27th Annual Report
2010-2011

TIRUPATI INKS LIMITED

CORPORATE PROFILE

BOARD OF DIRECTORS

Mr. Sanjiv Agarwal	*Executive Chairman & Whole Time Director*
Mr. Rakesh Kumar Agarwal	*Managing Director*
Mrs. Rajni Maheshwari	*Whole Time Director*
Mr. Ram Shanker Agarwal	*Independent Director*
Mr. Ram Prakash Gupta	*Independent Director*
Mr. Keshav Behari Lall	*Independent Director*

CHIEF EXECUTIVE OFFICER

Mr. Neeruj Nigam

CHIEF FINANCE OFFICER

Mr. Rajiv Kapoor

STATUTORY AUDITORS

Shashi Dinesh & Co.
Chartered Accountants
16/95, Canara Bank Building
The Mall, Kanpur-208001

COMPANY SECRETARY

Ms. Garima Vishnoi

SHARES LISTED WITH STOCK EXCHANGE AT

The Delhi Stock Exchange Ltd.
DSE House
3/1, Asaf Ali Road
New Delhi-110003

The Bombay Stock Exchange Ltd.
PJ Towers, Dalal Street, Mumbai-400001

BANKERS

Canara Bank
F-19, Connaught Circus, New Delhi-110001

Oriental Bank of Commerce
A-2/40, Safdarjung Enclave, New Delhi-110029

IDBI Bank Ltd.
Videocon Tower, Jhandewalan Extn. New Delhi-110055

REGISTERED OFFICE

101, DDA Market, Hargovind Enclave,
Vikas Marg Extn., Delhi-110092

REGISTRAR & SHARE TRANSFER AGENT

Beetal Financial & Compurter Services Pvt. Ltd.
Beetal House 3rd Floor, 99
Madangir, Behind Local Shopping Centre
Near Dada Harsukhdas Mandir
New Delhi-110062

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Chairman Speech

Ladies and Gentlemen,

I have great pleasure in welcoming you to the 27th Annual General Meeting of your Company and sharing with you the highlights of another year of great achievement.

During the financial year 2010-11, your company entered the capital market with the Further Public Offer, (FPO) of Rs.51.50 Crores, equity shares, through 100% Book Building Process. At the outset, I would like to take the opportunity to thank all the investors for their overwhelming response which was evident from the fact that the issue was oversubscribed by 8.84 times, thereby making it a grand success. We feel great in experiencing the trust and confidence reposed by our esteemed shareholders with an increased sense of responsibility, and assure them that we shall shoulder the same with utmost care and sense of accountability.

The Printing Industry Growth is linked to the GDP growth of the country. The demand for the printing ink has become the vital aspect in sustaining the market growth. Printing Ink market domestically continued to grow at about 12%, a market of about Rs. 17 billion saw augmenting its turnover on the back of stable growth and the overall Indian economic stability in its user industries such as FMCG, media, flexible packaging and publishing. Printing Ink industry has witnessed an encouraging growth in domestic market during the year under review. The growth of the printing ink sector including that of rotogravure and flexographic inks has been very fast.

The demand for the printing ink has become the vital aspect in sustaining the market growth. A diversified customer base ensures a wide distribution for the Company's products. Apart from direct sale of products to the customers, the company has also appointed distributors and consignee agents at different locations for product distribution. We have appointed new distributors in Lagos, Dubai and Srilanka for the international markets and in Uttaranchal for Indian markets.

I would like to offer my sincere thanks to our employees for their outstanding commitment and hard work for the sustained growth of the Company. I also place my sincere gratitude for the support of my colleagues, our customers, business associates, shareholders, Members of the Board, Central Government, State Governments, Financial Institutions and Banks. 'Persistence, belief, action and teamwork will be our tools to achieve our goals. I know we have all, but all that is needed is their further implementation in the face of economic challenges and the victory, am sure, will be ours.'

With Warm Regards
For **Tirupati Inks Ltd**

Sanjiv Agrawal
Executive Chairman

Tirupati Inks Limited

NOTICE

Notice is hereby given that the Twenty Seventh Annual General Meeting of Tirupati Inks Limited will be held on Tuesday, 27th September, 2011 at 11:00 A.M. at Lok Kala Manch, 20, Lodhi Institutional Area, Lodhi Road, New Delhi to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 2011 and Profit and Loss Account for the financial year ended on that date together with the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr Ram Shanker Agarwal, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr Ram Prakash Gupta, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and fix their remuneration. The retiring auditors M/s Shashi Dinesh & Co., Chartered Accountants, Kanpur, being eligible offer themselves for re-appointment.

Special Business:

5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

   "Resolved That Mr Keshav Behari Lall, who was appointed as an Additional Director to hold office till the date of the Annual General Meeting be and is hereby appointed as Director of the Company, whose office shall be liable to determination through retirement by rotation.**"**

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as **Ordinary Resolution:**

   "Resolved That pursuant to the provisions of Sections 198, 269, 309, 310, 311 read with Schedule XIII of the Companies Act, 1956 and other applicable provisions, if any (including any statutory modifications or re-enactments thereof, for the time being in force) & provisions of the Articles of Association of the Company and other applicable provisions, if any, the consent of the members be and is hereby accorded for appointment of **Mr Sanjiv Agarwal**, as a **Whole Time Director** designated as **Executive Chairman** of the Company with effect from 1st September, 2011 on the terms and conditions as mentioned below and with the liberty to the Board of Directors to alter and vary the terms and conditions including the remuneration so as not to exceed the limits specified in the Schedule XIII of the Companies Act,1956.

Designation	:	Executive Chairman
Tenure	:	from 1st September, 2011 till 31st August, 2016
Remuneration	:	Monthly remuneration of Rs 1,00,000 (Rupees One Lacs only) whether paid as Salary, allowance(s), perquisites or a combination thereof.

   Resolved further that the following perquisites will not be included in the aforesaid remuneration:

   a. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961;
   b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
   c. Encashment of leave at the end of tenure.

   Resolved further that payment/ re-imbursement of telephone and/ or mobile phone(s) bills, conveyance, fuel expenses or other out of pocket expenses incurred in course of the official duties will not be included in the aforesaid remuneration.

   Resolved further that in the event of loss, absence or inadequacy of profits, the aforesaid remuneration shall be the minimum remuneration.

   Resolved further that the Board of Directors and the Remuneration Committee of the Company be and are hereby severally authorised to fix such remuneration and to work out various components of the remuneration package as it may deem fit and proper within the overall limits of the remuneration as approved above.

   Resolved further that the Board of Directors of the Company (including any committee/sub-committee of the Board) be and is hereby authorised to take all necessary steps to give effect to the aforesaid resolution.**"**

7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"Resolved That pursuant to the provisions of Sections 198, 269, 309, 310, 311 read with Schedule XIII of the Companies Act, 1956 and other applicable provisions, if any (including any statutory modifications or re-enactments thereof, for the time being in force) & provisions of the Articles of Association of the Company and other applicable provisions, if any, the consent of the members be and is hereby accorded for appointment of **Mrs Rajni Maheshwari** as **Whole Time Director** of the Company with effect from 1st September, 2011 on the terms and conditions as mentioned below and with the liberty to the Board of Directors to alter and vary the terms and conditions including the remuneration so as not to exceed the limits specified in the Schedule XIII of the Companies Act,1956.

Designation	:	Whole Time Director
Tenure	:	from 1st September, 2011 till 31st August, 2016
Remuneration	:	Monthly remuneration of Rs. 50,000 (Rupees Fifty Thousand only) whether paid as Salary, allowance(s), perquisites or a combination thereof.

Resolved further that the following perquisites will not be included in the aforesaid remuneration:

- **a.** Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-Tax Act, 1961;
- **b.** Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- **c.** Encashment of leave at the end of tenure.

Resolved further that payment/ re-imbursement of telephone and/ or mobile phone(s) bills, conveyance, fuel expenses or other out of pocket expenses incurred in course of the official duties will not be included in the aforesaid remuneration.

Resolved further that in the event of loss, absence or inadequacy of profits, the aforesaid remuneration shall be the minimum remuneration.

Resolved further that the Board of Directors and the Remuneration Committee of the Company be and are hereby severally authorised to fix such remuneration and to work out various components of the remuneration package as it may deem fit and proper within the overall limits of the remuneration as approved above.

Resolved further that the Board of Directors of the Company (including any committee/sub-committee of the Board) be and is hereby authorised to take all necessary steps to give effect to the aforesaid resolution.**"**

8. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"Resolved That pursuant to the provisions of Sections 198, 269, 309, 310, 311 read with Schedule XIII of the Companies Act, 1956 and other applicable provisions, if any (including any statutory modifications or re-enactments thereof, for the time being in force) & provisions of the Articles of Association of the Company and other applicable provisions, if any, the consent of the members be and is hereby accorded for appointment of **Mr Rakesh Kumar Agarwal** as **Managing Director** of the Company with effect from 1st September, 2011 on the terms and conditions as mentioned below and with the liberty to the Board of Directors to alter and vary the terms and conditions including the remuneration so as not to exceed the limits specified in the Schedule XIII of the Companies Act,1956.

Designation	:	Managing Director
Tenure	:	from 1st September, 2011 till 31st August, 2016
Remuneration	:	Monthly remuneration of Rs 52,000 (Rupees Fifty Two thousand only) whether paid as Salary, allowance(s), perquisites or a combination thereof.

Resolved further that the following perquisites will not be included in the aforesaid remuneration:

- **a.** Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961;
- **b.** Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- **c.** Encashment of leave at the end of tenure.

Resolved further that payment/ re-imbursement of telephone and/ or mobile phone(s) bills, conveyance, fuel expenses or other out of pocket expenses incurred in course of the official duties will not be included in the aforesaid remuneration.

Resolved further that in the event of loss, absence or inadequacy of profits, the aforesaid remuneration shall be the minimum remuneration.

Resolved further that the Board of Directors and the Remuneration Committee of the Company be and are hereby severally authorised to fix such remuneration and to work out various components of the remuneration package as it may deem fit and proper within the overall limits of the remuneration as approved above.

Resolved further that the Board of Directors of the Company (including any committee/sub-committee of the Board) be and is hereby authorised to take all necessary steps to give effect to the aforesaid resolution.**"**

9. To consider and, if thought fit, to pass with or without modification, the following resolution as a **Special Resolution:**

"Resolved that pursuant to the provisions of section 61 of the Companies Act 1956, the Securities & Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 and other applicable provisions, if any, consent of the Members of the Company be and is hereby given to the Board of Directors of the Company (hereinafter referred to as "the Board" which expression shall be deemed to include any Committee constituted/ to be constituted by the Board to exercise its powers, including the powers conferred by this Resolution) to amend, vary or alter the Objects of the Issue and/or deployment of funds as mentioned in the Offer Document dated September 20, 2010 issued by the Company at the time of its Further Public Offer (FPO) by, inter alia, altering the utilization of the issue proceeds, as the Board may consider necessary or expedient in the best interest of the Company, as described in the Explanatory Statement annexed to this Notice.

Resolved further that the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, expedient or incidental for the purpose of giving effect to this resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the shareholders.**"**

For and on behalf of the Board
For **Tirupati Inks Ltd**

Date : 23rd August, 2011
Place : Delhi

Sanjiv Agrawal
Executive Chairman

NOTES:

A. **APPOINTMENT OF PROXY: A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED WITH THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR COMMENCEMENT OF THE MEETING.**

B. **Corporate Members:** Corporate Members intending to send their authorised representatives are requested to send a duly certified copy of the Board Resolution authorizing the representatives to attend and vote at the Annual General Meeting.

C. Members/Proxies attending the meeting are requested to bring their copy of Annual Report to the Meeting.

D. The register of members and share transfer books of the Company will remain closed from Monday, 26th September, 2011 to Tuesday, 27th September, 2011 [both days inclusive]

E. **Queries at the AGM:** Queries proposed to be raised at the Annual General Meeting may be sent to the Company at its registered office at least seven days prior to the date of AGM to enable the management to compile the relevant information to reply the same in the meeting.

F. Members are requested to notify any change in their address immediately to the Company at its Registered Office.

G. Members are requested to quote their folio Nos. / DPID Nos. in all future correspondence(s) with the Company.

H. **Inspection of Documents:** Documents referred to in the Notice etc., are open for inspection at the registered office of the Company at all working days except Saturdays between 11 A.M. and 2 P.M. up to the date of Annual General Meeting.

I. **Explanatory Statement:** Explanatory Statement as required under section 173(2) of the Companies Act, 1956, in respect of Special Business under item no. 5 to 9 is enclosed herewith.

Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956

Item No. 5:

Mr Keshav Behari Lall was co-opted on the Board of the Company as Additional Director to hold office until the date of ensuing annual general meeting.

The Company has received notice in writing along with the requisite deposit under Section 257 of the Companies Act, 1956 proposing the candidature of Mr Keshav Behari Lall for the office of Director of the Company in the ensuing Annual General Meeting.

The Board recommends the proposed resolution at item no 5 for adoption of members in the larger interest of the Company.

None of the Directors of the company except Mr Keshav Behari Lall himself is interested and concerned in the proposed resolution.

Item No. 6:

The term of Mr Sanjiv Agarwal as the Whole-time Director of the Company has expired on 31st August, 2011. Mr Sanjiv Agarwal had rendered various valuable services to the Company during his tenure as Whole-time Director. The board of directors has appointed Mr Sanjiv Agarwal as Whole Time Director designated as Executive Chairman of the Company w.e.f. 1st September, 2011 with increased remuneration as approved by the Remuneration Committee of the Board. In terms of Section 198, 269, 309, 310 and 311 read with Schedule XIII of the Companies Act, 1956 the appointment of Whole Time Director requires member's approval. Accordingly, the resolution is placed before the members for their consideration and approval. The Remuneration Committee has already approved the remuneration. The Board recommends the proposed resolution for adoption in the larger interest of the Company.

The aforesaid explanatory statement for item no. 6 should also be deemed to be notice of the abstract for terms of appointment and payment of remuneration to Mr Sanjiv Agarwal as Whole Time Director under section 302 of the Companies Act 1956.

None of the directors of the Company except Mr Sanjiv Agarwal himself is concerned or interested in the proposed resolution.

Item No. 7:

The term of Mrs Rajni Maheshwari as the Whole-time Director of the Company has expired on 31st August, 2011. Mrs Rajni Maheshwari had rendered various valuable services to the Company during her tenure as Whole-time Director. The board of directors has appointed Mrs Rajni Maheshwari as Whole Time Director of the Company w.e.f. 1st September, 2011 with increased remuneration as approved by the Remuneration Committee of the Board. In terms of Section 198, 269, 309, 310 and 311 read with Schedule XIII of the Companies Act, 1956 the appointment of Whole Time Director requires member's approval. Accordingly, the resolution is placed before the members for their consideration and approval. The Remuneration Committee has already approved the remuneration. The Board recommends the proposed resolution for adoption in the larger interest of the Company.

The aforesaid explanatory statement for item no. 7 should also be deemed to be notice of the abstract for terms of appointment and payment of remuneration to Mrs Rajni Maheshwari as Whole Time Director under section 302 of the Companies Act 1956.

None of the directors of the Company except Mrs Rajni Maheshwari herself is concerned or interested in the proposed resolution.

Item No. 8:

The term of Mr Rakesh Kumar Agarwal as the Managing Director of the Company has expired on 31st August, 2011. Mr Rakesh Kumar Agarwal had rendered various valuable services to the Company during his tenure as Managing Director. The board of directors has appointed Mr Rakesh Kumar Agarwal as Managing Director of the Company w.e.f. 1st September, 2011 with increased remuneration as approved by the Remuneration Committee of the Board. In terms of Section 198, 269, 309, 310 and 311 read with Schedule XIII of the Companies Act, 1956 the appointment of Managing Director requires member's approval. Accordingly, the resolution is placed before the members for their consideration and approval. The Remuneration Committee has already approved the remuneration. The Board recommends the proposed resolution for adoption in the larger interest of the Company.

The aforesaid explanatory statement for item no. 8 should also be deemed to be notice of the abstract for terms of appointment and payment of remuneration to Mr Rakesh Kumar Agarwal as Managing Director under section 302 of the Companies Act 1956.

None of the directors of the Company except Mr Rakesh Kumar Agarwal himself is concerned or interested in the proposed resolution.

Item No. 9:

The Company has raised money through FPO in terms of the Offer Document dated 20th September, 2010. The Objects of the Issue were as under:

1. Setting up facility for manufacturing of Speciality Inks and Ink Concentrates;
2. Capital Expenditure on Lab Equipments for Existing Facilities;
3. Proposed Acquisitions;
4. Augmenting Working Capital Resources;
5. General Corporate Purposes; and
6. Meeting the Expenses of the Issue

Under the aforesaid objects of the Issue, inter alia, a sum of Rs. 500 lacs was earmarked for acquisitions and another Rs. 500 lac was earmarked for General Corporate Purposes. While the Company was in the process of implementation of the new manufacturing facilities at Greater Noida, it suffered a major setback on account of fire at its Kanpur factory, which completely destroyed the manufacturing facilities at Kanpur. The Board of Directors is of the opinion that instead of rebuilding the Factory at Kanpur, it makes better business sense to take care of the lost capacities in the new capacities being built at Greater Noida. Under the changed circumstances, the Board of Directors now feels that it is desirable to spend more on the Capacity Expansion to include more machines to create larger capacities.

During recent period, the Board of Directors has also identified good business opportunities in Middle East and North Africa with acceptance of its products in these markets. Your Directors feel that in due course of time, the Company will need to have a local manufacturing facility in the aforesaid region to effectively service Middle East and North Africa as also exploit trading opportunities available there. The overseas business set-up may be structured as Branch Office or Wholly Owned Subsidiary or Joint Venture as is deemed fit by the Board.

The Company also requires more working capital for its growing business. To ensure better utilisation of resources, part of the Issue Proceeds is being utilised for working capital pending disbursement of need based working capital by the Bankers.

In view of the above, the Board of Directors is of the opinion that it is in the larger interest of the Company that the money earmarked for acquisitions and for general corporate purposes in the aforesaid Offer Document be utilised for additional capital expenditure required in Greater Noida Factory, establishing manufacturing setup in overseas and/or working capital requirements of Indian or Overseas business.

In terms of section 61 of the Companies Act, 1956, approval from Members of the Company is required to modify utilization of FPO proceeds. The Board of Directors recommends the Resolution for approval.

None of the Directors of the Company is, any way, deemed to be concerned or interested in the aforesaid resolution.

For and on behalf of the Board
For **Tirupati Inks Ltd**

Date : 23rd August, 2011
Place : Delhi

Sanjiv Agrawal
Executive Chairman

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting this 27th Annual Report of your Company together with the Audited Annual Accounts for the financial year ended 31st March 2011.

Financial Highlights (Rs. in lacs)

Particulars		Year Ended 31.03.2011	Year Ended 31.03.2010
Total Income		**10486.75**	7523.09
Total Expenditure		**10152.01**	7226.86
Profit / (Loss) Before Tax		**334.74**	296.23
Less:	Provision for Income Tax	**75.83**	65.58
	Adjustments Relating to Previous Year	**8.36**	1.76
	Interest on Tax	**0.65**	3.00
	Provision of Deferred Tax	**0.00**	10.47
Add:	Excess Provision for Income Tax W/Back for AY 10-11	**0.12**	0.00
	Provision for Deferred Tax Written Back	**3.21**	0.00
	Profit / (Loss) After Tax	**253.23**	215.42
	Paid-up Share Capital	**1515.24**	317.56
	Reserve & Surplus	**4435.48**	405.57

Year in Retrospect

Your company has registered all around progress during the year under review. The company is committed to make itself in international standards of quality, operational performance, efficiency and customer care. The highlights of our performance for the year 2010-11 are:

a The Gross Turnover of the company for financial year 2010-11 increased to Rs.9825.13 Lacs as against Rs. 7176.22 Lacs in the corresponding previous financial year, registering a growth of 37%.

b Net Profit has increased from Rs.215.42 Lacs in the financial year 2009-10 to Rs.253.23 Lacs in the financial year 2010-11 registering an increase of 17.55% due to better sales realization.

Your Directors are putting in their best efforts to improve the performance of the Company. The operational performance of the Company has been comprehensively covered in the Management Discussion and Analysis Report.

During the financial year 2010-11, your company entered the capital market with the Further Public Offer, (FPO) of Rs.51.50 Crores, by issue of 11976744 equity shares of Rs. 10/- each, through 100% Book Building Process wherein 9300000 shares were allotted to shareholders and 2676744 shares were allotted to the promoters of the company. These shares were allotted at a premium of Rs. 33/- each. Subsequent to the FPO your company's shares stand listed on Bombay Stock Exchange Limited, in addition to Delhi Stock Exchange Limited. Your directors take this opportunity to thank all the investors for their overwhelming response which was evident from the fact that the issue was oversubscribed by 8.84 times, thereby making it a grand success. We feel great in experiencing the trust and confidence reposed by our esteemed shareholders with an increased sense of responsibility, and assure them that we shall shoulder the same with utmost care and sense of accountability.

MATERIAL CHANGES ETC.

Save as mentioned elsewhere in this Report, no material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company-31st March, 2011 and the date of this Report.

DIVIDEND

The Board of Directors of your Company have decided to retain and plough back the profits into the business of the Company. Thus no dividend is being recommended for this year to cope with the unfortunate fire event at Kanpur.

PUBLIC DEPOSITS

During the year under report, your Company did not accept any deposits from the public in terms of the provisions of section 58A of the Companies Act, 1956.

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

a. **Conservation of Energy & Technology Absorption:** Information as required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, regarding conservation of energy, technology absorption and foreign exchange earnings and outgo, is given in ***Annexure A***, forming part of this report.

b. **Export Activities:** The product of the company which is printing ink was exported to the overseas market. The Company exports the printing inks to various countries viz., Nigeria, Turkey, Malaysia, Mauritius, Jordan, Italy, etc. Our export revenue from Inks during the year ending March 31, 2011 was Rs 285.34 lacs (FOB value)

c. **Foreign Exchange Earnings and Outgo:** The Company had earned foreign exchange by way of export of products as per the annexure given along with this report during the year under review.

PARTICULARS OF EMPLOYEES

During the financial year under review, none of the Company's employees was in receipt of remuneration as prescribed under section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, and hence no particulars are required to be disclosed in this Report.

FIRE INCIDENT AT THE KANPUR UNIT OF THE COMPANY

The company witnessed an unfortunate fire incident at the factory premises of Kanpur unit, in the early hours of 21st March, 2011.There was a devastating fire breakout that engulfed the entire factory premises including the Plant and Machinery, Stock of Raw Material and Finished Products and caused severe damage to the Land and Building. The company has taken up the matter with United India Insurance Company. However, all the properties stocks, machineries and building were fully insured. The loss is nearly covered by Insurance and the net loss after the claim is not going to be significant. The Insurance Company has appointed the Surveyors and the Insurance Claim is in the final stage of being settled.

FUTURE PROSPECTS AND OUTLOOK OF THE COMPANY

The Global printing ink market of USD 14.5 billion is split evenly between North America, Europe and Asia-Pacific. While the North American and European sales have flattened out, the Asia-Pacific region continues to grow at a fast pace of about 8%, and should soon become the largest region in terms of ink consumption, driven by economic growth in China, India and other key countries.

Printing Ink market domestically continued to grow at about 12%, a market of about Rs. 17 billion saw augmenting its turnover on the back of stable growth and the overall Indian economic stability in its user industries such as FMCG, media, flexible packaging and publishing. Printing Ink industry has witnessed an encouraging growth in domestic market during the year under review. The growth of the printing ink sector including that of rotogravure and flexographic inks has been very fast.

The demand for the printing ink has become the vital aspect in sustaining the market growth. A diversified customer base ensures a wide distribution for the Company's products. Apart from direct sale of products to the customers, the company has also appointed distributors and consignee agents at different locations for product distribution. We have appointed new distributors in Lagos, Dubai and Srilanka for the international markets and in Uttaranchal for Indian markets.

DIRECTORS

After the last Annual General Meeting, Shri Chander Prakash Agarwal has resigned from the Board w.e.f. 6th October, 2010 and Shri Keshav Behari Lall was appointed as additional director w.e.f 6th October, 2010. In terms of the provisions of the Companies Act, 1956, he shall hold office until the date of the ensuing Annual General Meeting. His appointment as ordinary director of the Company is placed before the members for consideration. The Board recommends the resolution for adoption by the members.