

BOARD OF DIRECTORS

SHRI S. J. TAPARIA	Chairman
SHRI SUSHEEL G. SOMANI	Director
SHRI S. J. PAREKH	Director
SHRI SURENDRA SOMANI	Director
SHRI SANJAY DOSI	Director
SHRI VINOD MIMANI	Director
SHRI KARTHIK ATHREYA	Director
SHRI ADARSH SOMANI	Director
SHRI B. K. TOSHNIWAL	Director
SHRI V. N. KHANNA	Director
SHRI RAJENDRA SOMANI	Managing Director

COMPANY SECRETARY

SHRI SANJAY JAIN

BANKERS

CENTRAL BANK OF INDIA
PUNJAB NATIONAL BANK

AUDITORS

KHANDELWAL JAIN & CO.
Chartered Accountants, Mumbai

REGISTERED OFFICE

1076, DR. E. MOSES ROAD,
WORLI,
MUMBAI - 400 018

WORKS

VILLAGE - SAVROLI,
KHOPOLI - 410 203.
DIST. - RAIGAD.

PLOT NO. A-2/9,
M.I.D.C., MURBAD,
DIST. THANE.

NOTICE

NOTICE is hereby given that the **FOURTIETH** Annual General Meeting of the Company will be held on **Saturday 11th December, 2010** at **10.00 a.m** at Shree S K Somani Memorial Hall, Hindi Vidhya Bhavan, 79, Marine Drive, Mumbai - 400002 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Accounts for the year ended March 31, 2010 and the Reports of the Directors and the Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Shri S J Parekh who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri S J Taparia who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Shri Karthik Athreya who retires by rotation and being eligible, offers himself for reappointment.
6. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

7. To consider and if thought fit to pass with or without modification(s) the following resolution as a special resolution
 "RESOLVED THAT pursuant to Section 31 of the Companies Act, 1956 and other applicable provisions if any of the said Act the Article of Association of the Company be and is hereby altered in the manner as stated hereinbelow :

Article 1.

By deleting the words "subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of, or addition to, its regulation by Special Resolution, as prescribed by the Companies Act, 1956 be such as are contained in these Articles" and replacing with the words " be as applicable in these Article of Association" immediately after the word "shall" in the fourth line of the Article 1.

Article 2.

By deleting Article 2 and replacing with the following " In these Articles of Association, except as otherwise provided, capitalised terms shall have the meaning assigned to them herein below unless repugnant to the subject or context."

"Capitalised terms not defined herein below shall bear the same meaning as defined in the Act."

By deleting the words " or any statutory modification or" and replacing with the words "as amended from time to time and includes" immediately after the word "Companies Act, 1956" in the first line of the interpretation of the term Act.

By deleting the following words " for the time being in force" immediately after the word thereof in the second line of the interpretation of the term ACT.

By inserting the following definitions in the Interpretation Clause:

AFFILIATE -: "**Affiliate**" means, with respect to any Person, (a) any other Person that is directly or indirectly Controlled by, under common Control with or Controls such Person; (b) any other Person owning beneficially or controlling 10% or more of the voting shares of such Person; (c) any other Person where such Person owns beneficially or controls 10% or more of the voting shares or (d) any officer, director or partner of such Person, and "**Control**" means possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the

ownership of partnership interests or voting securities, by contract or otherwise.

In the context of an individual Affiliate shall include a Relative, as defined in Section 6 of the Act.

The Company is specifically excluded from the definition of the term 'Affiliate'."

ALTERNATE DIRECTOR -: "**Alternate Director**" shall have the meaning ascribed to it in ARTICLE 115C (c).

APPLICABLE LAW -: "**Applicable Law**" shall mean the central, state and local laws of India, including the regulations and guidelines issued by Reserve Bank of India or any other statutory authority.

ARTICLE OF ASSOCIATION -: "**Articles of Association**" means these Articles of Association of the Company, as amended from time to time."

BUSINESS -: "**Business**" means the business of petrochemicals and any other business that the Company or its Subsidiaries may undertake from time to time.

BUSINESS DAY -: "**Business Day**" means any day except Saturday, Sunday or any other day on which the principal commercial banks are not open for business (including international financial transactions) in Mumbai, India and Singapore.

CLEARWATER -: "**Clearwater**" shall mean Clearwater Capital Partners Singapore Fund III Private Limited, a company duly organized and existing under the laws of Singapore with its principal office address at 4 Battery Road, # 34-01 Bank of China Building, Singapore 049 908.

CLEARWATER DIRECTOR -: "**Clearwater Director**" means the Director nominated by Clearwater pursuant to ARTICLE 115C (a).

CLOSING DATE -: "**Closing Date**" shall mean December [14], 2009.

ENCUMBRANCES -: "**Encumbrances**" includes any mortgage, pledge, equitable interest, prior assignment, conditional sales contract, hypothecation, right of other Persons, claim, security interest, option, lien, charge (fixed or floating), trust, commitment, restriction or limitation of any nature whatsoever including restriction on use, voting, transfer, receipt of income or exercise of any other attribute of ownership.

EQUITY SHARES -: "**Equity Shares**" means the fully paid up ordinary equity shares of the Company of face value of Rs. 10/- (Rupees Ten only) each or such other denomination in the authorised share capital of the Company.

FCD -: "**FCDs**" mean the 21,80,000 (Twenty One Lakhs Eighty Thousand) fully convertible debentures of the Company, each at a price of Rs. 162.20 (Rupees One Hundred and Sixty Two and Paise Twenty) and allotted to Clearwater on agreed terms and conditions.

FISCAL YEAR -: "**Fiscal Year**" shall mean the financial year of the Company.

FUNDAMENTAL ISSUES -: "**Fundamental Issues**" means and includes the matters listed our in ARTICLE 160B.

ORIGINAL DIRECTOR -: "**Original Director**" shall have the meaning ascribed to it in ARTICLE 115C (c).

RELATIVE -: "**Relative**" shall have the meaning ascribed to it in the Act.

RUPEES or Rs. -: "**Rupees**" or "**Rs.**" refers to the Indian rupees being the currency of India.

SECURITIES -: "**Securities**" means either or both of the Equity Shares and the FCDs.

SHAREHOLDER/S -: “Shareholders” means and collectively refers to the Specified Promoters and the other promoters who may be disclosed as promoters to the stock exchange from time to time and Clearwater and any other Person who is and becomes a shareholder of the Company.

SHAREHOLDING PERCENTAGE -: “Shareholding Percentage” in respect of a Shareholder means the percentage of the total equity share capital of the Company held by that Shareholder at a relevant point in time.

SHARE PREMIUM ACCOUNT -: “Share Premium Account” shall mean the account of the Company which the premium on shares issued is credited

SPECIFIED PROMOTERS -: “Specified Promoters” shall mean the list of Persons as set out in Appendix 1 hereto and Specified Promoter shall refer to any of them individually.

TRANSFER -: “Transfer” means (i) any transfer or other disposition of the Securities or voting interests or any interest therein, including, without limitation, by operation of law by court order, by judicial process, or by foreclosure, levy or attachment; (ii) any sale, assignment, gift, donation, redemption, conversion or other disposition of such Securities or any interest therein, pursuant to an agreement, arrangement, instrument or understanding by which legal title to or beneficial ownership of such Securities or any interest therein passes from one Person to another Person or to the same Person in a different legal capacity, whether or not for value; (iii) the granting of any security interest, lien, pledge, mortgage, hypothecation or charge in or extending or attaching to such Securities or any interest therein.

By deleting the following definitions in the interpretations Clause :

DIVIDEND -: “Dividend” includes Bonus.

GENDER -: words importing the masculine gender also includes the feminine gender.

IN WRITING AND WRITTEN -: “In writing” and “Written” include printing, lithography and other modes of representing or reproducing words in a visible form.

MEMBER -: “ Member” means the duly registered holder from time to time of the shares of the Company and includes the subscribers of the Memorandum of Association of the Company.

SINGULAR NUMBER -: Words importing the singular number include, where the context admits or requires, the plural number and vice versa.

By deleting the words “a meeting of the Directors duly called and constituted, or as the case may be, the Directors assembled at a Board or the” and replacing with the words “the Board of” immediately after the word “means” in the first line of the term Board.

By deleting the word “ collectively” immediately after “company” in the interpretation of the term “Board” and replacing with the words “from time to time.”

By deleting the words “for the time being of the Company or, as the case may be, the Director assembled at the Board” and replacing with the “on the Board of the Company from time to time” immediately after the word “Directors” in the first line of the term “Directors”.

By deleting the word “Extra-ordinary” immediately after the word “means” in the first line of the term Extra- ordinary Meeting.

By inserting the word “Shareholder meeting” immediately after the word General Meeting in the interpretation of Term “Meeting or General Meeting.”

By amending the term “Person” in its entirety and substituting it with the following words “**Person**” means and include an individual, an association, a firm, a corporation, a partnership, a joint venture, a

trust, an unincorporated organisation, a joint stock company, governmental or statutory authority, including a government or political sub-division, or agency or instrumentality thereof or other entity or organization or a natural Person in his capacity as trustee, executor, administrator or other legal representative.

By deleting the words “and financial year shall have the meaning assigned thereto by Section 2(17) of the Act” immediately after the word “Calendar Year” in the term of interpretation “Year”.

By deleting the words “ the marginal notes used in these article shall not effect the construction hereof :

Save as aforesaid, any words or expressions defined in the Act, shall, if not inconsistent with the subject or context, bear the same meaning in these Article.” Immediately after the interpretation of term “Year.”

By inserting the new clause 2A immediately at the end of the Clause 2 with the following words :

In these Articles of Association, unless the context otherwise requires, the following rules apply:

- i. The singular includes the plural and conversely.
- ii. A gender includes all genders.
- iii. If a word or phrase is defined, its other grammatical forms have a corresponding meaning.
- iv. A reference to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or status instrument issued under it.
- v. Where any warranties, confirmation, undertakings, representation is given by the Specified Promoters, or where any obligations or liabilities is undertaken or assumed by the Specified Promoters, the same shall be deemed to have been given, undertaken or assumed by the Specified Promoters jointly and severally.
- vi. A reference to conduct includes, without limitation, an omission, statement or undertaking whether or not in writing.
- vii. A reference to writing includes a facsimile transmission and any means of reproducing words in a tangible and permanently visible form.
- viii. The marginal notes used in these Articles of Association shall not effect the construction hereof.

Article 4., 4a & 5

By inserting the words “Subject to Article 160A and 160B,” immediately before the starting of Clause or Article in the first line of the Article 4, 4a, and Article 5 respectively.

Article 6.

By deleting the words “ Subject to the Provision of Section 80 of the Act” and replacing with the words “ Subject to Article 160A and 160B” immediately before the Word “the Company” in the first line of the Article 6.

By deleting the Words “ or at the option of the Company are to be” immediately after “which are” in the second line of the Article 6.

By inserting the words “Provided that such issue and/or issue to be redemption is as per the provisions of Section 80 of the Act.”

Article 8.

By deleting the words “ The Company may(subject to” and replacing with the “ Subject to Article 160A and 160B and” immediately before the word “the provision” in the first line of the clause or Article 8. and inserting the words “the company may” before the words “from time to time” in the second line of the article.

Article 9.

By inserting the words “ and Article 160A and 160B,” immediately after the word Act, in the first line of the Article 9.

Article 10 & 14 a & 14b

By inserting the words “Subject to Article 160A and 160B” immediately before the starting of both clause or Article in the first line of Article 10 and Article 14 a and Article 14b.

Article 15

By inserting the words “ (including but not limited to ARTICLES 160A and 160B)” immediately after the word “ Articles” in the first line of the Article 15.

By inserting the word “ Board” on replacing the word “ Directors” immediately in the fifth line of the Article 15.

Article 17

By inserting the words “and index of Members” immediately after the word “ Register” in the second last line of the Article 17.

Article 40.

By inserting the word “as lien” immediately after the word “ shares” in the first line of the Article 40.

Article 48

By inserting the Words “ of Association” immediately after the word “ Articles” in the last line of the Article 48.

Article 57

By inserting the words “However this ARTICLE will not be applicable for any Transfer by Clearwater.” immediately after the words “lien on Shares” in the last line of the Article 57.

Article 58

By inserting the word “Preference Shares” immediately after the word “equity shares” of clause (c) of the Article 58.

By inserting the words “Provided that Section 58 shall not be applicable to any Transfer of Securities by Clearwater.” after the description of Article 58 (e) in the next para.

Article 69, 70 & 77

By inserting the words “Subject to Article 160A and 160B” immediately before the starting of clause or Article in the first line of Article 69, Article 70 and Article 77.

Article 73

By inserting the words “and ARTICLES 160A and 160B” immediately after the word “115” in the second line of the Article 73.

Article 79(A)(1)

By deleting the words “ of member” and replacing with “ and” immediately after the word “ Register” in the first line of the Article 79(A)(1).

Article 84

By amending the clause 1 of Article 84 in its entirety and substituting the same with following words “Unless otherwise agreed to by the Shareholders in writing, at least 21 (twenty one) days written notice shall be given to the Shareholders (including to those outside India), of each proposed General Meeting of the Shareholders.”

Article 84A(1)

By replacing the Article 84A clause 1. In its entirety and replacing the same with the following words “Every notice convening a General Meeting shall be accompanied by an agenda for the Meeting, and an explanatory statement specifying particulars of the business to be transacted at that Meeting. No item shall be placed on the agenda of any Meeting of the Shareholders until the item has previously been approved by a resolution of the Board. Where a Shareholder's address is outside India, notices and agenda shall be sent by international courier and also to such fax number as the Shareholder shall have notified to the Company.”

Article 84A(2)

By inserting the words “To Clearwater and Clearwater shall be present at all Meetings of the Shareholders.” Immediately after the point (c) as a point (d) in the Article 84 (A) (2).

By inserting the word “ Shareholder's” immediately before the word “ meeting” in the first line of both para of the Article 84 (B) 2.

The Clause 84 (C) of the existing Article is included in the Article 84 (B) as it is.

The Clause 84 (D) of the existing Article is amended as it is with the change in the clause number as 84 (C).

Article 86

Existing Article 86 of the Association is replaced with the following :

- (1) No General Meeting, Annual or Extra-ordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notices upon which it was convened.
- (2) No matter/ business which is a Fundamental Issue shall be discussed or resolved at a General Meeting of the Shareholders unless such business/ matter has been discussed and validly resolved at a Meeting of the Board which has been duly convened in accordance with the provisions of these Articles of Association.

Article 87.

By amending the Article 87 in its entirety and substituting the same with the following words “The quorum for each Shareholders' Meeting (whether an Annual General Meeting or otherwise) shall be 5 (five) Shareholders Person.”

Article 90

The existing Article 90 be replaced as below :

The Chairman of the Board shall also preside as chairman at any Shareholders' Meeting. If the Chairman is not present at any Meeting of the Shareholders, the Shareholders present shall elect such other Person present at such Meeting to act as Chairman for the purposes of the relevant Meeting.

Article 95

By deleting the number “ 97” and replacing the same with “96” immediately after the word “ Article” in the first line of the Article 95.

Article 115.

By deleting the words “Debenture Directors and” immediately after the word “excluding” in the third line of the Article 3.

By inserting the word “115 and” immediately after the word “ Article” in the third line of the Article 115.

By inserting new clause under the Article 115 as Article 115B, 115C, 115D with the following words:

- 115 B. The Board shall be responsible for the supervision and management of the Company and for the formulation of the policies to be applied in the conduct of the Business of the Company.
- 115 C.
 - a. Till the conversion of the FCDs, Clearwater shall have the right to nominate at least 1 (one) Director on the Board (“**Clearwater Director**”). After conversion of the FCDs, without prejudice to the right to nominate at least 1 (one) Director on the Board, Clearwater shall have the right to nominate such number of Directors as would entitle Clearwater to representation proportionate to its Shareholding Percentage on the Board.
 - b. The Company and the Specified Promoters agrees to vote in such manner as may be necessary to elect (and maintain in office) as Director the Clearwater Director(s), in terms of ARTICLE 115 C (a).
 - c. Clearwater shall be entitled to appoint alternate Director(s) (“**Alternate Director**”) in place of the Clearwater Director(s) nominated by it (“**Original Director**”) from time to time. Upon the appointment of an Alternate Director, the Company, as the case may

be, shall ensure compliance with the provisions of the Act, including by filing necessary forms with the registrar of companies at Mumbai. The Alternate Director(s) shall be entitled to receive notice of all meetings of the Board and to attend and vote at such meetings in place of the Original Director(s) and generally to perform all functions of the Original Director(s) in his or her absence.

- d. In the event of a casual vacancy arising on account of the resignation of a Clearwater Director or the office of a Clearwater Director becoming vacant for any reason, Clearwater shall be entitled to nominate a director to fill the vacancy.
- e. Clearwater shall be entitled to remove from the Board (with or without cause) any or all of the Clearwater Directors hereunder by way of a written request.
- f. No Clearwater Director shall be removed during the term for which he was elected without the written consent of Clearwater.
- g. The Clearwater Director shall not be liable to retire by rotation.

115 D. The Chairman will not have a casting vote in respect of any Board meetings.

Article 117.

By inserting the words "Without prejudice to the Clearwater's rights to appoint a Clearwater Director" immediately before the word "if" in the first line of the Article 117.

Article 121.

By inserting the words "unless specified otherwise" immediately before the word "a Director" in the starting of the sentence.

Article 122

By replacing the existing article 122 in its entirety with the following words :

"The Directors, other than executive directors, shall not be entitled to any remuneration, except such sitting fees for attending meetings of the Board or committees thereof, as may be determined by the Board to be reasonable".

Article 127

By inserting the words "Subject to Article 160A and 160B" immediately before the starting of clause 1 & 2 in the first line of Article 127.

Article 133

By inserting the words "and ARTICLE 115C (g)" immediately before the word "the Director" in the first line of the Article 133.

Article 145A, B & C

By inserting the Clause 145 A, 145 B , 145 C, as below shall be inserted after the clause 145.

145A The Company shall, and the Specified Promoters shall ensure that the Company shall, provide Clearwater from time to time with information regarding any changes to regulatory or government approvals that the Company has entered into as and when such information is known to the Specified Promoters or the Company.

145B The Company shall, and the Specified Promoters shall ensure that the Company shall, provide Clearwater with details of any litigation, (including any winding-up proceedings or notices under any enactment or regulation) proceedings, having a Material Adverse Effect on the business, assets, income of the Company or any other aspects which may affect Clearwater's interest in the Company.

145C The Company shall, and the Specified Promoters shall ensure that the Company shall, provide Clearwater with details of any event that impedes, hampers or adversely affects the business, assets, income of the Company as and when such information is known to the Specified Promoters or the Company.

Article 146

By amending the Article 146 in its entirety and substituting the same with the following words "Meetings of the Board shall be convened and held at such times as may be determined by the Board and in any event not less than 4 (four) times annually (and once every quarter) at the Company's principal place of business in India or such other place as the Board may from time to time determine."

Article 147

Existing Article 147 reclassified as below :

147 a) No Board meeting shall ordinarily be convened on less than 7 (seven) Business Days' notice, but Board meetings may be convened by giving a shorter notice, but of not less than 48 (forty eight) hours, if the interests of the Company would, in the opinion of Clearwater or a Clearwater Director, or are likely to be adversely affected to a material extent if the business to be transacted at such Board meeting were not dealt with as a matter of urgency, or if all the Directors agree.

147 b) Such notice shall set out the agenda for the meeting in reasonable detail and be accompanied by the relevant papers to be discussed at the meeting and all reasonably available data and information relating to matters to be discussed at the meeting.

147 c) Notice of every meeting of the Board shall be given writing to every Director for the time being in India, and to every other Director's at his usual address in India.

147 d) No matter which is a Fundamental Issue shall be introduced for discussion or resolution in a meeting of the Board unless such matter is set out in the agenda for the meeting and notice thereof has been given to each of the Directors in accordance with this ARTICLES 146 and 147.

Article 148

By deleting the words " Provided that where at any time the number of interested Directors exceeds or is equal to two- thirds of the total strength the number of the remaining Directors, that is to say, the number of the Director who are not interested, present at the meeting being not less than two, shall be the quorum, during such time." and replacing the same with "It is agreed by the Parties that in all events the presence of a Clearwater Director shall be required at every meeting of the Board to constitute quorum, unless Clearwater waives such requirement in writing in respect of any specific meeting of the Board" Immediately after the word "higher" in the fourth line of the Article 148.

Article 152

By amending the Article 152 in its entirety and substituting the same with the following words "Each Director (or his alternate) present at each Board meeting shall be entitled to cast 1 (one) vote on each issue put to vote. The decisions of the Board shall be taken, to the extent possible, on a unanimous basis; provided however that, in the event the Shareholders of the Board fail to agree on a particular issue after due deliberation and effort, the matter shall be decided by a simple majority of the Board."

Article 153

By inserting the words "Subject to ARTICLES 160A and 160B" immediately before the starting of the clause in the first line of the Article 153.

By deleting the words "the Company" and replacing with the word "Association" immediately after the word "Articles of" in the third line

of the Article 153.

Article 154

By inserting the words “and Articles 160A and 160B,” immediately before the word “ the Board” in the first line of the Article 154.

Article 157

By inserting the words “Subject to Articles 160A and 160B,” immediately before the starting of the clause in the first line of the Article 157.

Article 158

By inserting the new clause 7(a) in the Article 158 immediately before the clause 8 of the Article 158 with the following words :

7 a. “Subject to the provisions of Section 292 of the Act, a written resolution signed by the majority of the Directors entitled to vote thereon shall be as valid and effectual as a resolution duly passed at a meeting of the Board and the same may consist of separate documents in the same form and having the same content, but each signed by one or more Directors.”

Article 159

By inserting the words “Subject to Articles 160A and 160B,” immediately before the starting of the clause in the first line of the Article 159.

By inserting the word “of Association” immediately after the word “ Article” in the third line of the Article 159.

And in the second line of the clause 159 (d) of second para.

Article 160

By inserting the words “and subject to ARTICLES 160A and 160B” immediately after the word “article” in the fourth line of the Article 160.

By inserting the word” fund” immediately after the word “ depreciation or” in the second line of clause xvi of Article 160.

By inserting the word “ to appoint” immediately after the word “ general” in the first or second line of the Article 160, clause xvii.

Article 160A and 160B

By inserting the new Articles regarding the Fundamental Issues with the following clauses 160A, & 160B are :

160A. The Directors shall cause the management of the Company to keep the Clearwater Director(s) fully informed regarding all material matters relating to the Company including all Fundamental Issues. The Company and the Specified Promoters shall ensure and the Specified Promoters shall procure that the Company shall not take any actions with respect to the matters listed in ARTICLE 160B (“**Fundamental Issues**”), at a Board meeting or, where applicable, Shareholders’ Meeting of the Company unless the actions have been approved by the Clearwater Director(s), whether the resolution is passed at the meeting of the Board or committee or as a resolution by circular, as the case may be, and if such Fundamental Issue requires the approval of the Shareholders, unless Clearwater’s consent in writing in favour of the relevant resolution has been obtained. Provided that in case no Clearwater Director is on the Board, the approval of Clearwater in writing will be required. It is hereby clarified that any decision on a Fundamental Issue which is not taken in accordance with the procedure as set out in these Articles of Association of Association shall be null and void.

160B. “**Fundamental Issues**” shall mean and include each of the following matters:

a) Acquisition of Shares, assets (other than as part of the day-to-day operations), business, business organization or division of any other Person, creation of legal entities, joint ventures or strategic alliances

- b) or partnerships, mergers, de-mergers, spin-offs, consolidations, re-organization or any scheme of arrangement under Sections 391 to 394 of the Act in relation to the Company other than as envisaged in the Business Plan;
- b) Change in scope of the Business other than as envisaged in a Business Plan;
- c) Commencement of any new line of business or undertaking any new project, which is unrelated to the Business, or making of any non-business related investment (other than short-term deposits with banking institutions);
- d) Appointing any committee of the Board or delegating any powers of the Board;
- e) Amendments to Memorandum and/ or these Articles of Association;
- f) Any listing/ de-listing, any changes in the capital structure, whether issued or paid-up including issuance of any equity, preference, convertible securities (warrants/ debentures), employee stock options or proposing any buy-back or reduction of Capital;
- g) Any changes in class rights for Equity Shares (directly or indirectly);
- h) Incur any Capital expenditure in any Fiscal Year exceeding the amount budgeted in the Business Plan by Rs. 2,00,00,000/- (Rupees Two Crores only);
- i) The prosecution or settlement of any proceedings, legal actions or claims where the amount in contention/dispute is in excess of Rs. 1,00,00,000/- (Rupees One Crore only);
- j) Preparing or modifying the Business Plan, budget and Capital expenditure plan and the operating budgets;
- k) Incur any indebtedness exceeding the amount specified in the Business Plan by Rs. 1,00,00,000/- (Rupees One Crore only);
- l) Create or permit any Encumbrances on the assets or revenues of the Company except for securing debt financing for the regular business of the Company as set out in the Business Plan;
- m) Provide any loans or guarantees to any Person, other than bank/ corporate guarantees in the regular course of business as set out in the Business Plan;
- n) Expand any undertaking, or dispose (sell, lease, transfer, securitize or otherwise dispose) any undertaking or substantial assets of the Company or its Subsidiaries (including sale, assignment, license or transfer of any brand, copyright, technical knowledge or any other intellectual property right of the Company);
- o) Winding up and/or liquidation of the Company;
- p) Merger or consolidation with any other entity or de-merger or spin off, reorganization or change in Capital structure of the Company;
- q) Establish, acquire, dilute stake in or dispose any subsidiary, joint venture or collaboration, invest or divest in any other entity;
- r) The Company shall not enter into any real estate transaction including a sale / purchase / lease / licence/conducting agreement or enter into any joint development agreement etc.) directly or through an Affiliate or a subsidiary.

Article 166A and 166B

By inserting the new clause 166A and 166B in the Article 166 with the following words:

- 166A. The Board shall decide the extent and ratio of the recapitalization of earnings and the declaration of dividends by the Company.
- 166B. The Shareholders agree and understand that any distribution of dividends shall, at all times, be made in accordance with the requirements of Applicable Laws and that when declaring such dividends, the Shareholders shall take into consideration the business needs and solvency requirements of the Company.

Article 167, 168, and 169

By inserting the words "Subject to ARTICLES 166A and 166B" immediately before the starting of the Article 167, 168 and 169 respectively.

Article 180

By inserting the words "Subject to ARTICLES 160A and 160B" immediately before the starting of clauses a, b, and c of Article 180 respectively.

Article 195

By inserting the words "Subject to ARTICLES 160A and 160B" immediately before the starting of the Article 195.

In the existing Article the word member or members shall be replaced with the word Shareholder or Shareholders.

In the existing Article the Word "Board Of Directors" shall be replaced with the word "Board".

In the existing Article the Word "Financial Year" shall be replaced with the word Fiscal Year.

By Order of the Board

SANJAY JAIN

Company Secretary

Mumbai
19th October, 2010

Registered Office:

1076, Dr. E. Moses Road
Worli, Mumbai – 400 018.

NOTES:

1. 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 OF THE COMPANY.

2. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 4th December, 2010 to 11th December, 2010 (both days inclusive).
4. a) The Dividend if declared, will be payable to those Equity Shareholders whose names stand on the Register of Members on 11th December 2010.
b) In respect of shares held in the electronic form, the dividend will be payable to the beneficial owners of shares as on the close of 4th December 2010 as per details furnished by the Depositories for this purpose.

Members who have not encashed the dividend warrants for the financial year and/or any subsequent dividends are requested to write to the Company giving the necessary details.
5. Members are requested to intimate change in their address, if any, to the Company/R & T Agent.

ANNEXURE TO NOTICE:

The explanatory statement pursuant to section 173(2) OF THE Companies Act, 1956 for the item No. 7 of the accompanying notice is as under:

The Company has issued 21,80,000 fully convertible debentures (FCDs) @ Rs. 162.20 per debenture aggregating to Rs. 35,35,96,000/-. In terms of the issue Articles of the Association are required to be altered in the manner as set out in the Resolution.

In terms of Section 31 of the Companies Act, 1956 approval of Shareholders is required in this behalf by passing a special resolution.

Accordingly the Resolution is recommended for your approval.

A copy of existing Memorandum Of Association and Article Of Association as well as the amended article of Association of the Company is available for inspection by the members at the Registered office of the Company between 1.30 P.M. to 3.30 P.M. on any working day except Saturday and Sunday.

None of the Directors are interested in said resolution.

DIRECTORS' REPORT

To
The Members

Your Directors have pleasure in presenting the **FOURTIETH ANNUAL REPORT** of the Company with the Audited Statement of Accounts for the year ended March 31, 2010.

	Rupees In Lacs	
	2009-2010 Rupees	2008-09 Rupes
FINANCIAL RESULTS		
Gross Profit	1948.68	1193.87
Deduction there from:		
Interest	402.70	262.28
Depreciation	124.52	133.87
Profit before prior period adjustment	1421.45	797.72
Prior Period adjustment	(31.31)	(12.40)
Profit before taxation and exceptional items	<u>1452.76</u>	<u>810.12</u>
Less		
Provision for Taxation		
Current Tax	537.14	169.30
Provision for Deferred Tax	(58.13)	(27.74)
Fringe Benefit Tax	-	6.50
Profit after taxation before exceptional items	973.75	662.06
Income tax/FBT for earlier years	18.20	0.79
Exceptional item net of tax	-	(241.30)
Profit after taxation	955.55	902.57
Surplus b/f from last year	1312.36	1022.44
Net Profit available for appropriations	<u>2267.91</u>	<u>1925.02</u>
Proposed Dividend for Equity Shares	329.93	96.29
Tax on Proposed Dividend	54.80	16.37
Transfer to General Reserve	500.00	500.00
Balance carried to Balance Sheet	1383.18	1312.36
	<u>2267.91</u>	<u>1925.02</u>

DIVIDEND

Your Directors have recommend a Dividend of **Rs. 1.80** per equity share for the year ended March 31,2010 which if approved at the ensuing Annual General Meeting will be paid to i) all the members whose names appear in the Register of Members as on 11th December 2010 and ii)all those members whose names appears as beneficial owners in the details furnished by National Securities Depository Ltd. and Central Depository Services Ltd. as on close of business hours on 4th December, 2010.

FINANCIAL PERFORMANCE:

Standalone

The Sales and other income for the year under review were Rs. 72.05 Crores as against Rs. 61.85 Crores in the previous financial year. The net Profit for the year under review is Rs. 9.55 Crores as against Rs. 9.02 Crores in the previous financial year.

Consolidated

The Consolidated revenue for the year under review was Rs. 575.65 Crores as against Rs. 243.58 Crores in the previous financial year. The net Profit for the year under review is Rs. 28.04 Crores as against Rs. 7.83 Crores in the previous financial year. The figure for the year under review and the previous financial year are not comparable as in the year under review new subsidiary and joint venture companies' financial results are recorded for.

MERGER/AMALGAMATION:

The Hon'ble High Court Bombay vide its order dated 27th August 2010 has approved the Scheme of merger of Naman Tradvest Pvt Ltd and Zeuxite Investments Pvt Ltd with the Company.

- a) In terms of the scheme 57,00,000 (Fifty Seven Lacs) Equity Shares and 30,00,000 (Thirty Lacs) Equity Shares, aggregating to 87,00,000 (Eighty Seven Lacs) Equity Shares of Rs. 10/- each fully paid up aggregating to Rs. 8,70,00,000 /- (Eight Crores Seventy Lacs only) are to be allotted to the shareholders of Naman Tradvest Pvt Ltd and Zeuxite Investment Private Ltd respectively.
- b) 19,00,000 (Nineteen Lacs) Compulsorily Convertible Preference Shares of Rs.10/each , 90,00,000 (Ninety Lacs) Compulsorily Convertible Preference Shares of Rs.10/-each , aggregating to 1,09,00,000 (One Crores Nine Lacs) CCPS of Rs. 10/- each fully paid up aggregating to Rs.10,90,00,000/-(Rs.Ten Crores Ninety Lacs Only) are to be allotted to the shareholders of Naman Tradvest Pvt Ltd and Zeuxite Investment Private Ltd respectively.

Accordingly 87,00,000 Equity Shares of Rs. 10/- each and 1,09,00,000 Compulsorily Convertible Preference Shares of Rs. 10/- each have been allotted by the Board of Directors at their meeting held on 17th September, 2010. The Company has also received in – principle approval for listing of 87,00,000 Equity shares from Bombay Stock Exchange.

NEW BUSINESS DIVISIONS:

a) Alternate Fuel Plant :

The Company has become a partner of a Limited Liability Partnership named as "CLARIDGE ENERGY LLP" to set up a manufacturing plant to manufacture solid agro briquettes a product used as an alternate fuel/power generation at Jaipur in the state of Rajasthan.

The Production of the unit is expected to commence by end of month of November 2010.

b) Liquid Colorant Plant :

The Company has also set up a state-of-art plant at Murbad Dist. Thane in the State of Maharashtra for manufacturing Liquid Colorants in Collaboration with Colormatrix, UK who are the world leaders in Liquid Colorants for Plastics.

The Liquid Colorants are produced using the patented Dosixpress technology and Equipment from Colormatrix. The current installed capacity of the plant is 800 MT per year with further scope for expansion. Trial production has been taken and being a new technology in India the Company is in process of creating market for this product.

JOINT VENTURE COMPANY:

During the year the Company has become joint venture partner of Oriental Containers Limited a leading manufacturer of packaging products, with 30% shareholding in that Company.

INCREASE IN AUTHORISED SHARE CAPITAL

Pursuant to the approval of Scheme of Amalgamation/ Merger of Naman Tradvest Pvt Ltd and Zeuxite Investments Pvt Ltd with the Company the Authorized Share Capital of the Company is increased to Rs. 35,00,00,000/- (Rupees Thirty Five Crores) comprising of 2,39,00,000 (Two Crores Thirty Nine Lakh) Equity Shares of Rs. 10/- (Rupees Ten) each 1,10,00,000/- (One Crore Ten Lacs) Preference Shares of Rs. 10/- (Rupees Ten) each and 10,000 (Ten Thousand) 11% Cumulative Redeemable Preference Shares of Rs. 100/- (Rupees Hundred).

SUBSIDIARY COMPANIES

USL Shinrai Automobiles Ltd. USL Auto Services Ltd are the existing subsidiary companies.

Pursuant to the Scheme of merger of Naman Tradvest Pvt Ltd and Zeuxite Investments Pvt Ltd with the Company National Cotton Products Private Ltd (100%), and United Shippers Limited (50.19%), have become subsidiary of the Company.

United Shippers Limited is engaged in the business of lighterage, stevedoring and logistics - one of the largest services to handle dry cargo.

United Shippers Limited operates through Ports in Gujarat like Navlakhi, Sikka, Dharamtar, Dahanu and MbPT in Maharashtra and Panjim in Goa. It handles various cargos like coal, petcoke, polypropylene polymer, cement, clinker, steel plates and pipes, salt, sugar etc.

The Company has a 100% subsidiary in Dubai - USL Shipping DMCEST and also has various Joint Ventures with Darantar Infrastructure Ltd., USL NMM Logistics, USL Packaging Limited and CGU Logistics Ltd.

Its strategic investors include Odbow Coal B.V. of USA, Logiscor Limited and Coeclerici Logistics S.p.A. of Italy.

National Cotton Products Private Limited owns plot admeasuring 7080 Sq. meter in prime location of Worli in Mumbai and plans to redevelop the said plot into a commercial cum residential complex.

Your Company has applied to the Central Government for grant of an exemption to your Company under Section 212(8) of the Companies Act, 1956, from attaching a copy of the Balance Sheet, Profit and Loss Account, Report of the Board of Directors and the Report of the Auditors to all the Subsidiary Companies.

Subject to receipt of the approval, aforesaid documents are not being attached with the financial statements of your Company. These documents can be requested by any member, investor of the company / subsidiary company. Further, in line with the Listing Agreement and in accordance with the Accounting Standard 21 (AS-21), Consolidated Financial Statements prepared by the Company include financial information of its subsidiaries.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements pursuant to the listing agreement entered into with Bombay Stock Exchange Ltd. and prepared in accordance with the Accounting Standards prescribed by the Institute of Chartered Accountants of India, in this regard are attached hereto.

FIXED DEPOSITS

Your Company was accepting Fixed Deposits from public and shareholders and acceptance of such fixed deposits has been discontinued from the financial year 2009-2010. All the deposits which matured during the year under the review were repaid, except 17 deposits amounting to Rs. 3,59,000 which remained unclaimed as at March 31, 2010 .

Of these 1 Deposit aggregating Rs. 10,000/- have since been repaid on the date of this report.

DIRECTORS RESPONSIBILITY STATEMENT

The Board of Directors of the Company Confirms:

- (I) that in the preparation of the accounts for the year ended 31st March 2010 the applicable accounting standards have been followed.
- (II) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.
- (III) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguard of the assets of the Company and for preventing and detecting fraud and other irregularities;
- (IV) that the directors have prepared the accounts for the year ended 31st March 2010 on a 'going concern' basis.

CREDIT RATING

Working capital facilities of the Company have been awarded BB/positive rating by CRISIL which represent positive capacity for timely payment of short term debt obligations.

CASH FLOW STATEMENT:

In conformity with the provisions of the Listing Agreement the Cash Flow Statement for the year ended 31st March 2010 is included in this annual report.

LISTING

Your Company is listed with the Bombay Stock Exchange Ltd. at P.J.Towers, Dalal Street, Mumbai – 400 001. The Listing Fee for the year 2010 – 2011 has been paid by the Company within the time prescribed by the Stock Exchange.

INDUSTRIAL RELATIONS AND PERSONNEL

Your Company continued to enjoy warm and healthy relations with its employees at all locations. Your Directors take this opportunity to record their appreciation for the outstanding contribution made by the employees at all levels.

PARTICULARS OF EMPLOYEES

As none of the employees was paid remuneration exceeding the limit prescribed u/s 217 (2A) of the Companies Act, 1956, hence no particulars as required under section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 need not to be given.

DISCLOSURE OF PARTICULARS

Informations as per the Companies (Disclosure of particulars in the report of Board of Directors) Rules 1988, relating to Conservation of Energy ,Technology Absorption, Foreign Exchange Earnings and Outgo are given in Annexure- III forming part of this Report.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement entered into with Bombay Stock Exchange Ltd, a Report on Corporate Governance together with a certificate obtained from the Statutory Auditors confirming compliance is given in Annexure I.

A report in the form of Management Discussion and Analysis Report is annexed hereto as Annexure II and forms part of this report.

DIRECTORS

Shri S J Taparia ,Shri S J Parekh and Shri Karthik Athreya Directors of the Company retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for reappointment as Director liable to retire by rotation.

AUDITORS

The Auditors, M/s. Khandelwal Jain & Co., Chartered Accountants hold office until the conclusion of the forthcoming Annual General Meeting and are recommended for reappointment. Certificate from the Auditors has been received to the effect that their reappointment, if made, would be within the limits prescribed under section 224(1B) of the Companies Act 1956.

ACKNOWLEDGEMENT

The Board of Directors thanks the Financial Institutions, Bankers and all the Stakeholders, for their continued co-operation and support to the Company.

For & on behalf of the Board

S J Taparia	Chairman
B K Toshniwal	Director
Sanjay Dosi	Director
Rajendra Somani	Managing Director

Mumbai
19TH October, 2010

ANNEXURE - I

Report on Corporate Governance for the Year Ended 31st March 2010 (in accordance with Clause 49 of the Listing Agreement with Bombay Stock Exchange)

1. Corporate Governance Philosophy

The Company is committed to good Corporate Governance. Corporate Governance envisages Commitment of the Company towards the attainment of high level of transparency, accountability and business propriety with the ultimate objective of increasing long term shareholders value, keeping in view the needs and interests of all stakeholders.

2. Board of Directors:

The Company has a non-executive Chairman. Ten out of Eleven Directors are Non-Executive Directors, forming over 50% of

total No. of Directors. The Company has four independent directors and one Managing Director.

None of the Directors holds directorships in more than the permissible number of companies under the applicable provisions. Similarly, none of the Directors on the Board's sub-committee holds membership of more than ten committees of the boards, nor is any director a chairman of more than five committees of boards.

The names and categories of the directors on the board, their attendance at board meetings during the year from April 09 to March 10 and at the last annual general meeting, and the number of directorships and committee members held by them in other companies are given below:

Name	Category	Board Meeting during the year Apr. 09 to Mar. 10		Attendance at the last AGM as on 12.09.09	No. of Directorships in other Public Companies		No. of Committee Positions held in other Public Companies	
		Held	Attend		Chairman	Member	Chairman	Member
Directors in Office								
Shri Susheel G. Somani	Non Executive/ Not Independent	8	6	No	Nil	11	Nil	Nil
Shri S. J. Parekh	Non Executive/ Not Independent	8	6	Yes	2	11	1	Nil
Shri Surendra Somani	Non Executive/ Not Independent	8	8	Yes	Nil	7	1	2
Shri S. J. Taparia	Non Executive/ Independent	8	8	No	Nil	5	Nil	1
Shri Vinod Mimani	Non Executive/ Independent	8	2	No	Nil	NIL	Nil	Nil
Shri V. N. Khanna	Non Executive/ Non Independent	8	8	No	Nil	4	Nil	1
Shri Rajendra Somani	Executive/ Not Independent	8	8	Yes	Nil	13	Nil	Nil
Shri B. K. Toshniwal	Non Executive/ Not Independent	8	7	Yes	Nil	3	Nil	Nil
Shri Sanjay Dosi	Non Executive/ Independent	8	7	Yes	Nil	1	1	Nil
Shri Karthik Athreya	Non-Executive/ Independent	8	3	No	Nil	2	Nil	Nil
Shri Adarsh Somani	Non-Executive/ Non-Independent (w.e.f. 23.05.08)	8	7	Yes	Nil	7	Nil	Nil

Notes:

- The information as required under Annexure I to clause 49 is being made available to the board.
- The gap between two board meetings did not exceed four months. The dates on which the board meetings were held are as follows:
 May 30, 2009 June 30, 2009 July 29, 2009 Oct 31, 2009 Nov 5, 2009 Nov 27, 2009 Dec 14, 2009 January 29, 2010.

The last AGM of the Company was held on September 12, 2009.

3. Payment to Non-Executive Directors:

Details of remuneration paid/payable to directors for the year ended March 31, 2010 are as follows:

Sr. No.	Director	Sitting Fees		Total
		Board	Committee	
1.	Shri Susheel G. Somani	30000	20000	50000
2.	Shri S. J. Parekh	35000	0	35000
3.	Shri Surendra Somani	40000	0	40000
4.	Shri S. J. Taparia	40000	25000	65000
5.	Shri Vinod Mimani	10000	0	10000
6.	Shri Sanjay Dosi	35000	45000	80000
7.	Shri V N Khanna	40000	0	40000
8.	Shri B K Toshniwal	35000	20000	55000
9.	Shri K. Athreya	15000	0	15000
10.	Shri Adrash Somani	35000	0	35000

4. Particulars of Directors:

Particulars of Directors as required under Para VI (A) of Clause 49 of the Listing Agreement, seeking Appointment/ Re-appointment are as under:

Name of Directors	Shri S J Taparia	Shri S J Parekh	Shri Karthik Athreya
Qualification (s)	B.E.(Mechanical)	B .COM	Chartered Accountant
Expertise of Functional Area	Expertise and rich experience in finance and technical, operational and marketing of Industrial products. Actively involved in industry forums	Expertise in and rich experience in finance and technical, operational and marketing aspects of shipping industry. Actively involved in industry forums	Currently working with Clearwater Capital Partners, India, and is responsible for Indian investments and asset management. Prior to joining Clearwater, he was a Director of Investment Banking at Yes Bank Ltd., a rapidly growing private sector bank in India, where he assisted the establishment of the investment banking business. Vast experience and capabilities in M& A, Capital Market fund raising as well as relationships with Local financial intermediaries and domain knowledge of certain key Industry Verticals. Expert in Finance, Accounting and Investment banking.
Director of other Ltd. Companies	1. The Supreme Industries Ltd. 2. Supreme Petrochem Ltd 3. Supreme Capital Management Ltd. 4. SPL Industrial Park Ltd. 5. SPL Industrial Support Services Ltd.	1. United Shippers Ltd 2. USL Shinrai Automobiles Ltd. 3. Shree Nirmal Commercial Ltd. 4. G. Claridge & Co. Ltd. 5. Dukes Retreat Ltd. 6. Claridge Moulded Fibre Ltd. 7. USL Auto Services Ltd. 8. Dharamtar Infrastructure Ltd. 9. USL NMM Logistics Ltd 10. USL Packaging Ltd 11. Morganite Trading Co. Ltd 12. CGU Logistics Ltd 13. Kusters Calico Machinery Ltd.	1. Aireff de Tox Ltd 2. Multi flex Lami Print Ltd.
Membership of Committee of Board of Directors of other Companies	1. Supreme Petrochem Ltd. Audit Committee Shareholder Grievances Committee Remuneration Committee Finance Committee Investment Committee	1. United Shippers Ltd Share Transfer Committee Finance Committee Audit Committee	NIL

5. AUDIT COMMITTEE

(a) Terms of reference

The Audit committee has adequate powers and detailed terms of reference to play an effective role as required under Section 292A of the Companies Act, 1956 and Clause 49 of listing Agreement with the Stock Exchange, which inter-alia include overseeing financial reporting processes, reviewing periodic financial results, financial statements and adequacy of internal control systems with the Management.

(b) Composition

The Audit Committee of the Company comprises three directors, of which majority are independent, non-executive directors, possessing knowledge of corporate finance, accounts and company law. The Chairman of the Committee is an independent non-executive director. The Company Secretary acts as the Secretary to the Committee.

The Members of the Committee are:

- | | | |
|-----|---------------------|--------------------------------|
| i) | Shri Sanjay Dosi | Non Executive /Independent |
| ii) | Shri S. J. Taparia | Non Executive /Independent |
| ii) | Shri Susheel Somani | Non Executive /Non Independent |

Shri Sanjay Dosi, is the Chairman of the Audit Committee and was present at the last Annual General Meeting held on September 12, 2009.

(c) Meetings and Attendance

During the year ended March 31, 2010, five meetings of the Audit Committee were held on the following dates:

- (i) May 30, 2009
- (ii) June 30, 2009
- (iii) July 29, 2009
- (iv) October 31, 2009
- (v) January 29, 2010

Attendance at the Audit Committee Meetings

Name	No. of Audit Committee Meetings during April 09 to March 10	
	HELD	ATTENDED
Shri Sanjay Dosi	5	5
Shri S. J. Taparia	5	5
Shri Susheel Somani	5	4

6. Remuneration Committee:

During the period under review your Company did not have remuneration committee. The Managing Director is paid remuneration in accordance with the provisions of the Companies Act 1956 and pursuant to the approval of members accorded by way of resolution passed at the general meeting.

For the Financial Year April 2009 to March 2010 no remuneration is paid to the Managing Director of the Company.

7. CODE OF CONDUCT

The Board at its meeting held on 22nd November, 2005 adopted and approved the code of conduct.

The Board members and Senior Managers shall observe the highest standards of ethical conduct and integrity and shall work to the best of their ability and judgment.

The said code has been communicated to all the board members and senior managers and the compliance of the same has been affirmed by them. The code of conduct is posted on the web site of the Company www.oriconenterprises.com.

A declaration signed by the Managing Director affirming the compliance of the code of conduct by the Board members and

senior managers is given below:

I hereby confirm that,

The Company has obtained from all the members of the Board and senior managers affirmation that they have complied with the code of conduct for Directors and senior managers in respect of the financial year 2009 - 2010.

Sd/-
 Rajendra Somani
 Managing Director

8. CEO/CFO CERTIFICATION

The CEO/CFO, i.e. the Managing Director heading the finance function, discharging that function has certified to the Board that :

- a) They have reviewed financial statements and the cash flow statement for the Year Ended March 31, 2010 that to the best of their knowledge and belief:
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading,
 - ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are to the best of their knowledge and belief no transaction entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c) They accept the responsibility for establishing and maintaining internal controls for the financial reporting and that they have evaluated the effectiveness of the internal control systems of the company, pertaining to financial reporting and they have disclosed to the auditors and the audit committee deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps they taken or propose to rectify these deficiencies.
- d) They have indicated to the auditors and the audit committee
 - i) significant changes in internal control over financial reporting during the year;
 - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) there have been no instances of fraud.

The above Certificate was placed before the Board meeting held on 19th October, 2010

9. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

(a) Composition

The Shareholders/Investor Grievance Committee of the Company comprises two directors, of which one is independent and one is not independent. The Chairman of the Committee is an independent non-executive director. The members of the Committee are:

- i) Shri B. K. Toshniwal Non Executive / Not Independent
- ii) Shri Sanjay Dosi Non Executive / Independent

Shri Sanjay Dosi is the Chairman of the Committee.

(b) Meetings and Attendance

For the year ended March 31, 2010 four meetings of the Shareholders/Investor Grievance Committee were held on May 30, 2009, July 29, 2009, Oct 31, 2009, Jan 29, 2010.

Attendance at the Shareholders Grievances Committee Meetings

Name	No. of Shareholders / Investor Grievance Committee Meetings during April 09 to March 10	
	HELD	ATTENDED
Shri B. K. Toshniwal	4	4
Shri Sanjay Dosi	4	4

c) *Compliance officer- Shri Sanjay Jain - Company Secretary*

(d) *Shareholders Complaint Status:*

The Company has received 27 nos of investors complaints during the year from Apr 09 to Mar 10 and all the complaints were disposed off.

A separate committee for share transfers is delegated with the powers to approve physical share transfers. As the shares of the company are under compulsory dematerialized trading for all investors, this delegation is considered adequate. The Company had no shares pending for transfer at the close of the financial year.

10. GENERAL BODY MEETING

(i) Information about last three Annual General Meetings.

Year	Date	Time	Location
2008-09	12.09.2009	10.00 a.m.	Shri S.K. Somani Memorial Hall, Hindi Vidya Bhavan, 79, Marine Drive, Mumbai 400 002.
2007-08	27.09.2008	10.00 a.m.	Shri S.K. Somani Memorial Hall, Hindi Vidya Bhavan, 79, Marine Drive, Mumbai 400 002.
2006-07	22.12.2007	10.30 a.m.	Shri S.K. Somani Memorial Hall, Hindi Vidya Bhavan, 79, Marine Drive, Mumbai 400 002.

(ii) Special Resolutions passed in the previous three AGM(s):

Special resolutions regarding following were passed in the last three AGM(s)

2008-09	(1) for re- appointment of Shri Rajendra Somani as Managing Director of the Company and remuneration payable to him..
2007-08	NIL
2006-07	NIL

Special resolutions regarding following items were passed in the EGM held during the year.

2009-10	(1) for reclassifying the authorized share capital of the Company consequently amendment to the capital clause of the Memorandum of Association of the Company. (2) To issue 21,80,000 fully convertible debentures on preferential basis to Clearwater Capital Partners Singapore Fund III P. Ltd.
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(iii) Passing of Special Resolution through postal ballot :

No Special Resolution was passed through postal ballot during the financial year 2009-2010.

11. DISCLOSURES

- No transaction of material nature has entered into by the Company with Directors or Management and their relative etc. that may have potential conflict with the interest of the company. The Register of Contracts containing transactions in which Directors are interested is placed before the Board regularly.
- Transactions with the related parties are disclosed in Note no 15 of Schedule 18 of Notes forming part of the Accounts.
- The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India in the preparation of financial statements.
- The senior management has made disclosures to the Board relating to all material financial and commercial transactions stating that they did not have personal interest that could result in a conflict with the interest of the Company, at large.
- The Company has complied with various rules and regulations prescribed by Stock Exchanges, Securities and Exchange Board of India or any other statutory authority relating to the capital markets during the last three years. No penalties or strictures have been imposed by them on the Company.
- The Company has laid down procedures to inform the Board of Directors about the Risk Management and its minimization procedures. The Board of Directors review these procedures periodically.
- The Managing Director CEO / CFO has certified to the Board in accordance with Clause 49 (V) of the Listing Agreement pertaining to CEO / CFO certification for the Year ended March 31, 2010.

Details of Shares held by non-executive Directors of the Company as at March 31, 2010.

Name of Director	No. of shares held
Susheel G Somani	2,19,121
Surendra Somani	5,63,792
S J Parekh	50,840
S J Taparia	1,000
Sanjay Dosi	20
Vinod Mimani	Nil
B K Toshniwal	2,600
V N Khanna	6,680
Adarsh Somani	2,73,170
Karthik Athreya	Nil

12. PROCEEDS FROM PUBLIC ISSUE, RIGHT ISSUES, PREFERENTIAL ISSUES:

The Company has issued 21,80,000 Fully Convertible Debentures of Rs. 162.20 each aggregating to Rs. 35,35,96,000/- on preferential basis on 14.12.2009. The Company on time to time discloses the information before the Audit Committee of the funds raised and utilize through the preferential issue on a quarterly basis.

The Audit committee also reviewed about the Statement of funds utilized through the preferential issue other than the objects mentioned in the notice and noted that funds are not utilised for the purposes other than those stated in the notice of Extra Ordinary General Meeting.

13. MEANS OF COMMUNICATION

The Unaudited Financial Results of the Company for each Quarter is placed before the Board of Directors within 30 / 45

days from the end of the respective quarter. The Quarterly Financial Results of the Company is published in the Free Press Journal, Navshakti (Mumbai) and Economic Times. The Financial Results/news releases are also made available on the Company's website www.oriconenterprises.com.

14. MANAGEMENT DISCUSSION AND ANALYSIS:

The Management Discussion and Analysis Report is annexed hereto and forms part of this Annual report.

15. GENERAL SHAREHOLDERS INFORMATION

Registered Office: 1076, Dr. E. Moses Road, Worli, Mumbai – 400 018.

Annual General Meeting

Day and Date : Saturday 11th December, 2010

Time : 10.00a.m.

Venue : Shri S K Somani Memorial Hall
Hindi Vidya Bhavan
79, Marine Drive, Mumbai- 400002.

Key Financial Reporting F.Y. 2010- 2011

Unaudited Financial Results for the quarter ended June 30, 2010

: on or before August 14, 2010

Unaudited Financial Results for the quarter ended September 30, 2010.

: on or before November 14, 2010

Unaudited Financial Results for the quarter ended December 31, 2010

: on or before February 14, 2011

Unaudited Financial Results for the quarter ended March 31, 2011

: on or before May 15, 2011

Or if Audited Results are given, then by 30th May, 2011

Book Closure: The Register of Members and Share Transfer Register will remain closed from 4th December, 2010 to 11th December, 2010 (both days inclusive).

Date of Dividend Payment: Within 25 days of the date of AGM.

Dematerialisation of shares:

The trading in the Equity Shares of the Company has been made compulsory in the Demat Form by all the investors. The Company's Equity Shares are available for trading in the Depository System of both NSDL and CDSL. As on 31.03.2010 91,58,462 Shares representing 95.11% of Equity Shares are held in the Demat Mode. The International Security Identification Number (ISIN) of the Company is INE 730A01014.

Outstanding GDRs/ ADRs/ Warrant or any Convertible Instruments, Conversion date and likely impact on Equity.

The Company has issued 21,80,000 Fully Convertible Debentures of Rs. 162.20 each aggregating to Rs. 35,35,96,000/- on preferential basis on 14.12.2009. The debenture shall be convertible into equity shares of the Company at the discretion of the holders, without any further approval of the shareholders prior to or at the time of conversion.

The tenure of the Debentures (FCDs) shall not exceed 18 months from the date of their allotment.

Listing at Stock Exchanges: The Equity Shares of the Company are listed at Bombay Stock Exchanges Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.

Stock Code : Bombay Stock Exchange , Mumbai : 513121

Trading Code : BSE "S" Group.

Stock Market Data

Monthly high and low price of Equity Shares of the Company quoted at Bombay Stock Exchange and monthly high and low of Index of BSE during the year ended 31.03.10 are as under:

Month	Oricon Share Price		BSE INDEX	
	High Rupees	Low Rupees	High	Low
April 2009	23.40	20.00	11492.10	9546.29
May 2009	46.40	20.00	14746.51	11621.30
June 2009	102.00	48.70	15600.30	14016.95
July 2009	117.30	81.80	15732.81	13219.99
August 2009	139.00	112.05	16002.46	14684.45
September 2009	158.85	129.00	17142.52	15356.72
October 2009	170.85	151.00	17493.17	15805.20
November 2009	224.80	162.00	17290.48	15330.56
December 2009	269.35	207.00	17530.94	16577.78
January 2010	285.70	243.00	17790.33	15982.08
February 2010	369.00	275.50	16669.25	15651.99
March 2010	358.00	282.30	17793.01	16438.45

Distribution of Shareholding as on 31st March 2010.

No. of Equity Shares held	No. of Share holders	% of Share holders	No. of Shares held	% of Share holding
1 to 500	5952	93.26	644248	6.70
501 to 1000	164	2.58	120350	1.25
1001 to 2000	93	1.46	136966	1.42
2001 to 3000	32	0.50	82850	0.86
3001 to 4000	16	0.25	57103	0.59
4001 to 5000	12	0.18	57801	0.60
5001 to 10000	35	0.55	269974	2.80
10001 and above	78	1.22	8260251	85.78
TOTAL	6382	100.00	9629543	100.00

Categories of Shareholding as on 31st March 2010.

Category	No. of Share holders	% of Share holders	No. of Shares held	% of Share holding
Indian Promoters	74	1.17	5291578	54.95
Banks/ FI	6	0.09	459919	4.78
FII	1	0.01	961641	9.99
Mutual Funds	0	0.00	NIL	NIL
NRI	23	0.36	69281	0.72
Domestic Companies	161	2.52	996844	10.35
Resident Individuals	6117	95.85	1850280	19.21
TOTAL	6382	100.00	9629543	100.00

Registered Office / Plant Location :

- 1) 1076 Dr. E. Moses Road
Worli, Mumbai – 400 018.
- 2) Village – Savroli
Khopoli – 410 203
Dist. Raigad.
- 3) Plot No. A-2/9,
M.I.D.C., Murbad,
Dist. Thane.

Address for Investor Correspondence :

- i) **Registered office:**
Sanjay Jain
Compliance Officer
Oricon Enterprises Ltd.
1076, Dr. E. Moses Road,
Worli, Mumbai–400 018.
Tel No. 2496 4656-60
E-mail: sanjayjain@ocl-india.com
share@ocl-india.com
- ii) **Registrar & Transfer Agent:**
Bigshare Services Pvt. Ltd.
E-2 Ansa Industrial Estate,
Saki Vihar Road,
Sakinaka, Andheri (E),
Mumbai – 400 072.
Tel. No. 28470652-53
E-mail: bigshare@bom7vsnl.net.in

Status of compliance with mandatory requirement and adoption of non-mandatory requirements :

- 1) The Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement with the Stock Exchanges as on March 31, 2010.
- 2) Adoption / non-adoption of non-mandatory requirements as at March 31, 2010:
 - (a) The Company does not maintain an office for the Non-Executive Chairman.

Further the Company has not adopted the requirement of Independent Directors tenure not to exceed a period of nine years on the Board of the Company.
 - (b) The Company has not set up a Remuneration Committee.
 - (c) As the Financial Results are published in the newspaper as well as displayed on the Company's website, the Results are not sent to household of each of the Shareholders.
 - (d) The auditors have issued an unqualified opinion for the year ended March 31, 2010.
 - (e) The Board of Directors of the Company consists of an optimal blend of professionals having in-depth expertise in their area of specialisation.
 - (f) Presently the Company does not have a mechanism for evaluating its Non-Executive Directors by Peer Group comprising of the entire Board of Directors.
 - (g) Presently, the Company does not have a Whistle Blower Policy in place.

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To the Members of
ORICON ENTERPRISES LIMITED

1. We have examined the compliance of conditions of Corporate Governance by the **Oricon Enterprises Limited**, for the year ended on 31st March, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Bombay Stock Exchange Limited (herein after referred to as 'the agreement').
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and based on our review and to the best of our information and explanations given to us, we certify that the conditions of Corporate Governance as stipulated in the Clause 49 of the above mentioned Listing Agreement have been complied with in all material aspects by the Company.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **KHANDELWAL JAIN & CO.**
CHARTERED ACCOUNTANTS
Firm Registration No.105049W

(**NARENDRA JAIN**)
PARTNER
Membership no. 048725

Place : Mumbai
Date : 19th October, 2010

ANNEXURE –II TO THE DIRECTORS’ REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

A. ECONOMY AND BUSINESS OUTLOOK:

The global economy continues to recover amidst ongoing policy support and improving financial market conditions. During the fiscal 2010, India witnessed a significant revival in economic activity despite deterrent factors like errant monsoon. The economic recovery was evident across a wide range of sectors with the momentum gaining strength in the second half of the fiscal 2010. The overall growth of GDP as per revised estimates of the Central Statistical Organization (CSO) was 7.2%. As at March 31, 2010 India’s foreign exchange reserves stood at USD 279.1 billion, which were higher by USD 27.1 billion as compared to previous year as at March 31, 2009.

India’s strong domestic fundamentals are expected to remain operative over the long term as the twin drivers of growth viz. consumption and the investment continues to remain strong and positive. The Government’s proposed move to a Common Goods and service tax (GST) regime, the adoption of Direct Tax Code, the decision to make scarce resources such as Telecom spectrum, oil and gas blocks, Coal mine through available auction, the proposed disinvestment in public sector units are all opening up revenues avenues for the government and expected to impact positively on the growth story of the Indian economy. The upsurge in economic recovery is expected to impact positively on the growth story of the Indian economy. The upsurge in economic recovery is expected to strengthen further and broad based in nature.

B. INDUSTRY STRUCTURE AND DEVELOPMENT:

Standalone :

Your Company is now engaged in manufacturing of Pentanes. The Company has not witnessed growth in Pentanes business during the year under review.

The Company is in process of setting up of two Manufacturing plants one for manufacturing solid agro based briquettes and other for manufacturing liquid colorants. These have been covered in the main Directors’ Report.

Consolidated :

During the year United Shippers Limited and National Cotton Products Private Limited has become a subsidiary of the Company and Oriental Containers Limited has become a joint Venture Company. Hence on Consolidation basis your Company is engaged in the business of Shipping and Related Logistics, Infrastructure, Manufacturing of Packaging Products, Properties and Related Activities, Dealership and Services of Automobiles.

C. OPPORTUNITIES & THREATS:

Your Company is in the mode of diversification and is keenly conscious of the emerging opportunities in the diversified business sectors and take benefit of every good opportunity in the best interest of our members.

D. SEGMENTWISE PERFORMANCE:

Your Company has identified segments reporting in terms of AS 17 issued by Institute of Chartered Accountants of India (ICAI), these are Petrochemicals and Trading. The following are the abridged results of these segments:

Standalone Results :

	Segment Revenue (Rs. in Lacs)	Profit/(Loss) from each segment before interest and tax (Rs. in Lacs)
Petrochemicals	1581.47	266.40
Trading	3515.29	71.66
Total	5096.76	338.06

Consolidated Results :

	Segment Revenue (Rs. in Lacs)	Profit/(Loss) from each segment before interest and tax (Rs. in Lacs)
Petrochemicals	1581.47	266.40
Trading	3715.78	74.45
Automobiles	26566.49	923.89
Packaging	6467.11	990.72
Shipping & Related Logistics	16929.31	2252.17
Total	54360.17	4507.65

E. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company has effective systems of internal control:

- Effective system of accounting and administrative control.
- Existence of Audit Committee of Directors and system of internal audit by an outside independent firm.
- Performance review system by the management with preset objective.

F. FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

Standalone

The Sales and other income for the year under review were Rs. 72.05 Crores as against Rs. 61.85 Crores in the previous financial year. The net Profit for the year under review is Rs. 9.55 Crores as against Rs. 9.02 Crores in the previous financial year.

Consolidated

The Consolidated revenue for the year under review was Rs. 575.65 Crores as against Rs. 243.58 Crores in the previous financial year. The net Profit for the year under review is Rs. 28.04 Crores as against Rs. 7.83 Crores in the previous financial year. The figure for the year under review and the previous financial year are not comparable as in the year under review new subsidiary and joint venture companies’ financial results are recorded for.

G. HUMAN RESOURCES / INDUSTRIAL RELATIONS:

Your Company has team of qualified and dedicated personnel who have contributed to the consolidation of the operations of your Company. Your Company’s industrial relations continued to be harmonious during the year under review.

As on March 31, 2010 the employee strength (on permanent rolls) of the company was 76.

H. CAUTIONARY STATEMENT:

Statements in the Management Discussion and Analysis describing the Company’s objectives, estimates, expectations or projections may constitute “forward looking statements”, within the meaning of applicable laws and regulations. Actual results may differ materially from those either expressed or implied in the statements. Important factors that could make a difference to your Company’s operations include economic conditions affecting demand/supply and price conditions in the domestic and international markets, changes in the Government regulations, tax laws and other statutes and other incidental factors.

Annexure-III to the Directors' Report

(Information pursuant to the Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

FORM-A

i) Power and Fuel Consumption:

1. Electricity	Current year April 09 to Mar. 10	Previous period April 08 to Mar. 09
a) Purchase units	544601	616494
Total Amount (Rs.)	2886320	2992012
Rate/Units (Rs.)	5.26	4.85
b) Own Generation (in unit)	13608	30824
Total Amount (Rs.)	183373	307919
Rate/Units (Rs.)	13.48	10.00
2. COAL	1250	—
3. FURNACE OIL QTY. (K. Ltr.)	85	647

ii) Consumption per unit of production:

Product (Pentane Pure ISO Pentane and Steam)	Standard	Current year April 09 to March 10	Previous year April 08 to March 09
Electricity	Not determined	207.35 UNITS/MT	180.7 UNITS/MT
Furnace Oil	0.20 MT/MT of Products	0.16 MT/MT OF Products	0.173MT/MT of Products
Coal	0.36 - 0.38 MT/MT of product	0.37 MT/MT of product	—
Coal	0.17 MT/MT of Steam	0.175 MT/MT of Steam	—

B) Technology Absorption :

Petro Product offering from the company are continuously upgraded and optimized to explore the export market.

C) Foreign exchange earnings and outgo:

The required information in respect of the Foreign Exchange earnings and outgo has been given in the Notes Forming part of the Accounts for the period ended March 31, 2010.

AUDITORS' REPORT

TO THE MEMBERS OF
ORICON ENTERPRISES LTD.

1. We have audited the attached Balance Sheet of **ORICON ENTERPRISES LIMITED** as at 31st March 2010 and also the Profit & Loss Account and the Cash Flow Statement of the Company 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 from 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. As required by the Companies (Auditor's Report) Order, 2003, and read with the amendments made by the Companies (Auditor's Report) (Amendment) Order 2004, issued by the Central Government of India in terms of sub section (4A) of section 227 of the Companies Act, 1956, and on the basis of such checks of books and records of the company as we considered appropriate and according to the information and explanation given to us we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent they are applicable to the Company.
 4. Further to our comments 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 purposes 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, The Profit & Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, the Profit & Loss Account and the 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) On the basis of the written representations received from the Directors as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 from being appointed as a Director in terms of Clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts and read together with significant accounting policies and notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2010;
 - (ii) in the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For **KHANDELWAL JAIN & CO.**
Chartered Accountants
Firm Registration No.105049W

(NARENDRA JAIN)
PARTNER
Membership No.048725

Place : Mumbai
Date : 19th October 2010

ANNEXURE TO THE AUDITORS' REPORT

(REFERRED TO IN PARAGRAPH (3) OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF ORICON ENTERPRISES LIMITED FOR THE YEAR ENDED MARCH 31, 2010)

- i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets, except in case of Furniture and Fixtures, Electrical Installation and Equipments for which quantitative records have been maintained without item wise break up of value.
- b) We are informed that the fixed assets other than Dies and Tools, Furniture and Fixtures, Electrical Installation and Equipments have been physically verified by the management at reasonable intervals during the year and as explained to us no material discrepancies were noticed on such verification.
- c) During the year, the Company has not disposed off any substantial part of fixed assets.
- ii) a) The management has conducted physical verification of the inventory at reasonable intervals, except material in transit and stocks lying with third parties and in bonded warehouse, which are verified with reference to the certificates obtained and/or subsequent clearance of goods. In our opinion, the frequency of physical verification is reasonable.
- b) In our opinion and according to the information and explanations given to us, 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 and according to the information and explanations given to us, the Company is maintaining proper records of the inventory and no material discrepancies were noticed on physical verification between the physical stock and book records.
- iii) a) The Company has not granted loans to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
- b) The Company had taken unsecured loan from one party covered in the register maintained under section 301 of the companies Act, 1956. The maximum amount involved during the year was Rs. 4,74,66,917/- and the year end balance of loans taken from such party was Rs. 12,39,917/-.
- c) In our opinion and according to the information and explanation given to us the rate of interest and other terms and conditions on which these loans have been taken are not prima facie prejudicial to the interest of the Company.
- d) The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest.
- iv) In our opinion, and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the Company and the nature of its business, with regard to the purchase of inventory, fixed assets and for sale of goods and services. During the course

of our audit, we have not observed any continuing failure to correct major weakness in internal control system.

- v) a) In our opinion and according to the information and explanation given to us, the particulars of contracts or arrangements, referred to in section 301 of the Companies Act, 1956, 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 contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi) In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under with regard to deposits accepted from the public. According to the information and explanations given to us, no order under the aforesaid Sections 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 on the Company.
- vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii) According to the information and explanations given to us, the Central Government has not prescribed for the maintenance of Cost Records under Section 209(1)(d) of the Companies Act, 1956 in respect of the products of the Company.
- ix) a) According to the information and explanations given to us, and the records examined by us, undisputed statutory dues including provident fund, employee's state insurance, income-tax, custom duty, excise-duty, cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities *though there has been delay in few cases*. According to the information and explanations given to us, there were no undisputed statutory dues which have remained outstanding as at 31st March, 2010 for the period of more than six months from the date they became payable, *except for Maharashtra Profession Tax of Rs.8,861/- and Service Tax of Rs.6,164/- which have been since paid*.
- x) According to the information and explanations given to us, and the records examined by us, dues in respect of sales-tax, income-tax, custom duty, wealth-tax, service tax, excise duty, cess as at 31st March, 2010 that have not been deposited with the appropriate authority on account of any disputes and the forum where the dispute is pending are as under:-

Sr. No.	Name of the Statute	Nature of the Dues	Period to which the amount relates	Amount (Rs.)	Forum where dispute is pending
1	Central Excise Act, 1944	Excise Duty (Classification of goods)	March 2001 to Aug. 2001	62,30,637	Assistant Commissioner of Central Excise
2	Central excise Act, 1944	Excise Duty (Classification of goods) Penalty	June 1996 to Feb 2001	75,938 30,80,610	Central Excise & Service Tax Appellate Tribunal
3	Central excise Act, 1944	Excise Duty (Classification of goods) Penalty	July 1998 to Feb 2001	1,41,503 10,24,509	Central Excise & Service Tax Appellate Tribunal

- xii) The Company has no accumulated losses as at the end of the financial year and has not incurred cash loss in the current financial year or in the immediately preceding financial year.
- xiii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution or bank.
- xiv) Based on the information and explanations given to us, the Company has not granted any loans and/or advances on the basis of security by way of pledge of shares, debentures and other securities.
- xv) The Company is not a Chit Fund Company or nidhi/mutual benefit fund/society.
- xvi) The Company has maintained proper records of transactions and contracts in respect of dealing and trading in shares, securities, debentures and other investments and the timely entries have generally been made therein. All shares, securities, debentures and other investments have been held by the Company in its own name except to the extent of the exemption granted under Section 49 of the Companies Act, 1956 and save for certain shares which are either lodged for transfer or held with valid transfer forms.

- xvii) In our opinion and according to the information and explanations given to us, the terms and conditions of guarantees given by the company for loans taken by others from banks and financial institutions are not prima facie prejudicial to the interests of the company.
- xviii) In our opinion, the term loans raised during the year have been applied for the purpose for which they were raised.
- xix) According to the information and explanations given to us and on an examination of the Balance Sheet of the Company, we report that, on an overall basis, funds raised on short-term basis have, prima facie, not been used during the year for long-term investment.
- xx) The Company has not made any preferential allotment of shares during the year to parties covered in register maintained under section 301 of the Companies Act, 1956.
- xxi) In our opinion and according to the information and explanations given to us, the Company has not issued any secured debentures during the year covered by our report.
- xxii) During the year covered by our Audit Report the Company has not raised any money by public issues.
- xxiii) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **KHANDELWAL JAIN & CO.**
Chartered Accountants
Firm Registration No.105049W

(NARENDRA JAIN)
PARTNER
Membership No.048725

Place : Mumbai
 Date : 19th October, 2010

BALANCE SHEET AS AT 31ST MARCH, 2010

	Schedule	As at 31st March, 2010 Rupees	As at 31st March, 2009 Rupees
SOURCES OF FUNDS :			
Shareholders' Funds :			
Share Capital	1	96,349,194	96,349,194
Share Capital Suspense	1A	196,000,000	-
Reserves and Surplus	2	3,945,840,229	916,841,094
		<u>4,238,189,423</u>	<u>1,013,190,288</u>
Deferred Income Tax Liability (Refer Note No. B -17 of Schedule 18)		4,671,519	18,320,348
Deferred Sales Tax Liability		6,122,000	-
Loan Funds:			
Secured Loans	3	13,019,231	16,749,189
Unsecured Loans	4	614,599,779	139,421,840
		<u>627,619,010</u>	<u>156,171,029</u>
Total		<u><u>4,876,601,952</u></u>	<u><u>1,187,681,665</u></u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	310,029,615	299,203,641
Less: Depreciation		220,294,383	208,883,442
Net Block		<u>89,735,232</u>	<u>90,320,199</u>
Capital Work in Progress		25,659,766	12,159,089
		<u>115,394,998</u>	<u>102,479,288</u>
Investments	6	3,929,272,482	690,843,639
Current Assets, Loans and Advances			
Interest Accrued on Bank Deposits		383,723	160,743
Inventories	7	7,052,961	13,038,334
Sundry Debtors	8	185,298,322	201,180,162
Cash and Bank Balances	9	73,846,733	10,210,556
Loans and Advances	10	935,763,572	492,351,869
		<u>1,202,345,311</u>	<u>716,941,664</u>
Less: Current Liabilities & Provisions			
Liabilities	11	325,574,904	323,633,641
Provisions	12	44,835,935	17,219,083
		<u>370,410,839</u>	<u>340,852,724</u>
Net Current Assets		831,934,472	376,088,940
Miscellaneous Expenditure	13	-	18,269,798
Total		<u><u>4,876,601,952</u></u>	<u><u>1,187,681,665</u></u>
Significant Accounting Policies and Notes to the Accounts	18		

Note: The Schedules referred to above form an integral part of the Balance Sheet.

As per our report of even date annexed
 FOR **KHANDELWAL JAIN & CO.**
 Chartered Accountants

NARENDRA JAIN
 Partner
 Membership No. 048725

Mumbai
 19th October, 2010

SANJAY JAIN
 Company Secretary

For & on behalf of the Board

S. J. Taparia Chairman

Sanjay Dosi Director

B K Toshniwal Director

Rajendra Somani Managing Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010

	Schedule	Year ended 31st March, 2010 Rupees	Year ended 31st March, 2009 Rupees
INCOME			
Sales, and other income	14	<u>720,485,661</u>	<u>618,458,680</u>
EXPENDITURE			
Manufacturing and Other expenses	15	<u>525,617,080</u>	499,072,134
Interest & Finance Charges	16	<u>40,270,540</u>	<u>26,227,643</u>
		<u>565,887,619</u>	<u>525,299,777</u>
PROFIT BEFORE DEPRECIATION		<u>154,598,042</u>	93,158,903
Less : Depreciation		<u>12,452,536</u>	<u>13,386,818</u>
PROFIT BEFORE PRIOR PERIOD ADJUSTMENT		<u>142,145,506</u>	79,772,085
LESS/(ADD) : Prior period adjustment		<u>(3,131,377)</u>	<u>(1,240,505)</u>
Profit before taxation and exceptional items		<u>145,276,883</u>	81,012,590
Less : Provision for Taxation			
Current Tax		<u>53,714,000</u>	16,930,080
Deferred Tax		<u>(5,812,706)</u>	<u>(2,774,070)</u>
Fringe Benefit Tax		<u>-</u>	<u>650,000</u>
		<u>47,901,294</u>	14,806,010
Profit after taxation before exceptional items		<u>97,375,589</u>	66,206,580
Income / fringe benefit tax for earlier years		<u>1,820,855</u>	<u>79,000</u>
Profit after taxation before exceptional items		<u>95,554,734</u>	66,127,580
Exceptional items (Net of Tax) (Refer Note No.B -12 of Schedule 18)		<u>-</u>	<u>(24,130,080)</u>
Profit after taxation		<u>95,554,734</u>	90,257,660
Add : Balance brought forward from previous year		<u>131,235,746</u>	<u>102,244,169</u>
AMOUNT AVAILABLE FOR APPROPRIATIONS		<u>226,790,480</u>	<u>192,501,829</u>
APPROPRIATIONS :			
Proposed dividend on Equity Shares		<u>32,993,180</u>	9,629,543
Tax on Proposed Dividend		<u>5,479,755</u>	<u>1,636,540</u>
		<u>38,472,935</u>	11,266,083
Transfer to General Reserve		<u>50,000,000</u>	50,000,000
Balance carried to Balance Sheet		<u>138,317,545</u>	<u>131,235,746</u>
		<u>226,790,480</u>	<u>192,501,829</u>
EARNINGS PER SHARE (EPS)			
On profit after taxation before exceptional items			
Basic Earnings per share (Rs.)		6.84	6.87
Diluted Earnings per share (Rs.)		4.92	NA
On profit after taxation		6.84	9.37
Basic Earnings per share (Rs.)		4.92	NA
Diluted Earnings per share (Rs.)			
(Refer Note No.B -16 of schedule 18)			

Significant Accounting Policies and Notes to the Accounts 18

Note: The Schedules referred to above form an integral part of the Profit and Loss Account

As per our report of even date annexed
FOR **KHANDELWAL JAIN & CO.**
Chartered Accountants

NARENDRA JAIN
Partner
Membership No. 048725

Mumbai
19th October, 2010

SANJAY JAIN
Company Secretary

For & on behalf of the Board

S. J. Taparia Chairman

Sanjay Dosi Director

B K Toshniwal Director

Rajendra Somani Managing Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2010

(Amount in Rupees)

PARTICULARS	For the Year ended 31.03.2010	Previous Year ended 31.03.2009
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Prior period Adjustment & exceptional item	142,145,506	79,772,085
Adjustments for:		
Depreciation	12,452,536	13,386,818
Deferred Revenue Expenditure written-off	18,269,798	5,589,939
Dividend Received	(3,194,834)	(217,076)
Interest Expense	38,509,500	25,819,005
Interest Received	(41,370,789)	(11,034,323)
Profit on Sale of long term Investments	(3,796,375)	(433,516)
Loss on sale of assets	-	120,291
Surplus on sale of assets	(4,085,135)	(1,642,771)
Compensation received against relinquishing rights in property	-	31,200,000
Sundry balances written off	201,234	8,217,841
Sundry balances written back	(5,046,142)	(4,761,920)
Operating Profit before Working Capital changes	154,085,298	146,016,373
Adjustments for:		
Trade & Other Receivables	(463,652,447)	(148,563,456)
Inventories	5,985,373	4,338,928
Debenture issue expenses	(13,980,366)	-
Amalgamation expenses	(23,590,348)	-
Trade & Other Payables	13,694,653	146,212,519
Cash generated from Operations	(327,457,838)	148,004,364
Direct Taxes Paid (Net of Refund)	(4,351,077)	(12,146,499)
Cash Flow before prior period Adjustments & Exceptional item	(331,808,915)	135,857,865
Prior period adjustments	3,131,377	1,240,505
NET CASH FROM OPERATING ACTIVITIES: TOTAL (A)	(328,677,538)	137,098,370
CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of Fixed Assets (including Capital Work-in-progress)	(25,382,945)	(8,141,505)
Sale of Fixed Assets	4,106,666	2,139,444
Sale of Investment	6,296,375	690,625
Purchase of Investment	(49,276,264)	(32,142,828)
Interest Received	41,147,809	10,873,580
Dividend Received	3,194,834	217,076
NET CASH FROM / (USED IN) INVESTING ACTIVITIES: TOTAL (B)	(19,913,525)	(26,363,608)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayments of Secured Loans (Net of Proceeds)	(3,372,622)	8,737,054
Proceeds from Unsecured Loans (Net of Repayments)	98,625,944	(105,675,073)
Proceeds from issue of fully Convertible Debentures	353,596,000	-
Interest Paid	(37,440,841)	(25,237,826)
Dividend Paid	(11,291,331)	(11,294,183)
NET CASH FROM FINANCING ACTIVITIES: TOTAL (C)	400,117,150	(133,470,028)
Net Increase in Cash and Cash Equivalents Total: (A+ B+ C)	51,526,087	(22,735,266)
Cash and Cash Equivalents - Opening Balance	10,210,556	32,945,822
Cash and Cash equivalents taken over on amalgamation (Refer Note 3 below)	12,110,090	-
Cash and Cash Equivalents - Closing Balance	73,846,733	10,210,556
Net increase / (decrease) in Cash and Cash Equivalent	51,526,087	(22,735,266)
NOTES :		
1. Above statements have been prepared in the indirect method.		
2. Cash and Cash equivalents at the end of the year include Rs.1,82,59,678/- (previous year Rs.61,31,025/-) which are restricted in use.		
3. Cash and Cash equivalents include Rs.1,20,44,192/- and Rs.65,898/- of the erstwhile Naman Tradevest Private Limited (NTPL) and Zeuxite Investments Private Limited (ZIPL) respectively aggregating to Rs.1,21,10,090/-, taken over on amalgamation.		
4. The amalgamation of the erstwhile, Naman Tradevest Private Limited (NTPL) and Zeuxite Investments Private Limited (ZIPL) with the Company is a non cash transaction. (Refer Note No.B-10 of Schedule 18)		
5. Previous year's figures have been regrouped / rearranged / recasted, wherever necessary.		

 As per our report of even date annexed
 FOR **KHANDELWAL JAIN & CO.**
 Chartered Accountants

NARENDRA JAIN
 Partner
 Membership No. 048725

 Mumbai
 19th October, 2010

SANJAY JAIN
 Company Secretary

For & on behalf of the Board

S. J. Taparia Chairman
Sanjay Dosi Director
B K Toshniwal Director
Rajendra Somani Managing Director

Schedules Forming Part of the Balance Sheet
SCHEDULE - 1

SHARE CAPITAL	As at 31st March, 2010 Rupees	As at 31st March, 2009 Rupees
Authorised: (Refer Note No.B-10 (b) & (c) of Schedule 18)		
2,87,50,000 (P.Y. 1,37,50,000) Equity Shares of Rs 10 each	287,500,000	137,500,000
10,000 (P.Y. 10,000) 11% Cumulative Redeemable Preference Shares of Rs.100 each	1,000,000	1,000,000
Nil (P.Y. 1,00,00,000) Unclassified shares of Rs.10 each	-	100,000,000
	288,500,000	238,500,000
Issued:		
96,42,072 (P.Y. 96,42,072) Equity Shares of Rs.10 each	96,420,720	96,420,720
	96,420,720	96,420,720
Subscribed and Paid-up:		
96,29,543 (P.Y. 96,29,543) Equity Shares of Rs. 10 each.	96,295,430	96,295,430
Share forefited Account	53,764	53,764
Total	96,349,194	96,349,194

Notes :

- 1) a) 19,30,800 Equity Shares are allotted as fully paid up as Bonus shares by capitalising Rs.31,00,000/- from General Reserve, Rs.1,57,08,000/- from Share Premium and Rs.5,00,000/- from Capital Redemption Reserve.
- b) 1,00,000 Equity Shares of Rs.10/-each are allotted as fully paid up shares to the shareholders of erstwhile Hempri Containers Pvt Ltd pursuant to the scheme of Amalgamation.
- c) 12,529 Partly paid Equity Shares have been forefited by the Company during the year 2003-04.
- d) 42,73,875 Equity Shares of Rs.10/-each are allocated as fully paid up shares to the shareholders of erstwhile Scientific vacumecoatings Pvt Ltd pursuant to the scheme of Amalgamation.

SCHEDULE -1A
SHARE CAPITAL SUSPENSE

87,00,000 (P. Y. Nil) Equity Share Suspense of Rs.10/-	87,000,000	-
87,00,000 Equity Share of Rs.10/-each, fully paid, to be issued pursuant to scheme of amalgamation of Zeuxite Investment Pvt Ltd. (ZIPL) and Naman Tradvest Pvt. Ltd. (NTPL) with the Company (Refer Note No.B-10 (d) & (h) of Schedule 18)		
1,09,00,000 (P. Y. Nil) 10% Compulsorily Convertible Preference Shares (CCPS) Suspense of Rs.10/- each,	109,000,000	-
1,09,00,000, 10% CCPS of Rs.10/-each, fully paid, to be issued pursuant to scheme of amalgamation of Zeuxite Investment Pvt Ltd. (ZIPL) and Naman Tradvest Pvt. Ltd. (NTPL) with the Company (Refer Note No.B-10 (d), (i) & (j) of Schedule 18)		
Total	196,000,000	-

Schedules Forming Part of the Balance Sheet
SCHEDULE - 2

RESERVES AND SURPLUS	As at 31st March, 2010 Rupees	As at 31st March, 2009 Rupees
Capital Reserve		
As per last Balance Sheet	11,13,014	11,13,014
Add: On Amalgamation (Refer Note no.B-10 (e) & (f) of schedule 18)	2,996,900,000	-
Less: Expense on Amalgamation (Net of Tax) (Refer Note no.B-10 (g) of schedule 18)	15,754,224	-
	<u>2,982,258,790</u>	<u>1,113,014</u>
Capital Redumption Reserve		
As per last Balance Sheet	500,000	500,000
Amalgamation Reserve		
As per last Balance Sheet	13,109,745	13,109,745
Share Premium Account		
As per last Balance Sheet	186,032,106	186,032,106
Less: Expenses on issue of debentures (Net of Tax) (Refer Note no.B- 9(k) of schedule 18)	9,228,440	-
	<u>176,803,666</u>	<u>186,032,106</u>
General Reserve		
As per last Balance Sheet	584,850,483	534,850,483
Add: Transferred from Profit and Loss Account	50,000,000	50,000,000
	<u>634,850,483</u>	<u>584,850,483</u>
Profit and Loss Account	138,317,545	131,235,746
Total	<u><u>3,945,840,229</u></u>	<u><u>916,841,094</u></u>

Schedules Forming Part of the Balance Sheet
SCHEDULE - 3

SECURED LOANS	As at 31st March, 2010 Rupees	As at 31st March, 2009 Rupees
Deferred Payment Credits	428,982	1,887,647
Working Capital Loans from Banks		
Cash Credit	–	4,413,957
Working Capital Demand Loan	12,500,000	10,000,000
Interest Accrued & Due on above	90,249	447,585
Total	13,019,231	16,749,189

Notes :-

Working Capital Loans i.e. Cash Credit / Working Capital Demand Loan is secured by (i) hypothecation of inventories, book debts, (ii) first charge on Company's immovable properties at khopoli and (iii) hypothecation on Machineries at Company's plant at Khopoli and guaranteed by three Directors jointly and severally.

Deferred payments credits are secured against hypothecation of Specific Capital Assets i.e. Motor Cars.

Instalments repayable within one year Rs.4,28,982/- (P.Y Rs.14,58,665/-)

SCHEDULE 4
UNSECURED LOAN

Fixed Deposits (Repayable within one year Rs.6,86,000/-) (Previous year Rs.28,76,000/-)	686,000	3,203,000
Inter Corporate Deposits	15,619,917	8,625,966
Term Loan From :		
Banks	243,138,273	127,459,280
Term Loans repayable within one year Rs.4,11,83,551/- (P.Y Rs.2,63,35,296/-)		
15% 21,80,000 fully Convertible Debentures (Refer Note No. B - 9 of Schedule 18)	353,596,000	-
Interest Accrued & Due on above	1,559,589	133,594
Total	614,599,779	139,421,840

Schedules forming Part of the Balance Sheet

SCHEDULE - 5

FIXED ASSETS

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK			
	As on 1st April 2009	Additions during the year	Addition on Amalgamation	Deductions during the year	Ason 31st March, 2010	Upto 31st March 2009	Addition on Amalgamation	For the Year	Deductions during the year	Total Upto 31st March 2010	Ason 31st March, 2010	As on 31st March 2009
Freehold Land	576,814	—	—	—	576,814	—	—	—	—	—	576,814	576,814
Buildings # # (Refer Note no. B-19 of Schedule 18)	50,843,607	—	—	—	50,843,607	23,097,222	—	2,770,768	—	25,867,990	24,975,617	27,746,385
Residential Flats #	473,475	—	—	—	473,475	296,937	—	8,827	—	305,764	167,711	176,538
Plant and Machinery	204,965,367	11,131,958	—	336,322	215,761,003	154,196,532	—	7,058,457	319,506	160,935,483	54,825,520	50,768,835
Electric Installations	976,146	—	—	—	976,146	832,395	—	19,996	—	852,391	123,755	143,751
Office Equipments	5,650,798	141,760	11,130	—	5,803,688	4,801,202	4,298	143,787	—	4,949,287	854,401	849,596
Computer	4,556,567	103,225	—	—	4,659,792	4,089,949	—	182,082	—	4,272,031	387,761	466,618
Furniture and Fixtures	6,967,116	4,700	—	—	6,971,816	3,975,248	—	527,616	—	4,502,864	2,468,952	2,991,868
Vehicles	21,693,114	500,625	—	731,102	21,462,637	15,320,081	—	1,709,992	726,387	16,303,686	5,158,951	6,373,033
Fire Fighting Equipments	435,423	—	—	—	435,423	369,820	—	8,999	—	378,819	56,604	65,603
Laboratory Equipments	1,192,651	—	—	—	1,192,651	1,093,686	—	13,645	—	1,107,331	85,320	98,965
Weighing Machines	872,563	—	—	—	872,563	810,370	—	8,367	—	818,737	53,826	62,193
TOTAL	299,203,641	11,882,268	11,130	1,067,424	310,029,615	208,883,442	4,298	12,452,536	1,045,893	220,294,383	89,735,232	90,320,199
ASAT 31 st MARCH, 2009	295,166,221	4,839,649	—	802,229	299,203,641	195,681,889	—	13,386,818	185,265	208,883,442	90,320,199	—

Includes deposit for Shares in Co-operative Society Rs.5,000/-.

building includes Rs.3,42,08,890 /- pursuant to the scheme of amalgamation with Scientific Vacuum Coating Pvt Ltd with the Company.

Schedules Forming Part of the Balance Sheet
SCHEDULE - 6

INVESTMENTS (At Cost)	As at		As at	
	31st March, 2010		31st March, 2009	
Long Term Investments	Nos.	Rupees	Nos.	Rupees
Face Value				
A. Unquoted : Equity Shares (fully paid-up)				
1. Equity Shares in Subsidiary Companies				
10 Oriental Containers Ltd.	-	-	3,246,192	308,866,364
10 USL Shinrai Automobiles Ltd.	5,000,000	50,000,000	100,000	1,000,000
10 USL Auto Services Ltd.	50,000	500,000	50,000	500,000
10 National Cotton Products Pvt. Ltd. (Refer Note no. B-10(a)(ii) & 19 of schedule 18)	6,120,000	1,594,066,696	-	-
10 United Shippers Ltd. (Refer Note no. B-10(a)(ii) of schedule 18)	2,969,552	1,954,150,815	-	-
2. Equity Shares in Associate Company				
10 National Cotton Products Pvt. Ltd. (Refer Note no. B-10(a)(ii) & 19 of schedule 18)	-	-	2,325,600	356,526,108
3. Equity Shares in Joint Venture Company				
10 Oriental Containers Ltd. (Refer Note no. B- 21 of schedule 18) Other Investments (Fully Paid Up)	3,246,192	308,866,364	-	-
4. Unquoted: Equity Shares in Others				
10 New India Co-opreative Bank Ltd.	10	102	10	102
100 Madhavpura Mercantile Co-op Bank Ltd.	875	87,500	875	87,500
10 Saraswat co-operative bank .	1,000	10,000	1,000	10,000
B. Unquoted: Preference Shares				
100 14.5 % Redeemable Cumulative Preference Shares in Excel Glasses Ltd	130,000	13,000,000	130,000	13,000,000
C. Quoted : Equity Shares				
10 Soma Paper Mills Ltd.	39,287	1,719,409	39,287	1,719,409
10 Koprana Ltd.	32,500	103,413	32,500	103,413
10 Hindustan Tin Works Ltd.	-	-	62,500	2,500,000
100 Bayer Crop Science Ltd.	24	2,219	24	2,219
10 Indian Dyestuff Industries Ltd.	13	447	13	447
10 IMP Power Ltd.	25,500	6,581,526	23,500	6,344,087
D. Quoted : Others				
100 6.75 % of Unit Trust of India Bonds	1,782	183,990	1,782	183,990
Total		3,929,272,482		690,843,639
Aggregate Book Value - Quoted		8,591,005		10,853,565
Unquoted		3,920,681,477		679,990,074
Aggregate Market Value- Quoted		4,008,179		2,245,111

Schedules Forming Part of the Balance Sheet

	As at 31st March, 2010 Rupees	As at 31st March, 2009 Rupees
SCHEDULE - 7		
INVENTORIES		
As taken, valued and certified by the Managing Director.		
Stores and spares	640,288	709,758
Fuel	207,076	366,058
Raw Materials	3,809,168	2,963,450
Stock in Trade:		
Finished Goods	1,953,415	7,064,510
Others	443,014	1,509,489
Goods-in-transit	-	425,069
Total	<u>7,052,961</u>	<u>13,038,334</u>
SCHEDULE - 8		
SUNDRY DEBTORS		
Unsecured :		
Outstanding for a period exceeding six months :		
Considered Good	7,314,710	40,495,929
(includes due from subsidiary Rs.Nil [P.Y. Rs.3,34,62,834/-]		
Other Debts-Considered Good	177,983,611	160,684,233
(includes due from subsidiaries Rs.30,09,000/- [P.Y. Rs.2,38,37,645/-]		
Total	<u>185,298,322</u>	<u>201,180,162</u>
SCHEDULE - 9		
CASH AND BANK BALANCES		
Cash on hand	1,188,692	1,060,057
Bank balances with Scheduled banks :		
In Current Accounts	54,398,363	3,019,474
In Margin Deposit Accounts	18,259,678	6,131,025
Total	<u>73,846,733</u>	<u>10,210,556</u>
SCHEDULE - 10		
LOANS AND ADVANCES		
(Unsecured, Considered Good)		
Advances & deposits to Subsidiary Companies	484,649,153	56,683,107
Advances recoverable in cash or in kind for value to be received	181,502,679	88,618,826
Sundry Deposits	248,802,152	279,648,236
Balance with Excise Authorities	1,394,221	1,404,482
Advance payment of Income-tax	19,415,366	65,997,218
(Net of provisions and including refund receivable)		
Total	<u>935,763,572</u>	<u>492,351,869</u>

Schedules Forming Part of the Balance Sheet

	As at 31st March, 2010 Rupees	As at 31st March, 2009 Rupees
SCHEDULE - 11		
CURRENT LIABILITIES		
Sundry Creditors —		
Amount outstanding to Micro, Small & Medium Enterprises (Refer note no. B-4 of schedule 18)	—	—
Others (includes due to subsidiary Rs.54,000/- [P.Y. Nil])	129,955,878	154,515,297
<u>Deposit Received</u>		
from Subsidiary Companies	20,500,000	20,500,000
from Others	143,159,204	143,415,836
Unclaimed Dividends	800,533	825,781
Other Liabilities	31,159,289	4,376,727
Total	325,574,904	323,633,641
SCHEDULE - 12		
PROVISIONS		
Proposed Dividend	32,993,180	9,629,543
Tax on Dividend	5,479,755	1,636,540
Gratuity	4,868,000	4,351,000
Leave encashments	1,495,000	1,452,000
Fringe Benefit Tax (Net of Advance FBT)	—	150,000
Total	44,835,935	17,219,083
SCHEDULE - 13		
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)		
Deferred Revenue Expenditure:		
Voluntary Retirement Scheme	18,269,798	23,859,737
Add: Expenses during the year	-	-
	18,269,798	23,859,737
Less: Amount written off during the year	18,269,798	5,589,939
Total	-	18,269,798

Schedules Forming Part of the Profit and Loss Account

	Year ended 31st March, 2010 Rupees	Year ended 31st March, 2009 Rupees
SCHEDULE - 14		
SALES AND OTHER INCOME		
Gross Sales	524,421,848	507,502,059
Less : Excise Duty	14,745,811	30,512,331
Net Sales	<u>509,676,037</u>	476,989,728
Rent Received	152,010,944	112,346,162
(Gross- TDS Rs.2,15,33,460/- (P.Y. Rs.1,90,74,136/-)		
Forfeiture of Deposit	-	11,981,415
Bad debts written back (Net)	47,011	92,825
Dividend	3,194,834	217,076
Interest	41,370,789	11,034,323
(Gross-Tax deducted Rs.35,24,792/- (P.Y. Rs.25,11,617/-)		
Surplus on Sale of Assets	4,085,135	1,522,480
Insurance Claim	-	2,612,717
Profit on Sale of Long term Investment	3,796,375	433,516
Sundry balances w/ back (Net) [Refer note no.B- 7 of Schedule 18]	4,844,908	-
Miscellaneous Income	1,459,626	1,228,438
Total	<u><u>720,485,661</u></u>	<u><u>618,458,680</u></u>
SCHEDULE - 15		
MANUFACTURING AND OTHER EXPENSES		
Purchases of goods & others	343,297,265	273,593,525
Consumption of Raw Materials and Components & goods	94,191,672	149,582,283
Payments to and Provisions for Employees:		
Salaries, Wages and Bonus	15,282,593	12,936,402
Gratuity	669,952	753,951
Contribution to PF, FPF and Superannuation Scheme	1,402,937	1,202,399
Employees Welfare Expenses	1,434,818	1,527,311
	<u>18,790,300</u>	16,420,063
Stores, Spares Consumed	1,399,655	1,932,902
Power and Fuel	12,831,513	18,757,268
Transportation and Forwarding	(232,366)	(295,018)
Share Issue Expenses	511,459	-
Rent	2,342,652	1,996,255
Rates and Taxes	1,895,353	1,248,836
Excise Duty	(402,778)	(9,178)
Insurance	842,326	721,337
Repairs and Maintenance :		
Building	895,208	374,887
Plant & Machinery	337,865	918,920
Others	1,485,156	1,011,053
	<u>2,718,229</u>	<u>2,304,860</u>

Schedules Forming Part of the Profit and Loss Account

	Year ended 31st March, 2010 Rupees	Year ended 31st March, 2009 Rupees
SCHEDULE - 15 (Contd.)		
Directors Sitting Fees	425,000	320,000
Auditor's Remuneration:		
Audit Fees	551,500	551,500
Tax Audit Fees	110,300	110,300
Certification Matters	-	-
Taxation & Company Law Matters	220,600	477,134
Other Matters	590,105	-
Less: Transferred to Amalgamation Expenses	(590,105)	-
	<u>882,400</u>	<u>1,138,934</u>
Donation	24,553	26,756
Brokerage & Commission	488,815	5,130,060
Legal & Professional Charges	10,663,406	6,932,682
Sales tax paid for earlier years	-	2,742,237
Vehicle Expenses	4,482,067	4,541,200
Foreign Exchange Fluctuation	(6,724,513)	16,522,255
Add / (Less) : Transferred to Parties	6,788,945	(16,439,569)
	<u>64,432</u>	<u>82,686</u>
Miscellaneous Expenses	5,433,450	4,518,663
Rebate & Discount	520,309	-
Sundry balances w/ off (Net)	-	3,455,921
Deferred Revenue expenditure written off :		
Voluntary Retirement Scheme	18,269,798	5,589,939
[Refer note no.B- 8 of Schedule 18]		
(Increase) / Decrease in Stocks (Refer Schedule 17)	6,177,570	(1,660,077)
Total	<u><u>525,617,080</u></u>	<u><u>499,072,134</u></u>
SCHEDULE - 16		
INTEREST & FINANCE CHARGES		
Debentures	15,693,850	-
Term Loans	19,665,122	19,068,713
Others	3,150,528	6,750,292
Bank Charges & Other Financial Charges	1,761,039	408,638
Total	<u><u>40,270,540</u></u>	<u><u>26,227,643</u></u>
SCHEDULE - 17		
(INCREASE) / DECREASE IN STOCKS		
Stocks at commencement :		
Finished Goods	7,064,510	3,624,770
Stock in Trade	1,509,489	3,289,152
	<u>8,573,999</u>	<u>6,913,922</u>
Less: Stocks at close :		
Finished Goods	1,953,415	7,064,510
Stock in Trade-others	443,014	1,509,489
	<u>2,396,429</u>	<u>8,573,999</u>
(Increase) / Decrease in Stocks	<u><u>6,177,570</u></u>	<u><u>(1,660,077)</u></u>

SCHEDULE 18

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2010

(A) SIGNIFICANT ACCOUNTING POLICIES

1. System of Accounting

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting, in accordance with accounting principles generally accepted in India ('Indian GAAP') and comply with the Accounting Standards prescribed by Companies (Accounting Standards) Rules, 2006 issued by the Central Government and the provisions of the Companies Act, 1956, (the 'Act') to the extent applicable.

2. Revenue Recognition

Revenue from sale of products is recognized when the risk and rewards of ownership of products are passed on to the customers. Revenue is recorded exclusive of sales tax. Sales / Turnover includes sales value of goods and excise duty thereon wherever applicable.

Revenue from services is recognized on rendering of services to the customers. Revenue is recorded exclusive of service tax.

Interest income is recognized on the time proportion basis.

3. Fixed Assets and Depreciation

a. Fixed Asset:

- i. Fixed Assets are stated at cost of acquisition, inclusive of freight, duties, taxes, borrowing cost, erection expenses/commissioning expenses etc. up to the date the assets are put to use.
- ii. Modvat Credit availed on purchase of fixed assets is reduced from the cost of respective assets.
- iii. Exchange difference on account of foreign exchange fluctuation, if any, is charged to profit & loss Account.

b. Depreciation:

- i. Depreciation has been provided for on straight line method on Plant and Machineries, acquired up to 31st March 1988, at the rates prevailing at the time of the acquisition (as per Circular 2/89 dated 07.03.1989 issued by Department of Company Affairs) and for Plant and Machineries, acquired after 31st March 1988, at the rates as per Schedule XIV of the Companies Act, 1956.
- ii. Leasehold Land is amortized over the period of lease.
- iii. Depreciation on other assets has been provided on written down value method at the rates specified in Schedule XIV of the Companies Act, 1956.

4. Investments

Long Term Investments are valued at cost. Provision for diminution in value investment is made to recognise a decline other than temporary.

5. Inventory

- a) Raw materials are valued at cost (net of modvat) or net realisable value which ever is lower. Cost is ascertained on first in first out (FIFO) basis.
- b) Finished goods and work in process inventory are valued at cost or net realisable value whichever is lower.
- c) Stock of Shares are valued at cost or market value whichever is lower.
- d) Fuel, Stores, Spares and Consumables are valued at weighted average cost or net realisable value whichever is lower.

6. Excise and Customs Duty

Excise and Customs Duty payable in respect of finished goods and raw-material lying at factory/bonded premises are provided for and included in the valuation of inventory.

7. Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date for impairment so as to determine the provision for impairment loss, if any, required, or the reversal, if any, required of impairment loss recognized in previous periods.

8. Employee Benefits

a) Defined Contribution Plan

Company's contribution towards Superannuation Scheme with Life Insurance Corporation of India, Provident Fund, Employee's State Insurance Scheme, Government Welfare Fund and Employee's Deposit Linked Insurance are accounted for on accrual basis.

b) Defined Benefit Plan

Liability on account of Gratuity is accounted for on the basis of Actuarial Valuation at the end of each year.

c) Other Long term

Liability on account of other long term benefit such as 'leave encashment' is made on the basis of actuarial valuation at the end of the year.

d) Other Short Term

Employee Benefits are charged to revenue in the year in which the related services are rendered.

9. Debentures Issue expenses

Debentures issue expenses are adjusted against securities premium.

10. Government Grants

Special Capital Incentives received for setting up a unit in backward area is treated as capital reserve.

11. Foreign Exchange Transaction

- a. The transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transaction.
- b. Current Assets and Current Liabilities in Foreign currency outstanding at the Balance Sheet date are translated at the exchange rates prevailing on the date of Balance Sheet. The resulting Exchange Difference, if any, is charged to the Profit & Loss Account.

12. Export Benefit/Incentive

The unutilised Export benefits / incentives against Export as on the Balance Sheet date are recognised as Income of the year.

13. Deferred Revenue Expenditure

- a. Expenditure in the nature of miscellaneous expenditure represented by Deferred Revenue Expenditure (Voluntary Termination Benefits) are amortized in accordance with Accounting Standard 15 (Revised) 'Employee Benefits' issued by the Institute of Chartered Accountants of India.
- b. Premium paid on prepayment and refinancing of term loans is charged off over the tenor of the new loans.

14. Borrowing Costs

Borrowing Costs directly attributable to the acquisition or construction of Fixed Assets are capitalised as part of the cost of the Assets, up to the date the Assets are put to use. Other Costs are charged to the Profit and Loss Account in the year in which they are incurred.

15. Earning Per Share (E.P.S.)

Basic EPS is computed using the weighted average number of equity shares outstanding during the period. Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year-end, except where the results would be anti dilutive.

16. Taxes on income

- a) Current tax is measured at the amount expected to be paid to the taxation authorities, using the applicable tax rates and tax laws.
- b) Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been announced up to the balance sheet date. Deferred tax assets and liabilities are recognised for the future tax consequences attributable to timing differences between the taxable income and accounting income. The effect of tax rate change is considered in the profit and loss account of the respective year of change.
- c) Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws are recognized only if there is a virtual certainty of its realization supported by convincing evidence. Deferred tax assets on account of other timing differences are recognized only to the extent there is reasonable certainty of its realization.
- d) At each balance sheet date the carrying amount of deferred tax assets is reviewed to reassess realization.

17. Other Accounting Policies

These are consistent with the generally accepted accounting practices.

B) NOTES TO THE ACCOUNTS
SCHEDULE - 18

	Year ended 31.03.2010 Rupees	Year ended 31.03.2009 Rupees
1. Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of Advances)	16,369,699	4,274,558
2. Contingent Liabilities not provided for in respect of:		
a) Guarantees given by Company's Bankers and counter-guaranteed by the Company	1,700,000	1,702,500
b) Disputed demands of Excise Duty	12,573,094	12,573,094
c) Income Tax demands disputed in appeals	10,524,196	45,711,168
d) Assignment of sales tax liability	274,954,119	280,566,289
e) On account of corporate guarantees to a Company for financial facility extended to subsidiary Company	40,000,000	40,000,000
f) Letter of Credit	91,062,136	-
g) The Company has provided guarantee / security to the extent of Rs. 65,00,00,000/- (P.Y. Rs. 65,00,00,000/-) by way of mortgage of its property situated at Worli and pledge of 49,68,216 (P.Y. 23,25,600) equity shares held in subsidiary Company (P.Y. associate Company), as a guarantor for the financial assistants provided by a lender to M/s. G.Clardige & Co. Ltd. and National Cotton Products Private Limited (a subsidiary company). The outstanding financial assistance by a lender to said companies as at 31st March, 2010 is Rs. 26,00,00,000/-		
3. Some of the balances of Sundry Debtors, Deposits, Loans & Advances, Sundry Creditors are subject to confirmation from the respective parties and consequential reconciliation/adjustment arising therefrom, if any. The management, however, does not expect any material variation.		
4. There are no Micro, Small & Medium Enterprises, to whom the Company owes dues on account of principal amount together with interest as at the Balance sheet date. This has been determined to the extent such parties have been identified on the basis of information available with the Company.		
5. In the opinion of the Management, Current Assets, Loans Advances are approximately of the value stated if realised in the ordinary course of business. The provision for all known and determined liability is adequate and not in the excess of the amount reasonably required.		
6. The Shares / Debentures held as investment by the Company have been classified as Long term Investment by the Management. No provision for the diminution, in the value of other investment has been made in the accounts as the Management is of the view that such diminution is not of permanent nature and the same is not intended to be traded.		
7. Sundry credit balances written back (Net)' amounting to Rs.48,44,908/- are net of sundry debit balances written off amounting to Rs.2,01,234/-. (Previous Year 'Sundry debit balances written off (Net)' amounting to Rs.34,55,921/- are net of sundry credit 'balances written back amounting to Rs.47,61,920/-).		
8. During the year the Company has written off Rs.1,82,69,798/- towards expenditure on Voluntary Retirement Scheme (VRS) in accordance with Accounting Standard 15 (Revised) 'Employee Benefits' issued by the Institute of Chartered Accountants of India, according to which such expenditure can not be carried forward after 31.03.2010. Hitherto, the expenditure on VRS was being written off over a period of 10 years. As a result, the profit of the Company for the year is lower by Rs.1,26,79,859/- and 'manufacturing and other expenditure' is higher to the same extent.		
9. Issue of convertible debentures:		
During the year, the Company had issued on preferential basis, 21,80,000 fully convertible debentures (FCDs) carrying an option to subscribe to equivalent number of equity shares of Rs.10/- each on a future date, to M/s. Clearwater Capital Partners Singapore Fund III Private Limited. The Company has allotted 21,80,000 fully convertible debentures to M/s. Clearwater Capital Partners Singapore Fund III Private Limited at its Board meeting held on 14th December, 2009. The other terms and conditions of the convertible debentures issued are as follows:		
(a) The relevant date for the purpose of pricing of the issue of the debentures (FCDs) in accordance with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 is 31st October, 2009, being 30 (thirty) days prior to 30th November, 2009 (i.e. 30 days prior to the date on which the meeting of the general body of the shareholders is held in terms of section 81 (1A) of the Companies Act, 1956 to consider the issue.		
(b) The Board has allotted debentures (FCDs) at a price of Rs.162.20 per debenture (FCDs) which entitle the holder to subscribe to one equity share of the face value of Rs.10/- each at a price of Rs.162.20 (including premium of Rs.152.20) per equity share of the company against each debenture. Each debenture shall have a coupon rate of 15 % p.a.		

- (c) Entire amount is payable upon subscription of the debentures (FCDs) in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.
- (d) The debentures shall be convertible into equity shares of the company at the discretion of the holders, without any further approval of the shareholders prior to or at the time of conversion.
- (e) The tenure of the Debentures (FCDs) shall not exceed 18 months from the date of their allotment.
- (f) The Debentures (FCDs) by itself does not give to the holder thereof any rights of the shareholders of the Company.
- (g) In the event the Company making a bonus issue of shares or making a right issue of shares / convertible debentures or any other securities or any other corporate restructuring or arrangement including merger / demerger / acquisitions, in whatever proportion prior to the exercise of the rights attached to the debentures (FCDs), the entitlement of the holders shall stand augmented in the same proportion in which equity share capital of the Company increases as a consequences of such bonus / rights issue / corporate restructuring and that the exercise price of the debentures (FCDs) be adjusted accordingly, subject to such approvals as may be required,
- (h) The equity shares allotted on conversion of Debentures (FCDs) in terms of this resolution shall rank pari passu in all respects including as to dividend with the existing fully paid equity shares of the face value Rs.10/- each of the Company subject to relevant provisions contained in Articles of Association of the Company.
- (i) The debentures (FCDs) shall be locked in for a period of one year from the date of their allotment, provided that the lock in on equity shares acquired by conversion of debentures (FCDs) shall be reduced to the extent the debentures (FCDs) have already been locked in.

Number of debentures issued and allotted	2,180,000
Issue price of one fully convertible debenture (FCD)	162.20
Total Amount (Rs.) Received	353,596,000

- (j) Utilization of funds raised from preferential issue of debentures (FCDs):

The details of the amount utilized are as under:

Particulars	Amount (Rs.) utilized
Advancing Loans	342,200,000
Long term working capital	11,396,000
Total	353,596,000

- (k) Expenses pertaining to the issue of debentures amounting to Rs.1,39,80,366/- after net of tax of Rs.47,51,926/- i.e. Rs.92,28,440/- has been written off against balance available in Share Premium account.

10 Amalgamation of Companies

- (a) (i) The Hon'ble High court of judicature at Bombay has vide its order dated 27th August, 2010 approved the scheme of amalgamation of Naman Tradevest Private Limited (NTPL) and Zeuxite Investments Private Limited (ZIPL), which were primarily engaged in the business of buying, selling, investing and trading in shares and securities, with the Company. The said scheme is operative from the appointed date i.e. 1st October, 2009. The effective date of the scheme is 9th September, 2010 i.e. the date of filing certified copies of the orders of High Court of Judicature at Bombay with the Registrar of Companies, Maharashtra at Mumbai. The effect of the said scheme has been given in the books of accounts for the year ended 31st March, 2010.
- (ii) Erstwhile Naman Tradevest Private Limited (NTPL) is amalgamated with the Company with effect from, appointed date 1st October, 2009. As on the appointed date, NTPL was holding and was beneficial owner of 37,94,400 equity shares (i.e. 62% of equity share capital) of National Cotton Products Pvt Ltd (NCPPL) out of which 19,33,904 equity shares were pending transfer in the name of NTPL. Due to amalgamation of NTPL with the Company, the said shares of NCPPL stands transferred to the Company w.e.f. 1st October, 2009 and thus together with the 38% of equity shares held by the company, NCPPL has become 100% subsidiary of the Company.
- (iii) Erstwhile Zeuxite Investments Private Limited (ZIPL) is amalgamated with the Company with effect from, appointed date 1st October, 2009. As on the appointed date, ZIPL was holding and was beneficial owner of 29,69,552 equity shares (i.e. 50.19% of equity share capital) of United Shippers Ltd (USL) out of which 17,60,312 equity shares were pending transfer in the name of ZIPL. Due to amalgamation of ZIPL with the Company the shares of USL stands transferred to the Company w.e.f. 1st October, 2009 and thus USL has become subsidiary of the Company with 50.19% of equity capital.
- (b) Upon the scheme becoming effective w.e.f. 9th September, 2010, the Authorised Share Capital of NTPL of Rs.2,00,00,000/- comprising of 20,00,000 Equity Shares of Rs.10/- each & the Authorised Share Capital of ZIPL of Rs.3,00,00,000 comprising of 30,00,000 Equity Shares of Rs.10/- each stands transferred and credited to Authorised Share Capital of the Company. Accordingly the Authorised Share

Capital of the Company is increased from Rs.23,85,00,000/- comprising of 2,37,50,000 Equity Shares of Rs.10/- each and 10,000 11% Cummulative Redeemable Preference Shares of Rs.100/- each, to Rs.28,85,00,000/- comprising of 2,87,50,000 Equity Shares of Rs.10/- each and 10,000 11% Cummulative Redeemable Preference Shares of Rs.100/- each.

- (c) The Company has further proposed to increase its Authorised Share Capital from Rs.28,85,00,000/- comprising of 2,87,50,000 Equity Shares of Rs.10/- each and 10,000 11% Cummulative Redeemable Preference Shares of Rs.100/- each, to Rs.35,00,00,000/- comprising of 2,39,00,000 Equity Shares of Rs.10/- each, 1,10,00,000 Preference Shares of Rs.10/- each and 10,000 11% Cummulative Redeemable Preference Shares of Rs.100/- each. For increase of additional authorised capital of Rs.6,15,00,000/- the Company is in the process of filing of necessary forms with Registrar of Companies and payment of applicable filing fee and stamp duty.
- (d) In accordance with the scheme of Amalgamation, 57,00,000/- equity shares and 19,00,000 10% Compulsorily Convertible Preference Shares (CCPS), of Rs.10/- each fully paid were to be issued to the shareholders of NTPL in the ratio of 3 equity shares of Rs.10/- each and 1 CCPS of Rs.10/- each, fully paid, for every 1 equity share of Rs.10/- each held by them in NTPL and 30,00,000/- equity shares and 90,00,000 10% Compulsorily Convertible Preference Shares (CCPS) of Rs.10/- each fully paid, were to be issued to the shareholders of ZIPL in the ratio of 1 equity share of Rs.10/- each and 3 CCPS of Rs.10/- each, fully paid for every 1 equity share of Rs.10/- each held by them in ZIPL. Pending allotment as at 31st March, 2010, the amount has been included in 'Share Capital Suspense' in Schedule 1A. These equity shares and CCPS were allotted on 17th September, 2010.
- (e) In accordance with the accounting treatment specified in the scheme, the assets and liabilities of NTPL have been vested in the Company with effect from the appointed date i.e. 1st October, 2009 and have been recorded at their respective fair value as on the appointed date and the excess of, the fair value of the net assets of NTPL amounting to Rs.123,69,00,000/- after adjusting value of 57,00,000 equity shares of Rs.10/- each amounting to Rs.5,70,00,000/- and value of 19,00,000 CCPS of Rs.10/- each amounting to Rs.1,90,00,000/- aggregating to Rs.7,60,00,000/-, of the Company to be issued to the shareholders of NTPL, amounting to Rs.116,09,00,000/- has been credited to Capital Reserve as required by the purchase method of accounting specified in Accounting Standard 14 "Accounting for Amalgamation" issued by the Institute of Chartered Accountants of India.
- (f) In accordance with the accounting treatment specified in the scheme, the assets and liabilities of ZIPL have been vested in the Company with effect from the appointed date i.e. 1st October, 2009 and have been recorded at their respective fair value as on the appointed date and the excess of, the fair value of the net assets of ZIPL amounting to Rs.195,60,00,000/- after adjusting value of 30,00,000 equity shares of Rs.10/- each amounting to Rs.3,00,00,000/- and value of 90,00,000 CCPS of Rs.10/- each amounting to Rs.9,00,00,000/- aggregating to Rs.12,00,00,000/-, of the Company to be issued to the shareholders of ZIPL, amounting to Rs.183,60,00,000/- has been credited to Capital Reserve as required by the purchase method of accounting specified in Accounting Standard 14 "Accounting for Amalgamation" issued by the Institute of Chartered Accountants of India.
- (g) According to accounting treatment specified in the scheme, all cost, charges and expenses of the Company, NTPL and ZIPL amounting to Rs.2,35,90,348/- after net of tax of Rs.78,36,124/- i.e. Rs.157,54,224/-, incurred in relation to or in connection with the scheme and of carrying out and completing the terms and provisions of the scheme and / or incidental to the completion of merger of the NTPL and ZIPL in pursuance of this scheme borne and paid by the Company, has been adjusted from aforesaid amount of Capital Reserve.
- (h) Out of the total consideration of 87,00,000 equity shares and 1,09,00,000 10% Compulsorily Convertible Preference Shares (CCPS) collectively to NTPL and ZIPL, 25 % of 87,00,000 equity shares numbering to 21,75,000 equity shares and 25% of 1,09,00,000 CCPS numbering to 27,25,000 equity shares arising out of conversion of CCPS shall be kept under lock-in for three years from the date of listing of new shares on the Bombay Stock Exchange.
- (i) The CCPS shall be converted into equity shares in the ratio of one (1) new equity share of the face value of Rs.10/- each of the Company for every one (1) CCPS of the face value of Rs.10/- each credited as fully paid up.
- (j) Out of the total 1,09,00,000, 10% CCPS, 19,00,000 CCPS of NTPL are convertible into equity shares anytime after 1st April, 2011 but within a period of five years from the date of allotment i.e. 17th September, 2010, 30,00,000 CCPS of ZIPL are convertible into equity shares anytime after 1st April, 2012 but within a period of five years from the date of allotment i.e. 17th September, 2010 on equal proportionate basis amongst CCPS holders to the extent of their holding in the Company and 60,00,000 CCPS of ZIPL are convertible into equity shares anytime after 1st April, 2013 but within a period of five years from the date of allotment i.e. 17th September, 2010 on equal proportionate basis amongst CCPS holders to the extent of their holding in the Company.
- 11 In view of amalgamation of Naman Trafevest Pvt Ltd (NTPL) & Zeuxite Investment Pvt Ltd (ZIPL) with the Company with effect from 1st October, 2009, the figures of current year are not comparable with the previous year's figures. Figures of the previous year have been re-grouped, re-classified and re-arranged wherever necessary.

12 Exceptional item represents

	Current Year Rupees	Previous Year Rupees
Compensation received against relinquishing rights in property	-	31,200,000
Tax expense on above	-	(7,069,920)
Exceptional item (Net of Tax)	-	24,130,080

- 13 During the period, the company has reviewed its fixed assets for impairment loss as required by Accounting Standards 28 "Impairment of Assets". In the opinion of management no provision for impairment loss is considered necessary.

14 The disclosure in respect of Segment information as per Accounting Standard - 17 on "Segment Reporting" issued by the Institute of Chartered Accountants of India for the period ended 31st March, 2010 is given as follows:

(a) Business Segments:

(Amount in Rs.)

Particulars	Petrochemicals		Trading		Total	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009	31.03.2010	31.03.2009
REVENUE :						
External Revenue	158,146,993	200,053,953	351,529,044	276,935,775	509,676,037	476,989,728
Inter-segment Revenue	—	—	—	—	—	—
Total Revenue	158,146,993	200,053,953	351,529,044	276,935,775	509,676,037	476,989,728
RESULT						
Segment Result	26,640,912	17,144,348	7,165,304	1,562,587	33,806,216	18,706,935
(Less) / Add :Unallocable Income / (Expenses)					105,478,000	75,849,832
Net of unallocable Expenses						
Less: Interest Expenses					(38,509,500)	(25,819,005)
Add: Interest Income					41,370,789	11,034,323
Profit Before Prior Period Adjustment					142,145,506	79,772,085
Less/(Add): Prior Period Adjustment					(3,131,377)	(1,240,505)
Profit Before Taxation & exceptional item					145,276,883	81,012,590
Less: Provision for Current Tax					53,714,000	16,930,080
Less: Provision for Deferred Tax					(5,812,706)	(2,774,070)
Less: Fringe Benefit Tax					-	650,000
Less: Income/fringe benefit tax for earlier years					1,820,855	79,000
Profit After taxation before exceptional item					95,554,734	66,127,580
Exceptional items (Net of Tax)					-	(24,130,080)
Profit After taxation					95,554,734	90,257,660
OTHER INFORMATION						
Segment Assets	68,023,555	67,185,580	131,619,040	177,707,547	199,642,595	244,893,127
Unallocable Assets					5,047,370,195	1,265,371,463
Total Assets					5,247,012,791	1,510,264,590
Segment Liabilities	8,837,052	5,248,784	117,056,739	142,488,375	125,893,791	147,737,159
Unallocable Liabilities					255,310,567	211,435,912
Total Liabilities					381,204,358	359,173,071
Capital Expenditure						
Segment Capital Expenditure	3,494,514	5,015,156	-	-	3,494,514	5,015,156
Unallocable Capital Expenditure					21,899,561	3,126,349
Total Capital Expenditure					25,394,075	8,141,505
Depreciation/Amortisation						
Segment Depreciation/Amortisation	3,460,800	3,033,221	-	-	3,460,800	3,033,221
Unallocable Depreciation/Amortisation					27,261,534	15,943,536
Total Depreciation/Amortisation					30,722,334	18,976,757

(b) Secondary Segment Reporting (Geographical Segments):

The distribution of the company's Sales, Assets and Capital Expenditure by Geographical market is as under:

	31.03.2010	31.03.2009
Sales Revenue		
India	504,837,597	473,591,087
Outside India	4,838,440	3,398,641
Total Revenue	509,676,037	476,989,728
Segment Assets		
India	5,246,899,197	1,510,264,590
Outside India	113,594	-
Total Assets	5,247,012,791	1,510,264,590
Capital Expenditure		
India	22,000,401	8,141,505
Outside India	3,393,674	-
Total Capital Expenditure	25,394,075	8,141,505

15 Related Party Disclosure

Disclosure requirement as per Accounting Standard 18 (AS-18) "Related Party Disclosure" issued by the Institute of Chartered Accountants of India.

A Names of the Related Parties and nature of relationship:

- 1) Subsidiary Companies
 - a. USL Shinrai Automobiles Ltd. (USAL)
 - b. USL Auto Services Ltd. (UASL)
 - c. National Cotton Products Pvt. Ltd. (NCPPL) (w.e.f. 01.10.2009)
 - d. United Shippers Ltd. (USL) & its subsidiaries (w.e.f. 01.10.2009)
 - USL Shipping DMCEST, Dubai
 - Bulk Shipping PTE Ltd, Singapore
- 2) Associate Company
 - a. National Cotton Products Pvt. Ltd. (NCPPL) (upto 30.09.2009)
- 3) Joint Venture Company
 - a. Oriental Containers Ltd. (OCL) (Ceased to be subsidiary w.e.f. 09.09.2009 and becomes a jointly controlled entity)
- 4) Joint Venture of Company's subsidiary United Shippers Ltd.
 - a. USL NMM Logistics Ltd
 - b. CGU Logistcois Ltd
 - c. USL Packaging Ltd
 - d. Dharamtar Infrastructure Ltd
- 5) Key Management Personnel
Rajendra Somani Managing Director
- 6) Enterprises over which Key Management Personnel & their Relatives exercise significant influence where the Company has entered into Transactions during the period :
 - a. G. Claridge & Co. Ltd
 - b. Oriental Enterprises
 - c. Koprana Ltd
 - d. Shree Gayatri Trust

Note : Related Party Relationships have been identified by the Management and relied upon by the Auditors.

B. DETAILS OF TRANSACTIONS BETWEEN THE COMPANY & RELATED PARTIES & THE STATUS OF OUTSTANDING BALANCES AS ON 31st March, 2010.

Nature of Transaction	USAL (Subsidiary)	UASL (Subsidiary)	USL (Subsidiary) (wef 01.10.09)	OOJ Joint Venture	NCPPL (Subsidiary) (wef 01.10.09)	NCPPL (Associate) (upto 30.09.09)	Rajendra Somani	Kopran Limited	G. Claridge & Co. Ltd	Shree Gayatri Trust	Total
Interest Earned	7,964,381 (9,432,165)	-	-	5,650,443 (-)	16,382,131 (-)	-	-	946,233 (-)	-	-	30,943,188 (9,432,165)
Rent Expense	-	-	-	-	180,000 (-)	180,000 (360,000)	-	-	-	840,000 (840,000)	1,200,000 (1,200,000)
Rent Income	30,000,000 (24,000,000)	-	-	7,200,000 (-)	-	-	-	13,500,000 (-)	-	-	50,700,000 (24,000,000)
Repairs & Maintenance (Rates & Taxes)	-	-	-	-	2,200 (-)	(2,200)	-	-	-	-	360,000 (360,000)
Dividend Paid	-	-	-	-	-	-	-	-	-	-	2,200 (2,200)
Remuneration to Key Management Personnel	-	-	-	-	-	-	(258,000)	-	-	-	(258,000)
Loans & Advances Given	262,062,836 (28,794,837)	-	-	176,266,763 (93,234,053)	332,672,651 (-)	23,133,436 (36,615,385)	-	40,951,610 (-)	(5,150,000)	-	834,987,296 (163,794,275)
Receipts towards Loans & Advances Given	168,659,754 (83,705,308)	-	-	51,256,991 (92,834,876)	27,710,510 (-)	25,898,821 (33,850,000)	-	40,000,000 19,746,896	5,150,000 (-)	-	318,676,076 (230,137,080)
Loans & Advance Taken	-	-	-	-	-	-	-	(66,220,418)	-	-	(66,220,418)
Payment towards Loans & Advances taken	-	-	-	(13,066,528)	-	(3,672,460)	-	(66,220,418)	(22,000,000)	-	(1,04,959,406)
Deposit Paid	-	-	-	-	-	(26,500,000)	-	-	-	-	(26,500,000)
Receipts towards Deposit paid	-	-	-	-	-	-	-	-	-	-	-
Repairs of Vehicles	763,028 (-)	-	-	-	-	-	-	-	-	-	763,028
Sale of goods	-	-	-	93,166,851 (53,827,480)	-	-	-	95,048,522 (75,150,364)	-	-	188,215,373 (128,977,844)
Purchase of Fixed Assets	500,625 (-)	-	-	-	-	-	-	-	-	-	500,625
Investment in Equity shares	49,000,000 (-)	-	1,954,150,815 NA	(32,142,828)	1,237,540,588 (-)	-	-	-	-	-	3,240,691,403 (32,142,828)
Reimbursement towards currency exchange fluctuation	-	-	-	(4,813,735) (11,633,043)	-	-	-	(5,229,074) (6,770,112)	-	-	(10,042,809) (18,403,155)
Receipts towards Sale of goods / services	530,628 (2,179,220)	-	326,849 NA	101,311,156 (10,071,464)	-	-	-	83,055,592 (60,058,065)	-	-	184,897,376 (72,308,749)
Balances as on 31st March, 2010											
1. Loans & Advances given	149,687,012 (56,283,930)	-	326,849 NA	125,408,949 (399,177)	304,962,141 (-)	(2,765,385)	-	851,610 (-)	(5,150,000)	-	581,236,561 (64,596,492)
2. Debtors / Other Receivables	3,009,000 (1,911,420)	-	-	55,281,462 (55,389,059)	-	-	-	28,626,266 (21,862,411)	-	-	86,916,728 (79,162,890)
3. Deposits Received	20,500,000 (20,500,000)	-	-	-	30,000,000 (-)	(30,000,000)	-	-	-	-	20,500,000 (20,500,000)
4. Deposits paid	-	-	-	-	-	-	-	-	-	-	30,000,000 (30,000,000)
5. Investment in Equity Shares	50,000,000 (1,000,000)	500,000 (500,000)	1,954,150,815 NA	308,866,364 (308,866,364)	1,594,066,696 (-)	(356,526,108)	-	103,413 (103,413)	-	-	3,907,687,288 (666,995,885)
6. Creditors for expenses	-	-	-	-	54,000 (-)	-	-	-	-	2,496,960 (1,491,120)	2,550,960 (1,491,120)

* Also refer note no. 2 (e) above & note no. 19 below.
Note : Figures in bracket relates to previous year.

16. Earnings per Share

Particulars	Year ended March 2010	Year ended March 2009
(a) Profit after taxation before exceptional items	95,554,734	66,127,581
(b) Profit after taxation	95,554,734	90,257,661
Basic EPS		
Weighted average number of equity shares	9,629,543	9,629,543
Weighted average number of equity shares in share capital suspense	4,338,082	-
(c) Total weighted average number of equity shares	13,967,625	9,629,543
Earnings per share (EPS),		
- Basic Earnings per share on Profit after taxation before exceptional items (Rs.) [(a) / (c)]	6.84	6.87
- Basic Earnings per share on Profit after taxation (Rs.) [(b) / (c)]	6.84	9.37
Diluted EPS		
Weighted average number of equity shares	9,629,543	9,629,543
Weighted average number of equity shares in share capital suspense	4,338,082	-
Weighted average number of potential equity shares on account of Compulsorily Convertible Preference Shares (CCPS)	5,435,068	-
(d) Total weighted average number of equity shares	19,402,693	9,629,543
(e) Earnings per share (EPS),		
- Diluted Earnings per share on Profit after taxation before exceptional items (Rs.) [(a) / (d)]	4.92	6.87
- Diluted Earnings per share on Profit after taxation (Rs.) [(b) / (e)]	4.92	9.37

Note: Potential equity shares that could arise on conversion of 21,80,000 fully convertible debentures are not resulting into dilution of EPS. Hence, they have not been considered in working of diluted EPS in accordance with AS 20.

17 The Tax effects of Significant Timing (Temporary) Differences that resulted in Deferred Tax Assets & Liabilities & description of the Financial Statement items that creates these differences are as follows:

Particulars	Deferred Tax Assets/(Liability) As at 31.03.2010 Rupees	Deferred Tax Assets / (Liability) as at 31.03.2009 Rupees
<u>Deferred Tax Liabilities:</u>		
1 Depreciation	(14,243,958)	(14,265,071)
2 Deferred Revenue Expenditure	-	(5,641,629)
Total (A)	(14,243,958)	(19,906,700)
<u>Deferred Tax Assets:</u>		
1 Provision for Gratuity/Leave Encashment	1,736,315	1,586,352
2 On expenses pertaining to Amalgamation to claimed under Sec. 35DD	7,836,124-	
Total (B)	9,572,439	1,586,352
Net Deferred Tax Asset / (Liability)	(4,671,519)	(18,320,348)

18 Consequent to Accounting Standard-15-"Employee Benefits" (Revised 2005) becoming effective, the company has made the provision for Defined Contribution Plan and Defined Benefit Plan.

I. Defined Contribution Plan:

During the year the company has recognised Rs.2,93,600/- (Previous period Rs.2,61,700/-) towards Superannuation Scheme with Life Insurance Corporation of India and Rs.11,09,337/- (Previous period Rs.9,40,699/-) towards Provident Fund, Employee's State Insurance Scheme, Government Welfare Fund and Employee's Deposit Linked Insurance etc. as Defined Contribution Plan Obligation.

II. Defined Benefit Plan:
Gratuity

Liability is computed on the basis of Gratuity payable on retirement, death and other withdrawals as per the Act and already accrued for past service, with the qualifying wages/salaries appropriately projected, as per the Projected Unit Credit Method.

I. Actuarial Assumption	Year Ended	Year ended	Year ended	Year ended
	31.03.2010	31.03.2009	31.03.2010	31.03.2009
Particulars	Gratuity (%)	Gratuity (%)	Leave Encashment (%)	Leave Encashment (%)
Discount Rate Current	8%	8%	8%	8%
Rate of Increase in Compensation Levels	6%	6%	6%	8%
ii. Table Showing Change in Benefit Obligation	Gratuity (Rs.)	Gratuity (Rs.)	Leave Encashment (Rs.)	Leave Encashment (Rs.)
Projected Benefit Obligations (PBO) at the beginning of the year	4,351,000	3,886,000	1,452,000	1,390,000
Interest Cost	341,962	299,322	-	-
Service Cost	274,039	241,669	127,096	118,532
Benefits paid	(152,952)	(288,951)	(123,172)	(223,584)
Actuarial (gain) / loss on Obligations	53,951	212,960	39,076	167,052
Projected Benefit Obligations (PBO) at the end of the year	4,868,000	4,351,000	1,495,000	1,452,000
III. Tables of Fair value of Plan Assets				
Fair Value of Plan Assets at the beginning of the year	-	-	-	-
Expected Return on Plan Assets	-	-	-	-
Contributions	152,952	288,951	123,172	233,584
Benefits paid	(152,952)	(288,951)	(123,172)	(233,584)
Gain / (loss) on Plan Assets	-	-	-	-
Fair Value of Plan Assets at the end of the year	-	-	-	-
IV. Tables of change in Plan Assets				
Fair Value of Plan Assets at the beginning of the period	-	-	-	-
Fair Value of Plan Assets at the beginning of the year	-	-	-	-
Actual return on Plan Assets	-	-	-	-
Contributions	152,952	288,951	123,172	223,584
Benefits paid	(152,952)	(288,951)	(123,172)	(223,584)
Fair value of Plan Assets at the end of the year	-	-	-	-
V. Funded Status				
Funded Status	(4,868,000)	(4,351,000)	(1,495,000)	(1,452,000)
VI. Limits of Corridor not considered since total actuarial gain/loss is being recognised				
Actuarial (loss) for the year - Obligation	(53,951)	(212,960)	(39,076)	(167,052)
Actuarial gain (loss) for the year - Plan Assets	-	-	-	-
Sub-Total	(53,951)	(212,960)	(39,076)	(167,052)
Actuarial loss recognised	53,951	(212,960)	39,076	167,052
Unrecognised actuarial gains (losses) at the end of the year	-	-	-	-
VII. The Amounts to be recognised in Balance Sheet and Income Statement and the related analysis				
Present Value of Obligation	4,868,000	4,351,000	1,495,000	1,452,000
Fair value of Plan Assets	-	-	-	-
Difference	4,868,000	4,351,000	1,495,000	1,452,000
Unrecognised Actuarial gains (losses)	-	-	-	-
Liability Recognised in Balance Sheet	4,868,000	4,351,000	1,495,000	1,452,000
VIII. Net Periodic Cost				
Current Service Cost	274,039	241,669	127,096	118,532
Interest Cost	341,962	299,322	-	-
Expected Return on Plan Assets	-	-	-	-
Net Actuarial (gain) loss recognised in the period	53,951	212,960	39,076	167,052
Expenses Recognised in the Income Statement	669,952	753,951	166,172	285,584
IX. Movements in the liability recognised in the Balance Sheet:				
Opening Net Liability	4,351,000	3,886,000	1,452,000	1,390,000
Expense as above	669,952	753,951	166,172	285,584
Contributions paid	(152,952)	(288,951)	(123,172)	(223,584)
Closing Net Liability	4,868,000	4,351,000	1,495,000	1,452,000

19. Remuneration to Managing Director

Particulars	Year ended	Year ended
	31st March, 2010	31st March, 2009
Salary	-	1,50,000
Contribution to Provident Fund	-	18,000
Perquisites	-	90,000
Total	-	2,58,000

20. Oriental Containers Limited (OCL) was a subsidiary of the Company till 8th September, 2009 as the Company was holding 84.96% equity shares of OCL which reduced to 47.15% as on 31st March, 2010 and since then reduced to 30%. During the year the Company has taken a legal opinion, according to which by virtue of shareholders agreement (SHA) and supplemental agreement dated 17th October, 2008, the promoter are entitled to various rights in respect of financing and operational activities of the said company and also that the company holds 30% voting power in OCL, OCL is a jointly controlled entity, incorporated in India, in accordance with Accounting Standard (AS) 27 "Financial Reporting of Interests in Joint Ventures". Accordingly Company has considered OCL as a jointly controlled entity with 30% voting power. The aggregate amounts related to company's interest in the Joint Venture are as follows:

Particulars	31-March-2010 (Rs.)
Assets	717,244,793
Reserve & Surplus	180,829,221
Liabilities	218,403,995
Income	663,949,170
Expenses	620,719,138
Dividend received	-
Contingent Liability	807,302
Capital commitments	15,155,818
Unfulfilled export commitments	194,726,314

21. Additional information pursuant to the Provision of Paragraph 3, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956.

a) Particulars in respect of Goods Manufactured:-

Class of Goods	Unit of Quantity	Licensed Capacity		Installed Capacity		Actual Current year	Production Previous year
		31-3-2009	31-3-2010	31-3-2009	31-3-2010		
Petrochemical Products	M. T.	14,600	14,600	10,000	10,000	3,317	4,141

- (a) Licenced and installed capacities are based on maximum utilisation of Plant & Machinery on Annual basis.
- (b) Installed capacities are as certified by the Management and accepted by the Auditors being technical matter.
- (c) Production figures in tonnes are estimated from the respective quantities in numbers by applying standard tonnage ratios used by the Company.

b) Particulars of Opening & Closing Stocks :

Class of Goods	Unit of Quantity	As at 31st March, 2008		As at 31st March, 2009		As at 31st March, 2010	
		Quantity	Value Rupees	Quantity	Value Rupees	Quantity	Value Rupees
Petrochemical Products	M. T.	64	3,624,770	141	7,064,510	36	1,953,415
Shares	Nos.	180,199	3,289,152	30,351	1,509,489	17,286	443,014

c) Particulars in respect of Sales :

Class of Goods	Unit of Quantity	Current Year		Previous Year	
		Quantity	Value Rupees	Quantity	Value Rupees
1. Petrochemical Products (Manufactured)	M.T.	3,422	158,146,993	4,064	20,00,53,953
			158,146,993		20,00,53,953
2. Sale of Goods (Traded)					
(i) Shares	Nos.	41,462	7,221,809	163,698	1,965,925
(ii) S S Sheets & Plate	M.T.	560.84	142,210,868	570	146,136,842
(iii) Chemicals	Kgs.	33,600	107,006,474	16,500	75,150,364
(iv) Aluminium Foil	M.T.	-	-	357.184	51,447,552
(v) Plastic Closure	Nos.	-	-	4,467,600	22,35,092
(vi) Tin Free Steel Sheets	M.T.	1,916.156	93,166,851	-	-
(vii) Waste Paper	Kgs.	322,840	1,923,042	-	-
			351,529,044		276,935,775
	Total		509,676,037		476,989,728
d) Purchase of Goods (Traded)					
(i) Shares	Nos.	28,397	3,664,045	13,850	1,490,480
(ii) S S Sheets & Plate	M.T.	560.84	141,700,054	570	146,078,692
(iii) Chemicals	Kgs.	33,600	104,866,446	16,500	73,612,483
(iv) Aluminium Foil	M.T.	-	-	357.184	50,221,672
(v) Plastic Closure	Nos.	-	-	44,67,600	2,190,198
(vi) Tin Free Steel Sheets	M.T.	1,916.156	91,181,385	-	-
(vii) Waste Paper	Kgs.	322,840	1,885,335	-	-
			343,297,265		273,593,525
e) Materials & Components consumed/sold : Naptha / N.G.L	M.T.	3,475	94,191,672	4,407	149,582,283
			94,191,672		149,582,283
f) C.I.F.Value of Imports: Goods			197,933,166		123,633,738
g) Expenditure in Foreign Currency (on actual payment basis) Travelling & Others			499,680		27,825
h) Earnings in Foreign Exchange on Exports of Goods (F.O.B Value)			4,484,600		3,398,641

- i) Value of Raw-Materials, Spare parts and Components Consumed / sold and percentage of the total Consumption:

	Current Year Percentage	Value Rupees	Previous Year Percentage	Value Rupees
(A) Raw Materials and Components				
Imported	—	—	—	—
Indigenous	100	94,191,672	100	149,582,283
	<u>100</u>	<u>94,191,672</u>	<u>100</u>	<u>149,582,283</u>
(B) Stores, and Spares				
Imported	—	—	—	—
Indigenous	100	1,399,655	100	1,932,902
	<u>100</u>	<u>1,399,655</u>	<u>100</u>	<u>1,932,902</u>

As per our report of even date annexed
 FOR **KHANDELWAL JAIN & CO.**
 Chartered Accountants

NARENDRA JAIN
 Partner
 Membership No. 048725

Mumbai
 19th October, 2010

SANJAY JAIN
 Company Secretary

For & on behalf of the Board

S. J. Taparia Chairman
Sanjay Dosi Director
B K Toshniwal Director
Rajendra Somani Managing Director

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO
 COMPANY'S INTEREST IN SUBSIDIARY COMPANIES, FOR THE YEAR ENDED 31ST MARCH 2010**

1.	Name of the subsidiary :	USL Shinrai Automobiles Ltd.	USL Auto Services Ltd.	# United Shippers Ltd.	# National Cotton Products Pvt. Ltd.
2.	Financial year of the Subsidiary Company ended on:	31st March, 10	31st March, 10	31st March, 10	31st March, 10
3.	Holding Company's Interest Number of Shares — Extent of Holding :	1,00,000 100%	50,000 100%	29,69,552 50.19%	61,20,000 100%
4.	The net aggregate of the Subsidiary's profits (Losses) so far as it concerns members of the Holding Company is not dealt with in the Holding and Company's accounts i) For the Financial year of the subsidiary (Rs. in Lacs) : ii) For the previous financial years of the subsidiary since it became the Holding Company's subsidiary (Rs. in Lacs) :	 337.94 223.96	 Nil 3.68	 2138.63 Nil	 25.70 Nil
5.	The net aggregate amount of Profit/Losses of the Subsidiary dealt with in the company's accounts i) For the Financial year of the Subsidiary : ii) For the previous financial years of the subsidiary since it became the Holding Company's subsidiary :	 Nil Nil	 Nil Nil	 Nil Nil	 Nil Nil

Subsidiary w.e.f. 01.10.2009.

FINANCIAL INFORMATION RELATING TO SUBSIDIARY COMPANIES FOR THE YEAR ENDED 31ST MARCH 2010

	USL SHINRAI AUTOMOBILES LTD (AMT. RS. IN LACS)	USL AUTO LTD (AMT. RS. IN LACS)	UNITED SHIPPERS LTD. (AMT. RS. IN LACS)	NATIONAL COTTON PRODUCTS P LTD. (AMT. RS. IN LACS)
CAPITAL	500.00	5.00	591.67	612.00
RESERVES	-	-	18,631.10	21,831.32
TOTAL ASSETS	4,219.74	7.68	21,841.48	28,774.71
TOTAL LIABILITIES	4,219.74	7.68	21,841.48	28,774.71
INVESTMENTS	-	-	5,383.59	30.30
TURNOVER	29,810.68	0.09	17,566.88	2,281.25
PROFIT /(LOSS) BEFORE TAXATION	368.04	(0.03)	3,245.19	29.37
PROVISION FOR TAXATION	30.10	-	883.17	2.51
PROFIT/(LOSS) AFTER TAXATION	337.94	(0.03)	2,362.02	26.86
PROPOSED DIVIDEND	-	-	50%	-

For & on behalf of the Board

S. J. Taparia Chairman
Sanjay Dosi Director
B K Toshniwal Director
Rajendra Somani Managing Director

Mumbai
 19th October, 2010

SANJAY JAIN
 Company Secretary

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF
ORICON ENTERPRISES LIMITED

1. We have examined the attached Consolidated Balance Sheet of **ORICON ENTERPRISES LIMITED** ("the Company") and its subsidiaries, associate and joint ventures ("the Group") as at 31st March, 2010 and also the Consolidated Profit & Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These Consolidated financial statements are the responsibility of the Company's Management and have been prepared by them on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with the identified financial framework and 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 consolidated financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. (a) We did not audit the financial statements of two subsidiaries whose financial statements reflect total assets of Rs.4176.61 lakhs as at 31st March, 2010, total revenue of Rs.26765.96 lakhs and net cash flow amounting to Rs.130.17 lakhs for the year then ended.
- (b) We did not audit financial statements of an associate company which ceased to be an associate with effect from 1st October, 2009, in which the net carrying cost of investment as at 30th September, 2009 amounts to Rs.3420.32 lakhs and share of profit in respect of the associate for the six months period then ended amount to Rs.19.98 lakhs. Also we did not audit the financial statements of the aforesaid company which became subsidiary with effect from 1st October, 2009, whose financial statements reflect total assets of Rs.28330.57 lakhs as at 31st March, 2010, total revenue of Rs.902.85 lakhs and net cash flow amounting to Rs.19.07 lakhs for the six months period then ended.
- (c) We did not audit financial statements of a joint venture company in which the proportionate share in total assets as at 31st March, 2010 amounts to Rs.7172.45 lakhs, proportionate share in total revenues amounts to Rs.6639.49 lakhs and proportionate share in net cash flow amounts to Rs.211.93 lakhs for the year then ended.
These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included in respect of these entities, is based solely on the reports of those respective auditors.
4. We did not audit the consolidated financial statements of a subsidiary whose consolidated financial statements reflect total assets of Rs.31783.46 lakhs as at 31st March, 2010, total revenue of Rs.16949.33 lakhs and net cash flow amounting to Rs.1269.44 lakhs for the six months period then ended. These consolidated financial statements have been audited by other auditor whose report has been furnished to us and our opinion, in so far as it relates to the amounts included in respect of the subsidiary, is based solely on the reports of the other auditor. *However these consolidated financial statements of the said subsidiary include the following:*
 - (a) *unaudited financial statements of two subsidiaries which reflect total assets (net of current liabilities) of Rs.5832.48 lakhs as at 31st March, 2010, total revenue of Rs.6396.65 lakhs and net cash flow amounting to Rs.1204.41 lakhs for the six months period then ended.*

- (b) *unaudited financial statements of a joint venture in which the proportionate share in total assets (net of current liabilities) as at 31st March, 2010 amounts to Rs.1773.73 lakhs, proportionate share in total revenues amounts to Rs.434.82 lakhs and proportionate share in net cash flow amounts to Rs.30.44 lakhs for the six months period then ended.*
5. *Note no. B-21(b) of schedule 18 regarding accounting for deferred tax gain of Rs.18.92 lakhs for the entire financial instead of six months by a subsidiary and non furnishing of the break-up of deferred tax assets and deferred tax liabilities as required by the Accounting Standard (AS) 22 "Accounting for Taxes on Income" as notified under the Companies (Accounting Standard) Rules, 2006. The impact of the same on profit and loss account for the six months is not ascertained.*
6. *Note no. B-22(a) of schedule 18 regarding accounting the expenditure of Rs.57.03 lakhs for the entire financial year instead of six months by a subsidiary in respect of employee benefits such as gratuity, leave encashment and superannuation and non disclosure of information in respect of employee benefits as required by the Accounting Standard (AS) 15 "Employee Benefits" as notified under the Companies (Accounting Standard) Rules, 2006. The impact of the same on profit and loss account for the six months is not ascertained.*
7. *Note no. B-24(b) of schedule 18 regarding Managerial Remuneration of Rs.27.01 lakhs which is paid in excess of the limits prescribed under schedule XIII of the companies Act, 1956 by a subsidiary and is subject to the approval of Central Government and the shareholders of said subsidiary.*
8. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of the Accounting Standards (AS) 21 on "Consolidated Financial Statements", Accounting Standards (AS) 23 on "Accounting for Investments in Associates in Consolidated Financial Statements" and Accounting Standard (AS) 27 "Financial Reporting of Interests in Joint Ventures" as notified under the Companies (Accounting Standard) Rules, 2006 and on the basis of the separate / consolidated audited financial statements of the components of the Group included in the consolidated financial statements.
9. On the basis of the information and according to the explanations given to us, and on the consideration of the separate audit report on individual / consolidated financial statements of the components of the Group, we are of the opinion that the attached consolidated financial statements, *subject to our comment in paragraph 4(a), 4(b), 5, 6 & 7 above, consequential cumulative impact thereof on the consolidated financial statements is not ascertainable* and read together with significant accounting policies in schedule 18 and notes appearing thereon, give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2010;
 - (ii) in the case of the consolidated Profit and Loss Account, of the consolidated Profit of the Group for the year ended on that date; and
 - (iii) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of the Group for the year ended on that date.

For KHANDELWAL JAIN & CO.
Chartered Accountants
Firm Registration No.105049W

(NARENDRA JAIN)
PARTNER
Membership No.048725

Place : Mumbai
Date : 19th October, 2010

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2010

	Schedule	As at 31st March, 2010 Rupees	As at 31st March, 2009 Rupees
SOURCES OF FUNDS :			
Shareholders' Funds :			
Share Capital	1	96,349,194	96,349,194
Share Capital Suspense	1 A	196,000,000	-
Reserves and Surplus	2	4,101,151,160	870,656,021
		<u>4,393,500,354</u>	<u>967,005,215</u>
Minority Interest (Refer Note No.B-13 of Schedule 18)		1,209,604,371	-
Deferred Income Tax Liability (Refer Note No.B-21 of Schedule 18)		58,493,574	18,320,348
Deferred Sales Tax Liability		54,767,856	-
Loan Funds:			
Secured Loans	3	688,421,303	192,069,008
Unsecured Loans	4	731,325,863	180,566,049
		<u>1,419,747,166</u>	<u>372,635,057</u>
	Total	<u>7,136,113,321</u>	<u>1,357,960,620</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	5,070,772,734	382,145,875
Less: Depreciation & Impairment		981,874,027	246,165,696
Net Block		4,088,898,707	135,980,179
Capital Work in Progress		106,611,939	12,159,089
		<u>4,195,510,646</u>	<u>148,139,268</u>
Investments	6	602,341,034	672,852,034
Current Assets, Loans and Advances			
Inventories	7	308,969,477	81,024,654
Interest Accrued and Due		8,709,889	160,743
Sundry Debtors	8	732,234,986	241,396,648
Cash and Bank Balances	9	749,826,146	39,877,155
Loans and Advances	10	1,573,961,260	551,442,689
		<u>3,373,701,758</u>	<u>913,901,889</u>
Less: Current Liabilities & Provisions			
Liabilities	11	967,640,460	376,184,062
Provisions	12	67,799,657	19,018,307
		<u>1,035,440,117</u>	<u>395,202,369</u>
Net Current Assets		<u>2,338,261,641</u>	<u>518,699,520</u>
Miscellaneous Expenditure	13	-	18,269,798
	Total	<u>7,136,113,321</u>	<u>1,357,960,620</u>

Significant Accounting Policies and
Notes to the Accounts

18

Note: The Schedules referred to above form an integral part of the Balance Sheet.

As per our report of even date annexed
FOR KHANDELWAL JAIN & CO.
Chartered Accountants

NARENDRA JAIN
Partner
Membership No. 048725

Mumbai
19th October, 2010

SANJAY JAIN
Company Secretary

For & on behalf of the Board

S. J. Taparia Chairman
Sanjay Dosi Director
B K Toshniwal Director
Rajendra Somani Managing Director

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedule	Year Ended 31st March, 2010 Rupees	Year ended 31st March, 2009 Rupees
INCOME			
Sales and other income	14	5,756,594,143	2,435,862,243
EXPENDITURE			
Manufacturing and Other expenses	15	5,022,125,952	2,291,430,376
Interest & Finance Charges	16	104,080,112	53,388,806
		5,126,206,063	2,344,819,182
PROFIT BEFORE DEPRECIATION		630,388,080	91,043,061
Less : Depreciation (Refer Note No.B-16 of Schedule 18)		113,120,553	19,034,416
Less : Provision for Impairment loss		1,927,668	-
PROFIT BEFORE PRIOR PERIOD ADJUSTMENT		515,339,859	72,008,645
LESS/(ADD) : Prior period adjustment		(3,145,758)	(1,240,505)
Profit before taxation and exceptional items		518,485,617	73,249,150
Less : Provision for Taxation			
Current Tax		133,570,519	16,930,080
Deferred Tax		8,031,148	(2,774,070)
Fringe Benefit Tax		-	1,018,625
Wealth Tax		204,455	-
Mat Credit Entitlement		(10,140,000)	-
Profit after taxation before exceptional items		386,819,495	58,074,515
Income/fringe benefit tax for earlier year(s)		1,850,290	79,000
Profit after taxation before exceptional items		384,969,205	57,995,515
Exceptional items (Net of Tax)			
(Refer Note No.B-15 of Schedule 18)		-	24,130,080
Profit Before Minority Interest		384,969,205	82,125,595
Less: Minority Interest		(106,527,009)	-
Add / (Less) : Share of profit / (Loss) of associate		1,997,528	(3,747,296)
Profit after taxation		280,439,724	78,378,299
Add : Balance brought forward from previous year		85,120,986	68,008,770
AMOUNT AVAILABLE FOR APPROPRIATIONS		365,560,710	146,387,069
APPROPRIATIONS :			
Proposed dividend on Equity Shares		32,993,180	9,629,543
Tax on Proposed Dividend		5,479,755	1,636,540
		38,472,935	11,266,083
Transfer to :-			
General Reserve		65,056,727	50,000,000
Balance carried to Balance Sheet		262,031,048	85,120,986
		365,560,710	146,387,069
EARNINGS PER SHARE (EPS)			
On profit after taxation before exceptional items			
Basic Earnings per share (Rs.)		20.08	5.63
Diluted Earnings per share (Rs.)		14.45	5.63
On profit after taxation			
Basic Earnings per share (Rs.)		20.08	8.14
Diluted Earnings per share (Rs.)		14.45	8.14
(Refer Note No.B -20 of schedule 18)			

Significant Accounting Policies and Notes to the Accounts 18

Note: The Schedules referred to above form an integral part of the Profit and Loss Account

As per our report of even date annexed

FOR KHANDELWAL JAIN & CO.

Chartered Accountants

NARENDRA JAIN

Partner

Membership No. 048725

Mumbai

19th October, 2010

SANJAY JAIN
Company Secretary

For & on behalf of the Board

S. J. Taparia Chairman

Sanjay Dosi Director

B K Toshniwal Director

Rajendra Somani Managing Director

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2010

(Amount in Rupees)

PARTICULARS	Current year ended 31.03.2010	Previous year ended 31.03.2009
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Prior period Adjustment & exceptional item	515,339,859	72,008,645
Adjustments for:		
Depreciation	113,120,553	19,034,416
Provision for Impairment loss	1,927,668	-
Deferred Revenue Expenditure written-off	18,269,798	5,589,939
Preliminary Exps written off	304,302	-
Navlakhi Jetty written off	2,543,451	-
Dividend Received	(7,594,265)	(217,076)
Interest Expense	95,855,717	52,980,168
Interest Received	(102,194,365)	(1,748,594)
Profit on Sale of long term Investments	(13,632,703)	(433,516)
Surplus on sale of assets (Net)	(1,448,674)	(1,522,480)
Compensation received against relinquishing rights in property	-	31,200,000
Sundry balances written off	227,839	8,217,841
Sundry balances written back	(5,055,112)	(4,761,920)
Operating Profit before Working Capital changes	617,664,069	180,347,423
Adjustments for:		
Trade & Other Receivables	(9,706,508)	(197,898,576)
Inventories	(150,889,059)	57,623,417
Foreign Currency Translation Reserve	(25,730,867)	-
Debenture issue expenses	(13,980,366)	-
Amalgamation expenses	(23,590,348)	-
Trade & Other Payables	(196,405,188)	156,022,062
Cash generated from Operations	197,361,733	196,094,326
Direct Taxes Paid (Net of Refund)	(53,337,576)	(12,057,115)
Cash Flow before prior period Adjustments & Exceptional item	144,024,156	184,037,211
Prior period adjustments	3,145,758	1,240,505
NET CASH FROM OPERATING ACTIVITIES: TOTAL (A)	147,169,914	185,277,716
CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of Fixed Assets (including Capital Work-in-progress)	(423,938,601)	(17,772,073)
Sale of Fixed Assets	15,322,693	2,139,444
Sale of Investment	88,641,795	690,625
Purchase of Investment	(350,590,202)	(32,142,828)
Interest Received	135,620,178	1,587,851
Dividend Received	7,594,265	217,076
NET CASH FROM / (USED IN) INVESTING ACTIVITIES: TOTAL (B)	(527,349,872)	(45,279,905)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayments of Secured Loans (Net of Proceeds)	(84,238,579)	(21,165,130)
Proceeds from Unsecured Loans (Net of Repayments)	25,148,156	(65,675,073)
Proceeds from issue of fully Convertible Debentures	353,596,000	-
Proceeds from Share Premium	58,827,729	-
Interest paid	(95,031,841)	(51,662,598)
Dividend Paid	(11,291,331)	(11,294,183)
NET CASH FROM FINANCING ACTIVITIES: TOTAL (C)	247,010,134	(149,796,984)
Net Increase in Cash and Cash Equivalents Total: (A+ B+ C)	(133,169,824)	(9,799,173)
Cash and Cash Equivalents - Opening Balance	39,877,155	49,676,328
Cash and Cash equivalents taken over on amalgamation (Refer Note 3 below)	12,110,090	-
Cash and Cash equivalents adjusted on consolidation	831,008,725	-
Cash and Cash Equivalents - Closing Balance	749,826,146	39,877,155
Net increase / (decrease) in Cash and Cash Equivalent	(133,169,824)	(9,799,173)

Notes:

- Above statements have been prepared in the indirect method.
- Cash and Cash equivalents at the end of the year include Rs.4,31,01,605/- (previous year Rs.61,31,025/-) which are restricted in use.
- Cash and Cash equivalents include Rs.1,20,44,192/- and Rs.65,898/- of the erstwhile Naman Tradevest Private Limited (NTPL) and Zeuxite Investments Private Limited (ZIPL) respectively aggregating to Rs.1,21,10,090/-, taken over on amalgamation.
- The amalgamation of the erstwhile Naman Tradevest Private Limited (NTPL) and Zeuxite Investments Private Limited (ZIPL) with the Company is a non cash transaction. (Refer Note No.10 of Schedule 18)
- Previous year's figures have been regrouped / rearranged / recasted, wherever necessary.

As per our report of even date annexed
FOR KHANDELWAL JAIN & CO.

Chartered Accountants

NARENDRA JAIN

Partner

Membership No. 048725

Mumbai

19th October, 2010

SANJAY JAIN
Company Secretary

For & on behalf of the Board

S. J. Taparia Chairman

Sanjay Dosi Director

B K Toshniwal Director

Rajendra Somani Managing Director

Schedules Forming Part of the Consolidated Balance Sheet

SCHEDULE - 1

SHARE CAPITAL	As at 31st March, 2010 Rupees	As at 31st March, 2009 Rupees
Authorised:		
(Refer Note No.B-10 (b) & (c) of Schedule 18)		
2,87,50,000 (P.Y. 1,37,50,000) Equity Shares of Rs 10 each	287,500,000	137,500,000
10,000 (P.Y. 10,000) 11% Cumulative Redeemable Preference Shares of Rs.100 each	1,000,000	1,000,000
2,00,000 (P.Y. Nil) Preference Shares of Rs.100 each	20,000,000	-
70,00,000 (P.Y. Nil) Preference Shares of Rs.10 each	70,000,000	-
30,00,000 (P.Y. 1,00,00,000) Unclassified shares of Rs.10 each	30,000,000	100,000,000
	<u>408,500,000</u>	<u>238,500,000</u>
Issued:		
96,42,072 (P.Y. 96,42,072) Equity Shares of Rs.10 each	96,420,720	96,420,720
	<u>96,420,720</u>	<u>96,420,720</u>
Subscribed and Paid-up:		
96,29,543 (P.Y. 96,29,543) Equity Shares of Rs. 10 each.	96,295,430	96,295,430
Share forefited Account	53,764	53,764
Total	<u>96,349,194</u>	<u>96,349,194</u>

Notes :

- 1) a) 19,30,800 Equity Shares are allotted as fully paid up as Bonus shares by capitalising Rs.31,00,000/- from General Reserve, Rs.1,57,08,000/- from Share Premium and Rs.5,00,000/- from Capital Redemption Reserve.
- b) 1,00,000 Equity Shares of Rs.10/-each are allotted as fully paid up shares to the shareholders of erstwhile Hempri Containers Pvt Ltd pursuant to the scheme of Amalgamation.
- c) 12,529 Partly paid Equity Shares have been forefited by the Company during the year 2003-04.
- d) 42,73,875 Equity Shares of Rs.10/-each are allocated as fully paid up shares to the shareholders of erstwhile Scientific vacume coatings Pvt Ltd pursuant to the scheme of Amalgamation.

SCHEDULE -1A

SHARE CAPITAL SUSPENSE

87,00,000 (P. Y. Nil) Equity Share Suspense of Rs.10/-	87,000,000	-
87,00,000 Equity Share of Rs.10/-each, fully paid, to be issued pursuant to scheme of amalgamation of Zeuxite Investment Pvt Ltd. (ZIPL) and Naman Tradvest Pvt. Ltd. (NTPL) with the Company (Refer Note No.B-10 (d) & (h) of Schedule 18)		
1,09,00,000 (P. Y. Nil) 10% Compulsorily Convertible Preference Shares (CCPS) Suspense of Rs.10/- each, 1,09,00,000, 10% CCPS of Rs.10/-each, fully paid, to be issued pursuant to scheme of amalgamation of Zeuxite Investment Pvt Ltd. (ZIPL) and Naman Tradvest Pvt. Ltd. (NTPL) with the Company (Refer Note No.B-10 (d), (i) & (j) of Schedule 18)	109,000,000	-
Total	<u>196,000,000</u>	<u>-</u>

Schedules Forming Part of the Consolidated Balance Sheet

SCHEDULE - 2

RESERVES AND SURPLUS	As at 31st March, 2010 Rupees	As at 31st March, 2009 Rupees
Capital Reserve		
As per Last Balance Sheet	1,113,014	1,113,014
Add: On Amalgamation (Refer Note no.B-10 (e) & (f) of schedule 18)	2,996,900,000	-
Less: Expense on Amalgamation (Refer Note no.B-10 (g) of schedule 18)	15,754,224	-
	<u>2,982,258,790</u>	<u>1,113,014</u>
Capital Redemption Reserve		
As per Balance Sheet	500,000	500,000
Amalgamation Reserve		
As per Balance Sheet	13,109,745	13,109,745
Foreign Currency Translation Reserve	(12,914,088)	-
Share Premium Account		
As per Balance Sheet	186,032,106	186,032,106
Add: Addition during the year	29,525,102	-
Less: Expenses on issue of debentures (Net of Tax) (Refer Note no.B- 9(k) of schedule 18)	9,228,440	-
	<u>206,328,768</u>	<u>186,032,106</u>
General Reserve		
As per Balance Sheet	584,780,170	534,780,170
Add: Transferred from Profit and Loss Account	65,056,727	50,000,000
	<u>649,836,897</u>	<u>584,780,170</u>
Profit and Loss Account	262,031,048	85,120,986
Total	<u><u>4,101,151,160</u></u>	<u><u>870,656,021</u></u>

Schedules Forming Part of the Consolidated Balance Sheet

SCHEDULE - 3

SECURED LOANS	As at 31st March, 2010 Rupees	As at 31st March, 2009 Rupees
Term Loans		
From Bank	220,277,697	171,478,505
From Others	359,487,956	-
Interest Accrued & Due on above	913,683	949,641
Deferred Payment Credits	1,266,239	4,779,320
 Working Capital Laons from Banks		
Cash Credit	93,885,478	4,413,957
Working Capital Demand Loan	12,500,000	10,000,000
Interest Accrued & Due on above	90,249	447,585
Total	688,421,303	192,069,008

Notes :-

Term Loans from Banks are secured by hypothecation of one plastic closure machine at Goa of the jointly controlled entity and equipments, vehicles, warehouses, building and mortgage of the vessel and land of the jointly controlled entity / subsidiary.

Term Loans from others are secured by hypothecation of equipments, vehicles, amount receivable, book debts, current assets and by mortgage of its property situated at Worli and by corporated guarantee by the Company.

Deferred payments credits are secured by the hypothecation of the related vehicle.

Cash credit are secured by hypothecation of inventories, sundry debtors, present and future of jointly controlled entity / subsidiary and second charge of movable assets of the jointly controlled entity. Working capital facility from Central Bank of India are secured by first charge on movable and immovable property of the jointly controlled entity at Murbad and Goa. Working capital loans taken by the Company is secured by :

- i. Hypothecation of inventories, book debts.
- ii. First charge on company's immovable property at Khopoli and
- iii. Hypothecation of Machineries at Company's Plant at Khopoli and guaranteed by three Directors jointly and severally.

SCHEDULE - 4

UNSECURED LOAN

Fixed Deposits	686,000	3,203,000
Inter Corporate Deposits		
Others	120,160,618	48,625,966
 Term Loan From :		
Banks	254,388,273	127,459,281
15% 21,80,000 fully Convertible Debentures (Refer Note No. B - 9 of Schedule 18)	353,596,000	-
Interest Accrued & Due on above	2,494,972	1,277,80
Total	731,325,863	180,566,049

Schedules forming Part of the Consolidated Balance Sheet

SCHEDULE - 5

FIXED ASSETS

(Amount in Rupees)

DESCRIPTION	GROSSBLOCK				DEPRECIATION				NETBLOCK				
	As on 1st April 2009	Adjustment on Consolidation	Addition During the year	Deductions during the year	As on 31st March, 2010	Upto 31st March 2009	Adjustment on Consolidation	For the Year	Impairment	Deductions during the year	Total Upto 31st March 2010	As on 31st March 2010	As on 31st March 2009
Intangible Assets													
Goodwill on Consolidation (Net)	9,181,383		251,871,218		261,052,601							261,052,601	9,181,383
(Refer Note no. B-12 of Schedule 18)													
Other Goodwill		833,943			833,943						667,131	166,812	
License Fees		5,705,063			5,705,063						1,786,544	3,918,519	
Tangible Assets													
Leasehold Land		11,907,975		408,864	11,499,111								
Freehold Land \$	576,814	633,362,543	1,761,477,197		2,395,416,554								
Buildings # #	80,792,835	130,276,721	21,976,836	270,419	232,775,973	38,449,329	22,549,239	8,865,077			69,863,645	162,912,328	42,343,506
(Refer Note no. B-23 of Schedule 18)													
Residential Flats # @	473,475	7,842,948			8,315,823	296,937	372,838	136,658			806,433	7,509,390	176,538
Plant and Machinery	216,997,957	374,593,685	95,969,625	7,983,140	679,568,127	160,348,968	71,962,165	39,709,329	1,927,668	2,158,582	271,789,548	407,778,579	56,648,989
Electric Installations	6,617,086	11,368,265	1,925,709		19,911,060	4,665,601	3,951,402	982,332			9,599,335	10,311,725	1,951,485
Office Equipments	7,381,784	11,369,323	640,060		19,391,167	5,641,220	6,845,726	633,048			13,119,994	6,271,173	1,740,564
Computer	9,760,403	10,182,211	2,694,604	171,084	22,466,134	8,289,478	8,736,842	1,344,231		156,657	18,213,894	4,252,240	1,470,925
Furniture and Fixtures	30,580,553	14,181,793	13,286,004	2,998,715	30,466,512	8,978,450	7,120,536	1,774,420		4,428,787	17,873,406	12,593,106	5,203,343
Vehicles @	3,101,156	157,619,185	1,747,875	9,396,925	153,071,291	3,071,571	93,342,976	11,180,327		6,179,178	101,415,696	44,971,337	16,430,287
Motor trucks	435,423	97,508	29,235		562,166	369,820	20,325	16,926			407,071	155,095	65,603
Fire Fighting Equipments	1,192,651	873,375	31,462		2,097,488	1,093,686	213,596	64,657			1,371,939	725,549	98,965
Laboratory Equipments	872,562	33,843	8,890		915,295	810,370	13,995	13,587			837,952	77,343	62,192
Weighing Machines		642,608,881	182,570,210	14,831,211	810,347,880		208,132,334	22,409,861		11,355,085	219,187,110	591,160,770	
Vessels & Barges		262,235,296	65,506,287	5,138,200	322,603,383		193,325,113	17,268,231		5,033,070	205,560,274	117,043,109	
Excavator & Payloader													
TOTAL	382,145,875	2,324,915,416	2,406,896,821	43,185,378	5,070,772,734	246,165,696	649,971,467	113,120,555	1,927,668	29,311,359	981,874,027	4,088,898,707	135,980,179
AS AT 31 st MARCH, 2009	368,477,887		14,470,217	802,229	382,145,875	227,316,545		19,034,416		185,265	246,165,696	135,980,179	

Includes deposit for Shares in Co-operative Society Rs.21,250/-

building includes Rs.3,42,08,890/- pursuant to the scheme of amalgamation with Scientific Vacuum Coating Pvt.Ltd with the Company.

@ Residential Flats at Murbad and vehicles are pending registration in the name of the Company.

\$ Land amounting to Rs.225,90,00,000/- includes dilapidated building.

\$ One of the subsidiary has revalued its land on 14.03.2005 and addition of Rs.48,51,07,747/- was made to value of Land on the basis of valuation report. Also it has revalued its land on 31st October, 2009 and addition of Rs.174,36,24,464/- was made to value of Land on the basis of valuation report.

Schedules Forming Part of the Consolidated Balance Sheet

SCHEDULE - 6

INVESTMENTS (At Cost) Long Term Investments Face Value	As at 31st March, 2010		As at 31st March, 2009	
	Nos.	Rupees	Nos.	Rupees
Other Investments (Fully Paid Up)				
A. Unquoted: Equity Shares				
1. Equity Shares in Subsidiary & associate Companies				
10 National Cotton Products Pvt. Ltd.			2,325,600	340,034,503
10 Oriental Containers Ltd. (Refer Note No. B-4 of Schedule 18)			3,246,192	308,866,364
2. Equity Shares in Others				
10 New India Co-operative Bank Ltd.	10	102	10	102
100 Madhavpura Mercantile Co-op Bank Ltd.	875	87,500	875	87,500
10 Saraswat co-operative bank .	1,000	10,000	1,000	10,000
10 Dharamtar Cement Pvt. Ltd.	1,980	19,800	-	-
10 Suraj Containers Ltd	5,000	50,000	-	-
B. Unquoted: Preference Shares				
100 14.5 % Redeemable Cumulative Preference Shares in Excel Glasses Ltd	260,000	26,000,000	130,000	13,000,000
100 5 % Redeemable Cumulative Preference Shares in Blue Nile Finvest pvt Ltd	5,000	500,000	-	-
10 14 % Preference Shares One time Leafin Services Ltd	239,000	2,390,000	-	-
C. Unquoted : Mutual Funds				
Canara Bank Mutual Fund		133,142,884		-
D. Unquoted : Bonds				
ICICI Euro Bonds		245,535,870		-
E. Other Investments		1,000		-
F. Quoted : Equity Shares				
10 Soma Paper Mills Ltd.	39,287	1,719,409	39,287	1,719,409
10 Koproan Ltd.	37,748	338,225	32,50	103,413
10 KJMC Financial Service Ltd	106,420	191,140	-	-
10 KJMC Global Market I Ltd	106,420	607,065	-	-
10 Hindustan Tin Works Ltd	205,832	9,056,608	62,500	2,500,000
100 Bayer India Ltd.	24	2,219	24	2,219
10 Indian Dyestuff Industries Ltd.	13	447	13	447
10 Canara Bank	5,700	199,500	-	-
10 Punjab National Bank	3,682	1,435,980	-	-
10 Solvay pharma India Ltd.	60,621	173,837,768	-	-
10 The Aluminium Industries Ltd	45,000	450,000	-	-
10 IMP Power Ltd.	25,500	6,581,526	23,500	6,344,087
G. Quoted : Bonds				
10 6.75 % of Unit Trust of India Bonds	1,782	183,990	1,782	183,990
Total		602,341,034		672,852,034
Aggregate Book Value - Quoted		194,603,878		10,853,664
Unquoted		407,737,156		661,998,470
Aggregate Market Value- Quoted		217,453,426		2,245,111

Schedules Forming Part of the Consolidated Balance Sheet

SCHEDULE - 7	As at 31st March, 2010 Rupees	As at 31st March, 2009 Rupees
INVENTORIES		
Stores and spares	23,221,589	9,829,117
Fuel	776,512	774,007
Raw Materials	45,180,636	2,963,450
Material / Work-in-process	14,732,707	2,712,381
Stock in Trade:		
Finished Goods	102,229,096	62,811,141
Shares	102,723,014	1,509,489
Goods-in-transit	20,105,923	425,069
Total	308,969,477	81,024,654
SCHEDULE 8		
SUNDRY DEBTORS		
Unsecured:		
Outstanding for a period exceeding six months:		
Considered Good	70,946,501	50,289,570
Considered doubtful	672,324	-
Less: Provision for doubtful debts	(672,324)	-
Other Debts-Considered Good	661,288,485	191,107,078
Total	732,234,986	241,396,648
SCHEDULE 9		
CASH AND BANK BALANCES		
Cash on hand	3,800,810	1,353,964
Cheques in hand	2,029,890	-
Bank balances with Scheduled banks :		
In Current Accounts	321,060,409	32,392,166
In Fixed Deposit Accounts	379,833,432	-
In Margin Deposit Accounts	43,101,605	6,131,025
Total	749,826,146	39,877,155
SCHEDULE 10		
LOANS AND ADVANCES		
(Unsecured, Considered Good)		
Advances recoverable in cash or in kind for value to be received	1,175,988,938	119,551,179
Sundry Deposits	282,990,919	356,211,718
Balance with Excise Authorities	7,737,762	1,404,482
Advance payment of Income-tax (Net of provision)	95,024,860	74,275,310
Fringe Benefit Tax (Net of provision)	166,647	-
MAT Credit Entitlement	12,052,133	-
Total	1,573,961,260	551,442,689

Schedules Forming Part of the Consolidated Balance Sheet

	As at 31st March, 2010 Rupees	As at 31st March, 2009 Rupees
SCHEDULE - 11		
CURRENT LIABILITIES		
Sundry Creditors :-		
Amount Outstanding to Micro, Small & Medium Enterprises	4,588,813	-
Others	654,588,425	179,595,086
Bills Payable	8,874,668	-
Due to Holding Company	-	-
<u>Deposit Received</u>		
- from Subsidiary / Holding Companies	-	-
- from Others	143,366,449	143,415,836
Unclaimed Dividends	800,533	825,781
Advance from Customers	21,839,937	-
Book overdraft	567	-
Other Liabilities	133,581,069	52,347,359
Total	<u>967,640,460</u>	<u>376,184,062</u>
SCHEDULE 12		
PROVISIONS		
Proposed Dividend	32,993,180	9,629,543
Tax on Dividend	5,479,755	1,636,540
Gratuity	14,669,847	5,418,585
Leave encashments	14,452,419	2,182,895
Fringe Benefit Tax (net of advance tax)	-	150,744
Wealth Tax (net of advance tax)	204,455	-
Total	<u>67,799,657</u>	<u>19,018,307</u>
SCHEDULE 13		
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)		
Preliminary Expenses	304,302	-
Less: Amount written off during the period	304,302	-
	-	-
Deferred Revenue Expenditure:		
1) Voluntary Retirement Scheme	18,269,798	23,859,737
Add: Expenses during the year	-	-
	18,269,798	23,859,737
Less: Amount written off during the period	18,269,798	5,589,939
Total	<u>-</u>	<u>18,269,798</u>

Schedules Forming part of the Consolidated Profit and Loss amount

SCHEDULE 14	Year ended	Year ended
SALES AND OTHER INCOME	31st March, 2010	31st March, 2009
	Rupees	Rupees
Sales and Services	5,500,660,248	2,343,026,278
Less : Excise Duty	64,642,347	30,512,331
Sales and Services (Net)	5,436,017,900	2,312,513,947
Rent Received	120,378,643	88,346,162
Forfeiture of Deposit	-	11,981,415
Bad debts written back (Net)	47,011	92,825
Dividend	7,594,265	217,076
Interest	102,194,365	1,748,594
Foreign Exchange Gain (Net)	25,939,965	-
Surplus on Sale of Assets	1,448,674	1,522,480
Insurance Claim	185,648	2,612,717
Profit on Sale of Long Term Investment	13,632,703	433,516
Sundry balances w/ back (Net) [Refer note no.B- 7 of Schedule 18]	4,827,273	-
Insurance Commission	12,127,831	8,528,591
Service Tax Credit	17,653,005	-
Miscellaneous Income	14,546,860	7,864,920
T o t a l	5,756,594,143	2,435,862,243
SCHEDULE 15		
MANUFACTURING, OPERATING AND OTHER EXPENSES		
Purchases of goods & others	2,537,626,006	1,641,821,025
Consumption of Raw Materials and Components & goods	449,117,707	149,582,283
Stores, Spares Consumed	202,509,161	110,669,428
Power and Fuel Charges	194,167,500	19,983,308
Registration & Octroi charges	257,783,866	168,656,697
Charter Freight Charges & Other Freight	649,342,115	-
Port Dues & Other Expenses / Certification	106,230,821	-
Vessel Expenses	33,154,846	-
Barge & Tug Freight Hire Charges	52,011,371	-
Stevedoring Charges	15,668,468	-
Shortages	(5,238,158)	-
Demurrages / Despatch	(1,632,590)	-
Handling Charges	37,645,834	-
Storage Charges	14,854,915	-
Machinery Hire Charges	21,937,416	-
Payloader & Excavator Expenses / Machinery	14,057,582	-
Dumper & Tipper Expenses	23,251,182	-
Jetty Rent & Utilization Charges	45,479,455	-
Payments to and Provisions for Employees:		
Salaries, Wages, and Bonus	132,082,328	34,075,446
Gratuity	4,046,386	1,466,020
Contribution to PF, FPF and other funds	10,549,094	2,516,770
Employees Welfare Expenses	9,810,047	2,322,561
	156,487,854	40,380,797
Job Charge	11,867,531	-
Transportation and Forwarding	98,666,496	1,674,913
Share Issue Expenses	511,459	-
Rent / License fees	13,907,635	3,281,803
Rates and Taxes	3,225,091	1,407,417
Excise Duty	(41,260)	(9,178)
Insurance	45,588,189	30,351,008
Repairs and Maintenance :		
Building	2,291,506	766,407
Plant & Machinery	5,206,228	10,549,335
Others	3,541,054	1,847,690
	11,038,787	13,163,432

Schedules Forming part of the Consolidated Profit and Loss amount

SCHEDULE 15 (CONTD.)

	Year ended 31st March, 2010 Rupees	Year ended 31st March, 2009 Rupees
Directors Sitting Fees	843,880	359,000
Auditor's Remuneration:		
Audit Fees	1,632,193	584,075
Tax Audit Fees	128,073	121,330
Certification Matters	-	-
Taxation & Company Law Matters	220,600	477,134
Other Matters	590,105	-
Less: Transferred to Amalgamation Expenses	<u>(590,105)</u>	-
Out of Pocket Expenses	7,454	-
	<u>1,988,320</u>	<u>1,182,539</u>
Charity & Donation	173,850	26,756
Managerial Remuneration	19,384,051	2,959,440
Brokerage & Commission	4,285,092	5,130,060
Legal & Professional Charges	22,200,117	6,932,682
Sales tax paid for earlier years	-	2,742,237
Vehicle Expenses	11,787,363	4,541,200
Selling & Marketing Expenses	10,149,869	6,399,125
Foreign Exchange fluctuation	-	82,686
Miscellaneous Expenses	61,494,182	22,007,702
Sundry balances w/ off [Refer note no. B-7 of Schedule 18]	-	3,455,921
Navlakhi Jetty written off	2,543,451	-
Preliminary Exps written off	304,302	-
Deferred Revenue expenditure written off :		
Voluntary Retirement Scheme	18,269,798	5,589,939
[Refer note no. B-8 of Schedule 18]		
(Increase) / Decrease in Stocks(Refer Schedule 17)	<u>(120,517,604)</u>	<u>49,058,156</u>
T o t a l	<u><u>5,022,125,952</u></u>	<u><u>2,291,430,376</u></u>

Schedules Forming part of the Consolidated Profit and Loss amount

	Year ended 31st March, 2010 Rupees	Year ended 31st March, 2009 Rupees
SCHEDULE 16		
INTEREST & FINANCE CHARGES		
Interest		
Debentures	15,693,850	-
Term Loans	20,238,756	40,842,247
Others	59,923,112	12,137,921
Bank Charges & Other Financial Charges	8,224,394	408,638
	<u>104,080,112</u>	<u>53,388,806</u>
SCHEDULE 17		
(INCREASE)/DECREASE IN STOCKS		
Stocks at commencement :		
Finished Goods	84,722,006	110,784,980
Stock in Trade	1,509,489	3,289,152
Materials in Process	12,935,719	2,017,035
	<u>99,167,214</u>	<u>116,091,167</u>
Less: Stocks at close :		
Finished Goods	102,229,096	62,811,141
Stock in Trade-others	102,723,014	1,509,489
Materials in Process	14,732,707	2,712,381
	<u>219,684,817</u>	<u>67,033,011</u>
(Increase)/Decrease in Stocks	<u>(120,517,604)</u>	<u>49,058,156</u>

Schedule 18

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

A) SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Consolidation

The consolidated financial statements relates to Oricon Enterprises Limited (“the company” or “the parent company”), its subsidiary companies, associate and its Joint Venture “collectively referred to as the Group”.

a. Basis of Accounting

The consolidated financial statements of the Company, its subsidiaries and associate are prepared under the historical cost convention and in accordance with the requirements of the Companies Act, 1956, Accounting Standard 21 “Consolidated Financial Statements”, Accounting Standard 23 “Accounting for Investments in Associates in Consolidated Financial Statements” and Accounting Standard (AS) 27 “Financial Reporting of Interests in Joint Ventures” as notified by Companies (Accounting Standards) Rules 2006.

b. Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements. Actual results may differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

c. Principles of Consolidation

The Consolidated Financial Statements have been prepared on the following basis:

- i. The financial statements of the parent company, its subsidiaries and jointly controlled entity have been consolidated / proportionately consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and transactions resulting in unrealized profits or losses on intra-group transactions and are presented to the extent possible, in the same manner as the Company's independent financial statements except in respect of accounting policy for depreciation on fixed assets.
- ii. Interest in jointly controlled entities (incorporated Joint Ventures) is accounted using proportionate consolidation method.
- iii. The excess of the cost to the company of its investment in subsidiary / jointly controlled entity over the company's portion of equity of the subsidiary / jointly controlled entity as at the date on which investment in subsidiary / jointly controlled entity is made, is recognized in the financial statement as Goodwill. The excess of Company's share of equity and reserve of the subsidiary / joint venture Company over the cost of acquisition is treated as Capital Reserve.

iv. Investment in associate companies have been accounted for, by using equity method whereby investment is initially recorded at cost and the carrying amount is adjusted thereafter for post acquisition change in company's share of net assets of the associate. The carrying amount of investment in associate companies is reduced to recognize any decline which is other than temporary in nature and such determination of decline in value, if any, is made for investment individually.

v. Minority Interests in the CFS is identified and recognized after taking into consideration:

- The amount of equity attributable to minority's at the date on which investments in a subsidiary is made.
- The minority's share of movements in equity since the date parent subsidiary relationships came into existence.

d. The particulars of subsidiaries, associate and jointly controlled entity which are considered for consolidation and the percentage of voting power therein of the company as on 31st March, 2010 are as under:

Name of Company	w.e.f.	Country of Incorporation	Percentage of voting power as at 31st March, 2010	Percentage of voting power as at 31st March, 2009	Reporting Date	Financial Status Audited / Unaudited
Subsidiaries						
USL Shinrai Automobiles Ltd (USAL)	March 31, 2006	India	100%	100%	March 31, 2010	Audited
USL Auto Services Ltd (UASL)	March 31, 2006	India	100%	100%	March 31, 2010	Audited
National Cotton Products Pvt Ltd (NCPL) #	October 1, 2009	India	100%	-	March 31, 2010	Audited
United Shippers Ltd (USL) ##	October 1, 2009	India	50.19%	-	March 31, 2010	Audited
Fellow Subsidiaries						
USL Shipping DMCEST (A 100% subsidiary of United Shippers Ltd)	October 1, 2009	Dubai	50.19%	-	March 31, 2010	Unaudited
Bulk Shipping PTE Ltd (A 100% subsidiary of United Shippers Ltd)	October 1, 2009	Singapore	50.19%	-	March 31, 2010	Unaudited
Associate						
National Cotton Products Pvt Ltd (NCPL)	From October 27, 2007 to September 30, 2009	India	38%	38%	March 31, 2010	Audited
Jointly Controlled Entity						
Oriental Containers Ltd (OCL)	April 1, 2009	India	30%	-	March 31, 2010	Audited
Dharamtar Infrastructure Ltd (A joint venture of United Shippers Ltd)	October 1, 2009	India	19.87%	-	March 31, 2010	Audited
USL NMM Logistics Ltd (A joint venture of United Shippers Ltd)	October 1, 2009	India	25.10%	-	March 31, 2010	Audited
USL Packaging Ltd (A joint venture of United Shippers Ltd)	October 1, 2009	India	25.10%	-	March 31, 2010	Audited
CGU Logistcis Ltd (A joint venture of United Shippers Ltd)	October 1, 2009	India	11.30%	-	March 31, 2010	Unaudited

As on 1st October, 2009 the Company holds 61,20,000 (100%) equity shares of NCPPL, out of which 19,33,904 (31.60%) equity shares were pending to be transferred in the name of the company for which the company holds valid power of attorney. Therefore the Company is a beneficial owner of 100% of equity capital and accordingly NCPPL is considered as subsidiary. (Also refer note no. 10 (ii) of schedule 18)

As on 1st October, 2009 the Company holds 29,69,552 (50.19%) equity shares of USL, out of which 17,60,312 (29.75%) equity shares were pending to be transferred in the name of the company. The Company is a beneficial owner of 50.19% equity capital and accordingly USL is considered as subsidiary. (Also refer note no. 10 (iii) of schedule 18)

2. Method of Accounting

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting, in accordance with accounting principles generally accepted in India ('Indian GAAP') and comply with the Accounting Standards prescribed by Companies (Accounting Standards) Rules, 2006 issued by the Central Government and the provisions of the Companies Act, 1956, (the 'Act') to the extent applicable.

3. Revenue Recognition

Revenue from sale of products is recognized when the risk and rewards of ownership of products are passed on to the customers. Revenue is recorded exclusive of sales tax. Sales / Turnover includes sales value of goods and excise duty thereon wherever applicable. In case of uncertainty revenue recognition is postponed till the time of actual realization.

Revenue from services is recognized on rendering of services to the customers. Revenue is recorded exclusive of service tax.

Interest income is recognized on the time proportion basis.

4. Export Benefit / Incentive

Export incentives receivable are accrued for when the right to receive the credit is established and there is no significant uncertainty regarding the ultimate collection of export proceeds. The export incentives are reduced from the purchase price of the imported materials.

5. Fixed Assets and Depreciation

a. Fixed Asset:

- i. Fixed Assets are stated at cost of acquisition, inclusive of freight, duties, taxes, borrowing cost, erection expenses / commissioning expenses etc. up to the date the assets are put to use except in case of subsidiary NCPPL where Land is stated on revaluated amount.
- ii. Modvat Credit availed on purchase of fixed assets is reduced from the cost of respective assets.
- iii. Goodwill arising on consolidation is shown as intangible assets and is stated at cost and impairment is recognized, if any.
- iv. Exchange difference on account of foreign exchange fluctuation, if any, is charged to profit & loss Account.

b. Depreciation:

- i. The Company provides depreciation on Plant and Machineries on straight line method and on other assets on written down value method at the rates

specified in schedule XIV of the Companies Act, 1956 except as stated below:

- ii. Leasehold Land is amortized over the period of lease.
- iii. The subsidiary United Shippers Ltd provides depreciation on addition at 100% of the applied rate if purchased in the first half of the year and at 50% of the applied rate if purchased in the second half of the year.
- iv. In case of subsidiary, USL Shinrai Automobiles Limited and United Shippers Ltd. depreciation of the Plant & Machinery is provided for on written down value method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956.
- v. In case of subsidiary, USL Shipping DMCEST, depreciation on fixed assets is provided by using reducing balance method over their estimated useful lives.
- vi. In case of Joint Venture, Oriental Containers Ltd, depreciation is provided on its tangible assets on the straight-line method ('SLM'), pro-rata to the period of use at the rates specified in Schedule XIV to the Companies Act, 1956 except at higher rates for the tangible assets acquired on the purchase of the "packaging division" of Oricon Enterprises Limited , wherein the depreciation is provided based on the estimated useful lives of the tangible assets so acquired, determined by the Company's management based on the technical evaluation by a certified valuer conducted at the time of the business purchase.
- vii. In case of Joint Venture, Oriental Containers Ltd, Intangible assets comprises of license fees and goodwill. Intangible assets are recognised when the asset is identifiable, is within the control of the Company, it is probable that the future economic benefits that are attributable to the asset will flow to the Company and cost of the asset can be reliably measured. Acquired intangible assets are recorded at the consideration paid for acquisition. These intangible assets are amortized on straight-line basis based on the following useful lives, which in management's estimate represents the period during which economic benefits will be derived from their use.

Assets	Period (in years)
Licence Fees	10
Goodwill	5

- viii. In case of jointly controlled entity CGU Logistics Limited, depreciation on Vessel is provided by using the straight line method based on technical evaluation of the economic useful life of various components of the vessel or at rate prescribed under Schedule XIV to the Companies Act, 1956, whichever is higher and depreciation on all other assets are depreciated by using straight line method at the rates and in the manner prescribed in schedule XIV to the Companies Act, 1956.

6. Investments

Long Term investments are valued at cost. Provision for diminution in value investment is made to recognize a decline other than temporary.

Current investments are valued at cost or market value whichever is lower on the last day of financial year.

An investment in an associate is accounted for in consolidated financial statements under the equity method.

7. Inventory

Raw materials are valued at cost (net of modvat) or net realisable value whichever is lower. Cost is ascertained on first in first out (FIFO) basis. Finished goods and work in process inventory are valued at cost or net realisable value whichever is lower. Fuel, Stores, Spares and Consumables are valued at weighted average cost or net realisable value whichever is lower.

Stock of Shares are valued at cost or market value whichever is lower.

8. Foreign Exchange Transaction

The transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transaction. In case of subsidiary USL the chartered freight expenditure are recorded at actual rates. Current Assets and Current Liabilities in Foreign currency outstanding at the Balance Sheet date are translated at the exchange rates prevailing on the date of Balance Sheet. The resulting Exchange Difference, if any, is charged to the Profit & Loss Account.

In case of Joint Venture, Oriental Containers Ltd, for forward foreign exchange contracts relating to highly probable forecast transaction (not intended for trading or speculation purpose), the Company follows the guidance in the Announcement of the Institute of Chartered Accountants of India ('ICAI') dated 29 March 2008 whereby for each category of derivatives, the Company records any net mark-to-market losses. Net mark-to-market gains are not recorded for such derivatives.

Assets and liabilities of foreign subsidiary are translated at closing exchange rate and income and expenditure are translated at average exchange rate for the year. The difference arising on such translation is debited / credited to foreign currency translation reserve.

9. Employee Benefits

Defined Contribution Plan

Company's contribution towards Superannuation Scheme with Life Insurance Corporation of India, Provident Fund, Employee's State Insurance Scheme, Government Welfare Fund and Employee's Deposit Linked Insurance are accounted for on accrual basis.

Defined Benefit Plan

Liability on account of Gratuity is accounted for on the basis of Actuarial Valuation at the end of each year.

Other Long term

Liability on account of other long term benefit such as 'leave encashment' is made on the basis of actuarial valuation at the end of the year.

Other Short Term

Employee Benefits are charged to revenue in the year in which the related services are rendered.

In case of subsidiary, USL Shinrai Automobiles Limited provision for leave encashment is accounted for on actual basis and charged to Profit & Loss Account.

10. Debentures Issue expenses

Debentures issue expenses are adjusted against securities premium.

11. Government Grants

Special Capital Incentives received for setting up a unit in backward area is treated as capital reserve.

12. Deferred Revenue Expenditure

- a. Expenditure in the nature of miscellaneous expenditure represented by Deferred Revenue Expenditure (Voluntary Termination Benefits) are amortized in accordance with Accounting Standard 15 (Revised) 'Employee Benefits' issued by the Institute of Chartered Accountants of India.
- b. Premium paid on prepayment and refinancing of term loans is charged off over the tenor of the new loans.

13. Borrowing Costs

Borrowing Costs directly attributable to the acquisition or construction of Fixed Assets are capitalized as part of the cost of the Assets, up to the date the Assets are put to use. Other Costs are charged to the Profit and Loss Account in the year in which they are incurred.

14. Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date for impairment so as to determine the provision for impairment loss, if any, required, or the reversal, if any, required of impairment loss recognized in previous periods.

15. Leases

Lease rentals in respect of assets acquired under operating leases are charged off to the profit and loss account on a straight line basis.

16. Earning Per Share (E.P.S.)

Basic EPS is computed using the weighted average number of equity shares outstanding during the period. Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year-end, except where the results would be anti dilutive.

17. Taxes on income

- a. Current tax is measured at the amount expected to be paid to the taxation authorities, using the applicable tax rates and tax laws.
- b. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been announced up to the balance sheet date. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences between the taxable income and accounting income. The effect of tax rate change is considered in the profit and loss account of the respective year of change.
- c. Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws are recognized only if there is a virtual certainty of its realization supported by convincing evidence. Deferred

tax assets on account of other timing differences are recognized only to the extent there is reasonable certainty of its realization.

- d. At each balance sheet date the carrying amount of deferred tax assets is reviewed to reassure realization.
- e. Income tax on income of CGU logistics Ltd from qualifying fleet is provided on the basis of Tonnage tax scheme whereas income tax on other income is provided as per other provisions of the Income tax Act, 1961.
- f. Minimum Alternate Tax (MAT) obligation in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal tax during the

specified period. Accordingly, it is recognized as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

18. Other Accounting Policies

These are set out under "Significant Accounting Policies" as given in the financial statements of Oricon Enterprises Limited and its Group.

B) NOTES TO THE CONSOLIDATED ACCOUNTS
SCHEDULE - 18

	Year ended 31.03.2010 (Rs. in Lacs)	Year ended 31.03.2009 (Rs. in Lacs)
1. Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of Advances)	1,188.26	42.75
2. Contingent Liabilities not provided for in respect of:		
a) Guarantees given by Company's Bankers and counterguaranteed by the Company	1,056.00	17.03
b) Disputed demands of Excise Duty	133.80	125.73
c) Income Tax demands disputed in appeals	427.24	457.11
d) Assignment of sales tax liability	2,418.45	2,805.66
e) Letter of Credit	910.62	—
f) Unfulfilled export commitments	1,947.26	—
g) Custom Duty Demand under Appeal	175.00	—
h) The subsidiary USL has provided corporate guarantee of Rs. 465 lakhs to Barclays Bank against Worling Capital Loan provided to CGU Logistics Ltd. The said subsidiary has also provided Corporate Guarantee of Rs. 1268 lakhs to State Bank of India against the term loan provided to Dharamtar Infrastructure Limited.		
i) <u>Sales tax deferral scheme</u> The jointly controlled entity, OCL is deferring its sales tax obligation under the 3 incentive schemes (EC3052-1988, EC3636-1993 and EC4633-1993) of which the deferral period in respect of 2 schemes had lapsed (EC3052-1988 and EC3636-1993) prior to the business transfer from Oricon to OCL. Oricon had filed a writ petition with Honorable High Court of Mumbai, for extending the time limit till the full utilization of deferment benefit, stating that pattern of utilisation of the benefit had suffered due to change in regulations pertaining to purchase tax levy. While the writ petition is pending disposal, Oricon has received an ad interim order allowing deferment till the quantum of incentive is exhausted. In the event of an adverse decision from the Honorable High Court of Mumbai and the DOI, there will be immediate cash outflows of the amount aggregating to Rs. 45.07 lakhs.		
3. Some of the balances of Sundry Debtors, Deposits, Loans & Advances, Sundry Creditors are subject to confirmation from the respective parties and consequential reconciliation/adjustment arising therefrom, if any. The management, however, does not expect any material variation.		
4. The financial statements of Oriental Containers Limited (OCL) were not included in preparation of Consolidated Financial Statements till 31st March, 2009 as the control was temporary in nature. The Company was holding 84.96% equity as at 31st March, 2009 which has subsequently reduced to 47.15% as on 31st March, 2010 and since then reduced to 30%. During the year the Company has taken a legal opinion, according to which, by virtue of shareholders agreement (SHA) and supplemental agreement dated 17th October, 2008, the promoter are entitled to various rights in respect of financing and operational activities of the said company and also the company holds 30% voting power in OCL and therefore OCL is a jointly controlled entity, incorporated in India, in accordance with Accounting Standard (AS) 27 "Financial Reporting of Interests in Joint Ventures". Accordingly Company has considered OCL as a jointly controlled entity with 30% voting power and accordingly current financial year, interest in OCL have been included in the Consolidated Financial Statement using proportionate consolidation method as prescribed in Accounting Standard (AS) 27 "Financial Reporting of Interests in Joint Ventures" as notified under the Companies (Accounting Standard) Rules, 2006.		
5. In the opinion of the Management, Current Assets, Loans Advances are approximately of the value stated if realised in the ordinary course of business. The provision for all known and determined liability is adequate and not in the excess of the amount reasonably required.		
6. The Shares / Debentures held as investment by the company have been classified as Long term Investment by the Management. No provision for the diminution if any, in the value of other investment has been made in the accounts as the Management is of the view that such diminution is not of permanent nature and the same is not intended to be traded.		
7. Sundry credit balances written back (Net)' amounting to Rs.48.27 lakhs are net of sundry debit balances written off amounting to Rs.2.28 lakhs (Previous Year 'Sundry debit balances written off (Net)' amounting to Rs.34.56 lakhs are net of sundry credit 'balances written back amounting to Rs.47.62 lakhs).		
8. During the year the Company has written off Rs.182.70 lakhs towards expenditure on Voluntary Retirement Scheme (VRS) in accordance with Accounting Standard 15 (Revised) 'Employee Benefits' issued by the Institute of Chartered Accountants of India, according to which such expenditure can not be carried forward after 31.03.2010. Hitherto, the expenditure on VRS was being written off over a period of 10 years. As a result, the profit of the Company for the year is lower by Rs.126.80 lakhs and 'manufacturing and other expenditure' is higher to the same extent.		
9. <u>Issue of convertible debentures:</u> During the year, the Company had issued on preferential basis, 21,80,000 fully convertible debentures (FCDs) carrying an option to subscribe to equivalent number of equity shares of Rs.10/- each on a future date, to M/s. Clearwater Capital Partners Singapore Fund III Private Limited. The Company has allotted 21,80,000 fully convertible debentures to M/s. Clearwater Capital Partners Singapore Fund III Private Limited at its Board meeting held on 14th December, 2009. The other terms and conditions of the convertible debentures issued are as follows: (a) The relevant date for the purpose of pricing of the issue of the debentures (FCDs) in accordance with SEBI (Issue of Capital and		

Disclosure Requirements) Regulations, 2009 is 31st October, 2009, being 30 (thirty) days prior to 30th November, 2009 (i.e. 30 days prior to the date on which the meeting of the general body of the shareholders is held in terms of section 81 (1A) of the Companies Act, 1956 to consider the issue.

- (b) The Board has allotted debentures (FCDs) at a price of Rs.162.20 per debenture (FCDs) which entitle the holder to subscribe to one equity share of the face value of Rs.10/- each at a price of Rs.162.20 (including premium of Rs.152.20) per equity share of the company against each debenture. Each debenture shall have a coupon rate of 15 % p.a.
- (c) Entire amount is payable upon subscription of the debentures (FCDs) in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.
- (d) The debentures shall be convertible into equity shares of the company at the discretion of the holders, without any further approval of the shareholders prior to or at the time of conversion.
- (e) The tenure of the Debentures (FCDs) shall not exceed 18 months from the date of their allotment.
- (f) The Debentures (FCDs) by itself does not give to the holder thereof any rights of the shareholders of the Company.
- (g) In the event the Company making a bonus issue of shares or making a right issue of shares / convertible debentures or any other securities or any other corporate restructuring or arrangement including merger / demerger / acquisitions, in whatever proportion prior to the exercise of the rights attached to the debentures (FCDs), the entitlement of the holders shall stand augmented in the same proportion in which equity share capital of the Company increases as a consequences of such bonus / rights issue / corporate restructuring and that the exercise price of the debentures (FCDs) be adjusted accordingly, subject to such approvals as may be required,
- (h) The equity shares allotted on conversion of Debentures (FCDs) in terms of this resolution shall rank pari passu in all respects including as to dividend with the existing fully paid equity shares of the face value Rs.10/- each of the Company subject to relevant provisions contained in Articles of Association of the Company.
- (i) The debentures (FCDs) shall be locked in for a period of one year from the date of their allotment, provided that the lock in on equity shares acquired by conversion of debentures (FCDs) shall be reduced to the extent the debentures (FCDs) have already been locked in.

Number of debentures issued and allotted	2,180,000
Issue price of one fully convertible debenture (FCD)	162.20
Total Amount (Rs. in Lacs) Received	3,535.96

- (j) Utilization of funds raised from preferential issue of debentures (FCDs):
The details of the amount utilized are as under:

Particulars	Amount (Rs. in Lacs) Utilized
Advancing Loans	3,422.00
Long term working capital	113.96
Total	3,535.96

- (k) Expenses pertaining to the issue of debentures amounting to Rs.139.80 lakhs after net of tax of Rs.47.52 lakhs i.e. Rs.92.28 lakhs has been written off against balance available in Share Premium account.

10 Amalgamation of Companies

- (a) (i) The Hon'ble High court of judicature at Bombay has vide its order dated 27th August, 2010 approved the scheme of amalgamation of Naman Tradevest Private Limited (NTPL) and Zeuxite Investments Private Limited (ZIPL), which were primarily engaged in the business of buying, selling, investing and trading in shares and securities, with the Company. The said scheme is operative from the appointed date i.e. 1st October, 2009. The effective date of the scheme is 9th September, 2010 i.e. the date of filing certified copies of the orders of High Court of Judicature at Bombay with the Registrar of Companies, Maharashtra at Mumbai. The effect of the said scheme has been given in the books of accounts for the year ended 31st March, 2010.
- (ii) Erstwhile Naman Tradevest Private Limited (NTPL) amalgamated with the Company w.e.f. appointed date 1st October, 2009. As on the appointed date, NTPL was holding and was beneficial owner of 37,94,400 equity shares (i.e. 62% of equity share capital) of National Cotton Products Pvt Ltd (NCPPL) out of which 19,33,904 equity shares were pending transfer in the name of NTPL. Due to amalgamation of NTPL with the Company the said shares of NCPPL stands transferred to the Company w.e.f. 1st October, 2009 and thus together with the 38% of equity shares held by the Company NCPPL has become 100% subsidiary of the Company.

- (iii) Erstwhile Zeuxite Investments Private Limited (ZIPL) is amalgamated with the Company w.e.f, appointed date 1st October, 2009. As on the appointed date, ZIPL was holding and beneficial owner of 29,69,552 equity shares (i.e. 50.19% of equity share capital) of United Shippers Ltd (USL) out of which 17,60,312 equity shares were pending transfer in the name of ZIPL. Due to amalgamation of ZIPL with the Company the shares of USL stands transferred to the Company w.e.f. 1st October, 2009 and thus USL become subsidiary of the Company with 50.19% of its equity capital.
- (b) Upon the scheme becoming effective w.e.f. 9th September, 2010, the Authorised Share Capital of NTPL of Rs.200 lakhs comprising of 20,00,000 Equity Shares of Rs.10/- each & the Authorised Share Capital of ZIPL of Rs.300 lakhs comprising of 30,00,000 Equity Shares of Rs.10/- each stands transferred and credited to Authorised Share Capital of the Company. Accordingly the Authorised Share Capital of the Company is increased from Rs.2,385 lakhs comprising of 2,37,50,000 Equity Shares of Rs.10/- each and 10,000 11% Cumulative Redeemable Preference Shares of Rs.100/- each, to Rs.2,885 lakhs comprising of 2,87,50,000 Equity Shares of Rs.10/- each and 10,000 11% Cumulative Redeemable Preference Shares of Rs.100/- each.
- (c) The Company has further proposed to increase its Authorised Share Capital from Rs.2,885 lakhs comprising of 2,87,50,000 Equity Shares of Rs.10/- each and 10,000 11% Cumulative Redeemable Preference Shares of Rs.100/- each, to Rs.3,500 lakhs comprising of 2,39,00,000 Equity Shares of Rs.10/- each, 1,10,00,000 Preference Shares of Rs.10/- each and 10,000 11% Cumulative Redeemable Preference Shares of Rs.100/- each. For increase of additional authorised capital of Rs.615 lakhs the Company is in the process of filing of necessary forms with Registrar of Companies and payment of applicable filing fee and stamp duty.
- (d) In accordance with the scheme of Amalgamation, 57,00,000/- equity shares and 19,00,000 10% Compulsorily Convertible Preference Shares (CCPS), of Rs.10/- each fully paid were to be issued to the shareholders of NTPL in the ratio of 3 equity shares of Rs.10/- each and 1 CCPS of Rs.10/- each, fully paid, for every 1 equity share of Rs.10/- each held by them in NTPL and 30,00,000 equity shares and 90,00,000 10% Compulsorily Convertible Preference Shares (CCPS) of Rs.10/- each fully paid, were to be issued to the shareholders of ZIPL in the ratio of 1 equity share of Rs.10/- each and 3 CCPS of Rs.10/- each, fully paid for every 1 equity share of Rs.10/- each held by them in ZIPL. Pending allotment as at 31st March, 2010, the amount has been included in 'Share Capital Suspense' in Schedule 1A. These equity shares and CCPS were allotted on 17th September, 2010.
- (e) In accordance with the accounting treatment specified in the scheme, the assets and liabilities of NTPL have been vested in the Company with effect from the appointed date i.e. 1st October, 2009 and have been recorded at their respective fair value as on the appointed date and the excess of, the fair value of the net assets of NTPL amounting to Rs.12,369 lakhs after adjusting value of 57,00,000 equity shares of Rs.10/- each amounting to Rs.570 lakhs and value of 19,00,000 CCPS of Rs.10/- each amounting to Rs.190 lakhs aggregating to Rs.760 lakhs of the Company to be issued to the shareholders of NTPL, amounting to Rs.11,609 lakhs has been credited to Capital Reserve as required by the purchase method of accounting specified in Accounting Standard 14 "Accounting for Amalgamation" issued by the Institute of Chartered Accountants of India.
- (f) In accordance with the accounting treatment specified in the scheme, the assets and liabilities of ZIPL have been vested in the Company with effect from the appointed date i.e. 1st October, 2009 and have been recorded at their respective fair value as on the appointed date and the excess of, the fair value of the net assets of ZIPL amounting to Rs.19,560 lakhs after adjusting value of 30,00,000 equity shares of Rs.10/- each amounting to Rs.300 lakhs and value of 90,00,000 CCPS of Rs.10/- each amounting to Rs.900 lakhs aggregating to Rs.1,200 lakhs of the Company to be issued to the shareholders of ZIPL, amounting to Rs.18,360 lakhs has been credited to Capital Reserve as required by the purchase method of accounting specified in Accounting Standard 14 "Accounting for Amalgamation" issued by the Institute of Chartered Accountants of India.
- (g) According to accounting treatment specified in the scheme, all cost, charges and expenses of the Company, NTPL and ZIPL amounting to Rs.235.90 lakhs after net of tax of Rs.78.36 lakhs i.e. Rs.157.54 lakhs, incurred in relation to or in connection with the scheme and of carrying out and completing the terms and provisions of the scheme and / or incidental to the completion of merger of the NTPL and ZIPL in pursuance of this scheme borne and paid by the Company, has been adjusted from aforesaid amount of Capital Reserve.
- (h) Out of the total consideration of 87,00,000 equity shares and 1,09,00,000 10% Compulsorily Convertible Preference Shares (CCPS) collectively to NTPL and ZIPL, 25 % of 87,00,000 equity shares numbering to 21,75,000 equity shares and 25% of 1,09,00,000 CCPS numbering to 27,25,000 equity shares arising out of conversion of CCPS shall be kept under lock-in for three years from the date of listing of new shares on the Bombay Stock Exchange.
- (i) The CCPS shall be converted into equity shares in the ratio of one (1) new equity share of the face value of Rs.10/- each of the Company for every one (1) CCPS of the face value of Rs.10/- each credited as fully paid up.
- (j) Out of the total 1,09,00,000, 10% CCPS, 19,00,000 CCPS of NTPL are convertible into equity shares anytime after 1st April, 2011 but within a period of five years from the date of allotment i.e. 17th September, 2010, 30,00,000 CCPS of ZIPL are convertible into equity shares anytime after 1st April, 2012 but within a period of five years from the date of allotment i.e. 17th September, 2010 on equal proportionate basis amongst CCPS holders to the extent of their holding in the Company and 60,00,000 CCPS of ZIPL are convertible into equity shares anytime after 1st April, 2013 but within a period of five years from the date of allotment i.e. 17th September, 2010 on equal proportionate basis amongst CCPS holders to the extent of their holding in the Company.
- 11 The Subsidiary United Shippers Ltd. has entered into an agreement with Gujarat Maritime Board vide agreement dated 7th October, 1998 and has obtained license to develop, complete, construct, renovate and use of existing jetty/ wharf including construction of offshore and onshore goods facilities and right to use Jetty for 10 years on guarantee of minimum cargo to be handled 4 lakhs M.T. p.a. or minimum wharfage charges of Rs.120 lakhs p.a. payable to Gujarat Maritime Board.
- The subsidiary has spent Rs.508.69 lakhs on the development / construction/ renovation of the said jetty which has been capitalized as Navlakhi Jetty, which is to be written off in 10 years.
- Gujarat Maritime Board has extended the rights to use jetty for a further period of 5 years w.e.f. 23.02.2010, with stipulation of minimum guaranteed wharfage of Rs.120 lakhs p.a.

12 Movement in 'Goodwill on Consolidation' (Net of Capital Reserves on consolidation) included in the Fixed Assets during the year :

Particulars	(Rs. in Lacs)	
	Year ended 31st March, 2010	Year ended 31st March, 2009
Goodwill on Consolidation (Net) as at 01.04.09	91.81	91.81
Add: Goodwill arising on USL becoming subsidiary w.e.f. 01.10.09	8,593.10	-
Add: Capital Reserve arising on NCPPL ceases to be associate (38%) and becomes subsidiary w.e.f. 01.10.09	(4,876.77)	-
Add: Capital Reserve arising on NCPPL ceases to be associate (38%) and becomes subsidiary w.e.f. 01.10.09	(1,161.95)	-
Add: Capital Reserve arising on OCL becoming a jointly controlled entity	(35.66)	-
Goodwill on Consolidation (Net) as at 31.03.10	2,610.53	91.81

13. Movement in 'Minority Interest' during the year :

Particulars	(Rs. in Lacs)	
	Year ended 31st March, 2010	Year ended 31st March, 2009
Minority Interest balance as at 01.04.09	-	-
Add: Minority Share in opening reserves as at 01.10.09 as United Shippers Ltd. become subsidiary w.e.f. 01.10.09	10,865.92	-
Add: Minority Share in increase in Share Premium during the period from 01.10.09 to 31.03.10 in subsidiary United Shippers Ltd.	293.03	-
Less: Minority Share in decrease in Foreign Currency Translation Reserve during the period from 01.10.09 to 31.03.10 in subsidiary United Shippers Ltd.	(128.17)	-
Add: Minority Share in Profit for the period from 01.10.09 to 31.03.10 of subsidiary United Shippers Ltd.	1,065.27	-
Minority Interest balance as at 31.03.10	12,096.04	-

14 (a) The figures of current year are not comparable with the previous year's figures due to the following.

- In view of amalgamation of Naman Tradvest Pvt Ltd (NTPL) & Zeuxite Investment Pvt Ltd (ZIPL) with the Company with effect from 1st October, 2009.
- Due to the said amalgamation NCPPL and USL has become the subsidiaries of the Company w.e.f. 1st October, 2009.
- Interest in OCL, a jointly controlled entity has been accounted using proportionate consolidation method as prescribed in Accounting Standard (AS) 27 "Financial Reporting of Interests in Joint Ventures" w.e.f. 1st April, 2009.

(b) Figures of the previous year have been re-grouped, re-classified and re-arranged wherever necessary.

15 Exceptional item represents.

	(Rs. in Lacs)	
	Current Year Rupees	Previous Year Rupees
Compensation received against relinquishing rights in property	-	312.00
Tax expense on above	-	(70.70)
Exceptional item (Net of Tax)	-	241.30

16 (a) Depreciation on plant & machinery is charged on straight line method by the Group except by the subsidiaries USL Shinrai Automobiles Ltd and United Shippers Ltd which follows written down value method. Thus out of the total depreciation on plant & machinery of Rs. 397.09 lakhs included in the consolidated balance sheet, an amount of Rs.33.36 lakhs (i.e. 8.40%) of the total depreciation is provided on written down value method and the balance is provided on the straight line method of depreciation.

(b) Depreciation on assets excluding goodwill, licence fees, leasehold land, freehold land and plant & machinery is charged on written down value method by the Group except by the venturer (30%) Oriental Containers Ltd which follows straight line method. Thus out of the total depreciation on assets excluding goodwill, licence fees, leasehold land, freehold land and plant & machinery of Rs.725.29 lakhs included in the consolidated balance sheet, Rs.19.58 lakhs (i.e. 2.70%), is provided on straight line method and the balance is provided on written down value method of depreciation.

17 During the period, the company has reviewed its fixed assets for impairment loss as required by Accounting Standards 28 "Impairment of Assets". In the opinion of management no provision for impairment loss is considered necessary.

18. The disclosure in respect of Segment information as per Accounting Standard - 17 on "Segment Reporting" issued by the Institute of Chartered Accountants of India for the period ended 31st March, 2010 is given as follows:

(a) Business Segments:

Particulars	PETROCHEMICALS		TRADING		AUTOMOBILES		PACKAGING		SHIPPING & RELATED LOGISTICS		TOTAL	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009	31.03.2010	31.03.2009	31.03.2010	31.03.2009	31.03.2010	31.03.2009	31.03.2010	31.03.2009
REVENUE :												
External Revenue	1,581.47	2,000.54	3,715.79	2,769.36	26,566.49	0.18	6,467.11	-	16,029.31	-	54,360.18	23,125.14
Inter-segment Revenue	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue	1,581.47	2,000.54	3,715.79	2,769.36	26,566.49	0.18	6,467.11	-	16,029.31	-	54,360.18	23,125.14
RESULT												
Segment Result	266.41	171.44	74.45	15.63	923.89	526.99	990.72	-	2,252.18	-	4,507.65	714.05
Add: Unallocable Income net of unallocable expenditure											582.36	518.35
Less: Interest Expenses											(958.56)	(529.80)
Add: Interest Income											1,021.94	17.49
Profit Before Prior Period Adjustment											5,153.40	720.09
Less: (Add): Prior Period Adjustment											(31.46)	(12.41)
Profit Before Taxation & exceptional item											5,184.86	732.49
Less: Provision for Current Tax											1,335.71	169.30
Less: Provision for Deferred Tax											80.31	(27.74)
Less: Fringe Benefit Tax											-	10.19
Less: Income / fringe benefit tax for earlier years											18.50	0.79
Less: Wealth Tax											2.04	-
Less: MAT Credit Entitlement											(101.40)	-
Profit After taxation and before Minority Interest and share of loss of associate											3,849.69	579.96
Less: Minority Interest											(1,065.27)	-
Less: Share of loss of associate											19.98	(37.47)
Profit After taxation before exceptional item											2,804.40	542.48
Exceptional Items (Net of Tax)											-	(241.30)
Profit After taxation											2,804.40	783.78
OTHER INFORMATION												
Segment Assets	680.24	671.86	2,338.99	1,777.08	3,928.29	2,917.65	7,084.20		22,304.05		36,335.77	5,366.58
Unallocable Assets											45,379.76	11,982.35
Total Assets											81,715.53	17,348.93
Segment Liabilities	86.37	52.49	1,170.57	1,424.88	1,076.55	755.68	2,085.48		4,665.20		9,086.16	2,233.05
Unallocable Liabilities											14,496.90	1,902.17
Total Liabilities											23,583.06	4,135.23
Capital Expenditure												
Segment Capital Expenditure	34.95	50.15			216.01	96.31	1,160.57		2,583.54		3,995.07	146.46
Unallocable Capital Expenditure											244.32	31.26
Total Capital Expenditure											4,239.38	177.72
Depreciation/Amortisation												
Segment Depreciation/Amortisation	34.61	30.33			73.26	56.48	321.56		632.70		1,062.13	86.81
Unallocable Depreciation/Amortisation											274.09	159.44
Total Depreciation/Amortisation											1,336.22	246.24

b. Secondary Segment Reporting (Geographical Segments):

The distribution of the company's Sales, Assets and Capital Expenditure by Geographical market is as under:

(Rs. in Lacs)

	31.03.2010	31.03.2009
Sales Revenue		
India	45,694.90	23,091.15
Outside India	8,665.28	33.99
Total Revenue	54,360.18	23,125.14
Segment Assets		
India	75,280.39	17,348.93
Outside India	6,435.15	-
Total Assets	81,715.54	17,348.93
Capital Expenditure		
India	23,424.61	177.72
Outside India	744.41	-
Total Capital Expenditure	24,169.02	177.72

19. Related Party Disclosure

Disclosure requirement as per Accounting Standard 18 (AS-18) "Related Party Disclosure" issued by the Institute of Chartered Accountants of India.

A Names of the Related Parties and nature of relationship:

1.) Key Management Personnel and his / her relatives

- a. Rajendra Somani
- b. Sevantilal J. Parekh
- c. Varun Somani
- d. V . N. Kamath
- e. Balmukund Gaggar
- f. Ramkishore Singhi
- g. Sarla S Parekh, Sujata Parekh Kumar, Anandita Sunil Parekh & Arundhati Sunil Parekh
- h. Captain Sanjay Goel
- i. Rajeev Merchant
- j. Sachin Tipnis

2.) Enterprises over which Key Management Personnel & their Relatives exercise significant influence where the Company has entered into Transactions during the year:

- a. G. Claridge & Co. Ltd
- b. Oriental Enterprises
- c. Kopran Ltd
- d. Shree Gayatri Trust

3.) Joint Ventures of the Company

- a. Oriental Containers Ltd. (OCL) (Ceased to be subsidiary w.e.f. 09.09.2009 and becomes a jointly controlled entity)

4.) Joint Ventures of the Subsidiary

- a. Dharamtar Infrastructure Limited (DIL)
- b. USL NMM Logistics Ltd. (UNLL)
- c. CGU Logistics Ltd. (CLL)
- d. USL Packaging Ltd. (UPL)

5.) Associate Company

- a. National Cotton Products Pvt. Ltd. (upto 30.09.2009)

Note : Related Party Relationships have been identified by the Management and relied upon by the Auditors.

B. DETAILS OF TRANSACTIONS BETWEEN THE COMPANY & RELATED PARTIES & THE STATUS OF OUTSTANDING BALANCES AS ON 31st March, 2010.

Nature of Transaction	OCL (Joint Venture) upto 30.09.09	NCPPL (Associate) upto 30.09.09	DIL	UNILL	CLL	UPL	Rajendra Somani	S.J. Parekh	Varun Somani	Kopran Limitd	G. Clandridge & Co. Ltd.	Relative of Key/Management Personnel	Shree Gayatri Trust	Total
Interest Earned	39.55		154.00	2.00	5.00	1.00				362.90			8.40	564.45
Rent Expense		1.80 (3.60)											(8.40)	10.90 (12.00)
Rent Income	50.40		94.00	8.00	40.00	2.00				135.00			3.60 (3.60)	185.40
Revenue														144.00
Repairs & Maintenance (Rates & Taxes)														3.60
Dividend Paid		(0.02)												(0.02)
Remuneration to Key Management Personnel	1,233.87 (932.34)	231.33 (366.15)					20.67 (2.58)	125.00	27.01 (27.01)	4,550.40	(51.50)			172.69 (29.59)
Loans & Advances Given	358.80 (928.35)	258.99 (338.50)	1,001.00 NA	57.00 NA	232.00 NA	2.00 NA				456.00 (197.47)	51.50			6,015.60 (1,349.99)
Receipts towards Loans & Advances Given														2,417.29 (1,464.32)
Loans & Advances Taken														(662.20)
Payment towards Loans & Advances taken	(130.67)	(36.72)	810.00 NA	5.00 NA	233.00 NA					(662.20)	(220.00)			1,048.00 (1,049.59)
Deposit Paid		(265.00)												(265.00)
Receipts towards Deposit paid														225.00
Purchase of goods, services & facilities	652.17 (538.27)		190.00 NA	35.00 NA						950.49 (751.50)				1,602.65 (1,289.78)
Sale of goods / Services														
Purchase of Fixed Assets														
Investment in Equity shares	(321.43)													(321.43)
Reimbursement towards currency exchange fluctuation	(33.70) (116.33)									(52.29) (67.70)				(85.99) (184.03)
Receipts towards Sale of goods / services	709.18 (100.71)									830.56 (600.58)				1,539.73 (701.30)
Guarantees given to Bank against term loan			1,268.00 NA											1,268.00
Balances as at 31st March, 2010	877.86 (3.99)	(27.65)	2,496.00 NA	71.00 NA		16.00 NA				4,094.40	(51.50)			7,555.26 (83.15)
1. Loans & Advances given	386.97 (553.89)		44.00 NA		7.00 NA	3.00 NA				286.26 (218.62)		0.15		727.38 (772.51)
2. Debtors / Other Receivables / Unbilled Revenue														90.00
3. Deposits Received														
4. Deposits paid		(300.00)												(300.00)
5. Investment in Equity Shares	(3,088.66)	(3,565.26)					2.35 (-)			1.03 (1.03)				1.03 (6,654.96)
6. Creditors for Expenses / Advance billing			1.00 NA										24.97 (14.91)	29.32 (14.91)
7. Guarantees given to Bank against term loan			1,268.00 NA		465.00 NA									1,733.00

Note : Figures in bracket relates to previous year.

20. Earnings per Share

Particulars	Year ended 31st March, 2010	Year ended 31st March, 2009
(a) Profit after taxation before exceptional items (Rs. in Lacs)	2804.40	542.48
(b) Profit after taxation (Rs. in Lacs)	2804.40	783.78
Basic EPS		
Weighted average number of equity shares	9,629,543	9,629,543
Weighted average number of equity shares in share capital suspense	4,338,082	-
(c) Total weighted average number of equity shares	13,967,625	9,629,543
Earnings per share (EPS),		
- Basic Earnings per share on Profit after taxation before exceptional items (Rs.) [(a) / (c)]	20.08	5.63
- Basic Earnings per share on Profit after taxation (Rs.) [(b) / (c)]	20.08	8.14
Diluted EPS		
Weighted average number of equity shares	9,629,543	9,629,543
Weighted average number of equity shares in share capital suspense	4,338,082	-
Weighted average number of potential equity shares on account of Compulsorily Convertible Preference Shares (CCPS)	5,435,068	-
(d) Total weighted average number of equity shares	19,402,693	9,629,543
(e) Earnings per share (EPS),		
- Diluted Earnings per share on Profit after taxation before exceptional items (Rs.) [(a) / (d)]	14.45	5.63
- Diluted Earnings per share on Profit after taxation (Rs.) [(b) / (e)]	14.45	8.14

Note: Potential equity shares that could arise on conversion of 21,80,000 fully convertible debentures are not resulting into dilution of EPS. Hence, they have not been considered in working of diluted EPS in accordance with AS 20.

21. (a) The Tax effects of Significant Timing (Temporary) Differences that resulted in Deferred Tax Assets & Liabilities & description of the Financial Statement items that creates these differences are as follows:

	Particulars	Deferred Tax Assets/(Liability) as at 31.03.2010 Rupees in Lacs	Deferred Tax Assets/(Liability) as at 31.03.2009 Rupees in Lacs
	<u>Deferred Tax Liabilities</u>		
1	Depreciation	(783.65)	(142.65)
2	Deferred Revenue Expenditure	-	(56.42)
	Total (A)	(783.65)	(199.07)
	<u>Deferred Tax Assets:</u>		
1	Unabsorbed depreciation under the income Tax Act, 1961	37.02	
2	Provision for Gratuity/Leave Encashment	83.32	15.86
3	On expenses pertaining to Amalgamation to claimed under Sec. 35DD	78.36	
	Total (B)	198.71	15.86
	Net Deferred Tax Liability	(584.94)	(183.20)

- (b) A subsidiary United Shippers Ltd. has accounted for deferred tax gain of Rs.18.92 lakhs for the entire financial year in its consolidated financial statements for the six months period ended on 31st March, 2010.
22. (a) The subsidiary United Shippers Ltd. has accounted the expenditure of Rs.18.50 lakhs, Rs. 20.08 lakhs and Rs. 18.45 lakhs for the entire financial year in respect of the employee benefits such as gratuity, leave encashment and superannuation respectively in its consolidated financial statements for the six months period ended on 31st March, 2010. Further separate disclosure has not been made in the notes to accounts in respect of employee benefits in its consolidated financial statements. The liability in respect of gratuity and leave encashment in respect of the said subsidiary as at 31st March, 2010 amounts to Rs.14.60 lakhs and Rs. 92.88 lakhs respectively.
- (b) Consequent to Accounting Standard-15-"Employee Benefits" (Revised 2005) becoming effective, the company has made the provision for Defined Contribution Plan and Defined Benefit Plan.

I. Defined Contribution Plan:

During the year the Group has recognised Rs. 44.85 lakhs (Previous year Rs.. 2.62 lakhs) towards Superannuation Scheme with Life Insurance Corporation of India and Rs. 112.87 lakhs (Previous year Rs.22.55 lakhs) towards Provident Fund, Employee's State Insurance Scheme, Government Welfare Fund and Employee's Deposit Linked Insurance etc. as Defined Contribution Plan Obligation.

II. Defined Benefit Plan:

Gratuity

Liability is computed on the basis of Gratuity payable on retirement, death and other withdrawals as per the Act and already accrued for past service, with the qualifying wages/salaries appropriately projected, as per the Projected Unit Credit Method.

Leave Encashment

Liability is computed on the basis of Leave Encashment payable on separation as also in service, as per Rules and already accrued for past service, with the qualifying wages / salaries appropriately projected, as per the Projected Unit Credit Method.

i. Actuarial Assumption	Year Ended 31.03.2010	Year ended 31.03.2009
Particulars	Gratuity (%)	Gratuity (%)
Discount Rate Current	8%	8%
Rate of Increase in Compensation Levels	6%	6%
Note: Assumption considered above relates to the parent company.		
ii. Table Showing Change in Benefit Obligation	Gratuity (Rs. in Lacs)	Gratuity (Rs. in Lacs)
Projected Benefit Obligations (PBO) at the beginning of the period	43.51	38.86
Adjustment on account of opening balances in respect of joint venture (OCL) and subsidiary (USAL)	70.23	-
Interest Cost	8.82	2.99
Service Cost	10.74	2.42
Past Service Cost	0.39	-
Benefits paid	(3.61)	(2.89)
Actuarial (gain) / loss on Obligations	2.02	2.13
Projected Benefit Obligations (PBO) at the end of the period	132.10	43.51
iii. The Amounts to be recognised in Balance Sheet and Income Statement and the related analysis		
Present Value of Obligation	43.51	43.51
Adjustment on account of opening balances in respect of joint venture (OCL) and subsidiary (USAL)	88.59	-
Fair value of Plan Assets	-	-
Unrecognised Actuarial gains (losses)	-	-
Unrecognised Transitional Liability	-	-
Liability Recognised by Group except subsidiary USL	132.10	43.51
Liability Recognised by subsidiary USL (P.Y. subsidiary USAL)	14.60	10.68
Liability Recognised by Group in Consolidated Balance Sheet	146.70	54.19
iv. Net Periodic Cost		
Current Service Cost	10.74	2.42
Interest Cost	8.82	2.99
Past Service Cost	0.39	-
Expected Return on Plan Assets	-	-
Net Actuarial (gain) loss recognised in the period	2.02	2.13
Expenses Recognised by Group except subsidiary USL in the Income Statement	21.96	7.54
Expenses Recognised by subsidiary USL (P.Y. subsidiary USAL) in the Income Statement	18.50	7.12
Expenses Recognised by Group in the Income Statement	40.46	14.66
v. Movements in the liability recognised in the Balance Sheet:		
Opening Net Liability	43.51	38.86
Adjustment on account of opening balances in respect of joint venture (OCL) and subsidiary (USAL)	70.23	-
Expense as above	21.96	7.54
Contributions paid	(3.61)	(2.89)
Net Liability of Group except subsidiary USL	132.10	43.51
Net Liability of subsidiary USL (P.Y. subsidiary USAL)	14.60	10.68
Net Liability of Group in Consolidated Balance Sheet	146.70	54.19

23 (a) Remuneration to Managing Director(s)

(Rs. in Lacs)

Particulars	Year ended 31st March, 2010	Year ended 31st March, 2009
Salary	129.99	16.62
Contribution to Provident Fund & other funds	14.30	1.99
Perquisites	15.96	10.98
Commission	33.60	-
Total	193.84	29.59

(b) The Subsidiary United Shinrai Automobiles Ltd. (USAL) has paid managerial remuneration of Rs.27.01 lakhs to managing director in excess of the limits prescribed under schedule XIII of the companies Act, 1956. Pending the approval from Central Government, the remuneration paid in excess is being held in trust by the managing director.

24. Disclosures of derivative instruments in respect of jointly controlled entity OCL:

The jointly controlled entity has forward contracts to hedge its risk associated with foreign currency fluctuations on the forecasted revenue and firm orders denominated in foreign currency. The said forward contracts are without any underlying transactions.

(a) The details of forward contract outstanding at the year end are as follows:

Currency	As at 31.03.2010 No of contracts	As at 31.03.2010 Buy amount (In Lacs)	As at 31.03.2010 INR equivalent (Rs. in Lacs)
USD	2	3.00	137.63
EURO	4	2.40	147.70

As at 31 March 2010, the jointly controlled entity has revalued the forward contract by marking the same to market and recognized a loss of Rs.1.74 lakhs by debiting foreign exchange loss.

(b) The un-hedged foreign currency exposure as on 31 March 2010 is given below:

<u>USD currency</u>	As at 31.03.2010 Foreign currency (In Lacs)	As at 31.03.2010 Local currency (Rs. in Lacs)
Payable	9.67	434.92
Receivable	3.84	172.89
EURO currency	Foreign currency	Local currency
Payable	9.01	547.75

As per our report of even date annexed
FOR KHANDELWAL JAIN & CO.
Chartered Accountants

NARENDRA JAIN
Partner
Membership No. 048725

Mumbai
19th October, 2010

SANJAY JAIN
Company Secretary

For & on behalf of the Board

S. J. Taparia Chairman
Sanjay Dosi Director
B K Toshniwal Director
Rajendra Somani Managing Director

Balance Sheet Abstract & Company's General Business Profile

I. Registration Details

Registration No. :

State Code

Balance Sheet Date
Date Month Year

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue

Rights Issue

Bonus Issue

Private Placement

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

Total Liabilities

Total Assets

Source of Funds

Paid-up Capital

Reserves & Surplus

Deferred Tax Liability

Secured Loans

Unsecured Loans

Application of Funds

Net Fixed Assets

Investments

Net Current Assets

Miscellaneous Expenditure

Accumulated Losses

IV. Performance of Company (Amount in Rs. Thousands)

Turnover

Total Expenditure

+/-

Profit / Loss Before Tax **

+/-

Profit / Loss After Tax

** Profit before exceptional items

(Please tick (✓) appropriate box + for profit, — for loss)

Earning per Share in Rs.

Dividend rate %

V. Generic names of Three Principal Products / Services of the Company (as per monetary terms)

Not Applicable

Note : For ITC Code of Products please refer to the publication Indian Trade Classification based on harmonised commodity description and ending system by Ministry of Commerce, Directorate General of Commercial Intelligence & Statistics Kolkata - 700 001.



Regd. Office : 1076, Dr.E.Moses Road, Worli, Mumbai - 400 018

ATTENDANCE SLIP

Please complete this attendance slip and hand it over at the Entrance of the Hall.

I/We hereby record my presence at **Fortieth** Annual General Meeting of the Company, on **Saturday, December 11, 2010 at 10.00 a.m.** at Shri S. K. Somani Memorial Hall, Hindi Vidya Bhavan, 79, Marine Drive, Mumbai-400 002.

Full name of the Shareholder in Block Letters _____

Folio No : _____

DPID No. : _____

Client I.D. No. : _____

Name of Proxyholder _____

Signature of Proxyholder

Signature of the Shareholder

ORICON ENTERPRISES LTD.

Regd. Office: 1076, Dr. E. Moses Road, Worli, Mumbai 400 018.

PROXY FORM

I/We _____
of _____ in the district of _____ being a
Member/Members of the above-named Company, hereby appoint Shri _____
of _____ in the district of _____
or failing him Shri _____ of _____
in the district of _____

_____ as my /our Proxy to vote for me/us and on my/our behalf
at **Fortieth** Annual General Meeting of the Company to be held on **Saturday, December 11, 2010 at 10.00 a.m.** at Shri
S. K. Somani Memorial Hall, Hindi Vidya Bhavan, 79, Marine Drive, Mumbai-400 002 and at any adjournment thereof.

Signed this _____ day of _____, 2010.

Affix
Re. 1
Revenue
Stamp

Signature

Folio No. : _____

DPID No. : _____

Client ID No. : _____

NOTE: The proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the Meeting.



**40th ANNUAL REPORT
2009-2010**

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FINANCIAL HIGHLIGHTS (CONSOLIDATED)

	[RS. IN LACS]	
Particulars	2009-10	2008-09
Total Income	57,566	24,358
Total Expenditure	50,190	22,661
EBIDTA	7,376	1,697
Depreciation	1,150	190
Interest & Finance Charges	1,041	533
Profit Before Tax	5,185	974
Profit After Tax	2,804	784
Share Capital	963	963
Reserve & Surplus	41,012	8,706
Networth	43,935	9,487
Total Debt	14,744	3,726
Gross Block	51,773	3,942
Net Block	41,955	1,481
Investments	6,023	6,728
Net Current Assets	23,383	5,187
Cash and Cash Equivalents	7,498	399
No. of Equity Shares	96,29,543	96,29,543
E P S	20.08	8.14