



RMCL RETAIL

RADHA MADHAV CORPORATION LIMITED

ANNUAL REPORT

2011-12

**BOARD & OTHER PARTICULARS****BOARD OF DIRECTORS**

Mr. Anil J. Agrawal	Chairman
Mr. Mitesh A. Agrawal	Managing Director & CEO
Mr. Abhishek Agrawal	Jt. Managing Director
Mr. Kanubhai Patel	Director
Mr. Subhash Agarwal *	Director
Mr. Serge A Lapointe *	Director
Mr. Radhey Krishna Mishra*	Director
Mr. Rajiv Prasankumar Nanavati*	Director

*** Independent & Non-Executive Directors****AUDITORS****H.P.SHAH ASSOCIATES****COMPANY SECRETARY & COMPLIANCE OFFICER****CS MANGESH SHETYE****COMPANY SECRETARIES
IN PRACTICE****JAGDISH PATEL & CO.****BANKERS****State Bank of India
Vapi I.T. Branch, Vapi**Bank of Baroda
Mangaldas Market Branch, Mumbai
SSI Daman Branch, Daman**REGISTERED OFFICE**Survey No. 50/9/A, Daman Industrial Estate,
Village Kadaiya, Nani Daman –396 210,
UT of Daman & Diu
Tel No.: 0260 – 6619000, 2220176
Fax No: 0260- 2220177
rmcl@relinpro.com
www.rmclretail.com**REGISTRAR & SHARE TRANSFER AGENT**Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound
L.B.S. Marg, Bhandup West,
Mumbai – 400078
Tel No.: 022 – 25963838 25946970
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CONTENTS

Sr. No.	Particulars
1	Notice
2	Directors' Report
3	Management Discussion and analysis
4	Report on Corporate Governance
5	Auditors' Report
6	Balance sheet
7	Profit and Loss Account
8	Cash Flow Statement
9	Notes to Accounts



NOTICE

NOTICE is hereby given that the **Eighth** Annual General Meeting of the Members of **Radha Madhav Corporation Limited** Will be held at the Registered Office of the Company at Survey No. 50/9/A, Daman Industrial Estate, Village Kadaiya, Nani Daman –396 210, UT of Daman & Diu on 12th September, 2012 at 10.00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 30th June, 2012 (15 months) and Statement of Profit & Loss Account for the accounting year ended as on that date together with the Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Serge A Lapointe, who retires by rotation, and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Radhey Krishna Mishra, who retires by rotation, and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Rajiv Prasankumar Nanavati, who retires by rotation, and being eligible offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT Mr. Subhash Agrawal, who was appointed as an Additional Director of the Company by the Board of Directors, who holds office under Section 260 of the Companies Act, 1956, until the date of the Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956, from a member proposing his candidature for the office of a Director, who has given his consent to act as director and declaration in Form DD-A, be and is hereby appointed as a Director of the Company liable to retire by rotation."

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

"RESOLVED THAT pursuant to Sections 78, and 100 and other applicable provisions, if any, of the Companies Act, 1956, read with Article No.8 of the Articles of Association of the Company and subject to the confirmation by the Honorable Bombay High Court, as provided under Section 100 of the Companies Act, 1956 and any other relevant approval as may be required, the Board of Directors or committee thereof of the Company be and is hereby authorised to write off the losses to the extent of Rs. 120,83,85,550/-, by utilising the credit balances, as on 30th June, 2012, in the Security Premium Account to the extent of Rs.91,55,39,950/- and Share Capital to the extent of Rs.29,28,45,600/- of the Company by reducing share capital from Rs. 32,53,84,000/- of face value of Rs. 10/- each divided into 3,25,38,400 equity shares to Rs. 3,25,38,400/- divided into 3,25,38,400 equity shares of Re. 1/- each and that such reduction be effected by writing off losses to the extent of Rs.9/- over equity share upon each of the 3,25,38,400 equity shares which have been issued and by reducing the nominal amount of all the equity shares in the Company's share capital from Rs.10/- each to Re.1/- each and subject to section 94 the consolidating 10 equity shares of Re. 1/- each into 1 equity share of Rs. 10/- each, and thereafter, the paid-up equity share capital of the Company will be Rs. 3,25,38,400/- divided into 32,53,840 equity shares of Rs. 10/- each.



RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, the Board of Directors of the Company be and is hereby authorized to do (hereinafter referred to as "the Board" which term shall be deemed to include a Committee thereof) perform all such acts, deeds, matters and things as it may in its absolute discretion deemed necessary, expedient, usual or proper and to settle any question or difficulty that may arise with regard to the above resolution and accounting thereof or to carry out including agreeing with changes/modifications, if any, as may be expedient or suggested by the Honorable Bombay High Court and/or any other relevant authority, to implement the aforesaid resolution.

FUTHER RESOLED that the Link Intime India Private Limited(RTA) of the Company be and are hereby authorised to hold in trust, fractional shares arising out of consolidation of shares of the members of the company, either in Demat/Physical form and sell the same in the market at such time or times and at such prices or prices and to such a person or persons, as RTA may deem fit and deposit such proceeds in the bank account in the name of RTA to be opened with any bank and pay to the company the net sale proceeds thereof for onward distribution of the same to aforesaid members and the RTA be and are hereby authorised to take all the necessary steps, do all such acts, deeds, matters and things and to execute, enter into initial and sign such papers, documents, deeds or agreement, as may be necessary gives undertaking and indemnities on behalf of the company and if required common seal of the company be affixed and any document in presence of any one of the Director or any other person Authorized by the Board to give effect to this resolution.

RESOLVED THAT Mr. Mitesh Agrawal, Managing Director/ Mr. Anil Agrawal Chairman of the Company be and is hereby Authorized to appoint and engage any advocate or firm of advocates and solicitors to represent the company for approval of the Application / Petition for reduction of share capital / Securities Premium Account of the Company."

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

"RESOLVED that the accumulated losses of the Company have exceed the net worth of the Company as per the audited statement of account for the accounting year ended June, 30, 2012 and thus, the Company has become a sick industrial Company as per the provisions of Section 3(1) (o) of the Sick Industrial Companies (Special Provisions) Act, 1985, The shareholders further noted that, based upon the opinion formed by the Board of Directors at time of approving the aforesaid accounts, a reference has been filed by the Company under the provisions of section 15 (1) of the Sick Industrial Companies(Special Provisions) Act, 1985 with the Hon'ble Board for Industrial and Financial Reconstruction, and the shareholders took the reference on record.

RESOLVED FURTHER that the Mr. Mitesh Agrawal, Managing Director/ Mr. Anil Agrawal Chairman of the Company be and are hereby severally authorized to inform the (Board for Industrial and Financial reconstruction) about the reason of erosion considered by the shareholders of the company at the general meeting and to do every act and deed that is necessary in connection therewith.

By Order of the Board

sd/-

**(CS. Mangesh Shetye)
Company Secretary**

Place : Daman

Dated: 6th August, 2012

**NOTES**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself, and proxy so appointed need not be a member of the company. In order to be effective, proxy form must be lodged with the company not less than 48 hours before the commencement of the meeting.
2. Explanatory Statements Pursuant to Section 173 (2) of the Companies Act 1956, relating to the special business is annexed herewith.
3. Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Meeting.
4. The register of members and the share transfer books of the Company will remain closed from 10.9.2012 to 12.9.2012 (both days inclusive).
5. Members desirous of asking any questions at the Annual General Meeting are requested to send in their questions so as to reach the Company at least 10 days before the Annual General Meeting so that the same can be suitably replied.
6. 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.
7. Members who hold shares in electronic form are requested to write their DP ID and client ID numbers and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the Meeting to facilities identification of membership at the Meeting. Members are requested to bring their attendance slip along with their copy of the Annual Report to the Meeting. As copies of Annual Report will not be distributed at the meeting.
Members are requested to intimate change of address, if any, to the company quoting reference to their Registered Folio Number.
9. At the ensuing Annual General Meeting Mr. Serge A Lapointe, Mr. Radhey Krishna Mishra and Mr. Rajiv Prasankumar Nanavati retire by rotation and are being proposed for re-appointment and Mr. Subhash Agrawal is proposed to be appointed as Directors, the detail as required under Clause 49 (IV)(E)(v) of the Listing Agreement is given below:

Name	Age	Educational Qualification	Experience	No. of share hold.
Mr. Serge A Lapointe	57	BEPC, BEI, BAC, BTC Chemistry, Diploma Engineer.	41 Years	Nil
Mr. Radhey Krishna Mishra	46	B.Sc.	22 Years	Nil
Mr. Rajiv Prasankumar Nanavati	63	B.A	33 Years	Nil
Mr. Subhash Agrawal	48	B. Com.	12 years	Nil

By Order of the Board

sd/-

**(CS. Mangesh Shetye)
Company Secretary****Place : Daman****Dated: 6th August, 2012**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACTS, 1956****Item No. 6**

Mr. Subhash Agrawal was appointed as an Additional Director of the Company with effect from 4th January, 2012, and pursuant to Section 260 of the Companies Act, 1956. Mr. Subhash Agrawal holds office of Director upto the date of ensuing Annual General Meeting. The Company has received notice in writing from a member along with a deposit of Rs.500/- proposing the candidature of Mr. Subhash Agrawal for the office of Directorship under the provisions of Section 257 of the Companies Act, 1956.

None of the Directors are concerned or interested in this resolution except Mr. Subhash Agrawal.

Item No. 7

For the last three years, the Company has been incurring continuous losses and the accumulated loss standing in the Balance Sheet of the Company is Rs.142,84,29,052/- as on 30th June, 2012, Since it is difficult to visualise such extremely favourable circumstances in future as to wipe off these losses completely out of further profits (although the present indications are that the Company is in a position to start on an even keel after these losses are wiped off), the special resolution is proposed to enable the Company to start on a new slate.

The proposed proposal is to set off Rs.29,28,45,600/- from the share capital and amount of Rs.91,55,39,950/- from the securities premium account to write-off the accumulated loss to the extent of Rs.120,83,85,550/-. Pursuant to section 100 of the Companies Act, 1956, this resolution will be effective after confirmation by the Hon. Bombay High Court.

The proposed reduction will be for the benefit of the Company and its shareholders, creditors and all concerned as a whole. Writing off of the accumulated losses will help in enabling the company to make its net worth positive at the earliest. Such reduction will also not cause any prejudice to the creditors of the Company. For the sake of clarity, it is specified that the reduction of capital does not involve the diminution of any liability. The creditors of the Company are in no way affected by the proposed reduction of the share capital. Further, the proposed adjustment would not in any way adversely affect the ordinary operations of the Company or the ability of the Company to honour its commitments or to pay its debts in the ordinary course of business.

The Capital Structure of the Company

Share Capital	Before reduction of Share Capital	After Reduction of share Capital & Consolidation
Authorised	Rs.59,00,00,000/- divided into 5,30,00,000 equity shares of Rs. 10/- each and 60,00,000 preference shares of Rs. 10/- each	Rs.59,00,00,000/- divided into 5,30,00,000 equity shares of Rs. 10/- each and 60,00,000 preference shares of Rs. 10/- each
Paid-up	Rs. 32,53,84,000/- Divided into 3,25,38,400 equity shares of Rs.10/- each	Rs. 3,25,38,400/- divided into 32,53,840 equity shares of Rs. 10/- each

Shareholding Pattern of the Company.

Particular	Before Reduction of share capital		After Reduction of share capital & consolidation	
	No. Of Shares	%	No. Of Shares	%
Promoter and Promoters Group	73,28,947	22.52%	7,32,894	22.52%
Public	2,52,09,453	77.48%	25,20,946	77.48%
Total	3,25,38,400	100%	32,53,840	100%



The Board recommends adoption of the said Special Resolution.

None of the Directors of the Company is concerned or interested in the Resolution except to the extent of their holding of shares.

The documents referred to in this Notice/ Explanatory Statement will be open for inspection by members at the Company's Registered Office between 11.00 a.m. and 1.00 p.m. on any working day of the Company,(Monday to Friday), upto the day previous to the date of the Annual General Meeting

Item No. 8

In the terms of the duly Audited financial statement of the Company for the accounting year ended 30th June, 2012, the net worth of the Company has been completely eroded, because of manifold causes like high cost of finance, overall increase in cost of production (including losses arising out of deficiency of working capital), while there is no corresponding rise in turnover in same proportionate. The management is constantly focused on the marketing of the product thus incurred heavy expenditure on marketing and brand building. The same will have positive impact on the long term prospects of the company. The Board of Directors have formed its opinion that the Company has become a Sick Industrial Company within the meaning of section 3(1) (o) of the Sick Industrial Companies (Special Provision) Act, 1985 and a reference is to be made u/s 15 of the said Act to the Board for Industrial and Financial Reconstruction for determining measures that will be adopted with respect to the Company. Under the circumstance, the Directors will make a reference to the Board for Industrial and Financial Reconstruction.

None of the Directors are concerned or interested in this resolution.

By Order of the Board

sd/-

(CS. Mangesh Shetye)
Company Secretary

Place : Daman

Dated: 6th August, 2012

**DIRECTORS' REPORT**

To,
The Members,
Radha Madhav Corporation Limited,

Dear Sir/Madam

The Directors have pleasure in presenting the Eighth Annual Report together with the Audited Accounts for the accounting year ended on 30th June, 2012(15 months).

FINANCIAL RESULTS

	30.6.2012 (15 months) Rs. In million	31.3.2011 (12 months) Rs. In million
Net Revenue from operation and other Operational Income	1197.72	1056.44
Profit (Loss) before Finance & Depreciation	(137.64)	(178.37)
Less: Finance cost	329.56	221.36
Less: Depreciation & amortization	173.24	136.97
Profit After Depreciation & before Tax	(640.44)	(536.70)
Provision of Tax of earlier year and wealth Tax	4.11	1.10
Profit /(Loss) after tax	(644.55)	(537.80)

For the last three years, the Company has been incurring continuous losses and the company has accumulated losses of Rs.142,84,29,052/- as on 30th June 2012, as reflected in the Balance Sheet of the Company. The causes are manifold like high cost of finance, overall increase in cost of production (including losses arising out of deficiency of working capital), while there is no corresponding rise in turnover in same proportionate resulting losses. The management is constantly focused on the marketing of the product thus incurred heavy expenditure on marketing and brand building. The same will have positive impact on the long term prospects of the company.

In the terms of the duly Audited Accounts of the Company for the financial year ended 30th June, 2012, the Board of Directors have formed its opinion that the Company has become a Sick Industrial Company within the meaning of section 3(1)(o) of the Sick Industrial Companies (Special Provision) Act, 1985 and a reference is to be made u/s 15 of the said Act to the Board for Industrial and Financial Reconstruction.

Management 's Opinion of Auditor's Qualification:**Inadequate provision for bad & doubtful debts to the extent of Rs. 73.93 millions and confirmation of balance and its reconciliation:-**

The Company has started dedicated credit control & recovery department headed by a qualified legal expert and has also started serving notice. The Company is hopeful of recovering its entire outstanding within reasonable time. Under the present circumstances, company has made adequate provision for bad & doubtful debts which is appropriate in opinion of the Board The Company has also started obtaining confirmation from all remaining debtors, loan advance and sundry creditors and reconciling the outstanding balance.

1. Overvaluation of work in progress by Rs. 135.50 million:-

The manufacturing facility of the company can be divided into 15-20 distinct manufacturing areas. With various permutations and combinations, the company can produce approximately 75-100 different products.

Various sizes, thicknesses, applications and customization led to large range of finished

products that the company has been dealing with. At one point of time we were producing 400 different products at peak level.

Varied input is required for each of the product that is manufactured. Although, basic ingredients revolve around 75-100 large product category but customization and specifications led to requirement of additional input material. Each of Final product requires at least 10-12 raw material to produce with very less common versatile input material. Hence company was dealing with as large as 1000 different types of raw material at one time.

Liquidity crunch also led to frequent stoppage of business of various product amongst 75-100 large product category hence Raw Material, Work in Progress and receivable of that product category got stuckup. Company with its limited resources tried to rotate its business in all its category and tried to see that its RM, WIP and Recievable do not get stagnant. However it could not be done with the expected efficiency. The same has resulted into slow moving of inventory.

Company has started the roll-out of its long awaited Franchise model whereby Franchise is ready to pay in advance terms for company's product. This will infuse capital and stagnant businesses will be transferred to Franchise. All the RM, WIP and receivable of these discontinued clients will get mobilized with the new business model.

As mentioned above, the company is been taking various steps towards re-arranging its work in progress lying at various units and is also exploring the best possibilities of effective use of inventory.

The board / management is of the genuine belief that management will be able to liquidate the slow moving inventory, thus no need of provisioning of inventory at this point of time.

2. **Uncertainties about going concern assumption:-**

As per the view of management there is no uncertainties about continuous operation of the Company in foreseeable future on account following measures taken by the Company:-

- i) The Management has also taken various measures to induce long term capital in the Company through various sources.
- ii) The management is also planning gradually to modify its business plan by appointing franchisee's and thereby reducing working capital intensiveness.
- iii) The Company would be able to continue its operation in the foreseeable future through various restructuring measures.

The Board also noted that the various steps taken by management to turn around the operations of the company.

- Company has reviewed its ongoing business in retail mode and has identified approx. 20 potential Franchises, which are being short-listed by marketing team, out of that 4 of them have already commenced business with the company. The Company's business through Franchise would increase in order to achieve least dependence on working capital. The Company has also reviewed its brands and corporate brand of RMCL Retail.
- The Company has obtained various approvals and quality certifications at Rudrapur Facility. It also reviewed ISO 22,000 training program for the manufacturing employees and congratulated the team for receiving certificate.
- The Company has noted growing dissatisfaction amongst the labour for the late payment of salaries and ensured to meet again for a strategy to tackle the same in a short time.

**FINANCE**

The Company has availed credit facilities from State Bank of India and Bank of Baroda. The performance of the last two years has led to significance liquidity pressure in the long term sources.

DEPOSITS:

The Company has not accepted Deposits within the meaning of section 58A of the Companies Act 1956.

DIRECTORS

In accordance with the requirements of the Companies Act 1956, Mr. Serge A Lapointe, Mr. Radhey Krishna Mishra and Mr. Rajiv Prasankumar Nanavati will retire by rotation and, being eligible, has offered themselves for re-appointment and Mr. Subhash Agrawal is proposed to be appointed as Directors at the ensuing annual General Meeting. Mr. Binodkumar Paliwal resigned from Directorship during the year

AUDITORS:

The present Auditors of the Company M/s. H. P. Shah Associates, Chartered Accountants, Vapi, will retire at the conclusion of ensuing Annual General Meeting and being eligible; offer, themselves for re-appointment to hold the office till the conclusion of next Annual General Meeting.

They have submitted certificate for their eligibility for reappointment under section 224(1B) of the Companies Act, 1956.

The Auditors have confirmed that they have subjected themselves to the peer review process of the institute of Chartered Accountants of India (ICAI) and holds a valid certificate issued by the Peer Review Board of the ICAI."

As to Auditors' Qualifications is self-explanatory in their report.

AUDIT COMMITTEE:

The Board of Directors constituted an Audit Committee as per the existing clause 49 of the Listing Agreements entered into with Stock Exchanges and in terms of Section 292(A) of the Companies Act, 1956.

CORPORATE GOVERNANCE:

A Separate section on Corporate Governance, Management discussion and Analysis and a Certificate from Company's Auditors regarding compliance of the conditions of the corporate governance as stipulated under clause 49 of the Listing Agreements with the Stock Exchanges forms part of this Annual Report.

Certificate of CEO and CFO, inter alia, confirming the correctness of the financial statements, adequacy of the internal measures and reporting of matters to the audit committee in terms of the clause 49 of the listing agreements with Stock Exchanges, is also attached as a part of this Annual Report.

INSURANCE

All the properties of your Company including Factory, Building, Plant & Machinery, stock etc., are adequately insured.

PARTICULARS OF EMPLOYEES

None of the employees of the Company was paid remuneration of Rs. 60,00,000/- p.a. or more for the year or Rs. 5,00,000/- p.m. or more and hence the information required under section 217 (2-A) of the Companies (Particulars of Employees) Rules, 1975 is not required to be given.

CONSERVATION OF ENERGY Power and fuel Consumption:



	30.6.2012 (15 months)	31.3.2011 (12 months)
(1) Electricity		
Purchased units	82,32,866	76,57,298
Total Amount (Rs in million)	40.00	30.95
Rate per Unit (Rs.)	4.86	4.04
(2) Own Generator		
Fuel (Diesel) (Ltr)	98,350	1,38,043
Total Amount (Rs in million)	4.02	5.02
Rate Per Litter (Rs.)	40.86	36.39
Furnace Oil	3,29,170	2,44,665
Total Amount (Rs in million)	12.79	7.00
Rate Per Litter (Rs.)	38.84	28.61
LPG Cylinder {Kg.}	0.00	0.00
Total Amount {Rs.}	0.00	0.00
Rate Per {Kg.}	0.00	0.00

TECHNOLOGY ABSORPTION:

The technology required for the industry is available indigenously.

FOREIGN EXCHANGE EARNING & OUTGO:

	30.6.2012 (15 months)	31.3.2011 (12 months)
Earning	17.03	47.67
Outgo	123.24	214.18

Most of the Foreign Exchange Outgo is for Purchase of Capital Goods, Spares parts and Raw Materials for the Company.

DIRECTORS' RESPONSIBILITY STATEMENT:

Your Directors confirm:

- i) That in the preparation of the annual accounts, the applicable accounting standards had been followed and that no material departures have been made from the same.
- ii) That they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the financial year ended 30th June, 2012 (15 months) and of the profit or loss of the company for that period.
- iii) That they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for presenting and detecting fraud and other irregularities.
- iv) That they had prepared the annual accounts on a going concern basis.

APPRECIATION

The Directors take this opportunity to express their appreciation for continued co-operation and assistance extended by Investors, Government Authorities, Bankers, Suppliers and Customers. Your Directors look forward to their continued support. Last but not the least, your Directors also sincerely acknowledge the significant contributions made by the devoted workers, staff and executives for their dedicated services to the Company.

For and on Behalf of the Board

**Place: Daman
Dated : 28th July, 2012**

**sd/-
Anil Agrawal
Chairman**



MANAGEMENT DISCUSSION AND ANALYSIS

MARKET OUTLOOK:

Technical products of industrial and household nature has great potential in SME, Large Corporates, Small Scale industries, Cottage Industry and Professionals. Market for such products specially in packaging domain is growing very rapidly. Applied Technology and usage has also advanced to new-age Era.

Challenges with the packaging industry are two fold. One challenge is competition where the Capital Investment is low and Other challenge is high gestation period where Capital investment is high and newer technology is offered in the market. At RMCL, from inception we have targeted to overcome this challenge in two ways.

- Being Integrated for products of Mass Market: we have put large investments for expanding the value Addition chain of our mass products. This has made us one of the most efficient producer of various packing products in the country.
- Investments in New Technologies have been done in light of existing market of RMCL.

At RMCL, we are now manufacturing more than 1000 products finding application in wide range of industries. Our portal www.rmclretail.com has become very prominent and visible in the customer industries. Since we have products for a wide range of applications and Industries, demand for our goods is always consistent and is mitigated by slow-down in any one industry.

Our Franchise concept is finding wide acceptance in the market as we are targeting smaller and local End-user for the products which was out of their reach. This model is adding value to our brand, increasing our reach and above all bringing efficiency in our working capital cycle.

COMPANY'S PRESENT STATE OF AFFAIRS:

Having large investments and delays in getting the market acceptance has led to significant losses and complete liquidity crunch in the company. Promoters are taking all possible steps to recapitalise the company and make best use of its un-doubted leadership position in the packaging Industry.

All the technologies are now well accepted in the market and RMCL is having good orders in Hand. Your company has more than 8,000 End-users and are satisfied with the products and offerings of your company.

Geographical Cluster Creation of Customers: Existing customers are clustered and Franchise are getting appointed in the vicinity of the cluster to service them better. This is creating deeper reach of the company and is enhancing the business of the company.

RMCL RETAIL:

RMCL Retail is the corporate brand name of the Franchise and it is getting wide attention in the targeted market.

Report on Corporate Governance

(Pursuant to clause 49 of the Listing Agreement)

1. Company's philosophy on code of Governance

Corporate Governance is concerned with creation of long-term value for shareholders while at the same time balancing interests of other stakeholders, viz. Employees, Creditors, Government and the Society, at large. Corporate Governance is crucial to the very existence of a company as it builds confidence and trust.

The Company is committed for good Corporate Governance i.e., to achieve business excellence and add shareholders value following desired disclosure practices and sound decision-making achieved through harmonious interactions amongst the Board of Directors, its Committees and Senior Managements. Transparency is the key guiding principle for all decisions, transactions and policy matters.

2. Board of Directors

• Composition of the Board:

The Board of Directors consists of 8 Directors out of which Two (2) are Executive Directors, Six (6) are Non Executive Directors including Four (4) Independent Directors. The Chairman of the Company is Non Executive Promoter Director.

All the Directors have made the requisite disclosures regarding Committee positions held by them in other companies. The composition of the Board and changes therein since the last Annual report, category of the Directors and their attendance at the Board Meetings and the last Annual General Meeting, number of their Directorships in other companies incorporated in India (excluding alternate directorships & directorship in Pvt. Ltd. Companies) are given below:

Name of Director	Category of Directorship #	No. of Board Mtgs. Attended	Attendance at the last AGM	Directorship in other Companies Incorporated in India (excluding alternate directorships & directorship in Pvt. Ltd. Companies)	No. of specified Committees (Other than RMCL) in which Chairman / Member \$		No. of Equity Shares held
					Chairman	Member	
Mr. Anil J. Agrawal	Chairman-N.E.D.	15	Yes	---	Nil	Nil	2107471
Mr. Mitesh A. Agrawal	M.D.	15	Yes	----	Nil	Nil	2555535
Mr. Abhishek A. Agrawal	Jt. M.D.	15	Yes	----	Nil	Nil	2489275
Mr. Kanubhai Patel	N.E.D.	15	No	---	Nil	Nil	138692
Mr. Binod Kumar Paliwal @	I & N.E.D.	2	No	---	Nil	Nil	---
Mr. Serge A Lapointe	I & N.E.D.	0	No	Nil	Nil	Nil	Nil
Mr. Radhey Krishna Mishra	I & N.E.D.	15	Yes	Nil	Nil	Nil	Nil
Mr. Rajiv Prasan-kumar Nanavati	I & N.E.D.	15	No	Nil	Nil	Nil	Nil
Mr. Subhash Agrawal @@	I & N.E.D.	0	N.A	Nil	Nil	Nil	Nil



I – Independent Director, N.E.D. – Non-Executive Director, M.D. – Managing Director, E.D. – Executive Director.

§ As required by the existing Clause 49 of the Listing Agreements entered into with the Stock Exchanges, only Membership/Chairmanship of the Audit Committee and Investors Grievance Committee of public companies have been considered.

@ Resigned as a Director w.e.f 16.11.2011

@@ Appointed as director w.e.f 4.1.2012

• **Number of Board Meetings held during the year along with the dates:**

During the year 2011-2012 (15 months) 15 Board Meetings were held as follows:-

April 2011 to June 2011	July 2011 to Sept. 2011	Oct. 2011 to Dec. 2011	Jan. 2012 to March 2012	April 2012 to June 2012
19.04.2011	11.08.2011	11.11.2011	04.01.2012	27.04.2012
18.05.2011	----	16.11.2011	06.01.2012	29.05.2012
27.05.2011	----	09.12.2011	09.02.2012	11.06.2012
18.06.2011	-----	---	15.03.2012	---

• **Information placed before the Board of Directors**

To enable the Board to discharge its responsibilities effectively and take informed decisions, necessary information is made available to the Board as per the Agenda Papers in advance of the Board Meetings.

In addition to matters statutorily required to be placed before the Board of Directors for its approval, all major decisions regarding resource mobilisation, capital expenditure, etc., are considered by the Board. Following informations are regularly put up before the Board for its consideration and approval:

- Strategic plan and direction of the Company;
- Annual Business Plan, Sales Budget, Cost records/reports;
- Quarterly financial Results of the Company;
- Minutes of the meetings of Audit Committee, Shareholders and Investors Grievance Committee of the Board;
- Matters related to significant environmental issues, accidents, if any, etc.;
- Material information from Government bodies, which may have implications on the business of the Company, if any;
- Information on material transactions, which are not in the ordinary course of business;
- Disclosure of material transactions with potential conflict of interest, if any; and
- Compliance with various listing and statutory requirements.

Code of Conduct:

The Company has laid down the code of conduct for all Board members and senior Management personnel of the Company. Requisite annual affirmations of compliance with the respective codes have been made by the Directors and Senior Management personnel of the Company. The copy of code of conduct is available on the web site of the Company. The Declaration signed by the Managing Director and CEO is given below.

3. Audit Committee

The Board of Directors constituted an Audit Committee as per the existing clause 49 of the Listing Agreements entered into with the Stock Exchanges. Five (5) meetings of the Audit Committee were held during the year. The Present composition of the Audit Committee and their attendance at meetings are as follows:

Name	Designation	Category	Number of Meeting attended
Mr. Radhey Krishna Ram Payare Mishra	Chairman	I & N.E.D.	5
Mr. Binod Kumar Paliwal @	Member	I & N.E.D.	2
Mr. Kanubhai Patel	Member	I & N.E.D.	5
Mr. Rajiv Prasankumar Nanavaty	Member	I & N.E.D.	5
Mr. Subhash Agrawal @@	Member	I & N.E.D.	0

@ Resigned as a Director w.e.f 16.11.2011

@@ Appointed as director w.e.f 4.1.2012

The Managing Director & CEO and Head of Accounts CFO are permanent invitees to the Audit Committee Meetings. The Statutory Auditor is also invited to attend the Audit Committee Meetings, as and when required.

The Company Secretary was present at all the meetings of the Audit Committee.

The Minutes of the Audit Committee Meetings were noted by the Board of Directors at the Board Meetings.

The Chairman of the Audit Committee was present at the 7th Annual General Meeting held on 26th September, 2011.

The powers and terms of reference of the Committee are as specified in Clause 49 of the Listing Agreement with the Stock Exchanges and Section 292A of the Companies Act, 1956.

4. Shareholders/Investors' Grievance Committee:

The Board of Directors, constituted a Shareholders/Investors' Grievance Committee, to attend to and redress the Shareholders and Investors' grievances. The present composition of the Shareholders/Investors' Grievance Committee is as follows and Five (5) meetings of the Shareholders/Investors' Grievance Committee were held during the year. The attendance of each Member of the Committee is given below:

Name	Designation	Category	Number of Meeting attended
Mr. Kanubhai Patel	Chairman	N.E.D.	5
Mr. Binod Kumar Paliwal @	Member	I & N.E.D.	2
Mr. Radhey Krishna Ram Payare Mishra	Member	I & N.E.D.	5
Mr. Rajiv Prasankumar Nanavaty	Member	I & N.E.D.	5
Mr. Subhash Agrawal @@	Member	I & N.E.D.	0

@ Resigned as a Director w.e.f 16.11.2011

@@ Appointed as director w.e.f 4.1.2012

There were no physical form for Transfer of shares during the year.

The Company Secretary was present at all meetings of Shareholder Grievance Committee.

Role of Shareholders/Investors' Grievance Committee:

- a). Review the existing "Investor Redressal System" and suggest measures for improvement.
- b). The Investors' Grievance Committee meets once in every quarter to review and to take note of the Compliance Report submitted to the Stock Exchanges and Grievances of the shareholders.
- c). To look into redressing of Shareholders and Investors Complaints regarding transfer of shares, non receipt of annual Reports etc.

During the year 2011-2012 (15 months), No complaint was received by the Company and no complaint was received through Bombay Stock Exchange. No complaint is pending to be resolved at the end of the financial year.

5. Remuneration Policy:

No remuneration and sitting fees has been paid to any Director during the financial year ended 30th June, 2012 (15 months).

6. Annual General Meetings:

The details of Annual General Meetings are below:

Financial year	Date and Time	Location
2008-2009	Dated 26th September, 2009 at 9.30 a.m.	Survey No.50/9/A, Daman Industrial Estate, Village Kadiaya, Nani Daman -396210
2009-2010	Dated 25th September, 2010 at 10.00 a.m.	Survey No.50/9/A, Daman Industrial Estate, Village Kadiaya, Nani Daman -396210
2010-2011	Dated 26th September, 2011 at 10.00 a.m.	Survey No.50/9/A, Daman Industrial Estate, Village Kadiaya, Nani Daman -396210

The Shareholders passed all the resolutions including the Special Resolutions set out in the respective Notices. No item requiring for postal ballot under the statute was applicable at the aforesaid meetings. At the forthcoming AGM, there is no item on the agenda that needs approval by postal ballot.

7. Disclosure:

There were no transactions of material nature between the Company and its Directors or Senior Management and their relatives or Promoters that may have potential conflict with the interest of the Company. The Register of Contracts containing transactions, in which Directors are interested, have been placed before the Board regularly.

Transactions with the related parties are disclosed elsewhere in this Annual Report.

During the last three years there has been no instance of non-compliance by the Company on any matter related to capital market. Hence there were no strictures or penalties imposed either by SEBI or by the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital market.

8. Implementation of Code of Conduct for Insider Trading:

Radha Madhav Corporation Limited has adopted Code of Conduct for Insider Trading and is based on the SEBI framework. Radha Madhav Corporation Limited follows strict



guidelines in respect of insiders' stock trading and related disclosures. Periodic disclosures have been obtained from all the Directors and 'designated employees'. Under the aforesaid code all Directors and Designated Employees are required to conduct all their dealing in securities of the Company only in valid trading window after obtaining pre clearance form the Company as per the pre dealing procedure described in the Code.

9. Secretarial Audit for reconciliation of Capital.

As stipulated by SEBI, a Company Secretary in practice carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited and Central Depository Services (India) Limited and the total issued and listed capital. This audit is carried out every quarter and the report thereon are submitted to the Stock Exchanges as well as placed before the Board of Directors. The audit confirms that the total Listed and paid up capital is in agreement with the aggregate of the total number of Shares in dematerialised form (held by NSDL and CDSL) and total number of Shares in physical form.

10. Means of Communication with Shareholders:

Half Yearly Report sent to each of Shareholders	As the quarterly Financial results of the Company were published in the newspapers, no separate half yearly report was sent to each shareholder.
Quarterly Results	The quarterly results of the Company were published in accordance with the requirements of the Listing Agreement of the stock Exchanges,
News papers in which results are normally published	
	1. Free Press (English)
	2. Sandesh (Gujarati)
	3. Asli Azadi (Hindi)
Web site	www.rmclindia.co.in
e-mail:	Investor_complaint@rmclindia.co.in
Administrative Office :-	Survey No. 50/9/A, Daman Industrial Estate, Village Kadaiya, Nani Daman -396 210, UT of Daman & Diu
Tel:-	91 - 260 - 2220176, 2220621, 2221177,6619000
Fax :-	91 - 260 - 2220177, 6619010
Whether Management Discussions and Analysis report is a part of Annual report	Yes

**GENERAL SHAREHOLDERS' INFORMATION**

Registered Office	:	Survey No. 50/9/A, Daman Industrial Estate, Village Kadaiya, Nani Daman –396 210, UT of Daman & Diu
Share Transfers in physical form and other communication in that regard including share certificates, dividends and change of address etc. may be addressed to	:	Link Intime India Private Limited Registrar & Share Transfer Agent C-13, Pannalal Silk Mills Compound L. B. S. Marg, Bhandup (W) Mumbai-400078 Tel No.: 022 - 25963838 Fax No.: 022 – 25946969
Annual General Meeting of the Company to be held on	:	Date : 12.09.2012 Time : 10.00 a.m. Venue : Registered office, Daman
Financial Calendar (tentative)	:	First quarter - 2nd week of August, 2012 Second quarter - 2nd week of Noember,2012 Third quarter - 2nd week of February 2013 Fourth Quarter - 3rd week of May 2013
Book Closure dates	:	10.09.2012 to 12.09.2012 (both days inclusive)
Listing on Stock Exchanges	:	Bombay Stock Exchange Limited National Stock Exchange of India Limited
Listing Fees	:	Listing fees for all the aforesaid Stock Exchanges for the financial years 2012-2013 have been paid.
Bombay Stock Exchanges Limited (BSE) scrip Code:	:	532692
National Stock Exchange of India Limited scrip Code:	:	RMCL
ISIN NO.	:	INE 172H01014

**MONTHWISE STOCK MARKET DATA (BSE) RELATING TO EQUITY SHARES OF THE COMPANY
FOR THE PERIOD 1.4.2011 TO 30.6.2012**

Month	High BSE	Low BSE	Average BSE	High NSE	Low NSE	Average NSE
Apr 11	11.25	8.40	9.825	11.35	8.40	9.875
May 11	8.75	7.00	7.875	8.65	7.00	7.825
Jun 11	8.25	6.66	7.455	8.40	6.70	7.550
Jul 11	7.27	6.10	6.685	7.45	6.10	6.775
Aug 11	6.71	4.80	5.755	6.80	4.80	5.800
Sep 11	6.38	5.00	5.690	6.60	4.95	5.775
Oct 11	7.45	4.60	6.025	8.00	4.25	6.125
Nov 11	7.74	5.25	6.495	7.40	5.20	6.300
Dec 11	6.71	4.70	5.705	7.25	4.60	5.925
Jan 12	7.56	4.82	6.190	7.40	4.95	6.175
Feb 12	7.05	5.10	6.075	7.05	5.10	6.075
Mar 12	6.50	5.08	5.790	6.45	5.00	5.725
Apr 12	5.90	4.44	5.170	5.95	4.50	5.225
May 12	5.00	3.50	4.250	5.25	3.65	4.450
Jun 12	4.98	3.40	4.190	4.75	3.40	4.075
Average price per shares upto June, 2012 (15 months)			6.212			6.245

Bombay Stock Exchange (BSE)

National Stock Exchange (NSE)

(Source – BSE & NSE)

DISTRIBUTION OF SHAREHOLDING AS ON JUNE 30, 2012

No. of Shares held	No. of Shareholders	% of Total Shareholders	No. of Shares	% of Total Shares	
1	500	8624	68.04	1800719	5.53
501	1000	1681	13.26	1473535	4.53
1001	2000	925	7.30	1511510	4.65
2001	3000	386	3.05	1019697	3.13
3001	4000	190	1.50	687953	2.11
4001	5000	198	1.56	949108	2.92
5001	10000	330	2.60	2540615	7.81
10001	and above	341	2.69	22555263	69.32
		12675	100.00	32538400	100.00
TOTAL			100.00	32538400	100.00
Physical mode		3	0.02	2535	0.008
Electronic mode		12672	99.98	32535865	99.992
TOTAL		12675	100.00	32538400	100.00

**CATEGORIES OF SHAREHOLDERS AS ON JUNE 30, 2012**

Sr. No.	Category	No. of Folios	Total Shares held	% to the Share Capital
1.	Other Bodies Corporate	297	1851481	5.69
2.	Clearing Member	65	387289	1.19
3.	Foreign Company	1	4004910	12.31
4.	Foreign Institutional Investors *	1	100	0
5.	Trust	2	2700	0.01
6.	GIC & its subsidiaries	0	0	0
7.	Mutual Funds	0	0	0
8.	Financial Institutions /Nationalised Banks	0	0	0
9.	Non Nationalised Banks	0	0	0
10.	Non Residents Indians (REPAT)	85	428392	1.32
11.	Non Resident Indians(Non REPAT)	31	32938	0.10
12.	Overseas Corporate Bodies	0	0	0
13.	Public	12188	18501643	56.86
14.	Promoters	5	7328947	22.52
15.				
	Total	12675	32538400	100.00

Details of Equity Shares : No. of Shares
Under lock-in period : NIL

Dematerialization of shares : As on June 30, 2012 a total of 32535865 equity shares constituting 99.992% of the equity share capital of the Company stand dematerialized and balance 2535 shares are in physical mode being 0.008%.

Plant Location : Appeared in the Annual Report elsewhere-
1. Unit I & III - Survey No. 51/3C, 541B & 54/2, 54/3A & 54/2D Daman Industrial Estate, Kadaiya Daman
2. Unit II - Survey No. 50/9A Daman Industrial Estate, Kadaiya Daman
3. Unit IV- Survey No. 107/2, 108/1 & 108/2 Daman Industrial Estate, Kadaiya Daman.
4. Uttaranchal Unit – SIDCUL, Plot No.66, Sector 4IIE, Pantnagar, Rudrapur, dist. Udham Singh Nagar, Ut-
taranchal- India

Investors' correspondence to be addressed to : Company Secretary and Compliance Officer
Radha Madhav Corporation Limited

Registered Office:
Survey No.50/9 A,
Daman Industrial Estate,
Village Kadaiya,
Nani Daman-396 210
(U.T. of Daman & Diu
Telephone: + 91-260 -2221214, 2221577, 2221677.
Fax : + 91-260 -2220177
E-mail : rmcl@rmclindia.co.in
Investor Complaint Email ID:- investor_complaint@
rmclindia.co.in



DECLARATION

I Mitesh Agrawal, Managing Director & CEO of Radha Madhav Corporation Limited hereby declare that all the members of the Board of Directors and the Senior management personnel have affirmed compliances with the Code of conduct for the year ended 30th June, 2012.

BY AND ON BEHALF OF THE BOARD

-Sd/-

Place :- Daman (Mr. Mitesh Agrawal)

Date:- 28th July, 2012 Managing Director & CEO

CERTIFICATE

To

The Board of Directors

Radha Madhav Corporation Limited

We Mitesh Agrawal, Managing Director & CEO and Mr. Anil Kantaria CFO, of Radha Madhav Corporation Limited certify that:

- (a) I have reviewed financial statements and the cash flow statement for the year ended 30.6.2012 (15 months) and that to the best of their knowledge and belief :
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain 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) There are, to the best of their knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I aware and the steps I have taken or propose to take to rectify these deficiencies.
- (d) I have indicated to the auditors and the Audit Committee :
- (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial 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.

Radha Madhav Corporation Limited

Sd--

(Mr. Mitesh Agrawal)

Managing Director & CEO

Radha Madhav Corporation Limited

Sd/-

(Mr. Anil Kantaria)

CFO

Place : Daman

Date :- 28th July, 2012

**CERTIFICATE ON CORPORATE GOVERNANCE**

To,

The Members,

Radha Madhav Corporation Limited,

We have examined the compliance of conditions of Corporate Governance by **Radha Madhav Corporation Limited**, for the year ended on **30th June, 2012**, (15 months) as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

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

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

For H. P. SHAH ASSOCIATES
FRN. No. 109588W

sd

H. P. SHAH

PROPRIETOR

CHARTERED ACCOUNTANTS

MEMBERSHIP No. 39093

Place : Vapi

Date : 28th July, 2012

AUDITOR'S REPORT

To,
The Members of
Radha Madhav Corporation Limited

We have audited the attached Balance Sheet of Radha Madhav Corporation Limited as at 30th June 2012, the statement of Profit and Loss Account for the 15 months period ended on that date and the cash flow statement for the 15 months period ended on that date annexed hereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

- 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 it appears from examination of such books.
- c) The Balance Sheet and the Profit Loss Account and cash flow statement referred to in this report are in agreement with the books of accounts.
- d) In our opinion the Balance sheet, Profit & Loss Statement and cash flow statement comply with the Accounting Standards as referred to in sub section (3C) of section 211 of the Companies Act, 1956, to the extent applicable *except as mentioned in para f to i.*
- e) On the basis of written representations received from the directors, as on 31st March 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 30th June 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- f) *As stated in Note No 16 to the Financial Statement, Inadequate provisions have been made for Bad and Doubtful Debts to the extent of Rs. 73.93 millions which has resulted into the loss for the year, Provision for Bad and Doubtful Debts, Balance in Profit and Loss Statement being understated by Rs. 73.93 millions.*
- g) *As stated in Note No 15 to the Financial Statement, Valuation of Inventories for the year has not been carried out by the company as per the provision of AS 2 and as per the accounting policy followed by Company according to which Work in progress has been valued at Rs. 654.61 millions but on the basis of information and explanation given by the Management and physical condition of Work in progress noticed while attending the Physical Verification of Inventories and had this accounting policy been followed, the valuation of Work in progress would have been Rs. 519.11 millions, this overvaluation of Rs.135.50 millions in work in progress has resulted into understatement of Loss and over statement of inventories to the same extent.*



- h) *Note No. 32 regarding preparation of accounts on the basis of going concern in spite of loss of Rs. 644.55 millions incurred during the year and brought forward losses of Rs. 783.88 millions which has resulted into negative net worth of Rs.156.32 millions as at 30th June, 2012. The company also has working capital deficiency. These factors raise doubts about, the company's ability to continue as a going concern which is dependent upon infusion of long terms funds for its future operations. The accompanying financial statements do not include any adjustments relating to the recoverability and classification of assets carrying amount and classification of liabilities that might result, should the company be unable to continue as a going concern.*
- i) *The Outstanding balances as at 30th June, 2012 in respect of some sundry debtors, loans & advances and sundry creditors are subject to confirmation from respective parties and consequential reconciliation and adjustments arising there from if any. Consequential impact thereof on the financial statements is not ascertainable*

In our opinion, and to the best of our information and according to the explanation given to us, the said account,subject to our comments in paragraph 2 (f to i) above consequential effect thereof is not ascertainable and read together with significant accounting policies and notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i. in the case of the Balance sheet, of the state of affairs of the Company as at 30th June, 2012,
- ii. in the case of Profit and Loss Statement, the Loss of the Company for the 15 months period ended on that date.
- iii. in the case of Cash Flow Statement, of the cash flow for the 15 months period ended on that date.

For H. P. SHAH ASSOCIATES

FRN. No. 109588W

sd

H. P. SHAH

PROPRIETOR

CHARTERED ACCOUNTANTS

MEMBERSHIP No. 39093

Place : Vapi

Date : 28.07.2012

ANNEXURE

On the basis of checks as considered appropriate and in terms of the information and explanations given to us, we report as under:

1. FIXED ASSETS:

- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As per the information and explanations given to us, physical verification of fixed assets has been carried out in terms of the phased programme of verification of its fixed assets adopted by the Company and no material discrepancies were noticed on such verification. In our opinion the frequency of verification is reasonable, having regard to the size of the Company and nature of its business.
- (c) During the period, the Company has not disposed of any substantial/major part of fixed assets.

2. INVENTORIES:

- (a) As per the information furnished, the inventories have been physically verified during the period by the management. In our opinion, having regard to the nature and location of stocks, the frequency of the physical verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, procedures of physical verification of inventory 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 except for material lying on shop floor. In our opinion, discrepancies noticed on physical verification of stocks were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.

3. LOANS:

- (a) As per the information furnished, the Company has not granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act 1956.
- (b) As the Company has not granted nor taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956 the Clause (iii)(b), (iii)(c) and (iii)(d) are not applicable.

4. INTERNAL CONTROL SYSTEM:

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 purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls of the company.

5. PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTY:

- (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangement with related party that need to be entered into the Register maintained under Section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transaction made in pursuance of contracts or arrangements entered in the Register maintained under Section 301 and exceeding the value of five lakh rupees in respect of any party during the period, have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

6. PUBLIC DEPOSITS:

The Company has not accepted any deposits during the period from the public within the meaning of the provision of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956, and rules made there under. Hence the Clause (vi) of the order is not applicable. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or other Tribunal.

7. INTERNAL AUDIT SYSTEM:

The Company has an internal audit system commensurate with the size of the company and nature of its business. The internal Audit is being conducted by a firm of Chartered Accountants appointed by the management.

8. COST RECORDS:

We have broadly reviewed the books of account and records maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

9. STATUTORY DUES:

- (a) According to the information and explanations given to us and the records examined by us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise-duty, cess and other statutory dues wherever applicable. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at 31st March 2012 for a period of more than six months from the date they became payable.
- (b) According to the records of the Company, no dues of sales tax, income- tax, customs, wealth-tax, service tax, excise duty, cess which have not been deposited on account of disputes except the excise duty liability of Rs.15.36 millions out of which unpaid liability is Rs.12.36 millions. Dispute is pending before Excise and Custom Appellate Tribunal and disputed unpaid income tax liability of Rs. 0.91 millions, disputed is pending before commissioner of Income Tax (Appeals).

10. ACCUMULATED LOSSES:

The accumulated losses of the Company are more than fifty percent of its net worth at the end of the financial period. The Company has incurred cash losses during the financial year covered by our audit and also during the immediately preceding financial year.

11. REPAYMENT OF DUES OF FINANCIAL INSTITUTIONS:

The Company has defaulted in repayment of dues to Banks from April 2010 and subsequently approached its lenders for restructuring of debt liabilities through Corporate Debt Restructuring Cell. Restructuring proposal of the Company was approved by the CDR Cell on 18th November, 2010 and was implemented during March and April 2011. Even after this CDR the Company defaulted in payment of liabilities. According to the records examine by us and the information and explanation given to us the delay/default in repayment of dues to Bank is given below;

Delay in Payments

Particulars	Due Date	Date of Payments	Amount (Rs in Millions)	Delay in No. of month
Dues to Banks				
Principal	On the last day of Every Quarter	Within 90 Days from due date	12.90	Up to 3 months
Interest	On the last day of Every month	Within 5 months from due date	17.46	Up to 5 months
	Total		30.36	

**Default in Payment**

<i>Particulars</i>	<i>Period of Default</i>	<i>Amount (Rs. In Millions)</i>
Dues to Banks		
<i>Principal</i>	<i>9 months</i>	<i>234.89</i>
<i>Interest</i>	<i>10 months</i>	<i>185.28</i>
	Total	420.17

12. LOANS & ADVANCES AGAINST SHARES, DEBENTURES AND OTHER SECURITIES:

Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and/or advances on the basis of security by way of pledge of shares, debentures and other securities.

13. CHIT FUND COMPANY OR NIDHI/MUTUAL BENEFIT FUND/SOCIETY:

Clause (xiii) of the Order is not applicable to the Company as the Company as it is not a chit fund Company or nidhi/mutual benefit fund/society.

14. MAINTENANCE OF RECORDS FOR DEALING/TRADING IN SHARES, SECURITIES, DEBENTURES & OTHER INVESTMENTS:

The Company is not dealing or trading in shares, securities, debenture or other investments hence the Clause (xiv) of the Order is not applicable to the Company.

15. GUARANTEE:

According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.

16. UTILIZATION OF TERM LOAN FUND:

In our opinion, the term loans have been applied for the purpose for which they were raised.

17. MISMATCH BETWEEN SHORT TERM/LONG TERM FUNDS:

According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that the company has utilized fund raised on short-term bases for Investment on Long Term bases to the extent of Rs. 234.58 millions.

18. PREFERENTIAL ALLOTMENT OF SHARES:

According to the information and explanations given to us the Company has not made preferential allotment of shares to parties covered in the Register maintained under section 301 of the Act.

19. CREATION OF SECURITIES FOR ISSUE OF DEBENTURE:

According to the information and explanations given to us during the period covered by our audit report, the Company has not issued any secured debenture.

20. END USE OF MONEY RAISED BY PUBLIC ISSUE:

The Company has not raised any money by public issues during the period covered by our report.

21. FRAUD ON OR BY THE COMPANY:

As per the information and explanations given to us, no fraud on or by the Company has been noticed or reported during this period.

For H. P. SHAH ASSOCIATES
FRN. No. 109588W

sd

H. P. SHAH
PROPRIETOR
CHARTERED ACCOUNTANTS
MEMBERSHIP No. 39093

Place : Vapi
Date : 28.07.2012

**BALANCE SHEET AS ON 30.06.2012**

PARTICULARS	Note No.	As at 30.06.2012		31.03.2011
		Rs. In million	Rs. In million	Rs. In million
EQUITY AND LIABILITIES				
(1) Shareholders' funds				
(a) Share Capital	1	325.38		325.38
(c) Reserve and Surplus	2	(481.71)		162.85
(b) Warrants Money		-		-
			(156.33)	488.23
2) Share application money pending allotment	3		50.00	-
3) Non-current liabilities				
(a) Long-term borrowings	4	1311.80		1121.78
(b) Deferred tax liabilities (Net)	5	63.01		59.12
(c) Other Long term liabilities	6	0.33		-
(d) Long-term provisions				
			1375.14	1180.90
4) Current liabilities				
(a) Short-term borrowings	7	975.37		775.12
(b) Trade payables	8	264.24		243.53
(c) Other current liabilities	9	785.68		516.15
(d) Short-term provisions	10	4.00		1.63
			2029.29	1536.43
EQUITY AND LIABILITIES---TOTAL			3298.10	3205.56
ASSETS				
Non-current assets				
(a) Fixed assets	11	1716.16		1867.77
(b) Non-current investments	12	2.55		2.55
(c) Long-term loans and advances	13	35.84		37.99
(d) Other non-current assets	14	9.35		21.33
			1763.90	1929.64
Current assets				
(a) Inventories	15	770.39		599.44
(b) Trade receivables	16	554.24		462.09
(c) Cash & Bank Balance	17	38.46		14.83
(d) Short-term loans and advances	18	164.14		198.04
(e) Other current assets	19	6.97		1.52
			1534.20	1275.92
TOTAL			3298.10	3205.56
SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS		1 to 42		

As per our attached report of even date

For H. P. SHAH ASSOCIATES

FRN. No. 109588W

sd

H. P. SHAH

PROPRIETOR

CHARTERED ACCOUNTANTS

M.N. 039093

DATED : 28th July, 2012

For and on behalf of Board of Directors

sd

ANIL AGARWAL

CHAIRMAN

sd

MITESH AGARWALMANAGING DIRECTOR &
CHIEF EXECUTIVE OFFICER

sd

ANIL K. KANTARIA

CHIEF FINANCIAL OFFICER

sd

MANGESH SETHYE

COMPANY SECRETARY

**PROFIT AND LOSS STATEMENT FOR THE ENDED ON 30.06.2012**

	PARTICULARS	Note NO.	30.06.2012	31.03.2011
			Rs. In million	Rs. In million
I	Revenue From operation	20	1191.53	1052.21
II	Other Income	21	6.19	4.22
III	Total Revenue (I + II)		1197.72	1056.43
IV	EXPENDITURE:			
	Cost of Material Consumption	22	1111.96	945.45
	Purchases of Stock-in-Trade	23	4.32	-
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	24	(168.46)	18.66
	Employee benefits expense	25	114.08	71.90
	Finance costs	26	329.56	221.36
	Depreciation and amortization expense	27	173.24	136.97
	Other expenses	28	273.46	198.78
	T O T A L		1838.16	1593.12
V	Profit before exceptional and extraordinary items and tax (III-IV)		(640.44)	(536.69)
VI	Exceptional items		-	-
VII	Profit before extraordinary items and tax (V - VI)		(640.44)	(536.69)
VIII	Extraordinary Items		-	-
IX	Profit before tax (VII- VIII)		(640.44)	(536.69)
X	Tax expense:			
	Earlier year Income Tax		0.12	1.05
	Deferred Tax		3.89	-
	Provision for Wealth tax		0.10	0.05
			4.11	1.10
XI	Profit (Loss) for the period from continuing operations (VII-VIII)		(644.55)	(537.79)
XII	Profit/(loss) from Discontinuing operations (after tax)		-	-
XIII	Profit (Loss) for the period (XI + XII)		(644.55)	(537.79)
XIV	Earning Per Share	29		
	Basic Earning per Share- Rs.		(19.81)	(16.35)
	Diluted Earning Per Share- Rs.		(19.81)	(16.35)
	SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS	1 to 42		

As per our attached report of even date

For H. P. SHAH ASSOCIATES
FRN. No. 109588Wsd
H. P. SHAH
PROPRIETOR
CHARTERED ACCOUNTANTSM.N. 039093
DATED : 28th July, 2012

For and on behalf of Board of Directors

sd
ANIL AGARWAL
CHAIRMANsd
ANIL K. KANTARIA
CHIEF FINANCIAL OFFICERsd
MITESH AGARWAL
MANAGING DIRECTOR &
CHIEF EXECUTIVE OFFICERsd
MANGESH SETHYE
COMPANY SECRETARY

**CASH FLOW STATEMENT FOR THE ACCOUNTING YEAR OF 15 MONTHS ENDED ON 30.06.2012**

PARTICULARS	15 months ENDED 30.06.2012 Rs. In million	12 months ENDED 31.03.2011 Rs. In million
A CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit Before Tax And Extraordinary Items :	(640.44)	(536.69)
Adjustment For :		
Depreciation	173.24	136.97
Interest Paid on Borrowing	329.56	221.36
Interest Income	(5.15)	(2.10)
Profit/ Loss on Sale of Assets	-	0.08
	497.65	356.31
Operating Profit Before Working Capital Changes :	(142.79)	(180.38)
Adjustment For :		
Trade and Other Receivables	(64.21)	20.04
Inventories	(170.95)	43.84
Trade Payables And Other Liabilities	177.91	38.91
	(57.25)	102.79
CASH GENERATED FROM OPERATIONS :	(200.04)	(77.59)
Income Tax Paid (Net of Refund)	0.34	(0.25)
CASH FLOW BEFORE EXTRAORDINARY ITEMS	(199.70)	(77.84)
NET CASH FROM OPERATING ACTIVITIES A	(199.70)	(77.84)
B CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase Of Fixed Assets Including Advance Paid	(21.63)	(50.93)
Sale of Fixed Assets	-	0.24
Interest Received	5.15	2.10
Movement in Loans & advances and other non current assets	14.13	(2.64)
Share Application Money	-	-
Investment in Other Company	-	-
NET CASH USED IN INVESTING ACTIVITIES B	(2.35)	(51.23)
C CASH FLOW FROM FINANCING ACTIVITIES :		
Borrowings (Net)	-	-
Long Term Borrowings- net of repayments	297.07	374.93
Short-term borrowings	200.25	(53.61)
Movement in other Non-current liabilities	0.33	-
Proceeds From Issue of Share/ Warrant (Including Application Money)	57.60	(5.87)
Dividend Paid	-	0.00
Interest Paid	(329.56)	(221.36)
NET CASH FROM FINANCING ACTIVITIES C	225.69	94.09
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS(A+B+C)	23.64	(34.98)
CASH AND CASH EQUIVALENTS AS AT 1ST APRIL 2011 (OPENING BALANCE)	14.83	18.64
CASH AND CASH EQUIVALENTS AS AT 30TH JUNE 2012 (CLOSING BALANCE)	38.46	14.83

As per our attached report of even date

For H. P. SHAH ASSOCIATES

FRN. No. 109588W

sd _____

H. P. SHAH
PROPRIETORCHARTERED ACCOUNTANTS
M.N. 039093

DATED : 28th July, 2012

For and on behalf of Board of Directors

sd _____

ANIL AGARWAL
CHAIRMAN

sd _____

ANIL K. KANTARIA
CHIEF FINANCIAL OFFICER

sd _____

MITESH AGARWAL
MANAGING DIRECTOR &
CHIEF EXECUTIVE OFFICER

sd _____

MANGESH SETHYE
COMPANY SECRETARY

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

PARTICULARS	As at 30.06.2012	As at 31.03.2011
Note-1		
SHARE CAPITAL		
AUTHORISED SHARE CAPITAL		
5,30,00,000 (Previous year 3,30,00,000) Equity Shares of Rs. 10 each	530.00	330.00
60,00,000 Preference Shares of Rs. 10 each	60.00	60.00
	590.00	390.00
ISSUED SHARE CAPITAL		
3,25,38,400 (Previous year 3,25,38,400) Equity Shares of Rs. 10 each	325.38	325.38
SUBSCRIBED AND FULLY PAID UP SHARE CAPITAL		
3,25,38,400 (Previous year 3,25,38,400) Equity Shares of Rs. 10 each	325.38	325.38
TOTAL	325.38	325.38

Note-1.1**Reconciliation of the number of shares outstanding**

Particulars -	As at 30.06.2012	As at 31.03.2011
Equity Shares- Number		
Shares outstanding at the beginning of the year	32.54	32.54
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	32.54	32.54

Particulars -	As at 30.06.2012	As at 31.03.2011
Equity Shares- Amount		
Shares outstanding at the beginning of the year	325.38	325.38
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	325.38	325.38

Note-1.2**Shares in the company held by each shareholder holding more than 5 percent**

Name of Shareholder	As at 30.06.2012 No. of Shares held & %	As at 31.03.2011 No. of Shares held & %
INDIASTAR (MAURITIUS) LTD	40,04,910- 12.31%	40,04,910-12.31%
ABHISHEK ANIL AGARWAL	24,89,275- 7.65%	24,74,275- 7.60%
MITESH ANILKUMAR AGARWAL	25,55,535- 7.85%	25,55,535- 7.85%
ANIL J AGARWAL	21,07,471- 6.48%	21,07,471- 6.48%

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

PARTICULARS	As at 30.06.2012	As at 31.03.2011
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Note- 1.3**Right, Preferences and restrictions attached to shares**

<p>Equity shares The company has one class of equity shares having a par value of Rs. 10 each. Each shareholder is eligible for one vote per share held. The dividend as and when proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General meeting, except in case of interim dividend. In the event of Liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their share-holding.</p>		
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Note-2**RESERVE AND SURPLUS**

Share Premium -balance as per last Balance sheet	915.54	915.54
Capital Reserve	31.19	31.19
Surplus -Profit & Loss a/c.		
Opening balance	(783.88)	(251.96)
Add: Net Profit/(Net Loss) For the current year	(644.56)	(537.79)
Add : Provision for Preference Share Dividend (Including Dividend tax) Reversed		5.87
Closing Balance-Profit & Loss a/c.	(1428.44)	(783.88)
T O T A L	(481.71)	162.85

Note-3**SHARE APPLICATION MONEY PENDING ALLOTMENT**

Share application money pending allotment	50.00	
<p>→Proposed to create, offer, issue and allot 1,78,00,000 equity shares at price of Rs. 20/- including premium of Rs. 10 per share on a preferential basis for which Special Resolution u/s 81 (1A) has been passed and application for prior in principle approval under Clause 24 for Listing Agreement of the Stock Exchanges is under process, and it is observation of Bombay Stock Exchange, that the allotment should not exceed Rs 50.00 millions vide its email dtd. 02.03.2012 “→The allotment of the equity shares/ warrants is expected to be completed within 15 days of the date of passing of the resolution or where the allotment is pending on account of pendency of any approval for such allotment by any Regulatory authority such as getting in principle approval of the Stock Exchange or any Central Government, the allotment is expected to be completed within 15 days from the date of such last approval.” →The company has sufficient authorized share capital to cover the share capital amount on allotment of shares out of share application money →Share application money is pending for allotment on account of in process of getting in principle approval of the Stock Exchange and other regulatory authorities, to extent of Rs. 50.00 millions.</p>		

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

PARTICULARS	As at	As at
	30.06.2012	31.03.2011
Note-4		
(a) Long-term borrowings		
SECURED LOANS		
Term Loan From Banks		
a) Secured against mortgage of entire Land & Building and Hypothecation of entire Plant & Machinery and other Fixed assets of the company and second charge by way of Hypothecation of entire Inventories and Book Debts and other current assets of the company This loan is also secured by personal guarantee of promoter directors.)	1286.39	1090.70
b) Secured by Hypothecation of Vehicle Charges are in the process of being Registered with Registrar of Companies.	3.11	4.28
c) the above loan is Secured against Hypothecation of entire Inventories and Book Debts and other current assets of the company and second charge by way of mortgage of entire Land & Building and Hypothecation of entire Plant & Machinery and other Fixed assets of the company This loan is secured by personal guarantee of promoter directors.)	22.30	26.80
TOTAL	1311.80	1121.78

Note- 4.1
Maturity profile of Secured Term Loan from Bank

Year of Maturity	Term Loan	
2013-14	219.20	
2014-15	252.08	
2015-16	290.55	
2016-17	313.40	
2017-18	236.57	
(Repayable with Interest: 10.10% & 8 % on Term & Corporate Loan from banks and between 8% to 13% on loan against vehicle). Repayment of installment are of varying amount and varying periodicity but year wise principle repayment amount has been arrived at above figure on the basis of sanctions terms.		

Note- 4.2
Defaulted in repayment of dues to Banks

Particulars		
Interest		
1. Period of default upto	10 Months	
2. Amount	109.77	Nil
Installment		
1. Period of default upto	4 Months	
2. Amount	78.10	Nil

Note- 5
Deferred Tax Liabilities (Net)

The major components of Deferred Tax Assets/(Liabilities) are as under:		
Deferred Liability		
On account of Depreciation	63.01	63.01
Less:		
Deferred Assets		
On account of difference in allowable preliminary & Other Expenses	-	1.22
On account of difference in allowable Public Issue Expenses	-	2.67
Total :	-	3.89
Net Deferred Tax (Assets)/Liability	63.01	59.12



NOTES FORMING PART OF THE FINANCIAL STATEMENTS		
PARTICULARS	As at	As at
	30.06.2012	31.03.2011
Note- 6		
Other Long term liabilities		
Others- Security Deposit	0.33	-
Other Long term liabilities ----TOTAL	0.33	-

Note--7**Short-term borrowings**

Secured loan		
Working Capital Loan from Nationalised Bank -Payable on demand (the above loan is Secured against Hypothecation of entire Inventories and Book Debts and other current assets of the company and second charge by way of mortgage of entire Land & Building and Hypothecation of entire Plant & Machinery and other Fixed assets of the company) This loan is also secured by personal guarantee of promoter directors.) Rate of Interest 10.10%	975.37	775.12
TOTAL	975.37	775.12

Note- 7.1**Defaulted in repayment of dues to Banks**

Interest		
1. Period of default upto	10 Months	
2. Amount	75.51	Nil
Principal		
1. Period of default upto	9 Months	
2. Amount	156.79	Nil

Note--8**Trade payables**

Trade Payables-to others		
The Company has not received any intimation from "suppliers" regarding their status under Micro, Small and Medium Enterprise Development Act, 2006 and hence disclosure requirements in this regard as per Schedule VI of the Companies Act, 1956 could not be provided.	264.24	243.53
TOTAL	264.24	243.53

Note--9**Other current liabilities**

(a) Current maturities of long-term debt	244.61	137.56
(b) Interest accrued and due on borrowings	185.28	9.63
(c) Other payables		
Sundry Creditors for Capital Goods	16.57	17.91
Advance Received from Customer	17.92	11.73
Deposit Received from Agent	2.50	2.50
Other Current Liabilities	23.10	48.72
Share/warrant Application Money*	295.70	288.10
TOTAL	785.68	516.15

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

PARTICULARS	As at	As at
	30.06.2012	31.03.2011
<p>*Note: Share/warrant Application Money</p> <p>→Terms and conditions: There are no defined terms and conditions as the share application money were brought in by the promoters in terms of covenants Finance availed from bankers.</p> <p>“→No. of shares proposed to be issued: It could not be ascertained as the price of shares is to be determined at the time of issue as per Regulation 76 of SEBI (ICDR) 2009.”</p> <p>→The amount of premium: The premium could not be worked out as it depends of the working the issue price of shares determined as per Regulation 76 of SEBI (ICDR) 2009.</p> <p>→The period before which shares are to be allotted: The period could not be defined as it depends upon various prior approvals of regulatory authority before allotment.</p> <p>→Whetherthecompanyhassufficientauthorizedshare capital to coverthe share capital amount on allotment of shares out of shareapplicationmoney.: Yes.</p> <p>→Interest accrued on amount due for refund.: The share application money (amount) is not due for refund as defined under section 73 of The Companies Act, 1956 and therefore there is no interest</p> <p>→The period for which the share application money has been pending Beyond the period for allotment as mentioned in the share application form along with the reasons for such share application money being pending: The period is not defined as it depends upon various prior approvals of regulatory authority therefore no such period is defined in share application form.</p>		
<p>Note--10</p> <p>Short Term Provisions</p>		
Provision for Wealth Tax	0.36	0.31
Provision for Employee Benefit :		
Provision for Group Gratuity Scheme	3.64	1.32
TOTAL	4.00	1.63
<p>Note--11</p> <p>Fixed Assets</p>		
Tangible Assets		
(a) Gross Block	2287.42	2267.23
Less :	579.68	406.52
(b) Depreciation		
(c) Net Block- Tangible Assets	1707.74	1860.71
Capital Work-in-Progress	2.99	1.63
Intangible assets under Development (software under implementation)	5.43	5.43
TOTAL	1716.16	1867.77

FIXED ASSETS		GROSS BLOCK				DEPRECIATION				NET BLOCK	
Sr. No.	Name of the assets	Opening Balance	Addition during the year	Deduction	Total	Opening Balance	For the year	Deduction	Total	Balance as at 30.06.2012	Balance as at 31.03.2011
1	Land (Free Hold)	57.30	-	-	57.30	-	-	-	-	57.30	57.30
2	Land (Lease Hold)	7.06	-	-	7.06	0.20	0.10	-	0.30	6.75	6.85
3	Factory Building	256.15	-	-	256.15	24.68	10.64	-	35.32	220.83	231.46
4	Other Building	16.32	-	-	16.32	1.03	0.33	-	1.37	14.96	15.29
5	Plant & Machinery	1832.53	16.87	-	1849.40	361.41	153.50	-	514.91	1334.49	1471.12
6	Electrical Installation	57.54	-	-	57.54	6.24	3.41	-	9.65	47.89	51.30
7	Computer	3.91	0.37	-	4.28	2.49	0.82	-	3.31	0.97	1.42
8	Vehicle	22.72	2.63	-	25.35	6.74	2.99	-	9.72	15.63	15.98
9	Furniture & Fixtures	10.33	0.15	-	10.48	2.81	0.82	-	3.63	6.85	7.52
10	Office Equipment	3.30	0.25	-	3.55	0.84	0.63	-	1.47	2.08	2.46
	TOTAL	2267.15	20.27	-	2287.42	406.44	173.24	-	579.68	1707.74	1860.71
	31.03.2011	2214.76	68.77	16.30	2267.23	269.67	136.97	0.12	406.52	1860.71	1945.09

Note :

- Other Building includes the cost of ownership flats in co-operative Housing Society of Rs.745567/-, which includes cost of the share of co-operative housing Society and are in the process of transfer in the name of the company.
- Depreciation on Tangible Fixed Assets is provided on the Straight Line Method at the rates and in manner prescribed in Schedule XIV to the Companies Act, 1956 except on the office equipment (other than Air condisor) having gross value of Rs. 1.66 million depreciation calculated @ 23.75% on SLM basis. Depreciation on additions to assets during the year is provided on pro-rata basis.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

PARTICULARS	As at 30.06.2012	As at 31.03.2011
Note--12		
Non-current investments		
Investment in Shares (Unquoted)	2.55	2.55
Radha Madhav Research & Trade Pvt. Ltd. 255000 (Previous year 255000) equity share of Rs.10 each fully paid-up (Being a company under the same management)		
TOTAL	2.55	2.55

Note--13
Long Term Loans and Advances

Unsecured, considered good		
(a) Capital Advances	21.66	23.93
(b) Security Deposits	14.18	14.06
TOTAL	35.84	37.99
Security Deposits include Rs. 7.50 millions (Previous Year Rs. 7.50 millions) to Radha Madhav Research & Trade Pvt. Ltd. a company under same the management and Rs. 4.00 millions (previous Year 4.00 millions) given to the Director or Major share Holders.		

Note--14
Other non-current assets

Others		
Interest Receivable	1.85	2.51
Long Term - Bank Deposits (Pledged with Bank as margin money)	7.50	18.82
TOTAL	9.35	21.33

Note--15
INVENTORIES

(Valued & certified by Managing Director)		
Raw Material	54.04	78.69
Raw Material- in Transit	29.33	-
Packing Material	3.67	6.68
Finished Goods	28.74	27.74
Work-in-Process	654.61	486.33
TOTAL	770.39	599.44

Note--16
Trade receivables

(a) Trade receivables outstanding for a period exceeding six months		
Unsecured		
Considered doubtful	37.00	71.00
Considered good	332.66	18.68
Total (a)	369.66	89.68
(b) Others		
Unsecured		
Considered good	221.58	443.41
Total (b)	221.58	443.41
Total (a + b)	591.24	533.09
Less : Provision for Doubtful Debts	37.00	71.00
TOTAL	554.24	462.09

Sundry Debtors include Rs. 9.11 millions (previous year Rs.4.98 millions) Due from Partnership firm in which some of Directors are interested as Partners. During the year company has written off Rs. 71.00 million receivable against opening provision for Doubtful Debts of Rs. 71.00 million and company has made additional provision of Rs. 37.00 million during the year, which approximately works out to be 10% of receivable outstanding for a period exceeding six months.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

PARTICULARS	As at	As at
	30.06.2012	31.03.2011

Note--17
Cash & Bank Balance

(a) Cash and Cash Equivalents		
Balances with banks;		
In Current Account	0.37	2.90
Cash on hand	4.00	0.59
	4.37	3.49
(b) Others Bank Balance-(Pledged with Bank as margin money)		
In Deposit accounts with original maturity less than 3 months	4.17	-
Other Short term bank Deposit	29.92	11.34
	34.09	11.34
TOTAL	38.46	14.83

Note--18
Short-term loans and advances

Others loans and advances		
Unsecured, considered good		
Security Deposits	9.10	10.15
Advances to Suppliers	64.40	94.87
Loan & Advance to Staff and Workers	3.18	1.42
Duties And taxes Receivable- Excise/Sales Tax/VAT etc	81.04	85.12
Prepaid Expenses	3.63	3.18
Income Tax/ Direct Tax Receivable- Net of Provisions	2.79	3.30
Others	0.00	0.00
TOTAL	164.14	198.04
Advance paid to Suppliers includes Advance given to Radha Madhav Research & Trade Pvt Ltd. Rs. 25.51millions (Previous Year Rs.48.02 millions) a company under the same management. Advance to supplier Rs. 8.00 millions (Previous Year Rs. 0.56 millions) paid to partnership firm in which some of the Directors are interested as partners.		

Note--19
Other current assets

Interest Receivable	6.97	1.52
TOTAL	6.97	1.52

Note-20
Revenue From operation

Sale of products	1299.87	1146.01
Other Operating Income	0.74	0.36
	1300.61	1146.37
Less: Excise duty	109.08	94.16
TOTAL	1191.53	1052.21

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

PARTICULARS	As at	As at
	30.06.2012	31.03.2011

Note-21
Other Income

Rent Income	0.90	-
Interest Income	5.15	2.10
Foreign Exchange Rate Difference	-	1.40
Other Miscellaneous Income	0.14	0.72
TOTAL	6.19	4.22

Note - 22
Cost of Material Consumed

i] Imported	124.91	276.73
ii] Indigenous	987.05	668.72
TOTAL	1111.96	945.45
i] Imported - % of Consumption	11.23%	29.27%
ii] Indigenous- % of Consumption	88.77%	70.73%
TOTAL	100.00%	100.00%

Note - 22.1
Particular of Material Consumed

(a) Plastic Products	944.23	842.75
(b) Paper Products	155.64	50.14
(c) Other Raw Materials	12.09	52.56
TOTAL	1111.96	945.45

Note - 23
Purchases of Stock-in-Trade

Purchases of Plastic Products	4.32	-
TOTAL	4.32	-

Note - 24
Changes in inventories of finished goods work-in-progress and Stock-in-Trade

Inventories (at Opening)		
Finished goods Net of Excise duty	25.77	26.37
Work-in-Progress	486.33	504.39
	(A)	512.10
Inventories (at Closing)		
Finished goods Net of Excise duty	25.95	25.77
Work-in-Progress	654.61	486.33
	(B)	680.56
TOTAL	(A- B)	(168.46)
		18.66

Note-25
Employee Benefits Expense

Salaries, wages bonus and allowances	105.99	64.37
Contribution to Provident Fund	1.96	2.05
Contribution to Employee Group Gratuity Scheme	2.32	0.91
Staff welfare and other benefits	3.81	3.21
Keyman Policy Premium	-	1.36
TOTAL	114.08	71.90

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

PARTICULARS	As at	As at
	30.06.2012	31.03.2011

Note-25.1
Disclosure relating to Employee Benefits – As per Revised AS-15.

Define benefit Plans/Gratuity – as per Actuarial valuations Assumptions		
Discount Rate	8.50%	8.00%
Salary Escalation Rate	6.50%	6.50%
Expected Return on Plan Assets	8.15%	8.15%
Retirement Age	58	58
Valuation Method	Projected Unit Credit Method	Projected Unit Credit Method
Mortality Rate	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate
Withdrawal Rate	1 % to 5 % depending on Age	1 % to 5 % depending on Age

I. Amounts to be recognized in Balance Sheet

Present value of funded obligations	1.96	1.85
Fair value of plan assets	1.96	1.85
Present value of unfunded obligations	3.64	1.85
Unrecognized past service cost	-	-
Net liability	3.64	1.85
Amounts in the balance sheet:		
Liabilities	5.60	3.70
Assets	1.96	1.85
Net liability	3.64	1.85

II. Expenses recognized in Income Statement

Current service cost	0.66	0.94
Interest on obligation	0.08	0.34
Expected return on plan assets	(0.04)	(0.18)
Net actuarial losses (gains) recognized in the year	(1.74)	(0.57)
Past service cost	-	-
Losses (gains) on curtailments and settlement	-	-
Expense recognized in P & L	2.44	0.54
(Included in expenditure on Employee Schedule No.15 under Item "Contribution to Other Fund")		

III. Table Showing Change in Benefit Obligation

Opening Defined Benefit Obligation	3.70	4.04
Service cost for the year	0.66	0.94
Interest cost for the year	0.08	0.34
Actuarial losses (gains)	1.70	(0.55)
Benefits paid	(0.54)	(1.07)
Closing defined benefit obligation	5.60	3.70

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

PARTICULARS	As at	As at
	30.06.2012	31.03.2011

IV. Tables of Fair Value of Plan Assets		
Opening fair value of plan assets	1.85	2.73
Expected return	0.04	0.18
Actuarial gains and (losses)	(0.04)	0.01
Assets distributed on settlements	-	-
Contributions by employer	0.66	-
Assets acquired in an amalgamation in the nature of purchase	-	-
Exchange differences on foreign plans	-	-
Benefits paid	(0.54)	(1.07)
Closing balance of fund	1.96	1.85

V. Tables showing Category of Plan Assets		
Government of India Securities	-	-
High quality corporate bonds	-	-
Equity shares of listed companies	-	-
Property	-	-
Funds managed by Insurer	100%	100%
Bank Balance	-	-

VI. Table Showing Surplus / (Deficit)		
Defined Benefit Obligation	5.60	3.70
Plan assets	1.96	1.85
Surplus / (deficit)	(3.64)	(1.85)

Note -26
Finance costs

Interest expense	323.81	212.90
Other borrowing costs	5.75	8.46
TOTAL	329.56	221.36

Note --27
Depreciation and amortization expense

Depreciation	173.14	136.89
Amortization expense	0.10	0.08
Total	173.24	136.97

Depreciation on Tangible Fixed Assets is provided on the Straight Line Method at the rates and in manner prescribed in Schedule XIV to the Companies Act, 1956 except on the office equipment (other than Air condisor) having gross value of Rs. 1.66 million depreciation calculated @ 23.75% on SLM basis. Depreciation on additions to assets during the year is provided on pro-rata basis.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

PARTICULARS	As at	As at
	30.06.2012	31.03.2011

Note- 28**Other Expenses**

Manufacturing Expenses		
Power & Fuel Charges	69.61	44.26
Packing Material Consumed	17.05	17.35
Stores & Spares Consumed	7.09	3.14
Labor Job work Charges	10.47	13.67
Insurance Charges	3.73	3.16
Repair & Maintenance to Machinery	19.90	22.50
Repair & Maintenance to building	1.87	0.73
Other Manufacturing Expenses	16.17	14.48
TOTAL (A)	145.89	119.29
Selling & Distribution Expenses		
Carriage Outward	23.52	17.22
Provision for doubtful debt	37.00	-
Other Selling & Distribution Expenses	17.23	24.06
TOTAL (B)	77.75	41.28
Establishment & General expenses		
Audit Fees	0.44	0.60
Postage, Telephone & Mobile Expenses	2.93	2.14
Legal & Professional Charges	3.01	13.80
Loss on Sale of Assets	-	0.08
Repair & Maintenance to Others	0.66	0.04
Rent, Rate & Taxes	4.91	2.17
Foreign Exchange Rate Difference	2.59	-
Duty & Taxes Expenses Account	5.90	1.52
Compensation paid to supplier for late payments	7.81	4.47
Miscellaneous Expenses	21.57	13.39
TOTAL (C)	49.82	38.21
TOTAL (A+B+C)	273.46	198.78
(Foreign Exchange Rate Difference expenses for the year is Rs. 2.59 million against previous year income of Rs. 1.40 million, which has been shown under the head other income)		

Note- 28.1**Components and Spare Parts**

i] Imported	4.49	2.22
ii] Indigenous	2.60	0.92
TOTAL	7.09	3.14
i] Imported - % of Consumption	63.33%	70.70%
ii] Indigenous- % of Consumption	36.67%	29.30%
TOTAL	100.00%	100.00%

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note : 29

Radha Madhav Corporation Limited (RMCL) is engaged in manufacture of variants of multilayered and functional films, which find major application in primary as well secondary packaging solutions in food, dairy and pharmaceutical segments. The company is capable of producing multilayer cast and blown barrier films of international accepted standards.

At present, RMCL has 5 independent production units, 4 of them are located in the union territory of Daman and the fifth one of them is in Rudrapur, Uttaranchal, enjoying tax concessions. The basic infrastructure of the company is accredited with international quality certification such as 9001:2008 (QMS) / 14001: 2004 (EMS) / 18001: 2007 (OHSAS) / 22001: 2005(FSMS) & BRC Accredited Company.

Note: 30

- Auditors' Remuneration**

(Rs. In Millions)

		Jun-2012	Mar-2011
i.]	As Auditors	0.33	0.45
ii.]	Tax Audit	0.11	0.15
iii.]	Service tax and Education Cess	0.05	0.06
	Total	0.49	0.66

- The Company has not paid any remuneration to any director during the year under consideration.

Note : 31
Related Party Relationships

(a) Enterprises Owned by Directors or Major Share Holders

Sr. No.	Name of the Company/Firm
1	Abhishek Packaging Industries
2	Maharashtra Polycane Industries
3	Radha Madhav Research and Trade Ltd.
4	Print Rite
5	Siddharth Plastic Industries
6	Plastic Corporation
7	Mamta Steel
8	Mehsana Steel Suppliers
9	Mahavir Steel Suppliers
10	Abias Export Pvt. Ltd.
11	Swati Packaging
12	Radha Krishna Industries
13	Radha Madhav Residency
14	Radha Madhav Holdings Pvt. Ltd.
15	Shree Dagruseth Infracon



- (b) Key Management Personnel
- Mr. Mitesh Agrawal
 - Mr. Abhishek Agrawal
- (c) Persons having significant influence
- Mr. Anil Agrawal

Note: In respect of above parties, there is no provision for doubtful debts as on 31st March, 2012 and no amount has been written off or written back during the year in respect of debts due from/to them.

Transactions with related Parties (figure in bracket are of previous year)					
Amount (Rs. In Millions)					
	Type of Related Party Transaction	Enterprises/As- sociates owned by the Directors or Major Share- holders where control exists.	Key Managerial Personnel	Person having significance influence and relatives of Key manage- rial personnel	Total
1.	Purchase of Material	30.82 (0.30)	Nil (Nil)	Nil (Nil)	31.00 (0.30)
2.	Sales of Products	23.34 (35.63)	Nil (Nil)	Nil (Nil)	23.34 (35.63)
3.	Labour Job Charges Paid	8.00 (5.60)	Nil (Nil)	Nil (Nil)	8.00 (5.60)
4.	Capital Goods Purchase	0.08 (0.07)	Nil	Nil	0.08 (0.07)
5.	Sundry Debtors	9.11 (4.98)	Nil (Nil)	Nil (Nil)	9.11 (4.98)
6.	Sundry Creditors	0.82 (3.15)	Nil Nil	Nil (Nil)	0.82 (3.15)
7.	Deposit Given	7.50 (7.50)	4.00 (4.00)	Nil Nil	11.50 (11.50)
8.	Rent	0.13 (0.13)	0.01 (0.01)	Nil (Nil)	0.14 (0.14)
9.	Advance Given				
	Opening Balance	48.58	(Nil)	(Nil)	48.58
	Add: Given during the year	33.51	(Nil)	(Nil)	33.51
	Less : Received/ ad-justed during the Year	48.58	(Nil)	(Nil)	48.58
	Closing Balance	33.51	(Nil)	(Nil)	33.51

Note: 32
Going Concern

The company's net worth has been fully eroded due to continuous losses. However, the accounts have been prepared on the basis that the company is a going concern. Management is of the view that there are no uncertainties about continuous operation of the Company in foreseeable future on account following measures taken by the Company;

- i) The Management has also taken various steps to infuse long term capital in the company through various sources.
- ii) The management is also planning to gradually modify its business plan by appointing franchisees and thereby reducing working capital intensiveness.
- iii) and also with various restructuring measures the Company would be able to continue its operation in the foreseeable future.

The accounts do not include any adjustment relating to recoverability and classification of recorded asset amounts or the amounts and classification of liabilities.

Note: 33
Contingent Liability and Commitments

Particulars	(Rs. In Millions)	
	Jun-2012	Mar-2011
Contingent Liability		
a) Guarantees given by Banks	38.25	48.27
b) Disputed Liability of Central Excise Duty. Dispute pending with Customs Excise & Service Tax Appellate Tribunal, Ahmadabad	15.36	15.36
c) Disputed Liability of Income Tax. Dispute pending with disputed is pending before commissioner of Income Tax (Appeals).	0.91	--
d) Duty liability with respect to capital goods imported under EPCG Scheme.(against balance export obligation)	180.25	182.32
e) Claim against the company not acknowledged as debt	9.81	9.81
Commitments		
a) Estimated amount of contract remaining to be executed on capital Account and not provided for (net of Advances)	0.14	0.14

Note: 34
Impairment of Assets "Accounting Standard 28"

The company has carried out an exercise to ascertain the impairment, if any, in the carrying values of its assets. The exercise has not reveals any impairment in any fixed assets of the company.

Note: 35
Earning Per Share

	Particulars	Jun-2012	Mar-2011
a)	Net Profit/Loss after tax available for equity share holder (Rs. In million)	(644.55)	(537.80)
b)	Weighted average number of equity share of Rs. 10/- each outstanding during the year [No. of Shares in million]	32.54	32.54
c)	Earning per share (Rs.) [a/b]	(19.81)	(16.53)
	Basic/ Diluted Earnings Per Share before/ after extraordinary items		

**Note: 36****A. Detail of Manufactured goods****(Rs. In millions)**

Particulars	Jun-2012	Mar-2011
Plastic Products		
Sales Values	899.54	983.92
Closing Inventory	25.25	23.89
Opening Inventory	23.89	24.72
Paper Products		
Sales Values	291.99	68.29
Closing Inventory	3.48	3.85
Opening Inventory	3.85	3.91

B. Detail of Traded goods**(Rs. In millions)**

Particulars	Jun-2012	Mar-2011
Plastic Products		
Sales Values	4.57	--
Closing Inventory	--	--
Opening Inventory	--	--

C. Detail of Work-in-Progress**(Rs. In millions)**

Particulars	Jun-2012	Mar-2011
Plastic Products		
Opening Inventory	484.31	499.37
Closing Inventory	633.84	484.31
Paper Products		
Opening Inventory	2.02	5.02
Closing Inventory	20.77	2.02
Total		
Opening Inventory	486.33	504.39
Closing Inventory	654.61	486.33

Note: 37**C.I.F. Value of Imports**

	Jun-2012	Mar-2011
Raw Material	118.94	212.10
Spare Parts	4.30	2.08
Capital Goods	-	-

Note: 38**Expenditure in Foreign Currency**

	Jun-2012	Mar-2011
Professional & Consultancy Fees	-	--
Interest Expenses	-	--
Other Expenses	-	--

Note: 39**Earnings in Foreign Exchange**

	Jun-2012	Mar-2011
From Export of Goods	17.03	47.67

Note: 40

Previous year figures have been regrouped & rearranged wherever necessary.

Note: 41
Segment Reporting

The Company has identified business (sales channel) as its primary segment and geographic segments as its secondary segment. During the period the Company has identified two reportable segment viz sales to end user, sales to channel partners and has reported the figures as per AS 17 segment reporting issued by the ICAI for the current period only and has not given any comparative figure for preceding period as it is impracticable. This is as per the provision of AS.17 segment reporting. Segments have been identified and reported taking into account nature of customer and distribution channel, the differing risks and returns and the internal business reporting systems. The accounting policies adopted for segment reporting are in line with the accounting policy of the company with following additional policies for segment reporting.

- Revenue and expenses have been identified to a segment on the basis of relationship to operative activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".
- Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable.
- Geographical revenues are allocated based on the location of the customer. Geographical segments of the company are India and Others.

Particulars	End User	Channel Partner	Unallocable	Total
Segment Revenue	572.46	619.07		1191.53
Less:- Inter-Segment Revenue	-	-		-
Net Sales / Income From Operations	572.46	619.07	-	1191.53
Segment Results	(46.33)	(163.02)		(209.35)
Unallocated corporate expenses/ Income (Net)			101.54	101.54
Operating profit				(310.89)
Finance costs				329.56
Profit Before tax				(640.44)
Tax				4.11
Net profit				(644.55)
Other Information				
Segment Assets	746.80	1415.40	1135.91	3298.11
Segment Liabilities	-	-	3454.43	3454.43
Capital Expenditure	20.77	(3.57)	3.07	20.27
Depreciation	55.97	114.00	3.27	173.24
Non-cash expenses other than depreciation				-

Geographical Segment	India	Other Countries	Total
Segment Revenue	1174.50	17.03	1191.53
Carrying Amount of Segment Assets	3291.75	6.36	3298.11
Addition to Fixed Assets and Intangible Assets	20.27	-	20.27

Note: 42
SIGNIFICANT ACCOUNTING POLICIES:

(a) Basis of Accounting

The Financial Statements have been prepared under historical cost convention in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956, as adopted consistently followed by the Company. The Company generally follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.

(b) Fixed Assets

Fixed Assets are stated at cost, net off CENVAT credit claimed, less accumulated depreciation and less impairment if any.

Items having cost of less than Rs.5000/- and having useful life of less than one year like calculators, mobile phones and other electronic office equipment except computers are charged out to Profit & Loss account in the year it is put to use.

(c) Depreciation

Depreciation on Tangible Fixed Assets is provided on the Straight Line Method at the rates and in manner prescribed in Schedule XIV to the Companies Act, 1956, except on the office equipment (other than Air condisor) depreciation calculated @ 23.75% on SLM basis. Depreciation on additions to assets during the year is provided on pro-rata basis.

(d) Investments

Investments are stated at cost. Provision is made to recognize diminution, other than temporary, in the carrying amount of long term investment.

(e) Inventories

Finished and Semi-Finished stock is valued at the lower of cost or net realisable value. The cost of finished goods is determined on consistent basis, accepting the average direct and indirect expenses related to the production during the year. Raw materials, goods in transit and stores & spares are valued at landed cost or market value whichever is less.

(f) Sales

Sales represent the amount of receivables for goods sold including the value of Excise Duty.

(g) 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.

(h) Foreign Currency Transactions

Transaction in Foreign Currency are recorded at the exchange rate prevailing on the date of transaction. At the year-end, monetary items denominated in foreign currency are reported using the rate of exchange prevailing on the last day of year. Exchange difference arising on realization / payment of foreign exchange if on account of revenue are accounted to the Profit & Loss Account in the year of realiza-



tion/ payment.

- (i) Amortization of Miscellaneous ,Preliminary & Share Issue Expenditure
Preliminary Expenses are being written off in the year in which it is incurred as per the Accounting Standard 26 “Intangible assets” issued by The Institute of Chartered Accountants of India, which has been mandatory w.e.f. 01/04/2004.
- (j) Provision for Gratuity and Leave Encasement
- (1) The Company has created an Employee’s Group Gratuity Fund which has taken a Group Gratuity-cum- Life Insurance Policy from the Life Insurance Corporation of India. Gratuity is provided on the basis of premium paid on the above policy as intimated by Life Insurance Corporation of India. The adequacy of the fund along with the provision is as per the actuarial valuation done by Life Insurance Corporation of India.
 - (2) Liability for leave encashment has been determined and accrued for, based on the number of days of en-cashable leave to the credit of each employee as on the balance sheet date. Treating it as Short Term employee Benefits.
- (k) Taxation
Provision for current tax is made in the accounts on the basis of estimated tax liability as per the applicable provisions of the Income Tax Act, 1961.
Deferred tax for timing difference between tax profits and book profits is accounted for using the tax rates and laws that have been enacted or substantially enacted as of the balance sheet date. Deferred tax assets are recognized to the extent there is supported by convincing evidence that these assets can be realized in future.
- (l) Use of Estimates
The presentation of financial statements requires estimates and assumption to be made that affect the reported amount of assets and liabilities on the date of the financial statement and the reported amount of revenue and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the result are known / materialized.’
- (m) Provision, Contingent Liabilities and Contingent Assets
Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

As per our attached report of even date

For H. P. SHAH ASSOCIATES

FRN. No. 109588W

sd

H. P. SHAH

PROPRIETOR

CHARTERED ACCOUNTANTS

M.N. 039093

DATED : 28th July, 2012

For and on behalf of Board of Directors

sd

ANIL AGARWAL

CHAIRMAN

sd

ANIL K. KANTARIA

CHIEF FINANCIAL OFFICER

sd

MITESH AGARWAL

MANAGING DIRECTOR &

CHIEF EXECUTIVE OF-

FICER

sd

MANGESH SETHYE

COMPANY SECRETARY

RADHA MADHAV CORPORATION LIMITED

Regd. Office: Survey No. 50/9/A, Daman Industrial Estate, Village Kadaiya,
Nani Daman –396 210, UT of Daman & Diu

ATTENDANCE SLIP

PLEASE FILL IN ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.
Joint shareholder may obtain additional slip on request.

D.P. Id*		Folio No.	
Client Id*		No. of Share/(s) held	
NAME OF THE SHAREHOLDER:	NAME OF THE PROXY:		

I hereby record my presence at 8th ANNUAL GENERAL MEETING of the Company held at Survey No. 50/9/A, Daman Industrial Estate, Village Kadaiya, Nani Daman –396 210, UT of Daman & Diu on 12.09.2012 at 10.00 a.m.

SIGNATURE OF THE ATTENDING MEMBER/PROXY

* Applicable for investors holding shares in electronic form.

RADHA MADHAV CORPORATION LIMITED

Regd. Office: Survey No. 50/9/A, Daman Industrial Estate, Village Kadaiya,
Nani Daman –396 210, UT of Daman & Diu

PROXY FORM

D.P. Id*		Folio No.	
Client Id*		No. of Share/(s) held	

I/We of in the district of being a Member/Members of the above-named company, hereby appoint of in the district of or failing him of in the district of as my/our Proxy to attend and vote for me/us and on my/our behalf at the 8th ANNUAL GENERAL MEETING of the Company to be held at Survey No. 50/9/A, Daman Industrial Estate, Village Kadaiya, Nani Daman –396 210, UT of Daman & Diu 12.09.2012 at 10.00 a.m. and at any adjournment thereof.

Signed this day of 2012

Affix 15 Paise
or more Rev-
enue Stamp

*Applicable for investors holding shares in electronic form.

NOTE: The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than FORTYEIGHT HOURS before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.

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