



VERITAS (INDIA) LIMITED

26th Annual Report

2010 - 2011

BOARD OF DIRECTORS

Mr. Nitin Kumar Didwania
Ms. Alpa Parekh
Mr. Saurabh Sanghvi
Mr. Ratan Moondra
Justice S. S. Parkar (Retd.)

Chief Financial Officer:

Mr. Girish Zaveri

Company Secretary

Mr. Hanoz Chinoy

Registered Office

701 Embassy Centre,
Nariman Point,
Mumbai- 400 021
Tel no. 022-22824444
Fax no. 022-22824440
E-mail: corp@veritasindia.net

Auditors

M/s. Shabbir S. Bagasrawala,
Chartered Accountants

Bankers

Punjab National Bank
State Bank of India
ICICI Bank Ltd.
Axis Bank Ltd.
Federal Bank Ltd.
South Indian Bank Ltd.

Registrars & Share Transfer Agents

M/s. Universal Capital Securities Pvt. Ltd.
(Formerly known as "Mondkar Computers Pvt. Ltd.")
21, Shakil Niwas,
Opp. Satya Saibaba Temple,
Mahakali Caves Road,
Andheri (E)
Mumbai - 400 093

Tel No. 022-28207203
Fax No. 022-28207207

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DIRECTORS' REPORT

To,
The Members,
Veritas (India) Limited

Your Directors have pleasure in presenting the Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2011.

FINANCIAL RESULTS

The Financial Results for the year ended 31st March, 2011 are summarized below:

	(Rs. in Lacs)			
	Standalone		Consolidated	
	<u>2010-2011</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2009-2010</u>
Turnover	21013.45	11175.36	61573.92	22021.77
Profit before Tax	375.18	129.03	2590.72	720.22
Less: Provision for Taxation				
- Current Tax	76.57	20.50	78.02	20.50
- Deferred Tax	78.77	68.60	78.77	68.60
- Income Tax adjustment of earlier years	6.63	-	6.63	-
Profit after Tax	213.21	39.93	2427.30	631.12
Add: Balance in Profit & Loss Account brought forward	85.77	45.84	794.64	163.52
Profit available for Appropriation	298.98	85.77	3221.94	794.64
Less:				
- Proposed Dividend	12.11	-	12.11	-
- Dividend Distribution Tax	2.01	-	2.01	-
Balance transferred to Balance Sheet	284.86	85.77	3207.82	794.64
Earnings per Share of Re. 1/- each w.e.f. 29 th June, 2010 (Previous Year Face Value Rs. 10/- per share)	0.88	3.93	10.03	62.15

OPERATIONS

During the financial year ended 31st March, 2011 the consolidated turnover increased to Rs. 615.74 crores as compared to Rs. 220.22 crores in the previous year, an increase of about 180%. Similarly, Net Profit after tax increased substantially from Rs. 6.31 crores in the previous year to Rs. 24.27 crores an increase of about 285%.

DIVIDEND

Your Directors have recommended a dividend of 5 (Five) paise per Equity Share of Re. 1/- each for the Financial Year ended 31st March, 2011. The Dividend is payable subject to the approval of the Members at the ensuing Annual General Meeting of the Company.

WINDMILL PROJECT

During the year, the revenues from generation of power through Wind Energy have substantially increased from Rs. 29 lacs to Rs. 49 lacs, an increase of 69%. We expect the revenues to rise at a steady rate from such non-conventional source of energy.

CORPORATE GOVERNANCE

The Corporate Governance and Management Discussion and Analysis Reports form an integral part of this report and are set out as separate Annexures to this Report. The Certificate from Auditors of the Company, certifying compliance of the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement, is annexed to the Report on Corporate Governance.

DIRECTORS

Ms. Alpa Parekh and Mr. Saurabh Sanghvi, Directors retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

AUDITORS

The Auditors, M/s. Shabbir S. Bagasarawala, Chartered Accountants, Mumbai, retire at the conclusion of the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment. They have furnished a certificate to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956 and that they are not disqualified for reappointment under Section 226 of the said Act.

SUBSIDIARIES

The Annual Accounts of M/s. Veritas FZE and M/s. Veritas Global PTE Limited, Wholly Owned Subsidiaries of the Company are open for inspection at the Registered Office of the Company upto the date of the Annual General Meeting.

CONSOLIDATED FINANCIAL STATEMENTS

In compliance with the Accounting Standard 21 on Consolidated Financial Statements, this Annual Report also includes the audited Consolidated Financial Statements for the financial year 2010-2011.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217 (2AA), your Directors confirm that they had:-

- i) followed the applicable accounting standards in the preparation of the annual accounts.
- ii) selected such accounting policies and applied them consistently, made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March 2011 and of the profit of the Company for the year ended 31st March 2011.
- iii) taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, for safeguarding the assets of the Company, preventing, detecting fraud and other irregularities.
- iv) prepared the annual accounts for the Financial year ended 31st March, 2011 on a going concern basis.

DEPOSITS

The Company has not invited nor accepted any Deposits from the public under the Companies (Acceptance of Deposits) Rules, 1975 read with Section 58A of the Companies Act, 1956.

PARTICULARS OF EMPLOYEES

The Company has no such employee as would be covered under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

A Statement giving details of Conservation of Energy, Technology absorption and Foreign Exchange Earnings and Outgo as per Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of this Report is annexed herewith.

ACKNOWLEDGEMENT

Your Directors wish to place on record their sincere appreciation for the support and co-operation received from the Government authorities, bankers, customers, employees, suppliers and Members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the dedicated efforts of the employees of the Company.

For and on Behalf of the Board of Directors

Sd/-

PLACE: Mumbai
DATE: 30th May, 2011

(Nitin Kumar Didwania)
CHAIRMAN

ANNEXURE TO DIRECTORS' REPORT

Information as required under 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 forming part of the Directors' Report for the year ended 31st March, 2011

1. Part A and B pertaining to conservation of energy and technology absorption are not applicable to the Company.
2. Foreign Exchange Earnings and Outgo

Total Foreign Exchange Earnings and Outgo for the financial year is as follows:

- a. Total Foreign Exchange earnings: Rs. 11,96,01,470/-
- b. Total Foreign Exchange outgo: NIL
- c. Activities relating to exports:

The Company has taken various initiatives for development of export markets for sale of various products in the International market to increase its foreign exchange earnings.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. Industry Structure and Development

The Company is engaged in the business of imports, export, trading and distribution of chemicals, metals and machinery. The Company is also engaged in the generation of wind energy. India continues to be the second fastest growing economy in the Asia Pacific region. Despite the global meltdown effect of the past two years, the growth rate of Indian economy is estimated to be around 8%. The overall scope of imports and exports has risen considerably given the growth of the Indian Economy and robust demand for Chemical and Petro-chemical products in the developing countries. The Chemical Industry is growing at a rate of 8% per annum and given the fiscal stimulus accorded by the Government, it is expected that your Company will increase its turnover over 50% in the financial year 2011-2012. Your Company also has a well developed and robust logistic and marketing network which affords the buyers in the multiple choice of chemical products at reasonably competitive rates. The Chemical Industry and particularly the petro-chemical industry is at an upswing due to global rehabilitation and revival of economies of developed countries. The Government's fiscal incentives for wind power generation will provide sufficient boost for wind power project.

2. Opportunities & Threats

Opportunities:

Given the tremendous growth of chemical industry and in particular the Petro-chemical industry the Management feels the Company is in good stead to further develop and enter into various global markets.

Threats:

The Global inflation effect on costs especially the cost attributed to the logistic and supply chain management and forex fluctuations are likely threats having the effect of eroding the margins to some extent.

3. Outlook

The management is quite positive on its outlook in terms of revenue in the coming period as the Indian Economy has been doing quite well and the global markets have responded well to the products traded by the Company. With the re-emergence of healthy economic environment, barring unforeseen circumstances, your Company is optimistic and confident to receive orders for its products and given the current financial performance of the Company; the Board is confident in its outlook for future that the Company shall grow substantially over and above its demonstrated growth in terms of turnover and profits.

The Company's business of power generation through wind mills, being a non- conventional source of energy, set up in the State of Maharashtra and Tamil Nadu have generated a revenue of Rs. 49.15 lakhs for the period ended 31st March, 2011 a rise of about 70 % over the previous year and the management is confident of steady growth over the coming period.

4. Risk and Concerns

- The margins could come under pressure due to increase in logistic costs and other expenses.
- Competition from mass exporting countries like China where manufacturing costs are quite low.
- Adverse fluctuation in forex rates.

The Company evaluates and monitors all risks associated with various areas of operations such as sales, marketing, inventory management, debtor's management, insurance, supply chain management, legal and other issues having a material impact on the financial health of the Company on a regular basis with a view to mitigate the adverse impact of the risk factors.

5. Internal Control Systems

The Company has an internal control system in place which is commensurate with its size and nature of its business. The internal control system ensures that all the assets of the Company are safeguarded from loss, damage or unauthorized disposition. Checks and controls are in place to ensure that transactions are adequately authorised and recorded and reported correctly to the concerned personnel.

6. Financial Performance with respect to Operational Performance:

During the year Sales have grown by approximately 88.03% and Net Profit after Tax was up by approximately 433.96% in comparison with the previous year.

Your Company has a low debt equity ratio and is well placed to take care of its borrowings availed by way of credit facilities and Term Loan.

7. Human Resource Management

The Company provides suitable environment for development of leadership skills which enables it to recruit and retain quality professionals in all fields. The employer- employee relationship is cordial and mutually supporting at all levels.

8. Cautionary Statement

Certain statements in the Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations or predictions may be forward-looking statements within the meaning of applicable laws and regulations. Actual results could differ from those expressed or implied.

For and on Behalf of the Board of Directors

Sd/-

PLACE: Mumbai
DATE: 30th May, 2011

(Nitin Kumar Didwania)
CHAIRMAN

REPORT ON CORPORATE GOVERNANCE

1. Company Philosophy on Corporate Governance

The Company's philosophy on Corporate Governance envisages the attainment of the high level of transparency and accountability in the functioning of the Company and the conduct of its business internally and externally including its interaction with employees, Shareholders, customers, institutions and other lenders and places due emphasis on regulatory compliance.

2. Board of Directors

i) Composition of the Board

The present strength of the Board is Five Directors and all of them are Non- Executive Directors. The composition of the Board is in conformity with Clause 49 of Listing Agreement. The Board is headed by Mr. Nitin Kumar Didwania, Non- Executive Chairman.

(ii) Board Meeting and Attendance:

The Board of Directors met ten times during the year on 15-4-2010, 20-4-2010, 13-5-2010, 15-6-2010, 29-6-2010, 7-7-2010, 17-7-2010, 11-8-2010, 1-11-2010 and 11-2-2011.

Attendance of each Director at the Board Meetings and the last Annual General Meeting and number of other Directorships and Chairmanship / Memberships of Committees of each Director was as follows:

Name of Director	No. of Board Meetings attended	Attendance at Last AGM	Outside Company Directorships	Outside Committee position held as Member / Chairman	Executive / Non Executive/ Independent
Mr. Nitin Kumar Didwania	9	Present	8 *	NIL	Non- Executive (Promoter Group)
Ms. Alpa Parekh	10	Present	NIL	NIL	Non- Executive (Non-Promoter Group)
Mr. Saurabh Sanghvi	8	Present	NIL	NIL	Non- Executive & Independent
Mr. Ratan Moondra	4	Present	NIL	NIL	Non- Executive & Independent
Mr. S. S. Parkar	5	Absent	1 *	NIL	Non- Executive & Independent

* Directorships in Private Companies excluded.

As required by the Companies Act, 1956 and Clause 49 of the Listing Agreement, none of the Directors hold Directorships in more than 15 Public Companies or memberships of Board Committees (Audit / Shareholders Grievance Committees) and Chairmanship of more than 5 Board Committees.

BOARD COMMITTEES**3. Audit Committee****i) Committee Composition**

Audit Committee comprises of three Directors viz. Mr. Ratan Moondra, Mr. Saurabh Sanghvi and Mr. Nitin Kumar Didwania. All the members of the Audit Committee have accounting and financial management expertise. Mr. Ratan Moondra, Chartered Accountant, is the Chairman of the Audit Committee. All the members of the Committee are Non-Executive Directors and two thirds of them are Independent Directors.

ii) Meeting and Attendance

The Audit Committee has been constituted pursuant to the applicability of Clause 49 of the Listing Agreement on 29th June, 2010 and the Audit Committee meetings were held on 2-7-2010, 11-8-2010, 30-10-2010 and 11-2-2011. The attendance at Audit Committee meetings is as under:

Name of Member	No. of Audit Committee Meetings attended
Mr. Ratan Moondra	3
Mr. Nitin Kumar Didwania	3
Mr. Saurabh Sanghvi	4

The Company Secretary acts as the Secretary to the Audit Committee.

iii) Terms of Reference

The terms of reference of the Audit Committee are in accordance with Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956. The functions of the Audit Committee include the following:

- a. Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b. Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the Statutory auditor and fixation of the audit fee.
- c. Approval of payment to Statutory auditors for any other services rendered by the Statutory auditors.
- d. Reviewing with the Management, the Annual financial statements before submission to the Board for approval, with particular reference to:
 - i) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of Clause (2AA) of section 217 of the Companies Act, 1956;

- ii) Any changes in accounting policies and practices and the reasons for the same;
 - iii) Major accounting entries involving estimates based on the exercise of judgments by the management;
 - iv) Significant adjustments made in the financial statements arising out of audit findings;
 - v) Compliance with Accounting Standards;
 - vi) Compliance with Stock Exchange and other Legal requirements concerning the financial statements;
 - vii) disclosure of related party transactions.
- e. Also reviewing with the management, the quarterly and half yearly financial statements before submission to the Board for approval.
- f. Reviewing with the Management adequacy of the internal control systems.
- g. Reviewing with the Internal auditors any significant findings and follow-up thereon.
- h. Reviewing of area of operation of internal audit team and their performance.
- i. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- j. Reviewing with the Management performance of the Statutory Auditors and Internal Auditors.
- k. Reviewing the Management Discussion and Analysis of financial condition and results of operations.
- l. approval of appointment of Chief Financial Officer (CFO).
- m. Carrying out any other function as mentioned in the terms of reference of the Audit Committee.

4. Shareholders' / Investors' Grievance Committee

- (i) Investors' Grievances Committee comprises of Mr. Saurabh Sanghvi, a Non-Executive Independent Director, as Chairman, Mr. Nitin Kumar Didwania and Mr. Ratan Moondra, as the other members of the Committee.

The Shareholders' / Investors' Grievance Committee deals with various matters relating to:

- transfer / transmission of shares.
- issue of duplicate share certificates
- redressal of shareholders and Investors' grievances.
- Non- receipt of Annual Report
- all other matters related to shares.

(ii) Mr. Hanoz Chinoy, Company Secretary is designated as Compliance Officer of the Company.

(iii) The Company has not received any complaint during the year ended on 31st March, 2011.

5. General Body Meetings

The date, time and venue of the last 3 Annual General Meetings of the Company is given below:

Financial Year ended	Date	Time	Venue	Details of Special business
31 st March, 2008	27-09-2008	12.00 Noon	701 Embassy Centre, Nariman Point, Mumbai- 400 021.	1. Appointment of Mr. Nitin Kumar Didwania as Director. 2. Appointment of Ms. Niti Didwania as Director. 3. Appointment of Mr. Saurabh Sanghvi as Director
31 st March, 2009	25-9-2009	12.00 Noon	701 Embassy Centre, Nariman Point, Mumbai- 400 021.	---
31 st March, 2010	25-9-2010	3.45 p.m.	Kilachand Conference Room, Indian Merchants' Chamber, IMC Building, IMC Marg, Churchgate, Mumbai- 400 020.	1. Appointment of Mr. Ratan Moondra as Director. 2. Appointment of Justice S. S. Parkar (Retd.) as Director.

6. Disclosures

- i) There were no transactions of material significance entered into by the Company with its Promoters, Directors or their relatives, the Management during the year that had potential conflict with interest of the Company, at large.
- ii) There was no default in compliance on any matter related to capital markets. Consequently, during the last three years neither any penalties were imposed nor strictures passed on the Company by Stock Exchanges, Securities and Exchange Board of India (SEBI) or any statutory authority.
- iii) **Board Disclosures on Risk Management:** The Board is kept informed about the risk management being followed by the Company from time to time. All the risks such as fire, marine, etc. have been adequately insured.

- iv) Mr. Nitin Kumar Didwania, Non-Executive Director holds 92,50,000 equity shares of Re. 1/- each and Mr. Saurabh Sanghvi, Non-Executive Director holds 20,000 equity shares of Re. 1/- each of the Company as on 31st March, 2011.

7. **Means of Communication:** Quarterly, Half yearly and Annual Financial Results of the Company are sent to the Stock Exchange immediately after they have been approved by the Board. These results are published in the newspapers viz. "The Free Press Journal" and "Navshakti"

8. Additional Shareholders Information

Annual General Meeting

Date: 23rd September, 2011

Day: Friday

Time: 3.00 pm

Venue: Sunflower II, Centre 1, 30th Floor, World Trade Centre, Cuffe Parade, Mumbai- 400 005.

Financial Calendar (Tentative)

Financial year: 1st April, 2011 to 31st March, 2012

Results for the Quarter ending

- June 30, 2011	: Second week of August, 2011
- September 30, 2011	: Second week of November, 2011
- December 31, 2011	: Second week of February, 2012
- March 31, 2012 or Audited Results for the year ended 31 st March, 2012	: Second week of May, 2012 or Audited Results by 31 st May, 2012
- Annual General Meeting	: August / September, 2012

Book Closure

The dates of book closure are from 20th September, 2011 to 23rd September, 2011 both days inclusive.

Listing and ISIN

The Company's ISIN is INE379J01029 and the shares of the Company are listed and traded on Bombay Stock Exchange Limited (BSE) under the scrip code 512 229 and the name of the scrip is VERITAS.

The Annual Listing fees for the Financial year 2011 -2012 have been paid to BSE. The Company has paid custodial fees for the year 2011-2012 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited on the basis of number of folios of shareholders for their shares held in the electronic form.

9. Stock Market Data: Monthly High, Low price during each month and volume of Company's shares during the financial year 2010- 2011 on BSE

Month	Share Prices		Volume	
	High (Rs.)	Low (Rs.)	No. of shares	No. of Trades
Apr-10	7331.40	3766.40	797	252
May-10	8256.25	6118.35	581	204
Jun-10	5996.00	470.30	421	87
Jul-10	684.65	499.00	2648	207
Aug-10	582.95	436.95	2108	318
Sep-10	439.95	343.95	2412	282
Oct-10	366.00	266.00	1079	130
Nov-10	420.10	289.50	2148	183
Dec-10	428.50	294.65	1771	123
Jan-11	345.00	307.00	1025	139
Feb-11	336.60	281.00	159	31
Mar-11	275.40	254.15	348	54

10. a) Distribution of Shareholding as on 31st March, 2011

Shareholding (in terms of nominal value)		Shareholders		Share Amount	
From	To	Number	% of Total	Rupees	% of Total
1	5000	341	91.42	112930.00	0.47
5001	10000	7	1.88	70000.00	0.29
10001	20000	2	0.54	35000.00	0.15
20001	30000	1	0.27	30000.00	0.12
30001	40000	4	1.07	153600.00	0.63
40001	50000	3	0.80	141000.00	0.58
50001	100000	2	0.54	125000.00	0.52
100001	And above	13	3.48	23542470.00	97.24
Total		373	100	24210000.00	100

b) Distribution of Shareholding according to category of shareholders as on 31st March, 2011

Categories	No. of shares	Amount (in Rs.)	% to Total
Promoters	1,62,13,100	1,62,13,100	66.97
Directors (Independent)	20,000	20,000	0.08
Financial Institutions/ Banks	NIL	N.A	N.A
Mutual Funds / UTI	NIL	N.A	N.A
NRIs / OCBs / Foreign Corporate Bodies	40,00,005	40,00,005	16.52
Other Body Corporates	14,76,543	14,76,543	6.10
Indian Public	25,00,352	25,00,352	10.33
Total	2,42,10,000	2,42,10,000	100

11. Dematerialization of Shares:

As on 31st March, 2011 77,78,330 Equity Shares representing 32.13 % of the total equity capital of the Company were held in dematerialized form.

12. Address for Correspondence:

Registered Office: 701 Embassy Centre,
Nariman Point,
Mumbai- 400 021.

Compliance Officer: Mr. Hanoz Chinoy is the Compliance Officer.

E-mail ID: corp@veritasindia.net

Shareholders may contact the Company's Registrar and Share Transfer Agents at the following address:

Universal Capital Securities Private Limited
(Formerly known as "Mondkar Computers Private Limited")

Corporate Off: 21, Shakil Niwas,
Opp. Satya Saibaba Temple,
Mahakali Caves Road,
Andheri (E),
Mumbai- 400 093.

Tel Nos. 022- 28207203 / 5 Tele fax. 022- 28207207

Email: ravi@uniseq.in

13. Declaration by Board Members and Senior Management to the Compliance of Code of Conduct in pursuance of Clause 49 (D) (ii) of the Listing Agreement

It is hereby declared that all the Board Members and Senior Management personnel of the Company have affirmed to the Board of Directors, their compliance with the Code of Conduct of the Company pursuant to Clause 49 (D) (ii) of the Listing Agreement. The Company has obtained a Certificate from Mr. Girish Zaveri, Chief Financial Officer (CFO) of the Company stating therein that the Company has complied with all the requirements as stipulated in Clause 49 V of the Listing Agreement executed with the Stock Exchange.

For and on Behalf of the Board of Directors

Sd/-

**(Nitin Kumar Didwania)
CHAIRMAN**

**PLACE: Mumbai
DATE: 30th May, 2011**

CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of Veritas (India) Limited

We have examined the compliance of conditions of Corporate Governance by Veritas (India) Limited for the year ended 31st March, 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

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. It 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 above mentioned Listing Agreement.

We 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 **SHABBIR S. BAGASRAWALA**
CHARTERED ACCOUNTANTS

Sd/-

(Shabbir S. Bagasrawala)
PROPRIETOR

Membership No. 39865

Place: Mumbai

Date: 30th May, 2011

AUDITORS' REPORT

To the Members

VERITAS (INDIA) LIMITED

1. We have audited the attached Balance Sheet of **VERITAS (INDIA) LIMITED** as at **31st March, 2011**, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with 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 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 Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose 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 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, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement 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, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March, 2011 from being appointed as a Director in terms of Section 274(1)(g) 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 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, 2011;
- ii) In the case of the Profit and Loss Account, of the **Profit** for the year ended on that date; and
- iii) In the case of the Cash Flow Statement, of the Cash Flow for the year ended on that date.

**For SHABBIR S BAGASRAWALA
CHARTERED ACCOUNTANTS**

Sd/-

**(Shabbir S Bagasrawala)
Proprietor
Membership No – 39865**

Place: Mumbai

Dated: 30th May, 2011

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in the paragraph 3 of our report of even date to the Members of VERITAS (INDIA) LIMITED on the accounts for the year ended 31st March, 2011.)

1. In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) The Fixed Assets have been physically verified by the management at reasonable intervals which in our opinion, is reasonable having regards to the size of the company. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of Accounts.
 - c) In our opinion and according to the information and explanations given to us, the Company has not made any substantial disposal of fixed assets during the year and the going concern status of the Company is not affected.

2. In respect of inventories:
 - a) As explained to us, the inventories were physically verified during the year by the management at reasonable intervals.
 - b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and the discrepancies noticed on such physical verification between physical stock and book records were not material and have been adequately dealt with in the books of account.

3. In respect of loans, secured or unsecured, granted or taken by the Company to / from Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:
 - a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956. As the Company has not granted any loans, secured or unsecured, to parties listed in the Register maintained under Section 301 of the Companies Act, 1956, paragraph (iii)(b), (c) and (d) of the Order, are not applicable.

- b) The Company has taken interest free unsecured loan during the year from directors. In respect of the said loans, the maximum amount outstanding at any time during the year was Rs.99,65,800/- and the year-end balance is Rs.6,97,800/-
4. In our opinion and according to the information and explanations given to us, there are adequate *internal control procedures commensurate with the size of the Company and nature of its business with regard to purchases of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control systems:*
5. In respect of particulars of contracts or arrangements and transactions entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956:
- a) To the best of our knowledge and belief and according to the information and explanations given to us, particulars of contracts or arrangements that needed to be entered into the register have been so entered.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered into the register in pursuance of section 301 of the Act and exceeding the value of Rupees Five Lakhs in respect of any party during the year, have been made at prices which are reasonable having regard to the prices at which the transactions for similar goods/ services have been made with other parties.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of section 58A and 58AA of the Act and the rules frame there under.
7. In our opinion the internal audit functions carried out during the year was commensurate with the size of the company and nature of its business.
8. The Central Government has not prescribed maintenance of Cost Records under Section 209 (1) (d) of the Companies Act, 1956 in respect of the activities carried out by the Company.

9. According to the information and explanations given to us in respect of statutory and other dues:
- a) The Company during the year has been generally regular in depositing with the appropriate authorities undisputed statutory dues, including Provident Fund, Employees State Insurance, Income Tax, Value Added Tax, Central Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues.
 - b) According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were outstanding as at 31 March 2011 for the period of six months
10. The Company does not have any accumulated losses as at the end of the financial year. The Company has not incurred cash losses during the current financial year and in the immediately preceding financial year.
11. Based on our audit procedures and on the basis of information and explanations given by management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and banks.
12. According to information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities and hence, the question of maintenance of adequate records for this purpose does not arise.
13. In our opinion and according to information and explanations given to us, the company is not a chit fund / nidhi / mutual benefit fund or society. Therefore the provisions of clause (xiii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. In our opinion, and according to the information and explanations give to us, the Company is not a dealer or trader in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the order are not applicable to the Company.

15. The Company has given guarantee for loans taken by Subsidiary Company from banks during the year. According to the information and explanations give to us, we are of the opinion that the terms and conditions thereof are not prima facie prejudicial to the interest of the Company.
16. To the best of our knowledge and belief and according to the information and explanations given to us in our opinion, **term loans** availed by the company were, prima facie, applied by the company during the year for the purpose for which the loans were obtained.
17. According to the information and explanations given to us and on an overall examination of the *Balance Sheet* of the Company, we are of the opinion that there are no funds raised on short-term basis that have been used for long-term investment.
18. The Company has not made preferential allotment of shares to parties and companies covered in the register maintained u/s 301 of the Companies Act, 1956 during the year.
19. According to the information and explanation given to us and records examined by us, the Company has not issued any debentures; therefore clause (xix) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
20. The Company has not raised any monies by way of public issues during the year.
21. In our opinion and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

For **SHABBIR S BAGASRAWALA**
CHARTERED ACCOUNTANTS

Sd/-

(Shabbir S Bagasrawala)

Proprietor

Membership No – 39865

Place: Mumbai

Dated: 30th May, 2011

VERITAS (INDIA) LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2011

(Amount in Rupees)

PARTICULARS	SCHEDULE	AS AT 31.03.2011	AS AT 31.03.2010
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	24,210,000	24,210,000
Reserves & Surplus	2	742,255,145	723,077,351
		766,465,145	747,287,351
LOAN FUNDS			
Secured Loans	3	121,809,550	59,427,373
Unsecured Loans	4	697,800	433,500
		122,507,350	59,860,873
DEFERRED TAX LIABILITIES			
		17,343,811	9,466,798
TOTAL		906,316,306	816,615,022
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	5	90,423,398	88,416,327
Less : Depreciation		8,112,380	3,320,359
Net Block		82,311,018	85,095,968
INVESTMENTS			
	6	99,145,922	98,167,500
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	7	38,177,926	853,468
Sundry Debtors	8	473,066,173	443,937,258
Cash & Bank Balances	9	143,572,046	83,377,036
Loans & Advances	10	350,187,802	243,409,496
		1,005,003,948	771,577,258
Less : CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	11	278,336,057	138,756,277
Provisions	12	2,388,974	122,433
		280,725,031	138,878,710
NET CURRENT ASSETS			
		724,278,917	632,698,548
MISCELLANEOUS EXPENSES			
Miscellaneous Expenses (To the extent not w/off or adjusted)	13	580,450	653,006
TOTAL		906,316,306	816,615,022

Significant Accounting Policies and Notes to Accounts

19

As per our report of even date
For SHABBIR S BAGASRAWALA
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD

Sd/-

Sd/-
Nitin Kumar
Director

Sd/-
Alpa Parekh
Director

Sd/-
S.S Parker
Director

SHABBIR S BAGASRAWALA
Proprietor
Membership No. 039865

Sd/-
Saurabh Sanghvi
Director

Sd/-
Hanoz Chinoy
Company Secretary

Place : Mumbai,
Dated: 30th May, 2011

VERITAS (INDIA) LIMITED			
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011			
(Amount in Rupees)			
PARTICULARS	SCHEDULE	YEAR ENDED 31.03.2011	YEAR ENDED 31.03.2010
INCOME			
Income from Operations		2,101,344,822	1,117,535,805
Other Income	14	100,000	-
		2,101,444,822	1,117,535,805
EXPENDITURE			
Direct Expenses	15	2,011,437,033	1,091,249,506
Administrative & Other Expenses	16	26,895,395	5,650,469
Selling & Distribution Expenses	17	3,268,277	1,902,789
		2,041,600,704	1,098,802,764
Operating Profit before Interest, Depreciation and Tax		59,844,118	18,733,042
Interest & Finance Charges	18	17,533,964	2,632,801
Depreciation		4,792,022	3,197,332
Profit before Taxation		37,518,133	12,902,909
Provision for Taxation			
Current Tax		7,657,000	2,050,000
Deferred Tax		7,877,013	6,860,144
Income Tax for Earlier Years		663,526	-
Profit after Taxation		21,320,594	3,992,765
Balance in Profit & Loss Account brought forward		8,577,351	4,584,586
BALANCE AVAILABLE FOR APPROPRIATION		29,897,945	8,577,351
Appropriations:			
Proposed Dividend		1,210,500	-
Corporate Dividend Tax		201,050	-
Surplus Carried to Balance Sheet		28,486,395	8,577,351
		29,897,945	8,577,351
EARNINGS PER SHARE			
Equity shares of par value Rs 1/- each (P.Y. Rs.10/-each) Basic & Diluted		0.88	3.93
Number of Shares used in computing earning per share Basic & Diluted		24,210,000	1,015,521
Significant Accounting Policies and Notes to Accounts			
		19	
As per our report of even date For SHABBIR S BAGASRAWALA CHARTERED ACCOUNTANTS		FOR AND ON BEHALF OF THE BOARD	
Sd/-	Sd/- Nitin Kumar Director	Sd/- Alpa Parekh Director	Sd/- S.S Parker Director
SHABBIR S BAGASRAWALA Proprietor Membership No. 039865			
Place : Mumbai, Dated: 30th May, 2011	Sd/- Saurabh Sanghvi Director		Sd/- Hanoz Chinoy Company Secretary

VERITAS (INDIA) LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011

(Amount in Rupees)

PARTICULARS	AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE - 1		
<u>SHARE CAPITAL</u>		
AUTHORISED:		
10,00,00,000 Equity Shares of Re 1/- each (P.Y. 1,00,00,000) Equity Shares of Rs 10/- each	100,000,000	100,000,000
	100,000,000	100,000,000
ISSUED , SUBSCRIBED & PAID UP:		
2,42,10,000 Equity shares of Re 1/- each Fully paid (P.Y.2,42,10,00) Equity shares of Rs 10/- each Fully paid	24,210,000	24,210,000
	24,210,000	24,210,000
SCHEDULE - 2		
<u>RESERVES & SURPLUS</u>		
Share Premium Reserve		
Opening Balance	714,500,000	-
Add: Received during the year	-	714,500,000
Less: Share Issue Expenses	731,250	-
Closing Balance	713,768,750	714,500,000
Profit & Loss Account	28,486,395	8,577,351
	742,255,145	723,077,351
SCHEDULE - 3		
<u>SECURED LOANS</u>		
<u>Loans and Advances from Banks</u>		
Term Loan from :		
Punjab National Bank (Secured against mortgage of Wind Mill)	56,753,000	58,834,750
Cash Credit/Overdraft from :		
Axis Bank Ltd	64,870,384	-
(The above loans are secured against Current Assets and entire Fixed Assets of the Company)		
 Kotak Mahindra Prime Ltd (The above loan is secured against mortgage of respective vehicles)	186,166	592,623
Vehicle Loan from :	121,809,550	59,427,373
SCHEDULE - 4		
<u>UNSECURED LOANS</u>		
From Others:		
Loan from Directors	697,800	433,500
	697,800	433,500

Schedule 5 : FIXED ASSETS

Sr. No.	Particulars	Rate	Gross Block				Provision for Depreciation				Net block	
			As On 01.04.2010	As On 31.03.2011	During the Year		As On 01.04.2010	During the Year		As On 31.03.2011	As On 31.03.2011	As On 31.03.2010
					Additions	Deductions		Additions	Deductions			
1	Land at Satara		1,800,000	1,800,000	-	-	-	-	-	-	1,800,000	1,800,000
2	Plant & Machinery	5.28%	84,250,000	84,250,000	-	-	4,448,400	-	2,991,329.00	7,439,729	76,810,271	81,258,671
3	Computer System	16.21%	629,597	2,468,093	1,838,496	-	185,422	-	91,308	276,730	2,191,363	538,289
4	Furniture & Fixture	6.33%	139,250	307,825	168,575	-	10,334	-	16,016	26,350	281,475	123,234
5	Motor Car	9.50%	1,515,480	1,515,480	-	-	143,971	-	218,520	362,491	1,152,989	1,298,960
6	Office Equipment	4.75%	82,000	82,000	-	-	3,895	-	3,185	7,080	74,920	78,815
	Total		88,416,327	90,423,398	2,007,071	-	4,792,022	-	3,320,358	8,112,380	82,311,018	85,095,969
	Previous Year		31,545,785	88,416,327	56,870,542	-	3,197,332	-	123,027	3,320,359	85,095,968	31,422,757

VERITAS (INDIA) LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011

(Amount in Rupees)

PARTICULARS	AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE - 6		
INVESTMENTS		
<i>Long Term Investments (at cost) :</i>		
<i>In Equity</i>		
<i>Unquoted - (Trade)</i>		
<i>In Subsidiary companies</i>		
100 (P.Y. NIL) Equity Shares of Veritas Global Pte Ltd.	3,422	-
50 (P.Y.50) Equity Shares of 150000 AED each in Veritas FZE	95,267,500	95,267,500
<i>Quoted - (Non-Trade)</i>		
1,00,000 (P.Y. 1,00,000) Equity Shares of DB (International) Stock Brokers Ltd of Rs 10/- each fully paid up [Market Value Rs.79,00,000/- (P.Y. Rs. 1,29,25,000/-)]	2,900,000	2,900,000
Rander Corporation Ltd 75,000 (P.Y.NIL) of Rs 10/- each fully paid up [Market Value Rs.5,40,000/- (P.Y. Rs. NIL)]	975,000	-
	99,145,922	98,167,500
SCHEDULE - 7		
INVENTORIES		
(As taken, valued and certified by the management at lower of cost or net realisable value)		
Finished Goods	38,177,926	853,468
	38,177,926	853,468
SCHEDULE - 8		
SUNDRY DEBTORS (Unsecured, Considered Good)		
Others	473,066,173	443,937,258
	473,066,173	443,937,258
SCHEDULE - 9		
CASH & BANK BALANCES		
Cash On Hand	1,366,342	302,267
<i>Balance with Scheduled Bank</i>		
In Current Accounts	51,356,560	83,074,769
In Deposit Accounts		
-Against Margin Money for LC / BG	90,849,145	-
	143,572,046	83,377,036
SCHEDULE - 10		
LOANS & ADVANCES		
<i>Unsecured Considered Goods</i>		
Advances recoverable in cash or kind	36,391,817	20,149,271
Advances to Subsidiary Company	312,036,375	222,926,375
Deposits	1,759,610	333,850
	350,187,802	243,409,496
SCHEDULE - 11		
CURRENT LIABILITIES		
<i>Sundry Creditors :</i>		
-Others	94,381,318	127,156,801
Other Liabilities	183,954,739	11,599,476
	278,336,057	138,756,277
SCHEDULE - 12		
PROVISION		
For Income Tax (Net of Taxes paid)	975,824	120,833
For Proposed Dividend	1,210,500	-
For Dividend Tax	201,050	-
For Fringe Benefit Tax	1,600	1,600
	2,388,974	122,433
SCHEDULE - 13		
MISCELLANEOUS EXPENDITURE		
Miscellaneous Expenditure	653,006	725,562
Less: Written Off during the Year	72,556	72,556
	580,450	653,006

VERITAS (INDIA) LIMITED		
SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011		
(Amount in Rupees)		
PARTICULARS	YEAR ENDED 31.03.2011	YEAR ENDED 31.03.2010
SCHEDULE - 14		
<u>OTHER INCOME</u>		
Dividend Income	100,000	-
	100,000	-
SCHEDULE - 15		
<u>DIRECT EXPENSES</u>		
Opening Stock	853,468	831,269
Add-Purchases	2,048,625,708	1,086,836,075
Less-Closing Stock	38,177,926	853,468
	2,011,301,250	1,086,813,876
Clg Forwarding, Frieght & Transportation Charges	2,091,659	470,791
Foreign Exchange Fluctuation (Net)	(4,126,169)	2,408,008
Loading & Unloading Charges	490,605	179,272
Packing & Slitting Charges	558,629	442,735
Warehousing/ Wharfage Charges	1,121,058	934,824
	2,011,437,033	1,091,249,506
SCHEDULE - 16		
<u>ADMINISTRATIVE & OTHER EXPENSES</u>		
Office Expenses	105,982	99,148
Rent, Rates, Taxes	1,524,228	874,564
Electricity Expenses	68,420	-
Postage, Telephone & Courier Charges	703,674	291,972
Printing & Stationery	222,054	139,166
Insurance Charges	224,261	62,746
Repairs & Maintenance		
Building / Premises	253,653	126,300
Others	558,654	326,498
Membership Fees & Subscription	142,233	113,939
Legal, Professional & Consultancy Charges	552,713	379,789
Salaries & Staff Welfare Expenses	21,377,323	2,512,380
Directors Sitting Fees	29,000	-
Payment to Auditors	220,600	220,600
Preliminary Expenses Written off	72,556	72,556
Miscellaneous Expenses	840,044	430,811
	26,895,395	5,650,469

VERITAS (INDIA) LIMITED

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

(Amount in Rupees)

PARTICULARS	YEAR ENDED 31.03.2011	YEAR ENDED 31.03.2010
SCHEDULE - 17		
<u>SELLING & DISTRIBUTION EXPENSES</u>		
Advertisement Expenses	180,424	100,316
Travelling, Conveyance Lodging & Boarding Expenses	3,023,973	1,802,473
Commission paid	6,400	-
Value Added Tax paid	57,480	-
	3,268,277	1,902,789
SCHEDULE - 18		
<u>INTEREST & FINANCE CHARGES</u>		
On Fixed Period Loan	7,477,899	1,785,474
On Working Capital Loan	9,562,242	-
Bank Charges & Commission	493,822	847,327
	17,533,964	2,632,801

VERITAS (INDIA) LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

(Amount in Rupees)

PARTICULARS	YEAR ENDED 31.03.2011		YEAR ENDED 31.03.2010	
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit before Tax and Extraordinary Items		37,518,133		12,902,909
Adjustments for :				
Depreciation	4,792,022		3,197,332	
Interest & Finance Charges Paid	17,533,964		2,632,801	
Dividend Income	(100,000)		-	
Miscellaneous Expenditure -Written Off	72,556	22,298,542	72,556	5,902,689
Operating Profit Before Working Capital Changes		59,816,674		18,805,598
Adjustments For :				
(Increase)/Decrease in Trade & Other Receivables	(29,128,915)		(318,232,309)	
(Increase)/Decrease in Loans & Advances	(106,778,306)		(216,031,692)	
(Increase)/Decrease in Inventories	(37,324,458)		(22,199)	
Increase/(Decrease) in Trade Payables	139,579,780	(33,651,899)	26,165,327	(508,120,873)
Cash Generated from Operations		26,164,775		(489,315,275)
Income Tax Paid		7,465,534		2,050,000
Net Cash Flow from Operating Activities		18,699,241		(491,365,275)
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Dividend Income	100,000		-	
Purchase of Investment	(978,422)		(96,240,000)	
Purchase of Fixed Assets	(2,007,071)	(2,885,493)	(56,870,542)	(153,110,542)
Net Cash Used in Investing Activities		(2,885,493)		(153,110,542)
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Issue of Shares (Including Share Premium)	(731,250)		728,750,000	
Convertible Preferential Warrants Issued	-		(20,000,000)	
Proceeds from long term/short term borrowings	62,646,477		19,991,420	
Interest & Finance Charges Paid	(17,533,964)		(2,632,801)	
Dividend Paid (Including Dividend Distribution Tax)	-	44,381,264	-	726,108,619
Net Cash Flow from Financing Activities		44,381,264		726,108,619
Net Increase/(Decrease) in Cash & Cash Equivalents		60,195,011		81,632,802
Cash & Cash Equivalents as at 1st April, 2010		83,377,036		1,744,234
Cash & Cash Equivalents as at 31st March, 2011		143,572,046		83,377,036

As per our report of even date
For SHABBIR S BAGASRAWALA
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD

Sd/-
SHABBIR S BAGASRAWALA
Proprietor
Membership No. 039865

Sd/- Nitin Kumar
Director

Sd/- Alpa Parekh
Director

Sd/- S.S Parker
Director

Place : Mumbai,
Dated: 30th May, 2011

Sd/- Saurabh Sanghvi
Director

Sd/- Hanoz Chinoy
Company Secretary

VERITAS (INDIA) LIMITED

INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1 REGISTRATION DETAILS

(a) REGISTRATION NUMBER

L 2 3 2 0 9 M H 1 9 8 5 P L C 0 3 5 7 0 2

(b) STATE CODE

1 1

(c) BALANCE SHEET DATE

3 1 - 0 3 - 2 0 1 1

2 CAPITAL RAISED DURING THE YEAR : (Rupees in Thousand)

(a) PUBLIC ISSUE

NIL

(b) RIGHT ISSUE

NIL

(c) BONUS ISSUE

NIL

(d) PRIVATE PLACEMENT

-

(e) GDR

NIL

(f) EMPLOYEE STOCK OPTION

NIL

3 POSITION OF MOBILISATION & DEPLOYMENT OF FUNDS : (Rupees in Thousand)

(a) TOTAL LIABILITIES

906,316

(b) TOTAL ASSETS

906,316

SOURCES OF FUNDS :

(a) PAID UP CAPITAL

24,210

(b) RESERVE & SURPLUS

742,255

(c) SECURED LOANS

121,810

(d) UNSECURED LOANS

698

(e) DEFERRED TAX LIABILITIES

17,344

APPLICATION OF FUNDS :

(a) NET FIXED ASSETS

82,311

(b) INVESTMENTS

99,146

(c) DEFERRED TAX ASSETS

-

(d) NET CURRENT ASSETS

724,279

(e) MISCELLANEOUS EXPENSES

580

(f) ACCUMULATED LOSSES

-

4 PERFORMANCE OF THE COMPANY : (Rupees in Thousand)

(a) TURNOVER

2,101,445

(b) TOTAL EXPENDITURE

2,063,927

(c) PROFIT BEFORE TAX

37,518

(d) PROFIT AFTER TAX

21,321

(e) EARNING PER SHARE (Rs.)

0.88

(f) DIVIDEND RATE

5%

As per our Audit Report of even date

For SHABBIR S BAGASRAWALA
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD

Sd/-

SHABBIR S BAGASRAWALA

Proprietor

Membership No.039865

Sd/-

Nitin Kumar

Director

Sd/-

Alpa Parekh

Director

Sd/-

S.S Parker

Director

Sd/-

Saurabh Sanghvi

Director

Sd/-

Hanoz Chinoy

Company Secretary

Place : Mumbai

Date: 30th May, 2011

VERITAS (INDIA) LIMITED

SCHEDULE '19'

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED 31st March, 2011

1. Statement of Significant Accounting Policies**(a) Basis of Preparation of Financial Statements:**

The financial statements are prepared and presented under the historical cost conventions, on accrual basis of accounting to comply in all material respects, with the mandatory Accounting Standards as notified by the Companies (Accounting Standards) Rules, 2006 as amended ('the Rules') and the relevant provisions of the Companies Act, 1956 ('the Act'). The accounting policies have been consistently applied by the Company and the accounting policies not referred to otherwise are in conformity with Indian Generally Accepted Accounting Principles ('Indian GAAP')

(b) Use of Estimates:

The preparation of financial statements in conformity with the 'Indian GAAP' requires management to make estimates and assumptions that may affect the reported amounts of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of incomes and expenses during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Differences between the actual results and estimates are recognized in the year in which the results are known/ materialized.

(c) Fixed Assets

Fixed Assets are stated at cost, less accumulated depreciation and impairment, if any. Cost includes all expenditure necessary to bring the asset to its working condition for its intended use.

(d) Depreciation:

Depreciation is being provided on all tangible assets on "Straight Line Method" as per the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

(e) Impairment of Assets:

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

(f) Foreign Currency Transactions:**(i) Initial Recognition:**

Transactions in foreign currency are recorded at the original rate of exchange in force at the time, transactions are affected.

(ii) Conversion:

Foreign currency monetary items are reported using the closing rates as on the date of transaction.

(iii) Exchange Difference:

Exchange difference arising on the settlement of transactions of monetary items or on reporting such monetary items at rates different from those at which they were initially recorded during the year or reported in previous financial statements, are recognized as income or expense in the year in which they arise.

(g) Investment:

Investments that are readily realizable and intended to be held for not more than a year are classified as Current Investments. All other investments are classified as long term investments.

Current investments are carried at lower of cost and fair value determined on an individual investment basis.

Long term investments including investment in subsidiaries are carried at Cost. Cost includes any incidental costs incurred towards acquisition of said investment. However, provision if necessary for diminution in value is made to recognize a decline other than the one temporary in nature.

(h) Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

i) Sale of Goods:

Revenue is recognized when the significant risks and rewards in respect of ownership of products are transferred by the Company i.e when goods are dispatched / billed to the customers. Exports sales are accounted on the basis of date of bill of lading. Sales are recorded net of Returns, Sales tax/ Value added tax and applicable trade discounts and allowances.

ii) Revenue from Energy Generation:

Sale of power is recognised at the point of Transmission of electricity generated from windmill.

iii) Interest:

Interest income is recognized on time proportionate basis taking into account the amount outstanding and the rate applicable.

iv) Dividend:

Dividend income from investment is recognized when the right to receive the payment is established.

(i) Inventories:

Stock (including in transit) of traded goods is valued at FIFO method at cost. The valuations of wastage / packing materials are valued at nil.

(j) Employees Benefits:

(i) Provident Fund:

The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contribution at a specified percentage of the covered employee's salary.

(ii) Gratuity:

Gratuity liability is a defined benefit obligation and is provided for on actuarial valuation made as at the balance sheet date.

(k) Borrowing Cost :

Borrowing Cost that is attributable to the acquisition, construction or production of qualifying assets is capitalized as part of the cost of such assets till such time as the asset that necessarily requires a substantial period of time to get ready for its intended use. All other borrowing cost are recognized as an expense in the period in which they are incurred.

(l) Provision for Current and Deferred Tax:

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the asset will be realised in future.

(m) Preliminary Expenses:

Preliminary Expenses are written off over a period of Ten years.

(n) Provisions, Contingent Liabilities and Contingent assets:

Provisions involving substantial degree of estimation in measurement are recognised 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 not recognised but are disclosed in the notes to accounts. Contingent assets are neither recognised nor disclosed in the financial statements.

(o) Cash Flow Statement:

The Cash Flow Statement is prepared by the "Indirect Method" set out in Accounting Standard 3 on "Cash Flow Statement" and presents the cash flows by Operating, Investing and Financing activities of the Company.

(p) Cash & Cash equivalents:

Cash and Cash equivalents in the cash flow statement comprise Cash at Bank, Cash on hand and liquid investment as per accounting standard -3 on cash flow statements.

3) NOTES TO ACCOUNTS:**(a) Description of Business:**

The Company is in the business of Imports, Trading and Distribution of Chemicals, Metals and Machinery. The Company is also engaged in generation of wind energy in the State of Maharashtra and Tamil Nadu.

(b) Contingent liabilities:

Contingent liabilities in respect of outstanding corporate guarantees given to bank on behalf of subsidiaries are as under:

(Figures in Rs.)

	For the year ended March 31, 2011	For the year ended March 31, 2010
Guarantees given to banks on behalf of the Subsidiary Company	558,125,000	Nil
Total	558,125,000	Nil

(c) In the opinion of the Board and to the best of their knowledge and belief, the value on realization of the current assets, loans & advances, deposits, in the ordinary course of business will not be less than the value stated in Balance Sheet.

(d) Balances in respect of some of the debtors, creditors, advances and deposits are subject to confirmation.

- (e) Provision for current tax is made taking into account the provisions of Income Tax Act, 1961. Deferred Tax resulting from "Timing Difference" between book & taxable profit is accounted for using the tax rates and laws that have been enacted and subsequently enacted as on the balance sheet date. Major component of Deferred Tax arising on account of temporary timing difference is as under:-

(Figures in Rs.)

Particulars	For the year ended March 31,2011	For the year ended March 31,2010
Deferred Tax Liability		
Depreciation	7,877,013	6,860,144
Total	7,877,013	6,860,144

- (f) There are no specific claims from suppliers under interest on delayed payments covered under Small Scale & Ancillary Act, 1993.
- (g) The company does not have any dues payable to any micro, small and medium enterprises as at the year end. The identification of the micro, small & medium enterprises is based on management's knowledge of their status. The Company has not received any intimation from the suppliers regarding their status under the MSMED Act 2006. 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 given.

(h) **Payments to Auditors:**

(Figures in Rs.)

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
Statutory Audit Fees	147,100	147,100
Tax Audit Fees	73,500	73,500
Total	220,600	220,600

(i) **Directors' Remuneration:**

(Figures in Rs.)

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
Salaries and Allowance	NIL	NIL
Commission	NIL	NIL
Sitting Fees	29,000	NIL
Total	29,000	NIL

The computation of the net profit in accordance with Section 198 (1) and Section 349 of the Companies Act, 1956 is as under:

(Figures in Rs.)

Computation of Net Profit in accordance with Section 198 (1) & Section 349 of the Companies Act, 1956		
Particulars	2010-2011	2009-2010
Profit for the year before taxation as per P&L a/c	37,518,133	12,902,909
Add:		
Director's Remuneration	NIL	NIL
Profit / (Loss) on the sale of Fixed Assets / Investments	NIL	NIL
Depreciation as per Accounts	4,792,022	3,197,332
Commission Paid to Directors'	NIL	NIL
Less:		
Depreciation as per Section 350 of Companies Act, 1956	4,792,022	3,197,332
Net profit on which remuneration is payable	37,518,133	12,902,909
Maximum permissible remuneration payable	37,518	12,902
Remuneration (including commission) paid for the current year	NIL	NIL
Total remuneration (including commission) paid	NIL	NIL

(j) Expenditure in Foreign Exchange :

(Figures in Rs.)

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
a) CIF Value of Imports		
i) Traded Goods	NIL	NIL
b) Others		
i) Traveling Expenses	NIL	NIL
ii) Bank Charges	NIL	NIL
iii) Import of Goods	NIL	NIL
Total	NIL	NIL

(k) Value of Exports

(Figures in Rs.)

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
FOB Value of Exports	119,601,470	157,286,437
Freight , Insurance & Commission	NIL	NIL
Total	119,601,470	157,286,437

- (l) The year-end foreign currency exposures that have not been specifically hedged by a derivative instrument or otherwise are given below:

Particulars	As at 31/03/2011		As at 31/03/2010	
	In Foreign Currency	In Rupees	In Foreign Currency	In Rupees
Debtors	NIL	NIL	NIL	NIL
Advances From Customers	NIL	NIL	NIL	NIL
Creditors	NIL	NIL	NIL	NIL

(m) **Employee Benefits**

Disclosure as required by Accounting Standard 15 (Revised) on Employee Benefits:- In respect of gratuity, a defined benefit scheme (based on actuarial valuation) are given below:-

Summary of assumptions:

Date of Valuation	31.03.2011
Retirement age	60
Attrition Rate	NIL
Future Salary Rise	10%
Rate of Discounting	10%
Mortality Table	As per 1994-96 Lic Mortality Table (std)

The actuarial value of gratuity as on 31.03.2011 calculated on the above assumptions works out to Rs. 3,052,452/- and additional provision regarding the same has been made in the books.

(n) **Details of Capacities, Production and Stocks:**

The Company being a Trading Company, the disclosures mandated by paragraphs 3(i)(b) of Part II, Schedule VI to the Companies Act, 1956 are given below:

Sr. No.	Product	Unit	Op. Stock	Purchases /Generati on	Sales	Closing Stock	Amount Rs
1	Machinery	Nos	3	-	3	-	-
2	Metals	Set	5	-	5	-	-
		Mt	-	4,387	4,387	-	-
3	Electricity	Unit	-	1,455,097	1,455,097	-	-
4	Chemicals	Dmt	1.645	1453.650	1455.165	.130	5,550
		Mt	-	6654.11	6273.05	381.06	38,172,376
	TOTAL						38,177,926

(o) Related Party Disclosures :

As per Accounting Standard 18, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below:

1. Related Parties:**(i) Subsidiary Company**

- Veritas Global PTE Limited
- Veritas FZE

(ii) Associates : NIL**(iii) Key Managerial Personnel**

- Nitin Kumar Didwania – Director
- Girish Zaveri – CFO

2. Transactions between the Company and related parties and the status of outstanding balances as at March 31, 2011:

(Figures in Rs.)

Particulars	Subsidiary Company	
	2010-11	2009-10
Purchase of Fixed Assets	-	-
Purchase / Subscription of Investments	3,422	93,340,000
Sale / Redemption of Investments	-	-
Net Loans & Advances given / (returned)	89,110,000	222,245,250
Investments	-	-
Sundry Debtors	-	-
Loans & Advances	-	-
Sundry Creditors	-	-
Financial Guarantees	558,125,000	-

(p) Segment Information:

i) Business Segment:

PARTICULARS	2010-2011	2009-2010
Segment Revenue		
Trading and Distribution	2,096,529,873	1,114,647,170
Wind Power Generation	4,914,949	2,888,635
	2,101,444,822	1,117,535,805
Segment Profit or Loss		
Trading and Distribution	37,118,010	15,229,999
Wind Power Generation	400,123	(2,327,090)
	37,518,133	12,902,909
Other Information		
Trading and Distribution		
Segment Fixed Assets	3,700,747	2,037,297
Segment Net Current Assets	719,886,594	627,670,709
Wind Power Generation		
Segment Fixed Assets	78,610,271	83,058,671
Segment Net Current Assets	4,392,323	5,027,839

ii) **Geographical Segment:** The secondary reporting segment for the Company is geographical segment based on location of customers, which are as follows :

Information for Secondary Segments:				
Particulars	Rupees			
	Domestic	Exports	Unallocated	Total
Revenues from external customers	1,981,843,352	119,601,470	-	2,101,444,822
Segment Assets	1,187,041,338	-	-	1,187,041,338

(q) Earnings Per Share (EPS) as per Accounting Standard 20:

The Company reports basic and diluted Earnings Per Share (EPS) in accordance with Accounting Standard 20 on Earnings Per Share. Basic EPS is computed by the net profit or loss for the year by the weighted average no of equity shares outstanding during the year.

Basis of calculation of Basic and Diluted earning per Equity share is as under:

(Figures in Rs.)

	For the year ended March 31, 2011	For the year ended March 31, 2010
Profit After Tax	21,320,594	3,992,765
Weighted average number of Equity Shares		
- Basic	24,210,000	1,015,521
- Diluted	24,210,000	1,015,521
Nominal Value of Equity Shares (Rs.)	1	10
Earning per Share (Rs.)		
- Basic	0.88	3.93
- Diluted	0.88	3.93

(r) The Ministry of Corporate Affairs, Government of India, vide General Circular No.2 and 3 dated 8th February 2011 and 21st February 2011 respectively has granted a general exemption from compliance with section 212 of the Companies Act, 1956, subject to fulfillment of conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption. Necessary information relating to the subsidiaries has been included in the Consolidated Financial Statements.

(s) Previous year comparatives:

Previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

As per our Audit Report of even date attached

**For SHABBIR S BAGASRAWALA
CHARTERED ACCOUNTANTS**

Sd/-

**(Shabbir S Bagasrawala)
Proprietor
Membership No.- 39865**

**Place: Mumbai
Dated: 30th May,2011**

For and on Behalf of the Board

Sd/-

**Nitin Kumar
Director**

Sd/-

**Alpa Parekh
Director**

Sd/-

**S. S. Parker
Director**

Sd/-
**Saurabh Sanghvi
Director**

Sd/-
**Hanoz Chinoy
Company Secretary**

Auditors' Report on Consolidated Financial Statements

To The Board of Directors
VERITAS (INDIA) LIMITED

1. We have audited the attached Consolidated Balance Sheet of Veritas (India) Limited ["the Company"] and its subsidiaries [collectively referred to as "the Group] as at 31st March, 2011, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These Consolidated Financial Statements are the responsibility of the Company's management and have been prepared by the Management on the basis of separate financial statements and the other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. We have 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 statement are prepared, in all material respects, in accordance with an identified financial reporting frame work and are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financials statements. An audit also includes the 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. We did not audit the financial statements of the subsidiary. These financial statements have been audited by other auditors whose reports have been furnished to us and in our opinion so far as it relates to the amounts included in respect of this Subsidiary, are based solely on the report of the auditor.
4. We report that the Consolidated Financial Statements have been prepared by the Company's management in accordance with the requirements of Accounting standard 21, "Consolidated Financial Statements" Notified by Companies [Accounting Standards] Rules 2006.

5. Based on our audit and on the consideration of the separate audit report on individual audited financial statements of the Company and its consolidated subsidiary, subject to our comments in Para 3 above, in our opinion and to the best of our information and according to the explanations given to us, the Consolidated Financial Statements gives a true and fair view in conformity with the accounting principles generally accepted in India:
- (a) In case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2011
 - (b) In the case of Consolidated Profit and Loss Account, of the profit for year ended on that date; and
 - (c) In the case of Consolidated Cash Flow Statement, of the cash flow for the year ended on that date.

**For Shabbir S. Bagasrawala
Chartered Accountants**

Sd/-

**Place: Mumbai
Date: 30th May, 2011**

**Proprietor
M.NO. 39865**

VERITAS (INDIA) LIMITED			
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011			
<i>(Amount in Rupees)</i>			
PARTICULARS	SCHEDULE	AS AT 31.03.2011	AS AT 31.03.2010
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	24,210,000	24,210,000
Reserves & Surplus	2	1,017,578,807	785,560,465
		1,041,788,807	809,770,465
LOAN FUNDS			
Secured Loans	3	154,628,729	59,427,373
Unsecured Loans	4	697,800	433,500
		155,326,529	59,860,873
DEFERRED TAX LIABILITIES			
		17,343,811	9,466,798
TOTAL		1,214,459,147	879,098,136
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	5	266,894,576	88,510,703
Less : Depreciation		22,062,776	3,340,777
Net Block		244,831,799	85,169,926
INVESTMENTS			
	6	3,875,000	2,900,000
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	7	44,921,396	853,468
Sundry Debtors	8	1,850,161,071	626,603,508
Cash & Bank Balances	9	166,969,744	84,252,026
Loans & Advances	10	38,151,427	239,399,578
		2,100,203,639	951,108,580
Less : CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	11	1,132,497,778	160,610,943
Provisions	12	2,533,964	122,433
		1,135,031,742	160,733,376
NET CURRENT ASSETS			
		965,171,897	790,375,204
MISCELLANEOUS EXPENDITURE			
(To the extent not written off/adjusted)	13	580,450	653,006
TOTAL		1,214,459,147	879,098,136
Significant Accounting Policies and Notes to Accounts		19	
As per our report of even date For SHABBIR S BAGASRAWALA CHARTERED ACCOUNTANTS		FOR AND ON BEHALF OF THE BOARD	
Sd/-	Sd/- Nitin Kumar Director	Sd/- Alpa Parekh Director	Sd/- S.S Parker Director
Proprietor Membership No. 39865			
Place : Mumbai, Dated: 30th May, 2011	Sd/- Saurabh Sanghvi Director		Sd/- Hanoz Chinoy Company Secretary

VERITAS (INDIA) LIMITED
 CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

(Amount in Rupees)

PARTICULARS	SCHEDULE	YEAR ENDED 31.03.2011	YEAR ENDED 31.03.2010
INCOME			
Income from Operations		6,157,392,430	2,202,177,029
Other Income	14	286,513	-
		6,157,678,943	2,202,177,029
EXPENDITURE			
Direct Expenses	15	5,755,642,622	2,101,061,745
Administrative & Other Expenses	16	48,934,792	8,092,695
Selling & Distribution Expenses	17	45,982,614	15,019,805
		5,850,560,029	2,124,174,245
Operating Profit before Interest, Depreciation and Tax		307,118,914	78,002,785
Interest & Finance Charges	18	29,323,794	2,766,810
Depreciation		18,722,865	3,214,261
Profit before Taxation		259,072,255	72,021,714
Provision for Taxation			
Current Tax		7,801,990	2,050,000
Deferred Tax		7,877,013	6,860,144
Income Tax for Earlier Years		663,526	-
Net Profit		242,729,727	63,111,570
Balance in Profit & Loss Account brought forward		79,464,455	16,352,885
BALANCE AVAILABLE FOR APPROPRIATION		322,194,182	79,464,455
Proposed Dividend		1,210,500	-
Corporate Dividend Tax		201,050	-
Surplus Carried to Balance Sheet		320,782,632	79,464,455
		322,194,182	79,464,455
EARNINGS PER SHARE			
Equity shares of par value Rs 1/- each (P.Y. Rs.10/-each)			
Basic & Diluted		10.03	62.15
Number of Shares used in computing earning per share			
Basic & Diluted		24,210,000	1,015,521
Significant Accounting Policies and Notes to Accounts	19		
As per our report of even date For SHABBIR S BAGASRAWALA CHARTERED ACCOUNTANTS		OR AND ON BEHALF OF THE BOARD	
Sd/-	Sd/-	Sd/-	Sd/-
	Nitin Kumar Director	Alpa Parekh Director	S.S Parker Director
Proprietor Membership No. 39865			
Place : Mumbai, Dated: 30th May, 2011	Sd/- Saurabh Sanghvi Director		Sd/- Hanoz Chinoy Company Secretary

VERITAS (INDIA) LIMITED
SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011

(Amount in Rupees)

PARTICULARS	AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE - 1		
<u>SHARE CAPITAL</u>		
AUTHORISED:		
10,00,00,000 Equity Shares of Rs 1/- each	100,000,000	100,000,000
(P.Y. 1,00,00,000) Equity Shares of Rs 10/- each		
	100,000,000	100,000,000
ISSUED , SUBSCRIBED & PAID UP:		
2,42,10,000 Equity shares of Rs 1/- each Fully paid	24,210,000	24,210,000
24,21,000 (P.Y.24,21,000) Equity shares of Rs 10/- each Fully paid		
	24,210,000	24,210,000
SCHEDULE - 2		
<u>RESERVES & SURPLUS</u>		
Share Premium Reserve		
Opening Balance	714,500,000	-
Add: Received during the year	-	714,500,000
Less: Share Issue Expenses	731,250	-
Closing Balance	713,768,750	714,500,000
Profit & Loss Account		
Less : Foreign Exchange Reserve	320,782,632	79,464,455
	16,972,575	8,403,989
	1,017,578,807	785,560,466
SCHEDULE - 3		
<u>SECURED LOANS</u>		
<u>Loans and Advances from Banks</u>		
Term Loan from :		
Punjab National Bank	56,753,000	58,834,750
(Secured against mortgage of Wind Mill)		
Cash Credit/Overdraft from :		
Axis Bank Ltd	97,689,563	-
(The above loan is secured against Current Assets and entire Fixed Assets of the Company)		
Vehicle Loan from :		
Kotak Mahindra Prime Ltd	186,166	592,623
(The above loan is secured against mortgage of respective vehicle)		
	154,628,729	59,427,373
SCHEDULE - 4		
<u>UNSECURED LOANS</u>		
From Others:		
Loan from Directors	697,800	433,500
	697,800	433,500

VERITAS (INDIA) LIMITED

Schedule 5 : FIXED ASSETS

Sr. No.	Particulars	Rate	Gross Block				Provision for Depreciation				Net block		
			As On		During the Year		As On		During the Year		As On		As On
			01.04.2010	01.04.2010	Additions	Deductions	31.03.2011	01.04.2010	Additions	Deductions	31.03.2011	31.03.2011	31.03.2010
1	Land at Satara		1,800,000	-	-	1,800,000	-	-	-	-	1,800,000	1,800,000	
2	Plant & Machinery	5.28%	84,250,000	-	-	84,250,000	2,991,329.00	4,448,400	-	7,439,729	76,810,271	81,258,671	
3	Computer System	16.21%	629,597	1,838,496	-	2,468,093	91,308	185,422	-	276,730	2,191,363	536,289	
4	Furniture & Fixture	6.33%	139,250	168,575	-	307,825	16,016	10,334	-	26,350	281,475	123,234	
5	Motor Car	9.50%	1,515,480	-	-	1,515,480	218,520	143,971	-	362,491	1,152,989	1,296,960	
6	Office Equipment	4.75%	82,000	-	-	82,000	3,185	3,895	-	7,080	74,920	78,815	
7	FZE Fixed Assets												
	Office Equipment	20.00%	94,376	9,301	-	103,677	20,419	19,963	-	40,382	63,295	73,957	
	Others	20.00%	-	176,367,500	-	176,367,500	-	13,910,013	-	13,910,013	162,457,487	-	
	Total		88,510,703	178,383,872	-	266,894,575	3,340,777	18,721,998	-	22,062,775	244,831,800	85,169,926	
	Previous Year		31,545,785	56,870,542	-	88,416,327	123,027	3,197,332	-	3,320,359	85,095,968	31,422,757	

VERITAS (INDIA) LIMITED
SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011

(Amount in Rupees)

PARTICULARS	AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE - 6		
<u>INVESTMENTS</u>		
Long Term Investments (at cost) :		
In Equity		
Quoted - (Non-Trade)		
1,00,000 (P.Y. 1,00,000) Equity Shares of DB (International) Stock Brokers Ltd of Rs 10/- each fully paid up [Market Value Rs.79,00,000/- (P.Y. Rs. 1,29,25,000/-)]	2,900,000	2,900,000
Rander Corporation Ltd 75,000 (P.Y.NIL) of Rs 10/- each fully paid up [Market Value Rs.5,40,000/- (P.Y. Rs.NIL)]	975,000	-
	3,875,000	2,900,000
SCHEDULE - 7		
<u>INVENTORIES</u>		
(As taken, valued and certified by the management at lower of cost or net realisable value)		
Finished Goods	44,921,396	853,468
	44,921,396	853,468
SCHEDULE - 8		
<u>SUNDRY DEBTORS (Unsecured, Considered Good)</u>		
Others	1,850,161,071	626,603,508
	1,850,161,071	626,603,508
SCHEDULE - 9		
<u>CASH & BANK BALANCES</u>		
Cash On Hand	1,600,486	439,669
Balance with Scheduled Bank		
In Current Accounts	62,183,318	83,812,357
In Deposit Accounts		
-Against Margin Money for LC / BG	103,185,940	-
	166,969,744	84,252,026

VERITAS (INDIA) LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011

(Amount in Rupees)

PARTICULARS	AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE - 10		
<u>LOANS & ADVANCES</u>		
Unsecured Considered Goods		
Advances recoverable in cash or kind	36,391,817	239,065,728
Deposits	1,759,610	333,850
	38,151,427	239,399,578
SCHEDULE - 11		
<u>CURRENT LIABILITIES</u>		
Sundry Creditors :		
'Others	947,365,184	149,011,467
Other Liabilities	185,132,594	11,599,476
	1,132,497,778	160,610,943
SCHEDULE - 12		
<u>PROVISION</u>		
For Income Tax (Net of Taxes paid)	1,120,814	120,833
For Proposed Dividend	1,210,500	-
For Dividend Tax	201,050	-
For Fringe Benefit Tax (Net of Taxes paid)	1,600	1,600
	2,533,964	122,433
SCHEDULE - 13		
<u>MISCELLANEOUS EXPENDITURE</u>		
Miscellaneous Expenditure	653,006	725,562
Less: Written Off during the Year	72,556	72,556
	580,450	653,006

VERITAS (INDIA) LIMITED		ANNUAL REPORT 2010-2011	
VERITAS (INDIA) LIMITED			
SCHEDULES FORMING PART OF CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011			
PARTICULARS	YEAR ENDED 31.03.2011	YEAR ENDED 31.03.2010	
SCHEDULE - 14			
<u>OTHER INCOME</u>			
Interest on Fixed Deposit	186,513	-	
Dividend Income	100,000	-	
	286,513	-	
SCHEDULE - 15			
<u>DIRECT EXPENSES</u>			
Opening Stock	853,468	831,269	
Add-Purchases	5,576,170,380	2,047,784,671	
Less-Closing Stock	44,921,396	853,468	
	5,532,102,452	2,047,762,472	
Cig Forwarding, Freight & Transportation Charges	150,924,957	35,116,449	
Foreign Exchange Fluctuation (Gain) / Loss(Net)	(4,126,169)	2,441,202	
Demurrage	1,586,855	-	
Loading & Unloading Charges	490,605	179,272	
Packing & Slitting Charges	1,028,568	442,735	
Warehousing/ Wharfage Charges	73,635,354	15,119,615	
	5,755,642,622	2,101,061,745	
SCHEDULE - 16			
<u>ADMINISTRATIVE & OTHER EXPENSES</u>			
Office Expenses	360,227	99,148	
Rent, Rates, Taxes	3,534,920	965,942	
Electricity Expenses	68,420	-	
Postage, Telegram Communication & Courier Charges	1,404,148	594,494	
Printing & Stationery	296,768	223,242	
Insurance Charges	3,669,086	62,746	
Repairs & Maintenance			
Building / Premises	253,653	126,300	
Others	671,373	369,337	
Membership Fees & Subscription	142,233	113,939	
Legal, Professional & Consultancy Charges	1,369,773	379,789	
Salaries & Staff Welfare Expenses	26,729,258	3,733,018	
Directors Sitting Fees	29,000	-	
Payment to Auditors	238,064	220,600	
Preliminary Expenses Written off	72,556	72,556	
Miscellaneous Expenses	10,095,315	1,131,584	
	48,934,792	8,092,695	
SCHEDULE - 17			
<u>SELLING & DISTRIBUTION EXPENSES</u>			
Advertisement Expenses	704,913	100,316	
Distribution Expenses	30,875,495	371,251	
Travelling, Conveyance Lodging & Boarding Expenses	3,065,633	3,652,138	
Commission paid	11,279,093	1,017,471	
Value Added Tax paid	57,480	9,878,629	
	45,982,614	15,019,805	
SCHEDULE - 18			
<u>INTEREST & FINANCE CHARGES</u>			
On Fixed Period Loan	7,477,899	1,785,474	
On Working Capital Loan	19,690,574	-	
Bank Charges & Commission	2,155,321	981,336	
	29,323,794	2,766,810	

VERITAS (INDIA) LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

(Amount in Rupees)

Particulars	YEAR ENDED 31.03.2011		YEAR ENDED 31.03.2010	
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit before Tax and Extraordinary Items		259,072,255		72,021,714
Adjustments for:				
Depreciation	18,722,865		3,214,261	
Interest & Finance Charges Paid	29,323,794		2,766,810	
Dividend Received	(100,000)		-	
Preliminary Expenses Written off	72,556	48,019,215	72,556	6,053,627
Operating Profit Before Working Capital Changes		307,091,470		78,075,341
Adjustments for:				
(Increase)/Decrease in Trade & Other Receivables	(1,223,557,563)		(379,226,720)	
(Increase)/Decrease in Loans & Advances	201,248,151		(215,274,347)	
(Increase)/Decrease in Inventories	(44,067,928)		(22,199)	
Increase/(Decrease) in Trade Payables	971,886,835	(94,490,506)	(57,531,539)	(652,054,805)
Cash Generated From Operations		212,600,965		(573,979,464)
Income Tax Paid		7,465,534		2,050,000
Net Cash From Operating Activities		205,135,431		(576,029,464)
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Change in Foreign Exchange Reserve	(8,569,452)		(9,889,538)	
Purchase of Investment	(975,000)		(2,900,000)	
Dividend Income	100,000		-	
Purchase of Fixed Assets	(178,383,873)	(187,828,325)	(56,870,542)	(69,660,080)
Net Cash Used In Investing Activities		(187,828,325)		(69,660,080)
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Issue of Shares (Including Share Premium)	(731,250)		708,750,000	
Proceeds from long term/short term borrowings	95,465,656		19,991,420	
Interest & Finance Charges Paid	(29,323,794)	65,410,612	(2,766,810)	725,974,610
Net Cash From Financing Activities		65,410,612		725,974,610
Net Increase/(Decrease) in Cash & Cash Equivalents		82,717,718		80,285,065
Cash & Cash Equivalents as at 1st April 2010		84,252,026		3,966,961
Cash & Cash Equivalents as at 31st March 2011		166,969,744		84,252,026

As per our report of even date
For SHABBIR S BAGASRAWALA
CHARTERED ACCOUNTANTS

Sd/-

Proprietor
Membership No. 39865

Place : Mumbai,
Dated: 30th May, 2011

FOR AND ON BEHALF OF THE BOARD

Sd/-
Nitn Kumar
Director

Sd/-
Alpa Parekh
Director

Sd/-
S.S Parker
Director

Sd/-
Saurabh Sanghvi
Director

Sd/-
Hanoz Chinoy
Company Secretary

VERITAS (INDIA) LIMITED (Consolidated)**SCHEDULE '19'**

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED 31st March, 2011

Statement of Significant Accounting Policies**(a) Principles of consolidation:**

- 1) The Consolidated Financial Statements are prepared in accordance with Accounting Standard 21(AS-21) "Consolidated Financial Statements" issued by The Institute of Chartered Accountants of India (ICAI). These financial statements comprise VERITAS (INDIA) LIMITED (The Company) and its majority owned & controlled subsidiaries VERITAS FZE & VERITAS GLOBAL PTE LIMITED (Together refer to as "The Group").
- 2) The financial statements of the Company and its subsidiary are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating the intra –group balances and intra –group transactions in accordance with Accounting Standard (AS) 21 – "Consolidated Financial Statements".
- 3) In case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the exchange fluctuation reserve.

(b) Investments other than in subsidiaries and associates have been accounted as per Accounting Standard (AS) 13 on "Accounting for Investments".

(c) Other significant accounting policies:

These are set out under "Significant Accounting Policies" as given in the Company's separate financial statements.

NOTES TO ACCOUNTS:**(a) The Subsidiary Companies Considered in Consolidated Financial Statements are;**

Veritas FZE	UAE	100%
Veritas Global PTE Limited	Singapore	100%

- (b) The audited financial statements of foreign subsidiaries have been prepared in accordance with the Generally Accepted Accounting Principles of its country of incorporation or International Financial Reporting Standards. The differences in accounting policies of the Company and its subsidiaries are not material.

(c) Contingent liabilities:

Contingent liabilities in respect of outstanding corporate guarantees given to bank on behalf of subsidiaries are as under:

(Figures in Rs.)

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
Guarantees given to banks on behalf of the Group	558,125,000	NIL
Total	558,125,000	NIL

- (d) Provision for current tax is made taking into account the provisions of Income Tax Act, 1961. Deferred Tax resulting from "Timing Difference" between book & taxable profit is accounted for using the tax rates and laws that have been enacted and subsequently enacted as on the balance sheet date. Major component of Deferred Tax arising on account of temporary timing difference is as under:-

(Figures in Rs.)

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
Deferred Tax Liability		
Depreciation	7,877,013	6,860,144
Total	7,877,013	6,860,144

(e) Payments to Auditors:

(Figures in Rs.)

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
Statutory Audit Fees	147,100	147,100
Tax Audit Fees	73,500	73,500
Total	220,600	220,600

(f) Directors' Remuneration:

(Figures in Rs.)

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
Salaries and Allowance	NIL	NIL
Commission	NIL	NIL
Sitting Fees	29,000	NIL
Total	29,000	NIL

(g) Details of Capacities, Production and Stocks:

The movements in inventories are as under:

Sr. No.	Product	Unit	Op. Stock	Purchases /Generation	Sales	Closing Stock	Amount Rs
1	Machinery	Nos	3	-	3	-	-
2	Metals	Set	5	-	5	-	-
		Mt	-	4,387	4,387	-	-
3	Electricity	Unit	0	1,455,097	1,455,097	-	-
4	Chemicals	Dmt	1.645	1453.650	1455.165	.130	5,550
		Mt	-	114884.11	114303.05	581.06	44,915,846
	Total						44,921,396

(h) Related Party Disclosures :

As per Accounting Standard 18, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below:

1. Related Parties:

(i) Associates : NIL

(ii) Key Managerial Personnel

- Nitin Kumar Didwania – Director
- Girish Zaveri – CFO

2. Transactions between the Group and related parties and the status of outstanding balances as at March 31, 2011:

(Figures in Rs.)

Particulars	Subsidiary Company	
	2010-11	2009-10
Purchase of Fixed Assets	-	-
Purchase / Subscription of Investments	3,422	93,340,000
Sale / Redemption of Investments	-	-
Net Loans & Advances given / (returned)	89,110,000	222,245,250
Sundry Debtors	-	-
Loans & Advances	-	-
Sundry Creditors	-	-
Financial Guarantees	558,125,000	-

(i) Segment Information:

i) Business Segment:

PARTICULARS	2010-2011	2009-2010
Segment Revenue		
Trading and Distribution	6,152,763,994	2,199,288,393
Wind Power Generation	4,914,949	2,888,636
	6,157,678,943	2,202,177,029
Segment Profit or Loss		
Trading and Distribution	258,672,132	74,348,804
Wind Power Generation	400,123	(2,327,090)
	259,072,255	72,021,714
Other Information		
Trading and Distribution		
Segment Fixed Assets	166,221,528	2,111,255
Segment Net Current Assets	960,779,574	785,347,365
Wind Power Generation		
Segment Fixed Assets	78,610,271	83,058,671
Segment Net Current Assets	4,392,323	5,027,839

ii) Geographical Segment: The secondary reporting segment for the Company is geographical segment based on location of customers, which are as follows :

Information for Secondary Segments:				
Particulars	Rupees			Total
	Domestic	Exports	Unallocated	
Revenues from external customers (net) (including sale of services)	2,178,021,770	3,979,657,173	-	6,157,678,943
Segment Assets	972,641,295	1,376,849,593	-	2,349,490,888

(j) Earnings Per Share (EPS) as per Accounting Standard 20:

The Group reports basic and diluted Earnings per Share (EPS) in accordance with Accounting Standard 20 on Earnings per Share. Basic EPS is computed by the net profit or loss for the year by the weighted average no of equity shares outstanding during the year.

Basis of calculation of Basic and Diluted earning per Equity share is as under:

(Figures in Rs.)

	For the year ended March 31, 2011	For the year ended March 31, 2010
Profit After Tax	242,729,727	63,111,570
Weighted average number of Equity Shares		
- Basic	24,210,000	1,015,521
- Diluted	24,210,000	1,015,521
Nominal Value of Equity Shares (Rs.)	1	10
Earning per Share (Rs.)		
- Basic	10.03	62.15
- Diluted	10.03	62.15

(k) Previous year comparatives:

Previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

As per our Audit Report of even date attached

For SHABBIR S BAGASRAWALA
CHARTERED ACCOUNTANTS

Sd/-

(Shabbir S Bagasrawala)
Proprietor
Membership No. - 39865

Place: Mumbai
Dated: 30th May, 2011

For and on Behalf of the Board

Sd/- Nitin Kumar Director	Sd/- Alpa Parekh Director	Sd/- S.S.Parker Director
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Sd/- Saurabh Sanghvi Director	Sd/- Hanoz Chinoy Company Secretary
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VERITAS (INDIA) LIMITED

Regd Office: 701, Embassy Centre, Nariman Point, Mumbai-400 021

PROXY FORM

Regd. Folio No..... DP ID No.*..... Client ID No.*.....

* Applicable for Member holding shares in electronic form.

I/ We.....
of.....being a
 Member/Members of Veritas (India) Limited hereby
 appoint.....of.....
 or failing
 him.....of.....
 as
 my/ our proxy to vote for me/us on my/our behalf at the 26th Annual General Meeting of
 the Company to be held on 23rd September, 2011 and at any adjournment thereof.

Signed this Day of.....2011.

Signature

Affix 15 Paise Revenue Stamp

Notes:

1. A Proxy need not be a member of the Company.
2. The Proxy Form in order to be effective should be duly completed, stamped and signed and must be deposited at the registered office of the Company, not less than 48 hours before the commencement of the meeting.



VERITAS (INDIA) LIMITED

Regd Office: 701, Embassy Centre, Nariman Point, Mumbai-400 021

ATTENDANCE SLIP 26th ANNUAL GENERAL MEETING, 23rd September, 2011

Regd. Folio No..... No. of Shares held.....

DP. ID No.* Client ID No.*

No. of shares held.....

* Applicable for Member holding shares in electronic form.

I certify that I am a registered member/ proxy for the registered member of the Company.

I hereby record my presence at the 26th Annual General Meeting of the Company at Sunflower II, Centre I, 30th Floor, World Trade Centre, Cuffe Parade, Mumbai- 400 005 at 3 p.m. on Friday, 23rd September, 2011.

.....
Member's/Proxy's name in Block Letters

.....
Member's/Proxy's Signature

Note:

Please fill up this attendance slip and hand over at the entrance of the meeting hall.

BOOK - POST

If undelivered, please return to:

Universal Capital Securities Pvt. Ltd.
(Formerly known as "Mondkar Computers Pvt. Ltd.")
UNIT: VERITAS (INDIA) LIMITED
21, Shakil Niwas,
Opp. Satya Saibaba Temple,
Mahakali Caves Road,
Andheri (E), Mumbai- 400 093