



Board of Directors	:	Mr. K. V. Vishnu Raju Mr. P. V. R. L. Narasimha Raju Mr. S.V.S. Shetty
Auditors	:	M.Anandam & Co. Chartered Accountants 7A, Surya towers S D Road Secunderabad - 500 003, AP.
Bankers	:	Indian Bank Hyderabad Main Branch Bank Street, Koti Hyderabad - 500 001, AP. Axis Bank Near Benz Circle Vijayawada - 520 008, AP.
Registered Office	:	153, Sitha Nilayam Dwarakapuri colony Punjagutta, Hyderabad - 500 082, AP.
Corporate Office	:	Plot No.7 & 8, Anjani Cement Centre Nagarjuna Hills, Punjagutta Hyderabad - 500 082, AP.
Factory	:	Peda Avutapalli - 521 286 Krishna District Andhra Pradesh



NOTICE

Notice is hereby given that the Twenty Sixth Annual General Meeting of the Members of Hitech Print Systems Limited will be held on Wednesday, the 25th day of July, 2012, 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 Statement of Profit and Loss for the year ended 31st March, 2012, and the Audited Balance Sheet together with the Report of the Board of Directors' and the Auditors' thereon.
2. To appoint a Director in place of Sri.P.V.R.L.Narasimha Raju, who retires by rotation and is eligible for re-appointment.
3. To appoint Auditors and fix their remuneration.

By order of the Board

Place : Hyderabad

**P.V.R.L.Narasimha Raju
Director**

Date : 28.05.2012

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 and such proxy need not be a member of the Company. The proxy form duly completed and signed 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 26th Annual Report of your Company along with the Audited Accounts and Cash-flow Statement for the financial year ended 31st March, 2012.

FINANCIAL RESULTS:

(₹ in Lakhs)

Particulars	2011 – 2012	2010 – 2011
Gross Sales	3402.08	2806.81
Other Income	2.53	6.33
Profit before interest & depreciation	526.20	467.36
Less : Interest & Finance Charges	259.61	221.51
Less : Depreciation	227.69	223.32
Profit/(Loss) before tax	38.90	22.53
Less : Provision for taxation	13.72	10.73
Profit after tax	25.18	11.80
Balance brought forward	848.39	836.59
Balance Carried to Balance Sheet	873.57	848.39

REVIEW OF OPERATIONS:

The Company has achieved a turnover of ₹ 3402.08 Lakhs compared to the previous year's turnover of ₹ 2806.81 Lakhs showing an increase of 21%.

The Net Profit of the Company stood at ₹ 25.18 Lakhs, an increase of 113% compared to the previous year net profit of ₹ 11.80 Lakhs.

FUTURE OUTLOOK/EXPANSION :

Global or Indian Growth scenario for the future printing industry is expected to be more than 10%. There is tremendous growth in segments like recharges coupons, commercial printing, labels and educational sectors etc. Due to central government focus on telecom and educational sectors, the demand for printing will improve considerably. New business like RFID, Citigen identification cards etc will be boost to printing related industries. During the current year, the company is adding multicolour offset printing press manufactured in Spain, which will facilitate to target new segments with higher margins.

With the ongoing expansions in paper industry and easier imports from China and Indonesia, the cost of paper, the main raw materials, would be under control. Keeping in view the above factors, the company performance in the current year is expected to be good.



DIVIDEND:

In view of future upgradation plans of the company, 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 to offer himself for re-appointment.

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 2011-12.

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:

- a) 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 : 28.05.2012

P.V.R.L. Narasimha Raju
Director

S.V.S. Shetty
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, 2012

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 : | ₹ 26.87 Lakhs |

On behalf of the Board

Place : Hyderabad
Date : 28.05.2012

P.V.R.L. Narasimha Raju
Director

S.V.S. Shetty
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, 2012 the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed there to. 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, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 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, 2012;
 - 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
Firm Regn No : 000125S

Place : Secunderabad
Date : 28.05.2012

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, adequate and 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 granted interest free unsecured loans to one party listed in the Register maintained under section 301 of the Company Act, 1956. The maximum amount involved during the year was Rs.350 Lakhs and the year end balance of loans granted is Rs.Nil.
 - b. In our opinion and according to the information and explanations given to us, the terms and conditions are not prima-facie prejudicial to the interest of the Company.
 - c. In respect of loans granted by the Company, repayments of principle are regular.
 - d. There are no overdue amounts as at the year end.
 - e. According to information and explanations given to us, the company has taken interest free loan from one party listed in the registers maintained under section 301 of the Companies Act 1956. The Maximum amount involved during the year was Rs. 196.62 Lakhs and year end balance of the loans granted is Rs. Nil.
 - f. In our opinion and according to the information and explanations given to us, terms and conditions are not prima-facie, prejudicial to the interest of the Company.
 - g. 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) **Inrespect 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 regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amount payable inrespect of the aforesaid dues were outstanding as at 31st March 2012, 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 Duty, 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 (₹ in lakhs)	Period to which the amount relates	Forum Where 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	Central Sales Tax	2.49	2005-2006	Appellate Tribunal Visakhapatnam
APVAT Act	VAT	0.36	2005-2006	
APVAT Act	Central Sales Tax	1.41	2006-2007	
APVAT Act	VAT	0.92	2006-2007	
APVAT Act	VAT	1.36	2007-2008	
APGST Act	Central Sales Tax	14.81	2003-2004	

- 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 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
Firm Regn No : 000125S

Place : Secunderabad
Date : 28.05.2012

M V Ranganath
Partner
M.No.28031



BALANCE SHEET AS AT 31st MARCH, 2012			
(₹. in Lakhs)			
Particulars	Note No.	31st March, 2012	31st March, 2011
I. EQUITY AND LIABILITIES			
Shareholder's Funds			
(a) Share Capital	2	150.00	150.00
(b) Reserves and Surplus	3	1031.17	1005.99
Non-Current Liabilities			
(a) Long Term borrowings	4	486.63	759.14
(b) Deferred Tax Liability	5	124.22	146.16
(c) Other Long Term Liabilities	6	0.96	1.65
(d) Long Term Provisions	7	2.50	5.29
Current Liabilities			
(a) Short Term Borrowings	8	633.62	703.01
(b) Trade Paybles	9	287.16	329.44
(c) Other Current Liabilities	10	662.62	538.63
(d) Short Term Provisions	11	0.14	0.14
Total		3379.02	3639.45
II. ASSETS			
Non-Current Assets			
(a) Fixed Assets			
i) Tangible Assets	12	1207.78	1447.42
ii) Intangible Assets	12	5.07	-
(b) Long Term Loans and Advances	13	136.04	115.63
Current Assets			
(a) Inventories	14	626.60	624.06
(b) Trade Receivables	15	1041.36	853.93
(c) Cash and Cash Equivalents	16	39.64	49.50
(d) Short Terms Loans and Advances	17	157.22	399.70
(e) Other Current Assets	18	165.31	149.21
Total		3379.02	3639.45
Significant Accounting Policies	1		
As per our report of even date		For and on behalf of the Board	
For M.ANANDAM & CO Chartered Accountants			
M. V. Ranganath Partner M.No.28031		P. V. R. L. Narasimha Raju Director	S.V.S. Shetty Director
Place : HYDERABAD			
Date : 28.05.2012			

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2012**

(₹ in Lakhs)

Particulars	Note No.	31 st March, 2012	31 st March, 2011
I. Revenue from Operations	19	3,243.52	2,693.12
II. Other Income	20	2.53	6.33
III. Total Revenue (I + II)		3,246.05	2,699.45
IV. Expenses :			
Cost of Raw Materials consumed	21	1,626.01	1,516.16
Purchase of Traded Goods		91.04	--
Changes in Inventories	22	18.45	(54.33)
Employee Benifit expense	23	214.16	197.25
Finance Cost	24	259.61	221.51
Depreciation and amortisation expense		227.69	223.32
Other expenses	25	770.19	573.01
Total Expenses		3,207.15	2,676.92
V. Profit/(Loss) before tax (III - IV)		38.90	22.53
VI. Tax Expense :			
(i) Current tax		35.66	2.39
(ii) Deferred tax		(21.94)	8.34
VII. Profit/(Loss) after tax for the year (V-VI)		25.18	11.80
VIII. Earning per equity share :	27		
(1) Basic		1.68	0.79
(2) Diluted		1.68	0.79

Significant Accounting Policies

1

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**P. V. R. L. Narasimha Raju**

Director

S.V.S. Shetty

Director

Place : HYDERABAD

Date : 28.05.2012



CASH FLOW STATEMENT FOR THE YEAR ENDED 31 ST MARCH, 2012		(₹ in Lakhs)	
PARTICULARS	31 st March, 2012		31 st March, 2011
A. CASH FLOW FROM OPERATING ACTIVITIES:			
Net Profit before Tax	38.90		22.53
Adjustment for :			
Depreciation	227.69		223.32
Loss on sale of Assets	0.04		1.22
Operating Profit Before Working Capital Changes	266.62		247.06
Changes in Working Capital :			
(Increase)/Decrease in Inventories	(2.54)		(379.24)
(Increase)/Decrease in Sundry Debtors	(187.43)		149.87
(Increase)/Decrease in Loans and Advances	205.98		(37.45)
Increase/(Decrease) in Current Liabilities	78.91		1.27
Cash Generated from Operations	361.54		(18.49)
Direct taxes paid	(35.64)		(18.77)
Net Cash Flow from Operating Activities		325.90	(37.26)
B. CASH FLOW FROM INVESTING ACTIVITIES:			
Inflow/(Outflow)			
Purchase of Fixed Assets	(20.27)		(341.96)
Proceeds from sale of Fixed assets	27.11		1.48
(Increase) / Decrease in Capital work In Progress	--		15.12
Net Cash Flow from Investing Activities		6.84	(325.37)
C. CASH FLOW FROM FINANCING ACTIVITIES:			
Inflow / (Outflow)			
Repayment of Hire Purchase Loans	(2.34)		1.91
Repayment of Term Loan	(270.17)		(123.12)
Proceeds for Long Term Borrowing	--		323.39
Increase / (Decrease) in Cash Credit Utilisation	(69.40)		189.89
(Repayment) / Proceeds from Unsecured Loans	(0.69)		--
Net Cash Flow from Financing Activities		(342.60)	392.06
D. NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS:		(9.86)	29.43
Cash and Cash Equivalents at the Commencement of the year		49.50	20.07
Cash and Cash Equivalents at the Close of the year		39.64	49.50

Note: Previous year's figures have been regrouped and recast wherever necessary to confirm with current year's classification 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

P. V. R. L. Narasimha Raju
Director

S.V.S. Shetty
Director

Place : HYDERABAD
Date : 28.05.2012



NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES

1) Basis of Preparation:

The Financial Statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under companies (Accounting standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

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 the 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 disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable for the current year.

3) Revenue Recognition:

Income from sale of goods is recognized at the point of dispatch of goods to customers. Sale value includes Excise Duty, Sales Tax and applicable freight.

4) Fixed Assets:

Fixed assets are stated at cost of acquisition or construction. Cost comprises of the purchase price and other expenses attributable in bringing them to the present location and condition, including cost of borrowings till the date of capitalization of the asset acquired / installed / commissioned.

All the expenditure incurred on establishing / setting up of new projects / substantial expansion of existing facilities and creation of new assets are capitalized. Expenditure capitalized includes borrowing / finance costs on eligible assets incurred upto the date of commencement of commercial production.

5) Depreciation:

Depreciation on fixed assets has been provided on the straight line method and at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

6) Investments:

Long term investments are stated at cost. The diminution in the market value of such investments is not recognized unless it is considered permanent in nature. Current investments are valued at the cost or market value whichever is lower.

7) Borrowing Costs:

Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are included to the extent they relate to the period till such assets are ready to be put to use. All other borrowing costs are charged to revenue. Borrowing costs consist of interest and financial costs the company incurs on its borrowed capital.

8) Accounting for Leases:

Rentals in respect of leased premises are charged to profit and loss account, being rents paid in pursuance of cancellable lease agreements.

9) Inventories:

Items of inventories are measured at lower of cost or net realizable value after providing for obsolescence, if any. Cost comprises of cost of purchase, cost of conversion, and other costs incurred in bringing the inventories to the present location and condition.



10) Employee Benefits:

a) Defined Contribution Plan:

Retirement benefits in the form of Provident Fund are defined contribution scheme and contributions in respect of such scheme are recognized in the Profit and Loss.

b) Defined Benefit Plan:

Gratuity:

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The company has created an approved gratuity fund, which has taken a group gratuity cum insurance policy with Life Insurance Corporation of India (LIC), for future payment of gratuity to the employees. The Company accounts for gratuity liability of its employees on the basis of actuarial valuation carried out at the year end by LIC.

c) Other Long Term Employee Benefits.

Long term compensated absences are provided in the books of account when the obligation to pay arises.

11) Taxes on Income:

a) Current Tax:

Provision for current tax is made for the amount of tax payable in respect of taxable income for the year computed under the provisions of the Income Tax Act, 1961.

b) Deferred Tax:

Deferred tax is recognized on timing difference being the difference between taxable income and accounting income that originate in one period and are capable of being reversed in the subsequent period/s, subject to the consideration of prudence.

12) Foreign Currency Transactions:

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the time of the transaction. Monetary items denominated in foreign currencies at the year end are translated at the year-end rates, the resultant gain or loss will be recognized in the profit and loss account. Any gain or loss arising on account of exchange difference on settlement of transaction is recognized in the profit and loss account

13) Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement 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 when the Company has possible obligation or a present obligation and it is probable that a cash outflow will not be required to settle the obligation. Contingent Assets are neither recognized nor disclosed in the financial statements.

14) Use of Estimates:

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets, liabilities, revenues and expenses. The estimates used in preparation and presentation of financial statements are prudent and reasonable. Actual results could differ from estimates. Any revision of accounting estimates is recognized prospectively in the current and future periods.

15) Impairment:

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss will be recognized if the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is greater of asset's net selling price and value in use. In assessing the value in use, the estimated future economic benefits are discounted to the present value at the weighted average cost of capital.



NOTE 2 : SHARE CAPITAL (₹ in Lakhs)

Particulars	31.03.2012	31.03.2011
Equity Share Capital:		
Authorised Capital 50, 00,000 Equity Shares of Rs. 10/- each	500.00	500.00
	500.00	500.00
Issued, Subscribed and Paid up (15,00,000 Equity Shares of Rs.10/- each fully paid up)	150.00	150.00
Total	150.00	150.00

The details of share holders holding more than 5% share in the company

Share Capital	31.03.2012		31.03.2011	
Anjani Portland Cement Limited (Holding Company)	100%	15,00,000	100%	15,00,000
Total	100%	15,00,000	100%	15,00,000

NOTE 3: RESERVES AND SURPLUS (₹ in Lakhs)

Particulars	31.03.2012	31.03.2011
Surplus		
Opening Balance	1,005.99	994.19
Add: Net profit for the current year	25.18	11.80
Closing Balance	1,031.17	1,005.99

NOTE 4: LONG TERM BORROWINGS (₹ in Lakhs)

Particulars	31.03.2012	31.03.2011
Secured		
a) Term loans from Banks	486.00	756.17
b) from others	0.63	2.97
Total	486.63	759.14

4(a). 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 together with buildings thereon, Plant & Machinery and Electrical Equipment. Term Loans are further secured by the personal guarantee of one of the Directors and Corporate Guarantee of M/s. Anjani Portland Cement Ltd.

4(b). Other loans include loan towards Purchase of vehicles from Axis Bank and others. These loans are secured against hypothecation of vehicles.

Repayment Schedule of Term Loans taken from Banks (₹ in Lakhs)

Particulars	Rate of Interest(%)	2013-14	2014-15	2015-16
Indian Bank - Term Loan - I	14.75	20.00	0.00	0.00
Indian Bank - Term Loan -II	14.75	100.00	100.00	50.00
Axis Bank	14.25	108.00	108.00	00.00
Total		228.00	208.00	50.00



NOTE 5: DEFERRED TAX LIABILITIES (₹ in Lakhs)		
Particulars	31.03.2012	31.03.2011
Deferred Tax Liability on account of Depreciation	124.22	146.16
Total	124.22	146.16
NOTE 6: OTHER LONG TERM LIABILITIES (₹ in Lakhs)		
Particulars	31.03.2012	31.03.2011
Un Secured		
Dealership Deposits	0.96	1.65
Total	0.96	1.65
NOTE 7: LONG TERM PROVISIONS (₹ in Lakhs)		
Particulars	31.03.2012	31.03.2011
Employee benifits		
Leave encashment	0.76	5.29
Gratuity	1.74	0.00
Total	2.50	5.29
NOTE 8: SHORT TERM BORROWINGS (₹ in Lakhs)		
Particulars	31.03.2012	31.03.2011
Secured Loans from Banks		
Working Capital	633.62	703.01
Total	633.62	703.01
8.1 Working Capital facility with Indian Bank & Axis Bank are secured by hypothecation of stocks of raw materials, stock in process, finished goods, spares, 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.		
NOTE 9: TRADE PAYABLES (₹ in Lakhs)		
Particulars	31.03.2012	31.03.2011
Dues to micro and small enterprises	0.00	0.00
Others	287.16	329.44
Total	287.16	329.44
NOTE 10: OTHER CURRENT LIABILITIES (₹ in Lakhs)		
Particulars	31.03.2012	31.03.2011
Current maturities on long term debts	271.32	274.21
Capital Creditors	0.00	22.08
Other Liabilities	378.23	230.64
Provident Fund	1.71	1.69
Salaries and Wages Payable	11.36	10.02
Total	662.62	538.63
NOTE 11: SHORT TERM PROVISIONS (₹ in Lakhs)		
Particulars	31.03.2012	31.03.2011
PROVISION FOR EMPLOYEES BENIFITS		
Provision for Leave encashment	0.14	0.14
Total	0.14	0.14



NOTE 12: FIXED ASSETS

(₹ in Lakhs)

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 01.04.2011	Additions	Deletions/ Adjustments	As at 31.03.2012	As at 01.04.2011	For the Year	Deletions	As at 31.03.2012	As at 31.03.2011
I. TANGIBLE ASSETS									
1. LAND	178.95	-	-	178.95	-	-	-	178.95	178.95
2. BUILDINGS	199.04	1.25	-	200.29	45.62	6.69	-	117.98	153.12
3. PLANT AND MACHINERY	2,478.53	9.13	-	2,478.66	1,622.36	131.10	-	734.21	856.18
4. DATA PROCESSING EQUIPMENT	524.63	1.23	26.73	499.13	311.91	80.82	-	106.40	212.70
5. FURNITURE AND FIXTURES	19.22	-	-	19.22	11.08	1.22	-	6.92	8.14
6. VEHICLES	44.08	1.72	1.25	44.55	23.38	4.20	0.84	17.80	20.70
7. OFFICE EQUIPMENT	49.92	0.60	-	50.52	32.61	2.39	-	15.52	17.31
TOTAL	3,494.37	13.93	27.98	3,480.32	2,046.95	226.42	0.84	1,207.78	1,447.42
II. INTANGIBLE ASSETS-	-	6.34	-	6.34	-	1.27	-	5.07	-
Previous Year Total	3,172.61	341.96	20.20	3,494.37	1,826.02	223.32	2.39	1,447.42	1,346.59



NOTE 13: LONG TERM LOANS AND ADVANCES			(₹ in Lakhs)
Particulars	31.03.2012	31.03.2011	
Deposits with Govt./Institutions	110.27	89.26	
Deposits with others	25.77	26.37	
Total	136.04	115.63	
NOTE 14: INVENTORIES			(₹ in Lakhs)
Particulars	31.03.2012	31.03.2011	
Raw Material	536.69	524.15	
Stores & Spares	30.88	22.97	
Finished Goods	59.03	76.94	
Total	626.60	624.06	
NOTE 15: TRADE RECEIVABLES			(₹ in Lakhs)
Particulars	31.03.2012	31.03.2011	
Trade Receivables (Unsecured, considered good)			
More than 6 months	117.34	74.61	
Less than 6 months	924.02	779.32	
Total	1,041.36	853.93	
NOTE 16: CASH & CASH EQUIVALENTS			(₹ in Lakhs)
Particulars	31.03.2012	31.03.2011	
Cash & Cash Equivalents			
a) Cash on hand	0.13	0.78	
b) Balances with Banks in current and deposit Accounts	39.51	48.72	
Total	39.64	49.50	
Bank Balnce includes margine money deposits	33.79	30.87	
NOTE 17: SHORT TERM LOANS & ADVANCES			(₹ in Lakhs)
Particulars	31.03.2012	31.03.2011	
Deposits with Govt./Institutions	1.20	1.78	
Advances to Suppliers and Others	156.02	397.92	
Total	157.22	399.70	
NOTE 18: OTHER CURRENT ASSETS			(₹ in Lakhs)
Particulars	31.03.2012	31.03.2011	
Interest accrued on margen money deposit	2.58	2.53	
Prepaid Expenses	1.95	3.25	
Advance Income tax (net of provision)	63.17	53.85	
Other deposits with Govt. Departments	97.61	89.59	
Total	165.31	149.21	



NOTE 19: REVENUE FROM OPERATIONS (₹ In Lakhs)		
Particulars	31.03.2012	31.03.2011
Gross Sales	3,402.08	2,806.81
Less: Duties	158.56	113.69
Net Sales / Total	3,243.52	2,693.12
Revenue from operations includes printing of Answer booklets, OMR Sheets, Computer Stationery, MICR Cheques, Dividend warrants and variable data jobs.		
NOTE 20: OTHER INCOME (₹ In Lakhs)		
Particulars	31.03.2012	31.03.2011
Interest receivables	2.53	1.92
Other Income	0.00	4.41
Total	2.53	6.33
NOTE 21: COST OF MATERIALS CONSUMED (₹ In Lakhs)		
Particulars	31.03.2012	31.03.2011
Opening Stock	523.03	195.82
Add: Purchases	1,639.67	1,844.49
	2,162.70	2040.31
Less: Closing Stock	536.69	524.15
Consumption of Raw Material	1,626.01	1,516.16
NOTE 22: CHANGES IN INVENTORIES (₹ In Lakhs)		
Particulars	31.03.2012	31.03.2011
Increase/Decrease in stocks		
Opening stock of finished goods & work-in-progress	76.94	22.61
Less: Closing Stock of finished goods & work-in-progress	58.49	76.94
Changes in inventories	18.45	(54.33)
NOTE 23: EMPLOYEE BENEFIT EXPENSE (₹ In Lakhs)		
Particulars	31.03.2012	31.03.2011
Salaries & Wages	165.38	156.22
Contribution to Provided Fund & Other Funds	24.19	22.06
Employee welfare expenses	24.59	18.97
Total	214.16	197.25



NOTE 24: FINANCE COST		(₹ In Lakhs)
Particulars	31.03.2012	31.03.2011
Interest on Term Loans	134.73	62.96
Interest on Working Capital	100.11	79.13
Interest on Other Borrowings	21.44	75.67
Bank Charges	3.33	3.75
Total	259.61	221.51
NOTE 25: OTHER EXPENSES		(₹ In Lakhs)
Particulars	31.03.2012	31.03.2011
Manufacturing Expenses:		
Packing Materials	69.60	77.16
Stores & Spares	162.25	132.41
Other Production Expenses	224.03	109.87
Power & Fuel	68.85	52.36
Repairs & Maintainance	38.97	38.50
Administrative Expenses:		
Communication Expenses	11.14	11.13
Travelling & Conveyance	21.73	22.31
Rent	16.81	16.95
Rates & Taxes	1.99	2.30
Auditors remuneration	4.49	2.86
Consultation & Professional Charges	25.34	8.34
Vehicle Maintainance	1.83	1.49
Insurance	3.78	2.58
Office Maintainance	22.73	20.65
Service Tax	5.95	1.05
Loss on Sale of Fixed Assets	0.04	1.22
Selling & Distribution Expenses:		
Carriage outward	73.66	57.18
Sales Promotion Expenses	17.00	14.65
Total	770.19	573.01
NOTE 26: AUDITORS REMUNARATION		(₹ In Lakhs)
Particulars	31.03.2012	31.03.2011
Audit Fee	2.50	2.00
Limited Review Fee	0.50	0.00
Tax Audit Fee	1.00	0.50
Service Tax	0.49	0.26
Out of pocket Expenses	0.00	0.10
Total	4.49	2.86
NOTE 27: EARNINGS PER SHARE (EPS)		(₹ In Lakhs)
Particulars	31.03.2012	31.03.2011
Profit after Tax	25.18	11.80
Weighted avarage number of Equity shares in Clalculating Basic and Diluted EPS (Nos.)	1,500,000	1,500,000
Basic and Diluted EPS (Rs.)	1.68	0.79

**NOTE 28: EMPLOYEE BENEFITS****Defined Benefit Plans:**

The Company operates post retirement Gratuity plan with LIC. The details of post retirement Gratuity Plan are as follows.

I. Actuarial Assumptions**(₹ In Lakhs)**

Sl.No.	Particulars	2011-12	2010-11
1.	Discount Rate	8.00 %	8.00%
2.	Salary Escalation	4.00 %	4.00%

II. Components of Employer Expenses**(₹ In Lakhs)**

Sl.No.	Particulars	2011-12	2010-11
1.	Current Service Cost	1.39	1.42
2.	Interest Cost	1.52	1.38
3.	Employee Contributions	--	--
4.	Expected Return on planned assets	(1.75)	(1.82)
5.	Net Actuarial (Gains) / Losses	0.59	(0.21)
6.	Past service Cost	--	--
7.	Settlement / Curtailment (Gain)	--	--
8.	Total Expenses	1.75	0.77

III. Net Assets / (Liability) recognized in the Balance Sheet.**(₹ In Lakhs)**

Sl.No.	Particulars	2011-12	2010-11
1.	Present value of Defined Benefit obligation as at the end of the year	21.09	19.08
2.	Fair value of plan as at the end of the year	19.34	22.29
3.	Funded Status (surplus / (Deficit))	(1.75)	3.21
4.	Net Assets / (Liability) recognized in the balance sheet	(1.75)	3.21

IV. Change in obligation during the year**(₹ In Lakhs)**

Sl.No.	Particulars	2011-12	2010-11
1.	Present Value of obligations at the beginning of the year	19.08	17.20
2.	Current Service Cost	1.39	1.42
3.	Interest Cost	1.52	1.38
4.	Settlement / Curtailment (Gain)	--	--
5.	Past Service Cost	--	--
6.	Employee Contributions	--	--
7.	Actuarial (Gain) / Losses on obligation	0.59	(0.22)
8.	Benefits paid	(4.71)	(0.77)
9.	Present Value of obligation at the end of the year	17.89	19.08

V. Change in Fair value of the assets**(₹ In Lakhs)**

Sl.No.	Particulars	2011-12	2010-11
1.	Fair value of the plan assets at the beginning of the year	22.29	20.15
2.	Expected return on planned assets	1.75	1.82
3.	Contributions	--	1.10
4.	Benefits paid	(4.71)	(0.77)
5.	Actuarial Gain / (Loss) on plan assets	--	--
6.	Fair value of the plan assets at the end of the year	19.34	22.29

**NOTE 29:**

We have recorded all known liabilities in the financial statements. The Company has not received any intimations 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 or payable as required under the said Act have not been given.

Note 30: CONTINGENT LIABILITIES**(₹ In Lakhs)**

Particular	2011-12	2010-11
Claims against the Company not acknowledged as debt:		
Disputed liability in respect of sales tax demand	93.39	93.39
Others:		
Bank Guarantees	19.32	47.90

NOTE 31: RELATED PARTY DISCLOSURES**A) Relationship**

- a) Holding Company
 - i. Anjani Portland Cement Limited.
- b) Key Management Personnel
 - i. Sri. K.V. Vishnu Raju
 - ii. Sri P.V.R.L.Narasimha Raju
 - iii. Sri S.V.S.Shetty
- c) Relatives of Key Management Personnel
 - i. Sri. K.S.N.Raju
- d) Enterprises owned or significantly influenced by Key Management Personnel
 - i. Vennar Ceramics Ltd
 - ii. Sai Aditya Foods & Retails Pvt Ltd
 - iii. Sri Vishnu Educational Society

B). The following transactions are carried out with related parties in the course of business**(₹ In Lakhs)**

Particulars	Holding Company	Key managerial Persons	Relatives of Key managerial Persons	Enterprises of Key managerial Persons	Total (Rs.)
Sales	7.81	-	-	41.72	49.53
Office Rent	-	6.25	6.25	-	12.50
Loans Repaid	-	-	-	350.00	350.00
Balance out standing at the end of the Current Year	0.83	-	-	-	0.83
Balance out standing at the end of the Previous Year	-	-	-	350.00	350.00

NOTE 32: CONSUMPTION OF RAW MATERIALS & OTHER MATERIALS**a) Material Consumption:****(₹ In Lakhs)**

Particulars	2011-12	2010-11
Paper	1,572.33	1,427.64
Carbon	13.79	21.83
Ink	39.89	44.93
Others	--	21.75
Total	1,626.01	1516.16

**b) Opening & Closing Stock of Finished Goods & WIP :****(₹ In Lakhs)**

Particulars	2011-12		2010-11	
	Opening stock	Closing stock	Opening stock	Closing stock
MICR Warrants and computer stationery forms etc.	76.94	58.49	22.61	76.94

NOTE 33: Value of Imported and Indigenous Raw Materials, Consumables etc,**(₹ In Lakhs)**

Particulars	Raw Material				Consumable stores etc.,			
	Current Year		Previous Year		Current Year		Previous Year	
	%	In Rs.	%	In Rs.	%	In Rs.	%	In Rs.
Imported	0.69	11.28	0.06	0.89	0.18	0.29	6.76	8.95
Indigenous	99.31	1,614.73	99.94	1,515.27	99.82	161.96	93.24	123.46
Total	100.00	1,626.01	100.00	1,516.16	100.00	162.25	100.00	132.41

NOTE 34: CIF Value of Imports**(₹ In Lakhs)**

Particulars	2011-12	2010-11
Capital Goods	15.30	172.38
Stores & Spares	0.29	8.95
Inks	0.00	0.89
Paper	11.28	0.00
Total	26.87	182.22

NOTE 35: BUSINESS SEGMENTS

Company has no reportable segment under AS-17

NOTE 36:

The company has made relevant disclosures which are applicable as per revised schedule VI and the figures for the previous year are reclassified / regrouped and rearranged wherever necessary. Previous year figures have been regrouped and reclassified wherever considered necessary. Amounts have been rounded off to the nearest thousand.

As per our report of even date attached

For and on behalf of

For M.ANANDAM & CO

Chartered Accountants

For and on behalf of the Board**M. V. Ranganath****Partner**

M.No.28031

P. V. R. L. Narasimha Raju**Director****S.V.S. Shetty****Director**

Place : HYDERABAD

Date : 28.05.2012

**Balance sheet Abstract and Company's General Business Profile as at 31.03.2012****I. Registration Details**

Registration No. : 6739 State Code : 01
Balance Sheet Date : 31.03.2012

II. Capital raised during the year (₹ In Lakhs)

Public Issue : NIL
Rights Issue : NIL
Bonus Issue : NIL
Private Placement : NIL

III. Position of mobilization and deployment of funds (₹ In Lakhs)

Total Liabilities : 3379.02 Total Assets : 3379.02

Sources of Funds

Paid-up Capital : 150.00 Reserves & Surplus : 1031.17
Long Term Loans : 486.63 Other Long Term Liabilities : 3.46
Current Liabilities : 1583.54 Deferred Tax Liability : 124.22

Application of Funds

Net Fixed Assets : 1212.85 Investment : NIL
Current Assets : 2166.17 Misc. Expenditure : NIL
Pre-operative Expenses : NIL
(Including interest)

IV. Performance of Company (₹ In Lakhs)

Total Turnover : 3246.05 Total Expenditure : 3207.15
Profit before Tax : 38.90 Profit after Tax : 25.18
Earning per share(₹) : 1.68 Dividend Rate : NIL

V. Generic Name of Principal Products of the Company

Product Description	Item Code (ITC Code)
1. Printed material	4820.00
2. Offset - Printing	4901.90