



Catalysing better tomorrows.....

VASUNDHARA RASAYANS LIMITED

Annual Report 2011-12

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
SHRI. 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

VASUNDHARA RASAYANS LIMITED**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 Monday 24th September, 2012 to Friday 28th, 2012 (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 2010-2011, 31-3-2011 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 section 205(c) of the Companies Act. 1956. The member who have not en-cashed the Dividend warrants so for the financial years ended 2010 2011, and 31-3-2011 and are requested to make their claim to the company at its Registered office. 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"

REGISTERED OFFICE

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

BY ORDER OF THE BOARD OF DIRECTORS

(PRAKASH CHAND JAIN) (RAJESH POKERNA)
MANAGING DIRECTOR WHOLE TIME DIRECTOR

DIRECTOR'S REPORT

Your Directors have pleasure in presenting the 25th Annual Report and Audited Accounts of your Company for the year ended 31st March, 2012.

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

(Rupees in thousands)

	CURRENT YEAR ENDED 31.03.2012	PREVIOUS YEAR ENDED 31.03.2011
Turnover	180060	136807
Other Income	29815	670
Profit/(Loss) before exceptional, items & taxation	6480	4188
Profit/(Loss) before taxation	6440	4188
Provision for Taxation	2002	1694
Net Profit after Taxation	4438	2494

2. OPERATIONS

During the year under review the turnover of the Company Rs. 20.99 Crores in comparison to the previous year's figure at Rs.14.38 Crores.

The company has achieved net profit after tax which is reported at Rs. 44.38 lacs in comparison to profit of Rs.24.94 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 Pravin P Majmumdar, Director, retires by rotation at the ensuing Annual General Meeting of your Company and being eligible, offers himself for re-appointment .

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

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, 2012 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,
Mallapur,
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, 2012

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, 2012.

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 OUT GO

Outgo: Rs.NIL

Earnings: Rs.11.45 Crores

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.

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.	11	11	Yes	4	-
2	Shri.Sanjay Kumar Jain	E.DIRECTOR	11	11	Yes	2	-
3	Shri.Sunil Kumar Jain	WHOLE TIME DIRECTOR	11	11	Yes	3	-
4	Shri.Rajesh Pokerna	WHOLE TIME DIRECTOR	11	10	Yes	2	-
5	Shri.Rajesh Kumar Jain	DIRECTOR	11	2	No	2	-
6	Shri.PravinPMajumdar	DIRECTOR	11	2	No	-	-
7	Shri.RajivPritidas Kakodkar	DIRECTOR	11	2	No	-	-
8	Dr. Parag Ashok Sharma	DIRECTOR	11	2	No	-	-

Details of Board Meetings:

During the financial year 2011-2012 (11) Board Meetings were conducted as under:

S.No.	Meeting Date
01	11.04.2011
02	29.04.2011
03	28.07.2011
04	23.08.2011
05	29.09.2011
06	29.09.2011
07	28.10.2011
08	13.12.2011
09	13.01.2012
10	25.01.2012
11	31.03.2012

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 2011-12 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 was reconstituted on 07.10.2005 with Shri Sunil Kumar Jain as Chairman, Shri. Rajesh Pokerna and Shri. Sanjay Kumar Jain as other members.

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 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:

Year/Period	Day, Date & Time	Location
2008-2009	Wednesday, September 30, 2009 at 11.00 A.M.	Shed No.42, Phase II, IDA Mallapur, Hyderabad-500 076
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 11.30 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 service delivery mechanism. The modern era has seen the advantages of technology being translated