

ANNUAL REPORT  
2010 - 2011



**Vikram**  
THERMO (INDIA) LIMITED



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

|                                 |                                 |
|---------------------------------|---------------------------------|
| Dr. Chimanbhai Khodidas Patel   | - Chairman & Executive Director |
| Shri Dhirajbhai Karsandas Patel | - Managing Director             |
| Shri Ambalalbai K. Patel        | - Executive Director            |
| Dr. Dineshkumar H Patel         | - Executive Director            |
| Shri Bharatbhai M. Shah         | - Non Executive Director        |
| Shri Ketanbhai C. Patel         | - Non Executive Director        |
| Shri Thakarshibhai M. Patel     | - Non Executive Director        |
| Shri Ghanshyambhai D. Kewadia   | - Non Executive Director        |

### AUDITORS

#### B.A. RAJAPARA & CO.

Chartered Accountants  
707, "Samruddhi",  
Nr. Sattar Taluka Society, Opp. Sakar III,  
Ashram Road, Ahmedabad – 380 014.

### BANKERS

#### PUNJAB NATIONAL BANK

Popular House, Ashram Road,  
Ahmedabad – 380 009.

### SHARE TRANSFER AGENT:

#### BIGSHARE SERVICES PVT. LTD.

E-2/3, Ansa Industrial Estate,  
Sakivihar Road, Saki Naka,  
Andheri (E), Mumbai – 400 072.

### FACTORY:

#### Unit-I

At Dhanot,  
Chhatral – Kadi Road, Tal. Kalol,  
Dist. Gandhinagar, Gujarat (INDIA)

#### Unit-II

At Indrad, S. No. 322,  
Chhatral- Kadi Road, Tal. Kadi,  
Dist. Mehsana, Gujarat (INDIA)

### REGISTERED OFFICE:

101, Classic Avenue,  
Opp. Sales India, Ashram Road,  
Ahmedabad – 380 009.

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**NOTICE**

NOTICE is hereby given that the Annual General Meeting of the members of **VIKRAM THERMO (INDIA) LIMITED** will be held on the 26th September 2011, at 09.00 A.M. at ATMA HALL, Ahmedabad Textile Mills' Owners Association, Ashram Road, Ahmedabad - 380009, to transact the following business, with or without modifications.

**ORDINARY BUSINESS:**

1. To consider and adopt the audited Balance Sheet as at 31st March 2011, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Shri Bharatbhai M. Shah, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Dr. Dinesh H. Patel, who retires by rotation and being eligible, offers himself for re- appointment.
5. To appoint Auditors and to fix their remuneration.

**SPECIAL BUSINESS:**

6. To consider and if, thought fit, to pass with or without modifications, the following resolutions as a Special Resolution.

**RESOLUTION NO. 6 – SPECIAL RESOLUTION :**

**“RESOLVED THAT** pursuant to sections 269, 198, 309, 310, Schedule XIII and other applicable provisions of the Companies Act, 1956 and in accordance with the articles of association of the Company, the remuneration of Dr. Dinesh H. Patel, Executive Director of the Company, be and is hereby revised and increased as under with effect from 1st May, 2011, for the remaining period of his tenure;

- 1) Salary : Salary Rs.65,000/- per month and Bonus as may be declared from time to time.
- 2) Gratuity : As per Group Gratuity Scheme

**“FURTHER RESOLVED THAT** the other terms and conditions including perquisites, minimum remuneration, etc. continue to remain the same as per the earlier resolutions passed by the board of directors and members at the annual general meetings from time to time.”

**“FURTHER RESOLVED THAT** the Board of Directors be and is hereby authorised to revise periodically the remuneration including the salary, perquisites, allowances etc. payable to Dr. Dinesh H. Patel in accordance with the provisions of Section 198, 309 and 310 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 or any amendments or statutory modifications thereto without any further reference to members at General Meeting.”

**“FURTHER RESOLVED THAT** Shri Dhirajbhai K. Patel, Managing Director or any other Director, be and is hereby authorized to take necessary action for giving effect of this resolution.

**“FURTHER RESOLVED THAT** Shri S. R. Sanghavi, Company Secretary in Wholetime Practice, be and is hereby authorized to certify and sign necessary forms and then to file the same with the Registrar of Companies, Gujarat, Ahmedabad.”

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES, IN ORDER TO BE VALID, MUST BE RECEIVED BY THE COMPANY AT THE REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. Explanatory statement as required under section 173 of the Companies Act,1956 which forms part of this notice is annexed herewith.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 22-09-2011 to 26-09-2011 (both days inclusive).
4. Dividend, if declared, will be paid to those members whose names appear in the Register of Members on 26-09-2011.
5. Members are requested to quote Folio number in all their correspondences.
6. Members are requested to inform the company immediately the changes, if any, in their address specifying full address in Block Capital Letters with Pin code of the post office.
7. Members are requested to bring their copy of Annual report of the meeting as the same shall not be distributed thereat.
8. Members are requested to bring with them the attendance slip and hand it over at the entrance duly signed by them.
9. Those shareholders who have not encashed the Dividend Warrants for all the earlier financial years, are advised to submit their claim to the Registrar/Company immediately quoting their folio numbers. The unpaid/unclaimed Dividend will become due for transfer to



## Vikram Thermo (India) Limited

Investor Education & Protection Fund of the Central Government after the period of seven years from the date the same became due for payment. Once the unclaimed dividend is transferred to the fund, no claim shall lie against the fund or the Company in respect of the individual amounts which were unclaimed or unpaid.

10. With respect to payment of dividend, the Company provides the facility of ECS to all shareholders, holding shares in electronic and physical forms. Shareholders holding shares in the physical form who wish to avail ECS facility, may authorise the Company with their ECS mandate in the prescribed form which can be obtained from the Registrars and Transfer Agents, Bigshare Services P. Ltd., E- 2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka , Andheri ( East ), MUMBAI 400072. The requests for payment of dividend through ECS for the year 2010-11 should be lodged with Bigshare Services P. Ltd. on or before 20th September, 2011. Copy of ECS form is attached with the report.

### ANNEXURE TO NOTICE EXPLANATORY STATEMENT UNDER SECTION 173 OF THE COMPANIES ACT,1956

#### (1) ITEM NO. 6 :

Dr. Dinesh H. Patel was appointed as an Executive Director (Production) by the Members at the Annual General Meeting held on 24th September, 2009, for the period of five years from 1-04-2009. He possesses high degrees of M.Sc. and Ph. D. with Polymers Chemistry. He is having high technical knowledge and experience of production activities of the company. He is looking after research and development activities also.

His sound and specialized knowledge is very much useful to the company. However, remuneration paid to him was quite less in comparison to other managers of his cadre in other similar companies. As such, The Board of Directors thought it proper to revise and increase his salary as stated in the resolution, subject to the approval of the members. Looking to the functions and responsibilities carried out by him, the remuneration proposed to be paid to him is fair and reasonable.

Dr. Dinesh Patel is concerned and/or interested in the resolution to the extent of remuneration he will be receiving. None of the other Directors is concerned and/or interested in the said Special Resolution.

#### (3) DETAILS OF DIRECTORS SEEKING APPOINTMENT AND REAPPOINTMENT ARE AS UNDER:

| Name of Director                                     | Dr. Dinesh H. Patel     | Shri Bharatbhai M. Shah  |
|--|-------------------------|--------------------------|
| Date of Birth  | 19-01-1977              | 29-12-1954               |
| Date of Appointment                                  | 31-03-2009              | 01-05-2003               |
| Qualification  | M.Sc. Ph.D              | B.Sc, M.B.A              |
| Expertise in specific Functional areas               | Production and research | Management and Marketing |
| List of Companies in which Directorship is held      | NIL                     | NIL                      |
| Chairman/ Member of the Committee of other Companies | NIL                     | NIL                      |
| Shareholding in the company                          | 46329                   | NIL                      |

Registered Office  
101, Classic Avenue,  
Opp. Sales India, Ashram Road,  
Ahmedabad - 380009  
Date : 05-08-2011

By order of Board of Directors  
**For, Vikram Thermo (India) Ltd.**

Managing Director

**DIRECTORS' REPORT**

Dear Members,

Your directors have pleasure in submitting their Annual Report together with the Audited Statements of Accounts for the year ended on 31st March 2011.

**FINANCIAL RESULTS**

The financial results are as under:

|   | <b>2010-2011</b> | 2009-2010 |
|---|------------------|-----------|
| Turnover                                    | <b>319854785</b> | 205286110 |
| Profit before Tax                           | <b>45770471</b>  | 30375907  |
| Provision for Taxation:                     | <b>15570018</b>  | 10373124  |
| Profit after Tax                            | <b>30242215</b>  | 20002783  |
| Balance Brought Forward                     | <b>41685989</b>  | 29214535  |
| Balance profit available for Appropriation. | <b>71928205</b>  | 49217317  |

**APPROPRIATIONS**

|                                  |                 |          |
|----------------------------------|-----------------|----------|
| General Reserves                 | <b>3000000</b>  | 1000000  |
| Proposed Dividend                | <b>8373855</b>  | 5582570  |
| Provision for Dividend Tax       | <b>1358450</b>  | 948,758  |
| Balance carried to Balance Sheet | <b>59195900</b> | 41685989 |
|                                  | <b>71928205</b> | 49217317 |

**DIVIDEND**

Your directors are pleased to recommend payment of dividend @ 15% (Previous year 10%) on the paid up Equity Share Capital of the Company. Your directors feel that members will appreciate the same. The dividend payout will result in a total outflow of Rs.97, 32,305/- (Previous Year Rs. 65, 31,328/-).

**OPERATIONS**

During the year under report, your Company continued to achieve good results. The turnover of the Company has increased to Rs. 31,98,54,785/- (Previous Year Rs. 20,52,86,110/-) which reflects more than 56% rise. The gross profit has also increased from Rs. 5,00,51,492/- to Rs. 7,42,61,729/- which reflects sound performance of the Company. Members will appreciate that the Company is gradually marching towards sound progress and prosperity.

**FIX DEPOSIT**

The Company has not accepted any deposit as per the provisions of the Section 58 - A of the Companies Act, 1956.

**GRATUITY**

The Company has already established a Group Gratuity Fund for the benefit of the employees of the company. The Group policy has been taken with Life Insurance Corporation of India (Pension and Gratuity Fund Scheme). During the year contribution amounting to Rs. 7,68,095/- was made towards this fund (Previous year Rs. 2,62,093/-).

**PARTICULARS OF THE EMPLOYEES**

There is no employee who is in receipt of remuneration exceeding the limit specified under Section 217 (2A) of the Companies Act, 1956.

**POLLUTION AND ENERGY CONSERVATION**

Pursuant to Section 217(1) (e) of the companies Act., 1956 the information required in respect of pollution and energy conservation is given in the Annexure enclosed to this report.

**DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- I. In the preparation of the accounts for the financial year under report, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- II. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year under report, and of the profit of the Company for the year under review.



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III. 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

IV. The Directors have prepared the annual accounts of the company on a 'going concern' basis.

### FOREIGN EXCHANGE EARNING AND OUTGO

During the year Company has earned foreign exchange of US \$ 2,80,801/- (Previous Year US \$ 1,92,249/-) amounting Rs.1,27,63,024/- (Previous year Rs. 85,48,271/-) on FOB basis against export sales.

The Company has spent US \$ 5,636/- i.e. Rs. 2,25,989/- (Previous year US \$ 6451/- amounting Rs. 303650) on sales commission.

During the year foreign exchange amounting to Rs. 1,10,94,240/- (Previous year Rs. 89,00,302) is remitted for import of raw materials on CIF basis.

During the year Company has also remitted US \$ 280/- (Previous Year US \$ 270.67/-) amounting to Rs.12,500/- (Previous Year Rs. 12,800/-) towards payment of dividend to NRI shareholders.

### DIRECTORS:

Shri Bharatbhai M. Shah and Dr. Dinesh H. Patel, Directors of the Company retire by rotation and being eligible offer themselves for the reappointment at the ensuing annual general meeting. You are requested to appoint Directors.

### INCREASE IN REMUNERATION OF DR. DINESHBHAI H. PATEL

Dr. Dinesh H. Patel was appointed as an Executive Director (Production) by the Members at the Annual General Meeting held on 24th September, 2009, for the period of five years from 1-04-2009. He possesses high degrees of M.Sc. and Ph. D. with Polymers Chemistry. He is having high technical knowledge and experience of production activities of the company. He is looking after research and development activities also.

His sound and specialized knowledge is very much useful to the company. However, remuneration paid to him was quite less in comparison to other managers of his cadre in other similar companies. As such, The Board of Directors thought it proper to revise and increase his salary as stated in the resolution, subject to the approval of the members. Looking to the functions and responsibilities carried out by him, the remuneration proposed to be paid to him is fair and reasonable.

### DEMATERIALISATION OF SHARES:

To provide better and smooth services to the shareholders, the Company's Equity shares are made available for dematerialization in electronic form in the Depository System operated by National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL)

In order to avail this service, shareholders, who have not yet converted their shares in dematerialized form, are advised to dematerialize the shares in the electronic form as quickly as possible.

### CORPORATE GOVERNANCE:

As per Clause 49 of the Listing Agreements with the Stock Exchange, the report of the Corporate Governance and the Certificates of the Managing Director and Auditors of the Company in respect of compliance thereof are appended here to and form part of this report.

### INSURANCE:

The assets of the company are adequately insured against various risks.

### AUDITORS:

You are requested to appoint auditors from the conclusion of ensuing Annual General Meeting up to conclusion of next Annual General Meeting and fix their remuneration. Present auditors M/s. B. A. Rajpara & Co. are eligible for reappointment and has confirmed their re-appointment, if made shall be within the limits of Section 224(1B) of the Companies Act,1956.

### APPRECIATION:

The Board place on record the appreciation of the sincere and devoted services rendered by all the employees and the continued co-operation and confidence of shareholders. The Board expresses their sincere thanks to the Punjab National Bank, Government and Semi Government Authorities and all other well wishers for their support and contribution towards the growth of the Company.

on behalf of Board of Directors  
FOR, VIKRAM THERMO (INDIA) LIMITED

Registered Office :  
101, Classic Avenue, Opp. Sales India,  
Ashram Road, Ahmedabad – 380009  
Date : 5th August 2011

CHIMANBHAI K. PATEL  
CHAIRMAN



## ANNEXURE TO DIRECTOR'S REPORT FOR THE YEAR 2010-2011

## FORM – A ( See Rule 2. )

| A. POWER AND FUEL CONSUPTION                 |             | Current year<br>2010-11 | Previous Year<br>2009-10 |
|--|-------------|-------------------------|--------------------------|
| <b>1. Electricity:</b>                       |             |                         |                          |
| Purchase unit                                |             | 639600                  | 526386                   |
| Total Amount                                 | RS.         | 3930234                 | 3136202                  |
| Rate/Unit                                    | RS.         | 6.144                   | 5.958                    |
| <b>2. Own Generation:</b>                    |             |                         |                          |
| Fuel Purchase (Ltr.) ( Diesel )              |             | 3721                    | 2070                     |
| Total amount                                 | RS.         | 155176                  | 75112                    |
| Rate/Ltr                                     | RS.         | 41.702                  | 36.286                   |
| <b>3. Others</b>                             |             |                         |                          |
| Firewood                                     | (Kgs.)      | 1007364                 | 881780                   |
| Total Amount                                 | RS.         | 2707771                 | 2197937                  |
| Rate/Kg.                                     | RS.         | 2.687                   | 2.493                    |
| <b>B. CONSUMPTION PER UNIT OF PRODUCTION</b> |             |                         |                          |
| <b>Name of Product</b>                       | <b>Unit</b> | <b>Current Year</b>     | <b>Previous Year</b>     |
| Drug Coat                                    | Kgs.        | 1525240                 | 1125042                  |
| DPO  | Kgs.        | 902270                  | 758405                   |
| <b>TOTAL</b>                                 |             | <b>2427510</b>          | <b>1883447</b>           |
| <b>ELECTRICITY UNIT CONSUMED:</b>            |             | <b>639600</b>           | <b>526386</b>            |
| <b>Electricity</b>                           | Unit        | <b>0.263</b>            | <b>0.279</b>             |
| <b>Diesel Oil</b>                            | Liter       | <b>0.001</b>            | <b>0.001</b>             |
| <b>Fire wood</b>                             | Kilogram    | <b>0.415</b>            | <b>0.468</b>             |

## FORM – B (See Rule 2)

Form of Disclosure of particulars with respect to absorption

Research and development ( R &amp; D ) : Necessary steps are being taken from time to time

Technology absorption, adaptation and innovation : Necessary steps are being taken from time to time.



**CORPORATE GOVERNANCE**

The Company, pursuant to Clause 49 of the listing agreement with the Stock Exchange, is pleased to furnish its report on Corporate Governance.

**COMPANYS' PHILOSOPHY ON CORPORATE GOVERNANCE :**

The Company is committed to the adoption of best Corporate Governance practice and the management is of the view that a good Corporate Governance policy is one which results in the control of the company in a regular manner, which makes management transparent, ethical, accountable and fair resulting in enhanced shareholder value. The management is pleased to provide detailed disclosures of specific matters required by Securities and Exchange Board of India.

Board of Directors

**I. Composition and Category**

The Board at present consists of **EIGHT** directors (Four Executive and Four non-executive Independent directors)

**II. Board Meetings, attendance, and position held in committee meetings**

The Board met Four times on 29th April, 2010, 29th July, 2010, 29th October, 2010 & 28th January, 2011. Notices of the meetings with agenda along with necessary details were sent to the directors in time.

The names and categories of the Directors, their attendance at Board meetings and General Meeting as also position held by them in committees of other public limited companies as on 31st March 2011 are given below.

| Name of the Director          | Category    | Board Meeting held during tenure of Director | Board Meeting Attended | Last AGM | No. of Directorship in other Public Limited Co.s | Chairman/ Membership in other public limited Cos. |
|-------------------------------|-------------|--|------------------------|----------|--|---|
| Shri Chimanbhai K. Patel      | Executive   | 4  | 4                      | Y        | —  | —   |
| Shri Dhirajbhai K. Patel      | Executive   | 4  | 4                      | Y        | —  | —   |
| Shri Ambalal K. Patel         | Executive   | 4  | 4                      | Y        | —  | —   |
| Shri Dineshbhai H. Patel      | Executive   | 4  | 4                      | Y        | —  | —   |
| Shri Thakarshibhai M. Patel   | Independent | 4  | 4                      | Y        | —  | —   |
| Shri Bharatbhai M. Shah       | Independent | 4  | 2                      | Y        | —  | —   |
| Shri Ketanbhai C. Patel       | Independent | 4  | 3                      | Y        | —  | —   |
| Shri Ghanshyambhai D. Kewadia | Independent | 4  | 3                      | Y        | —  | —   |

**III. Information on Directors Appointment/Re-appointment**

Shri Bharatbhai M. Shah, Director and Dr. Dinesh H. Patel, Executive Director of the Company retire by rotation and being eligible offer themselves for the reappointment at the ensuing annual general meeting. Their brief particulars are as follows.

|  |                         |                         |
|--|-------------------------|-------------------------|
| Name of Director                                     | Shri Bharatbhai M. Shah | Dr. Dinesh H. Patel     |
| Date of Birth  | 29-12-1954              | 19-01-1977              |
| Date of Appointment                                  | 01-05-2003              | 31-03-2009              |
| Qualification  | B.Sc, M.B.A             | M.Sc. Ph.D.             |
| Expertise in specific Functional areas               | Management Marketing    | Production and Research |
| List of Companies in which Directorship is held      | NIL                     | NIL                     |
| Chairman/ Member of the Committee of other Companies | NIL                     | NIL                     |
| Shareholding in the company:                         | NIL                     | 46329                   |

**IV. Audit Committee**

The Audit Committee, comprises of three non-executive independent directors viz. Shri T. M. Patel, Shri Bharatbhai M. Shah and Shri K. C. Patel.

Shri Thakershibhai M. Patel, is the chairman of the AUDIT COMMITTEE.

Committee met on 29th April, 2010, 29th July, 2010, 29th October, 2010 & 28th January, 2011 for perusal financial position and un-audited quarterly results and also met for perusal of the finalization of annual accounts for the year ended on 31.03.2011. The Accounts and Financial position perused by the Audit Committee, were thereafter placed before board for their consideration. The composition and attendance record of the members of the Audit committee meetings are as follows.

| Name of the Director        | No. of Meeting held | No. of Meeting Attended |
|-----------------------------|---------------------|-------------------------|
| Shri Thakarshibhai M. Patel | 4                   | 4                       |
| Shri Bharatbhai M. Shah     | 4                   | 2                       |
| Shri Ketan C. Patel         | 4                   | 3                       |





## Vikram Thermo (India) Limited

### V. REMUNERATION COMMITTEE :

The Board constituted the Remuneration Committee consisting of following non-executive directors, Shri Ghanshyambhai D. Kewadia, Shri Thakarshibhai M. Patel, Shri Ketanbhai C. Patel. The Committee determines the remuneration paid/payable to the Managing Directors and other Executive Directors subject to the approval of the members. The details of payment of remuneration to the Directors are given below:

| Name of Director | Relationship with other Director | Total Remuneration paid | No. of Board meeting attended |
|------------------|----------------------------------|-------------------------|-------------------------------|
| Dr. C. K. Patel  | NIL                              | 9,81,600/-              | 4                             |
| Shri D. K. Patel | Brother of Shri. A. K. Patel     | 21,25,800/-             | 4                             |
| Shri A. K. Patel | Brother of Shri D. K. Patel      | 7,89,600/-              | 4                             |
| Dr. D. H. Patel  | NIL                              | 6,29,100/-              | 4                             |

### VI. SHARE TRANSFER COMMITTEE /INVESTOR GRIEVANCE COMMITTEE:

The company has Share Transfer and Investors' Grievance Committee, under the chairmanship of independent director, for quick and timely transfer of shares, issue of duplicate share certificates, etc. Transfers of shares approved by the committee are placed before the Board. The Committee also looks in to all issues related to investor grievances.

Shares of the company are also available for dematerialization.

### VII. REGISTRAR AND SHARE TRANSFER AGENT:

M/s. BIGSHARE SERVICES PVT. LTD., Mumbai E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka Andheri (East) , Mumbai – 400 072 Phone (022) 28473747 are Registrar and Share Transfer Agent of the Company.

### VIII. MEANS OF COMMUNICATION:

The quarterly/half yearly /yearly financial results are published in English and Gujarati languages in news paper. More over necessary reports and certificates as required by the listing agreement are sent to The Bombay Stock Exchange Ltd.

### IX. DETAILS OF NON-COMPLIANCES, PENALTIES ETC.

There were no such instances of non-compliance. Neither any penalties nor strictures were imposed on the company by the Stock Exchange or SEBI or any other statutory authority on any matter related to capital markets during the year.

### X. MARKET PRICE DATA:

The month wise detail of market prices of the shares during the year 2010-2011 of the Company at The Bombay Stock Exchange Ltd. are as under:

| Month          | High  | Low   |
|----------------|-------|-------|
| April 2010     | 24.50 | 15.95 |
| May 2010       | 27.55 | 19.80 |
| June 2010      | 27.00 | 20.00 |
| July 2010      | 28.50 | 22.00 |
| August 2010    | 27.00 | 21.50 |
| September 2010 | 28.30 | 20.00 |
| October 2010   | 26.25 | 23.55 |
| November 2010  | 29.50 | 22.00 |
| December 2010  | 27.30 | 22.05 |
| January 2011   | 26.30 | 21.02 |
| February 2011  | 24.05 | 20.40 |
| March 2011     | 22.50 | 18.70 |

### XI. MANAGEMENT DISCUSSION AND ANALYSIS :

Report on Management discussion and analysis has been given separately in this report and form part of this report.

### XII. ANNUAL GENERAL MEETINGS

Annual General meeting of the company will be held on 26th September 2011 at 9.00 A.M. at ATMA HALL, Ahmedabad Textile Mills Owners' Association, Ashram Road, Ahmedabad 380 009.



## Vikram Thermo (India) Limited

### A. PARTICULARS OF ANNUAL GENERAL MEETINGS HELD DURING LAST THREE YEARS:

| Date of A.G.M. | Place of A.G.M.  | Time      | Particulars of Special Resolutions, if any   |
|----------------|--|-----------|--|
| 22-09-2008     | Hotel Adhar, Top Floor, Iscon Arcade, C. G. Road, Navrangpura, Ahmedabad – 380 009 | 11.30 a.m | Increase in remuneration of M. D. Shri D. K. Patel and Jt. M. D. Shri B. K. Patel and appointment of Shri A. K. Patel as E.D. and payment of remuneration to him.                |
| 24-09-2009     | ATMA HALL, Ahmedabad Textile Mills Association, Ashram Road, Ahmedabad-380009      | 9.30 a.m. | Appointment of Dr. Dineshkumar H. Patel as Executive Director of the Company and payment of remuneration to him.   |
| 18-09-2010     | ATMA HALL, Ahmedabad Textile Mills Association, Ashram Road, Ahmedabad-380009      | 9.30a.m.  | Re-appointment of Shri Dhirajbhai K. Patel as Managing Director and appointment of Shri Chimanbhai k. Patel as Executive Director (Technical) and payment of remuneration to him |

No Special Resolution was passed or proposed to be passed through postal ballot.

### XIII.COMPLIANCE OFFICER:

Mr. Jaimin C. Patel is the Compliance Officer of the Company.

### XIV. LISTING :

The Company's equity shares are listed at The Bombay Stock Exchange Ltd.

### XV. STOCK CODE :

- (1) Trading Scrip Code at The Bombay Stock Exchange Ltd. : 530477
- (2) Demat ISIN number in NSDL & CDSL for equity Shares : INE337E01010

### XVI. FINANCIAL RESULTS:

The quarterly/half yearly /yearly financial results were published in English and Gujarati languages in news papers, from time to time.

### XVII.BOOK CLOSURE:

For updating records and shareholding information of the members of the company, the Share Transfer Books and Register of Members shall remain closed from 22-09-2011 to 26-09-2011 (both days inclusive) and 22-09-2011 will be considered as a RECORD DATE for updating the records of the Members of the company and also for receiving the dividend.

### XVIII.SHAREHOLDING PATTERN:

Category wise distribution of equity shareholding as on 31.03.2011 is as under:

| Category             | No. of Shares    | % age         |
|----------------------|------------------|---------------|
| Promoter's Group     | 2979756          | 53.38         |
| Other Body Corporate | 175409           | 3.14          |
| Banks                | —                | —             |
| Mutual Funds and UTI | 61,500           | 01.10         |
| NRI                  | 193065           | 03.46         |
| Others               | 2170140          | 38.87         |
| Shares in Transit    | 2700             | 0.05          |
| <b>Total</b>         | <b>55,82,570</b> | <b>100.00</b> |

### Distribution Schedule: as on 31.03.2011

| No. of Shares | No. of Shareholders | % age       |
|---------------|---------------------|-------------|
| 1             | 5000                | 1981        |
| 5001          | 10000               | 374         |
| 10001         | 20000               | 149         |
| 20001         | 30000               | 89          |
| 30001         | 40000               | 21          |
| 40001         | 50000               | 32          |
| 50001         | 100000              | 32          |
| 100001        | And above           | 66          |
| <b>Total:</b> |                     | <b>2744</b> |
|               |                     | <b>100</b>  |



## Vikram Thermo (India) Limited

### XIX. DIVIDEND PAYMENT DATE:

Dividend will be paid within 30 days from the date of ensuing Annual General Meeting at which dividend is proposed to be declared.

### XX. REGISTERED OFFICE:

The registered office of the company is situated at 101, Classic Avenue, Op. Sales India, Ashram Road, Ahmedabad – 380009.

### XXI. PLANT LOCATION:

The plants of the company are located at:

- (A) Unit – I : AT DHANOT, CHHATRAL KADI ROAD, TA. KALOL, DIST. GANDHINAGAR. GUJARAT (INDIA)
- (B) Unit – II : AT INDRAD, S.NO. 322, CHHATRAL KADI ROAD, TA. KADI, DIST. MEHSANA. GUJARAT (INDIA).

### MANAGEMENT DISCUSSION AND ANALYSIS:

#### 1. INDUSTRY OUTLOOK:

Company's products, utilities are in Pharmaceutical industry. The Indian Pharma Industry is fast growing industry. Future of the Indian Pharma Industry is fabulous.

#### 2. OPPORTUNITIES AND THREATS:

The Company envisaged remarkable growth over previous years. Company's turn over and gross profit figures shows increase by 56 % and 51 % respectively in comparison with previous year. Company has also increased their strength by appointing qualified and experienced staff in marketing department which has direct effect on the sales, turnover and growth of the Company.

#### 3. RISKS AND CONCERNS:

The company's raw materials are based on petrochemicals. Major fluctuations in the petroleum products can affect the company's performance.

#### 4. INTERNAL CONTROL SYSTEM:

The Company has proper and adequate system of internal controls which ensure that all assets are safeguarded against loss from unauthorized use or disposition and all the transaction are authorized, recorded and reported correctly. Regular internal audits and checks are carried out to provide assurance that the responsibilities at various levels are discharged effectively and that adequate systems are in existence. The management continuously reviews the internal control systems and procedure for efficient conduct of business. Strong systems of internal audit committee of the Board have strengthened the internal control within the organization.

#### 5. HUMAN RESOURCES:

The management believes that people working with the organization are of key resource for the success of the Organization. The sincere efforts put in by the employees have translated in to Quality improvements, Productivity improvements and Cost reduction etc. Management firmly believes in developing and nurturing its human resources and improving their talents which subsequently help in the growth of the Company. Proper care is taken for safety, health and welfare of the employees. All efforts are made to give them adequate training.

### CERTIFICATE OF MANAGING DIRECTOR

I, Dhirajbhai K. Patel, Managing Director of the Company, hereby declare that the Board of Directors have laid down a Code of Conduct for the Board Members and Senior Management of the company and the Board Members and Senior Management have affirmed compliance with the said code of conduct.

Place : Ahmedabad  
Date : 05.08.2011

For Vikram Thermo (India) Limited  
Managing Director

### AUDITOR'S CERTIFICATE

To,  
The Members of **Vikram Thermo (India) Limited**

We have examined the records concerning the Company's compliance of condition of corporate governance as stipulate in clause 49 of the Listing Agreement entered into, by the Company, with the stock exchanges of India, for the financial year ended 31st March 2011.

The objective of our examination is to give our opinion on whether the Company has complied with the conditions of Corporate Governance as stipulated in the provision of clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges of India.

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

We have conducted our examination on the basis of the relevant records and documents maintained by the Company and furnished to us for examination and the information and explanation given to us by the Company.

On the basis of the records maintained by the Share Transfer and Investors' Grievance Committee of Company, we state that there were no investor grievances pending against the Company for a period exceeding one month.

Based on such examination, in our opinion, the Company has complied with the condition of the Corporate Governance, as stipulate in the provision of Clause 49 of the Listing Agreements, of the Stock Exchange of India.

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

For, **B.A.Rajpara & Co.**  
Chartered Accountants

Dated : 5th August,2011  
Place : Ahmedabad.

**(B.A.RAJPARA)**  
Proprietor



AUDITOR'S REPORT

To,  
The Members of  
VIKRAM THERMO (INDIA) LTD.  
AHMEDABAD.

We have audited the attached Balance Sheet of **M/S. VIKRAM THERMO (INDIA) LTD.** as at 31st March, 2011 and also the Profit & Loss account and the Cash Flow Statement of the Company for the year ended on that date annexed there to. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

- 1 We have obtained all the information and explanations which to best of our knowledge and belief were necessary for the purpose of our audit.
- 2 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.
- 3 The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account of the company.
- 4 In our opinion, the balance sheet & profit & loss account and cash flow statement dealt with by this report are in compliance with Accounting Standards referred to in section 211 (3C) of the Companies Act, 1956, in so far as they apply to the company.
- 5 As per the representation made to us by all the directors of the company and taken on record by the Board of Directors, none of the director is disqualified from being appointed as director under section 274(1)(g) of the Companies Act 1956.
- 6 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 significant accounting policies under schedule – P and other notes thereon, give the information required by the Companies Act, 1956 in the manner so required and gives a true and fair view in conformity with the accounting principles generally accepted in India:
  - i In the case of Balance Sheet of the state of affairs of the company as at 31st March, 2011 and
  - ii In the case of Profit & Loss Account, the profit of the company for the year ended on that date.
  - iii In the case of Cash Flow Statement, of the cash flows for the year ended on that day.
- 7 As required by the Companies (Auditors' Report) order, 2003, issued by the Central Government of India in terms of section 227(4A) of the Act and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we further state on the matters specified in paragraph 4 and 5 of the said order to the extent applicable as follows :
  - i) The company has maintained proper records showing full particulars including quantitative details and situation of its Fixed Assets.

We have been informed that the fixed assets were physically verified during the year by the Management in accordance with a program of verification, which in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. No material discrepancy was found during the verification.

During the year company has not disposed off any substantial part of fixed assets.
  - ii) The inventory of the company has been physically verified by the Management during the year. In our opinion the frequency of verification is reasonable.

In our opinion, the procedure of physically verification of inventory followed by the Management is reasonable and adequate in relation to the size of the company and nature of its business.

The company has maintained proper records of inventory and no material discrepancy between the physical stock and the book stock is noticed on physical verification.
  - iii) The Company has not granted or taken any loans, secured or unsecured to or from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act 1956. Accordingly the provisions of clauses 4(iii)(b), 4(iii)(c), 4(iii)(d), 4(iii)(f) and 4(iii)(g) of the order are not applicable to the Company.



## Vikram Thermo (India) Limited

- iv) There are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to the purchases of inventories and fixed assets and with regard to sales of goods and services.
- During the course of our audit no major weakness has been noticed in the internal control procedures.
- v) According to the information & explanation provided to us, the particular of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
- According to information and explanation provided to us, transaction made in pursuance of such contract or arrangements have been made at prices which are reasonable having regarding to the prevailing market prices at the relevant time where such market prices are available with the company or the prices at which transactions for similar goods or services have been made with other parties.
- vi) The company has not accepted any deposits under the provisions of Section 58A, 58AA or any other relevant provisions of the Act and the rules framed there under.
- vii) In our opinion the company has adequate internal audit system commensurate with the size and nature of its business.
- viii) We are informed that Central Government has not prescribed for maintenance of cost records under section 209(1)(d) of the Companies Act 1956 for the products of the company.
- ix) According to information and explanation given to us and the records of the company examined by us, the company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs duty, Excise duty, Cess and other statutory dues with the appropriate authorities during the year.
- There are no unpaid disputed statutory dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty and Cess.
- x) The company does not have accumulated losses at the end of the year and the company has not incurred cash losses during the current and immediately preceding financial year.
- xi) According to the records of the Company, the company does not have any outstanding dues payable to any financial institution or debenture holders. It has not defaulted in repayment of its dues to bank during the year.
- xii) The company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion and according to the information and explanation given to us, the company is not a chit fund/nidhi/mutual benefit fund/society. Accordingly paragraph 4(xiii) of the order is not applicable.
- xiv) The company has not dealt or traded in shares, securities, debentures or other investments during the year.
- xv) According to the records of the Company, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- xvi) In our opinion and according to the information and explanation given to us, during the year company has not raised any term loan.
- xvii) On the basis of review of utilization of funds which is based on overall examination of the balance sheet of the company, related information as made available to us and as represented by the Management, Funds raised on short term basis have, prima facie, not been used during the year for long term investments.
- xviii) The company has not made any preferential allotment to parties and companies covered in the register maintained under section 301 of the Act during the year.
- xix) The Company has not issued any debentures.
- xx) The company has not raised any money by public issue during the year.
- xxi) To the best of our knowledge and belief and as per the information and explanation given to us, no fraud on or by the Company was noticed or reported during the year.

For, **B.A.Rajpara & Co.**  
Chartered Accountants

**(B.A.RAJPARA)**  
Proprietor

FRN NO 108472W

Dated : 5th August, 2011  
Place : Ahmedabad.



## BALANCE SHEET AS AT 31ST MARCH, 2011

(Rupees)

|  | SCHEDULE | AS AT<br>31.03.2011 | AS AT<br>31.03.2010 |
|--|----------|---------------------|---------------------|
| <b>I) SOURCES OF FUNDS :</b>                         |          |                     |                     |
| <b>1) SHARE HOLDERS FUNDS :</b>                      |          |                     |                     |
| a. Equity Share Capital                              | A        | 55,825,700          | 55,825,700          |
| b. Reserve And Surplus                               | B        | 66,695,900          | 46,185,989          |
| <b>2) LOAN FUNDS :</b>                               |          |                     |                     |
| Secured Loan   | C        | 19,996,732          | 23,959,658          |
| <b>3) DEFERRED TAX LIABILITIES</b>                   |          |                     |                     |
|  |          | 6,478,471           | 6,520,233           |
| <b>TOTAL</b>   |          | <b>148,996,802</b>  | <b>132,491,580</b>  |
| <b>II) APPLICATION OF FUNDS :</b>                    |          |                     |                     |
| <b>1) FIXED ASSETS :</b>                             |          |                     |                     |
| LESS: DEPRECIATION                                   | D        | 130,765,517         | 113,742,339         |
| NET BLOCK  |          | 52,812,603          | 47,045,010          |
|  |          | 77,952,915          | 66,697,329          |
| <b>2) (A) CURRENT ASSETS, LOANS &amp; ADVANCES :</b> |          |                     |                     |
| a) Inventory   | E        | 25,899,165          | 16,981,619          |
| b) Sundry Debtors                                    | F        | 88,139,427          | 70,037,322          |
| c) Cash and Bank Balance                             | G        | 2,157,976           | 5,005,684           |
| d) Loans & Advances                                  | H        | 10,529,831          | 5,347,761           |
| Less:  |          | 126,726,398         | 97,372,386          |
| <b>(B) CURRENT LIABILITIES &amp; PROVISIONS :</b>    |          |                     |                     |
| a) Current Liabilities                               | I        | 45,262,104          | 24,751,206          |
| b) Provisions  |          | 10,420,407          | 6,826,928           |
| NET CURRENT ASSETS (A-B)                             |          | 71,043,888          | 65,794,252          |
|  |          | 148,996,802         | 132,491,580         |
| NOTES ON ACCOUNTS                                    | P        |                     |                     |

As per our report of even date

For **B.A. Rajpara & Co.**  
Chartered Accountants**(B.A. Rajpara)**  
ProprietorPlace : Ahmedabad  
Date : 05.08.2011

For and on behalf of the Board

**D. K. Patel**  
Managing Director**Dinesh H. Patel**  
DirectorPlace : Ahmedabad  
Date : 05.08.2011

**Vikram Thermo (India) Limited****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011****(Rupees)**

|   | SCHEDULE | YEAR ENDED<br>31.03.2011 | YEAR ENDED<br>31.03.2010 |
|---|----------|--------------------------|--------------------------|
| <b>I) INCOME :</b>                                |          |                          |                          |
| 1) Turnover                                       |          | <b>319,854,785</b>       | 205,286,110              |
| Less : Excise Duty                                |          | <b>26,994,138</b>        | 13,920,045               |
| Net Turnover                                      |          | <b>292,860,647</b>       | 191,366,065              |
| 2) Miscellaneous Income                           | J        | <b>318,945</b>           | 701,423                  |
| 3) Increase/ (Decrease) in Stock In Trade/WIP     |          | <b>742,935</b>           | (3,678,485)              |
| TOTAL   |          | <b>293,922,528</b>       | 188,389,002              |
| <b>II) EXPENDITURE :</b>                          |          |                          |                          |
| 1) Material Consumed                              | K        | <b>185,025,106</b>       | 110,897,140              |
| 2) Manufacturing Expenses                         | L        | <b>19,446,490</b>        | 16,492,625               |
| 3) Administrative Expenses                        | M        | <b>12,692,610</b>        | 8,978,031                |
| 4) Selling & Distribution Expenses                | N        | <b>12,565,488</b>        | 8,342,978                |
| 5) Financial Charges                              | O        | <b>2,363,708</b>         | 2,086,254                |
| 6) Sales Tax                                      |          | <b>8,893,666</b>         | 4,696,958                |
| 7) Depreciation                                   | D        | <b>7,164,989</b>         | 6,519,111                |
|   |          | <b>248,152,056</b>       | 158,013,095              |
| <b>PROFIT/(LOSS) BEFORE TAXATION (I-II)</b>       |          | <b>45,770,471</b>        | 30,375,907               |
| Provision for taxation - Current                  |          | <b>15,570,018</b>        | 7,648,596                |
| - Prior Year                                      |          | —                        | —                        |
| - Deferred  |          | <b>(41,762)</b>          | 2,724,528                |
| <b>PROFIT AFTER TAX</b>                           |          | <b>30,242,215</b>        | 20,002,783               |
| Balance brought forward                           |          | <b>41,685,989</b>        | 29,214,535               |
| <b>BALANCE PROFIT AVAILABLE FOR APPROPRIATION</b> |          | <b>71,928,205</b>        | 49,217,317               |
| <b>APPROPRIATION</b>                              |          |                          |                          |
| General Reserve                                   |          | <b>3,000,000</b>         | 1,000,000                |
| Proposed Dividend                                 |          | <b>8,373,855</b>         | 5,582,570                |
| Provision For Dividend Tax                        |          | <b>1,358,450</b>         | 948,758                  |
| Balance carried to Balance Sheet                  |          | <b>59,195,900</b>        | 41,685,989               |
|   |          | <b>71,928,205</b>        | <b>49,217,317</b>        |
| <b>NOTES FORMING PARTS OF ACCOUNTS</b>            |          |                          |                          |
| <b>Earning per Share of Rs. 10 each</b>           | P        |                          |                          |
| Basic   |          | <b>5.42</b>              | 3.58                     |
| Diluted   |          | <b>5.42</b>              | 3.58                     |
| (Refer Note 18 of Schedule P)                     |          |                          |                          |

As per our report of even date

**For B.A. Rajpara & Co.**  
Chartered Accountants

**(B.A. Rajpara)**  
Proprietor

Place : Ahmedabad  
Date : 05.08.2011

For and on behalf of the Board

**D. K. Patel**  
Managing Director

**Dinesh H. Patel**  
Director

Place : Ahmedabad  
Date : 05.08.2011



## SCHEDULE OF BALANCE SHEET AS AT 31-03-2011

| PARTICULARS  | AS AT<br>31-03-2011 | AS AT<br>31-03-2010 |
|--|---------------------|---------------------|
| <b>SCHEDULE-A : SHARE CAPITAL :</b>  |                     |                     |
| <b>AUTHORISED :</b>  |                     |                     |
| 60,00,000 Equity Shares of Rs. 10 each<br>(Previous year 60,00,000 Equity Shares of Rs. 10 each)   | 60,000,000          | 60,000,000          |
| <b>ISSUED SUBSCRIBED AND PAID UP :</b>   |                     |                     |
| 55,82,570 Equity Shares of Rs. 10 each fully paid up<br>(Previous year 55,82,570 Equity Shares of Rs.10 each fully paid up)  | 55,825,700          | 55,825,700          |
| ( Out of above 2082500 shares have been allotted for consideration other than in cash to shareholders of erstwhile Vikram Aroma Private Limited pursuant to scheme of amalgamation.)           |                     |                     |
|  | <u>55,825,700</u>   | <u>55,825,700</u>   |
| <b>SCHEDULE-B : RESERVE AND SURPLUS :</b>  |                     |                     |
| <b>1. General Reserve</b>  |                     |                     |
| Opening Balance  | 45,00,000           |                     |
| Transferred From Profit & Loss Account   | 30,00,000           | 4,500,000           |
| <b>2. Profit &amp; Loss Account</b>  |                     |                     |
| Balance Carried Forward  | 59,195,900          | 41,685,989          |
|  | <u>66,695,900</u>   | <u>46,185,989</u>   |
| <b>SCHEDULE-C</b>  |                     |                     |
| <b>A. SECURED LOANS :</b>  |                     |                     |
| 1) FROM BANKS:   |                     |                     |
| - Punjab National Bank (Ashram Road) Cash credit Account   | 19,996,732          | 23,959,658          |
| - Punjab National Bank (Ashram Road) Packing credit Account  | —                   | —                   |
|  | <u>19,996,732</u>   | <u>23,959,658</u>   |
| 1. Working Capital facilities are secured against first charge on entire present and future current assets including entire stock, Book Debts, Loans and Advances And mortgage of Fixed Assets |                     |                     |
| <b>SCHEDULE-E : INVENTORIES :</b>  |                     |                     |
| (As taken valued & certified by the management)  |                     |                     |
| a) Raw Material  | 20,633,450          | 12,496,772          |
| b) Packing Material  | 538,116             | 595,922             |
| c) Finished Goods  | 3,778,900           | 3,175,931           |
| d) Work in Process   | 417,756             | 277,790             |
| e) Fuel & Other Stock  | 530,943             | 435,204             |
|  | <u>25,899,165</u>   | <u>16,981,619</u>   |





## Vikram Thermo (India) Limited

### SCHEDULE - D : FIXED ASSETS :

| Sr. No  | Name of Assets       | GROSS BLOCK                    |                           |                                     |                                 | DEPRECIATION BLOCK             |                        |                        |                                 | NET BLOCK       |                  |
|---------|----------------------|--------------------------------|---------------------------|-------------------------------------|---------------------------------|--------------------------------|------------------------|------------------------|---------------------------------|-----------------|------------------|
|         |                      | Opening Balance As at 1.4.2010 | Additions during the year | Deduction / Adjust. during the year | Closing Balance As at 31.3.2011 | Opening Balance As at 1.4.2010 | Depre. During the year | Deduc. During the year | Closing Balance As at 31.3.2011 | As at 31.3.2011 | As at 31.03.2010 |
| 1       | Land & Building      | 34,641,416                     | 1,934,555                 | —                                   | 36,575,971                      | 7,281,127                      | 1,048,680              | —                      | 8,329,808                       | 28,246,163      | 27,360,289       |
| 2       | Plant & Machinery    | 72,655,230                     | 13,380,397                | 827,365.60                          | 85,208,262                      | 36,314,328                     | 5,486,533              | 227,438                | 41,573,423                      | 43,634,839      | 36,340,903       |
| 3       | Furniture & Fittings | 2,503,170                      | —                         | —                                   | 2,503,170                       | 1,075,269                      | 158,450                | —                      | 1,233,720                       | 1,269,451       | 1,427,901        |
| 4       | Vehicles             | 3,106,301                      | 4,270,628                 | 1,894,206.00                        | 5,482,723                       | 1,787,202                      | 377,165                | 1,169,958              | 994,409                         | 4,488,314       | 1,319,099        |
| 5       | Computers            | 836,222.00                     | 159,170                   | —                                   | 995,392                         | 587,084.84                     | 94,159                 | —                      | 681,244                         | 314,148         | 249,137          |
|         |                      | 113,742,339                    | 19,744,750                | 2,721,572                           | 130,765,517                     | 47,045,010                     | 7,164,988              | 1,397,396              | 52,812,603                      | 77,952,915      | 66,697,329       |
| 2009-10 |                      | 109,942,722                    | 4,504,556                 | 704,939                             | 113,742,339                     | 40,871,907                     | 6,519,110              | 346,007                | 47,045,010                      | 66,697,329      |                  |

### PARTICULARS

AS AT 31-03-2011 AS AT 31-03-2010

### SCHEDULE-F : SUNDRY DEBTORS : (Unsecured)

|                                     |                   |                   |
|-------------------------------------|-------------------|-------------------|
| (a) Exceeding six month             |                   |                   |
| Considered Good                     | 2,948,230         | 9,414,993         |
| Considered Doubtful                 | 6,127,761         | 5,382,730         |
| (b) Others                          |                   |                   |
| Considered Good                     | 85,191,197        | 60,622,329        |
| Considered Doubtful                 | 3,805             | 127,418           |
|                                     | <b>94,270,993</b> | <b>75,547,470</b> |
| Less : Provision For Doubtful Debts | <b>6,131,566</b>  | <b>5,510,148</b>  |
|                                     | <b>88,139,427</b> | <b>70,037,322</b> |

### SCHEDULE-G : CASH & BANK BALANCES :

|  |                  |                  |
|--|------------------|------------------|
| Cash on Hand                                 | 194,212          | 95,535           |
| <b>Bank Balance With Schedule Banks In :</b> |                  |                  |
| Fixed Deposit Account                        | 742,000          | 750,000          |
| Current Account                              | 90,771           | 3,212,591        |
| Unclaimed Dividend Account                   | 1,130,993        | 947,558          |
|  | <b>2,157,976</b> | <b>5,005,684</b> |

### SCHEDULE-H : LOANS AND ADVANCES :

(Unsecured considered good)

|   |                   |                  |
|---|-------------------|------------------|
| Advance recoverable in cash or kind or for which value to be received | 9,499,203         | 4,769,894        |
| Balance With Customs & Excise Authorities                             | 1,027,823         | 572,942          |
| Tax Deducted at Source  | 2,805             | 4,925            |
|   | <b>10,529,831</b> | <b>5,347,761</b> |



## Vikram Thermo (India) Limited

| PARTICULARS                               | AS AT<br>31-03-2011 | AS AT<br>31-03-2010 |
|---|---------------------|---------------------|
| <b>SCHEDULE-I :</b>                       |                     |                     |
| <b>A. CURRENT LIABILITIES :</b>           |                     |                     |
| 1) Sundry Creditors :                     |                     |                     |
| a) For Goods                              | 32,408,123          | 15,691,972          |
| b) For Others                             | 11,156,443          | 7,712,962           |
| 2) Unclaimed Dividend                     | 1,127,623           | 944,188             |
| 3) Other Liability                        | 569,914             | 402,084             |
|   | <u>45,262,104</u>   | <u>24,751,206</u>   |
| <b>B. PROVISIONS :</b>                    |                     |                     |
| Income Tax Provision (Net of Advance Tax) | 48,500              | 291,495             |
| Provision For Gratuity                    | 621,497             | —                   |
| Proposed Dividend                         | 8,373,855           | 5,582,570           |
| Provision For Dividend tax                | 1,358,450           | 948,758             |
| Wealth Tax Provision                      | 18,105              | 4,105               |
|   | <u>10,420,407</u>   | <u>6,826,928</u>    |

### SCHEDULE OF THE PROFIT AND LOSS ACCOUNT

(In Rupees)

| PARTICULARS                                | 2010-2011          | 2009-2010          |
|--|--------------------|--------------------|
| <b>SCHEDULE-J : OTHER INCOME :</b>         |                    |                    |
| Interest                                   | 81,028             | 81,717             |
| Bad Debts Recovery                         | —                  | 311,052            |
| Miscellaneous Income                       | 237,917            | 308,654            |
|  | <u>318,945</u>     | <u>701,423</u>     |
| <b>SCHEDULE-K : MATERIAL CONSUMPTION :</b> |                    |                    |
| <b>(A) Raw Material :</b>                  |                    |                    |
| Opening Stock                              | 12,496,772         | 6,869,605          |
| Add : Purchase                             | 180,324,994        | 106,935,535        |
| Clearing & Forwarding Charges              | 260,931            | 251,141            |
| Freight Inward                             | 915,707            | 643,531            |
|  | <u>193,998,404</u> | <u>114,699,812</u> |
| Less: Closing Stock                        | 20,633,450         | 12,496,772         |
|  | <u>173,364,954</u> | <u>102,203,040</u> |
| <b>(B) Packing Material :</b>              |                    |                    |
| Opening Stock                              | 595,922            | 422,695            |
| Add : Purchase                             | 11,602,347         | 8,867,327          |
|  | <u>12,198,268</u>  | <u>9,290,022</u>   |
| Less: Closing Stock                        | 538,116            | 595,922            |
|  | <u>11,660,152</u>  | <u>8,694,100</u>   |
| <b>TOTAL ( A + B )</b>                     | <u>185,025,106</u> | <u>110,897,140</u> |



## Vikram Thermo (India) Limited

(In Rupees)

| <b>PARTICULARS</b>  | <b>2010-2011</b>  | <b>2009-2010</b>  |
|---|-------------------|-------------------|
| <b>SCHEDULE-L : MANUFACTURING &amp; OTHER EXPENSES :</b>  |                   |                   |
| Power   | 3,894,463         | 3,154,017         |
| Fuel  | 2,852,543         | 2,292,034         |
| Salaries, Wages & Bonus                                   | 7,971,098         | 6,164,953         |
| P.F. Contribution - Factory                               | 331,937           | 255,115           |
| Staff Welfare A/c. Factory                                | 202,931           | 166,853           |
| Rates & Taxes   | 318               | 8                 |
| Consumable Stores Exp.                                    | 260,434           | 356,836           |
| Machinery Spare parts & Repairing                         | 1,189,098         | 1,379,174         |
| Building Repairs  | 799,917           | 1,395,805         |
| Insurance Expenses  | 284,747           | 288,574           |
| Other Manufacturing Expenses                              | 1,659,003         | 1,039,255         |
|   | <b>19,446,490</b> | <b>16,492,625</b> |
| <b>SCHEDULE-M : ADMINISTRATIVE EXPENSES :</b>             |                   |                   |
| Directors Remuneration                                    | 4,368,000         | 4,188,000         |
| Salaries & Bonus  | 3,144,765         | 2,150,977         |
| Municipal Tax Exp. A/c.                                   | 21,524            | 22,463            |
| Government Fee  | 22,185            | 16,652            |
| Auditor's Remuneration                                    | 102,850           | 93,500            |
| Stationery & Printing                                     | 230,597           | 156,733           |
| Telephone & Postage Exp.                                  | 520,416           | 338,865           |
| Legal & Professional Fees                                 | 452,701           | 452,660           |
| Travelling & Conveyance Expenses                          | 1,585,036         | 838,783           |
| Other Administrative Expenses                             | 2,244,536         | 719,398           |
|   | <b>12,692,610</b> | <b>8,978,031</b>  |
| <b>SCHEDULE-N : SELLING &amp; DISTRIBUTION EXPENSES :</b> |                   |                   |
| Kasar   | 558,526           | 103,731           |
| Sales Promotion   | 1,096,705         | 454,038           |
| Advertisement Exp.  | 646,740           | 573,470           |
| Freight Outward   | 1,574,341         | 1,451,428         |
| Export Clearing & Forwarding Charges                      | 769,724           | 462,170           |
| Sales Commission  | 7,298,034         | 5,076,128         |
| Claim By Customer for loss of production                  | —                 | 216,641           |
| Provision for Doubtful Debts                              | 621,418           | 5,372             |
|   | <b>12,565,488</b> | <b>8,342,978</b>  |
| <b>SCHEDULE-O : FINANCIAL CHARGES :</b>                   |                   |                   |
| Bank Interest   | 1,869,677         | 1,638,908         |
| Interest - Others   | 8,618             | 4,754             |
| Bank Charges  | 455,515           | 436,357           |
| Exchange Rate Diff.                                       | —                 | —                 |
| Interest on Income Tax                                    | 29,898            | 6,235             |
|   | <b>2,363,708</b>  | <b>2,086,254</b>  |



**SCHEDULE-P : ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

**(A) SIGNIFICANT ACCOUNTING POLICIES :**

**(1) ACCOUNTING CONCEPTS :**

The Company follows the mercantile system of Accounting and recognises significant items of income & expenditure on Accrual basis.

**(2) VALUATION OF FIXED ASSETS :**

Fixed assets are stated at cost of acquisition or construction net of modvat/cenvat less accumulated depreciation and impairment loss is any.

**(3) DEPRECIATION :**

The company has provided depreciation on straight line method on all of its fixed assets on prorata basis in the manner prescribed in schedule XIV of the Companies Act, 1956 except in case of Mobile phones.

In view of fast changing technology depreciation on Mobile Phones is charged @ 100% P.A. on the new purchases since April 2006.

**(4) FOREIGN CURRENCY TRANSACTIONS :**

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction.

Current assets and current liabilities are translated at the year end rate. The difference between the rate prevailing on the date of settlement as also on translation of current assets and current liabilities at the end of the year is recognised as income or expense as the case may be.

**(5) IMPAIRMENT OF ASSETS**

Impairment loss is provided to the extent the carrying amount(s) of assets exceeds their recoverable amount(s).

At each balance sheet date the company reviews the carrying amount of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an assets net selling price and its value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.

**(6) INVENTORIES :**

Inventories are valued at lower of cost or net realisable value. Cost is determined at the First-in-First Out (FIFO) method. The cost of finished good and work in process comprises raw material, direct material, direct labour other direct costs and related production overhead. Cost of finished goods includes the excise duty payable.

Net realisable value is the estimate of the selling price in the ordinary course of business

**(7) EXCISE DUTY :**

Excise Duty has been accounted on finished goods as and when goods are cleared except on the finished stock lying at the factory at the year end. Finished Goods are valued inclusive of excise duty payable.

**(8) SALES/TURNOVER :**

Sales are shown inclusive of excise duty and sales tax/VAT.

**(9) RETIREMENT BENEFITS :**

(i) Short term employee benefits are recognized as expense in the profit and loss account of the year in which service is rendered.

(ii) Contribution to defined contribution schemes such as Provident Fund, Family Pension Fund and ESI Fund are charged to the Profit & Loss Account.

(iii) The defined obligations in respect of gratuity are recognized on the basis of valuation done by an independent actuary applying project unit credit method. The actuarial gain/loss arising during the year are recognized in the profit and loss account of the year. The company has an employees gratuity fund managed by the Life Insurance Corporation of India (LIC).

(iv) Leave encashment is charged to revenue on accrual basis.

**(10) TAXES ON INCOME :**

Current tax is determined as the amount of tax payable in respect of taxable income for the period.

Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax assets, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

**(11) RESEARCH AND DEVELOPMENT EXPENSES :**

Expenditure relating to capital item is debited to fixed assets and depreciated at applicable rates. Revenue expenditure is charged to Profit and loss account for the year in which they are incurred.



## Vikram Thermo (India) Limited

### (12) BORROWING COST :

Borrowing costs, whether specific or general, utilised for acquisition, construction or production of qualifying assets are capitalised as part of cost of such assets till the activities necessary for its intended use or sale are complete. All other borrowing costs are charged to profit and loss statement of the year in which incurred.

### (13) PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS :

Provisions are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources to settle the obligation that can be reliably estimated.

Contingent Liabilities are not recognised but are disclosed in the notes.

Contingent Assets are neither recognised nor disclosed.

## (B) NOTES ON ACCOUNT :

- (1) Previous year's figures have been re-arranged and regrouped where ever necessary to make them comparable with the figures of current year
- (2) Estimated amount net of advance payments for contract remaining to be executed on capital account and not provided for is Rs.38,82,411/- (Previous year Rs.43,91,412/-)
- (3) The details of amount outstanding to Micro, Small and Medium Enterprise under the Micro, Small and Medium Enterprise Development Act 2006(MSMED Act) based on the available information with the company are as under:

|   | As at<br>31st March 2011 | As at<br>31st March 2010 |
|---|--------------------------|--------------------------|
| a. Principal amount due and remaining unpaid                                | —                        | —                        |
| b. Interest due on (a) above and the unpaid interest                        | —                        | —                        |
| c. Interest paid on all delayed payments under MSMED Act                    | —                        | —                        |
| d. Payment made beyond the appointed day during the year                    | —                        | —                        |
| e. Interest due and payable for the period of delay other than '(c) above   | —                        | —                        |
| f. Interest Accrued and remaining unpaid                                    | —                        | —                        |
| g. Amount of further interest remaining due and payable in succeeding years | —                        | —                        |

- (4) As per AS 15 (Revised) Employee Benefits, the disclosures as defined in the accounting standard are given below

### (A) DEFINED CONTRIBUTION PLAN :

|  | 2010-2011 | 2009-2010 |
|--|-----------|-----------|
| Employers Contribution to Provident Fund | 375,244   | 293,923   |
| Employers Contribution to ESI Fund       | 163,804   | 104,856   |

### (B) DEFINED BENEFIT PLAN :

The company has an employee gratuity fund plan managed by Life Insurance Corporation of India. As required by AS 15 the Status of closing balance of fund is as under :

|  | 2010-2011 | 2009-2010 |
|--|-----------|-----------|
| a. Closing balance at the year end                               | 3,519,012 | 26,15,420 |
| b. Total benefit paid during the year                            | 105,720   | 4,78,493  |
| c. The return on plan  | 262,536   | 2,10,829  |
| d. Contribution during the year charged to Profit & Loss Account | 1,389,592 | 2,48,502  |

### (5) MANAGERIAL REMUNERATION :

|                              | 2010-11<br>(In Rupees) | 2009-10<br>(In Rupees) |
|------------------------------|------------------------|------------------------|
| Salaries : Managing Director | 2,125,800              | 1,941,600              |
| Whole time Directors         | 2,400,300              | 2,390,700              |
|                              | 4,526,100              | 4,332,300              |



## Vikram Thermo (India) Limited

(6) Statement showing computation of Net Profit in accordance with section 349 read with section 198 of the Companies Act, 1956:

|  | 2010-11 (In Rupees) | 2009-10 (In Rupees) |
|--|---------------------|---------------------|
| Profit Before Tax as per P & L A/C                                     | 45,770,471          | 30,375,907          |
| Add :  |                     |                     |
| Depreciation as per books  | 7,164,989           | 6,519,111           |
| Managerial Remuneration  | 4,435,500           | 4,255,500           |
| Provision For Doubtful Debts   | 621,418             | 5,372               |
| Loss On Sale of Vehicles   | 391,603             | 221,932             |
| Incometax Interest   | 29,898              | 6,235               |
| Donation   | 1,013,000           | 13,900              |
|  | <b>13,656,408</b>   | <b>11,022,050</b>   |
| Less :   | <b>59,426,879</b>   | <b>41,397,956</b>   |
| Depreciation u/s 350   | 7,164,989           | 6,519,111           |
|  | <b>7,164,989</b>    | <b>6,519,111</b>    |
| Net Profit u/s 349   | <b>52,261,891</b>   | <b>34,878,846</b>   |
| Managerial Remuneration Eligible<br>(10% Of Profit After Remuneration) | <b>4,751,081</b>    | <b>3,170,804</b>    |
| Less : Salaries Paid   | <b>5,066,260</b>    | <b>4,255,500</b>    |
| Commission Payable   | —                   | —                   |

(7) **TURNOVER, STOCKS, RAW MATERIAL PURCHASE AND CONSUMPTION :**

(A) **TURNOVER :**

| Class of Goods            | Unit | 2010-11   |                       | 2009-10   |                       |
|---------------------------|------|-----------|-----------------------|-----------|-----------------------|
|                           |      | Qty.      | Amount<br>(In Rupees) | Qty.      | Amount<br>(In Rupees) |
| <b>FINISHED PRODUCT :</b> |      |           |                       |           |                       |
| Drug Coat                 | K.G. | 1,535,105 | 170,811,161           | 1,147,401 | 117,770,900           |
| D.P.O.                    | K.G. | 903,265   | 148,768,005           | 787,980   | 87,303,673            |
| Others                    |      |           | 275,620               |           | 211,536               |

(B) **STOCK :**

|                               |      |        |           |        |           |
|-------------------------------|------|--------|-----------|--------|-----------|
| <b>(i) Raw Material :</b>     |      |        |           |        |           |
| MCB                           | KG.  | 62,710 | 3,262,080 | 53,872 | 2,458,575 |
| Caustic Soda                  | KG.  | 18,450 | 440,932   | 16,500 | 299,060   |
| Methacrylic Acid              | KG.  | 33,862 | 6,234,616 | 20,019 | 2,619,705 |
| Ethyl Acryl ate               | KG.  | 39,514 | 5,961,710 | 20,530 | 2,319,510 |
| Other Material                | KG.  | 13,949 | 2,600,566 | 6,314  | 1,574,600 |
| Phenol                        | KG.  | 21,385 | 2,133,547 | 37,772 | 3,225,322 |
| <b>(ii) Work in Process :</b> |      |        |           |        |           |
| Drug Coat                     | K.G. | 314    | 65,154    | 492    | 84,372    |
| D.P.O.                        | K.G. | 2,965  | 352,602   | 2,079  | 193,418   |
| <b>(iii) Finished Goods:</b>  |      |        |           |        |           |
| Drug coat                     | K.G. | 16,452 | 3,198,340 | 26,526 | 2,627,868 |
| D.P.O.                        | K.G. | 4,130  | 580,560   | 5,125  | 548,063   |

(C) **RAW MATERIAL CONSUMED :**

|                  |      |         |            |         |            |
|------------------|------|---------|------------|---------|------------|
| Methacrylic Acid | K.G. | 241,367 | 39,457,084 | 174,280 | 23,133,837 |
| Ethyl Acryl ate  | K.G. | 236,606 | 32,429,760 | 174,306 | 15,684,739 |
| Phenol           | K.G. | 484,367 | 48,107,034 | 406,031 | 24,546,196 |
| MCB              | K.G. | 835,417 | 38,559,399 | 714,288 | 27,274,488 |
| Caustic Soda     | K.G. | 272,050 | 5,231,887  | 231,840 | 5,103,729  |
| Other Materials  | K.G. | 40,272  | 8,403,150  | 31,294  | 5,565,379  |



**(D) PERCENTAGE OF CONSUMPTION :**

|            | 2010-11     |       | 2009-10    |                  |
|------------|-------------|-------|------------|------------------|
|            | (in Rupees) |       | Amount     | % of Consumption |
| Indigenous | 161,094,074 | 93.56 | 92,408,066 | 91.21            |
| Imported   | 11,094,240  | 6.44  | 8,900,302  | 8.79             |

**(8) CAPACITIES :**

|   |      | 2010-11  | 2009-10  |
|---|------|----------|----------|
| (i) Licensed Capacity   |      | N.A.     | N.A.     |
| (ii) Installed Capacity<br>(As per certified by the management) |      |          |          |
| Drug coat - Liquid  | TONS | 1200     | 1200     |
| - Powder  | TONS | 120      | 120      |
| DPO   | TONS | 840      | 600      |
| (iii) Actual production (Quantity)                              |      |          |          |
| Drug coat - Liquid  | TONS | 1,485.28 | 1,104.48 |
| - Powder  | TONS | 39.96    | 20.57    |
| DPO   | TONS | 902.27   | 758.41   |

**(9) PAYMENT TO AUDITORS :**

|                       |         |         | (in Rupees) |
|-----------------------|---------|---------|-------------|
| (A) As Audit Fee      | 102,850 | 102,850 | 93,500      |
| (B) In Other capacity | 42,500  |         | 27,500      |

**(10) Related party disclosure as per Accounting Standard 18 issued by the Institute Of Chartered Accountants Of India.**

**I. Related Party & Their Relationship**

| <b>Name Of Related Party</b> | <b>Nature Of Relationship</b>                             |
|------------------------------|---|
| Dr. Chimanbhai K Patel       | Chairman Cum Director                                     |
| Mr. Dhirajbhai K Patel       | Managing Director - Key Management Personnel              |
| Mr. Ambalal K. Patel         | Director Liaison - Key Management Personnel               |
| Dr. Dinesh H. Patel          | Director Production & Research - Key Management Personnel |
| Mr. Harjivanbhai K Patel     | Brother/Father - Key Management Personnel                 |
| Mr. Ghanshyambhai K Patel    | Brother - Key Management Personnel                        |
| Mr. Jaimin C Patel           | Son - Key Management Personnel                            |
| Mr. Alpesh A. Patel          | Son - Key Management Personnel                            |
| Mr. Ankur D. Patel           | Son - Key Management Personnel                            |

**II. Material Transaction With Related Parties :**

|   | 2010-2011 | 2009-2010 |
|---|-----------|-----------|
| 1. Remuneration To Key Management Personnel             | 4,526,100 | 4,332,300 |
| 2. Remuneration To Relative Of Key Management Personnel | 2,386,600 | 2,208,000 |

**(11) a. Deferred Tax Liabilities as on 31-3-2011 comprise timing difference on account of :**

|                              | 2010-11                |                   | 2009-10                |                   |
|------------------------------|------------------------|-------------------|------------------------|-------------------|
|                              | Deferred Tax Liability | (In Rupees) Asset | Deferred Tax Liability | (In Rupees) Asset |
| Depreciation                 | 8,721,671              | —                 | 8,393,132              | —                 |
| Provision For Doubtful debts | —                      | 2,036,753         | —                      | 1,872,899         |
| Provision For Gratuity       | —                      | 206,446           | —                      | —                 |
|                              | 8,721,671              | 2,243,198         | 8,393,132              | 1,872,899         |
| Nett                         | 6,478,472              | —                 | 6,520,233              | —                 |



## Vikram Thermo (India) Limited

|  | 2010-11                | (In Rupees) | 2009-10                | (In Rupees) |
|--|------------------------|-------------|------------------------|-------------|
|  | Deferred Tax Liability | Asset       | Deferred Tax Liability | Asset       |
| b. During the year deferred tax liabilities/assets being time difference, have been adjusted on account of : |                        |             |                        |             |
| Depreciation   | 328,539                | —           | 626,473                | —           |
| Provision For Doubtful debts   | —                      | 163,854     | —                      | (2,098,056) |
| Provision For Gratuity   | —                      | 206,446     | —                      | —           |
|  | 328,539                | 370,299     | 626,473                | (2,098,056) |
| Nett   | (41,761)               | —           | 2,724,529              | —           |

(12) As per the definition of Reportable Segment in accordance with Accounting Standard-17 "Segment Reporting" issued by the Institute of Chartered Accountants of India, the company has only one reportable segment i.e. "Chemicals", hence separate disclosure for segment reporting is not applicable to the company.

(13) During the year foreign exchange amounting US \$ 216.8 i.e.Rs. 40448/- (Prev. Year US\$ Nil i.e.Rs.Nil) is spent on Printing & Stationery expense. & US\$ 5,636/-i.e. Rs.2,25,989/- (Previous Year US\$ 6,451/- amounting Rs.3,03,650/-) on Sales Commission.

(14) During the year foreign exchange amounting to USD 2,40,000 amounting to Rs.110,94,240/- ( Prev. Year USD 1,87,262 amounting to Rs.89,00,302/- ) is remitted for import of raw materials on CIF basis.

(15) During the year company has earned foreign exchange of US \$2,80,801/- ( Previous Year US\$ 1,92,249/-) amounting Rs1,27,63,024/- (Previous year Rs.85,48,271/-) on FOB basis against export sales.

(16) During the year company has remitted US \$ 282/- ( Previous Year US\$ 270.67/-) amounting to Rs12,500/- (Previous year Rs.12,800/-) as dividend to non resident shareholders.

(17) Disclosure required by AS 29 ' Provisions, Contingent Liabilities and Contingent Assets :

Movements in Provisions ( Figures in brackets are in respect of the previous year)

| Particulars             | As at 31-3-10 | Addition    | Utilised    | Reversed | As at 31-3-11 |
|-------------------------|---------------|-------------|-------------|----------|---------------|
| Income Tax Provision    | 7,730,000     | 15,570,000  | 7,730,000   | —        | 15,570,000    |
|                         | (1,483,000)   | (7,730,000) | (1,483,000) | —        | (7,730,000)   |
| Wealthtax Provision     | 4,105         | 14,000      | —           | —        | 18,105        |
|                         |               | (4,105)     | —           | —        | (4,105)       |
| Proposed Dividend       | 5,582,570     | 8,373,855   | 5,582,570   | —        | 8,373,855     |
|                         | (5,582,570)   | (5,582,570) | (5,582,570) | —        | (5,582,570)   |
| Provision For Div. tax  | 948,758       | 1,358,450   | 948,758     | —        | 1,358,450     |
|                         | (948,758)     | (948,758)   | (948,758)   | —        | (948,758)     |
| Prov For Doubtful Debts | 5,510,148     | 621,418     | —           | —        | 6,131,566     |
|                         | (11,682,713)  | (5,372)     | (6,177,937) | —        | (5,510,148)   |
| Provision For Gratuity  | —             | 621,497     | —           | —        | 621,497       |
|                         | —             | —           | —           | —        | —             |
| Provision For FBT       | —             | —           | —           | —        | —             |
|                         | (2,078)       | —           | (2,078)     | —        | —             |

(18) EARNING PER SHARE

|   | As at 31.3.11 | As at 31.3.10 |
|---|---------------|---------------|
| Profit available for Equity Share Holder  | 30,242,215    | 20,002,783    |
| No. of Equity Shares  | 5,582,570     | 5,582,570     |
| Weighted Average Number of Equity Shares in computing diluted earning per share | 5,582,570     | 5,582,570     |
| Basic and Diluted Earning per share   | 5.42          | 3.58          |
| Nominal Value of Share  | 10.00         | 10.00         |

### SIGNATORIES TO SCHEDULE A TO P

As per our report of even date

**For B.A. Rajpara & Co.**  
Chartered Accountants

**(B.A. Rajpara)**  
Proprietor

Place : Ahmedabad  
Date : 05.08.2011

**For and on behalf of the Board**

**D. K. Patel**  
Managing Director

**Dinesh H. Patel**  
Director

Place : Ahmedabad  
Date : 05.08.2011





## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH'2011

|  | Year Ended<br>31-3-2011 | Year Ended<br>31-3-2010 |
|--|-------------------------|-------------------------|
| <b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>        |                         |                         |
| Net Profit/(Loss) before Tax and Extraordinary Items | 45,770,471              | 30,375,907              |
| Adjusted for :                                       |                         |                         |
| Depreciation   | 7,164,989               | 6,519,111               |
| Interest/Other Income                                | (318,945)               | (701,423)               |
| Interest Expenses                                    | 2,363,708               | 2,086,254               |
| Fixed Assets Written Off                             | 556,352                 | —                       |
| Provision For Doubtful Debts                         | 621,418                 | (6,172,565)             |
| Provision For Gratuity                               | 621,497                 | —                       |
| Profit/Loss On Sale of Assets                        | 391,603                 | 221,932                 |
| Operating Profit Before Working Capital Changes      | 57,171,094              | 32,329,215              |
| Adjusted for :                                       |                         |                         |
| Inventories  | (8,917,546)             | (2,238,624)             |
| Sundry Debtors                                       | (18,723,523)            | (13,579,827)            |
| Loan & Advances                                      | (5,182,069)             | (3,275,278)             |
| Current Liabilities                                  | 20,510,897              | 4,080,878               |
| Income tax Paid During the Year                      | (15,799,013)            | (8,840,101)             |
| Fringe Benefit Tax Paid                              | —                       | (2,078)                 |
| Net Cash Generated/(Used) in Operating Activities    | 29,059,839              | 8,474,185               |
| <b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>        |                         |                         |
| Sale of Investment                                   | —                       | —                       |
| Sale of Fixed assets                                 | 376,220                 | 137,000                 |
| Purchase of Fixed Assets                             | (19,744,750)            | (4,504,556)             |
| Interest/Dividend Income                             | 318,945                 | 701,423                 |
| Net Cash Generated/(Used) in Investing Activities    | (19,049,585)            | (3,666,133)             |
| <b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>        |                         |                         |
| Long Term Loans                                      | —                       | —                       |
| Increase In Bank Borrowing                           | (3,962,926)             | 7,585,871               |
| Interest Expenses                                    | (2,363,708)             | (2,086,254)             |
| Dividend Paid  | (5,582,570)             | (5,582,570)             |
| Tax On Dividend                                      | (948,758)               | (948,758)               |
| Net Increase/(Decrease) in Cash and Cash Equivalents | (2,847,708)             | 3,776,341               |
| Opening Cash and Cash Equivalent                     | 5,005,684               | 1,229,343               |
| Closing Cash and Cash Equivalent                     | 2,157,976               | 5,005,684               |

As per our report of even date

For and on behalf of the Board

For **B.A. Rajpara & Co.**  
Chartered Accountants**D. K. Patel**  
Managing Director**(B.A. Rajpara)**  
Proprietor**Dinesh H. Patel**  
DirectorPlace : Ahmedabad  
Date : 05.08.2011Place : Ahmedabad  
Date : 05.08.2011

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****I. Registration Details**

|                  |          |              |    |
|------------------|----------|--------------|----|
| Registration No. | 04-21524 | State Code : | 04 |
|------------------|----------|--------------|----|

**II. Capital Raised During the Year (Amount in Rs. Thousand)**

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

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

|                   |        |              |        |
|-------------------|--------|--------------|--------|
| Total Liabilities | 148997 | Total Assets | 148997 |
|-------------------|--------|--------------|--------|

**Source of Funds**

|                          |       |                   |        |
|--------------------------|-------|-------------------|--------|
| Paid up Capital          | 55826 | Reserve & Surplus | 66,696 |
| Secured Loans            | 19997 | Unsecured Loans   | —      |
| Deferred Tax Liabilities | 6478  |                   |        |

**Application of Funds**

|                    |       |                   |   |
|--------------------|-------|-------------------|---|
| Net Fixed Assets   | 77953 | Investment        | — |
| Net Current Assets | 71044 | Misc. Expenditure | — |
| Accumulated Losses | —     |                   |   |

**IV Performance of the Company (Amount in Rs. Thousand)**

|                                      |        |                           |        |
|--------------------------------------|--------|---------------------------|--------|
| Turnover (Total Income)Net of Exicse | 320174 | Total Expenditure         | 247409 |
| + - Profit/Loss Before Tax           | 45,770 | + - Profit/Loss After Tax | 30,242 |
| Earning Per Share                    |        |                           |        |
| On Profit after Tax                  | 5.42   | Dividend Rate (%)         | 15%    |

**V. Generic Names of Three Principal Products of Company (as per monetary terms)**

|                          |           |
|--------------------------|-----------|
| Item Code No. (ITC Code) | 3906      |
| Product Description      | Drug Coat |
| Item Code No. (ITC Code) | 2909      |
| Product Description      | DPO       |



**Vikram Thermo (India) Limited**

**VIKRAM THERMO (INDIA) LTD.**

Registered Office : 101, Classic Avenue, Opp. Sales India, Ashram Road, Ahmedabad - 380009

**ATTENDANCE SLIP**

To be handed over at the entrance of the Meeting Hall

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

Client Id : \_\_\_\_\_

Dp Id : \_\_\_\_\_

Name of Share Holder(In Block Letter)

\_\_\_\_\_

Name of the Proxy(in Block Letters) To be filled if the proxy attends instead of the member \_\_\_\_\_

\_\_\_\_\_

No. of Shares Held : \_\_\_\_\_

I hereby record my presence at the Annual General Meeting to be held on Monday, the 26th September, 2011 at 09.00 A.M. at ATMA HALL, Ahmedabad Textile Mills' Owners Association, Ashram Road, Ahmedabad - 380009.

\_\_\_\_\_ Member's/ Proxy's Signature

1. To be signed at the time of handing over this slip.
2. Shareholders are requested to advice, indicating their folio numbers, the change in their address, if any, to the Company.

**VIKRAM THERMO (INDIA) LTD.**

Registered Office : 101, Classic Avenue, Opp. Sales India, Ashram Road, Ahmedabad - 380009

**PROXY FORM**

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

Client Id : \_\_\_\_\_

Dp Id : \_\_\_\_\_

I/We \_\_\_\_\_

of \_\_\_\_\_ being a member/members of the

above named Company, hereby appoint of \_\_\_\_\_

as my/our proxy to attend and vote for me/us on me/our behalf at the Annual General Meeting of the Company to be held on Monday, the 26th September, 2011 at 09.00 A.M. at ATMA HALL, Ahmedabad Textile Mills' Owners Association, Ashram Road, Ahmedabad - 380009.

Signed : \_\_\_\_\_

Date : \_\_\_\_\_

Affix  
Revenue  
Stamp of  
appropriate  
value

**NOTE :**

1. The instrument of Proxy shall be deposited at the Registered Office of the Company not less than 48 hours before the Commencement of the Meeting
2. The form should be signed across the stamp as per specimen signature registered with the Company.
3. A Proxy need not be a member.





# Vikram Thermo (India) Limited

Unit: VIKRAM THERMO (INDIA) LTD.

To  
M/s Bigshare Services Pvt. Ltd.,  
Unit : VIKRAM THERMO (INDIA) Ltd.  
E-2/3, Ansa Industrial Estate,  
Sakivihar Road, Saki Naka,  
Andheri (E), MUMBAI-400 072  
Tel: (022) 4043 0200 2847 0652/53

Sub : National Electronic Clearing Service (NECS) Mandate Form for Shares held in Physical Form.

Dear Sir.

With reference to above subject, I agree to avail of the National Electronic Clearing Service with respect to payment of dividend to me. I here by authorize **VIKRAM THERMO (INDIA) LIMITED** to credit the dividend amount directly to my bank account through **National Electronic Services Services (NECS)**. The particulars required to, this purpose are as below:

|   |   |                 |  |  |  |  |                |  |  |  |  |                 |  |  |  |  |  |  |  |  |  |  |
|---|---|-----------------|--|--|--|--|----------------|--|--|--|--|-----------------|--|--|--|--|--|--|--|--|--|--|
| 1 | Share Holder Name   |                 |  |  |  |  |                |  |  |  |  |                 |  |  |  |  |  |  |  |  |  |  |
| 2 | Folio No  |                 |  |  |  |  |                |  |  |  |  |                 |  |  |  |  |  |  |  |  |  |  |
| 3 | No. of Shares held  |                 |  |  |  |  |                |  |  |  |  |                 |  |  |  |  |  |  |  |  |  |  |
| 4 | Bank Name   |                 |  |  |  |  |                |  |  |  |  |                 |  |  |  |  |  |  |  |  |  |  |
| 5 | Branch Name   |                 |  |  |  |  |                |  |  |  |  |                 |  |  |  |  |  |  |  |  |  |  |
| 6 | Account No.   |                 |  |  |  |  |                |  |  |  |  |                 |  |  |  |  |  |  |  |  |  |  |
| 7 | Account Type ( Please tick as applicable)<br>Saving -SB, Current-CA. Cash Credit-CC   | SB<br>(Code 10) |  |  |  |  | CA<br>(Code11) |  |  |  |  | CC<br>(Code 13) |  |  |  |  |  |  |  |  |  |  |
| 8 | 9 digit code number of the bank branch as Appearing on the MICR Cheque issued by the Bank (please attach photocopy of a cancelled cheque pertaining to above account for verifying the accuracy of code number) |                 |  |  |  |  |                |  |  |  |  |                 |  |  |  |  |  |  |  |  |  |  |

If the transaction is delayed or not affected at all for reasons of incomplete or incorrect of the company. I would not hold **Vikram Thermo (India) Ltd.** responsible.

I hereby declare that the particulars given above are correct and complete.

The above mandate for NECS will supersede the earlier bank instructions/mandate, in any, case if the dividend could not be paid through NECS. I hereby authorize the company to print the above bank details on my dividend warrant to prevent fraudulent encashment.

Place :  
Date :

Signature of First / Sole holder





Book Post

*If undelivered please return to:*



101, Classic Avenue,  
Opposite Sales India,  
Ashram Road, Ahmedabad - 380 009.