



Board of Directors : Mr. K. V. Vishnu Raju
Mr. P. V. R. L. Narasimha Raju
Mr. S.V.S Shetty (from 30.10.2009)
Mr. D. Madhusudhana Rao (upto 30.10.2009)
Mrs. Jayasree Devineni (upto 30.10.2009)

Auditors : M.Anandam & Co.
Chartered Accountants
7A, Surya towers
S D Road
Secunderabad - 500 003.

Bankers : Indian Bank
Hyderabad Main Branch
Bank Street, Koti
Hyderabad - 500 001.

Axis Bank
M G Road, Benz Circle,
Vijayawada

Registered Office : 153, Sitha Nilayam
Dwarakapuri colony
Punjagutta, Hyderabad - 500 082.

Corporate Office : Plot No.7 & 8,
Anjani Cement Centre
Nagarjuna Hills, Panjagutta
Hyderabad - 500 082

Factory : Peddaavutapalli - 521 286.
Krishna District
Andhra Pradesh



NOTICE

Notice is hereby given that the Twenty Fourth Annual General Meeting of the Members of Hitech Print Systems Limited will be held on, 28th September, 2010 at 3.00 P.M. at the Registered Office of the Company at Sitha Nilayam, 153, Dwarakapuri Colony, Punjagutta, Hyderabad - 500 082 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010 and the Profit and Loss Account for the year ended on that date together with the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. P.V.R.L.Narasimha Raju, who retires by rotation and being eligible offer himself for re-appointment.
3. To appoint auditors and fix their remuneration.

SPECIAL BUSINESS:

4. To Consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution.

RESOLVED THAT Mr. S V S Shetty be and is hereby appointed as Director of the Company, liable to retire by rotation.

By Order of the Board

Place : Hyderabad

Date : 12-08-2010

K.V. Vishnu Raju
Director

NOTES:

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote, instead of himself. Proxy need not be a member of the Company. The instrument appointing proxy should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.



DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 24th Annual Report of your Company along with the Audited Accounts and Cash-flow Statement for the financial year ended 31st March, 2010.

FINANCIAL RESULTS:

(Rs. in Lakhs)

PARTICULARS	2009 – 2010	2008 – 2009
Sales and Other Income	2463.51	2387.75
Profit before interest & depreciation	378.80	537.79
Less: Interest & Finance Charges	126.30	107.84
Less : Depreciation	178.68	162.02
Profit/(Loss) before tax for the year	73.82	267.93
Provision for taxation		
Less : Current Tax	18.77	138.25
Less : Deferred Tax	4.15	(14.61)
Profit after tax	50.90	144.29
Add : Balance brought forward from the Previous year	785.70	641.41
Amount Available for Appropriation:	836.60	785.70
Appropriation:		
Proposed Dividend	---	---
Provision for Dividend Tax	---	---
General Reserve	---	---
Balance transferred to Balance Sheet	836.60	785.70

OPERATIONS:

The Company has achieved a record production of 230.02 (Millions) impressions compared to previous year production of 194.35 (Millions) impressions registering an increase of 18% mainly because of effective utilization of capacities.

The Company has invested Rs.446.39 Lakhs towards machinery and other infrastructure facilities during the year, which has facilitated to take up the diversified jobs.

The Company has achieved a turnover of Rs. 2451.79 Lakhs compared to the previous year's turnover of 2386.49 Lakhs showing an increase of 3%.

The Net Profit of the Company stood at Rs.50.90 Lakhs, a decrease of 65% compared to the previous year net profit of Rs.144.29 Lakhs.

The reasons for decrease in the Net profit was mainly due to lesser turnover in Scratch Cards, where the margins are high compared to other products and lesser contribution in Answer Booklet Jobs.



FUTURE OUTLOOK:

Indian Print Industry is on a growth trajectory driven by several factors including overall economic growth, growth in key customer industries, growth in paper consumption and government support. Overall analysis of the Indian Print Industry on various dimensions is product segments and technology. Product diversification is key for the growth of mid sized companies as demonstrated by large competitors. However the players in the Print Industry face several challenges both on demand and supply side creating pressure on margins.

Keeping these aspects into consideration your company has prepared growth strategy & Business Plan Development to be implemented in phased manner for next five years to come, which helps to improve the volumes and profitability to be on competitive edge with other similar size of the industries.

DIVIDEND:

Considering the growth plans of the company and the need to conserve the profits for its proposed expansion plan, your Directors express their inability to propose any dividend for the period under review.

DIRECTORS:

In accordance with the requirements of the Companies Act, 1956 and the Articles of Association of the Company, Sri P V R L Narasimha Raju is liable to retire by rotation and being eligible offers himself for re-appointment.

Mr. S V S Shety who was appointed as Additional Director also retire at this Annual General Meeting. Pursuant to the Provisions of Section 257 of the Companies Act, 1956, he is eligible for appointment.

During the year Mr. D. Madhusudhana Rao and Mrs. D. Jayasree resigned as Directors. The Board takes this opportunity to thank them for their valuable contribution during the tenure of their directorship.

AUDITORS:

M/s. M. Anandam & Co., Chartered Accountants, Secunderabad, the Statutory Auditors of the Company, retire at the ensuing Annual General Meeting and are eligible for re-appointment.

FIXED DEPOSITS:

The Company has not accepted any Fixed Deposits during the year 2009-10.

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE:

Additional information on conservation of energy, Technology absorption, Foreign Exchange earnings and outgo as required to be disclosed in terms of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure particulars in the Report of Board of Directors) Rules, 1988 is annexed hereto in Forms A, B & C which are part of this report.

PARTICULARS OF EMPLOYEES:

The Company does not have any employees drawing remuneration exceeding the limits prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.



DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to provision of Section 217 (2AA) of the Companies (Amendment) Act, 2000 your Directors hereby confirm:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures are made from the same.

- b) We have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the period;

- c) We have taken proper and sufficient care 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; and

- d) We have prepared the annual accounts on a going concern basis.

INDUSTRIAL RELATIONS:

During the period, the Industrial relations continued to be cordial. Your Directors take this opportunity to thank all the employees for their dedicated and sincere services towards a harmonious relationship and the progress of the company.

ACKNOWLEDGMENTS:

Your Directors place on record their appreciation to the various statutory bodies and departments of the State and Central Governments and Bankers, Customers and Suppliers of the Company for their valuable support to the Company.

On behalf of the Board

Place : Hyderabad
Date : 12.08.2010

K.V. Vishnu Raju
Director

P.V.R.L. Narasimha Raju
Director



ANNEXURE

Information under section 217 (1) (e) under the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors Report for the year ending 31st March, 2010

DISCLOSURE OF INFORMATION IN RESPECT OF:

- | | |
|---|---------------|
| (A) Conservation of Energy: | NIL |
| (B) Technology absorption | NIL |
| (C) Foreign Exchange Earnings and Outgo | |
| (i) Foreign Exchange earned : | NIL |
| (ii) Foreign Exchange used : | Rs. 77,77,419 |

On behalf of the Board

Place : Hyderabad
Date : 12.08.2010

K.V. Vishnu Raju
Director

P.V.R.L. Narasimha Raju
Director



Auditors' Report to the Shareholders

To
The Members
Hitech Print Systems Ltd.
Hyderabad

1. We have audited the attached Balance Sheet of HITECH PRINT SYSTEMS LIMITED, as at 31st March, 2010 the Profit & Loss Account and the Cash Flow Statement for the year ended on that date 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 the 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 misstatement. 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 Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 & 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph 3 above:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief are necessary for the purpose of our audit.
 - b. In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of such books.
 - c. The Balance sheet, Profit & Loss Account and Cash Flow Statements dealt with by this report are in agreement with the books of accounts.
 - d. In our opinion the Profit & Loss Account and Balance Sheet and Cash Flow Statements dealt with by this report comply with the accounting standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956.
 - e. On the basis of written representations received from the Directors of the Company, as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 from being appointed as a Director in terms of Clause (g) of the Sub Section (1) 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 give the information as 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.
 - i. In the case of the Balance sheet, of the State of affairs of the Company as at 31st March, 2010;
 - ii. In the case of Profit & Loss account, of the Profit for the year ended on that date; and
 - iii. In the case of Cash Flow Statements, of the Cash Flows for the year ended on that date.

for **M.Anandam & CO**
Chartered Accountants

Place : Secunderabad
Date : 12.08.2010

M.V Ranganath
Partner
M.No.28031



Annexure referred to in Paragraph 3 of our report even date.

- 1)
 - a. The company has compiled the fixed assets register showing full particulars including quantitative details, location and value of fixed assets.
 - b. As explained to us, the management has physically verified some of the fixed assets during the year. As reported to us, there were no discrepancies found during such verification.
 - c. In our opinion, the company has not disposed of a substantial part of the fixed assets during the year and the going concern status of the company is not affected.
- 2)
 - a. The management has conducted physical verification of finished goods, stores and spares and raw materials at reasonable intervals.
 - b. The procedures of physical verification of inventories followed by the management are reasonable and adequate commensurate with the size of the company and nature of its business.
 - c. As per the explanations given to us, the material variations wherever noticed on physical verification of stock have been properly dealt with in the books of accounts.
- 3)
 - a. The company has not granted any loans, secured or unsecured, from companies, firms or other parties listed in the Register maintained under section 301 of the Companies Act, 1956. As the company has not granted any loans, secured or unsecured, to parties listed in the Register maintained under Section 301 of the Companies Act, 1956, paragraphs (iii) (a), (b), (c) and (d) of the Order, are not applicable.
 - b. According to information and explanations given to us, the company has taken loans from persons listed in the registers maintained under section 301 of the Companies Act 1956. The outstanding balance as at the balance sheet date is Nil.
 - c. In our opinion and according to the information and explanations given to us, the rate of interest, wherever applicable and other terms and conditions or not prima-facie, prejudicial to the interest of the Company.
 - d. In respect of loans taken by the Company, the interest and repayment of principal amount are regular.
- 4) In our opinion and according to information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business for the purchase of inventory, fixed assets and also for sale of goods. During the course of our audit, we have not observed any major weakness in the internal controls.
- 5)
 - a. According to information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under Sec.301 of the Companies Act, 1956, have been so entered.
 - b. In our opinion and according to the information and explanation given to us, the company has not entered into contracts or arrangements exceeding Rs 5.00 Lakhs in value with the companies in which the directors are interested as listed in the Register maintained under Section 301 of the Companies Act, 1956.
- 6) In our opinion and according to information and explanations given to us and the company has complied with directives issued by Reserve Bank of India, the provisions of Section 58 A and 58AA of the Companies Act, 1956 and The Companies (Acceptance of Deposits) Rules, 1975, with regard to the deposits accepted from the public.
- 7) The company has an adequate internal audit system which is commensurate with its size and nature of its business.
- 8) In respect of this company maintenance of cost records has not been prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956.



- 9) In respect of Statutory dues :
- a. According to the records of the company, the undisputed Statutory dues including Provident Fund, Employees State Insurance, Service Tax, Excise Duty, Sales Tax and Cess have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amount payable in respect of the aforesaid dues were outstanding as at 31st March 2010, for a period of more than six months from the date they become payable.
 - b. According to the records of the company examined, there are no dues of Customs Tax, Wealth Tax, Excise Duty / Cess , except in case of Sales Tax (i.e AP VAT), the details are given below:

Name of the Statute	Nature of dues	Amount to extent not paid (Rs.in lakhs)	Period to which the amount relates	Forum Were dispute is pending
APGST Act	Sales Tax	48.66	1996-1997	A.P.High Court
APGST Act	Sales Tax	3.85	1999-2000	A.P.High Court
APGST Act	Sales Tax	6.11	2003-2004	A.P.High Court
TNGST Act	Sales Tax	1.78	2002-2003	AAC.Coimbatore
APGST Act	Central Sales Tax	0.36	1999-2000	A.P.High Court
APGST Act	Central Sales Tax	8.01	2002-2003	A.P.High Court
APGST Act	Central Sales Tax	2.96	1996-1997	A.P.High Court
APGST Act	Central Sales Tax	0.32	1997-1998	A.P.High Court
APVAT Act	CentralSalesTax	8.04	2005-2006	Appellate Deputy Commissioner, Vijayawada
APVAT Act	VAT	0.36	2005-2006	
APVAT Act	Central Sales Tax	3.51	2006-2007	
APVAT Act	VAT	1.46	2006-2007	
APVAT Act	VAT	1.67	2007-2008	

- 10) The company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year:
- 11) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions and banks.
- 12) In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the company on the basis of the security by way of pledge of shares and other securities.
- 13) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund/society . Therefore, Clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- 14) In our opinion and according to the information and explanations given to us, the Company is not dealing in shares, securities, debentures and other investments. Accordingly the provisions of Clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- 15) In our opinion and according the information and explanations given to us, the company has not given any guarantees for loans taken by others from financial institutions.
- 16) The Company has raised new term loans during the year. The term loans outstanding were applied for the purposes for which they were taken.
- 17) As per the information and explanations given to us, we are of the opinion that the company has not utilized and any short-term sources towards long-term investments.
- 18) During the year, the Company has not made any preferential allotment of shares to the parties and Companies covered in the register maintained under Section 301 of the of the Companies Act,1956.
- 19) The company has not raised any money by way of issue of Debentures during the year; hence creation of securities on debentures issued is not applicable to the Company.
- 20) According to the information and explanations given to us during the year the company has not raised any funds on public issue and hence this clause is not applicable to the company.
- 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 M.ANANDAM & CO
Chartered Accountants

Place : Secunderabad
Date : 12.08.2010

M V Ranganath
Partner
M.No.28031

**BALANCE SHEET AS AT 31st MARCH, 2010**

PARTICULARS	Schedule No.	As at 31 st March, 2010		As at 31 st March, 2009	
		Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
SOURCES OF FUNDS :					
SHARE HOLDERS FUNDS :					
Share Capital	1	1,50,00,000		1,50,00,000	
Reserves and Surplus	2	9,94,19,620	11,44,19,620	9,43,29,079	10,93,29,079
LOAN FUNDS :					
Secured Loans	3	13,44,30,057		6,08,95,237	
Unsecured Loans	4	1,64,710	13,45,94,767	1,01,89,710	7,10,84,947
Deferred Tax Liability(net)			1,37,81,315		1,33,65,422
TOTAL			26,27,95,702		19,37,79,448
APPLICATION OF FUNDS :					
FIXED ASSETS :					
GROSS BLOCK	5	31,72,60,981		27,51,41,701	
Less : Depreciation		18,26,02,092		16,47,34,056	
NET BLOCK			13,46,58,889		11,04,07,645
NET CURRENT ASSETS :					
CURRENT ASSETS,					
LOANS AND ADVANCES :					
a) Inventories	6	2,44,81,613		2,48,70,892	
b) Sundry Debtors	7	10,03,80,090		7,02,96,481	
c) Cash and Bank Balances	8	20,06,538		46,70,112	
d) Loans and Advances	9	6,37,21,387		2,53,08,659	
		19,05,89,628		12,51,46,144	
LESS : CURRENT LIABILITIES & PROVISIONS					
a) Current Liabilities	10	6,02,25,351		3,03,77,695	
b) Provisions	10	22,27,464		1,13,96,646	
		6,24,52,815		4,17,74,341	
Net Current Assets			12,81,36,813		8,33,71,803
TOTAL			26,27,95,702		19,37,79,448
NOTES TO ACCOUNTS	20				

The Schedules and notes annexed hereto form part of these accounts

As per our report of even date

For M.ANANDAM & CO

Chartered Accountants

M. V. RANGANATH

Partner
M.No.28031

K. V. VISHNU RAJU

Director

P. V. R. L. Narasimha Raju

Director

Place : HYDERABAD

Date : 12.08.2010

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

PARTICULARS	Schedule No.	For the Year ended 31 st March, 2010		For the Year ended 31 st March, 2009	
		(Rs.)	(Rs.)	(Rs.)	(Rs.)
I INCOME :					
Sales		24,51,79,450		23,86,48,931	
Less : Taxes & Duties		95,00,185		1,16,91,572	
			23,56,79,265		22,69,57,359
Increase / (Decrease) in Stocks	12		2,22,830		(1,808)
Other Income	11		11,72,097		1,26,568
TOTAL (A) :			23,70,74,192		22,70,82,119
II EXPENDITURE :					
Material Consumed	13	12,62,00,302		10,61,79,363	
Purchase of Finished Goods (Traded)	13	—		4,59,268	
Manufacturing Expenses	14	3,78,84,476		3,26,33,512	
Payments and Benefits to Employees	15	1,99,41,461		1,72,62,845	
Other Expenses	16	75,35,116		1,00,23,701	
Interest and Financial Charges	17	1,26,30,200		1,07,83,592	
Selling Expenses	18	76,30,868		67,45,115	
Depreciation	5	1,78,68,036		1,62,01,918	
TOTAL (B) :			22,96,90,459		20,02,89,314
III PROFIT BEFORE TAX			73,83,733		2,67,92,805
V Less: Taxes:	7				
Current Tax /Earlier years		18,77,300		1,35,36,096	
Fringe Benefit Tax		—		2,88,652	
Deferred Tax		4,15,892	22,93,192	(14,60,942)	1,23,63,806
PROFIT AFTER TAX			50,90,541		1,44,28,999
Add : Balance Brought forward			7,85,69,579		6,41,40,580
Balance carried to Balance Sheet			8,36,60,120		7,85,69,579
NOTES TO ACCOUNTS	20				

Schedules and Notes annexed hereto form part of these accounts

As per our report of even date

For M.ANANDAM & CO

Chartered Accountants

For and On behalf of the Board**M. V. RANGANATH**Partner
M.No.28031**K. V. VISHNU RAJU**

Director

P. V. R. L. Narasimha Raju

Director

Place : HYDERABAD

Date : 12.08.2010



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010				
PARTICULARS	As at 31 st March, 2010		As at 31 st March, 2009	
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit before Tax	73,83,733		2,67,92,805	
Adjustment for :				
Depreciation	1,78,68,036		1,62,01,918	
Loss on sale of Assets	-		1,10,429	
Short Provision for Income Tax	-		(22,96,734)	
Operating Profit Before Working Capital Changes	2,52,51,769		4,08,08,418	
Changes in Working Capital				
(Increase)/Decrease in Inventories	3,89,279		(72,02,829)	
(Increase)/Decrease in Sundry Debtors	(3,00,83,609)		(1,48,00,161)	
(Increase)/Decrease in Loans and Advances	(3,84,12,728)		(27,19,405)	
Increase/(Decrease) in Current Liabilities	3,01,97,820		50,90,142	
Cash Generated from Operations	(1,26,57,469)		2,11,76,165	
Direct taxes paid	(1,13,96,646)		(77,30,137)	
Net Cash Flow from Operating Activities		(2,40,54,115)		1,34,46,028
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Inflow/(Outflow)				
Purchase of Fixed Assets	(4,46,39,349)		(1,74,71,899)	
Proceeds from sale of Fixed assets	-		79,586	
(Increase) / Decrease in Capital work In Progress	25,20,069		(15,31,975)	
Net Cash Flow from Investing Activities		(4,21,19,280)		(1,89,24,288)
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Inflow / (Outflow)				
Repayment of Hire Purchase Loans	(87,262)		(7,19,777)	
Repayment of Term Loan	(35,14,202)		(23,25,006)	
Proceeds for Long Term Borrowing	6,86,95,675		2,00,00,000	
Increase / (Decrease) in Cash Credit Utilisation	84,40,610		1,42,10,694	
(Repayment) / Proceeds from Unsecured Loans	(1,00,25,000)		(2,23,20,504)	
Net Cash Flow from Financing Activities		6,35,09,821		88,45,407
D. NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS:		(26,63,574)		33,67,145
Cash and Cash Equivalents at the Commencement of the year		46,70,112		13,02,967
Cash and Cash Equivalents at the close of the year		20,06,538		46,70,112
<p>Note: Previous year's figures have been regrouped and recast wherever necessary to conform with current year's classification</p> <p>For M.ANANDAM & CO for and on behalf of the Board Chartered Accountants</p> <p>M.V.Ranganath Partner M.No.28031 K V Vishnu Raju Director P V R L Narasimha Raju Director</p> <p>Place : Hyderabad Date : 12.08.2010</p>				



SCHEDULES		
PARTICULARS	As at 31.03.2010 Amount (Rs.)	As at 31.03.2009 Amount (Rs.)
1) SHARE CAPITAL :		
Authorised :		
50,00,000 Equity Shares of Rs. 10/- each	<u>5,00,00,000</u>	<u>5,00,00,000</u>
Issued, Subscribed and Paid up :		
15,00,000 Equity shares of Rs.10/- each fully paid up	<u>1,50,00,000</u>	<u>1,50,00,000</u>
	<u>1,50,00,000</u>	<u>1,50,00,000</u>
2) RESERVES AND SURPLUS :		
General Reserve	1,57,59,500	1,57,59,500
Profit and Loss Account	8,36,60,120	7,85,69,579
	<u>9,94,19,620</u>	<u>9,43,29,079</u>
3) SECURED LOANS :		
A. WORKING CAPITAL LOANS		
CASH CREDIT	5,13,12,676	4,28,72,067
Securities :		
1) Working Capital Loans are secured by hypothecon of Stocks and Book Debts and are further secured by the first charge on Fixed Assets of the Company and by personal guarantee of Two of the Directors of the Company		
B. TERM LOANS:		
TERM LOAN I	1,41,60,792	1,76,74,994
TERM LOAN II	1,44,46,017	—
CORPORATE LOAN	<u>5,42,49,658</u>	<u>—</u>
	<u>8,28,56,467</u>	<u>1,76,74,994</u>
C. OTHER LOANS:		
Against hypothecon of Vehicles	<u>2,60,914</u>	<u>3,48,176</u>
	<u>13,44,30,057</u>	<u>6,08,95,237</u>
4) UNSECURED LOANS :		
Trade Deposits from Dealers	1,64,710	1,89,710
Unsecured Loans from Others	—	1,00,00,000
	<u>1,64,710</u>	<u>1,01,89,710</u>



5) FIXED ASSETS:											
DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK				
	AS AT 01.04.2009 (Rs.)	ADDITIONS (Rs.)	DELE- TIONS (Rs.)	AS AT 31.03.2010 (Rs.)	AS AT 31.03.2009 (Rs.)	FOR THE PERIOD (Rs.)	DEP.ON DED. (Rs.)	AS AT 31.03.2010 (Rs.)	AS AT 31.03.2009 (Rs.)		
LAND	3,94,135	-	-	3,94,135	-	-	-	3,94,135	3,94,135		
BUILDINGS	1,31,99,064	49,90,018	-	1,81,89,082	35,08,971	4,41,305	-	1,42,38,806	96,90,093		
PLANT AND MACHINERY	22,59,45,663	1,49,24,689	-	24,08,70,352	13,72,92,568	1,20,88,041	-	9,14,89,743	8,86,53,096		
DATA PROCESSING EQUIPMENT	2,17,34,873	2,44,02,171	-	4,61,37,044	1,87,64,829	43,27,183	-	2,30,45,032	29,70,045		
FURNITURE AND FIXTURES	18,84,316	37,375	-	19,21,691	8,65,210	1,20,703	-	9,35,778	10,19,106		
OFFICE EQUIPMENT	46,79,622	2,85,096	-	49,64,718	25,60,877	4,63,254	-	19,40,587	21,18,745		
VEHICLES	45,00,528	-	-	45,00,528	17,41,601	4,27,550	-	23,31,377	27,58,925		
SUB TOTAL	27,23,38,201	4,46,39,349	-	31,69,77,550	16,47,34,056	1,78,68,036	-	13,43,75,458	10,76,04,145		
CAPITAL WORK IN PROGRESS	28,03,500	24,69,949	49,90,018	2,83,431	-	-	-	2,83,431	28,03,500		
TOTAL	27,51,41,701	4,71,09,298	49,90,018	31,72,60,981	16,47,34,056	1,78,68,036	-	13,46,58,889	11,04,07,645		
Previous Year Total	25,63,74,327	2,29,86,162	42,18,788	27,51,41,701	14,85,78,625	1,62,01,918	46,487	11,04,07,645	10,77,95,702		



PARTICULARS	As at 31.03.2010 Amount (Rs.)	As at 31.03.2009 Amount (Rs.)
6) INVENTORIES :		
(As taken, valued and certified by the Management)		
Raw Materials	1,95,82,300	1,94,93,765
Finished Goods	22,60,875	20,38,045
Stores & Spares	26,38,438	33,39,082
	<u>2,44,81,613</u>	<u>2,48,70,892</u>
7) SUNDRY DEBTORS : (Unsecured)		
Outstanding for more than 6 months :		
Considered Good	97,71,265	50,67,861
Others (Considered good)	9,06,08,825	6,52,28,620
	<u>10,03,80,090</u>	<u>7,02,96,481</u>
8) BANK BALANCES :		
Cash on Hand	—	8,74,705
Balance with Scheduled Banks :		
In Current Accounts	2,81,038	13,25,118
In Fixed Deposits - Margin Money	17,25,500	24,70,289
	<u>20,06,538</u>	<u>46,70,112</u>



PARTICULARS	As at 31.03.2010		As at 31.03.2009	
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
9) LOANS AND ADVANCES :				
(Recoverable in cash or in kind or for value to be received, Unsecured, Considered good)				
Deposits Recoverable		79,76,490		55,70,156
Advances for Purchases		59,48,236		7,79,753
Balance with Excise/Customs Department		66,09,733		69,19,199
Sales Tax paid under Protest		33,48,681		33,48,681
Tax deducted at source		37,65,848		48,44,138
VAT Receivable		2,65,952		4,03,577
Prepaid Expenses		5,50,745		2,69,925
Income Tax Receivable Asst.Year 2003-04		-	1,95,543	
Income Tax Receivable Asst.Year 2007-08	2,39,739		2,39,739	
Income Tax Receivable Asst.Year 2008-09	15,963	2,55,702	15,963	4,51,245
Advance for Capital Items		3,50,00,000		-
Advance with Holding Company		-		27,21,985
		6,37,21,387		2,53,08,659
10) CURRENT LIABILITIES & PROVISIONS :				
A) Current Liabilities :				
Sundry Creditors :				
Capital Items	1,89,29,328		5,35,141	
Trade	2,31,85,345		2,32,13,708	
Others	26,32,299	4,47,46,972	26,95,388	2,64,44,237
Advances from customers		82,307		55,038
Other Liabilities		1,53,96,072		38,78,420
		6,02,25,351		3,03,77,695
B) Provisions :				
Provision for Income Tax	22,27,464		1,12,39,362	
Provision for FBT	-	22,27,464	1,57,284	1,13,96,646
		6,24,52,815		4,17,74,341



PARTICULARS	Year Ended 31st March, 2010 Amount (Rs.)	Year Ended 31st March, 2009 Amount (Rs.)
15) PAYMENTS AND BENEFITS TO EMPLOYEES :		
Salaries, Wages, Bonus and other Allowances	1,64,42,292	1,48,41,516
Gratuity	1,14,288	2,20,519
Staff and workmen welfare expenses	22,09,776	11,92,398
Contribution to PF, ESI and others	11,75,105	10,08,412
	<u>1,99,41,461</u>	<u>1,72,62,845</u>
16) OTHER EXPENSES :		
Printing & Stationery	1,67,041	2,32,214
Communication Expenses	12,73,732	12,67,865
Travelling & Conveyance	25,89,992	28,86,862
Rates, Fees and Taxes	1,72,009	2,28,182
Audit Fee	2,80,283	2,81,368
Consultation and Professional Charges	8,02,843	12,69,930
Vehicle maintenance	2,42,663	3,57,105
Rent	4,39,243	6,29,270
Insurance	2,58,385	4,81,681
Office Maintenance	12,68,145	10,17,213
Loss on sale of Fixed Assets	—	1,10,429
Service Tax/Sales Tax paid	40,780	9,99,558
Computer Maintenance	—	2,62,024
	<u>75,35,116</u>	<u>1,00,23,701</u>
17) INTEREST :		
Interest on Term Loans	28,47,847	15,11,088
Interest on working capital	58,93,907	44,85,214
Interest on Other Loans	20,35,530	37,97,296
Bank and other financial charges	18,52,916	9,89,994
	<u>1,26,30,200</u>	<u>1,07,83,592</u>
18) SELLING EXPENSES :		
Carriage and Freight Outwards	46,84,030	47,09,651
Commission and Discounts	20,69,687	13,74,416
Business Promotion Expenses	8,77,151	6,61,048
	<u>76,30,868</u>	<u>67,45,115</u>



19) SIGNIFICANT ACCOUNTING POLICIES:

1. BASIS OF ACCOUNTING:

Accounts have been prepared on the basis of historical cost and in accordance with generally accepted accounting practices.

2. FIXED ASSETS:

Fixed Assets are stated at cost of acquisition inclusive of inland freight, duties and taxes and incidental expenses related to acquisition.

3. DEPRECIATION:

Depreciation on fixed assets has been provided under Straight Line Method in accordance with the provisions of Schedule XIV to the Companies Act 1956.

4. INVESTMENTS:

All investments are long term unless otherwise stated and are carried at cost.

5. INVENTORIES:

Finished goods are carried at lower of cost or net realizable value.

Raw materials and Stores are carried at cost arrived under the First in First out method.

6. FOREIGN CURRENCY TRANSACTIONS:

Exchange differences on foreign currency transactions are dealt with in the Profit and Loss account. Foreign currency assets and liabilities at the year end are realigned at applicable exchange rate and variations are adjusted to the Profit and Loss account.

7. INCOME/EXPENDITURE:

a. Sales are Inclusive of excise duty and Sales Tax collected, if any.

b. Expenditure is shown net of recoveries, if any.

8. PROVISION FOR RETIREMENT BENEFITS:

Provident Fund: Provident fund contributions by the Company are accounted for on accrual and are remitted to the Commissioner of Provident Fund each month.

Gratuity :

Liability for gratuity is covered by a policy with the LIC of India, and the premiums paid there under as per demands received are accounted for each year.

Leave encashment :

The employees of the company are entitled to compensate absence. The employees can carry forward a portion of the unutilised accrued compensated absence and utilise it in future periods or receive cash compensation at retirement or termination of employment for the unutilised accrued compensated absence. The company records an obligation for compensated absences in the period in which the employee renders the services that increase this entitlement. The company measured the expected cost of the compensated absence as the additional amount that the company expects to pay as result of the unused entitlement that has accumulated at the balance sheet date.

9. BORROWING COSTS:

Borrowing Costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as per the cost of that Asset. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue in the period in which they are incurred.

**20) NOTES ON ACCOUNTS****1. Secured Loans**

A) Term Loans:

Term Loans availed from Indian Bank & Axis Bank are secured by a first charge by way of hypothecation of all Inventories and Receivables both present & future, Equitable Mortgage of Factory Land admeasuring 4.63 acres together with buildings thereon and all Plant & Machinery and Electrical Equipment. The Term Loans is further secured by the personal guarantee of one of the Directors of the Company and Corporate Guarantee of M/s Anjani Portland Cement Ltd.

B) Working Capital:

Cash Credit facility with Indian Bank & Axis Bank are secured by hypothecation of stocks of raw materials, stock in process, finished goods, spares and book debts and second charge on Fixed Assets. The Cash Credit facility is further secured by the personal guarantee of one of the Directors of the Company and Corporate Guarantee of M/s Anjani Portland Cement Ltd

2. CONTINGENT LIABILITIES:

	2009-10	2008- 09
	(Rs.)	(Rs.)
A) Claims against the Company not Acknowledged as debts: In respect of: Sales Tax demand disputed by the Company pending in appeal with sales tax tribunal and writs filed in High Court. Amounts paid under protest against the above Rs.3348681/-	83,86,529	83,86,529
B) Bank Guarantees	41,66,045	41,41,320

3. AUDITORS' REMUNERATION

	2009-10	2008- 09
	(Rs.)	(Rs.)
Audit Fee	2,20,600	2,20,600
Tax Audit Fee	55,150	55,150
TOTAL	2,75,750	2,75,750

**4. Additional information pursuant to the provisions of Part II of Schedule VI of the Companies ACT 1956.****A. DETAILS OF CAPACITIES AND PRODUCTION:**

Printing of Cheques with MICR and Gothic Numbers Dividend and Interest Warrants and Computer Stationery Forms:

PARTICULARS	2009-10		2008-09	
Registered Capacity	600 Million Nos.		600 Million Nos	
Installed Capacity (as Certified by the Management but not verified by the Auditors being technical matter)	600 Million Nos.		600 Million Nos	
	Qty In Million	Value In Million	Qty In Million	Value In Million .
Actual Production MICR Warrants and Computer Stationery Etc.	230.02	233.96	194.35	231.61
B. OPENING, CLOSING STOCKS AND PURCHASE OF FINISHED GOODS	Amount (Rs.)		Amount (Rs.)	
a) MICR Warrants and computer stationery forms Etc.,				
- Opening Stock	20,38,045		20,39,853	
- Closing Stock	22,60,875		20,38,045	
b) Traded Software: Purchases	-		4,59,268	
C. DETAILS OF TURNOVER	Amount (Rs.)		Amount (Rs.)	
a) MICR Warrants and Compute Stationery Forms Etc.,	23,39,58,223		23,16,14,612	
b) Scanning and other charges	1,12,21,227		64,61,555	
c) Software	-		5,72,764	

NOTE: The nature of Company's operations is such that there is no known standard classification for its saleable products such as Computer Stationery Forms, MICR Cheques, Share Certificates, Dividend and Interest Warrants etc. as each product is different in size and parts required by the Customers. Consequently, Quantitative information regarding Production, turnover, Opening and closing stocks of finishedgoods has not been given.



D. DETAILS OF RAW MATERIAL CONSUMED:	2009-10		2008-09	
	Quantity	Value (Rs.)	Quantity	Value (Rs.)
Paper (M Tons)	2517.96	11,59,19,158	1802.41	9,07,93,125
Carbon ('000 Mtrs)	2731.55	19,11,451	3513.90	22,12,052
Others		83,69,693		1,31,74,186
		<u>12,62,00,302</u>		<u>10,61,79,363</u>
E. VALUE OF IMPORTED AND INDIGENOUS				
	Value (Rs.)	2009-10 Percentage %	Value (Rs.)	2008-09 Percentage %
Imported	—	—	2,13,168	0.20
Indigenous	11,59,19,158	100.00	10,59,66,195	99.80
	<u>11,59,19,158</u>	<u>100.00</u>	<u>10,61,79,363</u>	<u>100.00</u>
STORES AND SPARES:				
Imported	6,20,134	4.29	12,47,587	9.20
Indigenous	1,38,23,046	95.71	1,23,12,237	90.80
	<u>1,44,43,180</u>	<u>100.00</u>	<u>1,35,59,824</u>	<u>100.00</u>
F. CIF VALUE OF IMPORTS:				
Capital Goods		63,26,383		42,56,828
Stores & Spares		6,20,134		12,47,587
Raw Material		-		2,13,168
Software		-		4,59,268
G. EXPENDITURE IN FOREIGN CURRENCY:				
		Value (Rs.)		Value (Rs.)
Repairs to Machinery and others		5,53,402		24,89,181
Subscription, Books & periodicals and AMC		2,77,500		-

**5. Major Components of Deferred Tax assets and liabilities arising out of timing differences:**

PARTICULARS	2009-10	2008- 09
	Deferred Tax Asset (Rs.)	Deferred Tax Liability (Rs.)
Deferred Tax Asset	21,14,799	6,53,857
Add: Timing Difference	Nil	-
Depreciation	-	14,60,942
Balance as on 31.3.2010	<u>21,14,799</u>	<u>21,14,799</u>
Deferred Tax Liability	1,54,80,221	1,54,80,221
Add: Timing Difference		
Depreciation	4,15,892	Nil
Balance as on 31.3.2010	<u>1,58,96,113</u>	<u>1,54,80,221</u>

6. Earnings per Share

Earnings per Share is Computed based on the following

Particulars	CURRENT YEAR	PREVIOUS YEAR
	(Rs.)	(Rs.)
a. Profit After Tax	50,90,541	1,44,28,999
b. No. of Equity Shares	15,00,000	15,00,000
c. Earnings per Share (PAT/No. of Equity Shares)	3.39	9.62

7. Related party Disclosures :

Relationship:

Holding Company	:	M/s Anjani Portland Cement Limited
Key Management Personnel	:	Sri K V Vishnu Raju, Sri P V R L Narasimha Raju Sri S V S Shetty

Transactions :

Sales to Holding Company	:	Rs.5,51,684/-
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8. There are no amounts outstanding to Micro, Small and Medium enterprises and no interest was paid / payable during the year to such units.**9.** Previous year figures have been regrouped and reclassified wherever considered necessary and paise have been rounded off to the nearest rupee.

Schedules and notes annexed hereto form part of these accounts

Per our report of even date

For M.ANANDAM & CO

Chartered Accountants

For and On behalf of the Board**M. V. RANGANATH**

Partner

M.No.28031

Place : HYDERABAD

Date : 12.08.2010

K. V. VISHNU RAJU

Director

P. V. R. L. Narasimha Raju

Director

**Balance Sheet Abstract and Company's General Business Profile**

(As per Schedule VI, Part IV of the Companies Act, 1956)

I. Registration DetailsRegistration No.

6	7	3	9
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 State Code

0	1
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Balance Sheet Date

3	1
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II. Capital raised during the year (Rs. in Thousands)

Public Issue	Rights Issue	Bonus Issue	Private Placement																
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	N	I	L																
	N	I	L																
	N	I	L																
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III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	Total Assets												
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2	6	2	7	9	6								
2	6	2	7	9	6								

Sources of Funds

Paid-up Capital	Reserves & Surplus	Secured Loans	Unsecured Loans	Deferred Tax Liabilities																								
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9	9	4	2	0																								
1	3	4	4	3	0																							
1	6	5																										
1	3	7	8	1																								

Application of Funds

Net Fixed Assets	Net Current Assets	Misc. Expenditure	Investment																				
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1	3	4	6	5	9																		
1	2	8	1	3	7																		
	N	I	L																				
	N	I	L																				

IV. Performance of Company (Amount in Rs. Thousands)

Turnover	Total Expenditure	Profit / (Loss) Before Tax	Profit After Tax																				
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2	3	7	0	7	4																		
2	2	9	6	9	0																		
7	3	8	4																				
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Earnings per Share (Rs.)	Dividend Rate (%)									
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0	3	.	3	9						
	N	I	L							

V. Generic Names of three principal products / Services of the Company (As per monetary terms)

Item Code No. (ITC Code)	Product Description
4820.00	Printed Material
4901.90	Offset - Printing

For and on behalf of the order of the Board of Directors

Place : HYDERABAD

K V Vishnu Raju**P V R L Narasimha Raju**

Date : 12.08.2010

Director

Director