



ASHCO NIULAB INDUSTRIES LIMITED



26TH ANNUAL REPORT 2011-2012



BOARD OF DIRECTORS

ASHOAK KOTWAANI
Chairman & Managing Director
 KANCHAN A. KOTWANI
Whole time Director
 SHASHIN RAJNIKANT SHAH
Director- Non Executive Independent Director
 RAJESH S NAWATHE
Director - Non Executive Independent Director

BANKERS

PUNJAB NATIONAL BANK
 SEEPZ Branch,
 Andheri (East)
 Mumbai – 400 096.

AUDITORS

GMJ & Co.
 CHARTERED ACCOUNTANTS
 3rd & 4th Floor, Vaastu Darshan “B”
 Above Central Bank of India,
 Azad Road, Andheri (East),
 Mumbai – 400 069
 Tel.: +91-22-61919222/200
 Fax.: +91-22-2684 2221

REGISTRAR AND SHARE

TRANSFER AGENTS
 SYSTEM SUPPORT SERVICES
 209, Shivai Industrial Estate,
 Next to Parke-Davis,
 89, Andheri-Kurla Road,
 Sakinaka, Andheri (East)
 Mumbai - 400 072
 Ph.No- 022-28500835
 Fax.no -022-28501438

REGISTERED OFFICE

Lab House, Plot No. F-13
 Opp. Seepz, Andheri (East),
 Mumbai - 400 093
 Phone No : 022- 67040700/800
 Fax. No : 022- 28368275

ISIN No.:

INE714F01033

COMPLIANCE OFFICER

ASHOAK KOTWAANI

BRANCHES AT

Noida
 Hyderabad

ANALYTICAL AND TESTING LABORATORIES

Ashco Analytical Services
 Lab House, Plot No. F-13,
 Opp. Seepz, Andheri (East),
 Mumbai – 400 093.

Ashco Analytical Services
 Ap Agro’s Complex,
 HMT TOWNSHIP ,P.O. 60-007
 Narsapur Road, Chintal
 Hyderabad- 500 054

Ashco Analytical Services
 Plot No. –D-70, Sector-2,
 Noida (U.P.)



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NOTICE

NOTICE is hereby given that the Twenty Sixth Annual General Meeting of the members of ASHCO NIULAB INDUSTRIES LIMITED will be held on Tuesday 29th January, 2013 at 09.30 a.m. at F-13, Lab House, Opp SEEPZ, MIDC, Andheri(E) Mumbai- 400093 to transact the following business :-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and the Profit and Loss Account for the six months ended on that date and the Reports of Directors and Auditors thereon.
2. To retire Mr. Shashin Rajnikant Shah, Director who retires by rotation.
3. To appoint Auditors and to fix their remuneration.

Notes:

- a) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself, but so that every proxy so appointed shall be a member of the company. Proxies in order to be effective must be received at the registered office of the company not less than 48 hours before the commencement of the meeting.
- b) Members seeking clarification /s if any , on the financials of the company for the period under the review are requested

to address their queries at the Registered office of the company at least 7 days prior to the date of Annual General Meeting .

- c) Members are requested
 - i. to notify immediately any changes in their address to the company's Share Transfer Agents.
 - ii. bring their copy of Annual Report and the Attendance Slip with them at the Annual General Meeting .
- d) The Company hereby notifies the closure of Register of members and Share transfer books from Friday 28th December, 2012 to Monday 31st December, 2012 (both days inclusive for purpose of Annual General Meeting.)

For and Behalf of the Board

Ashoak Kotwaani
Chairman & Managing Director

Registered Office:

"Lab House" Plot .No F-13,
Opp SEEPZ, MIDC , Andheri(East) ,
Mumbai 400 093.
Date: 5th January, 2013.



DIRECTORS' REPORT TO THE MEMBERS

DIRECTORS' REPORT TO THE MEMBERS

Your Directors present the Twenty Sixth Annual Report together with the Audited Statement of Accounts of company for the six months period 1st October, 2011 to 31st March, 2012.

OPERATIONS

The sales and Other Income of the company for the period six months ended 31st March, 2012 were Rs.2155.38 lacs as compared to Rs.12246.84 lacs for the previous year (eighteen months ended). The net profit / (loss) for the period six months ended (Rs.699.40) lacs as compared to (Rs. 1252.77) lacs for the previous year (Eighteen months ended).

The Company posted Cash Loss (Rs.400.96) lacs and Net Loss of (Rs. 699.40) lacs was arrived at after deducting Depreciation.

DIVIDEND

Your Directors do not wish to recommend any dividend for the financial year and six months ended 31st March, 2012.

EXTENSION OF ANNUAL GENERAL MEETING OF THE COMPANY:

The Annual General Meeting of the company has been extended by three months, by virtue of the approval of jurisdictional Registrar of Companies, Mumbai, Maharashtra, Hon'ble Ministry of Corporate Affairs dated 5th September, 2012 in pursuance of the application made by the company with the Registrar of Companies under Section 166 (1) of the Companies Act, 1956 in this regard.

The 26th Annual General Meeting of the Company was further extended by one month by virtue of the approval of jurisdictional Registrar of Companies, Mumbai, Maharashtra, Hon'ble Ministry of Corporate Affairs dated 27th December, 2012, in pursuance of the application made by the company with Registrar of Companies under Section 166 (1) of the Companies Act, 1956 due to sickness of Chairman & Managing Director, so the Annual General Meeting could not be held in the calendar year 2012.

FUTURE OUTLOOK:

India has billion plus population and a home for various life threatening diseases. These factors provide an opportunity for global medical practitioners and healthcare providers to consider India as an effective destination for research and clinical studies. India has registered fast growth in the number of clinical trials over the past few years, reflecting that the country has become one of the most attractive destinations for medical research.

According to our new research report, "Booming Clinical Trials Market in India", the number of clinical studies by domestic and global players has sharply risen. The M&A activities, service agreements, and strategic collaboration have increased over the last four years. The majority of the deals in the contract research organizations market focused on establishing strategic alliances with other contract research organizations, technology providers,

and pharmaceutical and biotech companies. In addition, on the back of favorable government support and effective regulatory mechanism provided by the ICMR and CDSCO, healthcare providers find it worthwhile to locate their trials in India.

DEPOSITS

The company has not invited or accepted any Public Deposits during the year.

SUBSIDIARY COMPANY

Your company has a 100% Subsidiary company abroad under the name and style Ashco Niulab FZE at Hamariaya Free Zone Authority UAE. As per approval granted by the Ministry of Corporate Affairs vide circular No. 02/2011 dated February 8, 2011, copies of the Balance Sheet, Profit and Loss Account, Report of the Board of Directors and Auditors of the Subsidiary company are not being attached to the Balance Sheet of the Company. The Annual Accounts of the subsidiary company and related detailed information relating to that will be made available to shareholders at the registered office of the company at any point of time.

STATUTORY INFORMATION

Information in accordance with the provisions of 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, requiring disclosure of particulars regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo given in the prescribed format is annexed hereto (Annexure-I) and forms part of this report.

PARTICULARS OF EMPLOYEES

In accordance with the provisions of section 217(2A) of the Companies Act, 1956 and the Rules framed thereunder, (Including any amendment, reenactment and modification thereof) and read with circular issued by Hon'ble Ministry of Corporate Affairs in this regard, there is no employee in the company who if employed throughout the financial year was in receipt of remuneration for that year which, in aggregate was not less the sum prescribed for.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 & also Company's Articles of Association of the company Mr. Shashin Rajnikant Shah, Director retires by rotation.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 2000, the Directors confirm that:

1. in the preparation of the annual accounts, the applicable Accounting Standards have been followed with proper explanation relating to material departures;



2. appropriate accounting policies have been selected and applied consistently, and have made judgments and estimates that are reasonable and prudent so as to give a true & fair view of the state of affairs of the company as at 31st March, 2012 and of the loss of the company for the financial year and six months ended on that date;
3. 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 & detecting fraud & other irregularities;
4. the annual accounts have been prepared on a going concern basis.

AUDITORS.

GMJ & Co., Chartered Accountants the Auditors of the Company retire at the conclusion of this Annual General Meeting and are eligible for re-appointment.

ACKNOWLEDGMENTS

Your Directors place on record their appreciation of the valuable co-operation and support of Customers, Shareholders, Company's Bankers, and Government Authorities. The Board also wishes to express its appreciation to all the employees of the company for their contribution to the operations of the company during the year.

CORPORATE GOVERNANCE REPORT

A detailed compliance report on Corporate Governance is provided elsewhere in the Annual Report. Practicing Company Secretary's Certificate on Compliance with the conditions of Corporate Governance under clause 49 of the Listing Agreement is also provided in the Annual Report.

For and on behalf of Board

ASHOAK KOTWAANI
CHAIRMAN & MANAGING DIRECTOR

AUDITORS' REMARKS

The observations made by the Auditors with reference to Notes to the Accounts for the year under report are self-explanatory and need no further comments from the Directors.

Registered Office:

"Lab House", Plot No. F-13,
Opp. SEEPZ, M. I. D. C.,
Andheri (East), Mumbai – 400 093

Date: 5th January, 2013



ANNEXURE – “I”

TO THE DIRECTORS’ REPORT

Particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

A. Conservation of Energy

- A. Conservation of Energy** : Power used in the company is drawn by different equipments from common source. Besides this Generator & UPS are also used as back up source. The company has designed & installed power distribution system perfectly well to utilize the power at optimum level of requirement. Laboratory building is designed in such a way that during day time no artificial lighting is necessary in the Laboratory. During the year under review all possible efforts were made to ensure optimum conservation of Electricity at all the Units of the company.
- ii. Additional investments and proposals, if any, being implemented for reduction of consumption of energy : Nil
- iii. Impact of the measures at (i) and (ii) above for reduction of energy consumption and consequent impact on the cost of production of goods : Not Applicable
- iv. Total energy consumption and energy consumption per unit of production : Not Applicable

B. Technology Absorption : Not Applicable

C. Foreign Exchange Earnings and Outgo

- i. Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans : Nil

- ii. Total foreign exchange used and earned

	(Rs.in Lacs)	
	Current Year (01.10.2011 to 31.03.2012)	Previous Year (01.04.2010 to 30.09.2011)
Foreign Exchange Earned	1563.39	418.17
Foreign Exchange used:		
Traveling	2.33	24.39
Purchases	632.47	699.37

REPORT ON CORPORATE GOVERNANCE

A. Company's Corporate Governance Philosophy :

The Company has adopted the best practices in the areas of Corporate Governance. In this fiercely competitive business environment, management & employees of the company are committed to obtain the core values of the transparency, integrity, honesty, accountability which are fundamental to the Ashco Group.

The policy guidelines, code of conduct & ethics for the Board of Directors & Senior Management, legal compliance reporting system, model code of conduct for prevention of insider trading is already in place and company has also constituted audit committee, remuneration committee, shareholders grievance committee, nomination committee, ethics & compliance committee for effective corporate governance .

Company believes that good corporate governance brings about sustained corporate growth & long term benefit for stakeholders. Company continues to follow procedures & practices in conformity with the code of corporate governance as enunciated in the listing agreement.

The details of the implementation of the code are mentioned in the following paragraphs.

1. The Board of Directors

1.1 Composition & Size of the Board :

The company has Executive Chairman. Number of independent directors are 50% of the total number of directors. None of the directors of the board is member on more than 10 committees & Chairman of more than 5 committees (as specified in Clause 49), across all

1.2 Board Meetings

The name & category of the directors on the board, attendance at the board meeting during the year & at the last Annual General Meeting and also no. of directorship & committee membership held by them in other companies are given below :

Name	Category	No. of Board Meetings attended during 11-12	Whether attended AGM held on 30th December 2011	No. of Directorships in other public companies		No. of committees positions held in other public companies*		No. of other Directorship**
				Chairman	Member	Chairman	Member	
Mr. Ashoak Kotwaani	Promoter, Non-Independent Executive Chairman	3	Yes	1	1	—	—	1
Mrs. Kanchan Kotwani	Promoter, Non-Independent Whole time Director	3	Yes	—	1	—	—	1
Mr. Rajesh Nawathe	Non-Executive Independent Director	3	Yes	—	—	—	—	2
Mr. Shashin Shah	Non-Executive Independent Director	1	No	—	—	—	—	—

*represents chairmanship/membership of Audit, Remuneration, Executive & Shareholders Grievance Committee.

**excluding directorship in private Ltd. Companies



2. ATTENDANCE AT BOARD MEETING

Three Board Meetings were held during six months and the Financial Year 2011-2012 & gap between two meetings did not exceed four months. The dates on which Board Meetings were held are as follows:

- 1) 11.11.2011, 2) 05.12.2011, 3) 14.02.2012,

Dates for the Board Meeting in the ensuing year are decided well in advance & communicated to the directors. The board meetings are usually held at the registered office of the company. Agenda notes are sent to the directors in advance. Additional meetings of the board are held as when deemed necessary by the board. The information as required under Annexure 1A to the clause 49 is being made available to the board.

The board periodically reviews compliance report of all laws applicable to the company. The steps are taken by the company to rectify instances of the non compliance, if any.

The company has adopted the Ashco Code of Conduct for directors & for senior management personnel & other executives of the company. The company has received confirmation from the directors as well as senior management personnel regarding compliance of the code during the year under review. These codes are posted on the website of the company.

None of the Directors is related to other Directors, except MrsKanchan Kotwani who is wife of MrAshoakKotwaani .

3. RE-APPOINTMENT OF DIRECTORS LIABLE TO RETIRE BY ROTATION.

In accordance with the provisions of the Companies Act, 1956 & also Company's Articles of Association of the company Mr. ShashinRajnikant Shah, Director retires by rotation. He has not yet offered himself for re-appointment.

4. AUDIT COMMITTEE MEETINGS:

The Company had constituted Audit Committee on 10th December 2005. Scope of activities of Audit Committee is as set out in clause 49 of the listing agreement entered into with stock exchanges read with Section 292A of the Companies Act, 1956. The terms of reference of Audit Committee including its power, role etc, has already been set in the place.

Mr. Rajesh Nawathe is the Chairman of the Audit Committee. The audit committee met 3 times during the year
a) 11.11.2011, b) 20.01.2012, c) 14.02.2012,

The details of remuneration paid to the Non-Executive Directors for the period from 1st October 2011 to 31st March, 2012 are as follows:

Name of the Director	Salary	Perquisite Allowances	Commission	Sitting Fees
Mr. Rajesh Nawathe	NIL	NIL	NIL	9,000/-
Mr. Shashin Shah	NIL	NIL	NIL	3,000/-

The following Directors were present in all the audit committee meetings.

Sr. No.	Name of the Members	Category
1	Mr Rajesh Nawathe	Independent Director
2	Mr. Shashin Shah	Independent Director
3	Mr. Ashoak Kotwaani	Managing Director

Audit Committee Meeting was attended by Auditors of the Company & officials of the Accounts Department. The necessary quorum was present at the meeting.

5. REMUNERATION COMMITTEE:

The broad terms of reference for duly constituted remuneration committee are as follows:

- a. Review Performance of Managing Director & Whole-time Director after considering company's performance.
- b. Recommend to the board remuneration including salary, perquisites & commission to the company's Managing Director & Whole-time Director.
- c. Finalise the perquisites package to the Managing Director & Whole-time Director within overall ceiling fixed by the board.
- d. Recommend to the board retirement benefits to be paid to the Managing Director & Whole-time Director under retirement benefit guidelines to be adopted by the board.

The Remuneration Committee met on 30th January, 2012 where in following members were present

Sr. No.	Name of the Members	Category
1	Mr Rajesh Nawathe	Independent Director
2	Mr. Ashoak Kotwaani	Chairman & Managing Director

Chairman Mr. Rajesh Nawathe was present during that meeting.

The company has complied with the non mandatory requirement of the Clause 49 regarding remuneration committee.

Company pays Sitting Fees of Rs. 3000/- per meeting to the Non-Executive Directors for attending meetings of the board.

6. INVESTORS GRIEVANCES / SERVICES

1. Terms of Reference : The company has formed Investors / Shareholders Grievances Committee with the following terms of reference :
 - a. Ensure redressal of shareholders & Investors complaint related to the transfer of shares, non-receipt of receipts etc.
 - b. Redressal of Investors complaint in respect to non-receipt of dividends etc.

Composition of Committee: Chairman- Mr. Rajesh Nawathe Mr. Shashin Shah-Member, Mr. Ashoak Kotwaani - Member.
2. During the year under review, company has not received any complaints from investors.

IN ADDITION TO THE ABOVE COMMITTEES THE BOARD HAS CONSTITUTED FOLLOWING COMMITTEES:

1. ETHICS & COMPLIANCE COMMITTEE:

As required under Securities & Exchange Board of India (Prohibition of Insider Trading) Regulation 1992. This committee was formed on 10th December 2005 date. Mr. Rajesh Nawathe is Chairman of the committee & Mr. Ashoak Kotwaani-Executive is Member.

Ethics & Compliance Committee is to

- Set forth the policies relating to and oversee the implementation of the Code.
- Take on record the status reports prepared by the Compliance Officer detailing the dealings in Securities by the Specified Persons on a monthly basis.
- Decide penal action in respect of violation of the Regulations / the Code by any Specified Person.

2. EXECUTIVE COMMITTEE:

Executive Committee was constituted on 31st January, 2006. Executive Committee consists of Mr. Rajesh Nawathe as Chairman. Mr. Shashin Shah & Mr. Ashoak Kotwaani are member of the same. The terms of reference of Executive Committee are

1. Reviewing company performance.
2. Progress on new projects undertaken by the company
3. Review major issues and opportunities
4. Debate on process that transcend all businesses.

OTHER DIRECTORSHIPS AND MEMBERSHIP OF COMMITTEES (AS OF DATE)

1. **Mr. Ashoak Kotwaani**
Ashco Niulab Exports Limited,
ANCK MediaArts Private Limited,
Ashco Niulab FZE
2. **Mrs. Kanchan A Kotwani**
Ashco Niulab Exports Limited
3. **Mr. Shashin Shah**
4. **Mr. Rajesh Nawathe**
Tantrasoft Solution (India) Private Limited
Crystal FRT Forwarders Private Limited
Omega Interactive Technologies Limited
Mykindasite International Private Limited
ShardaCapsec Limited

7. DISCLOSURES ON NON COMPLIANCES, RELATED PARTY TRANSACTIONS, IF ANY

The Company has complied with the requirement of regulatory authorities on Capital Markets and no penalties/strictures have been imposed against the company in the last three years.

Related party transactions have been disclosed in Note No. 32 of the "Notes to Accounts."

8. MEANS OF COMMUNICATION

Timely disclosure of information on business and financial performance of the company is an integral part of good governance.

Your company disseminates information about its operation, business and financial performance to stock exchanges, media, shareholders, analysts and society at large. The Quarterly/Half yearly results were announced within a period of 30 days of the end of each quarter while the audited results were announced within 30 days of the end of the financial year as permitted by law. The particulars of your company, its business and operations are available on the corporate website www.ashconilab.com

The results were published, inter alia, in "The Free Press Journal", "and Navshakti" (vernacular) in Mumbai Edition. These newspapers have been selected on the basis of their circulation and in the areas where vast majority of our shareholders are located.

Regular updates and developments impacting the business and financials together with data on shareholding pattern etc. are also notified to the The Bombay Stock Exchange & National Stock Exchange, Mumbai. Same information is also shared with media and the investor community

The Board Report deals with all matters stipulated under the Management Discussion and Analysis Report.



9. GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting

- a. Whether Special Resolution were put through Ballot? No
- b. Are votes proposed to be conducted through Postal Ballot? No

- A) Date, Time and Venue of AGM** 29th January, 2013 at 09.30 A.M
at F-13, Lab House Opp SEEPZ, MIDC,
Andheri(E), Mumbai 400 093
- B) Dates of Book Closures** 28th December, 2012 to 31st December, 2012
- C) Special Resolutions** No Special Resolution was passed at the last AGM.

D) Financial Calendar

Financial Reporting for

Un-audited Financial Results for quarter ending 31 st December, 2012	On or before 15 th February, 2013
Audited Financial Result for the year ending 31 st March, 2013	On or before 31 st May, 2013
Annual General Meeting for the Year ended March 31, 2013	Before the end of September, 2013

E) Date of Book Closure and Annual General Meeting in last three years:

Year	Date of Book Closure		Date of AGM	Location
	From	To		
2008-2009	10-12-2009	10-12-2009	22-12-2009	Lab House, Plot No. F-13, MIDC, Opp. SEEPZ, Andheri(East), Mumbai – 400 093
2009-2010	23-09-2010	29-09-2010	29-09-2010	Hotel Tunga International, B-11, Central Road, MIDC, Andheri(East), Mumbai – 400 093
2010-2011	29-12-2011	30-12-2011	30-12-2011	Lab House, Plot No. F-13, MIDC, Opp. SEEPZ, Andheri(East), Mumbai – 400 093
2011-2012	28-12-2012	31-12-2012	29-01-2013	Lab House, Plot No. F-13, MIDC, Opp. SEEPZ, Andheri (East), Mumbai – 400 093

F) Stock Exchanges on which Company's shares are listed.

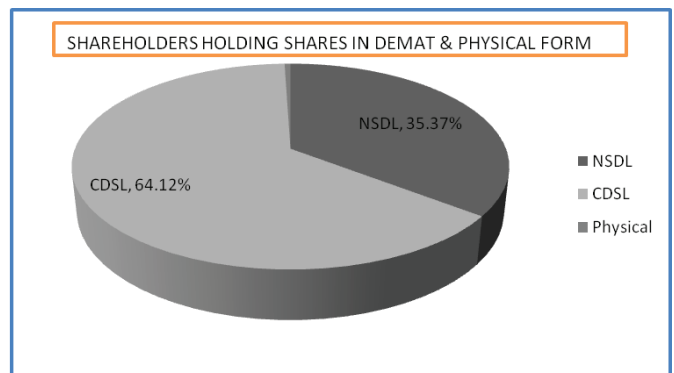
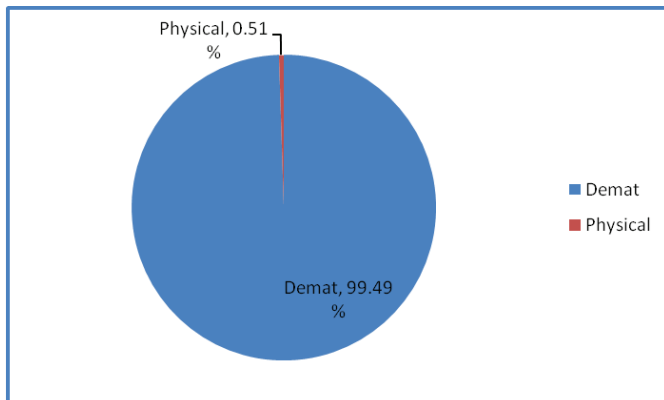
The company's shares are listed & being traded at Bombay Stock Exchange & on National Stock Exchange

Stock Scrip Code (BSE)	:	517565
Symbol (NSE)	:	ASHCONIUL
International Securities Identification Number (ISIN) (For dematerialized shares)	:	INE 714F01033

The Company has been regular in paying the listing fees to the Stock Exchanges except the pending feeses.

G) Dematerialization of Shares and Liquidity

All Shares of the Company are under compulsory dematerialization for delivery on transfer. As at 31st March, 2012 the number of shares of the Company in demat form stood at 64648492 out of the total 64983100 shares issued by the Company.



H) **Registrars and Share Transfer Agents**

System Support Services
209, Shivai Industrial Estate
89, AndheriKurla Road,
Sakinaka, Andheri (East),
Mumbai – 400 072
Fax: 022 - 2850 1438
Tel.No: 022 - 2850 0835

I) **Share Transfer System**

Trading in Equity Shares of the Company is permitted only in dematerialized form. Shares lodged for transfer in physical form are in-warded, scrutinized, verified, transferred and dispatched between 10 to 15 days from the date of receipt, if the documents are in order in all respects. Documents having deficiency are rejected and dispatched back to transferee citing reason for rejection. Where requests for dematerialization are received simultaneously, the same are also processed separately.

J) **Market Price Data**

Months	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
Oct.-2011	2.34	1.85	2.40	1.85
Nov.-2011	2.63	1.90	2.70	1.90
Dec.-2011	2.60	1.96	2.60	1.95
Jan.-2012	2.39	1.89	2.35	1.85
Feb.-2012	2.25	1.97	2.25	1.95
Mar.-2012	2.10	1.63	2.10	1.70

K) **Shareholding Pattern as on 31st March, 2012**

Sr. No.	Category	No. of Shares held	Percentage of shareholding
A	Promoter's Holding		
1	Promoter's		
	Indian Promoters	58,86,127	9.058%
	Foreign Promoters	—	—
2	Persons acting in concert (Director's relative)	—	—
	Sub-Total	58,86,127	9.06%
B	Non –Promoter's Holding		
3	Institutional Investors		
a)	Mutual Funds and UTI	12,79,500	1.97%
b)	Bankers, Financial Institutions, Insurance Companies, (Central / State Govt. Institutions / Non Government Institutions)	—	—
C	FII's	—	—
	Sub-Total	12,79,500	1.97%
4	Others		
a)	Private Corporate Bodies	62,81,352	9.67%
b)	Indian Public	1,87,97,892	28.93%
c)	NRIs / OCBs	2,38,229	0.37%
d)	Shares held by Custodians and against which Depository Receipts have been issued	3,25,00,000	50.01%
	TOTAL	6,49,83,100	100%



L) Nomination Facility

Shareholders holding shares in physical form and desires of making nomination in respect of their shareholding in the company, as permitted under Section 109A of the Companies Act, 1956, are requested to submit to the RTA the prescribed Form 2B for this purpose.

M) Outstanding GDRs / ADRs or any convertible instruments : 650000 GDR
conversion date and likely impact on equity

O) Investors Correspondence: — System Support Services
209, Shivai Indust

N) Investors Correspondence: — System Support Services
209, Shivai Industrial Estate
89, AndheriKurla Road,
Sakinaka, Andheri (East),
Mumbai – 400 072
Tel: 022 - 2850 0835
Fax: 022 - 2850 1438

10 Disclosures:

a. Disclosures on materially significant related party transactions i.e., transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large.

There is no material transaction with any related party which may have potential conflict with the interests of the Company at large. However the company has annexed to the accounts a list of related parties as per Accounting Standard 18 and the transaction entered into with them.

b. Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

Neither any non-compliance with any of the legal provisions of law has been made by the Company nor has any penalty, structure has been imposed by the Stock Exchanges or SEBI or any other statutory authority or any matter related to capital markets, during the last 3 years.

FOR AND ON BEHALF OF THE BOARD

ASHOAK KOTWAANI

CHAIRMAN & MANAGING DIRECTOR

PLACE : Mumbai
Date: 5thJanuary, 2013.

MANAGEMENT DISCUSSION AND ANALYSIS

FORWARD LOOKING STATEMENTS

This report contains forward looking statement which may be identified by their use of words like “plans”, “expects”, “wills”, anticipate, believes, intends, projects estimates or other words of similar meaning. All the statements that address expectation or projections about future, including but not limited to statements about company’s strategy for growth, product development, market position, expenditures and financial results are forward looking statements. The forward looking statements are based on certain assumptions and expectations of future events. The company cannot guarantee that these assumptions and expectations are accurate or will be realized. The company’s actual results , performance or achievements could thus differ materially from those projected in any such forward looking statements on the basis of any subsequent developments , information or events.

Industry Overview

ASHCO NIULAB is engaged in Contract Research and Analytical Testing activities. Like in the previous year, during the year under review, Indian CRO Industry has experienced many more delays in receiving regulatory approvals for contract research projects.

Potential and Outlook

Preclinical, Clinical and Analytical Contract research and testing activity demand is growing due to growth in Biologics and drug discovery projects. Company’s benefit however is dependent upon in time approvals from various regulatory bodies. Government of India has issued regulatory guidelines on Bio-similars recently.

Threats

Competition is an inherent threat for any business. More and more players have entered the business verticals Ashco Niulab is engaged in Multinational Contract Testing and Research Organizations are anchoring in India to reduce their service costs. To mitigate the threats Ashco Niulab is always looking for continuous innovation of new portfolios thus giving itself a clear lead of 2 - 3 years.

Risks and Concerns

The increasing demand for Ashco Niulab’s services has increased the pressure on human resources. Due to high demand and less availability of talented human resources, employee turnover has become a challenge and may continue in the near future. Your Company is doing its best to employ qualified people and impart on the job training to cope with the increasing workloads. Further, steep increase in the input costs due to high inflation and increased manpower cost are major concerns. Ashco Niulab is making all efforts to reduce expenditure to offset the effect of this inflation.

Safety, Health and Environment

As a part of Ashco Niulab’s commitment towards the principles of sustainable development, safety, health and environment continue to be the priority areas of the Company. Some of the major activities in these areas have been recycling of waste water, training of staff at all levels to the required standards of safety, health and environment.

SEGMENT-WISE PERFORMANCE

During the previous year the Company operated in single segment viz. Analytical Instruments, its accessories and services.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The company has adequate internal control procedures commensurate with the size of the company and nature of its business. These business control procedure ensures efficient use and protection of the resources and compliance with the policies, procedures and statutes. The internal control system provides well-documented policies, guidelines, authorizations and approval procedures. The prime objective of the internal control procedure is to test the adequacy and effectiveness of all internal controls laid down by the management and to suggest improvements.

FINANCIAL PERFORMANCE

The Sales and Other Income of the company for the financial year and six months ended 31st March, 2012 is (Rs. 2155.38) Lacs. The Company posted cash loss of (Rs. 400.96) Lacs and net loss of (Rs. 699.40) Lacs was arrived at after adding Depreciation from the Cash Loss before Depreciation.

STATUTORY COMPLIANCE :

On obtaining confirmation from various departments & branches of the company of having complied with all the statutory requirements, a declaration regarding compliance with the provisions of the various statutes is made by Managing Director at each Board Meeting. The company secretary as compliance officer ensures compliance with the SEBI regulations & provisions of the listing agreement. The Company secretary as compliance officer for prevention of Insider Trading Regulations ensures compliance with the Ashco guidelines on Insider Trading.

CONTINGENT LIABILITIES :

The details of contingent liabilities are given in Note No. 28 of the notes of Balance Sheet & Statement of Profit & Loss.

INDUSTRIAL RELATION / HUMAN RESOURCE MANAGEMENT :

Industrial relations remain normal at all locations. The development of human resources is key strategic challenge in



order to prepare people for future responsibilities in terms of professional skills as well as business skills. The company is investing in modernization & training of manpower for upgrading the skills. It has been company's constant endeavor to train & develop human resources to meet the challenges the company faces. The company continues to induct competent professionals for its present & future needs. The company provides excellent & challenging atmosphere through various systems & process in place like induction, training, performance management, etc to enable the employees to give the best. Training imparted is

comprehensive, covering knowledge, skill and attitude apart from mandatory courses in safety and environment process.

For and on behalf of the board

ASHOAK KOTWAANI
CHAIRMAN & MANAGING DIRECTOR

Place : Mumbai
Date: 5th January, 2013





CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To
The Members,
ASHCO NIULAB INDUSTRIES LIMITED

We have examined the compliance of conditions of Corporate Governance by **ASHCO NIULAB INDUSTRIES LIMITED** for the period ended 31st March, 2012 as stipulated in Clause 49 of the Listing Agreement of the company entered into with Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. This certificate is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the clause 49 of the Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For **GMJ & ASSOCIATES**
COMPANY SECRETARIES



(**P. MAHESHWARI**)
PARTNER
M. No. FCS 2405, C.P. No. : 1432

Place: Mumbai
Date: 5th January, 2013



AUDITOR'S REPORT

To
The Members of
Ashco Niulab Industries Limited,

1. We have audited the attached Balance Sheet of **Ashco Niulab Industries Limited** as at 31st March, 2012 and also the Statement of Profit and Loss and the Cash Flow Statement of the Company for the six months period ended on that date annexed thereto. These financial statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with 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 the 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 (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (the 'Order'), issued by the Central Government of India in terms sub-section (4A) of Section 227 of the Companies Act, 1956, of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph 3 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 those books;
 - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;

- d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the mandatory Accounting Standards referred to in sub-section 3C of Section 211 of the Companies Act, 1956, *except for non-provision of gratuity liability and leave encashment, which is not as per AS-15 "Employee Benefits"*
- e) On the basis of written representations received from the directors and taken on record by the Board of Directors, we report that none of the said directors is disqualified as on 31st March, 2012 from being appointed as directors of the Company under clause (g) of sub-section (1) of Sec 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 read together with the Notes thereon give the information required by the Companies Act, 1956 in the manner so required and *subject to Note No.2.1 (ii) of the Notes to the Accounts for non provision of gratuity liability and leave encashment as the same is accounted for on cash basis* 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, 2012;
 - ii) in the case of the Statement of Profit and Loss, of the loss of the Company for the six months period ended on that date
and
 - iii) in the case of Cash Flow Statement, of the cash flows for the six months period ended on that date.

For GMJ & Co
Chartered Accountants
FRN No. 103429W

CA S.MAHESHWARI
Partner
M. No. 38755

Place : Mumbai
Date : 5th January, 2013

**ANNEXURE TO THE AUDITOR'S REPORT OF ASHCO NIULAB INDUSTRIES LIMITED
FOR THE PERIOD ENDED ON 31ST MARCH, 2012**

(Referred to in paragraph 3 of our Report of Even Date)

- i. (a) The Company has maintained proper records showing major particulars including quantitative details and situation of fixed assets.
- (b) All the assets have not been physically verified by the management during the period but there is a regular programme of verification by the management at reasonable intervals. In our opinion the frequency of verification may be increased. No material discrepancies were noticed on such verification by the management.
- (c) In our opinion, the Company has not disposed off substantial part of Fixed Assets during the period.
- ii. (a) We are informed that the management has a regular programme of physical verification of inventories. In our opinion the frequency of verification may be increased.
- (b) The procedures of physical verification of inventories followed by the management needs to be strengthened significantly in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. We are informed that the discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii. (a) The Company has granted an advance of Rs. 50,92,13,465/- to wholly owned subsidiary company covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the period was Rs.50,92,13,465/- and the year-end balance of advance given to such party was Rs. 50,92,13,465/-.
- (b) In our opinion and according to the information and explanations given to us, the terms and conditions of interest free advance given by the Company, are prima facie not prejudicial to the interest of the Company.
- (c) The Company had taken unsecured loans from two parties covered in the register maintained under Section 301 of the Companies Act 1956. The maximum amount involved during the period was Rs. 2,13,67,534/- and the year-end balance of loan taken from such parties was Rs. 1,93,39,799/-.
- (d) In our opinion and according to the information and explanations given to us, the terms and conditions of interest free unsecured loans taken by the Company, are prima facie not prejudicial to the interest of the Company.
- (e) The Company is regular in repaying the principal amount wherever stipulated.
- iv. In our opinion and according to the information and explanations given to us, the internal control systems need to be significantly strengthened to be commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no continuing failure to correct major weakness in the internal control system has been noted.
- v. (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, there were no transactions made in pursuance of contracts or arrangements entered in the Register maintained under section 301 of the Companies Act, 1956, aggregating Rs. 5,00,000/- or more during the period.
- vi. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from public, and consequently the directives issued by the Reserve Bank of India and the provisions of sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under are not applicable to the Company.
- vii. *The Company presently has no separate internal audit system. It has an internal control system which needs to be significantly strengthened to be commensurate with the size and nature of its business.*
- viii. According to the information and explanations given to us, the maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub section 1 of Section 209 of the Companies Act, 1956, and hence, the provisions of clause (viii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- ix. (a) *The Company is irregular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities. Further, Service Tax, Profession Tax and Tax Deducted at Source which are outstanding as at the last day of the financial period*



concerned for a period of more than six months from the date they became payable are furnished below:

Nature of Dues	Amount in Rs.
Service Tax	2,64,26,652
Sales Tax	52,63,905
Tax Deducted at Source	22,52,702
Provident Fund	27,22,284
ESIC	7,61,197
Profession Tax	2,89,015
Labour Welfare Fund	2,208
Total	3,77,17,963

- (b) According to the information and explanations given to us, there are no dues of Income Tax/ Sales Tax/ Wealth Tax/ Service Tax/ Custom Duty/ Excise Duty/ Cess which have not been deposited on account of any dispute and hence the provisions of clause (ix) (b) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- x. The accumulated losses of the company are not more than fifty percent of its net worth. The company has incurred cash losses during the financial period and in the immediately preceding financial period.
- xi. The company has defaulted in repayment of dues to Financial Institutions and Banks. The company has not issued any debentures. The period and amount of default are as under:

Name of Bank / Institution	Over dues Interest	Over dues Principle	Month Pending
SIDBI	2,07,330	40,50,000	Jan-12 to Mar-12
Punjab National Bank – Term Loan	12,76,442	25,00,000	Jan-12 to Mar-12
Punjab National Bank – Term Loan	10,63,984	25,00,000	Jan-12 to Mar-12
Citi Bank – Home Loan	2,00,647	86,982	Mar-12
Total	27,48,403	91,36,982	

- xii. In our opinion and according to information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities, and hence, the provisions of clause (xii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

- xiii. In our opinion and according to information and explanations given to us, the Company is not a chit fund or a nidhi/mutual benefit fund/society and hence the provisions of clause (xiii) of paragraph 4 the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. All the shares, securities, debentures and other investments have been held by the Company, in its own name.
- xv. In our opinion and according to information and explanations given to us, the Company has not given any guarantees for the loans taken by others from banks or financial institutions, and hence the provisions of clause (xv) of paragraph 4 the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xvi. According to the information and explanations given to us, the term loans availed in the recent past have been applied for the purpose for which they were obtained.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- xix. The Company has not issued any debentures and hence the provisions of clause (xix) of paragraph 4 the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xx. The Company has raised an amount of Rs. 33,77,95,000/- by issue of GDR in April, 2010. The management has invested the proceeds in the wholly owned subsidiary Ashco Niulab FZE.
- xxi. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For GMJ & Co
Chartered Accountants
FRN No. 103429W

CA S.MAHESHWARI
Partner
M. No. 38755

Place : Mumbai
Date : 5th January, 2013

BALANCE SHEET AS AT 31ST MARCH, 2012

(Rupees)

Particulars	Note Nos.	As at 31st Mar., 2012	As at 30th Sept., 2011
EQUITY AND LIABILITIES			
1) Shareholders' Funds			
a) Share Capital	2	649,831,000	649,831,000
b) Reserves and Surplus	3	4,594,127	60,702,062
		<u>654,425,127</u>	<u>710,533,062</u>
2) Non-Current Liabilities			
a) Long-Term Borrowings	4	78,817,156	98,626,197
b) Other Long Term Liabilities	5	448,250	500,000
		<u>79,265,406</u>	<u>99,126,197</u>
3) Current Liabilities			
a) Short-Term Borrowings	6	290,852,895	303,078,261
b) Trade Payables	7	39,543,077	69,984,288
c) Other Current Liabilities	8	149,940,844	131,516,169
d) Short-Term Provisions	9	7,053,221	7,053,221
		<u>487,390,037</u>	<u>511,631,939</u>
Total		<u>1,221,080,570</u>	<u>1,321,291,198</u>
ASSETS			
1) Non-Current Assets			
a) Fixed Assets	10		
i) Tangible Assets		144,222,461	206,796,308
ii) Intangible Assets		27,098,908	40,648,362
iii) Tangible Capital Work-in-Progress		—	390,744
		<u>171,321,369</u>	<u>247,835,414</u>
b) Non-Current Investments	11	636,879	636,879
c) Long-Term Loans and Advances	12	587,220,159	541,901,678
d) Other Non-Current Assets	13	25,892	25,892
		<u>759,204,299</u>	<u>790,399,863</u>
2) Current Assets			
a) Current Investment	14	—	250,000
b) Inventories	15	144,942,891	146,884,315
c) Trade Receivables	16	265,590,713	336,132,517
d) Cash and Bank Balances	17	8,871,680	18,100,210
e) Short-Term Loans and Advances	18	42,470,987	29,524,293
		<u>461,876,271</u>	<u>530,891,335</u>
Total		<u>1,221,080,570</u>	<u>1,321,291,198</u>

Notes forming part of the financial statements 1-32

As per our report of even date
For **GMJ & Co.**
Chartered Accountants
FRN No. 103429W

For and on behalf of the Board

CA S. MAHESHWARI
Partner
M. No. 38755

ASHOAK K. KOTWAANI

Chairman & Managing Director

Place: Mumbai
Date: 5th January, 2013

KANCHAN A. KOTWANI

Whole-Time Director



STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2012

(Rupees)

	Note Nos.	Period Ended 31st Mar., 2012	Period Ended 30th Sept., 2011
Income			
Revenue from Operations (Net)	19	184,443,837	1,205,285,834
Other Income	20	31,093,855	19,398,459
Total		215,537,692	1,224,684,293
Expenses			
Purchase of Stock-in-Trade	21	122,764,549	798,169,311
Changes in inventories of Stock-in-Trade	22	(333,605)	62,869,943
Employee Benefits Expense	23	32,244,139	114,463,538
Finance Costs	24	41,114,770	86,070,512
Depreciation and Amortization Expense	10	29,844,417	95,461,313
Other Expenses	25	59,843,313	207,129,954
Total		285,477,583	1,364,164,571
Profit before tax		(69,939,891)	(139,480,278)
Tax expense:			
– Current tax		—	—
– Deferred tax		—	(14,635,369)
– Earlier year tax		—	431,623
Loss for the year		(69,939,891)	(125,276,532)
Earnings per equity share: (face value of Rs 10/-)		31	
Basic and Diluted		(1.08)	(1.93)
Notes forming part of the financial statements	1-32		



As per our report of even date
For **GMJ & Co.**
Chartered Accountants
FRN No. 103429W

CA S. MAHESHWARI
Partner
M. No. 38755

Place: Mumbai
Date: 5th January, 2013

For and on behalf of the Board

ASHOAK K. KOTWAANI

Chairman & Managing Director

KANCHAN A. KOTWANI

Whole-Time Director



CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2012

(Rs. in Lacs)

	Period Ended 31st Mar., 2012	Period Ended 30th Sept., 2011
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	(699.40)	(1,394.80)
Adjustment for :		
Depreciation and Amortisation of goodwill	298.44	954.61
Interest Expenses	371.72	789.65
Interest Income	(5.59)	(16.34)
Profit on sale of fixed assets	300.33	(110.62)
Loss on sale of Shares and Mutual Fund	0.29	(47.65)
Dividend Received	(0.00)	(0.17)
Discount Received	(0.01)	—
Operating Profit before working capital changes	265.78	174.68
Adjustment for:		
(Increase)/Decrease in Trade Receivables	705.43	(1,571.92)
(Increase)/Decrease in Inventories	19.41	640.82
(Increase)/Decrease in Other Current Assets	(582.65)	(3,477.76)
Increase/(Decrease) in Trade Payable	(120.17)	678.92
Cash generated from operations	287.79	(3,555.27)
Tax Paid	—	(187.02)
Cash Flow before Extraordinary items	287.79	(3,742.29)
Prior Period (Expenses)/Income	—	—
Net Cash from Operating Activities	287.79	(3,742.29)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets and Capital work in Progress	(25.90)	(690.52)
Sale of Fixed Assets	325.80	174.05
Interest Received	5.59	16.34
(Purchase)/Sale of Investments	2.21	126.50
Dividend Received	—	0.17
Net cash used in Investing Activities	307.71	(373.46)
C. CASH FLOW FROM FINANCE ACTIVITIES		
Increase in Equity Share Capital	—	3,377.95
Share Premium	—	1,182.28
Proceeds from Loans	—	659.71
Proceeds from Unsecured Loans	80.34	28.56
Repayment of Term Borrowings	201.57	(233.62)
Interest paid	(371.72)	(789.65)
Dividend Paid	—	(0.01)
Net Cash from Finance Activities	(492.95)	4,225.23
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT	102.55	109.49
Cash and Cash Equivalents (Opening Balance)	(2079.03)	68.46
Cash and Cash Equivalents (Closing Balance)	(2606.48)	177.95

As per our report of even date

For and on behalf of the Board

For **GMJ & Co.**

Chartered Accountants

FRN No. 103429W

CA S. MAHESHWARI

Partner

M. No. 38755

Place: Mumbai

Date: 5th January, 2013

ASHOAK K. KOTWAANI

Chairman & Managing Director

KANCHAN A. KOTWANI

Whole-Time Director



NOTES TO FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2012

1 SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements:

The financial statements are prepared on an accrual basis under the historical cost convention and are in accordance with the generally accepted accounting principles in India, the applicable accounting standards issued by the Companies Accounting Standards Rules, 2006 and the provisions of the Companies Act, 1956.

1.2 Presentation and disclosure of financial statements

During the year ended 31st March 2012, the revised schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosure made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

1.3 Fixed Assets:

- (i) Fixed Assets are stated at historical cost less accumulated depreciation/amortization and impairment loss, if any. The cost is inclusive of freight, installation cost, duties, taxes, financing cost and other incidental expenses but net of Modvat/Cenvat.
- (ii) Capital Work in Progress is carried at cost, comprising of direct tax, attributable interest and related incidental expenditure. The advances given for acquiring fixed assets are shown under Capital Work in Progress.

1.4 Depreciation:

Depreciation on all assets (except on Assets acquired on merger with Niulab Equipment Company Private Limited) are provided on written down value method and pro-rata in respect of acquisitions or disposals during the year at the rates prescribed in Schedule XIV of the Companies Act, 1956.

Depreciation on all assets acquired on merger of Niulab Equipment Company Private Limited are provided on straight line method and pro-rata in respect of acquisitions or disposals during the year at the rates prescribed in Schedule XIV of the Companies Act, 1956.

1.5 Revenue Recognition:

Revenue is recognized on transfer of significant risk and reward in respect of ownership. Sale of goods is recognized on dispatch of goods to customer except consignment sales, which is recognized only when

goods are sold to third party. Sales are exclusive of sales tax where applicable and net of returns, claims and discount etc. Service charges are recognized proportionately over the period in which services are rendered and exclusive of service tax where applicable. Commission Income is recognized on accrual basis. The dividend income from investment is recognized when the owner's right to receive payment is established and interest income is accounted on time proportion basis.

Amortization of Goodwill

Goodwill raised on Amalgamation is amortized over a period of 5 years.

1.6 Impairment

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been change in the estimate of recoverable amount.

1.7 Investments

Current investments are carried at the lower of cost and quoted/fair value, computed category wise. Long Term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary.

1.8 Inventory:

Inventories are valued at Cost or Net Realisable Value, whichever is lower. Cost is arrived by using First-In First-Out (FIFO) formula and includes all cost of purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition. Inventories of under production film are valued at actual amount spent, which includes amount paid, bills settled and advances paid for which bill are awaited. The amount incurred during the year is capitalized by allocating into the various projects under production.

1.9 Debtors and Creditors

Debit and Credit balances of same parties are stated on Net basis

2.00 Customs Duty

Customs Duty on goods lying in the customs bonded warehouse are provided for and included in the valuation of inventory.

2.1 Retirement Benefits

- (i) Contribution to Provident Fund and Family Pension Scheme is charged to Revenue.
- (ii) Payment of Gratuity and Leave Encashment are accounted for on cash basis.

NOTES TO FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2012

2.2 Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognized as expenses in the period in which they are incurred.

2.3 Foreign Exchange Transactions:

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Foreign currency monetary assets and liabilities are translated at the year end exchange rates. Exchange differences arising on settlement or translation of monetary items are recognized as income or expenses in the year in which they arise, except in respect of liabilities for the acquisition of fixed assets, in which case they are adjusted in the carrying cost of such assets.

2.4 Leases:

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased term, are classified as operating leases. Operating lease rentals payable are charged as rent in profit and loss account.

2.5 Taxes on Income:

Deferred tax assets and liabilities are recognized for

future tax consequences attributable to timing differences between taxable income and accounting income that are capable of reversal in one or more subsequent periods and are measured using relevant enacted tax rates. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be realized in future in accordance with Accounting Standard 22 on "Accounting for Taxes on Income".

Provision is made for Income Tax as per the provisions of The Income Tax Act, 1961 and the rules made thereunder.

2.6 Provision, Contingent Liabilities and Contingent Assets

Provisions comprise liabilities of uncertain timing or amount. Provisions are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

Contingent Liabilities are disclosed by way of Notes to Accounts.

Contingent Assets are not recognized in the financial statements.

2.7 The financial statements have been drawn up from October 1, 2011 to March 31, 2012.

2.8 Current period figures are not comparable with the previous year, as the current period is for 6 months as against the previous period of 18 months.

		(In Rupees)	
		As at 31st March, 2012	As at 30th September, 2011
2	Share Capital		
	Authorized		
	1,00,000,000 Equity Shares of Rs. 10/- each	1,000,000,000	1,000,000,000
	Issued, Subscribed and Paid up		
	64,983,100 Equity Shares of Rs. 10/- each fully paid up	649,831,000	649,831,000
	Total	649,831,000	649,831,000

a) Shares out of the issued, subscribed and paid up share capital were allotted in the last five years pursuant to the various schemes of amalgamation without payments being received in cash. 192,000,000 192,000,000

b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

Equity Shares	As at 31st March, 2012		As at 30th September, 2011	
	Number of Shares	Amount	Number of Shares	Amount
At the beginning of the year	64,983,100	649,831,000	31,203,600	312,036,000
Shares Issued during the year	—	—	33,779,500	337,795,000
Outstanding at the end of the year	64,983,100	649,831,000	64,983,100	649,831,000



NOTES TO FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2012

c) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs 10/- each. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to received remaining assets of the Company, after distribution of preferential amounts. The distribution will be in proportion to the numbers of equity shares held by the shareholders.

d) Details of Shareholders holding more than 5 % shares in the Company

Name of Shareholder	As at 31st March, 2012		As at 30th September, 2011	
	Number of Shares held	% of Holding	Number of Shares held	% of Holding
Equity shares of Rs.10/- each fully paid up	—	—	—	—
				(in Rupees)
			As at 31st March, 2012	As at 30th September, 2011

3 Reserves and Surplus

a) Capital Reserve

Balance as per last Balance Sheet 14 14

b) Securities Premium Reserve

Balance as per last Balance Sheet 118,344,250 118,344,250

c) General Reserve

Balance as per last Balance Sheet 10,807,805 10,807,805

d) Foreign Currency Translation Reserve

Balance as per last Balance Sheet 38,889,397 —

Add : Addition during the year 13,831,956 38,889,397

52,721,353 38,889,397

e) Surplus/(Deficit) in the Statement of profit and loss

Balance as per last Balance Sheet (107,339,404) 17,937,128

Add: Profit/(Loss) for the year (69,939,891) (125,276,532)

Less: Appropriation — —

Net Deficit in the Statement of profit and loss (177,279,295) (107,339,404)

Total 4,594,127 60,702,062

4 Long-Term Borrowings

Secured

Indian Rupee Term Loan From Banks 78,817,156 98,626,197

Total 78,817,156 98,626,197

a) From Small Industries Development Bank of India

Secured by exclusive first charge of Lab Equipment acquired by the company for the expansion project of Mumbai Laboratory, mortgage of leasehold rights of the immovable property of a company, personal guarantee of two directors and corporate guarantee of a company and pledge of shares held by promoters.

b) From Punjab National Bank (Corporate Loan)

Secured by equitable mortgage of immovable property and personal guarantee of two directors and corporate guarantee of a company.

c) From Citibank NA

Amount secured by mortgage of immovable property of the company and a director and personal guarantee of two directors of the company.

5 Other Long Term Liabilities

Security Deposit against Flat 448,250 500,000

Total 448,250 500,000

NOTES TO FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2012

	As at 31st March, 2012	(in Rupees) As at 30th September, 2011
6 Short-Term Borrowings		
Secured		
From Banks		
– Cash Credit & Overdraft Accounts	268,625,999	288,589,341
Unsecured		
Loans and Advances Repayable on Demand		
From Directors	21,856,799	13,870,796
From Banks	123,024	419,123
From Inter Corporate Deposit.	247,073	199,001
Total	290,852,895	303,078,261

- a) From Punjab National Bank
Secured by equitable mortgage of Industrial galas and hypothecation of Block of Assets and Raw Material, Stock -in-process, Finished Goods, Stores and Spares and Packing Material lying at Company's Premises at Vasai, warehouse, import documents representing import of goods for various places and Assignment of book debt of the Company Deposit of Receipted Challans alongwith Invoices and personal guarantee of two directors and corporate guarantee of a company.
- b) From HDFC Bank Limited
Assignment of LIC Policies and personal guarantee of two directors and corporate guarantee of a company.

	As at 31st March, 2012	(in Rupees) As at 30th September, 2011
7 Trade Payables		
M.S.M.E	—	—
Others	39,543,077	69,984,288
Total	39,543,077	69,984,288



The Company has not received any intimation from “suppliers” regarding their status under the Micro, Small and Medium Enterprises Development Act,2006 and hence disclosures, if any relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been made.

	As at 31st March, 2012	(in Rupees) As at 30th September, 2011
8 Other Current Liabilities		
Creditors for expenses	65,077,671	50,876,701
Other Advances Received	24,614,597	22,698,211
Unpaid Dividends	298,030	298,030
Advance against sale of assets	—	1,200,000
Advance Service Charges Received from Customer	174,636	174,636
Statutory Dues*	58,978,910	55,854,785
Book Overdraft with Schedule Bank	797,000	413,806
Total	149,940,844	131,516,169

* Includes Tax deducted at source, Sales tax, Service tax & Contribution to Provident Funds and other funds.

9 Short-Term Provisions		
Provision for Income Tax	5,403,221	5,403,221
Provision for Fringe Benefit Tax	1,650,000	1,650,000
Total	7,053,221	7,053,221



NOTES TO FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2012

NOTE No. 10 : FIXED ASSETS

(in Rupees)

PARTICULARS	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	As at 01.10.11	Additions during the period	Disposal during the period	As at 31.03.2012	Upto 30.09.2011	Amortisation of Goodwill	During the period	Adjustment during the period	Upto 31.03.2012	As on 31.03.2012	As on 31.09.2011
I) TANGIBLE ASSETS											
LAND	2,127,060	—	2,127,060	—	—	—	—	—	—	—	2,127,060
BUILDING	947,400	—	—	947,400	340,854	—	30,244	—	371,098	576,302	606,546
INDUSTRIAL GALAS	4,734,619	—	—	4,734,619	3,250,215	—	74,017	—	3,324,232	1,410,387	1,484,404
PREMISES	1,136,552	—	155,690	980,862	634,084	—	16,313	81,667	568,729	412,133	502,468
PLANT AND MACHINERY	12,411,220	—	10,962	12,400,258	11,602,849	—	56,320	9,149	11,650,020	750,238	808,371
AIR CONDITIONERS	9,451,542	54,000	76,089	9,429,453	5,671,840	—	265,773	67,153	5,870,460	3,558,993	3,779,702
TESTING EQUIPMENT	2,195,256	—	4,028	2,191,228	2,078,663	—	8,136	1,002	2,085,796	105,432	116,593
ELECTRICAL FITTINGS	7,299,640	—	127,305	7,172,335	4,662,570	—	182,986	56,153	4,789,402	2,382,933	2,637,070
FURNITURE AND FIXTURES	57,149,850	—	624,747	56,525,103	38,009,161	—	1,732,138	523,891	39,217,408	17,307,695	19,140,689
OFFICE EQUIPMENT	11,266,435	—	65,759	11,200,676	8,444,714	—	195,762	26,042	8,614,435	2,586,241	2,821,721
VEHICLES	4,783,511	—	—	4,783,511	3,484,930	—	167,641	—	3,652,571	1,130,940	1,298,581
LAB EQUIPMENT	305,366,177	10,513,441	92,445,942	223,433,676	139,510,461	—	12,443,995	38,073,035	113,881,421	109,552,255	165,855,716
COMPUTERS	43,853,667	24,150	293,693	43,584,124	38,236,281	—	1,121,638	222,708	39,135,212	4,448,912	5,617,386
TOTAL RUPEES	462,722,929	10,591,591	95,931,275	377,383,245	255,926,620	—	16,294,963	39,060,800	233,160,784	144,222,461	206,796,308
II) INTANGIBLE ASSETS											
GOOD WILL	135,494,537	—	—	135,494,537	94,846,175	13,549,454	—	—	108,395,629	27,098,908	40,648,362
TOTAL RUPEES	135,494,537	—	—	135,494,537	94,846,175	13,549,454	—	—	108,395,629	27,098,908	40,648,362
III) CAPITAL WORK IN PROGRESS	—	—	—	—	—	—	—	—	—	—	390,744
PREVIOUS YEAR RUPEES	543,564,705	68,661,270	14,008,509	598,217,466	262,976,897	40,648,361	54,812,955	7,665,419	350,772,796	247,444,670	—

NOTES TO FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2012

	As at 31st March, 2012	(in Rupees) As at 30th September, 2011
11 Non-Current Investments		
A) Investment in Subsidiaries, Unquoted Equity Instruments (valued at cost unless stated otherwise)		
1 Equity Share of AED 35,000/- each fully paid up of Ashco Niulab FZE	471,779	471,779
B) Other Investments (valued at cost unless stated otherwise)		
a) Quoted Equity Instruments		
12 (12) Equity Shares of Man Aluminium Limited of Rs.10/- each fully paid up	120	120
800 (800) Equity Shares of Bafna Spinning Mills and Exports Limited of Rs. 5/- each fully paid up	4,000	4,000
100 (100) Equity Shares of Palsoft Infosystems Limited of Rs.10/- each fully paid up	2,000	2,000
b) Unquoted Equity Instruments		
100 (100) Equity Shares of Elbee Services Limited of Rs.10/- each fully paid up	14,000	14,000
100 (100) Equity Shares of Nielcon Limited of Rs.10/- each fully paid up	3,800	3,800
1,000 (1,000) Equity Shares of Pharmaceutical Products of India Limited of Rs.10/- each fully paid up	95,180	95,180
200 (200) Equity Shares of Shree Krishna Polyester Limited of Rs.10/- each fully paid up	14,000	14,000
C) Investment in Government & Trust Securities		
National Savings Certificates	32,000	32,000
Total	636,879	636,879
Aggregate amount of quoted investments	6,120	6,120
Market Value of quoted investments	1,548	1,548
Aggregate amount of unquoted investments	509,899	509,899
12 Long-Term Loans and Advances (unsecured, considered good)		
Security Deposit	40,863,749	14,232,643
Other Loans and Advances		
Advance Income Tax	28,724,308	24,832,867
Advances to Subsidiary	509,213,465	495,381,509
Balances with Statutory/Government Authorities	8,418,636	7,454,659
Total	587,220,159	541,901,678
13 Other Non-Current Assets		
Interest Accrued on Non-Current Investments	25,892	25,892
Total	25,892	25,892
14 Current Investments (At cost or market value, whichever is less)		
Mutual Funds (Quoted)		
25,000 (25,000) units of Principle PNB Long Term Equity Fund (Growth Plan) of Rs 10/- each	—	250,000
Total	—	250,000
Aggregate amount of quoted investments	—	250,000



NOTES TO FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2012

	As at 31st March, 2012	(in Rupees) As at 30th September, 2011
15 Inventories <i>(valued at lower of cost and net realizable value)</i>		
Stock-in-Trade	144,942,891	144,609,286
Consumables, Store and Spares	—	2,275,029
Total	144,942,891	146,884,315
16 Trade Receivables <i>(unsecured, considered good)</i>		
More than six months from the date they are due for payment	147,822,175	135,214,951
Other Debts	117,768,538	200,917,566
Total	265,590,713	336,132,517
17 Cash and Bank Balances		
a) Cash and cash equivalents		
Cash on hand	667,380	1,285,316
Balances with banks -		
– Current accounts	848,346	134,500
– Unclaimed Dividend Account	305,632	305,732
b) Other Bank Balances		
Deposit Accounts (with maturity more than 3 months but less than 12 months)	7,050,322	16,374,662
– Held as margin money		
Total	8,871,680	18,100,210
18 Short-Term Loans and Advances <i>(unsecured, considered good)</i>		
Other Loans and Advances		
Loans & Advances to Related Parties	33,986,956	27,405,811
Prepaid Expenses	7,447,454	1,488,658
Loans & Advances to Employees	843,649	364,646
Others	192,928	265,178
Total	42,470,987	29,524,293
19 Revenue from Operations		
a) Revenue from operations		
Sale of Products		
Stock-in-Trade	102,780,447	914,419,290
Sale of Service	81,663,390	290,866,544
Total	184,443,837	1,205,285,834

NOTES TO FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2012

	Period Ended 31st March, 2012	(In Rupees) Period Ended 30th September, 2011
A) Detail of Sale of Products		
Sale of Stock-in-Trade:		
Analytical Instruments, Balances and Accessories	34,716,447	303,339,925
Chemicals	67,764,000	321,354,050
Software	300,000	289,725,315
	102,780,447	914,419,290
B) Detail of Sale of Service		
Sale of Service		
Testing and Service Charges	81,663,390	290,866,544
	81,663,390	290,866,544
20 Other Income		
Commission Received	184,296	283,308
Interest Income		
From Bank Deposits	559,377	1,634,137
Dividend on Equity Shares		
From Others	12	17,162
Lease Rentals	345,000	862,500
Net gain /loss on sale of investments	(28,573)	4,765,007
Net profit on sale of fixed assets	30,032,965	11,061,909
Miscellaneous Income	778	55,786
Foreign Exchange Fluctuation (Net)	—	718,650
Total	31,093,855	19,398,459
21 Purchases of Stock-in-Trade		
Stock-in-Trade	122,764,549	798,169,311
Total	122,764,549	798,169,311
A) Details of Stock in Trade		
Analytical Instruments, Balances and Accessories	51,682,283	184,700,073
Chemicals	71,082,266	324,311,497
Software	—	289,157,741
	122,764,549	798,169,311
22 Changes in Inventories of Stock-in-Trade		
Inventories at the end of the year		
Stock-in-Trade	144,942,891	144,609,286
Inventories at the beginning of the year		
Stock-in-Trade	144,609,286	207,479,229
Total	(333,605)	62,869,943
A) Details of Inventory of Stock-in-Trade		
i) Stock-in-Trade		
Analytical Instruments, Balances and Accessories	139,252,600	144609286
	139,252,600	144,609,286



NOTES TO FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2012

	Period Ended 31st March, 2012	(In Rupees) Period Ended 30th September, 2011
23 Employees Benefit Expenses		
Salaries, Bonus and Other Allowances	26,735,407	95,187,093
Contribution to Provident and Other Funds	1,006,720	3,471,074
Leave Travel Assistance and Medical Reimbursement	2,116,907	8,097,811
Staff Welfare Expenses	2,385,105	7,707,560
Total	32,244,139	114,463,538
24 Finance Cost		
Interest Expenses		
On Borrowings	35,563,181	76,975,409
On Others	1,608,753	1,989,344
Other Borrowing Cost	3,942,836	7,105,759
Total	41,114,770	86,070,512
25 Other Expenses		
Stores and Spares Consumed	14,435,759	32,083,129
Volunteer's Charges	18,252,730	46,816,468
Testing Charges Paid	252,870	1,095,566
Freight & Transportation Charges	425,213	2,545,681
Electricity Charges	4,825,001	18,661,603
Security Charges	474,292	1,548,181
Rent Charges	3,921,260	11,143,218
Rates & Taxes	388,797	1,327,055
Insurance	313,353	987,865
Communication Expenses	1,301,985	4,470,026
Repairs & Maintenance		
Plant & Machinery	1,452,656	2,536,662
Buildings	595,897	2,844,887
Others	380,563	1,481,223
Software Maintenance Charges	153,988	523,924
Legal & Professional Fees	1,411,801	12,697,746
Commission & Service Charges	53,383	4,500
Seminar and Exhibition Expenses	123,575	1,767,226
Advertisement & Sales Promotion Expenses	144,866	1,810,187
Printing & Stationery	2,112,813	4,959,646
Travelling & Conveyance	4,268,166	21,603,042
Motor Car Expenses	436,203	1,457,780
Payment to Auditor's		
Audit Fees	400,000	1,300,000
Tax Audit Fees	100,000	200,000
Books and Periodicals	36,016	222,697
Membership & Subscription	4,231	37,374
Miscellaneous Expenses	3,577,896	33,004,268
Total	59,843,313	207,129,954



NOTES TO FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2012

26 Disclosure in Respect of Leases

The Company's leasing arrangements are in respect of operating leases for factory, office premises & guest house occupied by the Company. These leasing arrangements are cancellable except during the lock in period, and are renewable on a periodic basis by mutual consent on mutually acceptable terms.

a) The total of future minimum lease payments during lock in period of operating leases for each of the following periods.

	Period Ended 31st March, 2012	(In Rupees) Period Ended 30th September, 2011
i) Not later than one year	—	—
ii) Later than one year and not later than five years	—	—
iii) Later than five years	—	—
b) Lease payments recognized in the statement of Profit & Loss for the period.	3,921,260	11,143,218

27 Payment to Auditors

Audit Fees	400,000	1,300,000
Tax Audit Fees	100,000	200,000
Total	500,000	1,500,000

28 Contingent Liabilities

Bank Guarantees Outstanding	4,997,766	7,334,074
Letter of Credit Outstanding	—	6,589,998
Imports under Clearance	70,071,714	34,503,295
Demand raised by Office of The Commissioner of Service Tax - I (Net of payments) for the period 2007-08 to 2011-12	54,146,060	—
	129,215,540	48,427,367

29 Value of imports calculated on C.I.F. basis

Finished Goods	53,639,401	15,737,063
Capital Goods	9,607,920	54,200,616
	63,247,321	69,937,679

30 Expenditure in Foreign Currency

Travelling	232,724	2,439,052
	232,724	2,439,052

Earning in Foreign Currency

Sales	1,968,800	32,830,000
Service & Testing Charges	154,203,766	8,703,528
Commission Received	166,751	283,308
	156,339,317	41,816,836

31 Earnings Per Share

	Units		
i) Profit/(Loss) after tax & exceptional item	Rupees	(69,939,891)	(125,276,532)
ii) Weighted average number of equity shares outstanding	Nos.	64,983,100	64,983,100
iii) Basic Earnings Per Share	Rupees	(1.08)	(1.93)
iv) Diluted Earning Per Share	Rupees	(1.08)	(1.93)
v) Face Value of Shares	Rupees	10.00	10.00



NOTES TO FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2012

32 Related Party Transactions

Related party disclosures as required by AS - 18, "Related Party Disclosures", are given below "

i) Relationships :

(a) **Subsidiary Company**
Ashco Niulab FZE

(b) **Associates :-**
ANKK Media Private Limited
Ashco Niulab Exports Limited

(c) **Key Management Personnel & Relative :-**
Mr. Ashok Kotwani
Mrs. Kanchan Kotwani
Mr. Ankush A. Kotwani
Mrs. Kavita Godhwani
Mrs. Sharmeen Kotwani
Mrs. Geeta Balani

ii) Transaction With Related Parties :-

Particulars	Subsidiary Company	Associate Companies	(In Lacs)
			Key Management Personnel & Relatives
Advances Recoverable	—	—	—
	(4,953.82)	(0.12)	(-5.64)
Investments	—	—	—
	(471.78)	—	—
Remuneration on services	—	—	64.94
	—	—	(216.73)
Legal and Professional Services	—	—	—
	—	—	(1.13)
Staff Welfare Expenses	—	—	1.52
	—	—	(23.42)
Travelling Expenses	—	—	0.04
	—	—	—
Intrereast Paid	—	—	0.85
	—	—	—
Loan Taken (Net)	—	13.00	76.72
	—	—	(-398.67)

iii) **Amount Outstanding From (To) Related Parties at the period ending:-**

	(in Rupees)	
	Period Ended 31st March, 2012	Period Ended 30th September, 2011
Loan Outstanding	5,374.69	5,091.63
Advance Recoverable	—	15.78
Outstanding Liabilities	339.87	450.12
	5,714.56	5,557.53

Signature to Note 1 to 32

As per our report of even date

For and on behalf of the Board

For **GMJ & Co.**

Chartered Accountants

FRN No. 103429W

CA S. MAHESHWARI

Partner

M. No. 38755

Place: Mumbai

Date: 5th January, 2013

ASHOAK K. KOTWAANI

Chairman & Managing Director

KANCHAN A. KOTWANI

Whole-Time Director