

VERITAS (INDIA) LIMITED

[Formerly known as DUROFLEX ENGINEERING LIMITED]

**Annual Report
2008 – 2009**

**Registered Office
701 Embassy Centre, Nariman Point, Mumbai 400021**

Groupe ^a  **Veritas**
enterprise

VERITAS (INDIA) LIMITED
[Formerly known as DUROFLEX ENGINEERING LIMITED]
701, Embassy Centre
Nariman Point, Mumbai-400021

[Board of Directors]

[Chairman]
Mr. Nitinkumar Didwania

[Directors]
Mrs. Nitidevi Didwania
Mrs. Alpa Parekh
Mr. Saurabh Sanghvi

[Statutory Auditors]
M/s Shabbir S. Bagasrawala
Chartered Accountants

[Bankers]
Punjab National Bank
Barclays Bank PLC

[Subsidiary]
Veritas FZE
Hamriyah Free Zone, Sharjah, UAE

VERITAS (INDIA) LIMITED
[Formerly known as DUROFLEX ENGINEERING LIMITED]

[Contents]

Notice

Directors' Report

Auditors' Report

Standalone Financial Statements

Statement u/s 212 of the Companies Act, 1956

Balance Sheet Abstract

Consolidated Financial Statement



NOTICE

NOTICE is hereby given that the 24th Annual General Meeting of the Members of Veritas (India) Limited (formerly known as Duroflex Engineering Limited) will be held at 701, Embassy Centre, Nariman Point, Mumbai - 400 021 on Friday, 25th September, 2009 at 12.00 Noon for the purpose of transacting the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit and Loss Account for the financial year ended on 31st March, 2009 and the Balance Sheet as at that date together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Saurabh Sanghvi, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors of the Company and to fix their remuneration.

By Order of the Board,
For Veritas (India) Limited

Sd/-

(Hanoz B. Chinoy)
Company Secretary

Mumbai, 10th August, 2009

Registered Office;
701, Embassy Centre,
Nariman Point,
Mumbai - 400 021.

NOTES:

- a) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

- b) The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 22nd September, 2009 to Friday, 25th September, 2009 (both days inclusive) for the purpose of annual book closure.



Veritas (India) Limited
 [Formerly known as 'Duroflax Engineering Limited']

DIRECTORS' REPORT

To,
The Members,
Veritas (India) Limited

Your Directors have pleasure in presenting the Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2009.

FINANCIAL RESULTS

Particulars	Year Ended 31.03.2009 Consolidated	(Rs. in Lacs) Year Ended 31.03.2008
Sales & Other Income	7710.36	366.74
Profit Before Depreciation and Tax	174.15	20.88
Less: Depreciation	1.22	0.05
Profit After Depreciation but Before tax	172.93	20.83
Less: Provision for Taxation	6.93	6.44
Less : Deferred Tax Liability	25.90	-
Net Profit	140.10	14.38
<u>APPROPRIATIONS</u>		
Balance carried forward to Balance Sheet	140.10	14.38
Net Worth	477.98	123.02

PERFORMANCE

During the year under review, your Company has achieved consolidated turnover of Rs. 7710.36 Lacs as compared to Rs. 366.74 Lacs during the previous year resulting in revenue growth of 2002%. The Consolidated Profit after Tax is Rs. 140.10 Lacs as compared to Rs. 14.38 Lacs during the previous year resulting growth of 874%.

DIVIDEND

In order to conserve the resources, the Directors do not recommend any dividend for the Financial Year 2008-2009.

CHANGE IN NAME OF THE COMPANY

The name of the Company has been changed from 'Duroflex Engineering Limited' to 'Veritas (India) Limited' vide Central Government's approval with effect from 2nd April, 2009. Bombay Stock Exchange Limited (BSE) has adopted the new name of the Company with effect from 4th June, 2009 in their records and the current Scrip Name is VERITAS and the Scrip Code has remained unchanged i.e 512 229.

TRADING IN 'B' GROUP

The Bombay Stock Exchange Ltd. (BSE) vide its notification dated 3rd June, 2009 has transferred the scrip of the Company from 'T' Group to 'B' Group with effect from 9th June, 2009 and consequently the trades in the scrip of the Company shall be settled in demat form and all trades executed shall be in market lot of 1 (One) equity share.

WINDMILL PROJECT

The Company has set up Windmill Power project at Rameshwarwadi, District Satara in the State of Maharashtra for wind power generation with the capacity of 600 KW and the commercial operations have commenced with effect from 31st March, 2009. The Company plans to further augment the capacity by installing one more wind power generation plant of similar capacity during the current financial year.

The Maharashtra State Electricity Distribution Company Limited (MSEDCL) has entered into a Wind Energy Purchase Agreement with the Company whereby the Company will sell all of the Wind Energy generated at the said facility to MSEDCL.

The Wind Power project will enable the Company to tap the immense potential of energy generation through Non-Conventional sources and to avail fiscal incentives germane to such pioneering business in nascent stages.

ISSUE & ALLOTMENT OF CONVERTIBLE WARRANTS

The Company has issued and allotted 10,00,000 Convertible Warrants on Preferential basis to meet the long term resources of the Company, raise funds for corporate actions like capital expenditure for diversification of the activities of the Company, working capital requirements and general corporate purposes. Out of that 9,25,000 Convertible warrants have been allotted to Mr. Nitin Kumar, Promoter Director. The said Warrants are convertible into Equity Shares at the option of the allottee, into one equity share of Rs. 10/- each at a price of Rs. 200/- per share (including premium of Rs. 190/- per Share) within 18 months from the date of allotment.

OVERSEAS SUBSIDIARY

The Company has formed a subsidiary Company viz. Veritas FZE incorporated on 5th November, 2008 as a Free Zone Establishment in Hamriyah Free Zone U.A.E and the subsidiary Company has received the Commercial License for commercial operations.

DIRECTORS

Mr. Saurabh Sanghvi retires by rotation at the ensuing Annual General meeting and being eligible, offers himself for reappointment.

AUDITORS

The Auditors, M/s. Shabbir S. Bagasarawala, Chartered Accountants, Mumbai, retire at the conclusion of the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment. They have furnished a certificate to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956 and they are not disqualified under amended Section 226(3)(e) of the said Act.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217 (2AA), your Directors confirm that they had:-

- i) followed the applicable accounting standards in the preparation of the annual accounts.
- ii) selected such accounting policies and applied them consistently, made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March 2009 and of the profit of the Company for the year ended 31st March 2009.
- iii) taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, for safeguarding the assets of the Company, preventing, detecting fraud and other irregularities.
- iv) prepared the annual accounts for the Financial year ended 31st March, 2009 on a going concern basis

DEPOSITS

The Company has not invited nor accepted any Deposits from the public under the Companies (Acceptance of Deposits) Rules, 1975 read with Section 58A of the Companies Act, 1956.

PARTICULARS OF EMPLOYEES

The Company has no such employee as would be covered under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO.

A Statement giving details of Conservation of energy, technology absorption and foreign exchange earning and outgo as per section 217(1)(e) of Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of this Report is annexed herewith.

ACKNOWLEDGEMENT:

Your Directors wish to place on record their sincere appreciation for the support and co-operation received from the Government authorities, bankers, customers, employees, suppliers and Members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the dedicated efforts of the employees of the Company.

For and on Behalf of the Board of Directors

PLACE: Mumbai
DATE: 30th June, 2009

Sd/-
(Nitin Kumar)
CHAIRMAN

ANNEXURE TO DIRECTORS' REPORT

Information as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 forming part of the Directors' Report for the year ended 31st March, 2009

1. Part A and B pertaining to conservation of energy and technology absorption are not applicable to the Company.
2. Foreign Exchange Earnings and Outgo

Total Foreign Exchange Earnings and Outgo for the financial year is as follows:

- a. Total Foreign Exchange earnings: Rs. 25,91,166/-.
- b. Total Foreign Exchange outgo: Rs. NIL /-.

AUDITORS' REPORT

TO THE MEMBERS OF VERITAS (INDIA) LIMITED

[Formerly known as Durofex Engineering Ltd]

1. We have audited the attached Balance Sheet of Veritas (India) limited, as at 31st March 2009 and the related Profit and Loss Account and the Cash Flow Statement for the year ended on that date, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express our opinion on these financial statements based on our audit.
2. We have 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 (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 (the 'Act') and on the basis of such checks of the books & records of the Company as we considered appropriate and according to the information and explanation given to us, we Annex hereto a statement on the matters specified in paragraph 4 and 5 of the said order.
4. Further to our comments in annexure referred to above, we report that:
 - I) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - II) In our opinion, proper books of account as required by law have been kept by the company as far as appears from our examination of those books.
 - III) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
 - IV) In our opinion, the Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report have been prepared in compliance with the applicable accounting standards referred to in sub-section (3C) of section 211 of the Act.

V) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with the notes thereon / attached thereto and the Schedule of Significant Accounting Policies given in the prescribed manner the information required by the Companies Act and give a true and fair view in conformity with the Accounting principles generally accepted in India.

- a) In case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009.
- b) In case of the Profit and Loss Account, of the profit for the year ended on that date; and
- c) In case of the Cash Flow Statement, of the cash flows for the year ended on that date.

5. On the basis of written representations received from the Directors, as on 31st March, 2009 and taken on record by the Board of Directors, none of the Directors are disqualified as on 31st March, 2009 from being appointed as Director in terms of clause (g) of sub section (1) of section 274 of the Act.

Place: Mumbai
Date: 30th June, 2009

For Shabbir S. Bagasrawala.
Chartered Accountants.

Sd/-

Proprietor
M.No. 39865

VERITAS (INDIA) LIMITED
(Formerly Known as Duroflex Engineering Limited)

(Referred to in paragraph 3 of our report of even date)

- i) The Nature of the Company's business/activities during the year is such that clauses (xiii) and (xiv) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company for the year under date.
- ii) In respect of its Fixed Assets:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The Fixed Assets are being physically verified under a phased manner of verification, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. According to the information and explanation given to us no material discrepancies were noticed on such verification.
- iii) In respect of its Inventories:
 - a) As explained to us, inventories were physically verified during the year by the management at reasonable intervals.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- iv) In respect of loans, secured or unsecured, granted or taken by the Company to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, to the best of our knowledge and according to the information and explanations given to us:
 - a) The Company has taken loan from parties covered in register u/s 301 aggregating to Rs 3,89,21,500/- (P.Y. 1,95,000/-)
 - b) The terms and conditions of such loan are, in our opinion, prima facie not prejudicial to the interest of the Company.
 - c) The payment of the principal amount to the parties from whom loan has been taken by the Company is also regular as per the terms of the loan wherever applicable.
 - d) There are no overdue amounts of more than Rs. 1,00,000/- in respect of loan taken by the company.
- v) 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 nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further during the course of audit, we have not come across any instance of major weakness in internal control that in our opinion, require correction.

- vi) In respect of transactions entered in the register maintained in pursuance of section 301 of the Companies Act 1956:
 - a) To the best of our knowledge and belief and according to the information and explanations given to us, transactions that needed to be entered into the register have been so entered.
 - b) According to the information and explanations given to us, the transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vii) In our opinion and according to the information and explanation given to us, the Company has not accepted deposits from the public as per section 58A and 58AA of the Companies Act, 1956.
- viii) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- ix) According to information and explanation given to us, the maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub section (1) of section 209. of the Companies Act, 1956.
- x) According to the information and explanations given to us, in respect of statutory and other dues:
 - a) The Company has been regular in depositing undisputed statutory dues, including, Income Tax, Sales Tax, Custom Duty, Cess and any other statutory dues applicable to the Company with the appropriate authorities during the year.
 - b) There are no undisputed statutory dues outstanding as on 31st March 2009, for the period of more than six months, from the date of becoming payable.
- xi) According to the information and explanations given to us, the company has no accumulated losses, except long term capital losses, as at 31st March, 2009 and the company has not incurred cash losses in the immediate preceding financial year.
- xii) According to the records of the Company examined by us and the information and explanation given to us, we are of the opinion that the Company has not defaulted in the repayment of dues of financial institutions and banks.
- xiii) The provision of any special statute applicable to the chit fund/nidhi/mutual benefit fund /societies is not applicable to the Company.
- xiv) In our opinion and according to the information and explanation given to us, 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, 2003are not applicable to the company.

- xv) According to information and explanations given to us, the company has not granted any loan and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xvi) In our opinion and according to information and explanations given to us, no guarantees have been given by the Company for loans taken by others from banks.
- xvii) According to cash flow statements and other records examined by us and the information and explanations given to us, on an overall basis, funds raised on short term basis have, prima facie, not been used during the year for long term investment (fixed assets etc.) and vice versa, other than temporary deployment pending application,
- xviii) The Company has made preferential allotment of Convertible Warrants to the party covered in the register maintained under section 301 of the Companies Act, 1956 during the year under review, and are not prima facie prejudicial to the interest of the Company.
- xix) According to information and explanations given to us, the Company has not issued any debentures and hence clause xix is not applicable.
- xx) The Company has not raised any money by public issue during the year.
- xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practice in India and to the best of our knowledge and belief and according to the information and explanation given to us, we have neither come across any material fraud on or by the company was noticed or reported during the year nor have we been informed of any such cases by the management.

Place: Mumbai
Date: 30th June. 2009

For Shabbir S Bagasrawala
Chartered Accountants

Sd/-

Proprietor
M.No. 39865

17

VERITAS (INDIA) LIMITED
[Formerly known as DUROFLEX ENGINEERING LIMITED]

BALANCE SHEET AS AT 31ST MARCH 2009

PARTICULARS	SCHEDULE	AS AT	AS AT
		31st March, 09 Rs	31st March, 08 Rs
<u>SOURCES OF FUNDS</u>			
SHARE CAPITAL	1	29,960,000	9,960,000
RESERVES & SURPLUS	2	4,584,586	2,342,973
LOAN FUNDS			
SECURED LOANS	3	947,953	-
UNSECURED LOANS	4	38,921,500	195,000
DEFERRED TAX LIABILITY		2,606,654	16,612
TOTAL		77,020,693	12,514,585
<u>APPLICATION OF FUNDS</u>			
FIXED ASSETS	5	31,422,757	268,909
INVESTMENT	6	1,927,500	-
CURRENT ASSETS, LOANS & ADVANCES			
CASH & BANK BALANCES	7	1,744,234	579,148
DEPOSITS LOANS AND ADVANCES	8	27,377,804	1,341,037
SUNDRY DEBTORS	9	125,704,949	14,345,077
INVENTORY		831,269	1,390,028
TOTAL CURRENT ASSETS (A)		155,658,255	17,655,290
LESS : CURRENT LIABILITIES & PROVISIONS			
SUNDRY CREDITORS	10	111,813,226	4,685,514
PROVISIONS	11	900,155	724,100
TOTAL CURRENT LIABILITIES (B)		112,713,381	5,409,614
NET CURRENT ASSETS (A - B)		42,944,875	12,245,676
MISC EXPENSES			
MISCELLANEOUS EXPENSES (To the extent not w/off or adjusted)	12	725,562	-
TOTAL		77,020,693	12,514,585
NOTES FORMING PART OF THE ACCOUNTS	17		

As per our report of even date
FOR SHABBIR S BAGASRAWALA
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD

Sd/-

PROPRIETOR
M.NO : 39865
PLACE : MUMBAI
DATED : 30/06/2009

Sd/-

NITIN KUMAR
DIRECTOR

Sd/-

NITI DEVI
DIRECTOR

Sd/-

HANOZ CHINYOY
COMPANY SECRETARY

VERITAS (INDIA) LIMITED
[Formerly known as DUROFLEX ENGINEERING LIMITED]

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

PARTICULARS	SCHEDULE	YEAR ENDED 31st March, 09 Rs	YEAR ENDED 31st March, 08 Rs
<u>INCOME</u>			
SALES AND OTHER INCOME		660,480,811	36,674,567
TOTAL		660,480,811	36,674,567
<u>EXPENDITURE</u>			
DIRECT EXPENSES	13	650,460,309	33,671,001
ADMINISTRATIVE & GENERAL EXPENSES	14	3,195,480	685,550
FINANCIAL EXPENSES	15	116,692	6,863
SELLING & DISTRIBUTION EXPENSES	16	1,065,111	223,198
DEPRECIATION		118,369	4,659
TOTAL		654,955,961	34,591,271
PROFIT/ (LOSS) BEFORE TAX		5,524,850	2,083,296
PROVISION FOR INCOME TAX		640,000	628,000
DEFERRED TAX LIABILITIES		2,590,042	16,612
PROVISION FOR FRINGE BENEFIT TAX		53,195	16,100
PROFIT AFTER TAX		2,241,613	1,422,584
Add : Profit / (Loss) brought forward		2,342,973	920,389
PROFIT AVAILABLE FOR APPROPRIATION		4,584,586	2,342,973
BALANCE TRFD TO BALANCE SHEET		4,584,586	2,342,973
NOTES FORMING PART OF THE ACCOUNTS	17		
EPS - Basic [On Rs. 10/- per share]		2.25	1.43
EPS - Diluted*[On Rs. 10/- per share]		2.25	1.43

As per our report of even date
FOR SHABBIR S BAGASRAWALA
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD

Sd/-

Sd/-

Sd/-

PROPRIETOR
M.NO : 39865
PLACE : MUMBAI
DATED : 30/06/2009

NITIN KUMAR
DIRECTOR

NITI DEVI
DIRECTOR

Sd/-

HANOZ CHINYOY
COMPANY SECRETARY

VERITAS (INDIA) LIMITED

[Formerly known as DUROFLEX ENGINEERING LIMITED]

SCHEDULES FORMING PART OF THE BALANCE SHEET	Current Year 31st March, 09 Rs	Previous Year 31st March, 08 Rs
Schedule 1		
AUTHORISED CAPITAL	100,000,000	10,000,000
1000000 Equity shares of Rs 10/- each (P.Y. 1000000 Equity shares of Rs 10/- each)		
ISSUED, SUBSCRIBED AND PAID UP		
(996000 Equity shares of Rs 10/- each) (P.Y. 996000 Equity shares of Rs 10/- each)	9,960,000	9,960,000
Convertible Warrants 1000000 Convertible Warrants convertible into equal no of equity shares of Rs 10 each with in 18 months from the date of allotment at a price of Rs 200/- each and Rs 20 each paid up. (P.Y. NIL)	20,000,000	-
	29,960,000	9,960,000
Schedule 2		
Reserves & Surplus		
Profit & Loss Account		
Opening Balance	2,342,973	920,389
Add : Profit / (Loss) for the year	2,241,613	1,422,584
TOTAL	4,584,586	2,342,973
Schedule 3		
SECURED LOANS		
Kotak Mahindra Prime Ltd (Against hypothecation of motor car)	947,953	-
TOTAL	947,953	-
Schedule 4		
UNSECURED LOANS		
Loans from Director	38,921,500	195,000
TOTAL	38,921,500	195,000

VERITAS (INDIA) LIMITED

[Formerly known as DUROFLEX ENGINEERING LIMITED]

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2009

Schedule 5 : FIXED ASSETS

Figures in Rupees

Sr. No.	Particulars	Rate %	Gross Block				Depreciation				Net Block	
			As at 1.4.2008	Addition	Deduction	As at 31.3.2009	As at 1.4.2008	for the year	Deduction	Upto 31.3.2009	As on 31.3.2009	As on 31.3.2008
1	Land at Satara	-	-	600,000	-	600,000	-	-	-	-	600,000	-
2	Plant & Machinery	5.28%	-	29,050,000	-	29,050,000	-	4,202	-	4,202	29,045,798	-
3	Computer System	16.21%	178,963	74,562	-	253,525	3,712	33,334	-	37,046	216,478	175,251
4	Furniture & Fixture	6.33%	94,605	32,175	-	126,780	947	6,283	-	7,230	119,550	93,658
5	Motor Car	9.50%	-	1,515,480	-	1,515,480	-	74,549	-	74,549	1,440,931	-
	Total		273,568	31,272,217	-	31,545,785	4,659	118,369	-	123,028	31,422,757	268,909

FOR SHABBIR S BAGASRAWALA
CHARTERED ACCOUNTANTS

Sd/-

PROPRIETOR
M.NO : 39865
PLACE : MUMBAI
DATED : 30/06/2009

FOR AND ON BEHALF OF THE BOARD

Sd/-

Sd/-

NITIN KUMAR
DIRECTOR

NITI DEVI
DIRECTOR

Sd/-

HANOZ CHINYOY
COMPANY SECRETARY

VERITAS (INDIA) LIMITED

[Formerly known as DUROFLEX ENGINEERING LIMITED]

SCHEDULES FORMING PART OF THE BALANCE SHEET	Current Year 31ST March, 09 Rs	Previous Year 31ST March, 08 Rs
Schedule 6		
INVESTMENT		
Long Term (at Cost), Unquoted 1 Equity share of 150000 AED each in Veritas FZE(fully paid) (P.Y. NIL)	1,927,500	-
	1,927,500	-
Schedule 7		
CASH & BANK BALANCES		
Cash In Hand	211,606	8,316
Bank Balances	1,532,628	570,832
TOTAL	1,744,234	579,148
Schedule 8		
Loans & Advances		
Advances recoverable in cash or in kind for value to be received		
Advances for Land	350,000	200,000
Deposits & Other Advances	1,847,600	28,850
Advances Tax & Other Taxes	1,382,035	1,112,187
Advances To Suppliers	23,117,044	-
Advance To Subsidiary Company	681,125	-
TOTAL	27,377,804	1,341,037
Schedule 9		
SUNDRY DEBTORS (Unsecured, considered good)		
TOTAL	125,704,949	14,345,077
Schedule 10		
SUNDRY CREDITORS		
For Goods	110,844,466	4,497,003
For Expenses	968,760	188,511
TOTAL	111,813,226	4,685,514
Schedule 11		
PROVISIONS		
Provision for Taxation	830,860	708,000
Provision for FBT	69,295	16,100
TOTAL	900,155	724,100
Schedule 12		
MISC EXPENSES		
Miscellaneous Expenses (To the extent not w/off or adjusted)	725,562	-
TOTAL	725,562	-

VERITAS (INDIA) LIMITED

[Formerly known as DUROFLEX ENGINEERING LIMITED]

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT	Current Year 31st March, 09	Previous Year 31st March, 08
Schedule 13	Rs	Rs
DIRECT EXPENSES		
Opening Stock	1,390,028	-
Add-Purchases	648,827,191	35,043,909
	<u>650,217,219</u>	<u>35,043,909</u>
Less-Closing Stock	831,269	1,390,028
	<u>649,385,950</u>	<u>33,653,881</u>
	-	-
Clg Forwarding, Frieght & Transportation Charges	88,138	-
Foreign Exchange Gain/Loss	14,174	-
Loading & Unloading Charges	174,780	17,120
Packing Charges	349,905	-
Warehousing/ Wharfage Charges	447,362	-
TOTAL	<u>650,460,309</u>	<u>33,671,001</u>
Schedule 14		
ADMINISTRATIVE EXPENSES		
Audit Fees	82,725	44,944
Computer Expenses	47,096	21,093
Legal & Professional Fees	304,896	43,951
Membership & Subs, Listing Fees, Books & Periodicals	106,326	20,860
Postage, Telephone & Courier Charges	246,937	50,922
Miscellaneous Expenses W/off	80,618	-
Printing & Stationary Charges	119,778	34,498
Rent , Rates & Taxes	72,500	10,000
Repairs & Maintenance	66,436	25,061
Salaries	1,347,873	174,014
Service Charges Paid	28,359	56,757
Staff Welfare	125,506	49,796
Office Expenses	566,430	153,654
TOTAL	<u>3,195,480</u>	<u>685,550</u>
Schedule 15		
FINANCIAL EXPENSES		
Bank Charges & Commissions	50,239	6,863
Interest on Car Loan	66,453	-
TOTAL	<u>116,692</u>	<u>6,863</u>
Schedule 16		
SELLING & DISTRIBUTION EXPENSES		
Advertising & Business Promotion Expenses	207,583	10,584
Discount & Differences	-	3,789
Travelling & Conveyance Expenses	857,528	208,825
TOTAL	<u>1,065,111</u>	<u>223,198</u>

VERITAS INDIA LIMITED
(Formerly know as Duroflex engineering limited)
CASH FLOW STATEMENT FOR THE YEAR ENDED MARACH 31, 2009

[Figures in Rupees]

Particulars	For the year ended March 31 ,2009	For the year ended March 31 ,2008
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before taxes and extraordinary items	5,524,850	2,083,295
Depreciation	118,369	4,659
Financial charges [Interest paid]	66,453	-
Operating profit before working capital changes	<u>5,709,672</u>	<u>2,087,954</u>
Adjustment for :		
Increase in Trade Receivables	(161,800,480)	(10,208,827)
Increase/(Decrease) in Inventories	558,759	(1,390,028)
Increase in Loans & Advances	(6,336,766)	5,859,024
Increase in Current Liabilities	138,079,375	5,022,597
Cash genrated from / [used in] operations	<u>(23,789,440)</u>	<u>1,370,720</u>
Direct taxes paid [Including FBT & TDS]	(728,195)	(644,099)
Financial charges [Interest paid]	(66,453)	-
Net Cash from Operating Activities	<u>(24,584,088)</u>	<u>726,621</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Additions to fixed assets [including CWIP]	(31,272,217)	(273,568)
Additions to Misc Expenses	(725,562)	-
Additions to Invesetments	(1,927,500)	-
Net Cash used in investing Activities	<u>(33,925,279)</u>	<u>(273,568)</u>
C. CASH FLOW FROM FINANCIAL ACTIVITIES		
Secured term loans [net of repayments]	947,953	-
Unsecured loans	38,726,500	33,960
Convertible Preferential Warrants issued	20,000,000	-
Net cash available from financial activities	<u>59,674,453</u>	<u>33,960</u>
Net increase / [decrease] in cash & cash equivalents [A+B+C]	1,165,086	487,013
Operating balance of cash and cash equivalents	579,148	92,135
Closing balance of cash and cash equivalents	<u>1,744,234</u>	<u>579,148</u>

Notes :

- 1 The above Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard - 3 on "Cash Flow Statement" issued by The Institute of Chartered Accountants of India.

As per our report of even date attached

FOR SHABBIR S BAGASRAWALA
Chartered Accountants

Sd/-

Proprietor
ICAI M. No.39865
Place : Mumbai
Date : 30th June, 2009

For and on behalf of board

Sd/-

DIRECTOR

Sd/-

DIRECTOR

Sd/-

COMPANY SECRETARY

24

VERITAS(INDIA) LIMITED
(Formerly known as Duroflex engineering limited)

BALANCE SHEET ABSTRACT AND COMPANAY'S GENERAL BUSINESS PROFILE

I. Balance Sheet Dated 31st March, 2009

Registration No
L23209MH1985PLC035702

II. Capital raised during the year

State Code 11
[Amount Rs. in Thousands]

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Issue - Warrants	20,000

III. Position of Mobilisation and Deployment of Funds

[Amount Rs. in Thousands]

Total Liabilities	Amount	Total Assets	Amount
Sources of Funds		Application of Funds	
Paid-up Capital	29,960	Net Fixed Assets	31,423
Reserves and Surplus	4,584	Investments	1,927
Secured Loans	947	Net Current Assets	42,944
Unsecured Loans	38,922	Miscellaneous Expenditure	726
Deferred Tax Liability	2,607		

IV. Performance of the Company

[Amount Rs. in Thousands]

Turnover [Net]	660,481	Profit Before Tax	5,525
Total Expenditure	654,956	Profit After Tax	2,242
Earning per Share [Rs]	2.25	Dividend Rate	-

IV. Generic Names of Three Principal Products / Services of Company [as per monetary term]

Item Code No [ITC CODE]	
Product Description	Chemicals, Metals & Machinery

FOR SHABBIR S BAGASRAWALA
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD

Sd/-

Sd/-

Sd/-

PROPRIETOR
M.NO : 39865
PLACE : MUMBAI
DATED : 30/06/2009

NITIN KUMAR
DIRECTOR

NITI DEVI
DIRECTOR

Sd/-

HANOZ CHINYOY
COMPANY SECRETARY

VERITAS (INDIA) LIMITED

[Formerly known as Duroflex Engineering Limited]

Statement pursuant to Section 212 of the Companies Act, 1956 relating to subsidiary company.

1	Name of the Subsidiary	VERITAS FZE
2	Financial Year Ended	31 st March 2009
3	Holding Company's Interest	100% in Equity Share Capital.
4	<p>The net aggregate of profits or losses for the above financial year of the Subsidiary so far as it concerns the members of the holding company</p> <p>a. dealt with or provided for in the accounts of the Holding Company.</p> <p>b. Not dealt with or provided for in the accounts of the Holding company</p>	<p>NIL</p> <p>Profit Rs 1,17,68,300</p>
5	<p>The net aggregate of profits or losses for the previous financial year of the Subsidiary so far as it concerns the members of the holding company</p> <p>a. dealt with or provided for in the accounts of the Holding Company.</p> <p>b. Not dealt with or provided for in the accounts of the Holding company</p>	<p>NA</p> <p>NA</p>

SCHEDULE: 17**NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2009.****A. SIGNIFICANT ACCOUNTING POLICIES****BASIS OF ACCOUNTING**

The Company follows mercantile system of accounting. Financial Statements are prepared as per historical cost convention in accordance with the Generally Accepted Accounting Principles (GAPP) and comply with the mandatory accounting standards and statements issued by the Institute of Chartered Accountants of India.

USE OF ESTIMATES

The preparation of financial statements are in conformity with generally accepted accounting principles, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known to materialize.

FIXED ASSETS

The Fixed Assets are stated at Cost of acquisition or construction including taxes (net of refundable) installation and commissioning cost and pre-operative expenses incurred on the project are capitalized.

DEPRECIATION

Depreciation on fixed assets is provided pro rata for the period of use on straight line basis in accordance with the rate and rules prescribed under Schedule XIV to the Companies Act, 1956.

INVESTMENTS

The Company has not invested in Shares and mutual funds during the year except investment in Share of Subsidiary Company and the value of the investment is stated at cost.

INVENTORIES

Stock (including transit) of traded goods is valued at FIFO method at cost. The valuations of wastage / packing materials are valued at nil.

FOREIGN CURRENCY TRANSACTIONS

Foreign Currency transactions are converted at the exchange rates prevailing on the date of transactions. Expenditure on account of Imports are accounted for at the exchange rates prevailing on the date of transactions and necessary Forex difference on realization is recognized as income or expense. Transactions remaining unsettled at the year end are translated at the year end rate and the difference is charged to Profit & Loss Account. In the case of forward contract the difference between the forward rate and the exchange rate on the date of transactions is recognized in the profit & Loss Account. Profit or Loss arising on the cancellation or renewal of contract is recognized as income or expense in the year in which, such cancellation or renewal is made.

RETIREMENT BENEFIT SCHEME

The Company is at present not covered under the Provident fund and Miscellaneous act 1952. Gratuity benefits are accounted on Cash Basis. No provision is made for Gratuity benefits on actuarial basis.

PRELIMINARY EXPENSES

Preliminary Expenses are written off over a period of Ten years.

REVENUE RECOGNITION

Sales are being recognized as and when goods are dispatched / billed to the customers. Exports sales are accounted on the basis of date of bill of lading, Sales Comprises of amount invoiced Excluding Sales Tax\ Vat, recoverable thereon. It further includes revenue generated from the supply of energy from the windmill installed in the state of Maharashtra.

BORROWING COST

Borrowing Cost that is attributable to the acquisition, construction or production of qualifying assets is capitalized as part of the cost of such assets till such time as the asset that necessarily requires a substantial period of time to get ready for its intended use. All other borrowing cost are recognized as an expense in the period in which they are incurred.

INCOME TAX

The provision for tax for the year comprises current income tax determined to be payable in respect of the taxable income.

DEFERRED TAX

In accordance with Accounting Standard 22 on "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the Company has Deferred tax liability resulting from timing difference between book and taxable profit for the year.

PROVISIONS FOR CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

EARNING PER SHARE

The Company reports basic and diluted Earnings per Share (EPS) in accordance with Accounting Standard 20 on Earnings per Share. Basic EPS is computed by dividing the net profit or loss for the year by the weighted average number of Equity Shares outstanding during the year. Diluted EPS is computed by dividing the net Profit or Loss for the year by the weighted average number of Equity Shares outstanding during the year as adjusted for the effects of all dilutive potential equity Shares, except where the results are anti dilutive.

Figures in Rupees

Particulars	2008-2009	2007-2008
Profit after tax	22,41,613	14, 22,584
Number of shares	9, 96,000	9, 96,000
Earning per share (Basic and Diluted)	2.25	1.43

CASH & CASH EQUIVALENTS

Cash and Cash equivalents in the cash flow statement comprise cash at Bank, cash on hand and liquid investment as per accounting standard -3 on cash flow statements.

B. NOTES TO THE ACCOUNTS

1. DESCRIPTION OF BUSINESS

The Company is in the business of Imports, Trading and Distribution of Chemicals, Metals and Machinery. The Company is also engaged in generating of wind energy in the State of Maharashtra.

2. CONTINGENT LIABILITIES

There are no liabilities of contingent nature and hence not disclosed.

3. Sundry Debtors, Sundry Creditors and Loans and Advances are subject to conclusion by the respective parties. Necessary adjustments in accounts will be made in the year in which discrepancy if any may be noticed.

4. Sundry Loans and Advances and other Assets are in the opinion of the management stated at the amount realizable in the ordinary course of the business and provisions for all known and determined liabilities are adequate and not in excess of amount reasonably required.

5. Previous Year figures have been regrouped or reclassified wherever necessary.
6. Term Loan availed from Kotak Mahindra Prime limited–Mumbai. For Motor car is secured by creation of charge on the Motor car.
7. During the year sundry balances written off consists of items of discounts & differences which are irrecoverable /not payable in the opinion of management.
8. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 221.25 Lacs (P.Y. Rs. Nil).
9. Other information required by the schedule VI to the Companies Act 1956 has been given only to the extent applicable.

10. Quantitative details of Stock

Quantitative details of Stock as at 31 st March, 2009							Rupees
Sr. No	Product	Unit	Op. Stock	Purchase Mfg/Devt	Sales	Cl. Stock	Value of Cl. Stock
1	Machinery	Pcs	-	624 Nos	621 Nos	3 Nos	Rs 1,21,865
2	Metals	Mts	4.6 Mts	4170.77 Mts	4170.77 Mts	-	-
3	Metals	Set	-	5 Set	-	5 Set	Rs 7,09,404
	TOTAL						8,31,269

11. Auditors' Remuneration

Amt in Rupees

	Year Ended 31.03.2009	Year Ended 31.03.2008
Audit Fees	55,150	28,090
Tax Audit Fees	27,575	16,854
TOTAL	82,725	44,944

12. Expenditure in Foreign Currency

Amt in Rupees

a) CIF Value of Imports	Year Ended 31.03.2009	Year Ended 31.03.2008
i) Traded Goods	NIL	NIL
Total	NIL	NIL
b) Expenditure in Foreign Currencies on		
i) Traveling	NIL	NIL
iii) Imports of Goods	NIL	NIL
Total	NIL	NIL

c) Income in foreign exchange on		
i) FOB Value of Exports	2591166	NIL
ii) Freight, Insurance, Commission	NIL	NIL
Total	2591166	NIL

13. Accounting standard - 17 on segment reporting is applicable to the company, as it is engaged in Trading & Distribution business and Wind Power Generation activity

Business wise Segments Reporting

Particulars	2008-2009	2007-2008
Segment Revenue		
Trading and Distribution	660,480,268	36,674,567
Wind Power Generation	543	-
	660,480,811	36,674,567
Segment Profit or Loss		
Trading and Distribution	5,528,240	2,083,296
Wind Power Generation	(3,660)	-
	5,524,580	2,083,296
Other Information		
<u>Trading and Distribution</u>		
Segment Fixed Assets	1,776,959	268,909
Segment Net Current Assets	39,572,681	12,245,676
<u>Wind Power Generation</u>		
Segment Fixed Assets	29,645,798	-
Segment Net Current Assets	3,372,194	-

14. There are no business transactions reportable under accounting standard - 18 [relating to related party transactions] and hence no disclosures are required.

15. A statement pursuant to section 212 of Companies Act, 1956 related to the subsidiary Company is annexed. The audited statements of accounts, along with the report of the Board of Directors relating to the Company's subsidiary and the Auditor's report thereon for the year ended 31st March, 2009 are annexed.

29

16. Major components of Deferred Tax Assets and Liabilities as at 31.03.2009 arising on Account of timing differences are;

		Rupees
Deferred Tax Liabilities		
Depreciation	Opening Balance	16612
	Addition	4019042
	Closing balance	4035654
Deferred Tax Assets		
	Capital Loss	1429000
	Net Differed Tax Liabilities	2606654

17. PREFERANTIAL WARRANTS

During the year the Company has issued 10,00,000 Convertible Warrants, convertible into equal number of equity shares of Rs 10/- each within 18 months from the date of allotment at a price of Rs 200/- each and Rs 20/- each paid up.

As per our report of even date
For Shabbir S Bagasrawala
 Chartered Accountants

For and on behalf of the Board

Sd/-

Sd/-

Sd/-

Proprietor
 Place: Mumbai
 Date: 30th June, 2009

(Nitin Kumar)
 DIIRECTOR

(Niti Devi)
 DIRECTOR

Sd/-

Hanoz Chinoy
 (Company Secretary)

Consolidated Auditors' Report

To The Board of Directors of
VERITAS (INDIA) LIMITED
[Formerly known as Duroflex Engineering Ltd]

1. We have audited the attached Consolidated Balance Sheet of Veritas (India) Limited [Formerly known as Duroflex Engineering Limited ["the Company"]] and its subsidiary [collectively referred to as "the Group] as at 31st March, 2009 the related Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These Consolidated Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. We have conducted our audit in accordance with the 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 prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes the 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. We did not audit the financial statements of the subsidiary. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion so far as it relates to the amounts included in respect of these consolidated entities, is based solely on the report of the auditor.
4. We report that the Consolidated Financial Statements have been prepared by the Company's management in accordance with the requirement of Accounting standard 21, "Consolidated Financial Statements" Notified by Companies [Accounting standards] Rules 2006.

5. Based on our audit and on the consideration of the separate audit report on individual audited financial statement of the Company and its consolidated subsidiary, subject to our comments in Para 3 above, in our opinion and to the best of our information and according to the explanations given to us, the Consolidated Financial Statements gives a true and fair view in conformity with the accounting principles generally excepted in India:
- (a) In case of the Consolidated Balance Sheet, of the state of affairs of the Company as at 31st March, 2009
 - (b) In the case of Consolidated Profit and Loss Account, of the profit for year ended on that date; and
 - (c) In the case of Consolidated Cash Flow Statement, of the cash flow for the year ended on that date.

**For Shabbir S. Bagasrawala
Chartered Accountants**

Sd/-

**Place: Mumbai
Date : 30th June, 2009**

**Proprietor
M.NO.39865**

VERITAS (INDIA) LIMITED
(Formerly Known as Duroflex Engineering Limited)

(Referred to in paragraph 3 of our report of even date)

- i) The Nature of the Company's business/activities during the year is such that clauses (xiii) and (xiv) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company for the year under date.
- ii) In respect of its Fixed Assets:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The Fixed Assets are being physically verified under a phased manner of verification, which in our opinion is reasonable having regard to the size of the company and nature of its assets. According to the information and explanation given to us no material discrepancies were noticed on such verification.
- iii) In respect of its Inventories:
 - a) As explained to us, inventories were physically verified during the year by the management at reasonable intervals.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- iv) In respect of loans, secured or unsecured, granted or taken by the Company to or from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, to the best of our knowledge and according to the information and explanations given to us:
 - a) The Company has taken loan from parties covered in register u/s 301 aggregating to Rs 38921500/- (P.Y. 195000)
 - b) The terms and conditions of such loan are, in our opinion, prima facie not prejudicial to the interest of the Company.
 - c) The payment of the principal amount to the parties from whom loan has been taken by the Company is also regular as per the terms of the loan wherever applicable.
 - d) There are no overdue amounts of more than Rs. 100,000 in respect of loan taken by the company.
- v) 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 nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further during the course of audit, we have not

come across any instance of major weakness in internal control that in our opinion, require correction.

- vi) In respect of transactions entered in the register maintained in pursuance of section 301 of the Companies Act 1956:
 - a) To the best of our knowledge and belief and according to the information and explanations given to us, transactions that needed to be entered into the register have been so entered.
 - b) According to the information and explanations given to us, the transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vii) In our opinion and according to the information and explanation given to us, the company has not accepted deposits from the public as per section 58A and 58AA of the companies Act, 1956.
- viii) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- ix) According to information and explanation given to us, the maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub section (1) of section 209. of the Companies Act, 1956.
- x) According to the information and explanations given to us in respect of statutory and other dues:
 - a) The Company has been regular in depositing undisputed statutory dues, including Provident fund, Income Tax, Sales Tax, Custom Duty, Cess and any other statutory dues applicable to the Company with the appropriate authorities during the year.
 - b) There are undisputed statutory dues outstanding as on 31st March 2009, for the period of more than six months, from the date of becoming payable.
- xi) According to the information and explanations given to us, the company has no accumulated losses as at 31, March 2009 and the company has not incurred cash losses in the immediate preceding financial year.
- xii) According to the records of the company examined by us and the information and explanation given to us we are of the opinion that the Company has not defaulted in the repayment of dues of financial institutions and banks.
- xiii) The provision of any special statute applicable to the chit fund/nidhi/mutual benefit fund /societies is not applicable to the company.
- xiv) In our opinion and according to the information and explanation given to us, 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.

- xv) According to information and explanations given to us, the company has not granted any loan and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xvi) In our opinion and according to information and explanations given to us, no guarantees have been given by the Company for loans taken by others from banks.
- xvii) According to cash flow statements and other records examined by us and the information and explanations given to us, on an overall basis, funds raised on short term basis have, prima facie, not been used during the year for long term investment (fixed assets etc.) and vice versa, other than temporary deployment pending application,
- xviii) The Company has made preferential allotment of Convertible Warrants to the Parties and companies covered in the register maintained under section 301 of the companies Act, 1956 during the year under review, and are not prima facie prejudicial to the interest of the Company.
- xix) According to information and explanations given to us, the Company has not issued any debentures and hence clause xix is not applicable.
- xx) The Company has not raised any money by public issue during the year.
- xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practice in India and to the best of our knowledge and belief and according to the information and explanation given to us, we have neither come across any material fraud on or by the company was noticed or reported during the year nor have we been informed of any such cases by the management.

Place: Mumbai
Date : 30th June, 2009

For Shabbir S Bagasrawala
Chartered Accountants

Sd/-

Proprietor
M.No. 39865

37

VERITAS (INDIA) LIMITED
[Formerly known as DUROFLEX ENGINEERING LIMITED]

BALANCE SHEET AS AT 31ST MARCH, 2009 [Consolidated]

PARTICULARS	SCHEDULE	AS AT 31st March, 09 Rs	AS AT 31st March, 08 Rs
<u>SOURCES OF FUNDS</u>			
SHARE CAPITAL	1	29,960,000	9,960,000
RESERVES & SURPLUS			
PROFIT & LOSS ACCOUNT	2	17,838,434	2,342,973
LOAN FUNDS			
SECURED LOANS	3	947,953	
UNSECURED LOANS	4	38,921,500	195,000
DEFERRED TAX LIABILITY		2,606,654	16,612
TOTAL		90,274,541	12,514,585
<u>APPLICATION OF FUNDS</u>			
FIXED ASSETS	5	31,513,644	268,909
CURRENT ASSETS, LOANS & ADVANCES			
CASH & BANK BALANCES	6	3,966,961	579,148
DEPOSITS LOANS AND ADVANCES	7	26,849,875	1,341,037
SUNDRY DEBTORS	8	247,376,788	14,345,077
INVENTORY		831,269	1,390,028
TOTAL CURRENT ASSETS (A)		279,024,893	17,655,290
LESS : CURRENT LIABILITIES & PROVISIONS			
SUNDRY CREDITORS	9	220,089,404	4,685,514
PROVISIONS	10	900,155	724,100
TOTAL CURRENT LIABILITIES (B)		220,989,559	5,409,614
NET CURRENT ASSETS (A-B)		58,035,335	12,245,676
MISC EXPENSES			
MISCELLANEOUS EXPENSES (To the extent not w/off or adjusted)	11	725,562	-
TOTAL		90,274,541	12,514,585
NOTES FORMING PART OF THE ACCOUNTS	16		

As per our report of even date
FOR SHABBIR S BAGASRAWALA
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD

Sd/-

S Sd/-

Sd/-

PROPRIETOR
M.NO : 39865
PLACE : MUMBAI
DATED : 30/6/2009

NITIN KUMAR
DIRECTOR

NITI DEVI
DIRECTOR

Sd/-

HANOZ CHINYOY
COMPANY SECRETARY

38

VERITAS (INDIA) LIMITED
[Formerly known as DUROFLEX ENGINEERING LIMITED]

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009 [Consolidated]

PARTICULARS	SCHEDULE	Consolidated 31st March, 09	Previous Year 31st March, 08
INCOME			
SALES AND OTHER INCOME		771,036,442	36,674,567
TOTAL		771,036,442	36,674,567
EXPENDITURE			
DIRECT EXPENSES	12	747,907,537	33,671,001
ADMINISTRATIVE & GENERAL EXPENSES	13	4,234,067	685,550
FINANCIAL EXPENSES	14	119,369	6,863
SELLING & DISTRIBUTION EXPENSES	15	1,360,462	223,198
DEPRECIATION		121,858	4,659
TOTAL		753,743,294	34,591,271
PROFIT/(LOSS) BEFORE TAX		17,293,149	2,083,296
PROVISION FOR INCOME TAX		640,000	628,000
DEFERRED TAX LIABILITIES		2,590,042	16,612
PROVISION FOR FRINGE BENEFIT TAX		53,195	16,100
PROFIT AFTER TAX		14,009,912	1,422,584
Add : Profit / (Loss) brought forward		2,342,973	920,389
PROFIT AVAILABLE FOR APPROPRIATION		16,352,885	2,342,973
BALANCE TRFD TO BALANCE SHEET		16,352,885	2,342,973
NOTES FORMING PART OF THE ACCOUNTS	16		
EPS - Basic [On Rs. 10/- per share]		14.07	1.43
EPS - Diluted [On Rs. 10/- per share]		14.07	1.43

As per our report of even date
FOR SHABBIR S BAGASRAWALA
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD

Sd/-

Sd/-

Sd/-

PROPRIETOR
M.NO : 39865
PLACE : MUMBAI
DATED : 30/06/2009

NITIN KUMAR
DIRECTOR

NITI DEVI
DIRECTOR

Sd/-

HANOZ CHINYOY
COMPANY SECRETARY

VERITAS (INDIA) LIMITED
 [Formerly known as DUROFLEX ENGINEERING LIMITED]
 [Consolidated Financial Statement]

SCHEDULES FORMING PART OF THE BALANCE SHEET	AS AT 31st March, 09 Rs	AS AT 31st March, 08 Rs
Schedule 1		
AUTHORISED CAPITAL	100,000,000	10,000,000
1000000 Equity shares of Rs 10/- each. (P.Y. 1000000 Equity shares of Rs 10/- each)		
ISSUED, SUBSCRIBED AND PAID UP	9,960,000	9,960,000
996000 Equity shares of Rs 10/- each (P.Y. 998000 Equity shares of Rs 10/- each)		
Convertible Warrants	20,000,000	-
1000000 Convertible Warrants convertible into equal no of equity shares of Rs 10 each with in 18 months from the date of allotment at a price of Rs 200/- each and Rs 20 each paid up. (P.Y. Nil)		
	<u>29,960,000</u>	<u>9,960,000</u>
Schedule 2		
RESERVES AND SURPLUS		
Profit and loss account		
Profit available for appropriation	2,342,973	920,389
Add : Profit of FZE	14,009,912	1,422,584
FOREIGN EXCHANGE RESERVE	1,485,549	-
TOTAL	<u>17,838,434</u>	<u>2,342,973</u>
Schedule 3		
SECURED LOANS		
Kotak Mahindra Prime Ltd	947,953	-
(Against hypothecation of motor car)		
TOTAL	<u>947,953</u>	-
Schedule 4		
UNSECURED LOANS		
Loans from Director	38,921,500	195,000
TOTAL	<u>38,921,500</u>	<u>195,000</u>

VERITAS (INDIA) LIMITED

[Formerly known as DUROFLEX ENGINEERING LIMITED]

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2009 [Consolidated]

Schedule 5 : FIXED ASSETS

Figures in Rupees

Sr. No.	Particulars	Gross Block			Depreciation				Net Block		
		As at 1.4.2008	Addition	Deduction	As at 31.3.2009	As at 1.4.2008	for the year	Deduction	Upto 31.3.2009	As on 31.3.2009	As on 31.3.2008
1	Land at Satara	-	600,000	-	600,000	-	-	-	-	600,000	-
2	Plant & Machinery	-	29,050,000	-	29,050,000	-	4,202	-	4,202	29,045,798	-
3	Computer System	178,963	74,562	-	253,525	3,712	33,334	-	37,046	216,478	175,251
4	Furniture & Fixture	94,605	32,175	-	126,780	947	6,283	-	7,230	119,550	93,658
5	Motor Car - Toyota	-	1,515,480	-	1,515,480	-	74,549	-	74,549	1,440,931	-
6	FZE fixed assets				-						
	Computer	-	58,329	-	58,329	-	2,249.59	-	2,249.59	56,079	-
	Printer	-	22,407	-	22,407	-	855.30	-	855.30	21,552	-
	Telephone system	-	13,640	-	13,640	-	383.81	-	383.81	13,257	-
	Total	273,568	31,366,593	-	31,640,161	4,659	121,858	-	126,517	31,513,644	268,909

FOR SHABBIR S BAGASRAWALA
CHARTERED ACCOUNTANTS

Sd/-

PROPRIETOR

M.NO : 39865

PLACE : MUMBAI

DATED : 30/06/2009

FOR AND ON BEHALF OF THE BOARD

Sd/-

NITIN KUMAR
DIRECTOR

Sd/-

NITI DEVI
DIRECTOR

Sd/-

HANOZ CHINYOY
COMPANY SECRETARY

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41

VERITAS (INDIA) LIMITED
[Formerly known as DUROFLEX ENGINEERING LIMITED]

[Consolidated Financial Statement]

SCHEDULES FORMING PART OF THE BALANCE SHEET	Current Year 31st March, 09 Rs	Previous Year 31st March, 08 Rs
Schedule 6		
CASH & BANK BALANCES		
Cash In Hand	211,606	8,316
Cash at FZE	614,602	-
Bank Balances	1,532,628	570,832
Bank Balances at FZE	1,608,126	-
TOTAL	3,966,961	579,148
Schedule 7		
LOANS AND ADVANCES		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received		
Advance for Land	350,000	200,000
Deposits & Advances	2,000,796	28,850
Advances Tax & TDS	1,382,035	1,112,187
Advances to suppliers	23,117,044	-
TOTAL	26,849,875	1,341,037
Schedule 8		
SUNDRY DEBTORS		
Unsecured considered Good	125,704,949	14,345,077
At FZE	121,671,839	-
	247,376,788	14,345,077
Schedule 9		
SUNDRY CREDITORS		
For Goods	110,844,466	4,497,003
For Expenses	968,760	188,511
Creditors at Fze	108,276,178	-
	220,089,404	4,685,514
Schedule 10		
PROVISIONS		
Provisions for Taxation	830,860	708,000
Provision for FBT	69,295	16,100
	900,155	724,100
Schedule 11		
MISC EXPENSES		
Miscellaneous Expenses	725,562	-
(To the extent not w/off or adjusted)		
TOTAL	725,562	-

VERITAS (INDIA) LIMITED

[Formerly known as DUROFLEX ENGINEERING LIMITED]
[Consolidated Financial Statement]

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT	YEAR ENDED 31st March, 09 Rs	YEAR ENDED 31st March, 08 Rs
Schedule 12		
Opening Stock	1,390,028	-
Add-Purchases	746,267,709	35,043,909
	<u>747,657,737</u>	<u>35,043,909</u>
Less-Closing Stock	831,269	1,390,028
	<u>746,826,468</u>	<u>33,653,881</u>
Clg Forwarding, Frieght & Transportation Charges	88,138	-
Foreign Exchange Gain/Loss	20,883	-
Loading & Unloading Charges	174,780	17,120
Packing & Slitting Charges	349,905	-
Warehousing/ Wharfage Charges	447,362	-
TOTAL	<u>747,907,537</u>	<u>33,671,001</u>
Schedule 13		
ADMINISTRATIVE EXPENSES		
Audit Fees	207,650	44,944
Computer Expenses	59,426	21,093
Legal & Professional Fees	304,896	43,951
Membership & Subs, Listing Fees, Books & Periodicals	106,326	20,860
Postage, Telephone & Courier Charges	280,058	50,922
Miscellaneous Expenses w/off	80,618	-
Printing & Stationary Charges	144,601	34,498
Rent , Rates & Taxes	285,743	10,000
Repairs & Maintenance	78,242	25,061
Salaries	1,591,477	174,014
Service Charges Paid	28,359	56,757
Staff Welfare	190,605	49,796
Office Expenses	876,067	153,654
TOTAL	<u>4,234,067</u>	<u>685,550</u>
Schedule 14		
FINANCIAL EXPENSES		
Bank Charges & Commission	52,916	6,863
Interest on Car Loan	66,453	-
TOTAL	<u>119,369</u>	<u>6,863</u>
Schedule 15		
SELLING & DISTRIBUTION EXPENSES		
Advertising & Business Promotion Expenses	291,211	10,584
Discount & Difference	-	3,789
Travelling & Conveyance Expenses	1,069,251	208,825
TOTAL	<u>1,360,462</u>	<u>223,198</u>

VERITAS (INDIA) LIMITED
[Formerly known as DUROFLEX ENGINEERING LIMITED]

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009 [Consolidated]
[Figures in Rupees]

PARTICULARS	For the year ended 31st March, 2009	For the year ended 31st March, 2008
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before taxes and extraordinary items	17,293,149	2,083,295
Depreciation	121,858	4,659
Financial charges [Interest paid]	66,453	-
Operating profit before working capital changes	17,481,460	2,087,954
Adjustment for :		
Increase in Trade Receivables	(233,031,711)	(10,208,827)
Increase/(Decrease) in Inventories	558,759	(1,390,028)
Increase in Loans & Advances	(25,508,838)	5,859,024
Increase in Current Liabilities	215,579,945	5,022,597
Cash generated from / [used in] operations	(24,920,386)	1,370,720
Direct taxes paid [Including FBT & TDS]	(693,195)	(644,099)
Financial charges [Interest paid]	(66,453)	-
Net Cash from Operating Activities	(25,680,034)	726,621
B. CASH FLOW FROM INVESTING ACTIVITIES		
Additions to fixed assets [including CWIP]	(31,366,593)	(273,568)
Additions to Misc Expenses	(725,562)	-
Net Cash used in investing Activities	(32,092,155)	(273,568)
C. CASH FLOW FROM FINANCIAL ACTIVITIES		
Secured term loans [net of repayments]	947,953	-
Foreign Exchange Reserve	1,485,549	-
Unsecured Loans	38,726,500	33960
Convertible Preferential Warrants issued	20,000,000	-
Net cash available from financial activities	61,160,002	33,960
Net increase / [decrease] in cash & cash equivalents [A+B+C]	3,387,813	487,013
Operating balance of cash and cash equivalents	579,148	92,135
Closing balance of cash and cash equivalents	3,966,961	579,148

Notes :

1 The above Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard - 3 on "Cash Flow Statement" issued by The Institute of Chartered Accountants of India

As per our report of even date

FOR SHABBIR S BAGASRAWALA
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD

Sd/-

PROPRIETOR
M.NO : 39865
PLACE : MUMBAI
DATED : 30/06/2009

Sd/-

NITIN KUMAR
DIRECTOR

Sd/-

NITI DEVI
DIRECTOR

Sd/-

HANOZ CHINYOY
COMPANY SECRETARY

SCHEDULE :16

NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 31, 2009

A. SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The Company follows mercantile system of accounting. Financial Statements are prepared as per historical cost convention in accordance with the Generally Accepted Accounting Principles (GAPP) and comply with the mandatory accounting standards and statements issued by the Institute of Chartered Accountants of India.

SUBSIDIARY

Principles of consolidation:

The consolidation financial statements relate to Veritas (India) limited and its subsidiary. The consolidation financial statements have been prepared on the following basis:

- a) In case of foreign subsidiary, being Non-Integral Foreign Operation, revenue items are consolidated at the average rate prevailing during the year. All asset and liabilities are converted at the rate prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the exchange reserve. In case of foreign operation, monetary items denominated in foreign currency are translated into the reporting currency at the exchange rate in effect at the balance sheet date and non- monetary items are translated at rates of exchange in effect when the assets were acquired or obligation incurred. The resultant translation exchange gain/loss have been included in profit and loss account.
- b) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the manner as the Company's separate financial statements.

USE OF ESTIMATES

The preparation of financial statements are in conformity with generally accepted accounting principles, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known to materialize.

FIXED ASSETS

The Fixed Assets are stated at Cost of acquisition or construction including taxes (net of refundable) installation and commissioning cost and pre-operative expenses incurred on the project are capitalized,

DEPRECIATION

Depreciation on fixed assets is provided pro rata for the period of use on straight line basis in accordance with the rate and rules prescribed under Schedule XIV to the Companies Act, 1956.

INVESTMENTS

The Company has not invested in Shares and mutual funds during the year except investment in Share of Subsidiary Company and the value of the investment is stated at cost.

INVENTORIES

Stock (including transit) of traded goods is valued at FIFO method at cost. The valuations of wastage / packing materials are valued at nil.

FOREIGN CURRENCY TRANSACTIONS

Foreign Currency transactions are converted at the exchange rates prevailing on the date of transactions. Expenditure on account of Imports are accounted for at the exchange rates prevailing on the date of transactions and necessary Forex difference on realization is recognize as income or expense. Transactions remaining unsettled at the year end are translated at the year end rate and the difference is charged to Profit & Loss Account. In the case of forward contract the difference between the forward rate and the exchange rate on the date of transactions is recognized in the profit & Loss Account. Profit or Loss arising on the cancellation or renewal of contract is recognized as income or expense in the year in which, such cancellation or renewal is made.

RETIREMENT BENEFIT SCHEME

The Company is at present not covered under the Provident fund and Miscellaneous act 1952. Gratuity benefits are accounted on Cash Basis. No provision is made for Gratuity benefits on actuarial basis.

PRELIMINARY EXPENSES

Preliminary Expenses are written off over a period of Ten years.

REVENUE RECOGNITION

Sales are being recognized as and when goods are dispatched / billed to the customers. Exports sales are accounted on the basis of date of bill of lading, Sales Comprises of amount invoiced Excluding Sales Tax\ Vat, recoverable thereon. It

further includes revenue generated from the supply of energy from the windmill installed in the state of Maharashtra.

BORROWING COST

Borrowing Cost that is attributable to the acquisition, construction or production of qualifying assets is capitalized as part of the cost of such assets till such time as the asset that necessarily requires a substantial period of time to get ready for its intended use. All other borrowing cost are recognized as an expense in the period in which they are incurred.

INCOME TAX

The provision for tax for the year comprises current income tax determined to be payable in respect of the taxable income.

DEFERRED TAX

In accordance with Accounting Standard 22 on "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the Company has Deferred tax liability resulting from timing difference between book and taxable profit for the year.

PROVISIONS FOR CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

EARNING PER SHARE

The Company reports basic and diluted Earnings per Share (EPS) in accordance with Accounting Standard 20 on Earnings per Share. Basic EPS is computed by dividing the net profit or loss for the year by the weighted average number of Equity Shares outstanding during the year. Diluted EPS is computed by dividing the net Profit or Loss for the year by the weighted average number of Equity Shares outstanding during the year as adjusted for the effects of all dilutive potential equity Shares, except where the results are anti dilutive.

Figures in Rupees

Particulars	2008-2009	2007-2008
Profit after tax	1, 40, 09,912	14, 22,584
Number of shares	9, 96,000	9, 96,000
Earning per share (Basic and Diluted)	14.07	1.43

CASH & CASH EQUIVALENTS

Cash and Cash equivalents in the cash flow statement comprise cash at Bank, cash in hand and liquid investment as per accounting standard -3 on cash flow statements.

B. NOTES TO THE ACCOUNTS**1. DESCRIPTION OF BUSINESS**

The Company is in the business of Imports, Trading and Distribution of Chemicals, Metals and Machinery The Company is also engaged in generating of wind energy in the State of Maharashtra.

2. CONTINGENT LIABILITIES

There are no liabilities of contingent nature and hence not disclosed.

3. Sundry Debtors, Sundry Creditors and Loans and Advances are subject to conclusion by the respective parties. Necessary adjustments in accounts will be made in the year in which discrepancy if any may be noticed.
4. Sundry Loans and Advances and other Assets are in the opinion of the management stated at the amount realizable in the ordinary course of the business and provisions for all known and determined liabilities are adequate and not in excess of amount reasonably required.
5. Previous Year figures have been regrouped or reclassified wherever necessary.
6. Term Loan availed from Kotak Mahindra Prime limited-Mumbai. For Motor car is secured by creation of charge on the Motor car.
7. During the year sundry balances written off consists of items of discounts & differences which are irrecoverable /not payable in the opinion of management.
8. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 221.25 Lacs. (P.Y. Rs. Nil).
9. Other information required by the schedule VI to the Companies Act 1956 has been given only to the extent applicable.

10. Quantitative details of Stock

Quantitative details of Stock as at 31 st March, 2009							Amt in Rupees
Sr. No	Product	Unit	Op. Stock	Purchase Mfg/Dev't	Sales	Cl. Stock	Value of Cl. Stock
1	Machinery	Pcs	-	624 Nos	621 Nos	3 Nos	Rs 1,21,865
2	Metals	Mts	4.6 Mts	4170.77 Mts	4170.77 Mts	-	-
3	Metals	Set	-	5 Set	-	5 Set	Rs 7,09,404
4	Chemicals	Mts	-	3505.324 Mts	3505.324 Mts	-	-
	TOTAL						8,31,269

11. Auditors Remuneration

Amt in Rupees

	Year Ended 31.03.2009	Year Ended 31.03.2008
Audit Fees	1,80,075	28,090
Tax Audit Fees	27,575	16,854
TOTAL	2,07,650	44,944

12. Expenditure in Foreign Currency

Amt in Rupees

	Year Ended 31.03.09	Year Ended 31.03.08
a) CIF Value of Imports		
i) Traded Goods	NIL	NIL
Total	NIL	NIL
b) Expenditure in Foreign Currencies on		
i) Traveling	NIL	NIL
ii) Imports of Goods	NIL	NIL
Total	NIL	NIL
c) Income in foreign exchange on		
i) FOB Value of Exports	2591166	0
ii) Freight, Insurance, Commission	NIL	NIL
Total	2591166	0

13. Accounting standard - 17 on segment reporting is applicable to the company, as it is engaged in Trading & Distribution business and Wind Power Generation activity

Business wise Segment Reporting

Particulars	2008-2009	2007-2008
Segment Revenue		
Trading and Distribution	771,035,899	36,674,567
Wind Power Generation	543	-
	771,036,442	36,674,567
Segment Profit or Loss		
Trading and Distribution	17,296,809	2,083,296
Wind Power Generation	(3,660)	-
	17,293,149	2,083,296
Other Information		
<u>Trading and Distribution</u>		
Segment Fixed Assets	1,867,846	268,909
Segment Net Current Assets	54,663,141	12,245,676
<u>Wind Power Generation</u>		
Segment Fixed Assets	29,645,798	-
Segment Net Current Assets	3,372,194	-

14. There are no business transactions reportable under accounting standard - 18 [relating to related party transactions] and hence no disclosures are required.

15. A statement pursuant to section 212 of Companies Act, 1956 related to the subsidiary Company is annexed. The audited statements of accounts, along with the report of the Board of Directors relating to the Company's subsidiary and the Auditor's report thereon for the year ended 31st March, 2009 are annexed.

16. Major components of Deferred Tax Assets and Liabilities as at 31.03.2009 arising on Account of timing differences are;

		Rs
Deferred Tax Liabilities		
Depreciation	Opening Balance	16612
	Addition	4019042
	Closing balance	4035654
Deferred Tax Assets		
	Capital Loss	1429000
	Net Deffered Tax Liabilities	2606654

17. PREFERANTIAL WARRANTS

During the year the Company has issued 10,00,000 Convertible Warrants, convertible into equal number of equity shares of Rs 10/- each within 18 months from the date of allotment at a price of Rs 200/- each and Rs 20/- each paid up.

**As per our report of even date
For Shabbir S Bagasrawala
Chartered Accountants**

For and on behalf of the Board

Sd/-

**Proprietor
Place: Mumbai
Date: 30 June 2009**

Sd/-

**(Nitin Kumar)
DIIRECTOR**

Sd/-

**(Niti Devi)
DIRECTOR**

Sd/-

**Hanoz Chinoy
(Company Secretary)**