

**Annual Report
for the year ended
31st March 2001**



VASUNDHARA RASAYANS LIMITED

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VASUNDHARA RASAYANS LIMITED

BOARD OF DIRECTORS

Mr. M.P.AGRAWALL

MANAGING DIRECTOR

Mr. BIMAL KUMAR KEDIA

Mr. R.K.AGARWAL

Mrs. RENU AGRAWALL

Dr. J.K.LALLA

Mr. SANJAY AGRAWALL

Mr. D.Y. SATHAYE

Mr. K.C.GUPTA

BANKERS

STATE BANK OF INDIA

AUDITORS

M/s. Agarwal Gupta Nokari &
Rustagi Associates
12, Waterloo Street
Calcutta - 700 069

REGISTERED OFFICE

612/613, Swapnalok Complex
92/93, S D ROAD
Secunderabad - 500 003

FACTORY

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

REGISTRAR & SHARE TRANSFER AGENT

Intime Spectrum Registrar Pvt.Limited
260, Shanthi Industrial Estate,
Sarojini Naidu Road, Mulund West,
MUMBAI - 400 080.

VASUNDHARA RASAYANS LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT the Fourteenth Annual General Meeting of the Members of **VASUNDHARA RASAYANS LIMITED** will be held at the Lions Bhavan, 1-8-179, Lakshpat Building, behind LIC, Near Paradise Circle, Secunderabad - 500 003 on Thursday, the 27th September, 2001 at 11.00 A.M. to transact the following business.

AS ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2001 and Profit & Loss Account for the year ended on that date and the Reports of the Directors and the Auditors thereon:
2. To appoint a Director in place of Shri Sanjay Agarwall who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Mrs. Renu Agrawall, who retires by rotation and is eligible for re-appointment.
4. To appoint Auditors to hold the Office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting and to fix their remuneration.

Date : August 10, 2001

REGISTERED OFFICE

612/613, Swapnalok Complex
92/93, S.D. Road
Secunderabad - 500 003.
Andhra Pradesh.

BY ORDER OF THE
BOARD OF DIRECTORS

(M.P.AGRAWALL)
MANAGING DIRECTOR

NOTE :

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.

VASUNDHARA RASAYANS LIMITED

2. The register of members and share transfer book of the Company will remain closed from 24th September to 27th September, 2001 (both days inclusive).
3. Members are requested to :
 - i) Intimate change, if any, in their registered addresses as 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.



DIRECTOR'S REPORT

Your Directors have pleasure in presenting the Fourteenth Annual Report and Audited Accounts of your Company for the year ended 31st March, 2001.

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

	(Rupees in thousands)	
	CURRENT YEAR ENDED 31.03.2001	PREVIOUS YEAR ENDED 31.3.2000
Sales		
Manufacturing	52390	50440
Trading	-	8779
Other Income	3613	358
Gross Profit/(Loss) before interest, depreciation & taxation	7919	5186
Interest	1963	2333
Profit/(Loss) before depreciation & taxation	5956	2853
Depreciation	2136	2037
Profit/(Loss) before Taxation	3820	816
Provision for Taxation	300	90
Net Profit/(Loss) after Taxation	3520	726

1. OPERATIONS

The Manufacturing Sales and other income was Rs. 560.04 lacs for the financial year under review as compared to Rs. 507.98 lacs in the immediately preceeding previous year registering a marginal increase of 10.25%. The profit before tax however increased to Rs. 35.20 lacs as compared to Rs. 7.26 lacs in the previous year. Thus showing phenominal increase.

2. DIVIDEND

Your Directors are unable to declare any Dividend for the year under review as the Company is still having some accumulated losses.

3. FINANCIAL ACTIVITIES

During the year under review the Company has allotted 2,50,000 Equity Shares of Rs.10/- each on preferential basis through Private placement for which the Company had accorded required Share-holders' consent under Section 81 in the Extra-ordinary General Meeting of the Share-holders of the Company held on 17th January, 2001.

4. CAPITAL EXPENDITURE

The Company has embarked on a program of diversification and expansion and to make its manufacturing facilities to adhere to good Manufacturing Practices. As on 31.03.2001 the Gross Fixed Assets including capital work in progress stood at Rs.500.65 Lacs showing an addition of Rs. 46.03 Lacs. The Company is planning to raise resources through Term Loan to complete its expansion program in Phase-I which entails an outlay of Rs.156.00 Lacs.

5. DIRECTORS

Mr Sanjay Agarwal and Mrs Renu Agrawal retire by rotation and being eligible, offer themselves for re-appointment.

6. AUDITORS

M/s Agarwal Gupta Nokari & Rustagi Associates, Chartered Accountants, your Company's Auditors retire at the conclusion of this Annual General Meeting and are eligible for reappointment. 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. DEPOSITS

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

8. 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.

9. PARTICULARS OF EMPLOYEES

Particulars required under Section 217 (2) (A) of the Companies Act, 1956 as amended read with the Companies (particulars of Employees) Rules, 1975 are not applicable to the Company.

10. DIRECTORS RESPONSIBILITY STATEMENT

In compliance of recently introduced Section 217 (2AA) in the Company's 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 judgements 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, 2001 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 safeguarding 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.

11. CORPORATE GOVERNANCE

The recommendations contained in the report of Shri Kumaramangalam Birla Committee on Corporate Governance as incorporated in the Listing Agreement with the Stock Exchanges will have to be complied with by your Company within the Financial year 2002-2003, but not later than 31st March, 2003.

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.

For and on behalf of Board of Directors

M.P. AGRAWALL

Place : Secunderabad

Date : June 26, 2001

MANAGING DIRECTOR

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, 2001.

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 upgradation in quality, productivity and process efficiency, Development of new applications for utilisation 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 : Rs.1,41,949/-

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. 2,87,242/- Earnings : Rs. 52,32,455/-

AUDITORS' REPORT**TO THE MEMBERS OF VASUNDHARA RASAYANS LIMITED**

We have audited the attached Balance Sheet of VASUNDHARA RASAYANS LIMITED as at 31st March, 2001 and the Profit & Loss Account for the year ended:

1. As required by the Manufacturing and other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956. We give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph 1 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, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books.
 - (c) The Balance Sheet and Profit & Loss Account referred to in this report are in agreement with the books of accounts.
 - (d) In our opinion the Balance Sheet and Profit & Loss A/c comply with the requirements of Accounting Standard referred to in Section 211(3C) of Companies Act, 1956.
 - (e) According to the information and explanation given to us in relation to the affairs of the Company, 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 accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view.
 - (i) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2001 and.
 - (ii) in the case of Profit and Loss Account, of the Profit of the Company for the year ended on that date.

12, Waterloo Street
Calcutta - 700 069.

For **AGARWAL GUPTA NOKARI &
RUSTAGI ASSOCIATES**
Chartered Accountants

(S.K. RUSTAGI)
Partner

Dated, this 26th day of June, 2001.

Annexure Referred to in Paragraph 1 of the Auditors' Report to the Members of VASUNDHARA RASAYANS LIMITED on the Accounts for the year ended 31st March, 2001.

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The assets have been physically verified by the management at reasonable intervals, according to the size of the Company and the nature of the business. No material discrepancies were noticed on such verification.
2. None of the fixed assets have been revalued during the year.
3. The Stock of finished goods, stores, spare parts, components and raw materials have been physically verified by the Management at reasonable intervals during the year (except for stocks lying with the third parties in respect of which confirmations have been obtained.)
4. In our opinion and according to the information and explanations given to us, the procedure followed by the management for physical verification of stocks are reasonable and adequate in relation to the size of the Company and the nature of its business.
5. The discrepancies noticed on physical verification of Stocks as compared to book of records were not material and have properly dealt with in the books of accounts.
6. On the basis of our examination of stock records, in our opinion the valuation of stocks is fair and proper in accordance with normally accepted accounting principles and is in the same basis as in the previous year.
7. In our opinion the rate of interest and other terms and conditions on which unsecured loans have taken from the companies, firms and other parties listed in the register maintained under Section 301 of the Companies Act, 1956 are not prima-facie prejudicial to the interest of the Company.
8. The Company has not granted any loans, secured or unsecured to companies, firms or other parties listed in registers maintained under section 301 and or to any company under the same management as defined under Section 370(1B)/Section 372A of the Companies Act, 1956.
9. In respect of interest free loans and other advances given to the employees and other parties in the nature of loan the parties are generally repaying the principal amounts as stipulated and have also been regular in the payment of interest where applicable.
10. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures as commensurate with the size of the Company and the nature of