
39th
ANNUAL REPORT
2011-12

Paushak

PAUSHAK LIMITED
ALEMBIC ROAD, VADODARA-390 003.

PAUSHAK LIMITED

Board of Directors

Mr. Chirayu R. Amin
Chairman

Mrs. Malika C. Amin

Mr. Udit C. Amin

Mr. Amit M. Goradia

Mr. Santosh Jejurkar

Mr. V. H. Gandhi
(w.e.f. 18.10.2011)

Company Secretary

Mr. Charandeep Singh Saluja
(w.e.f. 29.12.2011)

Statutory Auditors

J.R.S. Patel & Co.,
Chartered Accountants
106, Anurag Commercial Centre,
R. C. Dutt Road,
Vadodara - 390 007

Bankers

IDBI Bank Limited

Registered Office

Alembic Road, Vadodara - 390 003

Manufacturing Facilities

Panelav, Tal. Halol,
Dist. Panchmahal - 389 350. Gujarat

Registrar and Transfer Agents

M/s. Link Intime India Private Limited
B-102/103, Shangrila Complex,
1st Floor, Nr. Radha Krishna Char Rasta,
Akota, Vadodara - 390 020
Phone : 0265 2356573 / 2356794 / 2356796
Fax : 0265 2356791
E-mail : vadodara@linkintime.co.in

Stock Exchange

Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001.
Scrip Code : 532742

DIRECTORS' REPORT

To
The Members,

Your Directors present the 39th Annual Report on the working of the Company with the Audited Accounts for the year ended on 31st March, 2012.

1. **Financial Results:**

Particulars	Year ended on 31st March, 2012 ₹	Year ended on 31st March, 2011 ₹
Profit for the year before Interest, Depreciation and Tax	6,09,33,331	6,79,75,461
Deducting therefrom:		
Interest	31,14,451	44,63,590
Depreciation	1,65,20,227	1,55,55,533
Profit for the year before Taxes	4,12,98,653	4,83,17,148
Less: Provision for Deferred Tax Liabilities / (Asset)	(4,39,259)	(3,08,534)
Less: Provision for Income Tax	88,50,000	1,16,20,000
Less: Excess Provision for earlier years	(15,86,727)	-
Profit after Taxes	3,44,74,639	3,70,05,682
Add: Profit brought forward from last Year	9,25,54,037	7,29,78,436
Balance available for appropriation	12,70,28,676	10,99,84,118
Less: APPROPRIATIONS		
Dividend on Equity Shares	64,14,228	64,14,228
Dividend Distribution Tax on Equity Shares	10,40,548	10,40,548
Reversal of provision of Corporate Dividend Tax	-	(24,695)
Transfer to General Reserve	1,00,00,000	1,00,00,000
Surplus carried to Balance Sheet	10,95,73,900	9,25,54,037

Dividend:

Your Directors recommended dividend of ₹ 2/- per share, i.e., 20 per cent (Previous Year ₹ 2/- per share) on the equity shares of ₹ 10/- each for the year ended on 31st March, 2012.

2. **Operations:**

The profit before interest, depreciation and tax was ₹ 609.33 Lacs for the year under review as compared to ₹ 679.75 Lacs for the previous year. The Company made a net profit of ₹ 344.75 Lacs for the year under review as compared to net profit of ₹ 370.05 Lacs for the previous year. The Company's Gross Sales including export incentives were ₹ 3479.99 Lacs for the year under review as compared to ₹ 3109.17 Lacs for the previous year.

3. **Management Discussion and Analysis:**

Management Discussion and Analysis as required under the Listing Agreement with the Stock Exchange is enclosed as Annexure-I to this report.

4. **Corporate Governance:**

Your Company complies with the provisions of Corporate Governance as envisaged in the Listing Agreement. A separate report on Corporate Governance is attached as a part of the Annual Report, along with the Auditor's Certificate on the compliance.

5. Research & Development:

Research and Development is carried out for improvements in quality, cost and quantity of the products currently manufactured. The Company is also exploring opportunities to develop and introduce new products through Research and Development activities.

6. Safety, Health & Environment:

The Company continues to maintain and improvise upon the high standards of safety at the manufacturing site. It is ensured that all safety rules and statutory requirements are complied during production, storage, handling and transportation of products to prevent any accident. Mock-drills of on-site emergency plans are carried out periodically. The Company maintained emission within the specified limits of standard. The preservation of Environment and Pollution Control are among the top priorities of your Company.

7. Fixed Deposits:

The Company has not accepted fixed deposits during the year. There are no fixed deposits outstanding as at 31st March, 2012.

8. Particulars of employees:

During the period under review, there is no employee in respect of whom information as per Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules 1975, is required to be given in this Directors' Report.

9. Energy, Technology and Foreign Exchange:

Information pursuant to Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988, is given in the Annexure-II hereto and forms part of this Report.

10. Directors:

As per the provisions of the Companies Act, 1956, Mrs. M. C. Amin and Mr. U. C. Amin, Directors of the Company, retire by rotation and are eligible for re-appointment.

The Board has appointed Mr. V. H. Gandhi as Additional Director w.e.f. 18.10.2011. As per section 260 of the Companies Act, 1956, he holds office upto the date of this Annual General Meeting. The Company has received notice under section 257 of the Act proposing his appointment as director liable to retire by rotation. Your directors recommend the resolution for regularization of the appointment of Mr. V. H. Gandhi for your approval.

11. Auditors:

M/s. J.R.S. Patel & Co., Chartered Accountants, Statutory Auditors (Firm Regn. No. 107709W) will retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment as Auditors. Members are requested to re-appoint them and fix their remuneration.

12. Cost Auditor:

The Board of Directors have appointed Mr. H. R. Kapadia, Cost Accountant, Vadodara as Cost Auditor of the Company for conducting audit of the cost accounts maintained by the Company for the year 2011-12.

13. Directors' Responsibility Statement:

In terms of the provisions of Companies Act, 1956, the Directors state that:

- i) In preparation of the Annual Accounts for the year, the applicable Accounting Standards have been followed.
- ii) Accounting policies as listed in Note AA to the financial statements have been selected and consistently applied and reasonable and prudent judgments have been made so as to give true and fair view of the state of affairs of the Company as on 31st March, 2012 and profit of the Company for the accounting year ended on that date.
- iii) Proper and sufficient care for maintenance of adequate accounting records has been taken in accordance with the provisions of the Act so as to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.
- iv) The Annual Accounts have been prepared on going concern basis.

14. Acknowledgement:

Your Directors wish to place on record their sincere appreciation for the support received from the Company's employees, Bankers, Government Authorities, Valuable Customers, Vendors and the Shareholders.

Registered office:

Alembic Road,
Vadodara - 390 003.
Date: 8th May, 2012

By Order of the Board

Chirayu R. Amin
Chairman

Annexure-I to Directors' Report
MANAGEMENT DISCUSSION AND ANALYSIS

(A) Industry Structure and Development

Specialty chemicals industry is showing signs of revival. However, the demand for new intermediates has picked up significantly but the old molecules are facing stiff competition on pricing and quality.

The consumption of intermediates, especially for Pharma industry, continues to show a trend of shifting to the Asian manufacturers. This is also seen from the growth of our domestic business and lower sales in the export market. We are also trying to develop new intermediates for Agrochemical, Personal Care and Flavor Industries to counteract dependence on only one sector.

(B) Opportunities, Threats, Risks, Concerns and Outlook

There is a huge opportunity for phosgene based products globally but the limiting factor is our license for phosgene capacity. We are continuously trying to optimize our usage of phosgene by prioritizing our product mix and increasing our efficiency.

A number of our existing products going into Pharma industry are coming under pressure due to maturity of their end-applications. At the same time, other Pharma products have to await the respective patent expiry. We have finalized many small volume products to be seeded into future global Pharmaceutical APIs.

The threat to our business is the competition of low cost phosgene intermediates from China and other countries and competition within India. To counterbalance this, the Company has put efforts in developing specialty products going into non-pharma applications. The Company is hopeful of launching at least three important products in the current year.

As mentioned in the previous year's report, the Company has filed an application for significant increase in its production volume. The matter has been taken up at the Ministry of Environment and is at an advance stage. Necessary activities at local level such as a public hearing etc. has been completed successfully. We hope to get a favorable response from the government regarding this increase in capacity. This would enable us to grow in topline and bottomline.

Financial Performance:

The total income of the Company for the year under review was ₹ 3474.47 Lacs as compared to ₹ 3079.34 Lacs for the previous year. The profit before interest, depreciation and tax was ₹ 609.33 Lacs for the year under review as compared to ₹ 679.75 Lacs for the previous year. The Company made a net profit of ₹ 344.75 Lacs for the year under review as compared to net profit of ₹ 370.05 Lacs for the previous year.

(C) Internal Control Systems and Adequacy:

Your Company maintains a system of well-established policies and procedure for internal control of operations and activities of the Company. The Company has appointed M/s. K. C. Mehta & Co., Chartered Accountants, Vadodara as Internal Auditors.

(D) Human Resource: Developing Human Capital

We have tried to develop internal talent from within the organization instead of hiring from outside. We would like our own people to grow into bigger roles and handle larger portfolios. Based on this philosophy we have given our senior team more responsibilities and hope to encourage growth for our employees with added business.

Annexure-II to Directors' Report

Particulars required under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

(A) Conservation of Energy**(a) Energy conservation measures taken:**

- (i) Boiler feed water heat recovery from flue gas. (Heat recovered 3 Lakh Kcal/day)
- (ii) Reduced operating pressure of steam ejectors, thus reducing the steam consumption. (Energy saving 12.7 Lakh Kcal/day)
- (iii) We have optimized our distillation parameters to give us more output thereby reducing the usage of energy for the same.
- (iv) We have shifted more products from batch process to continuous process, which will give us tremendous reduction in energy use.
- (v) We have reduced cycle times of our batch process to reduce energy use and increase output.
- (vi) We have altered some parameters to reduce the amount of chilling energy needed to manufacture the batch.

(b) Additional investment and proposals, if any, being implemented for upgradation of manufacturing facilities:

We have continuously being making minor investments in our facility for better maintenance and safety of our processes.

(c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on cost of production of goods:

The above measures are expected to save about 500 Kg / day in biomass consumption as against normal 8000 Kg / day. The other savings cannot be quantified as they are incremental in nature.

(B) Consumption per unit of Production

On account of the fact that a number of different products are manufactured in the Company, with some through continuous process and others through batch process, with varying cycle times and batch sizes, it is not feasible to report the fuel consumption per unit of production.

FORM "A"

Form for disclosure of particulars with respect to conservation of energy:

A. Power and Fuel consumption	2011-12	2010-11
1. Electricity:		
a. Purchased Units (KWH)	40,78,520	36,95,619
Total Amount (₹)	2,68,71,039	2,25,14,403
Average Rate (₹/ Unit)	6.59	6.09
b. Own Generation (KWH)	22,600	13,300
2. Bio-Mass Briquettes		
Quantity (Kgs.)	32,31,055	27,68,162
Total Amount (₹)	1,57,88,977	1,11,02,911
Average Rate (₹/Kg)	4.88	4.01
3. Furnace Oil:		
Quantity (Kgs.)	29,070	21,196
Total Amount (₹)	10,47,027	5,42,304
Average Rate (₹/Kg)	36.01	25.59
4. L.D.O. (Ltr.)		
Total Amount (₹)	8,629	4,712
Average Rate (₹/ Lit.)	2,98,071	1,37,138
	34.54	29.10

FORM "B"

Form for disclosure of particulars with respect to technology absorption.

(A) Research & Development (R&D)

(1) Specific areas where research work was carried out by our Research Centre approved by DSIR:

- (i) Conversion of one Chloroformate (BCF) batch-manufacturing to continuous process.
- (ii) Improvement in cycle times and yield improvement.
- (iii) Process development at lab scale for new products.
- (iv) Pilot plant trials of new products and speciality chemicals.

(2) Future plan of action:

A number of other products are under various stages of development and these will be taken to completion over this year.

(B) Technology Absorption, Adaptation & Innovation

(1) Efforts towards technology absorption:

Two major products are expected to be commercialized in the period of next 6 months. R&D priority would be to ensure that the scale-up activities are carried out effectively and smoothly and that the technology is effectively absorbed by the operating personnel.

(2) Benefits of the above:

The commercialization of these new products in a timely manner for customer service and effective utilization of our investment.

(3) Information regarding technology imported during last 5 years:

There was no technology import during last 5 years.

Report on Corporate Governance

1. Company's Philosophy

The Company strongly believes in adopting the best practices in the areas of Corporate Governance. The Company's policy and practices are aimed at efficient conduct of business and effectively meeting its obligation to the shareholders. The Company will continue to focus its resources, strengths and strategies for enhancement of the long term shareholders' value while at the same time protecting the interest of other stakeholders.

2. Board of Directors

- Composition of the Board:**

The Company's Board meets the requirement of composition of the Board under Corporate Governance. As on the date of the report the Board consists of Six Directors and all of them are non-executive directors. Moreover, three Directors are independent Directors.

- Number of Board Meetings held and the dates of the Board Meetings:**

During the financial year ended 31st March 2012, 4 (Four) Meetings of Board of Directors were held as follows:

- 3rd May, 2011
- 27th July, 2011
- 18th October, 2011
- 7th February, 2012

- Attendance of the Director at the Board Meetings and at the last AGM and Number of other Public Limited Companies in which the Director is a Director / Committee Member.**

Name of Director	Category	No. of other Directorships held (excluding Directorships in foreign & private companies)	No. of other board committees of which member / chairman#	No. of Board Meetings Attended	Attend-ance at the last AGM
Mr. C. R. Amin	Chairman & N.E.D.	11	1 (as Chairman) 2 (as member)	4 of 4	Yes
Mrs. M. C. Amin	N.E.D.	4	2 (as member)	3 of 4	Yes
Mr. Udit C. Amin	N.E.D.	Nil	Nil	4 of 4	Yes
Mr. Amit Goradia	N.E.D. (I)	Nil	1 (as chairman)	4 of 4	Yes
Mr. Santosh Jejurkar	N.E.D. (I)	Nil	2 (as member)	4 of 4	Yes
Mr. V. H. Gandhi (w.e.f. 18.10.2011)	N.E.D. (I)	Nil	1 (as member)	1 of 1	NA

The committees include the committees of Paushak Limited.

N.E.D. - Non-Executive Director

N.E.D. (I) - Non-Executive & Independent Director

Code of Conduct

Pursuant to Clause 49.I.D.(i) of the Listing Agreement, the Board has laid down the Code of Conduct for all the members of the Board and senior management of the Company. The same has been posted on the website of the company. Further, the company has received confirmation from all the members of Board and senior management regarding compliance of the code for the year ended 31st March, 2012.

3. Audit Committee

- Composition & Terms of Reference**

The Audit Committee comprises of Mrs. M. C. Amin, Mr. Amit Goradia, Mr. V. H. Gandhi and Mr. Santosh Jejurkar.

Mr. Amit Goradia, a Non-executive Independent Director is Chairman of the Audit Committee. All the Directors in the Audit Committee are Non-Executive Directors, out of which, 3 (three) Directors are Independent Directors. The terms of reference of the Committee are wide enough covering the matters specified for Audit Committee under the Listing Agreement. The Statutory Auditors, Internal Auditors, Cost Auditor and other senior management personnel are invited to attend the meetings of the Audit Committee. The Company Secretary acts as Secretary to the Committee.

Mr. Amit Goradia, Chairman of the Audit Committee was present at the last Annual General Meeting held on 30th August, 2011.

- **Meetings and the attendance during the year:**

There were four meetings of the Audit Committee held during the year. The attendance of each Member of the Committee is given below:

Name of Director	Category of Director	No. of meetings attended
Mr. Amit Goradia	Chairman, Non-executive - Independent	4 of 4
Mrs. M. C. Amin	Non-executive	3 of 4
Mr. Santosh Jejurkar	Non-executive - Independent	4 of 4
Mr. V. H. Gandhi*	Non-executive - Independent	N.A.

* Appointed w.e.f. 07.02.2012.

4. Remuneration Committee

The Company does not have a Remuneration Committee of Directors.

- Details of Remuneration paid to Directors:

Non-Executive Directors

The Non-executive Directors were paid the sitting fees for attending Board/Committee Meetings at ₹ 5,000/- per meeting.

Name of Directors	Sitting fees for Board Meetings (₹)	Sitting fees for Committee Meetings (₹)	Total (₹)
Mr. C. R. Amin	20,000	60,000	80,000
Mrs. M. C. Amin	15,000	75,000	90,000
Mr. Udit C. Amin	20,000	Nil	20,000
Mr. Amit Goradia	20,000	20,000	40,000
Mr. Santosh Jejurkar	20,000	80,000	1,00,000
Mr. V. H. Gandhi	5,000	Nil	5,000

Executive Directors

The Company does not have any Executive Director.

5. Shareholders' / Investors' committee

The Shareholders' / Investors' committee comprises of Mr. C. R. Amin, Mrs. M. C. Amin and Mr. Santosh Jejurkar. Mr. C. R. Amin is Chairman of the Shareholders' / Investors' Committee. Generally, the Meeting of Shareholders' / Investors' Committee is held every month in which transfers, transmission, issuance of duplicate certificates etc. are approved. The Secretary or the Directors are also authorized by the Board to approve transfers and therefore, transfers are approved by them on fortnightly basis. Hence, no transfers remain pending for more than 15 days.

6. General Body Meetings

Details of the last three Annual General Meetings are given below:

Year	Location	Date	Time	No. of Special Resolutions passed
2008-09	"Sanskruti", Alembic Corporate Conference Center, Opp. Pragati Sahakari Bank Limited, Alembic Colony, Vadodara - 390 003	27th July, 2009	5.00 p.m.	Nil
2009-10	"Sanskruti", Alembic Corporate Conference Center, Opp. Pragati Sahakari Bank Limited, Alembic Colony, Vadodara - 390 003	29th July, 2010	4.00 p.m.	2
2010-11	"Sanskruti", Alembic Corporate Conference Center, Opp. Pragati Sahakari Bank Limited, Alembic Colony, Vadodara - 390 003	30th August, 2011	4.30 p.m.	Nil

- No Extraordinary General Meetings was held during the previous year.
- No Resolutions were passed through Postal Ballot during the previous year.
- No Special Resolutions are proposed through postal ballot at the ensuing Annual General Meeting.

6A. Notes on Directors seeking appointment / re-appointment as required under Clause 49 IV(G) of the Listing Agreement entered into with Stock Exchange.

Mrs. M. C. Amin and Mr. U. C. Amin will retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment. Mr. V. H. Gandhi was appointed as Additional Independent Director on 18th October, 2011. Pursuant to the provisions of the Companies Act, 1956, he holds office upto the ensuing Annual General Meeting. The Company has received a notice from a member under Section 257 of the Companies Act, 1956 proposing his candidature as a Director liable to retire by rotation.

Mrs. M. C. Amin has done her Masters in Industrial Psychology. She has extensive experience in corporate management and administration. She holds directorship in four other companies viz. Alembic Limited, Shreno Limited, Sierra Investments Limited and Sierra Healthcare Limited.

Mr. U. C. Amin studied Economics with focus on International Trade at University of Michigan, USA. He has worked in regulatory department at Ivax, UK. He was the Whole-time Director of the erstwhile Paushak Limited prior to its merger with the Company and had worked extensively on its turn around. He does not hold any other Directorship.

Mr. V. H. Gandhi is a Practising Chartered Accountant having experience of more than 25 years in the field of Accounts and Taxation. He is fellow member of the Institute of Chartered Accountants of India. He does not hold any other Directorship.

Shareholding of Non-Executive Directors:

Mr. C. R. Amin holds 93,682 equity shares, Mrs. M. C. Amin holds 39,273 equity shares and Mr. U. C. Amin holds 26,997 equity shares of the Company. No other Non-executive Director holds any shares in the Company.

7. Disclosure

There were no materially significant related party transactions that had conflict with the interest of the Company at large. The Register of Contracts for the transactions in which Directors are interested is placed before the Board regularly for its approval. Transactions with related parties as per Accounting Standard 18 are disclosed in Note No. 7 of the notes forming parts of Accounts.

8. Compliance

The Company has complied with all the mandatory requirements of the Listing Agreement with Stock Exchange as well as regulations and guidelines of SEBI. Further, there is no penalty/stricture imposed on the Company by any Statutory Authority(s) during the year.

9. Means of Communication

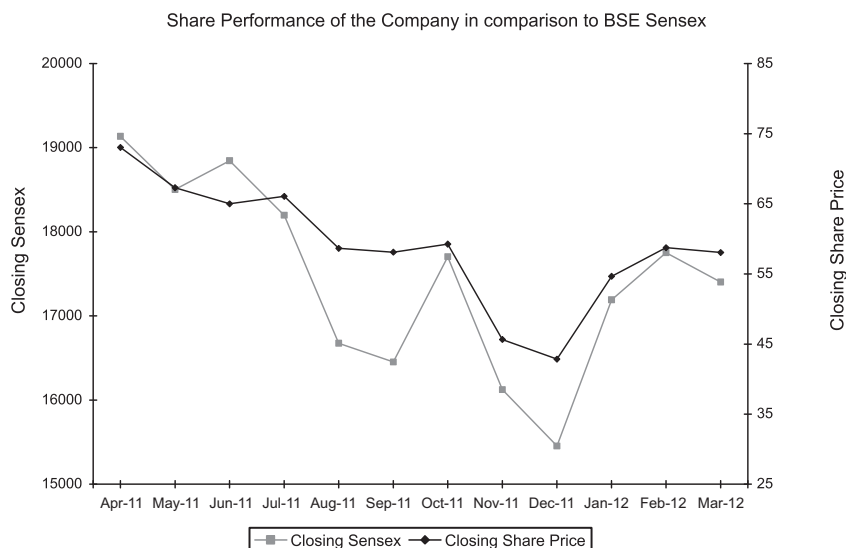
- Half-yearly results sent to each household of the shareholders : The results are published in newspapers having wide coverage.
- Quarterly Results : Published in newspapers.
- Which Newspapers normally published in : Business Standard (English)
Loksatta (Gujarati)
- Any web-site where displayed : www.paushak.com
- Whether MD&A forms part of the Annual Report. : Yes

10. Shareholders' Information:

- 1 Annual General Meeting : 8th August, 2012 at 12.30 P.M.
Date, Time and Venue : "Sanskriti", Alembic Corporate Conference Center,
Opp. Pragati Sahakari Bank Limited,
Alembic Colony, Vadodara - 390 003
- 2 Financial Calendar : Adoption of results for the quarter:
Quarter ending 30th June, 2012 : By 14th August, 2012
Quarter ending 30th September, 2012 : By 14th November, 2012
Quarter ending 31st December, 2012 : By 14th February, 2013
Quarter / year ending 31st March, 2013 : By 15th / 30th May, 2013
Annual General Meeting for the year ended 31st : August - September, 2013
March, 2013
- 3 Date of Book Closure : Wednesday, 1st August, 2012 to Wednesday,
8th August, 2012 (both days inclusive)
- 4 Dividend Payment Date : On or after 13th August, 2012
- 5 Registered Office : Paushak Limited
Alembic Road, Vadodara - 390 003.
Ph. No. +91-265-2280550
Fax : +91-265-2282506/2285892
Web: www.paushak.com
- 6 Listing Details : Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001
(Scrip Code : 532742)
- 7 Stock Price Data :

Bombay Stock Exchange Limited

Month	Month's High Price	Month's Low Price
April 2011	83.60	71.00
May 2011	76.50	62.00
June 2011	69.90	60.55
July 2011	71.95	61.80
August 2011	69.75	55.05
September 2011	66.00	55.00
October 2011	63.80	54.00
November 2011	61.00	44.00
December 2011	50.00	37.10
January 2012	61.00	38.00
February 2012	69.60	52.00
March 2012	64.00	55.35



- 8 Registrar and Share Transfer Agents : Link Intime India Private Limited
B-102-103, Shangrila Complex, 1st Floor,
Nr. Radhakrishna Char Rasta, Akota,
Vadodara - 390020
Tel: (0265) 2356573/2356794/2356796
Telefax: (0265) 2356791
Email: vadodara@linkintime.co.in
- 9 Share Transfer System : Share transfers are registered and returned generally
within a period of 15 days from the date of receipt, if
documents are complete in all respects.
- 10 Distribution of Shareholding

The Distribution of Shareholdings as on 31st March, 2012 is given as under:

No. of Shares	No. of Shareholders	% of Shareholders	No. of Shares held	% of total shares
Up to 500	11,463	96.84	6,14,189	19.15
501 - 1,000	246	2.08	1,83,684	5.73
1,001 - 2,000	71	0.60	1,04,678	3.26
2,001 - 3,000	19	0.16	47,978	1.50
3,001 - 4,000	14	0.12	49,194	1.53
4,001 - 5,000	3	0.03	12,633	0.39
5,001 - 10,000	8	0.07	58,338	1.82
10,001 & above	13	0.11	21,36,420	66.62
Total	11,837	100.00	32,07,114	100.00

Shareholding pattern as on 31st March, 2012

Sr. No.	Category	No. of shares held	% of voting strength
1.	Promoters & Associates	21,39,058	66.70
2.	Banks, Financial Institutions & Insurance Companies	83	0.00
3.	Foreign Institutional Investors (FIIs)	3,183	0.10
4.	Bodies Corporate	45,345	1.41
5.	Indian Public	10,15,962	31.68
6.	NRI / OCB	851	0.03
7.	Others	2,632	0.08
	Total	32,07,114	100.00

- 11 Dematerialization of Shares and liquidity : At the end of the year 27,24,333 Equity Shares (about 84.95% of total shares) have been dematerialized. Trading in shares is permitted only in dematerialized form as per notification issued by the SEBI. (ISIN CODE: INE 111F01016)
- 12 Plant Location : Panelav, Taluka Halol, Dist. Panchmahal.
- 13 Investors Correspondence : (i) Link Intime India Private Limited
B-102-103, Shangrila Complex, 1st Floor,
Nr. Radhakrishna Char Rasta,
Akota, Vadodara - 390 020
Tel: (0265) 2356573/2356794/2356796
Telefax: (0265) 2356791
Email: vadodara@linkintime.co.in
(ii) The Company Secretary
Paushak Limited
Alembic Road, Vadodara - 390 003.
Ph. No. +91-265-2280550
Fax : +91-265-2282506
E-mail: paushak.investors@alembic.co.in

Auditors' Certificate on Corporate Governance

We have examined the compliance of conditions of Corporate Governance by Paushak Limited for the year ended on 31st March, 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 was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. 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 the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained by the Company, there were no investor grievances remaining unattended/ pending for more than 30 days.

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

**For J.R.S. Patel & Co.
Chartered Accountants
(Registration No. 107709W)**

**Place : Vadodara
Date : 8th May, 2012**

**Kalpesh Parmar
Partner
Membership No.: 103887**

AUDITORS' REPORT

To
The Members of
PAUSHAK LIMITED

1. We have audited the attached Balance Sheet of PAUSHAK LIMITED as at 31st March 2012, Statement of Profit and Loss and also Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. 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 Statement on Companies (Auditors' Report) Order, 2003 as amended by Companies (Auditors' Report) (Amendment) Order, 2004, (together 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:
 - i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - ii) In our opinion, proper books of accounts as required by the Law have been kept by the Company so far as appears from our examination of those books.
 - iii) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - iv) In our opinion, the Balance Sheet, Statement of Profit Loss and Cash Flow Statement dealt with by this report comply with the applicable mandatory accounting standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956,
 - v) On the basis of written representations received from the directors, as on 31st March 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - vi) 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 notes, 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 :
 - (a) In the case of Balance Sheet of the state of affairs of the Company as at 31st March 2012 and
 - (b) In the case of statement of Profit and Loss of the profit for the year ended on that date.
 - (c) In the case of Cash Flow Statement of the Company for the year ended on that date.

For J.R.S. Patel & Co.
Chartered Accountants
(Registration No. 107709W)

Kalpesh Parmar
Partner
Membership No.: 103887

Place : Vadodara
Date : 8th May, 2012

ANNEXURE REFERRED TO PARAGRAPH 3 OF OUR REPORT OF EVEN DATE ON THE ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH, 2012 OF PAUSHAK LIMITED, BARODA.

1. In our opinion and according to the information and explanations given to us, the nature of the company's business/ activities during the year is such that clause xiii of paragraph 4 of the order is not applicable to the company.
2. In respect of its fixed assets :
 - (a) The Company has maintained records showing particulars, including quantitative details and general location of fixed assets.

- (b) During the year, the Company has not carried out physical verification of the fixed assets. However, the fixed assets are physically verified under a phased programme of verification at reasonable intervals, which, in our opinion, is reasonable. As informed to us the Company is in process of reconciling the book records and physical records on account of differences noticed during physical verification of fixed assets conducted during the financial year 2009-10 and accordingly, we are unable to comment on discrepancies, if any that may be identified.
 - (c) The Company has not disposed of any substantial part of its fixed assets so as to affect its going concern status.
3.
 - (a) As explained to us, all the inventory of the Company has been physically verified by the management at the year-end. In our opinion, the frequency of the verification is reasonable.
 - (b) In our opinion and according to the information and explanations given to us, the procedures for the physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) On the basis of our examination of record of inventory, in our opinion, the company has maintained proper records of its inventories. According to the information and explanations given to us, there was no material discrepancies noticed on physical verification of inventory as compared to the book records.
4. Loans granted/taken by the company:
 - (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties listed in register maintained under section 301 of the Companies Act, 1956.
 - (b) Since the company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, accordingly, clause 4 (iii) (b), (c) and (d) of the Order are not applicable to the company.
 - (c) The Company has not taken any secured or unsecured loans from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, accordingly, clause 4 (iii) (f) and (g) of the Order are not applicable to the company.
5. In our opinion and according to explanations given to us, there are adequate internal control systems commensurate with the size of the company and nature of its business with regard to purchase of inventory, fixed assets and sale of goods. During the course of our audit, we have not observed continuing failure to correct major weakness in internal controls systems.
6. In respect of transactions entered in the register maintained in pursuance of section 301 of the Companies Act, 1956 :
 - (a) In respect of transactions entered in the register maintained in pursuance of section 301 of the Companies Act 1956, to the best of our knowledge and belief and according to the information and explanations given to us, particulars of contracts or arrangements that needed to be entered into the register have been so entered.
 - (b) In respect of transactions entered in the register maintained in pursuance of section 301 of the Companies Act 1956, according to the information and explanations given to us the transactions in pursuance of such contracts or arrangements have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
7. During the year the company has not accepted any deposits from the Public. In our opinion and according to the information and explanations given to us the company has complied with the provisions of Section of 58A and 58AA or any other relevant provision of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to deposit accepted from public in earlier years. As informed to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
8. On the basis of the internal audit reports broadly reviewed by us, we are of the opinion that, the coverage of internal audit function carried out during the year by the firm of Chartered Accountants appointed by the management is commensurate with the size of the Company and nature of its business.
9. We have broadly reviewed the books of accounts maintained by the company pursuant to the Rules made by the Central Government for maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
10. According to the information and explanations given to us in respect of statutory and other dues :
 - (a) The Company has been regular in depositing undisputed statutory dues, including Provident fund, Employees' state Insurance, Income Tax, Sales tax, Wealth tax, Custom Duty, Excise Duty, Cess and Other Statutory dues with the appropriate authorities during the year. Based on our audit procedures and according to the information and explanations given to us, there are no dues which has remained outstanding as at 31st March, 2012 for a period of more than six months from the date they became payable.
 - (b) According to the information and explanations given to us and on the basis the records produced before us

by the Company, except for the cases stated below, there are no undisputed amounts payable in respect of income tax/Service tax/ customs duty/wealth tax/excise duty/cess, which have not been deposited on account of any dispute are as follows :

Name of statute	Nature of Dues	Amount under dispute not yet deposited (₹)	Period to which the amount relates	Forum where dispute is pending
The Central Excise and Customs Act	Excise Duty, Interest & Penalty	1,32,369/-	Dec, 1983 to Nov, 1993	Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad.
The Central Excise and Customs Act	Excise Duty, Interest & Penalty	6,10,880/-	June, 2004 to March, 2005	Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad.
The Central Excise and Customs Act	Excise Duty, Interest & Penalty	13,78,800/-	2006-07	Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad.
ESI Act		9,15,869/-	January, 1997 to October 2000	Industrial Tribunal, Kerala

11. The Company does not have any accumulated losses as at the end of the financial year. The Company has not incurred cash losses during the current and immediately preceding financial year.
12. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks. The Company has not obtained any borrowings from any financial institutions or by way of debentures.
13. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
14. In our opinion and according to the information and explanations given to us, the company has not entered any transactions or contracts relating to dealing or trading in shares, securities, debentures and other investments during the year. However the Company has made investments in its own name and proper records have been maintained for the said investments.
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. According to the information and explanations given to us the Company has not taken any term loans during the year.
17. On the basis of the information and explanations given to us and on an overall examination of the Cash Flow and Balance Sheet of the company, in our opinion, there are no funds raised on a short-term basis which have been used for long-term investment.
18. The Company has not made any preferential allotment of shares during the year to parties and companies covered in the Register maintained under section 301 of Companies Act, 1956.
19. The Company has not issued any debentures during the year and therefore the question of creating security in respect thereof does not arise.
20. The Company has not made any public issues during the year and therefore the question of disclosing the end use of money does not arise.
21. During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instances of fraud on or by the company, noticed or reported during the year, nor have he been informed of such case by the management.

For J.R.S. Patel & Co.
Chartered Accountants
(Registration No. 107709W)

Kalpesh Parmar
Partner
Membership No.: 103887

Place : Vadodara
Date : 8th May, 2012

PAUSHAK LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2012

Particulars	Note No.	As at 31.03.2012 ₹	As at 31.03.2011 ₹
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	A	3,20,71,140	3,20,71,140
(b) Reserves and Surplus	B	28,09,16,655	25,38,96,792
(2) Non-Current Liabilities			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (Net)	C	1,08,27,105	1,12,66,364
(c) Other Long term liabilities	D	25,00,000	25,00,000
(d) Long term provisions	E	14,25,282	18,81,541
(3) Current Liabilities			
(a) Short-term borrowings	F	2,84,62,229	2,20,62,526
(b) Trade payables	G	4,56,36,912	2,78,86,386
(c) Other current liabilities	H	36,86,150	36,86,392
(d) Short-term provisions	I	92,94,877	1,06,78,558
Total		41,48,20,350	36,59,29,699
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	J	11,17,75,319	11,33,85,257
(ii) Capital work-in-progress		71,13,884	11,72,896
(b) Non-current investments	K	13,59,39,871	13,59,39,871
(c) Deferred tax assets (net)		-	-
(d) Long term loans and advances		-	-
(e) Other non-current assets		-	-
(2) Current assets			
(a) Current investments	L	-	28,46,600
(b) Inventories	M	7,56,59,978	4,88,39,443
(c) Trade receivables	N	7,41,47,620	5,92,13,684
(d) Cash and cash equivalents	O	12,45,032	12,18,916
(e) Short-term loans and advances	P	89,38,646	33,13,032
(f) Other current assets		-	-
Total		41,48,20,350	36,59,29,699

Notes forming Part of the Accounts
As per our report of even date
For J.R.S. Patel & Co.,
Chartered Accountants

Kalpesh Parmar
Partner
M. No. 103887
Vadodara, 8th May, 2012

Charandeep Singh Saluja
Assistant Company Secretary

AA
Chirayu R. Amin CHAIRMAN
Udit C. Amin
A. M. Goradia
Santosh Jejurkar
V. H. Gandhi } DIRECTORS

Vadodara, 8th May, 2012

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

Particulars	Note No.	Year ended	
		31st March, 2012	Year ended 31st March, 2011
		₹	₹
I. Revenue from operations	Q	35,49,53,959	31,37,42,986
Less : Excise		<u>1,90,21,271</u>	<u>1,58,41,142</u>
II. Other Income	R	1,15,15,035	1,00,32,846
III. Total Revenue (I +II)		34,74,47,723	30,79,34,690
IV. Expenses:			
Cost of materials consumed	S	15,94,57,879	11,40,54,389
Stores, Spares & Containers Consumed	T	1,46,17,857	1,46,67,039
Changes in inventories of Finished Goods, Work in progress	U	(1,43,90,507)	(41,24,068)
Manufacturing expenses	V	5,04,64,522	4,27,82,829
Employee's Expense	W	4,51,51,026	4,02,77,907
Research and Development Expense	X	75,69,499	59,81,270
Financial costs	Y	31,14,451	44,63,590
Depreciation		1,65,20,227	1,55,55,533
Other expenses	Z	2,36,44,116	2,59,59,053
V. Total Expenses		30,61,49,070	25,96,17,542
VI. Profit before tax		4,12,98,653	4,83,17,148
VII. Tax expense:			
Current tax		88,50,000	1,16,20,000
Deferred tax		(4,39,259)	(3,08,534)
Excess Provision for Earlier Years		(15,86,727)	-
VIII. Profit/(Loss) for the period		3,44,74,639	3,70,05,682
IX. Earning per equity share:			
(FV ₹ 10/- each)			
Basic & Diluted		10.75	11.54

Notes forming Part of the Accounts
As per our report of even date
For J.R.S. Patel & Co.,
Chartered Accountants

AA

Chirayu R. Amin

CHAIRMAN

Udit C. Amin
A. M. Goradia
Santosh Jejurkar
V. H. Gandhi

DIRECTORS

Kalpesh Parmar
Partner
M. No. 103887
Vadodara, 8th May, 2012

Charandeep Singh Saluja
Assistant Company Secretary

Vadodara, 8th May, 2012

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

	As at 31.03.2012 ₹	As at 31.03.2011 ₹
NOTE: A		
SHARE CAPITAL :		
(a) Shares Authorized :		
90,00,000 Equity shares of ₹10/- each	9,00,00,000	9,00,00,000
11,00,000 Redeemable Cumulative Preference Shares of ₹100/- each	11,00,00,000	11,00,00,000
Total	20,00,00,000	20,00,00,000
(b) Shares Issued, Subscribed & Fully Paid-Up:		
32,07,114 Equity Shares of ₹10/- each	3,20,71,140	3,20,71,140
Total	3,20,71,140	3,20,71,140
(c) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period :		
Since there is no change in the number of shares outstanding at the beginning and at the end of the reporting period, no reconciliation statement has been prepared.		
(d) The rights, preferences and restrictions including restrictions on the distribution of dividends and the repayment of capital :		
The company is having only one class of shares i.e Equity carrying a nominal value of ₹10/- per share. Every holder of the equity share of the Company is entitled to one vote per share held.		
In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company after the distribution / repayment of all creditors. The distribution to the equity shareholders will be in proportion of the number of shares held by each shareholder.		
(e) Shares in the company held by each shareholder holding more than 5 percent shares specifying the number of shares held :		
	31st March 2012	31st March 2011
	Numbers	% held
1. Sierra Investments Limited	8,15,375	25.42
2. Alembic Limited	6,10,615	19.04
3. Shreno Limited	2,37,369	7.40
4. Nirayu Private Limited	1,68,295	5.25
	Numbers	% held
1. Sierra Investments Limited	8,15,375	25.42
2. Alembic Limited	6,10,615	19.04
3. Shreno Limited	2,37,369	7.40
4. Nirayu Private Limited	1,68,295	5.25
NOTE: B		
RESERVES AND SURPLUS :		
(a) Capital Reserve		
Balance as per the last financial statements	4,24,730	4,24,730
(b) Capital Redemption Reserve		
Balance as per the last financial statements	3,00,10,000	3,00,10,000
(c) Securities Premium A/c		
Balance as per the last financial statements	7,82,63,870	7,82,63,870
(d) General Reserve		
Balance as per the last financial statements	5,26,44,155	4,26,44,155
Add : Amount transferred from Profit & Loss Account as per Statement of Profit & Loss	1,00,00,000	1,00,00,000
Total	6,26,44,155	5,26,44,155
(e) Surplus / (deficit) in the statement of profit and loss		
Balance as per last financial statements	9,25,54,037	7,29,78,436
Profit for the year	3,44,74,639	3,70,05,682
Less: Appropriations		
Proposed final equity dividend	64,14,228	64,14,228
[Amount per share ₹ 2/- (31st March, 2011 : ₹ 2/-)]		
Tax on proposed equity dividend	10,40,548	10,40,548
Reversal of Provision of Corporate Dividend Tax	-	(24,695)
Transfer to General Reserve	1,00,00,000	1,00,00,000
Total Appropriations	1,74,54,776	1,74,30,081
Net Surplus in the statement of profit and loss	10,95,73,900	9,25,54,037
Total Reserves and Surplus	28,09,16,655	25,38,96,792

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

	As at 31.03.2012 ₹	As at 31.03.2011 ₹
NOTE : C		
DEFERRED TAX LIABILITIES (NET) :		
Deferred Tax Liabilities on Difference Between Book & Tax Depreciation	1,16,11,277	1,23,23,222
Total	1,16,11,277	1,23,23,222
Less: Deferred Tax Assets on Provision for diminution in value of Investments Disallowances under Income Tax Act.	32,445 7,51,727	32,415 10,24,413
Total	7,84,172	10,56,828
Deferred Tax Liabilities (Net)	1,08,27,105	1,12,66,394
NOTE : D		
OTHER LONG TERM LIABILITIES :		
Trade Deposits	25,00,000	25,00,000
Total	25,00,000	25,00,000
NOTE : E		
LONG TERM PROVISIONS :		
Provision for employee benefits		
Provision for Leave benefits	14,25,282	18,81,541
Total	14,25,282	18,81,541
NOTE : F		
SHORT-TERM BORROWINGS :		
From Banks		
Working Capital facilities	2,84,62,229	2,20,62,526
(Secured by way of hypothecation charge on inventories and book debts.)		
Total	2,84,62,229	2,20,62,526
NOTE : G		
TRADE PAYABLE :		
For supplies/services		
a) Due to Micro & Small enterprises	49,45,709	34,43,733
b) Others	4,06,91,203	2,44,42,653
Total	4,56,36,912	2,78,86,386
NOTE : H		
OTHER CURRENT LIABILITIES :		
(a) Unpaid dividends	11,61,130	7,50,174
(b) Unpaid / Unclaimed matured deposits and interest accrued thereon		
Unclaimed matured Deposits	-	7,000
Interest accrued thereon	2,851	2,851
(c) Statutory Dues (Liabilities)		
- PF	3,80,884	5,16,163
- VAT & CST	3,930	3,06,043
- TDS	3,96,153	3,69,627
(d) Staff payables	17,41,202	17,34,534
Total	36,86,150	36,86,392
NOTE : I		
SHORT-TERM PROVISIONS :		
(a) Provision for employee benefits		
Provision for Leave benefits	79,161	77,580
(b) Others		
Provision for ESI	9,15,869	9,15,869
Proposed equity dividend	64,14,228	64,14,228
Provision of tax on Proposed equity dividend	10,40,548	10,40,548
Provision for Income Tax	5,87,50,235	5,57,51,173
Less: Income Tax Paid	5,79,05,164	5,35,20,840
Total (a) + (b)	92,94,877	1,06,78,558

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

NOTE : J

(i) TANGIBLE ASSETS :

ASSETS	GROSS BLOCK AT COST			DEPRECIATION			NET BLOCK	
	As on 01.04.2011	Additions	As on 31.03.2012	As on 01.04.2011	For the year	As on 31.03.2012	As on 31.03.2012	As on 31.03.2011
	₹	₹	₹	₹	₹	₹	₹	₹
Freehold land	7,04,959	-	7,04,959	-	-	-	7,04,959	7,04,959
Buildings	1,81,03,192	-	1,81,03,192	84,56,633	4,58,652	89,15,285	91,87,907	96,46,559
Plant & Machinery	22,92,39,435	1,48,62,889	24,41,02,324	13,45,09,311	1,46,24,456	14,91,33,767	9,49,68,557	9,47,30,124
R & D Equipment	1,44,26,728	47,400	1,44,74,128	74,96,873	13,04,499	88,01,372	56,72,756	69,29,855
Furniture & Fixtures	18,34,769	-	18,34,769	12,71,213	72,658	13,43,871	4,90,898	5,63,556
Office Machinery	20,11,658	-	20,11,658	12,06,534	59,962	12,66,496	7,45,162	8,05,124
Vehicles	1,03,413	-	1,03,413	98,333	-	98,333	5,080	5,080
Total	26,64,24,154	1,49,10,289	28,13,34,443	15,30,38,897	1,65,20,227	16,95,59,124	11,17,75,319	11,33,85,257
Previous Year	24,76,33,784	1,87,90,370	26,64,24,154	13,74,83,364	1,55,55,533	15,30,38,897	11,33,85,257	
(ii) Capital work-in-progress :								
Capital Work in Progress							7,113,884	1,172,896

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

	As at 31.03.2012 ₹	As at 31.03.2011 ₹
NOTE : K		
NON-CURRENT INVESTMENTS (AT COST) :		
Non Trade Investments :		
Quoted equity instruments		
Investment in Associates		
855 (31st March, 11: 855) equity shares of ₹2/- each fully paid up in Alembic Limited.	1,980	1,980
855 (31st March, 11: Nil) equity shares of ₹2/- each fully paid up in Alembic Pharmaceuticals Limited. (Received pursuant to the Scheme of Demerger of Alembic Limited into Alembic Pharmaceuticals Limited. Shares issued in the ratio of 1:1)	-	-
Others		
960 (31st March, 11: 960) equity shares of ₹2/- each fully paid up in Siemens Limited.	1,500	1,500
10,000 (31st March, 11: 10,000) equity shares of ₹10/- each fully paid up in Purak Vinimay Limited	1,00,000	1,00,000
Less : Provision for diminution in value of investments	(1,00,000)	(1,00,000)
Unquoted equity instruments		
Investment in Associates		
1,433 (31st March, 11: 1,433) equity shares of ₹100/- each fully paid up in Nirayu Pvt.Ltd.	3,64,731	3,64,731
33,333 (31st March, 11: 33,333) equity shares of ₹100/- each fully paid up in Shreno Limited.	24,10,364	24,10,364
28,252 (31st March, 11: 28,252) equity shares of ₹10/- each fully paid up in Sierra Investments Ltd.	7,83,340	7,83,340
1,150 (31st March, 11: 1,150) equity shares of ₹10/- each fully paid up in Whitefield Chemtech Pvt.Ltd.	1,000	1,000
Others		
10 (31st March, 11: 10) equity shares of ₹100/- each fully paid up in Gujarat Urban Housing Co.	1,000	1,000
25,020 (31st March, 11: 25,020) equity shares of ₹10/- each fully paid up in Pragati Sahakari Bank Ltd.	2,50,306	2,50,306
1,000 (31st March, 11: 1,000) equity shares of ₹25/- each fully paid up in Co-op Bank of Baroda Ltd.	25,000	25,000
1 (31st March, 11: 1) equity shares of ₹25/- each fully paid up in Bharat Co-op Bank Ltd.	25	25
25 (31st March, 11: 25) equity shares of ₹25/- each fully paid up in The Shamrao Vithal Co-op Bank Ltd.	625	625
Unquoted Preference Shares		
Investment in Associates		
10,500 (31st March, 11: 10,500) 10% Convertible.Pref.Shares of ₹100/- each fully paid up in Nirayu Pvt.Ltd.	21,00,000	21,00,000
5,00,000 (31st March, 11: 5,00,000) 12% Conv. Pref. Shares of ₹100/- each fully paid up in Sierra Investments Limited.	5,00,00,000	5,00,00,000
8,00,000 (31st March, 11: 8,00,000) 9% Non. Conv. Pref. Shares of ₹100/- each fully paid up in Whitefield Chemtech Pvt.Ltd. (The shares were due for redemption on 29.3.2012. However, at the request of the issuer, the Company has agreed the extension of redemption date as 29.3.2015.)	8,00,00,000	8,00,00,000
Total	13,59,39,871	13,59,39,871
Aggregate book value of unquoted investments	13,59,36,391	13,59,36,391
Aggregate book value of quoted investments	3,480	3,480
Aggregate market value of quoted investments	7,82,582	.
Aggregate value of diminution in value of investments	1,00,000	1,00,000

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

	As at 31.03.2012 ₹	As at 31.03.2011 ₹
NOTE : L		
CURRENT INVESTMENTS (AT COST) :		
Unquoted Preference Shares		
Investment in Associates		
Nil (31st March, 11: 14,233) 8% Conv.Pref.Shares of ₹100/- each fully paid up in Whitefield Chemtech Pvt.Ltd. (14,233 shares Redeemed during the year)	-	28,46,600
Total	<u>-</u>	<u>28,46,600</u>

NOTE : M

INVENTORIES :

(a) Raw materials	2,65,01,342	1,57,11,382
(b) Work-in-progress	74,57,723	45,50,693
(c) Finished goods [Finished goods in transit ₹ 23,82,134/- on 31.03.2012 (P.Y. ₹ Nil)]	23,99,750	22,11,360
(d) Semi Finished goods	2,95,40,311	1,82,45,224
(e) Stores, spares & Packing Materials	97,60,852	81,20,784
Total	<u>7,56,59,978</u>	<u>4,88,39,443</u>

Raw Material, Work in progress, Semi finished goods, stores, spares and packing material valued at cost.

Finished Goods valued at Cost or Realisable value, whichever is lower.

* Refer Note No. 1(E) of Accounting Policies for basis of Valuation.

NOTE : N

TRADE RECEIVABLES (UNSECURED) :

(a) Over Six months from the due date			
Considered good	8,263	-	
Considered doubtful	-	3,67,981	
Less : Provision for doubtful debts	-	8,263	3,67,981
(b) Others Considered good	<u>7,41,39,357</u>	<u>5,92,13,684</u>	
Total	<u>7,41,47,620</u>	<u>5,92,13,684</u>	

NOTE : O

CASH & CASH EQUIVALENTS :

(a) Balances with Bank			
- in Current Accounts	62,657	4,67,015	
- Unpaid Dividend Accounts	11,61,130	7,50,174	
(b) Cash on hand	21,245	1,727	
Total	<u>12,45,032</u>	<u>12,18,916</u>	

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

	As at 31.03.2012 ₹	As at 31.03.2011 ₹
NOTE : P		
SHORT-TERM LOANS AND ADVANCES		
(Unsecured, considered good) :		
(a) Loans and advances to related parties	35,00,000	-
Securities Deposits		
(b) Others		
1) Advance given to Trade Creditors	7,12,060	5,51,880
2) Advance for Travelling	39,475	72,412
3) Tender and Other Deposits	42,002	26,886
4) Receivable from Excise/Vat Authorities	44,50,173	23,24,734
5) Advance recoverable in cash or in kind	1,94,936	3,37,120
Total	89,38,646	33,13,032
	Year ended 31.03.2012 ₹	Year ended 31.03.2011 ₹
NOTE : Q		
REVENUE FROM :		
a Sale of manufacture goods		
- Domestic	25,20,79,611	21,50,09,896
- Exports	9,40,17,355	9,33,87,622
	34,60,96,966	30,83,97,518
Export Incentives	11,48,339	15,85,530
Service Income	7,53,708	9,34,156
b Other Operating Revenues		
- Disposal Sales	69,54,946	28,25,782
Total	35,49,53,959	31,37,42,986
NOTE : R		
OTHER INCOME :		
Dividend		
On Non - Trade Investments	73,61,849	73,64,061
Provision for Diminution in Investment written back	-	6,20,075
Interest Income on Deposit	3,720	3,405
Interest income on Income tax refund	-	2,34,600
Exchange Fluctuation Gain (Net)	14,87,195	-
Provision for Bad Debts written back	3,67,981	-
Insurance Claims	4,86,724	-
Rent	18,07,566	18,10,705
	1,15,15,035	1,00,32,846
Total	1,15,15,035	1,00,32,846

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

	Year ended 31.03.2012 ₹	Year ended 31.03.2011 ₹
NOTE : S		
COST OF RAW MATERIAL CONSUMED :		
Inventory at the beginning of the year	1,57,11,382	96,10,189
Add : Purchases	17,02,47,839	12,01,55,582
	<u>18,59,59,221</u>	<u>12,97,65,771</u>
Less : Inventory at the end of the year	2,65,01,342	1,57,11,382
	<u>15,94,57,879</u>	<u>11,40,54,389</u>
(i) Basic Raw Materials		
Para Chloro Aniline	1,83,06,410	1,74,47,647
3:4 Dichloro PI	41,31,114	1,23,97,824
Diethyl Amine (D.E.A.)	73,67,128	45,71,220
Chlorine Gas	42,79,663	55,92,607
Mercury Chloride 98%	2,89,64,680	94,06,666
Calcined Petroleum Coke	61,09,809	30,01,083
3:4 Dichloro Aniline	1,55,74,037	1,14,40,205
Trans-4-Methyl Cyclonhexyl Amine HCl	91,73,874	1,37,43,726
Beta Phenyl Ethyl Amine (2 P.E.A.)	40,29,075	37,18,840
Methyl Chloroformate	47,49,011	64,19,918
Benzyl Alcohol IP	77,33,804	43,59,428
(ii) Other items which in value individually account for less than 10% of the total value of Raw Materials consumed.	4,90,39,274	2,19,55,225
Total	<u>15,94,57,879</u>	<u>11,40,54,389</u>
NOTE : T		
STORES, SPARES & CONTAINERS CONSUMED :		
Packing Material	70,02,260	77,63,902
Stores, Spares & Containers Consumed	76,15,597	69,03,137
Total	<u>1,46,17,857</u>	<u>1,46,67,039</u>
NOTE : U		
CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS :		
Inventory at the end of the year		
Work in Process	74,57,723	45,50,693
Semi Finished Goods	2,95,40,311	1,82,45,224
Finished Goods	23,01,701	20,28,976
	<u>3,92,99,735</u>	<u>2,48,24,893</u>
Inventory at the beginning of the year		
Work in Process	45,50,693	37,04,636
Semi Finished Goods	1,82,45,224	1,55,80,960
Finished Goods	20,28,976	14,48,425
	<u>2,48,24,893</u>	<u>2,07,34,021</u>
Add: Excise Duty on Finished Goods:		
Closing Stock	98,049	1,82,384
Opening Stock	1,82,384	1,49,188
	<u>(84,335)</u>	<u>33,196</u>
Total	<u>(1,43,90,507)</u>	<u>(41,24,068)</u>

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

	Year ended 31.03.2012 ₹	Year ended 31.03.2011 ₹
NOTE : V		
MANUFACTURING EXPENSES :		
Power & Fuel	4,30,24,719	3,33,22,618
Repairs & Maintenance Machineries	46,93,869	68,61,051
Processing charges	8,423	5,80,000
Laboratory Expenses	27,37,511	20,19,160
Total	5,04,64,522	4,27,82,829
NOTE : W		
EMPLOYEE'S COST :		
Salaries and Wages	3,95,95,421	3,56,89,305
Contribution to Provident and other funds	24,42,793	20,47,927
Staff welfare expense	31,12,812	25,40,675
Total	4,51,51,026	4,02,77,907
NOTE : X		
RESEARCH & DEVELOPMENT EXPENSE :		
Material Consumption	24,68,414	16,45,494
Employees' Cost	35,83,023	30,16,816
Utilities		
Power	11,99,734	9,74,138
Others	3,18,328	3,44,822
Total	75,69,499	59,81,270
NOTE : Y		
FINANCE COST :		
Interest on Working Capital	26,25,755	27,31,820
Interest on Deposits and Loans	1,97,260	13,70,960
Others	2,91,436	3,60,810
Total	31,14,451	44,63,590
NOTE : Z		
OTHER EXPENSES :		
Repairs and Maintenance		
Buildings	61,900	67,600
Others	24,98,103	12,82,146
Freight and Forwarding Charges	98,18,334	89,08,911
Selling & Distribution Expenses	3,06,278	17,85,765
Commission on Sales	17,21,164	31,93,726
Excise Duty	(65,357)	84,374
Rent	1,51,000	-
Rates and Taxes	8,47,783	6,96,992
Insurance	2,95,038	3,34,541
Printing and Stationery	13,08,477	11,91,185
Travelling Expense	23,35,707	23,00,077
Legal & Professional Fees	17,86,504	26,81,854
Payment to Auditor	2,20,000	2,20,000
Audit Fees	1,55,000	1,55,000
Other Services	20,000	20,000
Tax Audit Fee	45,000	45,000
Exchange Difference (net)	-	1,91,180
Directors' Sitting fees	3,35,000	3,35,000
Bad Debts written off	-	15,591
Provision for Doubtful Debts	-	3,67,981
Loss on sale of Investment	-	5,58,075
Miscellaneous Expenses	20,24,185	17,44,055
Total	2,36,44,116	2,59,59,053

NOTE FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED ON 31st MARCH, 2012

NOTE : AA

Notes forming part of Accounts:

1 SIGNIFICANT ACCOUNTING POLICIES:

(A) Basis of Accounting:

The financial statements are prepared as per historical cost convention and on going concern basis and comply with the applicable accounting standards issued by the Institute of Chartered Accountants of India (ICAI) and relevant statutory provisions of The Companies Act, 1956.

(B) Fixed Assets & Capital Work in Progress:

- i) Fixed Assets are recorded at cost of acquisition / construction less accumulated depreciation & impairment loss, if any. Cost comprises of the purchase price and any attributable cost of bringing the assets to its working condition for its intended use, but excluding CENVAT / Service Tax / VAT credit availed.
- ii) All expenditure including advances given to suppliers and contractors for supply and installation of Plant and Machinery and other capital Assets, including interest during the construction period if any, are accumulated and shown as capital work in Progress.

(C) Depreciation:

Depreciation on fixed assets is provided on straight line method at the rates specified in schedule XIV of the Companies Act, 1956, as amended on shift basis. Depreciation on addition to Fixed Assets (except those of ₹5,000/- and below) is charged on prorata basis. Depreciation on assets disposed off/discarded during the year is charged upto the date of disposal/discard.

(D) Investments :

Investments are Long-term, unless stated otherwise and are stated at cost except where there is diminution in value other than temporary, in which case a provision is made to the carrying value to recognise the diminution.

(E) Inventories:

- i) Raw materials, Stores and consumables are valued at cost using moving weighted average method. The cost of Raw materials, stores and consumables includes cost of purchases, direct expenses and other cost incurred in bringing the inventories to their present location and condition.
- ii) Work in Process includes material lying at reactors/tanks on which process is continued as on date. Work in Process are valued at raw materials cost as calculated above plus labour and appropriate proportion of overhead to the extent of process, which is estimated and certified by the management using moving weighted average method.
- iii) Semi-Finished goods has been identified as such depending upon stage of completion of finished goods technically determined by the management. Semi-Finished goods are valued at raw materials cost as calculated above plus weighted average cost of production including appropriate proportion of cost of conversion to the extent of process, which is estimated and certified by the management.
- iv) Finished goods are valued at lower of cost or net realisable value. Finished goods are valued based on weighted average cost of production, including appropriate proportion of cost of conversion. Excise duty is included in the value of finished goods inventory.

Net Realisable value is the estimated selling price in the ordinary course of business.

(F) Sales:

- i) Sale of products are recognised when risk and rewards of ownership of the products are passed on to the customers, which is generally on dispatch of goods. Sales are inclusive of excise duty, but net of sales return, service tax and sales tax.
- ii) Export sales are recognised on the date of bill of lading / airway bill.

(G) Excise Duty :

Excise duty is accounted on the basis of both, payment made in respect of goods cleared as also provision made for goods lying in bonded warehouse.

NOTE FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED ON 31st MARCH, 2012

(H) Research and Development :

Revenue Expenditure on Research and Development is charged to Profit and Loss Account and Capital Expenditure incurred on Research and Development is capitalised.

(I) Foreign Currency Transactions :

- i) Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.
- ii) Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year end rates.
- iii) The difference in translation of monetary assets and liabilities and realized gains and losses on foreign exchange transactions are recognised in the Profit and Loss Account.
- iv) In respect of transactions covered by forward contracts, the difference between the contract rate and the rate on the date of the transaction is charged to the Profit and Loss Account over the period of the contract.

(J) Employee Benefits:

(a) Short term employee benefits

All employee Benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as Salaries, wages, and short term compensated absences etc. is recognised in the period in which the employee renders the related service.

(b) Post Employment Benefits:

i. Defined Contribution Plans :

Define contribution plans are post employment benefit plans under which the company pays fixed contributions into separate entities (fund) or to financial institutions or state managed benefit schemes. The Company operates defined contribution plans pertaining to Provident Fund, Employees state Insurance, Pension Fund Scheme for eligible employees. The Company contribution to defined contribution plans are recognised in the profit and loss account in the financial year to which they relate.

ii. Defined Benefit Plans:

The Company made annual contribution to Employees Group Gratuity Cash Accumulation Scheme of Life Insurance Corporation of India. The gratuity liabilities are funded with the Life Insurance Corporation of India and with a recognized fund, which is administered by the trustees. The amounts paid /provided under the scheme are charged to profit and loss account under head Employees Cost.

Superannuation payable as per superannuation scheme is provided by payment to superannuation trust fund.

The Company provides for accumulated leave liability payable on retirement on the basis of Actuarial Valuation as at the year end and the same is charged to profit and loss account under head Employees Cost.

(K) Borrowing Cost:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

(L) Earnings per share :

Basic and diluted earnings per share are computed by dividing the net profit attributable to equity shareholders for the year, by the weighted average number of equity shares outstanding during the year.

(M) Taxes on Income:

- i) Provision for taxation is made on the basis of the estimated taxable income for the current Accounting period in accordance with provision of the Income Tax Act, 1961.

NOTE FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED ON 31st MARCH, 2012

- ii) In accordance with Accounting Standard – 22 ‘ Accounting for Taxes on Income’, issued by the Institute of Chartered Accountants of India, the Deferred Tax for timing differences between the book profit and tax profit for the year is accounted for using the tax rates and laws that have been enacted or substantively enacted as of the balance sheet date.
- iii) Deferred tax assets arising from temporary timing differences are recognised to the extent there is reasonable certainty that the assets will be realized in future.

(N) Segment Reporting :

There is no separate reportable primary segment as per Accounting Standards 17, as most of the operations are related to only one Segment viz. Speciality Chemicals.

(O) Impairment of Assets :

An Asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An Impairment Loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The Impairment Loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

(P) Provisions, Contingent Liabilities and Contingent Assets :

Provisions are recognised only when there is a present obligation as a result of past event and when a reliable estimate of the amount of the obligation can be made. Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by the future events not wholly within the control of the company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation can not be made. Contingent Assets are not recognised in the financial statements.

- 2 Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances) ₹18.66 Lacs (Previous year for ₹ 39.31 Lacs)

3 Contingent Liabilities : (₹)

Sr. No.	Particulars	2011-2012	2010-2011
i)	Bond guarantees for two body corporate	-	73,21,469
ii)	Disputed claims for excise duty	1,07,29,373	78,33,919
iii)	Income Tax	1,00,620	2,94,165

4 Defined benefit plans / compensated absences - As per actuarial valuation (₹ In Lacs)

	2011-2012	2010-2011	2011-2012	2010-2011
	Gratuity Funded		Leave Encashment	
Expense recognised in the Statement of Profit & Loss for the year ended March 31, 2012				
Current Service Cost	6.21	6.07	1.72	3.65
Interest Cost	8.20	6.62	0.78	1.33
Employee Contributions	-	-	-	-
Expected return on plan assets	(10.47)	(9.97)	-	-
Net Acturial (Gains) / Losses	3.00	10.83	(2.07)	2.34
Past Service Cost	Nil	Nil	-	-
Settlement Cost	Nil	Nil	-	-
Total expense	0.95	13.55	0.43	7.32
Net Asset / (Liability) recognised in the Balance Sheet as at March 31,2012				
Present value of Defined Benefit Obligation as at March 31, 2012	106.15	99.39	16.24	19.59
Fair value of plan assets as at March 31, 2012	124.52	118.72	-	-
Funded status [Surplus / (Deficit)]	18.37	19.33	(16.24)	(19.59)
Net asset / (liability) as at March 31, 2012	18.37	19.33	(16.24)	(19.59)

NOTE FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED ON 31st MARCH, 2012

(₹ In Lacs)

	2011-2012	2010-2011	2011-2012	2010-2011
	Gratuity Funded		Leave Encashment	
Change in Obligation during the Year ended March 31, 2012				
Present value of Defined Benefit Obligation at beginning of the year	99.39	80.19	18.97	16.11
Current Service Cost	6.21	6.07	1.72	3.65
Interest Cost	8.20	6.62	0.78	1.33
Settlement Cost	Nil	Nil	-	-
Past Service Cost	Nil	Nil	-	-
Employee Contributions	-	-	-	-
Acturial (Gains) / Losses	(2.79)	11.13	(2.07)	2.34
Benefits Payments	(4.86)	(4.62)	(3.16)	(3.84)
Present value of Defined Benefit Obligation at the end of the year	106.15	99.39	16.24	19.59
Change in Assets during the Year ended March 31, 2012				
Plan assets at the beginning of the year	118.72	113.07	-	-
Assets acquired in amalgamation in previous year	Nil	Nil	-	-
Settlements	Nil	Nil	-	-
Expected return on plan assets	10.47	9.97	-	-
Contributions by Employer	-	-	-	-
Actual benefits paid	(4.87)	(4.62)	-	-
Acturial (Gains) / Losses	0.20	0.31	-	-
Plan assets at the end of the year	124.52	118.72	-	-
Actual return on plan assets	10.47	9.97	-	-
The major categories of plan assets as a percentage of total plan Qualifying insurance policy Effect of one percentage point change in the assumed medical inflation rate Increase / (Decrease) on aggregate service and interets cost of Post Employment Medical Benefits Increase / (Decrease) on present value of Defined Benefit Obligation as at March 31,2012				
Acturial Assumptions:				
Discount Rate	8.50%	8.25%	8.50%	8.25%
Expected rate of return on plan assets	9.00%	9.00%	NA	NA
	LIC (1994-96) Published table of rates.	LIC (1994-96) Published table of rates.		
Mortality pre retirement	NA	NA	NA	NA
Mortality post retirement	NA	NA	NA	NA
Turnover rate	5% to 1%	3% to 1%	5% to 1%	5% to 1%
Medical premium inflation	NA	NA	NA	NA
Annual Increment in Salary cost	6%	6%	6%	5%
*Owing to excess plan assets compared to required investment in terms of Actuarial Valuation Report for Gratuity, no adjustments is made either in Profit & Loss Account or in Balance Sheet				

NOTE FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED ON 31st MARCH, 2012

5 Micro, Small and Medium Enterprises Development Act, 2006

As per requirement of Section 22 of Micro, Small & Medium Enterprises Development Act, 2006 following information is disclosed to the extent identifiable:

(₹)

		2011-2012	2010-2011
a)	(i) The Principal amount remaining unpaid to any supplier at the end of accounting year	49,45,709	34,43,733
	(ii) The interest due on above	-	-
	Total of (i) & (ii) above	49,45,709	34,43,733
b)	Amount of interest paid by the buyer in terms of Section 18 of the Act	-	-
c)	The amounts of payment made to the supplier beyond the due date	-	-
d)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act.	-	-

The information has been given in respect of such vendors to the extent they could be identified as micro and small enterprises on the basis of information available with the company.

6 Segment Reporting :

a) Primary Segment:

The Company has identified "Speciality Chemicals" as the only primary reportable segment.

b) Secondary Segment (By Geographical Segment)

(₹)

Particulars	2011-2012	2010-2011
India	25,20,79,611	21,50,09,896
Outside India	9,40,17,355	9,33,87,622
Total Sales	34,60,96,966	30,83,97,518

In view of the inter-woven / inter-mixed nature of business and manufacturing facility, other secondary segmental information is not ascertainable.

7 Disclosure as required by the Accounting Standard - AS-18 relating to "Related Parties Disclosure" issued by The Institute of Chartered Accountants of India are as follows :

Name of related parties and description of relationship		
Key Management Personnel :	Shri C. R. Amin	Chairman
	Smt. M. C. Amin	Director
	Shri U. C. Amin	Director
Relatives of Key Management Personnel :	Shri Pranav Amin	
	Shri S. C. Amin	
	Mrs. Shreya Mukherjee	
	Ms.Yera Amin	
Associates	Alembic Pharmaceuticals Limited	
	Alembic Limited	
	Shreno Limited	
	Nirayu Private Limited	
	Whitefield Chemtech Pvt. Ltd.	
	Sierra Investment Limited	
	Viramya Packlight Limited	

NOTE FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED ON 31st MARCH, 2012

(₹)

Sr. No.	Particulars	Associates		Key Management Personnel	
		2011-2012	2010-2011	2011-2012	2010-2011
1	Purchase of Goods	24,71,808	19,28,655	-	-
2	Sale of Goods	94,14,105	64,16,037	-	-
3	Receiving of Services	2,83,08,024	2,38,67,181	-	-
4	Inter Corporate Loans taken	-	1,00,00,000	-	-
5	Interest Payable / Paid	-	12,33,862	-	-
6	Rent Income	18,00,000	18,00,000	-	-
7	Director's Sitting Fees	-	-	1,90,000	1,75,000
8	Purchase of Fixed Assets	17,82,835	4,25,539	-	-
9	Sale of Fixed Assets	-	-	-	-
10	Redemption of Investments	28,46,600	-	-	-
11	Dividend Received	73,14,719	73,14,292	-	-
Relatives of Key Management Personnel					
12	Receiving of Services	-	-	9,17,772	9,44,410
	Outstanding Balances	-	-	-	-
13	Creditors	40,86,886	10,94,296	-	-
14	Inter Corporate Loans taken	-	-	-	-
15	Deposit	35,00,000	-	-	-
16	Investments	13,56,61,415	13,85,08,015	-	-

8 Earning Per Share: (₹)

Earning per share has been computed as under:		As at 31st March, 2012	As at 31st March, 2011
a	Profit after Taxation	3,44,74,639	3,70,05,682
b	Total Ordinary shares		
	Number of Ordinary Shares	32,07,114	32,07,114
c	Earning per Share (Face value ₹ 10/- per share) (Basic and diluted)	10.75	11.54

9 Information required under Schedule VI of the Companies Act, 1956 as certified by Management. (₹)

A	Value of imports calculated on C.I.F. basis made by the Company during the year :	2011-2012	2010-2011
	(i) Raw Materials	44,86,633	1,08,79,481
	(ii) Capital goods	1,64,384	-
B	Expenditure in foreign currency :		
	(i) Foreign Traveling expenses	1,76,086	3,00,393
	(ii) Subscription, Publicity & Others	3,49,187	20,93,664
C	Value of imported raw materials, spare parts		
	Components and packing materials consumed during the year.	44,86,633	1,08,79,481
	Value of indigenous raw materials, spare parts, Components and packing materials consumed during the year	16,95,89,103	11,78,41,947
	Percentage to total consumption :		
	(a) Imported raw materials, spare parts, components and packing materials consumed.	2.58%	8.45%
	(b) Indigenous raw materials, spare parts, components and packing materials consumed.	97.42%	91.55%
D	Earnings in Foreign Exchange (On accrual basis)		
	Export Sales (On FOB Basis)	8,67,94,681	8,81,71,670

PAUSHAK LIMITED

NOTE FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED ON 31st MARCH, 2012

- 10 The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date
For J.R.S. Patel & Co.,
Chartered Accountants

Kalpesh Parmar
Partner
M. No. 103887
Vadodara, 8th May, 2012

Charandeep Singh Saluja
Assistant Company Secretary

Chirayu R. Amin CHAIRMAN

Udit C. Amin
A. M. Goradia
Santosh Jejurkar
V. H. Gandhi } DIRECTORS

Vadodara, 8th May, 2012

STATEMENT OF CASH FLOW PREPARED PURSUANT TO THE LISTING AGREEMENT WITH STOCK EXCHANGES FOR THE YEAR ENDED ON 31st MARCH, 2012

Particulars	2011-2012 ₹	2010-2011 ₹
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit / (Loss) before tax and extraordinary items	4,12,98,653	4,83,17,148
Adjustments for:		
1. Depreciation	1,65,20,227	1,55,55,533
2. Provision for leave encashment	(4,54,678)	3,48,183
3. Interest expenses	31,14,451	44,63,590
4. Interest Income	(3,720)	(2,38,005)
5. Dividend Income	(73,61,849)	(73,64,061)
6. Profit on sale of Investments (Net)	-	(62,000)
Operating profit before change in working capital	5,31,13,084	6,10,20,388
Adjustments for (Increase)/Decrease in Operating Assets:		
Inventories	(2,68,20,535)	(1,09,16,246)
Trade Receivables	(1,49,33,936)	(5,41,880)
Short Term Loans and Advances	(56,25,614)	4,71,383
Adjustments for (Increase)/Decrease in Operating liabilities:		
Trade Payables	1,77,50,526	14,43,743
Other Long Term liabilities	-	(2,50,00,000)
Other Current liabilities	(4,11,198)	(29,010)
Short Term Provisions	-	-
Long Term Provisions	-	-
Cash generated from operations	2,30,72,327	2,64,48,378
1. Income Tax Paid	(86,48,535)	(1,22,57,798)
NET CASH INFLOW FROM OPERATING ACTIVITIES	A 1,44,23,792	1,41,90,580
B CASH FLOW FROM INVESTING ACTIVITIES :		
1. Purchase of Fixed Assets	(2,08,51,277)	(1,07,11,742)
2. Sale of Investments		
From Associates	-	62,000
3. Redemption of Investments		
From Associates	28,46,600	-
4. Interest received		
Others	3,720	2,38,005
5. Dividend Received		
From Associates	73,14,719	73,14,292
From Others	47,130	49,769
NET CASH UTILISED IN INVESTING ACTIVITIES	B (1,06,39,108)	(30,47,676)

PAUSHAK LIMITED

STATEMENT OF CASH FLOW PREPARED PURSUANT TO THE LISTING AGREEMENT WITH STOCK EXCHANGES FOR THE YEAR ENDED ON 31st MARCH, 2012

Particulars	2011-2012 ₹	2010-2011 ₹
C CASH FLOW FROM FINANCIAL ACTIVITIES :		
1. Proceeds/ (Repayment) from Short Term borrowings (Net)	63,99,703	11,48,594
2. Interest Paid	(31,14,451)	(44,63,590)
3. Dividend Paid	(60,03,272)	(60,23,072)
4. Corporate Dividend Tax	(10,40,548)	(10,65,403)
NET CASH UTILISED IN FINANCIAL ACTIVITIES	(37,58,568)	(1,04,03,471)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	26,116	7,39,433
Cash & Cash equivalents as at 31-03-2011	12,18,916	4,79,483
Cash & Cash equivalents as at 31-03-2012	12,45,032	12,18,916
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	26,116	7,39,433

As per our report of even date
For J.R.S. Patel & Co.,
Chartered Accountants

Kalpesh Parmar
Partner
M. No. 103887
Vadodara, 8th May, 2012

Charandeep Singh Saluja
Assistant Company Secretary

Chirayu R. Amin CHAIRMAN

Udit C. Amin
A. M. Goradia
Santosh Jejurkar
V. H. Gandhi } DIRECTORS

Vadodara, 8th May, 2012

Book-Post

If undelivered please return to :
P A U S H A K L I M I T E D
Alembic Road, Vadodara 390 003.

NOTICE

NOTICE is hereby given that the Thirty Ninth Annual General Meeting of Paushak Limited will be held at "Sanskriti", Alembic Corporate Conference Center, Opp. Pragati Sahakari Bank Limited, Alembic Colony, Vadodara-390 003, on Wednesday, the 8th August, 2012 at 12.30 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012, Statement of Profit & Loss and Cash Flow Statement of the Company, for the year ended on 31st March, 2012 and the Reports of the Directors' and Auditors' thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Mrs. M. C. Amin who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint a Director in place of Mr. U. C. Amin who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

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

"**RESOLVED THAT** Mr. V. H. Gandhi, who was appointed as an Additional Director with effect from 18th October, 2011 and who holds office upto the date of this Annual General Meeting and in respect of whom a notice under Section 257 of the Companies Act, 1956 has been received, proposing his candidature for appointment as Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

Registered office:
Alembic Road,
Vadodara - 390 003.
Date: 8th May, 2012

By Order of the Board

Charandeep Singh Saluja
Assistant Company Secretary

NOTES:

1. **ANY MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. The Proxy Form, duly completed, must reach the Registered Office of the Company not later than forty-eight hours before the time of holding the meeting.
3. The Register of Members and Transfer books of the Company will remain closed from Wednesday, the 1st August, 2012 to Wednesday, the 8th August, 2012 (both days inclusive) for the purpose of payment of dividend.
4. The dividend when sanctioned will be made payable on or after Monday, 13th August, 2012 to those members whose names stand on the Register of Members of the Company on Wednesday, 1st August, 2012. Members are requested to notify promptly any change in their registered addresses.
5. Shareholders who have not encashed their dividend warrants from the financial year ended on 31st March, 2009 onwards are requested to approach the company or the R & T Agents of the Company.
6. All the work related to share-registry in terms of both - physical and electronic are being conducted by Company's R&T Agents - Link Intime India Private Limited, B-102-103, Shangrila Complex, 1st Floor, Nr. Radhakrishna char rasta, Akota, Vadodara – 390 020. Phone: (0265) 2356573/2356794/2356796 Telefax: (0265) 2356791 Email: vadodara@linkintime.co.in. Shareholders are requested to send their communication to the aforesaid address.
7. All documents referred to in the Notice are open for inspection at the Registered Office of the Company between 10.30 a.m. and 12.30 p.m. on any working day upto the date of the Annual General Meeting.

Explanatory Statement pursuant to Section 173 of the Companies Act, 1956

Item No. 6

Mr. V. H. Gandhi was appointed as Additional Director of the Company with effect from 18th October, 2011. Pursuant to the provisions of Section 260 of the Companies Act, 1956, he holds office of Director upto the date of this Annual General Meeting. He is eligible for appointment and the Company has received a notice from a member under Section 257 of the Companies Act, 1956 proposing his candidature for appointment as Director, liable to retire by rotation.

In order to enable the Company to avail the benefit of his experience, your Directors consider it desirable that Mr. V. H. Gandhi be appointed as a Director of the Company.

Except Mr. V. H. Gandhi, none of the Directors of the Company is in any way, concerned or interested in the proposed resolution.

Registered office:
Alembic Road,
Vadodara - 390 003.
Date: 8th May, 2012

By Order of the Board

Charandeep Singh Saluja
Assistant Company Secretary

PAUSHAK LIMITED

ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Place

For Physical Holding	For Electronic Form (Demat) NSDL/CDSL	
LF No.	DP ID	CLIENT ID
No. of Shares :		

I hereby record my presence at the ANNUAL GENERAL MEETING at "Sanskriti", Alembic Corporate Conference Center, Alembic Colony, Vadodara - 390 003 on Wednesday, the 8th August, 2012 at 12.30 p.m.

NAME OF THE MEMBER/JOINT MEMBER(S) (IN BLOCK CAPITALS)
SIGNATURE OF THE MEMBER/JOINT MEMBER(S)/PROXY

- Notes :
1. Shareholder / Proxy-holder must bring the Attendance slip to the meeting and hand it over duly signed at the entrance of the meeting place.
 2. Joint Shareholders may obtain additional Attendance Slip/s by prior intimation to Office.
 3. Please strike off whichever is not applicable.

PAUSHAK LIMITED

Regd. Office : Alembic Road, Vadodara - 390 003.

PROXY FORM

For Physical Holding	For Electronic Form (Demat) NSDL/CDSL	
LF No.	DP ID	CLIENT ID
No. of Shares :		

I/We.....
..... of.....being Member(s) of
PAUSHAK LIMITED hereby appoint.....of.....
or failing himof as my / our
proxy to attend and vote for me / us and on my / our behalf at the Annual General Meeting of
the Company to be held on Wednesday, the 8th August, 2012 and at any adjournment thereof.

Signed this.....day of.....2012.

Signature

1 Rupee
Revenue
Stamp

- Notes :
1. Proxy form must reach the Company's Registered office not less than 48 hours before the Meeting.
 2. The form should be signed across the stamp as per specimen signature registered with the Company.
 3. A Proxy need not be a member.



