

**NUWAY ORGANIC NATURALS INDIA LTD.**

**15<sup>th</sup>**

**ANNUAL REPORT  
2 0 0 9 - 2 0 1 0**



Regd. Off.: 22, Pratap Colony,  
Model Gram, Ludhiana-141002



# NUWAY ORGANIC NATURALS INDIA LTD.

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## 15th Annual General Meeting

Date	:	27th September, 2010
Day	:	Monday
Time	:	10.00 A.M.
Place	:	Registered Office 22, Pratap Colony, Model Gram, Ludhiana (Punjab)

## CHAIRMAN & MANAGING DIRECTOR

Mr. Manminder Singh Narang

## BOARD OF DIRECTORS

Mr. Ashok Kumar  
Mrs. Ginny Singh  
Mrs. Daisy Singh  
Ms. Rosy Arora  
Mrs. Anchal Narang

## COMPANY SECRETARY

Sandeep Singh

## Auditors

Alok Bajaj & Associates  
Vardaan Mansion, Ground Floor,  
7A/75, Western Extension Area (W.E.A.)  
Karol Bagh, New Delhi-110 005.

## Regd. Office

22, Pratap Colony, Model Gram,  
Ludhiana (Punjab)

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# NUWAY ORGANIC NATURALS INDIA LTD.

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## NOTICE:

To,  
The Members,

Notice is hereby given that the **15<sup>th</sup> Annual General Meeting** of the Company will be held **at the Registered office at 22, Pratap Colony, Model Gram, Ludhiana (Punjab)** on Monday, **the 27<sup>th</sup> September, 2010**, at 10.00 A.M. to transact the following businesses:

## ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March, 2010, and Profit & Loss Account of the Company for the year ended 31<sup>st</sup> March, 2010 and the Reports of the Directors' and Auditor's thereon.
2. To appoint a Director in place of Mr. Ashok Kumar who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint M/s Alok Bajaj & Associates, Chartered Accountants, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

## SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass the following resolution with or without modification(s) as an Ordinary Resolution:  
"RESOLVED THAT Mrs. Ginny Singh, be and is hereby appointed as a Director of the company, liable to retire by rotation."
5. To consider and, if thought fit, to pass the following resolution with or without modification(s) as an Ordinary Resolution:  
"RESOLVED THAT Mrs. Daisy Singh, be and is hereby appointed as a Director of the company, liable to retire by rotation."
6. To consider and, if thought fit, to pass the following resolution with or without modification(s) as an Ordinary Resolution:  
"RESOLVED THAT Ms. Rosy Arora, be and is hereby appointed as a Director of the company, liable to retire by rotation."

7. To consider and, if thought fit, to pass the following resolution with or without modification(s) as an Ordinary Resolution:  
"RESOLVED THAT Mrs. Anchal Narang, be and is hereby appointed as a Director of the company, liable to retire by rotation."

By Order of the Board of Directors  
For NUWAY ORGANIC NATURALS INDIA LIMITED

Place: Delhi  
Date : 30/08/2010

Sd/-  
Manminder Singh Narang  
Managing Director

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**NOTES:**

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.  
A BLANK PROXY FORM IS ENCLOSED.**
- 2. MEMBERS/PROXIES SHOULD BRING THE ATTENDANCE SLIP DULY FILLED IN FOR ATTENDING THE MEETING.**
3. The Register of Members and Share Transfer Book of the Company will remain closed from 25<sup>th</sup> September, 2010 to 27<sup>th</sup> September, 2010 (both days inclusive).
4. Members desirous of any information concerning the accounts and operations of the Company are requested to send their queries to the Company at least one week before the meeting, so as, to enable the management to keep information ready. Replies will be provided only at the meeting.
5. All documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company between 11.00A.M. to 1.00 P.M. on all working days except Sundays and other holidays upto the date of the Annual General Meeting.
6. The explanatory statement pursuant to section 173(2) of the Companies Act, 1956 in respect of item no. 4 to 7 is annexed herewith.

**EXPLANATORY STATEMENT**

(Pursuant to section 173(2) of the Companies Act, 1956)

**ITEM NO. 4**

Mrs. Ginny Singh joined the Board with effect from 16/11/2009 as an Additional Director of the Company pursuant to section 260 of the Companies Act, 1956. She is holding office upto the date of ensuing Annual General Meeting. Ms. Ginny Singh is a Graduate and has experience of 5 years in the field of Manufacturing & Trading. It is proposed that she be appointed as regular Director of the Company. The Company has received a notice in writing from one of its members signifying his intention to propose the candidature of Mrs. Ginny Singh as a Director of the Company, Pursuant to the provisions of section 257 of the Companies Act, 1956 along with security deposit of Rs. 500/-.

Mrs. Ginny Singh does not hold any share of NUWAY ORGANIC NATURALS INIDA LIMITED. If appointed, she will be a Non Executive Independent director of the company.

None of the director except Mrs. Ginny Singh herself is concerned or interested in this item.

**ITEM NO. 5**

Mrs. Daisy Singh joined the Board with effect from 11/01/2010 as an Additional Director of the Company pursuant to section 260 of the Companies Act, 1956. She is holding office upto the date of ensuing Annual General Meeting. Mrs. Daisy Singh is an M.Com. and has experience of 12 years in the field of Office Administration and Supervision. It is proposed that she be appointed as regular Director of the Company. The Company has received a notice in writing from one of its members signifying his intention to propose the candidature of Mrs. Daisy Singh as a Director of the Company, Pursuant to the provisions of section 257 of the Companies Act, 1956 along with security deposit of Rs. 500/-.

Mrs. Daisy Singh holds 105000 shares of NUWAY ORGANIC NATURALS INIDA LIMITED. If appointed, she will be a Non Executive Promoter director of the company.

None of the directors except Mr. Manminder Singh Narang and Mrs. Anchal Narang, being relatives of Mrs. Daisy Singh is concerned or interested in this item.

**ITEM NO. 6**

Ms. Rosy Arora joined the Board with effect from 23/07/2010 as an Additional Director of the Company pursuant to section 260 of the Companies Act, 1956. She is holding office upto the date of ensuing Annual General Meeting. Ms. Rosy Arora is a Graduate and has experience of 20 years in the field of Finance & Accounts. It is proposed that she be appointed as regular Director of the Company. The Company has received a notice in writing from one of its members signifying his intention to propose the candidature of Ms. Rosy Arora as a Director of the Company, Pursuant to the provisions of section 257 of the Companies Act, 1956 along with security deposit of Rs. 500/-.

Ms. Rosy Arora holds 12500 shares of NUWAY ORGANIC NATURALS INIDA LIMITED. If appointed, she will be a Non Executive Independent director of the company.

None of the directors except Ms. Rosy Arora is concerned or interested in this item.

**ITEM NO. 7**

Mrs. Anchal Narang joined the Board with effect from 23/07/2010 as an Additional Director of the Company pursuant to section 260 of the Companies Act, 1956. She is holding office upto the date of ensuing Annual General Meeting. Mrs. Anchal Narang is a B.A. & Diploma in Mass Communication. She has experience of 17 years in the field of Herbal Products. It is proposed that she be appointed as regular Director of the Company. The Company has received a notice in writing from one of its members signifying his intention to propose the candidature of Mrs. Anchal Narang as a Director of the Company, Pursuant to the provisions of section 257 of the

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Companies Act, 1956 along with security deposit of Rs. 500/-

Mrs. Anchal Narang holds 105000 shares of NUWAY ORGANIC NATURALS INIDA LIMITED. If appointed, she will be a Non Executive Promoter director of the company.

None of the directors except Mr. Manminder Singh Narang, Mrs. Daisy Singh, being relatives of Mrs. Anchal Narang is concerned or interested in this item.

By Order of the Board of Directors  
For NUWAY ORGANIC NATURALS INDIA LIMITED

Place: Delhi  
Date : 30/08/2010

Sd/-  
Manminder Singh Narang  
Chairman &  
Managing Director

# NUWAY ORGANIC NATURALS INDIA LTD.

## DIRECTORS' REPORT TO THE MEMBERS

To,  
The Members,  
M/S NUWAY ORGANIC NATURALS INDIA LTD

Your Directors have pleasure in presenting the 15<sup>th</sup> Annual Report along with the Audited Statement of Accounts of the company for the financial year ended 31<sup>st</sup> March, 2010.

## FINANCIAL HIGHLIGHTS

PARTICULARS	(Rs. In '000)	(Rs. In '000)
	YEAR ENDED	YEAR ENDED
	31-03-2010	31-03-2009
Sales	1,18,717.13	1,16,171.50
Other Income	-	-
Closing Stock	8,980.71	6,893.33
Total	1,27,697.84	1,23,064.83
Less: Expenses	1,14,560.96	1,15,972.31
Profits/Loss before Taxation	13,136.88	7,093.11
Less: Preliminary Expenses	297.70	297.62
Less: Provision for Taxation/FBT	5,709.40	1,533.38
Add: Provision for deferred revenue	531.33	730.38
Net Profit/Loss	6,598.44	4,531.14
Add: Balance brought forward	244.90	(4,286.24)
Surplus/Losses carried to	6,843.34	244.90
Balance Sheet		

## DIVIDEND

In order to strengthen the financial position of the company your directors are of the opinion that the profit is to be ploughed back in the working of the company. Therefore, no dividend is proposed for the year under review.

## PERFORMANCE

The company has earned a profit of Rs. 65.98 Lacs against the profit of Rs. 45.31 Lacs in the previous year.

## FUTURE OUTLOOK

It is expected that the project for manufacturing of Vodka at Rajpura, Punjab will be commissioned in another 4-5 months.

## MATERIAL CHANGES

There is no other material change affecting the affairs of the Company, which has happened between the date of the Balance Sheet and upto the date of this report.

## PUBLIC DEPOSITS

Your Company has not accepted any deposits with in the meaning of Section 58A of the Companies Act, 1956, and the rules made there under.

## AUDIT COMMITTEE

Presently the Audit Committee comprises of all non-executive directors viz. Mr. Ashok Kumar as Chairman and Mrs. Ginny Singh and Mrs. Daisy Singh as Members and five

meetings of the audit committee were held during the year. The audit committee has met and reviewed the financial statements for the financial year ended 31.03.2010 and has not given any adverse observations. It has also recommended the re-appointment of M/s. Alok Bajaj & Associates, Chartered Accountants, as Statutory Auditors of the company.

## AUDITORS' REPORT

There is no adverse qualification in the Auditors' Report, which needs to be clarified.

## AUDITORS

M/s. Alok Bajaj & Associates, Chartered Accountants, Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting. The Company has received letter from them to the effect that their appointment, if made, would be within the limits prescribed U/s 224(1B) of the Companies Act, 1956. M/s. Alok Bajaj & Associates, Chartered Accountants, are required to be reappointed as Statutory Auditors of the Company at the ensuing Annual General Meeting. Their appointment has also been recommended by the Audit Committee.

## DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Ashok Kumar retires by rotation at the ensuing Annual General Meeting and being eligible offered himself for re-appointment.

Mrs. Ginny Singh, Mrs. Daisy Singh and Mr. Dilvinder Singh were appointed as additional director at Board of Directors meeting held on 16.11.2009, 11.01.2010 & 03.07.2010 respectively and Ms. Rosy Arora, Mr. Amit Singh Grover and Mrs. Anchal Narang were appointed as additional directors at the Board of Directors meetings held on 23.07.2010. The company has received requisite notices u/s 257 of the Companies Act, 1956 proposing their regular appointments. However Mr. Dilvinder Singh and Mr. Amit Singh Grover opted out to be directors of the company.

Mr. Dapinder Paul Singh and Mr. Mahender Pal Singh resigned from the board of the Company w.e.f. 31.10.2009 and 15.12.2009 respectively. Your directors would like to place on record their appreciation for the valuable services rendered by all of them during their tenure as directors.

Brief resume of the directors to be appointed at the forthcoming Annual General Meeting, nature of their expertise in specific functional areas and names of Companies in which they hold directorships and the membership / chairmanship of committees, of the Board as stipulated under Clause 49 of the Listing Agreement with the stock exchanges, is given in the section of corporate governance in the Annual Report.

# NUWAY ORGANIC NATURALS INDIA LTD.

## DIRECTOR'S RESPONSIBILITY STATEMENT

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

- i) that in the preparation of the annual accounts, the applicable accounting standards had been followed;
- ii) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) that the directors had prepared the annual accounts on a going concern basis.

## CORPORATE GOVERNANCE

As per Clause 49 of the Listing Agreement with Stock Exchange(s), Management Discussion & Analysis Report and Corporate Governance Report are annexed as Annexure I and Annexure II & form part of this Directors' Report.

## PARTICULARS OF EMPLOYEES

There was no employee receiving remuneration during the year in excess of limits prescribed u/s 217 (2A) of the Companies Act, 1956, and the relevant rules made there under.

## CONSERVATION OF ENERGY TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

Information pursuant to Section 217(1)(e) of the Companies Act 1956 read with Companies (Disclosures of Particulars in the Report of Board of directors) Rules, 1988, is as follows:

### Conservation of Energy:

Your company continues to pay significant attention towards the conservation of energy and all necessary measures have been taken to optimize the use of electricity. Pursuant to the provisions of Section 217(1)(e) and Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the information on Conservation of Energy and Technology Absorption is not applicable to the company. Therefore, the information as required to be given in Form A may please be treated as nil.

### Research & Development and Technology Absorption

Continuous efforts to bring in operational effectiveness and product up gradation through R&D activities are being made. The company is not using any foreign technology, which is required to be absorbed.

## Foreign Exchange Earning and Outgo:

Particulars	Year ended	(Rs. In Lac)
	31.03.10	Year ended 31.03.09
Foreign Exchange Earning	Nil	Nil
Foreign Exchange Outgo	Nil	Nil

## EMPLOYEES RELATIONS

Your directors wish to place on record the appreciation for the dedicated services rendered by the workers, staff and executives of the Company at all levels who have contributed to the efficient and successful management of the Company.

## LISTING

Presently the Company's equity shares are listed at the following Stock Exchanges:

Bombay Stock Exchange Ltd. (BSE)  
The Delhi Stock Exchange Association Ltd.

The shares of the company have been delisted from Ludhiana Stock Exchange Association Ltd. with effect from 23-01-2010 vide letter no. LSE/Listing/2010 dated 25.01.2010.

Further, Listing fee for the financial year 2010-11 has been paid to BSE and The Delhi Stock Exchange Association Ltd.

## ACKNOWLEDGEMENT

Your directors take this opportunity to offer their sincere thanks to various departments of the Central and State Governments, Banks and Investors for their unstinted support, assistance and valuable guidance.

By order of the Board  
For NUWAY ORGANIC NATURALS (INDIA) LTD

Place : Delhi  
Date : 30/08/2010

Sd/-  
Manminder Singh Narang  
Chairman & Managing Director



## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### Industrial Scene:

Presently your company is functioning in three segments, viz manufacturing of Cosmetics products and Vodka, trading of cosmetics and trading of bottled soda and potable water.

With the presence of 12.2% of the world population in the villages of India, the Indian rural FMCG market is something no one can overlook. Increased focus on farm sector will boost rural incomes, hence providing better growth prospects to the FMCG companies. The Indian FMCG sector with a market size of US\$13.1 billion is the fourth largest sector in the economy. A well-established distribution network, intense competition between the organized and unorganized segments characterizes the sector. FMCG Sector is expected to grow by over 60% by 2010. That will translate into an annual growth of 10% over a 5-year period. It has been estimated that FMCG sector will rise from around Rs 56,500 crores in 2005 to Rs 92,100 crores in 2010.

Despite some of the negative aspects attributed to the Liquor Industry there are many positive ones associated with the industry. In the past decade (2000-2010) there has been an upheaval of sorts for the industry. Although the government instills many an impediment to act as a deterrent for the growth, the alcohol industry is very important for the government. The industry is said to be Rs.55, 000 crores at retail value and generates revenues to the tune of Rs.30, 000 crores in spite of the fact that the per capita consumption of liquor in India is the lowest in the world. IMFL accounts for only a third of the total liquor consumption in India. Most IMFLs are cheap and 85 per cent of the brands are priced below Rs. 200 per bottle. India is the fastest growing alcoholic beverage market in the world and is set to reach "One Billion cases mark by year 2015". The Indian alcoholic beverages industry is expected to witness accelerating growth in coming years with the consumer base likely to expand fast. The domestic alcoholic drinks market has been growing at an astounding rate in the past few years. The growth rate is higher than other major Asian markets like China and South Korea.

The categories of bottled water in India are Packaged Natural Mineral Water and Packaged Drinking Water. Bottled water industry, colloquially called, the mineral water industry, is a symbol of new life style emerging in India. The packaged drinking water in India, which is estimated at Rs.850 crores with over 200 brands floating in the market, most of which have restricted territorial distribution. This is a growing market in India as quality consciousness among the consumers is on the rise. The bottled water market is growing at a rapid rate of around 20%. At this growth rate, the Rs 7000million per year market is estimated to overtake the soft drinks market soon. Multinationals, Coca-Cola, Pepsi, Nestle and others are trying to grab a significant share of the market. There are more than 180 brands in the unorganized sector. The small players account for nearly 19% of the total market. The per capita consumption of bottled water in India is less than half a litre per year, compared to 111 litres in France and 45 litres in the US. These points to the future potential beyond the high growth.

### Financial Outlook

It is expected that the vodka manufacturing plant will be commissioned in another 4-5 months. Therefore, your management expects a better financial performance in the times to come.

### Segment wise performance:

Segment wise performance is given in Note 11 of schedule VIII of the Balance sheet as at 31/03/2010.

### Opportunities:

India is one of the world's largest producers of FMCG goods but its exports are miniscule as compared to production. Though Indian Cos. has been going global, their focus is more towards Asian countries because of the similar preferences. An expansion of horizons towards more and more countries would help the Company grow its consumer base and henceforth the revenues.

### Threats:

The top five FMCG companies constitute nearly 70% of the total revenues generated by this sector. Multinational FMCG companies like Hindustan Unilever, ITC, Nestle, Procter & Gamble and GlaxoSmithKline Consumer Healthcare traditionally comprise the first category of FMCG companies. But the biggest worry for national players is the emergence of private labels, i.e. the in-house brands of retail companies. As retailers don't have to incur marketing costs on these in-house brands, they are cheaper than their branded counterparts

# NUWAY ORGANIC NATURALS INDIA LTD.

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## Company's Outlook

Your company has started with the commercial production of cosmetic products from the plant situated at Baddi, in Himachal Pradesh. Further, it is expected that the plant for manufacturing of potato based vodka will be ready for production in another 4-5 months. Therefore the management expects a better performance in the future.

## Risks Management

The Risks Management policies of the Company ensures that all the moveable and immoveable assets of the Company are adequately covered. The same are reviewed by the Board from time to time. Besides the Company is prone to usual risks of the business like change in demand, any change in export policy of the Government, International agreements on trade and tariffs etc.

## Internal Control System

The Company has developed an internal control system and procedures to ensure efficient conduct of business and security of its assets. Management Information system has been developed through which production performance and financial dealings are monitored by management on regular basis.

## Human Resources

The Company believes that the workers are the backbone of the Company. It is providing an opportunity to all the employees to utilise their full potential and grow in the organization. There was no strike or labour unrest during the last financial year. As on 31.03.2010 the total number of regular employees were 9.

## ANNEXURE - II

### Report on Corporate Governance

#### 1. Company's Philosophy on Corporate Governance

The Corporate Governance is about commitment to business values. Corporate Governance comprised of laws, rules, regulations affecting the manner in which the business of the company is conducted. Good Corporate Governance practices helps in achieving long term Corporate Goal of enhancing Stakeholders' value. Your Company strongly believes in Corporate Governance and endeavors to continually take initiatives to strengthen areas of corporate Governance.

#### 2. Board of Directors

The Company has an Executive Chairman, the Board's composition meets the stipulated requirement of at least half of the Board comprising of independent Directors who have no material business relationship with the Company. Details of Name, Composition, and Attendance record of directors for the year ended 31.03.2010 and the number of Directorship and Committee Chairmanship/ Membership by them in other companies are as follows:

Name	Category	Designation	No. of Meetings Held during The last fin.Year	No. of Meetings Attended	No. of Membership In Boards of Other Companies	Attendance of each Director At last AGM
Mr. Manminder Singh Narang	Promoter Executive Director	Chairman Cum Managing Director	11	11	5	Yes
Mr. Mahender Pal Singh*	Non Promoter Non Executive Independent Director	Director	11	7	1	Yes
Mr. Ashok Kumar	Non Promoter Non Executive Independent Director	Director	11	11	2	Yes
Mr. Dapinder	Non Promoter	Director	11	5	1	Yes

# NUWAY ORGANIC NATURALS INDIA LTD.

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Paul Singh**	Non Executive Independent Director					
Mrs. Ginny Singh#	Non Promoter Non Executive Independent Director	Additional Director	11	4	1	No
Mrs. Daisy Singh###	Promoter Non Executive	Additional Director	11	2	1	No

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\*Mr. Mahender Pal Singh has resigned from the Board w.e.f. 15.12.2009

\*\*Mr. Dapinder Paul Singh has resigned from the Board w.e.f. 31.10.2009

#Mrs. Ginny Singh has been appointed as Additional Director w.e.f.16.11.2009

###Mrs. Daisy Singh has been appointed as Additional Director w.e.f. 11.01.2010

Since Mr. Dilvinder Singh was appointed as additional director on 03.07.2010 and Ms. Rosy Arora, Mr. Amit Singh Grover and Mrs. Anchal Narang were appointed as additional on 23.07.2010, their names were not included in the above table.

### 3. Board Meetings

During the financial year 2009-10, 11 meetings of Board of Directors were held. These were held on 30.04.2009, 08.05.2009, 18.05.2009, 31.07.2009, 29.08.2009, 31.10.2009, 16.11.2009, 15.12.2009, 11.01.2010, 22.01.2010 & 30.01.2010. The intervening period between two meetings was well within the maximum time gap of 4 months as prescribed under Corporate Governance norms.

#### Board's Procedures

It has always been the Company's policy and practice that apart from matters requiring Board's approval by statute, all major decisions including quarterly results of the Company, financial restructuring, capital expenditure proposals, collaborations, material investment proposals in joint venture/promoted companies, sale and acquisition of material nature of assets, mortgages, guarantees, donations, etc. are regularly placed before the Board. This is in addition to information with regard to actual operations; major litigation feed back reports, information on senior level appointments just below the Board level and minutes of all Committee Meetings.

### 4. Committees of the Board

#### a) Audit Committee

As a measure of good Corporate Governance and to provide assistance to the Board of Directors in fulfilling the Board's oversight responsibilities, an Audit Committee has been constituted by the Board comprising three Directors, all being Non-Executive with majority of them being independent. The Chairman of the Audit Committee is an independent Director. The Company Secretary acts as the Secretary to the Audit Committee.

The constitution of the Audit Committee also meets with the requirements under section 292A of the Companies Act, 1956. The terms of reference and powers of the Audit Committee are in keeping with those contained under Clause 49 of the Listing Agreement and the Act.

The Audit Committee specifically reviews:

- Management discussion and analysis of financial conditions and results of operations.
- Quarterly and Annual Financial Results.
- Annual budget and variance Reports.
- Significant related party transactions.
- Internal Audit Reports/ Cost Audit Report including letters on internal control weaknesses, if any, issued by Statutory/Internal Auditors.
- Recommendation for appointment of Statutory and Cost Auditors.
- Appointment and remuneration of Internal Auditors.

Five meetings of the Audit Committee were held during the year as against the requirement of minimum four meetings.

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## NUWAY ORGANIC NATURALS INDIA LTD.

The meetings were held on 30-04-2009, 31-07-2009, 29-08-2009, 31-10-2009 and 30-01-2010. Consequent upon resignation of Mr. Dapinder Paul Singh and Mahender Pal Singh, the Audit Committee was reconstituted on 16-11-2009 & 11-01-2010 with Mrs. Ginny Singh as member and Mr. Ashok Kumar as chairman of the audit Committee

The details of constitution of the Committee and attendance at meetings are as under:

Name	Status	Designation	No. of Meetings Held during the last Fin. Year	No. of Meetings Attended
Mr. Mahender Pal Singh**	Chairman	Non-Executive Independent Director	5	4
Mr. Dapinder Paul Singh*	Member	Non-Executive Independent Director	5	4
Mr. Ashok Kumar	Member/Chairman	Non-Executive Independent Director	5	5
Mrs. Ginny Singh#	Member	Non-Executive Independent Director	5	1
Mrs. Daisy Singh##	Member	Non-Executive Promoter Director	5	1

\* Mr. Dapinder Paul Singh has resigned from the Board w.e.f. 31.10.2009

\*\* Mr. Mahender Pal Singh has resigned from the Board w.e.f. 15.12.2009

# Mrs. Ginny Singh has appointed as Additional Director w.e.f. 16.11.2009

## Mrs. Daisy Singh has appointed as Additional Director w.e.f. 11.01.2010

The Chairman of the Audit Committee attended the Last Annual General Meeting to answer shareholders' queries, if any.

### b) Remuneration Committee

A Remuneration committee was constituted to review and approve the salaries, commission, service agreement and other employment conditions for the executive Directors.

The following were the members of Remuneration Committee:

S.No.	Name of Directors	Status	Category of Membership
1.	Sh. Ashok Kumar	Member	Non Executive Independent Director
2.	Sh. Dapinder Paul Singh*	Member	Non Executive Independent Director
3.	Sh. Mahender Pal Singh**	Member	Non Executive Independent Director

\*Resigned from the Board w.e.f. 31-10-2009

\*\*Resigned from the Board w.e.f. 15-12-2009

### Reconstitution of Remuneration Committee

consequent upon resignation of Dapinder Paul Singh and Mr. Mahender Pal Singh, members of the committee w.e.f. 31.10.2009 and 15.12.2009 respectively, Committee was reconstituted on 16-11-2009 & 11.01.2010 with Mrs. Ginny Singh and Mrs. Daisy Singh.

### Meeting of Remuneration Committee

No matter relating to managerial remuneration was dealt with the Board. Therefore, no meeting of Remuneration Committee was held during this period.

### Remuneration Policy

Subject to the approval of the Board of Directors and the subsequent approval by the shareholders at the General Body Meeting and such authorities as the case may be, remuneration of the Managing/Whole-time Directors is fixed by the Remuneration Committee. The remuneration is fixed considering various factors such as qualification, experience, expertise, prevailing remuneration in the competitive industries, financial position of the Company, etc. The remuneration structure comprises basic salary, commission, perquisites and allowances, contribution to provident fund and other funds in accordance with various related provisions of the Companies Act, 1956. The remuneration policy for Whole-time Directors is directed towards regarding performance, based on review of achievements. The non-executive Directors have not drawn any remuneration from the Company.

# NUWAY ORGANIC NATURALS INDIA LTD.

## Details of Remuneration paid to Directors

### a) Executive Directors

No Remuneration was paid for the year ended March 31st, 2010 to Mr. Manminder Singh Narang, Managing Director.

### b) Non Executive Director

No sitting fee was paid to directors for attending the board meetings.

### c) Investors Grievance and Share Transfer Committee

The Committee has been constituted to specifically look into redressal of shareholders and investor grievances such as transfer of shares, dividend and dematerialisation related matters. Presently, the Committee comprising of all non-executive directors viz, Mr. Ashok Kumar, Mrs. Ginny Singh & Mrs. Daisy Singh. There is no complaint pending. Mr. Dapinder Paul Singh and Mr. Mahender Pal Singh, members of the committee have resigned w.e.f. 31.10.2009 and 15.12.2009 respectively and consequent upon resignation, Committee was reconstituted on 16-11-2009 & 11.01.2010 with Mrs. Ginny Singh and Mrs. Daisy Singh as members.

## General Body Meeting

Details about Last 3 years Annual General Meetings and Extra Ordinary General

Sr. No.	Date	Nature of Meeting	Venue	Time	Special Resolution
1.	29.09.2007	Annual General Meeting	22, Pratap Colony, Model Garm, Ludhiana-02	10.00 A.M.	No Special resolution was passed.
2.	30.09.2008	Annual General Meeting	22, Pratap Colony, Model Garm, Ludhiana-02	10.00 A.M.	No Special resolution was passed.
3.	12.05.2008	Extra Ordinary General Meeting	2/12, West Patel Nagar, New Delhi-110008	10.00 A.M.	**Two Special resolutions were passed. (i) For Delisting of securities from Ahmedabad and Jaipur Stock Exchanges (ii) For Reappointment of Managing Director
4.	16.01.2009	Extra Ordinary General Meeting	24A, Najafgarh Road, Shivaji Marg, Delhi-110015	10.00 A.M.	No Special resolution was passed.
5.	30.09.2009	Annual General Meeting	22, Pratap Colony, Model Garm, Ludhiana-02	10.00 A.M.	No Special resolution was passed.

\*\*Special Resolutions were passed by Show of Hands.

Neither any Extra-Ordinary General Meeting was held nor any resolution was passed through Postal Ballot during the year under review.

## Disclosures

1. There are no materially significant related party transactions i.e. transactions material in nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. having potential conflict with the interest of the company at large. Details on materially significant related party transactions are shown in note no 12 schedule VIII of the Balance Sheet as at 31/03/2010.
2. There has been no non compliance by the Company nor were any penalties or strictures imposed on the Company by Stock Exchanges, SEBI or any other statutory authority on any matter related to capital markets during the last three years.
3. Presently, the Company does not have a Whistle Blower Policy However, no personnel of the Company has been denied access to the Audit Committee.
4. The Company has complied with all the mandatory requirements of Clause 49. As regard the non-mandatory requirements, Company tries to implement them to the extent possible.

# NUWAY ORGANIC NATURALS INDIA LTD.

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## Subsidiary Companies

The Company did not have a material non-listed Indian Subsidiary during 2009-10.

## Risk Management Policy

The Company manages risks as an integral part of its decision making process. The Audit Committee and the Board of Directors are regularly apprised key risk assessment and risk mitigation mechanisms.

## Code of Conduct

The Board of Directors has laid down a Code of Conduct for all Board members and senior management personnel of the Company All Board Members and Senior Management Personnel have affirmed compliance with the Code on annual basis and the CEO Certificate to the Board of Directors contains a declaration to this effect.

## Means of Communication

The Quarterly Financial Results of the Company were got published in Financial Express and Jagbani Newspapers for the period under review.

## General Shareholders Information

<b>a) Annual General Meeting</b>	:	15 <sup>th</sup> Annual General Meeting
Date	:	27 <sup>th</sup> September, 2010
Day	:	Monday
Time	:	10.00 A.M.
Place	:	22, Pratap Colony, Model Garm, Ludhiana
Financial Year	:	1 <sup>st</sup> April, 2009 to 31 <sup>st</sup> March, 2010

## b) Financial Calendar

Tentative calendar of events for the financial year 2010-11 (April to March) is as under:

### Adoption of Quarterly Financial Results for:

First Quarter- Upto 15 <sup>th</sup> August 2010	Third Quarter- Upto 15 <sup>th</sup> February 2011
Second Quarter- Upto 15 <sup>th</sup> November 2010	Fourth Quarter- April/May 2011

## c) Book Closure

Book closure is from 25<sup>th</sup> September, 2010 to 27<sup>th</sup> September, 2010 (both days inclusive) for the purpose of Annual General Meeting.

## d) Listing at Stock Exchanges

Stock Exchange	Scrip Code
Bombay Stock Exchange Ltd., Mumbai	531819
The Delhi Stock Exchange Association Ltd	13301

## Listing fee for the year 2010-11 has been paid to BSE & DSE

The securities of the company have been delisted from Ludhiana Stock Exchange Association Ltd. with effect from 23-01-2010 vide letter no LSE/LISTING/2010 dated 25.01.2010.

## Market Price Data

There were no market price data available, as the Company' shares were not traded at Stock Exchanges during the period under review.

## Shareholders Complaints

Company has not received any complaint during the financial year 2009-10.

# NUWAY ORGANIC NATURALS INDIA LTD.

## Distribution of Shareholding

Distribution of Shareholding as at 31.03.2010.

Shareholding	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Up to 5000	136	50.00	65,900	1.26
5001- 10000	25	9.19	23,000	0.44
10001- 20000	20	7.35	39,800	0.76
20001- 30000	2	0.74	5,500	0.10
30001- 40000	6	2.21	22,200	0.42
40001-50000	16	5.88	78,500	1.50
50001-100000	21	7.72	1,93,000	3.67
100001and above	46	16.91	48,21,700	91.85
	272	100.00	52,49,600	100.00

## Categories of Shareholding as at 31.03.2010 is as under:

Category Code	Category of Shareholders	Number of Shareholders	Total No. of Shares	Number of shares held in Dematerialized form	Total shareholding as a percentage of total number of shares	Shares pledged or otherwise encumbered	
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>						
<b>(1)</b>	<b>Indian</b>						
(a)	Individuals/ Hindu Undivided Family	8	840000	0	16.00 16.00	0 0.00	
(b)	Central Government/State Government(s)	0	0	0	0.00 0.00	0 0.00	
(c)	Bodies Corporate	1	2170200	0	41.344 41.34	0 0.00	
(d)	Financial Institutions/Banks	0	0	0	0.00 0.00	0 0.00	
(e)	Any Other (Specify)	0	0	0	0.00 0.00	0 0.00	
	Sub-Total (A)(1)	9	3010200	0	57.34		
<b>(2)</b>	<b>Foreign</b>						
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0.00 0.00	0 0.00	
(b)	Bodies Corporate	0	0	0	0.00 0.00	0 0.00	
(c)	Institutions	0	0	0	0.00 0.00	0 0.00	
(d)	Any Other (Specify)	0	0	0	0.00 0.00	0 0.00	
	Sub-Total (A)(2)	0	0	0	0.00 0.00	0 0.00	
	<b>Total</b>	<b>9</b>	<b>3010200</b>	<b>0</b>	<b>57.34 57.34</b>	<b>0 0.00</b>	
	<b>Shareholding of Promoter and Promoter Group</b>			<b>(A)=(A)(1)+(A)(2)</b>			
<b>(B)</b>	<b>Public Shareholding Institutions</b>						
(a)	Mutual Funds	0	0	0	0.00 0.00	0 0.00	
(b)	Financial Institutions/Banks	0	0	0	0.00 0.00	0 0.00	
(c)	Central Government/State Government(s)	0	0	0	0.00 0.00	0 0.00	
(d)	Venture Capital Funds	0	0	0	0.00 0.00	0 0.00	
(e)	Insurance Companies	0	0	0	0.00 0.00	0 0.00	

## NUWAY ORGANIC NATURALS INDIA LTD.

(f)	Foreign Institutional Investors	0	0	0	0.00	0.00	0	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00	0	0.00
(h)	Any Other	0	0	0	0.00	0.00	0	0.00
	<b>Sub-Total (B) (1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
<b>(2)</b>	<b>Non-Institutions</b>							
(a)	Bodies Corporate	4	619100	0	11.79	11.79	0	0.00
(b)	Individuals	226	427900	0	8.15	8.15	0	0.00
	i. Individual shareholders holding nominal share capital upto Rs. 1 Lakh							
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	33	1192400	0	22.71	22.71	0	0.00
(c)	Any Other Clearing Member	0	0	0	0	0	0	0
	Trust	0	0	0	0	0	0	0
	NRI	0	0	0	0	0	0	0
	Sub-Total (B) (2)	263	2239400	0	42.66	42.66	0	0
	<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>263</b>	<b>2239400</b>	<b>0</b>	<b>42.66</b>	<b>42.66</b>	<b>0</b>	<b>0.00</b>
	<b>Total (A)+(B)</b>	<b>272</b>	<b>5249600</b>	<b>0</b>	<b>100.00</b>	<b>100.00</b>	<b>0</b>	<b>0.00</b>
(d)	Share held by Custodians and against which Depository Receipts have been issued	0	0	0	N.A	0.00	0	0.00
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>272</b>	<b>5249600</b>	<b>0</b>	<b>N.A</b>	<b>100.00</b>	<b>0</b>	<b>0.00</b>

### Registrar & Transfer Agent/Investor Correspondence

Pursuant to the SEBI directive, the Company has appointed M/s Beetal Financial & Computer Services (P) Limited. as Share Transfer Agent for maintaining all the work related to share registry in terms of physical form. Shareholders can communicate with them for lodgement of transfer deeds and their queries at the following address:

### Beetal Financial & Computer Services (P) Limited.

Beetal House, 3<sup>rd</sup> Floor, 99 Madargiri,  
Behind Lock Shopping Centre,  
Near Dad Harsukh Dass Mandir,  
New Delhi-110062  
Telephone : 011- 29961281, 29961282  
Fax : 011- 29961284

### Compliance Officer

Mr. Manminder Singh Narang  
Chairman cum Managing Director  
Corporate Office: 24A, Shivaji Marg,



# NUWAY ORGANIC NATURALS INDIA LTD.

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Najafgarh Road, New Delhi - 110015

Phone no. 011-25115933-34

Fax: 011-25160499

E-mail: nonil04@gmail.com

## Plant Locations:

### Vodka Manufacturing Facility being put up

Devi Nagar, Distt. Patiala,

Tehsil, Rajpura (Punjab)

### Cosmetics Manufacturing

27, Industrial Area,

Baddi, Himachal Pradesh

## Dematerialisation of Shares

The Company entered into an agreement with NSDL and was allotted ISIN (INE414L01012) as on 24th August, 2010 & the application for dematerialisation with CDSL has also been filed.

## Outstanding GDRs/ADRs/ Warrants or any Convertible Instruments, Conversion Date and likely impact on Equity

Company has not issued any GDRs/ADRs. Further, no other instrument has been issued which is convertible in to equity.

## Brief Resume of the Persons to be appointed / reappointed as director.

### Details of Directors pursuant to clause 49 of the Listing Agreement

<b>PARTICULARS</b>	<b>Mr. Ashok Kumar</b>	<b>Mrs. Ginny Singh</b>	<b>Mrs. Daisy Singh</b>	<b>Ms. Rosy Arora</b>	<b>Mrs. Anchal Narang</b>
Age	48 years	38 years	50 years	42 years	42 years
Qualification	B.A.	B.Com	M. Com Diploma In Marketing, Management, Public Relations & Advertising	B.Com	B.A. Diploma in Mass Com- munication
Experience	Mr. Ashok Kuamr has rich experience of 25 years in FMCG Industry (Specially Herbal Products) & Business Administration-Finance	Mrs. Ginny Singh has 5 years of experience in & Trading Industry.	Mrs. Daisy Singh has a 12 years experience in Office Administration and Supervision	Ms. Rosy Arora has a experience of 20 years in Finance & Accounts	Mrs. Anchal Narang has a experience of 17 years in Herbal Products
Directorship in Board of other Companies	Three-N-Constructi-on Pvt. Ltd, Ayur Herbals Pvt. Ltd.	Artmica Laminates Private Limited	Vintage Studio Pvt. Ltd	Three-N-Products Pvt. Ltd. Ayur Herbals Pvt. Ltd. Three-N-Constructi-ons	Three-N-Products Pvt. Ltd. Ayur Herbals Pvt. Ltd. Three-N-Constructi-

## NUWAY ORGANIC NATURALS INDIA LTD.

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				Pvt. Ltd. Shivam Cooldrinks Pvt. Ltd. RM Mgt. Consult. Pvt. Ltd.	tions Pvt. Ltd. Shivam Cooldrinks Pvt. Ltd
Shareholding 31.03.2010	53,000 Equity Shares	Nil	1,05,000 Equity Shares	12,500 Equity Shares	1,05,000 Equity Shares

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By Order of the Board of Directors  
For NUWAY ORGANIC NATURALS INDIA LIMITED

Place: Delhi  
Date : 30/08/2010

Sd/-  
Manminder Singh Narang  
Managing Director

# NUWAY ORGANIC NATURALS INDIA LTD.

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## DECLARATION ON COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT

To,  
The Board of Directors,  
Nuway Organic Naturals India Limited,

The Company has framed a specific Code of Conduct for the members of the Board of Directors and Senior Management Personnel of the Company pursuant to Clause 49 of the Listing Agreement with Stock Exchange to further strengthen corporate governance practices in the Company.

All members of the Board and Senior Management Personnel of the Company have affirmed due observance of the said Code of Conduct in so far as it is applicable to them and there is no non compliance thereof during the year ended 31<sup>st</sup> March, 2010.

By Order of the Board of Directors  
For NUWAY ORGANIC NATURALS INDIA LIMITED

Place: Delhi  
Date : 30/08/2010

Sd/-  
Manminder Singh Narang  
Chairman & Managing Director

## Managing Director (MD) / Chief Executive Officer (CEO) / Chief Financial Officer (CFO) Certification

To  
The Board of Directors,  
Nuway Organic Naturals India Limited,

I hereby certify to the Board that:

- a) I have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2010 and that to best of my knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading.
  - (ii) these statements together present a true and fair view of the company's affair and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of my knowledge and belief, no transaction entered into by the company during the year, which are fraudulent, illegal or violative of the company's code of conduct.
- c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and I have disclosed to the auditors and the Audit committee, deficiencies in the design or operation of such internal controls, if any, of which I was aware and the steps I have taken or propose to take to rectify these deficiencies.

## NUWAY ORGANIC NATURALS INDIA LTD.

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d) I have indicated to the auditors and the Audit committee

- (i) significant changes in internal control over financial reporting during the year;
- (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statement; and
- (iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system *over* financial reporting.

By Order of the Board of Directors  
For NUWAY ORGANIC NATURALS INDIA LIMITED

Place: Delhi

Date : 30/08/2010

Sd/-  
Manminder Singh Narang  
Chairman &  
Managing Director

### **CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF LISTING AGREEMENT.**

To,  
The Members,  
Nuway Organic Naturals India Ltd,

I have reviewed the compliance of conditions of Corporate Governance by NUWAY ORGANIC NATURALS INDIA LTD for the year ended 31<sup>st</sup> March 2010, as stipulated in Clause 49 of the Listing Agreement, of the said Company with the Stock Exchange in India. I have conducted my review on the basis of the relevant records and documents maintained by the Company for the year ended 31<sup>st</sup> March, 2010 and furnished to me for the purpose of the review and the information and explanations given to me by the Company during the course of such review.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My review was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

On the basis of my review and according to the information and explanations given to me, the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreements with the Stock Exchanges have been generally complied with by the Company, except Company is yet to enter into agreement with CDSL. The company has not fully complied with the provisions of clause 41 of the Listing Agreement. Further, as there is no trading in the company's scrip market price of company's shares is not available.

I further state that no investor grievances are pending for a period exceeding one month against the Company as per the information made available to me.

I 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.

By Order of the Board  
For NUWAY ORGANIC NATURALS INDIA LIMITED

Place: Delhi

Date : 30/08/2010

Sd/-  
R.S BHATIA  
Company Secretary in Practice  
C.P. No. 2514

# NUWAY ORGANIC NATURALS INDIA LTD.

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## AUDITOR'S REPORT

To The Members,

### NUWAY ORGANIC NATURALS INDIA LIMITED

Regd Office: 22, PRATAP COLONY,  
MODEL GRAM,  
LUDHIANA - 141002

We have audited the attached Balance Sheet of Nuway Organic Naturals India Limited (the company) as at 31<sup>st</sup> March 2010 and also the Profit & Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

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

- (i) We have obtained all the informations and explanations, which to the best of our knowledge and belief were necessary for purposes of our audit;
- (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books maintained at the registered office of the company at 22, Pratap Colony Model Gram, Ludhiana, 141002;
- (iii) The Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- (iv) In our opinion, the Balance Sheet and Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting Standards referred to in Sub-section (3C) of section 211 of the Companies Act, 1956;

- (v) On the basis of written representations received from the directors, as on 31<sup>st</sup> March, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31<sup>st</sup> March 2010 from being appointed as a director in terms of clause (g) of sub – section (1) of section 274 of the Companies Act, 1956
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
  - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2010; and
  - (b) in the case of Profit and Loss Account, of the Profit for the year ended on that date.
  - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Alok Bajaj & Associates  
Chartered Accountants

Sd/-

(ALOK BAJAJ)

B.COM. (HONS) F.C.A.

Membership No. 084515

PROPRIETOR

Place : New Delhi  
Date : 30/08/2010

## NUWAY ORGANIC NATURALS INDIA LTD.

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Annexure to the Auditors' Report

STATEMENT REFERRED TO IN PARAGRAPH ABOVE OF OUR AUDITOR'S REPORT OF NUWAY ORGANIC NATURALS INDIA LIMITED FOR THE YEAR YEAR ENDED ON 31<sup>st</sup> MARCH 2010.

- i) a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) According to the information and explanations given to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which, in our opinion, is reasonable, having regard to the size of the Company and nature of the assets. No material discrepancies were noticed on such verification.
- c) The substantial assets were not been disposed off during the year affecting the going concern.
- ii) (a) As explained to us, the inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable having regard to the size of the Company and the nature of its business.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verifications of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of accounts.
- iii) The Company has not taken or given any secured loans from/to companies, firms or other parties covered in the register maintained under section 301 of the Act. However the unsecured loan without interest amounting to Rs. 140 Lacs taken from companies, firms or other parties covered in the register maintained under section 301 of the Act and the terms of repayment are not prima facie prejudicial to the interest of the company.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal control.
- v) (a) The particulars 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.
- (b) The transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi) The Compliance with directives issued by RBI, the provisions of Sections 58A, 58AA or any other relevant provisions of the Act and rules framed there under with regard to the deposits accepted from the public are not applicable.
- vii) In our opinion, the Company has built up the internal audit system commensurate with the size and nature of its business.
- viii) The requirement of maintenance of cost record pursuant to rule made by Central government for maintenance of cost record under section 209 (1)(d) of the Companies Act, 1956 is not applicable.
- ix) The company is regular in depositing undisputed statutory dues including , Provident fund, Investor Education Protection Fund, Employee's State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other statutory dues applicable with appropriate authorities. The arrears of outstanding dues as at the last day of the financial year concerned for a period of more than 6 months from the date they became payable were NIL.
- x) The company has no accumulated losses at the end of the Financial Year. No cash losses were incurred in the concerned Financial Year and in the immediately preceding Financial Year.
- xi) According to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution or bank.
- xii) The Company has not granted any loans and advances on the basis of the security by way of pledge of shares, debentures or other securities.
- xiii) The company is not a Chit Fund, Nidhi or Mutual Benefit Society. Hence, the requirements of item of paragraph 4 of the Order is not applicable to the company.
- xiv) The requirement of maintenance of record of transactions and contracts in shares, securities, debentures and other investments are not applicable as the Company has not entered into such transactions during the year.

## NUWAY ORGANIC NATURALS INDIA LTD.

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- xv) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- xvi) The Company has not taken any term loan during the year.
- xvii) The funds raised on short-term basis amounting to Rs. 9,72,52,921/- against the increase in current liabilities were used for long term Investment during the year.
- xviii) According to the information and explanations given to us, no preferential allotment of Equity shares including Fully/Partly Convertible Debentures or other instruments has been made by the company to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- xix) The company has not issued any debentures. Hence, the requirements of clause (xix) of paragraph 4 of the Order is not applicable to the company.
- xx) The Company has not raised any money by public issues during the year.
- xxi) According to the information and explanations given to us, a fraud on or by the company has not been noticed or reported during the year.

For Alok Bajaj & Associates  
Chartered Accountants

Sd/-  
(ALOK BAJAJ)  
B.COM. (HONS) F.C.A.  
Membership No. 084515  
PROPRIETOR

Place : New Delhi  
Date : 30/08/2010

# NUWAY ORGANIC NATURALS INDIA LTD.

## BALANCE SHEET AS AT 31ST MARCH, 2010

Schedule		As at 31st March, 2010	As at 31st March, 2009
		Rs.	Rs.
<b>1) SOURCES OF FUNDS</b>			
<b>A) SHARE HOLDER'S FUNDS</b>			
a) SHARE CAPITAL	I	115,405,750.00	115,404,500.00
<b>B) RESERVE &amp; SURPLUS</b>		6,843,338.27	244,900.05
<b>C) LOAN FUNDS</b>			
a) SECURED LOAN			
b) UNSECURED LOAN		74,000,000.00	60,000,000.00
<b>D) DEFERRED TAX LIABILITY</b>		1,117,870.00	586,537.00
<b>TOTAL (Rs.)</b>		<u>197,366,958.27</u>	<u>176,235,937.05</u>
<b>2) APPLICATION OF FUNDS</b>			
<b>A) FIXED ASSETS</b>	II		
GROSS BLOCK		236,591,987.57	112,021,888.17
LESS: DEPRECIATION		(3,356,022.18)	(1,872,710.18)
NET BLOCK		<u>233,235,965.39</u>	<u>110,149,177.99</u>
<b>B) INVESTMENT</b>	III	15,130,000.00	15,130,000.00
<b>C) CURRENT ASSETS, LOANS &amp; ADVANCES</b>	IV		
a) STOCK-IN-TRADE		8,980,710.32	6,893,332.67
b) SUNDRY DEBTORS		56,888,391.93	84,894,823.00
c) CASH & BANK BALANCES		16,331,886.21	6,979,939.20
d) OTHER CURRENT ASSETS		1,552,371.00	1,552,371.00
e) LOANS & ADVANCES		15,544,256.60	13,461,991.00
f) Deferred Tax Assets			
<b>TOTAL (a)</b>		<u>99,297,616.06</u>	<u>113,782,456.87</u>
<b>LESS : CURRENT LIABILITIES &amp; PROVISIONS</b>	V		
a) CURRENT LIABILITIES		162,976,140.69	65,723,219.82
b) PROVISIONS		1,533,966.00	1,533,966.00
<b>TOTAL (b)</b>		<u>164,510,106.69</u>	<u>67,257,185.82</u>
<b>NET CURRENT ASSETS (a - b)</b>		<b>(65,212,490.63)</b>	46,525,271.05
<b>D) MISC EXP TO THE EXTENT NOT WRITTEN OFF</b>	VI		
a) EXPENSES NOT WRITTEN OFF		0.00	297,706.00
b) PREOPERATIVE EXPENSES		14,213,483.51	4,133,782.01
<b>TOTAL (A + B + C + D)</b>		<u>197,366,958.27</u>	<u>176,235,937.05</u>
<b>SIGNIFICANT ACCOUNTING POLICIES &amp; NOTES ON ACCOUNTS</b>	VIII		

AS PER OUR SEPARATE AUDIT REPORT OF EVEN DATE ATTACHED  
FOR ALOK BAJAJ & ASSOCIATES  
CHARTERED ACCOUNTANTS

Sd/-  
(ALOK BAJAJ)  
PROPRIETOR

Sd/-  
(MANMINDER SINGH NARANG)  
(MG. DIRECTOR)

Sd/-  
(ASHOK KUMAR)  
(DIRECTOR)

Sd/-  
(SANDEEP SINGH)  
(COMPANY SECRETARY)

PLACE : LUDHIANA  
DATE : 30/08/2010



# NUWAY ORGANIC NATURALS INDIA LTD.

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

Schedule	As at 31st March, 2010	As at 31st March, 2009
	Rs.	Rs.
<b>A) INCOME</b>		
SALES	118,717,131.45	116,171,497.42
CLOSING STOCK	8,980,710.32	6,893,332.67
TOTAL (A)	<u>127,697,841.77</u>	<u>123,064,830.09</u>
<b>B) EXPENDITURE</b>		
OPENING STOCK	6,893,332.67	776,080.17
GOODS PURCHASED	100,601,625.09	105,904,746.00
ADMN. & ESTABLISHMENT EXP VII	5,562,254.65	7,688,385.97
TOTAL (B)	<u>113,057,212.41</u>	<u>114,369,212.14</u>
<b>PROFIT/LOSS BEFORE INTEREST/DEPRICIATION (A-B)</b>	<b>14,640,629.36</b>	<b>8,695,617.95</b>
FINANCIAL EXPENSES	20440.14	38784.61
<b>PROFIT/LOSS BEFORE DEPRECIATION</b>	<b>14,620,189.22</b>	<b>8,656,833.34</b>
DEPRECIATION	1,483,312.00	1,563,728.00
<b>PROFIT/LOSS AFTER DEPERCIATION</b>	<b>13,136,877.22</b>	<b>7,093,105.34</b>
PRELIMINARY EXP WRITTEN OFF	297,706.00	297,623.00
<b>PROFIT/LOSS BEFORE TAX</b>	<b>12,839,171.22</b>	<b>6,795,482.34</b>
PROVISION FOR INCOME TAX	5,709,400.00	0.00
PROVISION FOR FBT	0.00	1,533,966.00
PROVISION FOR DEFERRED REVENUE	531,333.00	730,375.00
<b>NET PROFIT/LOSS</b>	<b>6,598,438.22</b>	<b>4,531,141.34</b>
BALANCE B/F FROM PREVIOUS YEAR	244,900.05	(4,286,241.29)
<b>PROFIT/LOSS TRANSFER TO RESERVE &amp; SURPLUS</b>	<b>6,843,338.27</b>	<b>244,900.05</b>
SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS VIII		

AS PER OUR SEPARATE AUDIT REPORT OF EVEN DATE ATTACHED  
FOR ALOK BAJAJ & ASSOCIATES  
CHARTERED ACCOUNTANTS

Sd/-  
(ALOK BAJAJ)  
PROPRIETOR

Sd/-  
(MANMINDER SINGH NARANG)  
(MG. DIRECTOR)

Sd/-  
(ASHOK KUMAR)  
(DIRECTOR)

Sd/-  
(SANDEEP SINGH)  
(COMPANY SECRETARY)

PLACE : LUDHIANA  
DATE : 30/08/2010

# NUWAY ORGANIC NATURALS INDIA LTD.

## SCHEDULE OF SHARE CAPITAL AS ON 31/03/2010

## SCHEDULE - I

PARTICULARS	As at 31st March, 2010	As at 31st March, 2009
<b>AUTHORISED SHARE CAPITAL</b>	<b>Rs.</b>	<b>Rs.</b>
85,00,000 EQUITY SHARES OF RS. 10/- EACH	<b>85,000,000.00</b>	85,000,000.00
6,50,000 PREFERENCE SHARES OF RS. 100/- EACH	<b>65,000,000.00</b>	65,000,000.00
	<b><u>150,000,000.00</u></b>	<u>150,000,000.00</u>
<b>A ISSUED SUBSCRIBED &amp; PAID UP CAPITAL</b>		
52,49,600 Equity shares of Rs.10/- each	<b>52,496,000.00</b>	52,496,000.00
<b>LESS:- UNPAID ALLOTMENT MONEY</b>	<b>(2,090,250.00)</b>	(2,091,500.00)
	<b><u>50,405,750.00</u></b>	<u>50,404,500.00</u>
<b>B PREFERENCE SHARES</b>		
650000 PREFERENCE SHARE OF RS.100/- EACH	<b>65,000,000.00</b>	65,000,000.00
<b>TOTAL</b>	<b><u>65,000,000.00</u></b>	<u>65,000,000.00</u>
<b>GRAND TOTAL</b>	<b><u>115,405,750.00</u></b>	<u>115,404,500.00</u>

# NUWAY ORGANIC NATURALS INDIA LTD.

## SCHEDULE OF FIXED ASSETS AS ON 31/03/2010

## SCHEDULE - II

S.NO.	PARTICULARS	OPBAL AS		LESS: SOLD DURING THE (SLM)	GROSS BLOCK		RATE OF DEP.	DEPRECIATION		TOTAL DEPRECIATION	NET BLOCK	
		ON 01.04.2009 YEAR	ADD. PURCHASE DURING THE YEAR		CL. BAL AS ON 31.03.2010	DEP UP TO 3/31/2009		DEP DURING THE YEAR	W.D.V. AS ON 31.03.2010		W.D.V. AS ON 31.03.2009	
<b>TANGIBLE ASSETS</b>												
1	LAND & SITE DEVELOP.	13,887,957.62	-	-	-	13,887,957.62	-	-	-	-	13,887,957.62	13,887,957.62
2	BUILDING UNDER CONSTRUCTION	38,323,847.91	18,255,449.21	-	-	56,579,297.12	-	-	-	-	56,579,297.12	38,323,847.91
3	MISC BUILDING UNDER CONSTRUCTION	15,077,880.00	-	-	-	15,077,880.00	-	-	-	-	15,077,880.00	-
3	FAX	20,431.00	-	-	-	20,431.00	13.91	12,566.00	1,094.00	13,660.00	6,771.00	7,865.00
4	PHOTOCOPIER	20,571.00	-	-	-	20,571.00	13.91	12,568.52	1,113.00	13,681.52	6,889.48	8,002.48
5	FURNITURE & FIXTURE	159,353.00	-	-	-	159,353.00	13.91	68,277.94	16,485.00	84,762.94	74,590.06	91,075.06
6	AIR CONDITIONER	44,000.00	-	-	-	44,000.00	13.91	14,450.00	4,110.00	18,560.00	25,440.00	29,550.00
7	STABILIZER	2,800.00	-	-	-	2,800.00	13.91	915.72	262.00	1,177.72	1,622.28	1,884.28
8	PLANT & MACHINERY	52,155,864.72	87,915,288.69	-	-	40,070,953.41	13.91	1,143,274.00	994,645.00	2,137,919.00	137,933,094.41	51,012,390.72
9	ELECTRIC PANEL	2,109,232.92	1,557,972.50	-	-	3,667,205.42	13.91	184,272.00	135,081.00	319,353.00	3,347,852.42	1,924,960.92
10	INVERTOR	9,610.00	-	-	-	9,610.00	13.91	2902.00	933.00	3,835.00	5,775.00	6,708.00
11	GENERATOR	1,862,038.00	-	-	-	1,862,038.00	13.91	296,977.00	217,700.00	514,677.00	1,347,361.00	1,565,061.00
12	DIES & MOULDS	33,560.00	-	-	-	33,560.00	13.91	3,663.00	4,159.00	7,822.00	25,738.00	29,897.00
13	FIRE EQUIPMENTS	4,387.00	-	-	-	4,387.00	13.91	120.00	594.00	714.00	3,673.00	4,267.00
14	WEIGH MACHINERY	454,500.00	-	-	-	454,500.00	13.91	-	-	-	454,500.00	454,500.00
15	TUBEWELL	1,327,995.00	-	-	-	1,327,995.00	13.91	-	-	-	1,327,995.00	1,327,995.00
16	CNG THREE WHEELER	757,420.00	-	-	-	757,420.00	13.91	131,489.00	87,067.00	218,556.00	538,864.00	625,931.00
17	ATLANTS HOT & COLD	60,000.00	60,000.00	-	-	120,000.00	13.91	1,235.00	16,405.00	17,640.00	102,360.00	58,765.00
18	POST HOLDINGER TREEPLANTER	-	26000.00	-	-	26,000.00	13.91	-	-	-	26,000.00	-
19	VENTILATOR	-	67600	-	-	67,600.00	-	-	-	-	67,600.00	-
20	TURBINES	-	1598911	-	-	1,598,911.00	-	-	-	-	1,598,911.00	-
21	COMPUTER	-	10,998.00	-	-	10,998.00	0.4	-	3,664.00	3,664.00	7,334.00	-
<b>INTANGIBLE ASSETS</b>												
22	TRADE MARK & DESIGNS	788,520.00	0.00	-	-	788,520.00	-	-	-	-	788,520.00	788,520.00
<b>TOTAL</b>		<b>112,021,888.17</b>	<b>124,570,099.40</b>	<b>-</b>	<b>-</b>	<b>236,591,987.57</b>		<b>1,872,710.18</b>	<b>1,483,312.00</b>	<b>3,356,022.18</b>	<b>233,235,965.39</b>	<b>110,149,177.99</b>
<b>PREVIOUS YEAR</b>		32,222,809.46	79,799,078.72	-	-	112,021,888.17		308,982.18	1,563,728.00	1,872,710.18	110,149,177.99	31,913,827.27

# NUWAY ORGANIC NATURALS INDIA LTD.

## SCHEDULE OF INVESTMENTS AS ON 31/03/2010

## SCHEDULE - III

S.No.	Particulars	As at	As at
		31st March, 2010	31st March, 2009
		Rs.	Rs.
1	EQUITY SHARE - AYUR HERBALS PVT. LTD.	15,000,000.00	15,000,000.00
2	ADVANCE AGNST. LAND	130,000.00	130,000.00
<b>TOTAL</b>		<b>15,130,000.00</b>	<b>15,130,000.00</b>

## SCHEDULE OF CURRENT ASSETS AS ON 31/03/2010

## SCHEDULE - IV

Particulars	ANNEXURE	As at	As at
		31st March, 2010	31st March, 2009
		Rs.	Rs.
<b>CURRENT ASSETS</b>			
a) STOCK-IN-TRADE		8,980,710.32	6,893,332.67
TOTAL (a)		<u>8,980,710.32</u>	<u>6,893,332.67</u>
b) SUNDRY DEBTORS (UNSECURED BUT CONSIDERED GOOD OUTSTANDING FOR MORE THAN 6 MONTHS)	I	56,888,391.93	84,894,823.00
TOTAL (b)		<u>56,888,391.93</u>	<u>84,894,823.00</u>
c) CASH & BANK BALANCES			
i) CASH - IN - HAND		3,159,653.39	2,824,907.53
ii) BALANCE WITH SCHEDULED BANKS :- IN CURRENT ACCOUNTS		13,172,232.82	4,155,031.67
TOTAL (c)		<u>16,331,886.21</u>	<u>6,979,939.20</u>
d) OTHER CURRENT ASSETS :- INCOME TAX RECOVERABLE OTHER SECURITIES	II	312,854.00 1,239,517.00	312,854.00 1,239,517.00
TOTAL (d)		<u>1,552,371.00</u>	<u>1,552,371.00</u>
e) LOANS & ADVANCES :- (UNSECURED BUT CONSIDERED GOOD RECOVERABLE IN CASH OR KIND OR FOR THE VALUE TO BE RECEIVED)	III	15,544,256.60	13,461,991.00
TOTAL (e)		<u>15,544,256.60</u>	<u>13,461,991.00</u>
<b>TOTAL (a + b + c + d + e)</b>		<u><u>99,297,616.06</u></u>	<u><u>113,782,456.87</u></u>

# NUWAY ORGANIC NATURALS INDIA LTD.

## SCHEDULE OF CURRENT LIABILITIES & PROVISIONS AS ON 31/03/2010

## SCHEDULE - V

PARTICULARS	ANNEXURE	AMOUNT AS ON 31/03/2010	AMOUNT AS ON 31/03/2009
<b>CURRENT LIABILITIES</b>		<b>Rs.</b>	<b>Rs.</b>
SECURITY RECEIVED FROM CUSTOMERS	IV	1,408,036.00	540,242.00
ADVANCES RECEIVED FROM CUSTOMERS	V	60,128.90	22,208.00
SUNDRY CREDITORS	VI	156,534,348.96	61,044,340.49
EXPENSES PAYABLE	VII	3,305,170.31	2,613,019.91
DUTIES & TAXES	VIII	1,668,456.52	1,503,409.42
<b>TOTAL</b>		<b>162,976,140.69</b>	<b>65,723,219.82</b>

## SCHEDULE OF PRE-OPERATIVE EXPENSES AS ON 31/03/2010

## SCHEDULE - VI

S.No.	Particulars	As at 31st March, 2010	As at 31st March, 2009
		<b>Rs.</b>	<b>Rs.</b>
1	ADVERTISEMENT	62,820.00	62,820.00
2	BUSINESS PROMOTION	41,636.50	41,636.50
3	WAGES & SALARY	1,495,319.00	961,134.00
4	RENT	288,000.00	288,000.00
5	LEGAL & PROFESSIONAL FEES	549,275.00	377,400.00
6	CONSULTANCY CHARGES	214,836.00	181,836.00
7	POLLUTION EXPENSES	140,000.00	140,000.00
8	EXHIBITION CHARGES	22,500.00	22,500.00
9	SURVEY/TECHNICAL EXPENSES	239,000.00	239,000.00
10	PUBLIC HEARING & MEETING FEE	41,494.00	41,494.00
11	FESTIVAL EXPENSES	48,223.00	48,223.00
12	ELECTRICAL EXPENSES	2,244,055.00	366,216.00
13	EXCISE DUTY FEE	1,100,000.00	1,100,000.00
14	DIESEL EXPENSES	2,660,274.01	128,537.51
15	HIRE CHARGES-GENSET	428,645.00	14,645.00
16	SECURITY CHARGES	374,140.00	120,340.00
17	TESTING CHARGES	12805.00	0.00
18	LABOUR SECURITY	600000.00	0.00
19	INTEREST ON TERM LOAN	2855396.00	0.00
20	INSURANCE	795065.00	0.00
<b>TOTAL</b>		<b>14,213,483.51</b>	<b>4,133,782.01</b>

# NUWAY ORGANIC NATURALS INDIA LTD.

## SCHEDULE OF ADMINISTRATIVE & ESTABLISHMENT EXPENSES AS ON 31/3/2010

## SCHEDULE - VII

Particulars	As at	As at
	31st March, 2010	31st March, 2009
	Rs.	Rs.
1 ADDITIONAL SALE TAX	2000	5991.00
2 ADDITIONAL GOODS TAX	3415.00	3237.00
3 ADVERTISEMENT EXPENSES	511605.40	2363380.00
4 AUDIT FEES	20000.00	0.00
5 BUSINESS PROMOTION	0.00	34650.00
6 COMMISSION CHARGES	2000.00	0.00
7 CONSUMABLE STORE	42927.00	27350.00
8 CONVEYANCE	62710.00	62500.00
9 DIRECTOR REMUNERATION	0.00	600000.00
10 E.P.F	34326.00	64943.00
11 E.P.F. ADMIN CHARGES	4607.00	0.00
12 ELECTRICITY CHARGES	353603.00	416258.00
13 FAX & COURIER CHARGES	1161.00	5965.00
14 FEES & TAXES	54473.00	535122.00
15 FILING FEES	1800	3112.00
16 FIRE EXPENSES	5625.00	0.00
17 FOREIGN TRAVELLING EXP.	0.00	23964.00
18 FREIGHT & CARTAGE	157658.00	279854.00
19 INSURANCE	22166.00	0.00
20 INTT. ON TERM LOAN	0.00	87111.29
21 INTT. ON TDA	0.00	664.00
22 LEGAL & PROFESSIONAL CHARGES	275554.00	231399.00
23 MEETING EXPENSES	33330.00	102120.00
24 MISC. EXPENSES	8950.00	13724.00
25 POLLUTION CHARGES	19730.00	25375.00
26 PRINTING & STATIONERY	50404.00	111802.24
27 PROPERTY TAX	251448.00	0.00
28 RENT	426000.00	432000.00
29 REPAIRS & MAINTENANCE (GENSET)	64593.00	10554.00
30 REPAIRS & MAINTENANCE	101398.00	129544.00
31 SALARY	216,000.00	48,000.00
32 SECURITY CHARGES	66180.00	67313.00
33 SERVICE TAX	787.00	5112.00
34 SHORT & EXCESS RECOVERY	(3608.75)	(7214.62)
35 STAFF WELFARE	76922.00	64360.00
36 TELEPHONE EXPENSES	54053.00	89694.06
37 TRADE MARK REGD. & DESIGN	47500.00	34500.00
38 TRAVELLING EXPENSES	84844.00	271230.00
39 UNLOADING CHARGES	0.00	295770.00
40 VEHICLE RUNNING & MAINT.	100,703.00	9,000.00
41 WAGES & SALARIES	2391023.00	1240002.00
42 WORKERS WELFARE EXPENSES	168.00	0.00
<b>TOTAL</b>	<b>5562254.65</b>	<b>7688385.97</b>

# NUWAY ORGANIC NATURALS INDIA LTD.

ANNEXURE-I

## SCHEDULE OF SUNDRY DEBTORS AS ON 31/03/2010

S.No.	Particulars	As at	As at
		31st March, 2010	31st March, 2009
		Rs.	Rs.
1	A.S. TRADING CO.	4,459.40	0.00
2	AAOJEE PASTRY & SWEETS	10,670.00	10,670.00
3	ALL HEAVEN RESTAURANTSPVT. LTD.	33,901.00	928.00
4	ASHOK PALACE	607.50	607.50
5	ATAM MANAN & CO.-JAMMU	2,041.00	47,904.00
6	AYUR INTERNATIONAL	0.00	72,000.00
7	BRINT HOSPITALITY	325.00	325.00
8	CAVANDISH INC	85,650.00	0.00
9	CENTRAL BANK OF INDIA	315.00	315.00
10	CTC MALL	14,251.00	10,360.00
11	CTC PLAZA	4,202.00	0.00
12	FOOD DESIGN	29,650.00	0.00
13	FOOD PLAZA KITCHEN EXPRESS	22,275.00	0.00
14	FORTE GRAND	1,969.00	1,969.00
15	FOURTAIN HEAT MOTI PVT. LTD.	45,504.00	0.00
16	G.S. CONVENT	2,876.00	0.00
17	GANPATI SALES-HISAR	0.00	0.00
18	GGG DHARAMSHALA HEALTH RESORTS LTD.	30,713.00	7,650.00
19	HARVEEN AGENCY	1,250.00	0.00
20	HOTEL JAGEER PALACE	657.75	2,213.00
21	ING VYSYA BANK LTD.	1,935.00	1,935.00
22	J.V.G. SUPPLIERS	0.00	0.00
23	KHUSADRA PLAY SCHOOL	8,939.00	0.00
24	LAVANNIA FORM HOUSE	20,291.00	0.00
25	LUXMI GENERAL STORE	0.00	0.00
26	LUXMI TRADING CO.	84,654.00	84,654.00
27	MITTAL HOTELS PVT. LTD.	36,500.00	0.00
28	NEW MILK ICE CREAM	32,954.85	0.00
29	NEW PAWAN AGENCIES-RAJPURA	0.00	480.00
30	PANKAJ TRADING CO.-AMRITSAR	360,125.87	217,414.00
32	PNB FIRE STN.	2,450.00	3,285.00
33	PRERANA MARKETING PVT. LTD.	68,510.00	0.00
34	PUNJAB & SIND BANK	3,655.00	810.00
35	PUNJABI BAGH CLUB	2,056.00	4,456.00
36	RAMDHAN MAKKAR	29,867.00	29,867.00
37	RDM CARE INDIA PVT. LTD.	56,500,960.00	83,991,631.00
38	RDM CARE INDIA PVT. LTD.	16,853.00	4,518.00
39	RDM CARE INDIA PVT. LTD.-BHIWANDI	0.00	27,270.00
40	RDM CARE INDIA PVT. LTD.-CUTTACK	0.00	9,090.00
41	RDM CARE INDIA PVT. LTD.-DELHI	0.00	0.00
42	RDM CARE INDIA PVT. LTD.-GUWAHATI GK	13,635.00	10,908.00
43	RDM CARE INDIA PVT. LTD.-GZD.	0.00	54,540.00
44	RDM CARE INDIA PVT. LTD.-HISSAR	0.00	96,809.00
45	RDM CARE INDIA PVT. LTD.-HYDERABAD	0.00	11,363.00
46	RDM CARE INDIA PVT. LTD.-INDORE	0.00	54,540.00
47	RDM CARE INDIA PVT. LTD.-KARNAL	0.00	0.00
48	RDM CARE INDIA PVT. LTD.-KOLKATTA	0.00	63,610.00
49	RDM CARE INDIA PVT. LTD.-MUZAFFARPUR	0.00	21,362.00

## NUWAY ORGANIC NATURALS INDIA LTD.

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50	RDM CARE INDIA PVT. LTD.-NAGPUR	11,090.00	0.00
51	RDM CARE INDIA PVT. LTD.-PUNE	0.00	54,540.00
52	RDM CARE INDIA PVT. LTD.-RANCHI	0.00	54,540.00
53	RDM CARE INDIA PVT. LTD.-SAHNEWAL	0.00	0.00
54	RDM CARE INDIA PVT. LTD.-VIJAYWADA	0.00	9,090.00
55	RED CHILLI	7,200.00	7,200.00
56	S.S. FOOD	13,060.00	13,060.00
57	SEVEN STAR	41,225.00	46,176.00
58	SHREE SAI ANAND SALES	25,663.00	25,663.00
59	SIMRAN ENTERPRISES	5,565.75	0.00
60	SUNNY ELECTRONIC	3,996.31	0.00
61	THREE-N-PRODUCTS PVT. LTD.-KP	39,851.00	1,080.00
62	VATIKA COMPLEX	1 31,473.00	0.00
63	VATIKA GRAND	8,100.00	0.00
64	VINTAGE STUDIO PVT. LTD.	7,439.00	1,710.00
65	VISHWAKARMA MOTOR	673.00	0.00
	<b>TOTAL</b>	<b>57,770,038.43</b>	<b>85,056,542.50</b>
LESS:	RDM CARE INDIA PVT. LTD.-RISHIKESH	578.00	580.00
	RDM CARE INDIA PVT. LTD.-KOLKATTA	20.00	0.00
	RDM CARE INDIA PVT. LTD.-	872,791.00	152,882.00
	R.G. ENTERPRISE	8,257.50	8,257.50
	<b>GRAND TOTAL</b>	<b>56,888,391.93</b>	<b>84,894,823.00</b>



# NUWAY ORGANIC NATURALS INDIA LTD.

ANNEXURE-II

## SCHEDULE OF OTHER CURRENT ASSETS AS ON 31/03/2010

S. NO.	PARTICULARS	AMOUNT AS ON 31/03/2010	AMOUNT AS ON 31/03/2009
<b>SECURITY</b>			
1	ELETRICITY SECURITY	1,214,917.00	1,214,917.00
2	TELEPHONE SECURITY	24,600.00	24,600.00
		<b>1,239,517.00</b>	<b>1,239,517.00</b>

ANNEXURE-III

## SCHEDULE OF LOANS & ADVANCES AS ON 31/03/2010

S. NO.	PARTICULARS	AMOUNT AS ON 31/03/2010	AMOUNT AS ON 31/03/2009
1	SHIVAM COOLDRINKS PVT. LTD	14,283,576.60	13,437,731.00
2	ADVANCE TAX AY10-11	945,600.00	0.00
3	SELF ASSTT. TAX AY 09-10	144,600.00	0.00
4	GOODS IN TRANSIT	102,663.00	0.00
5	VAT INPUT 12.50%	67,817.00	24,260.00
<b>TOTAL</b>		<b>15,544,256.60</b>	<b>13,461,991.00</b>

ANNEXURE- IV

## SCHEDULE OF SECURITY RECEIVED FROM CUSTOMERS AS ON 31/03/2010

S. NO.	PARTICULARS	AMOUNT AS ON 31/03/2010	AMOUNT AS ON 31/03/2009
1	SECURITY-JAR	14,000.00	14,000.00
2	TREHAN CONSTRUCTION	327,490.00	327,490.00
3	ACE BUILDS PVT. LTD.	508,535.00	198,752.00
4	PACECON ENG. PVT. LTD.	107,460.00	0.00
5	BABA ENTERPRISES	86,870.00	0.00
6	RAINBOW ENGG. & CONTRACTOR	293,717.00	0.00
7	SAKSHI ENGG. PROJECTS	69,964.00	0.00
<b>TOTAL</b>		<b>1,408,036.00</b>	<b>540,242.00</b>

# NUWAY ORGANIC NATURALS INDIA LTD.

## ANNEXURE- V

### SCHEDULE OF ADVANCES RECEIVED FROM CUSTOMERS AS ON 31/03/2010

S. NO.	PARTICULARS	AMOUNT AS ON 31/03/2010	AMOUNT AS ON 31/03/2009
1	ASIAN TRADERS	2,392.00	2,392.00
2	ISHWAR CHAND SUBHASH CHAND	2,258.00	0.00
3	PRAKASH TRADERS	35,146.90	0.00
4	SURY TRADERS	3,535.00	0.00
5	VISHAL CHEMICAL	7,500.00	0.00
6	PAWHA SALES AGENCIES	0.00	10,519.00
7	SUNNY TRADING CO.	9,297.00	9,297.00
		<b>60,128.90</b>	<b>22,208.00</b>

## ANNEXURE- VI

### SCHEDULE OF SUNDRY CREDITORS AS ON 31/03/2010

S. NO.	PARTICULARS	AMOUNT AS ON 31/03/2010	AMOUNT AS ON 31/03/2009
1	ZENITH CHEMICAL & ALLIED INDS.	44,191.97	44,191.37
2	PEARLS OF BEAUTY-28	114,406,555.00	61,514,566.00
3	THREE-N-PRODUCTS PVT. LTD. -KP	2,295,739.98	3,331,144.00
4	THREE-N-PRODUCTS PVT. LTD. -MP	8,024,437.00	1,729,752.00
5	THREE-N-PRODUCTS PVT. LTD. -RN	10,468,880.00	501,088.00
6	LAXMI PAPERS	3,744,846.00	4,063,007.00
7	NARNAG BROS.	0.00	401,311.00
8	APEX INDUSTRIES	58,035.00	0.00
9	ACE PLASTICS	0.00	196,490.00
10	AHUJA SALES CORPORATION	0.00	97,309.00
11	AJIT PLASTICS	0.00	122,175.00
12	BOTHRA INDUSTRIES	0.00	15,998.00
13	CHEMICAL AND MINERAL INDUSTRIES PVT. LTD.	0.00	0.00
14	GALAXY SURFACTANTS LTD.	4,932.00	330,187.00
15	HARKARAN DAS VED PAL	0.00	685,440.00
16	MASCOT ENGINEERING COMPANY	0.00	49,385.00
18	REGAL CREATIVE PRODUCTS PVT. LTD.	74,059.00	48,212.00
19	RUDRAKSH POLYTECH	0.00	87,945.00
20	S.H. KELKAR & CO. PVT. LTD.	46,370.00	92,739.00
22	SAHIJ INDUSTRIES	40,461.00	82,545.00
23	SHRINK SPECIALISTS	0.00	35,700.00
24	SPECHEM CELLULOSE PVT. LTD.	17,250.00	4,260.00
26	TAURUS PACKAGING PVT. LTD.	0.00	94,158.00
27	THREE-N-PRODUCTS PVT. LTD.-KP	620,364.00	469,195.00
28	VISHNU ART PRESS	37038	8,673.00
29	WADERA & COMPANY	0.00	9,832.00
31	AKHNOOR PACKAGINGS (P) LTD.	45,3020.00	0.00
32	APEX INDUSTRIES	20,2444.00	0.00
33	AVEES BIOCOS PVT. LTD.	17,4302.00	0.00
34	BHAGWATI PACKERS & PRINTERS	15,5464.00	0.00
35	CHEMIDYE AGENCIES	20,076.00	0.00
36	MALHOTRA AUTOMOTIVE COMPONENTS (P) LTD	65,637.00	0.00
37	NATIONAL TRADING CORPORATION	81,600.00	0.00

## NUWAY ORGANIC NATURALS INDIA LTD.

38	PIOMA CHEMICALS	27,118.00	0.00
39	RIDDHI ENTERPRISES	19,309.00	0.00
40	VIKAS PLASTIC INDUSTRIES	84,573.00	0.00
41	WEENER EMPIRE PLASTICS LTD	102,663.00	0.00
42	PEARLS OF BEAUTY	306,951.00	306,951.00

**A** 141,576,315.95 74,322,253.37

### SCHEDULE OF OTHER CREDITORS AS ON 31/03/2010

1	ENGINEERS LEAGUE INC.	16,398.00	0.00
2	RAINBOW ENGINEERS & CONTRACTORS	19,170.00	0.00
4	ACE BUILD (P) LTD.	756,130.00	608,202.00
5	TRADE MARK PROTEC CO.	17,000.00	13,500.00
6	VISHNU ART PRESS	20,986.00	14,587.00
7	SAKSHI ENGG. PROJECTS	367,686.00	0.00
8	SANDEEP ENTERPRISES	0.00	8,347.00
9	MERCURY INDUSTRIES	26,000.00	0.00
10	CLASSIC CONTROLS	0.00	49,470.00
11	MAGNA METAL & MILL STORE	9,203.00	89,412.00
12	MULTI WEIGHT INDIA PVT. LTD.	42,000.00	142,000.00
13	NARAYAN DASS BHARAT KUMAR	463,813.00	10,348,439.00
14	NEW AGGARWAL IRON STORE	0.00	99,668.00
15	PERFECT ENGINEERS	2,817,272.00	4,353,247.00
16	POWERTECH SWITCHGEARS(I)PLTD.	0.00	100,255.00
17	RESONANCE MEDIA PVT. LTD.	0.00	1,025,701.00
18	SHANDILYA TYAGI ROADLINES	0.00	67,361.00
19	S.S. BOTMAC ENGINEERS PVT. LTD.	884,340.00	691,560.00
20	SUMMIT ADVERTISING	1,824.40	17,196.40
21	SURAJ FABRICS INDUSTRIES LIMITED	0.00	1,263,020.00
22	DMAS ADV.& COMM. PVT. LTD.	474,725.00	1,213,079.00
23	GOEL IRON STORE	61,468.00	589,647.00
24	BALWINDER SINGH	0.00	15,765.00
25	PRAJ INDUSTRIES LTD.	33,811,357.74	6,255,009.89
26	TEHRAN CONSTRUCTIONS	132,455.00	652,529.00
27	FOWLER WESTRUP (I) PVT. LTD.	360,388.31	1,087,499.50
28	BHARAT TRADERS	0.00	12,050.00
29	CHEEMA BOILERS LIMITED	2,105,930.00	0.00
30	PACECON ENGG. PROJECTS LTD.	660,490.90	0.00
31	BABA ENTERPRISES	9,213.40	0.00
32	CHEEMA-ERECTION & COMM.	1,240,875.00	0.00
33	CHEEMA GRAM UDYOG SAMITI	30,000.00	0.00
34	ENVIRO SOLUTION	41,000.00	0.00
35	ADHI SAKTHI PROJECTS	106,662.00	106,662.00
36	SHREE SAI ENGINEERING WORKS	13,260.00	13260.00
37	VIDEOJET TECHNOLOGIES (I) PVT. LTD.	0.00	27350.00
38	B.M. PACKAGING	2,698.00	2698.00
39	GREG-VIN ENGINEERS	0.00	0.00
40	CORPORATE DETECTIVE AND SECURITYM SERVICES	5,405.00	5,401.00
41	AGRAWAL TRANSLINK CORPRATION	3,524.00	19,080.00
42	BABA TOOLS & GASES	670.00	0.00
43	PEARLS OF BEAUTY(27)	220,376.00	0.00
44	PURAN ENTERPRISES	17,045.00	0.00
45	VISHNU ART PRESS	15,464.00	9,813.00
46	COMPUTER CONCEPT	9,474.00	0.00

**B** 44,764,303.75 28,901,808.79

## NUWAY ORGANIC NATURALS INDIA LTD.

<b>C</b>	<b>GRAND TOTAL (A + B)</b>	<b>186,340,619.70</b>	<b>103,224,062.16</b>
<b>LESS:</b>	<b>ADVANCES PAID TO SUPPLIERS AS ON 31/03/2010</b>		
1	LAXMI TRADING CO.	25,393.00	25393.00
2	RAINBOW ENGINEERS & CONTRACTORS	0.00	500000.00
3	AGGARWAL PUMPS & PIPES	12,827.00	3000.00
4	AMBUJA CEMENT LTD.	4,300.00	265930.00
5	D.K. INDUSTRIES	41,496.00	136500.00
6	GRASIM CEMENT	440,340.00	103000.00
7	MAX ENGINEERING & MKTING CO.	0.00	109363.00
8	PACECON ENGG. PROJECTS LTD.	0.00	185400.00
9	ACE BUILDS PVT. LTD.	1,058,284.00	1677851.00
10	BABA ENTERPRISES	0.00	105000.00
11	CHEEMA BOILERS LIMITED	2,895,000.00	2400000.00
12	ELINA SOLUTION PVT. LTD.	1,440,000.00	1440000.00
13	FLOWERS WESTRUP INDIA PVT. LTD.	0.00	2625000.00
14	PEACECON ENGS PROJECTS LTD.	1,079,190.00	1800000.00
15	PERFECT ENGINEERS	0.00	2500000.00
16	PRAJ INDUSTRIES LTD (AGAINST MACHINERY)	17,851,813.74	28303284.67
17	HILL DECANTERS	900,000.00	0.00
18	THERMOTECH ENGINEERING CORP.	1,164,320.00	0.00
19	HYPER FILTRATION PVT. LTD.	600,000.00	0.00
20	MAXWATT TURBINES PVT. LTD.	1,500,000.00	0.00
21	RAMAN ENTERPRISES	50,000.00	0.00
22	SOLUTION	2,500.00	0.00
23	SURKHMAMI ENG. WORKS	220,000.00	0.00
24	VARDHAMAM INDUSTRIES LTD.	27,061.00	0.00
25	GENERAL ,ENGG. CORPORATION	450,000.00	0.00
26	RAHUL ENTERPRISES	36,535.00	0.00
27	SHIVAM COOLDRINKS PVT. LTD.	7,211.00	0.00
<b>D</b>		<b>29,806,270.74</b>	<b>42,179,721.67</b>
	<b>NET TOTAL ( C - D )</b>	<b>156,534,348.96</b>	<b>61,044,340.49</b>

# NUWAY ORGANIC NATURALS INDIA LTD.

ANNEXURE- VII

## SCHEDULE OF EXPENSES PAYABLE ACCOUNT AS ON 31/03/2010

S. NO.	PARTICULARS	AMOUNT AS ON 31/03/2010	AMOUNT AS ON 31/03/2009
1	AUDIT FEE PAYABLE	92,657.00	27,986.00
2	BEETAL FIN. & COMPUTER SERV. P. LTD.	27,079.80	13,460.80
4	DIRECTOR REMUNERATION PAYABLE	1,951,155.00	1,951,155.00
5	DWARKA DASS & SONS	11,240.51	86,565.11
8	NTCON	0.00	162,267.00
9	PREET SECURITY & SAFETY	21,128.00	16,620.00
10	R.S. BHATIA	49,270.00	31,066.00
11	SALARY & WAGES PAYABLE	998,860.00	107,300.00
12	HARISH KUMAR	6,006.00	0.00
13	WELLWISH PRINTERS	0.00	18,350.00
14	ELECTRICITY CHARGES	34,131.00	29,554.00
16	RENT PAYABLE-PEARLS OF BEAUTY	0.00	64,736.00
17	H.D. SHARAM & ASSOCATES	0.00	56,940.00
19	SALARY PAYABLE A/C	17,701.00	35,987.00
20	E.P.F. PAYABLE	3,942.00	9,089.00
21	TELEPHONE EXP. PAYABLE	0.00	944.00
22	PROFESSIONAL FEE-GIAN ARORA	4,000.00	1,000.00
23	SALARY PAYABLE	18,000.00	0.00
24	PROFESSIONAL FEES PAYABLE	30,000.00	0.00
25	MARVEL CONSULTANT	20,000.00	0.00
26	MAHESH SACHDEVA	20,000.00	0.00
	<b>TOTAL</b>	<b>3,305,170.31</b>	<b>2,613,019.91</b>

ANNEXURE- VIII

## SCHEDULE OF DUTIES & TAXES PAYABLE AS ON 31ST MARCH,2010

S. NO.	PARTICULARS	AMOUNT AS ON 31/03/2010	AMOUNT AS ON 31/03/2009
1	CENTRAL SALE TAX 12.50%	14,848.76	0.00
2	INPUT	(2,644.90)	(1,801.00)
3	OUTPUT VAT	297,211.45	648,180.50
4	TDA PAYABLE	450,382.00	317,169.00
5	TDS PAYABLE	148,506.00	15,362.00
6	TDS PAYABLE-194C	141,795.00	204,183.00
7	TDS PAYABLE-194J	512,077.80	212,959.00
8	TDS PAYABLE-194I	13,854.00	0.00
9	TDS PAYABLE	2,110.00	4,234.00
10	CENTRAL SALE TAX 12.50%	900.00	0.00
11	OUTPUT 12.50%	89,348.41	103,122.92
12	CENTRAL SALE TAX 2%	68.00	0.00
	<b>TOTAL</b>	<b>1,668,456.52</b>	<b>1,503,409.42</b>

# NUWAY ORGANIC NATURALS INDIA LTD.

SCHEDULES VIII FORMING PART OF THE FINANCIAL STATEMENTS FOR  
THE YEAR ENDED MARCH 31ST, 2010

SCHEDULE -VIII

## Significant Accounting Policies and Notes on Accounts for the Year ended 31<sup>st</sup> March 2010

### 1. Accounting Conventions:

- (i) The financial statement are prepared under the historical cost convention, in accordance with the generally accepted accounting principles and provisions of the Companies Act, 1956, with revenue recognised and expenses accounted on accrual basis unless otherwise stated.
- (ii) Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principle.
- (iii) The disclosures made in the accounts are based on the concept of materiality of the transactions involved.

### 2. Fixed Assets:

Fixed Assets of the company were stated at cost of acquisition less accumulated depreciation. Cost is inclusive of freight, duties, levies, any directly attributable cost of bringing the assets to their working condition for their intended use.

### 3. Use of Estimates:

The preparation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of the assets and liabilities on the date of financial statements and the reported amounts of revenue and expenses during the reporting period. Differences between actual and estimates are recognized in the period in which results get materialized.

### 4. Revenue Recognition:

Revenue/Income from sale of traded goods is recognized on dispatch of goods. Sales are exclusive of Sales Tax, whichever applicable. Interest on deployment of funds is recognized on accrual basis. Dividend income is recognized on receipt. Profit on sale of investment is recognized on sale of investment.

### 5. Depreciation:

Depreciation on fixed assets has been charged on Diminishing Balance Method at the rates prescribed in Schedule – XIV of the Companies Act, 1956, as amended in 1993. Depreciation on additions was charged on pro-rata basis relating to the period of use of such assets.

### 6. Inventories:

All the stocks were valued by the management at cost or net realized value whichever is less.

### 7. Investment:

Investments are stated at cost.

### 8. Gratuity:

No Provision has been made for Gratuity during the year as the same is being accounted for on cash basis.

### 9. Earned Leave:

No Provision for earned leave has been made in the accounts for the year. It will be charged to revenue as and when paid.

### 10. Contingent Liabilities:

- i) In respect of tax matters: NIL
- ii) Claims lodged against the company but not acknowledged as debts and pending in the Court of Law- NIL
- iii) In accordance with the transitional provisions of AS-22, the deferred tax liability of Rs. 5,31,333/- has been provided during the year. The break-up is as follows:

Particulars	Amount in Rs.
Deferred Tax Liability As on 31-03-2009	5,86,537/-
Provision for Deferred Tax made during the year	5,31,333/-
Deferred Tax Liability as On 31-03-2010	11,17,870/-

# NUWAY ORGANIC NATURALS INDIA LTD.

## 11. Reportable Segment - Business Segment

	Cosmetics Rs.	Mineral Water Rs.	Other Operations Rs.	Total Rs.
<b>Segment Revenue</b>				
External Sales	109882857.30	8834274.15	-	118717131.45
Inter Segmental Sales				
Total	109882857.30	8834274.15	-	118717131.45
<b>Segment Results</b>				
Segment Results	17464436.22	-3489.46	-	17460946.76
Unallocated Corporate Expenses	-	-	-	2840757.54
Operating Profit	-	-	-	14620189.22
IncomeTax/FBT/Deferred Profit from Ordinary Activities/Net Profit	-	-	-	8379456.22
<b>Other Information</b>				
Segment Assets	78572594.59	16747837.63	222190465	317510897.25
Unallocated Corporate Assets	-	-	33508706.38	33508706.38
Total Assets	-	-	-	351019603.63
Segment Liabilities	141975978.40	566400.17	16619200.92	159161579.49
Unallocated Corporate Liabilities	-	-	3814561.20	3814561.20
Unsecured Loans	-	-	-	74000000
Deferred Tax/Income Tax	-	-	-	2651836
Capital Expenditure	-	-	-	111391626.94
Depreciation	2980485.00	239860.00	-	3220345.00
Unallocated Depreciation	-	-	-	135677.18
Non Cash Expenses	-	-	-	-
Other Pre Operative Expenses	-	-	-	-
Pre Operative Expenses	-	-	-	14213483.51
				<b>122249088.27</b>

A. Quantity wise Sales of Cosmetic Products & Mineral water are effected as follows

	Cosmetic Products	Mineral water
Ludhiana Unit	36,93,356.00	
Baddi Unit	21,66,951.74	
Delhi Unit		31,55,898.00
Lalru Unit		13,93,411.00

- B. Sales Revenue, Expenses, Assets & Liabilities of Ludhiana Unit were accordingly shared between cosmetic products & mineral water in the ratios of their sales at ludhiana unit
- C. Assets & Liabilities relating to Income Tax have not been included in above figures
- D. While preparing segment report as above only income, expenditure, assets and liabilities pertaining to concerned segments have been taken into consideration.
- E. Geographical segment has not been given as the company is not working in a separate economic environment which has effect on risk and return, which are different from the one in which the company is presently working.

## NUWAY ORGANIC NATURALS INDIA LTD.

### 12. Related Party Disclosures:

As per Accounting Standard 18, the disclosure of Related Parties and transactions since previous year are given below:

Nature of transaction	Amount (in Rs.)
i) Purchases :	
SHIVAM COOL DRINKS PVT. LTD.	78,26,773/-
PEARLS OF BEAETHY (FIRM)	6,29,91,989/-
THREE-N-PRODUCTS PVT LTD	1,76,03,844/-
ii) Sales :	
R.D.M. CARE INDIA PVT. LTD.	11,65,02,129/-
iii) Rent :	
MANMINDER SINGH	50,000/-
DILVINDER SINGH	4,000/-
PEARLS OF BEAETHY (FIRM)	2,40,000/-
iv) Directors Remuneration	—NIL—
v) Unsecured Loan :	
THREE-N-PRODUCTS PVT LTD	90,00,000/-
MANMINDER SINGH	50,00,000/-

13. Information pursuant to Part II of Schedule VI of the Companies Act, 1956 have been given below to extent the same are applicable to the Company)

a. PARTICULARS IN RESPECT OF OPENING STOCK, PURCHASES, SALES AND CLOSING STOCK

Opening Stock	68,93,333/-
Purchases during the year	10,06,01,625/-
Sales during the year	1,87,17,131/-
Closing Stock	89,80,710/-
(Quantitative Details as per Annexure-I)	

b. VALUE OF IMPORT CALCULATED ON CIF BASIS:- NIL

c. EXPENDITURE AND EARNING IN FOREIGN CURRENCY:-

i)	EXPENDITURE	:	NIL
ii)	EARNING	:	NIL

d. Managerial Remuneration under section 198 of the Companies Act, 1956 paid or payable to the directors during the financial year, is as under:

Particulars	Year 2009-2010 Amount in Rs.	Year 2008-2009 Amount in Rs.
Salaries & Allowance	NIL	6,00,000/-
Contribution of Provident Fund	NIL	NIL
Other Funds	NIL	NIL
Commission Payable	NIL	NIL
Approximate monetary value Of perquisites and other benefits	NIL	NIL
<b>TOTAL</b>	<b>NIL</b>	<b>6,00,000/-</b>



# NUWAY ORGANIC NATURALS INDIA LTD.

Statement of Computation of Net Profit under Section 198(1) of the Companies Act, 1956.

	Year 2009-10	Year 2008-09
Profit Before tax as per Profit & Loss Account	1,28,39,171/-	67,94,896/-
Add: Directors Remuneration paid/provided	NIL	6,00,000/-
Loss on sale of Fixed Assets	NIL	NIL
Less: Profit on sale of Investment (net)	NIL	NIL
Net Profit in accordance with Section 198(1)/349	1,28,39,171/-	73,94,896/-

e. INTEREST ON LOAN FROM DIRECTORS

There was no arrangement or contract to pay interest on loan to the directors.

14. In the absence of information regarding sundry creditors with regard to their status as Small Scale Industrial Undertakings, it is not possible to determine the amount, if any, payable to sundry creditors falling within the meaning of Small Scale Industrial Undertaking.
15. Previous years figures have been regrouped / re-arranged wherever necessary.
16. In the opinion of the management, the current assets, Loans & Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.
17. The Provision for Income Tax & Fringe Benefit Tax has been made as follows:

	2009-10	2008-09
Against Income Tax	Rs. 57,09,400/-	Rs. 15,00,000/-
Against Fringe Benefit Tax	Rs NIL	Rs. 33,380/-

18. AUDITOR'S REMUNERATION

A Sum of Rs.20,000/- was payable against the Statutory Auditor's Remuneration as follows :

(a) As Auditor under Companies Act. 1956	Rs. 10000.00
(b) As Auditor under Income Tax Act,1961	Rs. 10000.00

**TOTAL :**

**Rs. 20000.00**

19. Abstract as per Part IV of Schedule VI is separately enclosed.  
(As per Annexure-II)

AS PER OUR SEPARATE AUDIT REPORT OF EVEN DATE ATTACHED  
FOR ALOK BAJAJ & ASSOCIATES  
CHARTERED ACCOUNTANTS

Sd/-  
(ALOK BAJAJ)  
PROPRIETOR

Sd/-  
(MANMINDER SINGH NARANG)  
(MG. DIRECTOR)

Sd/-  
(ASHOK KUMAR)  
(DIRECTOR)

Sd/-  
(SANDEEP SINGH)  
(COMPANY SECRETARY)

PLACE : LUDHIANA  
DATE : 30/08/2010

# NUWAY ORGANIC NATURALS INDIA LTD.

Annexure - I

## 4 Quantitative Details in pursuance to the requirements under the Companies Act, 1956 are as:

	<b>Cosmetics Qty.</b>	<b>Value (Rs.)</b>	<b>Mineral Water Qty.</b>	<b>Value (Rs.)</b>
(a) Opening Stock	2,838,948.27	6,844,832.67	24,472.00	38,500.00
(b) Purchase during the year	6,353,974.80	92,774,852.20	4,552,829.00	7,826,772.89
	9,192,923.07	99,619,684.87	4,577,301.00	7,865,272.89
(c) Sales during the year	5,860,307.74	90,688,567.70	4,549,309.00	7,815,679.74
Closing Stock	3,332,615.33	8,931,117.17	27,992.00	49,593.15

AS PER OUR SEPARATE AUDIT REPORT OF EVEN DATE ATTACHED  
FOR ALOK BAJAJ & ASSOCIATES  
CHARTERED ACCOUNTANTS

Sd/-  
(ALOK BAJAJ)  
PROPRIETOR

Sd/-  
(MANMINDER SINGH NARANG)  
(MG. DIRECTOR)

Sd/-  
(ASHOK KUMAR)  
(DIRECTOR)

Sd/-  
(SANDEEP SINGH)  
(COMPANY SECRETARY)

PLACE : LUDHIANA  
DATE : 30/08/2010

# NUWAY ORGANIC NATURALS INDIA LTD.

Annexure - II

## INTEGRAL PART OF SCHEDULE - VIII OF THE BALANCE SHEET AND PROFIT & LOSS A/C BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

### I. Registration Details

Registration No. 

1	6	7	5	5
---	---	---	---	---

 State Code 

1	6
---	---

Balance Sheet Date 

3	1	0	3	2	0	1	0
---	---	---	---	---	---	---	---

  
Date Month Year

### II. Capital raised during the year (Amount in Thousand)

Public Issue 

		N	I	L	
--	--	---	---	---	--

 Rights Issue 

		N	I	L	
--	--	---	---	---	--

Bonus Issue 

		N	I	L	
--	--	---	---	---	--

 Private Placement 

		N	I	L	
--	--	---	---	---	--

### III. Position of Mobilisation and Deployment of Funds (Amount in Thousand)

Total Liabilities 

1	9	7	3	6	7
---	---	---	---	---	---

 Total Assets 

1	9	7	3	6	7
---	---	---	---	---	---

Paid-up Capital 

1	1	5	4	0	6
---	---	---	---	---	---

 Reserves & Surplus 

6	8	4	3		
---	---	---	---	--	--

Secured Loans 

N	I	L			
---	---	---	--	--	--

 Unsecured Loans 

7	4	0	0	0	
---	---	---	---	---	--

Application of Funds  
Net Fixed Assets 

2	3	3	2	3	6
---	---	---	---	---	---

 Investments 

1	5	1	3	0	
---	---	---	---	---	--

Net Current Assets 

-	6	5	2	1	2
---	---	---	---	---	---

 Misc Expenditure 

1	4	2	1	3	
---	---	---	---	---	--

Accumulated Losses 

N	I	L			
---	---	---	--	--	--

### IV. Performance of Company (Amount in Rs. Thousand)

Turnover 

1	1	8	7	1	7
---	---	---	---	---	---

 Total Expenditure 

1	0	5	8	7	8
---	---	---	---	---	---

Profit / Loss before tax 

1	2	8	3	9	
---	---	---	---	---	--

 Profit / Loss after tax 

6	5	9	8		
---	---	---	---	--	--

(Please tick Appropriate Box + for Profit - Loss )  
Earning per Share in Rs. 

1	.	2	6		
---	---	---	---	--	--

 Dividend rate % 

0	0				
---	---	--	--	--	--

### V. Generic Names of three Principal Products /Services of Company (as per monetary terms)

Item Code No. (ITC Code)  
Product Description 

C	O	S	M	E	T	I	C	S				
---	---	---	---	---	---	---	---	---	--	--	--	--

Item Code No. (ITC Code)  
Product Description 

M	I	N	E	R	A	L		W	A	T	E	R
---	---	---	---	---	---	---	--	---	---	---	---	---

AS PER OUR SEPARATE AUDIT REPORT OF EVEN DATE ATTACHED  
FOR ALOK BAJAJ & ASSOCIATES  
CHARTERED ACCOUNTANTS

Sd/-  
(ALOK BAJAJ)  
PROPRIETOR

Sd/-  
(MANMINDER SINGH NARANG)  
(MG. DIRECTOR)

Sd/-  
(ASHOK KUMAR)  
(DIRECTOR)

Sd/-  
(SANDEEP SINGH)  
(COMPANY SECRETARY)

PLACE : LUDHIANA  
DATE : 30/08/2010

# NUWAY ORGANIC NATURALS INDIA LTD.

## CASH FLOW STATEMENT FOR THE YEAR ENDING 31st March 2010 PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT

PARTICULARS	AMOUNT IN Rs.	TOTAL IN Rs.
<b>A) CASH FROM OPERATING ACTIVITIES</b>		
Profit after tax	6,598,438.22	
Adjustment for:		
Depreciation and obsolescence	1,483,312.00	
Interest and finance charges	20,440.14	
Preliminary Expenses written off	297,706.00	
Pre Operative Expenses	0.00	
Provision for Deferred Tax	531,333.00	
Provision for Income Tax	5,709,400.00	
Provision for Fringe Benefit Tax	0.00	
<b>Operating profit before working capital changes</b>	<b>14,640,629.36</b>	
Adjustment for:		
(Increase)/decrease in Inventories	(2,087,377.65)	
(Increase)/decrease in Sundry Debtors	28,006,431.07	
(Increase)/decrease in Loan and Advances	(2,082,265.60)	
Increase/(decrease) in Trade Payable and other liabilities	97,252,920.87	
<b>Cash generated from operation</b>	<b>135,730,338.05</b>	
Taxes Paid	5,709,400.00	
<b>Net Cash Flow from Operating Activities (A)</b>		<b>130,020,938.05</b>
<b>B) CASH FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(124,570,099.40)	
Sale of fixed assets	0.00	
Interest and dividend received	0.00	
<b>Net Cash used in Investing Activities (B)</b>		<b>(124,570,099.40)</b>
<b>C) CASH FROM FINANCING ACTIVITIES</b>		
Repayment of Long term borrowings	0.00	
Proceeds from Long term borrowings	14,000,000.00	
Proceeds from Unpaid Call Money	1,250.00	
Interest and finance charges	(20,440.14)	
Pre Operative Expenses	(10,079,701.50)	
<b>Net Cash Flow from Financing Activities (C)</b>		<b>3,901,108.36</b>
<b>Net Increase in cash and cash equivalent (A+B+C)</b>		<b>9,351,947.01</b>
<b>Cash and cash equivalent at the beginning of the year</b>		<b>6,979,939.20</b>
<b>Cash and cash equivalent at the end of the year</b>		<b><u>16,331,886.21</u></b>

### Notes:

- Cash flow statement has been prepared under the indirect method as set out in Accounting Standard-3 notified by Company's Act 1956.
- Cash and equivalents represent cash and bank balances.

AS PER OUR SEPARATE AUDIT REPORT OF EVEN DATE ATTACHED  
FOR ALOK BAJAJ & ASSOCIATES  
CHARTERED ACCOUNTANTS

Sd/-  
(ALOK BAJAJ)  
PROPRIETOR

Sd/-  
(MANMINDER SINGH NARANG)  
(MG. DIRECTOR)

Sd/-  
(ASHOK KUMAR)  
(DIRECTOR)

Sd/-  
(SANDEEP SINGH)  
(COMPANY SECRETARY)

PLACE : LUDHIANA  
DATE : 30/08/2010

**NUWAY ORGANIC NATURALS INDIA LTD.**  
Regd. Office : 22, Pratap Colony, Model Gram, Ludhiana (Punjab)

**PROXY FORM**

Regd. Folio No. ....

I/We.....  
of.....being a Member / Members  
of NUWAY ORGANIC NATURALS INDIA LTD. hereby appoint.....  
of.....  
or failing him/her,.....  
of.....  
as my / our proxy to vote for me/us on my / our behalf at the 15TH ANNUAL GENERAL MEETING of the  
Company to be held on Monday, the 27th September, 2010 at 10.00 A.M. and at any adjournment thereof.

Signed this.....day of.....2010.

Signature.....

Affix  
Revenue  
Stamp

Note : This form in order to be effective should be duly stamped, completed and signed and must be deposited  
of the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

**NUWAY ORGANIC NATURALS INDIA LTD.**  
Regd. Office : 22, Pratap Colony, Model Gram, Ludhiana (Punjab)

**ATTENDANCE SLIP**  
TO BE HANDOVER AT THE ENTRANCE OF MEETING HALL  
15TH ANNUAL GENERAL MEETING-27TH SEPTEMBER, 2010

I/We hereby record my / our presence at the 15TH ANNUAL GENERAL MEETING of the Company to be held  
on Monday, the 27th September, 2010 at 10.00 A.M. at the Regd. office of the Company at 22, Pratap Colony,  
Model Gram, Ludhiana (Punjab)

Name of Share holder/Proxy\*.....L.F. No.....

Address.....

No. of shares held.....

\*Strike out which ever is not applicable

Signature of Member / Proxy

**Note :** Shareholders are advised that the Company has decided not to distribute any gifts at the AGM





**U. P. C.**

*If undelivered please return to :*

**NUWAY ORGANIC**

**NATURALS INDIA LTD.**

Regd. Office : 22, Pratap Colony,  
Model Gram, Ludhiana (Punjab)