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For VASUNDHARA RASAYANS LTD.

  
DIRECTOR, compliance officer.

Catalysing better tomorrows .....

**VASUNDHARA RASAYANS LIMITED**

Annual Report 2007- 08

**VASUNDHARA RASAYANS LIMITED**

**BOARD OF DIRECTORS**

Mr. PRAKASH CHAND JAIN	MANAGING DIRECTOR
Mr. SANJAY KUMAR JAIN	EXECUTIVE DIRECTOR
Mr. RAJESH POKERNA	DIRECTOR
Mr. SUNIL KUMAR JAIN	DIRECTOR
Mr. RAJESH KUMAR JAIN	DIRECTOR
Mr. PRAVIN P. MAJMUMDAR	DIRECTOR
Mr. RAJIV PRITIDAS KAKODKAR	DIRECTOR
Dr. PARAG ASHOK SHARMA	DIRECTOR
Mr. RAJA JAIN	DIRECTOR
Mr. SUJIT KUMAR JAIN	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.

**FACTORY**

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

**REGISTRAR & SHARE TRANSFER AGENT**

CIL SECURITIES LTD  
214, Raghavaratna Towers  
Chirag Ali Lane, Abids  
HYDERABAD-500 001.

**VASUNDHARA RASAYANS LIMITED****NOTICE**

**NOTICE** IS HEREBY GIVEN THAT the 21<sup>st</sup> Annual General Meeting of the Members of VASUNDHARA RASAYANS LIMITED will be held at its Registered Office of the company at Shed No.42, Phase II, IDA, Mallapur, Hyderabad – 500 076 on Saturday 27th day of September, 2008 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, 2008 and Profit & Loss Account for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To appoint Director in place of Shri Rajesh Kumar Jain who retire by rotation, and is eligible for reappointment.
3. To appoint Director in place of Shri Pravin P. Majumdar who retire by rotation, and is eligible for reappointment.
4. To appoint Director in place of Shri Rajiv Pritidas Kakodkar who retire by rotation, and is eligible for reappointment.
5. 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.

**SPECIAL BUSINESS:**

6. To Consider To consider and if deemed fit to pass with or without any modification(s) the following resolution as Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Section 260 of the Companies Act, 1956 and pursuant to the Articles of Association of the Company Shri Raja Jain who was appointed as Additional Director of the Company with effect from 01.01.2008 be and is hereby appointed as Director of the Company liable to retire by rotation.”

7. To Consider and if deemed fit to pass with or without any modification(s) the following resolution as Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Section 260 of the Companies Act, 1956 and pursuant to the Articles of Association of the Company Shri Sujit Kumar Jain who was appointed as Additional Director of the Company with effect from 01.01.2008 be and is hereby appointed as Director of the Company liable to retire by rotation.”

**EXPLANATORY STATEMENT PURSUANT TO D PROVISION OF SECTION 173(2) OF THE COMPANY ACT 1956**

1. Shri Raja Jain was appointed as Additional Director of the Company with effect from 01.01.2008. In view of his experience the Board considers it necessary to regularize his appointment as Director of the Company in the forthcoming Annual General Meeting. Accordingly it is placed before the members for the regularization of Shri Raja Jain as a Director of the Company liable to retire by rotation.

None of the Directors of the Company except Shri Raja Jain is interested in the above resolution.

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

2. Shri Sujit Kumar Jain was appointed as Additional Director of the Company with effect from 01.01.2008. In view of his experience the Board considers it necessary to regularize his appointment as Director of the Company in the forthcoming Annual General Meeting. Accordingly it is placed before the members for the regularization of Shri Sujit Kumar Jain as a Director of the Company liable to retire by rotation.

None of the Directors of the Company except Shri Sujit Kumar Jain is interested in the above resolution.

**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

Dated this 27th day of August, 2008

**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 24.09.2008 to 27.09.2008 (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 Registry Limited 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).

### DIRECTOR'S REPORT

Your Directors have pleasure in presenting the 21<sup>th</sup> Annual Report and Audited Accounts of your Company for the year ended 31st March, 2008.

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

(Rupees in thousands)

	<b>CURRENT YEAR ENDED 31.03.2008</b>	<b>PREVIOUS YEAR ENDED 31.3.2007</b>
Turnover	84446	68821
Other Income	1078	448
Gross Profit/(Loss) before interest, depreciation & taxation	8150	2806
Interest	2682	1827
Profit before Depreciation & taxation	5468	979
Depreciation	5167	4614
Profit/(Loss) before Taxation	301	(3635)
Provision for Taxation (Including Provision for Fringe benefit Tax Previous Year)	(38)	(34)
Deferred tax	(749)	1021
Net Profit after Taxation	(486)	(2648)

#### 2. OPERATIONS

During the year under review the turnover of the Company Rs. 844.47 Lakhs in comparison to the previous year's figure at Rs. 688.21. Lakhs

The company has achieved operating profit after interest and deprecation as well as net profit after provision for income tax, which is reported at Rs 3.01 lacs & loss of Rs 4.86 lacs respectively in comparison to loss of Rs 36.35 lacs & loss of Rs 26.48lacs respectively in the previous year. Thus 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 it's overall sales the company is hopeful of performing much better and improve its profitability accordingly.

#### 3. DIVIDEND

Your Directors are unable to propose any dividend during the year.

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

### 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 Rs 120 lacs.

### 5. DIRECTORS

In accordance with the provision of the Companies Act, 1956 and the Articles of Association of the Company Shri. Rajesh Kumar Jain, Shri Pravin P. Majmumdar, and Shri Rajiv Pritidas Kakodkar Directors, retires by rotation at the ensuing Annual General Meeting of your Company and being eligible, offer themselves for re-appointment and Shri Raja Jain and Shri Sujit Kumar Jain are being regularized as DIRECTOR of the Company liable to retire by rotation.

### 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, 2008 and of the loss 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.

**For and on behalf of Board of Directors**

**PRAKASH CHAND JAIN  
MANAGING DIRECTOR**

Place: Secunderabad

Date :- 27<sup>th</sup> day of August, 2008

## VASUNDHARA RASAYANS LIMITED

### ANNEXURE TO THE DIRECTOR'S REPORT

Information under Section 217(i)(e) of Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of Director's Report for the year ended 31st March, 2008.

#### 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.38104327/-



# **VASUNDHARA RASAYANS LIMITED**

## **CORPORATE GOVERNANCE REPORT**

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

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

### **2. Board of Directors:**

#### **Composition of the Board**

The total strength of the Board is Ten.

#### **Directors' Attendance record and directorship**

Sl. No.	Name of the Director	Promoter/ Executive/ Independent/ Nominee	No. of Board meetings <u>during</u> <u>the year</u>		Attendance at the last AGM	No. of Directorships of other Companies.	Member/ Chairman of committees other than the Company.
			Held	Attended			
1	Shri.Prakash Chand Jain	C & M.D.	7	6	No	4	-
2	Shri.Rajesh Pokerna	E.DIRECTOR	7	7	Yes	2	-
3	Shri.Sunil Kumar Jain	DIRECTOR	7	7	Yes	3	-
4	Shri.Sanjay Kumar Jain	DIRECTOR	7	7	Yes	2	-
5	Shri.Rajesh Kumar Jain	DIRECTOR	7	4	No	2	-
6	Shri.PravinPMajumdar	DIRECTOR	7	3	Yes	-	-
7	Shri. Rajiv Pritidas Kakodkar	DIRECTOR	7	4	No	-	-
8	Dr. Parag Ashok Sharma	DIRECTOR	7	4	No	-	-
9	Shri. Sujit Kumar Jain	DIRECTOR	1	1	No	2	-
10	Shri. Raja Jain	DIRECTOR	1	1	No	1	-

## VASUNDHARA RASAYANS LIMITED

### Details of Board Meetings:

During the financial year 2007-2008(7) Board Meetings were conducted as under:

<u>S.No.</u>	<u>Date of Board Meetings</u>
1.	30.04.2007
2.	09.05.2007
3.	30.07.2007
4.	04.09.2007
5.	29.09.2007
6.	29.10.2007
7.	28.01.2008

### Details of Directors being appointed and re-appointed

Mr. Rajesh Kumar Jain & Shri Pravin P. Majmumdar retires by rotation and being eligible offer himself for re-appointment.

### Brief Profiles and other Directorships of Directors seeking appointment and confirmation at the 21st Annual General Meeting:

Name of Director	Sujit Kumar Jain	Raja Jain
Date of Birth	11. 06 .1957	15.01.1963
Date of Appointment	01.01.2008	01.01.2008
A brief Profile & nature of expertise specific functional Areas	A Commerce graduate with more than 10 years of experience in manufacturing of plywood	B.Com and MBA with 10 years of experience in distribution of chemicals
List of outside Directorship held	1. Mansan Trexim Pvt. Ltd. 2. Maple Wire Industries Pvt. Ltd.	1. Smart Business India Pvt. Ltd.
List of membership / chairmanship in the committees of other companies	NIL	NIL

### 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.

### 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.

- 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.
- Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment of any other services.
- Reviewing with management the annual financial statements before Submission to the Board.