

69<sup>TH</sup> ANNUAL REPORT  
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**THE SANDESH LIMITED**

Late Shri Chimanbhai Patel  
(1918 - 1995)



विडाय क्कामान्यः सर्वान्पुमांश्चरति निस्पृहः।  
निर्भमो निरङ्कारः स शांतिमधिगच्छति॥

श्रीमद् भगवद्गीता (२-७१)

**He who abandons all desires  
and acts free from longing, without  
any sense of mineness or  
egotism he attains peace.**

Dr. Radhakrishnan

# સંદેશ

## 69TH ANNUAL REPORT (FINANCIAL YEAR 2011-2012)

### BOARD OF DIRECTORS:-

**Chairman & Managing Director:**  
SHRI FALGUNBHAI PATEL

**Managing Director:**  
SHRI PARTHIV PATEL

### Non-Executive Directors:

SHRI SUDHIR NANAVATI  
SHRI MUKESH PATEL  
SHRI SHREYAS PANDYA  
SHRI RAVINDRA DHARIWAL  
SMT. PANNABEN PATEL  
HON'BLE DR. JUSTICE JITENDRA N. BHATT

### COMPANY SECRETARY & COMPLIANCE OFFICER:-

SHRI DHAVAL PANDYA

### REGISTERED OFFICE:-

**THE SANDESH LIMITED,**  
"Sandesh Bhavan", Lad Society Road,  
B/h. Vastrapur Gam, P.O. Bodakdev,  
Ahmedabad-380054(GUJ.)  
Contacts Nos. (079) 40004000  
Email : cs@sandesh.com  
CIN NO. : L22121GJ1943PLC000183

### BANKERS:-

YES BANK LIMITED

### AUDITORS:-

**M/s. MANUBHAI & CO.,**  
CHARTERED ACCOUNTANTS,  
(Firm Registration No. 106041W)  
2nd Floor, "B" Wing, Premium House,  
Near Gandhigram Railway Station,  
Navrangpura,  
Ahmedabad-380009 (GUJ.)

### REGISTRAR & SHARE TRANSFER AGENT :-

**M/s. MCS LIMITED,**  
Unit : The Sandesh Limited  
101, Shatdal Complex,  
1st Floor, Opp. BATA Show Room,  
Ashram Road,  
Ahmedabad-380009 (GUJ.)  
Contact Nos. (079) 26582878  
Email : mcsahmd@gmail.com

### PRESS LOCATIONS AT :-

1. AHMEDABAD
2. VADODARA
3. SURAT
4. RAJKOT
5. BHAVNAGAR
6. BHUJ

### 69th ANNUAL GENERAL MEETING

**: Date :**

30th day of August, 2012

**: Venue :**

Gujarat Law Society Auditorium, G.L.S. College Campus,  
Opp. Law Garden, Ellisbridge, Ahmedabad -380006 (Gujarat).

**: Time :**

10:00 a.m.

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## NOTICE

**NOTICE** is hereby given that **SIXTY NINTH ANNUAL GENERAL MEETING** of the Members of **"THE SANDESH LIMITED"** will be held on Thursday, the 30th day of August, 2012 at 10.00 a.m. at Gujarat Law Society Auditorium, G.L.S. College Campus, Opp. Law Garden, Ellisbridge, Ahmedabad-380006 (Gujarat) to transact the following businesses:

**ORDINARY BUSINESS :-**

1. To receive, consider and adopt Audited Balance Sheet as at March 31, 2012 and Profit and Loss Account for the financial year ended March 31, 2012 together with Directors' Report and the Auditors' Report thereon.
2. To declare dividend for the Financial Year ended March 31, 2012.
3. To appoint a Director in place of Shri Shreyas V. Pandya who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Mukesh M. Patel who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration and pass the following ordinary resolution.

**"RESOLVED THAT** M/s. Manubhai & Co., Chartered Accountants, Ahmedabad (**Firm Registration Number 106041W**), be and are hereby reappointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting on such remuneration as shall be determined by the Board of Directors of the Company in consultation with the Statutory Auditors."

Registered Office:-  
"Sandesh Bhavan", Lad Society Road,  
B/h. Vastrapur Gam, P. O. Bodakdev,  
Ahmedabad-380054  
Date : 24/05/2012  
Place : Ahmedabad

**By Order of the Board of Directors,  
For, THE SANDESH LIMITED**

**Dhaval Pandya  
COMPANY SECRETARY**

**Notes: -**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ('MEETING') IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES IN ORDER TO BE EFFECTIVE, MUST BE LODGED WITH THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
2. In terms of the provisions of section 256 of the Companies Act, 1956, Shri Shreyas V. Pandya and Shri Mukesh M. Patel, retire by rotation at the ensuing Meeting and being eligible, offer themselves for re-appointment. The Board of Directors of the Company commends their respective re-appointments.
3. The Company has already notified the closure of the Register of Members and the Share Transfer Books of the Company from **Saturday, the 25th day of August, 2012 to Thursday, the 30th day of August, 2012** (both days inclusive) for determining the names of Members eligible for dividend on Equity Shares, if declared at the Meeting.

Dividend as recommended by the Board of Directors of the Company, if declared by the Members at the ensuing Meeting will be paid from **Monday, 3rd September, 2012** to those Members whose names appears;

- As beneficial owner as at the close of the business hours Friday, 24th day of August, 2012 as per the details furnished by National Securities Depository Limited (NSDL) and Central Depository Services (I) Limited (CDSL) in respect of shares held in electronic form; and
  - As Member on the Register of Members of the Company after giving effect to the valid transfers in respect of transfer request lodged with the Company/RTA on or before the close of the business hours Friday, 24th day of August, 2012.
4. The Company has transferred the unpaid/unclaimed dividend up to the financial year 2003-04 to the "Investor Education & Protection Fund" established by the Central Government. The Company had not declared any dividend for the financial year 2004-05.
  5. Members are informed that in the case of joint holders attending the meeting, only such joint holder who is higher in order of the name will be entitled to vote.
  6. Corporate members are requested to send a duly certified copy of the board resolution/Power of Attorney authorizing their representative to attend and vote at the meeting.
  7. The Members/Proxies should bring the Attendance Slip sent herewith, duly filled in for attending the Meeting. The Members, desiring any information pertaining to the accounts, are requested to write to the Company 10 days before the date of the Meeting, so that the information can be made available at the Meeting. Further, the Members are requested to bring their copy of the Annual Report at the Meeting. The Members who hold shares in dematerialized form are requested to bring their DPID & Client ID numbers for easy identification of attendant at the Meeting.

8. Relevant papers/documents referred to in this Notice are open for inspection by the Members at the Registered Office of the Company on all working days between 11.00 a.m. and 1.00 p.m. up to the date of the Meeting.
9. As regard payment of dividend, the Company provides National Electronic Clearing System (NECS) facility to the Members of the Company, having their bank account in specified cities. The Members holding their shares in physical form, who wish to avail NECS facility, may authorize the Company with their NECS mandate. The request for payment of dividend through NECS for the year 2011-12 should be lodged with Registrars & Transfer Agent of the Company M/s. MCS Limited, Unit – THE SANDESH LIMITED, 101, Shatdal Complex, 1st Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad-380009, Gujarat (India). The Members must note that NECS essentially operates on the new & unique bank account number, allotted by banks post implementation of Core Banking Solutions (CBS) for centralized processing of inward instructions and efficiency in handling bulk transactions. In this regard, the Members are requested to furnish the new Bank Account Number allotted by the banks post implementation of CBS, along with a copy of cheque pertaining to the concerned account, to the Registrar and Transfer Agents of the Company in case they hold shares in physical form and to the concerned depository participant in case they hold shares in demat form. In case any Member does not provide his/her new account number allotted after implementation of CBS, please note that ECS to his/her old account may either be rejected or returned.
10. The Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agent cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.
11. The Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their Demat accounts. The Members holding shares in physical form are requested to advise any change in there address immediately to the Company or its Registrars and Transfer Agents, M/s. MCS Limited.
12. To receive faster communication of all shareholder communications, including annual reports, the shareholders are requested to kindly register / update their email address with their respective depository participant, where shares are held in electronic form. If, however, shares are held in physical form, shareholders are advised to register their e-mail address with M/s. MCS Limited, Ahmedabad.

Registered Office:-  
 "Sandesh Bhavan", Lad Society Road,  
 B/h. Vastrapur Gam, P. O. Bodakdev,  
 Ahmedabad-380054  
 Date : 24/05/2012  
 Place : Ahmedabad

**By Order of the Board of Directors,  
 For, THE SANDESH LIMITED**

**Dhaval Pandya  
 COMPANY SECRETARY**

**PARTICULARS OF THE DIRECTOR/S SEEKING APPOINTMENT/RE-APPOINTMENT AT THE  
 ENSUING ANNUAL GENERAL MEETING PURSUANT TO CLAUSE-49 OF THE LISTING AGREEMENT : -**

<b>Name</b>	<b>SHREYAS V. PANDYA</b>
<b>DIN Number</b>	00050244
<b>Date of Birth</b>	01/10/1952
<b>Date of Appointment</b>	30/12/2005
<b>Educational qualification</b>	B.Com, Diploma in Printing Technology
<b>Expertise in functional areas</b>	He is the Managing Director of Sahitya Mudranalaya Pvt. Ltd., one of the largest Printing & Data Processing House of Gujarat and having certification of ISO 27001:2005. With 41 years of experience in Printing Industry he was awarded Guttenberg Award as Stalwart of Printing Industry by All India Federation of Master Printers. He is also awarded as Star Printer of SAARC Nations during September, 2009. Sahitya Mudranalaya is winner of Presidential Awards for excellence in printing. It has been awarded with certificate of excellence at the First South Asia Print Congress amongst SAARC Countries. It is also winner of several National and State Level awards under the management of Shri Shreyas V. Pandya. He is also empanelled as Security Printer by Indian Banks' Association for printing of MICR Instruments. He was president (2003-04) of Gujarat Chambers of Commerce and Industry. He was also Vice President (West) (1990-91) of All India Federation of Master Printers. He was President (1987-2003) of Ahmedabad Printing Press Association.
<b>Name of the other Companies in which he holds Directorship/ Committee Membership</b>	<b>Directorship :</b> ➤ Sahitya Mudranalaya Pvt. Ltd. ➤ Tarang Estate Pvt. Ltd. ➤ Malhar Investment and Estate Pvt. Ltd. ➤ Meghmalhar Enterprise Pvt. Ltd.

<b>Name</b>	<b>MUKESH M. PATEL</b>
<b>DIN Number</b>	0053892
<b>Date of Birth</b>	22/01/1954
<b>Date of Appointment</b>	30/03/2005
<b>Expertise in functional areas</b>	<p>He is an Eminent International Tax Expert, an Eloquent Public Speaker, a Dedicated Professor, a Popular Columnist, a Versatile Author, an Articulate TV Anchor, an extensive Globe Trotter, an Accomplished Photographer, a Centurion Blood Donor. He enjoys the honour and distinction of having been conferred with several International Awards and Recognitions including 'Outstanding Speaker of the Twentieth Century', 'The Friend of NRIs Award', 'The Indo-Japanese Friendship Award &amp; Imperial Medallion', 'The British Red Cross Salutation – The Cup of Joy &amp; Life', 'Hall of Fame Acclaim on the World Academy of Speakers', 'Outstanding Young Professional of the World', 'Honorary Fellowship of the World Assembly of Youth' and 'Honorary Life Membership of the International Tax Bar Association.' His all round contributions in diverse spheres of public life came to be featured in the biographic publication 'Trail Blazers of Gujarat.' In recognition of his dedicated contribution, noteworthy achievements and meritorious services both in his profession and in public life, he was awarded the first 'Outstanding Professional of Gujarat Award' by the All Gujarat Federation of Tax Consultants in January, 2010. He is a Visiting Professor at the Gujarat Law Society, the reputed Indian Institute of Management, Ahmedabad and the Adani Institute of Infrastructure Management, Ahmedabad and a Weekly Columnist on Direct Tax Laws in the leading dailies, he has devoted nearly 35 years for the cause of legal education and tax journalism, with the tally of his popularly read newspaper articles in Gujarati and English now nearing the 3,000 mark. His widely acclaimed annual publication in Gujarati, 'Practical Tax Planning &amp; Ready Reckoner', has been a record best seller ever since its release in 1979. 'Save Tax', 'Smart Strategies for Tax Planning', 'Practical Tax &amp; Investment Planning', 'Axe your Tax and Relax' and 'Tax Planning via Planning of Investments' are among the popular English Book Titles authored by him. His studied and thought provoking annual presentations on the Analysis of the Union Budget and other subjects relating to Tax and Investment Planning for the past over 30 years, which have crossed the 600 mark, are eagerly looked forward to. He conceived and anchored the first of its kind TV Serial on Tax Payer Education entitled 'Tax Free', which ran into 16 popular episodes on Doordarshan. His 16 innovative presentations in the serial 'Money Magic' on Zee Gujarati, focusing on Tax &amp; Investment Planning, met with equally overwhelming response of the viewers. He has been regularly coordinating live discussion programmes on Expectations for the Union Budget and Post Budget Analysis on the Gujarati News Channel TV 9. Inspirational Reading and Creative Photography have been his spirited pursuits for years, which have bloomed and prospered during his extensive travel to over 75 countries, across all the six continents around the world. The Exhibition of his Photographs entitled 'Around the World through a Lens Eye,' received extensive appreciation. His Book 'Inspirational Gems to Empower your Life' and Timeless Calendar 'Enchanting Photo Classics with Inspirational A to Z Quotes' have been widely reviewed and acclaimed. As an Institution Builder, he has groomed and nurtured several leading institutions with his dynamic vision and leadership during his Presidential Tenure, prominent among them being the Ahmedabad Management Association, the Gujarat Chamber of Commerce &amp; Industry, the Indo-Japan Friendship Association, Gujarat, the Indian Red Cross Society, Ahmedabad, the All Gujarat Federation of Tax Consultants, the Income-tax Appellate Tribunal Bar Association, the Income Tax Bar Association and the Tax Advocates Association. He has actively served on the Managing Bodies of apex organizations such as FICCI, ASSOCHAM, ICC and AIMA. He is also the Standing Counsel of The Indo-Japanese Economic Co-operation Council, The Indo-American Chamber of Commerce and The International Forum of NRIs. During his student days, he learned valuable lessons in leadership and public life, getting opportunity to spearhead the historic <i>Navnirman</i> Movement of 1974 as one of its front-rank leaders. His dynamic role as the think-tank and articulate spokesperson of the Movement came to be internationally lauded at the 'Round Table on Student Movements of the World' organized by the World Assembly of Youth at Geneva. An active Boy Scout at school, he also received the President's Scout Award &amp; Medal. A champion supporter of the Red Cross and the Voluntary Blood Donation Movement, he has himself donated blood for 125 times. He has also supported the setting up of 'Mukesh M. Patel – AMA Academy for Public Speaking and Personality Development' at the Ahmedabad Management Association. The Academy aims at regularly organizing a variety of training programmes on Public Speaking and Personality Development, not only in Ahmedabad, but all over Gujarat. As the Vice President of the Dehgam Taluka Education Society, he has been instrumental in the setting up of a model educational complex for the benefit of the all-round education of rural youth. He is a Director on the Board of several leading public companies. He has also served as the Chairman of the Board of Directors of the Ahmedabad Stock Exchange.</p>
<b>Name of the other Companies in which he holds Directorship/ Committee Membership</b>	<p><b>Directorship</b></p> <ul style="list-style-type: none"> <li>➤ Cadila Healthcare Limited</li> <li>➤ Zydus Wellness Limited</li> <li>➤ Hitachi Home &amp; Life Solutions (India) Limited</li> <li>➤ Desai Brothers Limited</li> <li>➤ German Remedies Limited</li> <li>➤ Zydus Pharmaceuticals Limited</li> <li>➤ Cliantha Research Limited (Formerly known as BA Research India Limited)</li> </ul> <p><b>Audit Committee - Chairmanship</b></p> <ul style="list-style-type: none"> <li>➤ Cadila Healthcare Limited</li> <li>➤ Hitachi Home &amp; Life Solutions (India) Limited</li> <li>➤ Desai Brothers Limited</li> <li>➤ Zydus Wellness Limited</li> </ul> <p><b>Membership</b></p> <ul style="list-style-type: none"> <li>➤ Cliantha Research Limited (Formerly known as BA Research India Limited)</li> </ul> <p><b>Shareholders/Investor Grievance Committee - Membership</b></p> <ul style="list-style-type: none"> <li>➤ Zydus Wellness Limited</li> <li>➤ Cadila Healthcare Limited</li> <li>➤ Hitachi Home &amp; Life Solutions (India) Limited</li> </ul>



## DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the 69th Annual Report and the Audited Accounts for the financial year ended March 31, 2012.

## 1. FINANCIAL RESULTS

(₹ in lacs)

Particulars	2011-12	2010-11
Gross Profit of the Company before providing for	<b>7,180.45</b>	7,625.23
Less :		
Depreciation	<b>654.10</b>	692.76
Taxation	<b>1,946.47</b>	1,866.16
Managing Director Remuneration	<b>664.67</b>	675.87
	<b>3,265.24</b>	3,234.79
Net profit	<b>3,915.21</b>	4,390.44
Add : Last year's carried forward balance	<b>1,126.52</b>	1,133.92
	<b>5,041.73</b>	5,524.36
Appropriation :-		
Proposed Dividend	<b>298.53</b>	341.18
Tax on Dividend	<b>48.43</b>	56.66
Transfer to General Reserve	<b>4,000.00</b>	4,000.00
Balance carried to Balance Sheet	<b>694.77</b>	1,126.52
	<b>5,041.73</b>	5,524.36
Dividend		
35% on 8529421 Equity Shares of ₹10/- each	<b>298.53</b>	—
40% on 8529421 Equity Shares of ₹ 10/- each	—	341.18

Note: Previous year's figures are recast/rearranged, wherever necessary.

## 2. REVIEW OF OPERATIONS

Though the operating income has grown by 12.41%, PBT has fallen by 6.31% from ₹ 6256.60 lacs in previous year to ₹ 5861.68 lacs due to increased cost of news print & other input costs.

There is an increase in net advertisement revenue by 4.64% and net revenue of the circulation has also increased by 5.01% compared to the previous Financial Year. Despite of increase of 12.41% in income from operations, your Company has reported profit before taxation at ₹ 5861.68 Lacs compared to ₹ 6256.60 Lacs in the previous year, resulting net decrease of 6.31% after absorbing increased cost of the raw materials by 15.59% compared to the previous year.

## 3. CANCELLATION OF FORFEITED SHARES

During the year under review, in terms of Article 27A of the Articles of Association of the Company, the Board of Directors of the Company had approved in their Meeting held on 03rd day of February, 2012, that 8,800 (Eight Thousand Eight Hundred) Equity Shares of ₹ 10/- each issued at Premium of ₹ 90/- per Equity Share, forfeited for non-payment of the Call Money of ₹ 5/- per Equity Share and the Premium of ₹ 45/- per Equity Share, would not be re-issued and hence, the said forfeited Equity Shares should be cancelled. Accordingly, said 8800 forfeited equity shares were cancelled, and the forfeited amount of ₹ 44,000/- (Rupees Forty Four Thousand only) received on account of the part payment on 8800 forfeited Equity Shares was transferred from the "Share Capital Account" to the "Capital Reserve Account" in the Books of Accounts of the Company.

**4. MODERNIZATION SCHEME**

The Company has invested ₹ 693.37 Lacs in modernization of plant & machineries and buildings.

**5. DIVIDEND**

Your Directors are pleased to recommend dividend of 35% (₹ 3.50 per equity share of ₹ 10/- each), for the Financial Year ended March 31, 2012 (In previous Financial Year, dividend was declared @ 40% i.e. ₹ 4.00 per equity share). The proposed Dividend payment would entail an outflow of ₹ 346.96 Lacs including Dividend Tax.

**6. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND**

Pursuant to the provisions of section 205A(5) of the Companies Act, 1956, relevant amounts which remained unpaid or unclaimed for a period of seven years have been transferred by the Company to the Investor Education and Protection Fund established by the Central Government.

**7. AUDIT COMMITTEE**

The Audit Committee constituted in accordance with Clause-49 of the Listing Agreement, reviewed the internal control system, scope of internal audit and compliance of related regulations. The Audit Committee also reviewed at length and approved the Financial Statements before the same were considered by the Board of Directors of the Company.

**8. INVESTMENTS**

The aggregate investments including the investments made in the securities of Applewoods Estate Pvt. Ltd. amounting to ₹ 14506.72 Lacs, amounted to ₹ 14588.55 Lacs as on March 31, 2012 as compared to investments of ₹ 9283.30 Lacs in the previous year.

**9. CREDIT RATING**

The Company has achieved AA Rating for long terms and A1+ for short term (highest rating for short term paper) by India's premier credit rating agency "Credit Analysis and Research Limited". This reflects the sound business practices, efficient management practices and the strong brand image of the Company.

**10. INFORMATION TECHNOLOGY**

Your Company has initiated implementation of Enterprise Resource Planning (SAP) integrating all functions including of purchase, accounting, finance and sales/distribution, production etc., to enhance the business efficiencies, strengthen the internal controls and provide accurate management information reports.

**11. BORROWING**

The Company has availed the cash credit facilities to meet its day-to-day working capital requirements from its Banker during the Financial Year under review and its outstanding balance is ₹ 4098.99 Lacs as on March 31, 2012. In addition to this Company has an outstanding short term loan of ₹ 2000 Lacs as on March 31, 2012.

**12. HUMAN RESOURCE INITIATIVES AND INDUSTRIAL RELATIONS**

The Company has implemented effective Human Resource systems which starts from defining the complete job profile, performance planning and goal-setting and takes it forward into performance review discussions, feedback and development. The systems are business-linked, highly objective and fully transparent and help the Company to ensure high level of employee satisfaction and stability. Relations with the employees continued to be cordial throughout the year. Your Directors place on record their sincere appreciation for the efforts, dedication and active participation of the employees in all initiatives during the year.

**13. REPORT ON CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS**

As required under the Listing Agreement with the Stock Exchanges, the reports on "Corporate Governance" as well as "Management Discussion and Analysis" are attached and forms part of the Directors' Report. A Certificate from the Statutory Auditors of the Company regarding compliance of conditions of the Corporate Governance as stipulated under Clause-49 of the Listing Agreement is annexed to the report on Corporate Governance.

**14. PARTICULARS OF EMPLOYEES**

In terms of provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, the names and other particulars of employees are set out in the Annexure to the Directors' Report. However, having regard to the provisions of Section 219 (1)(b)(iv) of the Companies Act, 1956, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.



**15. CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

Additional information on conservation of energy, technology absorption, foreign exchange earnings and outgo as required to be disclosed in terms of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed hereto as Annexure A and forms part of this Report.

**16. PUBLIC DEPOSITS**

Your Company has not accepted or invited any deposits from public within the meaning of Section 58-A of the Companies Act, 1956, during the year under review.

**17. INSURANCE**

All the properties and insurable interest of the Company, including building, plant and machinery and stocks are adequately insured.

**18. DIRECTORS**

During the year under review, Shri Shreyas V. Pandya & Shri Mukesh M. Patel, Directors of the Company retire by rotation, and being eligible offer themselves for re-appointment.

**19. DIRECTORS' RESPONSIBILITY STATEMENT**

As required under the provisions of Section 217 (2AA) of the Companies Act, 1956, your Directors report that:

- a) In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed and there are no material departure from the same;
- b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the Financial Year and of the profit of the Company for the year under review;
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; &
- d) The Directors have prepared the Annual Accounts on a going concern basis.

**20. AUDITORS**

The Statutory Auditors, M/s. Manubhai & Co., Chartered Accountants, Ahmedabad, (*Firm Registration Number 106041W*), retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if re-appointed. The Notes on accounts and observations of the Auditors in their report on the Accounts of the Company are self-explanatory and therefore, in the opinion of Directors, do not call for any further explanation.

**21. APPRECIATION**

The Directors wish to place on record their appreciation of the devoted services of the workers, staff and the officers who have largely contributed to the efficient management of the Company.

**22. DONATION**

During the year under review, the Company has made donation of ₹ 30.72 Lacs for charitable and other purpose.

**23. ACKNOWLEDGEMENTS**

Your Company continues to occupy a place of respect amongst stakeholders, most of all our valuable readers. Your Directors would like to express their sincere appreciation for assistance and co-operation received from advertising agents, selling agents, vendors and stakeholders including banks, Central & State Government authorities, other business associates, who have extended their valuable sustained support and encouragement during the year under review. Your Directors take this opportunity to place on record their gratitude and appreciation for the committed services of the employees at all levels of the Company.

Registered Office:-  
"Sandesh Bhavan", Lad Society Road,  
B/h. Vastrapur Gam, P. O. Bodakdev,  
Ahmedabad-380054  
Date : 24/05/2012  
Place : Ahmedabad

**By Order of the Board of Directors,  
For, THE SANDESH LIMITED**

**FALGUNBHAI PATEL  
CHAIRMAN & MANAGING DIRECTOR**

**ANNEXURE TO THE DIRECTORS' REPORT**
**ANNEXURE : "A"**
**(A) CONSERVATION OF ENERGY**
**(a) ENERGY CONSERVATION AND MEASURES TAKEN :-**

Though the operations of the Company are not energy intensive, efforts are made for conservation of energy on an on-going basis. The Company is not using DG set but uses alternate power lines if Mains failure. The Company has installed capacitor banks and filters for improvement in power factor. It has also installed UPS CTP machines/Computers/Image Setters on state power. The energy conservation initiatives have resulted in improvement of power factor.

**(b) ADDITIONAL INVESTMENTS AND PROPOSALS, IF ANY, BEING IMPLEMENTED FOR REDUCTION IN CONSUMPTION OF ENERGY :-**

The Company has installed high efficiency lighting fixtures and old high power consumption light fittings have been replaced by low power consumption light fittings.

**(c) IMPACT OF MEASURES AT (A) & (B) ABOVE FOR REDUCTION OF THE ENERGY CONSUMPTION AND CONSEQUENT IMPACT ON COST OF PRODUCTION :-**

The cost of the energy consumption constitutes very small part of the cost of production and hence impact of measures is very insignificant.

**(d) TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION :-** Not Applicable.

**(B) TECHNOLOGY ABSORPTION :-** Not Applicable

- i) Research & Development (R&D) : Not applicable
- ii) Technology Absorption : Not applicable

**(C) FOREIGN EXCHANGE EARNINGS AND OUT GO**
**ACTIVITIES RELATING TO EXPORT INITIATIVES TAKEN TO INCREASE EXPORTS, DEVELOPMENTS OF NEW EXPORT MARKETS FOR PRODUCTS AND SERVICES AND EXPORT PLANS:**

The Company publishes Newspaper and other Publications in vernacular language, which have rare possibility of export.

**TOTAL FOREIGN EXCHANGE USED AND EARNED**

(₹ Lacs)

Sr. No.	Particulars	2011-12
1.	Total Foreign Exchange used	16.01
2.	Total Foreign Exchange earned	2.77

## MANAGEMENT DISCUSSION AND ANALYSIS

## 1) INDUSTRY STRUCTURE AND DEVELOPMENTS

India, with a population of over 1 billion and a national literacy rate of 65%, offers one of the world's biggest markets for the print media. In spite of the 1990's revolution in cable and satellite television and spurt of news channels, there has been a prolific growth in the number and readership of newspapers in India. Liberalization of regulations in the news and current affairs segment has given this market further flip. The print business has witnessed steady growth with new editions being launched and new players entering the field.

More than 80,000 publications of various kinds in various languages are registered with the Registrar of Newspapers of India (RNI), which functions under the Ministry of Information & Broadcasting. With increase in advertising expenditures across media platforms, the print media is expected to grow at 9-10 per cent during 2011-15.

Your Company belongs to the Regional Print Media Industry and which is a publisher of "SANDESH" a premier Gujarati daily newspaper in Gujarat Region, incorporated on March 11, 1943 to carry on the business of editing, printing and publishing newspapers and periodicals. The Company started its first printing facilities at Ahmedabad.

Late Shri Chimanbhai S. Patel acquired the entire business from the original promoter in the year 1958, and had put his efforts to strengthen the activities carried out by "SANDESH". The editorial policy of the Company has always been based on basic journalist values of objectivity and has not been influenced by any external forces. Presently, Shri Falgunbhai Patel, Chairman & Managing Director is running the entire business affairs of the Company along with Shri Parthiv Patel, Managing Director and a professional team of the Executives of the Company.

The Company had started its printing facilities at Baroda during 1985-86, at Surat during 1989-90, at Rajkot during 1990-91, and at Bhavnagar during 1998-99 to cater to the semi urban and rural areas. The Company has its regional offices at Mumbai, Delhi, Kolkata, Bangalore, Chennai and Pune, which have experienced staff and well equipped communication facilities. Besides the Company also publishes "STREE", a weekly magazine and also the periodical "SANDESH PRATYAKSHA PANCHANG" which remained popular among the public. Your Company has a strong regional franchise, where it enjoys strong readership loyalty.

The Company has also diversified in to out-of-home, real estate and finance businesses. Also the Company has successfully launched its "Bhuj" Edition in the month of July 2011, taking its total editions to six from the current five. A weekly newspaper under the name & style 'Agro Sandesh', specific to the rural community of Gujarat covering the farming, dairy and co-operative sector has also been successfully launched in July 2011.

## 2) OPPORTUNITIES AND THREATS

Macro factors such as rising literacy and increasing penetration in semi-urban and rural areas are likely to ensure profitable growth for the print media sector. Future growth is largely driven by semi-urban and rural areas on account of increasing commercial activity, higher spending power and rising literacy. With the language print medium dominating in these areas, language newspapers are preferred over English newspapers.

Increase in advertisement expenditure by consumer-oriented companies and emergence of newer advertisement-spending industries such as telecom, retail and financial services are likely to ensure healthy advertising revenues. Advertising expanded during the past two years but remained lower than in the year 2007.

As the Company is in the Regional Print Media Industry, the opportunities lie in Rural and semi-Urban areas of Gujarat. The Company is planning to improve the circulation of newspaper in those areas and will target higher readership amongst the young, educated and elite mass of the public. The Company is also planning to improve the readership in smaller town and villages of Gujarat.

With the rapid growth of Industries, there is a paradigm shift in the advertising policies of the Corporate at large. Earlier, Advertisers invested heavy share of their advertisement budget in Print Media but after arrival of the Satellite Channels, FM Radio, Outdoor, Internet etc., the share of advertisement in the Print Media is decreasing. Phenomenal increase in the prices of Indigenous and Imported News Print (which is the basic raw material for newspapers) calls for greater caution for the Industry Players.

The Company has successfully diversified in outdoor advertising aggressively and "Sandesh Spotlight" is the OOH wing of the Company. The Company with its strong media presence has ventured into the outdoor media with a vision 'To make an impact in the OOH market by combining Marketing Strength and Futuristic Approach'. The Company's foray in the outdoor media was marked by the procurement of various prestigious tenders like Bus Rapid Transit System Bus Shelters, AUDA & Ahmedabad Municipal Corporation. Sandesh Spotlight has properties in the prime locations of Ahmedabad, covering the most prominent junctions & some of the busiest cross roads, and aims at strategically adding more so as to be able to provide its clients with best visibility for their brands; in line with its mission - 'To work as a team with our clients to ensure better mileage and visibility for their brands'.

With better Planning, focused approach for the implementation of strategy, professionalization of Management, will help the Company to have a sustained development of its business. Further, looking to the popularity of Newspaper amongst its readers, there seems to be no close threat from its competitors.

### 3) SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

#### I) PUBLICATION:

This is the core business of the Company since its inception. Your Company had been able to maintain its business volumes despite stiff competition in the Regional Print Media Industry. The revenue from the publication division was ₹ 22438.19 Lacs during the Financial Year under review as against ₹ 20,881.55 Lacs in previous Financial Year.

#### II) FINANCE DIVISION:

The Company has been in the Financing business and during the year under review, the segment revenue from Finance Division was ₹ 4575.57 Lacs during the Financial Year under review as against ₹ 3823.70 Lacs in the previous year.

### 4) OUTLOOK, RISKS AND CONCERNS

The business outlook for the Print Media Industry and the Company looks good. Both readership and circulation of newspapers is growing in India. The raw material scenario, especially with regard to newsprint prices both in domestic and foreign markets, continues to be challenging but the impact is generic to all players within the sector. However, the Company keeps close watch on the development on the Newsprint front. The Company uses Imported as well as domestic Newsprint and by judicious mix of them, tries to mitigate the high cost impact on the operations. The newsprint price is cyclical and is dependent on various factors.

The Company is strengthening its market positions, reinforcing its relationships with Agents, Advertisers and providing high quality contents to the readers. Your Company's website i.e. "www.sandesh.com" is a very popular website for the Gujarati community.

### 5) INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

The Company's internal control systems are adequate considering size and nature of operations of the Company, to meet regulatory/statutory requirements, assure recording of all transactions and report reliable and timely financial information. Additionally, it also provides protection against misuse or loss of any of the Company's assets. To enhance the efficiency of the existing internal controls and for better management information reports, the Company has successfully integrated ERP (SAP) system and geared up itself to adopt the same fully from the next Financial Year.

### 6) DEVELOPMENTS ON HUMAN RESOURCE/INDUSTRIAL RELATIONS FRONT

The Company continuously monitors its manpower requirement to ensure that it has adequate human skills commensurate with its needs. Industrial relations of the Company continue to be cordial. People with specific domain areas have been appointed at senior positions. Changes have been initiated in the organization hierarchy with focus on delegation of authority, which has resulted in smoother functioning of the operational activities. Two-way communication system has been initiated aimed at increasing sharing of business information amongst employees and their participation in the planning and execution. Concrete initiatives have been taken to establish performance management and development system, succession planning etc. Besides Management support is being exercised through series of review meetings on major business parameters, divisional/departmental performances on a regular basis.

The Company has implemented a Performance Management system for all the employees. This system enables a holistic approach to the issue of managing performance and does not limit to only an appraisal. It starts from defining the complete job profile, performance planning and goal-setting and takes it forward into performance review discussions, feedback and development. This system is business-linked, highly objective and fully transparent. During the Financial Year, the industrial relations between the employees and management were calm and composed.

### 7) DISCUSSIONS ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE AND OUTLOOK

Despite of increase of 12.41% in income from operations, your Company has reported profit before taxation at ₹ 5861.68 Lacs compared to ₹ 6256.60 Lacs in the previous year, resulting net decrease of 6.31% after absorbing increased cost of the raw materials by 15.59% compared to the previous year.

The Company has generated cash profit of ₹ 4569.31 Lacs as compared to ₹ 5,083.20 Lacs in the previous year. The Company, as planned is gradually moving upwards in its core business and also as explained earlier looks for opportunities available in new sector.

### 8) CAUTIONARY STATEMENT

Readers are cautioned that this discussion and analysis contains forward-looking statements that involve risks and uncertainties. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of their date. The above discussion and analysis should be read in conjunction with the Company's financial statements included herein and the notes thereto.

## CORPORATE GOVERNANCE REPORT

## 1. BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Your Company firmly believes that Good Corporate Governance in any organization needs to be principle-based as well as simple, moral, accountable, responsive and transparent (SMART). The philosophy of the Company is to attain the highest standards of Corporate Governance by ensuring transparency in all its actions & operations and to maximize values of its stakeholders. The Company fully complies with all the provisions and stipulations laid down in the guidelines on the corporate governance as provided in Clause 49 of the Listing Agreements with the Stock Exchanges. This philosophy of the Company would ensure that it follows highest standards of professionalism, integrity, accountability, fairness, transparency, social responsiveness and best business practices.

## 2. BOARD OF DIRECTORS

The Board of Directors of the Company consists of the Directors having varied experience in different areas and acknowledged as leading professionals in their respective fields. The composition of the Board is in conformity with the provisions of Clause 49 of the Listing Agreement. Shri Falgunbhai Patel, Managing Director, is the Chairman of the Board. The Board of Directors of the Company consists of two Promoter-Executive Directors, one Promoter-Non-Executive Director, one nominee Director of the Equity Investor and four Independent Non-Executive Directors.

The details of composition of the Board, category of the Directors as well as their directorship/membership in other companies/committees are given below:

Name of Director	Promoter/Executive/Non-Executive/ Independent/Non-Independent/ Nominee	No. of Board Meeting attended	Whether Last AGM held on 05.08.2011 attended	Other Directorships held (including Pvt. Ltd. Companies) at the year ended	\$ No. of Committee Chairmanships/ Memberships in other Domestic Companies at the year ended
Shri Falgunbhai Patel	Promoter, Executive	3	Yes	2	Nil
Shri Parthiv Patel	Promoter, Executive	4 (All)	Yes	2	Nil
Shri Sudhir Nanavati	Independent, Non-Executive	4 (All)	No	2	Nil
Shri Mukesh Patel	Independent, Non-Executive	4 (All)	Yes	7	4 (Chairmanship) 4 (Membership)
Shri Shreyas Pandya	Independent, Non-Executive	4 (All)	Yes	4	Nil
Shri Ravindra Dhariwal	Nominee of Equity Investor/ Independent, Non-Executive	Nil	No	17	Nil
Smt. Pannaben Patel	Promoter, Executive	2	Yes	Nil	Nil
Shri Jitendra Bhatt	Independent, Non-Executive	1	No	Nil	Nil

Yes – Attended, No – Not Attended \*All Private Limited Company \$ Under this column, membership/chairmanship of Audit Committees and Shareholders'/Investors' Grievance Committees only are considered in terms of Clause-49 of the Listing Agreement.

All the relevant information about production, sales, financial results, loan & investments, capital expenditure proposals, share transfers, demat/ remat compliance, status of statutory dues payment etc., are regularly placed before the Board for their review/approval. The Board, on quarterly basis, reviews the compliance reports of the applicable laws submitted by the heads of the respective departments/ divisions.

During the year under review, total 4 (four) meetings of the Board of Directors were held on 19.05.2011, 11.08.2011, 12.11.2011 and 03.02.2012. The Company has observed the Corporate Governance provisions of the Listing Agreement for conducting the Board Meetings. The details of these meetings are shown as under:

		Date of Board Meeting during the Financial Year 2011-2012			
		19.05.2011	11.08.2011	12.11.2011	03.02.2012
1.	Shri Falgunbhai Patel	Yes	Yes	No	Yes
2.	Shri Parthiv Patel	Yes	Yes	Yes	Yes
3.	Shri Sudhir Nanavati	Yes	Yes	Yes	Yes
4.	Shri Mukesh Patel	Yes	Yes	Yes	Yes
5.	Shri Shreyas Pandya	Yes	Yes	Yes	Yes
6.	Shri Ravindra Dhariwal	No	No	No	No
7.	Smt. Pannaben Patel	Yes	No	No	Yes
8.	Shri Jitendra Bhatt	Yes	No	No	No

Yes – Attended, No – Not Attended, N.A. – Not Applicable

Personal shareholding of Non-Executive Directors is as follows:

Sr. No.	Name of the Director	No. of Equity shares as on 31/03/2012
1.	Shri Sudhir Nanavati	250
2.	Shri Mukesh Patel	250
3.	Shri Shreyas Pandya	51600
4.	Shri Ravindra Dhariwal	250
5.	Smt. Pannaben Patel	6300
6.	Shri Jitendra N. Bhatt	250

### 3. AUDIT COMMITTEE

The constitution of the Audit Committee of the Board of Directors of the Company is in conformity with the provisions of section 292A of the Companies Act, 1956 read with the provisions of Clause-49 of the Listing Agreement with the Stock Exchanges, which consists of Shri Mukesh Patel, who is the Chairman of the Committee, Shri Sudhir Nanavati, Shri Shreyas Pandya & Shri Ravindra Dhariwal, as the members.

The Audit Committee of the Company has been mandated with the same terms of reference specified in Clause 49 II of the Listing Agreement. These terms also fully conform to the requirements of section 292A of the Companies Act, 1956.

During the year under review total 4 (four) meetings of Audit Committee were held on 19.05.2011, 11.08.2011, 12.11.2011 and 03.02.2012. The attendance of the Members of the Audit Committee is as under:

Sr.No.	Attendance of Directors	Date of Audit Committee Meeting during the Financial Year 2011-2012			
		19.05.2011	11.08.2011	12.11.2011	03.02.2012
1.	Shri Mukesh Patel	Yes	Yes	Yes	Yes
2.	Shri Sudhir Nanavati	Yes	Yes	Yes	Yes
3.	Shri Shreyas Pandya	Yes	Yes	Yes	No
4.	Shri Ravindra Dhariwal	No	No	No	No

Yes – Attended, No – Not Attended

The Statutory Auditors, the Internal Auditors, the Finance & Accounts Head and the Managing Directors of the Company usually invited to attend the meetings of the Audit Committee. The Company Secretary of the Company acts as the Secretary to the Committee.

### 4. REMUNERATION COMMITTEE

The Remuneration Committee of the Board presently consists of three Independent Non-Executive Directors viz. Shri Sudhir Nanavati, Chairman, Shri Mukesh Patel, Member and Shri Shreyas Pandya, Member. The decisions regarding the remuneration of the Executive Directors are taken by the Remuneration Committee and placed before the Board of Directors subject to such approvals from the shareholders and the Central Government, as and when necessary. During the year under review a meeting of the Remuneration Committee was held on 19.05.2011. The Company Secretary of the Company acts as the Secretary to the Committee. The attendance of the Members of the Remuneration Committee is as under:

Sr. No.	Attendance of Directors	Attendance
1.	Shri Mukesh Patel	Yes
2.	Shri Sudhir Nanavati	Yes
3.	Shri Ravindra Dhariwal	Yes

### 5. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

Shri Sudhir Nanavati is the Chairman of Shareholders'/Investors' Grievances Committee of the Company. Shri Mukesh Patel and Shri Ravindra Dhariwal are the Members of the Committee. The Company Secretary of the Company acts as the Secretary to the Committee.

The Committee looks into redressing the Investors grievances/complaints viz. non-receipt of dividend or Annual Report, delay in share transfer etc., considers & approves share transfer, transmission, transposition, dematerialization, rematerialization, deletion of names, splitting and consolidation and issuance of duplicate shares etc. During the year under review, 4 (Four) meetings of the



Shareholders' / Investors' Grievances Committee were held on 19.05.2011, 11.08.2011, 12.11.2011 and 03.02.2012. The attendance of the Members of the Shareholders'/Investors' Grievances Committee is as follows:

Sr.No.	Attendance of Directors	Date of Investors' Grievance Committee Meeting during the Financial Year 2011-2012			
		19.05.2011	11.08.2011	12.11.2011	03.02.2012
1.	Shri Mukesh Patel	Yes	Yes	Yes	Yes
2.	Shri Sudhir Nanavati	Yes	Yes	Yes	Yes
3.	Shri Ravindra Dhariwal	No	No	No	No

Yes – Attended, No – Not Attended

Sr.No.	Particulars	Status of Complaints
1.	No. of complaints received form shareholders during the period from 01.04.2011 to 31.03.2012	15
2.	No. of complaints resolved during the year	15
3.	No. of complaints pending at the end of the year	NIL
4.	No. of pending transfer as on 31.03.2012 due to certain defects	217

**COMPLIANCE OFFICER :-** Shri Dhaval Pandya, Company Secretary, is the Compliance Officer for complying with the requirements of Securities Laws and the Listing Agreements with the Stock Exchanges in India.

## 6. REMUNERATION OF DIRECTORS

A statement on the remuneration paid to the Executive & Non-Executive Directors is given below:

(Amount ₹ in Lacs)

Name of the Directors	Salary	Commission*	Perquisites & Allowances	Sitting Fee	Total Remuneration
Shri Falgunbhai Patel	64.95	266.86	1.05	—	332.86
Shri Parthiv Patel	40.78	292.08	—	—	332.86
Shri Sudhir Nanavati	—	—	—	0.10	0.10
Shri Mukesh Patel	—	—	—	—	—
Shri Shreyas Pandya	—	—	—	—	—
Shri Ravindra Dhariwal	—	—	—	—	—
Smt. Pannaben Patel	—	—	—	—	—
Shri Jitendra N. Bhatt	—	—	—	—	—

\* Payable in Financial Year 2012-2013

## 7. DISCLOSURES

A) Disclosures on materially significant related party transactions i.e. transactions by the Company of material nature, with its promoters, the directors or the management, the relatives etc. that may have potential conflicts with the interest of the Company at large:

During the year under review, there is no transaction by the Company of material nature, with its promoters, the directors or the management, the relatives etc. that may have potential conflicts with the interest of the Company at large. All the transactions with the related parties are disclosed in Note No. 33 of "Notes on Accounts" annexed to the Financial Statements for the year.

- B) Details of non-compliance by the Company, penalties imposed on /strictures passed against, the Company by Stock Exchange or SEBI or other authority on any matter related to Capital Markets, during last three years: None during the year under review.
- C) Though there is no formal Whistle Blower Policy, the Company takes cognizance of complaints made and suggestions given by the employees and others. Even anonymous complaints are looked into and whenever necessary, suitable corrective steps are taken. No employee of the Company has been denied access to the Audit Committee of the Board of Directors of the Company.
- D) The Company has a system of periodic review and reporting of risk assessment by senior executives to the Board of Directors with a view to minimize risks. The Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement. It has also complied with non-mandatory requirements of Clause 49 like constitution of Remuneration Committee.

E) A qualified practicing Company Secretary had carried out audit to reconcile the total admitted capital with the Depositories and the total issued & listed capital. The total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with the Depositories.

#### 8. AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

The Certificate from the Auditors of the Company, M/s. Manubhai & Co., confirming compliance with the provisions of the corporate governance as provided in the Clause 49 of the Listing Agreement, is attached to the Directors' Report forming part of the Annual Report.

#### 9. CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT

The Board of Directors has at its Meeting held on December 30, 2005, laid down the Code of Conduct for all Board Members and Members of Senior Management of the Company. The said Code is also placed on the website of the Company viz. "www.sandesh.com". The Certificate from the Chairman & Managing Director affirming compliance of the said Code by all the Board Members and Members of Senior Management of the Company, to whom the Code is applicable, is separately attached to this Report.

#### 10. GENERAL BODY MEETING

The details of last three Annual General Meetings of the Company are as under:

No. of AGM	Financial Year	Date	Time	Venue	Special Resolution passed
68th	2010-11	05.08.2011	10.00 a.m.	Gujarat Law Society Auditorium, G.L.S. College Campus, Opp. Law Garden, Ellisbridge, Ahmedabad – 380 006.	1. Reappointment with revised remuneration of Shri Falgunbhai Patel as a Managing Director of the Company. 2. Alteration of the Articles of Association
67th	2009-10	30.07.2010	10.00 a.m.	Gujarat Law Society Auditorium, G.L.S. College Campus, Opp. Law Garden, Ellisbridge, Ahmedabad – 380 006.	N.A.
66th	2008-09	07.08.2009	10.00 a.m.	Gujarat Law Society Auditorium, G.L.S. College Campus, Opp. Law Garden, Ellisbridge, Ahmedabad – 380 006.	N.A.

No Extra Ordinary General Meeting was held during the financial year 2011-2012.

**Postal Ballot:** During the year under review, no Resolution was passed through postal ballot under the provisions of Section 192A of the Companies Act, 1956 and the Companies (Passing of the Resolutions by Postal Ballot) Rules, 2001 nor any resolution is proposed to be conducted through postal ballot.

#### 11. MEANS OF COMMUNICATION

The Financial Results of the Company will be reported as mentioned below:

Half yearly report sent to shareholders	:	No but the results of the Company are published in the newspapers
Quarterly Results normally published in	:	In English daily – The Economic Times, The Financial Express & in Regional Daily (Gujarati) "Sandesh"
Any website	:	National Stock Exchange of India Ltd. (www.nse-india.com) Bombay Stock Exchange Limited (www.bseindia.com)
Whether it also displays official news release and the presentation made to institutional investors or to the analysis	:	Not Applicable
Whether Management Discussion & Analysis Report is a part of Annual Report	:	Yes

#### 12. SHAREHOLDERS' GENERAL INFORMATION

- (A) 69th Annual General Meeting : Date : Thursday, the 30th day of August, 2012  
Time : 10:00 a.m.  
Venue : Gujarat Law Society Auditorium, G.L.S. Collage Campus, Opp. Law Garden, Ellisbridge, Ahmedabad-380006 (Gujarat)
- (B) Financial Year : Financial Year of the Company is for a period of 12 months from 1st April to 31st March.
- (C) Book Closure : 25.08.2012 to 30.08.2012 (both days inclusive)
- (D) Dividend Payment date : On or after 03.09.2012, if declared at the 69th Annual General Meeting

(E) Listing of Stock Exchanges : **BSE LIMITED,**  
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001 (Script No. : 526725)

**NATIONAL STOCK EXCHANGE OF INDIA LIMITED,**  
“Exchange Plaza”, Bandra-Kurla Complex, Bandra (E), Mumbai-400 051 (Symbol : SANDESH)

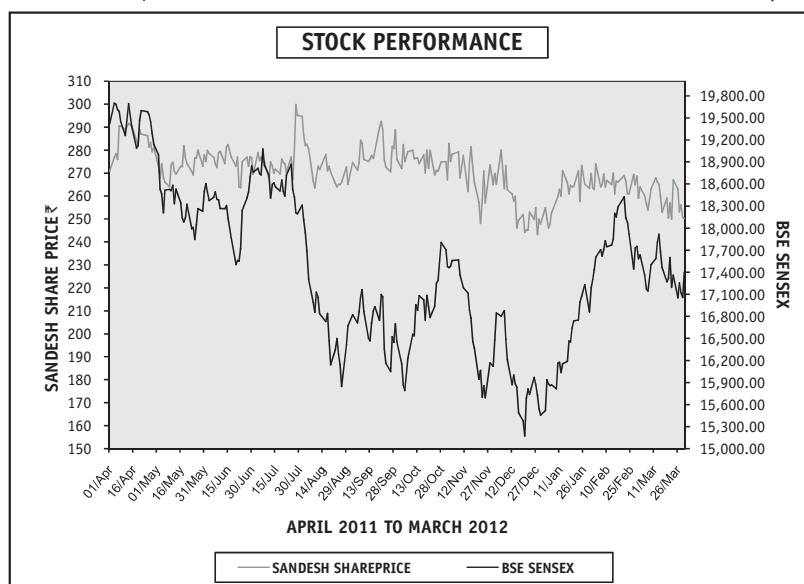
The Company has paid the Annual Listing Fees for the financial year 2012-13 to the above Stock Exchanges and also paid the Annual Custody/Custodial Fees to the Depositories i.e. National Securities Depository Limited (‘NSDL’), Mumbai & Central Depository Services (India) Limited (‘CDSL’), Mumbai for the financial year 2012-2013.

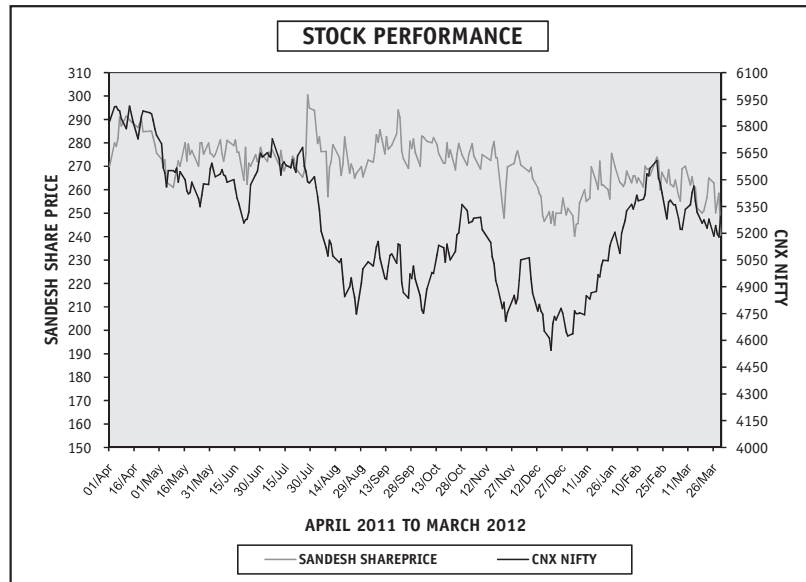
(F) ISIN Number : INE583B01015

(G) Monthly High & Low : For the financial year 2011-12

Month	Share price, trades of The Sandesh Limited at Listed Stock Exchanges						BSE SENSEX		NSE NIFTY	
	BSE			NSE			High	Low	High	Low
	Highest (₹)	Lowest (₹)	No. of Shares traded	Highest (₹)	Lowest (₹)	No. of Shares traded				
April, 2011	331.00	263.30	35009	307.45	262.65	27977	19811.14	18976.19	5944.45	5693.25
May, 2011	328.00	260.00	12532	286.15	255.60	8841	19253.87	17786.13	5775.25	5328.70
June, 2011	292.70	262.00	10416	312.00	260.25	7311	18873.39	17314.38	5657.90	5195.90
July, 2011	309.90	264.05	13707	310.00	262.70	13861	19131.70	18131.86	5740.40	5453.95
August, 2011	331.00	255.60	11383	300.00	253.00	9763	18440.07	15765.53	5551.90	4720.00
September, 2011	298.90	267.25	7984	306.00	264.05	12452	17211.80	15801.01	5169.25	4758.85
October, 2011	309.95	265.00	3964	297.60	263.50	8638	17908.13	15745.43	5399.70	4728.30
November, 2011	325.00	245.50	7211	324.80	231.15	10747	17702.26	15478.69	5326.45	4639.10
December, 2011	282.00	235.00	5436	287.00	236.25	6672	17003.71	15135.86	5099.25	4531.15
January, 2012	284.75	240.00	6621	277.80	240.10	4520	17258.97	15358.02	5217.00	4588.05
February, 2012	279.70	250.00	7436	282.90	254.05	8747	18523.78	17061.55	5629.95	5159.00
March, 2012	284.75	232.00	5026	279.90	227.00	9453	18040.69	16920.61	5499.40	5135.95

(The above information is compiled from the data available from the websites of BSE and NSE)





- (H) Registrar & Share Transfer Agent : MCS Limited, having its regional office at 101, Shatdal Complex, 1st Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad – 380009.  
Telephone No. (079) 26582878, Fax No. (079) 26581296,  
Email ID: mcsahmd@gmail.com
- (I) Share Transfer System : MCS Limited is the Registrar & Share Transfer Agent for entire functions of the share registry, both for physical transfers as well as dematerialization/ rematerialization of shares, issue of duplicate shares, split/consolidation, transmission, name deletion etc.
- (J) Distribution of Shareholding as on March 31, 2012

No. of Shares (Range)		Total Nos. of Shares		Total Nos. of Holders	
From	To	Shares	(%)	Holders	(%)
1	500	398855	4.68	3638	93.99
501	1000	72356	0.85	96	2.48
1001	2000	76637	0.9	54	1.39
2001	3000	36795	0.43	15	0.39
3001	4000	55240	0.65	15	0.39
4001	5000	40836	0.48	9	0.23
5001	10000	128817	1.51	18	0.46
10001	50000	202012	2.37	10	0.26
50001	Above	7517873	88.14	16	0.41
<b>T O T A L</b>		<b>8529421</b>	<b>100</b>	<b>3871</b>	<b>100</b>

(K) Categories of Shareholding as on March 31, 2012 :

Sr. No.	Category	No. of shares in Demat form	No. of shares in Physical form	Total No. of Shares held	% of Total share holding
1.	Promoters	5671015	—	5671015	66.49
2.	Mutual Fund /UTI	—	500	500	0.01
3.	Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institution, Non-Government Institutions)	—	—	—	—
4.	Foreign Institutional Investors	—	—	—	—
5.	Private Corporate Bodies	1908090	6400	1914490	22.45
6.	Indian Public (Individual/ HUF)	722060	182103	904163	10.60
7.	NRIs/ OCBS	36153	3100	39253	0.46
8.	GDR	—	—	—	—
<b>GRAND TOTAL</b>		<b>8337318</b>	<b>192103</b>	<b>8529421</b>	<b>100.00</b>

(L) Dematerialization Details : As on 31st March, 2012, total 2761 shareholders were holding 8337318 equity shares in Demat Form, which constitute 97.75% of the total Share Capital of the Company. Promoters of the Company hold their 100% shareholding in dematerialized form. The Shares of your company are regularly traded in BSE and NSE.

(M) Outstanding GDR/ADR : Not Applicable

(N) Plants/ Factories :

- 1) "SANDESH BHAVAN", Lad Society Road, B/h. Vastrapur Gam, P.O. Bodakdev, AHMEDABAD
- 2) "SATYESH BHAVAN", B/h. Jalaram Temple, Bahucharaji Road, Karelibaug, BARODA
- 3) "SATYESH BHAVAN", Dakoriya Mill Compound, Near Gurudev Petrol Pump, Khatodara GIDC, Bamroli Road, SURAT
- 4) "SANDESH BHAVAN", OPP. Sat Hanuman, Navagam, Rajkot-Ahmedabad Highway, RAJKOT
- 5) "SATYESH BHAVAN", Ruvapari Road, BHAVNAGAR
- 6) Godown No. 3, Gujarat State Warehousing Corporation, Near Atmaram Circle & Bajaj Showroom, Bhuj Madhapar Road, BHUJ.

(O) Address for correspondence :

Shareholders are requested to correspond with the company at the following address:

- 1) **THE SANDESH LIMITED**, "Sandesh Bhavan", Lad Society Road, B/h. Vastrapur Gam, P.O. Bodakdev, Ahmedabad-380054 (Gujarat).  
**Phone No.:** (079) 40004000 (Board), 40004175 (Dir.), **Fax No.:** (079)40004242,  
**Email:** [cs@sandesh.com](mailto:cs@sandesh.com), [secretarial@sandesh.com](mailto:secretarial@sandesh.com)
- 2) **MCS LIMITED**, Registrar & Share Transfer Agent,  
Unit : The Sandesh Limited  
101, Shatdal Complex, 1st Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad-380009 (Gujarat)  
**Phone No. :** (079) 26582878, **Fax No. :** (079) 26581296, **Email :** [mcsahmd@gmail.com](mailto:mcsahmd@gmail.com)

**13. C.E.O./C.F.O. CERTIFICATION**

*Managing Director and Chief Financial Officer Certificate (As per Clause 49 of the Listing Agreement):*

We certify that:

1. We have reviewed the Balance Sheet and Profit & Loss Account and all the Schedules and Notes on accounts, as well as the cash flow statement and the Directors' Report.
2. To the best of our 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;
3. To the best of our knowledge and belief, there are, no transactions entered into by the Company during the year, which are fraudulent, illegal or violating the Company's code of conduct.
4. We are responsible for establishing and maintaining internal controls for financial reporting and procedures for the Company, and we have evaluated the effectiveness of the Company's internal controls and procedures pertaining to financial reporting.
5. We have disclosed, based on our most recent evaluation, wherever applicable, to the Company's auditors and through them to the Audit Committee of the Company's Board of Directors:
  - a. There were no significant deficiencies in the design or operation of the internal controls, that could adversely affect the company's ability to record, process, summarize and report financial data, and there have been no material weaknesses in the internal controls over financial reporting including any corrective actions with regard to deficiencies;
  - b. There were no significant changes in internal control over financial reporting during the year covered by this Report;
  - c. There were no instances of fraud of which we are aware, that involve the management and capital or other employees who have a significant role in the company's internal control system;
  - d. All significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements.

Date : May 24, 2012

Place : Ahmedabad

**Falgunbhai Patel**

*Chairman & Managing Director*

**Sanjay Kumar Tandon**

*Chief Financial Officer*

**ANNEXURE TO CORPORATE GOVERNANCE REPORT  
DECLARATION REGARDING AFFIRMATION OF THE CODE OF CONDUCT**

In terms of the requirements of Clause-49 of the Listing Agreement, this is to confirm that all the Members of the Board and the Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31st March, 2012.

For, **THE SANDESH LIMITED**

Place : Ahmedabad

Date : May 24, 2012

**Falgunbhai Patel**

*Chairman & Managing Director*

**CERTIFICATE**

**TO THE MEMBERS, OF THE SANDESH LIMITED**

We have examined the compliance of conditions of Corporate Governance by THE SANDESH LIMITED for the year ended March 31, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

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

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

For, **MANUBHAI & COMPANY,**  
Chartered Accountants  
Firm registration no: 106041W

**K. C. PATEL**

Partner

Membership No. 30083

Date : May 24, 2012

Place : Ahmedabad



## AUDITOR'S REPORT

To,  
The Members of  
**THE SANDESH LIMITED**

1. We have audited the attached Balance Sheet of **THE SANDESH LIMITED** ('the Company') as at 31st March, 2012, statement of profit and Loss and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 ('the Order'), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
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 accounts as required by law, have been kept by the Company so far as appears from our examination of those books;
  - c. The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with books of account of the Company;
  - d. In our opinion, the Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
  - e. On the basis of written representations received from the directors, as on March 31, 2012 and taken on record by the Board of Directors, we report that none of directors is disqualified as on March 31, 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 read together with the Significant Accounting Policies and other 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 March 31, 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 case of the Cash Flow Statement, of cash flows for the year ended on that date.

For, **MANUBHAI & Co.**  
Chartered Accountants  
Firm registration no: 106041W

**(K. C. PATEL)**  
Partner

Membership No. 30083

Place : Ahmedabad  
Date : May 24, 2012

**Annexure to Auditor's Report**

[Referred to paragraph 3 of our report of even date]

1. a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
b. As explained us, the fixed assets have been physically verified by the management once in a year which we consider reasonable having regard to the size of the company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.  
c. In our opinion, the Company has not disposed of substantial part of fixed assets during the year.
2. a. As explained to us, the inventories have been physically verified by management at reasonable intervals.  
b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were 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 has maintained proper records of its inventories. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. a. According to the information and the explanations given to us, the company has not granted any loans or advances in the nature of loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Consequently, requirement of clauses {iii (a) to (d)} of the paragraph 4 of 'the Order' are not applicable.  
b. i. The Company has taken loans from six parties listed in the register maintained under section 301 of the Companies Act, 1956. The aggregate maximum amount involved was ₹7615.48 Lacs and year end balance was aggregating to ₹2066.30 Lacs.  
ii. In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of the loans obtained are not prima facie prejudicial to the interest of the Company.  
iii. In respect of the loan taken by the Company, interest payments are regular and principal amount is repayable on demand.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. a. According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.  
b. In our opinion and according to the information and explanations 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 and exceeding the value of ₹ 5 Lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted public deposit within the meaning of section 58A and the Companies (Acceptance of Deposits) Rules, 1975. We are informed that no order has been passed by Company Law Board or National Company Law Tribunal or any Court or other tribunal in this regard.
7. The Company has appointed a firm of Chartered Accountant as internal auditors. Based on the reports of internal auditors, in our opinion the internal audit System is commensurate with the size and nature of the Company's business.
8. The Central Government has prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of publication of newspapers and periodicals. We have broadly reviewed the accounts and records of the Company in this connection and are of the opinion, that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, carried out a detailed examination of the same.
9. a. According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty and other material statutory dues applicable to it.  
b. According to the information and explanations given to us, no disputed amounts payable in respect of income tax, sales tax, wealth tax, service tax and customs duty were in arrears, as at March 31, 2012 for a period of more than six months from the date they became payable.

- c. According to the information and explanation given to us, there are no dues of wealth tax, service tax and customs duty which have not been deposited on account of any dispute. In respect of income tax, fringe benefit tax and sales tax, details of disputed dues which have not been deposited are given hereunder:

Name of the Statute	Nature of the dues	Amount (₹ In Lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act	Income Tax	1.25	A.Y.2009-10	CIT(Appeal)
Income Tax Act	Income Tax	688.75 (Protective Demand)	A.Y.2006-07	CIT(Appeal)
Income Tax Act	Fringe Benefit Tax	279.40	A.Y.2006-07	CIT(Appeal)
Sales Tax Act	Sales Tax	4.09	F.Y. 1995 – 96	VAT – Tribunal

10. The company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by audit and in the immediately preceding financial year.
11. Based on our audit procedure and the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to bank.
12. We are of the opinion that company has maintained adequate record in respect of loans and advances granted on the basis of security by way of pledge of shares, debentures and other similar securities.
13. The Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the reporting requirement of clause 4(xiii) of 'the Order' is not applicable to the Company.
14. In our opinion and according to the information and explanation given to us, the Company has maintained proper records of transactions and contracts in respect of trading in shares / units of mutual funds and timely entries have been made therein. All shares / units of mutual fund have been made by the Company in its own name.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. In our opinion the term loan was applied for the purpose for which it was obtained.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that funds raised on short – term basis prima facie not been used for long term investment.
18. During the year, the Company has not made preferential allotment of shares to parties and Companies covered in the register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by way of public issue during the year.
21. 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, **MANUBHAI & Co.**  
Chartered Accountants  
Firm registration no: 106041W

**(K. C. PATEL)**  
Partner

Membership No. 30083

Place : Ahmedabad  
Date : May 24, 2012

**BALANCE SHEET AS AT MARCH 31, 2012**

(₹ in lacs)

PARTICULARS	Note No.	As at March 31, 2012	As at March 31, 2011
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's funds</b>			
(a) Share Capital	1	852.94	853.38
(b) Reserves and surplus	2	32,500.27	28,975.61
		<b>33,353.21</b>	<b>29,828.99</b>
<b>(2) Non- current liabilities</b>			
(a) Deferred tax liabilities (Net)	3	655.99	605.58
(b) Other long-term liabilities	4	746.49	649.65
(c) Long- term provisions	5	96.33	80.92
		<b>1,498.81</b>	<b>1,336.15</b>
<b>(3) Current liabilities</b>			
(a) Short- term borrowings	6	8,165.29	1,939.80
(b) Trade payables	7	1,344.49	1,137.30
(c) Other current liabilities	8	4,535.31	10,810.66
(d) Short-term provisions	9	2,526.79	2,749.19
		<b>16,571.88</b>	<b>16,636.95</b>
<b>TOTAL</b>		<b>51,423.90</b>	<b>47,802.09</b>
<b>II. ASSETS</b>			
<b>1 Non Current Assets</b>			
<b>(a) Fixed Assets</b>			
(i) Tangible assets	10	7,765.91	7,579.29
(ii) Intangible assets	10	56.00	56.00
(iii) Capital work-in-progress	10	149.58	122.61
(b) Non-current investments	11	14,588.55	9,283.30
(c) Long-term loans and advances	12	718.14	702.57
		<b>23,278.18</b>	<b>17,743.77</b>
<b>2 Current Assets</b>			
(a) Inventories	13	3,034.95	1,491.96
(b) Trade receivables	14	6,214.16	4,713.35
(c) Cash and cash equivalents	15	525.60	8,283.42
(d) Short-term loans and advances	16	17,022.35	15,506.66
(e) Other current assets	17	1,348.66	62.93
		<b>28,145.72</b>	<b>30,058.32</b>
<b>TOTAL</b>		<b>51,423.90</b>	<b>47,802.09</b>

**Significant Accounting Policies**
**Notes on Accounts**

1 to 34

As per our report of even date attached

For and on behalf of the Board,

**For, Manubhai & Co.,**  
 Chartered Accountants  
 Firm registration no: 106041W

**Falgunbhai Patel**  
 Chairman & Managing Director

**K C PATEL**  
 Partner  
 Membership No. 30083

**Parthiv Patel**  
 Managing Director

Ahmedabad  
 Dated: May 24, 2012

**Dhaval M Pandya**  
 Company Secretary

Ahmedabad  
 Dated: May 24, 2012

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

(₹ in lacs)

PARTICULARS	Note No.	For the year 2011-12	For the year 2010-11
I Revenue from operations	18	25,540.16	22,719.81
II Other income	19	1,898.83	1,392.41
III Total Revenue (I+II)		<b>27,438.99</b>	<b>24,112.22</b>
IV Expenses :			
a. Cost of material consumed	20	11,321.63	9,794.01
b. Purchases of stock-in-trade	21	2,030.01	36.84
c. Changes in inventories of finished goods work-in-progress and stock-in-trade	22	(1,100.35)	164.40
e. Employee benefits expenses	23	1,620.11	1,596.33
f. Finance cost	24	980.05	706.51
g. Depreciation and amortisation expenses	10	654.53	698.22
Less: Transfer from Revaluation Reserve		0.43	5.46
		654.10	692.76
h. Other expenses	25	6,004.48	4,875.28
<b>Total Expenses</b>		<b>21,510.03</b>	<b>17,866.13</b>
V Profit before exceptional and extraordinary items and tax (III-IV)		5,928.96	6,246.09
VI Exceptional items	26	67.28	(10.51)
VII Profit before tax ( V - VI)		5,861.68	6,256.60
VIII Tax expense:			
a. Current tax		1,896.06	1,863.77
b. Deferred Tax	3	50.41	2.39
IX Profit for the period (VII -VIII)		<b>3,915.21</b>	<b>4,390.44</b>
X Earnings per equity share:			
Basic and Diluted - ₹ per share	27	45.90	51.47
<b>Significant Accounting Policies</b>			
<b>Notes on Accounts</b>	1 to 34		

As per our report of even date attached

**For, Manubhai & Co.,**  
Chartered Accountants  
Firm registration no: 106041W

**K C PATEL**  
Partner  
Membership No. 30083

Ahmedabad  
Dated: May 24, 2012

**Dhaval M Pandya**  
Company Secretary

For and on behalf of the Board,

**Falgunbhai Patel**  
Chairman & Managing Director

**Parthiv Patel**  
Managing Director

Ahmedabad  
Dated: May 24, 2012

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012**

Particulars	For the Year ended March 31, 2012 ₹ In Lacs	For the Year ended March 31, 2011 ₹ In Lacs
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>NET PROFIT / (LOSS) BEFORE TAX AND EXTRAORDINARY ITEMS</b>	5,861.68	6,256.60
<b>Adjustments for</b>		
Depreciation	654.10	692.76
Adjustment for Non Cash items	53.82	129.84
Loss/ (Profit) of sale / discard of fixed assets	67.28	(10.51)
Loss/ (Profit) on sale of Investment	(0.92)	(157.26)
Dividend Income	(26.05)	(27.99)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	6,609.91	6,883.44
<b>Adjustments for</b>		
Trade and other receivables	(1,554.63)	(1,231.52)
Inventories	(1,542.99)	(132.20)
Payables	(5,967.40)	4,940.47
Other Assets	(1,285.73)	5.83
Loans & Advances	(1,717.10)	(758.22)
<b>CASH GENERATED FROM OPERATIONS</b>	(5,457.94)	9,707.80
Direct taxes paid	(1,870.25)	(1,870.28)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>(7,328.19)</b>	<b>7,837.52</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(993.49)	(533.62)
Sale of fixed / discarded assets	14.49	31.59
Sale/ (Purchase) of Investments	(5,304.33)	(7,533.61)
Dividend Income	26.05	27.99
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(6,257.28)</b>	<b>(8,007.65)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Short term borrowings (Net)	4,169.19	(513.45)
(Increase)/Decrease in unsecured loans	2,056.30	(10.00)
Dividend Paid	(397.84)	(299.37)
<b>NET CASH FLOW USED IN FINANCING ACTIVITIES</b>	<b>5,827.65</b>	<b>(822.82)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(7,757.82)</b>	<b>(992.95)</b>
<b>CASH AND CASH EQUIVALENTS AS ON 01.04.2011</b>	<b>8,283.42</b>	<b>9,276.37</b>
<b>CASH AND CASH EQUIVALENTS AS ON 31.03.2012</b>	<b>525.60</b>	<b>8,283.42</b>

**Notes:**

- Figures in brackets represent outflow
- Cash Equivalents includes Cash and Bank Balances
- The cash flow has been prepared under the "Indirect Method" set out in Accounting Standard -3 'Cash Flow Statement'.

As per our report of even date attached

For and on behalf of the Board,

**For, Manubhai & Co.,**  
Chartered Accountants  
Firm registration no: 106041W

**Falgunbhai Patel**  
Chairman & Managing Director

**K C PATEL**  
Partner  
Membership No. 30083

**Parthiv Patel**  
Managing Director

Ahmedabad  
Dated: May 24, 2012

**Dhaval M Pandya**  
Company Secretary

Ahmedabad  
Dated: May 24, 2012



## Notes to Financial Statements:

Note No.	Particulars	As at	
		March 31, 2012 ₹ in Lacs	March 31, 2011 ₹ in Lacs
<b>1</b>	<b>Share Capital</b>		
(a)	Authorized :		
	1,50,00,000 Equity Shares of ₹ 10/- each	1,500.00	1,500.00
(b)	Issued & Subscribed:		
	85,29,421 Equity Shares of ₹ 10/- each	852.94	852.94
(c)	Paid up :		
	85,29,421 Equity Shares of ₹ 10/- each	852.94	852.94
	Add : Forfeited Shares	—	0.44
	<b>Total Share Capital</b>	<b>852.94</b>	<b>853.38</b>

## (d) Rights, preferences and restrictions :

- (i) The Company has only one class of equity shares referred to as Equity shares having a par value of ₹ 10/- Each holder of equity share is entitled to one vote per share.
- (ii) Dividends, if any, is declared and paid in Indian Rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- (iii) In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

## (e) 1,18,193 Equity Shares were bought back in the financial year 2009-10

## (f) Details of shareholders holding more than 5 per cent shares :

Sr. No.	Name of the Shareholder	2011-2012		2010-2011	
		No. of Shares	% of Shareholding	No. of shares	% of Shareholding
1	Parthiv Falgunbhai Patel	1,189,100	13.94	1,189,100	13.94
2	Satlon Enterprise Private Limited	1,898,150	22.25	1,898,150	22.25
3	Satyesh Prochem LLP	1,275,777	14.96	1,275,777	14.96
4	Bennett, Coleman And Company Limited	1,037,464	12.16	1,037,464	12.16

Note No.	Particulars	As at March 31, 2012 ₹ in Lacs	As at March 31, 2011 ₹ in Lacs
<b>2</b>	<b>Reserves and Surplus</b>		
	(a) Capital Reserves		
	Transferred from Share Capital towards forfeited shares	0.44	—
		<b>0.44</b>	<b>—</b>
	(b) Security Premium		
	As per last Balance Sheet	4,119.82	4,119.82
		<b>4,119.82</b>	<b>4,119.82</b>
	(c) Revaluation Reserve		
	As per last Balance Sheet	144.48	149.94
	Being the difference of depreciation on revalued figures & book value of fixed assets	(0.43)	(5.46)
	Adjustments on account of sale/discard of assets	(43.60)	—
		<b>100.45</b>	<b>144.48</b>
	(d) General Reserve		
	As per last Balance Sheet	23,584.79	19,584.79
	Add: Transferred from Statement of Profit & Loss	4,000.00	4,000.00
		<b>27,584.79</b>	<b>23,584.79</b>
	(e) Surplus / (Deficit) in the Statement of Profit and Loss		
	As per last Balance Sheet	1,126.52	1,133.92
	Add: Profit for the year	3,915.21	4,390.44
	Less: Appropriations made during the year		
	- Proposed Dividend (Dividend per Share ₹3.50 (Previous Year ₹4.00))	(298.53)	(341.18)
	- Tax on Dividend	(48.43)	(56.66)
	- Transfer to General Reserve	(4,000.00)	(4,000.00)
		<b>694.77</b>	<b>1,126.52</b>
		<b>32,500.27</b>	<b>28,975.61</b>
<b>3</b>	<b>Deferred Tax Liabilities</b>		
	The Company has computed Deferred Tax Liabilities of ₹ <b>715.37</b> Lacs and Deferred Tax Assets of ₹ <b>59.38</b> Lacs as on 31st March, 2012 on the following items of timing differences :		
	<b>a. Deferred Tax Liabilities:</b>		
	Related to Fixed assets	715.37	657.08
	<b>b. Deferred Tax Assets :</b>		
	Disallowance under the Income Tax Act, 1961	59.38	51.50
	<b>c. Net Deferred Tax Liability (a – b)</b>	<b>655.99</b>	<b>605.58</b>
<b>4</b>	<b>Other Long-term Liabilities</b>		
	Deposits from Agents and Others	746.49	649.65
		<b>746.49</b>	<b>649.65</b>

Note No.	Particulars	As at March 31, 2012 ₹ in Lacs	As at March 31, 2011 ₹ in Lacs
<b>5</b>	<b>Long-term provisions</b>		
	Provision for employee benefits.		
	Gratuity	96.33	80.92
		<b>96.33</b>	<b>80.92</b>

The Company's gratuity plan is funded. The following table sets out the status of the gratuity plan as required under Accounting Standard 15 "Employee Benefits" and the reconciliation of opening balances of the present value of the defined benefit obligation.

Particulars	For year ended March 31, 2012 ₹ in Lacs	For year ended March 31, 2011 ₹ in Lacs
<b>I Changes in Present Value of Obligations:</b>		
Present Value of Obligation as at the beginning of the year	232.31	211.60
Current Service Cost	14.42	28.07
Interest Cost	19.16	17.46
Past Service Cost vested Benefits	—	14.49
Actuarial (gain) / Loss on obligations	(5.99)	(20.42)
Benefits paid	(20.18)	(18.89)
Present value of Obligation as at the end of the year	<b>239.72</b>	<b>232.31</b>
<b>II Changes in the fair value of Plan assets as on 31st March, 2012:</b>		
Fair Value of Plan Assets at the beginning of the year	122.30	117.92
Expected Return on Plan Assets	9.78	9.43
Contributions	19.05	18.05
Benefits paid	(20.18)	(18.89)
Actuarial Gain on Plan Assets	(5.11)	(4.21)
Fair Value of Plan Assets at the end of the year	<b>125.84</b>	<b>122.30</b>
Funded Status	113.88	(110.00)
Total Actuarial Gain to be recognised	<b>0.87</b>	<b>16.21</b>
<b>III The amount recognised in balance sheet:</b>		
Present value of Obligation as at the end of the year	239.72	232.31
Fair Value of Plan Assets at the end of the year	125.84	122.30
Net Liability recognized in Balance sheet	113.88	110.01
<b>IV Amount recognised in Profit and Loss Account:</b>		
Current Service Cost	14.42	28.07
Interest Cost	19.16	17.46
Past Service Cost vested Benefits	—	14.49
Expected Return on Plan Assets	(9.78)	(9.43)
Net Actuarial (gain) / Loss recognised in the year	(0.87)	(16.21)
Expenses Recognized in the statement of Profit & Loss	22.93	34.38

Particulars	For year ended March 31, 2012 ₹ in Lacs	For year ended March 31, 2011 ₹ in Lacs
<b>V Actuarial Gain/Loss recognised :</b>		
Actuarial Gain of the Year-Obligation	(5.98)	(20.42)
Actuarial Gain for the year -plan assets	5.11	4.21
Total Gain for the year	(0.87)	(16.21)
Actuarial Gain recognised in the year	(0.87)	(16.21)
<b>VI Assumptions:</b>		
Discount Rate	8.50%	8.25%
Expected Rate of Return on Plan Assets	8.60%	8.00%
Salary Escalation	4.00%	4.00%
<b>VII Investment Details:</b>		
Government of India Securities	11.76	4.83
State Govt Securities	5.89	3.32
Bonds of PSU	10.12	6.80
Others (Including bank balance)	98.07	107.35
<b>Total</b>	<b>125.84</b>	<b>122.30</b>

**VII Investment Details:**

The estimates of rate of escalation in salary considered in actuarial valuation, taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

Note No.	Particulars	As at March 31, 2012 ₹ in Lacs	As at March 31, 2011 ₹ in Lacs
<b>6</b>	<b>Short-term borrowings</b>		
	(a) Loans		
	<b>From Banks (Secured)</b>		
	• Working capital Loan	4,098.99	783.44
	• Short Term Loan	2,000.00	—
	• Short Term Loan (Secured against fixed deposits with bank)	—	1,146.36
		<b>6,098.99</b>	<b>1,929.80</b>
	(b) Loans and advances from related parties		
	Unsecured		
	• from Directors	1,866.54	10.00
	• from Group companies	199.76	—
	<b>TOTAL</b>	<b>2,066.30</b>	<b>10.00</b>
	Grand Total	<b>8,165.29</b>	<b>1,939.80</b>
	The working capital loan and Short Term Loan are secured against charge over all movable fixed assets of the company whereas short term loan is secured by way of extension of mortgage charge on commercial properties of Promoter company & Negative lien on Debentures of Applewoods Estate Pvt Ltd held by company in respect of Short-term Loan.		
<b>7</b>	<b>Trade Payables</b>		
	Trade Payable	1,344.49	1,137.30
		<b>1,344.49</b>	<b>1,137.30</b>

- (i) Trade payables include ₹ **NIL** (Previous year ₹ NIL) due to creditors registered with the company as per the provisions of Micro, Small and Medium Enterprises Development Act, 2006 (MSME).
- (ii) No interest is paid / payable during the year to Micro, Small and Medium Enterprises.
- (iii) The above information has been determined to the extent such parties could be identified on the basis of information available with the Company regarding the status of suppliers under the MSME.



Note No.	Particulars	Face Value (in Rs)	No of Shares/ Bonds	As at March 31, 2012 ₹ in Lacs	As at March 31, 2011 ₹ in Lacs
<b>11</b>	<b>Non-current investments</b> (Long term Investments)				
(a)	<b>IN EQUITY SHARES</b>				
	<b>TRADE INVESTMENTS</b>				
	<b>FULLY PAID EQUITY SHARES (UNQUOTED)</b>				
	Hindustan Samachar Co-Op Society Ltd	10	10	0.01	0.01
	Press Trust of India Ltd	15	15	0.02	0.02
(b)	<b>OTHER THAN TRADE INVESTMENTS</b>				
	<b>FULLY PAID EQUITY SHARES (UNQUOTED)</b>				
	Ahmedabad Stock Exchange Ltd	10	331,800	—	189.60
	Applewoods Estate Pvt. Ltd. (Class A)	10	100,000	2,146.35	—
	Manekchowk Co-Op Bank Ltd	25	1,624	0.41	0.41
(c)	<b>DEBENTURES &amp; OTHER SECURITIES (UNQUOTED)</b>				
	Applewood Estate Pvt. Ltd.- 15.5% - FCCD - A	100	4,148,825	4,149.13	—
	Applewood Estate Pvt. Ltd.- 15.5% - FCCD - B	100	7,604,815	8,211.25	8,211.25
(d)	<b>FULLY PAID EQUITY SHARES (QUOTED)</b>				
	MOIL	10	1,703	6.39	6.39
(e)	<b>INVESTMENT IN UNITS OF MUTUAL FUNDS</b>			—	800.62
(f)	<b>IN GOVERNMENT SECURITIES (UN QUOTED)</b>				
	National Savings Certificates (Deposited with Sales Tax Authorities)			0.01	0.01
(g)	<b>IN INVESTMENT PROPERTIES</b>			75.00	75.00
				<b>14,588.55</b>	<b>9,283.30</b>
	Aggregate cost of quoted investments			6.39	6.39
	Aggregate cost of unquoted investments			14,507.16	9,201.91
	Aggregate Market value of quoted investments			4.27	6.72
<b>12</b>	<b>Long-term loans and advances</b>				
	Security Deposits, considered good			163.42	27.11
	Due from Revenue Authorities			554.72	675.46
				<b>718.14</b>	<b>702.57</b>
<b>13</b>	<b>Inventories (at lower of cost or net realisable value)</b>				
(a)	Raw materials			961.18	659.54
(b)	Work-in-progress			35.52	32.65
(c)	Finished goods			0.66	0.99
(d)	Stock-in-trade (in respect of goods acquired for trading);				
	Bullion			1,102.44	—
	Land At Gheekanta			3.57	3.79
	Sandesh Complex Gheekanta			337.08	356.99
	Properties			46.27	46.27
	Share & Mutual Fund			243.48	225.68
	Gift Articles			34.31	43.01
	Trading Goods			—	1.55
	Waste			—	0.80
(e)	Stores and spares			270.44	120.69
				<b>3,034.95</b>	<b>1,491.96</b>



Note No.	Particulars	As at March 31, 2012 ₹ in Lacs	As at March 31, 2011 ₹ in Lacs
<b>14</b>	<b>Trade Receivables (unsecured)</b>		
(a)	Outstanding for a period exceeding six months -		
	Considered good	322.85	565.08
	Doubtful	63.53	4.67
		<b>386.38</b>	<b>569.75</b>
(b)	Others - considered good		
	Considered good	5,891.31	4,148.27
	Doubtful	—	5.04
		<b>5,891.31</b>	<b>4,153.31</b>
		<b>6,277.69</b>	<b>4,723.06</b>
	Less : Provision for Doubtful Debts	(63.53)	(9.71)
		<b>6,214.16</b>	<b>4,713.35</b>
<b>15</b>	<b>Cash and Bank Balances</b>		
(i)	Cash on hand <sup>^</sup>	60.49	696.43
(ii)	Balances with banks		
	in current Accounts & Foreign bank#	454.04	464.43
	in fixed deposits*	11.07	7,122.56
		<b>525.60</b>	<b>8,283.42</b>
	<sup>^</sup> Includes Cheques On Hand ₹ Nil (P.Y. ₹ 651.07 Lacs)		
	# Includes Unclaimed Dividend of ₹ 65.03 Lacs( P.Y. ₹ 17.77 Lacs)		
	* Includes fixed deposit of ₹ 5.15 Lacs (P.Y. ₹ 5648.42 Lacs) maturing after 12 months from balance sheet date		
<b>16</b>	<b>Short-term loans and advances</b> (Unsecured, Considered Good unless otherwise stated)		
(a)	Loans (includes ₹ 6100.34 lacs (P.Y. ₹ 3672.81 lacs) secured against Equitable Mortgage and ₹ 1000.00 Lacs (P.Y. Nil) secured against shares)	14,783.18	11,505.43
(b)	Advance recoverable in cash or kind	84.27	1,813.31
(c)	Deposit	360.90	208.08
(d)	Advance Income-tax, Fringe Benefit-tax & Tax deducted at source (includes ₹545.18 lacs paid / adjusted under protest)	1,794.00	1,979.84
		<b>17,022.35</b>	<b>15,506.66</b>
<b>17</b>	<b>Other current assets</b>		
	Interest accrued but not due on Fixed Deposits with banks and others	1,348.66	62.93
		<b>1,348.66</b>	<b>62.93</b>

Note Particulars No.	For the year 2011-12 ₹ in Lacs	For the year 2010-11 ₹ in Lacs
<b>18 Revenue from Operations :</b>		
(a) Turnover (Net of discounts)		
(i) Sale of Publications	6,130.49	5,837.54
(ii) Revenue from Advertisement Space - Newspaper	14,440.93	13,800.20
(iii) Revenue from Advertisement Space - OOH	1,179.84	531.09
	<b>21,751.26</b>	<b>20,168.83</b>
(b) Other operating revenues		
(i) Interest (Tax deducted at source ₹204.83 Lacs, Previous Year ₹145.50 Lacs)	2,239.22	1,813.12
(ii) Sale of Trading Goods		
Trading Goods	4.21	11.59
Bullion	962.19	—
Real Estate	64.94	144.68
Shares	—	43.36
	<b>1,031.34</b>	<b>199.63</b>
(iii) Other Income	518.34	538.23
	<b>25,540.16</b>	<b>22,719.81</b>
<b>19 Other Income</b>		
(a) Interest Income	—	10.17
(b) Interest Income from I.Tax dept	2.87	144.59
(c) Interest from Debenture (Tax Deducted at Source ₹166.27 Lacs, Previous year ₹119.75 Lacs)	1,662.73	984.50
(d) Dividend	26.05	27.99
(e) Rent	14.48	10.99
(f) Income from Windmill	12.94	12.67
(g) Excess provision written back	9.71	9.43
(h) Sundry creditors written back	129.74	3.60
(i) Bad debts recovery	17.48	0.10
(j) Profit on sale of Investments (Short Term)	1.09	152.53
(k) Profit on conversion of land into stock-in-trade	14.43	29.60
(l) Miscellaneous Income	7.31	6.24
	<b>1,898.83</b>	<b>1,392.41</b>
<b>20 Cost of material consumed</b>		
Raw materials consumed		
Newsprint Consumed	11,321.63	9,794.01
Total material consumed	<b>11,321.63</b>	<b>9,794.01</b>
<b>21 Purchases : Stock-in-trade</b>		
(i) Bullion	2,010.91	—
(ii) Real Estate	14.43	34.52
(iii) Other Items	4.67	2.32
	<b>2,030.01</b>	<b>36.84</b>

Note No.	Particulars	For the year 2011-12 ₹ in Lacs	For the year 2010-11 ₹ in Lacs
<b>22</b>	<b>Change in inventories of finished goods, work-in-progress and stock in trade</b>		
(a)	Opening stock of inventories		
	Finished Goods	0.99	0.66
	Work in Process	32.65	15.07
	Trading Goods	227.18	346.85
	Real Estate	407.05	468.61
	Waste	0.80	1.88
		<b>668.67</b>	<b>833.07</b>
(b)	Closing Stock of inventories		
	Finished Goods	0.66	0.99
	Work in Process	35.52	32.65
	Trading Goods	1,345.92	227.18
	Real Estate	386.92	407.05
	Waste	—	0.80
		<b>1,769.02</b>	<b>668.67</b>
	(Increase) / Decrease in inventories	<b>(1,100.35)</b>	<b>164.40</b>
<b>23</b>	<b>Employee Benefits Expense</b>		
(a)	Salaries and wages	901.02	847.60
(b)	Managing Directors Remuneration & Commission	664.67	675.87
(c)	Contribution to provident and other funds	53.50	67.34
(d)	Staff welfare expense	0.92	5.52
		<b>1,620.11</b>	<b>1,596.33</b>
<b>24</b>	<b>Finance Cost</b>		
	Interest		
	To Bank	465.04	—
	To Directors	400.16	516.67
	To others	114.85	189.84
		<b>980.05</b>	<b>706.51</b>

Note Particulars No.	For the year 2011-12 ₹ in Lacs	For the year 2010-11 ₹ in Lacs
<b>25 Other expenses</b>		
(a) Power and fuel	284.52	261.83
(b) Stores and spares consumed	1,258.09	1,149.67
(c) Repairs to:-		
Buildings	68.78	21.47
Machinery	144.80	116.63
Others	43.09	65.67
	<b>256.67</b>	<b>203.77</b>
(d) Feature, Newsgathering and purashkar expenses	525.71	471.70
(e) News service and telephone expenses	85.84	79.33
(f) Insurance Premium	34.74	11.15
(g) Rent	20.99	15.52
(h) Rates and taxes	18.71	22.43
(i) Audit Fees	3.31	3.31
(j) Directors' sitting fees	0.07	0.12
(k) Irrecoverable business advance written off	—	118.41
(l) Provision for doubtful debts	63.53	9.71
(m) Loss on sale of Investments	0.17	—
(n) Bad Debts written off	218.58	162.86
(o) Donation	30.72	33.02
(p) Travelling expenses	68.91	47.79
(q) Expenses for OOH	917.04	331.51
(r) Exchange rate fluctuation (Net)	(6.08)	0.09
(s) Professional expenses	172.28	80.71
(t) Selling expenses		
Parcel expenses	474.71	402.41
Cash discounts	621.68	491.21
Business promotion expenses	441.01	590.15
Commission	59.28	24.81
Selling expenses	3.44	3.38
	<b>1,600.12</b>	<b>1,511.96</b>
(u) Miscellenous Expenses	450.56	360.39
	<b>6,004.48</b>	<b>4,875.28</b>
<b>* Payments to the auditors</b>		
(a) For Statutory audit	3.31	3.31
(b) For Company Law matters	0.50	0.50
(c) For Other services	4.61	0.40
	<b>8.42</b>	<b>4.21</b>
<b>26 Exceptional Items</b>		
(a) Loss on sale/discard of assets	71.62	0.02
(b) Profit on sale of fixed assets	(4.34)	(10.53)
The net effect of loss/(profit) on sale/discard is included in Statement of Profit and Loss	<b>67.28</b>	<b>(10.51)</b>
<b>27 Earning Per Share:</b>		
(a) Net Profit / (Loss) after Tax (Amount in lacs)	3,915.21	4,390.44
(b) Total Weighted Average Number of Shares for Basic and Diluted Earning	8,529,421	8,529,421
(c) Basic and Diluted Earning per share in rupees	<b>45.90</b>	<b>51.47</b>

Note Particulars No.	For the year 2011-12 ₹ in Lacs	For the year 2010-11 ₹ in Lacs
<b>28 Sales of Finished Goods</b>		
<b>Sales</b>		
Daily Publication	5 997.59	5 765.82
Weekly & Yearly Publication	132.90	71.72
	<b>6 130.49</b>	<b>5 837.54</b>
<b>29 (a) Raw Material consumption :</b>		
Newsprint	11 321.63	9 794.01
<b>(b) Value of imported and indigenous Raw Materials consumed and percentage thereof to the total consumption. (Including imports through Agents)</b>		
Imported	₹ in lacs 358.54	2 264.59
	% 3.17	23.12
Indigenous	₹ in lacs 10 963.09	7 529.42
	% 96.83	76.88
<b>(c) Value of Imported and Indigenous Spare Parts and Components consumed and percentage thereof to the total consumption.</b>		
Imported	₹ in lacs 0.00	0.00
	% 0.00	0.00
Indigenous	₹ in lacs 1 258.09	1 149.67
	% 100.00	100.00
<b>(d) Value of Imports on CIF basis in respect of:</b>		
Raw Materials: Newsprint (Including imports through agents)	31.60	2 283.91
<b>(e) Expenditure in Foreign Currency :-</b>		
Travelling	14.51	13.19
Legal Expenses	1.37	42.49
Membership Fees	0.13	0.08
<b>(f) Earnings in Foreign Currency :-</b>		
Service Charges	2.77	4.65
<b>(g) Details of Dividend remitted to Non residents</b>	NIL	NIL

**30 Details Of Trading Activity :**

	2011-12 ₹ in Lacs	2010-11 ₹ in Lacs
<b>(a) Equity Shares</b>		
Opening Stock	225.68	335.41
Sales/Adjustment	0.00	43.36
Closing Stock	243.48	225.68
<b>(b) Real Estate</b>		
Opening	407.05	468.61
Construction / Acquisition	14.43	34.52
Sales	64.94	144.68
<b>Closing Stock</b>	<b>386.92</b>	<b>407.05</b>

	2011-12 ₹ in Lacs	2010-11 ₹ in Lacs
<b>(c) Bullions</b>		
Opening Stock	0.00	0.00
Purchases	2010.91	0.00
Sales	962.19	0.00
Closing Stock	1102.44	0.00
<b>31 Contingent liabilities and commitments (to the extent not provided for)</b>		
<b>(a) Contingent liabilities</b>		
(i) Claims against the company not acknowledged as debt	Amount not Determined	Amount not Determined
(ii) Income-tax demand of ₹ 1398.11 lacs (Previous year ₹ 466.44 lacs) including provisional demand of ₹ 688.75 lacs (previous year NIL) has been raised against the company for various Assessment Years, which have not been acknowledged as debt in view of legal opinion and various judicial pronouncements. Appeals & rectification applications filed against the same as well as appeal effect orders for these years are still pending. Such demands have been paid/adjusted against refunds due except the demands aggregating to ₹ 970.17 Lacs including provisional demand of ₹ 688.75 lacs.		
<b>(b) Commitments</b>		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for	46.75 Lacs	54.21 Lacs

**32 SEGMENT INFORMATION:**

Information about Primary business segments as at / for the year ended:

₹ in Lacs

Particulars	Publication		Finance		Other		Unallocable		Eliminations		Total	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
<b>1 Segment Revenue</b>												
External Turnover	22,438.19	20,881.55	4,238.76	3,310.66	1,031.34	229.23	71.85	214.35	0.00	0.00	27,780.14	24,635.79
Add : Intersegment Turnover	0.00	0.00	336.81	513.04	0.00	0.00	0.00	0.00	(336.81)	(513.04)	0.00	0.00
<b>Net Turnover</b>	<b>22,438.19</b>	<b>20,881.55</b>	<b>4,575.57</b>	<b>3,823.70</b>	<b>1,031.34</b>	<b>843.21</b>	<b>71.85</b>	<b>214.35</b>	<b>(336.81)</b>	<b>(513.04)</b>	<b>27,780.14</b>	<b>24,635.79</b>
<b>2 Segment Result before Interest</b>	2,543.08	3,539.78	4,157.75	2,246.34	99.94	11.16	0.00	0.00	0.00	0.00	6,800.77	5,797.28
Less: Interest Expense	0.00	0.00	0.00	0.00	0.00	0.00	1,010.94	706.51	0.00	0.00	1,010.94	706.51
Add: Interest Income	0.00	0.00	0.00	0.00	0.00	0.00	71.85	1,165.83	0.00	0.00	71.85	1,165.83
Add: Exceptional Item	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Profit Before Tax</b>	<b>2,543.08</b>	<b>3,539.78</b>	<b>4,157.75</b>	<b>2,246.34</b>	<b>99.94</b>	<b>(68.66)</b>	<b>(939.09)</b>	<b>459.32</b>	<b>0.00</b>	<b>0.00</b>	<b>5,861.68</b>	<b>6,256.60</b>
Current Tax - Income-tax	0.00	0.00	0.00	0.00	0.00	0.00	1,896.06	1,863.77	0.00	0.00	1,896.06	1,863.77
Deferred Tax	0.00	0.00	0.00	0.00	0.00	0.00	50.41	2.39	0.00	0.00	50.41	2.39
<b>Profit After Tax</b>	<b>2,543.08</b>	<b>3,539.78</b>	<b>4,157.75</b>	<b>2,246.34</b>	<b>99.94</b>	<b>(68.66)</b>	<b>(2,885.56)</b>	<b>(1,406.84)</b>	<b>0.00</b>	<b>0.00</b>	<b>3,915.21</b>	<b>4,390.44</b>
<b>3 Other Information</b>												
Segment Assets	16,727.58	14,489.78	14,794.25	18,690.92	1,732.84	1,434.90	18,160.93	13,186.45	0.00	0.00	51,415.60	47,802.05
Segment Liability	6,666.79	12,689.75	4,066.30	1,939.80	0.00	0.00	7,329.28	3,244.04	0.00	0.00	18,062.37	17,873.59
Capital Expenditure	993.49	533.62	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	993.49	533.62
Depriciation	654.10	692.76	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	654.10	692.76

**Note:** The Company has identified two business segments namely, Publication and Finance.

**33 Related Parties Disclosure:**

I (a) Associates:

- 1 Satlon Enterprise Pvt Ltd
- 2 Saintfoin Enterprise LLP
- 3 Scabious Enterprise LLP
- 4 Autumnleaf Estates Pvt Ltd
- 5 Dhanali Stock Holdings Pvt Ltd
- 6 Satyesh Prochem LLP
- 7 Sandesh Procon LLP
- 8 Applewoods Estate Private Limited

(b) Name of Key Management Personnel :

- 1 Shri Falgunbhai Patel Chairman & Managing Director
- 2 Shri Parthiv Patel Managing Director

(c) Relatives of Key Managerial Personnel:

- 1 Smt. Pannaben F Patel
- 2 Smt. Ritaben C Patel

(d) Where significant influence exists:

Lilavati Chimanbhai Patel Charitable Trust

II Particulars of transactions with related parties. The transactions are disclosed in aggregate value for the year:

₹ in Lacs

Particulars	2011-12				2010-11			
	Associates	Key Management personnel (Managing Director Wholetime Director Manager & Other Managerial personnel)	Relatives of Key Management personnel (Spouse, Son, daughter, brother, sister, father mother who may influence or be influenced by such personnel or their relatives)	Total	Associates	Key Management personnel (Managing Director Wholetime Director Manager & Other Managerial personnel)	Relatives of Key Management personnel (Spouse, Son, daughter, brother, sister, father mother who may influence or be influenced by such personnel or their relatives)	Total
Remuneration	0.00	665.72	0.00	<b>665.72</b>	0.00	677.80	0.00	<b>677.80</b>
Loans Given / Repayment	1755.35	7405.74	20.39	<b>9181.48</b>	8718.96	14322.87	0.00	<b>23041.83</b>
Loans Taken	1955.11	8708.00	574.66	<b>11237.77</b>	8718.96	14332.87	0.00	<b>23051.83</b>
Purchase of Fixed Assets	0.95	0.00	0.00	<b>0.95</b>	109.90	0.00	0.00	<b>109.90</b>
Rent Expenses	1.07	4.16	1.20	<b>6.43</b>	2.10	1.80	1.20	<b>5.10</b>
Balance Outstanding as at the year end	199.76	1312.27	554.27	<b>2066.30</b>	0.00	10.00	0.00	<b>10.00</b>
Dividend Paid	155.74	70.43	0.67	<b>226.84</b>	116.09	53.50	0.19	<b>169.78</b>
Interest Paid	75.06	341.25	58.91	<b>475.22</b>	114.71	504.03	24.13	<b>642.87</b>
Interest Received	1662.73	0.00	0.00	<b>1662.73</b>	984.50	0.00	0.00	<b>984.50</b>
Salary	0.00	0.00	4.20	<b>4.20</b>	0.00	0.00	4.20	<b>4.20</b>
Sales	72.69	0.00	0.00	<b>72.69</b>	0.00	0.00	0.00	<b>0.00</b>
Purchase	0.87	0.00	0.00	<b>0.87</b>	0.00	0.00	0.00	<b>0.00</b>



**III Disclosure of material transactions with Related Party:**

	For year ended March 31,2012 ₹ in Lacs	For year ended March 31,2011 ₹ in Lacs
1 Remuneration to Key Management Personnel		
a Mr Parthiv Patel	332.86	338.90
b Mr Falgun Patel	332.86	338.90
2 Loan taken from		
a Mr Parthiv Patel	3303.49	6426.22
b Mr Falgun Patel	5404.51	7906.64
3 Loan repayment to		
a Mr Parthiv Patel	2778.63	6421.23
b Mr Falgun Patel	4627.10	7901.64
c Satlon Enterprise Pvt Ltd	912.39	6073.51
4 Purchase of fixed assets		
Applewoods Estate Pvt Ltd	0.95	0.00
5 Rent Expenses		
a Mr Parthiv Patel	0.97	0.00
b Mr Falgun Patel	1.80	0.90
c Falgun Patel HUF	1.39	0.90
d Smt. Nishiben P. Patel	1.20	1.20
e Satlon Enterprise Pvt. Ltd.	1.07	2.10
6 Dividend Paid		
a Mr Parthiv Patel	47.56	36.35
b Mr Falgun Patel	22.87	17.15
c Satlon Enterprise Pvt. Ltd.	75.93	56.94
d Satyesh Prochem LLP	51.03	37.59
7 Interest Paid		
a Mr Parthiv Patel	115.89	245.84
b Mr Falgun Patel	68.10	155.20
c Falgun Patel HUF	157.26	102.99
d Smt Pannaben F Patel	58.91	20.70
8 Interest Received		
Applewoods Estate Private Limited	1662.73	984.50
9 Sales		
a Applewoods Estate Private Limited	53.27	0.00
b Sandesh Procon LLP	19.42	0.00
10 Purchase		
a Applewoods Estate Private Limited	0.87	0.00

**34** Till the year ended March 31, 2011, the company was using pre-revised Schedule VI to the Companies Act, 1956 for preparation and presentation of its financial statements. During the year ended March 31, 2012, the revised Schedule VI notified under Companies Act 1956, has become applicable to the company. The company has reclassified previous year 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, particularly presentation of balance sheet.

**SIGNIFICANT ACCOUNTING POLICIES :****1 Basis of Preparation of Financial Statements :**

The Company maintains its accounts on accrual basis following the historical cost convention except for the revaluation of certain fixed assets and in accordance with generally accepted accounting principles [“GAAP”], as well as in compliance with the Accounting Standards referred to in Section 211(3C) and other requirements of the Companies Act, 1956.

**2 USE OF ESTIMATES:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management’s best knowledge of current events and actions, actual results could differ from these estimates.

**3 RECOGNITION OF INCOME AND EXPENDITURE :**

- a) Income & expenditure are recognised on accrual basis. However, certain escalation & other claims as well as certain income where there is any uncertainty of its realisation or which are not ascertainable / acknowledged by customers, are recognised as income on its realisation.
- b) Dividend income is recognised when the right to receive the dividend is established.

**4 FIXED ASSETS :**

- a) Land and Buildings acquired upto 31-03-1994 are stated at revalued figures less accumulated depreciation.
- b) All Other Fixed Assets are stated at historical cost less accumulated depreciation.
- c) Cost includes all expenditure incurred to bring the assets to its present location and condition.

**5 DEPRECIATION :**

- (a) Depreciation has been calculated in accordance with and at the rates specified in Schedule XIV to the Companies Act, 1956.
- (b) Depreciation in respect of additions to Machineries from 01-04-1992 is provided on straight line method and in respect of all other fixed assets on written down method.
- (c) Depreciation in respect of addition and deletion of assets during the year is provided based on the actual number of days for which assets remained in use.
- (d) Fixed Assets upto a value of ₹5000 are fully depreciated in the year of its acquisition.

**6 IMPAIRMENT OF ASSETS :**

As at each Balance Sheet date, the carrying amount of assets is tested for impairment so as to determine:

- (a) the provision for impairment loss required, if any, or
- (b) the reversal required in respect of impairment loss recognised in previous periods, if any

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

**7 INVENTORIES :**

Inventories are valued after providing for obsolescence, as under:-

- (a) Raw Materials, Stores, Gift articles and Finished goods. : At lower of cost or net realisable value.
- (b) Work in progress
  - 1) Publication : At about cost
  - 2) Construction : At cost
- (c) Waste : At net realisable value.
- (d) Trading
  - 1) Shares : At cost or fair value, which ever is lower.
  - 2) Other : At lower of cost or net realisable value.

Cost for this purpose is ascertained on First In First Out (FIFO) basis.

**8 INVESTMENTS :**

Long term investments are stated at cost. Provision is made for diminution in value, other than of temporary nature, of such investment.

Current investments are stated at lower of cost and fair value.

**9 FOREIGN CURRENCY TRANSACTIONS :**

Transactions of foreign currency are recorded at the exchange rate as applicable at the date of transactions. Monetary Assets / Liabilities outstanding at the close of the financial year are stated at the contracted and / or appropriate exchange rate at the close of the year and the gain / loss is credited / charged to Profit & Loss Account.

**10 RETIREMENT BENEFITS :**

(a) Short term employee benefits are charged off in the year in which the related services are rendered.

(b) **Defined Contribution Plan :**

Contribution to Provident Fund and Pension Fund Scheme are paid in accordance with applicable statutes and deposited with the Regional Provident Fund Commissioner.

(c) **Defined Benefit Plan :**

Liabilities in respect of post employment benefit (gratuity) have been determined at present value of the amount payable towards contribution based on actuarial valuation made by an independent actuary as at the balance sheet date. The actuarial gains or losses are recognised immediately in the profit and loss account.

**11 SEGMENT ACCOUNTING :**

Segment accounting policies are in line with the accounting policies of the Company, In addition, the following specific accounting policies have been followed for segment reporting:

- (a) Segment revenue includes sales & other income directly identifiable with/allocable to the segment, including inter segment revenue.
- (b) Expenses that are directly identifiable with/allocable to segments are considered for determining the Segment Result.
- (c) Income/Expense which relate to the Company as a whole and not allocable to segments are included in "Unallocable Corporate Income/Expense".
- (d) Segment assets & liabilities include those directly identifiable with the respective segments.
- (e) Unallocable corporate assets and liabilities represent the assets & liabilities that relate to the Company as a whole and not allocable to any segment.

**12 INCOME TAXES :**

- a) Income tax charge or credit comprises current tax and deferred tax charge or credit.
- b) Current tax is provided at current tax rates based on assessable income.
- c) Deferred tax asset/liability is recognised at the tax rates and tax laws that have been enacted or substantively enacted by Balance Sheet date based on the tax effect of timing differences resulting from the recognition of items in the financial statements and in estimating its current tax provision. Deferred tax assets are recognised, if there is a reasonable certainty of realisation. Deferred tax effects are reviewed at each Balance Sheet Date.

**13 PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS :**

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

**14 BORROWING COST:**

Borrowing costs attributable to the acquisition and construction of assets are capitalized as part of the cost of such assets up to the date when such asset is ready for its intended use. Other borrowing cost are treated as revenue expenditure.

**15 GENERAL:**

Accounting Policies not specifically referred to are consistent with generally accepted accounting practice.

**THE SANDESH LIMITED**

Regd. Office: - "SANDESH BHAVAN", Lad Society Road, B/h. Vastrapur Gam, P.O. Boadakdev, Ahmedabad-380054

**ATTENDANCE SLIP**

PLEASE FILL IN ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL. JOINT SHAREHOLDERS MAY OBTAIN ADDITIONAL ATTENDANCE SLIP ON REQUEST.

REGD. FOLIO NO. : \_\_\_\_\_  
**NAME OF THE SHAREHOLDER OR PROXY\*** #DP ID & CLIENT ID NO : \_\_\_\_\_  
No. of Shares held : \_\_\_\_\_

\_\_\_\_\_  
\*Strike out whichever is not applicable

#Applicable for investors holding shares in electronic form.

I, hereby record my presence at the 69th ANNUAL GENERAL MEETING of the Company held on Thursday, the 30th day of August, 2012 at 10:00 a.m. at Gujarat Law Society Auditorium, G.L.S. College Campus, Opp. Law Garden, Ellisbridge, Ahmedabad - 380 006.

\_\_\_\_\_  
**SIGNATURE OF THE SHARE HOLDER/PROXY\***

**THE SANDESH LIMITED**

Regd. Office: - "SANDESH BHAVAN", Lad Society Road, B/h. Vastrapur Gam, P.O. Boadakdev, Ahmedabad-380054

**PROXY FORM**

REGD. FOLIO NO. : \_\_\_\_\_  
#DP ID & CLIENT ID NO : \_\_\_\_\_  
No. of Shares held : \_\_\_\_\_

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

\_\_\_\_\_ being a member(s) of THE SANDESH LIMITED hereby appoint \_\_\_\_\_

\_\_\_\_\_ of \_\_\_\_\_

or falling him \_\_\_\_\_ of \_\_\_\_\_

as my/our proxy to vote for me/us and on my/our behalf at the 69th ANNUAL GENERAL MEETING of the Company to be held on Thursday, the 30th day of August, 2012 at 10:00 a.m. or at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2012

Affix 15  
paise  
Revenue  
Stamp

**NOTE:**

The Proxy must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be member of the Company. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

BOOK-POST

*If undelivered, please return to :*

**THE SANDESH LIMITED**

Regd. Office : "Sandesh Bhavan", Lad Society Road,  
B/h. Vastrapur Gam, P. O. Bodakdev,  
Ahmedabad-380054 (Gujarat)  
Website : [www.sandesh.com](http://www.sandesh.com)

**સંદેશ**