



**42nd ANNUAL REPORT
2011-2012**

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FINANCIAL HIGHLIGHTS (CONSOLIDATED)

[₹ IN LACS]				
PARTICULARS	2011-2012	2010-2011	2009-2010	2008-2009
Total Income	100719	87112	57566	24358
Total Expenditure	87135	75030	50190	22661
EBIDTA	13584	12080	7376	1697
Depreciation	2705	2057	1150	190
Interest & Finance Charges	1309	1606	1041	533
Profit Before Tax	9570	8420	5185	974
Profit After Tax	3858	3724	2804	784
Equity Share Capital	2050	1832	963	963
Reserve & Surplus	51309	44152	41012	8706
Networth	54450	47076	43935	9487
Total Debt	20975	10520	14744	3726
Gross Block	58497	57594	51773	3942
Net Block	45409	46870	41955	1481
Investments	4933	6243	6023	6728
Net Current Assets	11062	19265	23383	5187
Cash and Bank Balances	5868	5138	7498	399
No. of Equity Shares	102547715*	18329543	9629543	9629543
E P S (₹)	3.72	3.99	4.02	8.14

* Post split effective from 14th July, 2011.

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.

M.I.D.C., MURBAD,
DIST. THANE.

NOTICE

NOTICE is hereby given that the **FORTY SECOND** Annual General Meeting of the Company will be held on **Saturday 25th August, 2012** at Shri S K Somani Memorial Hall, Hindi Vidya Bhavan, 79, Marine Drive Mumbai – 400002 at **10.00 a.m.** to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements for the year ended March 31, 2012 and the Reports of the Directors and the Auditors thereon.
2. To declare dividend (s).
3. To appoint a Director in place of Shri Susheel G Somani who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri B K Toshniwal who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Shri Sanjay Dosi 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, the following resolution with or without modification(s) as a Special Resolution :**

“RESOLVED THAT pursuant to the provisions of Section 314(1) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof) the consent of the members, be and is hereby accorded to the appointment of Shri Sanjay Dosi, Director of the Company, to hold an office or place of profit as Director of Shinrai Auto Services Limited and Oricon Properties Private Limited, subsidiaries of the Company.”

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

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, read with Schedule XIII and all other applicable provisions if any of the Companies Act, 1956, and pursuant to the provisions of Article of Association of the company, consent of the members be and is hereby accorded to the increase in the remuneration, of Shri Rajendra Somani, Managing Director of the company, w.e.f. 1st April 2012.

His monthly remuneration will be as under:

Basic Salary : Rs.3,50,000/- per month.

HRA : Rs.1,50,000/- per month.

Perquisites :

In addition to the above Shri Rajendra Somani will be entitled to perquisites as has been incorporated in the

resolutions passed by the members at the 39th Annual General Meeting of the Company held on 12th September 2009.

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to revise the remuneration, from time to time subject to the ceiling laid down in Section 198, 309, and Schedule XIII of the Companies Act, 1956 and if required, an application be made to the Central Government pursuant to the provisions of Section 269 read with Section 316 and Schedule XIII of the Companies Act, 1956 for the approval for providing remuneration to Shri Rajendra Somani in excess of limits specified in Schedule XIII and considering the fact he is also the Managing Director of Oriental Containers Limited and thus attracting the provisions of Section 316”.

“RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary, to give effect to this resolution”.

By Order of the Board

SANJAY JAIN

Company Secretary

Mumbai
May 30, 2012

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. The Register of Members and the Share Transfer Books of the Company will remain closed from 14th August, 2012 to 25th August, 2012 (both days inclusive).
3. a) The Dividend if declared, will be payable to those Equity Shareholders and Preference Shareholders whose names stand on the Register of Members on 25th August, 2012.
b) In respect of Equity Shares held in the electronic form, the dividend will be payable to the beneficial owners of shares as on the close of 13th August, 2012 as per details furnished by the Depositories for this purpose.
Members who have not encashed the dividend warrants for the financial year 2004-2005 and/or any subsequent dividends are requested to write to the Company giving the necessary details.
4. Members are requested to intimate change in their address, if any, to the Company / R & T Agent.

5. In view of the circular issued by SEBI, the Electronic Clearing Services (ECS/ NECS) facility should mandatorily be used by the Companies for the distribution of dividend to its members. In order to avail the facility of ECS/ NECS, members holding shares are requested to provide bank account details to the company or its Registrar and Share Transfer Agents.
6. As part of Green Initiative in Corporate Governance, the Ministry of Corporate Affairs (MCA) Government of India, vide its Circular No.17/2011 and Circular No.18/2011 dated 21st April 2011 and 29th April, 2011 respectively have taken a "Green Initiative in the Corporate Governance" by allowing services of documents through electronic mode.

In spirit of the above circulars and as part of the Company's Green Initiative, we hence forth propose to send documents like Notice of Annual General Meeting, Financial Report, Annual Report etc henceforth to the shareholders in electronic form.

In view of this:

- a) We suggest you to provide your email address at oricon@bigshareonline.com.
- b) In case your shares are held in dematerialized form, the intimation of the same should be passed on to your Depository Participant.

ANNEXURE TO THE NOTICE

The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 for the item No. 7 and 8 of the accompanying notice is as under :

Item No. 7.

Shri Sanjay Dosi is appointed as Director of Shinrai Auto Services Limited and Oricon Properties Private Limited Subsidiary Companies of the Company and may receive sitting fee from these Companies.

In terms of the provisions of Section 314 of the Companies Act, 1956 such payment is required to be approved by the members of Holding company.

Shri Sanjay Dosi may be deemed concerned or interested in the resolution. None of the other director is concerned or interested in the resolution.

The Board recommends the resolution for your approval.

Item No. 8

Your Board of Directors proposes to increase the remuneration of Shri Rajendra Somani, Managing Director of the Company w.e.f. 1st April 2012.

As per provisions of Section 198, 269, 309, 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956, and pursuant to the provisions of Article of Association of the company, increase in remuneration of Shri Rajendra Somani as Managing Director of the Company requires approval of Members of the Company by passing Ordinary Resolution in the General Meeting of the Company.

The remuneration payable to Shri Somani is approved by the Remuneration Committee of the Company taking into account performance and contribution of Shri Somani made in growth of the Company and also the present industrial trend.

All other terms and conditions relating to the appointment of Shri Rajendra Somani as approved by members in 39th AGM of the company will remain unchanged.

Apart from Shri Rajendra Somani, Shri Surendra Somani and Shri Adarsh Somani being relative of Shri Rajendra Somani may also be treated as concerned or interested in the resolution.

None of the other director of the company is interested in the resolution.

The above may also be treated as an abstract referred to in section 302 of the Companies Act, 1956.

The resolution as set out on item No. 8 of the notice is recommended for your approval.

By Order of the Board

SANJAY JAIN
Company Secretary

Mumbai
May 30, 2012

DIRECTORS' REPORT

To
The Members

Your Directors have pleasure in presenting the **FORTY SECOND ANNUAL REPORT** of the Company with the Audited Statement of Accounts for the year ended March 31, 2012.

	₹ In Lacs	
	2011-2012	2010-2011
	₹	₹
FINANCIAL RESULTS		
Gross Profit	2350.26	2292.96
Deduction there from:		
Interest	560.00	871.35
Depreciation	159.24	142.14
Profit before prior period adjustment	1631.02	1279.46
Prior Period adjustment	(0.02)	(2.38)
Profit before taxation and exceptional items	1631.03	1281.85
Less		
Provision for Taxation		
Current Tax	415.00	393.00
Provision for Deferred Tax	22.96	(3.32)
Profit after taxation before exceptional items	1193.07	892.17
Income tax/FBT for earlier years	8.37	(0.16)
Profit after taxation	1184.70	892.33
Surplus b/f from last year	1302.96	1383.18
Dividend distribution tax for earlier year written back	48.17	24.54
Net Profit available for appropriations	2535.83	2300.05
Proposed Dividend for Equity Shares	451.20	369.17
Tax on Proposed Dividend	73.19	59.89
Proposed Dividend for Preference Shares	109.00	58.53
Tax on above proposed Dividend	17.68	9.50
Transfer to General Reserve	500.00	500.00
Balance carried to Balance Sheet	1384.75	1302.96
	2523.82	2300.05

DIVIDEND

Your Directors have recommend a Dividend of Rs.0.44/- per equity share for the year ended March 31, 2012 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 25th August, 2012 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 13th August, 2012.

The directors have recommended Dividend on Preference Shares @ Rs. 1/- per share. The total outgo for dividend is Rs. 6.51 crores

FINANCIAL PERFORMANCE:

Standalone

The sales and other income for the year under review were Rs 74.34 crores as against Rs 71.69 crores in the previous financial year. The net profit for the year under review is Rs. 11.84 crores as against Rs. 8.92 crores in the previous financial year.

Consolidated

The consolidated revenue for the year under review was Rs. 1007.19 Crores as against Rs. 867.71 Crores in the previous financial year. The net Profit for the year under review is Rs. 38.58 Crores.

SUBSIDIARY COMPANIES

Shinrai Auto Services Ltd (100%), Oricon Properties Pvt Ltd (100%) and United Shippers Limited (50.19%) are the existing subsidiary companies.

The Ministry of Corporate Affairs Government of India vide General circular No. 2/ 2011 dated 8th February, 2011 has directed that Provision of Section 212 of the Companies Act, 1956 has shall not apply in relation to the Subsidiary of those Companies which fulfill the criteria stipulated in the aforesaid circular.

Therefore Board of Directors in their meeting held on Wednesday 30th May, 2012 given consent for not attaching Annual Report and other particulars of the subsidiary companies with this Annual Report. Further in line with the Listing Agreement and in accordance with Accounting Standard 21 (AS- 21), consolidated Financial Statement prepared by the Company includes financial information of its subsidiaries.

The company will provide the copy Annual report and other document of its subsidiary companies on the request made by any member, investor of the Company/ Subsidiary Companies. The annual accounts of the Subsidiary Companies have been kept for inspection by any Shareholder at the registered office of the Company.

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 12 deposits amounting to Rs. 3,18,000 which remained unclaimed as at March 31,2012 and remains unclaimed on date of this report. Necessary letters to the depositors have been sent.

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 2012 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 2012 on a 'going concern' basis.

CREDIT RATING

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

CASH FLOW STATEMENT:

In conformity with the provisions of Clause 32 of the Listing Agreement the Cash Flow Statement for the year ended 31st March 2012 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 2012 – 2013 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 under Section 217 (2A) of the Companies Act, 1956, hence 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.

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.

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.

DIRECTORS

Shri Susheel G Somani ,Shri B K Toshniwal and Shri Sanjay Dosi, 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
May 30, 2012

ANNEXURE - I

Report on Corporate Governance for the Year Ended 31st March 2012 (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, 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 composition of Board is in conformity with Clause 49 of the Listing Agreement. The Company has a non-executive Chairman and over half of the total number of Directors are comprises of Non-Executive Directors. The Company has four independent directors and one Managing Director.

The non-executive Directors or the Independent Directors of the Company draws remuneration only by way of sitting fees for attending the meeting of the Board and the committees thereof. Apart from the above, none of the Independent directors have any material pecuniary relationship or transaction with the Company, its promoters, its directors, its senior management or its holding company, its subsidiary and associates which may affect independence of the 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 11 to March 12 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. 11 to Mar. 12		Attendance at the last AGM as on 24.09.2011	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	6	4	Yes	NIL	9	NIL	NIL
Shri S. J. Parekh	Non Executive/ Not Independent	6	5	Yes	2	9	3	NIL
Shri Surendra Somani	Non Executive/ Not Independent	6	5	Yes	1	4	1	2
Shri S. J. Taparia	Non Executive/ Independent	6	5	No	NIL	3	NIL	5
Shri Vinod Mimani	Non Executive/ Independent	6	2	No	NIL	1	NIL	NIL
Shri V. N. Khanna	Non Executive/ Not Independent	6	5	Yes	NIL	4	NIL	4
Shri Rajendra Somani	Executive/ Not Independent	6	6	Yes	NIL	5	NIL	NIL
Shri B. K. Toshniwal	Non Executive/ Not Independent	6	6	Yes	NIL	2	NIL	NIL
Shri Sanjay Dosi	Non Executive/ Independent	6	6	Yes	NIL	1	NIL	NIL
Shri Karthik Athreya	Non-Executive/ Independent	6	2	No	NIL	4	NIL	NIL
Shri Adarsh Somani	Non-Executive/ Not Independent	6	6	No	NIL	5	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 14, 2011 June 13, 2011 August 10, 2011 September 24, 2011 November 12, 2011 February 14, 2012

The last AGM of the Company was held on 24th September, 2011

3. Payment to Non-Executive Directors:

Details of remuneration paid/payable to directors for the year ended March 31, 2012 are as follows:

Sr. No.	Director	Sitting Fees		Total
		Board	Committee	
1	Shri Susheel G. Somani	20000	10000	30000
2	Shri S. J. Parekh	25000	0	25000
3	Shri Surendra Somani	25000	0	25000
4	Shri S. J. Taparia	25000	20000	45000
5	Shri Vinod Mimani	10000	0	10000
6	Shri Sanjay Dosi	30000	40000	70000
7	Shri V N Khanna	25000	0	25000
8	Shri B K Toshniwal	30000	20000	50000
9	Shri Karthik Athreya	10000	0	10000
10	Shri Adarsh Somani	30000	0	30000

4. Disclosure of Directors seeking Appointment / Re-appointment

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

Name of Directors	Shri Susheel G Somani	Shri B K Toshniwal	Shri Sanjay Dosi
Qualification (s)	MSC	B.Com, FCS	B.Com, FCA
Expertise of Functional Area	Expertise and rich experience in technical, operational and marketing aspects of industrial products	Expertise in manufacturing and marketing of packaging products, expertise in finance, legal, secretarial and administration	Expertise and rich experience in finance, audit and accounts
Director of other Ltd. Companies	1. Hotel Empire Ltd 2. United Maleable Company Ltd 3. Kopran Ltd 4. G.Clardige & Co. Ltd 5. Clardige Moulded Fibre Ltd 6. Kopran Research Lab Ltd 7. Shinrai Auto Services Ltd 8. Debonair Publication Ltd 9. Parijat Shipping & Finale Ltd	1. Oriental Containers Ltd 2. Sarvamangal Mercantile Co. Ltd	1. Shinrai Auto Services Ltd
Membership of Committee of Board of Directors of other Companies	NIL	NIL	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, financial statement and Investment of Unlisted subsidiary Companies.

(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 /Not Independent

Shri Sanjay Dosi, is the Chairman of the Audit Committee and was present at the last Annual General Meeting held on September 24, 2011.

(c) Meetings and Attendance

During the year ended March 31, 2012, four meetings of the Audit Committee were held on the following dates:

- (i) May 14, 2011
- (ii) August 10, 2011
- (iii) November 12, 2011
- (iv) February 12, 2012

Attendance at the Audit Committee Meetings

Name	No. of Audit Committee Meetings during April 11 to March 12	
	HELD	ATTENDED
Shri Sanjay Dosi	4	4
Shri S. J. Taparia	4	4
Shri Susheel Somani	4	3

6. Remuneration Committee:

The Board of Directors at their meeting held on 30th May, 2012 has constituted a remuneration committee. The remuneration committee comprises of three directors namely Shri Sanjay Dosi, Shri Vinod Mimani, and Shri Karthik Athreya.

Shri Sanjay Dosi is the Chairman of the Remuneration Committee.

The committee has all independent non-executive Director as its members.

The purpose of the Committee of the Board of Directors shall be to review and to discharge the Board's responsibilities related to remuneration of the Managing Director. The committee has the overall responsibility of approving and evaluating the remuneration plans, policies for Managing Directors and Executives Directors thereof.

The committee shall as and when needed review and approve for the remuneration payable to the managing director considering the profits.

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 2011 - 2012.

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, 2012 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 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 30th May, 2012.

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, 2012 four meetings of the Shareholders/Investor Grievance Committee were held on May 14, 2011, August 10, 2011, November 12, 2011 and February 14, 2012

Attendance at the Shareholders Grievances Committee Meetings

Name	No. of Shareholders/Investor Grievance Committee Meetings during April 11 to March 12.	
	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 29 nos of investors complaints during the year from Apr 11 to Mar 12 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	Venue
2010-11	24.09.2011	10.00 a.m.	Shri S.K. Somani Memorial Hall, Hindi Vidya Bhavan, 79, Marine Drive, Mumbai 400 002.
2009-10	11.12.2010	10.00 a.m.	Shri S.K. Somani Memorial Hall, Hindi Vidya Bhavan, 79, Marine Drive, Mumbai 400 002.
2008-09	12.09.2009	10.00 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)

2010-11	NIL
2009-10	(1) To alter the Article of Association.
2008-09	(1) for re-appointment of Shri Rajendra Somani as Managing Director of the Company and remuneration payable to him.

Resolutions regarding following were passed in the last EGM(s)

2010-11	(1) Special Resolution to approve the Scheme of merger / amalgamation of the company with Naman Tradvest Pvt Ltd and Zeuxite Investment Pvt Ltd.
2009-10	(1) Ordinary Resolution to reclassify the authorized share capital of the Company consequent amendments to the capital clause of the Memorandum of Association of the Company. (2) Special Resolution to issue 21,80,000 fully convertible debentures of Rs. 162.20 per debentures aggregating to Rs. 35,35,96,000/- on preferential basis to Clearwater Capital Partners Singapore Fund III P. Ltd.

(iii) Passing of Special / Ordinary Resolution through postal ballot :

During the financial year 2010-2011, Ordinary Resolution passed to sub-divide the Equity Shares from Rs. 10/- to Rs. 2/- per share.

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. B-27 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, 2012.

- **Details of Equity Shares (face value Rs. 2/-) held by non-executive Directors of the Company as at March 31, 2012.**

Name of Director	No. of shares held
Susheel G Somani	6135530
Surendra Somani	2934910
S J Parekh	1152385
S J Taparia	NIL
Sanjay Dosi	100
Vinod Mimani	NIL
B K Toshniwal	55000
V N Khanna	90650
Adarsh Somani	4664770
Karthik Athreya	NIL

- **Subsidiary Monetary Framework**

All subsidiary companies of the Company are Board managed with their Boards having the rights and obligations to manage companies with best interest of their stakeholders. The Company monitors performance of subsidiary companies, inter alia by following means

- Review of financial statements, in particular investment made by the unlisted subsidiary companies by the Audit Committee of the Company.
- All minutes of Board meeting of the unlisted subsidiary companies are placed before the Company's Board.

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

During the year 2011- 2012, company has not raised any money through public issue, right issue, or preferential issue.

13. MEANS OF COMMUNICATION

The Unaudited Financial Results of the Company for each Quarter is placed before the Board of Directors within 45 days from the end of the respective quarter. The Quarterly Financial Results of the Company is published in Economic Times. The Financial Results / office 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 25th August, 2012

Time : 10.00 a.m.

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

Key Financial Reporting F.Y. 2012- 2013

Unaudited Financial Results for the quarter ended June 30, 2012

: on or before August 14, 2012

Unaudited Financial Results for the quarter ended September 30, 2012

: on or before November 14, 2012

Unaudited Financial Results for the quarter ended December 31, 2012

: on or before February 14, 2013

Unaudited Financial Results for the quarter ended March 31, 2013

: on or before May 15, 2013

Or if Audited Results are given then by 30th May, 2013

Book Closure: The Register of Members and Share Transfer Register will remain closed from 14th August, 2012 to 25th August, 2012 (both days inclusive).

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

Dematerialisation of shares:

The Equity Shares of the Company are compulsory tradeable 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 31.03.2012, 10,10,76,259 Equity Shares of Rs. 2/- each representing 98.56% of Equity Shares are held in the Demat Mode, ISIN for the equity shares of Face Value of Rs. 2/- is INE730A01022.

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

The Company has allotted 1,09,00,000 (One Crores Nine Lacs) Cumulative Convertible Preference Shares (CCPS) of Rs. 10/- each aggregating to Rs. 10,90,00,000/- (Rupees Ten Crores Ninety Lacs only) to the shareholders of Naman Tradvest Pvt Ltd and Zeuxite Investment Pvt Ltd on 17th September, 2010, pursuant to the scheme of merger approved by the Hon'ble High Court Bombay on 27th August, 2010.

The CCPS are convertible in to Equity shares in one or more tranches within a period of five (5) years from the date of allotment in such manner as detailed below:

- 19,00,000 CCPS of Naman Tradvest Pvt Ltd any time after 01st April, 2011 but within a period of five (5) years from the date of allotment i.e. 17.09.2010.
- 30,00,000 CCPS of Zeuxite Investment Pvt Ltd any time after 01st April, 2012 but within a period of five (5) years from the date of allotment i.e. 17.09.2010.
- 60,00,000 CCPS of Zeuxite Investment Pvt Ltd any time after 01st April, 2013 but within a period of five (5) years from the date of allotment i.e. 17.09.2010.

Green Initiative :

As part of Green Initiative in Corporate Governance, the Ministry of Corporate Affairs (MCA) Government of India, vide its Circular No.17/2011 and Circular 18/2011 dated 21st April 2011 and 29th April, 2011 respectively have taken a "Green Initiative in the Corporate Governance" by allowing services of documents through electronic mode.

In spirit of the above circulars and as part of the Company's Green Initiative, we hence forth propose to send documents like Notice of Annual General Meeting, Financial Report, Annual Report etc henceforth to the shareholders in electronic form.

In view of this:

- We suggest you to provide your email address at oricon@bigshareonline.com.
- In case your shares are held in dematerialized form, the intimation of the same should be passed on to your Depository Participant.

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 "B" Group.

Stock Market Data

Monthly high and low prices of Equity Shares of the Company quoted at Stock Exchange, Mumbai and during the year ended 31.03.12 are as under:

Month	Oricon Share Price		BSE INDEX	
	High in Rupees	Low in Rupees	High	Low
April 2011	328.70	305.00	19811.14	18976.19
May 2011	319.90	298.15	19253.87	17786.13
June 2011	316.00	295.10	18873.39	17314.38
July 2011	314.70	* 58.00	19131.70	18131.86
August 2011	* 61.35	*51.65	18440.07	15765.53
September 2011	*58.65	*47.00	17211.80	15801.01
October 2011	*52.90	*42.00	17908.13	15745.43
November 2011	*47.65	*33.50	17702.26	15478.69
December 2011	*42.25	*31.00	17003.71	15135.86
January 2012	*37.40	*31.80	17258.97	15358.02
February 2012	*38.25	*31.95	18523.78	17061.55
March 2012	*35.65	*29.90	18040.69	16920.61

*Post Split effective from 14th July, 2011.

Distribution of Shareholding as on 31st March 2012 .

No. of Equity Shares held	No. of Share holders	% of Share holders	No. of Shares held	% of Share holding
1 to 500	5610	94.28	2898313	2.83
501 to 1000	130	2.18	467164	0.46
1001 to 2000	66	1.11	503608	0.49
2001 to 3000	22	0.37	276169	0.27
3001 to 4000	5	0.08	88070	0.09
4001 to 5000	5	0.08	117160	0.11
5001 to 10000	25	0.42	914007	0.89
10001 and above	88	1.48	97283224	94.86
TOTAL	5951	100.00	102547715	100.00

Categories of Shareholding as on 31st March 2012.

Category	No. of Share holders	% of Share holders	No. of Shares held	% of Share holding
Indian Promoters	52	0.87	64101275	62.51
Banks/ FI	7	0.12	4723055	4.61
Foreign Company	2	0.03	15362640	14.98
Mutual Funds	0	0.00	0	0
NRI	27	0.45	77390	0.08
Domestic Companies	145	2.44	8326965	8.12
Resident Individuals	5710	95.95	9949496	9.70
Clearing Members	7	0.12	4394	0.00
Trust	1	0.02	2500	0.00
TOTAL	5951	100.00	102547715	100.00

Registered Office / Plant Location :

- 1076 Dr. E. Moses Road
Worli, Mumbai – 400 018.
- Village – Savroli
Khopoli – 410 203
Dist. Raigad.
- M.I.D.C., Murbad,
Dist. Thane - 421 401.

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

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 :

- The Company has complied with all mandatory requirement of Clause 49 of the Listing Agreement with the Stock Exchanges as on March 31, 2012
- Adoption / non adoption of non – mandatory requirements as at March 31, 2012 :
 - The Company does not maintains an office for the Non-Executive Chairman.

Further the Company has not adopted the requirement of Independent Director tenure not to exceed a period of nine years on the Board of the Company.
 - 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.
 - The auditors have issued a qualified opinion for the year ended March 31, 2012.
 - The Board of Directors of the Company consists of an optimal blend of professionals having in depth expertise in their area of specialization.
 - Presently the Company does not have a mechanism for evaluating its Non- Executive Directors by Peer Group comprising of the entire Board of Directors.
 - 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, 2012, 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 *except for non-appointment of an independent director on the Board of Directors of United Shippers Limited, a material non-listed Indian subsidiary 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 : May 30, 2012

ANNEXURE –II TO THE DIRECTORS’ REPORT MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Management of Oricon Enterprises Limited, presents the analysis of Company for the year ended on 31st March, 2012 and its outlook for the future. This outlook is based on assessment of current business environment. It may vary due to future economic and other developments both in India and abroad.

This management discussion and analysis (MD&A) of Oricon Enterprises Limited for the year ended on 31st March 2012 contains financial highlights but does not contain the complete financial statements of the Company. It should be read in conjunction with the Company's audited financial statements for the year ended on 31st March, 2012.

BUSINESS AND INDUSTRY OVERVIEW:

Petrochemicals:

Your Company is one of the leading manufacturer of N-Pentane, C-Pentane and ISO Pentane. The Company has adequate manufacturing capacity to cater to the domestic as well as export requirements. The Company is likely to introduce/ market cyclo Pentane, ISO Pentane blend (as a blowing agent) in Indian market. We have already developed export market for the product.

The Petro products are usually manufactured according to the client's specification thus enhancing repeat orders from the clients.

Liquid Colorants and Pet Bottles :

Your Company has in last 2 years set up plants for manufacturing of Liquid Colorants and Pet bottles at Murbad, Dist. Thane.

The products are well accepted by the user customers and the Company is in process of tapping new customers for long term business association to have consistent business plans.

The Company has already introduced the products in market and exploring other major customers and expect to breakthrough in near future.

OPPORTUNITIES AND OUTLOOK:

Your Company is a diversified company and it is conscious of the emerging opportunities in each of its segments. The two main drivers for the Company are growth of United Shippers Ltd , which is the largest handler of dry cargo in Western India and effective monetization of real estate which will accord significant value to your Company's future.

From overall perspective the Company expect the current year to be challenging in terms of volatilities in prices of major input materials, overall growth of the economy, introduction of new products and improving current market share are expected to augur well for the Company

RISKS AND CONCERNS:

Your Company has appropriate risk management system in place for identification of risks and assessment of risks, measure to mitigate them and mechanism for their proper and timely monitors and reports.

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 (₹ in Lacs)	Segment Results Profit/(Loss) from each segment before interest and tax (₹ in Lacs)
Petrochemicals	2830.56	325.74
Trading	1764.37	33.26
Liquid Colorants	175.09	(20.30)
Pet Bottle	244.76	(31.24)
Total	5014.77	307.46

Consolidated Results :

	Segment Revenue (₹ in Lacs)	Profit/(Loss) from each segment before interest and tax (₹ in Lacs)
Shipping	49258.75	6632.82
Automobiles	34313.22	691.07
Packaging	8381.15	490.51
Petrochemicals	2830.56	325.74
Trading	1764.37	33.26
Liquid colorants	128.04	(20.30)
Others	641.73	10.78
Total	97317.81	8163.89

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.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

Standalone

The sales and other income for the year under review were Rs.74.34 crores as against Rs.71.69 crores in the previous financial year. The net profit for the year under review is Rs.11.84 crores as against Rs.8.92 crores in the previous financial year.

Consolidated

The consolidated revenue for the year under review was Rs. 1007.19 Crores as against Rs. 867.71 Crores in the previous financial year. The net Profit for the year under review is Rs. 38.58 Crores.

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.

Your Company has been succeed in attracting and retaining key professional and intends to continue to seek fresh talents to further enhance and grow our business particularly in pet bottles and liquid colorants division.

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	Previous period
	April 11 to March 12	April 10 to March 11
a) Purchase units	528959	525087
Total Amount (Rs.)	3271260	2952450
Rate/Units (Rs.)	6.18	5.62
b) Own Generation (in unit)	6251	12252
Total Amount (Rs.)	112551	204047
Rate/Units (Rs.)	18.00	16.65
2. COAL	1457	1529
3. FURNACE OIL OTY. (K. Ltr.)	7	21
4. OWN FUEL (KL)	-	-

ii) Consumption per unit of production:

Product	Standard	Current year	Previous year
(Pentane Pure ISO Pentane and Steam)		April 11 to March 12	April 10 to March 11
Electricity	Not determined	185.00 UNITS/ MT	191.00 UNITS/MT
Furnace Oil	0.20 MT/MT. of products	0.19 MT/MT OF PRODUCT	0.19 MT/MT OF PRODUCT
Coal	0.40- 0.55 MT/ MT of product	0.50 MT/ MT OF PRODUCT	0.37 MT/MT OF products
** Coal	0.222 MT/ MT of Steam	0.222 MT/MT OF STEAM	0.167 MT/MT of Steam

B) Technology Absorption :

Petrol 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, 2012.

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 2012 and also the Statement of Profit and Loss 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 Statement of Profit and Loss 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 Statement of Profit and Loss 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, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 from being appointed as a Director in terms of Clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956;
 - (f) 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 the 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 2012;
 - (ii) in the case of the Statement of Profit and Loss, 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 : May 30, 2012.

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, 2012)

- 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.12,39,917/- 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 systems 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) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- 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 slight 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, 2012 for the period of more than six months from the date they became payable.
- b) 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, 2012 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 August 2001	62,30,637	Assistant Commissioner of Central Excise
2	Central excise Act, 1944	Excise Duty (Classification of goods) Penalty	June 1996 to February 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 February 2001	1,41,503 10,24,509	Central Excise & Service Tax Appellate Tribunal

- x) 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.
- xi) 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.
- xii) 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.
- xiii) The Company is not a Chit Fund Company or nidhi/mutual benefit fund/society.
- xiv) 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.

- xv) 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.
- xvi) In our opinion, the term loans raised during the year have been applied for the purpose for which they were raised.
- xvii) 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.
- xviii) 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.
- xix) 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.
- xx) During the year covered by our Audit Report the Company has not raised any money by public issues.
- xxi) 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 : May 30, 2012.

BALANCE SHEET AS AT 31st MARCH, 2012

	Notes	As at 31st March, 2012 ₹	As at 31st March, 2011 ₹
EQUITY AND LIABILITIES :			
Shareholders' Funds			
Share Capital	2	314,149,194	292,349,194
Reserves and Surplus	3	4,377,793,739	3,987,818,971
		4,691,942,933	4,280,168,165
Non-Current Liabilities			
Long-Term Borrowings	4	235,099,338	527,473,264
Deferred Tax Liabilities (Net)	5	6,635,689	4,339,216
Other Long-Term Liabilities	6	116,187,900	132,687,816
Long-Term Provisions	7	6,135,000	6,348,076
		364,057,927	670,848,372
Current Liabilities			
Short-Term Borrowings	8	95,209,053	71,206,796
Trade Payables	9	51,522,195	37,837,824
Other Current Liabilities	9	122,481,866	143,684,636
Short-Term Provisions	7	71,937,738	60,629,912
		341,150,852	313,359,168
	TOTAL	5,397,151,712	5,264,375,705
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	10	154,231,257	122,989,857
Intangible Assets		-	-
Capital Work-In-Progress		-	38,350,545
Intangible Assets Under Development		-	-
Non-Current Investments	11	3,920,819,372	3,933,588,492
Long-Term Loans And Advances	12	652,269,831	482,990,919
Other Non-current Assets	13	225,708	-
		4,727,546,168	4,577,919,813
Current Assets			
Inventories	14	34,246,308	20,255,307
Trade Receivables	15	151,396,983	119,747,816
Cash And Cash Equivalents	16	13,705,475	17,675,551
Short-Term Loans And Advances	12	427,545,409	504,308,834
Other Current Assets	13	42,711,369	24,468,384
		669,605,544	686,455,892
	Total	5,397,151,712	5,264,375,705
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date annexed
 FOR KHANDELWAL JAIN & CO.
 Chartered Accountants
 Firm Regn No.: 105049W

NARENDRA JAIN
 Partner
 Membership No. 048725

Mumbai
 May 30, 2012

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 OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2012

	Notes	Year ended 31st March, 2012 ₹	Year ended 31st March, 2011 ₹
INCOME			
Revenue from operations (gross)	17	534,332,766	494,382,681
Less : Excise Duty		32,855,344	22,466,085
Revenue from operations (net)		501,477,422	471,916,596
Other income	18	241,953,818	244,993,384
Total Income		743,431,240	716,909,980
EXPENDITURE			
Material Consumed / Sold	19	245,893,834	161,110,191
Purchase of traded goods	20	172,980,786	256,992,772
(Increase) / Decrease in inventories of finished goods, WIP and Traded goods	20	(4,690,203)	(4,820,632)
Employee cost	21	24,781,495	19,770,957
Other expenses	22	69,438,755	54,560,369
Finance cost	23	56,000,013	87,135,128
Depreciation and amortization expenses	10	15,924,361	14,214,764
Total Expenses		580,329,041	588,963,549
Profit / (Loss) before extraordinary and prior period items and tax		163,102,199	127,946,431
Prior Period Items		1,744	238,613
Profit / (Loss) before extraordinary items and tax		163,103,943	128,185,044
Extraordinary items		-	-
Profit / (Loss) before tax		163,103,943	128,185,044
Tax Expenses			
Current Tax		41,500,000	39,300,000
Deferred Tax		2,296,473	(332,303)
Income Tax for earlier year		837,056	(16,016)
Total Tax Expenses		44,633,529	38,951,680
Profit / (Loss) for the year		118,470,414	89,233,364
Earnings per equity share	24		
Basic (Rs.)			
Computed on basis of profit continuing operations		1.05	0.90
Computed on basis of total profit for the year		1.05	0.90
Diluted (Rs.)			
Computed on basis of profit from continuing operations		0.76	0.61
Computed on the basis of total profit for the year		0.76	0.61
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date annexed
 FOR KHANDELWAL JAIN & CO.
 Chartered Accountants
 Firm Regn No.: 105049W

NARENDRA JAIN
 Partner
 Membership No. 048725

Mumbai
 May 30, 2012

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, 2012

(Amount in ₹)

PARTICULARS	For the Year Ended 31st March, 2012	Previous Year Ended 31st March, 2011
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Net Profit before Tax and Prior period Adjustment & exceptional item	163,102,199	127,946,431
Adjustments for:		
Depreciation	15,924,361	14,214,764
Dividend Received	(29,721,020)	(14,847,760)
Interest Expense	50,896,771	86,577,195
Interest Received	(85,031,970)	(83,497,554)
Loss on Sale of long term Investments	-	5,790
Loss on sale of assets	582,079	17,416
Sundry balances written off	2,418,764	333,266
Sundry balances written back	(717,103)	(10,929)
Operating Profit before Working Capital changes	117,454,081	130,738,619
Adjustments for:		
Trade & Other Receivables	(146,437,492)	(17,168,043)
Inventories	(13,991,003)	(13,202,346)
Trade & Other Payables	(31,320,791)	4,798,576
Cash generated from Operations	(74,295,205)	105,166,807
Direct Taxes Paid (Net of Refund)	(46,662,415)	(16,253,695)
Cash Flow before prior period Adjustments & Exceptional item	(120,957,620)	88,913,112
Prior period adjustments	1,744	238,613
Exceptional items	-	-
NET CASH FROM OPERATING ACTIVITIES: TOTAL (A)	(120,955,876)	89,151,725
<u>CASH FLOW FROM INVESTMENT ACTIVITIES</u>		
Purchase of Fixed Assets (including Capital Work-in-progress)	(9,398,001)	(66,389,069)
Sale of Fixed Assets	252,194	710,001
Sale of Investment	12,769,120	678,200
Purchase of Investment	-	(5,000,000)
Investment in Bank Deposit	2,646,491	4,480,438
Interest Received	85,177,162	83,525,434
Dividend Received	29,721,020	14,847,760
NET CASH FROM / (USED IN) INVESTING ACTIVITIES: TOTAL (B)	121,167,986	32,852,764
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
Proceeds from Secured Loans (Net of Repayments)	47,222,823	(4,720,650)
Proceeds from Unsecured Loans (Net of Repayments)	46,908,191	(45,237,068)
Interest paid	(50,610,918)	(87,878,509)
Dividend Paid	(44,842,346)	(35,859,006)
NET CASH FROM FINANCING ACTIVITIES: TOTAL (C)	(1,322,250)	(173,695,233)
Net Increase / (Decrease) in Cash and Cash Equivalents Total (A + B + C)	(1,110,140)	(51,690,744)
Cash and Cash Equivalents - Opening Balance	3,896,311	55,587,055
Cash and Cash Equivalents - Closing Balance	2,786,171	3,896,311
Net increase / (decrease) in Cash and Cash Equivalent	(1,110,140)	(51,690,744)

Notes:

- Above statement has been prepared by the indirect method as set out in the Accounting Standard 3 on Cash Flow Statement as specified in the Companies (Accounting Standards) Rules, 2006.
- Cash and Cash equivalent at the end of the year includes earmarked balance with Bank of unpaid dividend of Rs.10,09,382/- (previous year Rs.9,60,340/-).
- Previous year's figures have been regrouped / rearranged / recasted , wherever necessary.

 Summary of significant accounting policies **1**
As per our report of even date annexed

FOR KHANDELWAL JAIN & CO.

 Chartered Accountants
 Firm Regn No.: 105049W

 NARENDRA JAIN
 Partner
 Membership No. 048725

 Mumbai
 May 30, 2012

 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

Notes to the Financial Statements for the year ended 31st March, 2012

1 Summary of Significant Accounting Policies

a 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.

b 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 include 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.

c Fixed Assets and Depreciation

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.

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.

d Investments

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

e Inventory

(i) 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 except in case of raw material liquid colorant where cost is determined on the basis of weighted average method.

(ii) Finished goods and work in process inventory are valued at cost or net realisable value whichever is lower.

(iii) Stocks of Shares are valued at cost or market value whichever is lower.

(iv) Fuel, Stores, Spares and Consumables are valued at weighted average cost or net realisable value whichever is lower.

f 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.

g 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.

h Employee Benefits

(i) 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.

(ii) Defined Benefit Plan

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

(iii) 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.

(iv) Other Short Term

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

i Debentures Issue expenses

Debentures issue expenses are adjusted against securities premium.

j Government Grants

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

k Foreign Exchange Transaction

(i) The transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transaction.

(ii) 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 Statement of Profit and Loss.

l Export Benefit/Incentive

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

m Deferred Revenue Expenditure

(i) 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.

(ii) Premium paid on prepayment and refinancing of term loans is charged off over the tenor of the new loans.

n 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 Statement of Profit and Loss in the year in which they are incurred.

o 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.

p Taxes on income

(i) Current tax is measured at the amount expected to be paid to the taxation authorities, using the applicable tax rates and tax laws.

(ii) 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 Statement of Profit and Loss of the respective year of change.

(iii) 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.

(iv) At each balance sheet date the carrying amount of deferred tax assets is reviewed to reassure realization.

q Other Accounting Policies

These are consistent with the generally accepted accounting practices.

**Notes to the Financial Statements (Continued)
as at 31st March, 2012**

2. Share Capital

	As at 31st March, 2012 ₹	As at 31st March, 2011 ₹
Authorised Shares		
11,95,00,000 Equity Shares of ₹2/- each (P.Y. 2,39,00,000 Equity Shares of ₹10/- each)	239,000,000	239,000,000
1,10,00,000 (P.Y. 1,10,00,000) Preference Shares of ₹10/- each	110,000,000	110,000,000
10,000 (P.Y. 10,000) 11% Cumulative Redeemable Preference Shares of ₹100/- each	1,000,000	1,000,000
Issued		
10,26,10,360 Equity Shares of ₹2/- each (P.Y. 1,83,42,072 Equity Shares of ₹10/- each)	205,220,720	183,420,720
1,09,00,000 (P. Y. 1,09,00,000) 10% Compulsorily Convertible Preference Shares (CCPS) of ₹10/- each	109,000,000	109,000,000
	314,220,720	292,420,720
Subscribed and Paid up shares		
10,25,47,715 Equity Shares of ₹2/- each (P.Y. 1,83,29,543 Equity Shares of ₹10/- each)	205,095,430	183,295,430
1,09,00,000 (P. Y. 1,09,00,000) 10% Compulsorily Convertible Preference Shares (CCPS) of ₹10/- each	109,000,000	109,000,000
Share Forfeited Account*	53,764	53,764
	314,149,194	292,349,194

* Share Forfeited Account represents 62,645 Partly paid Equity Shares of ₹2/- each (P.Y. 12,529 Partly paid Equity Shares of ₹10/- each) forfeited by the Company during the year 2003-04.

a. Reconciliation of the Share outstanding at the beginning and at the end of reporting period

Equity Shares	31st March, 2012		31st March, 2011	
	No. of Shares (₹ 2/- each)	Amount (₹)	No. of Shares (₹10/- each)	Amount (₹)
At the beginning of the period	91,647,715	183,295,430	9,629,543	96,295,430
On account of Conversion of Debentures in to Equity Shares during the year**	10,900,000	21,800,000	-	-
Issued during the year	-	-	8,700,000	87,000,000
Outstanding at the end of the period	102,547,715	205,095,430	18,329,543	183,295,430

** The Company at its Board meeting held on 13th June, 2011 has converted 15%, 21,80,000 fully convertible debentures into 21,80,000 equity shares of ₹10/- each fully paid up at a premium of ₹152.20 per share and allotted to M/s. Clearwater Capital Partners Singapore Fund III Private Limited. These equity shares allotted on conversion of Debentures (FCDs) ranks pari passu in all respects including as to dividend with the existing fully paid equity shares of the face value ₹10/- each of the Company subject to relevant provisions contained in Articles of Association of the Company.

Subsequently on 15th July, 2011 the Authorised Share Capital of the Company, Issued, Subscribed and Paid up Equity Shares of the face value of ₹10/- each has been sub-divided into the five equity shares of ₹2/- each. Consequently, 21,80,000 equity shares of ₹10/- each fully paid has been sub-divided into 1,09,00,000 equity shares of ₹2/- each fully paid.

10% Compulsorily Convertible Preference Shares (CCPS)

	31st March, 2012		31st March, 2011	
	No. of Shares (₹10/- each)	Amount (₹)	No. of Shares (₹10/- each)	Amount (₹)
At the beginning of the period	10,900,000	109,000,000	-	-
Issued during the Year	-	-	10,900,000	109,000,000
Outstanding at the end of the period	10,900,000	109,000,000	10,900,000	109,000,000

Notes to the Financial Statements (Continued) as at 31st March, 2012

b. Term / Right attached to equity Share

The Company has only one class of equity shares having a par value of Rs.2/- per share. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

The Board of Directors, in their meeting on 30th May, 2012, proposed a final dividend of Rs.0.44 per equity share. The proposal is subject to the approval of shareholders at the Annual General Meeting to be held on 25th August, 2012. The total dividend appropriation for the year ended 31st March, 2012 amounted to Rs.5,24,40,748/- including corporate dividend tax of Rs.73,19,753/-.

During the year ended 31st March, 2011, the amount of per share final dividend recognized as distributions to equity shareholders was Rs.0.36. The total dividend appropriation for the year ended 31st March, 2011 amounted to Rs.4,29,06,066/- including corporate dividend tax of Rs.59,88,889/-.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in the proportion to the number of equity shares held by the shareholders.

c. Terms of conversion / redemption of CCPS

The Company had issued 1,09,00,000 CCPS of Rs.10 each on 17th September, 2010. CCPS carry a cumulative dividend of 10% p.a. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

The Board of Directors, in their meeting on 30th May, 2012, proposed a final dividend of Re.1 per CCPS. The proposal is subject to the approval of shareholders at the Annual General Meeting to be held on 25th August, 2012. The total dividend appropriation for the year ended 31st March, 2012 amounted to Rs.1,26,68,253/- including corporate dividend tax of Rs.17,68,253/-.

During the year ended 31st March, 2011, the amount of per share final dividend recognized as distributions to CCP shareholders was Rs.0.54 (Re.1 per CCPS p.a. w.e.f. 17th September, 2010). The total dividend appropriation for the year ended 31st March, 2011 amounted to Rs.68,02,678/- including corporate dividend tax of Rs.9,49,527/-.

The CCPS shall be converted into equity shares in the ratio of five (5) new equity share of the face value of Rs.2/- each of the Company for every one (1) CCPS of the face value of Rs.10/- each credited as fully paid up.

Out of the total 1,09,00,000, 10% CCPS, 19,00,000 CCPS 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 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 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.

25% of above 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.

d. Share held by holding/ultimate holding company and/or their subsidiary/associates

None of the shares of the Company are held by the Subsidiaries, Associates or Joint Ventures of the Company.

e. Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

	31st March, 2012 No. of Shares	31st March, 2011 No. of Shares
Equity Share allotted as Fully paid bonus Share by capitalization of securities premium	-	-
Equity Share allotted as Fully paid-up of Face Value Rs.2/- each (previous year Rs.10/- each) pursuant to Scheme of Amalgamation	64,869,375	12,973,875
Compulsory Convertible Preference Share allotted as Fully paid-up pursuant to Scheme of Amalgamation.	10,900,000	10,900,000
Equity shares bought back by the company	-	-

**Notes to the Financial Statements (Continued)
as at 31st March, 2012**

f. Details of shareholders holding more than 5% shares in the company

	31st March, 2012		31st March, 2011	
	No. of Shares (₹2/- each)	% holding in the class	No. of Shares (₹ 10/- each)	% holding in the class
Equity Shares fully paid				
Clearwater Capital Partners Singapore III Pvt. Ltd.	10,900,000	10.63	-	-
Rajendra Somani	9,615,915	9.38	1,923,183	10.49
Susheel Somani	6,135,530	5.98	1,227,106	6.69
Sujata Parekh Kumar	5,341,005	5.21	1,088,245	5.94
Adarsh Somani	4,664,770	4.55	932,954	5.09

Compulsory Convertible Preference Shares of Rs.10/- each fully paid

	31st March, 2012		31st March, 2011	
	No. of Shares (₹10/- each)	% holding in the class	No. of Shares (₹ 10/- each)	% holding in the class
Rajendra Somani	4,567,995	41.91	4,567,995	41.91
Susheel Somani	3,008,835	27.60	3,008,835	27.60

As per records of company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

g. Shares reserved for issue under options

For details of shares reserved for issue on conversion of CCPS, please refer note 2(c) regarding terms of conversion / redemption of preference shares.

- h.** Pursuant to the approval received from the shareholders on 22nd March, 2011 regarding sub-division of equity shares of the Company from face value of Rs.10/- each to Rs.2/- each per share and consequent amendment in the authorised share capital of the Company, the Issued, Subscribed and Paid up Equity Shares of the Face Value of Rs.10/- each to face value of Rs.2/- each, 2,05,09,543 equity shares of Rs.10/- each have been sub-divided into 10,25,47,715 equity shares of Rs.2/- each on 15th July, 2011 i.e. record date fixed for the purpose of sub-division.

Consequently Earning Per Share (EPS) have been stated based on the post split face value of Rs.2/- each. EPS for the previous period has been re-worked on the basis of new face value of Rs.2/- per share for sake of comparability.

**Notes to the Financial Statements (Continued)
 as at 31st March, 2012**
3. Reserves & Surplus

	As at 31st March, 2012	As at 31st March, 2011
	₹	₹
Capital Reserves	<u>2,982,258,790</u>	<u>2,982,258,790</u>
Capital Redemption Reserve	<u>500,000</u>	<u>500,000</u>
Amalgamation Reserve	<u>13,109,745</u>	<u>13,109,745</u>
Securities Premium Reserves		
Balance as per last financial statements	176,803,666	176,803,666
Add: premium on conversion of Debentures	331,796,000	-
Closing Balance	<u>508,599,666</u>	<u>176,803,666</u>
General Reserve		
Balance as per last financial statements	684,850,483	634,850,483
Add: Transferred from Statement of Profit and Loss	50,000,000	50,000,000
Closing Balance	<u>734,850,483</u>	<u>684,850,483</u>
Surplus/(Deficit) in the statement of profit and loss		
Balance as per last financial statements	130,296,287	138,317,545
Excess Dividend Distribution Tax written back	4,817,355	2,454,121
Profit/(Loss) for the Year	118,470,414	89,233,364
Less:-Appropriations		
Proposed dividend on Equity Shares	(45,120,995)	(36,917,177)
Tax on above proposed dividend	(7,319,753)	(5,988,889)
Proposed dividend on Preference Shares	(10,900,000)	(5,853,151)
Tax on above proposed dividend	(1,768,253)	(949,527)
Transfer to General Reserve	(50,000,000)	(50,000,000)
Total appropriations	<u>(115,109,001)</u>	<u>(99,708,744)</u>
Net Surplus in the statement of profit and loss	<u>138,475,055</u>	<u>130,296,287</u>
Total reserves and surplus	<u>4,377,793,739</u>	<u>3,987,818,971</u>

Notes to the Financial Statements (Continued)
as at 31st March, 2012

4. Long Term Borrowings

	Non current		Current	
	31st March, 2012 ₹	31st March, 2011 ₹	31st March, 2012 ₹	31st March, 2011 ₹
Debentures				
NIL (P.Y. 21,80,000) 15% fully Convertible Debentures (Unsecured)	-	353,596,000	-	-
Term loans				
Indian rupee loan from banks (Unsecured)	189,261,579	154,666,109	49,318,777	46,490,648
Indian rupee loan from banks (Secured)	19,618,196	-	11,500,000	-
Vehicle Loans				
Deferred Payment Credit (Secured)	92,646	356,790	264,144	238,038
Other loans and advances				
Deferred Sales Tax (Unsecured)	18,362,000	12,914,448	-	-
Inter Corporate Deposit (Unsecured)	7,764,917	5,939,917	-	-
Fixed Deposits (Unsecured)	-	-	318,000	318,000
	235,099,338	527,473,264	61,400,921	47,046,686
The above amount includes				
Secured borrowings	19,710,842	356,790	11,764,144	238,038
Unsecured borrowings	215,388,496	527,116,474	49,636,777	46,808,648
Amount disclosed under the head "other current liabilities" (note 9)	-	-	(61,400,921)	(47,046,686)
Net amount	235,099,338	527,473,264	-	-

- a. The Company at its Board meeting held on 13th June, 2011 has converted 15%, 21,80,000 fully convertible debentures, issued on 14th December, 2009, into 21,80,000 equity shares of Rs.10/- each fully paid up at a premium of Rs.152.20 per share and allotted to M/s. Clearwater Capital Partners Singapore Fund III Private Limited. These equity shares allotted on conversion of Debentures (FCDs) ranks 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. Subsequently on 15th July, 2011 the Authorised Share Capital of the Company, Issued, Subscribed and Paid up Equity Shares of the face value of Rs.10/- each has been sub-divided into the five equity shares of Rs.2/- each. Consequently, 21,80,000 equity shares of Rs.10/- each fully paid has been sub-divided into 1,09,00,000 equity shares of Rs.2/- each fully paid.
- b. Indian Rupee Loan from banks (Unsecured) includes Term Loan amounting to Rs. 14,99,10,400/- taken during the year from Bank and carries interest @ Base Rate + 3%. The Loan is repayable in 82 monthly installments from September 2011 to June 2018 along with interest. Further, the said loan is guaranteed by the personal guarantee of three directors of the Company.
- c. Indian Rupee Loan from banks (Unsecured) includes Term Loan amounting to Rs. 8,86,69,956/- taken from Bank and carries interest @ BPLR + 4.75%. The Loan is repayable in 55 monthly installments starting from December 2009 along with interest. Further, the said loan is guaranteed by the Corporate guarantee and personal guarantee of two directors of the Company.
- d. Indian Rupee Loan from banks (Secured) represents Term Loan amounting to Rs. 3,11,18,196/- taken during the year from Bank and carries interest @ Base Rate + 5%. The Term Loan is secured by way of hypothecation / mortgage of land and building, plant and machinery installed / to be installed out of proposed new plant at Murbad. The said Loan is repayable in 16 Quarterly installments of Rs.28,75,000/- each and interest will be paid on monthly basis as and when charged. Further, the said loan is guaranteed by the Corporate guarantee and personal guarantee of three directors of the Company.
- e. Deferred payments credits represents Vehicle Loan amounting to Rs. 3,56,790/- taken from Bank and carries interest in the range of 10.35% to 10.69%. The Loan is repayable in 36 monthly installments starting from September 2010. The Loans are secured against hypothecation of Specific Capital Assets i.e. Motor Cars.
- f. Deferred sales tax represents the Certificate of Entitlement issued by the Joint Director of Industries, Konkan Division, Thane on the basis of section 89 of the Maharashtra Value Added Tax Act 2002 ("M V A T Act") read with rule 81 of the M.V.A.T. Rules 2005 in respect of the manufacturing unit located at Savroli, Post- Khopoli to defer the sales tax liability as per the returns/ assessment pertaining to the period from 01-July-2010 to 30-June-2012.
- The Company shall pay the entire amount in equal annual installments not exceeding five such installments on expiry of 10th year as referred to in clause (d) and also as per the provisions of Rules 81 M.V.A.T. Rules 2005.
- g. Fixed Deposits (Unsecured) represents Deposits borrowed from Public. The said deposit carries interest in the range of 6% to 15%.

Notes to the Financial Statements (Continued)
as at 31st March, 2012

5. Deferred Tax Liability (Net)

	As at 31st March, 2012	As at 31st March, 2011
	₹	₹
Deferred Tax Liability		
Fixed Assets: Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting	16,177,175	13,632,095
Gross Deferred Tax Liability	16,177,175	13,632,095
Deferred Tax Asset		
Provision for Gratuity / Leave Encashment	2,131,348	1,730,328
On expenses pertaining to Amalgamation to claimed under Sec. 35DD	7,410,138	7,562,551
Gross Deferred Tax Assets	9,541,486	9,292,879
Deferred Tax Liability (Net)	6,635,689	4,339,216

6. Other Long-Term Liabilities

Deposit Received		
From Subsidiary Companies (note 27(b))	20,500,000	20,500,000
From Others	95,687,900	112,187,816
	116,187,900	132,687,816

7. Provisions

	Long-Term		Short-Term	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
	₹	₹	₹	₹
Provision For Employee Benefits				
Provision for Gratuity (note 25)	4,710,000	4,897,000	1,228,000	-
Provision For Leave Encashment (note 25)	1,425,000	1,451,076	336,000	128,924
	6,135,000	6,348,076	1,564,000	128,924
Other Provisions				
Proposed Equity Dividend	-	-	45,120,995	36,917,177
Provision for tax on proposed equity dividend	-	-	7,319,753	5,988,889
Proposed Preference Dividend	-	-	10,900,000	5,853,151
Provision for tax on proposed preference dividend	-	-	1,768,253	949,527
Provision for Income Tax	-	-	5,264,737	10,792,244
	-	-	70,373,738	60,500,988
	6,135,000	6,348,076	71,937,738	60,629,912

Notes to the Financial Statements (Continued)
as at 31st March, 2012
8. Short Term Borrowings

	As at 31st March, 2012 ₹	As at 31st March, 2011 ₹
Cash Credit from banks (Secured)	24,819,332	7,613,504
Working Capital Demand Loan from Bank (Secured)	16,500,000	-
Buyers Credit (Secured)	46,230,129	63,593,292
Bill Discounting (Unsecured)	7,659,592	-
	<u>95,209,053</u>	<u>71,206,796</u>

The above amount includes

Secured Borrowings	87,549,461	71,206,796
Unsecured Borrowings	7,659,592	-
	<u>95,209,053</u>	<u>71,206,796</u>

Working Capital Loans represents Cash Credit and Working Capital Demand Loan from Bank and carries interest @ Base rate + 5%. The said facility is repayable on demand. The facility is secured by first charge on entire current assets, present and future, including entire stocks, book debts, loans and advances, etc. Further, the said loan is guaranteed by the Corporate guarantee and personal guarantee of three directors of the Company.

Buyers Credit represents Foreign Currency Buyers Credit from Bank. The facility is secured by first charge on entire current assets, present and future, including entire stocks, book debts, loans and advances, etc. Further, the said loan is guaranteed by the Corporate guarantee and personal guarantee of three directors of the Company. The usance period of the said facility is upto 180 days.

Bill Discounting (Unsecured) represents bills discounted with Bank and carries interest @ Base rate + 0.75%. The usance period of said facility is upto 180 days.

9. Other Current Liabilities

	As at 31st March, 2012 ₹	As at 31st March, 2011 ₹
Trade payables (other than MSMED Act)	51,522,195	37,837,824
	<u>51,522,195</u>	<u>37,837,824</u>
Other Liabilities		
Liability for Expenses	10,786,920	9,590,174
Sundry Creditors for Capital Asset	-	36,891,448
Current maturities of long-term borrowing (note 4)	61,400,921	47,046,686
Unclaimed Dividends	1,009,382	960,340
Deposit Received		
From Subsidiary Companies (note 27(b))	-	-
From Other Companies	21,900,000	21,050,000
Interest accrued and due on borrowings	634,377	348,524
Statutory Dues Payable	3,833,432	3,848,965
Income received in advance	71,805	59,837
Calls in Advance	3,610	3,610
Other Payable	22,841,419	23,885,052
	<u>122,481,866</u>	<u>143,684,636</u>
	<u>174,004,062</u>	<u>181,522,460</u>

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.

Notes to the Financial Statements (Continued)
as at 31st March, 2012

10. FIXED ASSETS

(Amount in ₹)

DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As on 1st April 2011	Additions during the year	Deductions during the year	As on 31st March, 2012	Upto 31st March 2011	For the Year	Deductions during the year	Total Upto 31st March 2012	As on 31st March, 2012	As on 31st March 2011
Leasehold Land	6,135,150	-	-	6,135,150	72,009	86,410	-	158,419	5,976,731	6,063,141
Freehold Land	576,814	-	-	576,814	-	-	-	-	576,814	576,814
Buildings	72,480,337	2,628,808	-	75,109,145	30,044,143	4,440,662	-	34,484,805	40,624,340	42,436,194
Residential Flats	473,475	-	-	473,475	314,150	7,966	-	322,116	151,359	159,326
Plant and Machinery	232,516,192	42,603,398	-	275,119,590	168,512,831	9,246,529	-	177,759,360	97,360,230	64,003,360
Electric Installations	2,278,553	1,287,671	-	3,566,224	995,745	288,302	-	1,284,047	2,282,176	1,282,808
Office Equipments	5,843,558	51,788	-	5,895,346	5,068,183	98,021	-	5,166,203	729,143	775,375
Computer	5,035,896	148,126	-	5,184,022	4,503,887	202,365	-	4,706,252	477,769	532,009
Furniture and Fixtures	7,589,821	1,260,495	-	8,850,316	5,046,941	577,022	-	5,623,963	3,226,353	2,542,880
Vehicles	18,914,569	-	1,593,603	17,320,966	14,794,889	909,354	759,330	14,944,913	2,376,053	4,119,680
Fire Fighting Equipments	467,729	19,748	-	487,477	389,025	12,270	-	401,295	86,182	78,703
Laboratory Equipments	1,533,450	-	-	1,533,450	1,160,508	49,410	-	1,209,918	323,531	372,941
Weighing Machines	872,563	-	-	872,563	825,939	6,049	-	831,988	40,575	46,625
TOTAL	354,718,106	48,000,034	1,593,603	401,124,537	231,728,249	15,924,361	759,330	246,893,280	154,231,257	122,989,857
As at 31st MARCH, 2011	310,029,615	48,196,806	3,508,315	354,718,106	220,294,383	14,214,764	2,780,891	231,728,249	122,989,857	-

Note:

- Building includes Rs.3,42,08,890/- pursuant to the scheme of amalgamation with Scientific Vacuum Coating Pvt Ltd with the Company.
- Residential flats includes deposit for Shares in Co-operative Society Rs.5,000/-.
- Office equipment includes Rs.11,030/- pursuant to the scheme of amalgamation with Naman Tradevest Pvt Ltd. and Zeuxite Investments Pvt Ltd. with the Company.
- During the year, 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



ORICON
ENTERPRISES LTD.

**Notes to the Financial Statements (Continued)
as at 31st March, 2012**

11. Non Current Investments

	As at 31st March, 2012 ₹	As at 31st March, 2011 ₹
Non-Trade investment (valued at cost unless stated otherwise)		
A. Unquoted Investment		
Investment in Equity Instrument		
Investment in Subsidiary		
50,00,000 shares (previous year 50,00,000 shares) of Rs.10/- each fully paid up in Shinrai Auto Services Ltd.	50,000,000	50,000,000
61,20,000 shares (previous year 61,20,000 shares) of Rs.10/- each fully paid up in Oricon Properties Pvt. Ltd. (Formerly known as National Cotton Products Pvt. Ltd.)	1,594,066,696	1,594,066,696
29,69,552 shares (previous year 29,69,552 shares) of Rs.10/- each fully paid up in United Shippers Ltd.	1,954,150,815	1,954,150,815
Investment in Joint ventures		
32,46,192 shares (previous year 32,46,192 shares) of Rs.10/- each fully paid up in Equity shares of Oriental Containers Ltd.	308,866,364	308,866,364
Investment in Limited Liability Partnership Firm (Joint Venture)		
Claridge Energy LLP	5,000,000	5,000,000
Add: Share in Profit of LLP	230,880	-
Other Investments (Fully Paid Up)		
10 shares (previous year 10 shares) of Rs.10/- each fully paid up in Equity Shares of New India Co-operative Bank Ltd.	102	102
875 shares (previous year 875 shares) of Rs. 100/- each fully paid up in Equity Shares of Madhavpura Mercantile Co-operative Bank Ltd.	87,500	87,500
1,000 shares (previous year 1,000 shares) of Rs.10/- each fully paid up in Equity Shares of Saraswat Co-operative bank	10,000	10,000
B. Unquoted Preference Shares		
NIL (previous year 130,000 shares) of Rs.100/- each fully paid up in 14.5% Redeemable Cumulative Preference Shares in Excel Glasses Ltd.	-	13,000,000
C. Quoted : Equity Shares		
39,287 shares (previous year 39,287 shares) of Rs.10/- each fully paid up in Soma Paper Mills Ltd.	1,719,409	1,719,409
32,500 shares (previous year 32,500 shares) of Rs.10/- each fully paid up in Kopran Ltd.	103,413	103,413
24 shares (previous year 24 shares) of Rs.100/- each fully paid up in Bayer Crop Science Ltd.	2,219	2,219
13 shares (previous year 13 shares) of Rs.10/- each fully paid up in Indian Dyestuff Industries Ltd.	447	447
25,500 shares (previous year 25,500 shares) of Rs.10/- each fully paid up in IMP Power Ltd.	6,581,526	6,581,526
Total	<u>3,920,819,372</u>	<u>3,933,588,492</u>
Aggregate amount of Quoted Investments	8,407,014	8,407,014
Aggregate amount of Unquoted Investments	3,912,412,357	3,925,181,478
Market Value of Quoted Investments	1,839,959	2,441,975

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.

**Details of Investment in LLP
Investment in Claridge Energy**

	31st March, 2012	31st March, 2011
Name of the partner and share in profits (%)		
Oricon Enterprises Ltd.	50	50
Vinod Pareek	25	25
Rashmi Pareek	25	25
Total Capital of the Firm (Rs.)	10,000,000	10,178,000

Notes to the Financial Statements (Continued)
as at 31st March, 2012
12. Loans and Advances

	Non-Current		Current	
	As at 31st March, 2012 ₹	As at 31st March, 2011 ₹	As at 31st March, 2012 ₹	As at 31st March, 2011 ₹
Capital Advances				
Unsecured, Considered good	5,250,000	5,501,484	-	-
(A)	<u>5,250,000</u>	<u>5,501,484</u>	<u>-</u>	<u>-</u>
Security Deposit				
Unsecured, Considered good				
To Subsidiaries (note 27(b))	30,000,000	30,000,000	-	-
To Others	246,301,936	244,318,063	-	-
(B)	<u>276,301,936</u>	<u>274,318,063</u>	<u>-</u>	<u>-</u>
Loans & advances to related parties (note 27(b))				
Unsecured, Considered good	350,000,000	181,000,000	367,126,375	466,691,609
(C)	<u>350,000,000</u>	<u>181,000,000</u>	<u>367,126,375</u>	<u>466,691,609</u>
Advances recoverable in cash or in kind				
Unsecured, Considered good	12,883,030	13,134,358	45,154,384	25,596,927
(D)	<u>12,883,030</u>	<u>13,134,358</u>	<u>45,154,384</u>	<u>25,596,927</u>
Other loans and advances				
Advance Income tax (including refund receivable)	5,975,173	7,177,321	-	-
Loans to employees	-	-	3,382,632	3,721,107
Balances with Statutory / Government Authorities				
Balance with Excise Authorities	1,150,932	1,150,932	11,867,962	8,299,191
MVAT Receivable	708,760	708,760	14,056	-
(E)	<u>7,834,865</u>	<u>9,037,013</u>	<u>15,264,650</u>	<u>12,020,298</u>
TOTAL (A + B + C + D + E)	<u>652,269,831</u>	<u>482,990,919</u>	<u>427,545,409</u>	<u>504,308,834</u>
Loans to employee include				
Dues from Directors	-	-	-	-
Dues from Officers	-	-	3,182,632	3,521,107
Dues from Workers	-	-	200,000	200,000
Loans and advances to related parties include				
Dues from Limited Liability Partnership Firm				
Claridge Energy LLP	-	-	34,647,134	38,059,534
Dues from Oricon Properties Private Limited, Subsidiary Company	300,000,000	160,000,000	222,320,754	90,693,899
Dues from Shinrai Auto Services Limited, Subsidiary Company	50,000,000	21,000,000	64,937,244	190,499,999
Dues from Oriental Containers Limited, Joint Venture	-	-	14,900,000	100,400,000
Dues from Kopran Limited	-	-	30,321,243	47,038,177
Security Deposit from Subsidiary include				
Dues from Oricon Properties Private Limited, Subsidiary Company	30,000,000	30,000,000	-	-

Notes to the Financial Statements (Continued)
as at 31st March, 2012
13. Other Assets

	Non-Current		Current	
	As at 31st March, 2012 ₹	As at 31st March, 2011 ₹	As at 31st March, 2012 ₹	As at 31st March, 2011 ₹
Unsecured, Considered Good unless stated otherwise				
Non-current Bank Balances (note 16)	213,445	-	-	-
(A)	213,445	-	-	-
Others				
Interest accrued on fixed deposits	12,263	-	198,388	355,843
Rent Receivable	-	-	39,512,981	24,112,541
Others	-	-	3,000,000	-
(B)	12,263	-	42,711,369	24,468,384
Total (A + B)	225,708	-	42,711,369	24,468,384

14. Inventories

(As taken, valued and certified by the Managing Director)
 (Valued at cost or net realisable value, whichever is lower)

Raw Materials	15,411,903	9,105,167
Finished goods	10,650,941	5,830,859
Store and spares	6,551,697	3,685,369
Shares	1,256,323	1,386,202
Fuel	375,444	247,710
	34,246,308	20,255,307

15. Trade Receivables and other assets

Unsecured, Considered good (unless stated otherwise)

Outstanding for a period exceeding six months from the date they are due for payment

Unsecured, Considered good	9,918,312	37,583,785
Other receivables		
Unsecured, Considered good	141,478,671	82,164,031
	151,396,983	119,747,816

16. Cash and bank balances

	Non-Current		Current	
	31st March, 2012 ₹	31st March, 2011 ₹	31st March, 2012 ₹	31st March, 2011 ₹
Cash and cash equivalents				
Balances with banks:				
On current accounts			469,725	1,779,176
On Unpaid dividend account			1,009,382	960,340
Cash on hand			1,307,064	1,156,795
			2,786,171	3,896,311
Other bank balances				
Margin Money deposit with original maturity for more than 12 months	213,445	-	-	-
Margin Money deposit with original maturity for more than 3 months but less than 12 months	-	-	10,919,304	13,779,240
	213,445	-	10,919,304	13,779,240
Amount disclosed under Non-current Assets (note 13)	(213,445)	-	-	-
	-	-	13,705,475	17,675,551

**Notes to the Financial Statements (Continued)
 for the year ended 31st March, 2012**
17. Revenue from operations

	31st March, 2012 ₹	31st March, 2011 ₹
Sales of products		
Finished Goods	357,896,095	234,900,297
Traded Goods	176,436,671	259,482,384
Revenue from operations (gross)	<u>534,332,766</u>	<u>494,382,681</u>
Less : Excise Duty	32,855,344	22,466,085
Revenue from operations(net)	<u><u>501,477,422</u></u>	<u><u>471,916,596</u></u>
Details of Products Sold		
Finished Goods Sold		
Petrochemicals Products	283,055,520	205,291,658
Pet Bottle	24,476,474	-
Liquid Colorants	17,508,757	7,142,554
	<u>325,040,751</u>	<u>212,434,212</u>
Trading Goods Sold		
Chemicals	156,145,036	120,492,843
S S Sheets & Plate	-	93,327,822
Rice Husk	17,066,732	11,309,748
Tin Free Steel Sheets	-	28,042,554
Others	3,224,903	6,309,417
	<u>176,436,671</u>	<u>259,482,384</u>
	<u><u>501,477,422</u></u>	<u><u>471,916,596</u></u>

18. Other Income

Rent Received	126,628,073	142,323,243
Interest income on		
Bank Deposits	919,701	1,132,922
Others	84,112,269	82,364,632
Dividend Income on		
Investment in Subsidiary	29,695,520	14,847,760
Long Term Investment	25,500	-
Miscellaneous Income	341,875	4,324,827
Profit / (Loss) from Limited Liability Partnership (LLP) Claridge Energy	230,880	-
	<u>241,953,818</u>	<u>244,993,384</u>

19. Cost of Raw Material and components consumed

Inventory at the beginning of the year	9,105,167	3,809,168
Add: Purchases	252,200,570	166,406,189
	<u>261,305,737</u>	<u>170,215,357</u>
Less: Inventory at the end of the year	15,411,903	9,105,167
Cost of raw material and components consumed	<u>245,893,834</u>	<u>161,110,191</u>
Details of Raw Material & Components Consumed		
Mix Pentane	213,798,985	156,738,583
Base Colour	12,551,382	4,371,608
Pet Resin	19,381,804	-
Others	161,663	-
	<u>245,893,834</u>	<u>161,110,191</u>

**Notes to the Financial Statements (Continued)
 for the year ended 31st March, 2012**

	31st March, 2012	31st March, 2011
	₹	₹
Details of Inventory		
Raw Materials & Components		
Mix Pentane	3,317,769	3,316,976
Base Colour	11,016,373	4,683,937
Pet Resign	1,077,761	943,034
Others	-	161,220
	<u>15,411,903</u>	<u>9,105,167</u>
20. Increase / (Decrease) in Inventories		
Inventories at the end of the year		
Finished Goods	10,650,941	5,830,859
Traded Goods	1,256,323	1,386,202
	<u>11,907,264</u>	<u>7,217,061</u>
Inventories at the beginning of the year		
Finished Goods	5,830,859	1,953,415
Traded Goods	1,386,202	443,014
	<u>7,217,061</u>	<u>2,396,429</u>
(Increase)/Decrease in Inventories	<u>(4,690,203)</u>	<u>(4,820,632)</u>
Details of Purchase of Traded Goods		
Chemicals	153,083,368	118,137,122
S S Sheets & Plate	-	93,276,766
Rice Husk	16,732,080	11,087,910
Tin Free Steel Sheets	-	27,478,804
Others	3,165,338	7,012,170
	<u>172,980,786</u>	<u>256,992,772</u>
Details of Inventory		
Finished Goods		
Petrochemicals Products	6,099,156	5,830,859
Pet Bottle	4,543,240	-
Liquid Colorants	8,545	-
	<u>10,650,941</u>	<u>5,830,859</u>
Traded Goods		
Shares	1,256,323	1,386,202
	<u>1,256,323</u>	<u>1,386,202</u>
21. Employee benefit expenses		
Salary, Wages & Bonus	19,479,693	16,668,530
Company's contribution to Provident and other Funds	1,581,537	1,364,121
Gratuity (note 25)	1,041,000	87,702
Staff Welfare Expenses	2,679,265	1,650,604
	<u>24,781,495</u>	<u>19,770,957</u>

**Notes to the Financial Statements (Continued)
for the year ended 31st March, 2012**

22. Other expenses

	31st March, 2012	31st March, 2011
	₹	₹
Consumption of Stores, Spares	6,419,981	2,583,601
Power and Fuel	17,364,704	13,936,000
Rent	2,102,010	2,777,496
Transportation and Forwarding	585,825	(739,009)
Repairs and Maintenance :		
Building	4,426,624	2,026,567
Plant & Machinery	399,184	1,450,000
Others	1,265,167	1,063,799
Insurance	1,246,257	656,267
Rates and Taxes	1,695,246	1,830,646
Excise Duty	461,667	476,154
Directors Sitting Fees	320,000	335,000
Sundry balances written off (Net)	1,701,661	322,337
Donation	120,253	445,302
Brokerage & Commission	1,013,450	97,535
Legal & Professional Charges	13,582,657	12,101,421
Loss on sale of Fixed Assets	582,079	17,416
Loss on sale of Long Term Investment	-	5,790
Sales tax paid for earlier years	-	5,333
Vehicle Expenses	5,263,883	4,772,877
Foreign Exchange Fluctuation	231,642	84,865
Rebate & Discount	75,603	188,549
Payment to Auditor (Refer details below)	900,000	1,213,300
Miscellaneous Expenses	9,680,862	8,909,124
	<u>69,438,755</u>	<u>54,560,369</u>
Payment to Auditor		
As Auditor:		
Audit Fee	600,000	551,500
Tax Audit Fee	-	110,300
In Other Capacity:		
Taxation Matters	300,000	330,900
Other Services (Certification Fees)	-	220,600
	<u>900,000</u>	<u>1,213,300</u>
23. Finance costs		
Interest Expenses		
Debentures	10,607,880	53,039,400
Term Loans	35,357,831	30,659,337
Others	4,931,060	2,878,458
Bank Charges	2,155,431	557,933
Other Finance Cost	2,947,811	-
	<u>56,000,013</u>	<u>87,135,128</u>

**Notes to the Financial Statements (Continued)
for the year ended 31st March, 2012**

24 Earnings per Share

Particulars	Year ended March 2012	Year ended March 2011
(a) Profit after Taxation	118,470,414	89,233,364
(b) Less - Preference Dividend	12,668,253	6,802,678
(c) Profit after taxation and preference dividend	105,802,161	82,430,685
Basic EPS		
Weighted average number of equity shares of Rs.2/- each	100,373,671	91,647,715
Weighted average number of equity shares of Rs.2/- each in share capital suspense	-	-
(d) Total weighted average number of equity shares of Rs.2/- each	100,373,671	91,647,715
Earnings per share (EPS), - Basic Earnings per share on Profit after taxation (Rs.) [(c) / (d)]	1.05	0.90
Diluted EPS		
Weighted average number of equity shares of Rs.2/- each	100,373,671	91,647,715
Weighted average number of equity shares of Rs.2/- each in share capital suspense	-	-
Weighted average number of potential equity shares of Rs.2/- each on account of Compulsorily Convertible Preference Shares (CCPS)	54,500,000	54,500,000
(e) Total weighted average number of equity shares of Rs.2/- each	154,873,671	146,147,715
(f) Earnings per share (EPS), - Diluted Earnings per share on Profit after taxation (Rs.) [(a) / (e)]	0.76	0.61

Note: (a) During the year, on 15th July, 2011 the Authorised Share Capital of the Company, Issued, Subscribed and Paid up Equity Shares of the face value of Rs.10/- each has been sub-divided into the five equity shares of Rs.2/- each. Consequently, weighted average number of equity shares have been considered at the face value of Rs.2/- each fully paid up for the purpose of calculation of Earning Per Share (EPS) and accordingly EPS have been stated based on the post split face value of Rs.2/- each. EPS for the previous year ended 31st March, 2011 has been re-worked on the basis of new face value of Rs.2/- per share for sake of comparability.

(b) 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 for previous year in accordance with AS 20.

25 Employment Benefit Plan

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.3,24,200/- (Previous period Rs.3,08,700/-) towards Superannuation Scheme with Life Insurance Corporation of India and Rs.12,57,337/- (Previous period Rs.10,55,421/-) 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

Particulars	Year ended 31st March, 2012	Year ended 31st March, 2011	Year ended 31st March, 2012	Year ended 31st March, 2011
	Gratuity (%)	Gratuity (%)	Leave Encashment (%)	Leave Encashment (%)
Discount Rate Current	8%	8%	8%	8%
Rate of Increase in Compensation Levels	6%	6%	6%	6%

**Notes to the Financial Statements (Continued)
for the year ended 31st March, 2012**

ii. Table Showing Change in Benefit Obligation

Particulars	Year ended 31st March, 2012	Yearended 31st March, 2011	Year ended 31st March, 2012	Yearended 31st March, 2011
	Gratuity (₹)	Gratuity (₹)	Leave Encashment (₹)	Leave Encashment (₹)
Projected Benefit Obligations (PBO) at the beginning of the year	4,897,000	4,868,000	1,580,000	1,495,000
Interest Cost	391,760	387,092	121,243	115,931
Service Cost	337,515	288,069	155,205	135,594
Benefits paid	-	(58,702)	(128,924)	(91,719)
Actuarial (gain) / loss on Obligations	311,725	(587,459)	33,476	(74,806)
Projected Benefit Obligations (PBO) at the end of the year	5,983,800	4,897,000	1,761,000	1,580,000
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	-	58,702	128,924	91,719
Benefits paid	-	(58,702)	(128,924)	(91,719)
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 year	-	-	-	-
Actual return on Plan Assets	-	-	-	-
Contributions	-	58,702	128,924	91,719
Benefits paid	-	(58,702)	(128,924)	(91,719)
Fair value of Plan Assets at the end of the year	-	-	-	-
V. Funded Status				
Funded Status	(5,938,000)	(4,897,000)	(1,761,000)	(1,580,000)
VI. Limits of Corridor not considered since total actuarial gain/loss is being recognised				
Actuarial (loss) for the year - Obligation	(311,725)	587,459	(33,476)	74,806
Actuarial gain (loss) for the year - Plan Assets	-	-	-	-
Sub-Total	(311,725)	587,459	(33,476)	74,806
Actuarial loss recognised	311,725	(587,459)	33,476	(74,806)
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	5,938,000	4,897,000	1,761,000	1,580,000
Fair value of Plan Assets	-	-	-	-
Difference	5,938,000	4,897,000	1,761,000	1,580,000
Unrecognised Actuarial gains (losses)	-	-	-	-
Unrecognised Transitional Liability	-	-	-	-
Liability Recognised in Balance Sheet	5,938,000	4,897,000	1,761,000	1,580,000
VIII. Net Periodic Cost				
Current Service Cost	337,515	288,069	155,205	135,594
Interest Cost	391,760	387,092	121,243	115,931
Expected Return on Plan Assets	-	-	-	-
Net Actuarial (gain) loss recognised in the period	311,725	(587,459)	33,476	(74,806)
Expenses Recognised in the Income Statement	1,041,000	87,702	309,924	176,719
IX. Movements in the liability recognised in the Balance Sheet:				
Opening Net Liability	4,897,000	4,868,000	1,580,000	1,495,000
Expense as above	1,041,000	87,702	309,924	176,719
Contributions paid	-	(58,702)	(128,924)	(91,719)
Closing Net Liability	5,938,000	4,897,000	1,761,000	1,580,000

**Notes to the Financial Statements (Continued)
 for the year ended 31st March, 2012**
26 Segment Reporting

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, 2012 is given as follows:

(a) Business Segments

(Amount in ₹)

Particulars	Petrochemicals		Trading		Liquid Colorants		Pet Bottle		Total	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011
REVENUE :										
External Revenue	283,055,520	205,291,658	176,436,670	259,482,384	17,508,757	7,142,554	24,476,474	-	501,477,421	471,916,596
Inter-segment Revenue	-	-	-	-	-	-	-	-	-	-
Total Revenue	283,055,520	205,291,658	176,436,670	259,482,384	17,508,757	7,142,554	24,476,474	-	501,477,421	471,916,596
RESULT										
Segment Result	32,574,336	20,273,814	3,326,005	3,432,800	(2,030,266)	(4,337,219)	(3,124,187)	-	30,745,888	19,369,395
(Less) / Add : Unallocable Income / (Expenses)									98,221,112	111,656,678
(Net of unallocable Expenses)										
Less: Interest Expenses									(50,896,771)	(86,577,195)
Add: Interest Income									85,031,970	83,497,554
Profit Before Prior Period Adjustments/(Add): Prior Period Adjustments									163,102,199	127,946,431
Profit Before Taxation & exceptional item									(1,744)	(238,613)
Less: Provision for Current Tax									163,103,943	128,185,044
Less: Provision for Deferred Tax									41,500,000	39,300,000
Less: Income/fringe benefit tax for earlier years									2,296,473	(332,303)
Less: MAT Credit Entitlement									837,056	(16,016)
Profit After taxation before exceptional item									-	-
Exceptional items (Net of Tax)									118,470,414	89,233,364
Profit After taxation									-	-
									118,470,414	89,233,364
OTHER INFORMATION										
Segment Assets	96,136,509	82,337,362	99,329,542	83,312,000	44,048,596	67,969,656	74,166,648	-	313,681,295	233,619,018
Unallocable Assets									5,083,470,417	5,030,756,687
Total Assets									5,397,151,712	5,264,375,705
Segment Liabilities	29,021,374	22,793,303	47,271,455	92,801,000	348,517	5,361,378	2,271,169	36,891,448	78,912,515	157,847,129
Unallocable Liabilities									252,948,951	193,548,112
Total Liabilities									331,861,466	351,395,242
Capital Expenditure										
Segment Capital Expenditure	46,647	1,736,428	-	-	156,976	25,235,436	8,019,319	-	8,222,941	26,971,864
Unallocable Capital Expenditure									1,175,059	39,417,205
Total Capital Expenditure									9,398,001	66,389,069
Depreciation/Amortisation										
Segment Depreciation/Amortisation	3,628,384	3,656,227	-	-	1,572,166	2,443,838	3,483,088	-	8,683,638	6,100,065
Unallocable Depreciation / Amortisation									7,240,723	8,114,699
Total Depreciation/Amortisation									15,924,361	14,214,764

Notes to the Financial Statements (Continued) for the year ended 31st March, 2012
B DETAILS OF TRANSACTIONS BETWEEN THE COMPANY & RELATED PARTIES & THE STATUS OF OUTSTANDING BALANCES AS ON 31st March, 2012 (Amount in ₹)

Nature of Transaction	SASL (Subsidiary)	USL (Subsidiary)	OCL (Joint Venture)	OPPL (Subsidiary)	Kopran Limited	Shree Gayatri Trust	Claride Energy LLP Total Joint Venture w.e.f. 14.07.2010	Total
a. Interest Earned	17,515,716 (21,078,997)	-	-	60,388,680 (48,239,090)	4,092,296 (3,540,630)	-	-	81,996,692 (74,734,528)
b. Rent Expense	-	-	-	360,000 (360,000)	-	-	(1,875,811)	360,000 (1,200,000)
c. Rent Income	36,000,000 (36,000,000)	-	3,600,000 (3,600,000)	-	18,000,000 (18,000,000)	-	-	57,600,000 (57,600,000)
d. Repairs & Maintenance (Rates & Taxes)	-	-	-	-	-	(360,000)	-	(360,000)
e. Dividend Received	-	29,695,520 (14,847,760)	-	-	-	-	-	29,695,520 (14,847,760)
f. Remuneration to Key Management Personnel	-	-	-	-	-	-	-	-
g. Investment in Capital of Partnership Firm (LLP)	-	-	-	-	-	-	-	-
h. Loans & Advances Given	100,764,144 (128,971,096)	-	-	365,412,254 (167,861,758)	52,083,066 (103,186,567)	-	(5,000,000)	524,347,064 (438,278,955)
i. Receipts towards Loans & Advances Given	197,326,899 (67,188,109)	-	85,500,000 (25,206,949)	93,785,399 (222,130,000)	68,800,000 (57,000,000)	-	9,500,000	454,912,298 (371,497,058)
j. Loans & Advance Taken	-	-	-	-	-	-	-	-
k. Payment towards Loans & Advances taken	-	-	-	-	-	-	-	-
l. Deposit Paid	-	-	-	-	-	-	-	-
m. Receipts towards Deposit paid	-	-	-	-	-	-	-	-
n. Repairs of Vehicles	133,119 (271,434)	-	-	-	-	-	-	133,119 (271,434)
o. Sale of goods	-	-	15,683,135 (35,434,788)	-	123,065,456 (135,406,679)	-	-	138,748,591 (170,841,467)
p. Purchase of Fixed Assets	-	-	-	-	-	-	-	-
q. Investment in Equity shares	-	-	-	-	-	-	-	-
r. Reimbursement towards currency exchange fluctuation	-	-	(-673,061)	-	(-1,846,490)	-	-	(-2,519,551)
s. Receipts towards Sale of goods /services	-	-	42,750,758 (58,777,912)	-	78,611,819 (121,570,511)	-	-	121,362,577 (180,348,423)
t. Balances as on 31st March, 2012								
1. Loans & Advances given	114,937,244 (211,499,999)	-	14,900,000 (100,400,000)	522,320,754 (250,693,899)	30,321,243 (47,038,177)	-	34,647,134 (98,059,534)	717,126,375 (647,691,609)
2. Debtors / Other Receivables	3,009,000 (3,009,000)	-	4,428,068 (31,265,277)	-	85,069,581 (40,615,944)	-	-	92,506,649 (74,890,221)
3. Deposits Received	20,500,000 (20,500,000)	-	-	-	-	-	-	20,500,000 (20,500,000)
4. Deposits paid	-	-	-	30,000,000 (30,000,000)	-	-	-	30,000,000 (30,000,000)
5. Investment in Equity Shares	50,000,000 (50,000,000)	1,954,150,815 (1,954,150,815)	308,866,364 (308,866,364)	1,594,066,696 (1,594,066,696)	103,413 (103,413)	-	-	3,907,187,288 (3,907,187,288)
6. Investment in Capital of Partnership Firm (LLP)	-	-	-	-	-	-	5,000,000 (5,000,000)	5,000,000 (5,000,000)
7. Creditors for expenses	-	(67,313)	-	(81,000)	-	(3,076,960)	-	(3,225,273)

**Notes to the Financial Statements (Continued)
 for the year ended 31st March, 2012**
28 Estimated amount of contracts remaining to be executed

	31st March, 2012	31st March, 2011
	₹	₹
Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of Advances)	-	-

29 Contingent Liability

Contingent Liabilities not provided for in respect of:

a) Guarantees given by Company's Bankers and counter guaranteed by the Company	-	-
b) Disputed demands of Excise Duty	12,573,094	12,573,094
c) Income Tax demands disputed in appeals	9,221,074	9,221,074
d) Assignment of sales tax liability	256,497,454	260,107,542
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	100,780,863	101,158,000

30 During the year, the Company has received a notice from Reserve Bank of India for contraventions of provisions of Foreign Exchange Management Act, 1999 in relation to foreign inward remittance of Rs.353,596,036/- in the year 2009 - 2010, giving Company an opportunity to make a compounding application to Reserve Bank of India. The Company filed a compounding application with Reserve Bank of India pursuant to which a personal hearing in the matter was held on 21st March, 2012 with the Compounding Authority and the final order from the Compounding Authority is still awaited. The Management does not expect a liability in this regard.

31 Some of the balances of Trade Receivables, Deposits, Loans & Advances, Trade Payables, Liability for Expenses and Capital Assets are subject to confirmation from the respective parties and consequential reconciliation/adjustment arising there from, if any. The management, however, does not expect any material variation.

32 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.

33 Sundry Debit balances written off (Net) amounting to Rs. 17,01,661/- are net of sundry credit balances written back amounting to Rs. 7,17,103/- (Previous Year Sundry Debit balance written off (Net) amounting to Rs. 3,22,337/- are net of sundry credit balances written back amounting to Rs.10,929/-).

**Notes to the Financial Statements (Continued)
for the year ended 31st March, 2012**

34 Disclosures related to Accounting Standard 27 - "Financial Reporting of Interests in Joint Ventures"

- (a) OCL is a jointly controlled entity with 30% voting power, incorporated in India, in accordance with Accounting Standard (AS) 27 "Financial Reporting of Interests in Joint Ventures". The aggregate amounts related to Company's interest in the joint venture are as follows.

Particulars	31st March, 2012 ₹	31st March, 2011 ₹
Assets	853,416,883	846,899,828
Reserve & Surplus	369,369,428	349,234,279
Liabilities	225,841,343	241,982,725
Income	847,400,671	739,210,571
Expenses	827,265,522	713,176,153
Dividend received	-	-
Contingent Liability	660,082	986,497
Capital commitments	410,958	-
Unfulfilled export commitments	212,717,415	253,814,706

- (b) Claridge Energy LLP is a jointly controlled entity, incorporated in India, in accordance with Accounting Standard (AS) 27 "Financial Reporting of Interests in Joint Ventures". The aggregate amounts related to Company's interest in the joint venture are as follows.

Particulars	31st March, 2012 ₹	31st March, 2011 ₹
Assets	60,247,862	24,953,813
Reserve & Surplus	230,880	-
Liabilities	2,133,627	19,864,813
Income	40,023,056	1,288,863
Expenses	39,792,175	1,288,863
Dividend received	-	-
Contingent Liability	-	-
Capital commitments	-	-

35 CIF Value of Imports

	31st March, 2012 ₹	31st March, 2011 ₹
Goods (Raw Material)	18,883,818	10,034,158
Goods (Packing Material & Stores)	5,671,389	4,361,966
Goods (Trading)	153,313,782	141,582,954
	<u>177,868,989</u>	<u>155,979,078</u>

36 Expenditure in Foreign Currency

	31st March, 2012 ₹	31st March, 2011 ₹
Debenture Interest	10,607,880	53,039,400
Legal & Professional Fees	-	483,131
Travelling & Others	394,608	405,770
	<u>11,002,488</u>	<u>53,928,301</u>

37 Earnings in Foreign Currency

	31st March, 2012 ₹	31st March, 2011 ₹
Exports of Goods (F.O.B Value)	11,184,559	1,178,294
	<u>11,184,559</u>	<u>1,178,294</u>

**Notes to the Financial Statements (Continued)
 for the year ended 31st March, 2012**
38 Value of Raw-Materials, Spare parts and Components Consumed / sold and percentage of the total Consumption

	31st March, 2012		31st March, 2011	
	Percentage	Amount (₹)	Percentage	Amount (₹)
(A) Raw Materials and Components				
Imported	5.10	12,551,382	2.71	4,371,608
Indigenous	94.90	233,342,452	97.29	156,738,583
	100.00	245,893,834	100.00	161,110,191
(B) Stores and Spares				
Imported	51.07	3,278,759	57.29	1,480,175
Indigenous	48.93	3,141,222	42.71	1,103,426
	100.00	6,419,981	100.00	2,583,601

39 Previous Year figures

The financial statements for the year ended 31st March, 2011 had been prepared as per the then applicable pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statement for the year ended 31st March, 2012 are prepared as per the Revised Schedule VI. Accordingly, the Company has reclassified previous years figures to conform to this year's classification. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it significantly impacts presentation and disclosures made in the financial statements.

As per our report of even date annexed

FOR KHANDELWAL JAIN & CO.
 Chartered Accountants
 Firm Regn No.: 105049W

NARENDRA JAIN
 Partner
 Membership No. 048725

Mumbai
 May 30, 2012

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

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 and joint ventures ("the Group") as at 31st March, 2012 and also the Statement of Consolidated Profit and Loss 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 financial statements of two subsidiaries whose individual financial statements reflect total assets of Rs.40,329.46 lakhs as at 31st March, 2012, total revenue of Rs.35,287.02 lakhs and net cash inflow amounting to Rs.189.17 lakhs for the year then ended.
 - (b) We did not audit the financial statements of a joint venture company in which the proportionate share in total assets as at 31st March, 2012 amounts to Rs.8,534.17 lakhs, proportionate share in total revenues amounts to Rs.8,474.01 lakhs and proportionate share in net cash outflow amounts to Rs.16.13 lakhs for the year then ended.
 - (c) We did not audit the financial statements of a joint venture limited liability partnership in which the proportionate share in total assets as at 31st March, 2012 amounts to Rs.602.48 lakhs, proportionate share in total revenues amounts to Rs.400.23 lakhs and proportionate share in net cash inflow amounts to Rs.0.98 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.43,331.39 lakhs as at 31st March, 2012, total revenue of Rs.50,624.06 lakhs and net cash inflow amounting

to Rs.852.39 lakhs for the year 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 report of the other auditor. *However, these consolidated financial statements of the said subsidiary includes unaudited financial statements of a joint venture in which the proportionate share in total assets as at 31st March, 2012 amounts to Rs.1,649.89 lakhs, proportionate share in total revenues amounts to Rs.519.54 lakhs and proportionate share in net cash outflow amounts to Rs.1.67 lakhs.*

5. *Note no. 27(a) regarding non disclosure of information in respect of employee benefits by a subsidiary as required by the Accounting Standard (AS) 15 "Employee Benefits" as notified under the Companies (Accounting Standard) Rules, 2006.*
6. *Note No. 40 regarding Managerial Remuneration of Rs. 27.01 Lakhs which is paid in excess of the limits prescribed under scheduleXIII of the Companies Act, 1956 by a subsidiary and is subject to the approval of Central Government and the shareholders of said subsidiary.*
7. 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" 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.
8. 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, 5 and 6 above* and read together with the notes 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, 2012;
 - (ii) in the case of the Statement of Consolidated Profit and Loss, 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 : May 30, 2012.

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2012

	Notes	As at 31st March, 2012 ₹	As at 31st March, 2011 ₹
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	314,149,194	292,349,194
Reserves and Surplus	3	5,130,935,990	4,415,273,437
Minority Interest		1,678,535,298	1,405,359,947
		7,123,620,482	6,112,982,578
Non-Current Liabilities			
Long-Term Borrowings	4	828,013,689	898,598,007
Deferred Tax Liabilities	5	92,898,085	73,962,810
Other Long-Term Liabilities	6	547,770,040	567,033,086
Long-Term Provisions	7	33,344,273	28,347,104
		1,502,026,087	1,567,941,007
Current Liabilities			
Short-Term Borrowings	8	527,123,305	264,162,926
Trade Payables	9	549,372,249	418,301,130
Other Current Liabilities	9	423,883,244	380,732,542
Short-Term Provisions	7	137,895,770	85,450,415
		1,638,274,568	1,148,647,013
TOTAL ASSETS		10,263,921,137	8,829,570,598
Non-Current Assets			
Fixed Assets			
Tangible Assets	10	4,538,195,862	4,180,202,792
Intangible Assets		2,777,505	3,348,011
Capital Work-In-Progress		386,549,374	144,352,986
Intangible Assets Under Development		-	-
Goodwill on Consolidation		308,670,201	260,793,103
Pre-Operative Expenses		-	888,166
Non-Current Investments	11	45,160,765	29,177,664
Deferred Tax Assets	12	1,760,462	1,175,949
Long-Term Loans And Advances	13	1,999,148,767	1,518,176,933
Other Non-current Assets	14	237,182,048	260,684,664
		7,519,444,984	6,398,800,268
Current Assets			
Current Investments	15	448,107,126	595,127,176
Inventories	16	571,784,075	376,913,535
Trade Receivables	17	915,139,959	719,331,578
Cash And Cash Equivalents	18	349,650,631	253,124,676
Short-Term Loans And Advances	13	407,154,832	437,856,610
Other Current Assets	14	52,639,530	48,416,756
		2,744,476,153	2,430,770,330
Total		10,263,921,137	8,829,570,598
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date annexed

FOR KHANDELWAL JAIN & CO.

Chartered Accountants

Firm Regn No.: 105049W

NARENDRA JAIN

Partner

Membership No. 048725

Mumbai

May 30, 2012

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 OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

	Notes	31st March, 2012 ₹	31st March, 2011 ₹
Income			
Revenue from operations (gross)	19	9,836,388,484	8,305,130,510
Less : Excise Duty		104,607,918	89,385,407
Revenue from operations(net)		9,731,780,566	8,215,745,103
Other income	20	340,180,435	461,401,371
Total Income		10,071,961,001	8,677,146,474
EXPENDITURE			
Material Consumed /Sold	21	737,529,720	575,244,849
Purchase of traded goods	22	3,226,913,537	3,017,439,391
(Increase)/ Decrease in inventories of finished goods ,			
WIP and Traded goods	22	(212,034,764)	(35,032,218)
Employee cost	23	363,082,357	279,047,148
Other expenses	24	4,597,886,769	3,634,532,134
Finance costs	25	130,945,388	158,440,377
Depreciation and amortization expenses	10	270,580,638	205,892,789
Total Expenses		9,114,903,646	7,835,564,469
Profit / (Loss) before extraordinary and prior period items and tax		957,057,355	841,582,005
Prior Period Items		(120,760)	238,613
Profit / (Loss) before extraordinary items and tax		956,936,595	841,820,618
Extraordinary items		-	-
Profit / (Loss) before tax		956,936,595	841,820,618
Tax Expenses			
Current Tax		299,678,129	243,110,293
Deferred Tax		18,044,377	14,293,286
Income Tax for earlier year		837,056	(16,016)
MAT Credit Entitlement		(2,550,000)	(4,680,000)
Total Tax Expenses		316,009,562	252,707,562
Profit / (Loss) for the Year before Minority Interest		640,927,033	589,113,056
Less: Minority Interest		255,099,443	216,705,683
Profit / (Loss) for the year		385,827,590	372,407,373
Earnings per equity share	26		
Basic (Rs.)			
Computed on basis of profit continuing operations		3.72	3.99
Computed on basis of total profit for the year		3.72	3.99
Diluted (Rs.)			
Computed on basis of profit from continuing operations		2.49	2.55
Computed on the basis of total profit for the year		2.49	2.55
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date annexed

FOR KHANDELWAL JAIN & CO.

Chartered Accountants

Firm Regn No.: 105049W

NARENDRA JAIN

Partner

Membership No. 048725

Mumbai

May 30, 2012

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, 2012

(Amount in ₹)

PARTICULARS	Current year ended 31st March, 2012	Previous year ended 31st March, 2011
CASHFLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Prior period Adjustment & exceptional item	957,057,355	841,582,005
Adjustments for:		
Depreciation	270,580,638	205,892,789
Provision for Investment	(281,351)	751,961
Dividend Received	(13,518,882)	(14,042,866)
Interest Expense	116,926,548	148,600,116
Interest Received	(155,777,491)	(215,075,557)
Profit on disposal of Subsidiary	-	(153,203)
Profit on Sale of long term Investments	(23,651,602)	(16,935,144)
Provision for Doubtful Debts	697,492	-
Surplus on sale of assets (Net)	(20,171,539)	(1,866,561)
Sundry balances written off	1,562,260	7,803,563
Sundry balances written back	(414,964)	-
Operating Profit before Working Capital changes	1,133,008,464	956,557,103
Adjustments for:		
Trade & Other Receivables	(476,188,242)	(361,962,425)
Inventories	(194,870,540)	(67,944,058)
Foreign Currency Translation Reserve	40,968,934	(4,103,018)
Trade & Other Payables	114,000,484	479,335,331
Cash generated from Operations	616,919,100	1,001,882,933
Direct Taxes Paid (Net of Refund)	(321,385,543)	(143,871,423)
Cash Flow before prior period Adjustments & Exceptional item	295,533,557	858,011,510
Prior period adjustments	(120,760)	238,613
NET CASH FROM OPERATING ACTIVITIES: TOTAL (A)	295,412,797	858,250,123
CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of Fixed Assets (including Capital Work-in-progress)	(954,971,158)	(707,707,305)
Pre-operative Expenses	888,166	(888,166)
Sale of Fixed Assets	41,309,143	18,909,990
Proceeds from disposal of subsidiary	-	500,000
Payments towards acquisition of subsidiary	(109,959,273)	(5,699,992)
Sale of Investment	248,281,882	291,256,955
Purchase of Investment	(93,310,230)	(297,037,578)
Investment in Bank Deposit	29,052,116	139,914,178
Interest Received	164,070,670	202,331,145
Dividend Received	13,518,882	14,042,866
NET CASH FROM / (USED IN) INVESTING ACTIVITIES: TOTAL (B)	(661,119,803)	(344,377,907)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds of Secured Loans (Net of Repayments)	428,055,386	(313,396,177)
Proceeds of Unsecured Loans (Net of Repayments)	156,419,431	(107,946,400)
Proceeds from Share Premium	44,629,412	-
Interest Paid	(112,616,575)	(150,621,924)
Dividend Paid	(49,700,412)	(38,382,384)
NET CASH FROM FINANCING ACTIVITIES: TOTAL (C)	466,787,242	(610,346,885)
Net Increase / (Decrease) in Cash and Cash Equivalents Total (A + B + C)	101,080,236	(96,474,670)
Cash and Cash Equivalents - Opening Balance	230,788,481	326,891,109
Cash and Cash equivalents taken over on amalgamation	-	-
Cash and Cash Equivalents adjusted on consolidation	450,956	372,041
Cash and Cash Equivalents - Closing Balance	332,319,673	230,788,481
Net increase / (decrease) in Cash and Cash Equivalent	101,080,236	(96,474,669)

Notes:

- Above statement has been prepared by the indirect method as set out in the Accounting Standard 3 on Cash Flow Statement as specified in the Companies (Accounting Standard) rules 2006.
- Cash and Cash equivalent at the end of the year includes fixed deposits with original maturity of less than three months of Rs.11,94,662/- (Previous year Rs.26,55,705/-) and includes earmarked balance with Bank of unpaid dividend of Rs.10,09,382/- (previous year Rs.9,60,340/-).
- Previous year's figures have been regrouped / rearranged / recasted, wherever necessary.

Summary of significant accounting policies 1

As per our report of even date annexed

FOR KHANDELWAL JAIN & CO.

 Chartered Accountants
 Firm Regn No.: 105049W

 NARENDRA JAIN
 Partner
 Membership No. 048725

 Mumbai
 May 30, 2012

 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

Notes to Consolidated Financial Statements for the year ended 31st March, 2012

1 Summary of Significant Accounting Policies

a 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”.

(i) 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.

(ii) 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.

(iii) Principles of Consolidation

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

- 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.
- Interest in jointly controlled entities (incorporated Joint Ventures) is accounted using proportionate consolidation method.
- 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.
- 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.

- 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.

(iv) 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, 2012 are as under:

Name of Company	w.e.f.	Country of Incorporation	Percentage of voting power as at 31st March, 2012	Percentage of voting power as at 31st March, 2011	Reporting Date	Financial Status Audited / Unaudited
Subsidiaries						
Shinrai Auto Services Ltd (SASL) #	31-Mar-06	India	100%	100%	31st March, 2012	Audited
Oricon Properties Pvt. Ltd. (OPPL)#	1-Oct-09	India	100%	100%	31st March, 2012	Audited
United Shippers Ltd (USL)	1-Oct-09	India	50.19%	50.19%	31st March, 2012	Audited
Fellow Subsidiaries						
USL Shipping DMCEST (A 100% subsidiary of United Shippers Ltd)	1-Oct-09	Dubai	50.19%	50.19%	31st March, 2012	Audited
Bulk Shipping PTE Ltd (A 100% subsidiary of United Shippers Ltd)	1-Oct-09	Singapore	50.19%	50.19%	31st March, 2012	Audited
USL Packaging Ltd (A 100% subsidiary of United Shippers Ltd)	1-Apr-10	India	50.19%	50.19%	31st March, 2012	Audited
USL NMM Logistics Ltd (A 100% subsidiary of United Shippers Ltd)*	1-Oct-11	India	50.19%	-	31st March, 2012	Audited
USL Coeclerici Logistics Ltd (A 77.50% subsidiary of United Shippers Ltd)	13-Apr-11	India	38.90%	-	31st March, 2012	Audited
Jointly Controlled Entity						
Oriental Containers Ltd (OCL)	1-Apr-09	India	30%	30%	31st March, 2012	Audited
Clardge Energy LLP- (Partnership Firm)	14-Jul-10	India	50%	50%	31st March, 2012	Audited
Dharamtar Infrastructure Ltd (A joint venture of United Shippers Ltd)	1-Oct-09	India	21.63%	19.87%	31st March, 2012	Audited
USL NMM Logistics Ltd (A joint venture of United Shippers Ltd)*	1-Oct-09	India	-	25.10%	-	-
CGU Logistois Ltd (A joint venture of United Shippers Ltd)	1-Oct-09	India	11.30%	11.30%	31st March, 2012	Unaudited

formerly known as USL Shinrai Automobiles Ltd (USAL)

formerly known as National Cotton Products Pvt Ltd (NCPPL)

* ceased to be a Joint Venture and becomes a Subsidiary w.e.f. October 1, 2011.

**Notes to Consolidated Financial Statements (Continued)
 for the year ended 31st March, 2012**
b 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.

c 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.

d 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.

e Fixed Assets and Depreciation
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 OPPL 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 stated at cost and impairment is recognized, if any.

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, Shinrai Auto Services Limited and United Shippers Ltd. depreciation on 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)
License 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.

f 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.

g Inventory

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 except in case of raw material liquid colorant where cost is determined on the basis of weighted average method.

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.

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

h 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

**Notes to Consolidated Financial Statements (Continued)
 for the year ended 31st March, 2012**

in Foreign currency outstanding at the Balance Sheet date are translated at the exchange rates prevailing on the date of Balance Sheet.

Exchange differences relating to long term foreign currency loans, arising during the year, in so far as they relate to the acquisition of a depreciable asset are added to / deducted from the cost of the asset and depreciated over the balance life of the asset.

All other exchange differences are dealt with in the Statement of Consolidated Profit and Loss.

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.

i 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, Shinrai Auto Services Limited provision for leave encashment is accounted for on actual basis and charged to Statement of Consolidated Profit and Loss.

j. Debentures Issue expenses

Debentures issue expenses are adjusted against securities premium.

k Government Grants

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

l Deferred Revenue Expenditure

(i) 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.

(ii) Premium paid on prepayment and refinancing of term loans is charged off over the tenure of the new loans.

m 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 Statement of Consolidated Profit and Loss in the year in which they are incurred.

n 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.

o Leases

Lease rentals in respect of assets acquired under operating leases are charged off to the Statement of Consolidated Profit and Loss on a straight line basis.

p 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.

q Taxes on income

(i) Current tax is measured at the amount expected to be paid to the taxation authorities, using the applicable tax rates and tax laws.

(ii) 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 Statement of Consolidated Profit and Loss of the respective year of change.

(iii) 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.

(iv) At each balance sheet date the carrying amount of deferred tax assets is reviewed to reassure realization.

(v) 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.

(vi) 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.

r Other Accounting Policies

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

Notes to Consolidated Financial Statements (Continued)
as at 31st March, 2012
2. Share Capital

	31st March, 2012	31st March, 2011
	₹	₹
Authorised Shares		
11,95,00,000 Equity Shares of Rs.2/- each (P.Y. 2,39,00,000 Equity Shares of Rs.10/- each)	239,000,000	239,000,000
1,10,00,000 (P.Y. 1,10,00,000) Preference Shares of Rs.10/- each 10,000 (P.Y. 10,000) 11% Cumulative Redeemable Preference Shares of Rs.100/- each	110,000,000	110,000,000
2,00,000 (P.Y. 2,00,000) Preference Shares of Rs.100 each	1,000,000	1,000,000
70,00,000 (P.Y. 70,00,000) Preference Shares of Rs.10 each	20,000,000	20,000,000
30,00,000 (P.Y. 30,00,000) Unclassified Shares of Rs.10 each	70,000,000	70,000,000
	<u>30,000,000</u>	<u>30,000,000</u>
Issued		
10,26,10,360 Equity Shares of Rs.2/- each (P.Y. 1,83,42,072 Equity Shares of Rs.10/- each)	205,220,720	183,420,720
1,09,00,000 (P. Y. 1,09,00,000) 10% Compulsorily Convertible Preference Shares (CCPS) of Rs.10/- each	109,000,000	109,000,000
	<u>314,220,720</u>	<u>292,420,720</u>
Subscribed and Paid up shares		
10,25,47,715 Equity Shares of Rs.2/- each (P.Y. 1,83,29,543 Equity Shares of Rs.10/- each)	205,095,430	183,295,430
1,09,00,000 (P. Y. 1,09,00,000) 10% Compulsorily Convertible Preference Shares (CCPS) of Rs.10/- each	109,000,000	109,000,000
Share Forfeited Account*	53,764	53,764
	<u>314,149,194</u>	<u>292,349,194</u>

* Share Forfeited Account represents 62,645 Partly paid Equity Shares of Rs.2/- each (P.Y. 12,529 Partly paid Equity Shares of Rs.10/- each) forfeited by the Company during the year 2003 - 04.

a. Reconciliation of the Share outstanding at the beginning and at the end of reporting period
Equity Shares

	31st March, 2012		31st March, 2011	
	No. of Shares (₹2/- each)	Amount (₹)	No. of Shares (₹10/- each)	Amount (₹)
At the beginning of the period	91,647,715	183,295,430	9,629,543	96,295,430
On account of Conversion of Debentures in to Equity Shares during the year**	10,900,000	21,800,000	-	-
Issued during the year	<u>-</u>	<u>-</u>	<u>8,700,000</u>	<u>87,000,000</u>
Outstanding at the end of the period	<u>102,547,715</u>	<u>205,095,430</u>	<u>18,329,543</u>	<u>183,295,430</u>

** The Company at its Board meeting held on 13th June, 2011 has converted 15%, 21,80,000 fully convertible debentures into 21,80,000 equity shares of Rs.10/- each fully paid up at a premium of Rs.152.20 per share and allotted to M/s. Clearwater Capital Partners Singapore Fund III Private Limited. These equity shares allotted on conversion of Debentures (FCDs) ranks 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.

Subsequently on 15th July, 2011 the Authorised Share Capital of the Company, Issued, Subscribed and Paid up Equity Shares of the face value of Rs. 10/- each has been sub-divided into the five equity shares of Rs.2/- each. Consequently, 21,80,000 equity shares of Rs.10/- each fully paid has been sub-divided into 1,09,00,000 equity shares of Rs.2/- each fully paid.

Notes to Consolidated Financial Statements (Continued)
as at 31st March, 2012

10% Compulsorily Convertible Preference Shares (CCPS)

	31st March, 2012		31st March, 2011	
	No. of Shares (₹ 10/- each)	Amount (₹)	No. of Shares (₹ 10/- each)	Amount (₹)
At the beginning of the period	10,900,000	109,000,000	-	-
Issued during the Year	-	-	10,900,000	109,000,000
Outstanding at the end of the period	10,900,000	109,000,000	10,900,000	109,000,000

b. Term / Right attached to equity Share

The Company has only one class of equity shares having a par value of Rs.2/- per share. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

The Board of Directors, in their meeting on 30th May, 2012, proposed a final dividend of Rs.0.44 per equity share. The proposal is subject to the approval of shareholders at the Annual General Meeting to be held on 25th August, 2012. The total dividend appropriation for the year ended 31st March, 2012 amounted to Rs.5,24,40,748/- including corporate dividend tax of Rs.73,19,753/-.

During the year ended 31st March, 2011, the amount of per share final dividend recognized as distributions to equity shareholders was Rs.0.36. The total dividend appropriation for the year ended 31st March, 2011 amounted to Rs.4,29,06,066/- including corporate dividend tax of Rs.59,88,889/-.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in the proportion to the number of equity shares held by the shareholders.

c. Terms of conversion / redemption of CCPS

The Company had issued 1,09,00,000 CCPS of Rs.10 each on 17th September, 2010. CCPS carry a cumulative dividend of 10% p.a. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

The Board of Directors, in their meeting on 30th May, 2012, proposed a final dividend of Re.1 per CCPS. The proposal is subject to the approval of shareholders at the Annual General Meeting to be held on 25th August, 2012. The total dividend appropriation for the year ended 31st March, 2012 amounted to Rs.1,26,68,253/- including corporate dividend tax of Rs.17,68,253/-.

During the year ended 31st March, 2011, the amount of per share final dividend recognized as distributions to CCP shareholders was Rs.0.54 (Re.1 per CCPS p.a. w.e.f. 17th September, 2010). The total dividend appropriation for the year ended 31st March, 2011 amounted to Rs.68,02,678/- including corporate dividend tax of Rs.9,49,527/-.

The CCPS shall be converted into equity shares in the ratio of five (5) new equity share of the face value of Rs.2/- each of the Company for every one (1) CCPS of the face value of Rs.10/- each credited as fully paid up.

Out of the total 1,09,00,000, 10% CCPS, 19,00,000 CCPS 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 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 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.

25% of above 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.

Notes to Consolidated Financial Statements (Continued)
as at 31st March, 2012
d. Share held by holding/ultimate holding company and/or their subsidiary/associates

None of the shares of the Company are held by the Subsidiaries, Associates or Joint Ventures of the Company

e. Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

	31st March, 2012 No. of Shares	31st March, 2011 No. of Shares
Equity Share allotted as Fully paid bonus Share by capitalization of securities premium	-	-
Equity Share allotted as Fully paid-up of Face Value Rs.2/- each (previous year Rs.10/- each) pursuant to Scheme of Amalgamation	64,869,375	12,973,875
Compulsory Convertible Preference Share allotted as Fully paid-up pursuant to Scheme of Amalgamation.	10,900,000	10,900,000
Equity shares bought back by the company	-	-

f. Details of shareholders holding more than 5% shares in the company

	31st March, 2012		31st March, 2011	
	No. of Shares (₹ 2/- each)	% holding in the class	No. of Shares (₹ 10/- each)	% holding in the class
Equity Shares fully paid				
Clearwater Capital Partners Singapore III Pvt. Ltd.	10,900,000	10.63	-	-
Rajendra Somani	9,615,915	9.38	1,923,183	10.49
Susheel Somani	6,135,530	5.98	1,227,106	6.69
Sujata Parekh Kumar	5,341,005	5.21	1,088,245	5.94
Adarsh Somani	4,664,770	4.55	932,954	5.09

Compulsory Convertible Preference Shares of Rs.10/- each fully paid

	31st March, 2012		31st March, 2011	
	No. of Shares (₹10/- each)	% holding in the class	No. of Shares (₹10/- each)	% holding in the class
Rajendra Somani	4,567,995	41.91	4,567,995	41.91
Susheel Somani	3,008,835	27.60	3,008,835	27.60

As per records of company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

g. Shares reserved for issue under options

For details of shares reserved for issue on conversion of CCPS, please refer note 2(c) regarding terms of conversion / redemption of preference shares.

h. Pursuant to the approval received from the shareholders on 22nd March, 2011 regarding sub-division of equity shares of the Company from face value of Rs.10/- each to Rs.2/- each per share and consequent amendment in the authorised share capital of the Company, the Issued, Subscribed and Paid up Equity Shares of the Face Value of Rs.10/- each to face value of Rs.2/- each, 2,05,09,543 equity shares of Rs.10/- each have been sub-divided into 10,25,47,715 equity shares of Rs.2/- each on 15th July, 2011 i.e. record date fixed for the purpose of sub-division.

Consequently Earning Per Share (EPS) have been stated based on the post split face value of Rs.2/- each. EPS for the previous period has been re-worked on the basis of new face value of Rs.2/- per share for sake of comparability.

Notes to Consolidated Financial Statements (Continued)
as at 31st March, 2012
3. Reserves & Surplus

	31st March, 2012	31st March, 2011
	₹	₹
Capital Reserves		
Balance as per last financial statement	2,982,712,778	2,982,258,790
Add / (Less): Adjustment arising on Consolidation	(220,067)	453,988
	2,982,492,711	2,982,712,778
Capital Redemption Reserve	500,000	500,000
Amalgamation Reserve	13,109,745	13,109,745
Foreign Currency Translation Reserve		
Balance as per last financial statement	(17,017,106)	(12,914,088)
Add: Addition during the year	40,968,934	(4,103,018)
	23,951,828	(17,017,106)
Securities Premium Reserves		
Balance as per last financial statements	206,328,768	206,328,768
Add: premium on conversion of Debentures	331,796,000	-
Add: premium received on issue of equity shares	22,399,096	-
Closing Balance	560,523,864	206,328,768
General Reserve		
Balance as per last financial statements	719,912,534	649,836,897
Add: Transferred from Profit and Loss Account	82,622,909	70,075,636
Closing Balance	802,535,443	719,912,533
Surplus/(Deficit) in the statement of profit and loss		
Balance as per last financial statements	509,726,719	262,031,048
Excess Dividend Distribution Tax written back	4,817,355	2,454,121
Profit/(Loss) for the Year	385,827,590	372,407,373
Less:-Appropriations		
Proposed dividend on Equity Shares	(45,120,995)	(36,917,177)
Tax on above proposed dividend	(12,137,109)	(13,370,332)
Proposed dividend on Preference Shares	(10,900,000)	(5,853,151)
Tax on above proposed dividend	(1,768,253)	(949,527)
Transfer to General Reserve	(82,622,909)	(70,075,636)
Total appropriations	(152,549,265)	(127,165,823)
Net Surplus in the statement of profit and loss	747,822,399	509,726,719
Total reserves and surplus	5,130,935,990	4,415,273,437

Notes to Consolidated Financial Statements (Continued)
 as at 31st March, 2012

4. Long Term Borrowings

	Non current		Current	
	31st March, 2012	31st March, 2011	31st March, 2012	31st March, 2011
	₹	₹	₹	₹
Bonds/debentures				
NIL (P.Y. 21,80,000) 15% fully Convertible Debentures (Unsecured)	-	353,596,000	-	-
Term loans				
Indian rupee loan from banks (Unsecured)	189,261,579	154,666,109	49,318,777	46,490,648
Indian rupee loan from banks (Secured)	99,204,645	90,831,300	38,979,816	9,769,200
Foreign Currency Term Loan (Secured)	246,708,600	108,499,500	15,539,850	6,497,791
From Financial Institutions (Unsecured)	90,000,000	-	60,000,000	-
Vehicle Loans				
Deferred Payment Credit (Secured)	19,109,161	9,396,742	13,991,228	10,370,844
Other loans and advances				
Deferred Sales Tax (Unsecured)	84,086,051	54,493,701	-	-
Fixed Deposits (Unsecured)	-	-	318,000	318,000
Foreign Currency Buyers Credit (Capital Goods) (Secured)	43,950,946	44,958,473	-	-
Deferred payment for acquisition of fixed assets (Unsecured)	15,472,244	28,635,072	15,472,244	14,317,536
From Others (Unsecured)	40,220,463	53,521,110	-	-
	828,013,689	898,598,007	193,619,915	87,764,019
The above amount includes				
Secured borrowings	408,973,351	253,686,015	68,510,894	26,637,835
Unsecured borrowings	419,040,338	644,911,991	125,109,021	61,126,184
Amount disclosed under the head "other current liabilities" (note 9)	-	-	(193,619,915)	(87,764,019)
Net amount	828,013,689	898,598,007	-	-

- a. The Company at its Board meeting held on 13th June, 2011 has converted 15%, 21,80,000 fully convertible debentures, issued on 14th December, 2009, into 21,80,000 equity shares of Rs. 10/- each fully paid up at a premium of Rs.152.20 per share and allotted to M/s. Clearwater Capital Partners Singapore Fund III Private Limited. These equity shares allotted on conversion of Debentures (FCDs) ranks 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.

Subsequently on 15th July, 2011 the Authorised Share Capital of the Company, Issued, Subscribed and Paid up Equity Shares of the face value of Rs.10/- each has been sub-divided into the five equity shares of Rs.2/- each. Consequently, 21,80,000 equity shares of Rs.10/- each fully paid has been sub-divided into 1,09,00,000 equity shares of Rs.2/- each fully paid.

- b. Indian Rupee Loan from banks (Unsecured) includes Term Loan amounting to Rs. 14,99,10,400/- taken during the year from Bank and carries interest @ Base Rate + 3%. The Loan is repayable in 82 monthly installments from September 2011 to June 2018 along with interest. Further, the said loan is guaranteed by the personal guarantee of three directors of the Company.
- c. Indian Rupee Loan from banks (Unsecured) includes Term Loan amounting to Rs. 8,86,69,956/- taken from Bank and carries interest @ BPLR + 4.75%. The Loan is repayable in 55 monthly installments starting from December 2009 along with interest. Further, the said loan is guaranteed by the Corporate guarantee and personal guarantee of two directors of the Company.
- d. Indian Rupee Loan from banks (Secured) represents Term Loan amounting to Rs. 3,11,18,196/- taken during the year from Bank and carries interest @ Base Rate + 5%. The Term Loan is secured by way of hypothecation / mortgage of land and building, plant and machinery installed / to be installed out of proposed new plant at Murbad. The said Loan is repayable in 16 Quarterly installments of Rs.28,75,000/- each and interest will be paid on monthly basis as and when charged. Further, the said loan is guaranteed by the Corporate guarantee and personal guarantee of three directors of the Company.

Notes to Consolidated Financial Statements (Continued)
as at 31st March, 2012

- e. Indian Rupee Loan from banks (Secured) includes Term Loan taken from Bank and carries interest @ SBAR + 0.75%. The Term Loan is secured by way of Mortgage of Land 77.69 acres, Mortgage of Warehouses & Building, Hypothecation of Equipments, Corporate guarantee by United Shippers Ltd & PNP Maritime Services Pvt. Ltd. to the extent to the loan outstanding as on balance sheet date. The said loan is repayable in 8 years inclusive of moratorium period of 2.50 years.
- f. Indian Rupee Loan from banks (Secured) includes Term Loan taken from Bank and carries interest @ 13% p.a. The said loan is repayable in single installment on 31st August, 2012.
- g. Indian Rupee Loan from banks (Secured) includes Term Loan taken from Bank and carries interest @ 11%. The Term Loan is secured against hypothecation of Trailors. The said loan is repayable in 36 monthly installments.
- h. Indian rupee term loan (Secured) is borrowed from bank on 16 December 2009 which carries interest at BPLR + 3.25 % p.a and is repayable in 16 quarterly installment starting from March 2010, fully repayable by December 2013. The borrowing is fully secured by hypothecation of related asset.
- i. Foreign Currency Term Loan (Secured) includes Term Loan taken from ICICI Bank and carries interest @ LIBOR + 4.10%. The Term Loan is secured by way of Mortgage of Vessel of United Shippers Limited, Lien on Fixed Deposits of Rs. 20,00,000/- and Corporate Guarantee of United Shippers Limited. The said Loan is repayable in average maturity of 5 years and 2 months.
- j. Foreign Currency Term Loan (Secured) includes Term Loan taken from bank and carries interest @ 6 months LIBOR + 1.20%. The Term Loan is secured against Vessel Bulk Prosperity. The said loan is repayable in 10 years at six monthly rests @ USD 6,75,000/- plus interest.
- k. Term Loan from Financial Institution (Unsecured) represents Term Loan taken from IFCI Capital Ventures Limited and carries interest @ 16%. The said loan is repayable in 10 quarterly installments from 30th April, 2012 to 31st July, 2014.
- l. Deferred payments credits includes Vehicle Loan taken from ICICI Bank and carries interest in the range of 10.35% to 10.69%. The Loan is repayable in 36 monthly installments starting from September 2010. The Loans are secured against hypothecation of Specific Capital Assets i.e. Motor Cars.
- m. Deferred payments credits includes Vehicle Loan taken from Kotak Mahindra Primus Limited. The Loan is repayable in 35 monthly installments of Rs. 29,690/- starting from December 2010. The Loans are secured against hypothecation of Specific Capital Assets i.e. Motor Cars.
- n. Deferred payments credits includes Vehicle Loan taken from Kotak Mahindra Primus Limited. The Loan is repayable in 35 monthly installments of Rs. 20,343/- starting from November 2011. The Loans are secured against hypothecation of Specific Capital Assets i.e. Motor Cars.
- o. Deferred payments credits includes Vehicle Loan taken from Bank and carries interest in the range of 9.25% to 11.45%. The Loan is repayable in monthly installments. The Loans are secured against hypothecation of Specific Capital Assets i.e. Motor Cars.
- p. Deferred payments credits includes Vehicle Loan taken from others and carries interest in the range of 9.70% to 11.16%. The Loan is repayable in monthly installments. The Loans are secured against hypothecation of Specific Capital Assets i.e. Motor Cars.
- q. Deferred payments credits includes Vehicle Loan taken from Kotak Mahindra Prime Ltd and interest ranges from 10.25% to 12.24%. The Loan is repayable in 36 monthly installments. The Loans are secured against hypothecation of Specific Capital Assets i.e. Motor Cars.
- r. Deferred sales tax represents the Certificate of Entitlement issued by the Joint Director of Industries, Konkan Division, Thane on the basis of section 89 of the Maharashtra Value Added Tax Act 2002 ("M V A T Act") read with rule 81 of the M.V.A.T. Rules 2005 in respect of the manufacturing unit located at Savroli, Post- Khopoli to defer the sales tax liability as per the returns / assessment pertaining to the period from 01-July-2010 to 30-June-2012.
 The Company shall pay the entire amount in equal annual installments not exceeding five such installments on expiry of 10th year as referred to in clause (d) and also as per the provisions of Rules 81 M.V.A.T. Rules 2005.
- s. Fixed Deposits (Unsecured) represents Deposits borrowed from Public. The said deposit carries interest in the range of 6% to 15%.
- t. Foreign Currency Buyers Credit represents Buyers Credit availed from bank which is secured by hypothecation of Inventory and Trade Receivables (present and future) also first charge on movable and immovable property of the Company. The facility carries interest rate in a range of Libor + 100 to 300 basis points and duration of these buyers credit ranges from 177 days to 210 days.
- u. Deferred payment for acquisition of fixed assets denotes Suppliers' Credit obtained in December 2010 and repayable by December 2013 in 6 half yearly installments. It is secured by the respective asset purchased. The rate of interest is 3.50% p.a.

Notes to Consolidated Financial Statements (Continued)
 as at 31st March, 2012

5. Deferred Tax Liability

	31st March, 2012	31st March, 2011
	₹	₹
Deferred Tax Liability		
Fixed Assets: Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting	109,516,955	88,267,809
Gross Deferred Tax Liability	109,516,955	88,267,809
Deferred Tax Asset		
Provision for Gratuity / Leave Encashment	9,208,732	6,742,449
On expenses pertaining to Amalgamation to claimed under Sec. 35DD	7,410,138	7,562,551
Gross Deferred Tax Assets	16,618,870	14,305,000
Deferred Tax Liability	92,898,085	73,962,810

6. Other Long-Term Liabilities

Trade Payables	1,974,895	4,238,025
Deposit Received	545,795,145	562,795,061
	547,770,040	567,033,086

7. Provisions

	Long-Term		Short-Term	
	31st March, 2012	31st March, 2011	31st March, 2012	31st March, 2011
	₹	₹	₹	₹
Provision For Employee Benefits				
Provision for Gratuity (note 27)	18,278,028	18,121,515	4,544,751	77,058
Provision For Leave Encashment	5,009,432	5,741,580	5,354,181	2,162,498
	23,287,460	23,863,095	9,898,932	2,239,556
Other Provisions				
Proposed Equity Dividend	-	-	45,120,995	36,917,177
Provision for tax on proposed equity dividend	-	-	12,137,109	10,846,955
Proposed Preference Dividend	-	-	10,900,000	5,853,151
Provision for tax on proposed preference dividend	-	-	1,768,253	949,527
Provision for Income Tax	10,056,813	4,484,009	56,358,753	27,419,351
Provision for Wealth Tax	-	-	263,568	223,928
Others	-	-	1,448,160	1,000,770
	10,056,813	4,484,009	127,996,838	83,210,859
	33,344,273	28,347,104	137,895,770	85,450,415

Notes to Consolidated Financial Statements (Continued)
as at 31st March, 2012

8. Short Term Borrowings

	31st March, 2012	31st March, 2011
	₹	₹
Cash Credit from banks (Secured)	70,835,396	68,640,454
Working Capital Demand Loan from Bank (Secured)	16,500,000	-
Packing Credit (Secured)	36,610,473	24,095,024
Buyers Credit (Secured)	149,947,359	105,445,992
Short Term Loan from Bank (Unsecured)	22,988,609	-
Kotak Mahindra Prime Limited (Secured)	213,040,671	51,346,236
Bill Discounting (Unsecured)	16,500,797	8,887,997
Others (Unsecured)	700,000	5,747,224
	527,123,305	264,162,926
The above amount includes		
Secured Borrowings	486,933,899	249,527,706
Unsecured Borrowings	40,189,406	14,635,220
	527,123,305	264,162,926

Working Capital Loans represents Cash Credit and Working Capital Demand Loan from Bank and carries interest @ Base rate + 5%. The said facility is repayable on demand. The facility is secured by first charge on entire current assets, present and future, including entire stocks, book debts, loans and advances, etc. Further, the said loan is guaranteed by the Corporate guarantee and personal guarantee of three directors of the Company.

Cash credit facility availed from bank is secured by hypothecation of inventories and trade receivables (present and future) also first charge on movable and immovable property of the Company. The facility carries interest rate at base rate + 3.5%. The said facility is repayable on demand.

Cash credit facility availed from bank is secured by hypothecation of inventories and trade receivables (present and future) also first charge on movable and immovable property of the Company. The facility carries interest rate at base rate + 4%. The said facility is repayable on demand.

Packing credit facility availed from bank is secured by hypothecation of inventories and trade receivables (present and future) also first charge on movable and immovable property of the Company. The facility carries interest rate at base rate + 4%. The said facility is repayable on demand.

Buyers Credit represents Foreign Currency Buyers Credit from Bank. The facility is secured by first charge on entire current assets, present and future, including entire stocks, book debts, loans and advances, etc. Further, the said loan is guaranteed by the Corporate guarantee and personal guarantee of three directors of the Company.

Buyers credit availed from bank is secured by hypothecation of inventories and Trade Receivables (present and future) also first charge on movable and immovable property of the Company. The facility carries interest rate in a range of Libor plus 100 basis point to 300 basis point and duration of these buyers credit ranges from 58 days to 210 days.

Short Term Loan from banks includes loan taken from Bank and carries interest in the range of 9.75% to 12.00%.

Short Term loan taken from Kotak Mahindra Prime Limited represents a working capital loan secured against hypothecation of vehicles, amount receivable / book debts, current assets.

Bill Discounting (Unsecured) represents bills discounted with Bank and carries interest @ Base rate + 0.75%. The usance period of said facility is upto 180 days.

Notes to Consolidated Financial Statements (Continued)
as at 31st March, 2012
9. Other Current Liabilities

	31st March, 2012	31st March, 2011
	₹	₹
Trade payables		
Due to Micro and Small Enterprises (note 39)	3,528,644	4,144,151
Others	545,843,605	414,156,980
	<u>549,372,249</u>	<u>418,301,130</u>
Other Liabilities		
Liability for Expenses	16,742,737	15,524,811
Liability for Capital Asset	3,690,515	41,297,469
Current maturities of long-term borrowing (note 4)	193,619,915	87,764,019
Unclaimed Dividends	1,010,693	961,651
Deposit Received	23,322,300	22,723,100
Interest accrued and due on borrowings	8,802,057	4,492,083
Statutory Dues Payable	70,078,893	83,837,949
Advance from Customers	26,878,350	48,647,956
Income received in advance	2,471,804	59,837
Calls in Advance	3,610	3,610
Others Payables	77,262,368	75,420,057
	<u>423,883,243</u>	<u>380,732,542</u>
	<u>973,255,492</u>	<u>799,033,673</u>

Notes to Consolidated Financial Statements (Continued) as at 31st March, 2012

10 Fixed Assets

(Amount in ₹)

DESCRIPTION	GROSSBLOCK				DEPRECIATION				NETBLOCK				
	As on 1st April 2011	Adjustment on Consolidation	Addition During the year	Deductions during the year	As on 31st March, 2012	Upto 1st April 2011	Adjustment on Consolidation	For the Year	Impairment	Deductions during the year	Total Upto 31st March 2012	As on 31st March, 2012	As on 31st March 2011
Tangible Assets													
Leasehold Land	17,634,261	-	-	-	17,634,261	797,422	-	197,036	-	-	994,458	16,639,803	16,636,839
Freehold Land	2,444,836,060	13,628,972	13,716,633	-	2,472,181,865	-	-	-	-	-	-	2,472,181,865	2,444,836,060
Buildings	294,956,510	8,355,811	10,441,618	-	313,753,939	83,976,427	2,396,613	16,970,015	-	-	103,343,055	210,410,884	210,980,083
Residential Flats	8,025,402	-	-	-	8,025,402	852,250	-	198,186	-	-	1,050,437	6,974,966	7,173,151
Plant and Machinery	797,830,766	24,327,481	107,773,614	-	930,531,881	320,181,875	11,529,426	55,421,324	-	-	387,132,625	543,399,256	477,648,911
Electric Installations (AC)	28,724,899	-	3,448,204	-	32,173,103	11,196,816	-	1,546,616	-	-	12,743,432	19,429,670	17,528,083
Office Equipments	20,666,987	118,103	686,838	-	21,471,938	14,007,367	58,309	1,127,838	-	-	15,193,514	6,278,424	6,659,630
Computer	26,537,433	-	1,642,969	-	28,180,402	20,451,686	-	2,429,672	-	-	22,881,358	5,299,044	6,065,748
Furniture and Fixtures	36,059,947	438,174	2,054,327	-	38,553,448	20,672,418	163,025	2,870,146	-	-	23,705,590	14,847,859	15,387,529
Vehicles	107,303,869	1,161,205	30,383,976	12,716,720	126,132,329	57,726,128	311,846	15,887,952	-	7,839,008	66,086,918	60,045,411	49,577,741
Motor Trucks	187,820,307	-	82,818,754	10,230,456	280,408,605	102,293,563	-	41,194,539	-	8,376,131	135,111,971	125,296,634	85,526,744
Fire Fighting Equipments	612,295	-	60,737	-	673,032	427,316	-	47,495	-	-	474,812	198,221	184,979
Laboratory Equipments	2,448,523	-	52,762	-	2,501,275	1,475,477	-	89,530	-	-	1,565,007	936,268	973,047
Weighing Machines	915,295	-	-	-	915,295	850,606	-	8,104	-	-	858,710	56,585	64,688
Vessels & Barges	979,839,644	-	270,488,127	33,347,948	1,216,980,823	258,141,488	-	85,568,613	-	19,168,807	324,541,294	892,439,529	721,688,156
Excavator & Payloader	296,195,992	-	91,399,524	14,500,088	373,095,428	177,154,585	-	46,453,062	-	14,273,662	209,333,985	163,761,443	119,041,407
Total (A)	5,250,408,220	48,630,745	614,969,273	70,795,212	5,843,213,026	1,070,205,425	14,459,219	270,010,130	-	49,657,608	1,305,017,165	4,538,195,862	4,180,202,792
Intangible Asset													
Other Goodwill	833,943	-	-	-	833,943	833,943	-	-	-	-	833,943	-	-
License Fees	5,705,063	-	-	-	5,705,063	2,357,051	-	570,508	-	-	2,927,559	2,777,505	3,948,011
Total (B)	6,539,006	-	-	-	6,539,006	3,190,994	-	570,508	-	-	3,761,502	2,777,505	3,948,011
Total (A + B)	5,256,947,226	48,630,745	614,969,273	70,795,212	5,849,752,032	1,073,396,419	14,459,219	270,580,638	-	49,657,608	1,308,778,666	4,540,973,367	4,183,550,806
AS AT 31 st MARCH, 2011	4,809,720,134	8,172,502	574,262,590	135,208,000	5,256,947,226	981,874,027	3,923,295	205,892,789	-	118,293,692	1,073,396,419	4,183,550,806	-

Note:

- (1) Land amounting to Rs.229,40,00,000/- includes dilapidated building.
- (ii) 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.
- (2) Building includes Rs.3,42,08,890/- pursuant to the scheme of amalgamation with Scientific Vacuum Coating Pvt Ltd with the Company.
- (3) Residential flats includes deposit for Shares in Co-operative Society Rs.9,875/-.
- (ii) Residential flats at Murbad and vehicles are pending registration in the name of the Company.
- (4) Office equipment includes Rs.11,030/- pursuant to the scheme of amalgamation with Naman Tradevest Pvt Ltd. and Zeuxite Investments Pvt Ltd. with the Company.
- (5) 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.

Notes to Consolidated Financial Statements (Continued)
as at 31st March, 2012
11. Non Current Investments

	31st March, 2012	31st March, 2011
	₹	₹
Trade investment (valued at cost unless stated otherwise)		
Other Investments		
29,20,000 shares (previous year NIL) of Rs.10/- each fully paid up in Great United Energy Private Ltd.	29,200,000	-
	29,200,000	-
Non-Trade investment (valued at cost unless stated otherwise)		
A. Unquoted Investment		
Investment in Equity Instrument		
10 shares (previous year 10 shares) of Rs.10/- each fully paid up in Equity Shares of New India Co-operative Bank Ltd.	102	102
875 shares (previous year 875 shares) of Rs. 100/- each fully paid up in Equity Shares of Madhavpura Mercantile Co-operative Bank Ltd.	87,500	87,500
1,000 shares (previous year 1,000 shares) of Rs.10/- each fully paid up in Equity Shares of Saraswat Co-operative bank	10,000	10,000
5,000 shares (previous year 5,000 shares) of Rs.10/- each fully paid up in Equity Shares of Suraj Containers Limited	50,000	50,000
B. Unquoted Preference Shares		
NIL (previous year 130,000 shares) of Rs.100/- each fully paid up in 14.5% Redeemable Cumulative Preference Shares in Excel Glasses Ltd.	-	13,000,000
2,39,000 (previous year 2,39,000 shares) of Rs.10/- each fully paid up in 14% Preference Shares in One Time Leafin Services Ltd.	2,390,000	2,390,000
NIL (previous year 5,000 shares) of Rs.100/- each fully paid up in 5% Redeemable Cumulative Preference Shares in Blue Nile Finvest Private Ltd.	-	500,000
C. Quoted : Equity Shares		
39,287 shares (previous year 39,287 shares) of Rs.10/- each fully paid up in Soma Paper Mills Ltd.	1,719,409	1,719,409
37,748 shares (previous year 37,748 shares) of Rs.10/- each fully paid up in Kopran Ltd.	338,225	338,225
24 shares (previous year 24 shares) of Rs.100/- each fully paid up in Bayer Crop Science Ltd.	2,219	2,219
13 shares (previous year 13 shares) of Rs.10/- each fully paid up in Indian Dyestuff Industries Ltd.	447	447
25,500 shares (previous year 25,500 shares) of Rs.10/- each fully paid up in IMP Power Ltd.	6,581,526	6,581,526
45,000 shares (previous year 45,000 shares) of Rs.10/- each fully paid up in Equity Shares of The Aluminum Industries Limited	450,000	450,000
5,700 shares (previous year 5,700 shares) of Rs.35/- each fully paid up in Equity Shares of Canara Bank	199,500	199,500
3,682 shares (previous year 3,682 shares) of Rs.10/- each fully paid up in Equity Shares of Punjab National Bank	1,435,980	1,435,980
1,227 shares (previous year 818 shares) of Rs.10/- each fully paid up in Equity Shares of Abott Laboratories Ltd. (Previously known as Solvay Pharma Ltd)	2,345,711	2,345,711

Notes to Consolidated Financial Statements (Continued)
as at 31st March, 2012

	31st March, 2012	31st March, 2011
	₹	₹
1,06,420 shares (previous year 1,06,420 shares) of Rs.10/- each fully paid up in Equity Shares of KJMC Financial Services Limited	191,140	191,140
1,06,420 shares (previous year 1,06,420 shares) of Rs.10/- each fully paid up in Equity Shares of KJMC Global Market (I) Limited	607,065	607,065
Other Investments	1,000	1,000
Less: Provision for diminution in value	(470,610)	(751,961)
D. Other Investment (Unquoted)		
Dharamtar Cement Private Ltd	21,550	19,800
Total	45,160,765	29,177,664
Aggregate amount of Quoted Investments	13,400,613	13,119,262
Aggregate amount of Unquoted Investments	31,991,032	16,058,403
Market Value of Quoted Investments	14,703,736	16,921,242

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 except provision for diminution of Rs.4.70 lakhs (previous year Rs.7.52 lakhs) where the management is of the view that the same is of permanent nature.

12. Deferred Tax Assets

	31st March, 2012	31st March, 2011
	₹	₹
Deferred Tax Liability		
Fixed Assets: Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting	-	-
Gross Deferred Tax Liability	-	-
Deferred Tax Asset		
Fixed Assets: Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting	443,629	137,732
Provision for Gratuity / Leave Encashment	807,169	592,922
On expenses pertaining to Amalgamation to claimed under Sec. 35DD	509,664	445,295
Gross Deferred Tax Assets	1,760,462	1,175,949
Deferred Tax Asset	1,760,462	1,175,949

Notes to Consolidated Financial Statements (Continued)
 as at 31st March, 2012

13. Loans and Advances

	Non-Current		Current	
	31st March, 2012	31st March, 2011	31st March, 2012	31st March, 2011
	₹	₹	₹	₹
Capital Advances				
Unsecured, Considered good	334,553,108	230,713,181	-	-
(A)	<u>334,553,108</u>	<u>230,713,181</u>	<u>-</u>	<u>-</u>
Security Deposit				
Unsecured, Considered good To Others	340,564,577	268,458,245	4,115,954	3,667,207
(B)	<u>340,564,577</u>	<u>268,458,245</u>	<u>4,115,954</u>	<u>3,667,207</u>
Loans & advances to related parties (note 29)				
Unsecured, Considered good	962,650,635	837,952,807	58,074,810	136,347,944
(C)	<u>962,650,635</u>	<u>837,952,807</u>	<u>58,074,810</u>	<u>136,347,944</u>
Advances recoverable in cash or in kind				
Unsecured, Considered good	260,416,528	146,894,753	272,796,175	208,714,335
(D)	<u>260,416,528</u>	<u>146,894,753</u>	<u>272,796,175</u>	<u>208,714,335</u>
Other loans and advances				
Advance Income tax (including refund receivable)	83,496,193	18,506,392	5,839,042	15,406,638
Loans to employees	188,115	24,334	14,814,371	12,706,930
Balances with Statutory / Government Authorities				
Balance with Excise Authorities	6,474,820	5,278,235	31,983,930	40,851,829
MVAT Receivable	1,812,901	1,521,727	14,056	-
MAT Credit Entitlement	-	-	19,282,133	16,732,133
Others	8,991,890	8,827,257	234,361	3,429,594
(E)	<u>100,963,919</u>	<u>34,157,945</u>	<u>72,167,893</u>	<u>89,127,124</u>
TOTAL (A + B + C + D + E)	<u>1,999,148,767</u>	<u>1,518,176,933</u>	<u>407,154,832</u>	<u>437,856,610</u>
Loans to employee include				
Dues from Directors	-	-	-	-
Dues from Officers	188,115	24,334	14,614,371	12,506,930
Dues from Workers	-	-	200,000	200,000
Loans and advances to related parties include				
Dues from Limited Liability Partnership Firm Claridge Energy LLP	-	-	17,323,567	19,029,767
Dues from Oriental Containers Limited, Joint Venture	-	-	10,430,000	70,280,000
Dues from Kopran Limited	516,029,200	498,955,518	30,321,243	47,038,177
Dues from Dharamtar Infrastructure Limited, Joint Venture	446,621,435	334,075,207	-	-
Dues from USL NMM Logistics Limited	-	4,922,082	-	-

Notes to Consolidated Financial Statements (Continued)
 as at 31st March, 2012

14. Other Assets

	Non-Current		Current	
	31st March, 2012 ₹	31st March, 2011 ₹	31st March, 2012 ₹	31st March, 2011 ₹
Unsecured, Considered Good unless stated otherwise				
Non-current Bank Balances (note 18)	237,169,785	260,684,664	-	-
(A)	237,169,785	260,684,664	-	-
Others				
Interest accrued on fixed deposits	12,263	-	13,135,549	21,440,991
<u>Long Term Trade Receivable</u>				
Considered Doubtful	772,492	75,000	-	-
Less: Provision for Doubtful Debt	(772,492)	(75,000)	-	-
Rent Receivable	-	-	36,503,981	21,103,541
Others	-	-	3,000,000	5,872,224
(B)	12,263	-	52,639,530	48,416,756
	237,182,048	260,684,664	52,639,530	48,416,756

15. Current Investment

	31st March, 2012 ₹	31st March, 2011 ₹
Unquoted Debentures		
Fully Redeemable, unlisted, unrated, secured, non - convertible debenture - Avantha Holdings Limited	79,682,250	106,243,000
Unquoted Mutual Funds		
Canara Robeco MF	116,663,958	52,553,728
IDFC Fixed Maturity Plan Yearly Series 38	-	50,000,000
SBI Mutual Fund (SDFS)	-	50,000,000
Birla Sunlife Fixed Term Plan - Series CF	-	50,000,000
Unquoted Bonds		
Capital Guaranteed Bonds (at cost)	251,760,918	286,330,448
	448,107,126	595,127,176
Aggregate amount of Quoted Investments	-	-
Aggregate amount of Unquoted Investments	448,107,126	595,127,176
Market Value of Quoted Investments	-	-

16. Inventories

 (As taken, valued and certified by the Managing Director)
 (Valued at cost or net realisable value, whichever is lower)

Raw Materials	69,712,778	54,704,278
Work-in-progress	18,330,080	18,857,408
Finished goods	79,704,475	58,063,747
Store and spares	23,375,447	15,436,195
Store and spares (Traded goods)	14,392,080	12,873,309
Shares	103,536,323	103,666,202
Car	260,849,798	72,606,190
Fuel	375,444	247,710
Others	1,056,016	2,088,432
Goods in Transit		
Raw Material	295,896	38,211,942
Stores and spares	155,738	158,123
	571,784,075	376,913,535

Notes to Consolidated Financial Statements (Continued)
as at 31st March, 2012
17. Trade Receivables and other assets

	31st March, 2012	31st March, 2011
	₹	₹
Unsecured, Considered good (unless stated otherwise)		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, Considered good	126,450,728	74,204,527
Other receivables		
Unsecured, Considered good	773,195,542	642,553,863
Secured, Considered good	15,493,689	2,573,189
	<u>915,139,959</u>	<u>719,331,578</u>

18. Cash and bank balances

	Non-Current		Current	
	31st March, 2012	31st March, 2011	31st March, 2012	31st March, 2011
	₹	₹	₹	₹
Cash and cash equivalents				
Balances with banks:				
On current accounts			324,869,181	223,105,076
Deposits with original maturity of less than three months			1,194,662	2,655,705
On Unpaid dividend account			1,009,382	960,340
Cash on hand			5,246,448	4,067,360
			<u>332,319,673</u>	<u>230,788,481</u>
Other bank balances				
Margin Money deposit with original maturity for more than 12 months	237,169,785	260,684,664	-	-
Margin Money deposit with original maturity for more than 3 months but less than 12 months	-	-	17,330,958	22,336,195
	<u>237,169,785</u>	<u>260,684,664</u>	<u>17,330,958</u>	<u>22,336,195</u>
Amount disclosed under Non-current Assets (note 14)	(237,169,785)	(260,684,664)	-	-
	<u>-</u>	<u>-</u>	<u>349,650,631</u>	<u>253,124,676</u>

Notes to Consolidated Financial Statements (Continued)
for the year ended 31st March, 2012
19. Revenue from operations

	31st March, 2012	31st March, 2011
	₹	₹
Sales of products		
Finished Goods	1,280,911,518	1,015,082,334
Traded Goods	3,557,701,418	3,493,525,395
Sale of Services	4,982,606,501	3,782,797,454
Other Operating Revenue		
Scrap Sales	15,169,047	13,725,326
Revenue from operations (gross)	<u>9,836,388,484</u>	<u>8,305,130,510</u>
Less : Excise Duty	104,607,918	89,385,407
Revenue from operations(net)	<u>9,731,780,566</u>	<u>8,215,745,103</u>
Details of Products Sold		
Finished Goods Sold		
Petrochemicals Products	283,055,520	205,291,658
Pet Bottle	24,476,474	-
Liquid Colorants	12,803,816	5,368,588
Closures	784,454,681	686,703,083
Collapsible Tubes	30,627,150	27,068,455
Others	40,885,959	1,265,144
	<u>1,176,303,600</u>	<u>925,696,928</u>
Trading Goods Sold		
Chemicals	156,145,036	112,164,132
S S Sheets & Plate	-	93,327,822
Rice Husk	17,066,732	11,309,748
Tin Free Steel Sheets	-	28,042,554
Car	3,136,773,494	3,040,044,753
Spare Parts	244,066,871	202,305,447
Others	3,649,285	6,330,939
	<u>3,557,701,418</u>	<u>3,493,525,395</u>
	<u>4,734,005,018</u>	<u>4,419,222,323</u>
Details of Services Rendered		
Freight	1,741,656,704	1,268,220,107
Cargo Handling Services	49,627,152	92,203,111
Port Services	2,124,173,059	1,563,735,710
Transportation	788,128,268	486,626,377
Transport of Goods Through Waterways	206,560,967	312,152,510
Supply of Tangible Goods for Service	6,912,763	15,862,737
Business Support Service	(207,437)	-
Storage & Warehouse Service	9,023,820	2,296,575
Others	56,731,204	41,700,327
	<u>4,982,606,501</u>	<u>3,782,797,454</u>

**Notes to Consolidated Financial Statements (Continued)
 for the year ended 31st March, 2012**
20. Other Income

	31st March, 2012 ₹	31st March, 2011 ₹
Rent Received	89,531,173	105,158,118
Warehousing Charges Received	360,000	360,000
Insurance Commission and Finance Incentive	17,449,046	15,322,557
Interest income on		
Bank Deposits	8,296,206	8,025,979
Others	147,481,285	207,049,578
Dividend Income on		
Long Term Investment	2,425,500	85,700
Current Investment	11,093,382	13,957,166
Discount Received	4,214,596	-
Insurance Claim	3,623,575	3,095,057
Net Gain /Loss on sale of Fixed Assets	20,753,618	1,883,977
Net Gain /Loss on sale of Investments	23,651,602	28,640,934
Miscellaneous Income	10,885,489	77,822,306
Sundry credit balance written back	414,964	-
	340,180,435	461,401,371

21. Cost of Raw Material and components consumed

Inventory at the beginning of the year	55,578,208	45,180,636
Add: Purchases	751,664,291	584,768,491
	807,242,498	629,949,127
Less: Inventory at the end of the year	69,712,778	54,704,278
Cost of raw material and components consumed	737,529,720	575,244,849

Details of Raw Material & Components Consumed

Mix Pentane	213,798,985	156,738,583
Base Colour	7,846,441	2,597,642
Pet Resign	19,381,804	-
Tin Free Steel / Tin Plate	178,971,880	166,429,952
Aluminum Sheet / Slug / Ingots	92,896,712	86,173,361
Polymers	206,115,623	163,305,312
Others	18,518,277	-
	737,529,720	575,244,849

Details of Inventory
Raw Materials & Components

Mix Pentane	3,317,769	3,316,976
Base Colour	11,016,373	4,683,937
Pet Resign	1,077,761	943,034
Tin free steel / Tin Plate	12,296,051	29,602,287
Aluminum sheet / Slug / Ingots	13,013,320	6,806,919
Polymers	17,483,964	9,189,905
Others	11,507,539	161,220
	69,712,778	54,704,278

**Notes to Consolidated Financial Statements (Continued)
 for the year ended 31st March, 2012**
22. Increase / (Decrease) in Inventories

	31st March, 2012 ₹	31st March, 2011 ₹
Inventories at the end of the year		
Finished Goods	79,704,475	56,774,884
Traded Goods	378,778,201	190,434,564
Work in Progress	18,330,080	18,857,408
	<u>476,812,756</u>	<u>266,066,856</u>
Inventories at the beginning of the year		
Finished Goods	56,774,884	45,591,851
Traded Goods	189,145,701	183,439,161
Work in Progress	18,857,408	2,003,625
	<u>264,777,993</u>	<u>231,034,637</u>
(Increase)/Decrease in Inventories	<u>(212,034,764)</u>	<u>(35,032,218)</u>
Details of Purchase of Traded Goods		
Chemicals	153,083,368	109,808,411
S S Sheets & Plate	-	93,276,766
Rice Husk	16,732,080	11,087,910
Tin Free Steel Sheets	-	27,478,804
Cars	2,864,929,008	2,611,508,308
Spare Parts	188,640,950	155,963,270
Others	3,528,131	8,315,922
	<u>3,226,913,537</u>	<u>3,017,439,391</u>
Details of Inventory		
Finished Goods		
Petrochemicals Products	6,099,156	5,830,859
Pet Bottle	4,543,241	-
Liquid Colorants	8,545	-
Closures	63,338,198	49,740,259
Collapsible Tubes	1,630,928	589,881
Others	4,084,409	613,886
	<u>79,704,475</u>	<u>56,774,884</u>
Work in Progress		
Closures	17,270,315	16,212,833
Others	1,059,765	2,644,575
	<u>18,330,080</u>	<u>18,857,408</u>
Traded Goods		
Shares	103,536,323	103,666,202
Car	260,849,798	72,606,190
Spare Parts	14,392,080	12,873,309
	<u>378,778,201</u>	<u>189,145,701</u>

**Notes to Consolidated Financial Statements (Continued)
 for the year ended 31st March, 2012**
23. Employee benefit expenses

	31st March, 2012	31st March, 2011
	₹	₹
Salary, Wages & Bonus	264,075,732	215,838,850
Company's contribution to Provident and other Funds	17,945,344	12,402,118
Gratuity	6,814,021	5,178,383
Staff Welfare Expenses	12,412,031	9,787,987
Managerial Remuneration	61,835,229	35,839,810
	<u>363,082,357</u>	<u>279,047,148</u>

24. Other expenses

Consumption of Stores, Spares	97,288,517	82,826,192
Power and Fuel	451,901,102	363,454,505
Rent	19,603,041	17,048,998
Job Charges	6,316,144	7,471,527
Transportation and Forwarding	681,857,081	417,152,749
Charter Freight Charges & Other Freight	1,694,594,613	1,227,189,921
Port Dues & Other Expenses / Certification	267,470,147	232,499,746
Vessel Expenses	116,945,507	154,877,820
Barge & Tug Freight Hire Charges	78,524,737	120,121,111
Stevedoring Charges	25,223,111	30,494,536
Shortages	132,027,300	29,946,410
Demurrages / Dispatch	42,460,766	48,118,477
Handling Charges	89,144,867	52,384,282
Storage Charges	19,878,524	21,014,534
Machinery Hire Charges	22,396,888	20,159,035
Payloader & Excavator Expenses / Machinery	36,458,663	31,493,790
Dumper & Tipper Expenses	73,820,978	61,608,546
Jetty Rent & Utilization Charges	113,403,228	146,483,109
Jetty Repairing Charges	7,710,136	4,503,862
Repairs and Maintenance :		
Building	9,902,397	6,066,305
Plant & Machinery	6,317,174	6,006,216
Others	5,489,011	4,800,868
Insurance	20,003,534	13,695,291
Rates and Taxes	8,330,179	2,869,602
Excise Duty	2,385,827	1,607,367
Directors Sitting Fees	923,880	763,720
Sundry balances written off (Net)	1,562,260	7,803,563
Donation	12,040,304	3,960,595
Brokerage & Commission	4,568,248	2,399,736
Registration and Octroi Charges	323,598,976	322,052,954
Legal & Professional Charges	26,740,045	31,857,533
Loss on sale of Fixed Assets	582,079	17,416
Loss on sale of Long Term Investment	-	11,705,790
Sales tax paid for earlier years	-	5,333
Vehicle Expenses	34,904,356	31,580,514
Office and Workshop Expenses	24,891,388	17,637,856
Foreign Exchange Fluctuation	17,136,255	2,854,815
Rebate & Discount	75,603	188,549
Payment to Auditor (Refer details below)	2,709,295	2,619,571
Bad Debts	2,018,360	-
Provision for Doubtful Debts	697,492	-
Preliminary Expenses written off	2,468,999	116,446
Adjustment to the carrying amount investment	-	751,961
Miscellaneous Expenses	113,515,760	94,320,982
	<u>4,597,886,769</u>	<u>3,634,532,134</u>

Notes to Consolidated Financial Statements (Continued)
for the year ended 31st March, 2012
Payment to Auditor

	31st March, 2012	31st March, 2011
	₹	₹
As Auditor:		
Audit Fee	2,044,308	1,648,022
Tax Audit Fee	20,773	131,073
In Other Capacity:		
Taxation Matters	300,000	330,900
Other Services	328,260	501,230
Reimbursement of Expenses	15,954	8,346
	<u>2,709,295</u>	<u>2,619,571</u>

25. Finance costs
Interest Expenses

Debentures	10,607,880	53,039,400
Term Loans	48,060,225	33,918,818
Others	58,258,443	61,641,899
Bank Charges	11,071,029	9,840,261
Other Finance Cost	2,947,811	-
	<u>130,945,388</u>	<u>158,440,377</u>

**Notes to Consolidated Financial Statements (Continued)
 for the year ended 31st March, 2012**
26. Earnings per Share (EPS)

Particulars	Year ended March 2012	Year ended March 2011
(a) Profit after Taxation and Minority Interest	385,827,590	372,407,373
(b) Less - Preference Dividend	12,668,253	6,802,678
(c) Profit after taxation and preference dividend	373,159,338	365,604,695
Basic EPS		
Weighted average number of equity shares of Rs.2/- each	100,373,671	91,647,715
Weighted average number of equity shares of Rs.2/- each in share capital suspense	-	-
(d) Total weighted average number of equity shares of Rs.2/- each	100,373,671	91,647,715
Earnings per share (EPS), - Basic Earnings per share on Profit after taxation (Rs.) [(c) / (d)]	3.72	3.99
Diluted EPS		
Weighted average number of equity shares of Rs.2/- each	100,373,671	91,647,715
Weighted average number of equity shares of Rs.2/- each in share capital suspense	-	-
Weighted average number of potential equity shares of Rs.2/- each on account of Compulsorily Convertible Preference Shares (CCPS)	54,500,000	54,500,000
(e) Total weighted average number of equity shares of Rs.2/- each	154,873,671	146,147,715
(f) Earnings per share (EPS), - Diluted Earnings per share on Profit after taxation (Rs.) [(a) / (e)]	2.49	2.55

Note: (a) During the year, on 15th July, 2011 the Authorised Share Capital of the Company, Issued, Subscribed and Paid up Equity Shares of the face value of Rs.10/- each has been sub-divided into the five equity shares of Rs.2/- each. Consequently, weighted average number of equity shares have been considered at the face value of Rs.2/- each fully paid up for the purpose of calculation of Earning Per Share (EPS) and accordingly EPS have been stated based on the post split face value of Rs.2/- each. EPS for the previous year ended 31st March, 2011 has been re-worked on the basis of new face value of Rs.2/- per share for sake of comparability.

(b) 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 for previous year in accordance with AS 20.

27 Employment Benefit Plan

(a) The subsidiary USL has not made separate disclosure in respect of gratuity and leave encashment in the notes to accounts in respect of employee benefits in its consolidated financial statements and consequently have not been included in the disclosure as mentioned in (b) (II) below. The liability in respect of gratuity and leave encashment in respect of the subsidiary USL as at 31st March, 2012 amounts to Rs.31.84 lakhs (Previous Year Rs.20.43 lakhs) and Rs.35.69 lakhs (Previous Year Rs.19.78 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 company has recognised Rs.24.20 lakhs (Previous period Rs.30.77 lakhs) towards Superannuation Scheme with Life Insurance Corporation of India and Rs.179.76 lakhs (Previous period Rs.141.97 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.

**Notes to Consolidated Financial Statements (Continued)
 for the year ended 31st March, 2012**

i. Actuarial Assumption	Year Ended 31st March, 2012	Year ended 31st March, 2011
Particulars	Gratuity (%)	Gratuity (%)
Discount Rate Current	8%	8%
Rate of Increase in Compensation Levels	6%	6%
ii. Table Showing Change in Benefit Obligation	Year ended 31st March, 2012 Gratuity (₹ in Lacs)	Year ended 31st March, 2011 Gratuity (₹ in Lacs)
Projected Benefit Obligation (PBO) at the beginning of the year	161.55	132.10
Adjustment on account of opening balances in respect of joint venture (OCL) and subsidiary (USAL)	-	-
Interest Cost	13.21	10.40
Service Cost	11.69	10.87
Past Service Cost	-	8.09
Benefits paid	(1.87)	(1.58)
Actuarial (gain) / loss on Obligations	11.81	1.66
Projected Benefit Obligations (PBO) at the end of the year	196.39	161.55
iii. The Amounts to be recognised in Balance Sheet and Income Statement and the related analysis		
Present Value of Obligation	196.39	161.55
Adjustment on account of opening balances in respect of joint venture (OCL) and subsidiary (USAL)	-	-
Fair value of Plan Assets	-	-
Unrecognised Actuarial gains (losses)	-	-
Unrecognised Transitional Liability	-	-
Liability Recognised by Group except subsidiary USL	196.39	161.55
Liability Recognised by subsidiary USL	31.84	20.43
Liability Recognised in Balance Sheet	228.23	181.99
iv. Net Periodic Cost		
Current Service Cost	11.69	10.87
Interest Cost	13.21	10.40
Past Service Cost	-	8.09
Expected Return on Plan Assets	-	-
Net Actuarial (gain) loss recognised in the period	11.81	1.66
Expenses Recognised by Group except subsidiary USL in the Income Statement	36.70	31.03
Expenses Recognised by subsidiary USL in the Income Statement	31.44	20.75
Expenses Recognised in the Income Statement	68.14	51.78
v. Movements in the liability recognised in the Balance Sheet:		
Opening Net Liability	161.55	132.10
Adjustment on account of opening balances in respect of joint venture (OCL) and subsidiary (USAL)	-	-
Expense as above	36.70	31.03
Contributions paid	(1.87)	(1.58)
Net Liability of Group except subsidiary USL	196.39	161.55
Net Liability of subsidiary USL (P.Y. subsidiary USL)	31.84	20.43
Closing Net Liability	228.23	181.99

28 Segment Reporting

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, 2012 is given as follows:

Notes to Consolidated Financial Statements (Continued) for the year ended 31st March, 2012
a. Business Segment

(₹ in Lacs)

Particulars	PETROCHEMICALS		TRADING		AUTOMOBILES		PACKAGING		SHIPPING & RELATED LOGISTICS		LIQUID COLORANTS		OTHERS		TOTAL	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011
REVENUE :																
External Revenue	2,830.56	2,052.92	1,764.37	2,594.82	34,313.48	32,794.47	8,381.15	7,336.59	49,258.75	37,410.97	175.09	71.43	641.73	-	97,365.12	82,261.19
Inter-segment Revenue	-	-	-	(83.29)	(0.26)	(2.71)	-	-	-	-	(47.05)	(17.74)	-	-	(47.31)	(103.74)
Total Revenue	2,830.56	2,052.92	1,764.37	2,511.54	34,313.22	32,791.76	8,381.15	7,336.59	49,258.75	37,410.97	128.04	53.69	641.73	-	97,317.81	82,157.45
RESULT																
Segment Result	325.74	202.74	33.26	34.33	691.07	512.96	490.51	520.58	6,632.82	5,318.99	(20.30)	(43.37)	10.78	(0.02)	8,163.89	6,546.20
(Less) / Add: Unallocable Income / (Expenses) (Net of unallocable Expenses)															1,018.18	1,204.86
Less: Interest Expenses															(1,169.27)	(1,486.00)
Add: Interest Income															1,557.77	2,150.76
Profit Before Prior Period Adjustment															9,570.57	8,415.82
Less/(Add): Prior Period Adjustment															(1.21)	2.39
Profit Before Taxation & exceptional item															9,569.37	8,418.21
Less: Provision for Current Tax															2,996.78	2,431.10
Less: Provision for Deferred Tax															180.44	142.93
Less: Income / fringe benefit tax for earlier years															8.37	(0.16)
Less: MAT Credit Entitlement															(25.50)	(46.80)
Profit After taxation and before Minority Interest and share of loss of associate															6,409.27	5,891.13
Less: Minority Interest															2,550.99	2,167.06
Profit After taxation before exceptional item															3,858.28	3,724.07
Exceptional Items (Net of Tax)															-	-
Profit After taxation															3,858.28	3,724.07
OTHER INFORMATION																
Segment Assets	961.37	823.37	993.30	833.12	6,828.29	4,508.81	7,623.49	7,525.55	31,567.63	23,242.91	440.49	679.70	1,326.52	-	49,741.08	37,613.46
Unallocable Assets															52,898.13	50,682.25
Total Assets															102,639.21	88,295.71
Segment Liabilities	290.21	227.93	472.71	928.01	1,507.30	1,357.67	1,219.01	1,400.67	4,049.80	3,211.23	3.49	53.61	35.24	368.91	7,577.76	7,548.03
Unallocable Liabilities															26,273.33	22,140.66
Total Liabilities															33,851.10	29,688.70
Capital Expenditure																
Segment Capital Expenditure	0.47	17.36	-	-	(220.00)	131.31	250.29	1,070.89	9,466.04	4,699.77	1.57	252.35	278.41	-	9,498.36	6,171.69
Unallocable Capital Expenditure															51.35	905.38
Total Capital Expenditure															9,549.71	7,077.07
Depreciation/Amortisation																
Segment Depreciation / Amortisation	36.28	36.56	-	-	126.17	107.95	402.34	350.69	1,988.08	1,455.17	15.72	24.44	59.28	-	2,627.87	1,974.66
Unallocable Depreciation / Amortisation															77.93	84.27
Total Depreciation / Amortisation															2,705.81	2,058.93

**Notes to Consolidated Financial Statements (Continued)
 for the year ended 31st March, 2012**

b. Secondary Segment Reporting (Geographical Segments):

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

(₹ in Lacs)

	31.03.2012	31.03.2011
Sales Revenue		
India	95,083.17	80,025.58
Outside India	2,234.64	2,131.87
Total Revenue	97,317.81	82,157.45
Segment Assets		
India	102,047.53	88,052.46
Outside India	591.68	243.25
Total Assets	102,639.21	88,295.71
Capital Expenditure		
India	9,054.25	6,381.19
Outside India	495.46	695.88
Total Capital Expenditure	9,549.71	7,077.07

29 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:

(i) Key Management Personnel and his / her relatives

- | | |
|---|--|
| (a) Rajendra Somani | Managing Director |
| (b) Sevantilal J. Parekh | Chairman Cum Managing Director in a subsidiary |
| (c) Varun Somani | Managing Director in a subsidiary |
| (d) B. K. Toshniwal | |
| (e) V. N. Kamath | |
| (f) Balmukund Gaggar | |
| (g) Ramkishore Singhi | |
| (h) Sarla S Parekh, Sujata Parekh Kumar | |
| (i) Captain Sanjay Goel | |
| (j) Rajeev Merchant | |
| (k) Paras Dakalia | |
| (l) Sachin Tipnis | |

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

- G. Claridge & Co. Ltd
- Oriental Enterprises
- Kopran Ltd
- Shree Gayatri Trust
- Elian Trading Company Private Limited
- Sunil Family Trust
- Practical Financial Services Private Limited

(iii) Joint Ventures of the Company

- Oriental Containers Ltd. (OCL)
- Claridge Energy LLP (w.e.f. 14.07.2010)

(iv) Joint Ventures of the Subsidiary

- Dharamtar Infrastructure Limited (DIL)
- USL NMM Logistics Limited (UNLL) [ceased to be joint venture w.e.f. 30.09.2011]
- CGU Logistics Limited (CLL)
- USL Packaging Limited (UPL) [ceased to be joint venture w.e.f. 01.04.2010]

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

Notes to Consolidated Financial Statements (Continued) for the year ended 31st March, 2012
B. DETAILS OF TRANSACTIONS BETWEEN THE COMPANY & RELATED PARTIES & THE STATUS OF OUTSTANDING BALANCES AS ON 31st March, 2012

(₹ in Lacs)

Nature of Transaction	OCL (Joint Venture)	Claridge Energy LLP (Joint Venture)	DIL	UNLL	O.L.	(Key Management Personnel)			Others	Kopran Limited	Ekan Trading Company Private Limited	Sunil Family Trust	Practical Financial Services Pvt. Ltd.	Shree Gayatri Trust	Total
						S. J. Parekh	Rajiv V Merchant	Captain Sanjay God							
Interest Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Earned	-	-	416.53 (207.15)	-	-	-	-	-	40.92 (35.41)	-	-	-	-	-	457.45 (262.81)
Rent Expense	-	-	-	(7.10)	(2.77)	-	-	-	-	-	-	-	-	-	11.16 (9.00)
Rent Income	25.20 (25.20)	-	-	-	-	-	-	-	180.00 (180.00)	-	3.00 (0.60)	8.16	-	-	205.20 (205.20)
Revenue	-	-	137.77 (53.82)	(17.72)	12.81 (10.05)	-	-	-	-	-	-	-	-	-	150.59 (83.59)
Repairs & Maintenance (Rates & Taxes)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3.60)
Remuneration to Key Management Personnel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans & Advances Given	-	30.44 (190.30)	1,371.49 (490.29)	-	-	359.50 (153.84)	52.38 (46.59)	78.14 (49.37)	128.34 (108.58)	-	-	-	-	-	618.35 (358.38)
Receipts towards Loans & Advances Given	(1.40)	47.50	468.97	(28.00)	-	-	-	-	-	520.83 (1,031.87)	-	-	-	-	1,922.76 (1,713.86)
Loans & Advance Taken	598.50 (176.46)	-	-	-	-	-	-	-	-	688.00 (570.00)	-	-	-	-	1,002.97 (774.46)
Payment towards Loans & Advances taken	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposit Paid	-	-	(83.95)	-	-	-	-	-	-	-	-	-	-	-	(83.95)
Receipts towards Deposit paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of goods, services & facilities	-	-	518.43 (146.55)	(61.10)	(0.52)	-	-	-	-	-	60.12 (53.47)	-	-	-	578.55 (261.64)
Sale of goods / Services	109.78 (248.04)	-	-	-	-	-	-	-	-	1,230.65 (1,354.07)	-	-	-	-	1,340.44 (1,602.11)
Purchase of Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment in Equity shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reimbursement towards currency exchange fluctuation	(4.71)	-	-	-	-	-	-	-	(18.46)	-	-	-	-	-	(23.17)
Receipts towards Sale of goods / services	299.26 (411.45)	-	-	-	-	-	-	-	786.12 (1,215.71)	-	-	-	-	-	1,085.37 (1,627.16)
Guarantees given to Bank against term loan	-	-	1,194.90 (1,268.40)	-	301.48 (301.17)	-	-	-	-	-	-	-	-	-	1,496.38 (1,569.57)
Balances as on 31st March, 2011	104.30 (702.80)	173.24 (190.30)	4,466.21 (3,340.75)	(49.22)	-	-	-	-	5,463.50 (5,459.94)	-	-	-	-	-	10,207.25 (9,743.00)
1. Loans & Advances given	31.00 (218.86)	-	205.73 (114.76)	(0.14)	-	-	-	-	850.70 (406.16)	-	-	-	-	-	1,087.42 (757.53)
2. Debtors / Other Receivables / Unbilled Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Deposits Received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Deposits paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Investment in Equity Shares	-	-	2.07 (11.72)	-	-	-	-	-	3.38 (3.38)	-	-	-	-	-	3.38 (3.38)
6. Creditors for Expenses / Advance billing	-	-	1,194.90 (1,268.40)	-	301.48 (301.17)	-	-	-	-	-	0.42 (0.15)	-	-	-	1,496.38 (1,569.57)
7. Guarantees given to Bank against term loan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

**Notes to Consolidated Financial Statements (Continued)
 for the year ended 31st March, 2012**
30 Estimated amount of contracts remaining to be executed

	31st March, 2012 (₹ in Lacs)	31st March, 2011 (₹ in Lacs)
Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of Advances)	854.11	1,567.00

31 Contingent Liability

Contingent Liabilities not provided for in respect of:

(a) Guarantees given by Company's Bankers and counter guaranteed by the Company	294.02	409.35
(b) Disputed demands of Excise Duty & Service Tax	132.33	135.60
(c) Income Tax demands disputed in appeals	527.17	1,082.21
(d) Assignment of sales tax liability	2,564.97	2,601.08
(e) Letter of Credit	1,007.81	1,011.58
(f) Unfulfilled export commitments	2,127.17	2,538.15
(g) Disputed Freight Tax Liability	349.29	-
(h) Custom Duty Demand under Appeal	175.00	175.00
(i) In case of Subsidiary Company United Shippers Limited, the company has provided corporate guarantee of 5.745 Million USD (equivalent Rs. 2,939 lakhs) favoring Banks for working capital facilities sanctioned to USL Shipping DMCEST, Dubai a 100% subsidiary of United Shippers Limited (P.Y. 7.051 Million USD (equivalent Rs. 3,148 lakhs))		
(j) In case of Subsidiary Company United Shippers Limited, the Company has provided Corporate Guarantee of Rs.1,898 lakhs to State Bank of India against the term loan provided to Dharamtar Infrastructure Limited. The company has also provided corporate guarantee of Rs.389 lakhs to customs on account of its Joint venture, CGU Logistics Ltd. (P.Y. Rs.389 lakhs). The Company has provided 100% Corporate guarantee (CG) against ECB loan of USD 3 Million provided to its subsidiary USL Coeclerici Logistics Pvt. Ltd. for its Floating Crane Vessel Project.		
(k) In case of Subsidiary Company United Shippers Limited, the Company has provided security of its four barges namely, M.V. Giridhari, M.V. Gajanan, M.V. Bajrang, M.V. Jalgamini as first charges towards ECB Loan of USD 3 Million provided to its subsidiary USL Coeclerici Logistics Pvt. Ltd. After completion of construction of Floating Crane Vessel, the same will be provided as first charge against the ECB loan and the first charge of the above referred vessels of United Shippers Limited will be withdrawn.		
(l) In case of Subsidiary Company United Shippers Limited, the Arbitrator has been appointed by Mumbai High Court in the legal case regarding outstanding dues with Tata Power Company Limited. The arbitration proceedings are going on. Currently the amount of contingent liability cannot be ascertained.		
(m) In case of Subsidiary Company United Shippers Limited, the Income Tax Department has reopened the assessment for A.Y. 2000-01, against which the company has filed a writ petition in the High Court, Mumbai challenging the opening of reassessment proceedings and obtained stay order for further proceedings by the department till the High Court decides the matter.		
(n) Sales Tax Deferral Scheme 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 the Company to OCL. The Company 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, the Company 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 (Previous year Rs. 45.07 lakhs).		
32 During the year, the Company has received a notice from Reserve Bank of India for contraventions of provisions of Foreign Exchange Management Act, 1999 in relation to foreign inward remittance of Rs.353,596,036/- in the year 2009 - 2010, giving Company an opportunity to make a compounding application to Reserve Bank of India. The Company filed a compounding application with Reserve Bank of India pursuant to which a personal hearing in the matter was held on 21st March, 2012 with the Compounding Authority and the final order from the Compounding Authority is still awaited. The Management does not expect a liability in this regard.		
33 Some of the balances of Trade Receivables, Deposits, Loans & Advances, Trade Payables, Liability for Expenses and Capital Assets are subject to confirmation from the respective parties and consequential reconciliation/adjustment arising there from, if any. The management, however, does not expect any material variation.		
34 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.		

**Notes to Consolidated Financial Statements (Continued)
 for the year ended 31st March, 2012**

- 35 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.

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.

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

Particulars	(Rs. In lakhs)	
	Year ended 31st March, 2012	Year ended 31st March, 2011
Goodwill on Consolidation (Net) as at 01.04.11	2,607.93	2,610.53
Add: Goodwill arising on purchase of additional stake in Dharamtar Infrastructure Limited	481.29	-
Less: Opening Capital Reserve of USL Packaging Limited adjusted against Goodwill on Consolidation	(2.52)	-
Less: Goodwill written off on cessation of the subsidiary UASL	-	(2.59)
Goodwill on Consolidation (Net) as at 31.03.12	3,086.70	2,607.93

- 37 **Movement in 'Minority Interest' during the year :**

Minority Interest balance as at 01.04.11	14,053.60	12,096.04
Less: Capital Reserve adjusted against Goodwill on Consolidation	(1.29)	-
Add: Minority Share in Share Premium of subsidiary USL	222.30	-
Add / (Less): Minority Share in Foreign Currency Translation Reserve of subsidiary USL	406.60	(40.72)
Add: Minority Share in Profit of subsidiary USL	2,550.99	2,167.06
Less: Minority Share of dividend including dividend tax of subsidiary USL pertaining to previous year paid in the current year	(342.93)	(172.40)
Less: Goodwill arising on Consolidation due to purchase of additional stake in Dharamtar Infrastructure Limited	(475.16)	-
Less: Minority Share in Capital Reserves arising on cessation of a jointly controlled entity USL packaging Ltd. of USL (subsidiary) and becoming subsidiary of USL (subsidiary) w.e.f. 1st April, 2010	-	3.62
Add: Minority Interest in capital of fellow subsidiary USL Coeclerici Logistics Private Limited	371.24	-
Minority Interest balance as at 31.03.12	16,785.35	14,053.60

- 38 (a) Depreciation on plant & machinery is charged on straight line method by the Group except by the subsidiaries Shinrai Auto Services Ltd and United Shippers Ltd which follows written down value method. Thus out of the total depreciation on plant & machinery of Rs.554.21 lakhs (Previous Year Rs.445.16 lakhs) included in the consolidated balance sheet, 17.09% i.e. Rs.94.74 lakhs (Previous Year 12.62% i.e. Rs.56.20 lakhs), as a percentage of Rs.554.21 lakhs (Previous Year Rs.445.16 lakhs), 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, license 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, license fees, leasehold land, freehold land and plant & machinery of Rs.2,143.92 lakhs (Previous Year Rs.1,602.85 lakhs) included in the consolidated balance sheet, 1.68% i.e. Rs.36.09 lakhs (Previous Year 1.78% i.e. Rs.28.60 lakhs), as a percentage of Rs.2,143.92 lakhs (Previous Year Rs.1,602.85 lakhs), is provided on straight line method and the balance is provided on written down value method of depreciation.

39 **Micro, Small and Medium Enterprises**

On the basis of the information and records available with the Management, the following disclosures are made for the amounts due to the Micro, Small and Medium enterprises, who have registered with the competent authorities:

Particulars	(Rs. In lakhs)	
	2012	2011
Principal amount remaining unpaid to any supplier as at the year end	35.29	41.44
Interest due thereon	0.46	0.31
Amount of interest paid during the year	5.32	3.84
Amount of payments made to the supplier beyond the appointed day during the accounting year	158.02	155.45
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro Small and Medium Enterprises Development Act, 2006.	4.49	4.52
Amount of interest accrued and remaining unpaid at the end of the accounting year	12.49	12.86

**Notes to Consolidated Financial Statements (Continued)
 for the year ended 31st March, 2012**

40 The Subsidiary Shinrai Auto Services Ltd. (SASL) has paid managerial remuneration of Rs. 27.01 lakhs (P.Y. Rs. 27.01 lakhs) to Managing Director in excess of limits prescribed under Schedule XIII of the Companies Act, 1956. Pending the approval from the Central Government, the remuneration paid in excess is being held in trust by the managing director.

41 Disclosures of derivative instruments in respect of jointly controlled entity OCL:

The un-hedged foreign currency exposure as on 31 March 2012 is given below:

(₹ In Lakhs)

	As at 31st March, 2012		As at 31st March, 2011	
	Payables		Payables	
	Foreign currency Amount	Local currency Amount	Foreign currency Amount	Local currency Amount
USD	19.64	1,004.48	14.77	659.66
EURO	11.49	785.43	16.45	1,040.16
GBP	-	-	0.01	0.72

	As at 31st March, 2012		As at 31st March, 2011	
	Receivables		Receivables	
	Foreign currency Amount	Local currency Amount	Foreign currency Amount	Local currency Amount
USD	10.09	516.07	5.44	243.06

42 In case of jointly controlled entity Oriental Containers Limited, last year due to fire at Goa factory, OCL has incurred a loss of inventory aggregating Rs. 5.529 million and loss to building and industrial goods hoist aggregating Rs.0.888 million. In respect of loss incurred, OCL lodged an Insurance Claim of Rs.5.583 million towards inventory and Rs.0.897 million towards building and industrial goods hoist on 24th September 2010, along with other estimated incidental costs. Of the above claim, OCL has received Rs. 2.40 million on 13th March 2011 as ad-hoc interim relief. Further amount of Rs.1.44 million is received during the year ended 31st March 2012 as full and final settlement amount towards the claim.

43 Previous Year figures

The financial statements for the year ended 31st March, 2011 had been prepared as per the then applicable pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statement for the year ended 31st March, 2012 are prepared as per the Revised Schedule VI. Accordingly, the Company has reclassified previous years figures to conform to this year's classification. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it significantly impacts presentation and disclosures made in the financial statements.

As per our report of even date annexed

FOR KHANDELWAL JAIN & CO.

Chartered Accountants
 Firm Regn No.: 105049W

NARENDRA JAIN
 Partner
 Membership No. 048725

Mumbai
 May 30, 2012

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

Notes

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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 **Forty Second** Annual General Meeting of the Company, on **Saturday, 25th August, 2012 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.

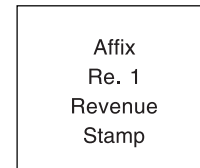
Regd. Office: 1076, Dr. E. Moses Road, Worli, Mumbai 400 018.

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 **Forty Second** Annual General Meeting of the Company to be held on **Saturday, 25th August, 2012 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 _____, 2012.



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.

