

PRATIKSHA CHEMICALS LIMITED

ANNUAL REPORT

2010-2011

PRATIKSHA CHEMICALS LIMITED

NOTICE

Notice is hereby given that the Twentieth Annual General Meeting of Pratiksha Chemicals Limited will be held at Regd. Office at 3rd Floor, H K Complex, Nr. Dharnidhar Temple, Vasna, Ahmedabad on 30th September, 2011 at 4.00 P.M. at the registered office of the company to transact the following business:

ORDINARY BUSINESS:

1. To receive consider and adopt the Audited Accounts of the company for the year ended 31st March 2011 and the Report of the Directors and auditors thereon.
2. To appoint Director in place of Mr. J. K. Patel, who retires by rotation and eligible for re-appointment.
3. To appoint Auditors, and to fix their remuneration.

Place: Ahmedabad

By order of the Board of Directors,

Date: 22/08/2011

FOR PRATIKSHA CHEMICALS LTD.


CHAIRMAN

NOTES: -

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. INSTRUMENT OF PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 27th Sept. 2011 to 30th Sept. 2011 (both days inclusive).
3. As a measure of economy, Annual Report will not be distributed at the Meeting. So, members are requested to bring their copy of Annual Report with them to the Annual General Meeting.

PRATIKSHA CHEMICALS LIMITED

DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting the Annual Report of the Company together with the Audited Accounts for the financial year ended on 31st March 2011.

1. Financial Results

(Rs. in lacs)

Particulars	2010-11	2009-10
Profit (Loss) before Depreciation	37.05	37.44
Depreciation	33.46	33.01
Profit (Loss) before Tax	3.59	4.43
Provision for Tax	(3.38)	0.21
Profit (Loss) after Tax	6.97	4.64

During the current year your company has achieved a reasonable level of growth. We are hoping that the phenomenal growth shall be achieved during the next coming years.

2. Dividend:

On account of accumulated losses, your directors did not recommend any Dividend.

3. Future Prospects:

During the year under review, Company has concentrated mainly on exports through merchant exporters. Company has good enquiries on hand, which are quite prospective. Company has put more emphasis on quality control comparable to international standard along with quality measures for pollution control. In the times to come, your Directors are quite hopeful of wiping out of loss through achieving better sales target and cost conservative measures even though not compromising on quality standard of the product.

4. Directors

Mr. J. K. Patel, Director of the company retires at the ensuing Annual General meeting and eligible for re-appointment.

5. Personnel

Your directors' wish to place on record their appreciation for the contribution to growth of the business made by employees at all levels. Information as required pursuant to section 217(2A) of the companies Act, 1956 has not been given, as it is not applicable.

6. Auditors

M/s H K Shah & Co., Chartered Accountants, Ahmedabad, Auditor of the Company retire at the conclusion of ensuing Annual General Meeting and being eligible, offer themselves for Re-appointment.

7. Deposits

During the year, Company has not accepted inter corporate Deposits, which falls under Section 58A of Companies Act, 1956.

8. Energy, Technology And Foreign Exchange

The additional information required to be disclosed in terms of notification No.1029 dated 31st December, 1998 issued by the Department of Company Affairs, Ministry of Finance is not applicable.

9. Directors' Responsibility Statement

Pursuant to Section 217(2A) of Companies Act, 1956, the Directors confirm that:

- i. In the preparation of Annual Accounts, appropriate accounting standard have been followed.
- ii. Appropriate accounting policies have been selected and applied consistently and judgments and estimates made that are reasonable and prudent so as to give true and fair view of state of affairs of the company at the end of financial year ended 31st March, 2009.
- iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safe guarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv. The Annual Accounts have been prepared on going concern basis.

10. Auditor's Qualification

Auditors have qualified their report to the members of the Company. In this connection directors of the Company have discussed the same at arm's length on the recommendation of audit committee and have imitated to take necessary action so as to show fair view of state of affairs of the company in the coming financial year.

11. Report on Corporate Governance

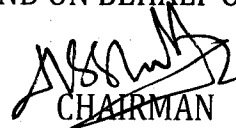
Compliance Report on Corporate Governance is a part of Annual Report is annexed herewith.

12. Acknowledgements

Your Directors wish to place on record their appreciation of the whole hearted co-operation extended to company from various departments of the central and state governments, company' bankers and financial institutions and employees of the company and look forward for the same cordial relationship in coming years.

PLACE: AHMEDABAD
DATE : 22/08/2011

FOR AND ON BEHALF OF THE BOARD


CHAIRMAN

Pratiksha Chemicals Limited

ANNUAL REPORT 2010-11

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

The Securities and Exchange Board of India (SEBI) constituted the Committee on Corporate Governance to promote and raise the standard of Corporate Governance of listed companies. The Committee has made recommendation on the composition of the board of directors, audit committee, board procedure etc.

The company has taken necessary steps to comply with the clause of 49 of the revised Listing Agreement given below is the repost of the Directors on the Corporate Governance.

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

The Company believes in functioning in a transparent manner with the basic philosophy being to enhance the Shareholder value, keeping in mind the needs and interest of other stakeholders, in compliance thereof. The following information is placed before the shareholders.

BOARD OF DIRECTORS

Name of Director	Category	No. of Board Meetings	Attended	Last AGM Attendance
Shri H.K.Bhatt	Whole time Director	7	7	Yes
Shri J K Patel	Promoter Director	7	7	Yes
Shri Upendra Adhvaryu	Non executive Independent Director	7	7	Yes
Shri Somabhai Patel	Non executive Independent Director	7	7	Yes

No Directors are having Chairmanship of more than five companies where they are director.

Pratiksha Chemicals Limited

Name of Director	Other Directorship (No. of Company)
Shri H K Bhatt	3
Shri J K Patel	1
Shri Upendra Adhvaryu	Nil
Shri Somabhai Patel	Nil

In line with the requirements of the code of the corporate governance, the board of directors comprises of four members. However, Your Company is trying its level best to accomplish the revised clause-49 of listing agreement.

Company does not have any system of payment of remuneration to independent Directors.

Further during the year, meeting of Board of Directors was held Seven times.

A declaration signed by Shri H K Bhatt, Whole Time Director of the company according compliance of sub-Clause (1D) of Clause 49 of the listing Agreement is attached herewith forming part of his Annual Report.

2. AUDIT COMMITTEE

Presently the company has Four Directors. The company has independent internal Auditors who submit the report to the management on monthly basis and action is taken on the same by the Managing Director on regular basis.

Pursuant to the revised clause 49 of the listing agreement, the company has appointed Audit committee consisting of followings:

- (i) Mr. Upendra Adhvaryu - Chairman
- (ii) Mr. Somabhai Patel - Member
- (iii) Mr. J K Patel - Member

The scope of committee includes.

Pratiksha Chemicals Limited

- a. Review of company's financial reporting process and the financial statement.
- b. Review internal control systems and functioning of internal audit process.
- c. Post audit review with statutory auditors.

During the year under review, Audit committee met six times where all the members attended meetings.

3. REMUNERATION COMMITTEE

Remuneration committee consists of Mr. Somabhai Patel and Mr. Upendra Adhvaryu.

Remuneration of Rs. 1,191,160 is paid to the Directors during the year which are in conformity with the provisions of the Companies Act, 1956. No sitting fees are paid to any Director.

4. SHAREHOLDERS' COMMITTEE

The company has complied the requirement of the sub clause VI (A), (B) of the clause 49 of the Listing agreement.

The composition of shareholders cum investors' grievance committee was as follows:

- | | |
|-------------------------|------------|
| (i) Mr. J. K. Patel | - Chairman |
| (ii) Mr. Somabhai Patel | - Member |

During the year, the company and their Registrar and Share Transfer Agents M/s Sharepro Services India Pvt. Ltd. has not received any complaints. It is policy of the company to give reply of shareholders complaint within the time frame prescribed by the SEBI/Stock Exchanges.

The Share received for transfer is approved on 15th and 30th of the each month and are given effect by the Registrar and Share Transfer Agent.

Pratiksha Chemicals Limited

M/s. Pinnacle Share Registry Pvt. Ltd. was appointed as common Agent for electronic as well as physical share transfer work.

5. GENERAL BODY MEETING:

Date	Type	Time	Location
30/09/2008	AGM	10.00 AM	3 rd Floor, H K Complex, Opp. Dharnidhar Derasar, Vasna, Ahmedabad-380007
30/09/2009	AGM	10.00 A.M.	
30/09/2010	AGM	10.00 A.M.	

There are no special resolutions passed by the company through postal ballot at any of the above annual general meeting.

6. DISCLOSURES:

- (A) During the year under review, the quarterly unaudited results were taken on record by the Board of Directors at the end of month of respective quarter. However in terms of clause 41 of Listing Agreement, the same were furnished to the concerned stock exchanges were also circulated in the newspaper within the stipulated time.
- (B) Company has followed accounting standards diligently.
- (C) Further, company is in the process of lying down risk assessment system.
- (D) Further, company has not received any funds through capital market during the year.
- (E) Transaction with related parties have been properly disclosed in notes to accounts and discussed at length by audit committee.

Pratiksha Chemicals Limited

- (F) Management discussion and analysis report is attached to and forms part of this report.
- (G) Further, Shri H K Bhatt, Whole Time Director of the company as certified to board of directors of the company regarding compliance of sub-clause (v) of clause 49 of listing agreement.

7. MEANS OF COMMUNICATION:

The means of communication between the Shareholders and company are transparent and investor friendly. The quarterly results of the company are published in English and Gujarati news papers as required by the listing agreement. Steps are being taken to display the corporate results on the EDIFAR & Corporate website.

8. GENERAL SHAREHOLDERS' INFORMATION

Annual General Meeting:	Date: 30/09/2011
(Date, Time & Venue)	Time: 10.00 a.m.
	Venue: 3 rd Floor, H K Complex, Opp. Dharnidhar Derasar, Vasna, Ahmedabad-380007
Financial Calendar	1 st April 2010 to 31 st March 2011
Date of Book Closure	From 27 th Sept.2011 to 30 th Sept. 2011 (Both days inclusive)
Dividend Payment Date	No Dividend declared

9. LISTING OF STOCK EXCHANGE:

Bombay Stock Exchange Limited	: 531257
Ahmedabad Stock Exchange Limited	: 45512

Pratiksha Chemicals Limited

10. MARKET PRICE DATA AT BOMBAY STOCK EXCHANGE LIMITED:

MONTH	HIGH (RS.)	LOW (RS.)
April, 2010	5.76	5.76
May, 2010	5.20	5.20
June, 2010	3.94	3.94
July, 2010	3.40	3.40
August, 2010	3.52	3.20
September, 2010	3.99	3.69
October, 2010	3.74	3.74
November, 2010	4.20	4.20
December, 2010	3.80	3.75
January, 2011	2.96	2.96
February, 2011	3.20	3.20
March, 2011	3.20	3.05

11. DISTRIBUTION OF SHAREHOLDING AS ON 31 MARCH, 2011:

No. of Equity shares held	No. of shareholders	% of total s.holders	No. of shares held	% of shareholding
1 to 500	4098	86.53	549995	9.87
501 to 1000	253	5.34	225392	4.06
1001 to 2000	202	4.27	355204	6.38
2001 to 3000	49	1.04	125844	2.26
3001 to 4000	36	0.76	132173	2.37
4001 to 5000	24	0.51	111513	2.00
5001 to 10000	30	0.63	211645	3.80
10001 to above	44	0.93	3858574	69.27
TOTAL	4736	100.00	5570340	100.00

Pratiksha Chemicals Limited

11. DISTRIBUTION PATTERN AS ON THE 31ST MARCH, 2011:

	No of Shares	Percentage
Promoters and Relatives	1993550	35.78
Banks/ FII/ FI	0	0.00
Public	1729925	31.06
Body Corporate	1515882	27.21
NRI	330983	5.95

12. REGISTRAR AND SHARE TRANSFER AGENT:

M/s. Sharepro Services India Pvt. limited
13, AB Smitha Warehousing Complex,
Sakinaka Telephone Lane,
Sakinaka, Andheri (East)
Mumbai – 400 072
Fax: 2859156

13. SHARE TRANSFER SYSTEM:

The share transfer work is handled by registrar and transfer agent for the company.

Share Transfers are registered and dispatched within a period of thirty days from the date of the lodgements if the transfer documents are correct and valid in all respects.

Pratiksha Chemicals Limited

14. DEMATIRIALISATION OF SHARES:

Outstanding GDRs/ADRs/Warrants or any
Convertibles instruments and conversion
date and likely impact on Equity : N.A.

Address for Correspondence : 3rd Floor, H K Complex,
Opp.Dharnidhar Derasar
Vasna, Ahmedabad

4151280 shares out of 5570340 Equity shares of the company have been dematerialized as at 31st March, 2011 representing 74.53 % of total paid-up capital of the company.

For and On behalf of the Board of Directors

Date : 22/08/2011

Place : Ahmedabad



H K Bhatt
Whole Time Director

Pratiksha Chemicals Limited

MANAGEMENT DISCUSSION AND ANALYSIS

1. Overall Review :

The overall performance during the financial year 2010-11 has been satisfactory.

2. Financial Review :

Total turnover for the year ended 31st March, 2011 was Rs. 846.12 lacs. This increase was mainly on account of improvement in manufacturing process and sales promotion drive. Better working capital management was also one of the emphasis on which proper weightage was laid upon.

3. Internal Control System and their adequacy :

Considering the size of the company, your company has adequate system of internal control to provide reasonable assurance that assets are safeguarded and protected from unauthorized use or deposition.

4. Business Environment :

The Performance of the company for the year under review was satisfactory.

5. Risk and Concern :

The building, plant and machinery, vehicle and stocks of the company are adequately insured.

6. Cautionary Statement :

Statements in this report on management Discussion and analysis may be forward looking statements within the meaning of applicable security laws or regulations. These statements are based on certain assumptions and expectations of future events. Actual results could however, differ materially from those expressed or implied. Important factors that could make a different to the Company's operations include global and domestic demand

Pratiksha Chemicals Limited

supply conditions, finished goods prices, raw material cost and availability and changes in government regulation and tax structure, economic

development within India and the countries with which the company has business contacts and other factors such as litigation and industrial relations.

The Company assumes no responsibilities in respect of forward looking statements which may be amended or modified in future on the basis of subsequent developments, information of event

BY ORDER OF THE BOARD OF DIRECTORS

Place: Ahmedabad

For Pratiksha Chemicals Limited

Date: 22/08/2011



Mr. H K Bhatt

Whole time

Director

Pratiksha Chemicals Limited

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CERTIFICATION BY MANAGING DIRECTOR TO THE BOARD

I, Mr. H K Bhatt, Whole Time Director of the PRATIKSHA CHEMICALS LTD certify that :

1. I have reviewed the financial statements for the Year and that to the best of my knowledge and belief :
 - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - b. These statements give a true and fair view of the state of affairs of the company and of the results of operations and cash flows. The financial statements have been prepared in conformity, in all material respects, with the existing generally accepted accounting principles including Accounting Standards, applicable laws and regulations.
2. These are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
3. I accept overall responsibility for the company's internal control system and financial reporting. This is monitored by the internal audit function, which encompasses the examination and evaluation of the adequacy and effectiveness. Internal audit works with all the levels of management and statutory auditors and reports significant issues to the Audit Committee of the Board. The auditors and audit committee are appraised of any corrective action taken with regard to significant deficiencies and material weakness.

Pratiksha Chemicals Limited

4. I indicate to the auditors and to the audit committee :

- a. Significant changes in internal control over financial reporting during the year.
- b. Significant changes in accounting policies during the year;
- c. Instances of significant fraud of which we have become aware of and which involve management or other employees who have significant role in the company's internal control system over financial reporting.

However, during the year there were no such changes or instances.

Date : 22/08/2011

Place : AHMEDABAD


Whole Time Director

Pratiksha Chemicals Limited

**DECLARATION BY THE CHAIRMAN & WHOLE TIME DIRECTOR
ABOUT CORPORATE GOVERNANCE**

I, Mr. H K Bhatt, Chairman & Whole Time Director of Pratiksha Chemicals Limited hereby confirm pursuant to clause 49(1)(d) of the listing agreement that:

1. The board of directors of Pratiksha Chemicals Limited has laid down a code of conduct has been placed on the company's website.
2. All the members of the board as well as senior management personal have complied with the said code of conduct for the year ended 31st March 2011.

Place: Ahmedabad

Date: 22/08/2011



Mr. H K Bhatt

Chairman & Whole Time Director

Pratiksha Chemicals Limited

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
Pratiksha Chemicals Limited

We have examined the compliance of the conditions of corporate Governance by Pratiksha Chemicals Limited for the year ended on March 31, 2011, as stipulated in Clause 49 of the listing Agreements of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of the opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

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

Place : Ahmedabad

Date : 22/08/2011

For, H K SHAH & Co.
Chartered Accountants

H K Shah (FCA)
Partner
M No. 42758



H. K. SHAH & CO.

Chartered Accountants

CA K. M. SHAH	9924112785
B.Com, DTP, FCA	
CA H. K. SHAH	9825722785
B.Com, DTP, LLB, FCA	
CA G. K. SHAH	9825844995
B.Com, FCA, DISA (ICAI)	
CA J. G. VAIDYA	9825845513
B.Com, FCA	
CA T. H. PATEL	9909919785
B.Com, ACA, CPA	

AUDITOR'S REPORT

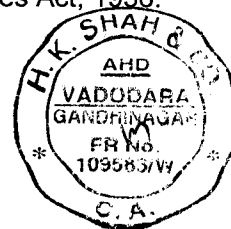
To
The Members,
Pratiksha Chemicals Limited
Ahmedabad.

1. We have audited the attached Balance Sheet of Pratiksha Chemicals Limited as at 31st March, 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting, the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, and on the basis of such checks as we considered appropriate and according to information and explanations given to us, we enclose in the Annexure, a statement on the matters specified in paragraph 4 and 5 of the said order.
4. **Particular attention is drawn:**
 - (i) ***The company has not made provision for doubtful debts amounting to Rs. 22.88 lacs as at year end. This has resulted in under statement of loss and over statement of current assets by Rs.22.88 lacs.***



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PRATIKSHA\AUDITOR'S REPORT final.doc

- (ii) **The company has not made adjustment in respect of deferred revenue expenditure amounting to Rs. 9.15 lac, which has resulted in under statement of loss and over statement of miscellaneous expenditure by such amount.**
- (iii) **The company has not carried out impairment test and accordingly the impairment loss if any has not been charged to profit and loss account. The impact of which on the profits of the company could not be ascertained.**
- (iv) **Adhering to significant accounting policy, the company is accounting for Gratuity & Leave encashment on cash basis. This is not in according with Accounting Standard – 1 on “Disclosure of Accounting Policies and 15 on “Accounting for Retiring Benefits” prescribed by the Institute of Chartered Accounting of India and contrary to provision contained in Section 209(3) of The Companies Act, 1956. The extent of non-compliance in terms of value is not ascertainable.**
- (v) **AS - 2 relating valuation of Inventories has not been followed. The technical valuation claimed by company is not quantifiable hence; we are not in a position to quantify the effect on the profit and loss account and balance sheet.**
- (vi) **Balances of Unsecured Loans, Other Liabilities, Creditors, Debtors, Loans and Advances are subject to confirmation by the parties concerned and reconciliation thereof in subsequent years.**
5. Further to our comments in the Annexure refer above, we report that:
- a. We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.
- b. In our opinion, **subject to para-5 above**, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d. In our opinion the Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, **except note no. (iii), (iv), (v)**
- e. On the basis of written representations received from the directors of the company, as at March 31st, 2011 and taken on record by the board of directors, we report that none of the directors is disqualified from being appointed as director under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.



- f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts *subject to para 4 above*

Give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011
- b. In the case of the Profit and Loss Account, of the profit for the year ended on that date.
- c. And in the case of the Cash Flow Statement, of the cash flows of the company for the year ended on that date.

For, H. K. SHAH & CO.
Chartered Accountants
FRN: 109583w

H. K. Shah

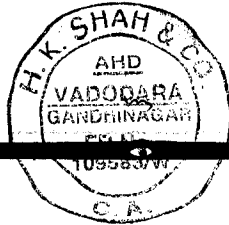
H. K. SHAH

Partner

Mem. No. 042758

Place : Ahmedabad

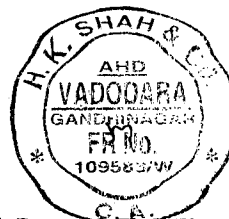
Date: 22nd August, 2011



ANNEXURE TO THE AUDITOR'S REPORT

The annexure referred to in the Auditors Report to the members of Pratiksha Chemicals Limited for the year ended 31st March 2011, we report that:

1. (a) The Fixed Asset Register showing particulars including quantitative details and situation of fixed assets is under compilation and updation.
(b) *According to the information and explanation furnished to us, the company has not physically verified all of its fixed assets. Since the fixed assets records are still under compilation no comparison with the book records have yet been made. In the absence of such comparison, opinion as to discrepancies, if any, can not be given.*
(c) During the year, the company has not disposed off any substantial part of fixed assets.
2. (a) The Inventory have been physically verified during the year by the management as informed to us
(b) *In our opinion, the procedures of physical verification of stocks followed by the Management are not reasonable and adequate in relation to the size of the Company and the nature of its business.*
(c) *On the basis of our examination of inventories records, in our opinion, the company is not maintaining the reasonable records of inventories. AS - 2 relating valuation of Inventories has not been followed. The technical valuation claimed by company is not quantifiable hence; we are not in a position to quantify the effect on the profit and loss account and balance sheet.*
3. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained u/s.301 of the Companies Act, 1956. Accordingly the clauses 4(iii)(b), 4(iii)(c) and 4(iii)(d) of the report are not applicable.
(b) (i) As per the information and explanations given to us, the Company has taken interest free unsecured loans amount of Rs. 220.62 Lacs from parties covered in the register maintained u/s.301 of the Companies Act, 1956.
(ii) In our opinion, the terms and conditions on which loans have been taken from companies, firms or other parties listed in the registered maintained under section 301 of the Companies Act, 1956 are not prima facie prejudicial to the interest of the company
(iii) The company is regular in repaying the principle amounts as stipulated
4. In our opinion and according to information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventories, fixed assets and with regard to the sale of goods. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal control.



- 5 (a) According to information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the act have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, the transactions exceeding Rs. 5 lacs made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the act and the rules framed there under.
7. In our opinion the company does not have internal audit system commensurate with the nature and the size of the business.
8. According to information and explanation given to us, the central government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956.
- 9 (a) According to information and explanation given to us, and on the basis of our examination of the books of accounts, the company is generally regular in depositing with appropriate authorities undisputed statutory dues and the company has no arrears except the liabilities of statutory dues as per schedule of current liabilities of such outstanding dues as at 31st March, 2011 for a period more than six months from the date they became payable.
- (b) According to the information and explanation given to us, there are no disputed outstanding dues as at 31st March, 2011.
10. The accumulated losses of the company exceeds fifty percent of net worth as at 31st March, 2011 after considering qualifications, as reported in the audit report, the effect of which could be ascertained. It has not incurred cash loss in the financial year ended on that date but it has incurred cash losses in the immediately preceding financial year.
11. According to the records of the company examined by us and the basis of information and explanations given to us, the company has not defaulted in repayment of dues to any financial or bank or debenture holders.
12. The company has not granted any loans and advances on the basis of securities by way pledge of shares, debentures and other securities.
13. The provisions of any special statue applicable to Chit fund, Nidhi, Mutual Benefit Funds or a Society are not applicable to the company.
14. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments.

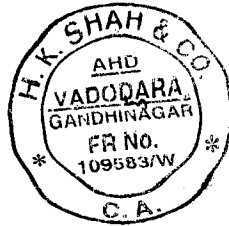


15. In our opinion and according to the information and explanation given to us, the company has not given any guarantee for loans taken by others from banks and financial institutions during the year.
16. In our opinion and according to the information and explanations given to us, the company has not obtained any term loans. Accordingly clause 4(xvi) of the order is not applicable.
17. As per the information and explanation given to us, the company has not raised any funds on short-term basis, which have been used for long-term investments and vice-versa.
18. The company has not issued any preferential allotment of shares to parties and companies covered under register maintained under section 301 of The Companies Act, 1956.
19. During the year covered by audit report, the company has not issued any debentures.
20. The company has not raised any money by public issues during the year under review.
21. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

FOR, H. K. SHAH & CO.
Chartered Accountants
FRN: 109583w

H.K. Shah

H.K SHAH
Partner
Mem. No. 42758



Place: Ahmedabad
Date : 22nd August, 2011

PRATIKSHA CHEMICALS LTD

BALANCE SHEET AS ON 31 MARCH, 2011

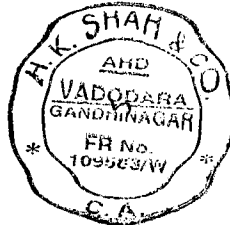
PARTICULARS	SCH. NO.	AS ON 31-03-11	AS ON 31-03-10
SOURCES OF FUND			
Shareholders Funds			
Authorised Capital		75,000,000	75,000,000
a. Share Capital	A	55,703,400	55,703,400
b. Share application Money		-	-
		55,703,400	55,703,400
Reserve & Surplus	B	4,314,444	4,314,444
		4,314,444	4,314,444
Loan Funds			
a. Secured Loan	C	16,240,192	15,477,047
b. Unsecured Loan	D	22,062,368	17,792,368
Total		98,320,404	93,287,259
APPLICATION OF FUNDS			
Fixed Assets			
a. Gross Block	E	79,062,266	76,010,061
b. Less : Depreciation Fund		49,183,366	45,837,624
c. Net Block		29,878,900	30,172,437
d. Capital work in progress		-	1,267,533
Investment	F	103,100	3,100
Deferred Tax Asset		681,757	343,972
Current Assets, Loans, Advances & Deposits			
a. Inventories (Taken, verified & certified by the management)	G	31,969,345	27,137,117
b. Sundry Debtors	H	25,677,312	23,759,492
c. Cash & Bank Balances	I	525,832	(5,177,102)
d. Loans, Advance, Deposits & Other Current Assets	J	3,840,407	3,732,239
		62,012,896	49,451,746
Less : Current Liabilities			
a. Current Liabilities	K	29,137,038	24,711,924
b. Provisions	L	1,488,612	205,747
		30,625,650	24,917,671
Net current Assets		31,387,246	24,534,075
Deffered Revenue Expenditure		915,233	915,233
Misc. Expenses (to the extent not written off)		-	-
Profit/Loss brought down		35,354,168	36,050,909
Total		98,320,404	93,287,259

Notes forming parts of Account
As per our attached report of even date

P

For, H.K. SHAH & CO.,
Chartered Accountants
FRN:109583w

H.K. Shah
H. K. SHAH. (FCA)
Partner
M.No.42758



For, PRATIKSHA CHEMICALS LTD.

[Signature]
(Director)

[Signature]
(Director)

Place : Ahmedabad.
Date :22/08/2011

Place : Ahmedabad.
Date :22/08/2011

PRATIKSHA CHEMICALS LTD.

PROFIT & LOSS A/c. FOR THE YEAR ENDED 31-3-2011

Particulars	Sch. No.	For the year ended on 31-3-2011	For the year ended on 31-3-2010
<u>INCOME</u>			
Sales(Gross)		84,611,688	58,877,672
Less: Excise Duty & Cess		(3,047,256)	(705,620)
Sales(Net)		81,564,432	59,583,292
Misc.Income	O	196,634	3,995,912
Adjustment of stock Increase/(decrease)		2,967,733	(19,413,164)
Total		84,728,799	44,166,040
<u>EXPENDITURE</u>			
Raw material Consumed		63,065,317	27,844,813
Manufacturing Exps	M	6,105,453	3,027,889
Administrative Exps.	N	11,853,332	9,549,515
Depreciation		3,345,741	3,300,527
Total		84,369,843	43,722,744
Net Profit / Loss before Taxation		358,956	443,296
Defferd Tax Expense		(337,785)	20,510
Net Profit / Loss after Taxation		696,741	463,806
Earlier year balance b/d.		(36,050,909)	(36,514,715)
Balance carried to the Balance Sheet		(35,354,168)	(36,050,909)
EPS		0.13	0.08

Notes forming part of asccount

As per our attached report of even

For, **H.K. SHAH & CO.,**
Chartered Accountants

FRN:109583w

H.K. Shah
H. K. SHAH. (FCA)
Partner

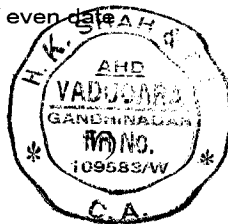
M.No.42758

Place : Ahmedabad.

Date :22/08/2011

P

For, **PRATIKSHA CHEMICALS LTD.**



[Signature]
(Director)

[Signature]
(Director)

Place : Ahmedabad.

Date :22/08/2011

PRATIKSHA CHEMICALS LTD.

Cash Flow Statement for the year ended 31st March, 2011

Particulars	For the year ended 31-03-2011 Amount (Rs.)	For the year ended 31-03-2010 Amount (Rs.)
A. Cash flow from operating activities:		
Net profit / Loss for the year	696741	463806
Adjustments for :		
Add		
Fringe Benefit Tax		0
Depreciation	3345741	3300527
Preliminary Exps w/off		51
Other on cash Addition		28000
		(23281)
Less :		
Sundry credit balance Written back		
Deferred tax income	337786	(20510)
Interest Income		0
Operating profit before working cap. charges	3704696	3789613
Adjustments for :		
Trade Receivables	(1917820)	(11838694)
Other Receivables	(108168)	(1775227)
Inventories	(4832228)	4874039
Others	1282866	145326
Trade payables Including others	4425114	7724779
	(1150236)	(869777)
Cash generated from operating activities	2554460	2919836
Less: Tax Paid		0
Net cash from operating activities (a)	2554460	2919836
B. Cash flow from investing activities:		
Purchase of fixed assets	(3052205)	(420977)
Sale of Fixed Assets		0
Purchase of investment	(100000)	0
Increase in Capital WIP	1267533	0
Dividend Received		0
Interest Income	0	0
Net cash used in investing activities (b)	(1884672)	(420977)



PRATIKSHA CHEMICALS LTD.

Cash Flow Statement for the year ended 31st March, 2011

Particulars	For the year ended 31-03-2011 Amount (Rs.)	For the year ended 31-03-2010 Amount (Rs.)
C. Cash flow from financing activities:		
Procurement/(Repayment) of long term borrowings	763145	0
Unsecured Loan	4270000	0
Net cash flow from financial activities (c)	5033145	0
Net Increase/(Decrease) in cash and cash equivalents (a)+(b)+(c)	5702933	2498859
Cash and cash equivalents opening	(5177101)	(7675960)
Cash and cash equivalents closing	525832	(5177101)

Explanatory Notes to Cash Flow Statement

- 1 The Cash Flow Statement is prepared in accordance with the format prescribed by Securities and Exchange Board of India & as Accounting Standard 3 as Prescribed by the Institute of Chartered Accountants of India
- 2 In Part A of the Cash Flow Statements, figures in brackets indicates deductions made from the net profit for deriving the cash flow from operating activities. In part B & part C, figures in brackets indicates cash flow.
- 3 Figures of the previous year have been regrouped wherever necessary, to confirm to current years presentation.

As per our attached Report of even date.

FOR H K SHAH & CO.
Chartered Accountants
FRN:109583w

H. K. Shah
H. K. SHAH
Partner
(M.no.42758)
Place: Ahmedabad
Date: 22nd August 2011



FOR PRATIKSHA CHEMICALS LIMITED

[Signature]
Director

[Signature]
Director

Place : Ahmedabad
Date: 22nd August 2011

Schedule : A Share Capital A/c.

PARTICULARS	As on	
	31-3-2011	31-3-2010
Authorised 750000 Equity Sahres of of Rs.10 each	75,000,000	75,000,000
Issued, Subscribed & Paid up Share Capital share application: 55,70,340 Equity Shares of Rs. 10 each	55,703,400	55,703,400
Total	55,703,400	55,703,400

Schedule : B Reserves & Surplus

PARTICULARS	As on	
	31-3-2011	31-3-2010
Share Premium	4,314,444	4,314,444
Reserves and surplus	-	-
Total	4,314,444	4,314,444

Schedule :C Secured Loan

PARTICULARS	As on	
	31-3-2011	31-3-2010
From Financial institution		
From Banks		
Bank of Baroda - Cash Credit Account (Secured by hypothecation of Raw Materials, Stock in process, Finished Goods, Book debts and further secured by personal guarantee of the drectors of the company and corporate guarantee of Associate/ Group company)	16,240,192	15,477,047
Total	16,240,192	15,477,047

Schedule :D Unsecured Loan

PARTICULARS	As on	
	31-3-2011	31-3-2010
Intercorporate Deposits	7,786,537	13,562,750
From Directors	14,275,831	4,229,618
Total	22,062,368	17,792,368

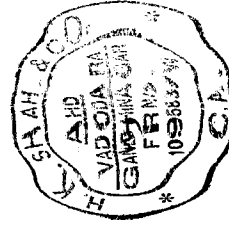


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PRAKTIKSHA CHEMICALS LTD.
SCHEDULE: E
FIXED ASSETS

SR.	Name of Assets	RATE	OP. BAL. 01-04-10	GROSS BLOCK			Depreciation			Net Block		
				Addition during the year	Deletion during the year	Closing Bal. 31/03/11	Bal. as on 01.04.10	Add. During the Year	Deletion during the Year	Total Dep.	As on 31/03/2011	As on 31/03/2010
1	Building	3.34%	12840351	939,123	-	13,779,474	5,833,239	455,947	-	6,289,186	7,490,287	7,007,112
2	Furniture & Fixtures	6.33%	80334	-	-	80,334	69,847	5,085	-	74,932	5,402	10,487
3	Plant & Machinery	4.75%	58512349	2,077,183	-	6,158,932	37,930,171	2,877,151	-	40,807,322	20,782,210	21,582,178
4	Land	0%	1530268	-	-	153,0268	-	-	-	-	1,530,268	1,530,268
5	Office Equipment	16.21%	460620	13,400	-	474,020	460,620	2,017	-	462,637	11,383	-
6	Vehicle	9.50%	1586139	-	-	158,6139	1,543,748	4,180	-	1,547,928	38,211	42,391
7	Electrification	7.07%	0	22,500	-	22,500	-	1,360	-	1,360	21,140	0
	TOTAL		76010061	3,052,205	-	79,062,266	45,837,625	3,345,741	-	49,183,366	29,878,900	30,172,437



Schedule :F Investment

PARTICULARS	As on 31-3-2011	As on 31-3-2010
Unquoted:		
30 shares of The Union Co. Op. Bank of Rs. 100 each	3,000	3,000
4 shares of Co. Op. Bank of Ahmedabad Ltd. Of Rs. 25 each	100	100
F.D.R.- G.P.C.B.	100,000	-
Total	103,100	3,100

Schedule :G Inventories

PARTICULARS	As on 31-3-2011	As on 31-3-2010
Fuel	191,836	144,986
stock in trade	90,444	125,719
Raw material	3,856,805	2,003,885
Packing Material	15,323,912	14,772,000
Finished goods	12,506,348	10,090,527
Total	31,969,345	27,137,117

Schedule :H Sundry Debtors

PARTICULARS	As on 31-3-2011	As on 31-3-2010
Unsecured:		
<i>Outstanding for more than 6 months-</i>		
Considered good	9,859,401	23,759,492
Considered doubtful	-	-
<i>Less than six months-</i>	14,800,752	-
<i>Advances to debtors</i>	1,017,159	-
Total	25,677,312	23,759,492

Schedule :I Cash & Bank Balances

PARTICULARS	As on 31-3-2011	As on 31-3-2010
Cash in Hand	494,761	674,472
Cash at Bank		
<i>Balances with Schedule Banks:</i>		
In Current Account	36,451	(5,846,194)
<i>With Co-operative Bank:</i>		
In Current Account	(5,380)	(5,380)
Total	525,832	(5,177,102)



Schedule :J Other Current Assets,Loans,
Advances & deposits

PARTICULARS	As on 31-3-2011	As on 31-3-2010
Advance recoverable in cash or in kind or for value to be received	197,442	330,676
Balances with Revenue Authorities	3,338,779	3,385,644
Deposits, Loans and Advances to Corporates and Others	304,186	-
Other Current assets		15,919
Total	3,840,407	3,732,239

Schedule :K Current Liabilities

PARTICULARS	As on 31-3-2011	As on 31-3-2010
Current Liabilities:		
Sundry Creditors	29,137,038	24,603,108
Other Liabilities	-	108,816
	29,137,038	24,711,924

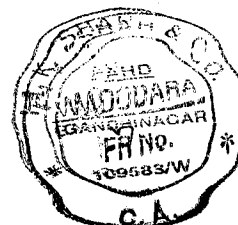
Schedule :L Provisions

PARTICULARS	As on 31-3-2011	As on 31-3-2010
Provisions:		
Provision for Expenses	1,488,612	205,747
Total	1,488,612	205,747

SCHEDULES FORMING PART OF PROFIT & LOSS A/C

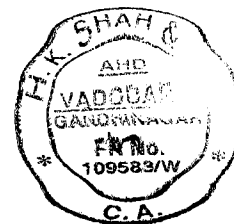
Schedule :M Manufacturing Expenses

PARTICULARS	As on 31-3-2011	As on 31-3-2010
Factory Salary	918,493	817,620
Freight and Octroi	-	157,208
Factory Overtime Exps.	104,292	94,487
Power & Fuel	408,120	457,856
Factory Expense	190,336	136,456
Laboratory Expense	13,026	4,352
Labour Charges	1,918,676	1,286,822
Insurance	58,840	55,401
Annual custody Fees	70,803	17,687
Chlorine license fee a/c	5,400	-
Excise duty Prior Period exp.	1,249,603	-
Excise duty on Finished Stock	1,167,864	-
Total	6,105,453	3,027,889



Schedule :N Administrative Expenses		As on	As on
PARTICULARS		31-3-2011	31-3-2010
Account Salary		-	5,000
Advertisement exp.		1,672	-
Annual Membership Fees		-	42,000
Auditor's Remuneration		30,000	30,000
Bank Charges		55,236	42,656
Bank Interest		2,756,149	2,913,544
Bonus expenses		97,487	-
Carting Exps		4,930	4,000
Commision		1,149	-
Companies contribution to PF		57,036	213,091
Computer Service Charges		-	1,850
Conveyance Expense		24,093	5,608
Courier exp.		8,029	22,519
Director's Remuneration		1,191,160	664,300
Electric Exp.		2,172,475	2,181,126
Electrical Exp.		16,600	4,018
Environmental exp.		56,156	87,621
Freight Outward Exps.		48,224	-
Gram panchayat Tax exp.		22,425	-
Interest on PF		6,086	-
Interest on TDS		-	5,139
Irrecoverable FD of GPCB		-	28,000
Legal and Professional fees		164,349	187,879
Listing fees		17,729	16,545
Miscellaneous Exps		835	33,485
Office Exp & Other Expenses		1,430	19,917
Office Rent Exps		120,000	20,000
P.F.(employees contribution)		68,500	-
Paid Leave Exps		-	9,951
Pollution control Exp		880,954	446,614
Prior Period Exps		24,462	14,876
Professional Fees		35,000	35,000
Professional Tax		11,420	7,500
Repair and Maintenance Exps.		2,001,986	1,260,941
Salary Office		354,640	288,744
Staff welfare		131,655	52,495
Stationary & Printing Exp.		55,712	37,421
Telephone bill		55,098	55,353
Transportation Charges		1,213,397	789,098
Travelling Exps		40,000	9,450
Vehicle repairing exp.		64,302	-
Water Charges		23,515	7,875
Website hosting Charges		39,442	5,899
Total		11,853,332	9,549,515

Schedule :O Misc. Income		As on	As on
PARTICULARS		31-3-2011	31-3-2010
Excess payment to countrywide w/off		-	23,281
Central Excise Refund		-	494,765
Dividend Income		450	-
Excise Payable w/back		-	1,803,902
Godown Rent Income		-	30,000
Kasar Vatav		5,199	2,509
Prior period Exp. (Income)		109,133	940,773
Sales tax payable w/back		-	676,174
Discount received		81,852	-
Vat Refund 2003-04		-	24,508
Total		196,634	3,995,912



PRATIKSHA CHEMICALS LIMITED

Schedule: P Part A:

Significant Accounting Policies:

(a) Basis of preparation of financial statements:

These financial statements have been prepared on the accrual basis of accounting, under the historical cost convention, and in accordance with the Companies Act, 1956 and the applicable accounting standard issued by The Institute of Chartered Accountants of India.

(b) Use of estimates

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reported period. Differences between the actual result and estimates are recognised in the period in which the results are known/ determined.

(c) Fixed Assets:

(i) Fixed Assets are stated at their original cost including incidental expenses related to acquisition and installation, less accumulated depreciation. Cost comprises of the purchase price and any other attributable cost of bringing the assets to its working condition for its intended use.

(ii) Capital Work in Progress is stated at cost.

(d) Impairment of Assets

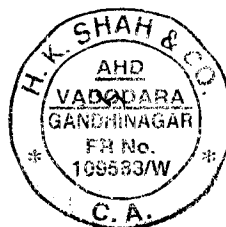
An asset is treated as impaired when its carrying cost exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change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

(e) Borrowing Costs:

Borrowing Costs that are directly attributable to acquisition of qualifying assets are capitalized for the period until the asset is ready for intended use. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs are recognize as an expense in the period in which they are incurred. No borrowing costs are eligible for capitalization during the year.

(f) Depreciation:

Depreciation on assets is provided on the straight line method at rates and in the manner prescribed in schedule XIV to the Companies Act, 1956.



(g) Investments:

Investments are valued at cost. Provision for diminution in the value of Long Term investment is made only if, such decline is not temporary in nature in the opinion of the management.

(h) Inventories:

(i) Stock in trade comprising of raw materials (including goods in transit), packing material, stock in process and finished goods are valued at the lower of cost and net realizable value after making such provisions as required on account of damage, unserviceable and obsolete stocks

(ii) Stocks of stores, spares and consumable are valued at cost.

(iii) Value of raw material and packing material does not include excise duty, counter valid duty paid to the extent of which CENVAT credit is available.

(iv) Excise duty on goods manufactured by the company and remaining in inventory is included as a part of valuation of finished goods.

(i) Retirement Benefits:

(i) Contributions to provident fund are made at predetermined rates to Government Authority and charged to profit and loss account.

(ii) The Company is accounting for gratuity and leave encashment on cash basis.

(j) Revenue Recognition:

(i) Sales are recognized when the seller has transferred to the buyer, the property in the goods, for a price, or all significant risks and rewards of ownership have been transferred to the buyer without the seller retaining any effective control over the goods. Sales are stated at contractual realizable values, net of excise duty, sales tax and trade discounts.

(ii) Commission income is recognized as per contracts/receipt of credit note.

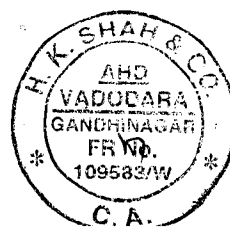
(iii) Job work Income is recognized when the goods are transferred to buyer and where no uncertainty exists regarding realization of revenue.

(k) Foreign Currency Transactions:

(i) Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction.

(ii) In respect of monetary items denominated in foreign currencies, exchange differences arising out of settlement or on conversion at the closing rate are recognized in the Profit and Loss Account, other than exchange differences on acquisition of fixed assets, which are adjusted in the carrying amount of fixed assets.

(l) Stores and Spares:



Items of stores and spares are charged to the revenue at the stage of purchase and stocks of such items as at the end of the year is accounted at cost.

(m) Research and Development Expenditure:

Revenue Expenditure in respect of Research and Development is charged to the Profit and Loss Account and Capital Expenditure is added to the cost of Fixed Assets in the year in which it is incurred.

(n) Taxation:

Provision for income-tax is based on the taxable income computed in accordance with the provision of the Income-tax Act, 1961. Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period.

(o) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

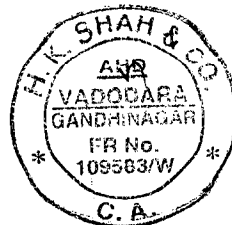
(p) Amortization of Deferred Revenue Expenditure:

The Company is amortizing 1/5th of Deferred Revenue Expenditure every year.

Schedule: P Notes forming part of accounts

1. Contingent Liabilities and Capital Commitments Rs. NIL (P.Y. NIL)
2. The company has not made any provisions for Doubtful debts though considered doubtful for recovery amounting to Rs. 2,288,424/- as the management is still putting persuasive efforts for recovery.
3. No provision for income tax is considered necessary in view of carry forward losses and unabsorbed depreciation under the Income Tax Act 1961.
4. The company operates within a solitary business segment i.e. manufacturing of pigments, the disclosure requirements of Accounting Standard – 17 "Segment Reporting", issued by the Institute of Chartered Accountants of India is not applicable.
5. In current year company has not amortized 1/5th of deferred revenue expenditure.
6. The company has not disclosed outstanding dues to Small Scale Industrial undertakings and details regarding the same as company is not having any outstanding to SSI unit.

7. Related Party Disclosures:



- (a) List of related parties with whom transactions have taken place during the year:

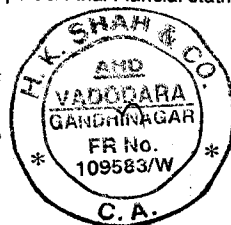
As per Accounting Standard 18, issued by the Institute of Chartered Accountants of India, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below:

- (a) List of related parties with whom transactions have taken place during the year and relationship:

Sr. No.	Name of related party	Relationship
1	Jayesh K. Patel	Key Management Personnel
2	Harish K. Bhatt	
3	Harshad K. Patel	
4	Asthu H. Patel	Relatives of key Management personnel
5	Dwijen H. Bhatt	
6	Ratnakala ben H Patel	
7	Surbhi ben H Bhatt	
8	Harshad K Patel (HUF)	
9	Harish K Bhatt (HUF)	
10	Dhara Organisers Pvt. Ltd.	Concerns in which Directors are interested
11	H. K. Builders	
12	J. K. Patel & Co.	

- (b) Transactions with related parties

[Amount in Rs.]			
Sr. No.	Nature of transaction	2010-11	2009-10
(i)	Intercorporate Deposit/Loans		
	- Concerns in which Directors are interested	7,786,537	13,562,750
	- Key Management Personnel and Relatives	14,275,831	4,229,618
(ii)	Expenditure on other service		
	- Concerns in which Directors are interested	NIL	NIL
	- Key Management Personal and Relatives	NIL	NIL
(iii)	Managerial Remuneration	1,191,160	664,300
(iv)	Outstanding Balances:		
	Due to company		



Concerns in which Directors are interested	NIL	NIL
Key Management Personal and Relatives	180,000	180,000
Payable by company		
- Concerns in which Directors are interested	7,786,537	13,562,750
- Key Management Personnel and Relatives	14,275,831	4,229,618

8. Particulars of Earning per Share:

Particulars	2010-11 Amount (Rs.)	2009-10 Amount (Rs.)
Net Profit/(Loss) for the year	696741	4,63,806
Number of equity shares	5,570,340	5,570,340
Nominal value of the share	10	10
Earning per Share	0.13	0.08
Diluted EPS	0.13	0.08

There is no change in the number of equity shares during the period.

9. The company is entitled to setoff of carried forwarded losses and unabsorbed depreciation against the future taxable income under the Income-tax Act. However, as a matter of prudence, company is not recognizing the differed tax assets as provided by Accounting Standard 22 – accounting for taxes on income.

10. Auditors' Remuneration is made up of:

Particulars	2010-11 Amount (Rs.)	2009-10 Amount (Rs.)
Audit Fees (without service tax)	20,000	20,000
Tax Audit Fees (without service tax)	10,000	10,000
Total :	30,000	30,000

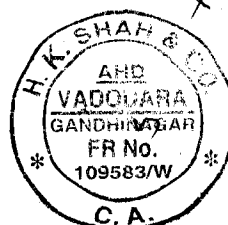
11. (a) The Company has been advised that the computation of net profits for the purpose of Directors' remuneration under section 349 of the Companies Act, 1956 need not be enumerated since no commission has been paid to the Directors. In view of the losses, fixed monthly remuneration has been paid to the Directors as per Schedule-XIII to the Companies Act, 1956.

- (b) Directors Remuneration is made up of:

Particulars	2010-11 Amount (Rs.)	2009-10 Amount (Rs.)
Salary	1,191,160	664,300
Total :	1,191,160	664,300

12. Additional information pursuant to provision of para 3, 4C and 4D of Part-II of Schedule-VI of the Companies Act, 1956:

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(A) Raw Material Consumption

	Particulars	2010-11	
		Qty. (Kgs.)	Value Amount
(a)	C.P.C. Blue	143,425	36525249
(b)	Aluminum Chloride	468,545	20467664
(c)	Others	493,864	6072404
	Total:		6,30,65,317

(B) Composition of Raw Materials Consumption

Raw Material consumption	2010-2011		2009-2010	
	Value Amount	Percentage (%)	Value Amount	Percentage (%)
Imported	—	—	—	—
Indigenous	63,065,317	100	27,844,813	100
Total:	63,065,317	100	27,844,813	100

(C) Turnover:

	Particulars	2010-2011	2009-2010
		Value Amount	Value Amount
I.	SALES		
(a)	Finished Good	81,564,432	5,95,83,292
(b)	Traded Goods	—	—
(c)	Raw Materials	—	—
	Total [a + b + c]:	81,564,432	59,583,292
II.	Purchase of Traded Goods	—	—

(D) Stock of Finished Goods:

Particulars	2010-2011	2009-2010
	Value	Value
Opening Stock	10090527	1,66,33,140
Closing Stock	12506348	10,090,527

(E) Licensed and Installed Capacity and Production as certified by the management.

Particulars	2010-11 (Kgs.)	2009-10 (Kgs.)
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(a)	Licensed Capacity	Not Applicable	Not Applicable
(b)	Installed Capacity	480,000	480,000
(c)	Production - Dyes & Pigment	258,165	204,192

Current Year Production included job work production of Nil. (P.Y. Nil K.G)

(F) Value of Imports on CIF Basis Rs. NIL (P.Y. NIL)

(G) Earning in Foreign Currency:

Particulars	2010-2011 Amount (Rs.)	2009-2010 Amount (Rs.)
F.O.B. Value of Export	NIL	NIL

(H) Expenditure in Foreign Currency (on payment basis):

Particulars	2010-2011 Amount (Rs.)	2009-2010 Amount (Rs.)
Traveling	Nil	NIL

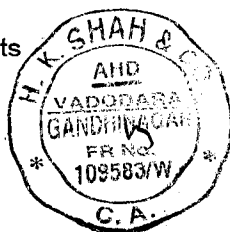
13 The Previous year figures have been re-grouped, rearrange and reworked wherever necessary so as to make them comparable with those of the current year.

As per our attached report of even date.

For, H. K. SHAH & CO.
F.R. No. 109583W
Chartered Accountants

H.K. Shah

H. K. SHAH
Partner
M No. 42758.
Place: Ahmedabad.
Date : 22nd august 2011



FOR AND ON BEHALF OF THE BOARD

Harish K. Bhatt

HARISH K. BHATT
Chairman

Jayesh K. Patel

JAYESH K. PATEL
Director

Place: Ahmedabad.
Date : 22nd august 2011

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
(Additional Information pursuant to the provision of paragraphs 3 & 4 in Part II
of Schedule VI to the Companies' Act, 1956)

(Rs. In 000's)

1) Registration Details:-

Registration No.- 015507 State Code 4
Balance Sheet Date 31/03/11

2) Capital Raised During the year:-

Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

3) Position of Mobilization a Development of Funds:

Total Liability	98320.40	Total Assets	98320.40
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SOURCES OF FUNDS

Paid up capital	55703.40	Reserve and Surplus	4314. 45
Secured Loans	16240.19	Unsecured Loans	22062.36

APPLICATION OF FUNDS

Net Fixed Assets	29878.90	Investments	103.1
Net Current Assets	31387.25	Misc. Exp.	915.23
Deferred Tax Assets	681.75	P&L	35354.17

4) Performance of the Company:-

Turnover of the Company	81564.43	Total Expenditure	81205.48
Profit Before Tax	358.95	Profit After tax	696.74
Earning Per Share (in Rs.)	0.13	Dividend	-

5) General Names of Principal Products:

Product/ Service Description	Item Code
Phthalocynine Pigment Green-7	74260

