

## ATUL RAJASTHAN DATE PALMS LIMITED

### Directors' Report

To

The Members

The Directors of Atul Rajasthan Date Palms Limited (ARDPL) have pleasure in presenting its first Annual Report of the Company together with the audited Statement of Accounts for the period March 5, 2009 to March 31, 2010.

#### Financial Results:

**March 5, 2009 to  
March 31, 2010  
Rs.**

Income before deduction of Depreciation & Taxation	68,05,233
Depreciation	50,683
Taxation	<u>26,63,675</u>
<b>Income after Tax</b>	<b>40,90,875</b> =====
 Balance carried forward	 40,90,875

#### STATE OF AFFAIRS OF THE COMPANY:

During the period under review, no sales and operating income were generated by the Company. The Company received entire income from interest on fixed deposit made from temporary surplus fund. The Company expects to start its operations during the current year. For the current year, we have some jobs on hand and a few jobs are under negotiation to establish tissue culture laboratory.

The notes to the accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any explanation under section 217 (3) of Companies Act, 1956.

#### INCOME FROM INVESTMENTS:

The Company received Rs.87,04,819/- by way of interest on fixed deposit and the same is included in the accounts of the Company.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO, EMPLOYEES:**

Information required under section 217 (1) (e) of the Companies Act, 1956, read with Rule 2 of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and information as per section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars Employees) Rules, 1975, as amended from time to time, form part of this Report. However, as per the provision of section 219 (1) (b) (iv), the report and accounts are being sent to all shareholders of the company excluding information relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo, particulars of employees. Any shareholder interested in obtaining such particulars may inspect the same at the registered office of the Company or write to the Company for a copy.

**DIRECTORS:**

Mr. B N Mohanan was appointed as a Managing director with effect from May 1, 2009 and his appointment as Managing Director is placed before the next Annual General Meeting for approval.

Mr. Sunil S Lalbhai was appointed as an Additional Director with effect from June 10, 2009 and his appointment as Director is placed before the next Annual General Meeting for approval.

Mr. D R Mehta was appointed as an Additional Director with effect from June 10, 2009 and his appointment as Director is placed before the next Annual General Meeting for approval.

Dr. Rajmohan Karthikeyan was appointed as an Additional Director with effect from December 10, 2009 and his appointment as Director is placed before the next Annual General Meeting for approval.

Mr. S Ahmad was appointed as an Additional Director and Chairman with effect from March 12, 2010 and his appointment as Director is placed before the next Annual General Meeting for approval.

Mr. Sanjay Dixit ceased to be Chairman with effect from March 12, 2010. The Board appreciated the vision, effort and initiatives taken by him as Chairman for promoting the Date Palm Project for the benefit of the people of Rajasthan.

Dr. A Zaid was appointed as an Additional Director with effect from April 6, 2010 and his appointment as Director is placed before the next Annual General Meeting for approval.

Mr. T R Gopi Kannan and Mr. Sanjay Dixit retire by rotation from the Board of Directors under the provisions of Article 89 of the Articles of Association of the Company and being eligible offer themselves for re-appointment.

**RESPONSIBILITY STATEMENT:**

The directors confirm that:

- 1) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- 2) Such accounting policies have been selected and applied consistently and such judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2010 and of the profit and loss of the Company for the year ended on that date.
- 3) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- 4) The annual accounts have been prepared on a going concern basis.

**AUDITORS:**

M/s. Dalal & Shah, the Auditors of the Company are not desirous of being reappointed. The Company had approached B M Kothari & Company, Chartered Accountants, who have consented to act as Auditors, if appointed. The members are requested to appoint them and fix their remuneration.

**ACKNOWLEDGEMENTS:**

Your Directors place on record their appreciation of the efforts of the employees in furthering the activities of the Company.

For and on behalf of the Board of Directors

S Ahmad  
CHAIRMAN

Jodhpur  
August 28, 2010

NOTICE is hereby given that the First Annual General Meeting (AGM) of the Members of the Company will be held on Friday, September 3, 2010 at 11:00 a.m. at Registered Office, Jodhpur (Rajasthan), India to transact the following business:

**Ordinary Business:**

1. To receive, consider and adopt the Balance Sheet as on March 31, 2010 and the Profit and Loss Account for the year ended on that date together with the reports of Directors and the Auditors thereon.

**Special Business**

2. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an ordinary resolution:

**"RESOLVED THAT** B M Kothari & Co, Chartered Accountants be and are hereby appointed as Statutory Auditors of the Company in place of Dalal & Shah, the retiring Statutory Auditors who have given notice in writing to the Company of his unwillingness to be reappointed, to hold the office till the conclusion of the next AGM on such terms and conditions and on such remuneration as may be decided by the Board.

RESOLVED FURTHER that the appointment shall be in accordance with the limits specified in Sub-Section 1(B) of Section 224 of the Companies Act, 1956."

3. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an ordinary resolution:

**"RESOLVED THAT** Mr. S S Lalbhai retiring at this Annual General Meeting having been appointed as an Additional Director under Article 118 of Articles of Association and Section 260 of the Companies Act, 1956 and who being eligible offers himself for appointment and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956 from a member proposing his candidature, be and is hereby appointed a Director of the Company."

4. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an ordinary resolution:

**"RESOLVED THAT** Mr. D R Mehta retiring at this Annual General Meeting having been appointed as an Additional Director under Article 118 of Articles of Association and Section 260 of the Companies Act, 1956 and who being eligible offers himself for appointment and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956 from a member proposing his candidature, be and is hereby appointed a Director of the Company."

5. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an ordinary resolution:

**"RESOLVED THAT** Dr. Rajmohan Karthikeyan retiring at this Annual General Meeting having been appointed as an Additional Director under Article 118 of Articles of

Association and Section 260 of the Companies Act, 1956 and who being eligible offers himself for appointment and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956 from a member proposing his candidature, be and is hereby appointed a Director of the Company.”

6. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an ordinary resolution:

**“RESOLVED THAT** Mr. S Ahmad retiring at this Annual General Meeting having been appointed as an Additional Director under Article 118 of Articles of Association and Section 260 of the Companies Act, 1956 and who being eligible offers himself for appointment and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956 from a member proposing his candidature, be and is hereby appointed a Director of the Company.”

7. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an ordinary resolution:

**“RESOLVED THAT** Dr. A Zaid retiring at this Annual General Meeting having been appointed as an Additional Director under Article 118 of Articles of Association and Section 260 of the Companies Act, 1956 and who being eligible offers himself for appointment and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956 from a member proposing his candidature, be and is hereby appointed a Director of the Company.”

8. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an ordinary resolution:

**“RESOLVED THAT** pursuant to provisions of Sections 198, 269 and 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 including any statutory modification or re-enactment thereof and subject to such approvals as may be necessary, approval of the members of the Company be and is hereby accorded to the appointment of Mr B N Mohanan as the Managing Director of the company with effect from May 1, 2009 upon the terms and conditions including remuneration as set out in the draft agreement submitted to this meeting and initialled by the Chairman for the purpose of identification, which agreement be and is hereby approved and sanctioned with the authority to the Board of Directors of the Company to alter and vary the terms and conditions of the said appointment and/or agreement in such manner as the Board may deem fit and as may be acceptable to Mr B N Mohanan, the Managing Director of the Company.

**RESOLVED FURTHER THAT** Board of Directors of the Company be and is hereby authorized to do all such acts deeds and things as may be required to give effect to the above resolution”

9. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an ordinary resolution:

**“RESOLVED THAT** pursuant to provisions of Sections 198, 269 and 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 including any statutory modification or re-enactment thereof and subject to such approvals as may be necessary, approval of the members of the Company be and is

hereby accorded to the appointment of Dr. Rajmohan Karthikeyan as the Whole Time Director and General Manager - Operation of the company with effect from December 10, 2009 upon the terms and conditions including remuneration as set out in the draft agreement submitted to this meeting and initialled by the Chairman for the purpose of identification, which agreement be and is hereby approved and sanctioned with the authority to the Board of Directors of the Company to alter and vary the terms and conditions of the said appointment and/or agreement in such manner as the Board may deem fit and as may be acceptable to Dr. Rajmohan Karthikeyan, the Whole Time Director of the Company.

**RESOLVED FURTHER THAT** Board of Directors of the Company be and is hereby authorized to do all such acts deeds and things as may be required to give effect to the above resolution”

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to take such steps as may be necessary, desirable or expedient to give effect to this resolution.”

By order of the Board  
B N Mohanan

Managing Director

Jodhpur  
August 28, 2010

**Notes**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself | herself and a proxy need not be a member.
2. Printed copies of the Balance Sheet, the Profit and Loss Account, the Directors' Report, the Auditors' Report and every other document required by law to be annexed or attached to the Balance Sheet for the period ending March 31, 2010 are enclosed.
3. Book closure: The Register of Members and the share transfer books of the Company will remain closed from August 30, 2010 to August 31, 2010 (both days inclusive).
4. Members desirous of any information about the accounts and operations of the Company are requested to write to the Company at least 10 days before the date of the meeting so that the required information can be made available at the meeting.
5. Members/Proxies are requested to bring the enclosed attendance slip with them duly filled in for attending the meeting.
6. Reappointment of the Directors: At the ensuing AGM, Mr T R Gopi Kannan, retire by rotation and being eligible offers himself for reappointment. The information or details required as per the Listing Agreement pertaining to them are as under:

<b>Name</b>	<b>Mr T R Gopi Kannan</b>
Date of birth	March 30, 1959
Brief resume	<b>Mr T R Gopi Kannan</b> has done FCA, FCS, FICWA followed by Post Graduate Diploma in management studies from Indian Institute of Management- Ahmedabad and ACMA (London). He has over 25 years of experience including around 9 years in Pfizer Ltd and Nestle India Ltd in the areas of Finance and Accounting and over 16 years as Head of Finance in Atul Ltd.
Directorship in other companies	Atul Bioscience Ltd Atro Ltd Amal Ltd Ameer Trading Corporation Ltd (Chairman)  <b>Foreign companies</b>  Atul Europe Ltd (Chairman) Atul Deutschland GmbH (Chairman) Atul International Trading (Shanghai) Co Ltd (Chairman) Atul Americas Inc (Chairman)
Position in committees of other companies	Nil
Number of shares held in the Company	1

7. Reappointment of the Directors: At the ensuing AGM, Mr Sanjay S Dixit, retire by rotation and being eligible offers himself for reappointment. The information or details required as per the Listing Agreement pertaining to them are as under:

<b>Name</b>	<b>Mr Sanjay S Dixit</b>
-------------	--------------------------

Date of birth	July 15, 1960
Brief resume	<b>Mr Sanjay S Dixit</b> has done IAS in 1986. He is currently Secretary - Command Area development, Government of Rajasthan. He was earlier Secretary - Horticulture, Government of Rajasthan and Vice Chairman - Rajasthan Horticulture Development Society. He is a well wisher of sports and also holds post of Secretary - Rajasthan Cricket Association.
Directorship in other companies	Nil
Position in committees of other companies	Nil
Number of shares held in the Company	1

### **Explanatory statement**

The following Explanatory Statement, as required by subsection 2 to Section 173 of the Companies Act, 1956, sets out all material facts including the nature, concern or interest of the Directors in relation to Special Business under item no 2 to 8 mentioned in the accompanying notice dated July 19, 2010

### **Item No 2**

The Auditors of the Company Dalal & Shah retire at the Annual General Meeting of the Company to be held on September 03, 2010. However, Dalal & Shah have given notice in writing to the Company of his unwillingness to be reappointed.

Further the Company has received a special notice under Sections 190 & 225 of the Companies Act, 1956 from one of the members of the Company proposing to appoint B M Khotari & Co, Chartered Accountants as the Auditors of the Company as a result of the unwillingness of Dalal & Shah to be reappointed.

In view of the above the Board of Directors proposes to appoint B K Khotari & Co, Chartered Accountants as the Auditors in place of Dalal & Shah.

In view of the above the Board of Directors proposes to appoint B K Khotari & Co, Chartered Accountants as the Auditors in place of Dalal & Shah.

No Director is interested in or concerned with this resolution.

Your Directors recommend passing of the resolution.

### **Item No 3**

Mr S S Lalbhai was appointed as an Additional Director of the Company by the Board of Directors on June 10, 2009. His details are as under:

<b>Name</b>	<b>Mr S S Lalbhai</b>
Date of birth	March 15, 1960
Brief resume	<b>Mr S S Lalbhai</b> has done MS Degree in Chemistry from the University of Massachusetts and MS Degree in Economic Policy and Planning from the North Eastern University. He has been on the Board of Directors of Atul Ltd since 1984. From August 2007, he has been functioning as CMD of Atul Ltd. In 1991 and in 2006, he was appointed by the Government of India for preparing a Perspective Plan for Chemical Industry. In 1991, he was also appointed by the Government of Gujarat for preparing a blueprint for the development of Dyestuff Industry.
Directorship in other companies	Atul Ltd.(Chairman & Managing Director) Wyeth Ltd Navin Flourine International Ltd Atul Bioscience Ltd (Chairman) Amal Ltd (Chairman)
Position in committees of other companies	Audit Committee: Navin Flourine International Ltd (Member)  Share Holders' Grievance Committee: Wyeth Ltd (Member) Atul Ltd(Member)
Number of shares held in the Company	Nil

No Directors except Mr S S Lalbhai is interested in or concerned with this resolution. Your Directors recommend passing of the resolution.

#### Item No 4

Mr D R Mehta was appointed as an Additional Director of the Company by the Board of Directors on June 10, 2009. His details are as under:

<b>Name</b>	<b>Mr D R Mehta</b>
Date of birth	June 25, 1937
Brief resume	<b>Mr D R Mehta</b> has done IAS in 1961 and retired civil servant. He is an alumnus of Rajasthan University, Royal Institute of Public Administration, London and Alfred Sloan School of Managing M.I.T., Boston, USA. He held various senior positions in Government of Rajasthan and Government of India. He got National Award "Padma Bhusan" for his social services and several other Awards.

Directorship in other companies	<b>Foreign companies</b> Alfred Sloan School of Management of MIT for Europe, Asia and Africa
Position in committees of other companies	Nil
Number of shares held in the Company	Nil

No Directors except Mr D R Mehta is interested or concerned with this resolution.  
Your directors recommend passing of the resolution.

**Item No 5**

Dr Rajmohan Karthikeyan was appointed as Whole Time Director and General Manager - Operations of the Company by the Board of Directors on December 10, 2010. His details are as under:

<b>Name</b>	<b>Dr Rajmohan Karthikeyan</b>
Date of birth	May 5, 1954
Brief résumé	<b>Dr Rajmohan Karthikeyan</b> has done Ph.D. (Horticulture) from Kerala Agriculture University in 1986. He has over 22 years of experience in research project and university project. He has over 32 years experience in teaching Horticulture or Biotechnology. He was working as Professor at Kerala Agriculture University since 1977.
Directorships in other companies	Nil
Position in committees of other companies	Nil
Number of shares held in the Company	Nil

No Directors except Dr Rajmohan Karthikeyan is interested or concerned with this resolution.  
Your directors recommend passing of the resolution.

**Item No 6**

Mr S Ahmad was appointed as an Additional Director of the Company by the Board of Directors on March 12, 2010. His details are as under:

<b>Name</b>	<b>Mr S Ahmad</b>
-------------	-------------------

Date of birth	February 15, 1952
Brief resume	<b>Mr S Ahmad</b> has done MA (History) and An IAS officer of 1975 cadre. He is currently Chief Secretary – Agriculture & Horticulture, Government of Rajasthan. He has immense experience in various fields and held various senior positions in Government of Rajasthan and Government of India.
Directorship in other companies	<b>Chairman :</b> Rajasthan State Seed Corporation Ltd. Rajasthan Olive Cultivation Ltd.  <b>Director :</b> Rajasthan State Warehousing Corporation RSMH
Position in committees of other companies	Nil
Number of shares held in the Company	Nil

No Directors except Mr S Ahmad is interested in or concerned with this resolution. Your directors recommend passing of the resolution.

**Item No 7**

Dr A Zaid was appointed as an Additional Director of the Company by the Board of Directors on April 6, 2010. His details are as under:

<b>Name</b>	<b>Dr A Zaid</b>
Date of birth	March 15, 1957
Brief résumé	<b>Dr A Zaid</b> has done Ph.D. He is renowned scientist in Date Palms Tissue Culture from United Nations and UAE University, Tissue Culture Date Palm Research & Development Centre.
Directorships in other companies	Nil
Position in committees of other companies	Nil
Number of shares held in the Company	Nil

No Directors except Dr A Zaid is interested or concerned with this resolution. Your directors recommend passing of the resolution.

**Item No 8**

The Board of Directors of the Company, subject to the approval of Members at the general meeting have considered and recommended the terms and conditions for the appointment of Mr B N Mohanan as the Managing Director of the Company effective from May 1, 2009. Mr B N Mohanan is already a Director of the Company. Mr B N Mohanan has done B Sc (Engg. Hon.) and has over 3 decades of experience in various capacities including that of senior management position in Corporate Sector. He is a Whole Time Director in Atul Ltd. The terms and conditions and remuneration relating to his appointment as Managing Director are specified in the draft agreement, which is placed before the meeting. The material terms of the draft agreement are as under:

- I. Mr. B N Mohanan shall be and he is hereby appointed as a Managing Director of the Company and as such Managing Director he shall perform the duties and exercise the powers which have been or from time to time may be assigned to or vested in him and subject to the superintendence, control and direction of the Board of Directors of the Company.
- II. The Managing Director shall, unless prevented by ill-health throughout the said term, devote such part of his time, attention and abilities to the business of the Company as may be required by the Board of Directors and shall obey the orders from time to time of the Board of Directors of the Company and in all respect conform to and comply with the directions and regulations made by the Board of Directors and shall well and faithfully serve the Company and use his utmost endeavors to promote the interests thereof.
- III. The Managing Director shall hold the said office with effect from May 1, 2009.

#### IV Remuneration :

- a) The Managing Director is also an employee in Atul Ltd. from which remuneration is being drawn by him. The Company will reimburse to Atul Limited 50 % of the remuneration( including revision thereof) drawn by him from Atul Ltd or an amount not exceeding as is allowable under Section I or Section II of Part II the Schedule XIII of the Companies Act, 1956 whichever is lower.
- b) For the sake of abundant clarity it is confirmed that as long as Mr. B N Mohanan draws remuneration from Atul Ltd, the payment of his remuneration by Atul Rajasthan Date Palms (ARDP) Ltd for his services to ARDP Ltd will be discharged only by way of reimbursement to Atul Ltd and not by way of any payment to him.
- c) The current yearly remuneration in Atul Ltd is an aggregate of Rs. 46 lacs which may be got revised from time to time by Atul Ltd.
- d) In case the Managing Director ceases to draw remuneration from Atul Ltd, the Company will pay him remuneration equal to 50% of his last drawn remuneration at Atul Ltd or as is allowable under Section I or II of Part II of Schedule XIII of the Companies Act, 1956 as may be decided by the Board of Directors from time to time.

#### V. Sitting Fees:

The Managing Director shall not be entitled to sitting fees for attending meetings of the Board of Directors or Committees thereof. He shall, however, be reimbursed the actual

traveling, lodging and boarding expenses incurred by him for attending meetings of the Board of Directors and/or committees thereof

VI. Overall Limit :

The reimbursement referred to in Clause IV and any alteration thereof from time to time is subject to the limit of 5% of the annual net profits of the Company and subject further to the overall limit of 10% of the annual net profits of the Company on the remuneration of the Managing Director and Whole time Director(s), if any, of the Company taken together. Provided, however, that in the event of absence or inadequacy of profit, the reimbursement shall not exceed the limit provided in Section II of Part II of the Schedule XIII to the Companies Act, 1956.

VII. Rateable Proportion:

If the Managing Director's employment shall cease during the currency of any financial year, the reimbursement under clause IV (a) payable to him or his executors or administrators as the case may be shall be a rateable proportion of what he would have received if he had lived and been employed for the whole of that year.

VIII. Reimbursement :

The Managing Director shall be entitled to reimbursement of all expenses including travelling, entertainment and other out-of-pocket expenses actually and properly incurred in connection with the business of the Company.

IX. Non-exclusive :

The Directors are at liberty from time to time to appoint any other person or persons to be Managing Director jointly with the Managing Director.

X. Resignation :

The Managing Director shall be free to resign his office by giving three calendar months' notice in writing to the Company.

XI. Compensation :

If at any time the office of the Managing Director is determined before the expiry of his term of office, the Managing Director shall be entitled to compensation for loss of office in accordance with and subject to the restrictions laid down in Section 318 of the Companies Act, 1956.

XII. Interest in Selling Agency :

The Managing Director shall not long as he functions as such become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the company in future without the prior approval of the Central Government.

The appointment of Managing Director shall cease and determine upon any contravention of this clause.

**XIII. Arbitration :**

In the event of any dispute or difference arising out of this agreement between the parties, such dispute or difference shall be referred to arbitration in accordance with the provisions of The Arbitration And Conciliation Act, 1996 or any statutory modification or substitute thereof and all the provisions of that Act so far as are applicable or of any of them for the time being in force shall apply to every reference thereof. The venue of the arbitration shall be at Jaipur only.

**Item No 9**

The Board of Directors of the Company, subject to the approval of Members at the general meeting have considered and recommended the terms and conditions for the appointment of Dr. Rajmohan Karthikeyan as the Whole Time Director of the Company effective from December 10, 2009 for Five years. Dr. Rajmohan Karthikeyan is already a Director of the Company. The terms and conditions and remuneration relating to his appointment as Whole Time Director are specified in the draft agreement, which is placed before the meeting. The material terms of the draft agreement are as under:

**I. Appointment :**

Dr. Rajmohan Karthikeyan is appointed as Whole Time Director and General Manager – Operation of the Company to carry out such functions as entrusted to him by the Chairman and the Board of Directors.

**II. Term of Office :**

The term of the incumbent's appointment shall be for the period of 5 years with effect from December 10, 2009.

**III. To comply with management's directions :**

The incumbent shall, unless prevented by ill-health throughout the said term, devote such part of his time, attention and abilities to the business of the Company as may be required by the management and in all respect conform to and comply with the directions and regulations made by the management to promote the interest thereof.

**IV. Remuneration :** The incumbent shall be entitled to the following terms of remuneration:

a) Basic Salary of Rs.13,170/- (Rupees Thirteen Thousand One Hundred Seventy only) per month which may be increased up to 30,000/- per month by the board meeting within contractual period of 5 years.

b) Allowance including Additional Allowance

i) Other Allowances/benefit Rs.1,70,875/- per month as per the policy of the company which may be increased up to Rs.2,50,000/- per month by the Board of Directors.

c) Performance Bonus

- i) Performance bonus will be paid as per the policy of the Company.

d) Perquisites :

In addition to basic salary, the following perquisites will be allowed:

**CATEGORY – “A”**

i) Housing :

The Company will not provide a residential accommodation but will pay HRA of Rs.6,600/- per month as per the policy of the Company.

ii) Medical Reimbursement :

The Company will reimburse, as per the policy medical expenses actually incurred.

iii) Leave travel concession :

The Company will provide leave travel assistance for self and family once in year in accordance with the policy of the Company.

iv) Personal accident insurance / mediclaim insurance :

The Company will provide personal accident insurance and mediclaim insurance as per the policy of the Company.

**CATEGORY – “B”**

- i) The Company will contribute towards Provident Fund / Superannuation Fund / Annuity Fund as per the policy of the Company.

- ii) The Company will pay Gratuity as per the policy of the Company and relevant laws.

- iii) The period worked under this contract will be continue of the services already consider under this policy.

- iv) The Company will encash / grant leaves as per the policy of the Company as are applicable to senior executives of the Company.

**CATEGORY – “C”**

- i) The Company will provide a car as per the rules of the Company as are applicable to the senior executives of the Company.

- ii) The Company shall provide a telephone and mobile phone as per the policy of the Company. Personal long distance calls will be recovered.

V. Dr. Rajmohan Karthikeyan will not be entitled to sitting fees for attending meetings of the Board of Directors or Committees thereof. He shall, however, be reimbursed the actual traveling, lodging and boarding expenses incurred by him for attending meetings of the Board of Directors and/or committees thereof.

VI. The reimbursement referred to in Clause IV and any alteration thereof from time to time is subject to the limit of 5% of the annual net profits of the Company and subject further to the overall limit of 10% of the annual

net profits of the Company on the remuneration of the Managing Director and Whole time Director(s), if any, of the Company taken together. Provided, however, that in the event of absence or inadequacy of profit, the reimbursement shall not exceed the limit provided in Section II of Part II of the Schedule XIII to the Companies Act, 1956.

- VII. Dr. Rajmohan Karthikeyan will be entitled to reimbursement of expenses actually and properly incurred in connection with business of the Company.
- VIII. Dr. Rajmohan Karthikeyan may resign office, subject to three months' notice.
- IX. In the event of termination of office, Dr. Rajmohan Karthikeyan would be entitled to compensation in accordance with section 318 of the Companies Act, 1956.
- X. In the event of any dispute or difference arising out of this agreement between the parties, such dispute or difference shall be referred to arbitration in accordance with the provisions of The Arbitration And Conciliation Act, 1996 or any statutory modification or substitute thereof and all the provisions of that Act so far as are applicable or of any of them for the time being in force shall apply to every reference thereof. The venue of the arbitration shall be at Valsad only.

**MEMORANDUM OF INTEREST:**

The nature of the concern or interest of Dr Rajmohan Karthikeyan, Director of the Company is that the above resolution pertains to his agreement with the Company and he will be receiving the remuneration as stated therein if approved. None of the other Directors of the Company is interested in the above resolution. The above statement may be treated as an abstract of the terms and memorandum of interest under Section 302 of the Companies Act, 1956.

Your directors recommend passing of the resolution.

By order of the Board  
B N Mohanan

Managing Director

Jodhpur  
August 28, 2010

**Auditors' Report to the Members of Atul Rajasthan Date Palms Limited**

1. We have audited the attached Balance Sheet of Atul Rajasthan Date Palms Limited (the "Company") as at March 31, 2010, and the related Profit and Loss Account and Cash Flow Statement for the period ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such check of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. Further to our comments in paragraph 3 above, we report that:
  - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (c) The Balance Sheet, 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 Act;
  - (e) On the basis of written representations received from the directors, as on March 31, 2010 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
  - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act, 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 March 31, 2010;
    - (ii) in the case of the Profit and Loss Account, of the profit for the period ended on that date; and
    - (iii) in the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

For Dalal & Shah  
Firm Registration No. 102020W  
Chartered Accountants

S Venkatesh  
Partner  
Membership No. F-037942

Place: Jodhpur  
Date: 28-Aug-2010

**Annexure to Auditors' Report**

Referred to in paragraph 3 of the Auditors' Report of even date to the members of Atul Rajasthan Date Palms Limited on the financial statements for the period ended March 31, 2010

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.  
  
(b) The fixed assets of the Company have been physically verified by the Management during the period and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.  
  
(c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the period.
2. The Company has neither granted nor taken any loans, secured or unsecured, to/ from companies, firms or other parties covered in the register maintained under Section 301 of the Act. As the Company has not granted/ taken any loans, secured or unsecured, to/ from the parties covered in the register maintained under Section 301 of the Act, clauses (iii)(b), (iii)(c), (iii)(d), (iii)(f) and (iii)(g) of the Order are not applicable to the Company for the period.
3. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
4. (a) According to the information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Act during the period to be entered in the register required to be maintained under that Section. Accordingly, the question of commenting on transactions made in pursuance of such contracts or arrangements does not arise.  
  
(b) In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the period, which have been made at prices which are not reasonable having regard to the prevailing market prices at the relevant time.
5. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
6. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities. .  
  
(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, wealth-tax, service-tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
7. As the Company is registered for a period of less than five years, clause (x) of paragraph 4 of the Order, is not applicable.
8. The Company has not taken any loan during the period from banks or financial institutions or debenture holders and hence clause (xi) of paragraph 4 of the Order, regarding defaulted in repayment of dues from banks or financial institutions or debenture holders is not applicable.

**Annexure to Auditors' Report**

Referred to in paragraph 3 of the Auditors' Report of even date to the members of Atul Rajasthan Date Palms Limited on the financial statements for the period ended March 31, 2010

9. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
10. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/ societies are not applicable to the Company.
11. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
12. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the period.
13. The Company has not obtained any term loans.
14. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
15. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the period.
16. The Company has not issued debentures during the period.
17. The Company has not raised any money by public issues during the period.
18. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the period, nor have we been informed of such case by the Management.
19. The matters specified in clauses (ii), (vii) and (viii) of paragraph 4 of the Order are not applicable to the Company for the current period, since in our opinion there is no matter which arises to be reported in the aforesaid Order.

For Dalal & Shah  
Firm Registration No. 102020W  
Chartered Accountants

Place: Jodhpur  
Date: 28-Aug-2010

S Venkatesh  
Partner  
Membership No. F-037942

**ATUL RAJASTHAN DATE PALMS LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2010**

<b>SOURCES OF FUNDS</b>	<b>Schedule</b>	<b>As at March 31, 2010 Rupees</b>
<b>Shareholders' Funds</b>		
Capital	1	20,270,000
Share Application Money Pending Allotment		10,530,000
<b>Reserves and Surplus</b>	2	93,690,875
		<u><u>124,490,875</u></u>
<b>APPLICATION OF FUNDS</b>		
<b>Fixed Assets</b>		
Gross Block	3	832,371
Less: Depreciation		<u>50,683</u>
Net Block		781,688
Add: Capital Work-in-Progress	4	<u>16,767,510</u>
		17,549,198
<b>Current Assets, Loans and Advances</b>		
Cash and Bank Balances	5	100,709,390
Loans and Advances	6	<u>8,122,964</u>
		108,832,354
<b>Less: Current Liabilities And Provisions</b>		
Current Liabilities	7	1,818,636
Provisions	8	<u>72,041</u>
		1,890,677
<b>Net Current Assets</b>		106,941,677
		<u><u>124,490,875</u></u>
<b>Notes to the Financial Statements</b>	11	

The Schedules referred to herein form an integral part of the Balance Sheet.

This is the Balance Sheet referred to in our report of even date.

For Dalal & Shah  
 Firm Registration No 102020W  
 Chartered Accountants

S Venkatesh  
 Partner  
 Membership No. F-037942

Place: Jodhpur  
 Date: 28-Aug-2010

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

B N Mohanan  
 Managing Director

Place: Jodhpur  
 Date: 28-Aug-2010

S S Dixit  
 S S Lalbhai  
 Dr. K Rajmohan  
 T R Gopi Kannan  
 Directors

Place: Jodhpur  
 Date: 28-Aug-2010

**ATUL RAJASTHAN DATE PALMS LIMITED**  
**PROFIT AND LOSS ACCOUNT FOR THE PERIOD MARCH 5, 2009 (DATE OF INCORPORATION) TO**  
**MARCH 31, 2010**

---

	Schedule	March 5, 2009 to March 31, 2010 <u>Rupees</u>
<b>Income</b>		
Interest on Fixed Deposits (Tax deducted at source Rs. 883,559)		8,704,819
		<u><u>8,704,819</u></u>
<b>Expenditure</b>		
Employee Costs	9	989,275
Administrative and Other Expenses	10	3,171,684
Depreciation		50,683
Less: Of the above Incidental Expenses Pending Allocation		(2,261,373)
		<u><u>1,950,269</u></u>
<b>Profit Before Taxation</b>		<b>6,754,550</b>
Provision for Income Tax		<u>2,663,675</u>
<b>Profit After Taxation</b>		<b>4,090,875</b>
<b>Balance Carried to Balance Sheet</b>		<u><u>4,090,875</u></u>
<b>Earnings Per Share (Refer Note 8 on Schedule 11)</b>		
Basic and Diluted Earnings Per Share		<b>132.82</b>
<b>Notes to Financial Statements</b>	<b>11</b>	

The Schedules referred to herein form an integral part of the Profit and Loss Account.

This is the Profit and Loss Account referred to in our report of even date.

For Dalal & Shah  
Firm Registration No 102020W  
Chartered Accountants

S Venkatesh  
Partner  
Membership No. F-037942

Place: Jodhpur  
Date: 28-Aug-2010

For and on behalf of the Board of Directors

B N Mohanan  
Managing Director

Place: Jodhpur  
Date: 28-Aug-2010

S S Dixit  
S S Lalbhai  
Dr. K Rajmohan  
T R Gopi Kannan  
Directors

Place: Jodhpur  
Date: 28-Aug-2010

	<b>As at March 31, 2010 Rupees</b>
<b>SCHEDULE 1</b>	
<b>Share Capital</b>	
<b>Authorised:</b> 50,000 equity shares of Rs. 1,000 each	<u>50,000,000</u>
<b>Issued, subscribed and paid-up:</b> 20,270 equity shares of Rs. 1,000 each, fully paid-up	<u>20,270,000</u>

**Notes:**

- 1) During the period 20,270 equity shares of Rs. 1,000 each, fully paid-up, aggregating Rs. 20,270,000 were allotted at par pursuant to resolution approved by the Board of Directors at their meeting held on July 27, 2009.
- 2) Of the above 14,998 equity shares of Rs. 1,000 each are held by Ameer Trading Corporation Limited, the Holding Company which is subsidiary of Atul Limited, the Ultimate holding Company.
- 3) Of the above 1 equity shares of Rs. 1,000 each is held by Atul Limited, the Ultimate holding Company

**SCHEDULE 2****Reserves and Surplus**

<b>Capital Reserve:</b> Grant Received from Rajasthan Horticulture Development Society	89,600,000
Surplus as per Profit and Loss Account	4,090,875
	<u>93,690,875</u>

ATUL RAJASTHAN DATE PALMS LIMITED  
 SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010

**SCHEDULE 3**

Fixed Assets

Particulars	Gross Block			Depreciation		Net Block As at March 31, 2010
	Purchase during the period	Deletions during the period	As at March 31, 2010	For the period	On Deletions	
Office Equipment	10,800	-	10,800	326	-	10,474
Computer	73,690	-	73,690	2,714	-	70,976
Vehicle	714,332	-	714,332	46,235	-	668,097
Furniture & Fixtures	33,549	-	33,549	1,408	-	32,141
	<b>832,371</b>	<b>-</b>	<b>832,371</b>	<b>50,683</b>	<b>-</b>	<b>781,688</b>

(Rupees)

As at  
March 31, 2010  
Rupees

**SCHEDULE 4**

**Capital Work-In-Progress**

**A. Assets under Construction**

4,005,216

**B. Incidental Expenditure pending allocation**

Salaries, Bonus and Gratuity

989,275

Electricity Expenses

524,454

Travelling and Conveyance

489,505

Others

258,139

2,261,373

**C. Advance against capital contracts**

10,500,921

**16,767,510**

**SCHEDULE 5**

**Cash and Bank Balances**

Balances With Scheduled Banks :

- In Current Account

709,390

- In Short Term Deposit

100,000,000

**100,709,390**

**ATUL RAJASTHAN DATE PALMS LIMITED**  
**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010**

**As at**  
**March 31, 2010**  
**Rupees**

**SCHEDULE 6**

**Loans and Advances**  
(Unsecured and considered good)

Advances Recoverable in Cash or in Kind or for Value to be Received	920,696
Interest Accrued on Fixed Deposits	7,167,268
Sundry Deposits	35,000
	<b>8,122,964</b>

**SCHEDULE 7**

**Current Liabilities**

Sundry Creditors	
-Micro and Small Enterprises (Refer Note 4 on Schedule 11)	
-Others	1,769,875
	1,769,875
Other Liabilities	48,761
	<b>1,818,636</b>

**SCHEDULE 8**

**Provisions**

Provision for taxation [Net of (Advance tax and Tax deducted at source) Rs. 2,633,559]	30,116
Employee Benefits :	
- Gratuity	5,867
- Leave encashment	36,058
	41,925
	<b>72,041</b>

**ATUL RAJASTHAN DATE PALMS LIMITED**  
**SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE**  
**PERIOD FROM MARCH 5, 2009 (DATE OF INCORPORATION) TO MARCH 31, 2010**

**March 5, 2009 to**  
**March 31, 2010**  
**Rupees**

**SCHEDULE 9**

**Employee Costs**

Salaries, Bonus and Gratuity (Refer Note 5 on Schedule 11)	988,243
Staff Welfare Expenses	1,032
	<b>989,275</b>

**SCHEDULE 10**

**Administrative and Other Expenses**

Rent (Refer Note 6 on Schedule 11)	18,000
Share Issue Expenses	20,270
Sample Expenses	155,400
Electricity Expenses	524,454
Legal and Professional Fees	230,071
Temporary Structure Expenses	26,220
Director's Sitting Fees	20,000
<b>Auditors' Remuneration</b>	
- For Statutory Audit	100,000
Security Service Charges	56,784
Travelling and Conveyance	1,075,061
Site Maintenance Expenses	44,610
Preliminary Expenses	839,212
Miscellaneous expenses	61,602
	<b>3,171,684</b>

ATUL RAJASTHAN DATE PALMS LIMITED  
 SCHEDULES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD MARCH 5, 2009 (DATE OF  
 INCORPORATION) TO MARCH 31, 2010

SCHEDULE 11

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(v) Significant Transactions and Balances with related parties

Particulars	Party referred	Party referred to in (ii)	Parties referred	Parties	Total
	to in (i) above	above	to in (iii) above	referred to in (iv) above	
	Period ended March 31, 2010	Period ended March 31, 2010	Period ended March 31, 2010	Period ended March 31, 2010	Period ended March 31, 2010
					(Rupees)
<b>Issue of Shares</b>					
Armer Trading Corporate	14,998,000	-	-	-	14,998,000
Atul Limited	1,000	-	-	-	1,000
Atul Bio Space Private Ltd	-	-	1,000	-	1,000
Rajasthan Horticulture Dc	-	5,270,000	-	-	5,270,000
Sub - Total	14,999,000	5,270,000	1,000	-	20,270,000
<b>Reimbursement of Expenses</b>					
Atul Limited	1,647,042	-	-	-	1,647,042
Sub - Total	1,647,042	-	-	-	1,647,042
<b>Share Application Money Received</b>					
Rajasthan Horticulture Dc	-	10,530,000	-	-	10,530,000
Sub - Total	-	10,530,000	-	-	10,530,000
<b>Receipt of Capital Subsidy</b>					
Rajasthan Horticulture Dc	-	89,600,000	-	-	89,600,000
Sub - Total	-	89,600,000	-	-	89,600,000
<b>Salary Payment</b>					
Dr. K Rainohan	-	-	-	709,825	709,825
Sub - Total	-	-	-	709,825	709,825
<b>Balance receivable at the end of period</b>					
Atul Limited	842,958	-	-	-	842,958
Sub - Total	842,958	-	-	-	842,958
<b>Balance payable at the end of period</b>					
Atul Bio Space Private Ltd	-	-	1,000	-	1,000
Sub - Total	-	-	1,000	-	1,000

**ATUL RAJASTHAN DATE PALM LIMITED**  
**Statutory Audit for the year ended March 31, 2010**

No of Shares Allotted*	No		
20,270			
Share application money :		10,530	
(Fund utilised, so considered as shares issued)**		<u>30,800</u>	
Profit for the period		No	30,800
EPS		Rs.	4,090.875
Note		Rs.	132.82

\* As shares has been issued on 27th July, 2009, but the fund has been utilised when money received. So, considered as on 1st April, 2009 as base date for EPS.

\*\* As application money of Rs. 10,530,000 (No of Shares 10530) received on 31st March, 2009 and has been utilised on 1st April, 2009. So that money is not kept separately and utilised. So it has to be considered as part of share capital and calculate EPS accordingly.

**ATUL RAJASTHAN DATE PALMS LIMITED**  
**SCHEDULES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD MARCH**  
**5, 2009 (DATE OF INCORPORATION) TO MARCH 31, 2010**

**SCHEDULE 11**

**NOTES TO FINANCIAL STATEMENTS**

**1. Significant Accounting Policies**

**a) Basis of Accounting**

These financial statements have been prepared on an accrual basis and under historical cost convention and in compliance, in all material aspects, with the applicable accounting principles in India, the applicable accounting standards notified under Section 211 (3C) and the relevant provisions of the Companies Act, 1956, of India (the "Act"). The significant accounting policies adopted by the Company are detailed below.

**b) Fixed Assets and Depreciation**

Fixed Assets are stated at cost of acquisition, including any attributable cost for bringing the assets to their working condition for the intended use, less accumulated depreciation.

Depreciation is provided on the Written down value method as per rates provided under Schedule XIV to the Act. All assets individually costing Rs. 5,000 or less are depreciated at 100%.

All capital expenditure, capital advances and expenditure during construction period viz. civil works, machinery under erection, construction and erection materials, expenditure indirectly related to the project and incidental setting up project facilities are shown under Capital Work-in-Progress until the assets are ready for their intended use.

As per Joint Venture Agreement between Atul Limited and Rajasthan Horticulture Society (RHDS) land will be provided on users' permission basis for thirty years by RHDS to the Company on rent free basis but shall be limited to a right to use the Company.

**c) Government Grants**

In accordance with the Accounting Standard 12 "Accounting for Government Grants", grants in the nature of capital subsidy are credited to the Capital Reserve and shown under the head Reserves & Surplus.

**d) Employee Benefits**

Provision for gratuity is made on actual liability basis, based on computation of amounts payable to eligible employees as at the balance sheet date as per the Payment of Gratuity Act, 1972.

The employees of the Company are entitled to leave encashment as per the leave policy of the Company. The liability in respect of leave encashment is of short term nature is provided, based on an actual basis.

**ATUL RAJASTHAN DATE PALMS LIMITED**  
**SCHEDULES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD MARCH**  
**5, 2009 (DATE OF INCORPORATION) TO MARCH 31, 2010**

**e) Taxation**

Provision for tax is made on the assessable income at the tax rate applicable to the relevant assessment year.

Deferred tax is recognised, subject to consideration of prudence, on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Assts arising on account of unabsorbed depreciation / losses under tax laws, are recognised only if there is virtual certainty of its realisation supported by convincing evidence. At each Balance sheet date, the Carrying amount of Deferred Tax assets are reviewed to reassess realisation.

**f) Operating Leases**

Assets acquired as leases where a significant portion of the risks and rewards of the ownership are retained by the lessor are classified as Operating Leases. Lease rentals are charged to Profit and Loss Account on an accrual basis.

**g) Provisions and Contingencies**

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

2. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 14,226,222/-.

3. The liability for leave encashment and compensated absences as at the period-end is Rs. 36,058.

**4. Sundry Creditors**

The Company is in process of obtaining intimations from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence related disclosures have not been given. The Company generally makes payments to its suppliers within thirty days and hence, in the opinion of the Management, interest, if any, payable to suppliers registered under the said Act is not likely to have a significant impact on these financial statements.

**ATUL RAJASTHAN DATE PALMS LIMITED**  
**SCHEDULES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD MARCH**  
**5, 2009 (DATE OF INCORPORATION) TO MARCH 31, 2010**

**5. Managerial Remuneration**

<b>Particulars</b>	<b>For the period March 5, 2009 to March 31, 2010 Rupees</b>
Salary and Allowances	7,09,825
Gratuity	3,780
Leave Encashment	32,491
<b>Total</b>	<b>746,096</b>

6. The Company has entered into cancelable leasing arrangement for office and residential premises and towards which an amount of Rs. 18,000 has been recognised in the Profit and Loss Account for the current period.

**7. Related Party Disclosure**

Related party disclosure as required by Accounting Standard-18, "Related Party Disclosures", is given below:

**i. Parties where control exists**

Ameer Trading Corporation Limited, the Holding Company  
Atul Limited, the Ultimate Holding Company

**ii. Other related parties where there is significant influence and transactions have taken place**  
Rajasthan Horticulture Development Society

**iii. Fellow Subsidiaries where common control exists and transactions have taken place**  
Atul Bio Space Private Limited

**iv. Key Management Personnel**

Dr. K Rajmohan, Additional Director (w.e.f. December 10, 2009)

**ATUL RAJASTHAN DATE PALMS LIMITED**  
**SCHEDULES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD MARCH**  
**5, 2009 (DATE OF INCORPORATION) TO MARCH 31, 2010**

**8. Earnings Per Share**

<b>Particulars</b>	<b>For the period March 5, 2009 to March 31, 2010</b>
Profit after taxation (Rs.)	40,90,875
Weighted average number of shares outstanding during the period (Nos.)	30,800
Net Earnings per share (Rs.)	132.82
Nominal value of the equity share (Rs.)	1,000

**Note:**

The Earnings Per Share for the period ended March 31, 2010 has been computed after considering the shares issued and share application money received during the current period, as required by Accounting Standard 20, "Earnings Per Share".

9. The Company is in the process of appointing The Company Secretary under section 383A(1) of The Act.
10. Information with regard to other matters specified in Clauses 3, 4A, 4C and 4D of Part II of Schedule VI to The Act are either nil or not applicable to the Company for the period ended March 31, 2010.
11. The Company was incorporated on March 5, 2009. The Profit and Loss Account has therefore been prepared for the period from March 5, 2009 to March 31, 2010. These being first financial statements of the Company, prior period figures are not applicable.

---

Signatures to Schedules 1 to 11 forming part of Balance Sheet and Profit and Loss Account.

For Dalal & Shah  
Firm Registration No 102020W  
Chartered Accountants

S. Vekatesh  
Partner  
Membership No. F-037942

Place: Jodhpur  
Date: 28-Aug-2010

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

S S Dixit  
S S Lalbhai  
Dr. K Rajmohan  
T R Gopi Kannan  
Directors  
B N Mohanan  
Managing Director

Place: Jodhpur  
Date: 28-Aug-2010  
Place: Jodhpur  
Date: 28-Aug-2010

ATUL RAJASTHAN DATE PALMS LIMITED

**CASH FLOW STATEMENT FOR THE PERIOD MARCH 5, 2009 (DATE OF INCORPORATION) TO MARCH 31, 2010**

		March 5, 2009 to March 31, 2010 Rupees
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>	
	Profit Before Taxation	6,754,550
	Adjustments for:	
	Depreciation	50,683
	Preliminary Expenses	839,212
	Share Issue Expenses	20,270
	Interest Income	<u>(8,704,819)</u>
		<u>(7,794,654)</u>
	<b>Operating Profit Before Working Capital Changes</b>	<b>(1,040,104)</b>
	Adjustments For Changes In Working Capital:	
	Cash outflow for Other Receivables	(955,696)
	Cash inflow for Trade and Other Payables	<u>1,860,561</u>
	<b>Cash Generated From Operations</b>	<b>(135,239)</b>
	Taxes Paid (Net)	<u>(2,633,559)</u>
<b>A.</b>	<b>Net Cash From Operating Activities</b>	<b><u>(2,768,798)</u></b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>	
	Purchase of Fixed Assets including Capital work in Progress and advances given	(17,599,881)
	Interest Received	<u>1,537,551</u>
<b>B.</b>	<b>Net Cash (Used In) Investing Activities</b>	<b><u>(16,062,330)</u></b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>	
	Proceeds from Issue of Shares	20,270,000
	Proceeds from Share Application money	10,530,000
	Proceeds from Government Grant	89,600,000
	Share Issue Expenses	(20,270)
	Preliminary Expenses	<u>(839,212)</u>
<b>C.</b>	<b>Net Cash (Used In) Financing Activities</b>	<b><u>119,540,518</u></b>
	<b>Net (Decrease) in cash and cash equivalents (A+ B+ C)</b>	<b><u>100,709,390</u></b>
	Cash and Cash Equivalents as at March 5, 2009	<u>-</u>
	Cash and Cash Equivalents as at March 31, 2010	<u>100,709,390</u>

**Notes:**

- 1 The above Cash flow statement has been prepared under the "Indirect Method" set out in Accounting Standard 3 - "Cash Flow Statements".
- 2 Cash and cash equivalents represent cash and bank balances only.
- 3 Cash flows in brackets indicate cash outgo.

This is the Cash Flow statement referred to in our report of even date.

For Dalal & Shah  
Firm Registration No 102020W  
Chartered Accountants

S Venkatesh  
Partner  
Membership No. F-037942

Place: Jodhpur  
Date: 28-Aug-2010

For and on behalf of Board of Directors

B N Mohanan  
Managing Director

Place: Jodhpur  
Date: 28-Aug-2010

S S Dixit  
S S Lalbhai  
Dr. K Rajmohan  
T R Gopi Kannan  
Director

Place: Jodhpur  
Date: 28-Aug-2010