

| | As on 31.3.2011 | As on 31.3.2010 |
|--|------------------------|------------------------|
| Fair Value of Plan Assets at beginning of the year | 1162788 | 1102651 |
| Expected Return on Plan Assets | 95964 | 96153 |
| Contributions | 29448 | 10974 |
| Benefits Paid | (241169) | (46990) |
| Actuarial Gain / (Loss) on Plan Assets | Nil | Nil |
| Fair Value of Plan Assets at the end of the year | 1047031 | 1162788 |

4. Table showing fair value of plan assets

| | As on 31.3.2011 | As on 31.3.2010 |
|---|------------------------|------------------------|
| Fair Value of Plan Assets at the beginning of the year | 1162788 | 1102651 |
| Actual Return on Plan Assets | 95964 | 96153 |
| Contribution | 29448 | 10974 |
| Benefits Paid | (241169) | (46990) |
| Fair Value of Plan Assets at the end of the year | 1047031 | 1162788 |
| Funded Status | (1620698) | (1005360) |
| Excess of actual over estimated return on Plan Assets (Actual rate of return = estimated rate of return as ARD falls on 31 st March) | Nil | Nil |

5. Actuarial Gain / Loss recognized

| | As on 31.3.2011 | As on 31.3.2010 |
|--|------------------------|------------------------|
| Actuarial (Gain) / Loss for the year – Obligation | (365234) | (156651) |
| Actuarial (Gain) / Loss for the year – Plan Assets | Nil | Nil |
| Actuarial (Gain) / Loss for the year | 365234 | 156651 |
| Actuarial (Gain) / Loss recognized in the Year | 365234 | 156651 |

6. The amount to be recognized in the balance sheet and statement of Profit and Loss

| | As on 31.3.2011 | As on 31.3.2010 |
|--|------------------------|------------------------|
| Present Value of Obligations as at the end of the year | 2667729 | 2168148 |
| Fair Value of Plan Assets as at the end of the year | 1047031 | 1162788 |
| Funded Status | (1620698) | (1005360) |
| Net Asset / (Liability) recognized in Balance Sheet | 1620698 | 1005360 |

7. Expenses Recognized in statement of Profit and Loss

| | As on 31.3.2011 | As on 31.3.2010 |
|--|------------------------|------------------------|
| Current Service Cost | 202064 | 179722 |
| Interest Cost | 173452 | 139168 |
| Expected Return on Plan Assets | (95964) | (96153) |
| Net Actuarial (Gain) / Loss recognized in the year | 365234 | 156651 |
| Expenses recognized in statement of Profit & Loss | 644786 | 379388 |

b. Defined Contribution Plan

PHOTOQUIP INDIA LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS AS ON 31.03.2011

The Company has recognized the following amount in Profit & Loss Account which is included under contribution to funds.

| | As on 31.3.2011 | As on 31.3.2010 |
|---|-----------------|-----------------|
| Employer's Contribution to Provident Fund | 1509497 | 1070453 |
| Employer's Contribution to ESIC | 185811 | 96747 |

Note:

The estimated future salary increases take account of inflation, seniority, promotion and other retirement factors such as supply and demand in the employment markets.

- 6) In the opinion of the Board of Directors, Current Assets, Loans and Advances have a value, on realisation in the ordinary course of business, equal to the amount at which they are stated in the Balance Sheet.
- 7) Loans and Advances includes Rs. 68,71,156/- (Previous Year Rs. 68,71,156/-) as interest – free rent deposits and advances for capital assets of Rs. 12,61,618/- (Previous Year Rs. 12,61,618/-) given to concerns in which Directors are interested for leased premises taken by the Company.
- 8) A provision for Taxation of Rs. 1,27,48,000/- has been made towards income tax for F.Y. 2010-11 (Previous year Rs. 78,49,713/-). MAT Credit entitlement for F.Y. 2010-11 is NIL (Previous year 76,39,306/-)
- 9) The effect on the profit for the year consequent to compliance with Accounting Standard 22 "Accounting for Taxes on Income" and the break up of the deferred tax liability are as under.

| NATURE OF TIMING DIFFERENCE | DEFERRED TAX (LIABILITY) / ASSETS AS AT 01.04.2010 | DEFERRED TAX (LIABILITY) / ASSETS FOR THE YEAR | DEFERRED TAX (LIABILITY) / ASSETS AS AT 31.03.2011 |
|-----------------------------|--|--|--|
| Depreciation | (35,10,321) | (5,32,807) | (40,43,128) |
| Unpaid Bonus u/s 43B | 1,62,884 | 63,626 | 2,26,510 |
| Leave Encashment u/s 43B | - | 5,51,117 | 5,51,117 |
| TOTAL | (33,47,437) | 81,936 | (32,65,501) |

- 10) Segment Reporting :-

| | Amount (Rs.) | |
|--|---------------------|---------------------|
| | 2010-2011 | 2009-2010 |
| a) Primary Segment | | |
| The company has only one segment i.e. "Photographic Equipment" | - | - |
| b) Secondary Segment (By Geographical segment) | | |
| Sales and Operating Income : | | |
| India | 15,60,93,573 | 12,50,011,012 |
| Outside India | 45,63,19,738 | 33,40,67,286 |
| TOTAL | 61,24,13,311 | 45,90,78,298 |

In view of the interwoven / intermix nature of business and manufacturing facility, other segment information not ascertainable.

- 11) **Earning per Equity Shares:** Basic and Diluted earnings per equity share are recorded in accordance with Accounting Standard 20 "Earnings per Share". Earning per share is calculated by dividing the profit attributable to the Equity Shareholders (after adjustment for deferred taxes) by the weighted average number of Equity shares outstanding during the period. The numbers used in calculating basic and diluted Earnings per Equity Share are as stated below.

| | 31.03.2011 | 31.03.2010 |
|--|-------------|-------------|
| Profit after tax | 4,84,58,249 | 4,42,75,926 |
| Weighted average number of equity shares | 48,00,800 | 48,00,800 |
| Basic & Diluted Earning per share | 10.09 | 9.22 |
| Nominal value per share | 10 | 10 |

- 12) **Micro, Small, Medium Enterprises Development Act, 2006**

PHOTOQUIP INDIA LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS AS ON 31.03.2011

There are no Micro, Small and Medium Enterprise, as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to whom the Company owes due on account of principal amount together with interest and accordingly no additional disclosures have been made.

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

- 13) Expenditure incurred on employees in receipt of remuneration of not less than Rs. 24,00,000/- per annum or Rs. 2,00,000/- per month if employed for a part of the year.

| No. of Employees | Employed throughout the year | | Employed for part of the year | |
|---|------------------------------|------------------|-------------------------------|------------------|
| | 2010-2011 NIL | 2009-2010 NIL | 2010-2011 NIL | 2009-2010 NIL |
| 14) Audit Fees | 165,450 | 165,450 | | |
| Other Matters | - | - | | |
| 15) Directors' Remuneration | 58,35,000 | 54,75,000 | | |
| Directors' Perquisites | 19,66,180 | 22,76,188 | | |
| 16) Licensed & Installed Capacity | | | | |
| | 2010 - 2011 | | 2009 - 2010 | |
| | Licensed | Installed | Licensed | Installed |
| Photolabs | 100 Nos. | 100 Nos. | 100 Nos. | 100 Nos. |
| Other Items | | | | |
| a) Camera | 10000 Nos. | 10000 Nos. | 10000 Nos. | 10000 Nos. |
| b) Flash Lights | 10000 Nos. | 10000 Nos. | 10000 Nos. | 10000 Nos. |
| c) Accessories / Components and Spare Parts | 100000 Nos. | 100000 Nos. | 100000 Nos. | 100000 Nos. |
| d) Umbrellas & Soft Boxes made from (Reflective Cloth –embossed Reflective and Diffuser Cloth | 50000 Mtrs. | 50000 Mtrs. | 50000 Mtrs. | 50000 Mtrs. |

(As certified by the Management and relied upon by the Auditors being a technical matter.)

| | <u>2010-11</u> | <u>2009-10</u> |
|--|----------------|----------------|
| 18) EXPENDITURE ON RESEARCH AND DEVELOPMENT | | |
| Capital Expenditure | NIL | NIL |
| Revenue Expenditure | 1,44,222 | 1,13,368 |

19) RELATED PARTY DISCLOSURE

- a) Names of related parties and nature of relationship where control exists are as under :

| | | |
|---|---|---|
| i) Enterprise under significant Influence of Key Management Personnel | : | Piri Systems Pvt. Ltd. Vijay Studio Photoquip |
| ii) Key Management Personnel: | | Mr. Jayant P. Soni, Chairman & Managing Director Mr. Dhaval J. Soni, Whole Time Director Mr. Vimal J. Soni, Whole Time Director |
| iii) Relatives of Key Management Personnel | : | Mrs. Tara J. Soni Mr. Pulin D. Soni |

b) TRANSACTION WITH RELATED PARTIES

(Rs. in Lacs)

| NATURE OF TRANSACTION | ENTERPRISE UNDER KEY MANAGEMENT PERSONNEL | KEY MANAGEMENT PERSONNEL | RELATIVE OF KEY MANAGEMENT PERSONNEL |
|--------------------------|---|--------------------------|--------------------------------------|
| a) Volume of Transaction | | | |
| i) Key Man Insurance | - | - | - |
| ii) Services obtained | 2.52 | - | - |
| iii) Remuneration | - | 58.35 | - |
| iv) Perquisites | - | 19.66 | 8.91 |

PHOTOQUIP INDIA LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS AS ON 31.03.2011

| NATURE OF TRANSACTION | ENTERPRISE UNDER KEY MANAGEMENT PERSONNEL | KEY MANAGEMENT PERSONNEL | RELATIVE OF KEY MANAGEMENT PERSONNEL |
|-----------------------------|--|-----------------------------|--|
| b) Closing Balances | | | |
| i) Payable at year end | - | 30.61 | 0.91 |
| ii) Receivables at year end | 68.71 | - | - |

NOTE : No amounts pertaining to related parties have been provided for as doubtful debts. Also no amounts have been written off or written back during the year.

20) Particulars in respect of production, sales & closing stocks (Figures / Amount stated in bracket pertains to previous year).

| | Opening Balance | | Production / Purchase | | Sales / Samples | | Closing Balance | |
|---------------------------|-----------------|------------------------|-----------------------|-------------------------|------------------|--------------------------|-----------------|------------------------|
| | Qty. | Value (Rs.) | Qty. | Value (Rs.) | Qty. | Value (Rs.) | Qty. | Value (Rs.) |
| MANUFACTURED GOODS | | | | | | | | |
| Studio Light | 0 (0) | 0 (0) | 44151 (33455) | 0 (0) | 43684 (33455) | 300866709 (224165703) | 467 (0) | 2118111 (0) |
| Photographic Lab | 0 (0) | 0 (345366) | 0 (0) | 0 (0) | 0 (3) | 0 (0) | 0 (0) | 0 (0) |
| Components & Accessories | 0 (0) | 23145788 (45558218) | 0 (0) | 170072254 (87489153) | 0 (0) | 155453030 (109901583) | 0 (0) | 38146303 (23145788) |
| Work in Progress | 0 (0) | 0 (2036607) | 0 (0) | 0 (0) | 0 (0) | 0 (0) | 0 (0) | 0 (0) |
| TRADING GOODS | | | | | | | | |
| Studio Light | 1580 (2718) | 6739363 (8550118) | 9476 (5381) | 65883975 (35783867) | 10938 (6519) | 98322507 (53392241) | 118 (1580) | 786667 (6739363) |
| Camera | 9418 (18387) | 0 (0) | 0 (0) | 0 (0) | 9418 (8969) | 0 (0) | 0 (9418) | 0 (0) |
| Stand | 1123 (449) | 475182 (269807) | 2816 (8244) | 2491955 (3392654) | 2911 (7570) | 3060843 (5106776) | 1028 (1123) | 1304426 (475182) |
| Umbrella | 213 (214) | 26625 (22812) | 2521 (517) | 310015 (62250) | 2305 (518) | 829459 (179646) | 429 (213) | 54335 (26625) |
| Photographic Lab | 0 (0) | 0 (0) | 0 (0) | 0 (0) | 0 (0) | 0 (0) | 0 (0) | 0 (0) |
| Components & Accessories | 0 (0) | 11285069 (9441474) | 0 (0) | 82555815 (72635512) | 0 (0) | 53880763 (66332349) | 0 (0) | 35732123 (11285069) |
| TOTAL | | 41672027 (66224402) | 0 (0) | 0 (0) | 0 (0) | 612413311 (459078298) | | 78141965 (41672027) |

The Company purchases numerous items of Components & Accessories, which are used for production as well as sale. It is not practical to bifurcate between components and accessories meant for production and sale at the time of purchase. Hence, it is not possible to give quantitative information as regards Components & Accessories.

| | 2010-2011 | 2009-2010 |
|---|-----------|---------------|
| | Lacs | Lacs |
| 21) EXPENDITURE IN FOREIGN CURRENCY | | |
| Foreign Traveling | 33.80 | 19.55 |
| Export Freight | 87.58 | 28.41 |
| 22) EARNINGS IN FOREIGN CURRENCY | | |
| Export of goods on FOB basis | 4563.19 | 3340.67 |
| 23) VALUE OF IMPORTS CALCULATED ON CIF BASIS (Rs. in lacs) | | (Rs. in lacs) |

PHOTOQUIP INDIA LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS AS ON 31.03.2011

| | | |
|---------------|--------|--------|
| Raw Materials | 707.82 | 421.24 |
| Capital Goods | - | - |
| Trading Goods | 712.40 | 547.04 |

24) VALUE OF RAW MATERIALS, COMPONENTS AND SPARE PARTS CONSUMED

| Raw Material | 2010-11 | | 2009-10 | |
|--------------|---------------|--------|---------------|--------|
| | (Rs. In lacs) | % | (Rs. In lacs) | % |
| Imported | 1061.29 | 22.68 | 1098.25 | 31.60 |
| Indigenous | 3619.05 | 77.32 | 2376.84 | 68.40 |
| | 4680.34 | 100.00 | 3475.09 | 100.00 |

Additional Information as required under Part IV of Schedule VI to the Companies Act, 1956

PHOTOQUIP INDIA LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS AS ON 31.03.2011 BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I REGISTRATION DETAILS

| | |
|--------------------|-----------------------------|
| Registration Code | 11 – 67864 |
| State Code | 11 |
| Balance Sheet Date | 31 st March 2011 |

II CAPITAL RAISED DURING THE YEAR (Rs. in Thousands)

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

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Rs. in Thousand)

| | | | |
|-------------------------|--------|-----------------------------|--------|
| Total Liabilities | 312367 | Total Assets | 312367 |
| Sources of Funds | | Application of Funds | |
| Paid-up Capital | 48008 | Net Fixed Assets | 87177 |
| Reserve & Surplus | 232088 | Investment | 3867 |
| Secured Loan | 29005 | Net Current Assets | 221323 |
| Deferred Tax Liability | 3265 | Miscellaneous Expenditure | -- |

IV PERFORMANCE OF THE COMPANY (Rs. in Thousand)

| | | | |
|----------------------|--------|-------------------|--------|
| Total Turnover | 620015 | Total Expenditure | 558890 |
| Profit Before Tax | 61125 | Profit After Tax | 48458 |
| Earning Per Share in | 10.09 | Dividend Rate % | NIL |

V GENERIC NAMES OF THREE PRINCIPAL PRODUCTS / SERVICES OF THE COMPANY (as per monetary terms)

| | | |
|--------------------------|-------------|--------------------------|
| Product Description | FLASH LIGHT | PHOTOGRAPHIC ACCESSORIES |
| Item Code No. (ITC Code) | 900661 | 900669 |

Signature to Schedules A to T.
As per our Report of even date attached
for MAYANK SHAH & ASSOCIATES
Chartered Accountants
(Firm Regn. No. 106109W)

For and on behalf of the Board of Directors

M.S.Shah
Partner
Mem.No. 44093

Jayant P. Soni
Chairman & Managing Director

Dhaval J. Soni
Whole Time Director

Place : Mumbai
Date : 2nd December, 2011

Vimal J. Soni
Whole Time Director

PROXY

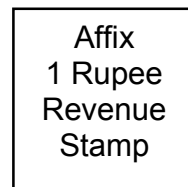
PHOTOQUIP INDIA LIMITED

Reg. Office : A-33 Royal Indl. Estate, Naigaon Cross Road, Wadala, Mumbai 400 031

I/We.....
of.....being a member / members of
Photoquip India Limited hereby appoint.....
of or
failing him of
..... as my /
our proxy to vote of me / us and on my / our behalf at the Nineteenth Annual General Meeting of the
Company to be held on 30th December, 2011.

Signed this day of 2011

Signature of Shareholder/s



Note : This form duly completed should be deposited at the Registered Office of the Company at
Mumbai 48 hours before the meeting.

-----TEAR HERE -----

ATTENDANCE SLIP

PHOTOQUIP INDIA LIMITED

Reg. Office : A-33 Royal Indl. Estate, Naigaon Cross Road, Wadala, Mumbai 400 031

Please sign this attendance slip and hand it over at the entrance of the hall to facilitate registration formalities at the Meeting place.

I hereby record and confirm my presence at the Nineteenth Annual General Meeting of the Company held at A 33, Royal Industrial Estate, Naigaon Cross Road, Wadala, Mumbai 400 031.

Client I.D.

D.P.I.D.

FULL NAME
(In Block Letters)

SIGNATURE

i) Member

ii) Proxy

L.F.No.

.....
.....
.....
.....
.....