

**31<sup>st</sup>**

**ANNUAL REPORT**

**2009**

**SHIVALIK RASAYAN LIMITED**

# SHIVALIK RASAYAN LIMITED

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## BOARD OF DIRECTORS

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

**AUDITORS** : M/s Ramkrishna & Company,  
Chartered Accountants,  
D-63, Panchsheel Enclave,  
New Delhi - 110 017

**REGISTERED OFFICE  
AND FACTORY** : Village Kolhupani,  
P.O. Chandanwari,  
Dehradun - 248 007

**CORPORATE OFFICE** : 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

**SHARE REGISTRAR** : 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 First Annual General Meeting of Shivalik Rasayan Limited will be held on Wednesday the 30<sup>th</sup> September, 2009 at 3.00 P.M. at the Registered Office of the Company at Village Kolhupani, P.O. Chandanwari, Dehradun to transact the following business:

## ORDINARY BUSINESS

1. To consider and adopt the Balance Sheet as on 31<sup>st</sup> March 2009, Profit & Loss Account for the period from 1<sup>st</sup> April 2008 to 31<sup>st</sup> March 2009 and the report of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Tejasvi Bishnoi, 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 re-appointment of M/s Ramkrishna & Company, 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 : 12<sup>th</sup> August, 2009

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

## TO THE MEMBERS

Your Directors have pleasure in presenting their 31<sup>st</sup> Annual Report together with an audited statement of account for the year ended on 31<sup>st</sup> March 2009 and Auditors' Report thereon.

## WORKING RESULTS

The Sales of your company have increased by 18.90% during the year when compared to last year's performance though the net profits have dropped due to hike in raw material prices.

Financial Data (Rs. in Lac)	Current Year	Previous Year
Sales	2015.80	1695.27
Other Income	4.93	6.22
Profit before Depreciation	31.47	56.52
Depreciation	9.03	8.57
Profit for the year before Tax	22.44	47.95
Provision for taxation	5.85	(4.83)
Deferred Tax Assets/(Liability)	(1.28)	(11.29)
NET PROFIT FOR APPROPRIATION	15.31	31.83

## DIVIDEND

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

## CURRENT OUTLOOK

The net profit before depreciation is Rs.31.47 lacs. Though the sales in terms of purchase has increased but sold quantity has reduced. The rates of Phosphorus Pentasulphide (P2S5) soared to the ever highest rates of Rs.180/- per kg in view of export duty levied by Chinese Government on Yellow Phosphorus. The production remained suspended for approximately two months. Your company had to approach the Directorate of Safeguards for protection.

## FINANCE

During the year, the Company has raised Rs.400.00 lacs through preferential issue of equity shares by allotting 10,00,000 equity shares of Rs.10/- each at a premium of Rs.30/- per share.

## 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;

# **DIRECTORS' REPORT**

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- c) 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;
- d) that the directors have prepared the annual accounts on a going concern basis.

## **DIRECTORS**

Shri Tejasvi Bishnoi 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. Further, it requires that the company should make contribution to a trust fund or insurer for this purpose. The circumstances of the company so far do not permit it to bear expenses for an Actuarial Valuation and contribute to a trust fund from the already scarce sources of funds. However, your Directors are hopeful that with the improving position of the company, steps will be taken to comply with the relevant provisions in the future.

## **LISTING FEES**

The Annual Listing Fee for the year 2009-10 had been paid to Delhi Stock Exchange where the company's shares are listed.

## **AUDITORS**

M/s Ramkrishna & Company, Chartered Accountants, New Delhi retires at the conclusion of this Annual General Meeting and being eligible, offer themselves for re-appointment. 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

## 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)	769197	1035015
Total Cost (Rs.)	2587072	3126914
Rate / unit (Rs.)	3.36	3.02

##### Coal (used in boiler)

Quantity (kg.)	831540	1006320
Total Cost (Rs.)	5635498	6326309
Average Rate (Rs.)	6.78	6.29

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. Nil

## 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 : 12<sup>th</sup> August, 2009

RAHUL BISHNOI  
Chairman

# **MANAGEMENT DISCUSSION AND ANALYSIS**

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## **Product**

SHIVALIK RASAYAN LIMITED is one of the leading manufactures of Dimethoate Technical and Malathion Technical in India. Our belief is providing the desired products with the help of the best technology are reflected in our state-of-the-art manufacturing facility.

### **Dimethoate Technical**

Sales of Dimethoate Technical have been dropped from 860.370 MT to 611.500 MT, adversely affected mainly due to meltdown in the world economics and cheaper import from China, however sales value increased from Rs.134.54 lacs in FY 2007-08 to Rs.152.73 lacs in FY 2008-09 due to impact of increase in raw material price, then rise in the price of Dimethoate Technical.

### **Malathion Technical**

Malathion Technical has registered a sale of Rs.472.81 lacs during FY 2008-09 compared to Rs.318.80 lacs in FY 2007-08 despite the market slow down.

### **Opportunities & challenges**

Dimethoate Technical import has been the major threat from China because of low price offering. But Government of India levied a Safeguard Duty of 28 % w.e.f., 23.03.2009 on Dimethoate Technical which will help your company to optimize the production of Dimethoate Technical and shall be in a position to give competition to international players.

### **Financial Review**

During the year 2009-10 your company expects an increase in demand of Dimethoate Technical due to enlarged area of crop cultivation and farmers shifting from traditional crop to cash crops which will increase consumption of pesticides.

During the year under review performance of your company has been adversely affected on account of dramatic increase in the price of major raw materials i.e., Phosphorus Pentasulphide (P2S5 ) which is basically based on Phosphorus and China being the sole supplier, levied an export duty of 120% on it, resulting costlier imports without affecting the finished goods price being manufactured by units in their own country, resulting costing of our products goes up by 50%.

During the year under review your company has raised its equity by additional 10,00,000 shares at a premium of Rs.30/- per share raising an amount of Rs.400 lacs.

During the year under review, the gross fixed assets of your company have been increased to Rs.470.45 lacs 2008-09 from Rs.461.70 lacs in the year 2007-08.

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, 2009 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

During the year ended 31<sup>st</sup> March, 2009,

#### 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	10	10	Yes	No
Shri S. K. Singh	Managing Director	10	9	Yes	No
Shri Ashwani Sharma	Executive Director	10	10	Yes	No
Shri Harish Pande	Independent Director	10	10	Yes	No
Shri Anirudh Bishnoi	Independent Director	10	8	Yes	No
Shri Tejasvi Bishnoi	Independent Director	10	9	Yes	No
Shri Puneet Chandra	Independent Director	10	7	Yes	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 note no.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 2008-09

Shri S. K. Singh, Managing Director was paid salary and perquisites of Rs.465409.00 respectively. Besides this Managing Director was entitled to Company's contribution to provident fund and gratuity fund.

# REPORT ON CORPORATE GOVERNANCE

Shri Ashwani Sharma, Executive Director was paid salary and perquisites of Rs.413420.00 respectively. Besides this, the Executive Director was entitled to Company's contribution of provident fund and gratuity fund.

No commission and Sitting fees paid to non-executive directors for the year ended on 31<sup>st</sup> March 2009.

During the year, repayments of loan of Rs.27.25 lacs were made to M/s Bishnoi Export Pvt. Ltd., and M/s Growel Capital Services Pvt. Ltd., in which Shri Rahul Bishnoi, Chairman of the Company is Director.

## 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, 2009, the Committee consists of one Managing Director and two non-executive Directors.

#### (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 S.K. Singh	Chairman	4
Shri Harish Pande	Member	4
Shri Anirudh 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, 2009, 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

# REPORT ON CORPORATE GOVERNANCE

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- (iv) Investors' complaints received and resolved during the year  
During the year under review, Company has not received any complaint from the investors.
- 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, 2009, the Committee consists of three Non-Executive Directors.
- (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	2
Shri Anirudh Bishnoi	Member	2
Shri Tejasvi Bishnoi	Member	2

## 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
2007-08	10 <sup>th</sup> Sept., 08	3.00 PM	Village Kolhupani, P.O.Chandanwari, Via Prem Nagar, Dehradun
2006-07	29 <sup>th</sup> Sept., 07	3.00 PM	Village Kolhupani, P.O.Chandanwari, Via Prem Nagar, Dehradun
2005-06	29 <sup>th</sup> Sept., 06	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 2009  
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 2009 to 30<sup>th</sup> September 2009 (Both days inclusive)

### c) Listing at Stock Exchange

Company's shares are listing with Delhi Stock Exchange and listing fee for the financial year ended 31.03.2009 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 2009

Category	No. Of Shares	% of Shares holding
Promoters & Group Companies	1186560	69.39
Financial Institutions & Banks	64890	3.79
Others	458550	26.82
Total	1710000	100.00

### e) Plant Location

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, 2009 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 Ten Times respectively on 9<sup>th</sup> April 2008, 28<sup>th</sup> April 2008, 28<sup>th</sup> June 2008, 10<sup>th</sup> September 2008, 15<sup>th</sup> September 2008, 20<sup>th</sup> September 2008, 6<sup>th</sup> November 2008, 6<sup>th</sup> January 2009, 13<sup>th</sup> February 2009 and 18<sup>th</sup> March 2009 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the minutes Book maintained for the purpose.
5. The company did not close its Registrar of Members during the financial year.
6. The Annual General Meeting for the financial year ended on 31/03/2008 was held on 10<sup>th</sup> September, 2008 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. One Extra Ordinary General Meetings was held on 13<sup>th</sup> February, 2009 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 allotment of 1000000 equity shares of Rs.10/- each at a premium of Rs.30/- each 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.

## SECRETARIAL COMPLIANCE CERTIFICATE

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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.
15. There were no appointed of Managing Director/Whole time Director/ Manager during the financial year 2008-2009.
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 issued 1000000 equity 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 within 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 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

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

Place: New Delhi  
Date : 12.08.2009

# 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 u/s 193 of the Act.
3. Books of Accounts 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, 2009.

<u>S. No.</u>	<u>Form No./Return</u>	<u>Filed U/s</u>	<u>For</u>	<u>Date of filing and Receipt Number time</u>	<u>Whether Filed within prescribed time</u>	<u>Whether additional fees paid</u>
1	Form - 23AC and 23 ACA (Balance Sheet & P&L A/c)	220	31.03.2008	31.10.2008 Vide S.R.N. P24746836	No	Yes
2	Form-20B (Annual return)	159	10.09.2008	07.10.2008 Vide S.R.N. P22373583	Yes	No
3	Form-66 (Compliance certificate)	383A	31.03.2008	07.10.2008 Vide S.R.N. P22371173	Yes	No
4	Form-5	97	For Increase in Authorised Capital	12.09.2008 Vide S.R.N. A44809093	Yes	No
5	Form-23C	233B (2)	For App of Cost Auditor	29.04.2008 Vide S.R.N. A36580082	Yes	No
6	Form-I (Cost Audit Report)	233 (B) (4)	31.03.2008	24.12.2008 Vide S.R.N. A52913019	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, 2009 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)

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

Date: 12.08.2009  
Place: New Delhi

# 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 2009 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, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
  - a) Further to our comments in the Annexure referred to above, we report that:
  - b) 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;
  - c) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books of the Company;
  - d) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
  - e) 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, to the extent applicable, except as reported in Para (f) hereunder;
  - f) On the basis of written representations received from the Directors as on 31<sup>st</sup> March, 2009 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, 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
  - g) *As indicated in Note No. 1(vi) of Schedule 14, Provision for Gratuity to the tune of Rs.3,54,618/- (Previous Year Rs.3,88,860/-) has been made on managements estimate as per the provisions of the payment of Gratuity Act, 1972. Provision for leave encashment has been made this year Rs.14,116/- (Previous Year Rs.1,53,098/-) for encashable leave due to the employees on the basis of last salary drawn. The above treatment is not in compliance with Accounting Standard (AS)-15 "Accounting for Retirement Benefits in the Financial Statements of Employers" issued by the Institute of Chartered Accountants of India, which states that the liability towards retirement benefits should be ascertained and provided for on the basis of actuarial valuation;*
  - h) Subject to the foregoing, 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 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, 2009;
    - 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

(R.K. GUPTA)  
F. C. A.  
Proprietor

Place: New Delhi  
Dated: 12<sup>th</sup> August 2009

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

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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 2009.

1.
  - a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
  - b) The fixed assets of the company have been physically verified by the management during the year and no serious discrepancies between the book records and physical inventory have been noticed.
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 inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
  - c) 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.
  - a) The company had taken loan from two companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year from the companies was Rs.27,25,000/- and the year-end balance for loan taken from such companies was Rs. Nil. The company has not granted any loan to any party covered in the register maintained under section 301 of the Companies Act, 1956.
  - b) In our opinion, the terms and conditions on which loan has been taken from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956, are prima facie not prejudicial in the interest of the company.
  - c) The company was regular in repayment of principal as stipulated.
  - d) There is no overdue amount of loan taken 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, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
5. The transactions made u/s 301 of the Companies Act, 1956 as mentioned at point no. 3(a) above was properly entered in the register maintained by the company u/s 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.
7. In our opinion, the Company has an 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 regular in depositing with appropriate authorities undisputed statutory dues including provident fund, sales tax, income-tax, wealth tax, customs duty, excise duty and other material statutory dues applicable to it.
  - b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of sales tax, income-tax, customs duty, wealth-tax, excise duty and cess which have not been deposited on account of any dispute.

## ANNEXURE TO THE AUDITORS' REPORT

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10. In our opinion and according to the information and explanation given to us, the company has recovered its accumulated losses in the current year. 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 explanation given to us, the company has no dues payable to a financial institution, bank or debenture holders during the year.
12. In our opinion and according to the information and explanation 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 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 are not applicable to the company.
15. In our opinion and according to the information and explanation 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 explanation given to us, the company did not have any term loan.
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 funds raised on short-term basis have not been used for long-term investment and vice versa.
18. That the company had increased its authorized/paid up share capital of equity shares during the year.
19. According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
20. In our opinion and according to the information and explanation given to us, the Company has not issued any debentures.
21. In our opinion and according to the information and explanation given to us, the Company has not raised money by public issues during the period covered by our audit report.
22. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For **RAMKRISHNA & COMPANY**  
Chartered Accountants

Place : New Delhi  
Dated: 12<sup>th</sup> August 2009

(**R.K. GUPTA**)  
F. C. A.  
Proprietor

**SHIVALIK RASAYAN LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH, 2009**

PARTICULARS	SCHEDULES	AS AT 31.3.2009		AS AT 31.3.2008	
		AMOUNT(Rs.)		AMOUNT(Rs.)	
<b>SOURCES OF FUNDS</b>					
<b>Shareholders Funds</b>					
Share Capital	1		17,100,000	7,100,000	
Reserves & Surplus	2	<u>37,198,757</u>	54,298,757	<u>5,667,379</u>	12,767,379
<b>Loan Funds</b>					
Secured Loans	3	74,311		356,048	
Unsecured Loans	4	<u>                    </u>	74,311	<u>3,725,000</u>	4,081,048
Deferred Tax Liability	5		477,862		350,045
<b>TOTAL</b>			<u>54,850,930</u>		<u>17,198,472</u>
<b>APPLICATION OF FUNDS</b>					
<b>Fixed Assets</b>					
Gross block		47,045,265		46,170,028	
Less : Depreciation		<u>31,544,031</u>	15,501,234	<u>30,640,356</u>	15,529,672
<b>NET CURRENT ASSETS</b>					
Current Assets, Loans & Advance	7	14,044,909		21,620,714	
Sundry Debtors		37,329,842		34,256,948	
Cash and Bank balances		18,046,582		2,252,107	
Loans and Advances		<u>3,986,037</u>		<u>2,305,168</u>	
		73,407,370		60,434,937	
Less : Current liabilities & Provisions	8				
Current liabilities		30,088,465		55,594,393	
Provisions		<u>4,104,209</u>	39,214,696	<u>3,171,744</u>	1,668,800
		34,192,674		58,766,137	
<b>MISCELLANEOUS EXPENDITURE</b>					
(To the extent not written off or adjusted)	9		135,000		
<b>TOTAL</b>			<u>54,850,930</u>		<u>17,198,472</u>
<b>NOTES TO FINANCIAL STATEMENTS</b>	14				

(VINOD KUMAR)  
 FINANCE MANAGER

(S.K.SINGH)  
 MANAGING DIRECTOR

(RAHUL BISHNOI)  
 CHAIRMAN

**AUDITORS' REPORT**

Signed in terms of our report of even date attached  
 for **RAMKRISHNA & COMPANY**  
 Chartered Accountants

(R.K. GUPTA)  
 F.C.A.  
 Proprietor

Place : New Delhi  
 Dated : 12th August, 2009

**SHIVALIK RASAYAN LIMITED**

**SHIVALIK RASAYAN LIMITED**  
**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009**

PARTICULARS	SCHEDULES	FOR THE YEAR ENDED 31.03.2009 AMOUNT	FOR THE YEAR ENDED 31.03.2008 AMOUNT
<b>INCOME</b>			
Gross Sales		201,580,503	169,527,636
Less: Excise Duty		20,900,493	23,522,349
Net Sales		<u>180,680,010</u>	<u>146,005,287</u>
Other income	10	493,471	622,802
Increase/(Decrease) in stock	11	(686,543)	5,891,963
		<u>180,486,938</u>	<u>152,520,052</u>
<b>EXPENDITURE</b>			
Raw Materials, Consumables, Stores and Spare consumed			
		146,063,080	119,422,205
Manufacturing & Other expenses	12	30,362,587	27,039,235
Financial charges	13	913,421	406,332
		<u>177,339,088</u>	<u>146,867,772</u>
Profit before depreciation		3,147,850	5,652,280
Depreciation		903,675	857,201
Profit for the year before Tax		<u>2,244,175</u>	<u>4,795,079</u>
		2,244,175	4,795,079
Provision for taxation		584,979	(483,377)
Profit for the Year		1,659,196	4,311,702
Deferred Tax Assets/Liability		(127,818)	(1,128,638)
BALANCE CARRIED OVER TO BALANCE SHEET		<u>1,531,378</u>	<u>3,183,064</u>
EARNINGS PER SHARE(Rs.)			
BASIC / DILUTED		0.97	6.07

(VINOD KUMAR)  
FINANCE MANAGER

(S.K.SINGH)  
MANAGING DIRECTOR

(RAHUL BISHNOI)  
CHAIRMAN

**AUDITORS' REPORT**

Signed in terms of our report of even date attached  
for **RAMKRISHNA & COMPANY**  
Chartered Accountants

(R.K. GUPTA)

F.C.A.

Proprietor

Place : New Delhi

Dated : 12th August, 2009

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**SHIVALIK RASAYAN LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2009**

PARTICULARS	← 2008-09 →		← 2007-08 →	
	AMOUNT	AMOUNT	AMOUNT	AMOUNT
<b>A. Cash flow from Operating Activities</b>				
Net Profit after interest and prior period adjustments	1659195		4311702	
	1659195		4311702	
Adjustments for				
Financial Charges	850147		333290	
Depreciation	903675		857201	
Interest Received	(40975)		(114417)	
<b>Operating Profit before Working Capital Changes</b>	<u>3372042</u>		<u>5387776</u>	
Adjustments for				
Trade & other receivables (net)	(4753763)		(7393254)	
Inventories	7575805		(12725695)	
Trade Payables & Other liabilities	(24573463)		15669489	
<b>Cash generated from Operations</b>	<u>(18379379)</u>		<u>938316</u>	
Financial Charges	(850147)		(333290)	
<b>Net Cash Flow from Operating Activities</b>		(19229525)		605026
<b>B. Cash Flow from Investing Activities</b>				
Addition to Fixed Assets	(875237)		(2507150)	
Sale of Fixed Assets	0		139264	
Interest Received	40975		114417	
<b>Net Cash Flow from Investing Activities</b>	<u>(834262)</u>		<u>114417</u>	(2253468)
<b>C. Cash Flow from Financing Activities</b>				
Net proceeds of long term borrowings	(281737)		(258475)	
Net proceeds of short term borrowings	(3725000)		900000	
<b>Net Cash Flow from Financing Activities</b>		(4006737)		641525
<b>NET INCREASE IN CASH &amp; CASH EQUIVALENTS</b>		<u>(24070525)</u>		<u>(1006919)</u>
<b>CASH &amp; CASH EQUIVALENTS AT THE START OF THE YEAR</b>		2252107		2920237
<b>CASH &amp; CASH EQUIVALENTS AT THE CLOSE OF THE YEAR</b>		<u>18046582</u>		<u>2252107</u>
		<u>15794475</u>		<u>(668130)</u>

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

(VINOD KUMAR)  
FINANCE MANAGER

(S.K.SINGH)  
MANAGING DIRECTOR

(RAHUL BISHNOI)  
CHAIRMAN

**AUDITORS' REPORT**  
Signed in terms of our separate report of even date attached  
for **RAMKRISHNA & COMPANY**  
Chartered Accountants

Place : New Delhi  
Dated : 12th August, 2009

(R.K. GUPTA)  
F.C.A.  
Proprietor

SHIVALIK RASAYAN LIMITED

**SHIVALIK RASAYAN LIMITED**  
Schedule To Financial Statements

PARTICULARS	SCHEDULES	AS AT 31.03.2009 AMOUNT (Rs.)	AS AT 31.03.2008 AMOUNT (Rs.)
<b>SHARE CAPITAL</b>			
Authorised capital			
750000 equity shares of Rs.10/- each	7,500,000		
Add: Increase in Authorised Capital during the year	27,500,000		
27,50,000 equity shares of Rs.10/- each	<u>35,000,000</u>		<u>7,500,000</u>
Issued, subscribed and paid up			
710000 equity shares of Rs.10/- each fully paid up	7,100,000		
Add: 10,00,000 equity share issued on	10,000,000	7,100,000	
right basis @ a premium of Rs.30/- share each		<u>17,100,000</u>	<u>7,100,000</u>
		<u>17,100,000</u>	<u>7,100,000</u>
<b>RESERVES AND SURPLUS</b>			
General Reserves	2	6,825,193	6,825,193
Share Premium Account		30,000,000	
<u>Profit &amp; Loss Account</u>			
Balance as per last Balance Sheet		(1,157,814)	(4,340,878)
Add: Profit/(Loss) during the year		1,531,378	3,183,064
		<u>373,564</u>	<u>(1,157,814)</u>
		<u>37,198,757</u>	<u>5,667,379</u>
<b>SECURED LOAN</b>			
From Banks	3		
ICICI Bank Car Loan		74,311	356,048
(Against hypothecation of car)		<u>74,311</u>	<u>356,048</u>
<b>UNSECURED LOANS</b>			
From Companies	4	-	3,725,000
		<u>-</u>	<u>3,725,000</u>
<b>DEFERRED TAX ASSETS (NET)</b>			
Deferred Tax Asset arising on account of:	5		
Unabsorbed Depreciation & Business Loss		-	-
Expenditure incurred-allowable in future		180,220	286,450
Retirement Benefits		1,184,633	1,067,609
		<u>1,364,853</u>	<u>1,354,059</u>
Less: Deferred Tax Liability arising on account of:			
Depreciation		1,842,716	1,704,104
		<u>(477,863)</u>	<u>(350,045)</u>
<b>CURRENT ASSETS, LOAN AND ADVANCES</b>			
Inventories	7		
(Valued at cost or net realisable value, whichever is lower, as certified by the management)			
Raw Material		4,489,267	11,010,843
Coal		130,000	238,890
Packing & Consumable Stores		1,053,154	1,311,950
Work-in-progress		1,367,248	1,155,591
Finished stock		7,005,240	14,044,909
		<u>14,044,909</u>	<u>7,903,440</u>
			<u>21,620,714</u>

PARTICULARS	SCHEDULES	AS AT 31.03.2009 AMOUNT (Rs.)	AS AT 31.03.2008 AMOUNT (Rs.)
<b>Sundry Debtors</b>			
(Unsecured -considered good)			
Debts outstanding for a period exceeding 6 months			
Other debts	<u>37,329,842</u>	37,329,842	<u>34,256,948</u>
<b>Cash and Bank balances</b>			
Cash in hand	31,758		39,163
<u>Balance with Scheduled banks</u>			
In Current account	<u>18,014,824</u>		<u>2,212,944</u>
		18,046,582	2,252,107
<b>LOANS AND ADVANCES</b>			
(Unsecured-considered good)			
Advance recoverable in cash or in kind or for value to be received	222,360		270,292
Security deposits	2,648,486		1,412,074
Other deposits	983,402		495,634
MAT Recoverable	56,376		56,377
Pre-paid Expenses	<u>75,413</u>	<u>3,986,037</u>	<u>70,791</u>
		<u>73,407,370</u>	<u>60,434,937</u>
<b>CURRENT LIABILITIES AND PROVISIONS</b>	8		
<b>CURRENT LIABILITIES</b>			
Sundry Creditors		27,418,422	51,836,710
Expenses payable		1,534,415	2,340,265
Advance Received for Supplies		384,850	1,082,979
TDS Payable & cess thereon		517,008	171,004
Securities of Employees		33,000	15,000
Sales Tax Payable		174,155	148,435
Service Tax Payable & cess thereon		<u>26,615</u>	-
		<u>30,088,465</u>	<u>55,594,393</u>
<b>PROVISIONS</b>			
Provision for Taxation		584,979	-
Provision for FBT		33,990	-
Provision for Gratuity		2,800,914	2,488,580
Provision for Leave Encashment		<u>684,326</u>	<u>683,164</u>
		<u>4,104,209</u>	<u>3,171,744</u>
<b>MISCELLANEOUS EXPENDITURE</b>	9		
(To the extent not w/o or adjusted)		150,000	-
Less: 1/10th w/o during the year		<u>(15,000)</u>	-
		<u>135,000</u>	-
<b>OTHER INCOME</b>	10		
Miscellaneous income		452,496	508,385
Interest received		<u>40,975</u>	<u>114,417</u>
		<u>493,471</u>	<u>622,802</u>
<b>INCREASE/(DECREASE) IN STOCK</b>	11		
Closing stock			
Stock-in-process		1,367,248	1,155,591
Finished Goods (excluding Excise Duty)		<u>7,005,240</u>	<u>7,903,440</u>
Less : Opening stock			9,059,031
Stock-in-progress		1,155,591	763,826
Finished Goods (excluding Excise Duty)		<u>7,903,440</u>	<u>2,403,242</u>
		<u>(686,543)</u>	<u>5,891,963</u>

PARTICULARS	SCHEDULES	AS AT 31.03.2009 AMOUNT (Rs.)	AS AT 31.03.2008 AMOUNT (Rs.)
<b>MANUFACTURING AND OTHER EXPENSES</b>	<b>12</b>		
Establishment		7,158,963	7,699,677
Contribution to Provident and Other Funds		424,961	442,326
E.D. Penalty		-	25,342
Directors' Remuneration		837,440	815,840
Rent, Rates and Taxes		1,450,794	915,776
Printing and Stationery		92,553	101,689
Postage, Telegram & Telephone		241,433	263,552
Fuel and Power expenses		8,393,582	9,704,578
Ice Consumed		741,649	1,165,131
Travelling and Conveyance expenses			
Directors	324,781		696,295
Other	<u>306,280</u>	631,061	<u>302,619</u>
Vehicle Maintenance		332,665	343,188
Legal expenses		6,310	1,190
Business Promotion		254,397	123,895
Insurance		303,519	359,079
General Expenses		128,402	182,421
Donation		9,702	18,152
Advertisement Expenses		133,706	3,000
Annual Fees		-	147,062
Books & Periodicals		9,117	6,751
Diwali Expenses		173,778	65,015
Filing Fees		53,326	11,948
Office Maintenance		60,483	48,169
Membership & Subscription		37,100	49,001
Water & Electricity		75,110	62,450
Repairs & Maintenance			
Plant and Machinery	1,324,037		449,522
Others	<u>452,746</u>	1,776,783	<u>87,075</u>
Testing and Professional Charges		1,236,692	90,610
Auditors Remuneration			
Audit fee		42,000	42,000
Freight and Cartage		252,431	372,526
Laboratory expenses		346,580	167,723
Sales Commission		5,005,635	2,126,856
Fringe Benefit Tax		122,464	105,030
Fire & Safety		14,951	43,747
Preliminary Exp. r/o		15,000	-
		<u>30,362,587</u>	<u>27,039,235</u>
<b>FINANCIAL CHARGES</b>	<b>13</b>		
Interest Paid		850,147	333,290
Bank Charges		63,274	73,042
		<u>913,421</u>	<u>406,332</u>

(VINOD KUMAR)  
FINANCE MANAGER

(S.K.SINGH)  
MANAGING DIRECTOR

(RAHUL BISHNOI)  
CHAIRMAN

**AUDITORS' REPORT**

Signed in terms of our report of even date attached  
for **RAMKRISHNA & COMPANY**  
Chartered Accountants

(R.K. GUPTA)

F.C.A.

Proprietor

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Place : New Delhi  
Dated : 12th August, 2009

Annual Report 2008-09

**SHIVALIK RASAYAN LIMITED**  
**SCHEDULE- 6 - OF FIXED ASSETS AS PER THE COMPANIES ACT.**

PARTICULARS	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
	As On 01.04.2008	Additions during the year	Sold during the year	As on 31.03.2009	Upto 01.04.2008	During the year	Sold / Adjsmt.	Up to 31.03.2009	As on 31.03.2009	As on 31.03.2008
Land	2360502	0	0	2360502	0	0	0	0	2,360,502	2360502
Building	3780443	0	0	3780443	2343785	126267	0	2470052	1,310,392	1436659
Plant & Machinery	34906733	746241	0	35652974	26101037	504178	0	26605215	9,047,759	8805696
Water & Effluent treatment	724769	13604	0	738373	548470	9263	0	557733	180,639	176298
Furniture & Fixture	618908	0	0	618908	192190	34156	0	226346	392,562	426718
Workshop Equipment	20582	0	0	20582	20078	0	0	20078	504	504
Laboratory Equipment	582543	0	0	582543	296255	27671	0	323926	258,617	286288
Electric Installation	979235	81832	0	1061067	343921	35239	0	379160	681,907	635314
Safety Equipment	132209	0	0	132209	48366	6280	0	54646	77,562	83842
Office Equipment	416898	4680	0	421578	207722	19932	0	227654	193,924	209176
Airconditioner	278625	0	0	278625	121335	13235	0	134570	144,055	157290
Generator	21745	0	0	21745	11878	1033	0	12911	8,834	9867
Cycle	1300	0	0	1300	1076	92	0	1168	132	224
Computer	271165	28880	0	300045	225629	24264	0	249893	50,152	45536
Vehicle	1074372	0	0	1074372	178614	102065	0	280679	793,693	895758
<b>TOTAL</b>	<b>46170028</b>	<b>875237</b>	<b>0</b>	<b>47045265</b>	<b>30640356</b>	<b>903675</b>	<b>0</b>	<b>31544031</b>	<b>15501234</b>	<b>15529672</b>
<b>PREVIOUS YEAR</b>	<b>43802142</b>	<b>2507150</b>	<b>139264</b>	<b>46170028</b>	<b>29915456</b>	<b>857201</b>	<b>132301</b>	<b>30640356</b>	<b>15529672</b>	<b>13886687</b>

(VINOD KUMAR)  
FINANCE MANAGER

(S.K. SINGH)  
MANAGING DIRECTOR

(RAHUL BISHNOI)  
CHAIRMAN

**AUDITORS' REPORT**

Signed in terms of our report of even date attached  
for **RAMKRISHNA & COMPANY**  
Chartered Accountants

(R.K. GUPTA)  
F.C.A.  
Proprietor

Place : New Delhi  
Dated : 12th August, 2009

**SHIVALIK RASAYAN LIMITED**  
**SCHEDULE - 14 - 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

Provision for Gratuity to the tune of Rs.3,54,618/- (Previous Year Rs. 3,88,860/-) has been made on management's estimate as per the provisions of the Payment of Gratuity Act, 1972. Provision for leave encashment has been made this year Rs.14,116/- (Previous Year Rs.1,53,098-) for encashable leave due to the employees on the basis of last salary drawn.

The above treatment is not in compliance with Accounting Standard (AS) - 15 "Accounting for Retirement Benefits in the Financial Statements of Employers" issued by the Institute of Chartered Accountants of India, which states that the liability towards retirement benefits should be ascertained and provided for on the basis of actuarial valuation.

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.5,00,000/- (Previous year Rs. 5,00,000-)

3. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. Nil (Previous year Rs. Nil).
4. The Company has provide Rs.5,84,979/- 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. 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)

	<u>Current Year</u>		<u>Previous Year</u>	
A. Production Data:				
Actual Production				
Malathion Technical	315.520 MT		265.350 MT	
Dimethoate Technical	611.500 MT		860.370 MT	
NaSH (By Product)	401.518 MT		516.644 MT	
B. Finished goods Product				
	<u>Current Year</u>		<u>Previous Year</u>	
	<u>Qty.</u>	<u>Amount</u>	<u>Qty.</u>	<u>Amount</u>
Malathion Technical				
Opening Stock	0.250	24450	Nil	Nil
Closing Stock	Nil	Nil	0.250	24450
Dimethoate Technical				
Opening Stock	59.500 MT	7878990	17.750 MT	2379920
Closing Stock	33.000 MT	7005240	59.500 MT	7878990
NaSH (By Product)				
Opening Stock	5.553 MT	Nil	4.879 MT	23322
Closing Stock	8.901 MT	Nil	5.553 MT	Nil
C. Turnover Product-Sales				
Malathion Technical	315.770 MT	47281206	265.100 MT	31880046
Dimethoate Technical	638.000 MT	152729143	818.620 MT	134540721
NaSH	398.170 MT	1570154	515.970 MT	3106869
Others	Nil	Nil	Nil	Nil
D. Consumption				
	<u>Current Year</u>		<u>Previous Year</u>	
	<u>Consumption</u>	<u>Value</u>	<u>Consumption</u>	<u>Value</u>
Raw Material and consumable consumed				
Organic Chemicals	1725848 Kg/Lt.	60277903	2183888 Kg/Lt.	67180832
Inorganic Chemicals	1188209 Kg/Lt.	81425064	1526976 Kg/Lt.	48331631
Others	3873 Kg/No.	169649	4648 Kg/No.	133211

E.	<u>% of Consumption</u>	<u>Value</u>	<u>% of Consumption</u>	<u>Value</u>
Consumption of imported and indigenous raw materials and stores and percentage of each consumption. <u>Phosphorus Pentasulphide</u>				
Imported	13.82 %	10226551	26.12 %	9570982
Indigenous	86.18 %	63771649	73.88 %	31358606
<u>Methanol</u>				
Imported	100 %	12754537	100 %	16196833
Indigenous				
<u>Maleic</u>				
Imported	48.15 %	4124790	100 %	7122367
Indigenous	51.85 %	4441753		
<u>Others</u>				
Imported				
Indigenous	100 %	56379298	100 %	51396886

F. Personal Expenses  
a) Employees drawing remuneration of Rs.24,00,000/- or more per annum employed throughout the year:

	<u>Current Year</u>	<u>Previous Year</u>
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
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G. CIF Value of Imported Raw MaterialsRs. 9,53,19,280/- Rs. 3,28,89,182/-

H. Remuneration to Directors	Rs.	Rs.
Salary	837440/-	815840/-
Perks	41389/-	75241/-
	<u>878829/-</u>	<u>891081/-</u>

9. Profit before tax of the Company for the Financial Year ended 31/03/2008 and 31/03/2009 was Rs. 47.95 Lakh and Rs.22.44 Lakh respectively. Company hopes to maintain its profitability in future also.
10. Commission for marketing the products of the company has been paid to the selling agents this year Rs. 50,05,635/- (previous year Rs. 21,26,856/-).
11. Miscellaneous Income Rs. 4,93,471/- (Previous Year Rs. 6,22,802/-) includes Sale of Unusable Stores Rs. 3,93,700/- (Previous Year Rs.3,97,650/-), Insurance Claim received Rs.4,796/- (Previous Year Rs.33,361/-), Other Miscellaneous Income Rs.54,000/- (Previous Year Rs.77,374/-) and Interest Rs.40,975/- (Previous Year Rs.1,14,417/-).
12. During the year company has issued 10,00,000 Right Equity Shares at a premium of Rs.30/- amounting to Rs.1,00,00,000/- to meet its working capital requirements.
13. Related Parties Transactions  
The company has repaid loan of Rs.27,25,000/- to two companies in which directors have significant influence.

14. Balance with banks other than Scheduled Banks in Current Account are as under:-

<u>Current Year</u>	<u>Previous Year</u>
Nil	Nil

Maximum amount deposited at any time during the year was as under:-

Nil	Nil
-----	-----

15. 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. 3,56,048/-
b) Present value of minimum lease payments	Rs. 74,311/-

c) Amount Due	Minimum lease payments	Present value of minimum lease payments
(i) Not later than one year	Rs. 74,311/-	3,01,536/-
(ii) Later than one year	Rs. Nil	75,384/-

16. The Company is complying with all the regulations of Delhi Stock Exchange.

17. The company has not dealt with any organization covered by "The Micro, Small & Medium Enterprises Development Act, 2006" during the year as certified by the management.

18. 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.

	<u>Current Year</u>	<u>Previous Year</u>
Profit after Taxation (Rs.)	16,59,195	43,11,702
a) Basic earnings per equity share - weighted average number of equity shares outstanding	17,10,000	7,10,000
b) Effect of dilutive potential equity shares	Nil	Nil
c) Dilutive earnings per equity share - weighted average number of equity shares and potential Equity share equivalents outstanding	17,10,000	7,10,000
d) Nominal Value of Equity Shares (Rs.)	10.00	10.00
e) Basic Earnings per Share (Rs.)	0.97	6.07
f) Diluted Earnings per Share (Rs.)	0.97	6.07

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

20. Schedule 1 to 20 form integral part of the Balance Sheet.

(VINOD KUMAR)  
FINANCE MANAGER

(S.K. SINGH)  
MANAGING DIRECTOR

(RAHUL BISHNOI)  
CHAIRMAN

**AUDITORS' REPORT**

Signed in terms of our separate report of even date attached  
For **RAMKRISHNA & COMPANY**  
Chartered Accountants

Place: New Delhi  
Dated: 12<sup>th</sup> August 2009

(R.K. 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="10000"/>	<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="54850"/>	<input type="text" value="54850"/>

Sources of Funds	Paid up Capital	Reserves & Surplus	Secured Loans	Unsecured Loans
	<input type="text" value="17100"/>	<input type="text" value="37198"/>	<input type="text" value="74"/>	<input type="text" value="NIL"/>
Applications of Funds	Net Fixed Assets	Investments	Net Current Assets	Misc. Expenditure
	<input type="text" value="15501"/>	<input type="text" value="NIL"/>	<input type="text" value="39214"/>	<input type="text" value="135"/>
	Accumulated Losses			
	<input type="text" value="NIL"/>			

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

	Turnover	Total Expenditure
	<input type="text" value="180486"/>	<input type="text" value="178242"/>
Profit / Loss before tax	Profit / Loss after tax	Earning per Share in Rs. Divided
<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="text" value="2244"/>	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="text" value="1659"/>	<input type="text" value="1"/> <input type="text" value="1"/>

(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=""/>

**(VINOD KUMAR)**  
FINANCE MANAGER

**(S.K. SINGH)**  
MANAGING DIRECTOR

**(RAHUL BISHNOI)**  
CHAIRMAN

Place: New Delhi  
Dated: 12<sup>th</sup> August, 2009

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 First Annual General Meeting of the Company to be held at 3.00 p.m. on Wednesday the 30<sup>th</sup> September, 2009 and at any adjournment thereof. As witness my/our hand/hands this \_\_\_\_\_ day of \_\_\_\_\_ 2009.

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 Shareholders 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 THIRTY FIRST ANNUAL GENERAL MEETING of the Company on Wednesday the 30<sup>th</sup> September, 2009.

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