

48th

Annual Report

For the year ended 31st March

2011



Kaira Can Company Limited

| | | |
|---------------------------|---|---|
| Board of Directors | : | Shri Premal N. Kapadia, Chairman |
| | : | Shri Ashok B. Kulkarni, Managing Director |
| | : | Shri K. Jagannathan, Executive Director |
| | : | Shri Utsav R. Kapadia |
| | : | Shri R. S. Sodhi (nominee of GCMMF) |
| | : | Shri Jayen Mehta (nominee of GCMMF) |
| | : | Shri Nanak G. Sheth |
| Company Secretary | : | Shri Hiten Vanjara |
| Bankers | : | Bank of Baroda, Mumbai |
| Auditors | : | Kalyaniwalla & Mistry <i>Chartered Accountants</i> |
| Registered Office | : | Ion House, Dr. E. Moses Road, Mahalaxmi, Mumbai – 400 011. Telephone : +91-22-66608711 Fax : +91-22-66635401 E-mail : companysecretary@kairacan.com Website : www.kairacan.com |

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FIVE YEARS REVIEW

| PARTICULARS | | YEAR ENDING MARCH | | | | |
|---|-------------|-------------------|----------|----------|----------|----------|
| | | 2007 | 2008 | 2009 | 2010 | 2011 |
| EARNINGS AND DIVIDENDS | | | | | | |
| SALES | Rs.in lakhs | 18274.13 | 17311.27 | 11732.63 | 10261.75 | 11850.15 |
| CHANGE IN SALES | | 11% | -6% | -32% | -13% | 15% |
| PROFIT SUBJECT TO : | Rs.in lakhs | 225.32 | 237.20 | 118.69 | 618.60 | 447.26 |
| (A) DEPRECIATION | " | 107.45 | 107.53 | 95.24 | 126.24 | 64.53 |
| (B) TAXATION | " | 35.00 | 45.09 | 12.36 | 88.05 | 215.26 |
| NET PROFIT | | 82.87 | 84.58 | 11.09 | 404.31 | 167.47 |
| EARNINGS TO NET WORTH | Percent | 6.27 | 6.23 | 0.82 | 23.29 | 8.92 |
| EARNINGS PER EQUITY SHARE | Rupees | 8.99 | 9.17 | 1.20 | 43.85 | 18.16 |
| DIVIDEND ON EQUITY SHARES | Per Share | 2.50 | 2.50 | 1.00 | 2.50 | 2.50 |
| FINANCIAL POSITION | | | | | | |
| EQUITY SHARE CAPITAL | Rs.in lakhs | 92.20 | 92.20 | 92.20 | 92.20 | 92.20 |
| RESERVES & SURPLUS | " | 1229.70 | 1265.80 | 1266.10 | 1643.60 | 1784.25 |
| SHAREHOLDERS' FUNDS (NET WORTH) | " | 1321.90 | 1358.00 | 1358.30 | 1735.80 | 1876.45 |
| SECURED LOANS | " | 1133.10 | 1132.20 | 749.50 | 792.20 | 664.70 |
| UNSECURED LOANS | " | 310.80 | 666.15 | 713.50 | 274.20 | 240.00 |
| DEFERRED TAX LIABILITY / (ASSET) | " | 115.00 | 84.80 | 74.20 | 22.20 | (32.55) |
| FUNDS EMPLOYED | " | 2880.80 | 3241.15 | 2895.50 | 2824.40 | 2748.60 |
| FIXED ASSETS (NET BLOCK) | " | 961.40 | 924.30 | 865.05 | 600.70 | 806.20 |
| INVESTMENTS | " | 3.40 | 3.40 | 7.10 | 17.15 | 27.20 |
| CURRENT ASSETS | | | | | | |
| LOANS AND ADVANCES | " | 5036.00 | 4827.50 | 3551.50 | 3899.80 | 4274.65 |
| LESS : CURRENT LIABILITIES AND PROVISIONS | " | 3120.00 | 2514.05 | 1528.15 | 1693.25 | 2359.45 |
| NET CURRENT ASSETS | " | 1916.00 | 2313.45 | 2023.35 | 2206.55 | 1915.20 |
| APPLICATION OF FUNDS | " | 2880.80 | 3241.15 | 2895.50 | 2824.40 | 2748.60 |
| BOOK VALUE PER SHARE | Rupees | 143.40 | 147.30 | 146.50 | 188.30 | 203.50 |
| DEBT / EQUITY RATIO | | — | — | — | — | — |
| CAPITAL EXPENSES | Rs.in Lakhs | 57.80 | 102.00 | 47.50 | 211.40 | 395.20 |
| NET CASHFLOW | Rs.in Lakhs | 69.06 | 32.90 | 15.93 | 86.60 | 359.68 |

KAIRA CAN COMPANY LIMITED

Registered Office : ION House, Dr. E. Moses Road, Mumbai - 400 011.

NOTICE

Notice is hereby given that the forty-eighth Annual General Meeting of the Shareholders of Kaira Can Company Limited will be held at the Registered Office of the Company, ION House, Dr. E. Moses Road, Mumbai - 400 011 at 11.00 a.m. on Wednesday, the 13th July, 2011 to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Balance Sheet as at 31st March, 2011, the Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare a Dividend on Equity Shares.
3. To appoint a Director in place of Shri P.N. Kapadia, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri U. R. Kapadia, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors for the current year and to fix their remuneration.

SPECIAL BUSINESS

- 6 To appoint Shri R. S. Sodhi as a Director, who was appointed as an Additional Director of the Company on 10th February, 2011, to fill in the vacancy caused by the resignation of Shri B. M. Vyas, and whose term of office expires on the date of this Annual General Meeting and being eligible offers himself for re-appointment. The Company has received a notice from a Member intimating his intention to propose Shri R. S. Sodhi as a Director of the Company.

By Order of the Board of Directors,
For **KAIRA CAN COMPANY LIMITED**

Place : Mumbai
Date : 30th May, 2011

Hiten Vanjara
Company Secretary

NOTES:

- a) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. The proxy form should be lodged with the Company at its Registered Office atleast 48 hours before the meeting.
- b) The Register of Members and Share Transfer Books of the Company will remain closed from Thursday 7th July, 2011, to Wednesday, 13th July, 2011, both days inclusive.
- c) The dividend on Equity Shares as recommended by the Directors for the year ended 31st March, 2011, if approved and declared at the Annual General Meeting will be payable to those members who hold Equity Shares in physical form and whose names stand on the Register of Members of the Company as on Wednesday the 13th July, 2011 and also to those members who hold Equity Shares in Demat form and whose names appear on the list of members provided by NSDL and/or CDSL for that purpose.
- d) Members are requested to inform change in their addresses, if any, immediately to the Company's Registrar and Transfer Agents, M/s. Computech Sharecap Ltd., 147, Mahatma Gandhi Road, Opp. Jehangir Art Gallery, Fort, Mumbai – 400 023, so as to enable the Company to send communications to members at their correct addresses. Members are also requested to quote ledger folio/DP ID numbers in all of their communications with the Company or the Registrar.
- e) An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the meeting is annexed hereto.



ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to the provisions of Section 173(2) of the Companies Act, 1956, in respect of the Special Business:

Item No.6

Under Article 118 of the Articles of Association of the Company, your Board of Directors have appointed Shri R.S. Sodhi, Managing Director of the Gujarat Co-operative Milk Marketing Federation Limited (GCMMF), as an Additional Director on 10th February, 2011 to fill in the vacancy caused by the resignation of Shri B.M. Vyas. Shri Sodhi has more than 29 years of rich experience in Marketing and Sales function with GCMMF. Pursuant to the provisions of Section 260 of the Companies Act, 1956, Shri R.S. Sodhi will hold office upto the date of the ensuing Annual General Meeting and being eligible offers himself for re-appointment. The Company has received a notice pursuant to Section 257 of the Companies Act, 1956 from a Member intimating his intention to propose Shri R.S. Sodhi as a Director of the Company.

The advise and guidance given by Shri R.S. Sodhi has been valuable. It is in the interest of the Company, therefore, that he be re-appointed as a Director.

None of the Directors other than Shri R.S. Sodhi, is interested or concerned in the Resolution No.6. The Directors commend the Ordinary Resolution No.6 for approval of the Members.

By Order of the Board of Directors,
For **KAIRA CAN COMPANY LIMITED**

Place : Mumbai
Date : 30th May, 2011

Hiten Vanjara
Company Secretary

DIRECTORS' REPORT

TO THE MEMBERS,

The Directors present the forty-eighth Report and the Audited Statement of Accounts of the Company for the year ended 31st March, 2011.

1. FINANCIAL RESULTS

| | 31 st March, 2011 (Rupees) | 31 st March, 2010 (Rupees) |
|---|--|--|
| Profit from Manufacturing Operations & Job work | 3,82,73,221 | 1,96,58,051 |
| Profit from transfer of Asset to Subsidiary | — | 2,95,78,482 |
| Profit before tax | 3,82,73,221 | 4,92,36,533 |
| Less : Provision for current tax | 2,70,00,000 | 1,40,01,000 |
| Provision for deferred tax | (54,73,570) | (51,97,309) |
| Net profit for the year amounts to | 1,67,46,791 | 4,04,32,842 |
| Excess/(Short) provision for taxes in respect of previous years | — | (1,340) |
| Balance brought forward from previous year | 3,36,07,997 | 58,64,718 |
| The disposable profit for the year amounts to which the Directors have decided to appropriate as follows:- | 5,03,54,788 | 4,62,96,220 |
| (a) Proposed Dividend | 23,05,333 | 23,05,333 |
| (b) Tax on Proposed Dividend | 3,73,983 | 3,82,890 |
| (c) General Reserve | 1,00,00,000 | 1,00,00,000 |
| Leaving the surplus in Profit and Loss Account | 3,76,75,472 | 3,36,07,997 |

2. DIVIDEND

The Directors recommend payment of the following dividend for the year ended 31st March, 2011, which, if approved by the members at the Annual General Meeting to be held on 13th July, 2011, will be paid to those members of the Company who hold Equity Shares in physical form and whose names stand on the Register of Members of the Company as on 13th July, 2011 and to those members who hold their Equity Shares in Demat form and whose names appear on the list of members provided by NSDL/CDSL for that purpose.

A dividend @ 25% on 9,22,133 Equity Shares of Rs. 10 /- each Rs. 23,05,333/-.

3. REVIEW OF OPERATIONS

Your Company continued to post a better performance by achieving higher sales volume of Rs.11,850 lakhs for the year under review as compared to Rs.10,602 lakhs in the previous year – a growth of 12%. The profitability has also shown an improved trend as compared to previous year.

During the year under review, the Company has achieved a turnover of Rs.10,791 lakhs of metal cans and its components as compared to Rs.9,326 lakhs in the previous year, thereby registering a growth of 16%, consequent upon improved volume of sales to GCMMF as well as export business. The Company executed export orders worth Rs.1,517 lakhs of metal cans and components as against Rs.1,207 lakhs in the previous year – a growth of 26%.

The prospects for OTS business and exports seem to be reasonably favourable which would lead to an improved contribution during the current year.

The Milk and Milk Products Division has achieved job-work earnings to the tune of Rs.603 lakhs during the year ended 31st March, 2011 as compared to Rs.511 lakhs for the previous year – a growth of 18%.

Sugar Cone Division has achieved a sales turnover of Rs.456 lakhs as compared to Rs.425 lakhs for the previous year.



Your Company has undertaken the consolidation and modernization of Kanjari Plant, which is under progress. Consequently, the Company has closed its operations at Mehsana Unit, which was in rented premises and shifted the machinery and installed it in our own premises at Kanjari Unit. The Company will be installing very shortly new imported Printing and Coating Line at Kanjari Unit. The work of installing the Oven is already under progress and will be completed by early June, 2011. The Printing and Coating Machinery will be installed by early August, 2011 and is expected to be commissioned by end August, 2011. This would enable the Company to compete more effectively in the OTS market and aggressively tap the export market.

The Company is hopeful of further improving the performance during the current year through economical usage of raw material mix and budgetary control as cost reduction measures together with efficient monitoring of working capital.

4. EXPORTS

During the year under review, the Company has achieved export earnings to the tune of Rs. 1,517 lakhs from export of metal containers and components.

5. (a) Total Foreign Exchange Earned.

Product exports including deemed exports Rs. 1,610 lakhs

(b) Total Foreign Exchange Used.

Import of tinplate (main raw material), Stores & Spares, Capital Goods etc. Rs. 4,191 lakhs

6. CONSERVATION OF ENERGY

Conservation of Energy has been receiving constant attention and measures are being taken for effective control on electricity and fuel consumption at all the Units. During the year, cost savings have been achieved in switching over of LPG with Natural Gas at our Anand Unit. The ventilation has been vastly improved by fixing more Turbo Ventilators in the old shed at our Kanjari Unit. In the new shed being constructed at Kanjari Unit, we have put insulated roofing, which will have the effect of lowering the temperature and improving working environment. We have also installed chiller plant adjacent to the bodymaker, which will improve the energy efficiency.

7. TECHNOLOGY ABSORPTION

The Company continues its efforts in upgradation of systems and equipment with a view to improving the quality of its products, minimizing manufacturing wastages, cost reduction in terms of better productivity and customer satisfaction through better product performance. As mentioned in the last year's report, the Company is under process of installing new printing / coating machine and oven at our Kanjari Unit and is expected to complete the work soon.

8. PUBLIC DEPOSITS

At the end of the financial year, there were eleven depositors whose deposits were not claimed by them or for which disposal instructions had also not been received though the repayment had fallen due and the total amount involved in such deposits was Rs. 4,25,000/-. Since then, eight deposits amounting Rs. 3,50,000/- have been renewed and three deposits amounting to Rs. 75,000/- remain unclaimed.

9. DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Shri P. N. Kapadia and Shri U. R. Kapadia retire by rotation and being eligible, offers themselves for re-election.

Under Article 118 of the Articles of the Association of the company, your Board of Directors have appointed Shri R.S. Sodhi, Managing Director of the Gujarat Co-operative Milk Marketing Federation Limited (GCMMF), as an Additional Director on 10th February, 2011, to fill in the vacancy caused by the resignation of Shri B.M. Vyas. Shri Sodhi has more than 29 years of rich experience in Marketing and Sales function with GCMMF. Pursuant to the provisions of Section 260 of the Companies Act, 1956, Shri R.S. Sodhi, will hold office upto the date of the ensuing Annual General Meeting and being eligible offers himself for re-appointment. The Company has received a notice from a Member intimating his intention to propose Shri R.S. Sodhi, as a Director of the Company.

10. SUBSIDIARY COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

The Company has its wholly owned Subsidiary, namely PUMA Properties Limited. The results of PUMA Properties Limited are attached to the Annual Report along with Statement specified in Section 212 of the Companies Act, 1956. The Company is also presenting its Audited Consolidated Financial Statements, which form part of the Annual Report, in compliance with the accounting standards.

11. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 217 (2AA) of the Companies Act, 1956 :

- (i) that in the preparation of the annual accounts for the year ended on 31st March, 2011, the applicable accounting standards have been followed alongwith proper explanation relating to material departures, if any.
- (ii) that such accounting policies as mentioned in notes to the financial statements have been selected and applied consistently and judgements and estimates that are reasonable and prudent made so as to give a fair view of the state of affairs of the Company at the end of the financial year ended on 31st March, 2011 and of the profit of the Company for that year.
- (iii) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) that the annual accounts for the year ended on 31st March, 2011, have been prepared on a going concern basis.

12. PERSONNEL

During the year under review, relations between the employees and the management remained satisfactory at all the units of the Company.

Particulars of employees as required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 are not given since the remunerations paid to employees during the financial year 2010-11 were below the limits prescribed by the amended Companies (Particulars of Employees) Rules, 1975.

13. AUDITORS

The Auditors M/s. Kalyaniwalla and Mistry, Chartered Accountants, retire at the end of the ensuing Annual General Meeting and it is proposed that they be re-appointed. The Company has received a Certificate from them to the effect that their appointment, if made, will be within the prescribed limit under Section 224 (1-B) of the Companies Act, 1956.

14. ACKNOWLEDGEMENT

Your Directors would like to express their appreciation for the assistance and co-operation received from the Gujarat Co-operative Milk Marketing Federation Limited, Banks, Government Authorities and Shareholders during the year under review. Your Directors wish to place on record their deep sense of appreciation for the devoted services of the executives, staff and workers of the Company for its success.

On behalf of the Board of Directors,

ASHOK B. KULKARNI
Managing Director

UTSAV R. KAPADIA
Director

Place : Mumbai

Dated : 30th May, 2011



REPORT OF THE AUDITORS

TO THE MEMBERS OF KAIRA CAN COMPANY LIMITED

1. We have audited the attached Balance Sheet of **Kaira Can Company Limited**, as at March 31, 2011, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. 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.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order 2004, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comment in the annexure referred to in paragraph 3 above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books.
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - e) In our opinion and to the best of our information and according to the explanations given to us the said accounts read with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required 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 March 31, 2011;
 - ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date.
 - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
- 5) On the basis of written representations received from the directors as on March 31, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011, from being appointed as director under clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For and on behalf of
Kalyaniwalla & Mistry
Chartered Accountants
Firm Reg. No. 104607W

Vinayak M Padwal
Partner
M. No. 49639

Mumbai, 30th May 2011

ANNEXURE TO THE AUDITOR'S REPORT

Referred to in Paragraph (3) of our report of even date on the accounts of **Kaira Can Company Limited**, for the year ended March 31, 2011.

- 1) (a) The Company is generally maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a program for physical verification of fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies between the book records and physical inventory were reported for the assets verified during the year.
- (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the company.
- 2) (a) The Management has conducted physical verification of inventory at reasonable intervals.
- (b) In our opinion, the 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) In our opinion, the company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- 3) (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act.
- (b) The Company has taken loans during the year from parties covered in the register maintained under section 301 of the Act. The Company had taken a loan from one party whose balance at the beginning of the financial year was Rs.85,00,000/-. The Company has repaid the loan amounting to Rs.85,00,000/- during the financial year. The maximum amounts involved during the year were aggregating to Rs.85,00,000/- and the year end outstanding balance of loan taken from the party was Nil.
- (c) The rate of interest and other terms and conditions of such loans are, in our opinion, prima facie not prejudicial to the interest of the Company.
- (d) The repayments of principal amounts and interest during the year have been regular.
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services.
- 5) (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 arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- 6) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58 AA and other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- 7) *The Company did not have an internal audit system during the year.*
- 8) As informed to us, the maintenance of cost records has not been prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956 for the year for any of the products of the Company.
- 9) (a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues applicable to it with the appropriate authorities during the year. According to the information and explanations given to us, there were no undisputed amounts as aforesaid statutory dues were outstanding, at the year end for a period of more than six months from the date they became payable.



(b) According to the information and explanations given to us, details of disputed amounts payable on account of Sales Tax, Income Tax and Excise Duty or cess outstanding on account of dispute are as under:

| Name of the Statue | Nature of Dues | Net Balance (Rs.) | Period to which the amount relates | Forum where dispute is pending |
|--------------------------|-------------------|--------------------|---------------------------------------|--|
| Bombay Sales Tax Act | Sales Tax Demand | 1,50,320 | 1993-94 | Deputy Commissioner of Sales Tax Appeals, Mumbai |
| Central Excise Act, 1944 | Excise Duty | 2,36,77,226 | Various years from 2001-02 to 2010-11 | Central Excise & Service tax Appellate Tribunal / Commissioner (Appeals) |
| Income Tax Act, 1961 | Income Tax Demand | 3,13,000 | 1988-89 | Income Tax Appellate Tribunal |
| | | 1,74,622 | 2000-01 | Income Tax Appellate Tribunal |
| | | 18,15,437 | 2004-05 | Income Tax Appellate Tribunal |
| | | 56,58,010 | 2005-06 | Income Tax Appellate Tribunal |
| | | 6,54,100 | 2005-06 | Commissioner of Income Tax Appeals |
| | | 5,37,370 | 2006-07 | Commissioner of Income Tax Appeals |
| Total | | 3,29,80,085 | | |

- 10) The Company does not have accumulated losses as at the end of the financial year, nor has it incurred cash losses in the current financial year and in the immediately preceding financial year.
- 11) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not defaulted in repayment of dues to financial institution, banks or debenture holders as at the balance sheet date.
- 12) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares and other securities.
- 13) In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi/ mutual benefit fund/ societies.
- 14) In our opinion, the Company has maintained proper records of the transactions and contracts in respect of investments purchased and sold during the year and timely entries have been made therein. The investments made by the Company are held in its own name.
- 15) According to the information and explanations given to us and the records examined by us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- 16) According to the information and explanations given to us and the records examined by us, on an overall basis, the term loans have been applied for the purpose for which the loans were obtained
- 17) On the basis of an overall examination of the balance sheet and cash flows of the Company and the information and explanations given to us, we report that the Company has not utilized the funds raised on short-term basis for long-term investment.
- 18) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
- 19) The Company did not issue any debentures during the year.

- 20) The Company has not raised any money through a public issue during the year.
- 21) Based on the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For and on behalf of
Kalyaniwalla & Mistry
Chartered Accountants
Firm Reg. No. 104607W

Vinayak M Padwal
Partner
M. No. 49639

Mumbai, 30th May 2011

**BALANCE SHEET AS AT 31ST MARCH, 2011**

| | Schedule No. | Rupees | As at 31-Mar-2011 Rupees | As at 31-Mar-2010 Rupees |
|--|-----------------|--------------|--------------------------------|--------------------------------|
| I. SOURCES OF FUNDS: | | | | |
| 1 SHAREHOLDERS' FUNDS: | | | | |
| (a) Share Capital | 1 | 92,21,330 | | 92,21,330 |
| (b) Reserves and Surplus | 2 | 17,84,24,643 | | 16,43,57,168 |
| | | | 18,76,45,973 | 17,35,78,498 |
| 2. LOAN FUNDS: | | | | |
| (a) Secured Loans | 3 | 6,64,67,880 | | 7,92,20,930 |
| (b) Unsecured Loans | 4 | 2,40,00,000 | | 2,74,20,000 |
| | | | 9,04,67,880 | 10,66,40,930 |
| 3. DEFERRED TAX LIABILITY (Net): | | | | |
| | | | — | 22,21,225 |
| | TOTAL | | 27,81,13,853 | 28,24,40,653 |
| II. APPLICATION OF FUNDS: | | | | |
| 1. FIXED ASSETS: | | | | |
| (a) Gross Block | 5 | 11,24,78,735 | | 17,77,31,814 |
| (b) Less: Depreciation including Impairment | | 6,77,47,440 | | 11,76,60,847 |
| (c) Net Block | | | 4,47,31,295 | 6,00,70,967 |
| (d) Capital Work in Progress | | | 3,58,88,926 | — |
| | | | 8,06,20,221 | 6,00,70,967 |
| 2. INVESTMENTS | | | | |
| | 6 | | 27,18,100 | 17,18,100 |
| 3. DEFERRED TAX ASSETS (Net): | | | | |
| | | | 32,52,345 | — |
| 4. CURRENT ASSETS, LOANS AND ADVANCES: | | | | |
| (a) Inventories | 7 | 19,03,87,633 | | 18,31,23,638 |
| (b) Sundry Debtors | 8 | 7,82,36,626 | | 7,68,95,928 |
| (c) Cash and Bank Balances | 9 | 4,85,50,220 | | 1,25,81,609 |
| (d) Loans and Advances | 10 | 11,02,93,102 | | 11,73,77,259 |
| | | | 42,74,67,581 | 38,99,78,434 |
| Less: CURRENT LIABILITIES AND PROVISIONS: | | | | |
| (a) Liabilities | 11 | 22,83,33,218 | | 16,25,67,673 |
| (b) Provisions | 12 | 76,11,176 | | 67,59,175 |
| | | | 23,59,44,394 | 16,93,26,848 |
| NET CURRENT ASSETS | | | 19,15,23,187 | 22,06,51,586 |
| | TOTAL | | 27,81,13,853 | 28,24,40,653 |
| Significant Accounting Policies | 18 | | | |
| Notes to Accounts | 19 | | | |

The Schedules referred to above form an integral part of this Balance Sheet.

As per our attached Report of even date.
For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants

VINAYAK M. PADWAL
Partner

Mumbai, Dated : 30th May, 2011

For and on behalf of the Board
ASHOK B. KULKARNI Managing Director
K. JAGANNATHAN Executive Director

U. R. KAPADIA Director
NANAK G. SHETH Director
R. S. SODHI Director

HITEN VANJARA Company Secretary
Mumbai, Dated : 30th May, 2011

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

| | | Schedule No. | Rupees | Year Ended 31-Mar-2011 Rupees | Year Ended 31-Mar-2010 Rupees |
|------------------------|--|-----------------|----------------|-------------------------------------|-------------------------------------|
| INCOME : | | | | | |
| 1 | Gross Sales | 13 | 1,12,47,28,207 | | 97,50,56,246 |
| | Less : Excise Duty recovered on Sales | | 7,73,74,427 | | 3,51,22,404 |
| | Net Sales | | | 1,04,73,53,780 | 93,99,33,842 |
| 2 | Milk Reprocessing Charges | | | 6,02,86,935 | 5,11,19,340 |
| 3 | Profit on Sale of Fixed Assets | | | — | 2,95,78,482 |
| 4 | Other Income | 14 | | 1,27,25,274 | 94,27,756 |
| | | | | 1,12,03,65,989 | 1,03,00,59,420 |
| EXPENDITURE : | | | | | |
| 5 | Manufacturing and Other Expenses | 15 | | 1,05,99,51,568 | 90,16,62,836 |
| 6 | Inventory Changes - Decrease | 16 | | 81,52,904 | 5,60,96,183 |
| 7 | Interest | 17 | | 75,34,819 | 1,04,39,310 |
| 8 | Depreciation | | | 64,53,477 | 1,26,24,558 |
| | | | | 1,08,20,92,768 | 98,08,22,887 |
| 9 | PROFIT BEFORE TAXES | | | 3,82,73,221 | 4,92,36,533 |
| 10 | Provision for Taxation | | | | |
| | (a) Current Tax (Including Wealth Tax Rs. Nil ; Previous year Rs. 1,000/-) | | | 2,70,00,000 | 1,40,01,000 |
| | (b) Deferred Tax | | | (54,73,570) | (51,97,309) |
| 11 | Short/ (Excess) Provision for Taxes in respect of earlier Years (Net) | | | — | 1,340 |
| | PROFIT / (LOSS) AFTER TAXES | | | 1,67,46,791 | 4,04,31,502 |
| 12 | Balance Brought Forward from Previous Year | | | 3,36,07,997 | 58,64,718 |
| | TOTAL | | | 5,03,54,788 | 4,62,96,220 |
| APPROPRIATIONS: | | | | | |
| | Proposed Dividend | | | 23,05,333 | 23,05,333 |
| | Tax on Proposed Dividend | | | 3,73,983 | 3,82,890 |
| | Transfer to General Reserve | | | 1,00,00,000 | 1,00,00,000 |
| | Balance Carried to Balance Sheet | | | 3,76,75,472 | 3,36,07,997 |
| | TOTAL | | | 5,03,54,788 | 4,62,96,220 |
| | Basic and Diluted Earnings per Share (Refer Sch. 19 Note 5) | | | 18.16 | 43.85 |
| | Significant Accounting Policies | 18 | | | |
| | Notes to Accounts | 19 | | | |
| | The Schedules referred to above form an integral part of this Profit and Loss Account. | | | | |

As per our attached Report of even date.
For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants

VINAYAK M. PADWAL
Partner

For and on behalf of the Board
ASHOK B. KULKARNI Managing Director
K. JAGANNATHAN Executive Director

U. R. KAPADIA Director
NANAK G. SHETH Director
R. S. SODHI Director

HITEN VANJARA Company Secretary
Mumbai, Dated : 30th May, 2011

Mumbai, Dated : 30th May, 2011

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011**

| | Rupees | 2010-2011 Rupees | 2009-2010 Rupees |
|--|----------------------|-----------------------------------|-----------------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Net Profit before Taxation and Extraordinary items | | 3,82,73,221 | 4,92,36,533 |
| Adjustment for : Depreciation including Impairment | 64,53,477 | | 1,26,24,558 |
| : Loss / (Profit) on Sale/ Scrap of Fixed Assets (Net) | 1,20,43,894 | | (2,45,70,634) |
| : Interest Income | (10,91,922) | | (6,82,390) |
| : Dividend Income | (9,375) | | (7,813) |
| : Foreign Exchange Gain | (93,99,017) | | (70,66,826) |
| : Claims / Bad Debts written off | — | | 43,52,847 |
| : Provision for Doubtful Debts | — | | 40,41,724 |
| : Interest Expense | 75,34,819 | | 1,04,39,310 |
| | | 1,55,31,876 | (8,69,224) |
| Operating Profit before Working Capital changes | | 5,38,05,097 | 4,83,67,309 |
| Adjustment for : Decrease / (Increase) in Sundry Debtors and Other Receivables | | 70,18,630 | (6,37,83,339) |
| : Decrease / (Increase) in Inventories | | (72,63,995) | 1,43,61,361 |
| : Increase / (Decrease) in Sundry Creditors & Provisions | | 7,28,51,935 | 2,23,29,945 |
| Cash generated from Operations | | 12,64,11,667 | 2,12,75,276 |
| Direct Taxes Paid | (2,51,63,470) | | (96,16,730) |
| | | (2,51,63,470) | (96,16,730) |
| Net Cash from Operating Activities | | 10,12,48,197 | 1,16,58,546 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Purchase of Fixed Assets | (3,95,19,733) | | (2,11,43,403) |
| Proceeds from Sale of Fixed Assets | 4,73,110 | | 5,95,24,093 |
| Investment in Mutual Fund / Shares | (10,00,000) | | (10,05,000) |
| Sale Proceeds of Investment | — | | — |
| Interest Income | 10,91,922 | | 6,82,390 |
| Dividend Income | 9,375 | | 7,813 |
| Net Cash used in Investing Activities | | (3,89,45,326) | 3,80,65,892 |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Proceeds from Long Term & Short Term Borrowings | | 88,65,535 | 69,58,493 |
| Repayment of Long Term & Short Term Borrowings | | (85,00,000) | (5,00,00,000) |
| Increase / (Decrease) in Cash Credit | | (1,65,38,585) | 33,84,681 |
| Interest Paid | | (74,95,538) | (1,07,36,849) |
| Dividend Paid | | (22,82,781) | (9,15,457) |
| Corporate tax on Dividend | | (3,82,890) | (1,56,717) |
| Net Cash used in Financing Activities | | (2,63,34,259) | (5,14,65,849) |
| Net (Decrease)/Increase in Cash & Cash Equivalents | | 3,59,68,611 | (17,41,411) |
| Cash & Cash Equivalents as at beginning | | 1,25,81,609 | 1,43,23,020 |
| Cash & Cash Equivalents as at end of the year | | 4,85,50,220 | 1,25,81,609 |
| Net (Decrease)/Increase in Cash & Cash Equivalents as disclosed above | | 3,59,68,611 | (17,41,411) |
| Components of Cash and Cash equivalents as at | | 31st Mar - 2011 | 31st Mar - 2010 |
| Cash on Hand | | — | — |
| Balance with Banks - on Currents Accounts | | 2,07,50,220 | 80,81,609 |
| - on Deposit Accounts | | 2,78,00,000 | 45,00,000 |
| Total | | 4,85,50,220 | 1,25,81,609 |

NOTES :

- All figures in Brackets are Outflows.
- Figures relating to previous year have been recast where necessary.

As per our attached Report of even date.

For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants

VINAYAK M. PADWAL
Partner

For and on behalf of the Board
ASHOK B. KULKARNI Managing Director
K. JAGANNATHAN Executive Director

U. R. KAPADIA Director
NANAK G. SHETH Director
R. S. SODHI Director

HITEN VANJARA Company Secretary
Mumbai, Dated : 30th May, 2011

Mumbai, Dated : 30th May, 2011

**SCHEDULES FORMING PART OF THE BALANCE SHEET
AS AT 31ST MARCH, 2011**

| Notes | Rupees | As at 31-Mar-2011 Rupees | As at 31-Mar-2010 Rupees |
|---|---|--------------------------------|--------------------------------|
| SCHEDULE-1 : SHARE CAPITAL | | | |
| AUTHORISED : | | | |
| 20,00,000 | Equity Shares of Rs.10/- each | 2,00,00,000 | 2,00,00,000 |
| 20,000 | 11% Redeemable Cumulative Preference Shares of Rs.100/- each. | 20,00,000 | 20,00,000 |
| | | <u>2,20,00,000</u> | <u>2,20,00,000</u> |
| ISSUED, SUBSCRIBED AND PAID UP : | | | |
| 9,22,133 | Equity Shares of Rs.10/- each fully paid up | 92,21,330 | 92,21,330 |
| (9,22,133) | Of the above Shares, 5,33,600 Shares are allotted as fully paid up by way of Bonus Shares by Capitalisation of General Reserve. | | |
| | TOTAL | <u><u>92,21,330</u></u> | <u><u>92,21,330</u></u> |
| SCHEDULE-2 : RESERVES AND SURPLUS | | | |
| CAPITAL RESERVE : | | | |
| | (State Cash Subsidy on Fixed Capital Investments) | | |
| | As per Last Balance Sheet | 16,29,801 | 16,29,801 |
| CAPITAL REDEMPTION RESERVE ACCOUNT : | | | |
| | As per Last Balance Sheet | 5,00,000 | 5,00,000 |
| SECURITIES PREMIUM : | | | |
| | As per Last Balance sheet | 43,67,970 | 43,67,970 |
| GENERAL RESERVE : | | | |
| | As per Last Balance Sheet | 12,42,51,400 | 11,42,51,400 |
| | Add: Amount transferred from Profit and Loss Account | 1,00,00,000 | 1,00,00,000 |
| | | <u>13,42,51,400</u> | <u>12,42,51,400</u> |
| SURPLUS IN PROFIT AND LOSS ACCOUNT | | | |
| | | <u>3,76,75,472</u> | <u>3,36,07,997</u> |
| | TOTAL | <u><u>17,84,24,643</u></u> | <u><u>16,43,57,168</u></u> |
| SCHEDULE-3 : SECURED LOANS | | | |
| FROM BANKS : | | | |
| | Cash Credit Accounts | 6,01,52,635 | 7,66,91,221 |
| | Auto Loans | 21,95,245 | 25,29,709 |
| | Canara Bank - Rupee Term Loan | 41,20,000 | — |
| | TOTAL | <u><u>6,64,67,880</u></u> | <u><u>7,92,20,930</u></u> |

NOTES:

- 1 Cash Credit Accounts from a Bank are secured by Hypothecation and/or pledge of stock-in-trade, stores, spare parts, other materials and book debts. The cash credit accounts and term loans are further secured by the first charge by way of equitable mortgage on the Company's immovable properties, both present and future, situated at village Kanjari & Anand Office in the state of Gujarat.
- 2 Auto loans are secured by hypothecation of vehicles financed.
- 3 Canara Bank - Rupee Term Loan is secured by creating charge on Machines acquired by availing Term Loan.



| | Rupees | As at 31-Mar-2011 Rupees | As at 31-Mar-2010 Rupees |
|--|--------|--------------------------------|--------------------------------|
| SCHEDULE-4 : UNSECURED LOANS | | | |
| FIXED DEPOSITS | | | |
| {Including from the Directors Rs. 7,10,000 /- (Previous Year Rs. 7,10,000/-)}(Due within one year Rs. 94,15,000/- ; Previous Year Rs. 37,50,000/-) | | 2,40,00,000 | 1,89,20,000 |
| SHORT TERM LOANS AND ADVANCES: | | | |
| From Others | | — | 85,00,000 |
| TOTAL | | 2,40,00,000 | 2,74,20,000 |

SCHEDULE-5 : FIXED ASSETS

| PARTICULARS | BLOCK AT COST | | | DEPRECIATION / AMORTISATION | | | | NET BLOCK | | |
|---------------------------------|---------------------|------------------|--------------------|-----------------------------|---------------------|--------------------|------------------|-------------------------|---------------------------------|---------------------------------|
| | As on 1-Apr-10 | Additions | Deductions | Total Upto 31-Mar-11 | As on 1-Apr-10 | Deductions | For the Year | Total Upto 31-Mar-11 | Net Value As on 31-Mar-11 | Net Value As on 31-Mar-10 |
| | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees |
| TANGIBLE ASSETS | | | | | | | | | | |
| 1. Land | | | | | | | | | | |
| a. Freehold | 15,30,334 | — | — | 15,30,334 | — | — | — | — | 15,30,334 | 15,30,334 |
| b. LeaseHold | 6,34,382 | — | — | 6,34,382 | 2,04,906 | — | 96,109 | 3,01,015 | 3,33,367 | 4,29,476 |
| 2. Buildings | 2,98,07,764 | 2,50,000 | 3,70,324 | 2,96,87,440 | 95,74,355 | 1,09,347 | 6,68,819 | 1,01,33,827 | 1,95,53,613 | 2,02,33,409 |
| 3. Machinery | 12,77,66,921 | 19,42,795 | 6,40,12,546 | 6,56,97,170 | 9,96,64,899 | 5,29,64,791 | 43,83,972 | 5,10,84,080 | 1,46,13,091 | 2,81,02,022 |
| 4. Furniture & Fixtures | 59,22,422 | 1,59,791 | 24,19,470 | 36,62,743 | 40,39,643 | 19,80,317 | 1,69,568 | 22,28,894 | 14,33,849 | 18,82,779 |
| 5. Vehicles | 1,16,56,868 | 12,78,222 | 20,81,548 | 1,08,53,543 | 40,29,787 | 13,12,429 | 10,63,168 | 37,80,526 | 70,73,016 | 76,27,081 |
| INTANGIBLE ASSETS | | | | | | | | | | |
| 6. Software | 4,13,123 | — | — | 4,13,123 | 1,47,257 | — | 71,841 | 2,19,098 | 1,94,025 | 2,65,866 |
| TOTAL | 17,77,31,814 | 36,30,808 | 6,88,83,888 | 11,24,78,735 | 11,76,60,847 | 5,63,66,884 | 64,53,477 | 6,77,47,440 | 4,47,31,295 | 6,00,70,967 |
| Previous Year | 22,38,17,123 | 2,11,43,403 | 6,72,28,712 | 17,77,31,814 | 13,73,11,542 | 3,22,75,253 | 1,26,24,558 | 11,76,60,847 | 6,00,70,967 | |
| Capital Work in Progress | | | | | | | | | 3,58,88,926 | — |
| | | | | | | | | | 8,06,20,221 | 6,00,70,967 |

NOTE :

- (1) Buildings include Rs. 44,42,894/- (as at 31-03-2010 Rs. 44,42,894/-) being the cost of ownership flats. In respect of flats of the value of Rs. 2,40,093/- (as at 31-03-2010 Rs. 2,40,093/-) in Co-operative Societies, the Company has received shares of the face value of Rs.1500/- under the bye-laws of the Societies and in respect of flats of the value of Rs. 42,02,801/- (as at 31-03-2010 Rs. 42,02,801/-) in a Co-operative Society, the share certificate under the bye-laws of the Society is awaited.

| | Rupees | As at 31-Mar-2011 Rupees | As at 31-Mar-2010 Rupees |
|---|--------|--------------------------------|--------------------------------|
| SCHEDULE-6 : INVESTMENTS | | | |
| LONG TERM INVESTMENTS (At Cost) : | | | |
| IN SUBSIDIARY: | | | |
| 50,000 Equity Shares of the face value of Rs.10/- (50,000) each fully paid up in PUMA PROPERTIES LIMITED (100% Subsidiary Company - Unquoted) | | 5,00,000 | 5,00,000 |
| OTHER INVESTMENTS : | | | |
| 6,250 Equity Shares of the face value of Rs.10/- (6,250) each fully paid up in THE TINPLATE COMPANY OF INDIA LIMITED (Quoted) | | 2,12,500 | 2,12,500 |
| 10 Shares of the face value of Rs.50/- each (10) fully paid up in THE KAIRA JILLA KRISHI UTPADAN AND UTPADAKA SEVA SAHAKARI SANGH LIMITED (Unquoted) | | 500 | 500 |
| 10 Shares of the face value of Rs.10/- each (10) fully paid up in THE BOMBAY MERCANTILE CO-OPERATIVE BANK LIMITED (Unquoted) | | 100 | 100 |
| 10 Equity Shares of the face value of Rs.500/- (10) each fully paid up in CHAROTAR GAS SAHAKARI MANDALI LTD. (Unquoted) | | 5,000 | 5,000 |
| CURRENT INVESTMENTS: | | | |
| OTHER INVESTMENTS: | | | |
| 66,868.61 Units of Birla Sun Life Mutual Fund - Dynamic Bond Fund Retail - Growth (66,868.61) - face value of Rs.10/- each. (Unquoted) | | 10,00,000 | 10,00,000 |
| 25,072.59 Units of HDFC Cash Management Fund-Savings Plan-Growth (---) - face value of Rs.10/- each. (Unquoted) | | 5,00,000 | — |
| 453.109 Units of Baroda Pioneer Treasury Advantage Fund - Regular Growth Plan (---) - face value of Rs.10/- each. (Unquoted) | | 5,00,000 | — |
| TOTAL | | 27,18,100 | 17,18,100 |
| NOTES: | | | |
| 1 Aggregate of Quoted Investments: | | | |
| Cost | | 2,12,500 | 2,12,500 |
| Market Value | | 4,02,813 | 4,92,813 |
| 2 Aggregate of Unquoted Investments: | | | |
| Cost | | 25,05,600 | 15,05,600 |
| SCHEDULE-7 : INVENTORIES | | | |
| Stores and Spare Parts, Raw Materials, Finished Goods and process stock at cost or Net Realisable Value which ever is lower. | | | |
| Stores and Spare Parts | | 1,88,42,250 | 1,96,22,023 |
| Stock-in-Trade : | | | |
| Raw Materials (including material in transit Rs. 6,63,03,172/- ; Previous Year Rs. 4,01,78,998) | | 7,54,40,488 | 5,92,43,816 |
| Finished Goods-Manufactured Products (Containers and Ice-cream Cones) | | 3,17,12,411 | 2,07,42,210 |
| Process Stock | | 6,43,92,484 | 8,35,15,589 |
| TOTAL | | 17,15,45,383 | 16,35,01,615 |
| TOTAL | | 19,03,87,633 | 18,31,23,638 |



| | Rupees | As at 31-Mar-2011 Rupees | As at 31-Mar-2010 Rupees |
|---|--------------|--------------------------------|--------------------------------|
| SCHEDULE-8 : SUNDRY DEBTORS (UNSECURED) | | | |
| Debts outstanding for a period exceeding six months | | 70,34,729 | 1,15,48,295 |
| Other Debts | | 7,78,09,109 | 7,19,54,845 |
| | | <u>8,48,43,838</u> | <u>8,35,03,140</u> |
| Less : Provision for Doubtful Debts | | 66,07,212 | 66,07,212 |
| TOTAL | | <u><u>7,82,36,626</u></u> | <u><u>7,68,95,928</u></u> |
| NOTE: | | | |
| Considered Good | | 7,82,36,626 | 7,68,95,928 |
| Considered Doubtful | | 66,07,212 | 66,07,212 |
| TOTAL | | <u><u>8,48,43,838</u></u> | <u><u>8,35,03,140</u></u> |
| SCHEDULE-9 : CASH AND BANK BALANCES | | | |
| Cash on Hand | | — | — |
| Bank Balances - With Scheduled Banks: | | | |
| In Current Accounts | | 2,07,50,220 | 80,81,609 |
| In Fixed Deposit Accounts | | 2,78,00,000 | 45,00,000 |
| TOTAL | | <u><u>4,85,50,220</u></u> | <u><u>1,25,81,609</u></u> |
| SCHEDULE-10 : LOANS AND ADVANCES | | | |
| Unsecured and Considered Good: | | | |
| Advances recoverable in cash or in kind or for value to be received | | 3,12,22,308 | 3,31,34,563 |
| Deposit with Excise and Customs Authorities | | 5,86,27,909 | 5,49,13,355 |
| Advance Payment of Tax (Net of Provision for Tax Rs. 8,80,09,346/- , P.Y. Rs. 6,10,09,346/-) | | 1,52,04,294 | 1,70,40,810 |
| Fringe Benefit Tax (Net of Provision for Tax Rs. 26,20,000/- , P.Y. Rs. 26,20,000/-) | | 5,000 | 5,000 |
| Advance to Subsidiary | | 52,33,591 | 1,22,83,531 |
| TOTAL | | <u><u>11,02,93,102</u></u> | <u><u>11,73,77,259</u></u> |
| SCHEDULE-11 : CURRENT LIABILITIES | | | |
| Sundry Creditors | | | |
| i) Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note No. 11 of Schedule 19) | — | | — |
| ii) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises | 15,20,39,209 | | 11,86,22,901 |
| | | <u>15,20,39,209</u> | <u>11,86,22,901</u> |
| INVESTOR EDUCATION AND PROTECTION FUND * | | | |
| i) Unpaid Dividends | | 77,408 | 54,855 |
| ii) Unclaimed Matured Deposits | | 25,000 | 25,000 |
| Interest accrued but not due on loans | | 39,281 | — |
| Other Liabilities | | 7,61,52,320 | 4,38,64,917 |
| TOTAL | | <u><u>22,83,33,218</u></u> | <u><u>16,25,67,673</u></u> |
| * There is no amount due and outstanding as at Balance Sheet date to be credited to Investor Education and Protection Fund. | | | |
| SCHEDULE-12 : PROVISIONS | | | |
| Proposed Dividend | | 23,05,333 | 23,05,333 |
| Tax on Proposed Dividend | | 3,73,983 | 3,82,890 |
| Provision for Compensated Absences | | 49,31,860 | 40,70,952 |
| TOTAL | | <u><u>76,11,176</u></u> | <u><u>67,59,175</u></u> |

**SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2011**

| | Rupees | Year Ended 31-Mar-2011 Rupees | Year Ended 31-Mar-2010 Rupees |
|--|--------------|-------------------------------------|-------------------------------------|
| SCHEDULE-13 : SALES | | | |
| Product Sales (Including Excise Duty) | | 1,03,05,22,031 | 90,18,10,990 |
| Other Sales (Including Excise Duty) | | 9,42,06,176 | 7,32,45,256 |
| TOTAL | | <u>1,12,47,28,207</u> | <u>97,50,56,246</u> |
| SCHEDULE-14 : OTHER INCOME | | | |
| Dividend Received on Long Term Investment | | 9,375 | 7,813 |
| Interest Received (on deposits etc.) (Gross) | | | |
| {Income Tax deducted at source Rs. 66,980/-; Previous Year Rs. 43,991/-} | | 10,91,922 | 6,82,390 |
| Rent of premises given on lease | | | |
| {Income Tax Deducted at source Rs. Nil ; Previous Year Rs. 76,800/-} | | 30,000 | 4,50,968 |
| Foreign Exchange Gain | | 93,99,017 | 70,66,826 |
| Miscellaneous Receipts | | 21,94,960 | 12,19,759 |
| TOTAL | | <u>1,27,25,274</u> | <u>94,27,756</u> |
| SCHEDULE-15 : MANUFACTURING AND OTHER EXPENSES | | | |
| A. RAW MATERIALS | | | |
| (including Components Consumed) | | 64,52,72,574 | 54,60,76,520 |
| B. PAYMENTS TO AND PROVISION FOR EMPLOYEES : | | | |
| 1. Salaries, Wages, Bonus and Allowances | 5,12,53,123 | | 4,31,26,843 |
| 2. Contribution to Provident Fund, Superannuation and Gratuity Funds | 95,97,123 | | 87,13,004 |
| 3. Employees' Welfare Expenses | 50,74,865 | | 52,68,556 |
| | | 6,59,25,111 | 5,71,08,403 |
| C. OPERATION AND OTHER EXPENSES : | | | |
| 1. Stores and Spare Parts Consumed | 15,73,96,147 | | 15,13,86,825 |
| 2. Printing etc. | 1,57,09,721 | | 1,27,47,399 |
| 3. Power and Fuel | 3,57,67,601 | | 3,54,87,150 |
| 4. Rent : | | | |
| (a) Rent | 87,48,462 | | 80,73,500 |
| (b) Machinery Hire Charges | 3,44,136 | | 3,41,361 |
| | | 90,92,598 | 84,14,861 |
| 5. Repairs to Buildings | 2,55,646 | | 6,03,897 |
| 6. Repairs to Machinery | 25,90,033 | | 23,08,904 |
| 7. Insurance | 10,66,483 | | 17,24,516 |
| 8. Rates and Taxes | 28,98,813 | | 27,21,980 |
| 9. Discount on Sales | 1,01,65,593 | | 26,96,785 |
| 10. Commission on Sales | 17,47,887 | | 12,82,305 |
| 11. Donations | 5,00,000 | | — |
| 12. Claims written off | — | | 43,52,847 |
| 13. Bad Debts written off | — | | — |
| 14. Sundry Debit Balance Written off | 1,48,919 | | 64,992 |
| 15. Excise duty (Net)(Refer Note No. 14 of Schedule No. 19) | 13,24,969 | | 13,13,173 |
| 16. Loss on Sale / Scrap of Fixed Assets | 1,20,43,894 | | 50,07,848 |
| 17. Miscellaneous Expenses (Including Travelling, Vehicle Exp., Printing and Stationery, Advertisements, Postage, Telegram and Telephone Exp., Freight, Sundry Exp., Labour Chgs. Rs. 2,63,00,826/- (Previous Year Rs 1,92,75,874/-), Provision for Doubtful Debts Rs. Nil , (Previous Year Rs. 40,41,724/-). | | 9,80,05,579 | 6,82,99,431 |
| | | 34,87,13,883 | 29,84,12,913 |
| | | 40,000 | 65,000 |
| TOTAL | | <u>1,05,99,51,568</u> | <u>90,16,62,836</u> |
| D. DIRECTORS' SITTING FEES | | | |



| | Rupees | Year Ended 31-Mar-2011 Rupees | Year Ended 31-Mar-2010 Rupees |
|---|-------------|-------------------------------------|-------------------------------------|
| SCHEDULE-16 : INVENTORY CHANGES - DECREASE | | | |
| Stock on 31st March, 2011 : | | | |
| Finished Goods | 3,17,12,411 | | 2,07,42,210 |
| Process Stock | 6,43,92,484 | | 8,35,15,589 |
| | | 9,61,04,895 | 10,42,57,799 |
| Less: Stock on 1st April, 2010 : | | | |
| Finished Goods | 2,07,42,210 | | 3,19,50,036 |
| Process Stock | 8,35,15,589 | | 12,84,03,946 |
| | | 10,42,57,799 | 16,03,53,982 |
| TOTAL | | 81,52,904 | 5,60,96,183 |
| SCHEDULE-17 : INTEREST | | | |
| On Fixed Loans and Deposits {Including Rs. Nil (Previous Year Rs. Nil) to the Managing Director} | | 25,36,591 | 25,30,749 |
| On Other Loans etc. | | 49,98,228 | 79,08,561 |
| TOTAL | | 75,34,819 | 1,04,39,310 |

SCHEDULE-18: SIGNIFICANT ACCOUNTING POLICIES

1. Significant Accounting Policies adopted by the Company in the preparation and presentation of financial statements:

(A) Basis of Accounting:

The accounts are prepared on accrual basis under the historical cost convention in accordance with generally accepted accounting principles ['GAAP'] and in compliance with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956 and other relevant provisions of the said Act.

(B) Use of Estimates:

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

(C) Fixed Assets:

(i) Fixed Assets are recorded at cost of acquisition or construction. They are stated at historical cost. Fixed Assets acquired on lease basis from Leasing Companies prior to 1st April, 2001 are not included in the Schedule of Fixed Assets. Lease Rentals paid in respect thereof are charged to Profit and Loss Account.

(ii) Management evaluates at regular intervals, using external and internal sources whether there is any impairment of any asset. Impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its net realisable value on eventual disposal. Any loss on account of impairment is expensed as the excess of the carrying amount over the higher of the asset's net realisable value or present value as determined.

Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased.

(iii) Depreciation:

Depreciation has been calculated on straight line basis in accordance with the provisions of Section 205(2) (b) of the Companies Act, 1956 at the rates and in the manner specified in Schedule XIV to the said Act. Cost of Leasehold Land is amortised over the lease period. Intangible Assets (Computer Software) is being amortised over a period of Five years on Straight Line Method.

Assets costing less than Rs. 5,000/- are fully depreciated in the year of acquisition.

(iv) Intangible Assets:

Intangible Assets are stated at cost of acquisition.

SCHEDULE-18 : — [Contd.]**(D) Investments:**

Long Term Investments are shown at cost. Provision is made for any diminution, other than temporary, in the value of investments.

(E) Employee Benefits :

Retirement and Gratuity benefits

The Company contributes to Government provident fund as required by statute, which is a defined contribution plan. The same is charged to Profit and Loss account.

Superannuation Scheme is a defined contribution scheme and the contribution is charged to the Profit and Loss Account of the year when the contribution to the fund is due.

There are no other obligations other than the contribution payable to the respective authorities.

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method.

Long term compensated absences are provided for based on actuarial valuation made at the end of each financial year. The actuarial valuation is done as per projected unit credit method.

Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

(F) Valuation of Inventories :

- (i) Stores and Spare Parts are valued at first-in first-out cost or Net Realisable Value whichever is lower.
- (ii) Raw materials are valued at first-in first-out cost or Net Realisable Value whichever is lower. The cost includes purchase price as well as incidental expenses.
- (iii) Process Stock is valued at cost or Net realisable value whichever is lower. Cost is arrived at on the basis of absorption costing.
Finished Goods manufactured (Containers, Can making machinery, Ice cream cones) are valued at absorption cost or net realisable value whichever is lower.

(G) Foreign currency Transactions:**(a) Initial recognition:**

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of transaction.

(b) Conversion:

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(c) Exchange Differences:

Exchange differences arising on the settlement / conversion of monetary items are recognised as income or expense in the year in which it arises.

The premium or discount arising at the inception of forward exchange contracts is amortised as expenses or income over the life of the respective contracts. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or expense for the year.

(H) Export Benefits / Incentives:

Export Benefits / Incentives in respect of import duty benefits under DEEC scheme are accounted on accrual basis on the basis of exports made under DEEC scheme.

(I) Revenue Recognition:

- (i) Sales are accounted on despatch of products. Export sales are accounted on the basis of date of bill of lading.
- (ii) Revenue in respect of Insurance / other claims, interest etc. is recognised only when it is reasonably certain that the ultimate collection will be made.

(J) Borrowing Cost:

Interest and other costs in connection with the borrowing of the funds to the extent related / attributed to the acquisition / construction of qualifying fixed assets are capitalised up to the date when such assets are ready for their intended use and other borrowing costs are charged to Profit & Loss Account. A qualifying asset is one that necessarily takes substantial period of time i.e. more than 12 months to get ready for intended use.



SCHEDULE-18 : — [Contd.]

(K) Segment Accounting Policies:

(a) Segment assets and liabilities:

All Segment assets and liabilities are directly attributable to the segment. Segment assets include all operating assets used by the segment and consist principally of fixed Assets, inventories, sundry debtors, loans and advances and operating cash & bank balances. Segment assets and liabilities do not include inter-corporate deposits, share capital, reserves and surplus, borrowings and taxes.

(b) Segment revenue and expenses:

Segment revenue and expenses are directly attributable to respective segment. It does not include interest income / expenses on inter-corporate deposits and borrowings, general administrative expenses, other expenses that arise at the enterprise level and relate to the enterprise as a whole and Income tax.

(L) Taxation:

Income Taxes are accounted for in accordance with Accounting Standard (AS 22)- 'Accounting for Taxes on Income', notified in the Companies (Accounting Standard) Rules, 2006.

Income Tax comprises both current and deferred tax. Current tax is measured on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax resulting from "timing differences" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable/ virtual certainty that the asset will be realised in future.

Tax on distributed profits payable in accordance with the provisions of section 115-O of the Income Tax Act, 1961 is in accordance with the Guidance Note on Accounting for Corporate Dividend Tax regarded as a tax on distribution of profits and is not considered in determination of the profits for the year.

(M) Leases

(a) Lease transactions entered into prior to 1st April, 2001 :

Lease rentals in respect of assets acquired under lease are charged to Profit & Loss Account.

(b) Lease transactions entered into on or after 1st April, 2001 :

i. Assets acquired under lease where the Company has substantially all the risks and rewards incidental to ownership are classified as finance leases. Such assets are capitalised at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

ii. Assets acquired on leases where a significant portion of the risks and rewards incidental to ownership is retained by the lessor are classified as operating lease. Lease rentals under operating leases are recognized in the Profit and Loss account on a straight line basis.

(N) Provisions, Contingent Liabilities and Contingent Assets :

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

SCHEDULE-19: NOTES ON BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

| | Current year Rupees | Previous year Rupees |
|---|------------------------|-------------------------|
| 1. Estimated amount of Contracts remaining to be executed on Capital Account and not Provided for: | | |
| Tangible Assets | 7,17,16,407 | --- |
| Intangible Assets | --- | 94,100 |
| 2. Contingent Liabilities in respect of: | | |
| (i) Disputed demands of Central Excise Department not provided for | 2,57,62,586 | 1,64,16,184 |
| Advance paid against said liability | 20,85,360 | 7,00,000 |

Note: In the opinion of the management, demand of Central Excise is not likely to materialise into the liability. However, even if the Company is called upon to pay the amount demanded by the Central Excise, the same is fully recoverable from customers concerned in terms of agreement / contract entered into with the respective customers.

SCHEDULE-19 : — [Contd.]

| | | |
|--|--------------------------------|-------------------------|
| (ii) Disputed demands of Sales Tax Authorities not provided for | 2,50,320 | 2,50,320 |
| Advance paid against said liability | 1,00,000 | 1,00,000 |
| (iii) Disputed demands of Income – tax department not provided for | 1,81,94,159 | 1,91,41,461 |
| Amount adjusted by Income – tax department out of refunds of subsequent assessment years. | 90,41,620 | 77,87,387 |
| In respect of items mentioned above, till the matters are finally decided the financial effect cannot be ascertained. | | |
| 3. Payments to Auditors: | | |
| (a) As Auditors | 5,75,000 | 4,25,000 |
| (b) As Advisor or in any other capacity in respect of:- | | |
| Taxation Matters | — | — |
| In any other manner | 1,74,999 | 1,74,999 |
| (c) Reimbursement of Out of Pocket Expenses | 2,667 | 14,844 |
| (d) Service Tax | 62,075 | 63,333 |
| | 8,14,741 | 6,78,176 |
| 4. Managerial Remuneration under Section 198 of the Companies Act, 1956: | | |
| To Managing Director(s) / Executive Director | | |
| (a) Salaries | 22,20,000 | 16,80,000 |
| (b) Company's Contribution to Provident, Superannuation and other Funds(*) | 5,99,400 | 4,53,600 |
| (c) Perquisites and Allowances | 17,02,000 | 12,88,000 |
| | 45,21,400 | 34,21,600 |
| * excludes Company's Contribution to Gratuity Fund and provision for compensated absences made on the basis of actuarial valuation for company as whole. | | |
| 5. Earnings per Share: | | |
| | Current Year Rupees | Previous Year Rupees |
| (A) Net Profit after tax (Numerator) | 1,67,46,791 | 4,04,31,502 |
| (B) Weighted average number of equity shares (Denominator) (Nos.) | 9,22,133 | 9,22,133 |
| (C) Basic and Diluted Earnings per share (A/B) (in Rupees) | 18.16 | 43.85 |
| (D) Nominal value per equity share (in Rupees) | 10 | 10 |
| 6. Some of the Debtors and Creditors balances are subject to balance confirmation. | | |
| 7. Segment Information: | | |
| (A) Primary Segment Reporting (by Business Segment) | | |
| (i) Composition of Business Segments | | |
| The Company's business segments based on product lines are as under: | | |
| • Tin Containers | | |
| Segment manufactures Open Top Sanitary Cans, General Line Metal Containers and Components for Metal Containers. | | |
| • Ice Cream Cones | | |
| Segment manufactures Rolled Sugar Cones for filling Ice cream. | | |
| • Milk & Milk Products Division | | |
| Segment processes Milk for the brand name of 'Amul'. | | |



SCHEDULE-19 : — [Contd.]

(ii) Segment Revenues, Results and Other information

| | (Rupees) | | | |
|--|----------------|-----------------|---------------|------------------------------|
| | Tin Containers | Ice Cream Cones | Milk | Total of Reportable Segments |
| External Sales (Net of Excise Duty) | 1,00,35,54,338 | 4,37,99,442 | 6,02,86,935 | 1,10,76,40,715 |
| | (89,91,48,069) | (4,07,85,774) | (5,11,19,340) | (99,10,53,183) |
| Other Income | 1,12,72,658 | 1,846 | 11,07,982 | 1,23,82,486 |
| | (83,41,190) | (7,279) | (3,18,351) | (86,66,820) |
| Segment Revenues | 1,01,48,26,997 | 4,38,01,288 | 6,13,94,917 | 1,12,00,23,201 |
| | (90,74,89,259) | (4,07,93,053) | (5,14,37,691) | (99,97,20,003) |
| Segment Results | 4,42,37,531 | 21,98,126 | 11,22,999 | 4,75,58,656 |
| | (3,49,17,134) | (54,052) | (6,70,614) | (3,56,41,800) |
| Segment Assets | 43,34,68,624 | 1,59,22,563 | 2,88,81,779 | 47,82,72,965 |
| | (37,55,01,717) | (1,88,15,492) | (2,41,08,014) | (41,84,25,223) |
| Segment Liabilities | 30,66,32,278 | 79,19,648 | 41,46,764 | 31,86,98,690 |
| | (15,59,73,996) | (29,91,596) | (35,22,226) | (16,24,87,818) |
| Capital Expenditure (included in Segment Assets) | 3,95,19,733 | -- | -- | 3,95,19,733 |
| | (2,00,74,427) | (1,46,510) | (9,22,466) | (2,11,43,403) |
| Depreciation | 24,04,290 | 20,63,925 | 9,54,033 | 54,22,248 |
| | (47,63,861) | (19,99,599) | (49,54,936) | (1,17,18,396) |

(iii) Reconciliation of Reportable Segments with the Financial Statements

| | (Rupees) | | | |
|---------------------------------|------------------|---------------------|----------------|----------------|
| | Revenue | Result/ Net Profits | Assets | Liabilities |
| Total of Reportable Segments | 1,12,00,23,201 | 4,75,58,656 | 47,82,72,965 | 31,86,98,690 |
| | (99,97,20,003) | (3,56,41,800) | (41,84,25,223) | (16,24,87,818) |
| Corporate / Unallocated Segment | 3,42,787 | -17,50,616* | 3,25,32,935 | 77,13,584 |
| | (3,03,39,417) | (2,40,34,043)* | (3,33,42,281) | (11,57,01,185) |
| Interest | --- | -75,34,819 | --- | --- |
| | (--) | (-1,04,39,310) | (--) | (--) |
| As per Financial Statement | 1,12,03,65,989 | 3,82,73,221 | 51,08,05,901 | 32,64,12,273 |
| | (1,03,00,59,420) | (4,92,36,533) | (45,17,67,504) | (27,81,89,003) |

* It includes profit/loss on Sale of Fixed Assets.

(Figures in brackets are in respect of previous year)

(B) Secondary Segment Reporting (by Geographical Segments)

Since the Company does not have material earnings emanating from outside India, it is considered to operate only in the domestic segment.

8. Deferred Tax:

The break up of net deferred tax assets / (liability) as at 31st March, 2011 is as under :

| | (Rupees) | |
|---|--------------------|------------------------|
| | Deferred Tax Asset | Deferred Tax Liability |
| Timing difference on account of: | | |
| Difference between book depreciation and depreciation under the Income-Tax Act 1961 | — | 21,02,855 |
| | (--) | (65,50,612) |
| Expenses allowable on payment basis and provision for doubtful debts | 53,55,200 | — |
| | (43,29,387) | (---) |
| Total | 53,55,200 | 21,02,855 |
| | (43,29,387) | (65,50,612) |
| Net Deferred Tax Asset / (Liability) | | 32,52,345 |
| | | (22,21,225) |

(Figure in brackets are in respect of previous year)

SCHEDULE-19 : — [Contd.]**9. Related Party disclosures**

Related party disclosures as required by (AS 18) 'Related Party Disclosures' notified in the Companies (Accounting Standard) Rules, 2006.

1. Subsidiary
Puma Properties Ltd.
2. Key management personnel & relatives of such personnel
Mr. Ashok B. Kulkarni Managing Director
Mrs. Nayana A. Kulkarni Relative of Managing Director
Mr. K. Jagannathan Executive Director
Mrs. Saraswathi Jagannathan Relative of Executive Director
3. Other related party where there have been transactions :
Enterprise which has significant influence on the Company:
Gujarat Co-op. Milk Marketing Federation Ltd. (GCMMF)
4. The following transactions were carried out with the related parties in the ordinary course of business
Details relating to the parties referred to in items (1) and (2) above:

| | Subsidiary | Key Management Personnel & their relatives | Other Related Party | Total (Rupees) |
|---|----------------------------|--|------------------------------|------------------------------|
| Sale of Materials | | | 5,17,52,146 (4,93,63,515) | 5,17,52,146 (4,93,63,515) |
| Sale of Property | -- (5,93,00,000) | | | -- (5,93,00,000) |
| Rendering of Services | | | 6,38,345 (2,70,900) | 6,38,345 (2,70,900) |
| Expenses Recovered / (Reimbursed) | | | 3,97,132 (-3,61,911) | 3,97,132 (-3,61,911) |
| Interest Paid: | | | | |
| Mrs. Nayana A. Kulkarni | | 2,421 (4,725) | -- (--) | 2,421 (4,725) |
| Mr. K. Jagannathan | | 10,500 (5,250) | -- (--) | 10,500 (5,250) |
| Mrs. Saraswathi Jagannathan | | 26,250 (15,211) | -- (--) | 26,250 (15,211) |
| Dividend Paid: | | | | |
| G.C.M.M.F. LTD. | | | 5,95,040 (2,38,016) | 5,95,040 (2,38,016) |
| Managerial Remuneration: | | | | |
| Mr. Ashok B.Kulkarni | | 22,60,700 (17,10,800) | -- (--) | 22,60,700 (17,10,800) |
| Mr. K. Jagannathan | | 22,60,700 (17,10,800) | -- (--) | 22,60,700 (17,10,800) |
| Outstanding amount payable / (receivable) (including deposits) : | | | | |
| Puma Properties Ltd. | 52,33,591 (1,22,83,531) | | | 52,33,591 (1,22,83,531) |
| G.C.M.M.F. LTD. | | | 10,94,726 (-34,34,731) | 10,94,726 (-34,34,731) |
| Mrs. Nayana A. Kulkarni | | -- (45,000) | -- (--) | -- (45,000) |
| Mr. K. Jagannathan | | 1,00,000 (1,00,000) | -- (--) | 1,00,000 (1,00,000) |
| Mrs. Saraswathi Jagannathan | | 2,50,000 (2,50,000) | -- (--) | 2,50,000 (2,50,000) |

(Figures in brackets are in respect of previous year.)

**SCHEDULE-19 : — [Contd.]****10. Leases**

Operating Lease

The Company has taken various residential / Commercial premises and plant and machinery under other than non cancellable operating leases. These lease agreements are normally renewed on expiry. The lease payments recognised in Profit & Loss Account is Rs. 90,92,598/- (Previous year Rs. 84,14,861/-).

The Company has given residential / Commercial premises under other than non cancellable operating leases. These lease agreements are normally renewed on expiry. The lease receipts recognised in Profit & Loss Account is Rs. Nil/- (Previous year Rs. 4,50,968/-).

11. There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March 2011. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company. The auditors have relied on the information provided by the management.
12. Additional information pursuant to paragraphs 3(i)(a), 3(ii)(a), 4C and 4D of Part II of Schedule VI to the Companies Act, 1956 :

| | Unit | Current Year | | Previous Year | |
|------------------------------------|------|--------------|----------------------|---------------|---------------------|
| | | Quantity | Value Rupees | Quantity | Value Rupees |
| (i) Turnover : | | | | | |
| Metal Containers | Nos. | 620.44 Lakhs | 83,92,34,992 | 608.36 Lakhs | 74,79,43,496 |
| Components | Nos. | 225.23 Lakhs | 14,54,87,036 | 160.38 Lakhs | 11,13,17,251 |
| Other Sales | | — | 9,42,06,176 | — | 7,32,45,255 |
| Can Making Machinery Accessories | | — | 2,17,486 | — | 1,51,892 |
| Ice cream Cones (Waffles & Wafers) | Nos. | 328.02 Lakhs | 4,55,82,516 | 323.23 Lakhs | 4,23,98,352 |
| TOTAL | | | 112,47,28,206 | | 97,50,56,246 |
| (ii) Raw Materials Consumed | | | | | |
| Tinplate | M.T. | 10,013.147 | 60,92,53,762 | 9,140.448 | 51,53,42,449 |
| Aluminium Foil | Kgs. | 1,42,610 | 2,82,97,758 | 1,24,835.400 | 2,35,60,224 |
| Maida | Kgs. | 1,74,025.000 | 37,18,160 | 1,88,975.000 | 31,91,282 |
| Sugar | Kgs. | 77,537.000 | 25,40,740 | 86,181.000 | 26,31,816 |
| Others | | — | 14,62,154 | — | 13,50,749 |
| TOTAL | | | 64,52,72,574 | | 54,60,76,520 |

(iii) Opening and Closing Stocks

| | Closing Stock As on 31.03.2011 | | Opening Stock As on 01.04.2010 | | Opening Stock As on 01.04.2009 | |
|---------------------------------------|-----------------------------------|-----------------|-----------------------------------|-----------------|-----------------------------------|-----------------|
| | Quantity Nos | Value Rupees | Quantity Nos | Value Rupees | Quantity Nos | Value Rupees |
| (a) Goods produced : | | | | | | |
| Containers | 26,73,790 | 3,01,54,823 | 19,73,546 | 2,00,78,032 | 18,79,584 | 3,08,70,769 |
| Ice Cream Cones (Waffles & Wafers) | 11.91 Lakh Nos. | 15,57,588 | 5.34 Lakh Nos. | 6,64,178 | 8.31 Lakh Nos. | 10,79,267 |

SCHEDULE-19 : — [Contd.]**(iv) Capacity and Production :**

| | Unit | Current Year Quantity | Previous Year Quantity |
|---|------|---|---|
| Licensed capacity at the year end : | | | |
| (a) Open Top Sanitary Cans and General Line Containers Ice Cream Cones (Waffles & Wafers) | M.T. | 18,000 per annum Not Applicable | 18,000 per annum Not Applicable |
| (b) Can Making Machinery | | [See Note (i) below] | [See Note (i) below] |
| Note: (i) The Company is registered with DGTD, New Delhi for Manufacture of 100 Nos. Can Making Machinery per annum on the Basis of maximum utilisation of capacity. | | | |
| Installed Capacity at the year end: (as certified by the Management) | | | |
| (a) Open Top Sanitary Cans and General Line Containers Ice Cream Cones (Waffles & Wafers) | M.T. | 18,000 per annum 700 Lakhs per annum | 18,000 per annum 700 Lakhs per annum |
| (b) Can Making Machinery | Nos. | 100 per annum | 100 per annum |
| Actual Production: | | | |
| Open Top Sanitary Cans and General Line Containers | Nos. | 627.44 Lakhs | 609.30 Lakhs |
| Ice Cream Cones (Waffles & Wafers) | Nos. | 334.59 Lakhs | 320.26 Lakhs |
| | | Current Year Rupees | Previous Year Rupees |

(v) Value of imports on C.I.F. basis in respect of :

| | | |
|---|---------------------|--------------|
| (i) Raw Materials (including exchange difference (Net) of Rs. 60,65,576 /- (Previous year Rs. 66,76,879/-) | 38,58,41,764 | 28,55,66,027 |
| (ii) Stores and Spares (Including exchange difference (Net) of Rs. 57,417 /- Previous year Rs. Rs. 265659/-) | 1,35,22,524 | 1,64,14,255 |
| (iii) Capital Goods (Including exchange difference (Net) of Rs 2,77,280/- (Previous year Rs Nil) | 1,90,91,604 | --- |

(vi) Expenditure in Foreign Currency :

| | Current Year Rupees | Previous Year Rupees |
|--|------------------------|-------------------------|
| (On accrual basis) | | |
| Interest | Nil | 33,732 |
| Other Matters (Travelling, Subscription, Interest, Commission, Other charges on export etc.) | 6,16,420 | 4,23,212 |
| | 6,16,420 | 4,56,944 |

(vii) Value of imported and indigenous Raw Materials, Stores and Spare Parts Consumed :

| | Rupees | Current Year % of total Consumption | Rupees | Previous Year % of total Consumption |
|-------------------------------------|---------------------|---|---------------------|--|
| (a) Raw Materials : | | | | |
| Imported | 42,92,00,111 | 66.51 | 30,33,35,354 | 55.55 |
| Indigenous | 21,60,72,463 | 33.49 | 24,27,41,166 | 44.45 |
| Total | 64,52,72,574 | 100.00 | 54,60,76,520 | 100.00 |
| (b) Stores and Spare Parts : | | | | |
| Imported | 1,78,69,619 | 11.35 | 2,88,16,281 | 19.04 |
| Indigenous | 13,95,26,528 | 88.65 | 12,25,70,544 | 80.96 |
| Total | 15,73,96,147 | 100.00 | 15,13,86,825 | 100.00 |

Note: The above particulars of consumption of imported and indigenous materials have been ascertained by the Management on the basis of information available with them.

(viii) Earnings in Foreign Exchange :

| | Current Year Rupees | Previous Year Rupees |
|---|------------------------|-------------------------|
| Export of Goods on F.O.B. basis (including exchange difference) | 15,31,87,717 | 11,94,48,814 |

**SCHEDULE-19 : — [Contd.]**

13. The Company uses forward contracts to mitigate its risk associated with foreign currency fluctuations having underlying transactions and relating to firm commitments or highly probable forecasted transactions. The Company does not enter into any forward contract which is intended for trading or speculative purposes.

a) The details of forward contracts outstanding at the year end is as follows:

| | Current Year | | Previous Year | |
|--|------------------------|---------------------|------------------------|---------------------|
| | Foreign Currency (USD) | Equivalent (Rupees) | Foreign Currency (USD) | Equivalent (Rupees) |
| Forward contracts for payables including firm commitments and highly probable forecasted transactions: | | | | |
| Raw Material | 1,36,630 | 62,22,124 | 7,25,028 | 3,28,80,022 |
| Capital Goods | 2,00,000 | 92,48,260 | — | — |

b) The details of foreign currency exposure that have not been hedged by a forward contract at the year end is as follows:

| | Currency | Current Year | | Previous Year | |
|---|----------|------------------|---------------------|------------------|---------------------|
| | | Foreign Currency | Equivalent (Rupees) | Foreign Currency | Equivalent (Rupees) |
| Amount payable / receivable (shown in -) in foreign currency on Account of: | | | | | |
| Import of goods: | | | | | |
| Raw Material | USD | 5,91,182 | 2,65,26,297 | 1,27,984 | 58,04,095 |
| | Euro | — | — | 49,398 | 30,14,295 |
| Capital Goods | USD | 1,40,000 | 62,81,786 | — | — |
| | GBP | -1,16,000 | -82,17,941 | — | — |
| Export of goods | USD | -4,75,142 | -2,11,05,826 | -3,95,094 | -1,77,35,782 |
| | USD | 2,56,040 | 1,17,02,257 | -2,67,110 | -1,19,31,687 |
| Total | Euro | — | — | 49,398 | 30,14,295 |
| | GBP | -1,16,000 | -82,17,941 | | |

14. Excise Duty shown under expenditure represents the aggregate of excise duty borne by the Company and difference between excise duty on opening and closing stock of finished goods.

15. Disclosures as per Accounting Standard 15 (Revised)

Gratuity:

The employees' gratuity fund scheme managed by Trust is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Accumulated Compensated absences :

The employees of the Company are also entitled to compensated absence as per the Company's policy.

| | Gratuity (Funded) | | Leave encashment (Non funded) | |
|--|-------------------|---------------|-------------------------------|---------------|
| | Current Year | Previous Year | Current Year | Previous Year |
| i) Change in benefit obligations: | | | | |
| Projected benefit obligations, beginning of the year (April 1, 2010) | 1,67,70,411 | 1,58,22,188 | 40,70,952 | 40,83,228 |
| Service Cost | 13,82,559 | 18,91,377 | 15,08,503 | 12,80,119 |
| Past Service Cost | 7,41,303 | --- | --- | --- |
| Interest Cost | 12,51,626 | 10,19,219 | 3,25,676 | 2,57,888 |
| Actuarial (gain) / loss | 16,81,820 | 5,61,458 | (9,73,271) | (7,52,052) |
| Benefits paid | (22,50,181) | (25,23,831) | --- | (7,98,231) |
| Projected benefit obligations, end of the year | 1,95,77,538 | 1,67,70,411 | 49,31,860 | 40,70,952 |

SCHEDULE-19 : — [Contd.]

| | | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| ii) Change in fair value plan assets: | | | | |
| Fair value of plan assets, at beginning of the year (April 1, 2010) | 1,57,70,411 | 1,37,92,736 | --- | --- |
| Adjustment to Opening Balance | 52,605 | --- | --- | --- |
| Expected return on plan assets | 13,85,841 | 10,05,415 | --- | --- |
| Actuarial gain/(loss) | 10,67,274 | (1,68,419) | --- | --- |
| Employer contribution | 30,00,000 | 11,40,679 | --- | 7,98,231 |
| Benefits paid | (--) | (--) | --- | (7,98,231) |
| Fair value of plan assets at the end of the year | 2,12,76,131 | 1,57,70,411 | --- | --- |
| Excess of (obligation over plan asset) / plan assets over obligation | 16,98,593 | (10,00,000) | (49,31,860) | 40,70,952 |
| (Accrued liability) / plan assets over obligation | 16,98,593 | (10,00,000) | (49,31,860) | (40,70,952) |
| iii) | | | | |
| Service Cost | 13,82,559 | 18,91,377 | 15,08,503 | 12,80,119 |
| Past Service Cost | 7,41,303 | --- | --- | --- |
| Interest Cost | 12,51,626 | 10,19,219 | 3,25,676 | 2,57,888 |
| Expected return on plan assets | (13,85,841) | (10,05,415) | --- | --- |
| Actuarial (gain)/loss | 6,14,546 | 7,29,877 | (9,73,271) | (7,52,052) |
| Expense recognized in Statement of Profit & Loss Account A/c. | 26,04,193 | 26,35,058 | 8,60,908 | 7,85,955 |
| Actual return on plan assets | 24,53,115 | 8,36,996 | ---- | ---- |
| iv) Category of Assets as at March 31,2011 | | | | |
| Central Government Bonds | 59,60,139 | 65,06,327 | ---- | ---- |
| State Government Bonds | 22,65,166 | 9,16,969 | ---- | ---- |
| Public Sector Units | 129,26,840 | 71,60,480 | ---- | ---- |
| Bank Balance | 1,23,985 | 98,561 | ---- | ---- |
| | 2,12,76,130 | 1,46,82,337 | ---- | ---- |
| v) Assumptions used in accounting for the gratuity plan | | | | |
| Mortality Table (L.I.C) | 1994-96 (Ultimate) | 1994-96 (Ultimate) | 1994-96 (Ultimate) | 1994-96 (Ultimate) |
| Discount rate (per annum) | 8.00% | 8.00% | 8.00% | 8.00% |
| Expected rate of return on plan assets (per annum) | 8.00% | 7.00% | --- | --- |
| Rate of escalation in salary (per annum) | 3.00% | 3.00% | 3.00% | 3.00% |
| Employee Attrition Rate (Past Service (PS)) | 0 to 42 : 1% | 0 to 42:0.5% | 0 to 42 :1% | 0 to 42:0.5% |

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

The above information is certified by the actuary and relied upon by the auditors.

Provident fund:

In addition to the above, in accordance with Indian regulations, employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which, both the employee and the Company contribute monthly at a determined rate. These contributions are made to the Government Provident Fund.

16. Comparative financial information (i.e. the amounts and other disclosures for the preceding year presented above), is included as an integral part of the current years' financial statements, and is to be read in relation to the amounts and other disclosures relating to the current year. Figures of the previous year have been regrouped / reclassified wherever necessary to correspond to figures of the current year.

Signatures to Schedules 1 to 19

As per our attached Report of even date.
For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants

VINAYAK M. PADWAL
Partner

For and on behalf of the Board
ASHOK B. KULKARNI Managing Director
K. JAGANNATHAN Executive Director

U. R. KAPADIA Director
NANAK G. SHETH Director
R. S. SODHI Director

HITEN VANJARA Company Secretary
Mumbai, Dated : 30th May, 2011

Mumbai, Dated : 30th May, 2011



STATEMENT PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

Balance Sheet Abstract and Company's General Business Profile

I REGISTRATION DETAILS

Registration No.

| | | | | |
|---|---|---|---|---|
| 1 | 2 | 2 | 8 | 9 |
|---|---|---|---|---|

 State Code.

| | |
|---|---|
| 1 | 1 |
|---|---|

Balance Sheet Date

| | |
|---|---|
| 3 | 1 |
|---|---|

| | |
|---|---|
| 0 | 3 |
|---|---|

| | | | |
|---|---|---|---|
| 2 | 0 | 1 | 1 |
|---|---|---|---|

Date Month Year

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

| | | | | | | | | | | | | | | | | | | | |
|--|-------------------|--|---|---|---|---|--|--|--|--|--|--|--|---|---|---|--|--|--|
| Public Issue | Right Issue | | | | | | | | | | | | | | | | | | |
| <table border="1" style="width: 100%;"><tr><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td><td> </td><td> </td><td> </td></tr></table> | | | | N | I | L | | | | <table border="1" style="width: 100%;"><tr><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td><td> </td><td> </td><td> </td></tr></table> | | | | N | I | L | | | |
| | | | N | I | L | | | | | | | | | | | | | | |
| | | | N | I | L | | | | | | | | | | | | | | |
| Bonus Issue | Private Placement | | | | | | | | | | | | | | | | | | |
| <table border="1" style="width: 100%;"><tr><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td><td> </td><td> </td><td> </td></tr></table> | | | | N | I | L | | | | <table border="1" style="width: 100%;"><tr><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td><td> </td><td> </td><td> </td></tr></table> | | | | N | I | L | | | |
| | | | N | I | L | | | | | | | | | | | | | | |
| | | | N | I | L | | | | | | | | | | | | | | |

III POSITION OF MOBILISATION AND DEVELOPMENT OF FUNDS (Amount in Rs. Thousands)

| | | | | | | | | | | | | | | | | | | | |
|--|--------------|--|---|---|---|---|---|---|---|--|--|--|--|---|---|---|---|---|---|
| Total Liabilities | Total Assets | | | | | | | | | | | | | | | | | | |
| <table border="1" style="width: 100%;"><tr><td> </td><td> </td><td> </td><td>5</td><td>1</td><td>4</td><td>0</td><td>5</td><td>8</td></tr></table> | | | | 5 | 1 | 4 | 0 | 5 | 8 | <table border="1" style="width: 100%;"><tr><td> </td><td> </td><td> </td><td>5</td><td>1</td><td>4</td><td>0</td><td>5</td><td>8</td></tr></table> | | | | 5 | 1 | 4 | 0 | 5 | 8 |
| | | | 5 | 1 | 4 | 0 | 5 | 8 | | | | | | | | | | | |
| | | | 5 | 1 | 4 | 0 | 5 | 8 | | | | | | | | | | | |

SOURCE OF FUNDS

Paid -up Capital

| | | | | | | | | |
|--|--|--|--|--|---|---|---|---|
| | | | | | 9 | 2 | 2 | 1 |
|--|--|--|--|--|---|---|---|---|

Secured Loans

| | | | | | | | | |
|--|--|--|--|---|---|---|---|---|
| | | | | 6 | 6 | 4 | 6 | 8 |
|--|--|--|--|---|---|---|---|---|

Reserves & Surplus

| | | | | | | | | | |
|--|--|--|--|---|---|---|---|---|---|
| | | | | 1 | 7 | 8 | 4 | 2 | 4 |
|--|--|--|--|---|---|---|---|---|---|

Unsecured Loans

| | | | | | | | | |
|--|--|--|--|---|---|---|---|---|
| | | | | 2 | 4 | 0 | 0 | 0 |
|--|--|--|--|---|---|---|---|---|

APPLICATION OF FUNDS

Net Fixed Assets

| | | | | | | | | |
|--|--|--|--|---|---|---|---|---|
| | | | | 8 | 0 | 6 | 2 | 0 |
|--|--|--|--|---|---|---|---|---|

Net Current Assets

| | | | | | | | | | |
|--|--|--|--|---|---|---|---|---|---|
| | | | | 1 | 9 | 1 | 5 | 2 | 3 |
|--|--|--|--|---|---|---|---|---|---|

Accumulated Losses

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

Investments

| | | | | | | | | |
|--|--|--|--|--|---|---|---|---|
| | | | | | 2 | 7 | 1 | 8 |
|--|--|--|--|--|---|---|---|---|

Deferred Tax Asset (Net)

| | | | | | | | | |
|--|--|--|--|--|---|---|---|---|
| | | | | | 3 | 2 | 5 | 2 |
|--|--|--|--|--|---|---|---|---|

Misc. Expenditure

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

IV PERFORMANCE OF COMPANY (Amount in Rs. Thousands)

Turnover (including decrease in stocks)

| | | | | | | | | |
|--|--|---|---|---|---|---|---|---|
| | | 1 | 1 | 1 | 2 | 2 | 1 | 3 |
|--|--|---|---|---|---|---|---|---|

+ - Profit /(Loss) Before Tax

| | | | | | | | | | |
|--|--|--|--|--|---|---|---|---|---|
| | | | | | 3 | 8 | 2 | 7 | 3 |
|--|--|--|--|--|---|---|---|---|---|

Total Expenditure

| | | | | | | | | | |
|--|--|--|---|---|---|---|---|---|---|
| | | | 1 | 0 | 7 | 3 | 9 | 4 | 0 |
|--|--|--|---|---|---|---|---|---|---|

+ - Profit /(Loss) After Tax

| | | | | | | | | | | |
|--|--|--|--|--|--|---|---|---|---|---|
| | | | | | | 1 | 6 | 7 | 4 | 7 |
|--|--|--|--|--|--|---|---|---|---|---|

(Please tick Appropriate box + for profit, - for loss)

Basic and diluted Earning Per Share (in Rs.)

| | | | | | | | | |
|--|--|--|--|---|---|---|---|---|
| | | | | 1 | 8 | . | 1 | 6 |
|--|--|--|--|---|---|---|---|---|

Dividend Rate (%)

| | | | | | | | |
|--|--|--|--|--|--|---|---|
| | | | | | | 2 | 5 |
|--|--|--|--|--|--|---|---|

V GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY (As Per Monetary Terms)

Item Code No. (ITC CODE)

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 7 | 3 | 1 | 0 | 2 | 1 | - | 0 | 1 |
|---|---|---|---|---|---|---|---|---|

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 1 | 9 | 0 | 5 | 3 | 0 | - | 0 | 0 |
|---|---|---|---|---|---|---|---|---|

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 0 | 4 | 0 | 2 | 2 | 9 | - | 0 | 0 |
|---|---|---|---|---|---|---|---|---|

Product Description

| |
|----------------|
| TIN CONTAINERS |
|----------------|

| |
|------------------|
| WAFFLES & WAFERS |
|------------------|

| |
|-----------------|
| ICE-CREAM CONES |
|-----------------|

| |
|---------------------------|
| MILK-PROCESSING & PACKING |
|---------------------------|

REPORT OF THE AUDITORS TO THE BOARD OF DIRECTORS OF KAIRA CAN COMPANY LIMITED ON CONSOLIDATED FINANCIAL STATEMENTS

1. We have audited the attached Consolidated Balance Sheet of Kaira Can Company Limited and its subsidiary as at March 31, 2011, and also the Consolidated Profit and Loss Account and Consolidated Cash Flow Statement for the year then ended, annexed thereto. These consolidated financial statements are the responsibility of Kaira Can Company Limited's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with generally accepted auditing standards in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatements. 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.
3. (a) We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets of Rs. 6,49,66,086 as at March 31, 2011, total revenues of Rs.4,78,074 and net cash inflows amounting to Rs.76,425 for the year ended on that date. These financial statements have been audited by other firm of Chartered Accountant whose report has been furnished to us and our opinion, insofar as it relates to the amounts included in respect of the subsidiary is based solely on the report of the other auditor.
4. We report that the consolidated financial statements have been prepared by the management of Kaira Can Company Limited in accordance with the requirements of Accounting Standard (AS) 21 - Consolidated Financial Statements issued by the Institute of Chartered Accountants of India.
5. Based on our audit and on consideration of the report of the auditors of the subsidiary, in our opinion, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Group as at March 31, 2011;
 - b) in case of the Consolidated Profit and Loss Account, of the consolidated results of operations of the Group for the year ended on that date; and
 - c) in case of the Consolidated Cash Flow Statement, of the consolidated cash flows of the Group for the year ended on that date.

For and on behalf of
Kalyaniwalla & Mistry
Chartered Accountants
Firm Reg. No. 104607W

Vinayak.M.Padwal
Partner
Membership No: 49639

Mumbai, 30th May 2011

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011

| | Schedule No. | Rupees | As at 31-Mar-2011 Rupees | As at 31-Mar-2010 Rupees |
|--|-----------------|--------------|--------------------------------|--------------------------------|
| I. SOURCES OF FUNDS: | | | | |
| 1 SHAREHOLDERS' FUNDS: | | | | |
| (a) Share Capital | 1 | 92,21,330 | | 92,21,330 |
| (b) Reserves and Surplus | 2 | 14,56,05,827 | | 13,45,45,221 |
| | | | 15,48,27,157 | 14,37,66,551 |
| 2. LOAN FUNDS: | | | | |
| (a) Secured Loans | 3 | 6,64,67,880 | | 7,92,20,930 |
| (b) Unsecured Loans | 4 | 8,28,00,000 | | 7,74,20,000 |
| | | | 14,92,67,880 | 15,66,40,930 |
| 3. DEFERRED TAX LIABILITY (Net): | | | | |
| | | | — | 22,21,225 |
| | TOTAL | | 30,40,95,037 | 30,26,28,706 |
| II. APPLICATION OF FUNDS: | | | | |
| 1. FIXED ASSETS: | | | | |
| (a) Gross Block | 5 | 14,52,02,852 | | 21,04,55,932 |
| (b) Less: Depreciation including Impairment | | 6,90,64,977 | | 11,79,62,852 |
| (c) Net Block | | | 7,61,37,875 | 9,24,93,080 |
| (d) Capital Work in Progress | | | 3,58,88,926 | — |
| | | | 11,20,26,801 | 9,24,93,080 |
| 2. INVESTMENTS | | | | |
| | 6 | | 22,18,100 | 12,18,100 |
| 3. DEFERRED TAX ASSETS (Net): | | | | |
| | | | 32,52,345 | — |
| 4. CURRENT ASSETS, LOANS AND ADVANCES: | | | | |
| (a) Inventories | 7 | 19,03,87,633 | | 18,31,23,638 |
| (b) Sundry Debtors | 8 | 7,82,36,626 | | 7,68,95,928 |
| (c) Cash and Bank Balances | 9 | 4,91,95,402 | | 1,31,50,366 |
| (d) Loans and Advances | 10 | 10,51,15,019 | | 10,50,86,442 |
| | | 42,29,34,680 | | 37,82,56,374 |
| Less: CURRENT LIABILITIES AND PROVISIONS: | | | | |
| (a) Liabilities | 11 | 22,87,25,712 | | 16,25,79,673 |
| (b) Provisions | 12 | 76,11,176 | | 67,59,175 |
| | | 23,63,36,888 | | 16,93,38,848 |
| NET CURRENT ASSETS | | | | |
| | | | 18,65,97,792 | 20,89,17,526 |
| | TOTAL | | 30,40,95,037 | 30,26,28,706 |
| Significant Accounting Policies | 18 | | | |
| Consolidated Notes to Accounts | 19 | | | |

The Schedules referred to above form an integral part of this Profit and Loss Account.

As per our attached Report of even date.
For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants

VINAYAK M. PADWAL
Partner

For and on behalf of the Board
ASHOK B. KULKARNI Managing Director
K. JAGANNATHAN Executive Director

U. R. KAPADIA Director
NANAK G. SHETH Director
R. S. SODHI Director

HITEN VANJARA Company Secretary
Mumbai, Dated : 30th May, 2011

Mumbai, Dated : 30th May, 2011

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

| | Schedule No. | Rupees | Year Ended 31-Mar-2011 Rupees | Year Ended 31-Mar-2010 Rupees |
|------------------------|---|--------|-------------------------------------|-------------------------------------|
| INCOME : | | | | |
| 1 | Gross Sales | 13 | 1,12,47,28,207 | 97,50,56,246 |
| | Less : Excise Duty recovered on Sales | | <u>7,73,74,427</u> | <u>3,51,22,404</u> |
| | Net Sales | | 1,04,73,53,780 | 93,99,33,842 |
| 2 | Milk Reprocessing Charges | | 6,02,86,935 | 5,11,19,340 |
| 3 | Other Income | 14 | 1,32,03,348 | 96,38,068 |
| | | | <u>1,12,08,44,063</u> | <u>1,00,06,91,250</u> |
| EXPENDITURE : | | | | |
| 4 | Manufacturing and other expenses | 15 | 1,06,03,26,734 | 90,17,61,351 |
| 5 | Inventory Changes - Decrease | 16 | 81,52,904 | 5,60,96,183 |
| 6 | Interest | 17 | 96,29,065 | 1,04,39,310 |
| 7 | Depreciation | | 74,69,009 | 1,29,26,563 |
| | | | <u>1,08,55,77,712</u> | <u>98,12,23,407</u> |
| 8 | PROFIT BEFORE TAXES | | 3,52,66,351 | 1,94,67,843 |
| 9 | Provision for Taxation | | | |
| | (a) Current Tax (Including Wealth Tax Rs. NIL ; Previous year Rs. 1,000/-) | | 2,70,00,000 | 1,40,41,000 |
| | (b) Deferred Tax | | (54,73,570) | (51,97,309) |
| 10 | Short/ (Excess) Provision for Taxes in respect of earlier Years (Net) | | — | 1,340 |
| | PROFIT / (LOSS) AFTER TAXES | | 1,37,39,921 | 1,06,22,812 |
| 11 | Balance Brought Forward from Previous Year | | 37,96,050 | 58,61,461 |
| | TOTAL | | <u>1,75,35,971</u> | <u>1,64,84,273</u> |
| APPROPRIATIONS: | | | | |
| 12 | Proposed Dividend | | 23,05,333 | 23,05,333 |
| 13 | Tax on Proposed Dividend | | 3,73,983 | 3,82,890 |
| 14 | Transfer to General Reserve | | 1,00,00,000 | 1,00,00,000 |
| 15 | Balance Carried to Balance Sheet | | 48,56,655 | 37,96,050 |
| | TOTAL | | <u>1,75,35,971</u> | <u>1,64,84,273</u> |
| | Basic and Diluted Earnings per Share (Refer Sch. 19 Note 7) | | 14.90 | 11.52 |
| | Significant Accounting Policies | 18 | | |
| | Notes to Accounts | 19 | | |

The Schedules referred to above form an integral part of this Profit and Loss Account.

As per our attached Report of even date.
For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants

VINAYAK M. PADWAL
Partner

Mumbai, Dated : 30th May, 2011

For and on behalf of the Board
ASHOK B. KULKARNI Managing Director
K. JAGANNATHAN Executive Director

U. R. KAPADIA Director
NANAK G. SHETH Director
R. S. SODHI Director

HITEN VANJARA Company Secretary

Mumbai, Dated : 30th May, 2011

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011**

| | Rupees | 2010-2011 Rupees | 2009-2010 Rupees |
|---|----------------------|-----------------------------------|-----------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Net Profit before Taxation and Extraordinary items | | 3,52,66,351 | 1,94,67,843 |
| Adjustment for : | | | |
| Depreciation including Impairment | 74,69,009 | | 1,29,26,563 |
| Loss / (Profit) on Sale/ Scrap of Fixed Assets (Net) | 1,20,43,894 | | 50,07,848 |
| Interest Income | (11,19,996) | | (7,13,670) |
| Dividend Income | (9,375) | | (7,813) |
| Foreign Exchange Gain | (93,99,017) | | (70,66,826) |
| Claims / Bad Debts written off | 0 | | 43,52,847 |
| Provision for Doubtful Debts | 0 | | 40,41,724 |
| Interest Expense | 96,29,065 | | 1,04,39,310 |
| | | 1,86,13,580 | 2,89,79,982 |
| Operating Profit before Working Capital changes | | 5,38,79,931 | 4,84,47,826 |
| Adjustment for : | | | |
| Decrease / (Increase) in Sundry Debtors and Other Receivables | | 1,22,64,334 | (5,15,09,743) |
| Decrease / (Increase) in Inventories | | (72,63,995) | 1,43,61,361 |
| Increase / (Decrease) in Sundry Creditors & Provisions | | 6,09,48,899 | 2,23,36,945 |
| Cash generated from Operations | | 11,98,29,169 | 3,36,36,389 |
| Direct Taxes Paid | (2,52,38,375) | | (96,35,071) |
| | | (2,52,38,375) | (96,35,071) |
| Net Cash from Operating Activities | | 9,45,90,794 | 2,40,01,318 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Purchase of Fixed Assets | (3,95,19,733) | | (5,38,67,521) |
| Proceeds from Sale of Fixed Assets | 4,73,110 | | 2,99,45,611 |
| Investment in Mutual Fund / Shares | (10,00,000) | | (10,05,000) |
| Sale Proceeds of Investment | — | | — |
| Interest Income | 11,19,996 | | 7,13,670 |
| Dividend Income | 9,375 | | 7,813 |
| Net Cash used in Investing Activities | | (38,917,252) | (2,42,05,427) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Proceeds from Long Term & Short Term Borrowings | | 67,665,535 | 5,69,58,493 |
| Repayment of Long Term & Short Term Borrowings | | (58,500,000) | (5,00,00,000) |
| Increase / (Decrease) in Cash Credit | | (16,538,585) | 33,84,681 |
| Interest Paid | | (9,589,784) | (1,07,36,849) |
| Dividend Paid | | (2,282,781) | (9,15,457) |
| Corporate tax on Dividend | | (382,890) | (1,56,717) |
| Net Cash used in Financing Activities | | (19,628,505) | (14,65,849) |
| Net (Decrease)/Increase in Cash & Cash Equivalents | | 36,045,038 | (16,69,958) |
| Cash & Cash Equivalents as at beginning | | 13,150,366 | 1,48,20,324 |
| Cash & Cash Equivalents as at end of the year | | 49,195,404 | 1,31,50,366 |
| Net (Decrease)/Increase in Cash & Cash Equivalents as disclosed above | | 36,045,038 | (16,69,958) |
| Components of Cash and Cash equivalents as at | | 31st Mar - 2011 | 31 st Mar - 2010 |
| Cash on Hand | | — | — |
| Balance with Banks | | 20,995,404 | 82,50,366 |
| - on Currents Accounts | | | |
| - on Deposit Accounts | | 2,82,00,000 | 49,00,000 |
| Total | | 4,91,95,404 | 1,31,50,366 |

NOTES : 1. All figures in Brackets are Outflows.

2. Figures relating to previous year have been recast where necessary.

As per our attached Report of even date.

For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants

VINAYAK M. PADWAL
Partner

For and on behalf of the Board
ASHOK B. KULKARNI Managing Director
K. JAGANNATHAN Executive Director

U. R. KAPADIA Director
NANAK G. SHETH Director
R. S. SODHI Director

HITEN VANJARA Company Secretary
Mumbai, Dated : 30th May, 2011

Mumbai, Dated : 30th May, 2011

**SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET
AS AT 31ST MARCH, 2011**

| | Notes | Rupees | As at 31-Mar-2011 Rupees | As at 31-Mar-2010 Rupees |
|--|--|--------------|--------------------------------|--------------------------------|
| SCHEDULE-1 : SHARE CAPITAL | | | | |
| AUTHORISED : | | | | |
| 20,00,000 Equity Shares of Rs.10/- each | | | 2,00,00,000 | 2,00,00,000 |
| 20,000 11% Redeemable Cumulative Preference Shares of Rs.100/- each. | | | 20,00,000 | 20,00,000 |
| | | | <u>2,20,00,000</u> | <u>2,20,00,000</u> |
| ISSUED, SUBSCRIBED AND PAID UP : | | | | |
| 9,22,133 Equity Shares of Rs.10/- each fully paid up | | | 92,21,330 | 92,21,330 |
| (9,22,133) Of the above Shares, 5,33,600 Shares are allotted as fully paid up by way of Bonus Shares by Capitalisation of General Reserve. | | | | |
| | TOTAL | | <u>92,21,330</u> | <u>92,21,330</u> |
| SCHEDULE-2 : RESERVES AND SURPLUS | | | | |
| CAPITAL RESERVE : | | | | |
| (State Cash Subsidy on Fixed Capital Investments) As per Last Balance Sheet | | | 16,29,801 | 16,29,801 |
| CAPITAL REDEMPTION RESERVE ACCOUNT : | | | | |
| As per Last Balance Sheet | | | 5,00,000 | 5,00,000 |
| SECURITIES PREMIUM : | | | | |
| As per Last Balance sheet | | | 43,67,970 | 43,67,970 |
| GENERAL RESERVE : | | | | |
| As per Last Balance Sheet | | 12,42,51,400 | | 11,42,51,400 |
| Add: Amount transferred from Profit and Loss Account | | 1,00,00,000 | | 1,00,00,000 |
| | | | 13,42,51,400 | 12,42,51,400 |
| SURPLUS IN PROFIT AND LOSS ACCOUNT | | | | |
| | | | 48,56,656 | 37,96,050 |
| | TOTAL | | <u>14,56,05,827</u> | <u>13,45,45,222</u> |
| SCHEDULE-3 : SECURED LOANS | | | | |
| FROM BANKS : | | | | |
| Cash Credit Accounts | 1 | | 6,01,52,635 | 7,66,91,221 |
| Auto Loans | 2 | | 21,95,245 | 25,29,709 |
| Canara Bank - Rupee Term Loan | 3 | | 41,20,000 | — |
| | TOTAL | | <u>6,64,67,880</u> | <u>7,92,20,930</u> |
| NOTES: | | | | |
| 1 | Cash Credit Accounts from a Bank are secured by Hypothecation and/or pledge of stock-in-trade, stores, spare parts, other materials and book debts. The cash credit accounts and term loans are further secured by the first charge by way of equitable mortgage on the Company's immovable properties, both present and future, situated at village Kanjari & Anand Office in the state of Gujarat. | | | |
| 2 | Auto loans are secured by hypothecation of vehicles financed. | | | |
| 3 | Canara Bank - Rupee Term Loan is secured by creating charge on Machines acquired by availing Term Loan. | | | |
| SCHEDULE-4 : UNSECURED LOANS | | | | |
| FIXED DEPOSITS {Including from the Directors Rs. 7,10,000 /- (Previous Year Rs. 7,10,000/-)}{Due within one year | | | | |
| Rs. 94,15,000/- ;Previous Year Rs. 37,50,000/- | | | 2,40,00,000 | 1,89,20,000 |
| Long term deposit from lessee (for premises given on lease) ICD- Harshadray Pvt. Ltd. | | | — | 5,00,00,000 |
| | | | 5,88,00,000 | — |
| SHORT TERM LOANS AND ADVANCES: | | | | |
| From Others | | | — | 85,00,000 |
| | TOTAL | | <u>8,28,00,000</u> | <u>7,74,20,000</u> |

**SCHEDULE-5 : FIXED ASSETS**

| PARTICULARS | BLOCK AT COST | | | | DEPRECIATION / AMORTISATION | | | | NET BLOCK | |
|---------------------------------|---------------------|------------------|--------------------|---------------------|-----------------------------|--------------------|------------------|--------------------|---------------------|--------------------|
| | As on | Additions | Deductions | Total Upto | As on | Deductions | For the | Total Upto | Net Value | Net Value |
| | 1-Apr-10 | | | | 1-Apr-10 | | | | Year | As on |
| | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees |
| TANGIBLE ASSETS | | | | | | | | | | |
| 1. Land | | | | | | | | | | |
| a. Freehold | 15,30,334 | — | — | 15,30,334 | — | — | — | — | 15,30,334 | 15,30,334 |
| b. Leasehold | 6,34,382 | — | — | 6,34,382 | 2,04,906 | — | 96,109 | 3,01,015 | 3,33,367 | 4,29,476 |
| 2. Buildings | 6,25,31,882 | 2,50,000 | 3,70,324 | 6,24,11,558 | 98,76,360 | 1,09,347 | 16,84,351 | 1,14,51,364 | 5,09,60,194 | 5,26,55,522 |
| 3. Machinery | 12,77,66,921 | 19,42,795 | 6,40,12,546 | 6,56,97,170 | 9,96,64,899 | 5,29,64,791 | 43,83,972 | 5,10,84,080 | 1,46,13,089 | 2,81,02,022 |
| 4. Furniture & Fixtures | 59,22,422 | 1,59,791 | 24,19,470 | 36,62,743 | 40,39,643 | 19,80,317 | 1,69,568 | 22,28,894 | 14,33,849 | 18,82,779 |
| 5. Vehicles | 1,16,56,868 | 12,78,222 | 20,81,548 | 1,08,53,543 | 40,29,787 | 13,12,429 | 10,63,168 | 37,80,526 | 70,73,016 | 76,27,081 |
| INTANGIBLE ASSETS | | | | | | | | | | |
| 6. Software | 4,13,123 | — | — | 4,13,123 | 1,47,257 | — | 71,841 | 2,19,098 | 1,94,025 | 2,65,866 |
| TOTAL | 21,04,55,932 | 36,30,808 | 6,88,83,887 | 14,52,02,852 | 11,79,62,852 | 5,63,66,884 | 74,69,009 | 6,90,64,977 | 7,61,37,875 | 9,24,93,080 |
| Previous Year | 22,38,17,123 | 5,38,67,521 | 6,72,28,712 | 21,04,55,932 | 13,73,11,542 | 3,22,75,253 | 1,29,26,563 | 11,79,62,852 | 9,24,93,080 | — |
| Capital Work in Progress | | | | | | | | | 3,58,88,926 | — |
| | | | | | | | | | 11,20,26,801 | 9,24,93,080 |

NOTE : (1) Buildings include Rs. 205,21,905/- (as at 31-03-2010 Rs.2,05,21,905/-) being the cost of ownership flats. In respect of flats of the value of Rs.1,63,19,104/- (as at 31-03-2010 Rs. 1,63,19,104/-) in Co-operative Societies, the Company has received shares of the face value of Rs.1500/- under the bye-laws of the Societies and in respect of flats of the value of Rs. 42,02,801/- (as at 31-03-2010 Rs. 42,02,801/-) in a Co-operative Society, the share certificate under the bye-laws of the Society is awaited.

| | Rupees | As at 31-Mar-2011 Rupees | As at 31-Mar-2010 Rupees |
|--|--------|--------------------------------|--------------------------------|
|--|--------|--------------------------------|--------------------------------|

SCHEDULE-6 : INVESTMENTS**LONG TERM INVESTMENTS (At Cost) :****OTHER INVESTMENTS :**

| | | | |
|---------|---|----------|----------|
| 6,250 | Equity Shares of the face value of Rs.10/- | | |
| (6,250) | each fully paid up in THE TINPLATE COMPANY OF INDIA LIMITED (Quoted) | 2,12,500 | 2,12,500 |
| 10 | Shares of the face value of Rs.50/- each | | |
| (10) | fully paid up in THE KAIRA JILLA KRISHI UTPADAN AND UTPADAKA SEVA SAHAKARI SANGH LIMITED (Unquoted) | 500 | 500 |
| 10 | Shares of the face value of Rs.10/- each | | |
| (10) | fully paid up in THE BOMBAY MERCANTILE CO-OPERATIVE BANK LIMITED (Unquoted) | 100 | 100 |
| 10 | Equity Shares of the face value of Rs.500/- | | |
| (--) | each fully paid up in CHAROTAR GAS SAHAKARI MANDALI LTD. (Unquoted) | 5,000 | 5,000 |

CURRENT INVESTMENTS:**OTHER INVESTMENT:**

| | | | |
|-----------|--|-----------|-----------|
| 66,868.61 | Units of Birla Sun Life Mutual Fund - Dynamic Bond | | |
| (--) | Fund Retail - Growth | | |
| | - face value of Rs.10/- each. (Unquoted) | 10,00,000 | 10,00,000 |
| 25072.59 | Units of HDFC Cash Management Fund-Savings Plan- | | |
| (--) | Growth | 5,00,000 | — |
| | - face value of Rs.10/- each. (Unquoted) | | |
| 453.109 | Units of Baroda Pioneer Treasury Advantage Fund - | | |
| (--) | Regular Growth Plan | 5,00,000 | — |
| | - face value of Rs.10/- each. (Unquoted) | | |

TOTAL**22,18,100****12,18,100**

| | Rupees | As at 31-Mar-2011 Rupees | As at 31-Mar-2010 Rupees |
|--|-------------|--------------------------------|--------------------------------|
| NOTES: | | | |
| 1 Aggregate of Quoted Investments: | | | |
| Cost | | 2,12,500 | 2,12,500 |
| Market Value | | 4,02,813 | 4,92,813 |
| 2 Aggregate of Unquoted Investments: | | | |
| Cost | | 20,05,600 | 10,05,600 |
| SCHEDULE-7 : INVENTORIES | | | |
| Stores and Spare Parts, Raw Materials, Finished Goods and process stock at cost or Net Realisable Value which ever is lower. | | | |
| Stores and Spare Parts | | 1,88,42,250 | 1,96,22,023 |
| Stock-in-Trade : | | | |
| Raw Materials (including material in transit Rs. 6,63,03,172/- ; Previous Year Rs. 40,178,998) | 7,54,40,488 | | 5,92,43,816 |
| Finished Goods-Manufactured Products (Containers and Ice-cream Cones) | 3,17,12,411 | | 2,07,42,210 |
| Process Stock | 6,43,92,484 | | 8,35,15,589 |
| | | <u>17,15,45,383</u> | <u>16,35,01,615</u> |
| TOTAL | | <u><u>19,03,87,633</u></u> | <u><u>18,31,23,638</u></u> |
| SCHEDULE-8 : SUNDRY DEBTORS (UNSECURED) | | | |
| Debts outstanding for a period exceeding six months | | 70,34,729 | 1,15,48,295 |
| Other Debts | | 7,78,09,109 | 7,19,54,845 |
| | | <u>8,48,43,838</u> | <u>8,35,03,140</u> |
| Less: Provision for Doubtful Debts | | 66,07,212 | 66,07,212 |
| TOTAL | | <u><u>7,82,36,626</u></u> | <u><u>7,68,95,928</u></u> |
| NOTE: | | | |
| Considered Good | | 7,82,36,626 | 7,68,95,928 |
| Considered Doubtful | | 66,07,212 | 66,07,212 |
| TOTAL | | <u><u>8,48,43,838</u></u> | <u><u>8,35,03,140</u></u> |
| SCHEDULE-9 : CASH AND BANK BALANCES | | | |
| Cash on Hand | | — | — |
| Bank Balances - With Scheduled Banks: | | | |
| In Current Accounts | | 2,09,95,402 | 82,50,366 |
| In Fixed Deposit Accounts | | 2,82,00,000 | 49,00,000 |
| TOTAL | | <u><u>4,91,95,402</u></u> | <u><u>1,31,50,366</u></u> |
| SCHEDULE-10 : LOANS AND ADVANCES | | | |
| Unsecured and Considered Good: | | | |
| Advances recoverable in cash or in kind or for value to be received | | 3,12,24,570 | 3,31,48,937 |
| Deposit with Excise and Customs Authorities | | 5,86,27,909 | 5,49,13,355 |
| Advance Payment of Tax (Net of Provision for Tax Rs. 8,80,49,346/- , P.Y. Rs. 6,10,49,346/-) | | 1,52,57,540 | 1,70,19,150 |
| Fringe Benefit Tax (Net of Provision for Tax Rs. 26,20,000/- , P.Y. Rs. 26,20,000/-) | | 5,000 | 5,000 |
| TOTAL | | <u><u>10,51,15,019</u></u> | <u><u>10,50,86,442</u></u> |



| | Rupees | As at 31-Mar-2011 Rupees | As at 31-Mar-2010 Rupees |
|---|---------------------|--------------------------------|--------------------------------|
| SCHEDULE-11 : LIABILITIES | | | |
| Sundry Creditors | | | |
| i) Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note No. 13 of Schedule 19) | — | | — |
| ii) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises | <u>15,24,31,704</u> | | <u>11,86,34,901</u> |
| | | 15,24,31,704 | 11,86,34,901 |
| INVESTOR EDUCATION AND PROTECTION FUND * | | | |
| i) Unpaid Dividends | | 77,408 | 54,855 |
| ii) Unclaimed Matured Deposits | | 25,000 | 25,000 |
| Interest accrued but not due on loans | | 39,281 | — |
| Other Liabilities | | 7,61,52,319 | 4,38,64,917 |
| TOTAL | | <u>22,87,25,712</u> | <u>16,25,79,673</u> |

* There is no amount due and outstanding as at Balance Sheet date to be credited to Investor Education and Protection Fund.

SCHEDULE-12 : PROVISIONS

| | | |
|------------------------------------|-------------------------|-------------------------|
| Proposed Dividend | 23,05,333 | 23,05,333 |
| Tax on Proposed Dividend | 3,73,983 | 3,82,890 |
| Provision for Compensated Absences | 49,31,860 | 40,70,952 |
| TOTAL | <u>76,11,176</u> | <u>67,59,175</u> |

**SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2011**

| | Rupees | Year Ended 31-Mar-2011 Rupees | Year Ended 31-Mar-2010 Rupees |
|--|--------|-------------------------------------|-------------------------------------|
| SCHEDULE-13 : SALES | | | |
| Product Sales (Including Excise Duty) | | 1,03,05,22,031 | 90,18,10,990 |
| Other Sales (Including Excise Duty) | | 9,42,06,176 | 7,32,45,256 |
| TOTAL | | <u>1,12,47,28,207</u> | <u>97,50,56,246</u> |
| SCHEDULE-14 : OTHER INCOME | | | |
| Dividend Received on Long Term Investment | | 9,375 | 7,813 |
| Interest Received (on deposits etc.) (Gross) {Income Tax deducted at source Rs. 68,785/-; Previous Year Rs. 47,332/-} | | 11,19,996 | 7,13,670 |
| Rent of premises given on lease {Income Tax Deducted at source Rs. 45,000/- ; Previous Year Rs. 123,600/-} | | 4,80,000 | 6,30,000 |
| Foreign Exchange Gain | | 93,99,017 | 70,66,826 |
| Miscellaneous Receipts | | 21,94,960 | 12,19,759 |
| TOTAL | | <u>1,32,03,348</u> | <u>96,38,068</u> |

| | Rupees | Year Ended 31-Mar-2011 Rupees | Year Ended 31-Mar-2010 Rupees |
|--|---------------|-------------------------------------|-------------------------------------|
| SCHEDULE-15 : MANUFACTURING AND OTHER EXPENSES | | | |
| A. RAW MATERIALS (including Components Consumed) | | 64,52,72,574 | 54,60,76,520 |
| B. PAYMENTS TO AND PROVISION FOR EMPLOYEES : | | | |
| 1. Salaries, Wages, Bonus and Allowances | 5,12,53,123 | | 4,31,26,843 |
| 2. Contribution to Provident Fund, Superannuation and Gratuity Funds | 95,97,123 | | 87,13,004 |
| 3. Employees' Welfare Expenses | 50,74,865 | | 52,68,556 |
| | | 6,59,25,111 | 5,71,08,403 |
| C. OPERATION AND OTHER EXPENSES : | | | |
| 1. Stores and Spare Parts Consumed | 15,73,96,147 | | 15,13,86,825 |
| 2. Printing etc. | 1,57,09,721 | | 1,27,47,399 |
| 3. Power and Fuel | 3,57,67,601 | | 3,54,87,150 |
| 4. Rent : | Rupees | | |
| (a) Rent | 87,48,462 | | 80,73,500 |
| (b) Machinery Hire Charges | 3,44,136 | | 3,41,361 |
| | | 90,92,598 | 84,14,861 |
| 5. Repairs to Buildings | 6,13,991 | | 6,03,897 |
| 6. Repairs to Machinery | 25,90,033 | | 23,08,904 |
| 7. Insurance | 10,66,483 | | 17,24,516 |
| 8. Rates and Taxes | 28,98,813 | | 27,21,980 |
| 9. Discount on Sales | 1,01,65,593 | | 26,96,785 |
| 10. Commission on Sales | 17,47,887 | | 12,82,305 |
| 11. Donations | 5,00,000 | | — |
| 12. Claims written off | — | | 43,52,847 |
| 13. Bad Debts written off | — | | — |
| 14. Sundry Debit Balance Written off | 1,48,919 | | 64,992 |
| 15. Excise duty (Net)(Refer Note No. 16 of Schedule No. 19) | 13,24,969 | | 13,13,173 |
| 16. Loss on Sale / Scrap of Fixed Assets | 1,20,43,894 | | 50,07,848 |
| 17. Miscellaneous Expenses (Including Travelling, Vehicle Exp., Printing and Stationery, Advertisements, Postage, Telegram and Telephone Exp., Freight, Sundry Exp., Labour Chgs. Rs. 2,63,00,826/- (Previous Year Rs 1,92,75,874/-), Provision for Doubtful Debts Rs. Nil , (Previous Year Rs. 40,41,724/-). | 9,80,22,400 | | 6,83,97,946 |
| | | 34,90,89,049 | 29,85,11,427 |
| D. DIRECTORS' SITTING FEES | | 40,000 | 65,000 |
| | TOTAL | 1,06,03,26,734 | 90,17,61,351 |
| SCHEDULE-16 : INVENTORY CHANGES - DECREASE | | | |
| Stock on 31st March, 2011 : | | | |
| Finished Goods | 3,17,12,411 | | 2,07,42,210 |
| Process Stock | 6,43,92,484 | | 8,35,15,589 |
| | | 9,61,04,895 | 10,42,57,799 |
| Less: Stock on 1st April, 2010 : | | | |
| Finished Goods | 2,07,42,210 | | 3,19,50,036 |
| Process Stock | 8,35,15,589 | | 12,84,03,946 |
| | | 10,42,57,799 | 16,03,53,982 |
| | TOTAL | 81,52,904 | 5,60,96,183 |
| SCHEDULE-17 : INTEREST | | | |
| On Fixed Loans and Deposits {Including Rs. Nil (Previous Year Rs. Nil) to the Managing Director} | | 25,36,591 | 25,30,749 |
| On Other Loans etc. | | 70,92,474 | 79,08,561 |
| | TOTAL | 96,29,065 | 1,04,39,310 |

**SCHEDULE-18: SIGNIFICANT ACCOUNTING POLICIES**

1. Significant Accounting Policies adopted by the Group in the preparation and presentation of Consolidated Financial statements:

(A) Basis of Consolidation:

The consolidated financial statements relate to M/s. Kaira Can Company Limited, the holding Company, and its wholly owned subsidiary (collectively referred to as the Group). The consolidation of the financial statements of the Company with its subsidiary has been prepared in accordance with the requirements of Accounting Standard (AS) 21 'Consolidated Financial Statements'. The financial statements of the parent and its subsidiary are combined on a line by line basis and intra group balances, intra group transactions and unrealised profits or losses are fully eliminated.

(B) Use of Estimates:

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

(C) Fixed Assets:

(i) Fixed Assets are recorded at cost of acquisition or construction. They are stated at historical cost. Fixed Assets acquired on lease basis from Leasing Companies prior to 1st April, 2001 are not included in the Schedule of Fixed Assets. Lease Rentals paid in respect thereof are charged to Profit and Loss Account.

(ii) Management evaluates at regular intervals, using external and internal sources whether there is any impairment of any asset. Impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its net realisable value on eventual disposal. Any loss on account of impairment is expensed as the excess of the carrying amount over the higher of the asset's net realisable value or present value as determined.

Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased.

(iii) Depreciation:

Depreciation has been calculated on straight line basis in accordance with the provisions of Section 205(2) (b) of the Companies Act, 1956 at the rates and in the manner specified in Schedule XIV to the said Act. Cost of Leasehold Land is amortised over the lease period. Intangible Assets (Computer Software) is being amortised over a period of Five years on Straight Line Method.

Assets costing less than Rs. 5,000/- are fully depreciated in the year of acquisition.

(iv) Intangible Assets:

Intangible Assets are stated at cost of acquisition.

(D) Investments:

Long Term Investments are shown at cost. Provision is made for any diminution, other than temporary, in the value of investments.

(E) Employee Benefits :

Retirement and Gratuity benefits

The Kaira Can Group contributes to Government provident fund as required by statute, which is a defined contribution plan. The same is charged to Profit and Loss account.

Superannuation Scheme is a defined contribution scheme and the contribution is charged to the Profit and Loss Account of the year when the contribution to the fund is due.

There are no other obligations other than the contribution payable to the respective authorities.

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method.

Long term compensated absences are provided for based on actuarial valuation made at the end of each financial year. The actuarial valuation is done as per projected unit credit method.

Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

(F) Valuation of Inventories :

(i) Stores and Spare Parts are valued at first-in first-out cost or Net Realisable Value whichever is lower.

(ii) Raw materials are valued at first-in first-out cost or Net Realisable Value whichever is lower. The cost includes purchase price as well as incidental expenses.

(iii) Process Stock is valued at cost or Net realisable value whichever is lower. Cost is arrived at on the basis of absorption costing.

Finished Goods manufactured (Containers, Can making machinery, Ice cream cones) are valued at absorption cost or net realisable value whichever is lower.

(G) Foreign currency Transactions:**(a) Initial recognition:**

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of transaction.

(b) Conversion:

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date

SCHEDULE-18: [Contd.]

of transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(c) Exchange Differences:

Exchange differences arising on the settlement / conversion of monetary items are recognised as income or expense in the year in which it arises.

The premium or discount arising at the inception of forward exchange contracts is amortised as expenses or income over the life of the respective contracts. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or expense for the year.

(H) Export Benefits / Incentives:

Export Benefits / Incentives in respect of import duty benefits under DEEC scheme are accounted on accrual basis on the basis of exports made under DEEC scheme.

(I) Revenue Recognition:

(i) Sales are accounted on despatch of products. Export sales are accounted on the basis of date of bill of lading.

(ii) Revenue in respect of Insurance / other claims, interest etc. is recognised only when it is reasonably certain that the ultimate collection will be made.

(J) Borrowing Cost:

Interest and other costs in connection with the borrowing of the funds to the extent related / attributed to the acquisition / construction of qualifying fixed assets are capitalised up to the date when such assets are ready for their intended use and other borrowing costs are charged to Profit & Loss Account. A qualifying asset is one that necessarily takes substantial period of time i.e. more than 12 months to get ready for intended use.

(K) Segment Accounting Policies:**(a) Segment assets and liabilities:**

All Segment assets and liabilities are directly attributable to the segment. Segment assets include all operating assets used by the segment and consist principally of fixed Assets, inventories, sundry debtors, loans and advances and operating cash & bank balances. Segment assets and liabilities do not include inter-corporate deposits, share capital, reserves and surplus, borrowings and taxes.

(b) Segment revenue and expenses:

Segment revenue and expenses are directly attributable to respective segment. It does not include interest income / expenses on inter-corporate deposits and borrowings, general administrative expenses, other expenses that arise at the enterprise level and relate to the enterprise as a whole and Income tax.

(L) Taxation:

Income Taxes are accounted for in accordance with Accounting Standard (AS 22)- 'Accounting for Taxes on Income', notified in the Companies (Accounting Standard) Rules, 2006.

Income Tax comprises both current and deferred tax. Current tax is measured on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax resulting from "timing differences" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable/ virtual certainty that the asset will be realised in future.

Tax on distributed profits payable in accordance with the provisions of section 115-O of the Income Tax Act, 1961 is in accordance with the Guidance Note on Accounting for Corporate Dividend Tax regarded as a tax on distribution of profits and is not considered in determination of the profits for the year.

(M) Leases**(a) Lease transactions entered into prior to 1st April, 2001 :**

Lease rentals in respect of assets acquired under lease are charged to Profit & Loss Account.

(b) Lease transactions entered into on or after 1st April, 2001 :

i. Assets acquired under lease where the Kaira Can Group has substantially all the risks and rewards incidental to ownership are classified as finance leases. Such assets are capitalised at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

ii. Assets acquired on leases where a significant portion of the risks and rewards incidental to ownership is retained by the lessor are classified as operating lease. Lease rentals under operating leases are recognized in the Profit and Loss account on a straight line basis.

(N) Provisions, Contingent Liabilities and Contingent Assets :

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

**SCHEDULE-19: NOTES TO CONSOLIDATED ACCOUNTS**

- The financial statements of the subsidiary used in the consolidation are drawn up to the same reporting date as that of the Company i.e. year ended March 31, 2011.
- The details of subsidiary company considered in the consolidated financial statements is as under :

| Sr. No. | Name of the Company | Country of Incorporation | % of Holding |
|---------|---------------------|--------------------------|--------------|
| 1 | Puma Properties Ltd | India | 100% |

- Estimated amount of Contracts remaining to be executed on Capital Account and not provided for:**

| | Current year Rupees | Previous year Rupees |
|-------------------|------------------------|-------------------------|
| Tangible Assets | 71,716,407 | --- |
| Intangible Assets | --- | 94,100 |

- Contingent Liabilities in respect of:**

| | | |
|--|-------------|-------------|
| (i) Disputed demands of Central Excise Department not provided for | 2,57,62,586 | 1,64,16,184 |
| Advance paid against said liability | 20,85,360 | 7,00,000 |

Note : In the opinion of the management, demand of Central Excise is not likely to materialise into the liability. However, even if the Company is called upon to pay the amount demanded by the Central Excise, the same is fully recoverable from customers concerned in terms of agreement / contract entered into with the respective customers.

| | | |
|---|----------|----------|
| (ii) Disputed demands of Sales Tax Authorities not provided for | 2,50,320 | 2,50,320 |
| Advance paid against said liability | 1,00,000 | 1,00,000 |

| | | |
|---|-------------|-------------|
| (iii) Disputed demands of Income – tax department not provided for | 1,81,94,159 | 1,91,41,461 |
| Amount adjusted by Income – tax department out of refunds of subsequent assessment years. | 90,41,620 | 77,87,387 |

In respect of items mentioned above, till the matters are finally decided the financial effect cannot be ascertained.

- Payments to Auditors:**

| | | |
|---|-----------------|-----------------|
| (a) As Auditors | 5,87,000 | 4,37,000 |
| (b) As Advisor or in any other capacity in respect of:- | | |
| Taxation Matters | — | — |
| In any other manner | 1,74,999 | 1,74,999 |
| (c) Reimbursement of Out of Pocket Expenses | 2,667 | 14,844 |
| (d) Service Tax | 62,075 | 63,333 |
| | <u>8,26,741</u> | <u>6,90,176</u> |

- Managerial Remuneration under Section 198 of the Companies Act, 1956:**

To Managing Director(s) / Executive Director

| | | |
|--|------------------|------------------|
| (a) Salaries | 22,20,000 | 16,80,000 |
| (b) Company's Contribution to Provident, Superannuation and other Funds(*) | 5,99,400 | 4,53,600 |
| (c) Perquisites and Allowances | 17,02,000 | 12,88,000 |
| | <u>45,21,400</u> | <u>34,21,600</u> |

* excludes Company's Contribution to Gratuity Fund and provision for compensated absences made on the basis of actuarial valuation for company as whole.

- Earnings per Share:**

| | Current Year Rupees | Previous Year Rupees |
|---|------------------------|-------------------------|
| (A) Net Profit after tax (Numerator) | 1,37,39,921 | 1,06,22,812 |
| (B) Weighted average number of equity shares (Denominator) (Nos.) | 9,22,133 | 9,22,133 |
| (C) Basic and Diluted Earnings per share (A/B) (in Rupees) | 14.90 | 11.52 |
| (D) Nominal value per equity share (in Rupees) | 10 | 10 |

SCHEDULE-19: [Contd.]

8. Some of the Debtors and Creditors balances are subject to balance confirmation.

9. Segment Information:**(A) Primary Segment Reporting (by Business Segment)****(i) Composition of Business Segments**

The Kaira Can Group's Business segments based on product lines are as under:

- Tin Containers
Segment manufactures Open Top Sanitary Cans, General Line Metal Containers and Components for Metal Containers.
- Ice Cream Cones
Segment manufactures Rolled Sugar Cones for filling Ice cream.
- Milk & Milk Products Division
Segment processes Milk for the brand name of 'Amul'.

(ii) Segment Revenues, Results and Other information

| | (Rupees) | | | |
|------------------------------|----------------|-----------------|---------------|------------------------------|
| | Tin Containers | Ice Cream Cones | Milk | Total of Reportable Segments |
| External Sales | 1,00,35,54,338 | 4,37,99,442 | 6,02,86,935 | 1,10,76,40,715 |
| (Net of Excise Duty) | (89,91,48,069) | (4,07,85,774) | (5,11,19,340) | (99,10,53,183) |
| Other Income | 1,12,72,658 | 1,846 | 11,07,982 | 1,23,82,486 |
| | (83,41,190) | (7,279) | (3,18,351) | (86,66,820) |
| Segment Revenues | 1,01,48,26,997 | 4,38,01,288 | 6,13,94,917 | 1,12,00,23,201 |
| | (90,74,89,259) | (4,07,93,053) | (5,14,37,691) | (99,97,20,003) |
| Segment Results | 4,42,37,531 | 21,98,126 | 11,22,999 | 4,75,58,656 |
| | (3,49,17,134) | (54,052) | (6,70,614) | (3,56,41,800) |
| Segment Assets | 43,34,68,624 | 1,59,22,563 | 2,88,81,779 | 47,82,72,965 |
| | (37,55,01,717) | (1,88,15,492) | (2,41,08,014) | (41,84,25,223) |
| Segment Liabilities | 30,66,32,278 | 79,19,648 | 41,46,764 | 31,86,98,690 |
| | (15,59,73,996) | (29,91,596) | (35,22,226) | (16,24,87,818) |
| Capital Expenditure | 3,95,19,733 | -- | -- | 3,95,19,733 |
| (included in Segment Assets) | (2,00,74,427) | (1,46,510) | (9,22,466) | (2,11,43,403) |
| Depreciation | 24,04,290 | 20,63,925 | 9,54,033 | 54,22,248 |
| | (47,63,861) | (19,99,599) | (49,54,936) | (1,17,18,396) |

(iii) Reconciliation of Reportable Segments with the Financial Statements

| | (Rupees) | | | |
|---------------------------------|------------------|--------------------|----------------|----------------|
| | Revenue | Result/Net Profits | Assets | Liabilities |
| Total of Reportable Segments | 1,12,00,23,201 | 4,75,58,656 | 44,86,94,483 | 31,86,98,690 |
| | (99,97,20,003) | (3,56,41,800) | (41,84,25,223) | (16,24,87,818) |
| Corporate / Unallocated Segment | 8,20,861 | -26,63,241* | 8,84,85,098 | 6,69,06,080 |
| | (9,71,247) | (-57,34,647)* | (5,35,42,332) | (16,57,13,185) |
| Interest | --- | -96,29,065 | --- | --- |
| | (--) | (-1,04,39,310) | (--) | (--) |
| As per Financial Statement | 1,12,08,44,062 | 3,52,66,350 | 53,71,79,581 | 24,82,80,383 |
| | (1,00,06,91,250) | (1,94,67,843) | (47,19,67,554) | (32,82,01,003) |

* It includes profit/loss on Sale of Fixed Assets.

(Figures in brackets are in respect of previous year)

(B) Secondary Segment Reporting (by Geographical Segments)

Since the Kaira Can Group does not have material earnings emanating from outside India, it is considered to operate only in the domestic segment.

**SCHEDULE-19: [Contd.]****10. Deferred Tax:**

The break up of net deferred tax liability as at 31st March, 2011 is as under :

| | Deferred Tax Asset | Deferred Tax Liability |
|---|-------------------------------|-----------------------------------|
| Timing difference on account of: | | |
| Difference between book depreciation and depreciation under the Income-Tax Act 1961 | — | 21,02,855 |
| | (--) | (65,50,612) |
| Expenses allowable on payment basis and provision for doubtful debts | 53,55,200 | |
| | (43,29,387) | (---) |
| Total | 53,55,200 | 21,02,855 |
| | (43,29,387) | (65,50,612) |
| Net Deferred Tax Asset / (Liability) | | 32,52,345 |
| | | (22,21,225) |

(Figure in brackets are in respect of previous year)

11. Related Party disclosures

Related party disclosures as required by (AS 18) 'Related Party Disclosures' notified in the Companies (Accounting Standard) Rules, 2006.

- Key management personnel & relatives of such personnel
 - Mr. Ashok B. Kulkarni Managing Director
 - Mrs. Nayana A. Kulkarni Relative of Managing Director
 - Mr. K. Jagannathan Executive Director
 - Mrs. Saraswathi Jagannathan Relative of Executive Director
- Other related party where there have been transactions :
 - Enterprise which has significant influence on the Kaira Can Group:
 - Gujarat Co-op. Milk Marketing Federation Ltd. (GCMMF)
- The following transactions were carried out with the related parties in the ordinary course of business
 - Details relating to the parties referred to in items (1) and (2) above:

| | Key Management Personnel & their relatives | Other Related Party | Total (Rupees) |
|--|---|--------------------------------|---------------------------|
| Sale of Materials | | 5,17,52,146 | 5,17,52,146 |
| | | (4,93,63,515) | (4,93,63,515) |
| Rendering of Services | | 6,38,345 | 6,38,345 |
| | | (2,70,900) | (2,70,900) |
| Expenses Recovered / (Reimbursed) | | 3,97,132 | 3,97,132 |
| | | (-3,61,911) | (-3,61,911) |
| Interest Paid: | | | |
| Mrs. Nayana A. Kulkarni | 2,421 | -- | 2,421 |
| | (4,725) | (--) | (4,725) |
| Mr. K. Jagannathan | 10,500 | -- | 10,500 |
| | (5,250) | (--) | (5,250) |
| Mrs. Saraswathi Jagannathan | 26,250 | -- | 26,250 |
| | (15,211) | (--) | (15,211) |
| Harshadray Pvt. Ltd. | | 20,94,246 | 20,94,246 |
| | | (--) | (--) |
| Dividend Paid: | | | |
| G.C.M.M.F. LTD. | | 5,95,040 | 5,95,040 |
| | | (2,38,016) | (2,38,016) |

SCHEDULE-19: [Contd.]

| | Key Management Personnel & their relatives | Other Related Party | Total (Rupees) |
|---|---|------------------------|-------------------|
| Managerial Remuneration: | | | |
| Mr. Ashok B.Kulkarni | 22,60,700 | | 22,60,700 |
| | (17,10,800) | (--) | (17,10,800) |
| Mr. K. Jagannathan | 22,60,700 | | 22,60,700 |
| | (17,10,800) | (--) | (17,10,800) |
| Outstanding amount payable / (receivable) (including deposits) : | | | |
| G.C.M.M.F. LTD. | | 10,94,726 | 10,94,726 |
| | | (-34,34,731) | (-34,34,731) |
| Mrs. Nayana A. Kulkarni | -- | -- | -- |
| | (45,000) | (--) | (45,000) |
| Mr. K. Jagannathan | 1,00,000 | | 1,00,000 |
| | (1,00,000) | (--) | (1,00,000) |
| Mrs. Saraswathi Jagannathan | 2,50,000 | | 2,50,000 |
| | (2,50,000) | (--) | (2,50,000) |
| Harshadray Pvt. Ltd. | | 5,88,00,000 | 5,88,00,000 |
| | | (--) | (--) |

(Figures in brackets are in respect of previous year.)

12. Leases

Operating Lease

The Kaira Can Group has taken various residential / Commercial premises and plant and machinery under other than non cancellable operating leases. These lease agreements are normally renewed on expiry. The lease payments recognised in Profit & Loss Account is Rs. 90,92,598/- (Previous year Rs. 84,14,861/-).

The Kaira Can Group has given residential / Commercial premises under other than non cancellable operating leases. These lease agreements are normally renewed on expiry. The lease receipts recognised in Profit & Loss Account is Rs. Nil /- (Previous year Rs. 6,30,000/-).

13. There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March 2011. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company. The auditors have relied on the information provided by the management.
14. Additional information pursuant to paragraphs 3(i)(a), 3(ii)(a), 4C and 4D of Part II of Schedule VI to the Companies Act, 1956 :

| | Unit | Current Year | | Previous Year | |
|------------------------------------|------|--------------|----------------------|---------------|---------------------|
| | | Quantity | Value Rupees | Quantity | Value Rupees |
| (i) Turnover : | | | | | |
| Metal Containers | Nos. | 620.44 Lakhs | 83,92,34,992 | 608.36 Lakhs | 74,79,43,496 |
| Components | Nos. | 225.23 Lakhs | 14,54,87,036 | 160.38 Lakhs | 11,13,17,251 |
| Other Sales | | -- | 9,42,06,176 | -- | 7,32,45,255 |
| Can Making Machinery Accessories | | -- | 2,17,486 | -- | 1,51,892 |
| Ice cream Cones (Waffles & Wafers) | Nos. | 328.02 Lakhs | 4,55,82,516 | 323.23 Lakhs | 4,23,98,352 |
| TOTAL | | | 112,47,28,206 | | 97,50,56,246 |
| (ii) Raw Materials Consumed | | | | | |
| Tinplate | M.T. | 10,013.147 | 60,92,53,762 | 9,140.448 | 1,53,42,449 |
| Aluminium Foil | Kgs. | 1,42,610 | 2,82,97,758 | 1,24,835.400 | 2,35,60,224 |
| Maida | Kgs. | 1,74,025.000 | 37,18,160 | 1,88,975.000 | 31,91,282 |
| Sugar | Kgs. | 77,537.000 | 25,40,740 | 86,181.000 | 26,31,816 |
| Others | -- | 14,62,153 | -- | -- | 13,50,749 |
| TOTAL | | | 64,52,72,573 | | 54,60,76,520 |



SCHEDULE-19: [Contd.]

(iii) Opening and Closing Stocks

| | Closing Stock As on 31.03.2011 | | Opening Stock As on 01.04.2010 | | Opening Stock As on 01.04.2009 | |
|---------------------------------------|-----------------------------------|-----------------|-----------------------------------|-----------------|-----------------------------------|-----------------|
| | Quantity Nos | Value Rupees | Quantity Nos | Value Rupees | Quantity Nos | Value Rupees |
| (a) Goods produced : | | | | | | |
| Containers | 26,73,790 | 3,01,54,823 | 19,73,546 | 2,00,78,032 | 18,79,584 | 3,08,70,769 |
| Ice Cream Cones (Waffles & Wafers) | 11.91 Lakh Nos. | 15,57,588 | 5.34 Lakh Nos. | 6,64,178 | 8.31 Lakh Nos. | 10,79,267 |

(iv) Capacity and Production :

| | Unit | Current Year Quantity | Previous Year Quantity |
|--|------|------------------------------------|------------------------------------|
| Licensed capacity at the year end : | | | |
| (a) Open Top Sanitary Cans and General Line Containers Ice Cream Cones (Waffles & Wafers) | M.T. | 18,000 per annum Not Applicable | 18,000 per annum Not Applicable |
| (b) Can Making Machinery | | [See Note (i) below] | [See Note (i) below] |

Note: (i) The Kaira Can Group is registered with DGTD, New Delhi for Manufacture of 100 Nos. Can Making Machinery per annum on the Basis of maximum utilisation of capacity.

Installed Capacity at the year end:

(as certified by the Management)

| | | | |
|--|------|---|---|
| (a) Open Top Sanitary Cans and General Line Containers Ice Cream Cones (Waffles & Wafers) | M.T. | 18,000 per annum 700 Lakhs per annum | 18,000 per annum 700 Lakhs per annum |
| (b) Can Making Machinery | Nos. | 100 per annum | 100 per annum |

Actual Production:

| | | | |
|--|------|--------------|--------------|
| Open Top Sanitary Cans and General Line Containers | Nos. | 627.44 Lakhs | 609.30 Lakhs |
| Ice Cream Cones (Waffles & Wafers) | Nos. | 334.59 Lakhs | 320.26 Lakhs |

(v) Value of imports on C.I.F. basis in respect of :

| | Current Year Rupees | Previous Year Rupees |
|---|------------------------|-------------------------|
| (i) Raw Materials (including exchange difference (Net) of Rs. 60,65,576 /- (Previous year Rs. 66,76,879/-) | 38,58,41,764 | 28,55,66,027 |
| (ii) Stores and Spares (Including exchange difference (Net) of Rs. 57,417 /- Previous year Rs. Rs. 2,65,659/-) | 1,35,22,524 | 1,64,14,255 |
| (iii) Capital Goods (Including exchange difference (Net) of Rs 2,77,280/- (Previous year Rs Nil) | 1,90,91,604 | --- |

(vi) Expenditure in Foreign Currency :

| | Current Year Rupees | Previous Year Rupees |
|--|------------------------|-------------------------|
| (On accrual basis) | | |
| Interest | NIL | 33,732 |
| Other Matters (Travelling, Subscription, Interest, Commission, Other charges on export etc.) | 6,16,420 | 4,23,212 |
| | 6,16,420 | 4,56,944 |

(vii) Value of imported and indigenous Raw Materials, Stores and Spare Parts Consumed:

| | Rupees | Current Year % of total Consumption | Rupees | Previous Year % of total Consumption |
|------------------------------|---------------------|---|---------------------|--|
| (a) Raw Materials : | | | | |
| Imported | 42,92,00,111 | 66.51 | 30,33,35,354 | 55.55 |
| Indigenous | 21,60,72,463 | 33.49 | 24,27,41,166 | 44.45 |
| Total | 64,52,72,574 | 100.00 | 54,60,76,520 | 100.00 |
| (b) Stores and Spare Parts : | | | | |
| Imported | 1,78,69,619 | 11.35 | 2,88,16,281 | 19.04 |
| Indigenous | 13,95,26,528 | 88.65 | 12,25,70,544 | 80.96 |
| Total | 15,73,96,147 | 100.00 | 15,13,86,825 | 100.00 |

Note: The above particulars of consumption of imported and indigenous materials have been ascertained by the Management on the basis of information available with them.

(viii) Earnings in Foreign Exchange :

| | Current Year Rupees | Previous Year Rupees |
|---|------------------------|-------------------------|
| Export of Goods on F.O.B. basis (including exchange difference) | 15,31,87,717 | 11,94,48,814 |

SCHEDULE-19: [Contd.]

15. Kaira Can Group uses forward contracts to mitigate its risk associated with foreign currency fluctuations having underlying transactions and relating to firm commitments or highly probable forecasted transactions. Kaira Can Group does not enter into any forward contract which is intended for trading or speculative purposes.

a) The details of forward contracts outstanding at the year end is as follows:

| | Current Year | | Previous Year | |
|--|------------------------|---------------------|------------------------|---------------------|
| | Foreign Currency (USD) | Equivalent (Rupees) | Foreign Currency (USD) | Equivalent (Rupees) |
| Forward contracts for payables including firm commitments and highly probable forecasted transactions: | | | | |
| Raw Material | 1,36,630 | 62,22,124 | 7,25,028 | 3,28,80,022 |
| Capital Goods | 2,00,000 | 92,48,260 | — | — |

b) The details of foreign currency exposure that have not been hedged by a forward contract at the year end is as follows:

| | Currency | Current Year | | Previous Year | |
|---|----------|------------------|---------------------|------------------|---------------------|
| | | Foreign Currency | Equivalent (Rupees) | Foreign Currency | Equivalent (Rupees) |
| Amount payable / receivable (shown in -) in foreign currency on Account of: | | | | | |
| Import of goods: | | | | | |
| Raw Material | USD | 5,91,182 | 2,65,26,297 | 1,27,984 | 58,04,095 |
| | Euro | — | — | 49,398 | 30,14,295 |
| Capital Goods | USD | 1,40,000 | 62,81,786 | — | — |
| | GBP | -1,16,000 | -82,17,941 | — | — |
| Note : The values in – refers to advance payment made | | | | | |
| Export of goods | USD | -4,75,142 | -2,11,05,826 | -3,95,094 | -1,77,35,782 |
| | USD | 2,56,040 | 1,17,02,257 | -2,67,110 | -1,19,31,687 |
| Total | Euro | — | — | 49,398 | 30,14,295 |
| | GBP | -1,16,000 | -82,17,941 | | |

16. Excise Duty shown under expenditure represents the aggregate of excise duty borne by the Kaira Can Group and difference between excise duty on opening and closing stock of finished goods.

17. Disclosures as per Accounting Standard 15 (Revised)**Gratuity:**

The employees' gratuity fund scheme managed by Trust is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Accumulated Compensated absences :

The employees of the Kaira Can Group are also entitled to compensated absence as per the Kaira Can Group's policy.

| | Gratuity (Funded) | | Leave encashment (Non funded) | |
|--|-------------------|---------------|-------------------------------|---------------|
| | Current Year | Previous Year | Current Year | Previous Year |
| i) Change in benefit obligations: | | | | |
| Projected benefit obligations, beginning of the year (April 1, 2010) | 1,67,70,411 | 1,58,22,188 | 40,70,952 | 40,83,228 |
| Service Cost | 13,82,559 | 18,91,377 | 15,08,503 | 12,80,119 |
| Past Service Cost | 7,41,303 | --- | --- | --- |
| Interest Cost | 12,51,626 | 10,19,219 | 3,25,676 | 2,57,888 |
| Actuarial (gain) / loss | 16,81,820 | 5,61,458 | (9,73,271) | (7,52,052) |
| Benefits paid | (22,50,181) | (25,23,831) | --- | (7,98,231) |
| Projected benefit obligations, end of the year | 1,95,77,538 | 1,67,70,411 | 49,31,860 | 40,70,952 |



SCHEDULE-19: [Contd.]

| | Gratuity (Funded) | | Leave encashment (Non funded) | |
|--|-----------------------|-----------------------|----------------------------------|-----------------------|
| | Current Year | Previous Year | Current Year | Previous Year |
| ii) Change in fair value plan assets: | | | | |
| Fair value of plan assets, at beginning of the year (April 1, 2010) | 1,57,70,411 | 1,37,92,736 | --- | --- |
| Adjustment to Opening Balance | 52,605 | --- | --- | --- |
| Expected return on plan assets | 13,85,841 | 10,05,415 | --- | --- |
| Actuarial gain/(loss) | 10,67,274 | (1,68,419) | --- | --- |
| Employer contribution | 30,00,000 | 11,40,679 | --- | 7,98,231 |
| Benefits paid | (--) | (--) | --- | (7,98,231) |
| Fair value of plan assets at the end of the year | 2,12,76,131 | 1,57,70,411 | --- | --- |
| Excess of (obligation over plan asset) / plan assets over obligation | 16,98,593 | (10,00,000) | (49,31,860) | 40,70,952 |
| (Accrued liability) / plan assets over obligation | 16,98,593 | (10,00,000) | (49,31,860) | (40,70,952) |
| iii) Service Cost | 13,82,559 | 18,91,377 | 15,08,503 | 12,80,119 |
| Past Service Cost | 7,41,303 | --- | --- | --- |
| Interest Cost | 12,51,626 | 10,19,219 | 3,25,676 | 2,57,888 |
| Expected return on plan assets | (13,85,841) | (10,05,415) | --- | --- |
| Actuarial (gain)/loss | 6,14,546 | 7,29,877 | (9,73,271) | (7,52,052) |
| Expense recognized in Statement of Profit & Loss Account A/c. | 26,04,193 | 26,35,058 | 8,60,908 | 7,85,955 |
| Actual return on plan assets | 24,53,115 | 8,36,996 | --- | --- |
| iv) Category of Assets as at March 31,2011 | | | | |
| Central Government Bonds | 59,60,139 | 65,06,327 | ---- | ---- |
| State Government Bonds | 22,65,166 | 9,16,969 | ---- | ---- |
| Public Sector Units | 129,26,840 | 71,60,480 | ---- | ---- |
| Bank Balance | 1,23,985 | 98,561 | ---- | ---- |
| | 2,12,76,130 | 1,46,82,337 | ---- | ---- |
| v) Assumptions used in accounting for the gratuity plan | | | | |
| Mortality Table (L.I.C) | 1994-96 (Ultimate) | 1994-96 (Ultimate) | 1994-96 (Ultimate) | 1994-96 (Ultimate) |
| Discount rate (per annum) | 8.00% | 8.00% | 8.00% | 8.00% |
| Expected rate of return on plan assets (per annum) | 8.00% | 7.00% | --- | --- |
| Rate of escalation in salary (per annum) | 3.00% | 3.00% | 3.00% | 3.00% |
| Employee Attrition Rate (Past Service (PS)) | 0 to 42 : 1% | 0 to 42:0.5% | 0 to 42 :1% | 0 to 42:0.5% |

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Kaira Can Group's policy for plan assets management.

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

The above information is certified by the actuary and relied upon by the auditors.

Provident fund:

In addition to the above, in accordance with Indian regulations, employees of the Kaira Can Group are entitled to receive benefits under the provident fund, a defined contribution plan, in which, both the employee and the Kaira Can Group Company contribute monthly at a determined rate. These contributions are made to the Government Provident Fund.

18. Comparative financial information (i.e. the amounts and other disclosures for the preceding year presented above), is included as an integral part of the current years' financial statements, and is to be read in relation to the amounts and other disclosures relating to the current year. Figures of the previous year have been regrouped / reclassified wherever necessary to correspond to figures of the current year.

Signatures to Schedules 1 to 19

As per our attached Report of even date.
For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants

VINAYAK M. PADWAL
Partner

For and on behalf of the Board
ASHOK B. KULKARNI Managing Director
K. JAGANNATHAN Executive Director

U. R. KAPADIA Director
NANAK G. SHETH Director
R. S. SODHI Director

HITEN VANJARA Company Secretary
Mumbai, Dated : 30th May, 2011

Mumbai, Dated : 30th May, 2011

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

| | |
|---|----------------------|
| 1. Name of Subsidiary | Puma Properties Ltd. |
| 2. Financial Year ended | March 31, 2011 |
| 3. Date from which it become a Subsidiary | December 19, 2007 |
| 4. Extent of interest of the Holding Company in the capital of the Subsidiary | 100% |
| 5. Net aggregate amount of the Subsidiary's profit less losses not dealt with in the Holding Company's Accounts : | |
| (i) Current Year | Rs. (30,06,870) |
| (ii) Previous Year since it become Subsidiary | Rs. (2,30,207) |
| 6. Net aggregate amount of the Subsidiary's profit less losses dealt with in the Holding Company's Accounts : | |
| (i) Current Year | — |
| (ii) Previous Year since it become Subsidiary | — |

For and on behalf of the Board

Shri Utsav R. Kapadia
Chairman

Shri Nank Sheth
Director

Shri R. S. Sodhi
Director

Shri Ashok B. Kulkarni
Managing Director

Shri K. Jagannathan
Executive Director

Shri Hiten Vanjara
Company Secretary

Mumbai, Dated : 30th May, 2011

PUMA PROPERTIES LIMITED

Registered Office : Tiecicon House, Dr. E.Moses Road, Mumbai - 400 011.

DIRECTORS' REPORT**TO THE MEMBERS,**

The Directors present the third Report and the Audited Statement of Accounts of the Company for the year ended 31st March, 2011.

1. FINANCIAL RESULTS:**Rupees**

| | |
|--|--------------------|
| Total Income | 4,78,074 |
| Less: Expenditure | 34,84,944 |
| Loss Before Tax | (30,06,870) |
| Balance brought forward from previous year | (2,33,464) |
| Loss transferred to Balance Sheet | (32,40,334) |

2. OPERATIONS

The Company is in the business of dealing in properties in Realty sector.

3. DIVIDEND

Due to the loss, your Directors express their inability to recommend dividend for the year.

4. DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Shri. Aditya P. Kapadia retire by rotation and being eligible, offers himself for re-appointment.

5. FIXED DEPOSITS

Your Company has neither invited nor accepted any deposits from public within the meaning of Companies (Acceptance of Deposits) Rules, 1975 during the financial year.

6. AUDITORS.

M/s. Ashok Trivedi & Co., Chartered Accountants, the Statutory Auditors, retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office if re-appointed. The Company has received a certificate from them to the effect that their appointment, if made, will be within the prescribed limit under Section 224 (1-B) of the Companies Act, 1956.

7. AUDITOR'S REPORT

The Auditors' Report to the members together with Audited Accounts for the period ended 31st March, 2011 and notes thereon are attached, which are self explanatory.

8. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 217 (2AA) of the Companies Act, 1956 :

- I. that in the preparation of the annual accounts for the year ended on 31st March, 2011, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- II. that such accounting policies as mentioned in notes to the financial statements have been selected and applied consistently and judgments and estimates that are reasonable and prudent made so as to give a fair view of the state of affairs of the Company at the end of the financial year ended on 31st March, 2011 and of the loss of the Company for that year.
- III. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- IV. that the annual accounts for the year ended on 31st March, 2011, have been prepared on a going concern basis.

9. PARTICULARS OF EMPLOYEE

There were no employees on the roll of the Company. Accordingly, the relevant disclosure of such particulars as required in accordance with the provisions of Section 217(2A) of the Companies Act, 1956 are not applicable for the year under review.

10. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO.

Disclosure of particulars with respect to conservation of energy and technology absorption are not applicable to the Company. During the year under review, there was no foreign exchange earning and outgo.

11. ACKNOWLEDGEMENT

Your Directors wish to place on record their deep sense of appreciation for the services rendered by all concerned and associated with the activities of the Company including support extended by the Holding Company.

On behalf of the Board of Directors,

Place : Mumbai
Dated : 20th May, 2011

PREMAL N. KAPADIA
CHAIRMAN

AUDITOR'S REPORT

To,
The Members' of
PUMA PROPERTIES LIMITED

1. We have audited the attached Balance Sheet of **PUMA PROPERTIES LIMITED**, as at 31st March 2011, the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion.
3. 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 annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to the comments in the Annexure referred to in paragraph (1) above we report that:
 - (i) 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 ;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books ;
 - (iii) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account ;
 - (iv) In our opinion, the balance sheet and profit and loss account dealt with by this report comply with the accounting standards referred in sub-section (3C) of section 211 of the Companies Act, 1956 ;
 - (v) On the basis of written representations received from the directors, as on 31st March 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 ;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - (i) in the case of balance sheet, of the state of affairs of the company as at 31st March 2011 ;
 - (ii) in the case of the profit and loss account, of the loss for the year ended on that date.
 - (iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For **ASHOK TRIVEDI & CO.**
Chartered Accountants

(Ashok A. Trivedi)
Proprietor
Membership # 42472

Place : Mumbai
Date : 20th May, 2011

ANNEXURE TO THE AUDITOR'S REPORT

Referred to in Paragraph (3) of our report of even date on the accounts of **PUMA PROPERTIES LIMITED**, for the year ended March 31, 2011.

- 1) (a) The fixed asset of the company comprises of Immovable Property. The Company is maintaining proper records showing full particulars, and situation of fixed assets.
- (b) The Company has verified the fixed assets at periodic intervals. In our opinion, the period of verification is reasonable and the nature of its assets. No material discrepancies between the book records and physical inventory were reported for the assets verified during the year.
- (c) The Company has not disposed off any of the fixed assets during the year.
- 2) The Company has not conducted any business and dealt with any of the item constituting inventory.

- 3) (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act.
(b) During the year, the Company has taken Inter corporate Deposit from the parties covered in the register maintained under section 301 of the Act. The Company has taken a deposit from a party during the financial year aggregating to Rs.588.00 Lakhs. The maximum amounts involved during the year were aggregating to Rs.588.00 Lakhs and the year end outstanding balance of deposit taken from the party was aggregating to Rs.588.00 Lakhs. In our opinion, the terms and conditions of the Inter corporate Deposit is not prima facie prejudicial to the interest of the company.
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets.
- 5) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion there are no contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
- 6) In our opinion and according to the information and explanations given to us, the provisions of Sections 58A and 58 AA and other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits are not applicable to Company.
- 7) The requirement of the internal audit system is not applicable to the Company.
- 8) As informed to us, the maintenance of cost records has not been prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956 for the Company.
- 9) According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid statutory dues were outstanding, at the year end for a period of more than six months from the date they became payable.
- 10) The Company has been incorporated on 19th December 2007, and as such company has been registered for a period less than five years. The accumulated losses at the end of the financial year have exceeded fifty per cent of its net worth and it has incurred cash losses in current financial year. However there was no cash loss in the immediately preceding financial year.
- 11) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not defaulted in repayment of dues to banks.
- 12) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares and other securities.
- 13) In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi/ mutual benefit fund/ societies.
- 14) According to the information and explanations given to us and the records examined by us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- 15) According to the information and explanations given to us and the records examined by us, the Company did not avail new term loan during the year and as such clause (xvi) is not applicable for the current year.
- 16) On the basis of an overall examination of the balance sheet and cash flows of the Company and the information and explanations given to us, we report that the Company has not utilized the funds raised on short term basis for long-term investment.
- 17) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
- 18) The Company did not issue any debentures during the year.
- 19) The Company has not raised any money through a public issue during the year.
- 20) Based on the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.
- 21) In our opinion, clause (xiii) and (xiv) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable during the year.

For **ASHOK TRIVEDI & CO.**
Chartered Accountants

(Ashok A. Trivedi)
Proprietor
Membership # 42472

Place : Mumbai
Date : 20th May,2011

BALANCE SHEET AS AT 31ST MARCH, 2011

| | Schedule No. | Rupees 31-March-2011 | Rupees 31-March-2010 |
|---|-----------------|-------------------------|-------------------------|
| SOURCES OF FUNDS: | | | |
| 1 SHAREHOLDERS' FUNDS: | | | |
| (a) Share Capital | 1 | 5,00,000 | 5,00,000 |
| (b) Reserves and Surplus | | — | — |
| | | 5,00,000 | 5,00,000 |
| 2. LOAN FUNDS: | | | |
| (a) Secured Loans | | — | — |
| (b) Unsecured Loans | 2 | 5,88,00,000 | 5,00,00,000 |
| | | 5,88,00,000 | |
| 3. DEFERRED TAX LIABILITY (Net): | | | |
| | | — | — |
| TOTAL | | 5,93,00,000 | 5,05,00,000 |
| APPLICATION OF FUNDS: | | | |
| 1. FIXED ASSETS: | | | |
| (a) Gross Block | | 6,23,02,600 | 6,23,02,600 |
| (b) Less: Depreciation | | 13,17,537 | 3,02,005 |
| (c) Net Block | | 6,09,85,063 | 6,20,00,595 |
| (d) Capital Advance | | — | — |
| | | 6,09,85,063 | 6,20,00,595 |
| 2. INVESTMENTS | | | |
| | | — | — |
| 3. CURRENT ASSETS, LOANS AND ADVANCES: | | | |
| (a) Inventories | | — | — |
| (b) Sundry Debtors | | — | — |
| (c) Cash and Bank Balances | 3.1 | 2,45,182 | 1,68,757 |
| (d) Other Current Assets | 3.2 | 4,95,507 | 4,32,715 |
| | | 7,40,689 | 6,01,472 |
| Less: CURRENT LIABILITIES AND PROVISIONS | | | |
| (a) Liabilities & Provisions | 4.1 | 56,66,086 | 1,23,35,531 |
| NET CURRENT ASSETS | | (49,25,397) | (1,17,34,059) |
| MISCELLANEOUS EXPENDITURE | | | |
| (To the extent not written off or adjusted) | | — | — |
| PROFIT AND LOSS ACCOUNT | 5 | (32,40,334) | (2,33,464) |
| TOTAL | | 5,93,00,000 | 5,05,00,000 |

Significant Accounting Policies and Notes on Balance Sheet and Profit and Loss Accounts -Schedule 6

The schedules referred to above shall form an integral part of the Balance Sheet.

As per our report of even date attached
For **ASHOK TRIVEDI & CO**
Chartered Accountants

(Ashok A. Trivedi)
Proprietor

Mumbai Dated : 20th May,2011

For and on behalf of the Board

PREMAL N. KAPADIA Director
UTSAV R. KAPADIA Director

Mumbai Dated : 20th May,2011

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH, 2011

| | Schedule No. | Rupees 31-March-2011 | Rupees 31-March-2010 |
|---|-----------------|---------------------------|-------------------------|
| I INCOME | | | |
| a Interest (Bank FD) (Tds of Rs. 1805/- ; Previous year Rs. 3341) | | 28,074 | 31,281 |
| b Rent Received (Tds of Rs. 45000/- ; Previous year Rs.15000) | | 4,50,000 | 1,79,032 |
| | | <u>4,78,074</u> | <u>2,10,313</u> |
| II EXPENDITURE | | | |
| a Legal and Professional Fees | | — | 3,650 |
| b Auditors Remuneration - Audit Fees | | 12,000 | 12,000 |
| c Society Maintenance charges | | 2,70,126 | 77,474 |
| d Repairs & Maintenance Exp. | | 88,219 | 4,791 |
| e Sundry Expenses | | 4,821 | 600 |
| f Intererst on ICD | | 20,94,246 | — |
| g Depreciation | | 10,15,532 | 3,02,005 |
| | | <u>34,84,944</u> | <u>4,00,520</u> |
| Loss for the Year | | (30,06,870) | (1,90,207) |
| Less :Provision for Taxation - Income Tax | | — | 40,000 |
| Balance Brought Forward from Previous year | | (2,33,464) | (3,257) |
| Loss Transferred to Balance Sheet | | <u>(32,40,334)</u> | <u>(2,33,464)</u> |

Significant Accounting Policies and Notes on Balance Sheet and Profit and Loss Accounts -Schedule 6

The schedules referred to above shall form an integral part of the Balance Sheet.

As per our report of even date attached

For **ASHOK TRIVEDI & CO**
Chartered Accountants

(Ashok A. Trivedi)
Proprietor

Mumbai Dated : 20th May,2011

For and on behalf of the Board

PREMAL N. KAPADIA Director
UTSAV R. KAPADIA Director

Mumbai Dated : 20th May,2011

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2011

| | Rupees | 2010-2011 Rupees | 2009-2010 Rupees |
|--|-----------|------------------------|------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Net Profit before Taxation and Extraordinary items | | (30,06,870) | (1,90,207) |
| Adjustment for : Depreciation including Impairment | 10,15,532 | | 3,02,005 |
| : Loss / (Profit) on sale/Disposal of Fixed Assets (Net) | — | | — |
| : Interest Income | (28,074) | | (31,281) |
| : Dividend Income | — | | — |
| : Bad Debts written off | — | | — |
| : Interest Expense | 20,94,246 | | — |
| | | <u>30,81,704</u> | <u>2,70,724</u> |
| Operating profit before Working Capital changes | | 74,834 | 80,517 |
| Adjustment for : Decrease / (Increase) in Other Current assets and other receivables | | 12,112 | (9,935) |
| : Decrease / (Increase) in Inventories | | — | — |
| : Increase / (Decrease) in Sundry Creditors & Provisions | | (66,69,445) | 1,22,90,531 |
| Cash generated from Operations | | <u>(65,82,499)</u> | <u>1,23,61,113</u> |
| Direct Taxes Paid | (74,905) | | |
| | | <u>(74,905)</u> | <u>(18,341)</u> |
| Net Cash from Operating Activities | | <u>(66,57,404)</u> | <u>1,23,42,772</u> |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Purchase of Fixed Assets | — | | (6,23,02,600) |
| Proceeds from Sale of Fixed Assets | — | | — |
| Share Application Money | — | | — |
| Sale Proceeds of Investment | — | | — |
| Interest Income | 28,074 | | 31,281 |
| Dividend Income | — | | — |
| Net Cash used in Investing Activities | | <u>28,074</u> | <u>(6,22,71,319)</u> |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Proceeds from Long Term & Short Term Borrowings | | 5,88,00,000 | 5,00,00,000 |
| Repayment of Long Term & Short Term Borrowings | | (5,00,00,000) | — |
| Proceeds from Investment by Holding Company | | — | — |
| Interest Paid | | (20,94,246) | — |
| Dividend Paid | | — | — |
| Corporate tax on Dividend | | — | — |
| Net Cash used in Financing Activities | | <u>67,05,754</u> | <u>5,00,00,000</u> |
| Net (Decrease)/Increase in Cash & Cash Equivalents | | 76,424 | 71,453 |
| Cash & Cash Equivalents as at beginning | | 5,68,757 | 4,97,304 |
| Cash & Cash Equivalents as at end of the year | | 6,45,182 | 5,68,757 |
| Net (Decrease)/Increase in Cash & Cash Equivalents as disclosed above | | <u>76,425</u> | <u>71,453</u> |
| Components of Cash and Cash equivalents as at | | <u>31st Mar - 2011</u> | <u>31st Mar - 2010</u> |
| Cash on Hand | | — | — |
| Balance with Banks - on Currents Accounts | | 2,45,182 | 1,68,757 |
| - on Deposit Accounts | | 4,00,000 | 4,00,000 |
| Total | | <u><u>6,45,182</u></u> | <u><u>5,68,757</u></u> |

NOTES : 1. All figures in Brackets are Outflows.

As per our report of even date attached
For **ASHOK TRIVEDI & CO**
Chartered Accountants

(Ashok A. Trivedi)
Proprietor
Mumbai Dated : 20th May,2011

For and on behalf of the Board

PREMAL N. KAPADIA Director
UTSAV R. KAPADIA Director

Mumbai Dated : 20th May,2011

SCHEDULE FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

| | Rupees | Rupees 31-March-2011 | Rupees 31-March-2010 |
|--|--------------------|-------------------------|-------------------------|
| SCHEDULE - 1 : SHARE CAPITAL : | | | |
| a. Authorised | | 5,00,000 | 5,00,000 |
| 50,000 Equity Shares of Rs. 10/- each | | | |
| | | 5,00,000 | 5,00,000 |
| b. Issued, Subscribed and Fully Paid-up | | | |
| 50,000 Equity Shares of Rs.10/- each fully paid | | | |
| | | 5,00,000 | 5,00,000 |
| TOTAL | | 5,00,000 | 5,00,000 |
| SCHEDULE - 2 : UNSECURED LOAN | | | |
| Long term deposit from lessee- Tata Ind. Ltd. (For premises given on lease) | | — | 5,00,00,000 |
| ICD- Harshadray Pvt. Ltd. | | 5,88,00,000 | |
| TOTAL | | 5,88,00,000 | 5,00,00,000 |
| SCHEDULE - 3 : CURRENT ASSETS, LOANS & ADVANCES : | | | |
| SCHEDULE - 3.1 : CASH AND BANK BALANCES : | | | |
| a. Balances With Bank On Current a/c.with Scheduled Bank | | 2,45,182 | 1,68,757 |
| Total | | 2,45,182 | 1,68,757 |
| SCHEDULE - 3.2 : OTHER CURRENT ASSETS : | | | |
| a. Deposit with HDFC Bank Ltd. | | 4,00,000 | 4,00,000 |
| b. Interest Accrued on Fixed Deposit | | 904 | 4,439 |
| c. Prepaid Expenses | | — | 14,374 |
| d. Advance Payment of Taxes | | 93,245 | 18,341 |
| e. Security Deposit | | 1,358 | — |
| Total | | 4,95,507 | 4,32,715 |
| Grand Total | | 7,40,689 | 601,472 |
| SCHEDULE - 4 : CURRENT LIABILITIES & PROVISION : | | | |
| SCHEDULE - 4.1 : CURRENT LIABILITIES : | | | |
| Kaira Can Company Ltd. | | 52,33,591 | 1,22,83,531 |
| Other Liabilities | | 3,92,495 | 12,000 |
| Total | | 56,26,086 | 1,22,95,531 |
| SCHEDULE - 4.2 : PROVISIONS : | | | |
| a. For Income Tax | | 40,000 | 40,000 |
| Total | | 40,000 | 40,000 |
| Grand Total | | 56,66,086 | 1,23,35,531 |
| SCHEDULE - 5 : MICELLANEOUS EXPENDITURE : | | | |
| (To the extent not written off) | | | |
| a. Preliminary Expenses | | — | — |
| b. Profit and Loss Account | | | |
| Opening Balanace | (2,33,464) | | (3,257) |
| Loss fore the year from Profit and Loss Account | (30,06,870) | (32,40,334) | (2,30,207) |
| | | (32,40,334) | (2,33,464) |

SCHEDULE –6**SCHEDULE OF NOTES ATTACHED TO AND FORMING PART OF ACCOUNTS AS ON 31ST MARCH, 2011****01. SIGNIFICANT ACCOUNTING POLICIES :**

01. **ACCOUNTING CONVENTIONS AND CONCEPTS** : The financial statements have been prepared under the historical cost convention, on the basis of a Going Concern, in accordance with generally accepted accounting principles and provisions of the Companies Act, 1956 as adopted consistently by the company. The Company Follows mercantile system of accounting and recognises income and expenditure on an accrual basis.
02. **FIXED ASSETS** : Fixed Assets are capitalized cost inclusive of incidental cost directly attributable cost relating to acquisition of the fixed assets.
03. **DEPRECIATION** : Depreciation has been provided on Straight Line basis at the rate prescribed in Schedule XIV of the Companies Act,1956 on pro rata basis.
04. **REVENUE RECOGNITION** : Rent Income and Interest Income have been recognised on time proportion basis. Interest Income is being accounted taking in to account amount outstanding and the applicable rate of Interest.
05. **TAXES ON INCOME** : The Income Tax provision comprises of current tax. Current tax is the amount of tax payable in respect of income for the year.

02. NOTES ATTACHED TO AND FORMING PART OF ACCOUNTS FOR THE YEAR ENDED ON 31.03.2011

01. Previous year's figure have been regrouped/ rearranged wherever necessary.
02. Contingent Liability as on 31st March 2011 Nil.
03. In the opinion of the Board, Current Assets, Loans and Advances are approximately of the value stated if realized in the ordinary course of business. The provision for all known liabilities is adequate and not in excess of the amount considered necessary.
04. Transaction with related parties during the year :
Advances Payable to Kaira Can Company Ltd (Holding Company). Rs. 52,33,591/- (Previous year Rs.1,22,83,531/-)
05. The Company had leased the Flat Premises to Tata Industries Ltd. for which the company had received Rs.5 crores as refundable long term deposit. Tata Industries Ltd have since vacated the flat and the deposit has been since refunded.
06. Additional information as required under Part II of the Schedule VI of the Companies Act, 1956 are not applicable.

Signature of Schedule Numbers 1 to 6

As per our report of even date attached
For **ASHOK TRIVEDI & CO**
Chartered Accountants

(Ashok A. Trivedi)
Proprietor
Mumbai Dated : 20th May,2011

For and on behalf of the Board

PREMAL N. KAPADIA Director
UTSAV R. KAPADIA Director

Mumbai Dated : 20th May,2011

STATEMENT PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

Balance Sheet Abstract and Company's General Business Profile

1 REGISTRATION DETAILS

| | | | |
|--------------------|--|------------|---------------------------------|
| Registration No. | <input type="text" value="U70102MH2007PLC176965"/> | State Code | <input type="text" value="11"/> |
| Balance Sheet Date | <input type="text" value="31-Mar-2011"/> | | |

2 CAPITAL RAISED DURING THE PERIOD ENDED 31ST MARCH, 2011

| | | | |
|--------------|---------------------------------------|-------------------|----------------------------------|
| Public Issue | <input type="text" value="NIL"/> | Right Issue | <input type="text" value="NIL"/> |
| Bonus Issue | <input type="text" value="NIL"/> | Private Placement | <input type="text" value="NIL"/> |
| Others | <input type="text" value="5,00,000"/> | | |

3 POSITION OF MOBILISATION AND EMPLOYMENT OF FUNDS AS AT 31ST MARCH, 2011

| | | | | |
|-----------------------------|------------------------------|--|---------------------|--|
| Source of Funds | Total Liability | <input type="text" value="6,49,66,086"/> | Total Assets | <input type="text" value="6,49,66,086"/> |
| | Paid - up Capital | <input type="text" value="5,00,000"/> | Reserve and Surplus | <input type="text" value="NIL"/> |
| | Secured Loans | <input type="text" value="NIL"/> | Unsecured Loans | <input type="text" value="5,88,00,000"/> |
| Application of Funds | Deffered Tax Liability (Net) | <input type="text" value="0"/> | | |
| | Net Fixed Assets | <input type="text" value="6,09,85,063"/> | Investments | <input type="text" value="NIL"/> |
| | Net Current Assets | <input type="text" value="(49,25,397)"/> | Misc. Expenditure | <input type="text" value="32,40,334"/> |

4 PERFORMANCE OF COMPANY FOR THE PERIOD ENDED 31ST MARCH, 2011

| | | | |
|---|--|---|--|
| Turn Over (Net Sales & Other Income) | <input type="text" value="4,78,074"/> | Total Expenditure (Including Depreciation) | <input type="text" value="34,84,944"/> |
| Profit / (Loss) Before Tax | <input type="text" value="(30,06,870)"/> | Profit / (Loss) After Tax | <input type="text" value="(32,40,334)"/> |
| Earning per Shares in Rs. | <input type="text" value="0"/> | Dividend Rate % | <input type="text" value="NIL"/> |

5 GENERIC NAME OF THREE PRINCIPAL PRODUCTS / SERVICES OF THE COMPANY

(As per Monetary Terms)

| | |
|---------------------|------------------------------------|
| Item Code No. | <input type="text" value="N. A."/> |
| Product Description | <input type="text" value="N. A."/> |
| ITC Code No. | <input type="text" value="N. A."/> |

As per our report of even date attached
For **ASHOK TRIVEDI & CO**
Chartered Accountants

(Ashok A. Trivedi)
Proprietor

Mumbai Dated : 20th May,2011

For and on behalf of the Board

PREMAL N. KAPADIA Director
UTSAV R. KAPADIA Director

Mumbai Dated : 20th May,2011



KAIRA CAN COMPANY LIMITED

Regd. Office : Ion House, Dr. E. Moses Road, Mahalaxmi, Mumbai - 400 011.

ATTENDANCE SLIP

| | | |
|-----------------------|--|--|
| DP. ID | | NAME & ADDRESS OF THE REGISTERED SHAREHOLDER |
| Client ID / Folio No. | | |
| No. of Shares | | |

I certify that I am a registered shareholder/ proxy for the registered shareholder of the Company and hereby record my presence at the 48th ANNUAL GENERAL MEETING of the Company to be held at the Registered Office of the Company, ION House, Dr. E. Moses Road, Mahalaxmi, Mumbai – 400 011 at 11.00 a.m. on Wednesday, 13th July, 2011.

SIGNATURE

Note : Please complete this and hand it over at the counter at Annual General Meeting.

(Tear Here)



KAIRA CAN COMPANY LIMITED

Regd. Office : Ion House, Dr. E. Moses Road, Mahalaxmi, Mumbai - 400 011.

FORM OF PROXY

I/We of in the district of being a member/members of KAIRA CAN COMPANY LIMITED, hereby appoint ofin the district of.....or failing him of in the district of as my/our proxy to vote for me/us on my/our behalf at the 48th ANNUAL GENERAL MEETING of the Company to be held at 11.00 a.m. on Wednesday, 13th July, 2011 and/or at any adjournment thereof.

Signed thisday of, 2011.

| | |
|-----------------------|--|
| DP. ID | |
| Client ID / Folio No. | |
| No. of Shares | |

Affix a Revenue Stamp

SIGNATURE

Note : The form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

