

# vaarad ventures



Annual Report  
2010-2011

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## **BOARD OF DIRECTORS**

Mr. Vikram A. Doshi  
Managing Director

Mr. Bhagirat Merchant  
Director

Mr. Piyush Vora  
Director

Mr. Pradip Dubhashi  
Director

Mr. Dilip Mehta  
Director

Mr. Nitin Datanwala  
Director

Mrs. Leena Doshi  
Director

## **COMPANY SECRETARY**

Mr. Hemant Soni

## **BANKERS**

HDFC BANK LTD  
AXIS BANK LTD  
ICICI BANK LTD

## **AUDITOR**

G.C. Patel & Co.  
Chartered Accountants

## **REGISTRAR & SHARE TRANSFER AGENT**

**Bigshare Services Pvt. Ltd.**

E-2/3, Ansa Industrial Estate  
Sakivihar Road, Sakinaka, Andheri (E), Mumbai – 400 072  
Tel. No. +91 22 2847 0652/4043 0600 • Fax No. +91 22 2852 5207  
Email: info@bigshareonline.com

## **REGISTERED & CORPORATE OFFICE**

**Vaarad Ventures Limited,**  
6A, Lalwani Industrial Estate,  
14, G.D. Ambekar Road, Wadala, Mumbai – 400 031  
Tel. No. +91 22 40375600  
Email: info@vaaradventures.com

## NOTICE

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NOTICE IS HEREBY GIVEN THAT THE SEVENTEENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF VAARAD VENTURES LIMITED (FORMERLY KNOWN AS ATCO CORPORATION LIMITED) WILL BE HELD ON FRIDAY, AUGUST 12, 2011 AT 4.00 P.M. AT SUNVILLE BANQUETS, 9, DR. ANNE BESANT ROAD, WORLI, MUMBAI - 400018 TO TRANSACT THE FOLLOWING BUSINESS:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2011, the Audited Profit and Loss Account for the year ended on that date and the Reports of Directors and Auditors thereon.
2. To declare Dividend on Equity Shares of the Company.
3. To appoint a Director in place of Mr. Nitin Datanwala, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Dilip Mehta, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint M/s. G. C. Patel & Co., Chartered Accountants, as Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

### SPECIAL BUSINESS:

6. To consider and, if thought fit, to pass with or without modification(s) the following Resolution as Ordinary Resolution:

“RESOLVED THAT in accordance with the provisions of Section 257 and other applicable provisions, if any, of the Companies Act, 1956, or any statutory modification(s) or re-enactment thereof, Mr. Bhagirat Merchant, who was appointed by the Board on October 9, 2010 as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956, and whose tenure of office comes to an end at this Annual General Meeting, be and is hereby appointed as a Non-Executive Director of the Company, who shall be liable to retire by rotation.”

7. To consider and, if thought fit, to pass with or without modification(s) the following Resolution as Ordinary Resolution:

“RESOLVED THAT in supersession of the Ordinary Resolution passed vide item No. 2 of the Postal Ballot Notice dated November 13, 2010 by the Members, and pursuant to the provisions of Section 293 (1) (d) and other applicable provisions, if any, of the Companies Act, 1956, and subject to such approvals from appropriate Authorities as may be necessary, consent of the members of the Company be and

are hereby accorded to the Board of Directors of the Company to borrow moneys from time to time from any one or more of the Company's or other Bankers and/or from any one or more other Individuals, Persons, Firms, Bodies Corporate or Financial Institutions, Mutual Funds, Foreign Bankers, Foreign Financial Institutions, Foreign Institutional Investors, Overseas Corporate Bodies, Overseas Mutual Funds, Pension Funds, Gratuity Funds, Hedge Funds, or other Funds, Trusts, or other bodies or entities, whether by way of cash credit, term loans, advances, deposits, loans or bill discounting, deferred payment guarantees, issue of debentures, Bonds or other debt instruments, external commercial borrowings or by way of any other permitted mode of borrowing, whether convertible or not; and whether unsecured or secured by mortgage, charge, hypothecation, lien, pledge or any other kind of security created on the assets and properties of the Company, or of any other person or individual, whether immovable or movable, tangible or intangible, or stock-in-trade (including raw materials, spare parts and components in stock or in transit and work-in-progress), or by any kind of guarantees and all or any of the undertakings of the Company, notwithstanding that the moneys to be borrowed, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, so that the total amount up to which the moneys may be borrowed by the Board of Directors and outstanding at any time shall not exceed the sum of Rs.1500 Crores (Rupees One Thousand Five Hundred Crores Only), exclusive of interest and other charges on such borrowings, and that the Board of Directors be and are hereby further authorised to execute such debenture trust deeds and / or mortgage, charge, hypothecation, lien, guarantees/assurance deeds and other deeds, promissory notes, deposit receipts, documents, instruments, receipts or writings containing such conditions and covenants as the Directors may think fit.

“RESOLVED FURTHER THAT to give effect to the aforesaid resolution, the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or any Director or any other officer(s) of the Company; and to do all such acts, deeds, matters and things as may be deemed necessary and settle any or all questions / matters arising with respect to the borrowing (including deciding the terms and conditions for the same) and utilisation of the funds so borrowed.”

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

“RESOLVED THAT pursuant to the provisions of Section 94(1) (d) and other applicable provisions, if any, of the Companies Act, 1956 and the provisions of Article 12 of the Articles of Association of the Company and subject to the approvals, consents, permissions and sanctions as may be necessary from the appropriate authorities or bodies, each of the 18,25,00,000 Equity Shares of the nominal value of Rs.2/- each in the Authorised Share Capital of the Company be sub-divided into two equity shares i.e. 36,50,00,000 Equity Shares of the nominal value of Rs. 1/- each.

RESOLVED FURTHER THAT the consent of the Company be and is hereby accorded to the sub-division of the issued, subscribed and fully paid Equity Capital of Rs. 21,69,03,000/- consisting of 10,84,51,500 Equity Shares of Rs. 2/- each into 21,69,03,000 Equity Shares of Rs. 1/- each fully paid up.

RESOLVED FURTHER THAT in compliance with the provisions of Section 16 of the Companies Act, 1956, the existing capital clause No. V(a) appearing in the Memorandum of Association be substituted with the following new clause:

V(a). The Authorised Share Capital of the Company is Rs. 41,50,00,000/- (Rupees Forty One Crores Fifty Lacs Only) divided into 36,50,00,000 (Thirty Six Crores Fifty Lacs) Equity Shares of Rs. 1/- (Rupees One Only) each and 5,00,000 (Five Lacs) unclassified shares of Rs. 100/- (Rupees One Hundred Only) each capable of being increased in accordance with the Company’s regulations and the legislative provisions for the time being in force in that behalf.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and are hereby authorised to issue new share certificates representing the sub-divided equity shares with new distinctive numbers, consequent to the sub-division of shares as aforesaid and/or credit the shareholders’ accounts maintained with the Depositories, subject to the rules as laid down in the Companies (Issue of Share Certificates) Rules, 1960, and the Articles of Association of the Company and to inform the Depositories and the Registrar and Share Transfer Agents of the Company and execute all such documents, instruments and writings as may be required in this connection and to delegate all or any of the powers herein vested in the Board, to any Committee thereof or to any Director(s) or Company Secretary, to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT the consent of the Company, be and is hereby accorded that warrant holders holding 1,65,00,000 warrants of Rs 2/- each with the right to convert

their warrants into equivalent number of equity shares of Rs. 2/- each be issued 3,30,00,000 equity shares of Rs. 1/- each upon conversion of their warrants into equity shares in terms of BIFR Order”

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

“RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendments, modifications, variation or reenactment thereof) and subject to such approvals, permissions, consents and sanctions as may be necessary from the Government of India (“GOI”), the Reserve Bank of India (“RBI”), the stock exchanges and the provisions of the Foreign Exchange Management Act, 1999 (“FEMA”) as amended, The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 as amended, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993 as amended, rules, regulations and guidelines prescribed by the Securities and Exchange Board of India (“SEBI”) including SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended (hereinafter referred to as the “ICDR Regulations”) and subject to any approval, consent, permission and / or sanction of the Ministry of Finance (Department of Economic Affairs) and Ministry of Industry (Foreign Investment Promotion Board / Secretariat for Industrial Assistance) and all other Ministries / Departments of the Government of India, SEBI and / or any other competent authorities as may be required and the enabling provisions of the Memorandum and Articles of Association of the Company, the Listing Agreements entered into by the Company with the Stock Exchanges where the Company’s shares are listed and in accordance with the rules/ regulations/ guidelines, notifications and circulars, if any, issued by the GOI, RBI, SEBI and any competent authorities as may be required and clarifications, if any issued thereon from time to time and subject to all other necessary approvals, permissions, consents and sanctions of concerned statutory and other relevant authorities and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall include any Committee thereof constituted/ to be constituted by the Board to exercise its powers including powers conferred by this resolution to extent permitted by law) consent of the members is hereby accorded to create, offer, issue and allot in one or more tranches, in the course of international and / or domestic offering(s) in one or more foreign markets, by way of a public



issue or a private placement of Equity Shares (the “Equity Shares”) including a placement of Equity Shares to Qualified Institutional Buyers (as defined in the ICDR Regulations) in accordance with Chapter VIII of the ICDR Regulations or through an issuance of Global Depository Receipts (“GDRs”), American Depository Receipts (“ADRs”), or an issuance of Foreign Currency Convertible Bonds (“FCCBs”), Fully Convertible Debentures / Partly Convertible Debentures, Preference Shares convertible into Equity Shares, and / or any other financial instruments convertible into or linked to Equity Shares with or without detachable warrants with a right exercisable by the warrant holders to convert or subscribe to the Equity Shares or otherwise, in registered or bearer form whether rupee denominated or denominated in foreign currency (hereinafter collectively referred to as “Securities”) or any combination of Securities to any person including but not limited to foreign / resident investors (whether institutions, incorporated bodies, mutual funds and / or individuals or otherwise), Foreign Institutional Investors, Indian and / or Multilateral Financial Institutions, Mutual Funds, Non-Resident Indians, Employees of the Company and/ or any other categories of investors, whether they be holders of shares of the Company or not (collectively called the “Investors”) at such time or times, at such price or prices, at a discount or premium to the market price or prices in such manner and on such terms and conditions including security, rate of interest, etc., including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made to the exclusion of all other categories of Investors at the time of such issue and allotment considering the prevailing market conditions and other relevant factors wherever necessary as may be decided by the Board in its absolute discretion at the time of issue of Securities, such that the total amount including premium raised through the aforesaid Securities should not exceed Rs. 1,000 crores (one thousand crores only) in one or more currencies and in one or more offerings/tranches.

RESOLVED FURTHER THAT in case of the issue of the securities by way of Qualified Institutions Placement to QIBs in accordance with Chapter VIII of the ICDR Regulations, the “Relevant Date” shall mean the date of the meeting in which the Board / Finance Committee of the Board decides to open the proposed issue of Securities and at such price as applicable under the provisions of ICDR Regulations as amended and in force at the relevant time.

**RESOLVED FURTHER THAT:**

- (a) the Securities to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company; and
- (b) the Equity Shares that may be issued by the Company shall rank pari passu with the existing Equity Shares of the Company in all respects.

RESOLVED FURTHER THAT the Board be and is hereby authorised to appoint lead managers, underwriters, guarantors, depositories, custodians, registrars, trustees, bankers, lawyers, advisors and all such agencies as may be involved or concerned in such offerings of Securities and to remunerate them by way of commission, brokerage, fees or the like (including reimbursement of their actual expenses) and also to enter into and execute all such arrangements, contracts/agreements, memorandum, documents, etc., with such agencies and also to seek the listing of such Securities on one or more recognized (National and International) Stock Exchange(s).

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion, redemption or cancellation of the Securities or as may be necessary in accordance with the terms of the issue / offering and all such Equity Shares ranking pari passu with the existing Equity Shares of the Company in all respects, except the right as to dividend which shall be from the relevant financial year in which they are allotted and / or as provided under the terms of the issue / offering documents.

RESOLVED FURTHER THAT the consent of the Company be and is hereby granted in terms of section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, as amended, and subject to all necessary approvals, to the Board to secure, if necessary, all or any of the above mentioned Securities to be issued, by the creation of mortgage and / or charge on all or any of the Company’s immovable, movable and / or intangible assets, both present and future in such form and manner and on such terms and conditions as may be deemed fit and appropriate by the Board.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorised to determine the form, terms and timing of the Issue(s) / offering(s), including the type of Security to be issued and allotted, the class of investors to whom the Securities are to be offered /issued and allotted, number of Securities to be issued and allotted in each tranche, issue price, face value, number of Equity Shares or other securities upon conversion or redemption or cancellation of Securities, premium or discount amount on issue / conversion of Securities / exercise of warrants / redemption of Securities / rate of interest / period of conversion or redemption, listings on one or more stock exchanges in India and / or abroad and fixing of record date or book closure and related or incidental matters as the Board in its absolute discretion deems fit and to make and accept any modifications in the proposal as may be required by the authorities involved in such issues in India and/or abroad, to do all acts, deeds, matters and things and to settle any questions or difficulties that may arise in regard

to the Issue(s) / offering(s), allotment and conversion of any of the aforesaid Securities, utilisation of issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board may in its absolute discretion deem fit, without being required to seek any further consent or approval of the shareholders or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate (to the extent permitted by law) all or any of the powers herein conferred to any committee of directors or any executive director or directors or any other officer or officers of the Company to give effect to the aforesaid resolutions.”

Registered Office:  
6A, Lalwani Industrial Estate,  
14, G. D. Ambekar Road,  
Wadala, Mumbai – 400 031

For and on behalf of the Board

Sd/-  
Vikram Doshi  
(Managing Director)

Place: Mumbai

Date: 28th May, 2011

**Notes:**

- A) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. PROXY SHALL NOT VOTE EXCEPT ON A POLL
- B) The Instruments appointing Proxies, in order to be effective, should be duly stamped, completed, signed and lodged at the Registered Office of the Company not less than 48 hours before the time appointed for the meeting.
- C) Corporate Members are requested to send duly certified copy of the Board Resolution authorising their representative to attend and vote at the Meeting.
- D) The relative Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 in respect of special business under Item No.6 and 9 is annexed hereto.
- E) The Register of Members and Transfer Books of the Company will remain closed from Friday, the 5th August, 2011 to Friday, the 12th August, 2011(both days inclusive) for the purpose of payment of dividend. If the dividend, as recommended by the Board is approved at the Annual General Meeting, payment of such dividend will be made on or before 31st August, 2011 as under:
  - (i) To all beneficial owners in respect of shares in electronic form, as per the data made available by the National Securities Depository Limited and the Central Depository Services (India) Limited, as of the close of business hours on Thursday, the 4th August, 2011;
  - (ii) To all members in respect of shares in physical form, after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on Thursday, the 4th August, 2011.
- F) Please quote your DP & client ID / Folio Number and our Company's name in all your correspondence / communications with Bigshare Services Private Limited E-2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (E), Mumbai – 400 072. who are acting as Registrar & Share Transfer Agents (Registrars) of the Company. Members are requested to communicate at the above address.
- G) Members may please note that Equity Share of the face value of Rs.10 each has been sub-divided into face value of Rs. 2 each with effect from 25st February, 2010. The Members are therefore requested not to deal with the share certificates of the face value of Rs.10 in any manner as the same stands cancelled. The Members still holding old share certificates of the face value of Rs.10 each are once again requested to surrender them to the Company / Registrar in order to enable the Company / Registrar to issue sub-divided share certificates of the face value of Rs. 2 each in lieu thereof. Members are requested to send such share certificates by Registered Post only. The Company has been sending reminders to the concerned members to exchange their old Certificates with new sub-divided share certificates.
- H) Members holding shares in physical form are requested to immediately intimate changes, if any, in their registered addresses along with the PIN CODE to the Company or the Registrars so as to enable the Company to address future communication to their correct addresses.
- I) The Company prefers use of ECS / NECS for payment of dividend. Considering the advantages, members are requested to enroll for ECS / NECS facility. In order to avoid loss of dividend warrants in transit, undue delay in receiving the warrants and to protect against fraudulent encashment of dividend warrants, members are requested to provide ECS / NECS Mandate, if not provided earlier. In respect of the Members who have given mandate for payment of dividend through ECS / NECS, the dividend will be paid through ECS / NECS and their bank account details will be printed on their ECS advices.
 

In light of the above, Members are requested to furnish the new bank account number, if any, allotted to them by their

bank after implementation of the Core Banking Solutions (CBS), together with name of the bank, branch, 9 digit MICR bank / branch code and account type by quoting their folio number and a photocopy of a cheque pertaining to their bank account, so that the dividends can be credited to the said bank account. Those Members holding shares in demat form are requested to provide the same details to their Depository Participant (DP).

Please note that in case the Members do not provide the said details as aforesaid, credit of dividends through NECS to their old bank account number may be rejected or returned by the banking system at the ECS centre level itself in terms of Reserve Bank of India (RBI) circular no. DPSS (CO) EPPD No.191-04.01.01/2009-2010 dated 29th July, 2009. However, in such cases, the Company would issue physical dividend warrants to the concerned Members post such rejection. After credit of dividend, a confirmation will be sent to the concerned Members.

- J) Members are informed that in case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- K) In terms of section 109A of the Companies Act, 1956, Members are entitled to make nomination in respect of shares held by them in physical form. Members desirous of making nominations are requested to send their requests in form 2B in duplicate to the registered office of the Company or the Registrars. The nomination forms will be made available to the members on request.
- L) Members holding shares in multiple folios in the same name or in the same order of names are requested to consolidate their holding into a single Folio.
- M) A brief profile of the Directors retiring by rotation and eligible for re-appointment, as stipulated under clause 49(IV) (G) of the Listing Agreement are provided as an annexure to the Notice. The Company has received the requisite Form DD-A from the said Directors in terms of Companies (Disqualification of Directors under Section 274(1)(g) of the Companies Act, 1956) Rules 2003 confirming their eligibility for re-appointment.
- N) For security reasons and for proper conduct of the Meeting, entry to the venue of the Meeting will be regulated by the Attendance Slip, which is annexed to the Proxy Form. Members / proxies attending the Meeting are requested to bring their Attendance Slip complete in all respects and signed at the place provided there at and handover it over at the entrance. Members holding shares in dematerialized form are requested to carry their depository account number along with the depository participant identification number.

Members / Proxies are also requested to bring their copy of the Annual Report to the Meeting.

- O) Please note that in terms of SEBI Circulars No.MRD/DoP/Cir-05/2009 dated May 20, 2009 and No.SEBI/MRD/DoP/SE/RTA/Cir-03/2010 dated 7th January, 2010, it is mandatory for the shareholders holding shares in physical form to submit self-attested copy of PAN card for transfer / transmission / deletion / transposition of securities. In compliance with the aforesaid circulars, requests without attaching copies of PAN card, for transfer/deletion/ transmission and transposition of shares of the Company in physical form will be returned under objection.
- P) The Company has uploaded on its web-site an "Investor Information Kit" for the general information and guidance to the investors of the Company. Further, the Company has designated an exclusive email ID viz. investors@vaaradventures.com to enable the investors to post their grievances, if any, and monitor its redressal. Members are advised to refer to Section titled "General Shareholder Information" provided in the annual report.
- Q) Non-resident Indian Members are requested to inform the Registrar Bigshare Services Private Limited, immediately on change in residence status on return to India for permanent settlement.
- R) Members desiring any relevant information or clarifications on the Accounts at the Annual General Meeting are requested to write to the Company Secretary at least seven days in advance of the meeting, so as to enable the Management to compile the information and provide replies at the meeting.
- S) The Company has implemented the "Green Initiative" as per circular nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 issued by the Ministry of Corporate Affairs (MCA) to enable electronic delivery of notices/ documents and annual reports to shareholders. Henceforth, the email addresses indicated in your respective Depository Participant (DP) accounts which will be periodically downloaded from NSDL/CDSL will be deemed to be your registered email address for serving notices/documents including those covered under Section 219 of the Companies Act,1956. The Notice of AGM and the copies of audited financial statements, directors' report, auditors' report etc. will also be displayed on the website www.vaaradventures.com of the Company and the other requirements of the aforesaid MCA circular will be duly complied with. Members holding shares in physical mode are also requested to update their email addresses by writing to the Registrar and Transfer agent of the Company at the address mentioned in (6) above quoting their folio number(s).



T) Pursuant to the requirement of Clause 49 of the Listing Agreement the required information pertaining to the three Directors, Mr. Nitin Datanwala, Mr. Dilip Mehta and Mr. Bhagirat Merchant are furnished below.

Name of Director	Mr. Nitin Datanwala	Mr. Dilip Mehta	Mr. Bhagirat Merchant
Date of Birth	29/11/1951	20/10/1953	19/05/1946
Date of Appointment	28/08/2009	19/02/2010	09/10/2010
Expertise in specific functional area	He is Chartered Accountant and Company Secretary by profession with over 30 years of experience. He is presently working as Vice President Corporate & Company Secretary with The Bombay Burmah Trading Corporation, Limited, a Wadia Group Company and one of the oldest companies in India.	He is a President of Jain Jagruti Centre, Gem Jagdusha for last 10 years and Committee Member of All India Federations of Jains, Mumbai and Advisory Board Member of PharmaBiz – Weekly Pharma Publication and Editor of PWA Communane – A Quarterly Publication of PWA. He is also a president of all India drugiest and chemiest association.	Mr. Bhagirat Merchant is well-known and eminent personality in industrial, finance, security market and related areas. He was former president of Bombay Stock Exchange and faculty in leading professional courses.
Qualification	C.A, C.S	B.com	B.Com, FCA, MBA
No. Equity Shares held	---	---	---
List of outside Company Directorship held	<p><b>Public Companies</b></p> <ol style="list-style-type: none"> <li>Afco Industrial and Chemical Limited.</li> <li>Sea Wind Investment &amp; Trading Company Limited.</li> <li>Inor Medical Products Limited.</li> <li>Lexicon Infotech Limited.</li> <li>Varnilam Investment and Trading Company Limited.</li> <li>N W Exports Limited</li> <li>Perman Project Supports Limited</li> <li>Mecrofill Investment Limited</li> <li>Harvard Plantations Limited</li> <li>Placid Plantations Limited</li> <li>B R T Limited</li> <li>Innovamedia Publications Limited</li> <li>edesk Services Limited</li> </ol> <p><b>Private Companies</b></p> <ol style="list-style-type: none"> <li>Electromags Automotive Products Private Limited</li> <li>Msil Investments Private Limited</li> </ol>	<p><b>Public Companies</b></p> <ol style="list-style-type: none"> <li>Geo Aquatech Limited</li> <li>Edesk Services Limited</li> </ol> <p><b>Private Companies</b></p> <ol style="list-style-type: none"> <li>Jalaram New Media Private Limited.</li> <li>PharmaCare Logistics Private Limited</li> </ol>	<p><b>Public Companies</b></p> <ol style="list-style-type: none"> <li>Visaka Industries Limited</li> <li>E-cube Solutions (India) Limited</li> </ol> <p><b>Private Companies</b></p> <ol style="list-style-type: none"> <li>Taragon Capital Advisors (I) Pvt. Ltd.</li> </ol>

	<p>3. Roshnara Investment And Trading Company Private Limited</p> <p>4. Cincinnati Investment And Trading Company Private Limited</p> <p>5. Lima Investment And Trading Company Private Limited</p> <p>6. Shadhak Investments And Trading Private Limited</p> <p>7. Lotus Viniyog Private Limited</p> <p>8. Asset Resolution Services India Private Limited</p> <p>9. Neville Wadia Private Limited</p>		
Chairman/Member of committee of the Board of Directors of the Company	Chairman of Audit Committee, Member of Shareholders and Remuneration Committee	Member of Remuneration Committee	-
Chairman/Member of Committees of Director of other Companies in which he/she is a Director a) Audit Committee b) Remuneration Committee	-	-	<p>1. Visaka Industries Limited</p> <p>2. Taragon Capital Advisors (I) Pvt. Ltd</p>
c) Shareholders/Investors Grievance Committee/ Share Transfer Committee	-	-	-

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 ANNEXED TO, AND FORMING PART OF THE NOTICE**

**ITEM NO. 6**

Mr. Bhagirat Merchant was appointed as an Additional Director of the Company on October 9, 2010 by the Board of Directors of the Company. According to the provisions of the Section 260 of the Companies Act, 1956, he holds the office upto the date of this Annual General Meeting. As required under Section 257 of the Act, a notice has been received from a member signifying his intention to propose the appointment of Mr. Bhagirat Merchant as a Director alongwith the requisite deposit.

The Board recommends the Resolution at item no. 6 for your approval.

Except Mr. Bhagirat Merchant himself, none of the other Directors may be deemed to be concerned or interested in the above resolution.

**ITEM NO. 7**

Pursuant to Section 293 (1) (d) of the Companies Act, 1956 (the Act), the Board of Directors of the Company cannot borrow monies in excess of the aggregate of the paid-up capital of the Company and its free reserves, which shall however, not include

the temporary loans obtained from the Company’s bankers in the ordinary course of business. Presently, the Board has the powers to borrow up to a limit of Rs.500 Crores as approved by the members of the Company by postal Ballot result declared on December 21, 2010.

In view of the increased requirement for the funds indicated elsewhere in the explanatory statement to this notice and to cope up with consequent financial requirements, it is proposed to seek members’ approval to enhance the borrowing power of the Board of Directors of the Company from existing limit of Rs.500 Crores to Rs.1500 Crores.

The ordinary resolution under this head of item is therefore proposed for the members’ approval as required under the provisions of sub- clause (d) of sub-section (1) of Section 293 of the Act. Your Directors recommend the above resolution for your approval.

None of the Directors of the Company are in any way concerned or interested in the resolution proposed under this item.

**ITEM NO. 8**

In order to improve the liquidity of the Company's shares in the stock market and to make it affordable to the small investors, the Board of Directors of the Company at their meeting considered it desirable to sub-divide the nominal value of the equity portion of the authorised share capital of the Company.

The members may please note that presently the nominal value of the equity shares is Rs.2/- each and consequent to the sub-division it is being divided into 2 (Two) equity shares of Rs. 1/- each. The date on which this sub-division would become effective will be decided by the Board after obtaining the shareholders' approval in consultation with and subject to the approval of stock exchange and such other authorities as may be required and same will be notified through the stock exchange.

The company has also 1,65,00,000 warrants with the right to convert same into equivalent number of equity shares of Rs. 2/- each as per the terms. On sub-division of the Equity shares of Rs. 2/- each into Equity Shares of Rs. 1/- each, the entitlement of the Warrant Holders to subscribe for equity shares on conversion increase from 1,65,00,000 equity shares of Rs. 2/- to 3,30,00,000 equity shares of Rs. 1/- each.

Shareholders attention is also invited to the fact that in view of the foregoing, the existing Capital Clause V (a) in the Memorandum of Association of the Company relating to equity shares is also proposed to be altered to give effect to the sub-division of shares of face value of Rs. 2/- each to Rs.1/- each.

Mr. Vikram Doshi, Managing Director, and Mrs. Leena Doshi, Director of the Company, may be deemed to be interested in the Resolution due to their directorship and to the extent of their shareholdings, if any, in the above named companies.

**ITEM NO. 9**

Members are aware that company has altered its object clause of the memorandum of association inter alia, by inserting various new objects relating to the investment and finance activities.

This was in view of the business plan of the company to take up finance and investment activities, with particular focus on investment.

The company has identified various investment opportunities in the businesses across all sectors and different segments including business and financial services, consumer, distribution and logistics, healthcare and life science, industrial technology, information and media technology, surveillance and security technologies, fast moving consumer goods (FMCG), power projects, packaged drinking water, innovative ideas, technology, service model, business model and management etc.

With the view to pursue this object, the company proposes to

raise long-term funds through further issue of securities. The board of directors of the company has been exploring various fund raising options. The funds so raised will strengthen the capital base for the above purposes and for the any other purposes related to the businesses of the company.

Accordingly, the Company proposes to create, offer, issue and allot Equity Shares or GDRs, ADRs, represented by Equity Shares of the Company FCCBs, Partially / Fully Convertible Debentures convertible into Equity Shares, preference shares and such other securities through various modes which may include a public issue(s), private placement(s) or a placement of Equity Shares to Qualified Institutional Buyers ("QIBs") (as defined in the ICDR Regulations) in accordance with Chapter VIII of the ICDR Regulations or a combination thereof at such time or times, as stated in the resolution for an amount not exceeding Rs. 1,000 crores (including premium) (the "Securities") at such price or prices, at a discount or premium to market price or prices in such manner and on such terms and conditions including security, rate of interest, etc. as may be deemed appropriate by the Board at its absolute discretion including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made at the time of such offer, issue and allotment considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with lead managers, either in foreign currency or equivalent Indian Rupees inclusive of such premium as may be determined by the Board, in any convertible foreign currency, as the Board at its absolute discretion may deem fit and appropriate. This enabling Special Resolution also seeks to empower the Board of Directors to undertake a qualified institutional placement (QIP) with qualified institutional buyers (QIB) as defined by ICDR Regulations.

The Board of Directors, may in their discretion adopt this mechanism, as prescribed under ICDR Regulations in order to facilitate and meet its objectives as stated in para 1 above without the need for fresh approval from the shareholders. The pricing of the Securities that may be issued to Qualified Institutional Buyers pursuant to ICDR Regulations shall be freely determined subject to such price not being less than the price calculated in accordance with Chapter VIII of the ICDR Regulations. The "Relevant Date" for this purpose will be the date when the Board or Committee thereof decides to open the QIP for subscription. The Special Resolution seeks to give the Board powers to issue Securities in one or more tranche or tranches, at such time or times, at such price or prices and to such person(s) including institutions, incorporated bodies and/ or individuals or otherwise as the Board in its absolute discretion deem fit. The detailed terms and conditions for the offer will be determined by the Board in its sole discretion and it may consult in consultation with the advisors, lead managers, underwriters and such other authority or authorities as may be necessary considering the prevailing market conditions and in accordance

with the applicable provisions of law and other relevant factors.

The Equity Shares allotted or arising out of conversion of any Securities would be listed. The offer / issue / allotment / conversion / redemption would be subject to the availability of regulatory approvals, if any. The conversion of Securities held by foreign investors into Equity Shares would be subject to the applicable foreign investment cap. As and when the Board does take a decision on matters on which it has the discretion, necessary disclosures will be made to the stock exchanges as may be required under the provisions of the Listing Agreement. Section 81(1A) of the Companies Act, 1956 and the relevant clauses of the Listing Agreement with the Stock Exchanges where the Equity Shares of the Company are listed provide, inter alia, that when it is proposed to increase the issued capital of a Company by allotment of further shares, such further shares shall be offered to the existing shareholders of such Company in the manner laid down in Section 81(1A) unless the shareholders in a General Meeting decide otherwise. Since, the Special Resolution proposed in the business of the Notice may result in the issue of shares of the Company to persons other than shareholders of the Company, consent of the shareholders is being sought pursuant to the provisions of Section 81(1A) and other applicable provisions of the Companies Act, 1956 and in

terms of the provisions of the Listing Agreement executed by the Company with the Stock Exchanges where the Equity Shares of the Company are listed. The Special Resolution, if passed, will have the effect of allowing the Board to offer issue and allot Securities to the investors who may or may not be the existing shareholders of the Company.

Directors of the Company may be deemed to be concerned or interested in the passing of resolution to the extent of securities issued / allotted to them or to the companies in which they are director or members. Save as aforesaid none of the Directors in any way are interested in this resolution. The Board of Directors of the Company commends the resolution for the approval of the shareholders as a Special Resolution.

For and on behalf of the Board of Directors

Place: Mumbai  
Date: May 28, 2011

Sd/-  
Vikram Doshi  
(Managing Director)

## DIRECTOR'S REPORT

To,  
The Members,

Your Directors have pleasure in presenting the 17th Annual Report of the Company together with Audited Accounts for the year ended March 31, 2011.

### FINANCIAL RESULTS

Particulars	(Rupees in Lacs)	
	2010-2011	2009-10
Sales & Other Income	619.25	11214.97
Profit/(Loss) before Depreciation & Tax	191.11	1102.11
Less: Depreciation	21.03	22.13
Less: Provision for Taxation	27.68	90.08
Less: Provision for deferred tax	(0.46)	0.75
Less: Prior Year Expenses	0.33	2.02
Profit after depreciation & tax	141.61	988.63
Add: Excess provision for Income Tax written Back	90.08	0
Debit/Credit balance of profit & loss account brought forward	151.66	(778.05)
Amount Available for Appropriation	383.34	210.58
Less: Proposed dividend	91.99	51.04
Less: Tax on Dividend	15.28	7.88
<b>Balance Carried Forward to Balance Sheet</b>	<b>276.07</b>	<b>151.66</b>

**BUSINESS REVIEW:**

**FY2011 – Key Financial Highlights:**

During the year under report, The Total Revenue of the Company is Rs. 619.25 Lacs in Financial Year 2010-11, as compared to Rs. 11214.97 Lacs in Financial Year 2009-10. The Profit before Depreciation and Tax of the Company is at Rs. 191.11 Lacs in Financial Year 2010-11, as compared to Rs. 1102.11 Lacs in Financial Year 2009-10. The Profit after Tax (PAT) and Depreciation is at Rs. 141.61 Lacs during the Financial Year 2010-11, as against Rs. 988.63 Lacs in the Financial Year 2009-10. Earning Per share (basic) is Rs. 0.15 per share in Financial Year 2010-11, as compared to Rs. 1.08 per share in Financial Year 2009-10. As a part of its restructuring and reorganization of the various businesses, the Company has transferred its business undertakings viz. Packaged Drinking Water Business and Industrial Supply Store Business to its wholly owned subsidiaries. The results however are strictly not comparable with the previous year.

**DIVIDEND:**

Your Directors recommend Dividend at the rate of Rs. 0.10 i.e. 5% per share on 9,19,51,500 Equity Shares of Rs 2/- each and Rs. 0.0002/- per share on 1,65,00,000/- Equity Shares of Rs 2/- each on pro-rata basis to the members as on the book closure date appearing in the notice convening the Annual General Meeting, which forms a part of the Annual Report and to all those members whose names appear as beneficial owners in the records of the Depositories, i.e. National Securities Depository Limited and Central Depository Services (India) Limited, as on the said date. The total cash outflow on account of dividend including tax on dividend is Rs. 107.28 Lacs.

**FINANCE:**

During the year, out of the 3,30,00,000 Warrants of Rs. 2/- each issued earlier to the Promoter/Promoter Group Company as per BIFR Order, 1,65,00,000 Warrants of Rs. 2/- each were converted into equal number of Equity Shares of the Company of Rs. 2/- each at par. As a result, the Paid-up Capital of the Company increased to 10,84,51,500 equity shares aggregating to Rs. 21,69,03,000/-

**SUBSIDIARY COMPANIES:**

Your Company, as part of its activities, has undertaken expansion, reorganisation and restructuring its business including promoting and investing in equity of the Companies. Accordingly during the financial year, four companies viz. geo Thermal Water Limited, Atco Limited (Formerly known as “geo Water Technologies Limited”), geo Aquatech Limited, Varuna Drinking Water Solutions Limited have become subsidiaries of the company.

The company has new following seven subsidiary/sub-subsidiaries engaged in specific and distinct verticals of business under

No.	Subsidiaries	Business
1.	M/s Atco Limited and its wholly owned Subsidiary M/s Atcomaart Services Limited	Industrial Supply Store Business
2.	M/s Edesk Services Limited	Software Development
3.	M/s Innovamedia Publications Limited	Publication Business
4.	M/s Varuna Drinking Water Solutions Limited and its wholly owned subsidiaries. M/s Geo Aquatech Limited and M/s Geo Thermal Water Limited.	Packaged Drinking Water Business

**CONSOLIDATED FINANCIAL STATEMENTS:**

In accordance with the Accounting Standard AS-21 on Consolidated Financial Statements read with Accounting Standard AS-23 on Accounting for Investments in Subsidiaries and the audited Consolidated Financial Statements are provided in the Annual Report.

In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary companies.

**CHANGE IN COMPANY NAME:**

The name of Company has been changed from Atco Corporation Limited to Vaarad Ventures Limited w.e.f. February 9, 2011, to reflect core business of finance and investment with focus on investment.

**ALTERATION IN OBJECT CLAUSE OF MOA OF THE COMPANY:**

The Company proposes to make investments in the areas of business of the Company as a measure of achieving greater financial flexibility and to enable optimal financial structuring. This is in view of the business plans of the Company to take up finance and investment activities, with particular focus on investments. In view thereof, the scope of business activities of the Company was required to be widened to include activities relating to the business of investments. Accordingly, the new sub-clauses (a) to (e) reflecting investment, inserted in the



clause (1) under the main object clause of the company .

Further the new sub- Clause 47 was inserted in place of the existing sub clause in the Clause IIIB, i.e. existing Incidental or Ancillary Object Clause.

### **SIGNIFICANT DEVELOPMENTS DURING THE YEAR:**

Over the years, your Company embarked on a process of vertical integration and at the same time ventured into new areas of business. As on date, the company has several businesses carried out by itself and through its subsidiaries. These businesses can be segregated into Industrial and Business Supply Chain, Drinking Water, Software Business, Industrial Publications and Investment & finance Business. Each of these businesses has significant potential of growth and is capable of attracting different kind of investors & strategic partners.

With a view to enable distinct focus of investors or strategic partners in those diversified businesses and to lay greater focus on their operations, Company has reorganized and segregated its business in different verticals under:

- During the year, the Company has transferred its Packaged Drinking Water Business as a going concern to its wholly-owned Subsidiary geo Thermal Water Limited for the value of Rs. 1,68,00,000/- and in Consideration thereof issued and allotted 2,40,000 Equity Shares of Rs. 2/- each at a price of Rs. 70/- per Equity Share.
- Further, during the year, the Company has transferred its Industrial Supply Store Business to its wholly-owned Subsidiary Atco Limited (Formerly known as geo Water Technologies Limited) for the value of Rs. 16,00,00,000/- in Consideration thereof issued and allotted 16,00,000 Equity Shares of Rs. 1/- each at a price of Rs. 100/- per Equity Share of Atco Limited.
- The Company has applied for the listing of its shares with the National Stock Exchange for providing more liquidity to the stakeholders.
- The Company has filed an application with Reserve Bank of India for granting registration as a Non Banking Financial Company.

### **DIRECTORS:**

In accordance with the Articles of Association Mr. Nitin Datanwala & Mr. Dilip Mehta, are liable to retire by rotation at the forthcoming Annual General Meeting, and being eligible, offer themselves for re-appointment.

During the year, Mr. Bhagirat Merchant was appointed as an Additional Director of the Company w.e.f. October 9, 2010. Pursuant to the provisions of the Section 260 of the Companies

Act, 1956, he holds office upto the ensuing Annual General Meeting and is eligible for re-appointment as Director. The Company has received notice pursuant to Section 257 of the Companies Act, 1956 along with necessary deposit, from a member proposing his candidature as Director of the Company at the ensuing Annual General Meeting.

### **GROUP FOR THE INTERSE TRANSFER OF THE SHARES:**

As required under clause 3(1)(e) of the Securities and Exchange Board of India (Substantial Acquisition of shares and Takeovers) Regulations, 1997, persons constituting "group" as defined under the Monopolies and Restrictive Trade Practices ("MRTP") Act, 1969, for availing exemption from applicability of provisions of Regulations 10 to 12 of the aforesaid SEBI regulations are disclosed as annexure to this Report.

### **AUDITORS:**

M/s G.C. Patel & Co., Chartered Accountants, Statutory Auditors of the Company, retires at the conclusion of this Annual General Meeting and is eligible for re-appointment. A written certificate from them have been obtained by the Company to the effect that their re-appointment, if made, would be in accordance with the limits specified under section 224 (1B) of the Companies Act, 1956. The Board recommends their re-appointment for your approval.

### **STATUTORY INFORMATION:**

**(a) Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo and Export Market Developments:**

Details of energy conservation and research and development activities undertaken by the Company along with the information in accordance with the provisions of Section 217(1) (e) of the Companies Act read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are annexed hereto and forms part of this report.

### **(b) Particulars of Employees:**

Particulars of Employees as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, is not annexed hereto as none of the employees have drawn remuneration exceeding Rs. 5,00,000/- p.m. or Rs. 60,00,000/- p.a.

### **(c) Corporate Governance:**

Your Company believes in coherent and self-regulatory approach in the conduct of its business to achieve better standard of Corporate Governance. As per Clause 49 of the Listing Agreement with the Stock Exchanges, a separate Section on Corporate Governance, together with a Certificate from the Company's Auditors confirming Compliance by the Company with the requirements of Corporate Governance, is set out separately forming part of this Report.

**FIXED DEPOSITS:**

The Company has not accepted any “deposits” falling within the purview of Section 58A of the Companies Act, 1956, and as such, no principal or interest amount was outstanding on the date of the Balance Sheet.

**TRADE RELATIONS:**

Your Company continued to receive unstinted support and co-operation from its retailers, stockiest, suppliers of goods/ services and all others associated with it. Your Board wishes to record its appreciation for the service rendered by them. Your Company would continue to build and maintain strong links with its business partners.

**HUMAN RESOURCES:**

The objective of your Company’s Management is to build competencies, commitment and culture in the organization. This objective enables the Human Resource to enhance performance and retain its leadership position. The Balanced Scorecard performance management system has been recently introduced across the organization. This methodology translates strategy in operational terms and aligns the objectives of each and every individual with the Company objectives.

Employees are motivated to bring out their best Performance is recognized with an appropriate compensation package. A Profit incentive plan was announced to ensure that a part of the incremental Profit is shared with the employees.

Your Company’s human resources have played a vital role in achieving the improved results. Your Directors express their appreciation for the dedication and hard work put in by the employees throughout the year.

**DIRECTOR’S RESPONSIBILITY STATEMENT:**

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors, based on the representation received from the Operating Management, confirm:

- i) That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended on March 31, 2011 and of the profit of the year;
- iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for

preventing and detecting fraud and other irregularities;

- iv) That the Directors have prepared the annual accounts on a going concern basis.

**INSURANCE:**

All assets of the Company are adequately insured.

**ACKNOWLEDGEMENTS:**

Your directors convey their gratitude to the shareholders, various International and Indian Banks, Financial Institutions and Customers for the confidence reposed by them in the Company. The Board also appreciates the contribution of vendors and consultants in the implementation of various projects of the Company. We also acknowledge the constructive suggestions received from Government and the Statutory Auditors.

We wish to place on record our appreciation for the untiring efforts and contributions made by the employees at all levels to ensure that the company continues to grow and excel.

For and on behalf of the Board of Directors

Place: Mumbai

Date: May 28, 2011

Sd/-  
Vikram Doshi  
(Managing Director)

## ANNEXURE TO THE DIRECTOR'S REPORT

1. Particulars required under Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988.

### (A) CONSERVATION OF ENERGY

- a. Energy conservation measures taken:
- Use of natural light through bigger windows, skylights, etc.
  - Increase in power factor by using additional capacitors and automation in control panel.
  - Monitoring and control of running time of compressors of air conditioners.
  - Replacement of conventional copper chokes with energy-efficient electronic ballast.
- b. Additional investment and proposals:
- It is planned to extend the measures taken during the current year, which yield good results, to other areas/equipment/offices.
  - Electronizer equipment is actively being considered for optimizing energy consumption in lighting loads.
  - It is planned to undertake Energy Audit through competent authorities.
- c. Impact of measurement at a. and b. above for reduction of energy consumption and consequent impact on the cost of production of goods:
- The measures taken above have resulted in reduction of power consumption

### (B) TECHNOLOGY ABSORPTION

a. Research and Development (R&D)

Upgradation of QC laboratory to meet requirements of BIS for ISI mark and international Quality standards

- b. Technology absorption, adaptation and innovation:
1. The plants were audited by technical personnel for process efficiency, quality improvisation and innovation.
  2. Benefits derived:
    - Improvement in output rate
    - Reduction in wastage
    - Reduction in cost of production
  3. Information regarding technology imported during the last five years:
    - a. Technology imported : No
    - b. Year of Import : Not applicable
    - c. Has technology been fully absorbed : Not applicable
    - d. If not fully absorbed, areas where this has not been taken place, reasons : Not applicable therefore and future plans of actions

### (C) FOREIGN EXCHANGE EARNING/OUTGO

	2010-2011	2009-2010
Earning	-	Rs. 96,038/-
Outgo	1,23,291/-	Rs. 6,70,335/-

2. For the purpose of inter se transfer of shares under regulation 3(1)(e) of the Securities Exchange Board of India(Substantial Acquisition and Takeovers) Regulations, 1997, the following persons constitute "Group" as defined in the Monopolistic & Restrictive Trade practices, 1969:

S r . No.	Particulars
1	Atcomaart Services Limited
2	EDesk Services Limited
3	Innovamedia Publications Limited
4	Geo Thermal Water Limited
5	Atco Limited (Formerly known as Geo Water Technologies Limited)
6	Geo Aquatech Limited
7	Varuna Drinking Water Solutions Limited
8	Kimaya Wellness Limited
9	Kimaya Shoppe Limited
10	Covet Securities & Leasing Pvt. Ltd.
11	Vikram A. Doshi
12	Leena V. Doshi
13	Tanvi Doshi
14	Harsh Doshi
15	Anantrai Hirachand Doshi
16	Anusuyaben Anantrai Doshi
17	Varprada Traders LLP (under process)
18	Atco Water Technologies Limited

For and on behalf of the Board of Directors

Place: Mumbai  
Date: May 28, 2011

Sd/-  
Vikram Doshi  
(Managing Director)

## MANAGEMENT DISCUSSION AND ANALYSIS

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### Business overview

The Company is presently operating four business verticals by itself and through its wholly-owned subsidiaries, and/or all of them have their strengths of being a futuristic and sustainable business.

1. Industrial Supply Store Business: is India's first industrial and business supplies store providing purchase support for all types of industrial requirement to its customers. We are the marketplace where manufacturers, suppliers and customers meet for their buying and selling needs. Atcomaart portal deals in 35 different categories having product portfolio in various segments like Instrumentation, Agriculture, Power and Electrical, Interior and Furnishing, Cutting Tools, Hand Tools, Hardware Supplies, Pumps, Plumbing Equipments and many more, The total number adds as 41000 Products and 5, 10,000 SKU's under one roof .The Software under Atcomaart portal offers various tool viz online catalogue, enhanced Product details, Product Comparison,Marketing and others.
2. Software Development Business consists of online application services, data providing, web application development, ecommerce web application design, complex web application development, and e-marketing. It is highly focused on developing sustainable software products for its customers and delivering them over the internet and serving Industrial and business houses with huge data and productivity tools. The Company Developed Web Based Application such as:

### My Office Unlimited

My Office Unlimited delivers innovative niche web applications in the areas of office automation that can be used by employees in every industry. It enhances connectivity through data and reports which enhances hugely employee productivity and allow them to work from home without the disadvantage of not being in office. My Office Unlimited creates a virtual office for the customer which can be accessed from any corner of the world, It is possible to build brands, manage customer lists, track marketing campaigns as well as do quick search for retrieval of relevant documents – and much more – all from a single point source.

### DMS

It is a Database Marketing Service which provides Database management and E marketing solutions; DMS has accurate, well-identified databases of 600,000 key industrial and business professional who are decision makers and influencers. DMS deliver focused targeting of marketing campaigns for customers in a cost effective manner. Some services are:

- Snail Mail Marketing
- Permission based E-Mail Marketing
- Targeted SMS Marketing

### DCM - Demand Chain Management

An efficient demand chain of an organization consisting of geographically distributed channel partners like C&F agents, distributors, retailers, stockists, superstockists, wholesalers, allows it to be highly proactive to customer preferences, The DCM service provides automation of all channel partners with all entities fully integrated by online connectivity.

3. Publication Business is an industrial publication house publishing 14 niche magazines into various sectors. We aim to provide complete marketing solutions to our customers along with online products, print and digital version of magazines which are delivered to the right kind of target audience in various industrial sectors. Following are our titles.

### Office EFS Review:

Provides latest and contemporary information for all office related matters, right from office furniture to office equipments to office technology.

### Gardening and Landscaping:

Magazine for the novice gardeners and the landscaping professionals.

### Power TGS:

A complete information source and guide for power plant manager, power distribution and transmission experts.

### Interior and Décor:

Provides information for interior architecture, designers and professionals. Interior N Décor provides profound information, along with the latest products, news and trends of the interior world.

### Instrumentation and Test Tools:

A complete information source for project engineers, maintenance engineer and for any start up industry. Instrumentation and test tool provides profound information, along with the latest products, news and trends of the Instrumentation and test tool world.

### Kitchen N Catering:

Providing profound information, along with latest products, news and trends of the kitchen and catering world.

### Pumps N Plumbing:

A complete information source for pump manufacturers and plumbing professionals

**Packaging N Handling:**

A complete online as well as print information source for Packaging & Material handling industry.

**Housekeeping Review:**

A complete information source for housekeeping professionals. Provides information, along with latest products, news and trends of the house keeping world.

**Construction and Architecture:**

A global information network in construction and architecture provides information about the acquisition, use, management and maintenance of equipment and related products. Construction n Architecture helps its readers stay informed on the latest developments in the construction and architecture industry with current news and newest trends.

**HVAC:**

Provides profound information, along with latest products, news and trends of the HVAC world.

**Tools and Hardware:**

The demand of industrial machineries, tools and hardware in India is growing rapidly. Even better, it is showing signs of sustainance that will last for next several years, thanks to the rapid surge in the manufacturing activity, especially in the automobile and auto components sectors. Indian machine tool industry has further invested in technology and human capital to greatly enhance capacity to meet the growing needs.

**Industrial Safety and Security Review**

Industrial Safety and security is very challenging in every industry. People spend lots of money to purchase safety protective equipment to prevent mishap or accidents - loss of life, loss of work and productivity, insurance claims, material damage, and not counting those extra hours writing reports, etc. Accidents can be very, very expensive!

**Industrial Electrical and Lightning Review**

Electrical and lighting information is one of the most essential requirements in any industries, businesses, commercial or residential buildings. They not only provide light and comfort, but are also the lifeline for electrical appliances.

**4. Packaged Drinking Water Business:** The Indian bottled water market continues to be in its nascence but growing at a steady 40+%. The entire water category market is estimated at Rs 3000 crores. The category has been triggered by three realities, namely

- 1) Economic liberalisation – opening up of the economy catalysing high economic growth post 1991.
- 2) A Continuing shift in lifestyle with consumers spending on indulgences like holidays, eating out, movies and

entertainments i.e. out of home experiences.

- 3) Scarcity of potable water especially out of home.

The Water category is distinguished into 3 sub-categories viz. i) Packaged Drinking Water, ii) Natural Mineral Water and iii) Carbonated Water. In this, the Packaged Drinking Water is by far the largest category.

It is estimated that 90 million people consume bottled water in India giving a penetration of 9% with a per capita consumption of one and half litres per year. Nearly 50% of the consumption is confined to the top 25 metros / cities and about 55% with SEC A making the category urban centric and top end opening up a growing opportunity both in small town India and across SECs.

Brands are being added to the category, on an annual basis, presently there are more than 200 Brands. The category is highly price sensitive and accessibility is the driving criterion. The category has the prospect of growing exponentially, based on the level of awareness and maturity amongst the populace.

Our group is into manufacturing of Packaged Drinking Water with two different brands viz. Brilliant and Geo

**Brilliant – Wholesome Water**

Brilliant is a mass product and is available along the western line form Mumbai to Ahmedabad, beings serviced form Daman.

**Geo – Pura Pure Water**

Geo is new life style urban youngsters' product. Official roll out will take place in last week of this financial year and will be available in metros and mini metros.

**5. Investment and finance:** The Company propose to undertake investment in businesses across all sectors and different segment including Business & Financial Services, Consumer, Distribution & Logistics, Healthcare & Life Sciences, Industrial Technology, Information & Media Technology, Surveillance and Security Technologies, Fast Moving Consumer Goods (FMCG), power project, packaged drinking water, Innovative ideas, technology, service model, business model and management etc., with a view to help investee companies in the mentoring and supporting their business plans., The Company will function as an Investment company with a primary objective of long term appreciation in the value of its portfolios. The profits of the Company will derive from a mix of dividend and disinvestments.

**Opportunities, Initiatives**

During the year under the report, as members are aware, the company altered its object clause of the memorandum of association inter alia, by inserting various new objects relating to the investment and finance activity.

In view of the business plan of the company to take up finance and investment activities, with particular focus on investment. The Company has made an application to Reserve Bank of India for its registration as Non Banking Financial Company (NBFC).



Company on standalone basis will be confined to business of Non Banking Financial Company (NBFC).

### Future outlook

The Company will continue to carry its manufacturing and trading activities through its wholly owned subsidiaries. On registration as Non Banking Financial Company (NBFC), the Company will carry on NBFC related business. The Management of company is optimistic that with prudent bifurcation of company's business in separate business verticals under subsidiaries and investment activities on standalone basis .The Company will be able to unlock value of its investments and enhance its stakeholder's value.

### Risk & Concerns

■ **Global economic environment:** The global economic environment even though coming out of the worst possible times, is still faced with the crisis in certain Countries and the uncertainty continues to remain. The credit risks across corporate and customers have to be carefully examined while doing business. We will need to engage more in diversifying our business model and extending our reach. We will need to offer value proposition to the new customers to develop and grow this business further.

■ **Pricing Risks:** The pricing across our publishing and water business is under risk due to competition and uncertain economic environment. We have been providing and offering value added services and benefits to the customers to retain them. We are also investing towards brand building and awareness programme across our publishing verticals to ensure adequate product differentiation.

■ **Hiring and Retention Risk:** During the last two years, we have been restructuring our businesses and working on retaining the best talent in the industry to work with us. While, the restructuring process has weeded out the low performers, it will be a constant challenge to retain the good talent. There is imminent short term risk from new entrants and domestic players to hire talent from our Company. We have implemented a number of employee initiatives like variablizing compensation structures, innovative training programs, job rotations etc., to retain and grow talent.

■ **Customers Risk:** The credit rating and credit worthiness of a number of entities have been impacted due to the economic slowdown. We have been very careful in extending credit to some of the high risk customers. We have also set up a collection cell in our Company to follow up with all the credit customers to ensure that dues are collected in a reasonable period of time and proper credit checks are completed on new customers.

■ **Asset Risk:** We have been conducting periodic maintenance activity at our water plant to ensure seamless and continuous production. Technological changes and continuous usage will lead to obsolescence, this is being constantly watched and monitored.

### Internal Control & their adequacy

The Company has a well laid out internal control system for the various business activities. The internal control systems are so designed to ensure that there is adequate safeguard on maintenance and usage of assets of the Company. A detailed internal audit plan is worked out at the beginning of the financial year, and the observations of the auditors are shared with the Audit Committee and with the statutory auditors, these internal control systems ensure the following:

#### Efficient use and protection of resources:

- Compliance with policies, procedures and statutes
- Accuracy and promptness of financial reports

The internal control system provides for well-documented policies, guidelines, authorizations and approval procedures. The internal audit reports, the progress in implementation of recommendations contained in the audit reports and the adequacy of internal controls are reviewed by the Board on a regular basis.

#### ■ Financial performance:

Financial Performance' which has been highlighted in the Director's Report, need to be viewed in the context of the bold initiative by the management under the difficult market as well as financial constraints.

#### ■ Human Resources :

In today's competitive world where creativity and innovation are increasingly becoming important, development of Human Resources is the call of the day. Your Company is taking various steps to develop the skills and enhance the knowledge of the Human Resources. Human brain is one of the key elements of sustainable competitive advantage and stakeholder value creation. Your Company's human resource philosophy aims at nurturing an organizational culture that respects people, empower and enable them to deliver high-quality performance and reward talent with competitively superior compensation and accelerated career growth opportunities. Your Company values its people's integrity, excellence and the entrepreneurial passion to achieve.

#### Cautionary statement:

Statements in the Management Discussion and Analysis describing the Company's objectives, expectations or predictions may be forward-looking within the meaning of applicable securities, laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operation and domestic supply and demand conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

## CORPORATE GOVERNANCE – CLAUSE 49 OF THE LISTING AGREEMENT

### Company's Philosophy

The philosophy of the Company in relation to Corporate Governance is to ensure transparency, disclosures and reporting that confirm fully with laws, regulations and guidelines, and to promote ethical conduct throughout the organization, with the primary objective of enhancing shareholders value while being a responsible corporate citizen. The Company is committed to confirming to the highest standards of Corporate Governance in the Country. It recognizes that the Board is accountable to all shareholders and that each member of the Board owes his first duty to protecting and furthering the interest of the Company.

### 1. Board of Directors

The policy is to have an optimum combination of Executive, Independent and Non-Executive Directors to ensure independent functioning of the Board. The Board consists of Seven Directors, of which one is executive director and rest are non-executive directors. The Board has Five Independent Directors. There is no

Nominee Director on the Board of the Company.

No Director of the Company is either member in more than ten Committees and/or Chairman of more than five committees across all Companies in which he is Director and necessary disclosures to this effect has been received by the Company from all Directors.

During the year, in all Six Board Meetings were held, ie May 17, 2010; May 29, 2010; August 14, 2010; November 13, 2010; February 12, 2011 and March 12, 2011. The time interval between any two meetings was not more than 4 months.

### Composition of Category of Directors

The details of Directors and their attendance record at Board Meetings, last Annual General Meeting and number of other Directorships/Memberships of committees of each Director in various Companies:

Name of Director	Category	Attendance particulars	Other Boards			
			Board Meeting	No. of other Directorships in Indian Public Companies*	Committee Chairmanship in other Companies**	Committee Membership in other Companies**
Vikram A. Doshi	Executive/Non Independent	Yes	6	8	2	3
Leena V. Doshi	Non Independent	Yes	5	5	-	-
Nitin H. Datanwala	Independent	Yes	6	14	-	-
Pradip V. Dubhashi	Independent	-	-	4	1	1
Piyush A. Vora	Independent	-	-	2	-	-
Dilip A. Mehta	Independent	Yes	6	2	-	-
Bhagirat B. Merchant (appointed as Additional Director on 09/10/2010)	Independent	N.A.	2	2	1	-

\* Other Directorships does not include Private Companies, Companies registered u/s 25 of the Companies Act, 1956, Alternate Directorships and foreign Companies.

\*\* In accordance with Clause 49 of the Listing Agreement, Memberships/Chairmanships of only the Audit Committees and Shareholders/Investor Grievance Committees of all Public Limited Companies have been considered.

None of the Independent Directors had resigned nor removed from the Board of the Company during the year, and hence compliance in respect of replacement thereof did not arise.

#### Re-Appointment of Director

Brief resume of the Directors whose re-appointment is being considered at the ensuing Annual General Meeting; along with their expertise in specific functional areas and names of the companies in which they hold directorship and chairmanships/ memberships of Committees of the Board are provided in the notice of the ensuing Annual General Meeting.

#### Code of Conduct

The Board has laid down a code of Conduct for all Board Members and senior management personnel of the Company, which has been posted on the website of the Company [www.vaaradventures.com](http://www.vaaradventures.com)

All Board Members and senior management personnel have affirmed compliance with the code for the year ended on March 31, 2011. Declaration to this effect signed by the Chief Executive Officer for the year ended on March 31, 2011 is annexed to this report.

## 2. Audit Committee

#### Composition

Pursuant to the provision of Section 292(A) of the Companies Act, 1956 and clause 49 of the Listing agreement, the Company has Qualified Audit Committee comprising of three Directors, namely Mr. Vikram Doshi (Non Independent Director), Mr. Nitin Datanwala (Independent Director) and Mr. Dilip Mehta (Independent Director) who provides assistance to the Board of Directors in fulfilling its responsibilities. All of them are financially literate and Mr. Nitin Datanwala, Chairman of the Audit Committee, is Qualified Chartered Accountant and Company Secretary and has 33 years of experience in financial Management, Corporate affairs, secretarial functions and corporate restructuring. The Chief financial officers, Statutory Auditors are usually invited to be present at the meeting on request by the committee members. The Committee is vested, inter alia the following powers and terms of references as prescribed under relevant provisions of the Companies Act, 1956 and Stock Exchange Listing Agreement.

#### Powers

- a. To investigate any activity within its terms of reference
- b. To seek information from any employee
- c. To obtain outside legal or other professional advice
- d. To secure attendance of outsiders with relevant expertise, if it considers necessary

#### Terms of reference

The Audit Committee reviews the reports of the Statutory Auditors periodically and discusses their findings, and suggests corrective measures. The role of the Audit Committee is as follows:

- i. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- ii. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- iv. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report

#### Meetings

During the year, in all four meetings of the committee were held, ie on May 29, 2010; August 14, 2010; November 13, 2010 and February 12, 2011. The time intervals between two meetings of the committee were not more than four months. All three members were present in every Audit Committee Meetings.

## 3. Remuneration Committee

#### Composition

The remuneration committee comprises of 3 Directors as detailed below:

Name of the Committee Member	Designation in Committee
Mr. Vikram Doshi	Chairman
Mr. Nitin Datanwala	Member
Mr. Dilip Mehta	Member

**Terms of reference**

It includes the role, powers and duties as vested under Schedule XIII to the Companies Act, 1956 and Clause 49 of the Listing Agreement with Stock Exchanges. It mainly contains decisions about remuneration payable to managerial personnel from time to time, deciding remuneration policy of the Company, etc.

**Meetings**

In the financial under review no remuneration committee meeting was held.

**4. Shareholders Committee (Share Transfer & Investor Grievance)**

**Composition**

Share Transfer and Investor Grievances Committee comprises of 3 Directors. The members are:

Name of the Committee Member	Designation in Committee	No of Committee meetings attended
Mr. Nitin Datanwala	Chairman	4
Mr. Pradip Dubhashi	Member	-
Mr. Vikram Doshi	Member	4

**Compliance Officer**

During the year, Mr. Omprakash Talreja, Ms. Pinal Patel, Ms. Pradnya Mayekar and Mr. Hemant Soni acted as Compliance Officer for complying with the requirements of SEBI Regulations and the Listing Agreements with the Stock Exchanges.

**Terms of reference**

The Terms of reference, inter alia, are as follows:

- a) To approve or otherwise deal with applications for transfer, transmission and mutation of shares and Certificates including duplicate, spilt, sub-division or consolidation of Certificates and to deal with all related matters; and also to deal with all the matters related to de-materialisation or re-materialisation of shares, change in beneficial holders of demat shares and granting of necessary approvals wherever required.

- b) To look into and redress shareholders/investors grievances relating to:

- i. Transfer of Shares
- ii. Non-receipt of declared dividends
- iii. Non-receipt of Annual Reports
- iv. All such Complaints directly concerning the Shareholders/ investors as stakeholders of the Company and
- v. Any such matters that may be considered necessary in relation to Shareholders and investors of the Company

**Meetings**

The Share Transfer and Investors’ Grievance Committee focused on share holders grievances and strengthen investors’ relations. The function of the committee includes specifically looking into redressal of investor’s grievances pertaining to transfer of shares, dematerialization of shares, replacement of lost/stolen/ mutilated shares certificates and other related issue.

The committee consists of three directors namely, Mr. Vikram Doshi (Non-Independent Director), Mr. Nitin Datanwala (independent Director) and Mr. Pradip Dubhashi (Independent Director). Mr. Nitin Datanwala acts as a chairman of the committee. Mr. Hemant Soni is a compliance officer of the Company.

The committee has met four times during the year, i.e. on May 29, 2010; August 14, 2010; November 13, 2010 and February 12, 2011.

During the year, the Company has received 15 Complaints from the Shareholders, all of which were duly resolved. There was no pending complaint as at March 31, 2011.

**5. Sitting Fees**

The remuneration by way of sitting fees for attending Board and Audit Committee Meetings are paid to Non-Executive Directors are as follows:

Name of the Director	Board Meeting	Audit Committee
Mrs. Leena Doshi	18000	-
Mr. Nitin Datanwala	18000	11000
Mr. Dilip Mehta	18000	11000
Mr. Bhagirat Merchant (appointed as Additional Director on 09/10/2010)	10000	

## 6. SUBSIDIARY COMPANIES

As at March 31, 2011, the Company had following subsidiaries:

Sr. No.	Subsidiary
1.	M/s Atco Limited and its wholly owned Subsidiary viz. M/s Atcomaart Services Limited
2.	M/s Edesk Services Limited
3.	M/s Innovamedia Publications Limited
4.	M/s Varuna Drinking Water Solutions Limited and its wholly owned subsidiaries viz. M/s Geo Aquatech Limited and M/s Geo Thermal Water Limited.

The Audit Committee reviews the financial statements of all the subsidiary Companies including investment made by the

Company.

The Minutes/resolutions of the Board Meetings of all the subsidiary Companies are placed before the Board periodically.

The Management periodically reviews a statement of all significant transactions, if any entered into by all the subsidiary Companies.

## 7. INVESTOR INFORMATION

### a. General Body Meetings

Details of General Meetings held during last three years are given below:

Financial Year	Type of Meeting	Date of Meeting	Place of Meeting	Time	Items of Special Resolution Passed
2009-2010	Annual General Meeting	14/09/2010	Matunga Gujarati Club Ltd, 2nd floor, Natalal Parekh Marg, Near Arora Cinema, Matunga Circle, Mumbai – 400019.	4.00 p.m.	NIL
2008-2009	Annual General Meeting	15/06/2009	Registered Office- 6A, Lalwani Industrial Estate, 14 G.D. Ambekar Road, Wadala, Mumbai – 400 031	3.30 p.m.	Change of name of NHN Corporation Limited to Atco Corporation Limited
2007-2008	Extra-Ordinary General Meeting	15/01/2008	Registered Office- 6A, Lalwani Industrial Estate, 14 G.D. Ambekar Road, Wadala, Mumbai – 400 031	11.00 a.m	1. Issue of 7,00,000 Equity shares to Business Associates, Employee and NHN Group Employee trust  2. Appointment of Mr. Vikram Doshi as Managing Director of the Company and remuneration thereof  3. Appointment of M/s. G.C.Patel & Co. as Statutory Auditor of the Company
2007-2008	Annual General Meeting	30/09/2008	Registered Office- 6A, Lalwani Industrial Estate, 14 G.D. Ambekar Road, Wadala, Mumbai – 400 031	3.30 p.m.	NIL



**b. Details of resolutions passed through Postal Ballot**

Financial Year	2010-2011	2009-2010
Type of Meeting	Postal Ballot	Postal Ballot
Date of Meeting	December 21, 2010	February 25, 2010
Time of Meeting	4.00 p.m.	4.00 p.m.
Place of Meeting	Results declared at Registered Office of the Company	Results declared at Registered Office of the Company
Items of Special Resolutions passed at each meeting	<ul style="list-style-type: none"> <li>• Increase in Investment Limits to make further investment under Section 372A</li> <li>• Increase in Borrowing power of Board under Section 293(1)(d)</li> <li>• Alteration of Object Clause of Memorandum of Association of the Company under Section 17</li> <li>• Approval to Commence newly inserted objects under Section 149(2A)</li> <li>• Approval for change of name of the Company under Section 21</li> <li>• Approval for sale/disposing off water and Industrial supply store business to wholly owned subsidiaries under Section 293(1)(a)</li> </ul>	<ul style="list-style-type: none"> <li>• To alter the Objects Clause in the Memorandum of Association of the Company in terms of Section 17 and other applicable provisions of the Companies Act, 1956.</li> <li>• To make further investments under Section 372A of the Companies Act, 1956</li> <li>• Subdivision of existing equity shares from Rs. 10/-each into five equity shares of Rs. 2/- each under Section 94(1)(d) of the Companies Act, 1956</li> </ul>

Mr. Kamlesh Sanghavi, Chartered Accountant, was appointed as Scrutinizer for conducting the Postal Ballot procedure, based on whose report the Chairman of the Company announced the result of the Postal Ballot at Registered Office at 4.00 p.m. on December 21, 2010.

Extracts of result of Postal Ballot 2010-2011 declared, which were duly assented by requisite majority of the Members.

**c. Disclosures:**

a. Disclosure on materially significant related party transactions that may have potential conflict with the interests of the Company at Large.

During the year, there were no transactions of materially significant nature with the Promoters or Directors or the Management or the Subsidiaries or relatives etc. that had potential conflict with the interests of the Company at large. The related party transactions are duly disclosed in the Notes to the accounts.

b. Disclosure of accounting treatment

No treatment different from the accounting standards, prescribed by the Institute of Chartered Accountants of India,

has been followed in the preparation of financial statements.

c. Risk management

In view of various business risks associated with the Company in general and certain risks specific to the Company and the nature of the business of the Company and its subsidiaries, risk management policy of the Company is framed for implementation by executive management, so as to minimize such risks. The same is periodically placed before the Board for its guidance and is modified from time to time to meet the changing business scenario.

d. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years

The Company complied with all requirements of the Listing Agreements entered into with the Stock Exchanges as well as the regulations and guidelines of SEBI. Consequently, there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets during the last three years.

e. Details of compliance with mandatory requirements and

adoption of the non-mandatory requirements.

The Company complied with all mandatory requirements as stipulated under Clause 49 of the Listing Agreement. The Company adopted the non-mandatory requirement relating to Remuneration Committee comprising the Directors as stated above in this Report.

- f. Whistle Blower policy and affirmation that no personnel have been denied access to the Audit Committee

At present, the Company has not adopted any Whistle Blower Policy. However, the Company has not denied access to any personnel to approach the Audit Committee on any issue.

**Auditors' Certificate**

A Certificate from its Statutory Auditors certifying compliance by the Company with the provisions relating to Corporate Governance as laid down in the revised Clause 49 of the Listing Agreement, is annexed to this Report

**Certificate by CEO and CFO**

In terms of the requirements of Clause 49 (V) of the Listing Agreement, the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) certified to the Board about the financial reporting and internal controls in the Company. The said certificate was reviewed by the Audit Committee and taken on record by the Board of Directors at the respective meetings held on May 28, 2011.

**g. Means of Communication**

Quarterly/half yearly/yearly Results	Published in Free press Journal(English)and Navshakti (Marathi) Newspaper
Publication of result on website	www.vaaradventures.com
Whether official Media/news releases are displayed on website and sent to Stock Exchanges	Yes
Presentations made to institutional investor or to analysts	No

**8 General Shareholder Information**

**a) ANNUAL GENERAL MEETING**

The Annual general Meeting will be held on 12th August, 2011 at Sunville Banquets, 9, Dr. Anne Besant Road, Worli, Mumbai – 400018 at 4.00 p.m.

**b) DATES OF BOOK CLOSURE**

Financial year is from 01/04/2010 to 31/03/2011, the Register of Members and the Share Transfer Books of the Company will remain closed from 05/08/2011 to 12/08/2011, both days inclusive.

**c) DIVIDEND:**

The Board of Directors has recommended dividend on Equity Shares of the Company of Rs. 0.10 ie. 5% per share on 9,19,51,500 Equity Shares of Rs 2/- each and Rs. 0.0002/- per share on 1,65,00,000/- Equity Shares of Rs 2/- each on pro-rata basis to the members as on the book closure date appearing in the notice convening the Annual General Meeting, which forms a part of the Annual Report and to all those members whose names appear as beneficial owners in the records of the Depositories, ie National Securities Depository Limited and Central Depository Services (India) Limited, as on the said date. The total cash outflow on account of dividend including tax on dividend is Rs. 107.28 Lacs. The Dividend if declared, at the Annual General Meeting; will be payable on or after 12th August, 2011

**FINANCIAL CALENDER FOR THE YEAR 2010-11:**

First Quarter Results (June, 30)	August, 2011
Mailing of Annual Report	11th July, 2011
Annual General Meeting	12th August,2011
Payment of Dividend	On or after 12th August, 2011
Second Quarter Results (September, 30)	November, 2011
Third Quarter Results (December, 31)	February, 2012
Fourth Quarter Results/Annual Results	May, 2012

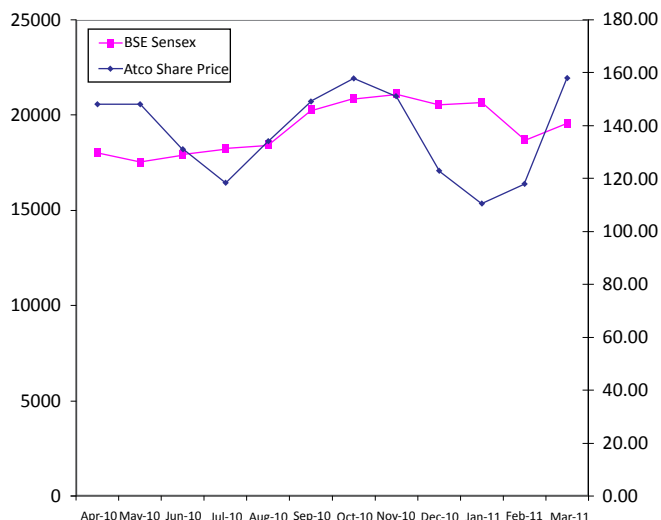
**d) LISTING OF SHARES**

The Equity Shares of the Company are listed on Bombay Stock Exchange Ltd (Scrip code 532320) and the annual listing fees in respect of the year 2011-2012 have been paid to the Stock Exchange.

The monthly high – low quotations of the equity shares of the Company during the financial year 2010-2011 vis-à-vis Sensex performance of Bombay Stock Exchange is given below:

Month	High Price	Low Price
Apr-10	148.00	102.00
May-10	148.00	118.25

Jun-10	131.00	101.00
Jul-10	118.45	77.05
Aug-10	134.05	97.40
Sep-10	149.00	128.20
Oct-10	157.80	103.85
Nov-10	151.00	115.00
Dec-10	122.85	87.75
Jan-11	110.65	86.10
Feb-11	118.00	86.10
Mar-11	157.90	98.00



**REGISTRAR AND SHARE TRANSFER AGENT**

**Bigshare Services Private Limited**

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

Tel: 022 40430306, Fax: 022 – 28475207

Email: info@bigshareonline.com

Anantrai Doshi, Mrs. Anusuaben Doshi, Harsh Doshi (Minor), Tanvi Doshi and Vikram Anantrai Doshi HUF.

**Distribution of Shareholding as on March 31, 2011 is as follows**

Promoters group include Kimaya Wellness Ltd, Covet Securities & Leasing Pvt. Limited, Kimaya Shoppe Limited.

No of Equity Shares Held		Shareholders		Share Amount	
Rs.	Rs.	Number	% to Total	In Rs.	% to Total
Upto - 5,000		1518	93.41	8,96,838	0.49
5,001 - 10,000		33	2.03	2,32,328	0.13
10,001 - 20,000		25	1.54	3,69,848	0.20
20,001 - 30,000		12	0.74	3,05,456	0.17
30,001 - 40,000		10	0.62	3,56,548	0.19
40,001 - 50,000		2	0.12	97,088	0.05
50,001 - 1,00,000		6	0.37	4,12,278	0.22
1,00,001 and above		19	1.17	18,12,32,616	98.55
<b>TOTAL</b>		<b>1625</b>	<b>100.00</b>	<b>18,39,03,000.00</b>	<b>100.00</b>

**Shareholding pattern as on March 31, 2011**

Category	Number of Shareholders	No. of shares	% of total capital
Promoters	10	7,48,51,435	81.40
Institutional investors	0	0	0.00
Financial Institutions/ Banks	0	0	0.00
<b>Private Corporate Bodies</b>	52	1,20,86,961	13.14
<b>Indian Public</b>	1544	12,18,987	1.33
<b>NRIs/OCBs</b>	7	2,64,987	0.29
<b>Trust</b>	1	35,00,000	3.81
Any other(Clearing Member)	10	29,130	0.03
<b>Total</b>	<b>1624</b>	<b>9,19,51,500</b>	<b>100.00</b>

As on 31st March, 2011, 91793775 equity shares constituting 99.83% of the share capital have been dematerialized.

1,65,00,000 warrants of Rs. 2/- each converted into 1,65,00,000 fully paid up equity shares of Rs. 2/-each on 31st March, 2011, after allotment of said equity shares the paid up capital of the company is increased to Rs. 21,69,03,000/-

**10. Promoter and Promoter Group**

Promoters include Mr. Vikram Doshi, Mrs. Leena Doshi, Mr.

Dematerialisation of shares and liquidity as on March 31, 2011

Particulars	
Physical Shares	1,57,725
De-materialisation Shares	9,17,93,775
Total Shares	9,19,51,500

Out of the above demat shares, 9,09,97,385 are held through National Securities Depository Limited and 7,96,390 are held through Central Depository Services Limited.

**Outstanding ADR/GDR/other Instruments**

During the year under review, the Company has not issued any ADRs/GDRs/other instruments, which is convertible into equity Shares of the Company. As on date, no such instruments were outstanding, except 1,65,00,000 warrants carrying rights to convert to equal number of Equity shares of Rs. 2/- each in next year, i.e. 31.03.2012.

**Registered Office Address**

6A, Lalwani Industrial Estate, 14, G.D. Ambekar Road, Wadala, Mumbai – 400031.

**Address for correspondence**

6A, Lalwani Industrial Estate, 14, G.D. Ambekar Road, Wadala, Mumbai – 400031.

Tel No: 40375607

Fax No: 40375602

Email: investors@vaaradventures.com

For and on behalf of the Board of Directors

Place: Mumbai

Date: May 28, 2011

Sd/-  
Vikram Doshi  
(Managing Director)

**CEO's CERTIFICATION**

Date: 27/05/2011

To,  
The Board of directors of  
**Vaarad Ventures Limited**  
(Formerly known as Atco Corporation Ltd)  
6A, Lalwani Industrial Estate, 14 G.D. Ambekar Road,  
Wadala, Mumbai – 400 031

Dear Sirs/Madam,

**Sub: CEO Certification as required under sub-clause V of Clause 49 of the Listing Agreement with Bombay Stock Exchange.**

I, Vikram Doshi, in my capacity as Managing Director of the Company, hereby certify as regards the accounts of the Company for the financial year ended on March 31, 2011, the Balance Sheet as at that date, the Profit & Loss Account for the year ended on that date and the Cash Flow Statement for the year ended on that date, as under:

- (a) I have reviewed the financial statements and the cash flow statement for the year, and that to the best of my knowledge and belief:
  - (i) These statements do not contain any materially untrue statement for the year or omit any material fact or contra statements that might be misleading;
  - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
  
- (b) 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 have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal Controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
  
- (c) 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 statements; and
  - (iii) Instances of significant fraud of which I 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.

Sd/-  
Vikram Doshi  
**Managing Director**

**AUDITOR CERTIFICATE ON CORPORATE GOVERNANCE UNDER CLOSE 49 OF LISTING AGREEMENT**

To,  
The Members,  
VAARAD VENTURES LIMITED  
(Formerly Known as Atco Corporation Limited)

We have examined the compliance of the conditions of Corporate Governance by VAARAD VENTURES LIMITED (Formerly Known as Atco Corporation Limited) for the year ended 31st March, 2011 as stipulated in Clause 49 of the Listing Agreement of the Company with Stock Exchanges in India.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, the Company has complied with the conditions of Corporate Governance as stipulated in the above Listing Agreement.

We state that in respect of investor grievances received during the year ended 31st March 2011, no investor grievances are pending against the Company as on date as per the records maintained by the Company and presented to the Shareholders'/ Investors' Grievances Committee.

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

For G. C. Patel & Co.  
Chartered Accountants

Sd/-  
G. C. Patel  
Partner  
(M. No. 47327)

Place: Mumbai  
Date: 28/05/2011



## AUDITOR'S REPORT AND ANNEXURE

### AUDITOR'S REPORT TO THE MEMBERS OF VAARAD VENTURES LIMITED

We have audited the attached Balance Sheet of Vaarad Ventures Limited (formerly known as Atco Corporation Ltd.) as on 31st March, 2011 and also the Profit & Loss Account of the Company for the year ended on that date, annexed hereto and the cash flow statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the 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 of our opinion.

As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 of India (the act) and on the basis of such checks as we considered appropriate and according to the information and explanation given to us, we set out in the Annexure a statement on the matters specified in paragraphs..

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

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of these books;
- c. The Balance Sheet, Profit & Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of account.
- d. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement have been prepared in compliance with the accounting standards as prescribed under the provisions of Section 211(3C) of the Act.
- e. On the basis of the written confirmation received from the Directors and taken on record by, the Board of Directors we report that none of the Directors of the Company is disqualified as on 31st March, 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- f. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto, give in the prescribed manner, the information required by the Act and also give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (i) In so far it relates to the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011 and
  - (ii) In so far it relates to the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
  - (iii) In so far it relates to the Cash Flow Statement, of the cash flow of the Company for the each on that date.

**For G.C. Patel & Co.**  
Chartered Accountants  
Firm Registration No. : 113693W

Sd/-  
(Gnaneshwar C. Patel)  
Partner  
Membership No. 47327

Place : Mumbai  
Date : 28th May 2011

**ANNEXURE TO THE AUDITOR'S REPORT**

(Referred to in paragraph of the Auditor's Report of even date to the members of Vaarad Ventures Limited (Formerly Known as Atco Corporation Ltd ) on the accounts for to period ended 31st March, 2011)

- 1) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of the Fixed Assets.
  - (b) There is a regular program of physical verification, which in our opinion is reasonable, having regard to the size of the Company and the nature of fixed assets. Material discrepancies noticed by the management during the course of physical verification have been properly dealt with.
  - (c) i) The Company has transferred its business of Packaged Drinking water as on going concern on slump sales basis w.e.f. 1st January 2011 to its wholly owned subsidiary Company Geo Thermal water Ltd which includes Gross block of Asset Rs 1,37,44,187/-
  - ii) Company has also transferred its business of organized retailing of Industrial & Business supplies Stores as on going concern on slump sales basis w.e.f closing hours of business of 31st March 2011 to its wholly owned subsidiary Company Atco Ltd (Formerly known as Geo water Technologies Ltd ) which includes Gross block of Asset Rs 12,16,86,865/- which includes Acquired Goodwill of Rs 12,00,00,000/-
  - iii) other than above Company has not disposed of substantial part of fixed assets during the year.
- 2) (a) Inventories have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
  - (b) The procedures of physical verification of stocks 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 book records were not material and have been properly dealt with in the books of account.
- 3) (a) The Company has given interest free loan unsecured loan amounting to Rs. 362.61 lacs to wholly owned subsidiary of the Company. In respect of the said loan, the maximum amount outstanding during the year is Rs 362.61 lacs other than this the Company has not granted any loans during the year to any parties covered in the register maintained under section 301 of the Companies Act, 1956
  - (b) The rate of interest and other terms and conditions of the loan given were prima facie not prejudicial to the interest of the Company.
  - (c) The payment of principal and interest was regular during the tenure of the loan.
- (d) The Company has taken Rent Discount Facility as unsecured loan amounting to Rs 300 lacs other than this Company has not accepted any loans during the year from the parties covered in the register maintained under section 301 of the Companies Act. 1956. In view of clause 4 (iii)(e) of the Companies (Auditors Report) Order, 2003, clauses 4 (iii) (f & g) are not applicable to the Company.
- 4) In our opinion, and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to the purchase of inventory and fixed assets and with regard to sale of goods and services. We have not observed any major weakness in the internal control system during the course of our audit.
- 5) (a) All the transactions with parties covered under section 301 of the Companies Act, 1956 have been properly entered in the register maintained under section 301 of the Act.
  - (b) In our opinion, and according to the information and explanations given to us, the transactions of purchase of goods, materials or services and sale of goods, materials or services, made in pursuance of contracts or arrangements referred to in (a) above and exceeding the value of Rs. 5 lacs with any party during the year have been made at prices which are reasonable having regard to the prevailing market price at the relevant time.
- 6) In our opinion, and according to the information and explanations given to us, directives issued by the Reserve Bank of India and the provisions of sections Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under, to the extent applicable, have been complied with. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- 7) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- 8) We are informed that the maintenance of cost records has not been prescribed by Central Government under Sec. 209(1)(d) of the Companies Act, 1956, in respect of the Company's product.
- 9) (a) The Company is regular in depositing undisputed statutory dues with the appropriate authority
  - (b) According to the information and explanations given to us and the records of the company examined by us there

are no undisputed statutory dues payable in respect of Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income-tax, Sales tax, Custom Duty, Excise Duty Cess which are outstanding as at 31st March, 2011 for a period of more than six months other than Service Tax which is given below:

Name of the Statute	Nature of Dues	Rupees in Lacs	Period to which amount relates	Status
Service Tax	Software Sales	19.17	2009-10	Yet party not received

- 10) The Company has not incurred cash losses during the financial year covered by our audit and immediately preceding financial year
- 11) The Company has not defaulted during the year in repayment of dues to any financial Institutions, banks or debenture holders.
- 12) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) As the Company is not a chit fund, nidhi, mutual benefit fund or society, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- 14) According to the information and explanations given to us. The Company is not dealing or trading in shares, securities, debentures and other investments.
- 15) The Company has not given any guarantees for loans taken by others from Banks or Financial institutions during the year.
- 16) The Company has not taken any terms loans during the year.
- 17) According to the information and explanations given to us, the Company has not applied short-term borrowings for long-term investment.
- 18) The Company has not made any preferential allotment of shares during the year. The Company has converted its 1,65,00,000 fully warrants of Rs 2/- each into equity shares of Rs. 2/- each to promoters and promoters group on 31st March, 2011 pursuant to the sanctioned scheme approved by Hon'ble Board for Industrial and Financial

Reconstruction (BIFR) order dated 01/10/2007.

- 19) The Company has not issued any debentures during the year.
- 20) The Company has not raised any money by way of public issue during the year.
- 21) The Company has not accepted any deposits from the public.
- 22) As per the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

**For G.C. Patel & Co.**  
Chartered Accountants  
Firm Registration No. : 113693W

Sd/-  
(Gnaneshwar C. Patel)  
Partner  
Membership No. 047327

Place : Mumbai  
Date : 28th May 2011

**BALANCESHEET**

VAARAD VENTURES LIMITED (formally known as Atco Corporation Ltd.)  
BALANCE SHEET AS AT 31ST MARCH 2011

	PARTICULARS	SCHEDULE NO.	AS AT 31.03.2011 (Rs.)	AS AT 31.03.2010 (Rs.)
<b>I</b>	<b>SOURCE OF FUNDS</b>			
i	<b>SHARE HOLDERS FUND</b>			
	Share Capital	1	216,903,000	183,903,000
	Reserve & Surplus	2	55,174,961	42,732,477
ii	Convertible Warrants To be converted into fully paid up equity shares	3	33,000,000	66,000,000
iii	<b>LOAN FUNDS</b>			
	Secured Loan	4	5,336,819	33,004,919
	Unsecured Loan	5	28,929,670	-
			<b>339,344,450</b>	<b>325,640,396</b>
<b>II</b>	<b>APPLICATION OF FUNDS</b>			
i	<b>Fixed Assets</b>	6		
	Gross Block		11,775,001	156,971,017
	Less : Depreciation		5,756,425	14,596,183
	Net Block of Fixed Assets		<b>6,018,576</b>	<b>142,374,834</b>
	Capital Work- in- Progress		13,100,000	13,100,000
ii	<b>Investment (At Cost)</b>	7	205,749,935	27,449,935
iii	<b>Net Deferred tax Assets</b>	8	104,132	58,351
iv	<b>Current Assets Loans &amp; Advances</b>			
	Inventories	9	-	4,666,432
	Sundry Debtors	10	79,425,917	500,095,318
	Cash & Bank Balances	11	1,034,133	15,138,328
	Loans & Advances	12	83,172,575	51,358,308
	<b>GROSS CURRENT ASSETS</b>		<b>163,632,625</b>	<b>571,258,386</b>
v	<b>Less: Current Liabilities &amp; Provisions</b>	13	49,260,818	428,601,111
	<b>NET CURRENT ASSETS</b>		114,371,807	142,657,276
	Notes to Accounts Schedules referred to above form an intergal Part of these accounts.	22		
			<b>339,344,450</b>	<b>325,640,396</b>

As per our Report of even date

On Behalf of Board Of Directors

For G. C. PATEL & CO.  
Chartered Accountants

Sd/-  
VIKRAM DOSHI  
Managing Director

Sd/-  
NITIN DATANWALA  
Director

Sd/-  
Gnaneshwar. C. Patel - Partner  
Membership No. 047327  
Place : Mumbai  
Date : 28th May 2011

Sd/-  
HEMANT SONI  
Head-Legal & Company Secretary

VAARAD VENTURES LIMITED (formally known as Atco Corporation Ltd.)  
 PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

PARTICULARS	SCHEDULE NO.	AS AT 31.03.2011 (Rs.)	AS AT 31.03.2010 (Rs.)
<b>INCOME :</b>			
Sales (Net of Excise)		48,588,759	1,100,950,295
Other income	15	13,336,703	18,110,536
Increase/(Decreases) in Inventory	16	(4,346,976)	2,436,451
<b>Total</b>		<b>57,578,486</b>	<b>1,121,497,282</b>
<b>EXPENDITURE :</b>			
Consumption of Raw Material	17	5,832,302	7,955,516
Other Purchase		19,948,397	993,376,423
Excise Duty		-	2,500
Employees Remuneration & Benefits	18	1,909,033	1,522,963
Operation & Establishment Expenses	19	7,857,270	7,400,176
Selling & Distribution Expenses	20	1,641,972	868,287
Financial Charges	21	1,277,830	151,598
Miscellaneous Expenses written off	14	-	8,800
<b>Total</b>		<b>38,466,804</b>	<b>1,011,286,263</b>
Gross Profit		<b>19,111,682</b>	<b>110,211,019</b>
Depreciation		2,103,007	2,213,251
Profit / ( Loss) Before Taxation		<b>17,008,675</b>	<b>107,997,768</b>
Less: Provision For Current Year Taxation		2,767,807	9,008,130
Add/Less: Adjustment for Deffered Tax		(45,781)	75,897
Less: Prior Years Expenses		33,090	202,000
Profit / ( Loss) After Taxation		<b>14,161,997</b>	<b>98,863,535</b>
Add: Extra Ordinary Items		9,008,130	-
Excess provision for Income Tax Written Back		<b>23,170,127</b>	<b>98,863,535</b>
<b>Profit / ( Loss) After Extra Ordinary Item &amp; Taxation</b>		<b>15,165,477</b>	<b>(77,805,428)</b>
Brought Forward from Previous Year			
<b>Amount Available for Appropriations</b>		<b>38,335,604</b>	<b>21,058,107</b>
<b>Appropriations</b>			
Proposed Dividend on Equity Shares		9,199,670	5,104,053
Tax on Dividend		1,527,973	788,577
Transfer to General Reserve		-	-
<b>Surplus / (Loss) carried to Balance Sheet</b>		<b>27,607,961</b>	<b>15,165,477</b>
		<b>38,335,604</b>	<b>21,058,107</b>

Basic /Diluted earning per Share of face value of Rs. 2/-  
 As per our report of even date

0.15

1.08

On Behalf of Board Of Directors

For G. C. PATEL & CO.  
 Chartered Accountants

Sd/-  
 VIKRAM DOSHI  
 Managing Director

Sd/-  
 NITIN DATANWALA  
 Director

Sd/-  
 Gnaneshwar. C. Patel - Partner  
 Membership No. 047327  
 Place : Mumbai  
 Date : 28th May 2011

Sd/-  
 HEMANT SONI  
 Head-Legal & Company Secretary

SCHEDULES FORMING PART OF BALANCE SHEET AS ON 31ST. MARCH 2011

PARTICULARS	AS AT 31.03.2011	AS AT 31.03.2010
<b>SCHEDULE -1: SHARE CAPITAL</b>		
<b>Authorised Share Capital:</b>		
182500000 Equity share of Rs.2/- each (Previous Year 182500000 equity shares @ Rs.2/-)	365,000,000	365,000,000
5,00,000 Unclassified Shares of Rs. 100/- each	50,000,000	50,000,000
<b>TOTAL</b>	<b>415,000,000</b>	<b>415,000,000</b>
<b>Issued, Subscribed &amp; Paid-up Capital:</b>		
i) 91951500 Equity shares of Rs.2/- each fully paid up ( Previous year 9,19,51,500 Equity shares of Rs. 2/- each)	183,903,000	183,903,000
ii) 16500000 warrants of Rs. 2/- each converted into 16500000 Equity Shares of Rs. 2/- each fully paid up on 31/03/2011	33,000,000	-
<b>TOTAL</b>	<b>216,903,000</b>	<b>183,903,000</b>
<b>SCHEDULE -2: RESERVES &amp; SURPLUS</b>		
Share premium (balance as per last balance sheet)	19,542,000	19,542,000
General Reserve (balance as per last balance sheet)	8,025,000	8,025,000
Profit & Loss Accounts	27,607,961	15,165,477
<b>TOTAL</b>	<b>55,174,961</b>	<b>42,732,477</b>
<b>SCHEDULE -3: CONVERTIBLE WARRANT</b>		
<b>Warrant Application Money</b>		
i)16500000 Warrant of Rs.2/- each issued as fully paid up warrants, to be converted into equivalent numbers of Equity Shares of Rs.2/- each on or before 31/03/12 (P.Y 33000000 warrants of Rs. 2/- each fully paid up)	33,000,000	66,000,000
<b>TOTAL</b>	<b>33,000,000</b>	<b>66,000,000</b>
<b>SCHEDULE -4: SECURED LOAN</b>		
Car Loans from Bank	1,307,444	883,839
GIIC Limited	4,029,375	32,121,080
Note: The said GIIC loan has been repaid before signing of Balance Sheet		
<b>TOTAL</b>	<b>5,336,819</b>	<b>33,004,919</b>
<b>SCHEDULE -5 : UNSECURED LOAN</b>		
Term Loan from corporate	28,929,670	-
<b>TOTAL</b>	<b>28,929,670</b>	<b>-</b>



VAARAD VENTURES LIMITED

Schedule No. 6  
FIXED ASSETS SCHEDULE STATEMENT

NO.	Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As At 1-Apr-10	Addition During the Year	Sale/Adj. during the Year	As At 31-Mar-11	As At 1-Apr-10	Provided During the Year	Provided on Adj of Assets	As At 31-Mar-11	As At 31-Mar-11	As At 31-Mar-10
1	Airconditions	122,038	-	-	122,038	48,389	5,797	-	54,186	67,852	77,481
2	Furnitures & fixtures	5,581,187	-	2,732,381	2,855,539	2,435,539	320,437	2,044,086	718,625	2,136,914	3,259,786
3	Office Equipments	6,533,415	54,500	4,296,288	2,291,627	3,448,301	266,197	2,838,363	876,135	1,415,492	3,347,732
4	Computers	2,147,243	195,238	928,888	1,413,593	1,042,810	374,342	229,233	1,187,919	225,674	1,069,884
5	Motor Cars	4,154,038	1,383,333	458,467	5,078,904	2,442,419	475,877	-	2,918,296	2,160,608	1,603,496
6	Intangible Assets (Goodwill)	120,000,000	-	120,000,000	-	-	-	-	-	-	120,000,000
7	Plant & Machinery	17,480,351	-	17,480,351	-	4,750,544	625,581	5,376,125	-	-	12,496,881
9	Electronics data Processing	-	-	-	-	-	-	-	-	-	-
10	Borewell	68,228	-	68,228	-	2,788	-	2,788	-	-	-
11	Tools & Equipment	13,300	-	-	13,300	632	632	-	1,264	12,036	12,668
12	Service Equipment	544,320	3,200.00	547,520.00	-	362,247	19,338	381,585	-	-	182,075
13	Elect. Installation	326,897	-	326,897	-	62,514	14,806	77,320	-	-	324,832
	<b>Total</b>	<b>156,971,017</b>	<b>1,636,271</b>	<b>146,839,020</b>	<b>11,775,001</b>	<b>14,596,183</b>	<b>2,103,007</b>	<b>10,949,500</b>	<b>5,756,425</b>	<b>6,018,576</b>	<b>142,374,834</b>
	<b>Previous Year</b>	<b>178,940,760</b>	<b>1,302,050</b>	<b>23,271,793</b>	<b>156,971,017</b>	<b>35,654,725</b>	<b>2,213,251</b>	<b>23,271,793</b>	<b>14,596,183</b>	<b>142,374,834</b>	<b>153,067,822</b>

<b>SCHEDULE - 7 : INVESTMENTS (AT COST)</b>		
<b>Long Term Investments</b>		
<b>Investment in subsidiary Companies (Unquoted)</b>		
Nil Equity Shares of Rs. 2/- each of Atcomaart Services Limited ( previous year 25,55,000 equity shares of Rs. 2/-)	-	9,025,000
500000 Equity Shares of Rs -1/- each of Edesk Services Limited ( previous year 5,00,000 equity shares of Rs. 1/-)	500,000	500,000
500000 Equity Shares of Rs -1/- each of Innovamedia Publication Limited ( previous year 5,00,000 equity shares of Rs. 1/-)	500,000	500,000
932500 Equity Shares of Rs -1/- each of Varuna Drinking Water Solutions Ltd. (Previou year NIL)	17,800,000	-
2190250 Equity Shares of Rs.1/- each of Atco Limited (Previou year NIL)	169,525,000	-
	<b>A</b>	<b>188,325,000</b>
<b>Other Investment</b>		
<b>Shares of other Company</b>		
<b>Quoted Investment :</b>		
507913 Equity Shares of Rs 10/- each of Atcom Technologies Limited (Previous Year 507913 Equity Shares of Rs.10/-) Aggregated market value of Quoted Investment is Nil (Previous Year Nil)	1,648,487	1,648,487
	<b>B</b>	<b>1,648,487</b>
<b>Unquoted Investment</b>		
396900 Equity Shares of Rs. 10/- each of Kimaya Shoppe Limited (previous year 396900 equity shares of Rs. 10/-)	3,969,000	3,969,000
66400 Equity Shares of Rs 10/- each of Kimaya Wellness Limited (previous year 66400 equity shares of Rs. 10/-)	776,880	776,880
2517642 Equity Shares of Rs 10/- each of Smart Sensors & Tranducers Limited (previous year 2517642 equity shares of Rs. 10/-)	10,070,568	10,070,568
95000 Equity Shares of Rs.10/- each of Anewera Marketing p.Limited (previous year 95000 equity shares of Rs. 10/-)	950,000	950,000
1000 Equity Shares of Rs.10/- each of Saraswat Co-op Bk Limited (previous year 1000 equity shares of Rs. 10/-)	10,000	10,000
	<b>C</b>	<b>15,776,448</b>
<b>Total Long Term Investments</b>	<b>A+B+C</b>	<b>205,749,935</b>
<b>SCHEDULE - 8 : NET DEFERRED TAX LIABILITIES / (ASSETS)</b>		
Opening Balance Deferred Tax Liabilities / (Assets)	58351	(17,546)
Add: transferred from / to Profit & Loss	45,781	75,897
	<b>104,132</b>	<b>58,351</b>
<b>SCHEDULE - 9 : INVENTORIES</b>		
(Lower of cost or market value)		
(As taken valued and certified by Manager factory)		
Finished Stock	-	4,346,976
Raw Material	-	319,456
	<b>TOTAL</b>	<b>4,666,432</b>
<b>SCHEDULE - 10 : SUNDRY DEBTORS (Unsecured, Considered Goods)</b>		
Debtors More than Six Month	79,425,917	86,732,723
Others	-	413,362,595
	<b>TOTAL</b>	<b>79,425,917</b>
		<b>500,095,318</b>

<b>SCHEDULE - 11 : CASH &amp; BANK BALANCES</b>		
Cash on hand	2,935	28,243
Balance with Scheduled Bank in Current A/c	1,031,198	10,721,391
Fixed Deposit with Scheduled Bank	-	4,388,694
<b>TOTAL</b>	<b>1,034,133</b>	<b>15,138,328</b>
<b>SCHEDULE - 12 : LOANS &amp; ADVANCES</b>		
( Unsecured, Considered Good)	40,730,572	31,740,413
Advances Receivable in cash or Kind or for value to be received	36,261,708	11,574,096
Loan To Subsidiary	2,692,200	2,679,053
Income Tax Refund / TDS Receivables of Last.Year	976,933	-
Advance Tax	2,511,162	2,887,847
Prepaid Expenses	-	2,459,068
Deposit	-	17,831
Central Excise A/c	-	-
<b>TOTAL</b>	<b>83,172,575</b>	<b>51,358,308</b>
<b>SCHEDULE - 13 :CURRENT LIABILITIES &amp; PROVISION</b>		
<b>a) Current Liabilities</b>	8,586,250	382,556,299
Sundry Creditors for Goods	1,799,439	13,208,426
Sundry Creditors for Expenses	7,493,260	7,766,225
Duites & Taxes	10,086,419	2,369,400
Others Liabilites	7,800,000	7,800,000
Security Deposit / Deposits from Customers.	<b>35,765,369</b>	<b>413,700,350</b>
<b>b) Provisions</b>	2,767,807	9,008,130
Provision for Income tax	9,199,670	5,104,054
Proposed Dividend	1,527,973	788,577
Tax on Dividend	<b>13,495,450</b>	<b>14,900,761</b>
<b>TOTAL</b>	<b>49,260,818</b>	<b>428,601,111</b>
<b>SCHEDULE - 14 : MISCELLANEOUS EXPENSES</b>		
( To the extent not written of or adjusted)		
Deferred Revenue Expenses	-	8,800
Less : written off During the Year	-	8,800
<b>TOTAL</b>	<b>-</b>	<b>-</b>
<b>SCHEDULE -15 : OTHER INCOME</b>		
Dividend Recd	2,000	-
Miscellaneous Income	43,755	113,543
Interest on Fixed Deposited	482,171	344,208
Antenna Rent	358,152	308,348
Repairing Charges & Spares Received	300	15,099
Business service Provided(Net of Service Tax)	8,872,500	7,800,000
Profit on sales of Undertaking (Packaged Drinking Water Division)	1,312,067	-
Profit on sales of Undertaking (Industrial & Business Supply Division)	2,208,970	-
Light & Water charges	44,002	-
Sundry Balance Written Back	12,786	9,529,338
<b>TOTAL</b>	<b>13,336,703</b>	<b>18,110,536</b>

<b>SCHEDULE -16 : INCREASE / ( DECREASE) IN INVENTORY</b>		
Opening Stock of Finished goods as on 1st April 2010	4,346,976	1,910,525
Closing Stock of Finished goods as on 31st March 2011	-	4,346,976
<b>TOTAL</b>	<b>(4,346,976)</b>	<b>(2,436,451)</b>
<b>SCHEDULE -17 : CONSUMPTION OF RAW MATERIAL</b>		
Opening stock of Raw Material	319,456	269,019
Add: Purchase	5,512,846	8,005,953
Less: Closing Stock of Raw Material	-	319,456
<b>TOTAL</b>	<b>5,832,302</b>	<b>7,955,516</b>
<b>SCHEDULE -18: EMPLOYEES REMUNERATION &amp; BENEFITS</b>		
Salary, Wages, Allowances, Provision for Bonus and accrued leave salary & Gratuity	1,323,349	1,255,612
Contribution to provident & others funds	51,015	75,198
Staff Welfare	534,669	192,153
<b>TOTAL</b>	<b>1,909,033</b>	<b>1,522,963</b>
<b>SCHEDULE -19 : OPERATIONAL &amp; ESTABLISHMENT EXPENSES</b>		
Electricity Charges	777,768	1,265,747
Administrative / Misc. Expenses	28,368	187,921
Rent	966,221	1,528,000
Courier, Postage & Telegram	152,650	21,357
Fees & Taxes	297,787	109,006
Repairs & Maintenance	185,651	246,993
Audit Fees (Net of Service Tax)	24,000	36,000
Software Services	2,201,193	-
Communication ( Server) Expenses	253,325	662,369
Professional Tax's	1,667	27,500
Insurance	39,708	83,317
Bad Debt/ Bal Written off	2,121	14,961
Processing fees & Stamp Duty	244,617	-
Printing & Stationery	93,758	96,138
Sundry Admn./mfg Misc. Expenses	83,958	154,470
Motor Car Expenses	21,088	27,835
Miscellaneous Manufacturing Expenses	23,311	83,022
Books/ Periodicals & Subscription	180	39,498
Legal & Professional Charges	941,851	463,595
Stamping ( W & M) Expenses	2,575	34,725
Listing / Relisting Fees/Depository Ser.	76,753	563,961
Municipal Tax	-	200,536
Licence fees	52,913	83,703
Freight Expenses	61,208	152,428
Recruitment Charges	132,680	146,329
Directors sitting fees	58,000	31,000
Conveyance	75,613	47,160
Telephone Expenses	108,225	217,351
Sundry /Housekeeping Expenses	76,157	111,712
Security charges	32,484	69,336
Loss on sales of motor car	148,978	-
Water Charges	12,780	-
Retainership Fees	679,681	800,528
<b>TOTAL</b>	<b>7,857,270</b>	<b>7,400,176</b>

<b>SCHEDULE -20 : SELLING &amp; DISTRIBUTION EXPENSES</b>		
Advertisement Expenses	1,264,671	31,037
Other Selling Expenses	86,556	63,651
Field Travelling Expenses	290,745	768,691
Commission, Brokerage & Discount	-	4,908
<b>TOTAL</b>	<b>1,641,972</b>	<b>868,287</b>
<b>SCHEDULE - 21 : FINANCIAL CHARGES</b>		
Interest on Car Loan	112,714	116,503
Bank Charges	50,627	33,092
Interest on FBT	-	2,003
Interest on Secured & Unsecured Loan	1,114,490	-
<b>TOTAL</b>	<b>1,277,830</b>	<b>151,598</b>

VAARAD VENTURES LIMITED  
CASH FLOW STATEMENT FOR THE TWELVE MONTHS ENDED 31ST MARCH, 2011

Particulars	2010-2011	2009-2010
<b>A. Cash Flow From Operating Activities</b>		
Net Profit/Loss before Tax and Extra Ordinary Items.	<b>17,008,676</b>	<b>107,997,768</b>
<b>adjustments</b>		
depreciation	2,103,007	2,213,251
misc exp w/off	-	8,800
<b>Operating Flow before working Capital Changes</b>	<b>19,111,682</b>	<b>110,219,819</b>
Adjustment for :		
(Increase) / Decrease in Inventories	4,666,432	18,564,178
(Increase) / Decrease in Trade & Other Receivables	420,669,401	(464,137,237)
Increase /(Decrease) in Trade Payable & Provisions	(375,876,040)	354,409,537
(Increase) / Decrease in Loans & Advances	(31,814,268)	11,461,688
(Increase) / Decrease in Deffered tax		
<b>Cash Generated From Operating Activities [ Before adjusting extra ordinary exp ]</b>	<b>36,757,207</b>	<b>30,517,985</b>
prior years exp w/off	(33,090)	(202,000)
<b>Cash Generated From Operating Activities [ After adjusting extra ordinary exp but before tax ]</b>	<b>36,724,117</b>	<b>30,315,985</b>
Income Tax Paid	-	(1,388,554)
<b>Net Cash flow from Operating Activities</b>	<b>A 36,724,117</b>	<b>28,927,431</b>
<b>B. Cash Flow from Investing Activities.</b>		
Purchase of Fixed Assets	(1,636,271)	(1,302,050)
Capial Work in Progress	(13,100,000)	(13,100,000)
Sale of Fixed Assets	146,839,020	-
Sale Of Investments	-	-
Purchase of Investments	(178,300,000)	(26,489,935)
Income From Investment		
<b>Net Cash Flow From Investing Activities</b>	<b>B (46,197,251)</b>	<b>(40,891,985)</b>
<b>C. Cash Flow From Financing Activities</b>		
Proceeds From Convertible Warrant Application Money	-	27,750,000
Repayment of Loan	(27,668,100)	-
Dividend & Dividend Distribution tax paid	(5,892,631)	(79,527)
Increase / (Decrease) in Unsecured Loans	28,929,670	(894,557)
<b>Net Cash Flow From Financing Activities</b>	<b>C (4,631,061)</b>	<b>26,775,916</b>
	<b>A+B+C</b>	<b>14,811,362</b>
CASH OR CASH EQUIVALENT AS AT 01.04.2010	15,138,328	326,966
CASH OR CASH EQUIVALENT AS AT 31.03.2011	1,034,133	15,138,328
<b>NET INCREASE / DECREASE IN CASH OR CASH EQUIVALENT</b>	<b>(14,104,195)</b>	<b>14,811,362</b>

As per our Report of even date

On Behalf of Board Of Directors

For G. C. PATEL & CO.  
Chartered Accountants

Sd/-  
VIKRAM DOSHI  
Managing Director

Sd/-  
NITIN DATANWALA  
Director

Sd/-  
Gnaneshwar. C. Patel - Partner  
Membership No. 047327  
Place : Mumbai  
Date : 28th May 2011

Sd/-  
HEMANT SONI  
Head-Legal & Company Secretary



**SCHEDULE-22****SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS.**

Notes annexed to and forming part of the Balance Sheet as at 31<sup>st</sup> March, 2011 and Profit and Loss Account for the twelve months ended 31<sup>st</sup> March, 2011.

**A. SIGNIFICANT ACCOUNTING POLICIES:****Basis of Accounting:**

The accounts have been prepared under the historical cost on an accrual basis as a going concern. Revenue recognition and expenses incurred are accounted on accrual basis and applicable mandatory standards and in accordance with the requirements of the Companies Act, 1956.

**Revenue Recognition:****Sales:**

Income from Product Sales/Services Charges is recognized upon completion of sales and rendering of the services respectively. Sales are inclusive of excise duty but accounted net of sales tax, whenever applicable. Income includes inter-divisional transfer at market price. The value of such inter divisional transfer is included in the value of materials purchase & sales.

**Dividend and Interest:**

Dividend income from investments is recognized when right to receive to payment is established. Interest income is accounted on its accrual on a time proportion.

**Employees' Remuneration:**

The Company's contributions to the Provident Fund are charged to Profit & Loss for the period.

**Depreciation :**

- i) Depreciation is charged on Fixed Assets (other than Goodwill) on Straight Line Method and in the manner prescribed in Schedule XIV to the Companies Act, 1956.
- ii) Goodwill is amortized over its estimated useful life commencing from the year in which it is determined.

**Fixed Assets:**

Fixed Assets are stated at cost of acquisition or construction, less accumulated depreciation. All costs relating to the acquisition and installation of fixed assets are capitalized and include financing costs relating to the borrowed funds attributable to construction or acquisition of fixed assets up to the date the assets are put to use.

**Impairment of Assets:**

An asset is treated as impaired when the carrying cost of Assets exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is

identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

**Investments :**

Investments are classified as long term Investment and carried at cost. Provision for diminution in value of long term investments is made only, if such a decline is not temporary, in the opinion of the management.

**Inventories:**

- i) Finished Goods : At lower of cost or estimated net realizable value.
- ii) Service Components are valued at cost.
- iii) Raw materials are valued at cost.

**Foreign Currency Transaction:**

Any income or expenses on account of exchange the difference is either in settlement or on transaction is recognized as per revenue gain/loss.

**Income Tax:**

In view of the carried forward losses, it has been adjusted against current year's profit. Provision for Income Tax has been made against balance current year's profit.

**Deferred Tax Assets & Liabilities:**

Deferred Tax assets or liability for timing difference between the profits per financial statements and the profit offered for income tax, based on tax rates that have been enacted or substantively enacted as at the Balance sheet date. Deferred tax assets are recognized only if there is reasonable certainty that sufficient future taxable income will be available, against which it can be realized. The carrying amount of deferred tax assets is reviewed at each Balance Sheet Date and reduced if sufficient taxable profits are not like to be available to realize all or part of the deferred tax assets.

**Prior Period Expenses/ Income:**

All identifiable items of income and expenditure pertaining to prior period are accounts as per "Prior Period Adjustment".

**Retirement Benefits:**

Liability in respect of retirement benefits is provided and/or charged to profit & loss account as follows:

- a) **Gratuity:** No provision is made in the accounts in respect of Gratuity payable to staff. These are charged in the accounts as and when paid.
- b) **Provident Fund:** Annual contribution to Provident Fund is charged to the Profit and Loss Account.
- c) **Leave Encashment:** Provision for leave encashment has not been made in Accounts, as per the present service rules the leave is required to be enjoyed or utilized. Hence no leave entitlement is permissible.

**Leases:**

Assets taken on lease, under which lessor effectively retains all the risks and rewards of ownership, are classified as operating lease. Operating lease payments are recognized as expenses in the profit and loss account on a straight line basis over the lease term.

**Borrowing Cost:**

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

**Other Accounting Policies:**

These are consistent with generally accepted accounting practices

**B. NOTES ON ACCOUNTS**

1. Managerial remuneration under section 198 of the companies Act 1956, paid or payable during the financial year as under :

During the year no remuneration has been paid to the whole time directors as the remuneration has been waived by the whole time director.

2. Earning per share (EPS):

	2010-11	2009-10
(a) Profit/ (Loss) after Extra ordinary Item & Taxation	2,31,70,127	9,88,63,535
(b) Weighted Average Number of Equity Shares of Rs. 2/- each outstanding during the year (Rs. 2/- for previous year)	10,84,51,500	9,19,51,500
(c) Nominal Value of Equity Shares (Rs.)	2/-	2/-
<b>(d) Basic/ Diluted Earning Per share Rs. (a / b)</b>	<b>0.15</b>	<b>1.08</b>

3. As per the information available with the company, there is no small scale (SSI) undertakings to whom the company owes a sum which is outstanding for more than 30 days. The company has not received any information from the supplier

regarding their status under the Micro Small & Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amount unpaid as at the end together with interest paid/ payable as required under the said Act have not been given.

4. Disclosure as per Accounting Standard 15 (Revised)

**Gratuity:** There are no define benefit plan for gratuity as there are only two employee entitle to gratuity and the amount of gratuity payable is in not material.

**Leave Encashment:** Provision for leave encashment has not been made in Accounts, as per the present service rules the leave is required to be enjoyed or utilized. Hence no leave entitlement is permissible.

5. Auditors' Remuneration:

	2010-11	2009-10
For Audit Fees	24000	20000
For Tax Audit	-	12000
For Sales Tax Audit	-	-
For other services (including certification etc)	-	4000
For Expenses	-	-
<b>Total</b>	<b>24000</b>	<b>36000</b>
Services Taxes	2472	3708
<b>Grand Total</b>	<b>26472</b>	<b>39708</b>

6. Out of 5,07,913 Equity shares of Atcom Technologies Ltd, 50,000 Equity shares held by the company are lying with the Income Tax authority in connection with long pending income tax matter.

7. Deferred Tax Liability:

	2010-11	2009-10
Opening Balance	58,351	(17,546)
Deferred Tax Liability on account of: Difference between Books & Tax Depreciation	136,009	225,479
<b>Net Deferred Tax Liability</b>	<b>45,781</b>	<b>75,897</b>
Closing Balance	104,132	58,351

8. Contingent Liabilities:

Pursuant of the Accounting Standard (AS 29) – Provisions, Contingent Liabilities and Contingent Assets, the disclosure relating to provisions made in the accounts for the year ended 31st March 2011 is as follows:

- a) Income tax Demand aggregating to Rs.2.31 lacs which had been disputed by company and appeal has been filed by company. (Previous year Rs.2.31 Lacs)
- b) Sales Tax liability in respect of disputed cases amounting to Rs.25,94,078/- (Previous year Rs.25,94,078/-)
- c) Central Excise liability in respect of disputed case amounting to Rs.50,00,000/- (Previous year Rs.50,00,000/-)
- d) Punjab Small Industries & export Corporation Limited in respect of disputed case for purchasing of land amounting to Rs.58,70,877/- (Previous year Rs.58,70,877/-).

9. Operating Lease:

The Corporation has taken various residential / commercial premises and plant machinery under operating leases. These lease agreements are normally renewed on expiry. The lease payments recognised in Profit & Loss Account is Rs.9.66 lakhs (Previous year Rs.15.28 lakhs).

10. The Company has transferred its business of Packaged Drinking water as on going concern on slump sales basis w.e.f. 1st January 2011 to its wholly owned subsidiary Company, Geo Thermal water Ltd.

11. Company has also transferred its business of organized retailing of Industrial & Business supplies Stores as on going concern on slump sales basis w.e.f. closing hours of business of 31st March 2011 to its wholly owned subsidiary Company Atco Ltd (Formerly known as Geo water Technologies Ltd ).

12. Disclosure of Loans / Advances to Subsidiaries, Associate Companies etc. (As required by clause 32 of the listing agreement with Stock Exchanges)

	(Rs. in Lacs)
Subsidiaries Company	<b>Amount</b>
Atcomaart Services Limited	362.61

12 Related Party disclosures

**(a) Name of the related parties where control exists**

<b>Name of the related party</b>	<b>Nature of relationship</b>
1 Varuna Drinking Water Solution Ltd.	} Subsidiary
2 Geo Thermal Water Ltd. (100% Subsidiary of Varuna Drinking Water Solution Ltd.)	
3 Geo Aquatech Limited (100% Subsidiary of Varuna Drinking Water Solution Ltd.)	
4 Atco Limited	
5 Atcomaart Services Ltd.	
6 E-Desk Services Ltd	
7 Innovamedia Publications Ltd	

**(b) Related parties with whom transactions have taken place during the period**

<b>Name of the related party</b>	<b>Nature of relationship</b>
1 Kimaya Wellness Ltd.	} Enterprises over which key management personnel and their relatives are able to exercise significant influence.
2 Kimaya Shoppe Ltd.	
3 Covet Securities & Leasing Pvt. Ltd.	
4 Anewera Marketing Pvt Ltd	
5 Doshi Enterprises Pvt. Ltd.	
6 Atco Water Technologies Ltd.	
7 Smart Sensors & Transducers Ltd.	
8 Vikram A. Doshi	} Managing Director Director
9 Leena V. Doshi	

14. Disclosure of transactions with Related Parties during the Financial Year 2010-2011

No	Name Of Related Party	Description Of relationship	Nature of Transaction	Amount Of Transactions during the year	Balance as on March 31, 2011 Debit/ (Credit)
1	Varuna Drinking Water Solution Ltd.	Subsidiary Company	- Investment in equity - Reimbursement of Expenses	17,800,000 34,294	17,800,000 - 34,294
2	Atco Limited	Subsidiary Company	- Investment in equity - Reimbursement of Expenses	169,525,000 25,113 -	169,525,000 44,113 [19000]
3	E-Desk Services Ltd	Subsidiary Company	- Investment in equity - Sales - Purchase - Outstanding amount - Advance to Subsidiary - Advance Repayment by Subsidiary	- - [78202700] 3,639,900 - - 3,933,246 537,788 -	500,000 [500000] - - 79,694,313 [1736055] - - -
4	Innovamedia Publications Ltd	Subsidiary Company	- Investment in equity - Purchase - Outstanding amount - Advance to Subsidiary - Advance Repayment by Subsidiary	- - [13100000] - 6,144,018 [9801181] 2,385,798 [12461112]	500,000 [500000] - 1,098,289 (2,659,931) - - -
5	Geo Thermal Water Ltd.	Subsidiary Company	- Outstanding amount - Reimbursement of Expenses - Advance to Subsidiary - Advance Repayment by Subsidiary	- 11,784 619,774 914,913 -	(264,355) [19000] - - - -
6	Geo Aquatech Limited	Subsidiary Company	- Outstanding amount - Reimbursement of Expenses - Advance to Subsidiary	- 30,694 500,000 -	(469,306) - - -

7	Atcomaart Services Ltd.	Subsidiary Company	- Investment in equity - Purchases - Loan Outstanding amount - Loan given to Subsidiary - Loan Repayment by Subsidiary	- - - 26,439,748 1,542,362 -	- [9025000] - 36,261,709 [11574096] - - -
8	Kimaya Wellness Ltd.	Enterprises over which key management personnel and their relatives are able to exercise significant influence	- Investment in equity - Outstanding amount - Advance to Related -Advance Repayment by Related	- - 709,320 2,228,309 [1763060]	776,880 [776880] (3,182,217) [1663228] - - -
9	Kimaya Shoppe Ltd.	Enterprises over which key management personnel and their relatives are able to exercise significant influence	- Investment in equity - Outstanding amount - Reimbursement of Expenses -Advance taken from Related	- - 26,740 4,979,318 -	3,969,000 [3969000] (5,050,578) [98000] - - -
10	Covet Securities & Leasing Pvt. Ltd.	Enterprises over which key management personnel and their relatives are able to exercise significant influence	- Rent -Advances taken from Related	940,000 [940000] 347,441 -	(1,412,822) [206681] - -
11	Anewera Marketing Pvt Ltd	Enterprises over which key management personnel and their relatives are able to exercise significant influence	- Investment in equity - Rent - Reimbursement of Expenses - Outstanding amount	- 60,000 4,929 - -	950,000 - - 726,890 [781961]
12	Doshi Enterprises Pvt. Ltd.	Enterprises over which key management personnel and their relatives are able to exercise significant influence	- Outstanding amount - Reimbursement of Expenses	- 1,060 -	2,320 [1260] -
13	Atco Water Technologies	Enterprises over which key management personnel and their relatives are able to exercise significant influence	- Outstanding amount - Reimbursement of Expenses	- 1,030	1,030 -



14	Smart Sensors & Tradeducers IIMITED	Enterprises over which key management personnel and their relatives are able to exercise significant influence	- Sales - Purchase - Advance to related	- (259.50) 4853 (251442.43) 15000	- - - -
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(Note : Figures in brackets are in respect of the previous year)

As per our Report of even date

For G. C. PATEL & CO.  
Chartered Accountants

On Behalf of Board Of Directors

Sd/-  
VIKRAM DOSHI  
Managing Director

Sd/-  
NITIN DATANWALA  
Director

Sd/-  
Gnaneshwar. C. Patel - Partner  
Membership No. 047327  
Place : Mumbai  
Date : 28th May 2011

Sd/-  
HEMANT SONI  
Head-Legal & Company Secretary

13 Additional information pursuant to the provision of paragraphs 3, 4C and 4D of part II of schedule VI to the Companies Act , 1956

Particulars	Previous Year			
	Quantity (Nos.)	Value Rs.	Quantity (Nos.)	Value Rs.
<b>a. Turnover</b>				
Packaged Drinking Water	1,870,941	8,879,590	1,955,575	11,863,035
Industrial Business Supply	Numerous	39,709,169	Numerous	967,441,860
Computer software	-	-	-	121,645,400
<b>Total</b>		<b>48,588,759</b>		<b>1,100,950,295</b>
<b>Particulars</b>				
	<b>Units</b>	<b>Nine Months upto 31.12.2010 (*)</b>		<b>Previous Year</b>
		<b>Quantity</b>	<b>Value Rs.</b>	<b>Quantity</b>
				<b>Value Rs.</b>
<b>b. Raw Material Consumed</b>				
Caps	Nos	1,837,606	551,282	1,872,771
Pet Perform	Nos	1,832,478	4,123,076	1,886,924
Packing Material	Nos	156,250	1,015,625	154,602
Misc Minerals/ Chemicals	Kgs	Numerous	142,319	Numerous
<b>Total</b>			<b>5,832,302</b>	<b>7,955,516</b>
<b>c. Opening stock of finished goods</b>				
Packaed Drinking Water	Nos	10,833	62,291	57,024
Retail Automation products	Nos	Numerous	4,284,685	Numerous
<b>Total</b>			<b>4,346,976</b>	<b>1,910,525</b>
<b>d. Purchase of trading products</b>				
Computer software & Hardware	Nos	Numerous	-	Numerous
Retail Automation products & others	Nos	Numerous	19,948,397	Numerous
			<b>19,948,397</b>	<b>972,325,357</b>
<b>e. Closing stock of finished goods</b>				
Packaged Drinking Water	Nos	-	-	10,944
Retail Automation products	Nos	Numerous	-	Numerous
<b>Total</b>			<b>-</b>	<b>4,346,976</b>

(\*) Packaged drinking water division transfer to its wholly owned subsidiary company

**f. Capacity and Production:**

ITEMS	UNITS	INSTALLED CAPACITY		PRODUCTION	
		2010-11	2009-10	2010-11	2009-10
		In Nos	In Nos	In Nos	In Nos
Water 1 Ltrs Pack ( Bottle )	Nos.	14,016,000	14,016,000	1,821,192	1,847,352
Water 20 Ltrs Pack ( Bottle )	Nos.	1,314,000	1,314,000	38,916	40,255

	Rupees	Previous Year Rupees
<b>g. <u>Value of Imports calculated on CIF basis, in respect of</u></b> Finished Product	Nil	779,234.00
<b>h. <u>Expenditure in foreign currency on accounts of</u></b> Travelling Expenses	-	-
Other Matter	123,291	-
<b>i. <u>Earning in foreign currency</u></b> FOB value of Direct Exports	Nil	96,038.00

**j. Value of raw materials/finished prduct ,stores and spares etc. consumed during the period/year**

	Value - Rs.	% of total Consumption	Previous Year	
			Value - Rs.	% of total Consumption
Raw Material /finished Product				
Imported	-	-	779,234	0.08
Indigenous	24,941,149	100	998,810,621	99.92
<b>Total</b>	<b>24,941,149</b>	<b>100</b>	<b>999,589,855</b>	<b>100</b>
<b>Stores and spares ( Including packing materials )</b>				
Imported	-	-	-	-
Indigenous	839,550	100	1,742,084	100
<b>Total</b>	<b>839,550</b>	<b>100</b>	<b>1,742,084</b>	<b>100</b>

15. **Segment information**

a *Segment information for primary segment reporting (by business segment)*

The Company has three reportable business segments:

- Packaged Drinking Water
- Industrial Business Supply Stores
- Software/ software products/ information technology services (software)

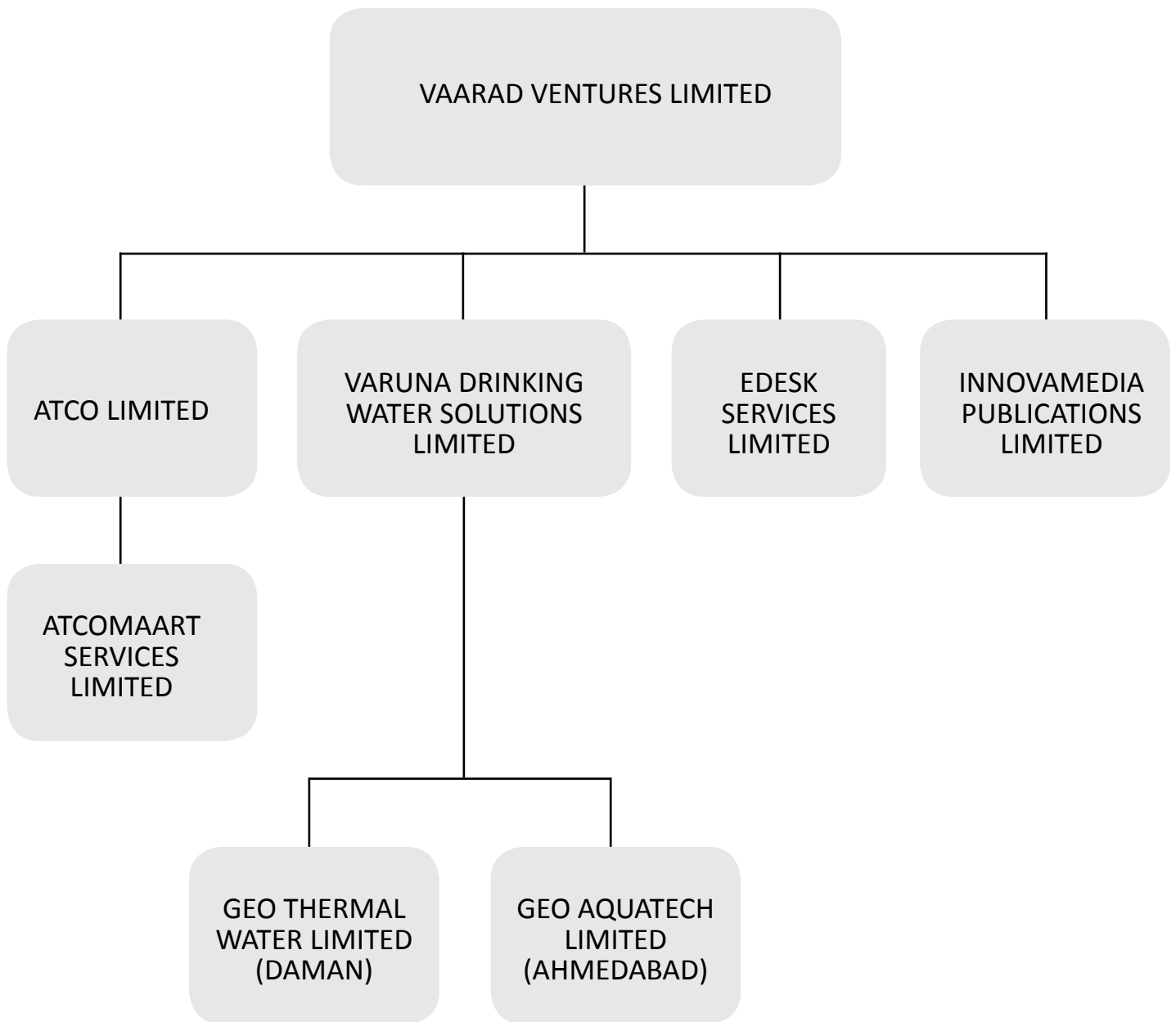
b The Company has only one reportable geographical segment and hence disclosures for secondary segment are not given.

c *Common expenses*

Common expenses are allocated to different segments on reasonable basis as considered appropriate by the management.

Particulars	Current Year				Previous Year			
	Packaged Drinking Water upto 31/12/10	Industrial Business Supply Stores upto 31/03/11	Others	Total	Packaged Drinking Water	Industrial Business Supply Stores	Others	Total
Total revenue (net of excise duty) (from external customers)	8,879,590	39,709,169	-	48,588,759	11,732,627	970,008,358	119,209,310	1,100,950,295
Total expenditure	7,534,923	29,358,113	5,921,644	42,814,680	9,606,830	918,613,638	80,427,344	1,008,647,812
Depreciation	889,843	212,680	1,000,484	2,103,007	1,181,327	934,504	97,420	2,213,251
Segment result	454,824	10,138,376	(6,922,128)	3,671,072	944,470	50,460,216	38,684,546	90,089,232
less, unallocated corporate expenses	-	-	-	-	-	-	-	-
Operating loss	454,824	10,138,376	(6,922,128)	3,671,072	944,470	50,460,216	38,684,546	90,089,232
less, interest expenses	-	-	-	-	-	202,000	-	202,000
add, interest income	-	-	482,171	482,171	-	344,208	-	344,208
add, other income	1,322,067	2,257,811	9,275,554	12,855,432	237,729	17,525,989	2,610	17,766,328
Net loss before tax	1,776,891	12,396,187	2,835,597	17,008,675	1,182,199	68,128,413	38,687,156	107,997,768
less, provision for tax								
- current	-	-	2,767,807	2,767,807	-	-	9,008,130	9,008,130
- deferred	-	-	(45,781)	(45,781)	-	75,897	-	75,897
- fringe benefit tax	-	-	-	-	-	-	-	-
- Prior Years Expenses	-	-	33,090	33,090	-	-	-	-
Net Profit / (loss) after tax	1,776,891	12,396,187	80,481	14,161,997	1,182,199	68,204,310	29,679,026	99,065,535
Add: Extra Ordinary Item	-	9,008,130	-	9,008,130	-	-	-	-
Net (loss) / Profit after Extra Ordinary Item	1,776,891	21,404,317	80,481	23,170,127	1,182,199	68,204,310	29,679,026	99,065,535
Other information								

Segment assets	-	-	163,632,626	163,632,626	18,123,016	694,207,271	342,524,915	1,054,855,202
Segment liabilities	-	-	49,260,818	49,260,818	1,580,026	426,834,154	377,020,613	805,434,793
Capital expenditure during the year								
- additions to fixed assets	-	1,636,271	-	1,636,271	13,300	14,388,750	-	14,402,050
Depreciation	889,843	212,680	1,000,484	2,103,007	9,596,592	4,755,940	243,651	14,596,183
Significant non-cash expenditure								
Loss on sale of fixed assets (gross)	-	148,978	-	148,978	-	-	-	-





## AUDITOR'S REPORT TO THE MEMBERS OF VAARAD VENTURES LIMITED

We have audited the attached Consolidated Balance Sheet of Vaarad Ventures Limited group (formally known as Atco Corporation Ltd.) as on 31st March, 2011 and also the Consolidated Profit & Loss Account of the Company for the year ended on that date, annexed hereto and the cash flow statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the 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 of our opinion.

As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 of India (the act) and on the basis of such checks as we considered appropriate and according to the information and explanation given to us, we set out in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 – Consolidated Financial statements, Accounting Standard (AS) 23 – Accounting for investments in associates in Consolidation Financial Statements, and Accounting Standard (AS) 27 – Financial Reporting of Interests in Joint Ventures notified under subsection 3C of section 211 of the Companies Act, 1956.

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

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
- c. The Consolidated Balance Sheet, Consolidated Profit & Loss Account and Consolidated Cash Flow Statement referred to

in this report are in agreement with the books of account.

- d. In our opinion, the Consolidated Balance Sheet, Consolidated Profit & Loss Account and Consolidated Cash Flow Statement have been prepared in compliance with the accounting standards as prescribed under the provisions of Section 211(3C) of the Act.
- e. On the basis of the written confirmation received from the Directors and taken on record by, the Board of Directors we report that none of the Directors of the Company is disqualified as on 31st March, 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- f. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto, give in the prescribed manner, the information required by the Act and also give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (i) In so far it relates to the Consolidated Balance Sheet, of the state of affairs of the Company as at 31st March, 2011 and
  - (ii) In so far it relates to the Consolidated Profit and Loss Account, of the profit of the Company for the year ended on that date and
  - (iii) In so far it relates to the Consolidated Cash Flow Statement of the cash flow of the Company for the year ended on that date.

**For G.C. Patel & Co.**  
Chartered Accountants  
Firm Registration No. : 113693W

Sd/-  
(Gnaneshwar C. Patel)  
Partner  
Membership No. 047327

Place : Mumbai  
Date : 28th May 2011

**VAARAD VENTURES LIMITED (formally known as Atco Corporation Ltd.)  
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2011**

PARTICULARS	SCHEDULE NO.	AS AT 31.03.2011 Total	AS AT 31.03.2010 Total
<b>SOURCE OF FUNDS</b>			
<b>SHARE HOLDERS FUND</b>			
Share Capital	1	216,903,000	183,903,000
Reserve & Surplus	2	49,519,862	30,660,131
Convertible Warrants	3	33,000,000	66,000,000
To be converted into fully paid up equity shares		-	
<b>Total</b>		<b>299,422,862</b>	<b>280,563,131</b>
<b>LOAN FUNDS</b>			
Secured Loan	4	5,336,819	33,004,919
Unsecured Loan	5	28,929,670	-
		<b>333,689,351</b>	<b>313,568,050</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	6	224,343,685	230,024,662
Less : Depreciation		8,218,325	16,344,064
Net Block of Fixed Assets		<b>216,125,360</b>	<b>213,680,598</b>
<b>Investment (At Cost)</b>	7	17,424,935	17,424,935
<b>Net Deferred tax Assets</b>	8	(78,535)	143,928
<b>Current Assets Loans &amp; Advances</b>			
Inventories	9	6,524,484	15,410,144
Sundry Debtors	10	1,067,747,002	935,607,176
Cash & Bank Balances	11	2,394,430	19,317,504
Loans & Advances	12	50,117,432	38,893,930
		<b>1,126,783,348</b>	<b>1,009,228,754</b>
<b>Less: Current Liabilities &amp; Provisions</b>	13	1,026,737,071	927,032,825
<b>NET CURRENT ASSETS</b>		100,046,278	82,195,929
<b>MISCELLANEOUS EXPENDITURE</b>	14	171,313	122,660
		<b>333,689,351</b>	<b>313,568,050</b>

As per our Report of even date

On Behalf of Board Of Directors

For G. C. PATEL & CO.  
Chartered Accountants

Sd/-  
VIKRAM DOSHI  
Managing Director

Sd/-  
NITIN DATANWALA  
Director

Sd/-  
Gnaneshwar. C. Patel - Partner  
Membership No. 047327  
Place : Mumbai  
Date : 28th May 2011

Sd/-  
HEMANT SONI  
Head-Legal & Company Secretary

**VAARAD VENTURES LIMITED (formally known as Atco Corporation Ltd.)  
CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH 2011**

PARTICULARS	SCHEDULE NO.	AS AT 31.03.2011 Total	AS AT 31.03.2010 Total
<b>INCOME :</b>			
Sales		2,520,493,240	1,693,404,938
Other income	15	14,400,882	18,180,597
Increase/(Decreases) in Inventory		(8,339,973)	2,436,451
<b>Total</b>		<b>2,526,554,149</b>	<b>1,714,021,986</b>
<b>EXPENDITURE :</b>			
Consumption of Raw Material	16	7,919,417	600,200,547
Other Purchase		2,462,136,664	993,376,423
Excise Duty		-	2,500
Employees Remuneration & Benefits	17	12,469,524	7,505,444
Operation & Establishment Expenses	18	10,671,135	8,543,432
Selling & Distribution Expenses	19	4,712,809	1,044,409
Financial Charges	20	1,315,679	158,617
Miscellaneous Expenses written off		-	8,800
<b>Total</b>		<b>2,499,225,228</b>	<b>1,610,840,174</b>
<b>Gross Profit</b>		<b>27,328,920</b>	<b>103,181,812</b>
<b>Depreciation</b>		2,817,027	2,301,925
Profit / ( Loss) Before Taxation		<b>24,511,893</b>	<b>100,879,889</b>
Less: Provision For Current Year Taxation		4,670,424	10,047,502
Add/Less: Adjustment for Deffered Tax		(294,529)	85,645
Less: Prior Years Expenses		33,090	334,941
		-	-
Profit / ( Loss) After Taxation		<b>19,513,850</b>	<b>90,583,091</b>
Add: Extra Ordinary Items			
Excess provision for Income Tax Written Back		9,008,130	-
<b>Profit / ( Loss) After Extra Ordinary Item &amp; Taxation</b>		<b>28,521,980</b>	<b>90,583,091</b>
Brought Forward from Previous Year		68,131	(84,622,329)
MAT Credit Entitlement		1,065,394	-
<b>Amount Available for Appropriations</b>		<b>29,655,505</b>	<b>5,960,762</b>
<b>Appropriations</b>			
Proposed Dividend on Equity Shares		9,199,670	5,104,054
Tax on Dividend		1,527,973	788,577
Transfer to General Reserve		-	-
<b>Surplus / (Loss) carried to Balance Sheet</b>		<b>18,927,862</b>	<b>68,131</b>
		<b>29,655,505</b>	<b>5,960,762</b>

Basic /Diluted earning per Share of face value of Rs. 2/-

0.21

0.98

As per our Report of even date

On Behalf of Board Of Directors

For G. C. PATEL & CO.  
Chartered Accountants

Sd/-  
VIKRAM DOSHI  
Managing Director

Sd/-  
NITIN DATANWALA  
Director

Sd/-  
Gnaneshwar. C. Patel - Partner  
Membership No. 047327  
Place : Mumbai  
Date : 28th May 2011

Sd/-  
HEMANT SONI  
Head-Legal & Company Secretary

**VAARAD VENTURES LIMITED (formally known as Atco Corporation Ltd.)**  
**SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH 2011**

PARTICULARS	AS AT 31.03.2011 Total	AS AT 31.03.2010 Total
<b>SCHEDULE -1: SHARE CAPITAL</b>		
<b>Authorised Share Capital:</b>		
182500000 Equity share of Rs.2/- each (Previous Year 182500000 equity shares @ Rs.2/-)	395,000,000	395,000,000
5,00,000 Unclassified Shares of Rs. 100/- each	50,000,000	50,000,000
<b>TOTAL</b>	<b>445,000,000</b>	<b>445,000,000</b>
<b>Issued, Subscribed &amp; Paid-up Capital:</b>		
i) 91951500 Equity shares of Rs.2/- each fully paid up ( Previous year 9,19,51,500 Equity shares of Rs. 2/- each)	183,903,000	183,903,000
ii) 16500000 warrants of Rs. 2/- each converted into 16500000 Equity Shares of Rs. 2/- each fully paid up on 31/03/2011	33,000,000	-
<b>TOTAL</b>	<b>216,903,000</b>	<b>183,903,000</b>
<b>SCHEDULE -2: RESERVES &amp; SURPLUS</b>		
Share premium	19,542,000	19,542,000
General Reserve	11,050,000	11,050,000
Profit & Loss Accounts	18,927,862	68,131
<b>TOTAL</b>	<b>49,519,862</b>	<b>30,660,131</b>
<b>SCHEDULE -3: CONVERTIBLE WARRANT</b>		
<b>Warrant Application Money</b>		
i)16500000 Warrant of Rs.2/- each issued as fully paid up warrants, to be converted into equivalent numbers of Equity Shares of Rs.2/- each on or before 31/03/12	33,000,000	66,000,000
<b>TOTAL</b>	<b>33,000,000</b>	<b>66,000,000</b>
<b>SCHEDULE -4: SECURED LOAN</b>		
Car Loan from Bank	1,307,444	883,839
GIIC Limited	4,029,375	32,121,080
Note : The said GIIC Ltd loan has been repaid before signing of Balance Sheet		
<b>TOTAL</b>	<b>5,336,819</b>	<b>33,004,919</b>
<b>SCHEDULE - 5 : UNSECURED LOAN</b>		
Term Loan	28,929,670	-
<b>TOTAL</b>	<b>28,929,670</b>	<b>-</b>

VAARAD VENTURES LIMITED

Schedule No. 6  
FIXED ASSETS SCHEDULE STATEMENT

NO.	Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As At 1-Apr-10	Addition During the Year	Sale/Adj. during the Year	As At 31-Mar-11	As At 1-Apr-10	Provided During the Year	Provided on Adj of Assets	As At 31-Mar-11	As At 31-Mar-11	As At 31-Mar-10
1	Airconditions	154,038	-	-	154,038	63,436	7,622	-	71,058	82,980	90,602
2	Furnitures & fixtures	5,614,160	688,295	2,732,381	3,570,074	2,354,374	330,295	2,044,086	640,583	2,929,491	3,259,786
3	Office Equipments	6,554,377	1,512,424	4,361,093	3,705,708	3,203,048	305,930	2,834,415	674,563	3,031,145	3,351,329
4	Computers	2,214,495	1,529,912	928,888	2,815,519	1,140,760	567,115	229,233	1,478,642	1,336,877	1,073,735
5	Motor Cars	5,829,661	1,383,333	530,537	6,682,457	4,121,407	484,340	-	4,605,747	2,076,710	1,708,254
6	Intangible Assets (Goodwill)	120,000,000	123,521,037	120,000,000	123,521,037	-	-	-	-	123,521,037	120,000,000
7	Plant & Machinery	17,750,588	12,104,324	17,480,351	12,374,561	4,986,640	1,077,893	5,376,125	688,408	11,686,153	12,763,948
9	Electronics Time Recorder	-	7,672	-	7,672	-	500	-	500	7,172	-
	Borewell	-	65,343	-	65,343	-	-	-	-	65,343	-
11	Tools & Equipment	71,320	-	-	71,320	45,283	2,492	-	47,775	23,545	26,037
12	Service Equipment	544,321	169,135	547,520	165,936	362,246	25,029	381,585	5,690	160,246	182,075
13	Elect. Installation	391,702	249,577	331,059	310,220	66,870	15,809	77,320	5,359	304,861	324,832
14	Computer Software	70,900,000	-	-	70,900,000	-	-	-	-	70,900,000	70,900,000
	<b>Total</b>	<b>230,024,662</b>	<b>141,231,052</b>	<b>146,911,829</b>	<b>224,343,685</b>	<b>16,344,064</b>	<b>2,817,025</b>	<b>10,942,764</b>	<b>8,218,325</b>	<b>216,125,360</b>	<b>213,680,598</b>
	<b>Previous Year</b>	<b>253,174,996</b>	<b>1,381,459</b>	<b>24,531,793</b>	<b>230,024,662</b>	<b>38,541,000</b>	<b>2,301,925</b>	<b>24,507,427</b>	<b>16,344,064</b>	<b>213,680,598</b>	<b>153,083,351</b>

<b>SCHEDULE - 7 : INVESTMENTS (AT COST)</b>		
Long Term Investments		
Shares of other Company		
Quoted Investment :		
507913 Equity Shares of Rs 10/- each of Atcom Technologies Limited (Previous Year 507913 Equity Shares of Rs.10/-)	1,648,487	<b>1,648,487</b>
Aggregated market value of Quoted Investment is Nil (Previous Year Nil)		
<b>Unquoted Investment</b>		
396900 Equity Shares of Rs. 10/- each of Kimaya Shoppe Limited ( previous year 396900 equity shares of Rs. 10/-)	3,969,000	3,969,000
66400 Equity Shares of Rs 10/- each of Kimaya Wellness Limited ( previous year 66400 equity shares of Rs. 10/-)	776,880	776,880
2517642 Equity Shares of Rs 10/- each of Smart Sensors & Tranducers Limited ( previous year 2517642 equity shares of Rs. 10/-)	10,070,568	10,070,568
95000 Equity Shares of Rs.10/- each of Anewera Marketing p.Limited ( previous year 95000 equity shares of Rs. 10/-)	950,000	950,000
1000 Equity Shares of Rs.10/- each of Saraswat Co-op Bk Limited ( previous year 1000 equity shares of Rs. 10/-)	10,000	10,000
<b>Total Long Term Investments</b>	<b>TOTAL</b>	<b>17,424,935</b>
		<b>17,424,935</b>
<b>SCHEDULE - 8 : NET DEFERRED TAX LIABILITIES / (Assets)</b>		
Opening Balance Deferred Tax Liabilities / (Assets)	<b>119,837</b>	<b>58,283</b>
Add: transferred from/to Profit & Loss	<b>(198,372)</b>	<b>85,645</b>
	<b>TOTAL</b>	<b>(78,535)</b>
		<b>143,928</b>
<b>SCHEDULE - 9 : INVENTORIES</b>		
(Lower of cost and market value)		
(As taken valued and certified by Manager factory)		
Finished Stock	1,930,274	4,346,976
Raw Material	4,594,210	11,063,168
	<b>TOTAL</b>	<b>6,524,484</b>
		<b>15,410,144</b>
<b>SCHEDULE - 10 : SUNDRY DEBTORS</b>		
Debtors More than Six Month	44,029,783	86,732,723
Others	1,023,717,219	848,874,453
	<b>TOTAL</b>	<b>1,067,747,002</b>
		<b>935,607,176</b>
<b>SCHEDULE - 11 : CASH &amp; BANK BALANCES</b>		
Cash on hand	112,090	33,063
Balance with Scheduled Bank in Current A/c	2,282,340	15,657,174
Fixed Deposit with Scheduled Bank	-	3,627,267
	<b>TOTAL</b>	<b>2,394,430</b>
		<b>19,317,504</b>

<b>SCHEDULE - 12 : LOANS &amp; ADVANCES</b>		
( unsecured, Considered Good)		
Advances Receivable in cash or Kind	41,062,970	30,410,409
Income Tax Refund / TDS Receivables of Last.Year	2,698,829	2,688,569
Advance Tax	976,933	-
Prepaid Expenses	2,513,915	2,887,847
Deposit	2,456,402	2,489,008
Central Excise A/c	-	17,831
Duties & Taxes	42,973	-
Dealership Deposits	15,000	-
Modvat Receivable	350,410	400,266
<b>TOTAL</b>	<b>50,117,432</b>	<b>38,893,930</b>
<b>SCHEDULE - 13 :CURRENT LIABILITIES &amp; PROVISION</b>		
<b>a) Current Liabilities</b>		
Sundry Creditors for Goods	987,008,562	885,152,697
Sundry Creditors for Expenses	5,227,333	13,073,197
Duties & Taxes	754,493	588,825
Others Liabilities	11,467,404	5,517,345
Security Deposit / Deposits from Customers.	7,800,000	7,800,000
	<b>1,012,257,792</b>	<b>912,132,064</b>
<b>b) Provisions</b>		
Provision for Income tax	3,751,636	9,008,130
Proposed Dividend	9,199,670	5,104,054
Tax on Dividend	1,527,973	788,577
	14,479,279	14,900,761
<b>TOTAL</b>	<b>1,026,737,071</b>	<b>927,032,825</b>
<b>SCHEDULE - 14 : MISCELLANEOUS EXPENSES</b>		
( To the extent not written of or adjusted)		
Deferred Revenue Expenses	-	8,800
Less : written off During the Year	171,313	122,660
Preliminary exps	-	8,800
<b>TOTAL</b>	<b>171,313</b>	<b>122,660</b>
<b>SCHEDULE -15 : OTHER INCOME</b>		
Dividend Recd	2,000	-
Miscellaneous Income	43,755	183,604
Interest on FDR	482,171	344,208
Antenna Rent	358,152	308,348
Repairing Charges & Spares Received	300	15,099
Business service Provided	8,872,500	7,800,000
Profit on sales of Undertaking	3,521,037	-
Light & Water charges Reliance	44,002	-
Balance Written Back	19,708	5,766,838
Bank Interest	9,801	-
Packing & Forwarding Charges	890	-
Stamping Charges	4,043	-
Interest from other	1,034,230	584,500
Other income	8,293	3,178,000
<b>TOTAL</b>	<b>14,400,882</b>	<b>18,180,597</b>



<b>SCHEDULE -16 : CONSUMPTION OF RAW MATERIAL</b>		
Opening stock of Raw Material	11,063,168	11,400,482
Add: Purchase	7,295,027	599,863,233
Less: Closing Stock of Raw Material	4,515,506	11,063,168
Less: Dimishing value of stock	5,923,272	-
	<b>7,919,417</b>	<b>600,200,547</b>
<b>SCHEDULE -17: EMPLOYEES REMUNERATION &amp; BENEFITS</b>		
Salary, Wages, Allowances, Provision for Bonus and accrued leave salary & Gratuity	11,396,592	6,942,297
Contribution to provident & others funds	359,016	319,625
Staff Welfare	713,916	243,522
<b>TOTAL</b>	<b>12,469,524</b>	<b>7,505,444</b>
<b>SCHEDULE -18 : OPERATIONAL &amp; ESTABLISHMENT EXPENSES</b>		
Electricity Charges	1,359,264	1,512,969
Adminstrative / Misc.Expenses	162,141	287,302
Rent	1,203,158	1,528,000
Reimbursement exp	2,368	-
Courier, Postage & Telegram	163,300	26,500
Fees & Taxes	337,460	172,391
Repairs & Maintence	307,358	317,523
Audit Fees	47,464	51,500
Petrol & Diesel Exp.	3,116	-
Software Services	2,081,521	-
Communication ( Server) Expenses	342,919	742,791
Professional Tax's	6,667	44,100
Insurance	51,792	96,036
Bad Debt / Bal Written off	605	14,963
Processing fees & Stamp Duty	244,617	-
Printing & Stationery	129,021	118,199
Sundry Admn./mfg Misc. Expenses	125,130	205,367
Motor Car Expenses	23,369	37,326
Miscellaneous Manufacturing Expenses	88,667	83,022
Books/ Periodicals & Subscription	180	39,498
Legal & Professional Charges	957,090	499,595
Stamping ( W & M) Expenses	2,575	34,725
Listing / Relisting Fees / Depository Ser.	76,753	563,961
Municipal Tax	249,264	200,536
Licence fees	79,082	83,703
Freight Expenses	84,628	152,428
Recruitment Charges	-	146,329
Directors sitting fees	58,000	31,000
Website Expenses	-	5,390
Conveyance	111,670	56,009
Telephone Expenses	252,009	333,873
Sundry /Housekeeping Expenses	219,806	-
Security charges	128,503	118,823
Loss on sales of motor car	181,048	-
Water Charges	40,656	-
Retainership Fees	1,088,209	1,039,573
Internet Exps	34,995	-
Testing & Analysis Charges	17,758	-
Staff welfare	15,063	-
Professional Charges	65,000	-

Preliminary Exps	42,829	-
Advertising exps	11,790	-
Service tax paid	153,707	-
Interest paid as per IT assessment	120,583	-
<b>TOTAL</b>	<b>10,671,135</b>	<b>8,543,432</b>
<b>SCHEDULE -19 : SELLING &amp; DISTRIBUTION EXPENSES</b>		
Advertisement Expenses	1,264,671	31,037
Other Selling Expenses	204,427	118,519
Field Travelling Expenses	290,745	889,945
Reimbursement of expenses	2,683,193	4,908
Sales Pramotional Expenses	269,773	-
<b>TOTAL</b>	<b>4,712,809</b>	<b>1,044,409</b>
<b>SCHEDULE - 21 : FINANCIAL CHARGES</b>		
Interest on Car Loan	132,988	116,503
Bank Charges	68,201	40,111
Interest on FBT	-	2,003
Interest on Secured & Unsecured Loan	1,114,490	-
<b>TOTAL</b>	<b>1,315,679</b>	<b>158,617</b>

**VAARAD VENTURES LIMITED**  
**CONSOLIDATED CASH FLOW STATEMENT FOR THE TWELVE MONTHS ENDED 31ST MARCH, 2011**

PARTICULARS	2010-2011	2009-2010
<b>A. Cash Flow From Operating Activities</b>		
Net Profit / Loss before Tax and Extra Ordinary Items.	<b>24,511,893</b>	<b>116,027,276</b>
<b>adjustments</b>		
Revaluation of car depreciation	-	(75,126)
Interest Charges	2,817,027	2,301,925
misc exp	-	7,019
	31,430	8,800
<b>Operating Flow before working Capital Changes</b>	<b>27,360,350</b>	<b>118,269,894</b>
<u>Adjustment for :</u>		
(Increase) / Decrease in Inventories	8,885,660	18,951,929
(Increase) / Decrease in Trade & Other Receivables	(116,878,981)	(902,371,033)
Increase / (Decrease) in Trade Payable & Provisions	100,586,552	843,578,228
(Increase) / Decrease in Loans & Advances	(11,223,502)	11,780,602
<b>Cash Generated From Operating Activities [ Before adjusting extra ordinary exp ]</b>	<b>8,730,079</b>	<b>90,209,620</b>
prior years exp w/off	33,090	69,059
<b>Cash Generated From Operating Activities [After adjusting extra ordinary exp but before tax]</b>	<b>8,696,989</b>	<b>90,140,561</b>
Income Tax Paid	(1,065,394)	(1,388,554)
<b>Net Cash flow from Operating Activities</b> <span style="float: right;"><b>A</b></span>	<b>7,631,595</b>	<b>88,752,007</b>
<b>B. Cash Flow from Investing Activities.</b>		
Purchase of Fixed Assets	(21,231,052)	(72,202,050)
Capial Work in Prograss	-	(15,280,328)
Sale of Investments	9,025,000	-
Purchase of Investments	(9,025,000)	(26,489,935)
Income From Investment		
<b>Net Cash Flow From Investing Activities</b> <span style="float: right;"><b>B</b></span>	<b>(21,231,052)</b>	<b>(113,972,313)</b>
<b>C. Cash Flow From Financing Activities</b>		
Proceeds From Issue of Shares	-	4,025,000
Proceeds From Convertible Warrant Application Money	-	27,750,000
Repayment of Loan	(28,091,705)	-
Dividend & Dividend Distribution tax paid	(5,892,631)	(79,987)
interest paid	-	(6,559)
Increase / (Decrease) in Unsecured Loans	30,660,719	12,413,144
<b>Net Cash Flow From Financing Activities</b> <span style="float: right;"><b>C</b></span>	<b>(3,323,617)</b>	<b>44,101,598</b>
	<b>A+B+C</b>	<b>18,881,292</b>
CASH OR CASH EQUIVALENT AS AT 01.04.2010	19,317,504	436,212
CASH OR CASH EQUIVALENT AS AT 31.03.2011	2,394,430	19,317,504
<b>NET INCREASE / DECREASE IN CASH OR CASH EQUIVALENT</b>	<b>(16,923,074)</b>	<b>18,881,292</b>

This is the cash flow statement referred to in our report of even date.  
As per our Report of even date

On Behalf of Board Of Directors

For G. C. PATEL & CO.  
Chartered Accountants

Sd/-  
VIKRAM DOSHI  
Managing Director

Sd/-  
NITIN DATANWALA  
Director

Sd/-  
Gnaneshwar. C. Patel - Partner  
Membership No. 047327  
Place : Mumbai  
Date : 28th May 2011

Sd/-  
HEMANT SONI  
Head-Legal & Company Secretary

**SCHEDULE-22**

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011.**

**1. Principles of Consolidation:**

The Consolidated financial statements relate to Vaarad Ventures Limited and its subsidiaries and associate companies, which together constitute the Group. The consolidated financial statements have been prepared on the following basis:

- (i) The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating all material intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard (AS-21) "Consolidated Financial Statements" as notified under the Companies (Accounting Standards) Rules, 2006.
- (ii) The differences between the cost of investments in the subsidiary and the share of net assets at the time of acquisition of shares in the associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.
- (iii) Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- (iv) Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.
- (v) The differences between the cost of investments in the associates and the share of net assets at the time of acquisition of shares in the associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.
- (vi) In case of associates, where the Company directly or indirectly through subsidiaries holds more than 20% of equity, investments are accounted for using equity method in accordance with Accounting Standard (AS-23) "Accounting for Investments in Associates in Consolidated Financial Statements" as notified under the Companies (Accounting Standards) Rules, 2006.
- (vii) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like

transactions and other events in similar circumstances and appropriate adjustments are made to the financial statements of subsidiaries when they are used in preparing the consolidated financial statements that are presented in the same manner as the Company's separate financial statements.

- 2. The Consolidated Financial Statements present the Consolidated Accounts of Vaarad Ventures Vaarad Ventures Limited group (formally known as Atco Corporation Ltd.) with it's following subsidiary & it's subsidiaries and associated:

Name of Company	Preparation of ownership of interest	
	As on 31st March 2011	As on 31st March 2010
<b>Subsidiary Companies</b>	<b>100%</b>	<b>100%</b>
a) Edesk Services Ltd	100%	100%
b) Innovamedia Publication Ltd	100%	100%
c) Atco Ltd	100%	-
d) Varuna Drinking Water Solution Ltd.	100%	-
e) Atcomaart Services Ltd.	100%	100%
f) Geo Thermal Water Ltd.	100%	-
g) Geo Aquatech Ltd.	100%	-
<b>Associated Companies</b>		
a) Kimaya Shoppe Ltd.	48.99%	48.99%
b) Anewera Marketing Pvt. Ltd.	39.58%	39.58%
c) Smart Sensors & Tranducers Ltd.	48.98%	48.98%

Note: While preparing consolidated financial statements, the results of above associates are not consider as they are immaterial.

While preparing consolidated financial statements, the results of Kimaya Shoppe Ltd. and Anewera Marketing Pvt. Ltd. are not consider as they are not material and that of Smart Sensors & Tranducers Ltd. are not consider as the same as not finalized / not available.

**3 SIGNIFICANT ACCOUNTING POLICIES:**

**A Basis of Accounting:**

The accounts have been prepared under the historical cost on an accrual basis as a going concern. Revenue recognition and expenses incurred are accounted on accrual basis and applicable mandatory standards and in accordance with the requirements of the Companies Act, 1956.

**B Depreciation :**

- i) Depreciation is charged on Fixed Assets (other than Goodwill) on Straight Line Method and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

ii) Goodwill is amortized over its estimated useful life commencing from the year in which it is determined.

**C Fixed Assets:**

Fixed Assets are stated at cost of acquisition or construction, less accumulated depreciation. All costs relating to the acquisition and installation of fixed assets are capitalized and include financing costs relating to the borrowed funds attributable to construction or acquisition of fixed assets up to the date the assets are put to use.

**D Valuation of Tangible Fixed Assets:**

Fixed Assets are valued at cost of acquisition or construction. They are stated at historical costs or other amounts substituted for historical costs (vide note (ii) & (iii) below). In respect of new projects pre-operative expenses including financing costs attributable to the acquisition/ construction of fixed assets (net of income during trail run) up to the date of commencement of commercial production is included in cost.

**E Intangible Assets:**

Goodwill represents the excess of costs of business acquired over the fair market value of net tangible and identifiable intangible assets

**F Impairment of Assets:**

An asset is treated as impaired when the carrying cost of Assets exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which as asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

**G Investments :**

Investments in subsidiary have been accounted as per Accounting Standard (AS-21) "Consolidated Financial Statements" as notified under the Companies (Accounting Standard) Rules, 2006.

Investments in associated have been accounted as per Accounting Standard (AS-21) "Consolidated Financial Statements" as notified under the Companies (Accounting Standard) Rules, 2006.

Long term Investments other than investments in subsidiaries and associates as stated above are shown at cost. However, when there is a decline, other than temporary, in the value of a long-term investments, the carrying amount is reduced to recognize the decline.

**H Foreign Currency Transaction:**

Any income or expenses on account of exchange the difference is either in settlement or on transaction is recognized as per revenue gain / loss.

**I Income Tax:**

The provision for current taxation is computed in accordance with the relevant tax regulations taking into account available deductions and exemptions

In view of the carried forward losses, it has been adjusted

against current year's profit. Provision for Income Tax has been made against balance current year's profit.

**J Retirement Benefits:**

Liability in respect of retirement benefits is provided and/or charged to profit & loss account as follows:

- a) **Gratuity:** No provision is made in the accounts in respect of Gratuity payable to staff. These are charged in the accounts as and when paid.
- b) **Provident Fund:** Annual contribution to Provident Fund is charged to the Profit and Loss Account.
- c) **Leave Encashment:** Provision for leave encashment has not been made in Accounts, as per the present service rules the leave is required to be enjoyed or utilized. Hence no leave entitlement is permissible.

**K Leases:**

Assets taken on lease, under which lessor effectively retains all the risks and rewards of ownership, are classified as operating lease. Operating lease payments are recognized as expenses in the profit and loss account on a straight line basis over the lease term.

**L Borrowing Cost:**

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

**M Other Accounting Policies:**

These are consistent with generally accepted accounting practices.

**B. NOTES ON ACCOUNTS.**

- 1. Managerial remuneration under section 198 of the companies Act 1956, paid or payable during the financial year as under :

During the year no remuneration has been paid to the whole time directors as the remuneration has been waived by the whole time director.

- 2. Earning per share (EPS):

	2010-11	2009-10
(a) Profit/ (Loss) after Extra ordinary Item & Taxation	2,85,21,980	9,05,83,091
(b) Weighted Average Number of Equity Shares of Rs. 2/- each outstanding during the year (Rs. 2/- for previous year)	10,84,51,500	9,19,51,500
(c) Nominal Value of Equity Shares (Rs.)	2/-	2/-
<b>(d) Basic/ Diluted Earning Per share Rs. (a/b)</b>	<b>0.21</b>	<b>0.98</b>

- 3. As per the information available with the company, there is no small scale (SSI) undertakings to whom the company owes a sum which is outstanding for more than 30 days. The company has not received any information from the supplier regarding their status under the Micro Small & Medium

Enterprises Development Act, 2006 and hence disclosures, if any, relating to amount unpaid as at the end together with interest paid/ payable as required under the said Act have not been given.

4. Disclosure as per Accounting Standard 15 (Revised)

Gratuity: There are no define benefit plan for gratuity as there are only two employee entitle to gratuity and the amount of gratuity payable is in not material.

Leave Encashment: Provision for leave encashment has not been made in Accounts, as per the present service rules the leave is required to be enjoyed or utilized. Hence no leave entitlement is permissible.

5. Out of 5,07,913 Equity shares of Atcom Technologies Ltd, 50,000 Equity shares held by the company are lying with the Income Tax authority in connection with long pending income tax matter.

**6. Contingent Liabilities:**

Pursuant of the Accounting Standard (AS 29) – Provisions, Contingent Liabilities and Contingent Assets, the disclosure relating to provisions made in the accounts for the year ended 31st March 2011 is as follows:


- a) Income tax Demand aggregating to Rs.2.31 lacs which had been disputed by company and appeal has been filed by company. (Previous year Rs.2.31 Lacs)
- b) Sales Tax liability in respect of disputed cases amounting to Rs.25,94,078/- (Previous year Rs.25,94,078/-)
- c) Central Excise liability in respect of disputed case amounting to Rs.50,00,000/- (Previous year Rs.50,00,000/-)
- d) Punjab Small Industries & export Company Limited in respect of disputed case amounting to Rs.58,70,877/- (Previous year Rs.58,70,877/-).

**7. Operating Lease:**

The Company has taken various residential / commercial premises and plant machinery under operating leases. Theses lease agreements are normally renewed on expiry. The lease payments recognised in Profit & Loss Account is Rs.12.03 lakhs (Previous year Rs.15.28 lakhs).

8 Related Party disclosures

**(a) Name of the related parties where control exists**

<b>Name of the related party</b>	<b>Nature of relationship</b>
1 Varuna Drinking Water Solution Ltd.	 Subsidiary
2 Geo Thermal Water Ltd. (100% Subsidiary of Varuna Drinking Water Solution Ltd.)	
3 Geo Aquatech Limited (100% Subsidiary of Varuna Drinking Water Solution Ltd.)	
4 Atco Limited	
5 Atcomaart Services Ltd.	
6 E-Desk Services Ltd	
7 Innovamedia Publications Ltd	

**(b) Related parties with whom transactions have taken place during the period**

<b>Name of the related party</b>	<b>Nature of relationship</b>
1 Kimaya Wellness Ltd.	 Enterprises over which key management personnel and their relatives are able to exercise significant influence.
2 Kimaya Shoppe Ltd.	
3 Covet Securities & Leasing Pvt. Ltd.	
4 Anewera Marketing Pvt Ltd	
5 Doshi Enterprises Pvt. Ltd.	
6 Atco Water Technologies	
7 Smart Sensors & Tranducers Ltd.	
8 Vikram A. Doshi	 Managing Director Director
9 Leena V. Doshi	



**VAARAD VENTURES LIMITED**

Schedule forming part of the accounts

10. Disclosure of transactions with Related Parties during the Financial Year 2010-2011

No	Name Of Related Party	Description Of relationship	Nature of Transaction	Amount Of Transactions during the year	Balance as on March 31, 2011 Debit/ (Credit)
1	Varuna Drinking Water Solution Ltd.	Subsidiary Company	- Investment in equity	17,800,000	17,800,000
			- Reimbursement of Expenses	34,294	34,294
2	Atco Limited	Subsidiary Company	- Investment in equity	169,525,000	169,525,000
			- Reimbursement of Expenses	25,113	44,113 [19000]
3	E-Desk Services Ltd	Subsidiary Company	- Investment in equity	-	500,000 [500000]
			- Sales	-	-
			- Purchase	[78,202,700]	-
			- Outstanding amount	3,639,900	-
			- Advance to Subsidiary	-	79,694,313 [1736055]
			- Advance Repayment by Subsidiary	3,933,246	-
			-	537,788	-
4	Innovamedia Publications Ltd	Subsidiary Company	- Investment in equity	-	500,000 [500000]
			- Purchase	-	-
			- Outstanding amount	[13100000]	-
			- Advance to Subsidiary	-	1,098,289 (2,659,931)
			- Advance Repayment by Subsidiary	6,144,018 [9801181]	-
			-	2,385,798 [12461112]	-
5	Geo Thermal Water Ltd.	Sub-Subsidiary Company	- Outstanding amount	-	(264,355) [19000]
			- Reimbursement of Expenses	11,784	-
			- Advance to Subsidiary	619,774	-
			- Advance Repayment by Subsidiary	914,913	-
6	Geo Aquatech Limited	Sub-Subsidiary Company	- Outstanding amount	-	(469,306)
			- Reimbursement of Expenses	30,694	-
			- Advance to Subsidiary	500,000	-

7	Atcomaart Services Ltd.	Sub-Subsidiary Company	- Investment in equity - Purchases - Loan Outstanding amount - Loan given to Subsidiary - Loan Repayment by Subsidiary	- - - 26,439,748 1,542,362 -	- [9025000] - 36,261,709 [11574096] - -
8	Kimaya Wellness Ltd.	Enterprises over which key management personnel and their relatives are able to exercise significant influence	- Investment in equity - Outstanding amount - Advance to Related -Advance Repayment by Related	- - 709,320 2,228,309 [1763060]	776,880 [776880] (3,182,217) [1663228] - -
9	Kimaya Shoppe Ltd.	Enterprises over which key management personnel and their relatives are able to exercise significant influence	- Investment in equity - Outstanding amount - Reimbursement of Expenses -Advance taken from Related	- - 26,740 4,979,318 -	3,969,000 [3969000] (5,050,578) [98000] - -
10	Covet Securities & Leasing Pvt. Ltd.	Enterprises over which key management personnel and their relatives are able to exercise significant influence	- Rent -Advances taken from Related	940,000 [940000] 347,441 -	(1,412,822) [206681] -
11	Anewera Marketing Pvt Ltd	Enterprises over which key management personnel and their relatives are able to exercise significant influence	- Investment in equity - Rent - Reimbursement of Expenses - Outstanding amount	- 60,000 4,929 - -	950,000 - - 726,890 [781961]
12	Doshi Enterprises Pvt. Ltd.	Enterprises over which key management personnel and their relatives are able to exercise significant influence	- Outstanding amount - Reimbursement of Expenses	- 1,060 -	2,320 [1260] -
13	Atco Water Technologies	Enterprises over which key management personnel and their relatives are able to exercise significant influence	- Outstanding amount - Reimbursement of Expenses	- 1,030	1,030 -

(Note : Figures in brackets are in respect of the previous year)

As per our Report of even date

On Behalf of Board Of Directors

For G. C. PATEL & CO.  
Chartered Accountants

Sd/-  
VIKRAM DOSHI  
Managing Director

Sd/-  
NITIN DATANWALA  
Director

Sd/-  
Gnaneshwar. C. Patel - Partner  
Membership No. 047327  
Place : Mumbai  
Date : 28th May 2011

Sd/-  
HEMANT SONI  
Head-Legal & Company Secretary

VAARAD VENTURES LIMITED

9 Additional information pursuant to the provision of paragraphs 3, 4C and 4D of part II of schedule VI to the Companies Act , 1956

Particulars	Previous Year			
	Quantity (Nos.)	Value Rs.	Quantity (Nos.)	Value Rs.
<b>a. Turnover</b>				
Packaged Drinking Water	2,263,433	12,030,600	1,955,575	11,845,344
Industrial Business Supply Chain & Retail Automation & Computer Hardware	Numerous	2,200,567,840	Numerous	1,559,914,194
Publication & Advertisement	4	3,817,921	-	-
Computer software	34,199	304,076,879	-	121,645,400
<b>Total</b>		<b>2,520,493,240</b>		<b>1,693,404,938</b>

Particulars	Units	Previous Year			
		Quantity	Value Rs.	Quantity	Value Rs.
<b>b. Raw Material Consumed</b>					
Caps	Nos	2,208,606	817,184	1,872,771	674,198
Pet Perform	Nos	2,200,478	5,370,598	1,886,924	4,264,448
Packing Material	Nos	156,250	1,093,750	154,602	927,612
Misc Minerals/ Chemicals	Kgs	Numerous	421,363	Numerous	563,413
Box	Nos	30,496	216,522		
<b>Total</b>			<b>7,919,417</b>		<b>6,429,671</b>

<b>c. Opening stock of finished goods</b>					
Packaed Drinking Water	Nos	31,305	181,029	57,024	318,194
Retail Automation products	Nos	Numerous	4,165,947	Numerous	11,131,463
<b>Total</b>			<b>4,346,976</b>		<b>11,449,657</b>

<b>d. Purchase of trading products</b>					
Industrial Business Supply Chain & Retail Automation & Computer Hardware / Software	Nos	Numerous	2,188,668,424	Numerous	972,325,357

<b>e. Closing stock of finished goods</b>					
Packaged Drinking Water	Nos	12,408	72,470	10,944	62,291
Retail Automation products	Nos	Numerous	1,857,804	Numerous	14,048,911
<b>Total</b>			<b>1,930,274</b>		<b>14,111,202</b>

(\*) Packaged driking water division transfer to its wholly owned subsidiary company

VAARAD VENTURES LIMITED

f. Capacity and Production:

ITEMS	UNITS	INSTALLED CAPACITY		PRODUCTION	
		2010-11	2009-10	2010-11	2009-10
		In Nos	In Nos	In Nos	In Nos
Water 1 Ltrs Pack ( Bottle )	Nos.	28,032,000	14,016,000	2,184,768	1,847,352
Water 20 Ltrs Pack ( Bottle )	Nos.	2,628,000	1,314,000	47,360	40,255

ANNEXURE - 4

	Rupees	Previous Year Rupees
<b>g. <u>Value of Imports calculated on CIF basis, in respect of</u></b> Finished Product	Nil	779,234.00
<b>h. <u>Expenditure in foreign currency on accounts of</u></b> Travelling Expenses	-	-
Other Matter	123,291	-
<b>i. <u>Earning in foreign currency</u></b> FOB value of Direct Exports	Nil	96,038.00

j. Value of raw materials / finished product, stores and spares etc. consumed during the period/year

	Value - Rs.	% of total Consumption	Previous Year	
			Value - Rs.	% of total Consumption
<b>Raw Material /finished Product</b>				
Imported	-	-		
Indigenous	2,461,901,806	100	993,376,423	100
<b>Total</b>	<b>2,461,901,806</b>	<b>100</b>	<b>993,376,423</b>	<b>100</b>
<b>Stores and spares ( Including packing materials )</b>				
Imported	-	-	-	-
Indigenous	234,858	100	-	-
<b>Total</b>	<b>234,858</b>	<b>100</b>	<b>-</b>	<b>-</b>

**VAARAD VENTURES LIMITED**  
Schedules forming part of the accounts

**Schedule 22**

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

**11. Segment information**

a Segment information for primary segment reporting (by business segment)

The Company has three reportable business segments:

- Packaged Drinking Water
- Industrial Business Supply Stores
- Software/ software products/ information technology services (software)

b The Company has only one reportable geographical segment and hence disclosures for secondary segment are not given.

c Common expenses

Common expenses are allocated to different segments on reasonable basis as considered appropriate by the management.

Particulars	Packaged Drinking Water upto 31/12/10	Industrial Business Supply Stores upto 31/03/11	Software	Publication	Others	Total
Total revenue (net of excise duty) (from external customers)	2,389,654	2,168,720,027	300,776,879	17,921	48,588,759	2,520,493,240
Total expenditure	2,247,930	2,163,297,774	303,299,561	3,006,157	35,713,780	2,507,565,202
Depreciation	471,448	186,004	-	56,568	2,103,007	2,817,027
Segment result	(329,724)	5,236,249	(2,522,682)	(3,044,804)	10,771,972	10,111,011
less, unallocated corporate expenses	-	-	-	-	-	-
Operating loss	(329,724)	5,236,249	(2,522,682)	(3,044,804)	10,771,972	10,111,011
less, interest expenses	-	-	-	-	-	-
add, interest income	-	-	-	-	482,171	482,171
add, other income	18,094	11,855	-	-	12,854,532	13,918,711
Net loss before tax	(311,630)	5,248,104	(2,522,682)	(3,044,804)	24,108,675	24,511,893
less, provision for tax						
- current	-	1,429,071	240,191	233,356	2,767,807	4,670,424
- deferred	174,780	50,376	-	23,592	45,781	(294,529)
- fringe benefit tax	-	-	-	-	-	-
- Prior Years Expenses	-	-	-	-	33,090	33,090
Net loss after tax	(486,410)	3,768,657	(2,762,873)	(3,301,752)	21,261,997	19,513,850
Add: Extra Ordinary Item	-	-	-	-	9,008,130	9,008,130
Net (loss) / Profit after Extra Ordinary Item	(486,410)	3,768,657	(2,762,873)	(3,301,752)	30,270,127	28,521,980
<b>Other information</b>						
Segment assets	-	-	-	-	1,126,783,348	1,126,783,348
Segment liabilities	-	-	-	-	1,027,619,377	1,027,619,377
Capital expenditure during the year						
- additions to fixed assets	-	-	-	-	-	141,231,052
Depreciation	471,448	186,004	-	56,568	2,103,007	2,817,027
Significant non-cash expenditure						
Loss on sale of fixed assets (gross)	-	-	-	-	-	181,048

**Consolidated Financial Statement of Subsidiaries - 2010-11**

No.	Name of the Subsidiary	% of Holding	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investment (except in case of investment in subsidiaries)	Sales	Other Income	Profit before taxation	Provision for taxation	Profit after taxation	Proposed dividend (incl. dividend tax)
(1)		(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1	Varuna Drinking Water Solution Ltd.	100%	932500	16867500	11000	35397	17800000	0	0	(8722)	0	(8722)	0
2	Atco Limited	100%	2190250	167334750	39429457	2851326	9025000	0	8293	(9958)	0	(9958)	0
3	E-Desk Services Ltd	100%	500000	562960	254264126	324150230	0	304076879	0	777318	240191	537127	0
4	Innovedia Publications Ltd	100%	500000	530417	1895155	1057261	0	3817921	0	755196	233356	498248	0
5	Atcomart Services Limited	100%	5110000	12849987	793331457	739684557	0	2168720027	1046085	6282334	1429071	5842259	0
6	Geo Thermal Water Limited	100%	980000	16320000	4274468	1872862	0	2389654	9801	(287908)	0	(462688)	0
7	Geo Aquatech Limited	100%	500000	0	480306	1103	0	0	0	(5042)	0	(5042)	0



**VAARAD VENTURES LIMITED  
PROXY FORM**

**17TH ANNUAL GENERAL MEETING ON FRIDAY, AUGUST 12, 2011 AT 4 PM**

AT SUNVILLE BANQUETS, 9, DR. ANNE BESANT ROAD, WORLI, MUMBAI - 400018, MAHARASHATRA

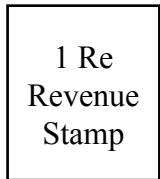
I/We \_\_\_\_\_

being a member/members of Vaarad Ventures Limited hereby appoint \_\_\_\_\_ of

\_\_\_\_\_ or failing him \_\_\_\_\_ of

\_\_\_\_\_ As my/our proxy to vote for me/us and on my/our behalf at the 17th ANNUAL GENERAL MEETING OF **VAARAD**

**VENTURES LIMITED** to be held on Friday, August 12, 2011 or any adjournment thereof.



Dated \_\_\_\_\_

Client ID/ Folio No. \_\_\_\_\_

DP ID \_\_\_\_\_

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

\_\_\_\_\_  
Signature

Note: Proxies must reach the Company's Registered Office not less than 48 hours before the meeting.

**VAARAD VENTURES LIMITED  
ATTENDANCE SLIP**

**(To be presented at the entrance of meeting venue)**

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AT SUNVILLE BANQUETS, 9, DR. ANNE BESANT ROAD, WORLI, MUMBAI - 400018, MAHARASHATRA

Folio No. : ..... DP ID No. : ..... Client A/c. No. : .....

Name of the shareholder.....

\_\_\_\_\_  
Signature of the Shareholder

(Only Shareholders / Proxies are announced to attend the meeting)

Note : • The proxy, in order to be effective, should be duly stamped, completed & must be deposited at registered office of company at 6 A Lalwani industrial estate, 14 G.D. Ambekar Road, Mumbai - 40031, MAHARASHTRA, not less than 48 hrs before the time of meeting.  
• The proxy need not be a member of the company.

BOOK POST

**If undelivered please return to : -**

**VAARAD VENTURES LIMITED**  
6A, Lalwani Industrial Estate,  
14 G.D. Ambekar Road, Wadala,  
Mumbai 400031.

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