

SAFAL HERBS LIMITED

ANNUAL REPORT

2011-2012

**REGD OFF: B – 29, Ujval Complex, Opp. Old Bus Stand, Ahmednagar,
Maharashtra – 414 001**

NOTICE

NOTICE is hereby given that Annual General Meeting of **SAFAL HERBS LIMITED** will be held on 29th September, 2012 at 11:00 a.m. at the Registered office of the Company at B – 29, Ujjval Complex, Opp. Old Bus Stand, Ahmednagar, Maharashtra – 414 001 to transact the following business.

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and the Profit and Loss Account of the Company for the year ended on that date together with the reports of the Directors and auditors thereon.
2. To appoint a Director in place of Mr. Mukesh B. Desai who retires by rotation and being eligible offers himself for reappointment.
3. To appoint auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and to authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

4. To Consider and if thought fit to pass the following resolution with or without modification(s) as an Ordinary Resolution.

RESOLVED THAT Mr. Jignesh J. Dayani who was appointed as additional Director of the company by the Board of Directors with effect from 16th April, 2012 and who according to section 260 of the companies Act, 1956 hold office up to the date of this Annual General Meeting and in respect of whom the company has received a notice from shareholders in writing proposing his candidature for the office of the Directors be and is hereby appointed as a Director of the company.

Dated : 1st September, 2012
Place : AHMEDNAGAR

BY ORDER OF THE BOARD

Sd/-
CHAIRMAN

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER. Proxy in order to be valid must be received by the company not less than forty-eight hours before the time of holding the Meeting.
2. Members/Proxies should bring the Attendance Slip, duly filled in, for attending the meeting.
3. The Register of Members and share transfer books of the Company will remain closed from 23.09.2012 to 29.09.2012 (both days inclusive)
4. Members desiring any information regarding the accounts are requested to write to the Company at least Seven Days before the meeting so as to enable the management to keep the same ready.

DIRECTOR'S REPORT

To,
The Members
Safal Herbs Ltd.

Your Directors have pleasure in presenting the Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2012.

FINANCIAL RESULTS:

The summarized financial results for the year ended 31st March, 2012 are as under:

(Rs. in Lacs)

Particulars	2011-2012	2010-2011
1. Profit before Interest, Depreciation and Tax	4.40	2.75
2. Interest	--	--
3. Depreciation	--	--
4. Profit (Loss) Before Tax	4.40	2.75
5. Provision for taxation	1.36	0.85
6. Profit (loss) after Tax	3.04	1.90

DIRECTORS :

Mr. Mukesh B. Desai director of the Company retires by rotation at this annual general meeting and being eligible, offers himself for reappointment. The board of directors recommends the appointment of the directors. However Mr. Jignesh Dayani will appointed as a regular director of the Company w.e.f. General Meeting.

DIVIDEND :

Your director do not recommend dividend for the year.

FIXED DEPOSITS:

The company has not accepted the fixed deposits during the year under report.

AUDITORS :

Niranjan Jain & Co., Auditors of the Company retires at the conclusion of this Annual General Meeting and being eligible, are recommended for reappointment.

AUDITORS REPORT:

The Auditors report is self-explanatory and so far, there is no negative remark by the Auditors.

DIRECTORS RESPONSIBILITY STATEMENT :

Pursuant to the requirement under section 217 (2AA) of the Companies Amendment Act, 2000 with respect to Director Responsibility Statement it is hereby confirmed:

1. That in the preparation of the annual accounts for the financial year ended 31st March, 2012 the applicable accounting standards had been followed along with proper explanation relating to material departures.
2. That the directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.
3. That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. That the directors had prepared the accounts for the financial year ended 31st March, 2012 on a going concern basis.

CORPORATE GOVERNANCE :

As per Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on Corporate Governance together with a certificate from the Company's Auditors confirming compliance there to is set out in the Annexure forming part of this report.

LISTING:

The shares of the Company are listed on Ahmedabad and Bombay Stock Exchange Limited.

PARTICULARS OF THE EMPLOYEES :

The Company has no employee to whom the provision of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 apply and so it is not applicable to the company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUT GO :

The additional information required under Section 217(1)(e) of the Companies Act, 1956 relating to Conservation of energy, technology absorption and foreign exchange earnings or outgoes is not applicable.

ACKNOWLEDGMENT :

The Directors wish to thank and deeply acknowledge the cooperation and assistance received from the Bankers, Suppliers and shareholders. The Director also wishes to place on record their appreciation of the devoted services of employees of the Company.

DATE : 01.09.2012
PLACE: AHMEDNAGAR

FOR AND ON BEHALF OF THE
BOARD OF DIRECTORS

Sd/-
CHAIRMAN

SAFAL HERBS LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. Overall Review

The Growth rate has been on the upward trend as compared to the previous year with favorable market conditions which reflect the positive market.

2. Financial Review

During the year the company has increased its business activities and earned the profit of Rs. 3.04 Lacs

3. Risk and Concern

The competition in global market of herbal products affects the business activities of the Company. The loss of such types of specific jadibhutties in nature, lack of processing method also affects the profitability of the Company.

4. Internal Control System and their adequacy

The internal control system is looked after by Directors themselves, who also looked after the day to day affairs to ensure compliance of guide lines and policies, adhere to the management instructions and policies to ensure improvements in the system. The Internal Audit reports are regularly reviewed by the management.

5. Environmental Issues

No such environmental issue is associated with the process of the herbal products.

6. Financial Performance with Respect to Operation Performance

The Company has all the plans for tight budgetary control on key operational performance indication with judicious deployment of funds without resorting to any kind borrowing where ever possible.

7. Cautionary Statement

Statement in this report on Management Discussion and Analysis may be forward looking statements within the meaning of applicable security laws or regulations. These statements are based on certain assumptions and expectations of future events. Actual results could however, differ materially, from those expressed or implied. Important factors that could make a difference to the company's operations include global and domestic demand supply conditions, finished goods prices, raw material cost and availability and changes in government regulation and tax structure, economic development within India and the countries with which the company has business contacts and other factors such as litigation and industrial relations.

The Company assumes no responsibility in respect of forward - looking statements, which may be amended or modified in future on the basis of subsequent developments, information or events.

REPORT ON CORPORATE GOVERNANCE

The company pursuant to the code on Corporate Governance introduced by the Securities and Exchange Board of India (SEBI) furnishes its report as under :

Company's Philosophy on Code of Governance

The Company's philosophy on corporate governance envisages the attainment of the highest level of transparency, accountability and equity, in all facets of its operations, and in all its interactions with its stakeholders, including shareholders, employees, the government and lenders.

BOARD OF DIRECTORS

a) Size and Composition of the Board:

The Company has a proper blend of Executive and Independent Directors to maintain the independence of the Board. As of the year ended 31st March, 2012, the Board of Directors had 3 members comprising of 1 Executive Directors and 2 Non-Executive Directors. All the Non-Executive Directors are Independent Directors.

The details in regard to the attendance of Directors at Board Meetings/Shareholders Meetings held during the year as also the number of Directorship/s held by them in other Companies and the position of membership of Committee/s are given below:

Name of Director	Category of Director	No. of Board Meetings attended	Attendance at the last AGM	Directorships in other Indian Public Companies* as at 31 st March 2012	Other Mandatory Committee** membership as at 31 st March 2012	
					Chairman	Member
#Mr. Dhananjay V. Parikh	Executive Director	12	Yes	NIL	NIL	Nil
Mr. Bhadreshkumar B. Shah	Executive Director	17	Yes	NIL	NIL	Nil
Mr. Mukesh B. Desai	Independent Director	16	Yes	Yes	Yes	Yes
Mr. Harshad M. Patel	Independent Director	15	Yes	NIL	NIL	NIL

Mr. Dhananjay V. Parikh resigned from the post of director on 04.02.2012

*Excludes Directorships in private/foreign companies and companies incorporated under Section 25 of the Companies Act, 1956.

**Represents Membership/Chairmanship of the Audit Committee, Shareholders/ Investors Grievance Committee and Remuneration Committee of other companies.

CMD-Chairman & Managing Director, WTD- Whole Time Director, NE- Non Executive.

b) Management & Function of the Board:

The day-to-day management of the Company is conducted by the Chairman & Managing Director in consultation with four Whole Time Directors and subject to the supervision and control of the Board of Directors. The required information as enumerated in Annexure I to Clause 49 of the Listing Agreement is made available to the Board of Directors for discussions and consideration at Board Meetings. The Board also reviews the Board Minutes of its Subsidiary Company.

c) Details of Board Meetings held during the Financial Year and the number of Directors present:

Serial No.	Dates on which the Board Meeting was held	Total Strength of the Board	No. of Directors Present
1	12.04.2011	4	3
2	30.04.2011	4	4
3	16.05.2011	4	4
4	31.07.2011	4	3
5	01.09.2011	4	4
6	09.10.2011	4	4
7	31.10.2011	4	4
8	09.11.2011	4	4
9	19.11.2011	4	4
10	24.11.2011	4	3
11	06.01.2012	4	4
12	31.01.2012	4	4
13	04.02.2012	3	3
14	06.02.2012	3	3
15	25.02.2012	3	3
16	12.03.2012	3	3
17	31.03.2012	3	3

d) Committees of the Board

Currently the Board has three committees viz:

1) Audit Committee

Composition:

The Audit Committee has been constituted in conformity with the requirements of Section - 292A of the Companies Act, 1956 and Clause – 49 of the Listing Agreement with Stock Exchanges.

At present the Audit Committee comprises of three directors. Amongst them two directors are Non Executive & Independent. Details of the composition, number of meetings held during the year and attendance thereat are as under :

Name	Position held	Attendance at Audit Committee meeting held on				
		30.04.2011	31.07.2011	01.09.2011	31.10.2011	31.01.2012
Mr. Harshad M. Patel	Chairman	Yes	Yes	Yes	Yes	Yes
Mr. Mukesh Desai	Member	Yes	Yes	Yes	Yes	Yes
Mr. Bhadreshkumar B. Shah	Member	Yes	Yes	Yes	Yes	Yes

Minutes of meetings of the Audit Committee are circulated to members of the Committee and the Board is kept apprised.

Members of the Audit Committee have requisite financial and management expertise. The Statutory Auditors, Internal Auditor and the Chief Financial Officer are invited to attend and participate at meetings of the Committee.

Powers of the audit committee includes:

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

The terms of reference are broadly as under :

- a. Oversight of the company's financial reporting process and the disclosure of its financial Information to ensure that the financial statement is correct, sufficient and credible.
- b. Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- c. Reviewing with management the annual financial statements before submission to the Board, focusing primarily on;
 - Matters required to be included in the Director's Report in terms of clause 2AA of Section 217 of the Companies Act, 1956
 - Any changes in accounting policies and practices.
 - Major accounting entries based on exercise of judgment by management.
 - Qualifications in draft audit report.
 - Significant adjustments arising out of audit.
 - The going concern assumption.
 - Compliance with accounting standards.
 - Compliance with stock exchange and legal requirements concerning financial statements

- Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large.
- d. Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- e. Reviewing the periodical financial statements with management before submission to the board for their approval.
- f. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- g. Discussion with internal auditors any significant findings and follow up there on.
- h. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- i. Discussion with external auditors before the audit commences nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
- j. Reviewing the Company's financial and risk management policies.
- k. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

2) Shareholders'/Investors' Relations Committee

The Shareholders'/Investors' Grievance Committee of the Company comprises of three directors. Details of the composition, number of meetings held during the year and attendance thereat as under:

Name	Category of Director	Position held	Attendance at Shareholders' Committee meeting held on				
			30.04.2011	30.07.2011	30.09.2011	31.10.2011	31.03.2012
Mr. Bhadreshkumar B. Shah	Executive Director	Chairman	Yes	Yes	Yes	Yes	Yes
Mr. Dhananjay V. Parikh	Executive Director	Member	Yes	Yes	Yes	Yes	N.A.
Mr. Mukesh B. Desai	Non – Executive Director	Member	N.A.	N.A.	N.A.	N.A.	Yes

The Company addresses all complaints, suggestions and grievances expeditiously and replies have been sent / issues resolved usually within 15 days except in case of dispute over facts or other legal constraints.

During the year complaints were received from SEBI or shareholders were resolved satisfactory.

No requests for share transfers are pending except those that are disputed or sub-judice.

Mr.Jignesh Dayani, Director of the company who is appointed on 16th April, 2012, is a Compliance Officer of the Company.

3) Remuneration Committee:

The Remuneration Committee of the Company comprises of two members, all being non-executive independent directors. Details of composition, number of meetings held during the year and attendance thereat are as under:

Name	Position held	Attendance at Remuneration Committee meeting held on			
		30.04.2011	30.07.2011	30.10.2011	31.03.2012
Mr. Mukesh B. Desai	Chairman	Yes	Yes	Yes	Yes
Mr. Harshad M. Patel	Member	Yes	Yes	Yes	Yes

The terms of reference of the Remuneration Committee, inter alia consists of to recommend to the Board and to the shareholders with agreed terms of reference, the Company's policy on specific remuneration packages for executive directors including any compensation payment if required and shall review the same from time to time if required.

e) Remuneration Policy & Remuneration paid to Board of Directors:

Remuneration Policy

At present the company has decided not to pay any remuneration to any directors of the company unless and until the company will achieve good financial performance.

The Company does not have any scheme for grant of stock option to its Directors or Employees nor it pay any commission to any of its Directors.

Code of Conduct for Senior Management

The Company has adopted a Code of Conduct for Directors and Senior Management. It is the responsibility of all employees and Directors to familiarize themselves with the Code and comply with the same.

The Code includes provisions where the employees of the Company can voice their concerns on violation and potential violation of this Code in a responsible and effective manner.

All Board members and senior management personnel have confirmed compliance with the code. A declaration signed by the Managing Director is attached and forms part of the Annual Report of the company.

CEO Certification

Chief Executive Office (CEO) certification on financial statements pursuant to the provisions of Clause 49 of the listing agreement is annexed and forms part of the Annual Report of the company.

SHAREHOLDERS INFORMATION::

Location and time of Annual General Meetings held in last three years

For the Year	Location	Date & Time	Special Resolution passed Yes Or No
2010-11	209, West Wing, 2 nd Floor, Aurora Towers, M. G. Road, Pune – 411 001	30th September, 2011 11.00 a.m.	No
2009-10	209, West Wing, 2 nd Floor, Aurora Towers, M. G. Road, Pune – 411 001	30th September, 2010 11.00 a.m.	No
2008-09	209, West Wing, 2 nd Floor, Aurora Towers, M. G. Road, Pune – 411 001	30th September, 2009 11.30 a.m.	No

- Financial year** : 1st April 2011 to 31st March 2012
- Date & Time of Annual General Meeting** : 29th September, 2012 at 11.00 a.m.
- Venue** : B-29, Ujjval Complex, Opp. Old Bus Stand, Ahmednagar, Maharashtra – 414 001
- Book closure date** : 23rd September 2012 to 29th September 2012 (both days inclusive) for Annual General Meeting.
- Dividend payment date** : N.A.
- Registered office** : B-29, Ujjval Complex, Opp. Old Bus Stand, Ahmednagar, Maharashtra – 414 001
- Compliance officer** : Mr. Jignesh Dayani, Director

Financial calendar

The Company has announced/expects to announce the unaudited quarterly results for the year 2012-13 as per the following schedule:

First quarter	: on or before 30 th July, 2012
Second quarter	: on or before 31 st October, 2012
Third quarter	: on or before 30 th January, 2013
Fourth Quarter	: on or before 30 th April, 2013

Means of communication

The quarterly and half-yearly financial results are published in newspapers.

Listing on Stock Exchange

The shares of the Company are listed on Ahmedabad and Bombay Stock Exchange Limited.

Stock Code - BSE : 532034
ASE : 43771

Dematerialization Information

M/s. Cameo Corporate Services Ltd. is a Registrar and Transfer Agent of the Company for handling the work of shares for transfer/demat/remat and any other specified work.

Distribution of Shareholding as on March 31, 2012

No. of Equity shares held	No of share holders	% of shareholders	No of shares held	% of holding
1-1000	340	52.96	34000	0.34
1001-5000	96	14.95	19600	0.20
5001-10000	4	0.62	3800	0.04
10001-20000	8	1.25	12700	0.13
20001-30000	8	1.25	21300	0.21
30001-40000	11	1.71	39400	0.39
40001-50000	5	0.78	22300	0.22
50001-100000	50	7.79	398400	3.98
More than 100000	120	18.69	9448500	94.48
Total	642	100.00	10000000	100.00

Categories of Shareholders as on March 31, 2012

	Category	No. of Shares	% of Shares
A	Promoter's Holding		
1	Indian Promoters	46,50,100	46.50
2	Foreign Promoters	-----	-----
	Sub total	46,50,100	46.50
B	Non-Promoters		
3	Institutional Investors	-----	-----
	A Mutual Funds and UTI	-----	-----
	B Banks, Financial Inst., Insurance Com. (Central State Gov. Inst. /Non- Gov Inst.)	-----	-----
	C FIIS	-----	-----
	Sub total	-----	-----
4	Non – Institutional Investors		
	A Private corporate Bodies	2,93,100	2.93
	B Indian Public	47,13,300	47.13
	C NRIs / Clearing Member/OCBs/HUFs	3,43,500	3.43
	Sub total	53,49,900	53.50
	GRAND TOTAL	1,00,00,000	100.00

Disclosures

(1) There are no materially significant related party transactions of the Company with key managerial personnel which have potential conflict with the interest of the Company at large.

(2) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the period from 1st April 2011 to 31st March 2012 : NIL.

(3) Secretarial Audit –

Ms. Khushbu Thakkar, Company Secretary carried out a secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (I) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid-up capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

Unclaimed Dividends

The Company will be required to transfer dividends which have remained unpaid/unclaimed for the period of 7 years to the Investor Education & Protection Fund established by the Government. However there is no such unclaimed/unpaid dividend for which Company has to transfer the same to the Investor Education & Protection Fund in this financial year.

Address for Correspondence

Shareholders can do the correspondence at:

To,

Compliance Officer

Safal Herbs Limited

B – 29, Ujjval Complex,

Opp. Old Bus Stand,

Ahmednagar,

Maharashtra – 414 001

DECLARATION

The Board has laid down a code of conduct for all Board Members and Senior Management of the Company. The Board members and Senior Management have affirmed compliance with the code of conduct.

For, Safal Herbs Limited

Sd/-

DIRECTOR

CEO CERTIFICATION

We, Mr. Jignesh Dayani, Director certify to the Board that:

(a) We have reviewed financial statements and the cash flow statement for the year ended on 31.03.2012 and that to the best of their knowledge and belief:

(i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the Audit committee

(i) significant changes in internal control during the year;

(ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

For Safal Herbs Limited

**Sd/-
DIRECTOR**

**CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE
GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT(S)**

1. We have examined the Compliance of conditions of Corporate Governance by **Safal Herbs Limited** ("the Company ") for the period from during the year ended 1st April, 2011 to 31st March, 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchange.
2. The compliance of conditions of corporate governance is the responsibility of the management .Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance . It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us , and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. As required by the Guidance Note issued by the Institute of Chartered Accountant of India we have to state that based on the report given by the Registrar of the Company to the Investor's Grievance Committee, as on 31st March, 2012, there were no investor grievance matter against the Company remaining unattended /pending for more than 30 days.
5. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Ahmedabad
Date : 01.09.2012

For , NIRANJAN JAIN & CO.
Chartered Accountants

Sd/-
(Niranjan Jain)
Proprietor
Mem. No. 47811

AUDITORS' REPORT

To,
The Members of
SAFAL HERBS LIMITED.

We have audited the attached Balance Sheet of SAFAL HERBS LIMITED as at 31st March 2012 and also the annexed Profit and Loss Account of the Company 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.

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 misstatements. An Audit includes examining, on a test basis, evidence supporting the amount and disclosures in financial principles used and significant estimates made by the management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As per the Companies (Auditors report) order, 2003 issued by the Central Government of India in terms of Section 227 (4-A) of the Companies Act, 1956, we do hereby state that the company is exempted under the Companies (Auditors report) order, 2003, on the matter specified paragraph 4 and 5 of the said order.

Further to our comments in the Annexure referred to above, we report that:

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our Audit.
2. In our opinion, proper books of accounts as required by Law have been kept by the Company so far as appears from our examination of the books.
3. The Balance Sheet & Profit & Loss Account dealt with by this report is in agreement with the books of accounts and comply with the Accounting Standards referred to in Sub- Section 3(C) of section 211 of the Companies Act, 1956.

2...

4. According to information and explanations given to us and on the basis of written representations from the directors of the Company, none of the Director is disqualified from being appointed as a director of the Company under section 274(1) (g) of the Companies Act, 1956.
5. In our opinion and to the best of our information and according to the explanation given to us, the said Balance Sheet and the Profit and Loss Account, together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view: -
 - a) In the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2012 and
 - b) In the case of the Profit & Loss Account of the **Profit** for the year ended on that date.

For NIRANJAN JAIN & Co.
Chartered Accountants

Sd/-
(NIRANJAN JAIN)
Proprietor
Membership : 47811

PLACE : AHMEDABAD
Date : 01st Sep, 2012

ANNEXURE

(Referred to in paragraph 1 of our report of even date)

i)

(a) There is no Fixed Assets, Hence Not Applicable.

ii)

(a) The Company has inventory, which are stated at cost or market value which ever is less.

iii)

(a) As informed to us, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act. However, year end Balance of Loan taken from relatives of director is Rs NIL

(b) The company had no taken loan from any other companies covered in the register maintained under section 301 of the Companies Act, 1956. And the year end balance of loans taken from such parties was Rs. NIL

(c) There are to firms covered in the register maintained under section 301 of the Companies Act, 1956 to which the company has granted loans..

(d) In our opinion the rate of interest and other terms and conditions on which loans have been taken from/ granted to companies, firms or other parties listed in the register maintained under section 301 of the companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.

(e) In respect of the aforesaid loans, the amount is payable on demand, the company is repaying the principal amount as & when demanded & has not been paying any interest.

(f) The aforesaid loan is repayable on demand & therefore the question of overdue amount does not arise.

iv) In our opinion and according to information & explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory and Fixed assets and for the sale of goods. During the course of audit, no major weakness has been noticed in these internal controls.

v)

(a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the companies Act, 1956 have been so entered.

vi) In our opinion, according to the information and explanations given to us, the company has not taken any deposit from the public.

vii) In our opinion the company has an internal audit system commensurate with its size and nature of its business.

viii) As informed to us, the Central Government has not prescribed maintenance of cost records under section 209(1) (d) of the products of the company.

ix) (a) The company is generally regular in depositing with the appropriate authorities, undisputed statutory dues including Provident Fund, Income tax, Sales-tax, Excise Duty, investors education and protection fund, wealth Tax, Custom Duty, Cess and other material Statutory dues applicable to it except Income Tax Liability of Rs.**NIL/-**. There were no arrears for a period of more than six month from the date they became payable as at 31st March 2012

x) According to the information and explanation given to us, there are no cases of non-deposits with the appropriate authorities of disputed dues of sales tax /excise duty /custom duty / wealth tax / cess.

- xi) The accumulated losses of the company are not more than 50% of its Net Worth. The company has not incurred any cash losses in current year
- xii) According to the information and explanations given to us, the company has not defaulted in any repayment of dues of loan.
- xiii) According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of Shares, debentures and other securities.
- xiv) The company is not a chit fund or a nidhi mutual benefit fund / society. Therefore, the provision of clause 4 (xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the company.
- xv) According to the information and explanations given to us, the company is not dealing or trading in Shares, Securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order 2003 is not applicable to the company.
- xvi) In our opinion, the terms and condition on which the company has given guarantees for loans taken by others from Bank or Financial Institutions are, prima facie, not prejudicial to the interest of the company.
- xvii) According to the information and explanations given to us in this year there is no term loan during the loan.
- xviii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.
- xix) The company has not made preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
- xx) According to the information and explanations given to us, no debentures and/or preference shares have been issued during the year.

- xxi) The company has not raised any money through a public issue.
- xxii) Based upon the audit procedures performed and information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the course of our audit

For NIRANJAN JAIN & CO .
CHARTERED ACCOUNTANT

PLACE : AHMEDABAD.

DATE : 1st September,2012

Sd/-
(NIRANJAN JAIN)

Proprietor

Balance Sheet as at 31st March, 2012

(Rs.)

Particulars	Note No	As at 31.03.2012	As at 31.03.2011
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	100,000,000	100,000,000
(b) Reserves and Surplus	2	(10,764,617)	(11,068,892)
(c) Money received against share warrants		-	-
(2) Share application money pending allotment			
(3) Non-Current Liabilities			
(a) Long-term borrowings	3	38,400,000	NIL
(b) Deferred tax liabilities (Net)			
(c) Other Long term liabilities			
(d) Long term provisions			
(4) Current Liabilities			
(a) Short-term borrowings			
(b) Trade payables	4	2,099,514	2,685,663
(c) Other current liabilities		NIL	NIL
(d) Short-term provisions	5	293,050	296,985
Total		130,027,947	91,913,756
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets		-	NIL
(ii) Intangible assets		NIL	NIL
(iii) Capital work-in-progress		NIL	NIL
(iv) Intangible assets under development		NIL	NIL
(b) Non-current investments		NIL	NIL
(c) Deferred tax assets (net)		NIL	NIL
(d) Long term loans and advances		NIL	NIL
(e) Other non-current assets		NIL	NIL
(2) Current assets			
(a) Current investments			
(b) Inventories	6	364,577	95,094
(c) Trade receivables	7	27,956,605	28,667,261
(d) Cash and cash equivalents	8	3,598,621	1,461,807
(e) Short-term loans and advances	9	96,729,594	61,689,594
(f) Other current assets	10	1,378,550	NIL
Total		130,027,947	91,913,756

As Per Our Separate Report Of Even Date Attached Herewith

For Niranjn Jain & Co
Chartered Accountants
Membership No: 47811

For Safal Herbs Limited

Sd/-
Niranjn Jain
Proprietor

Sd/-
Director

Sd/-
Director

SAFAL HERBS LIMITED

Profit and Loss statement for the year ended 31st March, 2012

(Rs.)

Particulars	Note No	For the Year end	For the Year end
		31.03.2012	31.03.2011
I. Revenue from operations	11	6,289,344	5,566,324
II. Other Income		-	-
III. Total Revenue (I +II)		6,289,344	5,566,324
IV. Expenses:			
Cost of materials consumed		-	-
Purchase of Stock-in-Trade		5,413,851	4,449,698
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	12	(269,483)	(95,094)
Employee benefit expense			NIL
Financial costs		NIL	NIL
Depreciation and amortization expense		-	-
Other expenses	13	704,636	936,141
Transfer to Preliminary Expenses		-	-
Total Expenses		5,849,004	5,290,745
V. Profit before exceptional and extraordinary items and tax	(III - IV)	440,340	275,579
VI. Exceptional Items			
VII. Profit before extraordinary items and tax (V - VI)		440,340	275,579
VIII. Extraordinary Items			
IX. Profit before tax (VII - VIII)	(VII-VIII)	440,340	275,579
X. Tax expense:			
(1) Current tax		136,065	85,154
(2) Deferred tax		-	-
XI. Profit(Loss) from the period from continuing operations	(IX - X)	304,275	190,425
XII. Previous Year Opening Bal.		(11,068,892)	(11,259,317)
XIII. Tax expense of discounting operations			
XIV. Profit/(Loss) from Discontinuing operations	(XII - XIII)	(11,068,892)	(11,259,317)
XV. Profit/(Loss) for the period	(XI + XIV)	(10,764,617)	(11,068,892)
XVI. Earning per equity share:			
(1) Basic			
(2) Diluted			

As Per Our Separate Report Of Even Date Attached Herewith

For Niranjn Jain & Co
Chartered Accountants
Membership No: - 47811

For Safal Herbs Limited

Sd/-
Niranjn Jain
Proprietor

Sd/-
Director

Sd/-
Director

Ahmedabad, 01st Sep, 2012

Ahmednagar, 01st Sep, 2012

Note . :1 SHARE CAPITAL

	As at March 31,2012	As at March 31,2011
Authorised		
i) 1,10,00,000 equity shares of Rs. 10 Each	110,000,000	110,000,000
Issued, Subscribed and fully paid up		
i) 1,00,00,000 equity shares of Rs. 10 Each	100,000,000	100,000,000
Total	100,000,000	100,000,000

a) Reconciliation of number of Shares

	No. Of Shares	As at March 31,2012	No. Of Shares	As at March 31,2011
Equity Shares				
Opening Balance	11,000,000	110,000,000	11,000,000	110,000,000
Addition During the Year	NIL	NIL	NIL	NIL
Closing Balance	11,000,000	110,000,000	11,000,000	110,000,000

Note . :2 RESERVES & SURPLUS

	As at March 31,2012	As at March 31,2011
a) Profit & Loss / General Reserves		
Opening Balance	(11,068,892)	(11,259,317)
Add : Current Year Profit / Loss	304,275	190,425
Closing Balance	(10,764,617)	(11,068,892)
Total	(10,764,617)	(11,068,892)

Note . :3 LONG TERM BORROWINGS

	As at March 31,2012	As at March 31,2011
Long Term Borrowings Consist of the following		
a) Unsecured Loans		
Other borrowings (from entities other than banks)	38,400,000	-
Total	38,400,000	-

Obligation under finance lease are secured against fixed assets obtained under finance lease arrangements.

Note . :4 TRADE PAYABLE

Sundry Creditors Consists of Following

	As at March 31,2012	As at March 31,2011
a) Trade Payable	2,099,514	2,685,663
b) Other Creditors	-	-
Total	2,099,514	2,685,663

Note . :5 SHORT - TERM PROVISIONS

Short Term Provisions Consists of Followings

	As at March 31,2012	As at March 31,2011
i) Provisions for Expenses	10,000	150,000
iii) Provision for Income Tax	283,050	146,985
Total	293,050	296,985

Note . :6 INVENTORIES

Inventories consist of Following

	As at March 31,2012	As at March 31,2011
A) Finished Goods	364,577	95,094
Total	364,577	95,094

Note . :7 TRADE RECEIVABLES (unsecured)

Trade Receivable consist of Following

	As at March 31,2012	As at March 31,2011
A) Over Six Months from the date of they due Considered Good	27,956,605	28,667,261
B) Others Considered Good	-	-
Total	27,956,605	28,667,261

Note . : 8 CASH AND BANK BALANCES

Cash & Bank Balances consist of Following

	As at March 31,2012	As at March 31,2011
A) Cash & Cash Equivalents		
Bank Balance with Banks		
i) In Current Accounts	2,011,212	-
ii) Cash on Hand	1,587,409	1,461,807
Total	3,598,621	1,461,807

Note . : 9 SHORT - TERM LOANS AND ADVANCES (unsecured)

Short Term loans & Advances consist of Following

	As at March 31,2012	As at March 31,2011
A) Considered good		
i) Recovable In Cash or in Kind or For which	96,340,360	61,300,360

	value To be Received		
	ii) Other Assets	389,234	389,234
B)	Considered not good		
	Total	96,729,594	61,689,594

Note . : 10 Other Current Assets

Misc. Expenses consist of Following

	As at March 31,2012	As at March 31,2011
A) Opening Balance	-	
Add: Capital Expenditure During The year	1,378,550	
Less: W/C Other Assets	-	
Closing Balance	1,378,550	-

Note No. : 11**Revenue From Operations**

(Rs.)

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
Indirect Income		-
Sales Income	6,289,344	5,566,324
Total	6,289,344	5,566,324

Note No. : 12**Change In Inventories**

(Rs.)

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
Opening Stock	95,094	-
Add: Purchase During The Year	-	95,094
Less: Closing Stock	364,577	
Total	(269,483)	95,094

Note No. : 13**Administrative Expenses**

(Rs.)

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
Audit Fees	10,000	10,000
Postage & Courier Exp.	3,254	4,966
Office Exp.	85,421	100,023
Stationary & Printing Exp.	1,245	1,765
Salary Exp.	420,000	524,000
Misc. Exp.	2,145	2,690
Staff Welfare Exp.	42,118	62,214
Sales Promotion Exp.	5,215	230,483
Bank Charges	4,141	-
BSE CDSL Exp.	76,214	-
Legal Fees	45,000	-
Other Exp.	9,883	-
Total	704,636	936,141

Disclosure pursuant to Note no. 6(U) of Part I of Schedule VI to the Companies Act, 1956

<u>Particulars</u>	<u>Total</u>	<u>Per share</u>
Dividends proposed to be distributed to equity shareholders	NIL	NIL
Dividends proposed to be distributed to preference shareholders	NIL	NIL
Arrears of fixed cumulative dividends on preference shares	NIL	NIL

Disclosure pursuant to Note no. 6(V) of Part I of Schedule VI to the Companies Act, 1956

Where in respect of an issue of securities made for a specific purpose, the whole or part of the amount has not been used for the specific purpose at the NIL
--

Disclosure pursuant to Note no. 6(W) of Part I of Schedule VI to the Companies Act, 1956

In the opinion of the Board, all assets other than fixed assets and non current investments, have a realisable value in the ordinary course of business which			
<u>Name of Assets</u>	<u>Realisable Value</u>	<u>Value in Balance Sheet</u>	<u>Opinion of Board</u>

Note C Disclosure pursuant to Note no. I (i), (ii), (iii); Note no. J (i), (ii); Note

Fixed Assets	Gross Block				Accumulated Depreciation				Net Block		
	1/4/2011	Additions / (Disposals)	Acquired through business combinations	Revaluations / (Impairments)	31st March, 2012	1/4/2011	Depreciation change for the year	Adjustment due to revaluations	On disposals	31st March, 2012	31st March, 2011
a											
Tangible Assets											
Plant & Machinery	-	0			-					-	-
Total	-	-	-	-	-	-	-	-	-	-	-

Employee Benefits Expense . : Note. 1	For the year	For the year
	ended 31 March 2012	ended 31 March 2011
(a) Salaries and incentives	-	-
(b) Contributions to -		
(i) Provident fund	NIL	NIL
(c) Gratuity fund contributions	NIL	NIL
(d) Social security and other benefit plans for overseas employees	NIL	NIL
(e) expense on Employee Stock Option Scheme (ESOP) and Employee Stock Purchase Plan (ESPP),	NIL	NIL
(f) Staff welfare expenses	NIL	NIL
Total	-	-

Disclosure pursuant to Note no. 5(i)(g) of Part II of Schedule VI to the Companies Act, 1956

Payments to the auditor as . : Note.2	For the year	For the year
	ended 31 March 2012	ended 31 March 2011
a. auditor	-	-
b. for taxation matters	12,000.00	
c. for company law matters	3,000.00	-
d. for management services	NIL	NIL
e. for other services	NIL	NIL
f. for reimbursement of expenses	NIL	NIL
Total	15,000.00	-

5	Additional Information	Remarks
	A Company shall disclose by way of notes additional information regarding aggregate expenditure and income on the following items:-	
(i)	Employee Benefits Expense [showing separately] : (i) salaries and wages, (ii) contribution to provident and other funds, (iii) expense on Employee Stock Option Scheme (ESOP) and Employee Stock Purchase Plan (ESPP), (iv) staff welfare expenses	Note 1
(b)	Depreciation and amortization expense;	NIL
(c)	Any item of income or expenditure which exceeds one per cent of the revenue from operations or Rs.1,00,000, whichever is higher.	Amendment
(d)	Interest Income;	0
(e)	Interest Expense;	0
(f)	Dividend Income;	NIL
(g)	Net gain/ loss on sale of investments;	NIL
(h)	Adjustments to the carrying amount of investments;	NIL
(i)	Net gain or loss on foreign currency transaction and translation (other than considered as finance cost);	0
(j)	Payments to the auditor as a. auditor, b. for taxation matters, c. for company law matters, d. for management services, e. for other services.	Note 2
(k)	Details of items of exceptional and extraordinary nature;	NIL
(l)	Prior period items;	NIL

As per annexure

(ii)	(a)	In the case of manufacturing companies,-	
	(1)	Raw materials under broad heads.	
	(2)	goods purchased under broad heads.	
	(b)	Depreciation and amortization expense. In the case of trading companies, purchases in respect of goods traded in by the company under broad heads.	
	(c)	In the case of companies rendering or supplying services, gross income derived from services rendered or supplied under broad heads.	N.A.
	(d)	In the case of a company, which falls under more than one of the categories mentioned in (a), (b) and (c) above, it shall be sufficient compliance with the requirements herein if purchases, sales and consumption of raw material and the gross income from services rendered is shown under broad heads.	
	(e)	In the case of other companies, gross income derived under broad heads.	
(iii)		In the case of all concerns having works in progress, works-in-progress under broad heads.	
(iv)	(a)	The aggregate, if material, of any amounts set aside or proposed to be set aside, to reserve, but not including provisions made to meet any specific liability, contingency or commitment known to exist at the date as to which the balance-sheet is made.	
	(b)	The aggregate, if material, of any amounts withdrawn from such reserves.	
(v)	(a)	The aggregate, if material, of the amounts set aside to provisions made for meeting specific liabilities, contingencies or commitments.	Same as Old
	(b)	The aggregate, if material, of the amounts withdrawn from such provisions, as no longer required.	Schedule VI
(vi)		Expenditure incurred on each of the following items, separately for each item:-	
	(a)	Consumption of stores and spare parts.	
	(b)	Power and fuel.	NIL
	(c)	Rent.	NIL
	(d)	Repairs to buildings.	--
	(e)	Repairs to machinery.	NIL
	(g)	Insurance.	NIL
	(h)	Rates and taxes, excluding taxes on income.	
	(i)	Miscellaneous expenses.	0
(vii)	(a)	Dividends from subsidiary companies.	
	(b)	Provisions for losses of subsidiary companies.	Same as Old
			Schedule VI

(viii)	The profit and loss account shall also contain by way of a note the following information, namely:-	Same as Old Schedule VI
a)	Value of imports calculated on C.I.F basis by the company during the financial year in respect of - I. Raw materials; II. Components and spare parts;	NIL
b)	Expenditure in foreign currency during the financial year on account of royalty, know-how, professional and consultation fees interest and other matters;	NIL
c)	Total value if all imported raw materials, spare parts and components consumed during the financial year and the total value of all indigenous raw materials, spare parts and components similarly consumed and the percentage of each to the total	
d)	The amount remitted during the year in foreign currencies on account of dividends with a specific mention of the total number of non-resident shareholders, the total number of shares held by them on which the dividends were due and the	NIL
e)	Earnings in foreign exchange classified under the following heads, namely:- I. Export of goods calculated on F.O.B. basis; II. Royalty, know-how, professional and consultation fees; III. Interest and dividend;	
Note:-	Broad heads shall be decided taking into account the concept of materiality and presentation of true and fair view of financial statements "	

M/s SAFAL HERBS LIMITED.

NOTES ANNEXED TO AND FORMING PART OF ACCOUNTS FOR THE
YEAR
ENDED 31ST MARCH, 2012

Schedule - 9

Notes to Balance sheet and Profit & Loss Account

1. Significant Accounting Policies-

i) Basis of Accounting :

Financial Statement are prepared under historical cost convention on a accrual basis in accordance with the requirements of the Companies Act. 1956.

ii) Fixed Assets and Depreciation

a) There is no Fixed Assets.

b)

i) INVENTORIES

The Inventory are stated at Cost or NRV whichever is less.

ii) CONTINGENT LIABILITIES

No provision is made for liabilities, which are contingent in nature but, if material the same is disclosed by way of notes to the accounts.

2. Deferred Tax

The figure of Differed Tax is minor, so no Provision made for Deferred Tax.

Deferred Tax Liability/Assets

On account of Depreciation on Fixed Assets Rs. Nil

3. None of the employees of the Company has crossed the Limits Prescribed u/s. 217 (2A) of the Companies (Particulars of Employees) Amendment Rules, 1988 during the year.

...2

M/s **SAFAL HERBS LIMITED.**

-2-

4. (a) Value of Import calculates on CIF basis
- | | Current year | Previous year |
|-----------------------------|--------------|---------------|
| 1. Raw Material | N.A. | (N.A.) |
| 2. Components & Spare Parts | N.A. | (N.A.) |
| 3. Capital Goods | N.A. | (N.A.) |
- (b) Expenditure in Foreign Currency Nil Nil
- (c) Amount remitted in foreign currency Nil Nil
on account of dividend to Non Resident
5. Auditors Remuneration
- | | As at
2011-2012 | As at
2010-2011 |
|---------------|--------------------|--------------------|
| a) Audit Fees | 10,000.00 | 10,000.00 |
6. In the opinion of the Board, Current Assets, Loans and Advances have the value at which they are stated in the Balance Sheet, if realised in the ordinary course of business and are subject to confirmation.
7. Additional Information under Schedule VI of the Companies Act, 1956 : Nil
8. Previous Year's figure have been re-grouped / rearranged wherever essential.
9. We relied on vouchers duly certified by the Assessee wherever original bills are not available during the test checked conducted in the course of our audit.
10. Cash on hand at the year end certified by the management. Moreover we are not physically Verified the Cash Balance as on 31-03-2012.

For NIRANJAN JAIN & CO
Chartered Accountants

Sd/-
(NIRANJAN JAIN)
Proprietor
Membership No: 47811

For & on behalf of the Board

Sd/-
Director

Sd/-
Director

Place : Ahmedabad
Date : 1st September, 2012

Place : Ahmednagar
Date : 1st September, 2012

Additional information pursuant to part IV schedule VI to the Companies Act, 1956

BALANCE SHEET ABSTRACT AND COMPANY GENERAL BUSINESS PROFIT

1. Registration No. :

State Code : 04

Balance Sheet as on 31-03-2012

2. Capital Raised During the year Rs. In Lacs.

Public Issue	NIL
Right Issue	NIL
Bonus Issue	NIL
Private Issue	NIL

3. Position of mobilization and deployment of funds.

Total Liability	1300.28
Total Assets	1300.28

4. Source of funds

Paid up Capital	
[Incl. Share Application money]	1000.00
Reserves & Surplus	(0107.65)
Secured Loan	0000.00
Unsecured Loan	0384.00

5. Application of Funds

Net Fixed Assets	0000.00
Investment	0000.00
Net Current Assets	1262.57
Misc. Expenditure	0013.79

6. Accumulated Losses

Profit & Loss Account (0107.65)

7. Performance of the Company

Turnover/ other income 0062.89
Total Expenses 0058.49
Profit before Tax 0004.40
No Of shares 10000000
Earning Per Share Rs.0.00
Dividend Rs.0.000

8. General Names of Three principal products/ services of the company.

a) Item Code No. : N.A.
b) Product description N.A.

For NIRANJAN JAIN & CO
Chartered Accountants

Sd/-
(NIRANJAN JAIN)
Proprietor
Membership No: 47811

Place : Ahmedabad
Date : 1st September, 2012

For & on behalf of the Board

Sd/-
Director

Sd/-
Director

Place : Ahmednagar
Date : 1st September, 2012

SAFAL HERBS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2012
PURSUANT TO CLAUSE 32 OF LISTING AGREEMENT

Particulars	[Rs. In Laks]	
	31-03-2012	31-03-2011
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit / (Loss) before Tax & Extra ordinary Items	4.40	2.76
Adjustment for ;		
Depreciaiton	0.00	0.00
Preliminary & Public Issue Exp. Written off		
Operation Profit / Loss Before Working Capital Change	4.40	2.76
Adjustment for		
Long Term, Loans Raised	384.00	0.00
(Increase) / Decreased in current Assets	(359.77)	(6.10)
(Increase) / Decreased in current Liabilities	(5.91)	3.25
CASH FLOW FROM OPERAITON	22.72	(0.09)
Less: Taxes Paid	(1.36)	
NET CASH FLOW FROM OPERAITON : (A)	21.36	
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sales / (Purchase) of Fixed Assets	0.00	0.00
Sales / (Purchase) of Fixed Investment	0.00	0.00
NET CASH FLOW FROM INVESTING AVTIVITIES : (B)	0.00	0.00
C. NET INCREASE / DECREASE IN CASH AND CASH EQUIVALENTS (A+B)	21.36	(0.09)
Opening Cash & Cash Equivalents	14.62	14.71
Closoing Cash & Cash Equivalents	35.98	14.62

As per our report of even date Annexed

For, NIRANJAN JAIN & CO
Chartered Accountants

Sd/-
Proprietor
(NIRANJAN JAIN)

Ahmedabad, 1st Sep, 2012

For, SAFAL HERBS LIMITED

Sd/- **Sd/-**
Director **Director**

Ahmednagar, 1st Sep, 2012

SAFAL HERBS LIMITED

Registered office :B – 29, Ujjval Complex, Opp. Old Bus Stand, Ahmednagar,
Maharashtra – 414 001

ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall

Full Name of the member attending.....

Full Name of the first Joint-holder.....

(To be filled in if first named joint-holder does not attend the meeting)

Name of Proxy.....

(To be filled in if Proxy Form has been duly deposited with the Company)

I hereby record my presence at the Annual General Meeting of the Company held on Saturday, the 29th day of September, 2012 at 11:00 A.M. at B-29, Ujjval Complex, Opp. Old Bus Stand, Ahmednagar, Maharashtra – 414 001.

Ledger Folio No.....

No. of Share held.....

.....
Member's/Proxy's Signature
(To be signed at the time of handling over the slip)

SAFAL HERBS LIMITED

Registered office :B – 29, Ujjval Complex, Opp. Old Bus Stand, Ahmednagar,
Maharashtra – 414 001

PROXY

I/We.....of.....

..... in the district
of..... being a Member / Members of

SAFAL HERBS LIMITED hereby appoint
..... of

..... in the district of or

..... failing him,.....
..... of

..... in the district of

..... as my /

our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company held on Saturday, the 29th day of September, 2012 at 11:00 A.M. at B-29, Ujjval Complex, Opp. Old Bus Stand, Ahmednagar, Maharashtra – 414 001 and at any adjournment thereof.

Signed this day of2010.

Ledger Folio No.....

No. of Shares held.....

(Signature of Member)

Note :Proxy must be deposited at the Registered Office of the Company not less than 48 Hours before the commencement of the meeting.