



MASTER CHEMICALS LIMITED

REGISTERED OFFICE : Sahara India Point, CTS - 40 & 44, S.V. Road, Goregaon (West), Mumbai - 400 104 INDIA.
TEL.: 022 - 66981111 FAX : 022 - 67992207

MASTER CHEMICALS LIMITED

BOARD OF DIRECTORS

SHRI R. S. DUBEY
Director

SHRI SOMESH BOSE
Director

SHRI TAPAS BASAK
Director

STATUTORY AUDITORS

M/S CHATURVEDI & CO.
Chartered Accountants

BANKERS

The Bank of Rajasthan Limited

REGISTERED OFFICE

CTS 40-44, S. V. Road,
Goregaon (West),
Mumbai - 400 104

SHARE TRANSFER AGENT

M/S INTIME SPECTRUM REGISTRY LIMITED

C- 13, Pannalal Silk Mill Compound
L. B. S. Marg, Bhandup (West)
Mumbai - 400 078



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DIRECTOR'S REPORT

To,

The Members

The Directors of your company have pleasure in presenting their Twenty Seventh Annual Report of the Company on the operations and financials of the Company for the year ended 31st March 2008.

FINANCIAL RESULTS

(Rs. In lacs)

| PARTICULARS | 2007-2008 | 2006-2007 |
|--------------------------------------|-----------|-----------|
| Net Sales/Income from Operation | Nil | Nil |
| Other Income | 12.28 | 2.40 |
| Total Income | 12.28 | 2.40 |
| Total Expenditure | 1.59 | 1.51 |
| Profit (+) / Loss (-) before Tax | 10.69 | 0.91 |
| Provision for Taxation | 3.30 | 0.31 |
| Net Profit (+) / Loss (-) after Tax | 7.39 | 0.60 |
| Balance carried forward to next year | 18.59 | 11.21 |

OPERATIONS

During the year under review the total income of the Company was Rs. 12.28 Lacs. The Profit After Tax is Rs. 7.38 lacs for this year.

DIVIDEND

In order to conserve resources for the future, the Board of Directors have decided not recommend any dividend for the financial year 2007-2008.

CONNECTION WITH NSDL

The Company has applied for connectivity with depository system of NSDL to enable the Shareholders of Company to avail full benefits of dematrilisation and the same has been sanctioned by NSDL.



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DIRECTORS

Shri Somesh Bose was re-appointed as Directors of the Company in the Annual General Meeting of the Company held on 27th September 2007 and is subject to retirement by rotation.

In accordance with the provisions of Section 255 of the Companies Act, 1956, Shri Tapas Basak Director of the Company is retiring by rotation and is eligible for re-appointment. The Board recommends his name for re-appointment as Director of the Company.

AUDITORS

M/s Chaturvedi & Co., Chartered Accountants, Mumbai appointed as Statutory Auditors of the Company, in the last Annual General Meeting, to hold office until the conclusion of the ensuing Annual General Meeting. The Company has received a certificate from the Statutory Auditors to the effect that their appointment, if made, would be within the prescribed limits U/s 224(1B) of the Companies Act, 1956. The Board recommends their re-appointment as the Statutory Auditor of the company in the ensuing Annual General Meeting.

AUDITORS' REPORT

The Report of the Auditors on the financials of the Company is self-explanatory and needs no further explanation.

COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES 1988

The particulars required U/s 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 are not applicable to the Company. During the year under review there was no foreign exchange earning and outgo.

PARTICULARS OF THE EMPLOYEES

The provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 are not attracted to the Company, since during the year under review, the Company has not paid any remuneration to any of its employee exceeding the limits specified under the said section.

Vinod V. Shah F.C.S.
COMPANY SECRETARY

OFFICE :
1 Zaveri Bhuvan,
Nariman Road, Vile Parle (E),
Mumbai - 400 057.

PHONE : 2617 3424

V.V. Shah

& ASSOCIATES

RESIDENCE :

303, Navkar Apts.,
Nanda Patkar Road, Vile Parle (E),
Mumbai - 400 057.

PHONE : 2614 6449 Mobile : 9821280285

E-mail : vinodshah44@yahoo.com

COMPLIANCE CERTIFICATE

Registration No. Of the Company: 11 – 137034
Nominal Capital: Rs.5,00,00,000/-

To,
The Members
ARMD Media Entertainment Pvt. Ltd.
CTS 40-44, S. V. Road
Goregaon (West)
Mumbai - 400 104

I/We have examined the registers, records, books and papers of ARMD Media Entertainment Pvt. Ltd. (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March 2008 (financial year). In my/our opinion and to the best of my/our information and according to the examinations carried out by me/us and explanations furnished to me/us by the Company, its officers and agents, I/We certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure-'A' to this certificate, as per the provisions and rules made there under and all entries therein have been duly recorded post July 2006 flood in Mumbai.
2. The Company has duly filed the forms and returns as stated in Annexure-'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and rules made there under.
3. The Company being Private Limited Company has the minimum prescribed paid-up capital and its maximum number of members during the said financial year was Three excluding its present and past employees and the Company during the year under scrutiny:

Contd.2

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PHONE : 2617 3424

V.V. Shah
& ASSOCIATES

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E-mail : vinodshah44@yahoo.com

-- 2 --

- a. has not invited public to subscribe for its shares or debentures; and
 - b. has not invited or accepted any deposits from persons other than its members, directors or their relatives.
4. The Board of Directors has met 4 times in a year on 08.06.2007, 04.09.2007 and 28.03.2008 in respect of which meeting proper notice was given and the proceedings were properly recorded and signed
 5. The Company has not closed / was not required to close its Register of Members or Debenture holders during the financial year.
 6. The Annual General Meeting for the financial year ended on 31-03-2007 was held on 29-09-2007 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
 7. No Extra Ordinary General Meeting was held during the financial year ended on 31-03-2008.
 8. The Company being a Private Limited Company, section 295 of the Act is not applicable.
 9. The Company has not entered into any contracts falling within the purview of section 297 of the Act.
 10. The Company was not required to make any entries in the register maintained under section 301 of the Act.
 11. As there were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members of the Company or Central Government.
 12. The Company has not issued any duplicate share certificates during the financial year.
 13. The Company has:
 - a. There was no allotment/transfer/transmission of securities during the financial year.
 - b. The Company has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
 - c. The Company was not required to post warrants to any member of the Company as no dividend declared during the financial year.
 - d. Transferred the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon wherever applicable which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.
 - e. Duly complied with the requirements of section 217 of the Act.

Contd.3



OFFICE :
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Mumbai - 400 057.

PHONE : 2617 3424

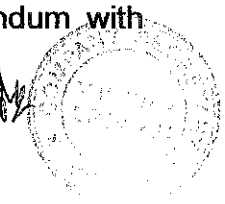
V.V. Shah
& ASSOCIATES

RESIDENCE :
303, Navkar Apts.,
Nanda Patkar Road, Vile Parle (E),
Mumbai - 400 057.
PHONE : 2614 6449 Mobile : 9821280285
E-mail : vinodshah44@yahoo.com

-- 3 --

14. The Board of Directors of the Company is duly constituted. There was no appointment of additional directors, alternate directors and directors to fill casual vacancy during the financial year.
15. The Company being a Private Limited Company, the provisions of section 269 of the Act with regard to appointment of Managing Director/Whole-Time-Director/Manager are not applicable.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of section 58A of the Act, during the financial year.
24. The Company, being a private limited company, the borrowings made during the financial year do not attract provisions of section 293(1) (d) of the Act.
25. The Company has not made any loans or advances or given guarantees or provide securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.

Contd.4



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PHONE : 2617 3424

V.V. Shah
& ASSOCIATES

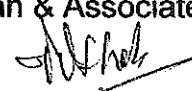
RESIDENCE :
303, Navkar Apts.,
Nanda Patkar Road, Vile Parle (E),
Mumbai - 400 057.
PHONE : 2614 6449 Mobile : 9821280285
E-mail : vinodshah44@yahoo.com

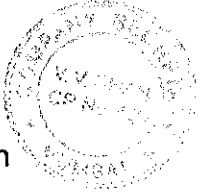
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29. The Company has not altered the provisions of the Memorandum with respect to capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. There was/were no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has not deducted any contribution towards Provident Fund during the financial year.

Place: Mumbai
Date: 13/08/2008

For V. V. Shah & Associates


Signature: Mr. Vinod V. Shah
(Proprietor) C. P. No. 621
Name of Company Secretary



ANNEXURE – 'A'

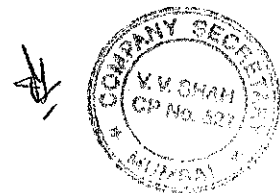
Registers as maintained by the Company:

1. Register of Members under section 150
2. Register of Share Transfer u/s 111
3. Register of Directors u/s 303
4. Register of Directors' Share & Debenture Holding u/s 307
5. Register of Contracts u/s 301
6. Register if contracts, Companies, Firms in which Directors etc. are interested u/s 301(3)

ANNEXURE- 'B'

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending 31st March 2008.

1. Annual Return for the AGM held on 29-09-2007 filed on 01.01.2008
2. Balance Sheet for the year ended 31-03-2007 filed on 01.01.2008
3. Compliance Certificate for the year 2006-2007 u/s 383A. filed on 01.01.2008



CHATURVEDI & COMPANY

Chartered Accountants

81, Mittal Chambers, 22B, Nariman Point, Mumbai - 400 021.

Phone : 2202 0887

2204 1088

2288 0465

2288 0466

Fax : 2287 2457

E-mail : chccby@vsnl.com

AUDITOR'S REPORT

To,
The Members of
MASTER CHEMICALS LIMITED

MCL-ROC

1. We have audited the attached Balance Sheet of **MASTER CHEMICALS LIMITED** as at 31st March, 2008, the Profit and Loss Account and also 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 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, and the Companies (Auditor's Report) (Amendment) Order 2004, 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 paragraph 4 & 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i) 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;
 - ii) 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.
 - iii) The Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - iv) 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;



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- 1 -

* KOLKATA * NEW DELHI * CHENNAI * LUCKNOW * KANPUR

- v) According to the information and explanations given to us and on the basis of written representations received from the Directors, as on 31st March, 2008 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2008, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- vi) 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.
- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2008;
- b) In the case of the Profit and Loss account, of the "Profit" for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For CHATURVEDI & COMPANY
Chartered Accountants

S.N. CHATURVEDI
(Partner)

Place: Mumbai
Date: 30th June 2008

CHATURVEDI & COMPANY

Chartered Accountants

81, Mittal Chambers, 226, Nariman Point, Mumbai - 400 021.

Phone : 2202 0867

2204 1066

2238 0405

2238 0408

Fax : 2287 2457

E-mail : chccby@vsnl.com

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 3 of our Report of even date

- i) As the company had no fixed assets during the year, provisions of paragraph 4(i) of the Order are not applicable.
- ii) As explained to us, the company did not carry any inventory at any time during the year. In view of the foregoing, the provisions of paragraph 4(ii) of the Order are not applicable.
- iii) As per the information furnished, the company has not granted or taken any loans, secured or unsecured, from /to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. In view of the foregoing, the provisions of paragraph 4(iii) of the Order are not applicable.
- iv) 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 the nature of its business. During the course of our audit, no major weakness has been noticed in the internal controls.
- v) According to the information and explanations given to us, during the year, the Company has not entered into transactions with parties that would require it to be entered in the Register maintained under section 301 of the Companies Act, 1956.
- vi) According to the information and explanations given to us, the Company has not accepted any deposits during the year from the public within the meaning of the provisions of sections 58A and 58AA of the Companies Act, 1956 and rules made thereunder.
- vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- viii) Maintenance of Cost Accounts under section 209(1)(d) of the Companies Act, 1956 has not been prescribed for the Company.
- ix) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income tax and other material statutory dues applicable to it.



CHATURVEDI & COMPANY, CHARTERED ACCOUNTANTS, 81, MITTAL CHAMBERS, 226, NARIMAN POINT, MUMBAI - 400 021.

- 3 -

*KOLKATA * NEW DELHI * CHENNAI * LUCKNOW * KANPUR

- x) There are no accumulated losses of the company as at 31st March 2008. The company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xi) In our opinion, and according to the information and explanations given to us, the company has not defaulted in payment of dues to financial institutions, banks or debenture holders.
- xii) Based on our examination of the records and the information and explanations given to us, the company has not granted any loans and/or advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, the company is not a chit fund or a nidhi, mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) 2003 are not applicable to the Company.
- xv) According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks or financial institutions.
- xvi) The Company has not availed any term loans.
- xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment.
- xviii) The Company has not made any preferential allotment of shares during the year.



- xix) The Company has not issued any debentures during the year.
- xx) The Company has not raised any money by public issue during the year covered by our Report.
- xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For CHATURVEDI & COMPANY
Chartered Accountants

S.N. Chaturvedi

30/06/2008

S.N. CHATURVEDI
(Partner)

Place: Mumbai
Date: 30th June 2008

MASTER CHEMICALS LIMITED
Balance Sheet as at 31st March, 2008

| | Schedule | As at 31-03-2008 Amount (Rs.) | As at 31-03-2007 Amount (Rs.) |
|---|----------|-------------------------------------|-------------------------------------|
| SOURCES OF FUNDS | | | |
| Shareholders' Funds | | | |
| Share Capital | 1 | 2,450,000 | 2,450,000 |
| Reserves & Surplus | 2 | 3,048,422 | 2,309,711 |
| | | <u>5,498,422</u> | <u>4,759,711</u> |
| APPLICATION OF FUNDS | | | |
| Investments | 3 | 3,694,270 | 2,500,000 |
| Current Assets, Loans & Advances | | | |
| Sundry Debtors | 4 | 98,988 | 479,918 |
| Cash & Bank Balances | 5 | 3,046,107 | 1,394,316 |
| Loans & Advances | 6 | 1,576,893 | 1,127,956 |
| Interest Accrued But not Due | | 55,670 | 22,497 |
| | | <u>4,757,658</u> | <u>3,024,687</u> |
| Less: Current Liabilities & Provisions | 7 | | |
| Current Liabilities | | 2,106,633 | 248,439 |
| Provisions | | 846,873 | 516,537 |
| | | <u>2,953,506</u> | <u>764,976</u> |
| Net Current Assets | | <u>1,804,152</u> | <u>2,259,711</u> |
| | | <u>5,498,422</u> | <u>4,759,711</u> |
| Significant Accounting Policies & Notes to Accounts | 11 | | |

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

For CHATURVEDI & COMPANY
Chartered Accountants

S.N. CHATURVEDI
(Partner)

R. S. DUBEY
(Director)

SOMESH BOSE
(Director)

Place : Mumbai
Date : 30/06/2008

SANJAY GARG
(Manager Finance)

MASTER CHEMICALS LIMITED
Profit & Loss Account for the year ended 31st March, 2008

| | Schedule | 31-03-2008 Amount (Rs.) | 31-03-2007 Amount (Rs.) |
|--|----------|----------------------------|----------------------------|
| INCOME | | | |
| Other Income | 8 | 1,228,181 | 240,184 |
| EXPENDITURE | | | |
| Payment and Benefits to Employees | 9 | 18,000 | 19,500 |
| Other Expenses | 10 | 141,134 | 131,192 |
| | | <u>159,134</u> | <u>150,692</u> |
| Profit Before Tax & Prior Period Items | | 1,069,047 | 89,492 |
| Prior Period Income/(Expenses) | | - | 1,080 |
| Profit Before Tax | | <u>1,069,047</u> | <u>90,572</u> |
| Provision for Tax : | | | |
| Current Tax | | 330,336 | 30,487 |
| Fringe Benefit Tax | | 330,336 | - |
| Profit After Tax | | <u>738,711</u> | <u>60,085</u> |
| Balance brought forward | | <u>1,121,211</u> | <u>1,061,126</u> |
| Balance Carried to Balance Sheet | | <u>1,859,922</u> | <u>1,121,211</u> |
| Earning Per Share:- (Equity share of Rs.10 each) | | | |
| Basic & Diluted | | 3.01 | 0.24 |
| Number of shares used in computing earnings per share:- | | | |
| Basic & Diluted | | 245,000 | 245,000 |

Significant Accounting Policies & Notes to Accounts 11

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

For CHATURVEDI & COMPANY
Chartered Accountants

S.N.CHATURVEDI
(Partner)

R. S. DUBEY
(Director)

SOMESH BOSE
(Director)

Place : Mumbai
Date : 30th June 2008

SANJAY GARG
(Manager Finance)

SCHEDULES FORMING PART OF THE ACCOUNTS

| | As at 31-03-2008 Amount (Rs.) | As at 31-03-2007 Amount (Rs.) |
|---|----------------------------------|----------------------------------|
| SCHEDULE : 1 | | |
| Share Capital | | |
| Authorised | | |
| 2,50,00,000 Equity Shares of Rs. 10/- each | 250,000,000 | 250,000,000 |
| Issued, Subscribed & Paid up | | |
| 2,45,000 Equity Shares of Rs. 10/- each fully paid up (includes 3,000 Equity Shares of Rs. 10/- each issued other than for cash) | 2,450,000 | 2,450,000 |
| | <u>2,450,000</u> | <u>2,450,000</u> |
| SCHEDULE : 2 | | |
| Reserves & Surplus | | |
| General Reserve | 1,188,500 | 1,188,500 |
| Profit & Loss Account | 1,859,922 | 1,121,211 |
| | <u>3,048,422</u> | <u>2,309,711</u> |
| SCHEDULE : 3 | | |
| Investments (At Cost) | | |
| Unquoted Shares (Long Term) | | |
| 3,69,427 (2,50,000) Equity Shares of Sahara India Life Insurance Company Ltd ,of Rs.10 each, fully paid up | 3,694,270 | 2,500,000 |
| | <u>3,694,270</u> | <u>2,500,000</u> |
| SCHEDULE : 4 | | |
| Sundry Debtors | | |
| (Unsecured and considered good) | | |
| Debts (more than 6months) | - | 352,653 |
| Debts (less than 6months) | 98,988 | 127,265 |
| | <u>98,988</u> | <u>479,918</u> |
| SCHEDULE : 5 | | |
| Cash & Bank Balances | | |
| Cash balance on hand | 15,769 | 15,927 |
| Balance with Scheduled Banks | | |
| -In Current Account | 995,338 | 48,389 |
| -In Fixed Deposit Account | 2,035,000 | 1,330,000 |
| | <u>3,046,107</u> | <u>1,394,316</u> |



SCHEDULES FORMING PART OF THE ACCOUNTS

| | As at 31-03-2008 Amount (Rs.) | As at 31-03-2007 Amount (Rs.) |
|--|----------------------------------|----------------------------------|
| SCHEDULE : 6 | | |
| Loans & Advances | | |
| [Unsecured considered good and subject to confirmation] | | |
| Advances recoverable in cash or in kind or for value to be received | | |
| TDS Receivable | 379,778 | 225,767 |
| Advance Tax | 615,000 | 410,000 |
| Other Advances | 582,115 | 492,189 |
| | <u>1,576,893</u> | <u>1,127,956</u> |
| SCHEDULE : 7 | | |
| Current Liabilities & Provisions | | |
| Current Liabilities | | |
| Sundry Creditors | 2,077,389 | 183,700 |
| Other Liabilities | 29,244 | 64,739 |
| | <u>2,106,633</u> | <u>248,439</u> |
| Provisions | | |
| For Taxation | 846,873 | 516,537 |
| | <u>2,953,506</u> | <u>764,976</u> |

SCHEDULES FORMING PART OF THE ACCOUNTS

As at 31-03-2008 As at 31-03-2007
Amount (Rs.) Amount (Rs.)

SCHEDULE : 8

Other Income

Interest on Fixed Deposit

TDS : Rs. 29,311/- (Previous Year: Rs. 17,373/-)

Commission Received

TDS : Rs. 1,27,099/- (Previous Year : Rs.10,323/-)

131,532

77424

1,096,649

162,760

1,228,181

240,184

SCHEDULE : 9

Remuneration & Benefits to Employees

Salaries & Benefits

18,000

19,500

18,000

19,500

SCHEDULE : 10

Other Expenses

Legal And Professional Charges

14,109

18,274

Filing Fees

1,500

5,500

Printing And Stationery

-

3,554

Advertisement Expenses

27,030

17,160

Rent, Rates & Taxes

24,000

24,000

Bank Charges

225

-

Professional tax

2,500

2,500

Membership & Subscription

26,734

14,831

Interest on Service Tax

654

-

FD Margin Money Written off

-

1,000

Internal Audit Fees

13,483

13,483

Auditors' Remuneration:

-Audit Fees

22,472

22,472

-Other Services

8,427

8,418

141,134

131,192



SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

SCHEDULE - II

A. SIGNIFICANT ACCOUNTING POLICIES

1 System of Accounting

The Financial Statements are prepared under the historical cost convention on the accrual basis of accounting and in accordance with Generally Accepted Accounting Principles.

2 Investments

Long Term Investments are valued at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management.

3 Earning Per Share

Basic earnings per share are calculated by dividing the net profit or net loss for the period attributable to the Equity shareholders by the number of equity shares outstanding during the period.

4 Contingent Liabilities

Contingent Liabilities are not provided for in the accounts but are shown separately in the notes to accounts.

B. NOTES TO ACCOUNTS

| | | | |
|----|---|-----------|-----------------|
| 1 | Contingent Liabilities not provided for: | 31.3.2008 | 31.3.2007 |
| | | Rs. | Rs. |
| | Disputed matters in respect of: | | |
| | Income Tax | 1,80,484 | 1,80,484 |
| 2 | Auditors remuneration and reimbursement of expenses:- | | (Amount in Rs.) |
| | | 2007-08 | 2006-07 |
| a. | Audit Fees (including service tax) | 22,472 | 22,472 |
| b. | Audit Fees (Other Services) | 8,427 | 8,427 |
| | Total | 30,899 | 30,899 |

3 Previous year figures have been rearranged / regrouped wherever necessary and rounded off to the nearest rupee.

4 There is no outstanding payable to small-scale industrial units.

5 There are no Micro, Small and medium enterprises to whom the company owes dues which are outstanding for more than 45 days at the Balance Sheet date. The above information has been determined to the extent such parties have been identified on the basis of information available with the company.

For CHATURVEDI & COMPANY
Chartered Accountants

S.N. CHATURVEDI
(Partner)

Place: Mumbai
Date: 30/06/2008

R. S. DUBEY
(Chartered Accountant)

SANJAY GARG
(Manager Finance)

SOMESH ROSE
(Director)

MASTER CHEMICALS LIMITED

Regd. Office : Sahara India Point, CTS 40&44, SV Road, Goregaon (W), Mumbai

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

- I. Registration Details
 Registration No.- 22653
 Balance Sheet Date: 31.03.2008
 State Code: 11
- II. Capital Raised During the year (Amount in Rs. Thousands)
 Public Issue NIL Right Issue NIL
 Bonus Issue NIL Private Placement NIL
- III. Position of Mobilisation and Deployment of funds (Amount in Rs. Thousands)
 Total Liabilities 5,498 Total Assets 5,498
 Sources of Funds :
 Paid-up Capital 2,450 Investment 3,694
 Reserve & Surplus 3,048 Net Current Assets 1,804
- IV. Performance of Company : (Amount in Rs. Thousands)
 Turnover 1,228 Total Expenditure 159
 Profit/(Loss) before Tax 1,069 Profit/(Loss) after Tax 739
 Earning per Share (Rs.) 3.01 Dividend Rate % NIL
- V. Generic Names of Principal products, services of the company :
 Item Code No. N. A.
 Product Description N. A.

For CHATURVEDI & COMPANY
 Chartered Accountant

S.N. Chaturvedi

S.N. CHATURVEDI
 (Partner)



R. S. Dubey
 R. S. DUBEY
 (Director)

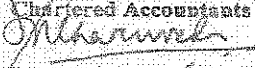
Somesh Bose
 SOMESH BOSE
 (Director)

Place : Mumbai
 Date : 30/06/2008

Sanjay Garg
 SANJAY GARG
 (Manager Finance)


CASH FLOW STATEMENT
FOR THE YEAR ENDED 31st MARCH, 2008
(pursuant to amendment to clause 32 of the Listing Agreement)

| PARTICULARS | Current Year Rs. | Previous Year Rs. |
|---|---------------------|----------------------|
| Cash Flow From Operating Activities | | |
| A. Profit/(Loss) Before Tax & Prior Period Items | 1,069,047 | 69,492 |
| Add-Adjustment relating to earlier year | - | 1,090 |
| Profit/(Loss) Before Tax | 1,069,047 | 90,572 |
| Adjustment For: | | |
| -Interest on fixed deposit | (131,532) | (77,424) |
| -Preliminary expenses Written off | - | - |
| Operating Profit/(Loss) before Working Capital Changes | 937,515 | 13,148 |
| Adjustment For: | | |
| -Trade & Other Receivables | 277,831 | (178,103) |
| -Trade Payable | 1,858,194 | 119,284 |
| Cash Generated From/ (Used in) operations | 3,073,540 | (43,691) |
| Direct taxes (paid)/Received Net of Taxes | (359,011) | (48,696) |
| Net Cash Flow from/ (Used in) operating activities | 2,714,529 | (92,387) |
| Cash Flow From Investing Activities | | |
| B. Interest on fixed deposit | 131,532 | 77,424 |
| -Purchase of Investment | (1,194,270) | - |
| Net cash generated from Investing activity | (1,062,738) | 77,424 |
| Cash flow from Financing Activities | | |
| C. Net Increase & (Decrease) in Cash & cash Equivalents | 1,651,791 | (14,863) |
| A+B+C Opening Balance of Cash and Cash Equivalents | 1,394,316 | 1,409,279 |
| Closing Balance of Cash and Cash Equivalents | 3,046,107 | 1,394,316 |

For CHATURVEDI & COMPANY
Chartered Accountants

S.N. CHATURVEDI
(Partner)




R. S. DUBEY
(Director)


SOMESH BOSE
(Director)

Place : Mumbai
Date : 30/06/2008


SANJAY GARG
(Manager Finance)

Grouping of Balance Sheet

| <u>TDS Receivable</u> | <u>Amount (Rs.)</u> | <u>Amount (Rs.)</u> |
|-------------------------------------|---------------------|---------------------|
| TDS Receivables AY 04-05 | 69,368 | 69,368 |
| TDS Receivables AY 05-06 | 85,584 | 85,584 |
| TDS Receivables AY 06-07 | 43,119 | 43,119 |
| TDS Receivables AY 07-08 | 27,696 | 27,696 |
| TDS Receivables AY 08-09 | 154,011 | - |
| | <u>379,778</u> | <u>225,767</u> |
| <u>Other Advances</u> | | |
| Security Deposit (Depository) | 5,000 | 5,000 |
| IT Refund Receivable AY 00-01 | 107,763 | 107,763 |
| Fringe Benefit Tax (A.Y. 2005-06) | 501 | 501 |
| Self Assessment Tax (A.Y. 2005-06) | 104,000 | 104,000 |
| Self Assessment Tax AY 03-04 | 180,484 | 90,242 |
| Self Assessment Tax (A.Y. 2004-05) | 184,367 | 184,367 |
| Shree Ramnashwar Commn. | - | 316 |
| | <u>582,115</u> | <u>492,189</u> |
| <u>Advance Tax</u> | | |
| Advance Income Tax 2004-05 | 200,000 | 200,000 |
| Advance Income Tax 2005-06 | 137,000 | 137,000 |
| Advance Income Tax 2006-07 | 52,000 | 52,000 |
| Advance Income Tax 2007-08 | 21,000 | 21,000 |
| Advance Income Tax 2008-09 | 205,000 | - |
| | <u>615,000</u> | <u>410,000</u> |
| <u>Sundry Creditors</u> | | |
| Audit Fees Payable | 45,889 | 23,860 |
| Devendra Kr. Srivastava | 110 | 110 |
| Indusind Bank (CDSL) | 0 | 302 |
| Intime Spectrum Registry Ltd | 67 | - |
| J.J. Mohrotra & Co | 13,483 | 12,819 |
| Mahendra S Kadam | 1,000 | 1,000 |
| MCS Ltd. | - | 5,794 |
| M/s Sahara India | 53,530 | 35,530 |
| SICCL TV Network (Mum) | 66,000 | 42,000 |
| SIFCL (CMSD) | 39 | 39 |
| SICCL (Housing) | 1,899,270 | 60,000 |
| V.V. Shah & Associates | - | 2,246 |
| | <u>2,077,389</u> | <u>183,700</u> |
| <u>Other Liabilities</u> | | |
| Education Cess on commission | 236 | 981 |
| Higher Education Cess on commission | 118 | - |
| Service Tax on Commission | 11,786 | 49,100 |
| Tds Payable (Professional) | 2,604 | 158 |
| Exgratia Payable | 4,500 | 4,500 |
| Expenses Payable | 10,000 | 10,000 |
| | <u>29,244</u> | <u>64,739</u> |
| <u>Provisions for Taxation</u> | | |
| Prov. for FBT B/S A.Y. 06-07 | 501 | 501 |
| Prov. for Tax B/S A.Y. 04-05 | 226,631 | 226,631 |
| Prov. for Tax B/S A.Y. 05-06 | 180,435 | 180,435 |
| Prov. for Tax B/S A.Y. 06-07 | 78,483 | 78,483 |
| Prov. for Tax B/S A.Y. 07-08 | 30,487 | 30,487 |
| Prov. for Tax B/S A.Y. 08-09 | 330,336 | - |
| | <u>846,873</u> | <u>515,537</u> |

Grouping of Profit & Loss Accounts

| | 2007-08 | 2006-07 |
|---------------------------------------|---------------|---------------|
| <u>Legal And Professional Charges</u> | | |
| Legal & Professional Charges | 8,418 | 12,662 |
| Retainership Fees | 5,691 | 5,612 |
| | <u>14,109</u> | <u>18,274</u> |
| <u>Membership & Subscription</u> | | |
| Account Maintenance Charge (CMSL) | 904 | 39 |
| Listing Fees (BSE) | 10,100 | 10,000 |
| Membership & Subscription (CDSL) | 15,730 | 4,490 |
| Indusind Bank (CDSL) | 0 | 302 |
| Total | <u>26,734</u> | <u>14,831</u> |
| <u>Fixed Data Finance</u> | | |
| Rent | 24,000 | 24000 |
| Total | <u>24,000</u> | <u>24000</u> |

