

VASUNDHARA RASAYANS LIMITED
Annual Report 2012-13



VASUNDHARA RASAYANS LIMITED

BOARD OF DIRECTORS

SHRI. PRAKASH CHAND JAIN
SHRI. SANJAY KUMAR JAIN
SHRI. SUNIL KUMAR JAIN
SHRI. RAJESH POKERNA
SHRI. RAJESH KUMAR JAIN
SHRI. PRAVIN P.MAJMUMDAR
SHRI. RAJIV PRITIDAS KAKODKAR
Dr. PARAG ASHOK SHARMA

MANAGING DIRECTOR
EXECUTIVE DIRECTOR
WHOLE TIME DIRECTOR
WHOLE TIME DIRECTOR
DIRECTOR
DIRECTOR
DIRECTOR
DIRECTOR

BANKERS

State Bank of India,
Dadar Branch, Mumbai

AUDITORS

M/s. AGARWAL GUPTA NOKARI &
RUSTAGI ASSOCIATES
12, Waterloo Street
Kolkata - 700 069

REGISTERED OFFICE

Shed No.42, Phase II,
IDA, Mallapur,
Hyderabad - 500 076
Andhra Pradesh.

FACTORY

C-104, MIDC Industrial Area
Mahad, (Dist. Raigad)
Maharashtra.

REGISTRAR & SHARE TRANSFER AGENT

CIL SECURITIES LTD
214 Raghavaratna Towers
Chirag Ali Lane, Abids
Hyderabad-500001.



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VASUNDHARA RASAYANS LIMITED
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NOTICE

NOTICE IS HEREBY GIVEN THAT the 26th Annual General Meeting of the Members of VASUNDHARA RASAYANS LIMITED will be held at its Registered Office of the company at Shed No.42, Phase II, IDA, Mallapur, Hyderabad – 500 076 on Saturday, 28th day of September, 2013 at 11.30 A.M. to transact the following business:

AS ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and Profit & Loss Account for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To appoint Director in place of Shri Rajiv Pritidas Kakodkar who retires by rotation, and is eligible for reappointment.
3. To appoint Auditors to hold the office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting and to fix their remuneration.
4. To decide and declare dividend for the financial year 2012-2013.

AS SPECIAL BUSINESS:

5. To consider and if thought fit to pass with or without any modifications the following resolution as Ordinary Resolution:

“Resolved that pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions if any, of the Companies Act 1956 read with Schedule XIII thereto, but subject to ratification and approval of the shareholders of the Company in the ensuing General Meeting, consent of the Board of Directors of the Company, be and is hereby accorded to the re-appointment of Shri.Sunil Kumar Jain as Whole Time Director of the Company w.e.f 01.04.2013 for a further period of 5 years and with payment of remuneration of Rs.50,000 p.m w.e.f. 01.04.2012.”

6. To consider and if thought fit to pass with or without any modifications the following resolution as Ordinary Resolution:

“Resolved that pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions if any, of the Companies Act 1956 read with Schedule XIII thereto, but subject to ratification and approval of the shareholders of the

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VASUNDHARA RASAYANS LIMITED
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Company in the ensuing General Meeting, consent of the Board of Directors of the Company, be and is hereby accorded to the re-appointment of Shri.Rajesh Pokerna as Whole Time Director of the Company w.e.f 01.04.2013 for a further period of 5 years and with payment of remuneration of Rs.50,000 p.m to him w.e.f. 01.04.2012."

7. To consider and if thought fit to pass with or without any modifications the following resolution as Ordinary Resolution:

"Resolved that pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions if any, of the Companies Act 1956 read with Schedule XIII thereto, but subject to ratification and approval of the shareholders of the Company in the ensuing General Meeting, consent of the Board of Directors of the Company, be and is hereby accorded to the re-appointment of Shri.Sanjay Kumar Jain as Executive Director of the Company w.e.f 01.04.2013 for a further period of 5 years and with payment of remuneration of Rs.10000/- p.m to him."

8. To consider and if thought fit to pass with or without any modifications the following resolution as Ordinary Resolution:

"Resolved that pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions if any, of the Companies Act 1956 read with Schedule XIII thereto, but subject to ratification and approval of the shareholders of the Company in the ensuing General Meeting, consent of the Board of Directors of the Company, be and is hereby accorded to the revision of remuneration paid to Shri. Prakash Chand Jain as Managing Director of the Company w.e.f 01.04.2012 with payment of remuneration of Rs.50,000 p.m to him."

REGISTERED OFFICE
Shed No.42, Phase II, IDA,
Mallapur, Hyderabad - 500 076,
Andhra Pradesh.

Dated this 24.08.2013

BY ORDER OF THE BOARD OF DIRECTORS

(PRAKASH CHAND JAIN)
MANAGING DIRECTOR

(RAJESH POKERNA)
WHOLE TIME DIRECTOR

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VASUNDHARA RASAYANS LIMITED
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**EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 173(2)
OF COMPANIES ACT, 1956.**

4. Shri Sunil Kumar Jain, WholeTime Director hold his office upto 01.04.2013. Taking in view his continued valuable services to the Company he was reappointed as Whole Time Director for a period of 5 years and with payment of remuneration of Rs.50,000 p.m w.e.f. 01.04.2012. His reappointment was confirmed in the Board of Directors meeting held on 18.03.2013 and his reappointment to be effective from 01.04.2013. The above reappointment is however subject to the approval of the shareholders in the ensuing general meeting and accordingly it is placed before the members for regularization of reappointment of Shri Sunil Kumar Jain, as Whole Time Director of the Company.

None of the Directors of the Company except Shri Sunil Kumar Jain is concerned or interested in the above resolution.

5. Shri Rajesh Pokerna, WholeTime Director hold his office upto 01.04.2013. Taking in view his continued valuable services to the Company he was reappointed as Whole Time Director for a period of 5 years and with payment of remuneration of Rs.50,000 p.m w.e.f. 01.04.2012. His reappointment was confirmed in the Board of Directors meeting held on 18.03.2013 and his reappointment to be effective from 01.04.2013. The above reappointment is however subject to the approval of the shareholders in the ensuing general meeting and accordingly it is placed before the members for regularization of reappointment of Shri Rajesh Pokerna as Whole Time Director of the Company.

None of the Directors of the Company except Shri Rajesh Pokerna is concerned or interested in the above resolution.

6. Shri Sanjay Kumar Jain, Executive Director hold his office upto 01.04.2013. Taking in view his continued valuable services to the Company he was reappointed as Executive Director for a period of 5 years and with payment of remuneration of Rs.10,000 p.m. His reappointment was confirmed in the Board of Directors meeting held on 18.03.2013 and his reappointment to be effective from 01.04.2013. The above reappointment is however subject to the approval of the shareholders in the ensuing general meeting and accordingly it is placed before the members for regularization of reappointment of Shri Sanjay Kumar Jain, as Executive Director of the Company.

None of the Directors of the Company except Shri Sanjay Kumar Jain is concerned or interested in the above resolution.

7. Shri Prakash Chand Jain, Managing Director of our Company remuneration was revised w.e.f 01.04.2012 with payment of remuneration of Rs.50,000 p.m to him The above revision of remuneration is however subject to the approval of the shareholders in the ensuing general meeting and accordingly it is placed before the members for regularization of revision of remuneration of Shri Prakash Chand Jain, Managing Director of the Company.

None of the Directors of the Company except Shri Prakash Chand Jain is concerned or interested in the above resolution.

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VASUNDHARA RASAYANS LIMITED
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NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and to vote instead of himself and a proxy need not be a member of the Company. The proxies in order to be effective must be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the meeting.
2. The register of members and share transfer book of the Company will remain closed from Tuesday 24th September, 2013 to Saturday 28th, 2013 (both days inclusive).
3. Members are requested to:
 - i) Intimate change, if any, in their registered addresses at an early date.
 - ii) Quote Investor Registration No./Counter Receipt No./Regd.Folio No. in all their correspondence.
 - iii) Bring their copies of the Annual Reports and the Attendance Slips with them at the Annual General Meeting.
 - iv) Write to the Company's Registrars & Share Transfer Agents, M/s CIL Securities Ltd enclosing their share certificates for consolidation into one folio for better services, if they have more than one folio in identical order of name(s).
4. "Pursuant to the provision of section 205A(5) of the Companies Act, 1956 Dividend for the financial year ended 2008-09, 2009-2010, 2010-2011, 2011-12 which remain unclaimed for a period of seven years will be transferred to the investor Education and Protection Fund Established by the Central Government pursuant to Sec.205© of the Com. Act. 1956. The members who have not en-cashed the Dividend Warrants so far the financial years 31.3.2009, 31.03.2010, 31.3.2011, 31.3.2012 are requested to make their claim to the company at its Registered offices. It may also be noted that once the Unclaimed Dividend is transferred to the Investor Education and Protection Fund, no claim lie in respect thereof".

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Andhra Pradesh.

BY ORDER OF THE BOARD OF DIRECTORS

(PRAKASH CHAND JAIN)
MANAGING DIRECTOR

(RAJESH POKERNA)
WHOLE TIME DIRECTOR

Dated this 24.08.2013

VASUNDHARA RASAYANS LIMITED

DIRECTOR'S REPORT

Your Directors have pleasure in presenting the 26th Annual Report and Audited Accounts of your Company for the year ended 31st March, 2013.

1. YOUR COMPANY'S SUMMARISED FINANCIAL RESULTS ARE AS UNDER:

(in Rupees)

	CURRENT YEAR ENDED 31.03.2013	PREVIOUS YEAR ENDED 31.03.2012
Turnover	186373974	202010833
Other Income	2287577	7864025
Profit/(Loss) before exceptional, items & taxation	8118073	6480690
Profit/(Loss) before taxation	8241414	6440462
Net Profit after Taxation	4807745	4437930

2. OPERATIONS

During the year under review the turnover of the Company Rs.18.63 Crores in comparison to the previous year's figure at Rs.20.20 Crores.

The company has achieved net profit after tax which is reported at Rs.48.07 lacs in comparison to profit of Rs.44.37 lacs in the previous year. The company has been trying hard to reduce the interest and other costs and to get more profits. In future after adopting all cost cutting measures and by improving its overall sales the company is hopeful of performing much better and improves its profitability accordingly.

3. DIVIDEND

Your Directors are proposing 5% dividend during the year.

4. FINANCIAL ACTIVITIES

Even though the company needs more working capital to meet with the production and supply against orders in hand, the company is managing with its present level of working capital facilities.

5. DIRECTORS

In accordance with the provision of the Companies Act, 1956 and the Articles of Association of the Company Shri Rajiv Pritidas Kakodkar, Director, retires by rotation at the ensuing Annual General Meeting of your Company and being eligible,



VASUNDHARA RASAYANS LIMITED

offers himself for re-appointment. The reappointment and revision of remuneration of Shri Sunil Kumar Jain, Whole Time Director, Shri Rajesh Pokerna, Whole Time Director, Shri Sanjay Kumar Jain, Executive Director is put for ratification and approval of the Shareholders of the Company. Further revision of Remuneration of Shri Prakash Chand Jain, Managing Director of our Company is also put for ratification and approval of the Shareholders of the Company.

6. AUDITORS

M/s Agarwal Gupta Nokari & Rustagi Associates, Chartered Accountants, Auditors of the Company hold office till the conclusion of the ensuing Annual General Meeting. The Auditors have furnished a certificate, under section 224(1) of the Companies Act, 1956, of their eligibility for reappointment, therefore Your Directors recommend M/s Agarwal Gupta Nokari & Rustagi Associates, Chartered Accountants for appointment as your Company's Statutory Auditors from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting.

7. CORPORATE GOVERNANCE

Your Company is committed to business integrity, high ethical values and professionalism in all its activities. As an essential part of this commitment, the Board of Directors support high standards in corporate governance. A separate report on Corporate Governance along with the certificate of the Auditors, M/s Agarwal, Gupta, Nokari & Rustagi Associates, confirming compliance of the conditions of corporate governance, as stipulated under clause 49 of Listing Agreements entered into with the Stock Exchanges is annexed.

8. DEPOSITS

During the year under review, your Company has not accepted any deposits.

9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EARNINGS AND OUTGO

Additional information on conservation of Energy, Technology absorption and foreign exchange earnings and outgo as required to be disclosed in terms of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is set out in Annexure and forms part of this report.

10. PARTICULARS OF EMPLOYEES

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VASUNDHARA RASAYANS LIMITED
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None of the employees is drawing remuneration in excess of the ceiling laid down under the provision of Section 217 (2) (A) of the Companies Act, 1956 as amended read with the Companies (particulars of Employees) Rules, 1975.

11. DIRECTORS RESPONSIBILITY STATEMENT

In compliance of recently introduced Section 217 (2AA) in the Companies Act, 1956, your Directors state that:

- i) That in the preparation of the Annual Accounts, the applicable accounting standards have been followed and there has been no material departure;
- ii) That the selected accounting policies were applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state-of-affairs of the Company as at 31st March, 2013 and of the profit of the Company for the year ended on that date;
- iii) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) That the Annual Accounts have been prepared on a going concern basis.

12. ACKNOWLEDGEMENTS

The Directors wish to place on record their sincere thanks and gratitude to the State Bank of India for their continued assistance and co-operation, and the customers for their continued support and patronage.

REGISTERED OFFICE
Shed No.42, Phase II, IDA,
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Hyderabad - 500 076,
Andhra Pradesh.

BY ORDER OF THE BOARD OF DIRECTORS

(PRAKASH CHAND JAIN)
MANAGING DIRECTOR

(RAJESH POKERNA)
WHOLE TIME DIRECTOR

Dated this 24th Day of August, 2013



=====**VASUNDHARA RASAYANS LIMITED**=====

ANNEXURE TO THE DIRECTOR'S REPORT

Information under Section 217(i)(e) of Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of Director's Report for the year ended 31st March, 2013.

A. CONSERVATION OF ENERGY

The basic engineering design of the Plant is based on optimum consumption and provision has been made to conserve energy to the maximum possible extent which would reduce the liability on energy bills.

B. TECHNOLOGY ABSORPTION

i) RESEARCH AND DEVELOPMENT

1. Specific areas in which R&D carried out by the Company:

Improvement and up gradation in quality, productivity and process efficiency, Development of new applications for utilization of our products and development of new products.

2. Benefits derived as a result of the above R&D:

Improvement in quality of products, production efficiency and wider application of products manufactured by the Company.

3. R & D Expenditure:

- a) Capital : NIL
- b) Recurring expenditure : NIL

4. Future plan of action:

Improvement in quality of products and process, production efficiency, better product mix, reduction in power and fuel consumption and wider application of the products manufactured by the Company.

ii) TECHNOLOGY ABSORPTION, ADAPTATION AND INTIMATION

For the Company's existing product line there is no technical collaboration.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Outgo: Rs.1.63 lacs

Earnings: Rs.9.70 crores

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE & DEVELOPMENTS

The growth in the Emerging Market Economies which are viewed as growth engines of the world economy world over have also slowed down with Brazil and South Africa registering accelerated growth where as Russia, China and India a lower growth.

According to the Central Statistics Office's advance estimate of GDP growth, Indian Economy is expected to grow at 5% during the year 2012-13 as compared to a growth of 6.21% registered during 2011-12. This has been mainly on account of weak industrial activity compounded by domestic supply bottlenecks and slackening of external demand. This has also slowdown the growth in the service sector which has been the main driver of the growth.

The Reserve Bank of India in order to strike a balance in growth- inflation dynamics have initiated various measures during 2012-2013 to provide greater liquidity to financial system. This has resulted in moderating the headline inflation within its acceptable level. The food inflation as measured by new combined (rural and urban) consumer price index (CPI) remains in double digit is a cause of concern.

The measures initiated are expected to result in moderate growth in GDP in the second half of 2013-2014.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE.

The Company is engaged primarily in the business of manufacture and export of Active Pharmaceutical Products for Antacid formulations and accordingly there are no separate reportable segments.

OUTLOOK

The year 2012 had been a year of slow growth world over and as per IMF forecast Global Economy is likely to show a growth of 3.3% during 2013 as compared to growth of 3.2% during 2012.

The Global Economies witnessed a subdued growth with diverging growth paths across major economies. Hence, the Company is expecting to improve its performance and profitability in future

OPPORTUNITIES

The Pharmaceutical industry in India is the world's third-largest in terms of volume and stands 14th in terms of value. Further, Indian pharmaceuticals industry is expected to grow by 19% in 2013. Indian is now among the top five pharmaceuticals emerging markets. There will be new drug launches, new drug filings and Phase II clinical trials throughout the year. On the back of increasing sales of generic medicines, continued growth in chronic therapies and a greater penetration in rural markets, the domestic pharmaceutical market is expected to register a strong double digit growth of 13-14 percent in year 2013.

Moreover the increasing population of the higher-income group in the country will open a potential US\$ 8 billion market for multinational companies selling costly drugs by 2015. Besides the domestic pharma market is estimated to touch US\$ 20 billion by 2015 making India a lucrative destination of clinical trials for global giants.

Further estimates the healthcare market in India to reach US\$ 31.59 billion by 2020.

THREATS & CONCERNS

Over the past decade, pharmaceuticals companies have entered a difficult period where shareholders, the market and the regulators have created significant pressures for change within the industry. The core issues of most of the drug companies are declining productivity of in-house R&D, patent expiration of number of block buster drugs, increasing legal and regulatory concerns and pricing issues. As a result, larger pharmaceutical companies are shifting to new business model with greater outsourcing of discovery services, clinical research and manufacturing.

Current global financial conditions and the threat of broad recession accelerated the timetable for implementing transformational changes in global organizations, as the industry confronts lower corporate stock prices and increasingly cost-averse customer. A leader of the largest global pharmaceutical companies recognizes the needs for transformational changes in their organizations, but will need to move swiftly to ensure sustained growth.

VASUNDHARA RASAYANS LIMITED

Transformations in the business model of larger pharmaceutical industry spell more opportunity for Indian pharmaceutical companies. Pharmaceutical production costs are almost 50 percent lower in India than in western nations, while overall R&D costs are about one-eighth and clinical trial expenses around one-tenth of western levels.

RISK MANAGEMENT

The Company has aligned its policy on risk assessment in line with global approach and risk assessment reports are reviewed on regular intervals. The Company has adopted a focused approach towards risk management.

The Company's business critical software is operated on a server with regular maintenance and back-up of data and is connected to computer server operated by the Company. The system's parallel architecture overcomes failures and breakdowns. Reliable and permanently updated tools guard against virus attacks. Updated tools are regularly loaded to ensure a virus free environment.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Company has implemented a comprehensive system of internal controls and risk management systems for achieving operational efficiency, optimal utilisation of resources, credible financial reporting and compliance with local laws. These controls are regularly reviewed by both internal and external agencies for its efficiency and effectiveness. Management information and reporting system for key operational activities form part of overall control mechanism.

The Company has retained the services of independent firms of professionals to function as internal auditors and provide reports on various activities covering observations on adequacy of internal controls and their recommendations. Findings of internal audit reports and effectiveness of internal control measures are reviewed by top management and audit committee of the Board. During the year, internal audit team of Company performed audits of major operational areas of the Company and carried out elaborate checks and verification and shared their findings with top management for remediation of minor gaps wherever required.

Financial Performance

The financial performance of the Company for the year under review is discussed in detail in the Directors Report.

CORPORATE SUSTAINABILITY AND SOCIAL RESPONSIBILITY

The Company constantly strives to meet and exceed expectations in terms of the quality of its business and services. The Company commits itself to ethical and sustainable operation and development of all business activities according to responsible care and its own code of conduct. Corporate Social Responsibility is an integral part of the Company's philosophy and participates in activities in the area of education and health.

COMPLIANCE

The Compliance function of the Company is responsible for independently ensuring that operating and business units comply with regulatory and internal guidelines. The Compliance Department of the Company is continued to play a pivotal role in ensuring implementation of compliance functions in accordance with the directives issued by regulators, the Company's Board of Directors and the Company's Compliance Policy. The Audit Committee of the Board reviews the performance of the Compliance Department and the status of compliance with regulatory/internal guidelines on a periodic basis.

New Instructions/Guidelines issued by the regulatory authorities were disseminated across the Company to ensure that the business and functional units operate within the boundaries set by regulators and that compliance risks are suitably monitored and mitigated in course of their activities and processes. New products and process launched during the year were subjected to scrutiny from the Compliance Standpoint and proposals of financial services were screened from risk control prospective.

The Company has complied with all requirements of regulatory authorities. No penalties/strictures were imposed on the Company by stock exchanges or SEBI or any statutory authority on any matter related to capital market during the last three years.

AUDITORS CERTIFICATION

To
The Members of
M/s. VASUNDHARA RASAYANS LIMITED
SHED NO.42, PHASE II, IDA, MALLAPUR,
HYDERABAD – 500 076

We have examined the Compliance of the Conditions of Corporate Governance by VASUNDHARA RASAYANS LIMITED for the year ended on March 31, 2013 as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The Compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring Compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion of the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we confirm that the Company has generally complied with the conditions of Corporate Governance as stipulated in clause 49 of the above-mentioned Listing Agreement.

As required by the Guidance note issued by the Institute Of Chartered Accountants of India, we have to state that based on the report given by the Registrar of Company to the investor's Grievance Committee, there was no Investors' Grievance matter remaining unattended for more than 30 days as on 31st March, 2013, against the Company.

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

Place : Kolkata

For Agarwal Gupta Nokari & Rustagi Associates

Date : 24th Day of August, 2013

Chartered Accountants

(B.C.Khaitan)
Partner

M. No.017387 Firm Reg. No : 310041E



=====VASUNDHARA RASAYANS LIMITED=====

CEO/CFO CERTIFICATION

We have reviewed financial statements and the Cash Flow statement for the year and that to the best of our knowledge and belief:

- i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading ;
- ii. These statements together present a true and fair view of the Company's affairs and comply with existing accounting standards, applicable laws and regulations.

There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year that are fraudulent, illegal or violative of the Company's code of conduct.

We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

We have indicated to the Auditors and the Audit Committee :

1. Significant changes in the internal control during the year;
2. Significant changes in the accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements; and
3. Instances of significant fraud and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

Place: Hyderabad

For and on behalf of Board of Directors

Date: 24th Day of August, 2013

Sd/-

Prakash Chand Jain
Managing Director

Code of Conduct

- This Code of Conduct (hereinafter referred to as the "Code") shall be called "The Code of Conduct for Board of Directors (hereinafter referred to as the "Board") and Senior Management Personnel of "Vasundhara Rasayans Limited" (hereinafter referred to as the "Company")
- The principles prescribed in this Code are general in nature and lay down broad standards of compliance and ethics.
- The purpose of this Code is to enhance ethical and transparent process in managing the affairs of the Company, and thus to sustain the trust and confidence reposed in the Board and Senior Management Personnel by the Shareholders of the Company. The Board and Senior Management Personnel are expected to understand, adhere to, comply with and uphold the provisions of this Code and the standards laid down hereunder in their day-to-day functioning.

Applicability

- This Code shall be applicable to the following persons
 - a) Board of Directors of the Company
 - b) Senior Management Personnel of the Company, being members of Core Management team and Functional Heads
- This Code would be applicable in addition to the existing Staff Regulations of Vasundhara Rasayans Limited.

Ethical Conduct

The Board and Senior Management Personnel shall act within the authority conferred upon them by the Company and under applicable law, keeping the best interests of the Company in view and shall:

- Act with professionalism, utmost care, skill, diligence, honesty, good faith and integrity as well as high moral and ethical standards.
- Fulfill their fiduciary obligations without allowing their independence of judgment to be compromised.
- Act fairly and transparently and not participate in any decision-making process on a subject matter in which a conflict of interest exists or is likely to exist such that an independent judgment of the Company's best interest cannot be exercised.

National Interest



VASUNDHARA RASAYANS LIMITED

- The Company shall continue to be committed in all its actions to benefit the economic development of the Nation and shall not engage in any activity that would adversely affect such objective.

Financial Reporting and Record

- The Company shall continue to prepare and maintain its accounts fairly and accurately in accordance with the accounting and financial reporting standards which represent the generally accepted guidelines, principles, standards, laws and regulations of the country. Internal accounting and audit

Procedures shall fairly and accurately reflect all of the Company business transactions and disposition of assets.

Disclosures

- The Company shall continue to abide by the Corporate Disclosure Practices as specified by the appropriate external regulatory authorities.
- The Company shall make full, fair and accurate disclosures in the periodic reports required to be filed with the Government and regulatory agencies. The Senior Management Personnel shall initiate all actions deemed necessary for proper dissemination of relevant information to the Board, Auditors and other Statutory Agencies, as may be required by applicable laws, rules and regulations.

Applicability

- Notwithstanding that any instances of Conflict of Interest exist due to any historical reasons, adequate and full disclosure by the interested member of the Board/Senior Management Personnel should be made to the Company. It is also incumbent upon every member of the Board and the Senior Management Personnel to make a full disclosure of any interest at the time of decision making which he or his immediate family, which would include parents, spouse and children, may have in a company or firm which has business dealings with the Company.
- The Board and Senior Management Personnel must not deprive the Company of an opportunity that belongs to it, for his/her own/other's advantage, if he/she is in a position of diverting the Corporate Opportunity for own benefit or to others to the detriment of the Company. They must not compete with the Company in respect of any business transaction.

Code of Conduct for Directors and Senior Management are:-

- Use due care and diligence in performing their duties of office and in exercising their powers attached to that office

VASUNDHARA RASAYANS LIMITED

- Act honestly and use their powers of office, in good faith and in the best interests of Vasundhara Rasayans Limited as a whole
- Not make improper use of information nor take improper advantage of their position as a Director.
- Not allow personal interests to conflict with the interests of Vasundhara Rasayans Limited
- Not engage in conduct likely to bring discredit upon Vasundhara Rasayans Limited
- Be independent in judgment and actions, and to take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board of Directors
- Ensure the confidentiality of information they receive while being in office of Director and is only disclosed if authorized by the company, or the person from whom the information is provided, or as required by law

Regulatory Compliance

- Every member of the Board and Senior Management Personnel shall, in his/her business conduct, comply with all applicable laws, rules and regulations, both in letter and in spirit, in all the territories
-

in which he/she operates. Any inadvertent non-compliance, if detected subsequently, should be rectified/reported to the concerned authorities.

Public Representation and Confidentiality of Information

- The information for the public constituents and stakeholders, duly approved by the Compliance Officer or other authorized official, as the case may be, shall be disseminated through any of the following media:
 - a) Newspaper publications
 - b) Web casting on the official website
 - c) Press handouts and press releases
- A Director or Senior Management Personnel of the Company and their family members shall not derive any benefit or assist others to derive any benefit from the access to and possession of information about the Company which is not in the public domain and thus constitutes insider information. They shall maintain confidentiality of all price sensitive information. Unpublished price sensitive information would be disclosed only to those within the company who need the information to discharge their duty.

Insider Trading

VASUNDHARA RASAYANS LIMITED

- Insider Trading involves the improper use of non-public price sensitive information when dealing in securities. Employees are prohibited from engaging in insider trading as detailed in the Code of Conduct for Prevention of Insider Trading.

Use of the Company Name/Logo/Trademark

- The Board or Senior Management Personnel shall not use the name of the Company, its logo or trademark for personal benefit or for the benefit of persons / entities not forming part of the Vasundhara Rasayans Limited.

Corporate Social Responsibility

- The Company shall continue to be committed to be a good corporate citizen not only in compliance with all relevant regulating laws and regulations but also by actively assisting in the improvement of the quality of life of the people in the communities in which it operates with the objective of making them self reliant.

Equal Rights

- The Company shall continue to provide equal opportunities to all its employees and all qualified applicants for employment without regard to their race, caste, religion, color, ancestry, marital status, sex, age, nationality, disability etc. Employees of the Company shall be treated with dignity and in accordance with the Company policy to maintain a work environment free of sexual harassment, whether physical, verbal or psychological. Employee policies and practices shall be administered on a non-discriminatory basis in all matters relating to recruitment, training, compensation, benefits, promotion, transfers and all others terms and conditions of employment.

Shareholders

- The Company is committed to enhance shareholder value and shall comply with all regulations and laws that govern shareholders' rights. The Board and Senior Management Personnel of the Company shall duly and fairly inform its shareholders about all relevant aspects of the organization's business and disclose such information in accordance with the respective regulations and agreements.

Protection Of Company's Assets and Resources

- Each member of the Board and Senior Management Personnel has a duty towards the Company to advance its legitimate interests while dealing with the Company's assets and resources.

VASUNDHARA RASAYANS LIMITED

- The Board and Senior Management Personnel shall not misuse, for personal gain or otherwise, the assets of the Company.

Health Safety and Environment

- The Company, Board and the Senior Management Personnel shall strive to provide a safe and healthy working environment and comply, in the conduct of its business affairs, with all regulations regarding the preservation of the environment of the territory it operates in.

Compliance with Good Corporate Governance Practices

- Each member of the Board of Directors and Senior Management Personnel of the Company (to the extent relevant) should adhere to the following so as to ensure compliance with good Corporate Governance Practices:
 - a) Attend Board Meetings regularly and participate in the deliberations and discussions effectively.
 - b) Involve actively in the matter of formulation of general policies.
 - c) Be familiar with the broad objectives of the Company and the policies laid down by the Government and the various laws and legislations.
 - d) Ensure confidentiality of the Company's Agenda Papers, Notes and Minutes.

Amendments to the Code of Conduct

- The provisions of this Code can be amended and modified by the Board of Directors of the Company from time to time and all such amendments and modifications shall take effect from the date stated therein.

Enforcement of the Code of Conduct

- Each member of the Board and Senior Management Personnel shall be accountable for fully complying with this Code.

Ethics and Compliance Committee

- The Ethics and Compliance Committee comprising the Chief Executive Officer of the Company and the Compliance Officer and any other officer so nominated, will oversee the compliance of this Code.

Violation of the Code

- The Board shall have the powers to take necessary action in case of any violation of the Code.



General

The Board of Director of company provide for periodical review of the compliance of the code at various levels of management. The codes does not provide a full, comprehensive and complete explanation of all the rules that employees are bound to follow. Employees have a continuing obligation to familiarize themselves with all applicable laws, Company's policies, procedures and work rules. The Company reserves to itself the right to alter/delete/add to these codes at any time without prior individual notice and such alterations /deletion/addition shall be binding.

==== VASUNDHARA RASAYANS LIMITED ====
CORPORATE GOVERNANCE REPORT

1. Company's philosophy on Code of Corporate Governance:

Vasundhara Rasayans Limited is committed to business integrity and high ethical values. The Company firmly believes in good corporate governance as implementation of the principles of Corporate Governance would encourage the process of collective thinking and bring about professionalisation of corporate management. It would also partially decentralise the responsibility of decision-making. All stakeholders, including shareholders, employees, creditors, customers, suppliers, Government and public at large will benefit by the transparency in and professionalisation of corporate management.

2. Board of Directors : Composition of the Board

The total strength of the Board is Eight.

Directors' Attendance record and directorship

Sl. No.	Name of the Director	Promoter/Executive/Independent/Nominee	No. of Board meetings during the year		Attendance at the last AGM	No. of Director-ships of other Companies.	Member/Chairman of committees other than the Company.
			Held	Attended			
1	Shri. Prakash Chand Jain	C & M.D.	12	11	No	4	-
2	Shri.Sanjay Kumar Jain	E.DIRECTOR	12	12	Yes	2	-
3	Shri.Sunil Kumar Jain	WHOLE TIME DIRECTOR	12	12	Yes	3	-
4	Shri.Rajesh Pokerna	WHOLE TIME DIRECTOR	12	11	Yes	2	-
5	Shri.Rajesh Kumar Jain	DIRECTOR	12	2	No	2	-
6	Shri.PravinPMajumdar	DIRECTOR	12	2	No	-	-
7	Shri.RajivPritidas Kakodkar	DIRECTOR	12	2	No	-	-
8	Dr. Parag Ashok Sharma	DIRECTOR	12	2	No	-	-

Details of Board Meetings:

During the financial year 2012-2013 (12) Board Meetings were conducted as under:

S.No.	Meeting Date
01	02.04.2012
02	27.04.2012
03	27.07.2012
04	24.08.2012
05	24.09.2012
06	28.09.2012
07	29.10.2012
08	26.12.2012
09	28.01.2013
10	04.02.2013
11	18.03.2013
12	19-03-2013

3. Audit Committee:

The Audit Committee was constituted on 1st, August 2003 with the powers, terms of reference and role of the committee as per the requirements of the Clause 49 of the Listing Agreements with the Stock Exchanges. The Audit Committee also complies with the relevant provisions of the Companies Act, 1956.



=====**VASUNDHARA RASAYANS LIMITED**=====

Composition

The Audit Committee was reconstituted by the Board of Directors comprising of the members followed by Shri. Prakash Chand Jain, Shri.Sunil Kumar Jain and Shri.Rajesh Pokerna on 07.10.2005. The representatives of the Internal Auditors and Statutory Auditors will be permanent invitees.

- a) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b) Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment of any other services.
- c) Reviewing with management the annual financial statements before Submission to the Board.
- d) Review with the management, external and internal auditors, the internal audit report and the report of the external auditors.
- e) Review of the adequacy and effectiveness of Internal Audit Function, the internal control system of the Company, compliance with the Company's policies and applicable laws and regulations.

The Audit Committee may also review such matters as considered appropriate to it or referred to it by the Board.

Details of Audit Committee Meetings:

During the financial year 2012-13 the Audit Committee has met 3 (three) times. The attendance of the Members at these meetings is as follows:

	<u>Name of the Director</u>	<u>No. Of Meetings</u>	<u>No. Of Meetings attended</u>
1.	Prakash Chand Jain	3	3
2.	Sunil Kumar Jain	3	3
3.	Rajesh Pokerna	3	3

The minutes of the Audit Committee Meetings are duly noted by the Board at the Board Meetings.

4. Remuneration Committee

The Remuneration committee was constituted during the financial year 2003-04 to take the responsibility of reviewing, recommending the directors' remuneration based on their individual performances. The Committee also sees to determine remuneration policy of the Company.

Composition

The Remuneration Committee meeting was held on 02.04.2012 and 18.03.2013 for revision of remunerations of Shri Prakash Chand Jain, Shri Sunil Kumar Jain, Shri.Rajesh Pokerna and Shri.Sanjay Kumar Jain, Directors of our Company.

5. Share Transfer & Shareholders'/Investors' Grievances Committee

The Company is having a "Shareholders'/Investors' Grievances Committee" in line with the amended listing agreement. The Committee is responsible for all matters concerning the share transfers, transmission, issue of duplicate share certificates and attending to the grievances of the shareholders.

The Committee oversees the performance of M/s CIL Securities Limited, the Registrar and share transfer Agents of the Company and recommends measures to improve the level of investor related services. Though the power to approve share transfers/ transmission are delegated to the Registrars and share transfer Agent, all the share transfers/transmission cases approved by the Registrar are reported to the Committee. The Committee also keeps a close watch on disposal status of all complaints/grievances of shareholders. The Company has not received any complaints from its shareholders

VASUNDHARA RASAYANS LIMITED

during the year.

Composition

The Investors' Grievances Committee comprises of three directors, viz., Shri Prakash Chand Jain, Chairman, Shri Sunil Kumar Jain, and Shri.Rajesh Pokerna.

Details of the Share Transfer & Shareholders'/Investors' Grievances Committee Meetings:

As the Committee was reconstituted on 07.10.2005. The committee met 3 (Three) times during the year.

<u>Name of the Director</u>	<u>No. of Meetings</u>	<u>No. of Meetings attended</u>
1. Shri.Prakash Chand Jain	3	3
2. Shri.Sunil Kumar Jain	3	3
3. Shri.Rajesh Pokerna	3	3

The minutes of the Investors' Grievances Committee Meetings are duly noted by the Board at the Board Meetings.

6. General Body Meetings:

<u>Year/Period</u>	<u>Day, Date & Time</u>	<u>Location</u>
2009-2010	Thursday, September 30, 2010 at 11.00 A.M.	Shed No.42, Phase II, IDA Mallapur, Hyderabad-500 076
2010-2011	Thursday, September 29, 2011 at 11.00 A.M.	Shed No.42, Phase II, IDA Mallapur, Hyderabad-500 076
2011-2012	Friday, September 28, 2012 at 11.30 A.M.	Shed No.42, Phase II, IDA Mallapur, Hyderabad-500 076

No business was required to be transacted through postal ballot at the above meetings. Similarly, no business is required to be transacted through postal ballot at the forthcoming annual general meeting.

7. Disclosure on materially significant related party transactions:

Related party transactions have been disclosed under Note B-6 in Schedule 19 to the Accounts for the year under review. A statement in summary form of transactions with related parties in the ordinary course of business is placed periodically before the Audit Committee. The Pricing of all the transactions with the related parties were as on arms length basis. The Company did not have any significant related party transactions. Which may have potential Conflict with the interest of the Company.

8. Means of communication:

Quarterly, half yearly and annual financial results of the Company are communicated to the stock exchanges immediately after the same are considered by the Board and are published in prominent English and Telugu newspapers as required by SEBI.

9. General Shareowner information:

INVESTOR RELATIONSHIP DIVISION - AT THE SERVICE OF THE ESTEEMED SHAREOWNERS
Sensitive, prompt, proactive and courteous services are the cornerstones for a matured and successful

=====**VASUNDHARA RASAYANS LIMITED**=====

service delivery mechanism. The modern era has seen the advantages of technology being translated into innovative and user-friendly services. Organization sensitive to customers and investor needs would be the preferred choice.

ANNUAL GENERAL MEETING

The 26th Annual General Meeting will be held on 28.09.2013 at Shed No.42, Phase II, IDA, Mallapur, Hyderabad-500076 at 11.30 am.

FINANCIAL CALENDAR

First quarter results	July 2012
Second quarter results	October 2012
Third quarter results	January 2013
Fourth quarter results	April 2013

BOOK CLOSURE

The register of members and the share transfer register will remain closed from Tuesday, 24th September, 2013 to 28th September, 2013 (both days including).

SHARES LISTED AT

The equity shares of the Company are listed at:

1. M/s PUNE STOCK EXCHANGE LTD
'Shivleela Chambers'
752, Sadashiv Peth
R.B. Kumthekar Marg
PUNE - 411 030
2. M/s OTC Exchange of India
92, Maker Towers-F
Cuffe Parade
MUMBAI -400 005

Dematerialisation of shares and liquidity

The Company's shares are tradable compulsorily in electronic form and are available for trading in the depository system of "National Securities Depository Ltd" (NSDL). The International Securities Identification Number (ISIN) of the shares of the Company as allotted by NSDL is "INE406F01010". As on 31.03.2013 a total of 2474320 equity shares of the Company stand dematerialised.

MARKET PRICE DATA

The Equity Shares of the Company have not been traded during the year. Therefore, the Market price information is not available.

Registrar & Share transfer agent:
CIL SECURITIES LIMITED
214, Raghava Ratna Towers,
Chirag Ali Lane,
Abids, Hyderabad – 500 001.

VASUNDHARA RASAYANS LIMITED

Status of Investor Complaints received during the financial year 2013

Sl.No	Nature of Complaint	Received	Cleared
1	Non-receipt of Share Certificates sent for transfer	01	01
2	Non-receipt of Dividend Warrant Annual Reports	08	08
3	Change of Address/Correction of name	02	02
4	Non-receipt of Duplicate Share Certificates	Nil	Nil
5	Transmission	Nil	Nil
8	Others	05	05
	Total	16	16

SHARE HOLDING PROFILE

1. SHAREHOLDING PATTERN AS ON 31-03-2013

Type of Holder	Shares	% of Capital
1.Foreign Holding	500	0.016
2.Bodies Corporate	123500	3.885
3.Promoters, Directors	1879920	59.150
4.General Public.	1174280	36.949
	3178200	100.00

Plant Location
C-104, MIDC Industrial Area,
Mahad - 402 309,
Dist: Raigad, Maharashtra (India)

Contact Person
Shri G.Bhagavanta Rao,
Compliance Officer

Address:
Shed No.42, Phase II,
IDA, Mallapur,
Hyderabad - 500 076.
Ph.No.040-32505977

Address for Correspondence
Vasundhara Rasayans Ltd
Shed No.42, Phase II, IDA, Mallapur,
Hyderabad - 500 076. Ph.No.040-32505977
Dear Share Holders,

Sub: email address for mailing Annual Reports, Notices and Other Documents.

As a part of "Green initiative" in the Corporate Governance, the Ministry of Corporate Affairs vide circular no 18/2011 dated 29th April 2011 has enabled Companies to send annual reports, notices and other documents through electronic mail.

In the view of the above, we propose to send the annual reports, notices and other documents to our Members through electronic mail.

A. For Members holding shares in electronic form the email address provided by you and made available to us by the Depositories will be used for sending the annual report. Kindly update your email address with your depository participant, including changes

if any. In case you desire to receive in physical form please inform us in writing.

B. Members holding shares in physical form are requested to register their email address so that the annual report can be sent through email. You may register your email id with our Registrar & Transfer Agent, whose address and email id is as under.

CIL Securities Limited, 214, Raghava Ratna Towers, Chirag ali lane, Abids, Hyderabad - 500 001 email: rta@cilsecurities.com / secretary@cilsecurities.co

C. Members can also register their choice by logging in to www.cilsecurities.com and clicking on "MCA's Green Initiative" link.

Thanking you

Yours Sincerely

For VASUNDHARA RASAYANS LIMITED
 PRAKASH CHAND JAIN RAJESH POKERNA
 MANAGING DIRECTOR WHOLE TIME DIRECTOR

VASUNDHARA RASAYANS LIMITED

INDEPENDENT AUDITORS' REPORT

To the members of
VASUNDHARA RASAYANS LTD.

Report on the Financial Statements

We have audited the accompanying financial statements of VASUNDHARA RASAYANS LIMITED, which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 "the Act". This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;

**=====
VASUNDHARA RASAYANS LIMITED
=====**

- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2 As required by section 227(3) of the Act, we report that :
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For **AGARWAL GUPTA NOKARI &
RUSTAGI ASSOCIATES**
Chartered Accountants
FRN No : 310041E

B. C. KHAITAN
(Partner)
Membership No. 17387
12, Waterloo Street, Kolkata - 700 069

Dated, this 24th day of August, 2013



**=====
VASUNDHARA RASAYANS LIMITED
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**The Annexure referred to in paragraph 1 of the Our Report of
even date to the members of VASUNDHARA RASAYANS
LIMITED on the accounts of the company for the year ended
31st March, 2013.**

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, the Company has a system of verifying all its major fixed assets over a period of three years. The fixed assets so scheduled for verification during this year have been physically verified by the management. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
- (c) During the year the Company has not disposed off any substantial/major part of fixed assets, which may affect the going concern status of the company.
- (ii) (a) As per the information furnished the inventories have been physically verified during the year by the management. In our opinion, having regard to the nature and location of stock, the frequency of the physical verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of company and the nature of its business.
- (c) The company is maintaining proper records of inventory. In our opinion discrepancies noticed on physical verification were not material in relation to the operation of the company and the same have been properly dealt with in the books of account.
- (iii) (a) The Company had taken loan from parties covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs 333.5/- Lacs and the year end balance of loan taken from such parties was Rs 328.5 /- Lacs.
- (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions on which loans have been taken from the parties listed in the register maintained under Section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.
- (c) The Company had not given any loan to party covered in the register maintained under Section 301 of the Companies Act, 1956.
- (d) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions on which loans had been given to the parties listed in the register maintained under Section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.
- (e) In respect of loans given, repayment of the principal amount is as stipulated and payment of interest have been regular.
- (f) There is no overdue amount of loans taken / given from / to parties listed in the

==== VASUNDHARA RASAYANS LIMITED ====

- register maintained under Section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our Audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that, sub clause (a) & (b) of clause of the Companies(Auditors Report) order 2003 are not applicable since no contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered into by the company during the year.
- (vi) The Company has not accepted any deposit from the Public within the meaning of Section 58A and 58AA of the companies Act, 1956.
- (vii) In our opinion, the internal audit functions carried out during the year by a M/s. S.B KABRA & CO. appointed by the management have been commensurate with the size of the company and the nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1) of the Companies Act, 1956 in respect of all its product and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- (ix) (a) According to the information and explanations given to us and records examined by us, the company is generally depositing with appropriate authorities undisputed statutory dues including provident fund , investors education and protection fund, employees' state insurance, income tax, sales tax , service tax, custom duty, excise duty, cess and other statutory dues wherever applicable. According to the information and explanations given to us , no undisputed arrears of statutory dues were outstanding as at 31st March, 2013 for a period of more than six months from the date they became payable;
- (b) According to the information and explanations given to us, no undisputed amounts were payable in respect of Income tax, sales tax, custom duty and cess , as at 31st March, 2013 for a period of more than six months from the date they became payable ;
- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the current and immediately preceding financial year.
- (xi) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the company has not defaulted in repayment of dues to any Finanacial Institution or Bank.
- (xii) According to the information and explanations given to us, and based on the documents and records produced to us , the company has not granted loans and advances on the basis of securities by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion and according to the information and explanations given to us, the nature of activities of the company does not attract any special statute applicable to chit fund and nidhi /mutual benefit fund / societies ;
- (xiv) In respect of dealing / trading in securities and other investment, in our opinion and



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VASUNDHARA RASAYANS LIMITED
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according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The securities have been held by the Company, in its own name.

- (xv) According to the information and explanations given to us, the company has not given any guarantee for loans taken, by its holding company, fellow subsidiaries, associates and others, from bank or financial institution.
- (xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long term investment and no long term funds have been used to finance short term assets.
- (xviii) The Company has not made any preferential allotment of shares to parties of companies covered in the register maintained under section 301 of the companies Act, 1956.
- (xix) According to the information and explanations given to us, during the period covered by our Audit report, the company has not issued any debentures during the year. Therefore, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xx) The company has not raised any money through a public issue during the year.
- (xxi) Based upon the audit procedures performed by us for expressing our opinion on these financial statements and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

**For AGARWAL GUPTA NOKARI &
RUSTAGI ASSOCIATES
Chartered Accountants
FRN No : 310041E**

**B. C. KHAITAN
(Partner)
Membership No. 17387
12, Waterloo Street, Kolkata - 700 069**

Dated, this 24th day of August, 2013

VASUNDHARA RASAYANS LIMITED

BALANCE SHEET AS AT 31st MARCH, 2013.

PARTICULARS	Note No.	AS AT 31.03.2013 Rs.	AS AT 31.03.2012 Rs.
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	2	31782000	31782000
(b) Reserves and surplus	3	21099225	18144510
Non-current liabilities			
(a) Long-term borrowings	4	22531396	25346856
(b) Deferred tax liabilities (Net)	5	4734295	5134301
(c) Other Long term liabilities	6	47975	47975
Current liabilities			
(a) Short-term borrowings	7	42852707	43621436
(b) Trade payables	8	13649457	15390018
(c) Other current liabilities	9	10419013	4950359
(d) Short-term provisions	10	4853032	1853030
TOTAL		151969101	146270485
ASSETS			
Non-current assets			
(a) Fixed assets	11		
(i) Tangible assets		65298038	70878892
(b) Long-term loans and advances	12	602250	602250
(c) Non - Current investments	13	299417	242437
Current assets			
(a) Current investments	14	1487600	2699600
(b) Inventories	15	9494922	17577947
(c) Trade receivables	16	47322386	33728032
(d) Cash and cash equivalents	17	3732559	1736853
(e) Short-term loans and advances	18	23436573	18494708
(f) Other current assets	19	295356	309766
TOTAL		151969101	146270485

**SIGNIFICANT ACCOUNTING POLICIES
AND NOTES ON FINANCIAL STATEMENTS** 1 to 45

As per our report of even date attached.

FOR **AGARWAL GUPTA NOKARI &
RUSTAGI ASSOCIATES**
Chartered Accountants.
(B.C. KHAITAN)
Partner

DIRECTORS

1. Prakash Chand Jain
Managing Director
2. Rajesh Pokerna
Whole Time Director

Membership No. :017387
Firm Reg. No.: 310041E
12, Waterloo Street, Kolkata - 700 069
Dated this 24th day of August, 2013

VASUNDHARA RASAYANS LIMITED

Statement of Profit and loss for the year ended 31.03.2013

Particulars	Note No.	For the year ended 31st March,2013	For the year ended 31st March,2012
Income			
Revenue from operations	20	186373974	202010833
Other income	21	2287577	7864025
Total Revenue		188661551	209874858
Expenses			
Cost of materials consumed	22	93059396	125872306
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	23	10429156	(3858685)
Employee benefits expense	24	17942885	19349722
Finance costs	25	7219093	7812104
Depreciation and amortization expense	26	9160018	8887288
Other expenses	27	42732930	45331433
Total expenses		180543478	203394168
Profit before exceptional items and tax		8118073	6480690
Exceptional items	28	(123341)	40228
Profit before tax		8241414	6440462
Tax expense:	29		
(1) Current tax		3833674	2167078
(2) Deferred tax Adjustment		(400006)	(164546)
Profit for the period		4807745	4437930
Earnings per equity share :	30		
(1) Basic		1.51	1.40
(2) Diluted		1.51	1.40

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

1 to 45

As per our report of even date attached

DIRECTORS

FOR AGARWAL GUPTA NOKARI &
RUSTAGI ASSOCIATES
Chartered Accountants.

1. Prakash Chand Jain
Managing Director

(B. C. KHAITAN)

2. Rajesh Pokerna
Whole Time Director

Partner

Membership No. :017387

Firm Reg. No.: 310041E

12, Waterloo Street, Kolkata - 700 069

Dated this 24th day of August, 2013

VASUNDHARA RASAYANS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2013

PARTICULARS	31.03.2013Rs.		31.03.2012Rs.	
A. CASH FLOW FROM OPERATING ACTIVITIES				
NET PROFIT/LOSS AFTER TAX AND EXTRA ORDINARY ITEM		8241414		6440462
ADJUSTMENT FOR:				
DEPRECIATION	9160018		8887288	
Profit on sale of Investment.	(137235)		-	
Provision for Workmen Comensation Fund	91512		-	
Interest Received	(395229)		(315748)	
Prior period Expenses Paid during the year.	13894		40228	
Interest Paid	7219093	15952053	7812104	16423872
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		24193467		22864334
ADJUSTED FOR:				
Trade And Other Receivable	(13594354)		(9293770)	
Inventories	8083025		(3680332)	
Loans & Advances	(2897455)		7039077	
Trade Payables	3728093	(4680691)	(3035349)	
CASH GENERATED FROM OPERATIONS		19512776		13893960
CASH FLOW BEFORE EXTRA ORDINARY ITEMS		19512776		13893960
Extra Ordinary Items Expense Of earlier Years.		13894		40228
NET CASH FROM OPERATING ACTIVITIES BEFORE TAXES PAID		19498882		13853732
Taxes Paid During The Year		(2955184)		(3014514)
NET CASH FROM OPERATING ACTIVITIES (A)		16543698		10839218
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase Of Fixed Assets	(3579164)		(4735263)	
Purchase Of Investments	(344980)		(288000)	
Sale Of Investment	1637235			
Interest Received	395229		315748	
		(1891680)		(4707515)



VASUNDHARA RASAYANS LIMITED

NET CASH USED IN INVESTING ACTIVITIES (B)		(1891680)		(4707515)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Repayment of Long Term Borrowings	(2815460)		(8118334)	
Proceeds From/(Repayment of) Short Term Borrowings	(768729)		10600000	
Interest Paid	(7219093)		(7812104)	
Dividend Paid	(1853030)	(12656312)	(1853030)	(7183468)
NET CASH USED IN FINANCING ACTIVITIES (C)		(12656312)		(7183468)
D. NET INCREASE/(DECREASE) IN CASH (A+B+C)		1995706		(1051765)
NET INCREASED / (DECREASED) IN CASH AND CASH EQUIVALENTS				
CASH AND CASH EQUIVALENTS AS AT 1-04-2012	1736853		2788618	
LESS: CASH AND CASH EQUIVALENTS AS AT 31-03-2013	3732559		1736853	
	1995706		(1051765)	

The Schedules Referred to above Form an Integral Part of the Balance Sheet referred to in our report of even date.

FOR AGARWAL GUPTA NOKARI &
RUSTAGI ASSOCIATES
Chartered Accountants.

(B. C. KHAITAN)
Partner

Membership No. :017387

Firm Reg. No.: 310041E

12, Waterloo Street, Kolkata - 700 069

Dated this 24th day of August, 2013

1. Prakash Chand Jain
Managing Director

2. Rajesh Pokerna
Whole Time Director

VASUNDHARA RASAYANS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST
MARCH, 2013**

NOTE - 1

a) ACCOUNTING CONVENTION:

The Financial Statements are prepared on an accrual basis and are in accordance with the requirement of the Companies Act, 1956 and the applicable Accounting Standards.

b) FIXED ASSETS:

Fixed Assets are stated at cost less accumulated depreciation. Cost of acquisition is inclusive of inward freight, taxes and other incidental expenses incurred to bring the assets to their working condition for intended use.

c) DEPRECIATION:

Depreciation is provided for under straight line method at the rates and manner specified in Schedule XIV of the Companies Act, 1956.

d) PURCHASES:

Purchase includes the materials issued for production which has also been shown under raw materials consumption.

e) REVENUE RECOGNITION:

Sale of goods and services are recognised on despatch of goods or when services are rendered.

f) INVENTORIES:

- (1) Raw materials are valued at cost.
- (2) Work in Progress is valued raw material cost and proportion of process cost.
- (3) Finished goods are valued at lower of cost of sales exclusive of excise duty and net realisable value.

g) FOREIGN CURRENCY TRANSACTIONS:

- (i) Foreign Currency Transactions are recorded at the exchange rate prevailing on the date of transaction with overseas clients.
- (ii) Exchange difference arising on Foreign Currency Transactions are recognised as income or expenses in the period in which they arise.

h) RETIREMENT BENEFITS:

LEAVE PAY:

Provision/payment of leave pay is made as per the agreement with the employees.



VASUNDHARA RASAYANS LIMITED

i) **INCOME TAX:**

Income Taxes are computed using the tax effect accounting method, where taxes are accrued in the same period the related revenue and expenses arises. A provision is made for income tax annually based on the tax liability computed after considering tax allowance and exemptions.

The differences that result between the profit offered for income taxes and profit as per financial statements are identified and thereafter 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 realised and are reviewed for the appropriateness of their respective carrying value at each balance sheet date.

j) **EARNINGS PER SHARE:**

In determining earnings per share the company considers the net profit after tax and includes post tax effect of any extra ordinary items. The number of shares used in computing basic earning per share is the weighted average number of shares outstanding during the period. The company does not have any dilative potential equity shares.

VASUNDHARA RASAYANS LIMITED

NOTES ON FINANCIAL STATEMENTS NOTE 2

Share Capital	As at 31st March, 2013	As at 31st March, 2012
Authorised 45,00,000 Equity Shares of Rs. 10/- each	45000000	45000000
Issued, Subscribed & Paid up 31,78,200 Equity Shares of Rs. 10/- each fully paid in cash	31782000	31782000
Total	31782000	31782000

NOTE 2.1

The reconciliation of the Number of Shares Outstanding and the amount of Share Capital.:

Particulars	Equity Shares (31.03.2013)		Equity Shares (31.03.2012)	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	3178200	31782000	3178200	31782000
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	3178200	31782000	3178200	31782000

NOTE 2.2

All the equity shares carry equal rights and obligations including for dividend and with respect to voting.

NOTE 2.3

Share held by holding company	As at 31st March, 2013		As at 31st March, 2012	
	Numbers	Rs.	Numbers	Rs.
P & J Cretechem Private Limited	1879920	18799200	1724920	17249200

NOTE 2.4

The details of Shareholders holding more than 5% shares:

SR NO	Name of Shareholder	As at 31st March, 2013		As at 31st March, 2012	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	P & J Cretechem Private Limited	1879920	59	1724920	54
2	Prashant Shrimal	250000	8	250000	8
	TOTAL	2129920	67	1974920	62

- 2.5 The Company has not issued any securities convertible into equity / preference shares.
- 2.6 During any of the last years from year ended 31st March, 2013
No shares were allotted as fully paid up pursuant to contract(s) without payment being received in cash.
No shares were allotted as fully paid up by way of bonus shares.
No shares were bought back.
- 2.7 Each holder of equity shares is entitled to one vote per share.

=====**VASUNDHARA RASAYANS LIMITED**=====

NOTES ON FINANCIAL STATEMENTS

NOTE 3

<u>Reserves & Surplus</u>	As at 31st March,2012	As at 31st March,2011
a. Capital Reserves		
Balance as per last financial statement	2125000	2125000
Closing Balance (A)	2125000	2125000
b. Surplus in the statement of profit & loss		
Balance as per last financial statement	16019510	13434610
Add: Profit for the year	4807745	4437930
Less: Appropriations		
Proposed final equity dividend (amount Rs.0.50 per shares)	1589100	1589100
(Previous year Rs. 0.50 per shares)	263930	263930
Tax on proposed equity dividend		
Net surplus in the statement of profit and loss (B)	18974225	16019510
Total(A +B)	21099225	18144510

NOTE 4

<u>Long Term Borrowings</u>	As at 31st March,2013	As at 31st March,2012
<u>Secured</u>		
SBI - Term loan	15918985	20512303
SBI - Export Packing Credit	6612411	4834553
Total	22531396	25346856

Nature of Security and terms of repayment for long term of Repayment Nature of Security

NATURE OF SECURITY

Term loan amounting to Rs. 15918985/- (March 31.03.2013 Rs. 15918985/-) is secured by Exclusiv and specific charge on the assets acquired under the loan for Land & Factory Shed, Plant & Machinery.

TERMS OF REPAYMENT

Repayable in 77 months Installments commencing from April,2010. Last Installment due in September,2016. Rate of Interest 13.25% p.a. at year end. 41 months installments are still undue.

NOTE 5

<u>Deferred tax Liabilities</u>	As at 31st March,2013	As at 31st March,2012
Deferred tax liabilities (Net)	4734295	5134301
Total	4734295	5134301

VASUNDHARA RASAYANS LIMITED

NOTES ON FINANCIAL STATEMENTS

NOTE 6

<u>Other Long Term Liabilities</u>	As at 31st March,2013	As at 31st March,2012
Deposit & Public Issue Refund	47975	47975
Total	47975	47975

NOTE 7

<u>Short Term Borrowings</u>	As at 31st March,2013	As at 31st March,2012
<u>Secured</u>		
a) Working Capital Loans		
SBI - Cash Credit	7752707	8021436
	7752707	8021436
<u>Unsecured</u>		
(a) Loans and advances from related parties	32850000	33350000
(b) Other loans and advances	2250000	2250000
	35100000	35600000
Total	42852707	43621436

NOTE 8

<u>Trade payable</u>	As at 31st March,2013	As at 31st March,2012
Sundry Creditors	13649457	15390018
Total	13649457	15390018

NOTE 9

<u>Other Current Liabilities</u>	As at 31st March,2013	As at 31st March,2012
Liabilities for Expenses	10419013	4950359
Total	10419013	4950359

VASUNDHARA RASAYANS LIMITED

NOTES ON FINANCIAL STATEMENTS

NOTE 10

<u>Short Term Provisions</u>	As at 31st March,2013	As at 31st March,2012
Proposed dividend on equity shares capital	1589100	1589100
Tax on proposed equity dividend	263930	263930
Provision for Workmen Compensation	91512	
Provision for taxation (2012-13)	2908490	
Total	4853032	1853030

NOTE 12

<u>Long Term Loans and Advances</u>	As at 31st March,2013	As at 31st March,2012
<u>Other loans and advances</u>		
Advance against Residential Flat	602250	602250
Total	602250	602250

NOTE 13

<u>Current Investments</u>	As at 31st March,2013	As at 31st March,2012
Plan Assets - Gratuity (Net of PVDBO)	299417	242437
Total	299417	242437

NOTE 14

<u>Current Investment</u>	As at 31st March,2013	As at 31st March,2012
<u>Other Investments</u>		
<i>(a) Investments in Mutual Funds</i>		
Reliance Mutual Fund (SIP)	792000	504000
SBI Mutual Fund	-	1500000
<i>(b) Investments in Shares</i>	695600	695600
MMA CEPT Co. Operative Society Ltd. (No. of Equity Shares 6956 @100/- each)		
Total	1487600	2699600

NOTE - 11

S. No.	FIXED ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
		Rate	Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Value at the beginning	Addition during the year	Deduction during the year	Value at the end	WDV as on 31.03.2013	WDV as on 31.03.2012
1	Tangible Assets											
1.	LAND		676446	-	-	676446	-	-	-	676446	676446	
2.	PLANT & MACHINERY											
	[A] UNIT-1 PLANT & MACHINERY	7.42	61433833	2316561	-	63750394	4666495		8901682	8880340	11250274	
	[B] UNIT-2 PLANT & MACHINERY	7.42	32281496	-	-	32281496	2395287		1249480	25367656	27762943	
3.	FACTORY BUILDINGS											
	[A] UNIT-1 FACTORY BUILDING	3.34	18621302	1181293	-	19802595	637347		315923	10900913	10356967	
	[B] UNIT-2 IBAP FACTORY BUILDING	3.34	12716514	-	-	12716514	424732		729117	11467034	11891766	
	[C] VRL COLONY	3.34	3575994	-	-	3575994	119438		1153731	3097923	3217361	
4.	LAB & FIRE FIGHTING EQUIPMENT	4.75	390942	-	-	390942	18570		1042000	75019	93589	
5.	FURNITURE & FIXTURES	6.33	833423	29512	-	862935	53099		133818	157405		
6.	OFFICE EQUIPMENT	6.33	1304633	21298	-	1325931	83206		172200	234108		
7.	COMPUTER	16.21	1071841	30500	-	1102341	175615		60341	205456		
8.	ELECTRICAL INSTALLATION											
	[A] UNIT-1 ELECTRICAL INSTALLATION	6.33	2434186	-	-	2434186	-		2434186			
	[B] UNIT-2 ELECTRICAL INSTALLATION	6.33	3573635	-	-	3573635	226211		652322	2921313	3147524	
9.	TOOLS & EQUIPMENT	4.75	54264	-	-	54264	2576		32226	22038	24616	
10.	VEHICLES	9.5	3020639	-	-	3020639	286961		1973163	1047476	1334437	
11.	FORK LIFT	7.42	680350	-	-	680350	50482		204832	475518	526000	
	(Current Year)		142669498	3579164	-	146248662	9160018		80950624	65298038	70878892	
	(Previous Year)		137934235	4735263	-	142669498	8887290		71790606	70878892		



VASUNDHARA RASAYANS LIMITED

NOTES ON FINANCIAL STATEMENTS

NOTE 15

<u>Inventories</u>	As at 31st March, 2013	As at 31st March, 2012
a. Raw Materials and components (Valued at Cost)	6263742	3574524
b. Work-in-progress (Valued at Estimated Cost)	524540	717545
c. Stock-in-trade.	1686005	11922156
d. Consumable Stores (Valued at Cost)	365523	718498
e. Packing Materials (Valued at Cost)	655112	645224
Total	9494922	17577947

NOTE 16

<u>Trade Receivables</u>	As at 31st March, 2013	As at 31st March, 2012
Trade receivables outstanding for a period less than six months from the date they are due for payment Unsecured, considered good	45754610	29787853
	45754610	29787853
Trade receivables outstanding for a period exceeding six months from the date they are due for payment Unsecured, considered good	1567776	3940179
	1567776	3940179
Total	47322386	33728032

NOTE 17

<u>Cash and cash equivalents</u>	As at 31st March, 2013	As at 31st March, 2012
a. Balances with Scheduled Banks		
Current Accounts	3498119	1650363
b. Cash in hand	234440	86490
Total	3732559	1736853

* Balances with Banks includes Unclaimed Dividend of Rs. 176080 (Previous Year Rs. 176080)

NOTE 18

<u>Short-term loans and advances</u>	As at 31st March, 2013	As at 31st March, 2012
Others		
Advance to Suppliers and Others	1944846	3478069
Advance to Staff	337450	109250
Deposits	3116875	1936585
<i>Balance with Revenue Authorities</i>		
Tax Deducted at Source	963372	473785
Balance with Sales Tax Authority	6173243	5030984
Balance with Excise Authority	7457985	6053233
Advance Income Tax - 2012-13	2030000	0
Advance Income Tax (Net of Provision)	1412802	1412802
Total	23436573	18494708

=====VASUNDHARA RASAYANS LIMITED=====

**NOTES ON FINANCIAL STATEMENTS
NOTE 19**

<u>Other Current Assets</u>	As at 31st March, 2013	As at 31st March, 2012
Prepaid Expenses	98565	152099
Interest on FD Receivable	196791	157667
Total	295356	309766

NOTE 20

<u>Revenue from operation</u>	For the year ended 31st March 2013	For the year ended 31st March 2012
Sale of products	177475494	193766426
Income from services - Job Work	21783368	21950546
	199258862	215716972
Less: Excise duty	12884888	13706139
Total	186373974	202010833

NOTE 21

<u>Other Income</u>	For the year ended 31st March 2013	For the year ended 31st March 2012
Duty Drawback	945205	1001700
Interest Received (Gross)	395229	315748
Income from Forw. Contracts/Mutual Funds	-	1172090
Exchange Fluctuation	-	3513695
Misc. Income	938492	335238
Sundry Balances Written Off	8651	1525554
Total	2287577	7864025

NOTE 22

<u>Particulars</u>	For the year ended 31st March 2013	For the year ended 31st March 2012
COST OF MATERIALS CONSUMED		
Inventory at the beginning of the year	4938246	5116599
Add: Purchases of Raw Material, Consumables, Packing Materials & Utilities during the year	95405527	125693953
	100343773	130810552
Less: Inventory at the end of the year	7284377	4938246
Cost of raw materials consumed	93059396	125872306
Details of raw materials consumed		
Soda Ash Light	10017281	17004660
Furnance Oil	11738769	11645014
Steam Coal	8593493	7601313
Aluminium Chloride Solution	0	3769021
Magnesium Hydroxide	11888727	13365000
Aluminium Sulphate	1414632	4588500
Aluminium Hydroxide	18265989	9688755
Others	31140505	58210043
	93059396	125872306
Details of raw materials inventory		
Furnance Oil	462497	347303
Steam Coal	270465	1003297
Magnesium Hydroxide	420000	351000
Aluminium Hydroxide	2258000	658895
Others	3873415	2577751
	7284377	4938246



==== VASUNDHARA RASAYANS LIMITED ====

NOTES ON FINANCIAL STATEMENTS

NOTE 23

<u>Particulars</u>	For the year ended 31st March 2013	For the year ended 31st March 2012
CHANGES IN INVENTORIES FINISHED GOODS		
At the beginning of the Period	7138630	5028942
At the end of the Period	495805	7138630
	6642825	(2109688)
WORK-IN-PROGRESS		
At the beginning of the Period	717545	266646
At the end of the Period	524540	717545
	193005	(450899)
FINISHED GOODS FOR FURTHER PROCESSING		
At the beginning of the Period	4783526	3485428
At the end of the Period	1190200	4783526
	3593326	(1298098)
Total	10429156	(3858685)
Details of inventory		
<u>Finished goods</u>		
Dried Aluminium Hydroxide Gel	49875	5557500
Magnesium Tri Silicate	343680	343680
Aluminium Hydroxide (Amorph)	25500	892500
Others	76750	344950
	495805	7138630
<u>Work-in-progress</u>		
Dried Aluminium Hydroxide Gel	126000	420000
MgSo4 Soln.	37500	29000
Soda Soln.	280000	194880
Others	81040	73665
	524540	717545
<u>Finished goods for further processing</u>		
Dried Aluminium Hydroxide Gel	311500	1557500
Aluminium Hydroxide (Amorph)	457750	1113700
Megaldrate (First Stage)	40000	926700
Megaldate (Final Stage)	154450	-
Aluminium Hydroxide (1st Stage)	159320	-
Others	67180	1185626
	1190200	4783526

NOTE 24

<u>Employee Benefits Expense</u>	For the year ended 31st March 2013	For the year ended 31st March 2012
(a) Salaries, Wages and Bonus	15508121	16136513
(b) Contributions to EPF and Other Funds.	558473	623055
(c) Staff Welfare Expenses	1459085	1712771
(d) Gratuity and Workmen Compensation	417206	877383
Total	17942885	19349722

==== VASUNDHARA RASAYANS LIMITED ====

NOTE 25

<u>Finance costs</u>	For the year ended 31st March 2013	For the year ended 31st March 2012
On Secured Bank Loans & Others Bank	3401697	4485678
On Unsecured Loans	3817396	3326426
Total	7219093	7812104

NOTE 26

<u>Depreciation & Amortization</u>	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Depriciation	9160018	8887288
Total	9160018	8887288

Note 27

<u>Other Expenses</u>	For the year ended 31st March 2013	For the year ended 31st March 2012
Manufacturing Expenses		
Analytical/Testing/Processing Charges	26300	670422
Boiler Operation Charges	900990	788151
Carriage in Ward	3166587	7139062
Electricity Charges	13235865	12203655
Generator Maintenance	130084	556904
Packing & Forwarding Charges	32174	204117
Repairs and Maintenance of Factory Buildings	991102	348460
Repairs and Maintenance of Plant & Machinery	2250039	1087035
Repairs and Maintenance of Others	394469	504462
Water Charges	4282615	3948008
Total (A)	25410225	27450276
Administrative, selling and other expenses		
Advertiesment Expenses	11468	8204
Agency Charges	199160	307111
AGM Expenses	2097	1180
Bank Charges	383411	388195
Bad Debts	1695168	-
Books, Subscriptions & Periodicals	2995	8200
Business Promotion Expenses	752309	803176
Carriage Outward	174271	1444149
Certificate of Origin Expenses	40264	10800
Commission on Sales	1432647	849300
Conveyance Expenses	437943	661948
Directors Remuneration	1920000	1500000
Discounts	1132141	174843

VASUNDHARA RASAYANS LIMITED

Exchange Fluctuation	401263	-
Filing Fees	4721	-
Fork Lift Maintenance	64131	16043
Fumigation/Pest Control Expenses	64533	73620
General Expenses	57574	104518
Guest Houses Maintenance	29917	58147
Insurance Expenses	371510	305042
Labour Welfare	1776	4133
Listing and Registration Charges	27000	27000
Membership Fee	60000	9200
Ocean/Air Freight Charges	4036957	7434602
Office Maintenance	280788	180352
Other Charges for Export	171487	207177
Postage & Courier Charges	437281	275583
Printing & Stationery Expenses	187778	307593
Professional Charges	645890	311409
Rates & Taxes	198099	148993
Rent Paid	368313	364283
Telephone, Cellphone and Internet Expenses	330591	313051
Travelling Expenses	628537	915134
Vehicle Maintenance	312716	192815
VRL Colony Maintenance	70967	69833
Weightment, Hamali, Loading & Unloading Expenses	269941	322808
Remuneration to Auditors:		
Audit Fee	117061	82715
Total (B)	17322705	17881157
Total(A+B)	42732930	45331433

NOTES ON FINANCIAL STATEMENTS

Note 28

<u>Exceptional Items</u>	For the year ended 31st March 2013	For the year ended 31st March 2012
Prior Period Expenses	13894	40228
Profit on sale of Investment.	(137235)	-
Total	(123341)	40228

Note 29

<u>Tax Expense</u>	For the year ended 31 March, 2013	For the year ended 31 March 2012
(a) Current Tax		
Provision for Income Tax	2908490	2167078
Add: Debited during the year	925184	-
Balance debited to P/L A/c.	3833674	2167078
(b) Deferred Tax Liability Adjustment	(400006)	(164546)

**=====
VASUNDHARA RASAYANS LIMITED
=====**

Note 30

<u>Earning per share</u>	For the year ended 31st March 2013	For the year ended 31st March 2012
Net Profit After Tax	4807745	4437930
Number of Shares	3178200	3178200
Earning per Shares (in Rupees)	1.51	1.40

Note 31

<u>Payment to Auditor as</u>	For the year ended 31st March 2013	For the year ended 31st March 2012
a. Statutory audit fee	60000	35000
b. Internal audit fee	30000	30000
c. Tax audit fee	15000	15000
d. Reimbursement of expenses	12061	2715
Total	117061	82715

VASUNDHARA RASAYANS LIMITED

31. Contingent liabilities provided for Rs. Nil (previous year : Rs.Nil).
32. DEFERRED TAX LIABILITIES:
- i) Deferred Tax Assets and Liabilities have been considered in accordance with AS-22, issued by the ICAI.
- ii) Computation of Deferred Tax Liabilities (Net)

	<u>Upto</u> <u>31.03.12</u>	<u>For the Total as on</u> <u>Current Year</u>	<u>31.03.2013</u>
DEFERRED TAX LIABILITIES :			
a) Tax impact of difference between carrying amount of Fixed Assets in Financial Statement and Income Tax	5387100	(400006)	4734295
	<u>5387100</u>	<u>(400006)</u>	<u>4734295</u>

33. **Retirement Benefit – Gratuity**

The company has an unfunded defined contribution gratuity plan. Every employee who has completed 5 years or more of service is eligible for a gratuity on departure at 15 days salary (last drawn salary) per each completed year of service.

Consequent to the adoption of revised AS- 15 Employee Benefits issued under Companies (Accounting Standards) Amendment Rules 2008, the following disclosures have been made as required by the standard.

The following tables summaries the components of the net employee benefit expenses recognised in the profit and loss account, and the fund status and amount recognised in the balance sheet for the gratuity benefit plan.

Statement of Profit and Loss

Net Employee Benefit Expenses (recognised in employee cost)

	2012-13	2011-12
Current Service Cost	105216	84217
Interest on defined benefit obligation	122117	111451
Expected return on plan assets	(160550)	(137995)
Net actuarial losses/(gains) recognised in the year	(12124)	166200
Total included in employee benefit expense	54659	223873

VASUNDHARA RASAYANS LIMITED

Balance Sheet

Details of Provision for Gratuity

	2012-13	2011-12
Liability at the end of the Year	1723643	1526463
Fair Value of plan assets at the end of the year	2023060	1768900
Difference	(299417)	(242437)
Unrecognised past service cost	-	-
Unrecognised transition liability	-	-
Amount in Balance Sheet	(299417)	(242437)

Changes in the present value of the defined benefit obligation are as follows:

	<u>2012-13</u>	<u>2011-12</u>
Liability at the beginning of the Year	1526463	1393135
Interest Cost	122117	111451
Current Service Cost	105216	84217
Past Service Cost (non vested benefit)	-	-
Past Service Cost (vested benefit)	-	-
Benefits paid	(18029)	-
Actuarial (Gain)/Loss	(12124)	-
Liability at the end of the Year	1723643	1526463

Table Showing Fair Value of Plan Assets

	<u>2012-13</u>	<u>2011-12</u>
Fair Value of Plan Assets at the beginning of the Year	1768900	1618771
Actual Return on Plan Assets	160550	137995
Contributions	111639	240674
Benefits paid	(18029)	228540
Fair Value of Plan Assets at the end of the Year	2023060	1768900
Funded Status	299417	242437
Actuarial (Gain)/Loss Recognised		
Actuarial (Gain)/Loss on obligations	(12124)	166208
Actuarial (Gain)/Loss for the year on plan assets	-	-
Net Actuarial (Gain)/Loss	(12124)	166208

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	2012-13
Investments with insurer	100%

Principal actuarial assumptions as at the balance sheet date:

	2012-13
Discount Rate	8%
Salary Escalation	4%
Employee Attrition Rate	2%



VASUNDHARA RASAYANS LIMITED

Note:-

The Company also has made a provision for Liability of related to their employee who are not covered under the above scheme. The balance of this Non-Funded Liability as on 31.03.2013 is Rs.905865/- (Previous year Rs.905865/-).

34. The Company's significant leasing arrangements are in respect of operating lease for premises (Residential for Directors & Employees, Guest House, Offices etc). These leasing arrangements, which are not non-cancelable, range between 11 months and 3 years generally or longer and are usually renewable by mutual consent between the parties. The amount of lease rent paid is debited to Rent Account, and is disclosed in Schedule - 18.

35. Earnings Per Share:

	For the year ended March 31	
	2013	2012
Numerator used for calculating basic and diluted earnings per share - Profit after taxation.	48,07,745	44,37,930
Weighted average number of shares used as denominator for calculating basic and diluted earnings per share.	31,78,200	31,78,200
Nominal value per share (Rs.)	10/-	10/-
Basic and diluted earnings per share (Rs.)	1.51	1.40

36. Reporting Segment (Geographical Segment) :

	Export	Domestic	Total
Sales	970.16	893.58	1863.74
Less: Direct Expenses (Freight)	—	1.74	1.4
Less: Allocated Mfg. Exp. (RM + Mfg. Exp.)	1184.70	—	1184.70
Add: Increase in Stock	104.29	—	104.29
Segment Result	(318.83)	891.84	573.01
Less: Unallocated Overheads (Employee Cost + Admn. Exp. + Interest + Depreciation - Freight)			514.71

VASUNDHARA RASAYANS LIMITED

Add: Other Income	58.30
	22.88
NET PROFIT	<u> </u>
Add : Exceptional Items	81.18
Less: Current Tax	1.23
Add : Deferred Tax	38.33
	4.00
NET PROFIT	<u> </u>
	48.08

37. Related Party Disclosures:

List of related parties with whom transactions have taken place during the year:

1. Holding Company:
 - a) P & J Cretechem Pvt. Ltd.
2. Entities having Common Control (Others):
 - a) Taurus Chemicals Pvt.Ltd.
3. Key Managerial Personnel
 - a) Prakash Chand Jain
 - b) Rajesh Pokerna
 - c) Sunil Kumar Jain
 - d) Sanajy Kumar Jain
4. Relatives
 - a) Alka Jain
 - b) Kiran Devi Jain
 - c) Manju Devi Jain
 - d) Raj Kumar Jain
 - e) Rama Devi Jain
 - f) Sohini Devi Jain



VASUNDHARA RASAYANS LIMITED

38. Transactions during the year with related parties:

	Holding Company	Others	Key Management Personnel	Relatives
UNSECURED LOANS:				
a) Taken during the year	5,00,000	-	-	-
(Previous year)	(80, 00,000)	(-)	(-)	(48, 00,000)
b) Repaid during the year	10,00,000	-	-	-
(Previous year)	(23, 00,651)	(-)	(-)	(41, 37,524)
c) Maximum Bal.during the year	3,25,00,000	-	-	8,50,000
(Previous year)	(3,25, 00,000)	(-)	(-)	(40,50,000)
d) Balance as at 31-03-13	3,20,00,000	-	-	8,50,000
(Previous year)	(3,25,00,000)	(-)	(-)	(8,50,000)
EXPENDITURE:				
a) Interest on Unsecured Loans	37, 15,396	-	-	1, 02,000
(Previous year)	(31, 11,835)	(-)	(-)	(2, 08,361)
b) Remuneration for Directors.	-	-	19, 20,000	-
(Previous year)	(-)	(-)	(15, 00,000)	(-)
SALES:				
a) Sales during The Year	45,843	1,29,94,670	-	-
(Previous year)	(-)	(87,39,327)	(-)	(-)
b) Received During the year	45,843	90,31,655	-	-
(Previous year)	(-)	(84,27,635)	-	(-)
c) Balance As On 31-03-2012	-	31,55,022	-	-
(Previous year)	(-)	(3,11,692)	-	(-)
PURCHASES:				
a) Purchase during The Year	54,218	2,28,356	-	-
(Previous year)	(1,178)	(1,25,596)	(-)	(-)
b) Paid during the year	54,218	2,69,572	-	-
(Previous year)	(1,178)	(84,380)	(-)	(-)
C) Balance As On 31-03-2013	-	-	-	-
(Previous year)	(-)	(41,216)	(-)	(-)

39. Additional Information pursuant to provision of paragraph 3(ii)d), 4C & 40 of part 11 of Schedule VI of the Companies Act, 1956.

(a) Licensed & Installed Capacity:

1. Total installed capacity in powder form is 1500 MT. per annum of Unit-I.

2. Total installed capacity of IBAP Plant is 2400 MT. per annum of Unit-II.

40. IBAP Plant is engaged and doing the conversion job of various parties only and the said plant does not have its own Manufacturing product.

VASUNDHARA RASAYANS LIMITED

41. Consumption of Raw Material

Raw Material type	2012-2013		2011-2012	
	%	(Rs in lacs)	%	(Rs in lacs)
Imported	3.78	35.22	—	Nil
Indigeneous	96.22	895.37	100	1258.72

42. Earnings in Foreign Exchange during the year.

Export Sale	2012-2013	2011-2012
	Rs.	Rs.
	9,70,15,995	11,44,88,203

43. Expenditure in Foreign Currency during the Year

Travelling Expense	2012-2013	2011-2012
	Rs.	Rs.
	1,63,500	4,21,363

44. The Company not received the required information from suppliers regarding their status under the Micro, Small and Medium Enterprise Development Act, 2006. Hence, disclosures if any, relating to amounts unpaid as at the year-end together with interest paid/payable as required under the said Act have not been made.

45. The figures have been rounded off to nearest rupee.

Signature to Schedule 1 to 45

**FOR AGARWAL GUPTA NOKARI &
RUSTAGI ASSOCIATES**
Chartered Accountants.

(B. C. KHAITAN)
Partner
Membership No. :017387
Firm Reg. No.: 310041E
12, Waterloo Street, Kolkata - 700 069
Dated this 24th day of August, 2013

DIRECTORS

1. Prakash Chand Jain
Managing Director

2. Rajesh Pokerna
Whole Time Director



===== VASUNDHARA RASAYANS LIMITED =====

PROXY

VASUNDHARA RASAYANS LIMITED

Registered Office : Shed No. 42, Phase II, IDA, Mallapur, Hyderabad - 500 076.

I/We _____
of _____ being a member/ members of
VASUNDHARA RASAYANS LIMITED hereby appoint _____ of
_____ of failing him _____ of _____ as my/ out
proxy to attend and vote for me/us and on my/our behalf at the 26th Annual General Meeting of the
Company, to be held on Saturday the 28th September, 2013 at 11.30 a.m. and at any
adjournment thereof.

Signed this _____ day of _____ 2013

Member's Investor Regst. No / CR. No. / Regd. folio. No. _____

No. of Shares held _____

Affix
1 Rupee
Revenue
Stamp

Signature

VASUNDHARA RASAYANS LIMITED

Registered Office : Shed No. 42, Phase II, IDA, Mallapur, Hyderabad - 500 076.

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting Hall)

I hereby record my presence at the 26th Annual General Meeting of the Company to be held at the
Shed No.42, Phase II, IDA, Mallapur, Hyderabad – 500 076 on Saturday the 28th
September, 2013, at 11.30 am.

NAME OF THE ATTENDING MEMBER (IN BLOCK LETTERS)

NAME OF THE PROXY (To be filled in if the Proxy attends instead of the Members)

SIGNATURE OF THE MEMBER / PROXY

Member's Investor Reg. No./ C.R.No./ Regd.folio No. _____ No. of Shares held _____

NOTES :

1. Shareholders/ Proxyholders are requested to bring the attendance slips with them duly completed when they come to the meeting and hand them over at the gate after affixing their signatures on them.
2. The proxy form must be deposited at the Registered Office of the Company at Shed No. 42, Phase II, IDA, Mallapur, Hyderabad - 500 076., not less than 48 hours before the time for holding the meeting.