

**33<sup>rd</sup>**

**ANNUAL REPORT**

**2011**

**SHIVALIK RASAYAN LIMITED**

## SHIVALIK RASAYAN LIMITED

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Shri Rahul Bishnoi	:	Chairman
Shri S. K. Singh	:	Managing Director
Shri Anirudh Bishnoi	:	Director
Shri Tejasvi Bishnoi	:	Director
Shri Ashwani Sharma	:	Director
Shri Puneet Chandra	:	Director
Shri Harish Pande	:	Director
<b>AUDITORS</b>	:	M/s Kailash K. Gupta & Associates, Chartered Accountants, 4353/4-C, 1 <sup>st</sup> Floor, Ansari Road, Darya Ganj, New Delhi - 110 002
<b>REGISTERED OFFICE AND FACTORY</b>	:	Village Kolhupani, P.O. Chandanwari, Dehradun - 248 007
<b>CORPORATE OFFICE</b>	:	1506, Chiranjiv Tower, 43, Nehru Place, New Delhi - 110 019 Tel No. (011) 26221811, 26418182 E-mail: srl@vsnl.com, srl@airtelmail.in Website: www.shivalikrasayan.in
<b>SHARE REGISTRAR</b>	:	M/s Beetal Financial & Computer Services Pvt. Limited BEETAL House, 3 <sup>rd</sup> Floor, 99, Madangir, Behind Local, Shopping Complex, New Delhi - 110 062 Tel No. (011) 29961281, 29961282 E-mail: beetal@beetalfinancial.com

## NOTICE

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NOTICE is hereby given that the Thirty Third Annual General Meeting of Shivalik Rasayan Limited will be held on Friday the 30<sup>th</sup> September, 2011 at 3.00 P.M. at the Registered Office of the Company at Village Kolhupani, Dehradun to transact the following business:

### ORDINARY BUSINESS

1. To consider and adopt the Balance Sheet as on 31<sup>st</sup> March 2011, Profit & Loss Account for the period from 1<sup>st</sup> April 2010 to 31<sup>st</sup> March 2011 and the report of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Puneet Chandra, who retires by rotation and being eligible offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:-

“RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, approval of the members be and is hereby accorded for appointment of M/s Rai Qimet & Associates, Chartered Accountants, as auditors of the Company to hold office from the conclusion of this Annual General Meeting, till the conclusion of the next Annual General Meeting of the company on such remuneration as may be fixed by the Board of Directors plus Services Tax, reimbursement of actual traveling and out-of-pocket expenses incurred by them for the purpose of audit.”

By order of the Board  
for Shivalik Rasayan Ltd.

Place : New Delhi  
Dated : 1<sup>st</sup> July, 2011

Sd/-  
S. K. Singh  
Managing Director

### NOTES:

1. The relevant explanatory statement pursuant to section 173(2) of the Companies Act, 1956 is annexed hereto.
2. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. A Proxy Form is sent herewith. The Proxy Form duly completed should reach the Registered Office of the company not later than 48 hours before the start of the meeting.
3. If any more information is require by any shareholder, he is requested to convey the same to the Registered Office of the Company so as to reach us at least one week before the date of the meeting.

## DIRECTORS' REPORT

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### TO THE MEMBERS

Your Directors have pleasure in presenting their 33<sup>rd</sup> Annual Report together with an audited statement of account for the year ended on 31<sup>st</sup> March 2011 and Auditors' Report thereon.

### WORKING RESULTS

The Sales of your company have increased by 27.64% and net profit increased by 48.17% during the year when compared to last year's performance.

Financial Data (Rs. in Lac)	Current Year	Previous Year
Sales	2762.84	2164.63
Other Income	15.17	13.36
Profit before Depreciation	99.67	69.92
Depreciation	11.49	9.73
Profit for the year before Tax	88.18	60.19
Provision for taxation	19.75	19.40
Deferred Tax Assets/(Liability)	(7.57)	0.49
NET PROFIT FOR APPROPRIATION	60.84	41.28

### DIVIDEND

The company has recovered accumulated losses and financial positions of the company does not allow this year to recommend any dividend.

### CURRENT OUTLOOK

The net profit before depreciation is Rs.99.67 lacs. The management is hopeful to continue the profitability further.

### CORPORATE GOVERNANCE

Your Company has fully complied with the requirements of Clause 49 of the Listing Agreement regarding Corporate Governance.

A report of Corporate Governance Practices and Management Discussion and Analysis are given as annexure to this report.

### DIRECTORS' RESPONSIBILITY STATEMENT

In terms of provisions of Section 217(2AA) of the Companies Act, 1956, your directors confirm as under:-

- that in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- that the directors have selected such accounting policies 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 at the end of the financial year and of the profit or loss of the company for that period;
- that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- that the directors have prepared the annual accounts on a going concern basis.

## **DIRECTORS' REPORT**

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### **DIRECTORS**

Shri Puneet Chandra retires by rotation and is eligible for re-appointment.

### **SECRETARIAL COMPLIANCE CERTIFICATE**

A Secretarial Compliance Certificate pursuant to Section 383A of the Companies Act, 1956, is attached herewith.

### **QUALIFICATION IN THE AUDITORS' REPORT**

The qualifications in the Auditors' Report have been well explained in the Notes to Financial Statements and are self-explanatory. Further, the Directors would like to clarify as under:-

The company has been making a provision towards the payment of gratuity liability in its books of account as per the provisions of the Payment of Gratuity Act, 1972. Similarly, liability towards leave encashment is being provided for encashable leave due to the employees on the basis of last salary drawn. Accounting Standard (AS) - 15 "Accounting for Retirement Benefits in the Financial Statements of Employers" issued by the Institute of Chartered Accountants of India, states that the liability towards retirement benefits should be ascertained and provided for on the basis of actuarial valuation. During the year, your company has created a trust namely Shivalik Rasayan Limited Employee Group Gratuity Trust and actuarial valuation of Gratuity liability arrived at Rs. 32,68,960/-. Out of this a sum of Rs. 19,82,513/- has been paid to life Insurance Corporation of India.

### **LISTING FEES**

The Annual Listing Fee for the year 2010-11 had been paid to Delhi Stock Exchange where the company's shares are listed.

### **AUDITORS**

M/s Kailash K. Gupta & Associates, Chartered Accountants, New Delhi retires at the conclusion of this Annual General Meeting. M/s Rai Qimat & Associates, Chartered Accountants is being eligible, offer themselves for appointment of Auditor of the company, till the conclusion of next Annual General Meeting of the company. A letter has been received from them stating that the re-appointment, if made, will be in accordance with the provisions of Section 224(1B) of the Companies Act, 1956.

# DIRECTORS' REPORT

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## CONSERVATION OF ENERGY/TECHNOLOGY ABSORPTION/RESEARCH AND DEVELOPMENT

### 1. Disclosure of Particulars with respect to Conservation of Energy

#### Power and Fuel consumption

##### Electricity

	Current Year	Previous Year
Unites (Kwh)	1276887	776574
Total Cost (Rs.)	5378826	4103485
Rate / unit (Rs.)	4.21	5.28

##### Coal (used in boiler)

Quantity (kg.)	1244795	1060220
Total Cost (Rs.)	10387600	7235452
Average Rate (Rs.)	8.34	6.82

The company is taking measures to achieve more efficiency in power and fuel consumption. The quality of coal used is being monitored to bring down consumption levels.

### 2. Technology Absorption

The company could not undertake any technology absorption measures due to constraint of funds.

### 3. Foreign exchange earnings and outgo: Rs. 294.49 Lacs

#### PARTICULARS OF EMPLOYEES

There were no employees as per the requirements of Section 217(2A) of the Companies Act, 1956.

#### PERSONNEL

The company continued to maintain harmonious and cordial relations with its workers. The Directors wish to place on record their appreciation for the services and untiring efforts of the employees at all levels.

#### ACKNOWLEDGEMENT

The Board takes this opportunity to sincerely thank all its stakeholders namely, shareholders, customers, suppliers/contractors, employees, government agencies, local authorities for their continued trust and support to the company.

for and on behalf of the Board of Directors

Place : New Delhi  
Dated : 1<sup>st</sup> July, 2011

Sd/-  
**RAHUL BISHNOI**  
Chairman

## **MANAGEMENT DISCUSSION AND ANALYSIS**

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### **Product**

SHIVALIK RASAYAN LIMITED continues to be the manufacturer of Dimethoate Technical and Malathion Technical in India. Both the products are old generic products and have limited demand.

### **Dimethoate Technical**

Sales of Dimethoate Technical have been increased from 929.105 MT to 1144.480 MT. The turnover has gone up from 21.64 Crores to 27.62 Crores. This is because of the increase in the prices of raw material as well as of sales price.

### **Malathion Technical**

Malathion Technical has registered a sale of Rs.167.49 lacs during FY 2010-11.

### **Opportunities & challenges**

The import from China remains major threat for Dimethoate Technical. The usages of Dimethoate Technical is more or less same as compare to last year. The management is considering diversifying the activities of the company in term to include more agro chemicals into its fold. Some new registrations are also being applied to the Central Insecticides Board.

### **Financial Review**

The demand for Dimethoate Technical was good and company could achieve the higher turnover because of its low manufacturing cost in comparison to Chinese product. The management expects to continue the same scenario during the year subject to the normal monsoon.

Company has been regular in meeting its obligations towards payment to regulatory and other statutory payment.

## REPORT ON CORPORATE GOVERNANCE

### Company's philosophy on Corporate Governance

Good corporate practices ensure that a Company meets its obligations to optimize shareholders value. Corporate governance has assumed great significance in India in the recent past in the form of amendment in the Companies Act, 1956 and Listing Agreement with Stock Exchanges. Most of the provisions of the Corporate Governance code prescribed by the Companies Act and the Listing Agreement have been complied with and balance will be complied within the prescribed period.

### Board of Director

#### a) Composition of the Board

As on 31<sup>st</sup> March, 2011 the Board of Directors comprised of Seven Directors out of which four are Non-Executive Directors, One Chairman, One Managing Director and one Executive Director. Out of the Seven Directors Company has Four Independent Directors.

#### b) Number of Board Meetings

Board of Directors met Eight times, during the year ended 31<sup>st</sup> March, 2011,

#### c) Directors' attendance record and Directorship in other public Limited Companies:

Name of the Director	Position	Board Meetings held during the year	Board Meetings attended during the year	Whether attended last AGM	Directorship in other public Limited Companies*
Shri Rahul Bishnoi	Chairman	8	8	Yes	No
Shri S. K. Singh	Managing Director	8	8	Yes	No
Shri Ashwani Sharma	Executive Director	8	8	Yes	No
Shri Harish Pande	Independent Director	8	8	Yes	No
Shri Anirudh Bishnoi	Independent Director	8	7	Yes	No
Shri Tejasvi Bishnoi	Independent Director	8	6	Yes	No
Shri Puneet Chandra	Independent Director	8	6	No	No

\* Excludes Directorship in Private Limited Companies

#### d) Disclosures

- (i) The details of related party transaction with the Company as required by Accounting Standard (AS-18) on Related Party Transactions have been given in Schedule 13 of the Notes of Accounts. Besides this, Company has no materially significant transaction with the related parties viz. Promoters, Directors or the management or relatives and their subsidiaries, etc. that may have a potential conflict with the interest of the Company at large.
- (ii) No Non-executive director is holding any equity shares of the company.

#### e) Remuneration of Directors, sitting fees etc. for the year 2010-11

Shri S. K. Singh, Managing Director and Shri Ashwani Sharma was paid salary and perquisites of Rs.9,90,060. Besides this Managing Director and Director was entitled to Company's contribution to provident fund and gratuity fund.



## REPORT ON CORPORATE GOVERNANCE

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No commission and Sitting fees paid to non-executive directors for the year ended on 31<sup>st</sup> March 2011.

### Committees of the Board

#### a) Audit Committee

##### (i) Terms of Reference

Apart from all the matters provided in Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, the Audit Committee reviews report of the internal auditors, meets statutory auditors as and when required and discusses their findings, suggestions, internal control system, scope of audit, observations of auditors and other related matters. It also reviews major accounting policies followed by the company.

##### (ii) Composition

As on 31<sup>st</sup> March, 2011, the Committee consists of three non-executive and independent Directors, namely Shri Harish Pande, Shri Anirudh Bishnoi and Shri Tejasvi Bishnoi.

##### (iii) Attendance record of the Audit Committee

The Committee met four times during the year. The attendance record of the members at the meetings is as follows:-

Name of the member	Status	No. of meetings attended
Shri Harish Pande	Chairman	4
Shri Anirudh Bishnoi	Member	4
Shri Tejasvi Bishnoi	Member	4

#### b) Investors' Grievance Committee

##### (i) Terms of Reference

The Committee has been constituted to look into the redressal of shareholders and investor complaints, non-receipt of Balance Sheet and any other matter relating to shareholders/investors grievance.

##### (ii) Composition

As on 31<sup>st</sup> March, 2011, the committee comprises of three non-executive Directors.

##### (iii) Attendance record of the Investors Grievance Committee

The committee met four times during the year. The attendance record of the members at the meetings is as follows:

Name of the member	Status	No. of meetings attended
Shri Harish Pande	Chairman	4
Shri Anirudh Bishnoi	Member	4
Shri Tejasvi Bishnoi	Member	4

##### (iv) Investors' complaints received and resolved during the year

During the year under review, Company has not received any complaint from the investors.

## REPORT ON CORPORATE GOVERNANCE

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### c) Share Transfer Committee

#### (i) Terms of Reference

The Committee of the Board of Directors has been constituted to review and approve the request for transfer/transmission of shares and issue of duplicate shares certificates. The Share Transfer Committee also reviews the status of Shareholding pattern of the Company and significant changes, if any.

#### (ii) Composition

As on 31<sup>st</sup> March, 2011, the Committee consists of three non-executive and independent Directors, namely Shri Harish Pande, Shri Anirudh Bishnoi and Shri Tejasvi Bishnoi

#### (iii) Attendance record of the Audit Committee

The Committee met four times during the year. The attendance record of the members at the meetings is as follows:-

Name of the member	Status	No. of meetings attended
Shri Harish Pande	Chairman	4
Shri Anirudh Bishnoi	Member	4
Shri Tejasvi Bishnoi	Member	4

### Management

#### a) Management discussion and analysis

Management discussion and analysis report forms part of this Annual Report.

#### b) Disclosure on Risk Management

The company has further strengthened the Risk Management System in the Company. The Board of Directors periodically reviews the Risk Assessment and minimizing procedure thereof.

### Shareholders

#### a) Means of Communication

The quarterly, half-yearly and annual Audited Financial Results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board. The results are published in accordance with the guidelines of Stock Exchanges.

#### b) Investor Grievances

As mentioned earlier, the Company has constituted an Investors Grievance Committee for redressing shareholders and investors' complaints. Shri Harish Pande, Director of the company is the Chairman to the Committee as well as Compliance Officer.

#### c) Share Transfers

All share transfers are handled by Company's Registrar and Share Transfer Agent M/s Beetal Financial & Computer Services (P) Limited, Beetal House, 3<sup>rd</sup> Floor, Madangir, Behind Local Shopping Centre, New Delhi - 110 062.

#### d) General Body Meetings

Details of the last three Annual General meetings are as under:

## REPORT ON CORPORATE GOVERNANCE

Financial Year	Date	Time	Venue
2009-10	29 <sup>th</sup> Sept., 10	3.00 PM	Village Kolhupani, P.O.Chandanwari, Via Prem Nagar, Dehradun
2008-09	30 <sup>th</sup> Sept., 09	3.00 PM	Village Kolhupani, P.O.Chandanwari, Via Prem Nagar, Dehradun
2007-08	10 <sup>th</sup> Sept., 08	3.00 PM	Village Kolhupani, P.O.Chandanwari, Via Prem Nagar, Dehradun

### Additional Shareholders Information

a) **Annual General Meeting**

Date : 30<sup>th</sup> September 2011  
Venue : Village Kolhupani, P.O.Chandanwari,  
Via Prem Nagar, Dehradun  
Time : 3:00 p.m.

b) **Book Closure**

The Register of Members and Share Transfer Books of the Company shall remain closed from 25<sup>th</sup> September 2011 to 30<sup>th</sup> September 2011 (Both days inclusive)

c) **Listing at stock exchange and Stock Price**

Company's shares are listing with Delhi Stock Exchange and listing fee for the financial year ended 31.03.2011 has been paid. Since the Delhi Stock Exchange is closed itself, stock price is not available till date.

The ISIN numbers allotted to the company for demat of Shares are as under:

NSDL - INE788J01013  
CDSL - INE788J01013

d) **Distribution of shareholding as on 31<sup>st</sup> March 2011**

Category	No. Of Shares	% of Shares holding
Promoters & Group Companies	2373120	69.39
Financial Institutions & Banks	129780	3.79
Others	917100	26.82
<b>Total</b>	<b>3420000</b>	<b>100.00</b>

e) **Plant Location & Registered Office**

Village Kolhupani, P.O.Chandanwari, Via Prem Nagar, Dehradun

f) **Address for Correspondence**

Shivalik Rasayan Limited, 1506, Chiranjiv Tower, 43, Nehru Place, New Delhi - 110 019  
Telephone: 011-26221811, 26418182, Fax: 011-26213081  
Website: www.shivalikrasayan.in  
E-mail - srl@vsnl.com, srl@airtelmail.in

## SECRETARIAL COMPLIANCE CERTIFICATE

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To  
The Members,  
SHIVALIK RASAYAN LIMITED

We have examined the registers, records, books and papers of SHIVALIK RASAYAN LIMITED as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the company for the financial year ended on 31<sup>st</sup> March, 2011. In my/our opinion and to the best of my/our information and according to the examinations carried out by me/us and explanations furnished to me/us by the company, its officers and agents, I/We certify that in respect of the aforesaid financial year:

1. The company has kept and maintained all registers as stated in Annexure "A" to this certificate, as per the provision of the Act and the rules made there under and all entries therein have been duly recorded.
2. The company has duly filed the forms and returns as stated in Annexure "B" to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities as per detail prescribed therein.
3. The company being limited Company, the comments are not required.
4. The Board of Directors duly met Eight Times respectively on 26<sup>th</sup> April 2010, 20<sup>th</sup> May 2010, 21<sup>st</sup> June 2010, 30<sup>th</sup> August 2010, 11<sup>th</sup> October 2010, 15<sup>th</sup> December 2010, 10<sup>th</sup> February 2011 and 31<sup>st</sup> March 2011 in respect of which proper notices were given and the proceedings were properly recorded and signed in the minutes Book maintained for the purpose. The Audit Committee duly met Four times respectively on 29<sup>th</sup> July 2010, 29<sup>th</sup> September 2010, 29<sup>th</sup> January 2011 and 12<sup>th</sup> May 2011. The Investor Grievances Committee duly met Four times respectively on 29<sup>th</sup> July 2010, 29<sup>th</sup> September 2010, 29<sup>th</sup> January 2011 and 12<sup>th</sup> May 2011 and The Share Transfer Committee duly met Four times respectively on 20<sup>th</sup> May 2010, 30<sup>th</sup> September 2010, 30<sup>th</sup> October 2010 and 15<sup>th</sup> February 2011 in respect of all the committee meetings all the requirements were duly complied with and minutes of committee meetings were placed before the Board for taking note.
5. The company closed its Registrar of Members and share transfer book from 25<sup>th</sup> Sept. 2010 to 29<sup>th</sup> Sept. 2010 (both days inclusive) during the financial year and necessary compliances of section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31/03/2010 was held on 29<sup>th</sup> September, 2010 after giving due notice to the members of the company and the resolutions passed there at were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meetings was held during the Financial Year.
8. As per the explanations and information given, the company has not advanced any loan to its directors/person/company/ to which Section 295 of the Act.
9. The company has complied with the provisions of section 297 of the Act.
10. The company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the company has not obtained any approvals from the Board of directors, members or Central Government.
12. The company has not issued any duplicate share certificates during the financial year.
13.
  - I. The company has delivered all the certificates on lodgment thereof for transfer in accordance with the provisions of the Act. There was no allotment of shares during the financial year.
  - II. The company has not deposited any amount in a separate bank account as no dividend was declared during the financial year.
  - III. The company was not required to post warrants to any member of the company as no dividend was declared during the financial year.
  - IV. The company was not required to deposit any amount in unpaid dividend account, application money due for Refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investors Education and protection Fund as there was no amount outstanding.
  - V. The company has complied with the requirements of section 217 of the Act.
14. The Board of the director of the company is duly constituted. There was no appointment of additional, alternate or casual director in the board meeting during the financial year.

## SECRETARIAL COMPLIANCE CERTIFICATE

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15. There were no appointed of Managing Director/Whole time Director/ Manager during the financial year 2010-2011.
16. The company has not appointed any sole-selling agents during the financial year.
17. The company was not obtained any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as prescribed under the various provisions of the Act during the financial year.
18. The directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The company has not issued shares during the financial year.
20. The company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the company to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposit including any unsecured loans falling within the purview of sections 58A during the financial year.
24. The amount borrowed by the company from its directors, members, banks, public financial institutions and others during the financial year are with in the borrowing limits of the company and that the necessary resolutions as per the section 293(1)(d) of the Act have been passed.
25. The companies has complied the provisions of the Act regarding loans and Investments, or given guarantees or provided securities to other bodies corporate.
26. The company has not altered the provision of the Memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.
27. The company has not altered the provision of the Memorandum with respect to the objects of the company during the year under scrutiny.
28. The company has not altered the provision of the Memorandum with respect to name of the company during the year under scrutiny and complied with provisions of the Act.
29. The company has not altered the provision of the Memorandum with respect to share capital of the company during the year under scrutiny and complied with provisions of the Act.
30. The company has not altered its Articles of Associations of the company during the year under scrutiny and complied with provisions of the Act.
31. As explain by the Company representative there was/were no prosecution initiated against or show cause notices received by the company and no fines or penalties or any other punishment was imposed on the company during the financial year, for offences under the Act.
32. The company has not received any money as security from its employees during the year.
33. The provisions of section 418 of the Act relating to Provident Fund are not applicable to the company.

for AMJ & Associates  
Company Secretaries

Sd/-  
Manoj Kumar Jain  
(Partner)  
C.P. No. : 5629

Place: New Delhi  
Date : 01.06.2011

## SECRETARIAL COMPLIANCE CERTIFICATE

Annexure "A"

### Registers as maintained by the Company :

1. Register of Members U/s 150 of the Act
2. Minutes Books of the Meetings of directors, members and committees u/s 193 of the Act.
3. Books of Accounts including Cost Accounts Records U/s 209
4. Register of Directors, Managing Directors, Manager and Secretary U/s 303
5. Register of directors' shareholding u/s 307.
6. Register of particulars of contracts in which directors are interested u/s 301
7. Share Transfer Register
8. Board Meeting Attendance Register

Annexure "B"

Forms and Returns as filed by the Company with the ROC, or other authorities during the financial year ending 31<sup>st</sup> March, 2011.

S. No.	Form No./Return	Filed U/s	For	Date of filing and Receipt Number	Whether Filed within prescribed time	Whether additional fees paid
1	Form - 23AC and 23 ACA (Balance Sheet & P&L A/c)	220	31.03.2010	31.10.2010 Vide S.R.N. P58281437	No	Yes
2	Form-20B (Annual Return)	159	30.09.2010	08.11.2010 Vide S.R.N. P59133306	Yes	No
3	Form-66 (Compliance certificate)	383A	31.03.2010	26.10.2010 Vide S.R.N. P56454812	Yes	No
4	Form-23C	233B (2)	For App of Cost Auditor	25.05.2010 Vide S.R.N. A85808624	Yes	No

## **AUDITORS REPORT ON CORPORATE GOVERNANCE**

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To the shareholders of  
Shivalik Rasayan Limited,

We have examined the compliance of Corporate Governance by Shivalik Rasayan Limited for the Year ending on 31<sup>st</sup> March, 2011 as stipulated by Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the provisions relating to 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 us, we certify that the Company has complied in all material aspects with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement to the extent it was applicable on the Company.

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 **AMJ & Associates**  
(*Company Secretaries*)

Sd/-  
(**Manoj Kumar Jain**)  
Partner  
C.P.NO. - 5629

Place: New Delhi  
Date: 01.06.2011

## AUDITORS' REPORT

TO THE MEMBERS OF SHIVALIK RASAYAN LIMITED

- 1) We have audited the attached Balance Sheet of M/s Shivalik Rasayan Limited as at 31<sup>st</sup> March 2011 and also the annexed Profit and Loss account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956, and on basis of such check as we considered appropriate and according to the information and explanations given to us, we set out 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 purpose of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - e) On the basis of written representations received from the Directors as on 31<sup>st</sup> March, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31<sup>st</sup> March, 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956; and
  - f) In our opinion and the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India: -
    - i) In the case of the Balance Sheet, of the state of affairs of the company as at 31<sup>st</sup> March, 2011;
    - ii) In the case of Profit and Loss Account, of the profit for the year ended on that date; and
    - iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

for **RAMKRISHNA & COMPANY**  
Chartered Accountants  
Firm Registration No. 008885N

Sd/-  
**(KAILASH GUPTA)**  
Proprietor  
M.No. 087360

Place : New Delhi  
Dated: 1<sup>st</sup> June 2011



## **ANNEXURE TO THE AUDITORS' REPORT**

Annexure to the auditors' report of even date to the members of Shivalik Rasayan Limited on the financial statements for the year ended 31<sup>st</sup> March 2011.

1.
  - a) The company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
  - b) All the fixed assets of the company have been physically verified by the management during the year in accordance with the reasonable system of verification once in a year, which in our opinion is reasonable, having regard to the size of the company and nature of the assets. No material discrepancies between the book records and physical inventory have been noticed on such verification.
  - c) No substantial fixed assets have been disposed off during the year hence going concern does not affect.
2.
  - a) The inventory has been physically verified during the year by the Management. In our opinion, the frequency of verification is reasonable.
  - 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 are reasonable and adequate in relation to the size of the company and the nature of its business.
  - c) In our opinion and according to the information and explanations given to us, the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of accounts.
3. The company has not granted or taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
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 purchase of inventory and fixed assets and with regard to the sale of goods. During the course of our audit, no major weakness has been noticed in the internal control system.
5. Based upon the audit procedures performed and according to the information and explanations given to us, during the year there are no contracts or arrangements that need to be entered into the register maintained in pursuance of section 301 of the Companies Act, 1956.
6. In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from the public under section 58A, 58AA or any other relevant provisions of the Companies Act, 1956. Therefore, the provisions of clause 4(vi) of the Companies (Auditor's report) Order, 2003 (as amended) are not applicable to the company.
7. In our opinion, the Company has a reasonable internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the Order made by the Central Government for the 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. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete.
9.
  - a) The company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.
  - b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other undisputed statutory dues were outstanding at 31<sup>st</sup> March, 2011 for a period of more than six months from the date they became payable.

## **ANNEXURE TO THE AUDITORS' REPORT**

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10. In our opinion and according to the information and explanation, the company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the company has not made any default in repayment of dues to a financial institution or bank. There are no dues to debenture holders.
12. In our opinion and according to the information and explanations given to us, the company has not granted any loan and advances on the basis of securities by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the company.
14. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the company.
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 and according to the information and explanations given to us, the company did not have any term loan during the year.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, in our opinion, that funds raised on short-term basis have not been used for long-term investments and vice versa.
18. According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. In our opinion and according to the information and explanations given to us, the Company has not issued any secured debentures during the period covered by our report. Accordingly, the provisions of clauses 4(xix) of the Companies (Auditor's report) Order, 2003 (as amended) are not applicable to the company.
20. During the period covered by our audit report, the company has not raised any money by way of public issues.
21. During the year course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

for **KAILASH K. GUPTA & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 008885N

Sd/-  
**(KAILASH GUPTA)**  
Proprietor  
M.No. 087360

Place : New Delhi  
Dated: 1<sup>st</sup> June 2011

## BALANCE SHEET AS AT 31ST MARCH, 2011

PARTICULARS	SCHEDULES	AS AT 31.3.2011 AMOUNT(Rs.)		AS AT 31.3.2010 AMOUNT(Rs.)
<b>SOURCES OF FUNDS</b>				
<b>Shareholders Funds</b>				
Share Capital	1	3,42,00,000	3,42,00,000	
Reserves & Surplus	2	<u>3,03,12,321</u>	<u>6,45,12,321</u>	5,84,27,361
<b>Loan Funds</b>				
Secured Loans	3		<b>5,82,021</b>	-
Deferred Tax Liability (Net)	4		11,85,416	4,27,870
<b>TOTAL</b>			<u><b>6,62,79,758</b></u>	<u><b>5,88,55,231</b></u>
<b>APPLICATION OF FUNDS</b>				
<b>Fixed Assets</b>				
Gross block	5	5,45,36,701	4,79,35,552	
Less : Depreciation		<u>3,36,66,669</u>	<u>2,08,70,032</u>	1,54,18,445
<b>NET CURRENT ASSETS</b>				
<b>Current Assets, Loans &amp; Advance</b>				
Inventories		89,26,232	1,92,69,068	
Sundry Debtors		5,40,13,700	2,67,19,033	
Cash and Bank balances		1,16,26,788	1,86,45,910	
Loans and Advances		<u>52,04,235</u>	<u>1,39,47,884</u>	
		7,97,70,955	7,85,81,895	
<b>Less : Current liabilities &amp; Provisions</b>				
Current liabilities	7	3,03,90,852	2,94,48,498	
Provisions		<u>40,75,377</u>	<u>4,53,04,726</u>	4,33,16,786
		3,44,66,229	3,52,65,109	
<b>MISCELLANEOUS EXPENDITURE</b>				
(To the extent not written off or adjusted)	8		1,05,000	1,20,000
<b>TOTAL</b>			<u><b>6,62,79,758</b></u>	<u><b>5,88,55,231</b></u>
<b>NOTES TO FINANCIAL STATEMENTS</b> 13				

Sd/-  
(VINOD KUMAR)  
FINANCE MANAGER

Sd/-  
(S.K.SINGH)  
MANAGING DIRECTOR

Sd/-  
(RAHUL BISHNOI)  
CHAIRMAN

**AUDITORS' REPORT**  
Signed in terms of our report of even date attached  
**KAILASH K. GUPTA & ASSOCIATES**  
Chartered Accountants

Place : New Delhi  
Dated : 1st June, 2011

Sd/-  
(KAILASH GUPTA)  
F.C.A.  
Proprietor

**SHIVALIK RASAYAN LIMITED**

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

PARTICULARS	SCHEDULES	FOR THE YEAR ENDED 31.03.2011 AMOUNT (Rs.)	FOR THE YEAR ENDED 31.03.2010 AMOUNT (Rs.)
<b>INCOME</b>			
Gross Sales		27,62,83,898	21,64,63,623
Less: Excise Duty		<u>2,59,11,423</u>	<u>1,73,64,655</u>
Net Sales		25,03,72,475	19,90,98,968
Other income	9	15,17,759	13,36,293
Increase/(Decrease) in stock	10	<u>(62,29,472)</u>	<u>(3,95,754)</u>
		<u>24,56,60,762</u>	<u>20,00,39,507</u>
<b>EXPENDITURE</b>			
Raw Materials, Consumables, Stores and Spare consumed		17,86,74,117	14,78,25,682
Manufacturing & Other expenses	11	5,68,84,871	4,50,76,344
Financial charges	12	<u>1,33,849</u>	<u>1,45,127</u>
		<u>23,56,92,837</u>	<u>19,30,47,153</u>
Profit before depreciation		99,67,934	69,92,354
Depreciation		<u>11,49,561</u>	<u>9,73,076</u>
Profit for the year before Tax		88,18,363	60,19,278
Provision for taxation		<u>(19,75,857)</u>	<u>(19,40,667)</u>
Profit for the Year		68,42,506	40,78,611
Deferred Tax Assets/Liability		<u>(7,57,546)</u>	<u>49,993</u>
BALANCE TRANSFERRED TO GENERAL RESERVES		<u>60,84,960</u>	<u>41,28,604</u>
<b>EARNINGS PER SHARE(Rs.)</b>			
BASIC / DILUTED		2.00	1.19

Sd/-  
(VINOD KUMAR)  
FINANCE MANAGER

Sd/-  
(S.K.SINGH)  
MANAGING DIRECTOR

Sd/-  
(RAHUL BISHNOI)  
CHAIRMAN

**AUDITORS' REPORT**  
Signed in terms of our report of even date attached  
**KAILASH K. GUPTA & ASSOCIATES**  
Chartered Accountants

Place : New Delhi  
Dated : 1st June, 2011

Sd/-  
(KAILASH GUPTA)  
F.C.A.  
Proprietor

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31,2011

PARTICULARS	<----2010-11----->		<----2009-10----->	
	AMOUNT	AMOUNT	AMOUNT	AMOUNT
<b>A. Cash flow from Operating Activities</b>				
Net Profit after interest and prior period adjustments	6842506		4078611	
Adjustments for Financial Charges	14354		38299	
Depreciation	1149561		973076	
Interest Received	<u>(985253)</u>		<u>(854543)</u>	
<b>Operating Profit before Working Capital Changes</b>	<b>7021168</b>		<b>4235443</b>	
<b>Capital Changes</b>				
Adjustments for				
Trade & other receivables (net)	(18551018)		648962	
Inventories	10342836		(5224159)	
Trade Payables & Other liabilities	<u>(798879)</u>		<u>1072435</u>	
<b>Cash generated from Operations</b>	<b>(1985893)</b>		<b>732681</b>	
Financial Charges	(14354)		(38299)	
Advance Tax Paid	<u>(1500000)</u>	<u>(3500247)</u>	<u>0</u>	<b>694382</b>
<b>Net Cash Flow from Operating Activities</b>				
<b>B. Cash Flow from Investing Activities</b>				
Addition to Fixed Assets	(6601149)		(890286)	
Sale of Fixed Assets	0		0	
Interest Received	<u>985253</u>		<u>854543</u>	
<b>Net Cash Flow from Investing Activities</b>		<b>(5615896)</b>		<b>(35743)</b>
<b>C. Cash Flow from Financing Activities</b>				
Net proceeds of long term borrowings	0		0	
Net proceeds of short term borrowings	0		<u>0</u>	
<b>Net Cash Flow from Financing Activities</b>		<b>0</b>		<b>0</b>
<b>NET INCREASE IN CASH &amp; CASH EQUIVALENTS</b>		<u><b>(9116143)</b></u>		<u><b>658639</b></u>
<b>CASH &amp; CASH EQUIVALENTS AT THE START OF THE YEAR</b>		<b>18645910</b>		<b>18046582</b>
<b>CASH &amp; CASH EQUIVALENTS AT THE CLOSE OF THE YEAR</b>		<u><b>11626788</b></u>		<u><b>18645910</b></u>
		<u><b>(7019122)</b></u>		<u><b>599328</b></u>

Note : Previous year figures have been recast/regrouped wherever necessary to confirm to the classification adopted for the current year.

Sd/-  
(VINOD KUMAR)  
FINANCE MANAGER

Sd/-  
(S.K.SINGH)  
MANAGING DIRECTOR

Sd/-  
(RAHUL BISHNOI)  
CHAIRMAN

**AUDITORS' REPORT**  
Signed in terms of our report of even date attached  
**KAILASH K. GUPTA & ASSOCIATES**  
Chartered Accountants

Sd/-  
(KAILASH GUPTA)  
F.C.A.  
Proprietor

Place : New Delhi  
Dated : 1st June, 2011

**SHIVALIK RASAYAN LIMITED**

## SCHEDULE TO FINANCIAL STATEMENTS

PARTICULARS	SCHEDULES	AS AT 31.03.2011 AMOUNT(Rs.)	AS AT 31.03.2010 AMOUNT(Rs.)
<b>SHARE CAPITAL</b>			
Authorised capital			
3500000 equity shares of Rs.10/- each		<u>3,50,00,000.00</u>	<u>3,50,00,000.00</u>
Issued, subscribed and paid up	1		
3420000 equity shares of Rs.10/- each fully paid up		<u>3,42,00,000.00</u>	<u>3,42,00,000.00</u>
<b>RESERVES AND SURPLUS</b>			
	2		
General Reserves		45,02,168	45,02,168
Add: Profit transferred from P&L A/c		<u>60,84,960</u>	<u>1,05,87,128</u>
Share Premium Account		<u>1,97,25,193</u>	<u>1,97,25,193</u>
		<u>3,03,12,321</u>	<u>2,42,27,361</u>
<b>SECURED LOAN</b>			
	3		
From Banks			
ICICI Bank Car Loan		<u>5,82,021</u>	<u>-</u>
(Against hypothecation of car)		<u>5,82,021</u>	<u>-</u>
<b>DEFERRED TAX ASSETS (NET)</b>			
	4		
Deferred Tax Asset arising on account of:			
Expenditure incurred-allowable in future		1,39,630	1,34,868
Retirement Benefits		<u>6,48,751</u>	<u>11,97,666</u>
		<u>7,88,381</u>	<u>13,32,534</u>
Less: Deferred Tax Liability arising on account of:			
Depreciation		<u>19,73,797</u>	<u>17,60,404</u>
		<u>(11,85,416)</u>	<u>(4,27,870)</u>
<b>CURRENT ASSETS, LOAN AND ADVANCES</b>			
	6		
Inventories			
(Valued at cost or market value, whichever is lower, as certified by the management)			
Raw Material		60,70,802	94,06,078
Coal		97,500	3,64,00
Packing & Consumable Stores		10,10,668	15,22,256
Work-in-progress		10,78,512	15,94,234
Finished stock		<u>6,78,750</u>	<u>63,82,500</u>
		89,26,232	1,92,69,068

## SCHEDULE TO FINANCIAL STATEMENT

PARTICULARS	SCHEDULES	AS AT 31.03.2011 AMOUNT(Rs.)		AS AT 31.03.2010 AMOUNT(Rs.)	
<b>Sundry Debtors</b>		<u>5,40,13,700</u>	5,40,13,700	<u>2,67,19,033</u>	2,67,19,033
<b>Cash and Bank balances</b>					
Cash in hand		3,87,240		2,65,521	
Balance with Scheduled banks					
In Current account		<u>1,12,39,548</u>	1,16,26,788	<u>1,83,80,389</u>	1,86,45,910
<b>LOANS AND ADVANCES</b>					
(Unsecured-considered good)					
Advance recoverable in cash or in kind or for value to be received		18,01,945		1,03,98,207	
Security deposits		10,68,574		12,77,603	
Other deposits		<u>23,33,716</u>	<u>52,04,235</u>	<u>22,72,075</u>	<u>1,39,47,885</u>
			<u>7,97,70,955</u>		<u>7,85,81,896</u>
<b>CURRENT LIABILITIES AND PROVISIONS</b>	<b>7</b>				
<b>CURRENT LIABILITIES</b>					
Sundry Creditors			2,72,96,350		2,66,80,363
Expenses payable			20,08,125		20,27,918
Sales Tax Payable			3,20,022		1,09,016
Service Tax Payable & cess thereon			17,231		1,302
TDS Payable & cess thereon			7,04,750		5,50,882
Advance Received for Supplies			10,374		36,017
Securities of Employees			34,000		43,000
			<u>3,03,90,852</u>		<u>2,94,48,498</u>
<b>PROVISIONS</b>					
Provision for Taxation			19,75,857		19,40,667
Provision for FBT			-		-
Provision for Gratuity			12,84,331		30,80,037
Provision for Leave Encashment			8,15,189		7,95,907
			<u>40,75,377</u>		<u>58,16,611</u>
<b>MISCELLANEOUS EXPENDITURE</b>	<b>8</b>				
Preliminary Expenses					
(To the extent not w/o or adjusted)			1,20,000		1,35,000
Less: 1/10th w/o during the year			(15,000)		(15,000)
			<u>1,05,000</u>		<u>1,20,000</u>
<b>OTHER INCOME</b>	<b>9</b>				
Miscellaneous income			5,32,506		4,81,750
Interest received			9,85,253		8,54,543
			<u>15,17,759</u>		<u>13,36,293</u>
<b>INCREASE/(DECREASE) IN STOCK</b>	<b>10</b>				
Closing stock					
Stock-in-process		10,68,512		15,94,234	
Finished Goods (excluding Excise Duty)		<u>6,78,750</u>	17,47,262	<u>63,82,500</u>	79,76,734
Less : Opening stock					
Stock-in-process		15,94,234		13,67,248	
Finished Goods (excluding Excise Duty)		<u>63,82,500</u>	<u>79,76,734</u>	<u>70,05,240</u>	<u>83,72,488</u>
			<u>(62,29,472)</u>		<u>(3,95,754)</u>
<b>SHIVALIK RASAYAN LIMITED</b>					

## SCHEDULE TO FINANCIAL STATEMENT

PARTICULARS	SCHEDULES	AS AT 31.03.2011 AMOUNT(Rs.)	AS AT 31.03.2010 AMOUNT(Rs.)
<b>MANUFACTURING AND OTHER EXPENSES</b>	11		
Establishment		1,43,07,704	1,09,45,301
Contribution to Provident and Other Funds		4,77,990	4,26,340
Directors' Remuneration		9,40,560	10,06,160
Rent, Rates and Fees		12,50,381	13,76,381
Printing and Stationery		2,32,035	10,41,366
Postage, Telegram & Telephone		2,79,853	3,12,307
Fuel and Power expenses		1,68,62,418	1,19,77,384
Ice Consumed		17,99,775	11,85,810
Traveling and Conveyance expenses			
Directors		9,87,662	7,82,093
Other		<u>8,73,670</u>	<u>4,45,327</u>
Vehicle Maintenance		4,34,454	4,11,020
Legal expenses		75,280	1,74,770
Business Promotion		21,36,420	6,01,925
Insurance		5,18,604	4,02,002
General Expenses		1,66,708	7,15,506
Charity & Donation		40,701	25,701
Advertisement Expenses		1,12,291	1,52,391
Books & Periodicals		7,172	7,799
Diwali Expenses		6,45,894	6,41,723
Filing Fees		4,892	5,892
Office Maintenance		84,154	78,140
Membership & Subscription		1,44,132	41,300
Water & Electricity		73,940	86,800
Repairs & Maintenance			
Plant and Machinery		25,82,562	31,08,277
Others		<u>14,01,936</u>	<u>1,20,282</u>
Testing and Consultancy Charges		5,76,676	19,52,000
Auditors Remuneration			
Audit fee		44,120	42,000
In Other capacity		<u>8,000</u>	<u>44,500</u>
Freight and Cartage		21,47,049	4,33,049
Laboratory expenses		3,23,682	2,25,322
Marketing & Sales Expenses		70,88,264	61,11,394
Fringe Benefit Tax		-	33,990
Fire & Safety		61,052	11,112
Environment/Pollution Control Exp.		1,79,840	1,35,980
Preliminary Exp. r/o		15,000	15,000
		<u>5,68,84,871</u>	<u>4,50,76,344</u>
<b>FINANCIAL CHARGES</b>	12		
Interest Paid		14,354	38,299
Bank Charges		<u>1,19,495</u>	<u>1,06,828</u>
		<u>1,33,849</u>	<u>1,45,127</u>

Sd/-  
(VINOD KUMAR)  
FINANCE MANAGER

Sd/-  
(S.K. SINGH)  
MANAGING DIRECTOR

Sd/-  
(RAHUL BISHNOI)  
CHAIRMAN

**AUDITORS' REPORT**  
Signed in terms of our report of even date attached  
**KAILASH K. GUPTA & ASSOCIATES**  
Chartered Accountants

Sd/-  
(KAILASH GUPTA)  
F.C.A.  
Proprietor

Place : New Delhi  
Dated : 1st June, 2011



## SCHEDULE - 5 - OF FIXED ASSETS AS PER THE COMPANIES ACT.

PARTICULARS	GROSS BLOCK		DEPRECIATION BLOCK			NET BLOCK		
	As On 01.04.2010	Additions during the year	Upto 01.04.2010	During the year	Sold / Adjstmt.	Up to 31.03.2011	As on 31.03.2011	As on 31.03.2010
Land	2360502	0	0	0	0	0	2360502	2360502
Building	3780443	0	2596318	126267	0	2722585	1057858	1184124
Plant & Machinery	36241540	3834417	27174830	670972	0	27845802	12230155	9066710
Water & Effluent treatment Pl.	902773	0	572852	17395	0	590247	312526	329922
Furniture & Fixture	679427	0	261972	37987	0	299959	379468	417455
Workshop Equipment	20582	0	20078	0	0	20078	504	504
Laboratory Equipment	582543	0	351597	27671	0	379268	203275	230946
Electric Installation	1061067	0	415816	36656	0	452472	608595	645251
Safety Equipment	132208	0	60926	6280	0	67206	65002	71283
Office Equipment	441079	0	248259	20952	0	269211	171868	192820
Airconditioner	278625	0	147805	13235	0	161040	117585	130820
Generator	21745	1867911	13944	66128	0	80072	1809584	7801
Cycle	1300	0	1260	0	0	1260	40	40
Computer	357346	26040	268707	17043	0	285750	97636	88639
Vehicle	1074372	872781	382744	108975	0	491719	1455434	691628
<b>TOTAL</b>	<b>47935552</b>	<b>6601149</b>	<b>32517108</b>	<b>1149561</b>	<b>0</b>	<b>33666669</b>	<b>20870032</b>	<b>15418445</b>
<b>PREVIOUS YEAR</b>	<b>47045265</b>	<b>890286</b>	<b>31544031</b>	<b>973076</b>	<b>0</b>	<b>32517107</b>	<b>15418445</b>	<b>15501234</b>

Sd/-  
(VINOD KUMAR)  
FINANCE MANAGER

Sd/-  
(S.K. SINGH)  
MANAGING DIRECTOR

Sd/-  
(RAHUL BISHNOI)  
CHAIRMAN

AUDITORS' REPORT  
Signed in terms of our report of even date attached  
**KAILASH K. GUPTA & ASSOCIATES**  
Chartered Accountants

Sd/-  
(KAILASH GUPTA)  
F.C.A.  
Proprietor

Place : New Delhi  
Dated : 1st June, 2011

## NOTES TO FINANCIAL STATEMENTS

### SCHEDULE - 13 - NOTES TO FINANCIAL STATEMENTS

#### 1. Significant Accounting Policies

##### i) Basis of Accounting

The accounts have been prepared under the historical cost convention except where otherwise stated.

All the incomes and expenditure have been accounted for on accrual basis, except where otherwise stated.

##### ii) All fixed assets are stated at cost less accumulated depreciation.

##### iii) Depreciation

Depreciation has been calculated for the year on all assets of the Company on straight line method at the rates specified in Schedule - XIV (inserted by the Companies Amendment Act, 1988) to the Companies Act, 1956. However, depreciation has not been provided on workshop equipment as these have already reached their retention values.

##### iv) Inventories

Inventories are valued at cost or net realizable value, whichever is lower. Cost of inventories is ascertained on the weighted average basis. Further, in respect of the manufactured inventories, i.e. process stocks and finished goods, appropriate share of manufacturing expense is included on direct cost basis. Finished goods valuation is inclusive of excise duty payable on them.

##### v) Investments

No Long term investments are by the company during the current financial year.

##### vi) Retirement benefits

The actuarial valuation of the Gratuity liability has been arrived at Rs.32,68,960/- by the company. Out of this, a sum of Rs.19,82,513/- has been paid to Life Insurance Corporation of India creating a trust namely Shivalik Rasayan Limited Employees Group Gratuity Trust.

##### vii) Revenue Recognition

a) Sales are accounted for on dispatch of goods from the factory to the customers. Net Sales are stated exclusive of returns, sales tax, excise duty and applicable trade discounts and allowances.

b) The claims are accounted for on settled basis.

##### viii) Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

ix) A deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount being considered. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on prevailing enacted or substantially enacted regulations. Deferred tax assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

#### 2. Contingent Liabilities -

(as confirmed and certified by the management)

Guarantee issued by the Banker on behalf of the company Rs.2,00,000/- (Previous year Nil) to Uttaranchal Environment & Pollution Control Board, Dehradun.

3. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. Nil (Previous year Rs. Nil).

## NOTES TO FINANCIAL STATEMENTS

4. The Company has provided Rs.19,75,857/- as provision for Income Tax by debiting to Profit & Loss Account.
5. In the opinion of the Management, the value on realization of current assets, loans and advances in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet.
6. As per direction of Institute of Chartered Accountants of India, net sales are shown after deducting excise duty paid thereon.
7. The company has pledged its fixed deposit receipts aggregating Rs.50,000/- (Previous Year Rs.50,000/-) with Punjab National Bank, Indira Nagar Branch, Dehradun as security against guarantee issued in favor of Sales-Tax Officer.
8. Profit before tax of the Company for the Financial Year ended 31/03/2010 and 31/03/2011 was Rs. 60.19 Lakh and Rs.88.18 Lakh respectively. Company hopes to maintain its profitability in future also.
9. Commission for marketing the products of the company has been paid to the selling agents this year Rs.70,88,264/- (previous year Rs.61,11,394/-).
10. Additional information pursuant to the provisions of Schedule VI to the Companies Act, 1956. (Certified by the management but not verified by the Auditors being technical matter)

	Current Year		Previous Year		
A. Production Data:					
Actual Production					
Malathion Technical		103.500 MT		182.000 MT	
Dimethoate Technical		1124.980 MT		919.355 MT	
NaSH (By Product)		568.089 MT		496.867 MT	
B. Finished goods Product					
		Current Year		Previous Year	
		Qty.	Amount	Qty.	Amount
Malathion Technical					
Opening Stock	19.500 MT		2476500	Nil	Nil
Closing Stock	Nil		Nil	19.500 MT	2476500
Dimethoate Technical					
Opening Stock	23.250 MT		3906000	33.000 MT	7005240
Closing Stock	3.750 MT		678750	23.250 MT	3906000
NaSH (By Product)					
Opening Stock	20.978 MT		Nil	8.901 MT	Nil
Closing Stock	17.267 MT		Nil	20.978 MT	Nil
C. Turnover Product-Sales					
Malathion Technical	123.000 MT		16749610	162.500 MT	19961570
Dimethoate Technical	1144.480 MT		257287968	929.105 MT	194554386
NaSH	571.800 MT		2246320	484.790 MT	1947667
Others	Nil		Nil	Nil	Nil
D. Consumption					
		Current Year		Previous Year	
		Consumption	Value	Consumption	Value
Raw Material and consumable consumed					
Organic Chemicals	2587481 Kg/Lt.		86064661	2237929 Kg/Lt.	69789425
Inorganic Chemicals	1817635 Kg/Lt.		86939872	1580472 Kg/Lt.	73820479
Others	9537 Kg/No.		5669584	8577 Kg/No.	4215778

## NOTES TO FINANCIAL STATEMENTS

E.	Consumption of imported and indigenous raw materials and stores and percentage of each consumption.	% of Consumption	Value	% of Consumption	Value
	<b>Phosphorus Pentasulphide</b>				
	Imported	74.00 %	56531460	33.63 %	24888009
	Indigenous	26.00 %	19779906	66.37 %	49110191
	<b>Methanol</b>				
	Imported	100 %	17531331	100 %	12754537
	Indigenous	-	-	-	-
	<b>Others</b>				
	Imported	-	-	-	-
	Indigenous	100 %	84831420	100 %	52506402
F.	Personal Expenses				
	a) Employees drawing remuneration of Rs.24,00,000/- or more per annum employed throughout the year:		Current Year	Previous Year	
	Number of Employees		Nil	Nil	
	b) Employees drawing remuneration of Rs.2,00,000/- or more per month employed part of the year:				
	Number of Employees		Nil	Nil	
G.	CIF Value of Imported Raw Materials		Rs. 9,38,42,697/-	Rs. 4,62,09,,089/-	
H.	Remuneration to Directors		Rs.	Rs.	
	Salary		9,40,560/-	10,06,160/-	
	Perks		49,500/-	47,978/-	
			<u>9,90,060/-</u>	<u>10,54,138/-</u>	
11.	Miscellaneous Income Rs.5,32,506/- (Previous Year Rs.4,81,750/-) includes Sale of Unusable Stores Rs. 4,50,730/- (Previous Year Rs.4,05,525/-), Insurance Claim received Rs.10,776/- (Previous Year Rs.2,225/-), Other Miscellaneous Income Rs.71,000/- (Previous Year Rs.74,000/-) and Interest Rs.9,85,253/- (Previous Year Rs.8,48,664/-).				
12.	Related Parties Transactions The company has not taken or given any loan to any companies or individual in which directors have significant influence.				
13.	Balance with banks other than Scheduled Banks in Current Account are as under:-		Current Year	Previous Year	
			Nil	Nil	
	Maximum amount deposited at any time during the year was as under:-		Nil	Nil	
14.	Particulars in respect of car taken on lease required to be disclosed under the Accounting Standard 19 on 'Leases' issued by Institute of Chartered Accountants of India.				
	a) Minimum lease payments outstanding			Rs. 5,85,521/-	
	b) Present value of minimum lease payments			Rs. 6,72,315/-	

## NOTES TO FINANCIAL STATEMENTS

c) Amount Due	Minimum lease payments	Present value of minimum lease payments
(i) Not later than one year	Rs.1,97,392/-	Rs.2,30,508/-
(ii) Later than one year	Rs. 5,85,521/-	Rs.6,72,315/-

15. As per management information, the Company is complying with all the regulations of Delhi Stock Exchange.
16. The company has not dealt with any organization covered under the "Micro, Small & Medium Enterprises Development Act, 2006" during the year as certified by the management.
17. Earnings per Share  
The following is a computation of earnings per share and a reconciliation of the equity shares used in the computation of basic and diluted earnings per share.

	Current Year	Previous Year
Profit after Taxation (Rs.)	68,42,506	40,78,611
a) Basic earnings per equity share - weighted average number of equity shares outstanding	34,20,000	34,20,000
b) Effect of dilutive potential equity shares	Nil	Nil
c) Diluted earnings per equity share - weighted average number of equity shares and potential Equity share equivalents outstanding	34,20,000	17,10,000
d) Nominal Value of Equity Shares (Rs.)	10.00	10.00
e) Basic Earnings per Share (Rs.)	2.00	1.19
f) Diluted Earnings per Share (Rs.)	2.00	1.19

18. Previous year figures have been recast / regrouped wherever necessary to confirm the classification adopted for the current year.
19. Schedule 1 to 13 form integral part of the Balance Sheet.

Sd/-  
**(VINOD KUMAR)**  
FINANCE MANAGER

Sd/-  
**(S.K. SINGH)**  
MANAGING DIRECTOR

Sd/-  
**(RAHUL BISHNOI)**  
CHAIRMAN

**AUDITORS' REPORT**  
Signed in terms of our report of even date attached  
**KAILASH K. GUPTA & ASSOCIATES**  
Chartered Accountants

Place : New Delhi  
Dated : 1st June, 2011

Sd/-  
**(KAILASH GUPTA)**  
F.C.A.  
Proprietor

## SHIVALIK RASAYAN LIMITED

### Balance Sheet Abstract and Company's General Business Profile

I. Registration Details      Registration No.       State Code  (Refer Code List I)

Balance Sheet Date     

II Capital Raised during the year (Amount to Rs. Thousands)

Public Issue	Rights Issue	Bonus Issue	Private Placement
<input type="text" value="NIL"/>	<input type="text" value="NIL"/>	<input type="text" value="NIL"/>	<input type="text" value="NIL"/>

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

Total Liabilities	Total Assets
<input type="text" value="66279"/>	<input type="text" value="66279"/>

Sources of Funds	Paid up Capital	Reserves & Surplus	Secured Loans	Unsecured Loans
	<input type="text" value="34200"/>	<input type="text" value="30312"/>	<input type="text" value="NIL"/>	<input type="text" value="NIL"/>
Applications of Funds	Net Fixed Assets	Investments	Net Current Assets	Misc. Expenditure
	<input type="text" value="20870"/>	<input type="text" value="NIL"/>	<input type="text" value="45304"/>	<input type="text" value="105"/>
	Accumulated Losses			
	<input type="text" value="NIL"/>			

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

	Turnover	Total Expenditure
	<input type="text" value="250372"/>	<input type="text" value="245660"/>
Profit / Loss before tax	Profit / Loss after tax	Earning per Share in Rs. Divided

+ -	+ -	
<input checked="" type="checkbox"/> <input type="checkbox"/>	<input checked="" type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>
<input type="text" value="8818"/>	<input type="text" value="6842"/>	<input type="text" value="2"/>

(Please tick Appropriate box + for Profit - for Loss)

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

Item Code No. (ITC Code)	<input type="text" value=""/>
Product Description	<input type="text" value="DIMETHOATE TECHNICAL"/>
Item Code No. (ITC Code)	<input type="text" value=""/>
Product Description	<input type="text" value="MALATHION TECHNICAL"/>
Item Code No. (ITC Code)	<input type="text" value=""/>
Product Description	<input type="text" value=""/>

Sd/-  
**(VINOD KUMAR)**  
FINANCE MANAGER

Sd/-  
**(S.K. SINGH)**  
MANAGING DIRECTOR

Sd/-  
**(RAHUL BISHNOI)**  
CHAIRMAN

Place: New Delhi  
Dated: 1<sup>st</sup> June, 2011

FORM OF PROXY  
**SHIVALIK RASAYAN LIMITED**  
DEHRADUN

I/We \_\_\_\_\_ of \_\_\_\_\_ in the District of \_\_\_\_\_  
\_\_\_\_\_ being a member of SHIVALIK RASAYAN LIMITED hereby  
appoint Mr. \_\_\_\_\_ or failing him, Mr. \_\_\_\_\_ of  
\_\_\_\_\_ in the district of \_\_\_\_\_ as my/  
our proxy in my / our absence to attend and vote for me/us and on my/our behalf at Thirty Third Annual  
General Meeting of the Company to be held at 3.00 p.m. on Friday the 30<sup>th</sup> September, 2011 and at any  
adjournment thereof. As witness my/our hand/hands this \_\_\_\_\_ day of \_\_\_\_\_  
2011.

Signed by the said \_\_\_\_\_

In the presence \_\_\_\_\_

- Notes:** i) The Proxy need not be a member  
ii) The Proxy duly signed across Rs.1/- revenue stamp should reach the Company's  
Registered Office at least 48 hours before the time fixed for meeting.

----- CUT HERE -----

ATTENDANCE SLIP  
**SHIVALIK RASAYAN LIMITED**  
Village Kolhupani, P.O. Chandanwari,  
Dehradun – 248 007

Please complete attendance slip and hand it over at the entrance of the Meeting Hall. Joint Share-  
holders may obtain additional Attendance Slip or request.

NAME AND ADDRESS OF THE SHAREHOLDERS.

L.F. No(s)  
No. of Share(s) held:

I hereby record my presence at THRITY THIRD ANNUAL GENERAL MEETING of the Company on  
Friday the 30<sup>th</sup> September, 2011.

SIGNATURE OF THE SHAREHOLDERS / PROXY

Strike out whichever is not applicable.

**SHIVALIK RASAYAN LIMITED**

# **BOOK POST / UPC**

If Undelivered please return to :

***Shivalik Rasayan Limited***

1506, Chiranjiv Tower

43, Nehru Place

New Delhi - 110019