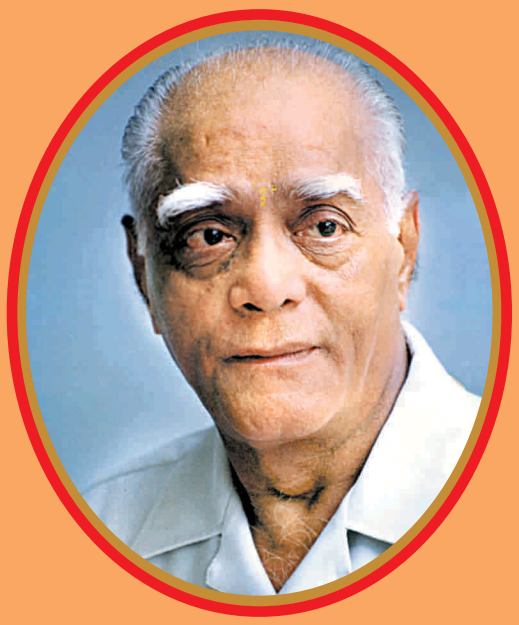
SEVENTIETH ANNUAL REPORT 2012-13

THE SANDESH LIMITED

Late Shri Chimanbhai Patel
(1918 - 1995)



વિહાય કામાન્યઃ સર્વાન્પુમાંશ્ચરતિ નિસ્પૃહઃ।
નિર્મમો નિરહંકારઃ સ શાંતિમધિગચ્છતિ॥

શ્રીમદ્ ભગવદ્ગીતા (૨-૭૧)

He who abandons all desires
and acts free from longing, without
any sense of mineness or
egotism he attains peace.

Dr. Radhakrishnan

સંદેશ

70TH ANNUAL REPORT (FINANCIAL YEAR 2012-2013)

BOARD OF DIRECTORS:-

Chairman & Managing Director:
SHRI FALGUNBHAI PATEL

Managing Director:
SHRI PARTHIV PATEL

Non-Executive Directors:
SHRI SUDHIR NANAVATI
SHRI MUKESH PATEL
SHRI SHREYAS PANDYA
SHRI RAVINDRA DHARIWAL (UP TO MARCH 14 ,2013)
SMT. PANNABEN PATEL
HON'BLE DR. JUSTICE JITENDRA N. BHATT (UP TO OCTOBER 17 ,2012)
Non-Executive Additional Director:
SHRI SANDEEP SINGHI (W.E.F. NOVEMBER 09, 2012)
Executive Additional Director:
SHRI YOGESH JANI (W.E.F. FEBRUARY 12, 2013)

COMPANY SECRETARY & COMPLIANCE OFFICER:-
SHRI DHAVAL PANDYA

REGISTERED OFFICE:-
THE SANDESH LIMITED,
"Sandesh Bhavan", Lad Society Road,
B/h. Vastrapur Gam, P.O. Bodakdev,
Ahmedabad-380054(GUJ.)
Contact No. (079) 40004000
Email : cs@sandesh.com
CIN NO. : L22121GJ1943PLC000183

BANKERS:-
YES BANK LIMITED

AUDITORS:-
M/s. MANUBHAI & CO.,
CHARTERED ACCOUNTANTS,
(Firm Registration No. 106041W)
2nd Floor, "B" Wing, Premium House,
Near Gandhigram Railway Station,
Navrangpura, Ahmedabad-380009 (GUJ.)

REGISTRAR & SHARE TRANSFER AGENT :-
M/s. MCS LIMITED,
Unit : The Sandesh Limited
101, Shatdal Complex,
1st Floor, Opp. BATA Show Room,
Ashram Road,
Ahmedabad-380009 (GUJ.)
Contact No. (079) 26582878
Fax No. (079) 26581296
Email : mcsahmd@gmail.com

PRESS LOCATIONS AT :-

1. AHMEDABAD
2. VADODARA
3. SURAT
4. RAJKOT
5. BHAVNAGAR
6. BHUJ

70th ANNUAL GENERAL MEETING

: Date :
5th day of September, 2013

: Venue :
Gujarat Law Society Auditorium, G.L.S. College Campus,
Opp. Law Garden, Ellisbridge, Ahmedabad –380006 (Gujarat).

: Time :
10:00 a.m.

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NOTICE

NOTICE is hereby given that **SEVENTIETH ANNUAL GENERAL MEETING** of the Members of "**THE SANDESH LIMITED**" will be held on **Thursday**, the **5th** day of **September, 2013** at 10.00 a.m. at Gujarat Law Society Auditorium, G.L.S. College Campus, Opp. Law Garden, Ellisbridge, Ahmedabad-380006 (Gujarat) to transact the following businesses:

ORDINARY BUSINESS:-

1. To receive, consider and adopt Audited Balance Sheet as at 31st March, 2013 and Statement of Profit and Loss for the financial year ended 31st March, 2013 together with Directors' Report and the Auditor's Report thereon.
2. To declare dividend for the Financial Year ended 31st March, 2013.
3. To appoint a Director in place of Smt. Pannaben Patel who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint a Director in place of Shri Sudhirbhai Nanavati who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration:

   "RESOLVED THAT M/s. Manubhai & Co., Chartered Accountants, Ahmedabad (Firm Registration Number 106041W), be and are hereby reappointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting on such remuneration as shall be determined by the Board of Directors of the Company in consultation with the Statutory Auditors."

SPECIAL BUSINESS:-

6. To consider and, if thought fit, to pass with or without modification, the following resolution as an **ORDINARY RESOLUTION:**

   "RESOLVED THAT Shri Sandeep Singhi, who was appointed by the Board of Directors of the Company as an Additional Director on 09th November, 2012 and who holds office as such up to the date of this Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom, the Company has, as required by Section 257 of the Companies Act, 1956 received notice in writing from the member of the Company signifying intention to propose him as a candidate for the office of Director of the Company liable to retire by rotation, be and is hereby appointed as a Director of the Company."
7. To consider and, if thought fit, to pass with or without modification, the following resolution as an **ORDINARY RESOLUTION**:

   "RESOLVED THAT Shri Yogesh Jani, who was appointed by the Board of Directors of the Company as an Additional Director on 12th February, 2013 and who holds office as such up to the date of this Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom, the Company has, as required by Section 257 of the Companies Act, 1956 received notice in writing from the member of the Company signifying intention to propose him as a candidate for the office of Director of the Company who is not liable to retire by rotation, be and is hereby appointed as a Director of the Company."
8. To consider and, if thought fit, to pass with or without modification, the following resolution as a **SPECIAL RESOLUTION:**

   "RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, including any statutory modification or re-enactment thereof for the time being in force ("the Act" for short), the Company hereby approves the appointment of Shri Yogesh Jani, as a Whole-time Director of the Company for a period of five years with effect from 12th February, 2013 on the following terms as to the remuneration and other conditions as set out herein below:-

   1) **Salary:** In the scale of ₹ 6,21,360/- (Rupees Six Lacs Twenty One Thousand Three Hundred Sixty Only) per annum to ₹ 10,00,000/- (Rupees Ten Lacs Only) per annum with authority to the Board to fix the salary within the scale from time to time. The increment, within the scale, will be merit based and also take into account the Company's performance and limits specified in Part II of Schedule XIII of the Act.
   2) **Sitting Fees:** Shri Yogesh Jani will not be paid sitting fees for attending meetings of the Board or any Committee thereof of the Company.
   3) **Perquisites and Allowances:** Perquisites and allowances may be provided in accordance with the rules of the Company and the same shall be evaluated as per Income Tax Rules, wherever applicable. The amount of perquisites as may be payable to Shri Yogesh Jani may be decided/ varied by the Board of Directors or its Committee, from time to time as it may deem fit in its absolute discretion; provided that the total remuneration consisting of salary, perquisites and other benefits paid to Shri Yogesh Jani as Whole-time Director shall not exceed the limits stipulated in the Act.
   4) **Provident Fund, Gratuity, Encashment of Leave:** As per the rules of the Company.
   5) **Powers & Responsibilities:** Shri Yogesh Jani will exercise such powers and duties as may be entrusted by the Board from time to time.
   6) **Minimum Remuneration:** In case of absence or inadequacy of profits in the financial years during the tenure of Shri Yogesh Jani, Whole-time Director of the Company will be entitled to salary, perquisites and other allowances as the minimum remuneration subject to the limits prescribed in the Act.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to enhance, enlarge, alter or vary the scope and quantum or remuneration, allowances and perquisites and other terms & conditions of the appointment of Shri Yogesh Jani, as Whole-time Director of the Company, in absolute discretion of the Board, within the limits specified in the Act;

   RESOLVED FURTHER THAT after obtaining the approval of the Members of the Company at this General Meeting of the Company for the said appointment, the Company do execute an Agreement with Shri Yogesh Jani for his appointment as a Whole-time Director of

the Company on the above terms and that any one of the Directors of the Company do execute the said Agreement on behalf of the Company and that the Common Seal of the Company if required be affixed to the engrossment of the Agreement in presence of the said Director of the Company and be countersigned by the Company Secretary of the Company;

RESOLVED FURTHER THAT the Directors and the Company Secretary of the Company be and are hereby jointly &/or severally authorized to take all necessary steps to give effect to the above Resolution."

9. To consider and, if thought fit, to pass with or without modification, the following resolution as a **SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and 317 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, for the time being in force or any statutory modifications or re-enactments thereof and / or any rules or regulations framed there under (herein after referred to as "**Act**"), the Company hereby approves the re-appointment of Shri Parthiv Patel, as the Managing Director of the Company for a further period of Five (5) years with effect from 1st August, 2013 on the following terms as to the remuneration and other conditions as set out in the explanatory statement with liberty to the Board of Directors to alter and vary the terms and conditions and/or remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Act:-

Terms and Conditions of Appointment:

1) Period of Appointment: Appointment shall be for a period of 5 (five) years beginning from 1st August, 2013 and ending on 31st July, 2018.

2) Salary of ₹ 5,00,000/- (Rupees Five Lacs only) per month.

3) Perquisites to be allowed in addition to salary and commission as under:

(A) i) The Company shall provide equipment, appliances, furniture, fixtures and furnishing at residence of the Managing Director at the cost of the Company. The Company shall reimburse expenses of gas, electricity, water etc.

ii) Medical expenses for self and family including insurance premia under hospitalization insurance scheme shall be reimbursed by the Company.

iii) The Company shall reimburse Leave Travel Fare for the Managing Director and his family in accordance with the rules of the Company.

iv) The Company shall pay personal accident insurance premia. These perquisites shall be subject to a ceiling of an amount equal to the annual salary.

The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of the Income Tax Act, 1961 or any rules thereunder or any statutory modifications or reenactment thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

Shri Parthiv Patel shall also be given the following perquisites, which shall not be included in the computation of the ceiling on remuneration specified in Schedule XIII.

(B) i) The Company shall contribute to the Provident Fund such percentage as may be specified from time to time.

ii) The Company shall contribute towards Pension/ Superannuation Fund/ Annuity Fund provided that such contribution together with contribution to Provident Fund shall not exceed the limit laid down under the Income-Tax Act or any statutory modification thereof.

The Contribution to the Provident Fund, Pension/ Superannuation Fund will not be included in the computation of the ceiling on perquisites to the extent this either singly or put together are not taxable under the Income Tax Act, 1961.

iii) The Company shall pay Gratuity as per rules of the Company and encashment of leave as per Company's policy and the same shall not be included in the computation of limits for the remuneration or perquisites.

(C) i) The Company shall provide a car with driver at the entire cost of the Company for personal use and office work. Use of car for private purpose shall be billed by the Company.

ii) The Company shall provide telephone at the residence of Managing Director at the entire cost of the Company. Personal long distance calls shall be billed by the Company.

iii) The Managing Director shall be entitled to the privilege leave as per the rules of the Company. The Managing Director shall be entitled to en-cash the un-availed leave at the end of his tenure.

4) COMMISSION :

The Managing Director shall be paid commission in addition to the salary and perquisites mentioned above at the discretion of the Board every year and the amount determined shall be subject to the availability of the net profits of the Company in a particular year and limits laid down in section 198 and 309 of the Act.

5) The above remuneration payable to Shri Parthiv Patel is subject to the condition that the total remuneration including all the perquisites and Commission as mentioned above shall not exceed 5% of the net profits individually and 10% of the net profits collectively payable to Chairman & Managing Director, Managing Director and Whole-time/Executive Directors calculated in accordance with Sections 198 and 309 of the Act or any other provisions as may be applicable.

In the event of absence or inadequacy of profits in any financial year, Shri Parthiv Patel will be paid above salary and perquisites subject to the limits specified under Section II of Part II of Schedule XIII of the Act.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to alter, vary or modify the terms and conditions set out for reappointment and payment of remuneration herein from time to time as it may deem fit;

RESOLVED FURTHER THAT after obtaining the approval of the Board of Directors of the Company as well as the Members of the Company at the forthcoming Annual General Meeting of the Company for the said re-appointment, the Company do execute an Agreement with Shri Parthiv Patel for his re-appointment as a Managing Director of the Company and that any one of the Directors of the Company do execute the said Agreement on behalf of the Company and that the Common Seal of the Company if required be affixed to the engrossment of the Agreement in presence of the said Director of the Company and be countersigned by the Company Secretary of the Company."

10. To consider and, if thought fit, to pass with or without modification, the following resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time, being in force), and provisions of all other applicable laws and regulations, provisions in the Memorandum of Association and Articles of Association of the Company and in accordance with the Listing Agreement entered into by the Company with the Stock Exchanges where the Equity Shares of the Company are listed, and such other approvals, consents, permissions and sanctions as may be necessary, the Articles of Association of the Company shall be amended, by deleting Article 99 in its entirety;

RESOLVED FURTHER ALSO THAT Shri Falgunbhai Patel, Chairman and Managing Director, Shri Parthiv Patel, Managing Director and Shri Dhaval Pandya, Company Secretary, be and are hereby jointly and/or severally authorized to do and perform all such acts, deeds, matters or things as may be necessary, appropriate, expedient or desirable to give effect to this Resolution."

Registered Office:-
"Sandesh Bhavan", Lad Society Road,
B/h. Vastrapur Gam, P. O. Bodakdev,
Ahmedabad–380054
Date : 27/05/2013
Place : Ahmedabad

By Order of the Board of Directors,
For, THE SANDESH LIMITED

Dhaval Pandya
COMPANY SECRETARY

Notes: -

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ('MEETING') IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES IN ORDER TO BE EFFECTIVE, MUST BE LODGED WITH THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
2. In terms of the provisions of section 256 of the Companies Act, 1956, Smt. Pannaben Patel and Shri Sudhirbhai Nanavati, retire by rotation at the ensuing Meeting and being eligible, offer themselves for re-appointment. The Board of Directors of the Company commends their respective re-appointments.
3. The Company has already notified the closure of the Register of Members and the Share Transfer Books of the Company from **Saturday,** the **31st** day of **August, 2013** to **Thursday,** the **5th** day of **September, 2013** (both days inclusive) for determining the names of Members eligible for dividend on Equity Shares, if declared at the Meeting.

   Dividend as recommended by the Board of Directors of the Company, if declared by the Members at the ensuing Meeting will be paid from **Monday, 9th day of September, 2013** to those Members whose names appears;

   - As beneficial owner as at the close of the business hours **Friday**, the **30th day of August, 2013** as per the details furnished by National Securities Depository Limited (NSDL) and Central Depository Services (I) Limited (CDSL) in respect of shares held in electronic form; and
   - As Member on the Register of Members of the Company after giving effect to the valid transfers in respect of transfer request lodged with the Company/RTA on or before the close of the business hours **Friday**, the **30th day of August, 2013**.
4. The Company had not declared any dividend for the financial year 2004-05.
5. Pursuant to provisions of Section 205A(5) of the Companies Act, 1956, dividends which remain unpaid/ unclaimed for a period of 7 years from the date of transfer of the same to the Company's unpaid dividend account will be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government.
   The following are the details of the dividends paid by the Company and respective due dates for claim by the shareholders:

Sr. No.	Dividend for the Financial Year	Date of Declaration of Dividend	% of Declared Dividend	Last date for claim
1	2005-2006	30-Sep-2006	20%	28-Oct-2013
2	2006-2007	20-Sep-2007	25%	18-Oct-2014
3	2007-2008	26-Sep-2008	30%	24-Oct-2015
4	2008-2009	7-Aug-2009	30%	04-Sep-2016
5	2009-2010	30-Jul-2010	30%	27-Aug-2017
6	2010-2011	5-Aug-2011	40%	02-Sep-2018
7	2011-2012	30-Aug-2012	35%	27-Sep-2019

Further, the Company shall not be in a position to entertain the claims of Shareholders for the unclaimed dividends after the last date as mentioned in the table.

In view of the above, the Shareholders are advised to send all the un-encashed dividend warrants pertaining to the above years to Registered Office of the Company for revalidation or issuance of Demand Draft in lieu thereof and en-cash them before the due dates for transfer to the IEPF.

6. Members are informed that in the case of joint holders attending the meeting, only such joint holder who is higher in order of the name will be entitled to vote.

7. Corporate members are requested to send a duly certified copy of the board resolution/Power of Attorney authorizing their representative to attend and vote at the meeting.

8. The Members/Proxies should bring the Attendance Slip sent herewith, duly filed in for attending the Meeting. The Members, desiring any information pertaining to the accounts, are requested to write to the Company 10 days before the date of the Meeting, so that the information can be made available at the Meeting. Further, the Members are requested to bring their copy of the Annual Report at the Meeting. The Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the Meeting.

9. Relevant papers/documents referred to in this Notice are open for inspection by the Members at the Registered Office of the Company on all working days between 11.00 a.m. and 1.00 p.m. up to the date of the Meeting.

10. As regard payment of dividend, the Company provides National Electronic Clearing System (NECS) facility to the Members of the Company, having their bank account in specified cities. The Members holding their shares in physical form, who wish to avail NECS facility, may authorize the Company with their NECS mandate. The request for payment of dividend through NECS for the year 2012-13 should be lodged with Registrars & Transfer Agent of the Company M/s. MCS Limited, Unit – THE SANDESH LIMITED, 101, Shatdal Complex, 1st Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad-380009, Gujarat (India). The Members must note that NECS essentially operates on the new & unique bank account number, allotted by banks post implementation of Core Banking Solutions (CBS) for centralized processing of inward instructions and efficiency in handling bulk transactions. In this regard, the Members are requested to furnish the new Bank Account Number allotted by the banks post implementation of CBS, along with a copy of cheque pertaining to the concerned account, to the Registrar and Transfer Agents of the Company in case they hold shares in physical form and to the concerned depository participant in case they hold shares in dematerialized form. In case any Member does not provide his/her new account number allotted after implementation of CBS, please note that ECS to his/her old account may either be rejected or returned.

11. The Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agent cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.

12. The Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their Demat accounts. The Members holding shares in physical form are requested to advise any change in there address immediately to the Company or its Registrars and Transfer Agents, M/s. MCS Limited.

13. To receive faster communication of all shareholder communications, including annual reports, the shareholders are requested to kindly register/update their email address with their respective depository participant, where shares are held in electronic form. If, however, shares are held in physical form, shareholders are advised to register their e-mail address with M/s. MCS Limited, Ahmedabad.

Registered Office:-
"Sandesh Bhavan", Lad Society Road,
B/h. Vastrapur Gam, P. O. Bodakdev,
Ahmedabad–380054
Date : 27/05/2013
Place : Ahmedabad

By Order of the Board of Directors,
For, THE SANDESH LIMITED

Dhaval Pandya
COMPANY SECRETARY

ANNEXURE TO THE NOTICE
EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.

In respect of Item No. 6:

Shri Sandeep Singhi was appointed as an Additional Director of the Company on 9th November, 2012 by the Board of Directors of the Company. In accordance with the provisions of Section 260 of the Companies Act, 1956, he holds office as Director of the Company only up to the date of ensuing Annual General Meeting. As required by Section 257 of the Companies Act, 1956, a notice has been received from the member of the Company signifying intention to propose appointment of Shri Sandeep Singhi as a Director of the Company liable to retire by rotation, along with requisite deposit. The Board recommends his appointment in the interest of the Company.

None of the Directors except Shri Sandeep Singhi is concerned or interested in the resolution mentioned in Item No. 6.

In respect of Item No. 7:

Shri Yogesh Jani was appointed as an Additional Director of the Company on 12th February, 2013 by the Board of Directors of the Company. In accordance with the provisions of Section 260 of the Companies Act, 1956, he holds office as Director of the Company only up to the date of ensuing Annual General Meeting. As required by Section 257 of the Companies Act, 1956, a notice has been received from the member of the Company signifying intention to propose appointment of Shri Yogesh Jani as a Director of the Company liable to retire by rotation, along with requisite deposit. The Board recommends his appointment in the interest of the Company.

None of the Directors except Shri Yogesh Jani is concerned or interested in the resolution mentioned in Item No. 7.

In respect of Item No. 8:

Shri Yogesh Jani has vast experience of more than 33 years in various fields of the news paper industry which includes rich experience in the matters of excise, administration, human resource, land acquisition, production, machinery erection, establishment of printing press facilities, purchase, stores, circulation, Government liasoning, etc. He also takes keen interest in social activities.

The Board of Directors of the Company, at their meeting held on 12th February, 2013 has, while considering his vast experience and exposure in the newspaper industry and on the recommendation of the Remuneration Committee, subject to the approval of the members of the Company in the Annual General Meeting, appointed Shri Yogesh Jani as an Whole-time Director for the period from 12th February, 2013 to 11th February, 2018 on the following terms and conditions:

1) **Salary:** In the scale of ₹ 6,21,360/- (Rupees Six Lacs Twenty One Thousand Three Hundred Sixty Only) per annum to ₹ 10,00,000/- (Rupees Ten Lacs Only) per annum with authority to the Board to fix the salary within the scale from time to time. The increment, within the scale, will be merit based and also take into account the Company's performance and limits specified in Part II of Schedule XIII of the Act.
2) **Sitting Fees:** Shri Yogesh Jani will not be paid sitting fees for attending meetings of the Board or any Committee thereof of the Company.
3) **Perquisites and Allowances:** Perquisites and allowances may be provided in accordance with the rules of the Company and the same shall be evaluated as per Income Tax Rules, wherever applicable. The amount of perquisites as may be payable to Shri Yogesh Jani may be decided/varied by the Board of Directors or its Committee, from time to time as it may deem fit in its absolute discretion; provided that the total remuneration consisting of salary, perquisites and other benefits paid to Shri Yogesh Jani as Whole-time Director shall not exceed the limits stipulated in the Act.
4) **Provident Fund, Gratuity, Encashment of Leave:** As per the rules of the Company.
5) **Powers & Responsibilities:** Shri Yogesh Jani will exercise such powers and duties as may be entrusted by the Board from time to time.
6) **Minimum Remuneration:** In case of absence or inadequacy of profits in the financial years during the tenure of Shri Yogesh Jani, Whole-time Director of the Company will be entitled to salary, perquisites and other allowances as the minimum remuneration subject to the limits prescribed in the Act.

The copies of relevant resolutions and the Agreement referred to herein above, containing, inter-alia, the principal terms and conditions of the appointment is available for inspection by the members of the Company between 11.00 a.m. to 1.00 p.m. on any working day at the Registered Office of the Company.

The abstract and memorandum of concern or interest under Section 302 of the Companies Act, 1956 with respect to the terms of appointment of Shri Yogesh Jani has been forwarded to the shareholders of the Company.

None of the Directors except Shri Yogesh Jani is concerned or interested in the resolution mentioned in Item No. 8.

In respect of Item No. 9:

Shri Parthiv Patel is the Managing Director of the Company. He has been associated with the Company for more than a decade. He was appointed as Director of the Company in the year 2002 and has been handling the management and control of the organization, remarkably since then.

He has gained a rich experience in the field of management of newspaper, journals and magazines besides investments, finance, treasury and general administrative functions of the Company. He shoulders the whole gamut of new projects & up-gradation of all departments of the Company. Under his dynamic leadership and industrious nature, the Company is the proud owner of latest technology in printing with zero-error. He also is the champion of all new projects of the Company, which is on a very promising upward trajectory.

The shareholders of the Company at 65th Annual General Meeting of the members of the Company held on 26th day of September, 2008 approved the re-appointment of Shri Parthiv Patel as Managing Director of the Company for a period from 1st August, 2008 to 31st July, 2013.

The Board of Directors of the Company, at their meeting held on 27th May, 2013 has, while considering his expertise, experience and exposure in the field of print media, electronic media, finance, treasury and the responsibilities being shouldered by him as well as his association with the Company and also on recommendation of the Remuneration Committee, subject to approval of the Members of the Company in the ensuing 70th Annual General Meeting, re-appointed Shri Parthiv Patel as the Managing Director of the Company for the period of Five (5) Years with effect from 1st August, 2013 to 31st July, 2018 on the following terms and conditions:

1) Period of Appointment: Appointment shall be for a period of 5 (five) years beginning from 1st August, 2013 and ending on 31st July, 2018.
2) Salary of ₹ 5,00,000/- (Rupees Five Lacs only) per month.

3) Perquisites to be allowed in addition to salary and commission as under:

(A) i) The Company shall provide equipment, appliances, furniture, fixtures and furnishing at residence of the Managing Director at the cost of the Company. The Company shall reimburse expenses of gas, electricity, water etc.

ii) Medical expenses for self and family including insurance premia under hospitalization insurance scheme shall be reimbursed by the Company.

iii) The Company shall reimburse Leave Travel Fare for the Managing Director and his family in accordance with the rules of the Company.

iv) The Company shall pay personal accident insurance premia. These perquisites shall be subject to a ceiling of an amount equal to the annual salary.

The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of the Income Tax Act, 1961 or any rules thereunder or any statutory modifications or reenactment thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

Shri Parthiv Patel shall also be given the following perquisites, which shall not be included in the computation of the ceiling on remuneration specified in Schedule XIII.

(B) i) The Company shall contribute to the Provident Fund such percentage as may be specified from time to time.

ii) The Company shall contribute towards Pension / Superannuation Fund / Annuity Fund provided that such contribution together with contribution to Provident Fund shall not exceed the limit laid down under the Income-Tax Act or any statutory modification thereof.

The Contribution to the Provident Fund, Pension / Superannuation Fund will not be included in the computation of the ceiling on perquisites to the extent this either singly or put together are not taxable under the Income Tax Act, 1961.

iii) The Company shall pay Gratuity as per rules of the Company and encashment of leave as per Company's policy and the same shall not be included in the computation of limits for the remuneration or perquisites.

(C) i) The Company shall provide a car with driver at the entire cost of the Company for personal use and office work. Use of car for private purpose shall be billed by the Company.

ii) The Company shall provide telephone at the residence of Managing Director at the entire cost of the Company. Personal long distance calls shall be billed by the Company.

iii) The Managing Director shall be entitled to the privilege leave as per the rules of the Company. The Managing Director shall be entitled to en-cash the un-availed leave at the end of his tenure.

4) COMMISSION :

The Managing Director shall be paid commission in addition to the salary and perquisites mentioned above at the discretion of the Board every year and the amount determined shall be subject to the availability of the net profits of the Company in a particular year and limits laid down in section 198 and 309 of the Act.

5) The above remuneration payable to Shri Parthiv Patel is subject to the condition that the total remuneration including all the perquisites and Commission as mentioned above shall not exceed 5% of the net profits individually and 10% of the net profits collectively payable to Chairman & Managing Director, Managing Director and Whole-time/Executive Directors calculated in accordance with Sections 198 and 309 of the Act or any other provisions as may be applicable.

In the event of absence or inadequacy of profits in any financial year, Shri Parthiv Patel will be paid above salary and perquisites subject to the limits specified under Section II of Part II of Schedule XIII of the Act.

The copies of relevant resolutions and the Agreement referred to herein above, containing, inter alia, the principal terms & conditions of the re-appointment is available for inspection by the members of the Company between 11.00 a.m. to 1.00 p.m. on any working day at the Registered Office of the Company.

The abstract and memorandum of concern or interest under Section 302 of the Companies Act, 1956 with respect to the terms of appointment of Shri Parthiv Patel has been forwarded to the shareholders of the Company.

Shri Parthiv Patel is concerned or interested in the Resolution, Shri Falgunbhai Patel and Smt. Pannaben Patel, being relatives of Shri Parthiv Patel are concerned or interested in the resolution mentioned in Item No. 9. Except the said Directors, no other Director is concerned or interested in the said resolution.

In respect of Item No. 10:

The Company had inserted Article 99 in the Articles of Association of the Company pursuant to execution of the Shareholders Agreement and the Share Subscription Agreement with M/s. Bennett Coleman & Company Limited. The objectives of the said Agreements have been fulfilled and it is no longer required to have the provisions under Article 99 incorporated in the Articles of Association. Hence, it is desirable to delete the Article 99 of the Articles of Association of the Company.

In view of the above, the Members of the Company are requested to alter existing Articles of Association by deleting Article 99 in its entirety. A copy of the Memorandum & Articles of Association of the Company together with the proposed alteration is available for inspection by the members of the Company at its Registered Office between 11:00 A.M. to 01:00 P.M. on any working day of the Company before the Meeting.

The Resolution is proposed for approval of members of the Company.

None of the directors of the Company are in any way interested or concerned in the Resolution mentioned in Item No. 10.

Particulars of the Director/s seeking Appointment/Re-appointment at the ensuing Annual General Meeting pursuant to Clause-49 of the Listing Agreement :-

Name	**PANNABEN PATEL**
DIN Number	0050222
Date of Birth	17/10/1952
Date of Appointment	29/10/2010
Brief resume and Expertise in functional areas	She is a social worker and actively associated with many social groups. She works towards the interest of the society.
Educational qualification	B.A. with Economics
Name of the other Companies in which she holds Directorship/ Committee Membership	**Other Directorship/Commitee Membership in: NIL**

Name	**SUDHIRBHAI NANAVATI**
DIN Number	0050236
Date of Birth	29/09/1947
Date of Appointment	31/01/2001
Brief resume and Expertise in functional areas	He is a Senior Advocate practicing since 1971 in Supreme Court of India, Gujarat High Court, City Civil Court – Ahmedabad, Labour Court & Tribunals at Ahmedabad and other places i.e. Rajkot, Baroda, Surat etc., Bombay High Court, Tribunals at Bombay and Delhi, etc. Practicing in Civil, Constitutional Law, Labour Laws and Industrial Laws, Customs & Excise Laws, Conveyancing. Executive Vice President of the GUJARAT LAW SOCIETY, Member of The Gujarat Cancer & Research Institute (M.P. Shah Cancer Hospital), Member of The Gujarat Research and Medical Institute, Member of Gujarat Chamber of Commerce & Industry, Member of Central Board of Cricket Association, Trustee of Shree Hanuman Temple, Member of the Supreme Court Bar Association Member of International Law Association, Member of Iskcon and Member of State Advisory Committee, Gujarat Electricity Regulatory Commission.
Educational qualification	B. Com, LLB.
Name of the other Companies in which he holds Directorship/ Committee Membership	**Other Directorship in:** 1) Sterling Abrasive Limited **Other Commitee Membership in: NIL**

Name	**SANDEEP SINGHI**
DIN Number	01211070
Date of Birth	06/04/1966
Date of Appointment	09/11/2012
Brief resume and Expertise in functional areas	He is a Senior Advocate practicing in Gujarat High Court. He has a rich experience of over two decades in handling Corporate and Commercial Litigations, Arbitrations, Writs, Banking Laws, Securitization Act, Mergers and Demergers and other Company Law matters including matters relating to post Liquidation. He is also a member of the International Bar Association.
Educational qualification	B.Sc., LLB
Name of the other Companies in which he holds Directorship/ Committee Membership	**Other Directorship/Committee Membership in: NIL**

Name	**YOGESH JANI**
DIN Number	06495782
Date of Birth	18/09/1950
Date of Appointment	12/02/2013
Brief resume and Expertise in functional areas	Shri Yogesh Jani joined the Board of the Company on 12th February, 2013. He has vast experience of more than 33 years in various fields of the news paper industry which includes rich experience in the matters of excise, administration, human resource, land acquisition, production, machinery erection, establishment of printing press facilities, purchase, stores, circulation, Government liasoning, etc. He also takes keen interest in social activities.
Educational qualification	B.Com.
Name of the other Companies in which he holds Directorship/ Committee Membership	**Other Directorship/Commitee Membership in: NIL**

Name	**PARTHIV PATEL**
DIN Number	00050211
Date of Birth	26/07/1982
Date of Appointment	14/03/2002
Brief resume and Expertise in functional areas	Shri Parthiv Patel is the Managing Director of the Company. He has been associated with the Company for more than a decade. He was appointed as Director of the Company in the year 2002 and has been handling the management and control of the organization, remarkably since then.He has gained a rich experience in the field of management of newspaper, journals and magazines besides investments, finance, treasury and general administrative functions of the Company. He shoulders the whole gamut of new projects & up-gradation of all departments of the Company. Under his dynamic leadership and industrious nature, the Company is the proud owner of latest technology in printing with zero-error. He also is the champion of all new projects of the Company, which is on a very promising upward trajectory.
Educational qualification	B.A. with Business Finance from United Kingdom
Name of the other Companies in which he holds Directorship/ Committee Membership	**Other Directorship in:** 1) Dhanali Stock Holdings Private Limited 2) Autumnleaf Estates Private Limited 3) Satlon Enterprise Private Limited 4) Aarav Salt & Chemicals Private Limited 5) Aadesh Brine Private Limited **Other Commitee Membership in: NIL**

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the **70th** Annual Report and the Audited Accounts for the financial year ended **March 31, 2013**.

1. FINANCIAL HIGHLIGHTS:-

(₹ In Lacs)

Particulars	2012-13		2011-12	
Gross Profit of the Company before providing for		**9657.75**		7180.45
Less :				
Depreciation	**814.21**		654.10	
Taxation	**2295.33**		1946.47	
Managing Directors' Remunerations	**785.73**		664.67	
		3895.27		3265.24
Net Profit	**5762.48**		3915.21	
Add : Last year's carried forward balance	**694.77**		1126.52	
		6457.25		5041.73
APPROPRIATION				
Proposed Dividend	**302.78**		298.53	
Taxation	**51.46**		48.43	
Transfer to General Reserve	**4000.00**		4000.00	
Balance carried forward to Balance Sheet	**2103.01**		694.77	
		6457.25		5041.73
DIVIDEND				
40% on 7569421 Equity Shares of ₹10/- each (Last year 35% on 8529421 Equity Shares of ₹10/- each)		**302.78**		298.53

Note: Previous year's figures are recast/rearranged, wherever necessary.

2. REVIEW OF OPERATION:-

During the year under review, income from operations has increased by 12.68%, i.e. ₹30,672.43 Lacs from ₹27,220.37 Lacs as compared to the previous Financial Year.

3. BUYBACK OF SHARES:-

During the year under review, the Company has bought back 960000 Equity Shares of ₹ 10/- at the price of ₹ 302/- aggregating to ₹ 2899.20 Lacs (Rupees Twenty Eight Crore Ninety Nine Lacs Twenty Thousand Only) pursuant to regulation 5(1) and 8(1) of extant Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, (including its amendments) through Tender Offer route. Pursuant to the said buyback the paid up share capital of the Company stands reduced from 8529421 Equity Shares to 7569421 Equity Shares.

4. MODERNIZATION SCHEME:-

Your Company is conscious of modernizing production, process and has been continuous upgrading equipments, plants & machineries. During the year under review your Company has spent ₹ 343.00 Lacs (previous year ₹ 17.74 Lacs) in modernization of plants & machineries.

5. DIVIDEND:-

Your Directors are pleased to recommend dividend of **40%** (**₹ 4.00** per equity share of ₹ 10/- each), for the Financial Year ended **March 31, 2013** (In previous Financial Year, dividend was declared @ 35% i.e. ₹ 3.50 per equity share). The proposed Dividend payment would entail an outflow of ₹ 354.24 Lacs including Dividend Tax.

6. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND:-

The Company had not declared any dividend for the Financial Year 2004-05 and hence, no amount became due to be transferred to the Investor Education and Protection Fund. The unpaid/unclaimed dividend for the financial year 2005-06 will be due for transfer to the "Investor Education & Protection Fund" established by the Central Government.

7. AUDIT COMMITTEE:-

The Audit Committee constituted in accordance with the provisions of Clause-49 of the Listing Agreement, reviewed, inter alia, the internal control system, scope of internal audit and compliance of related regulations. The Audit Committee also reviewed at length and approved the Financial Statements before the same were considered by the Board of Directors of the Company.

8. INVESTMENTS:-

The investment portfolio of your Company has gone upto ₹ 158.91 Crore as on 31st March, 2013 as compared to ₹ 145.88 Crore during the previous year. During the current year, your Company has increased its investment marginally in Applewoods Estate Private Limited from ₹ 145.07 Crore to ₹ 158.05 Crore.

9. BORROWING:-

The Company has been sanctioned limit of ₹ 115 Crore which is inclusive of cash credit, letter of credit and buyers credit. However, your Company uses the borrowed funds very judiciously & it uses its internal cash generations to invest in the business.

10. CREDIT RATING:-

India's premier credit rating agency "Credit Analysis and Research Limited" has reaffirmed rating of CARE AA-[Double A Minus] assigned to the long term bank facilities. Further, it has reaffirmed the CARE A1+ [A one Plus] rating assigned to short term facilities.

11. HUMAN RESOURCE INITIATIVES AND INDUSTRIAL RELATIONS:-

We treat our employees as most valuable assets. Your Company aims to align human resource practices with business goals. Performance Management system enables a holistic approach to the issue of managing performance and does not limit to only an appraisal. Your Company takes pride of its highly motivated and committed team of employees. The employees performed to their full potential and contributed to the growth and development of the Company.

12. REPORT ON CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS:-

As required under the Listing Agreement with the Stock Exchanges, the reports on "Corporate Governance" as well as "Management Discussion and Analysis" are attached and forms part of the Directors' Report. A Certificate from the Statutory Auditors of the Company regarding compliance of conditions of the Corporate Governance as stipulated under Clause-49 of the Listing Agreement is annexed to the report on Corporate Governance.

13. PARTICULARS OF EMPLOYEES:-

In terms of provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, the names and other particulars of employees are set out in the Annexure to the Directors' Report. However, having regard to the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Annual Report excluding the aforesaid information is being sent to all the Members of the Company and others entitled thereto. Any Member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

14. CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:-

Additional information on conservation of energy, technology absorption, foreign exchange earnings and outgo as required to be disclosed in terms of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed hereto as *Annexure A* and forms part of this Report.

15. COST AUDIT:-

Pursuant to the directives of the Ministry of Corporate Affairs, the Company is required to submit a Compliance Report in respect of its printing and publication business. The Board has appointed M/s. Dalwadi & Associates, Cost Accountants, Ahmedabad as the Cost Auditor of the Company. Status of submission of Compliance Report for Printing and Publication Business for the financial year 2011-12 is: (a) Date of actual filing: 22nd September, 2012 (b) Due date of filing: 30th September, 2012.

16. PUBLIC DEPOSITS:-

Your Company has not accepted or invited any deposits from public within the meaning of Section 58-A of the Companies Act, 1956, during the year under review.

17. INSURANCE:-

All the significant properties and insurable interest of the Company, including building, plant and machinery and stocks are adequately insured.

18. ALTERATION OF ARTICLES:-

The Company had inserted Article 99 in the Articles of Association of the Company pursuant to execution of the Shareholders Agreement and the Share Subscription Agreement with M/s. Bennett Coleman & Company Limited in order to incorporate their respective rights and obligations under the said Agreements. The objectives of the said Agreements have been fulfilled and it is no

longer required to have the provisions under Article 99 incorporated in the Articles of Association. Hence, it is desirable to delete the Article 99 of the Articles of Association of the Company and for the same we seek your support in confirming the deletion of Article 99 of the Articles of Association.

19. DIRECTORS:-

During the year under review, Smt. Pannaben Patel and Shri Sudhir Nanavati, Directors of the Company, retire by rotation, and being eligible offered themselves for re-appointment. Further, during the year under review, Hon'ble Justice Dr. Jitendra Bhatt (Retd.) and Shri Ravindra Dhariwal had resigned as Director of the Company.

Shri Sandeep Singhi and Shri Yogesh Jani appointed as additional directors by the Board have been proposed to be appointed as 'Director' in the forthcoming Annual general meeting. The Company has received notices in writing from members proposing their candidature for the office of 'Director'.

In the Board Meeting held on 12th February, 2013, the Board had on the recommendations of the Remuneration Committee, subject to the approval of shareholders in the forthcoming General Meeting, appointed Shri Yogesh Jani, as Whole-time Director of the Company for a term of five years effective from 12th February, 2013 to 11th February, 2018. Your Directors commend the resolutions for the appointment and payment of remuneration of Shri Yogesh Jani for your approval.

In the Board Meeting held on 27th May, 2013, the Board had on the recommendations of the Remuneration Committee, subject to the approval of shareholders in the forthcoming General Meeting, re-appointed Shri Parthiv Patel, as Managing Director of the Company for a term of five years effective from 1st August, 2013 to 31st July, 2018. Your Directors commend the resolutions for the appointment and payment of remuneration of Shri Parthiv Patel for your approval.

A brief resume, details of expertise and other directorships/committee memberships by the above mentioned Directors, form part of the Notice of 70th Annual General Meeting of the Members of the Company.

20. DIRECTORS' RESPONSIBILITY STATEMENT:-

As required under the provisions of Section 217 (2AA) of the Companies Act, 1956, your Directors' Report that:

a) In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanations relating to material departures;

b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the Financial Year and of the profit of the Company for the year under review;

c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; &

d) The Directors have prepared the Annual Accounts on a going concern basis.

21. AUDITORS:-

The Statutory Auditors, M/s. Manubhai & Co., Chartered Accountants, Ahmedabad, (Firm Registration Number 106041W), retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if re-appointed. The Notes on accounts and observations of the Auditors in their report on the Accounts of the Company are self-explanatory and therefore, in the opinion of Directors, do not call for any further explanation.

22. APPRECIATION:-

The Directors wish to place on record their appreciation of the devoted services of the workers, staff and the officers who have largely contributed to the efficient management of the Company.

23. DONATION:-

During the year under review, the Company has made donation of ₹ 30.32 Lacs for charitable and other purpose.

24. ACKNOWLEDGEMENTS:-

Your Company continues to occupy a place of respect amongst stakeholders, most of all our valuable readers. Your Directors would like to express their sincere appreciation for assistance and co-operation received from advertising agents, selling agents, vendors and stakeholders including banks, Central & State Government authorities, other business associates, who have extended their valuable sustained support and encouragement during the year under review. Your Directors take this opportunity to place on record their gratitude and appreciation for the committed services of the employees at all levels of the Company.

Registered Office:-
"Sandesh Bhavan", Lad Society Road,
B/h. Vastrapur Gam, P. O. Bodakdev,
Ahmedabad–380054
Date : 27/05/2013
Place : Ahmedabad

By Order of the Board of Directors,
For, THE SANDESH LIMITED

FALGUNBHAI PATEL
CHAIRMAN & MANAGING DIRECTOR

ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE : "A"

(A) CONSERVATION OF ENERGY

(a) ENERGY CONSERVATION AND MEASURES TAKEN : -

Though the operations of the Company are not energy intensive, efforts are made for conservation of energy on an on-going basis. The Company is not using DG set but uses alternate power lines if Mains failure. The Company has installed capacitor banks and filters for improvement in power factor. It has also installed UPS CTP machines/Computers/Image Setters on state power. The energy conservation initiatives have resulted in improvement of power factor.

(b) ADDITIONAL INVESTMENTS AND PROPOSALS, IF ANY, BEING IMPLEMENTED FOR REDUCTION IN CONSUMPTION OF ENERGY :-

The Company has installed high efficiency lighting fixtures and old high power consumption light fittings have been replaced by low power consumption light fittings.

(c) IMPACT OF MEASURES AT (a) & (b) ABOVE FOR REDUCTION OF THE ENERGY CONSUMPTION AND CONSEQUENT IMPACT ON COST OF PRODUCTION : -

The cost of the energy consumption constitutes very small part of the cost of production and hence impact of measures is very insignificant.

(d) TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION :- Not Applicable.

(B) TECHNOLOGY ABSORPTION :- Not Applicable

i) Research & Development (R&D) : Not applicable

ii) Technology Absorption : Not applicable

(C) FOREIGN EXCHANGE EARNINGS AND OUT GO

ACTIVITIES RELATING TO EXPORT INITIATIVES TAKEN TO INCREASE EXPORTS, DEVELOPMENTS OF NEW EXPORT MARKETS FOR PRODUCTS AND SERVICES AND EXPORT PLANS:

The Company publishes Newspaper and other Publications in vernacular language, which have rare possibility of export.

TOTAL FOREIGN EXCHANGE USED AND EARNED

(₹ in Lacs)

Sr. No.	Particulars	2012-13
1.	Total Foreign Exchange used ₹	5946.58
2.	Total Foreign Exchange earned ₹	1.04

ANNEXURE: "B"

Particulars of Employees pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended March 31, 2013:

Name & Age (Year)	Designation & Nature of Duties	Remuneration (Rs. In Lacs)	Qualification & (Experience)	Date of Commencement of Employment	Previous Employment
Employed throughout the Financial Year:					
Shri Falgunbhai Patel (55)	Chairman & Managing Director	393.42	B.Com, M.B.A. from U.S.A. [36years]	01.06.1972	N.A.
Shri Parthiv Patel (29)	Managing Director	393.42	Graduate in Business Finance from U.K.,[8 years]	14.03.2002	N.A.
Employed for a part of the Financial Year:	N.A.	N.A.	N.A.	N.A.	N.A.

NOTE:-

(i) Shri Falgunbhai Patel, Chairman & Managing Director of the Company is related to Smt. Pannaben Patel, Director and Shri Parthiv Patel, Managing Director of the Company.

(ii) Shri Parthiv Patel, Managing Director of the Company, is related to Shri Falgunbhai Patel, Chairman & Managing Director and Smt. Pannaben Patel, Director of the Company.

(iii) The nature of employment in all the above cases is contractual.

(iv) Except Shri Falgunbhai Patel, Shri Parthiv Patel, Smt. Pannaben Patel & Smt. Ritaben Patel, none of the other employees/directors are/is related to any director/s of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

1) INDUSTRY STRUCTURE AND DEVELOPMENTS

Print media is one of the oldest and basic forms of mass communication and the contribution of print media in providing information and transfer of knowledge is remarkable. Even after the advent of electronic media, the print media has not lost its charm or relevance. Print media has the advantage of making a longer impact on the minds of the reader, with more in-depth reporting and analysis.

There are more than 80000 publications of various kinds in various languages registered with the Registrar of Newspapers of India, which functions under the Ministry of Information & Broadcasting. With increase in advertising expenditures across media platforms, the print media is expected to grow at 9-10% during 2011-2015.

The Company belongs to the Regional Print Media Industry and which is a publisher of "SANDESH" a premier Gujarati daily newspaper in Gujarat Region, to carry on the business of editing, printing and publishing newspapers and periodicals. The Company started its first printing facilities at Ahmedabad.

Late Shri Chimanbhai S. Patel acquired the entire business from the original promoter in the year 1958, and had put his efforts to strengthen the activities carried out by "SANDESH". The editorial policy of the Company has always been based on basic journalist values of objectivity and has not been influenced by any external forces. Presently, Shri Falgunbhai Patel, Chairman & Managing Director is running the entire business affairs of the Company along with Shri Parthiv Patel, Managing Director and a professional team of the Executives of the Company.

The Company had started its printing facilities at Baroda during 1985-86, at Surat during 1989-90, at Rajkot during 1990-91, at Bhavnagar during 1998-99 and at Bhuj during 2010-11 to cater to the semi urban and rural areas. The Company has now total six editions in the State of Gujarat. The Company has its regional offices at Mumbai, Delhi, Kolkata, Bangalore, Chennai and Pune, which have experienced staff and well equipped communication facilities. The Company has a strong regional franchise, where it enjoys strong readership loyalty.

The Company has successfully launched an augmented reality app i.e. 'Sandesh Smart' which lets its readers access multimedia contents like videos, slideshows, social media connect, polls, interactive quizzes and much more by simply scanning the newspaper with their Smartphone. The Company has become the first regional newspaper brand in India to bring digital content through its newspaper with the launch of 'Sandesh Smart'.

Besides the Company also publishes "Stree", a weekly magazine and also the periodical "Sandesh Pratyaksha Panchang" which remained popular among the public. A weekly newspaper 'Agro Sandesh', specific to the rural community of the State of Gujarat covering the farming, dairy and co-operative sector was successfully launched and which is contributing positively to the development of the farmers of the State of Gujarat and allied agricultural industries.

The Company has successfully diversified into electronic media under the brand name "Sandesh News". This news channel in a very short time has become immensely popular and has also won the awards. Further, as a part of its out-of-home advertising activity, the Company has sites at all the major commercial areas in Ahmedabad. The Company is also successfully operating its real estate and finance businesses.

2) OPPORTUNITIES AND THREATS

Historically, the print media companies have expanded by increasing penetration and keeping the cover prices affordable, thus resulting in relatively lower circulation revenue growth. However, recently, the print media industry has been in a consolidation mode and circulation revenue growth for most print companies has been higher than the advertising revenue growth.

Indian print advertising has grown at 11% from the year 2007 to the year 2012, as against growth of about 5% globally. Regional print media is reported to have grown at even higher rate of 14% during this period as against only 6% in English print media. Regional advertising has been increased due to growing readership and increase in advertising rates. Print media continues to be the largest beneficiary, accounting for 46% of advertising pie at ₹ 150 Million.

Macro factors such as rising literacy and increasing penetration in semi-urban and rural areas are likely to ensure profitable growth for the print media sector. Future growth is largely driven by semi-urban and rural areas on account of increasing commercial activity, higher spending power and rising literacy. With the language print medium dominating in these areas, language newspapers are preferred over English newspapers.

The Company, with its six editions at different strategic locations, has strongly established its presence across the State of Gujarat. The Company also sees the opportunities in rural and semi-urban areas of Gujarat. The Company is planning to continuously improve the circulation of its newspaper in those areas also and will target higher readership amongst the young, educated and elite mass of the public. The publications of the Company are very popular in the urban areas of the State and it continuously improving the readership in smaller towns and villages of the State of Gujarat.

"Sandesh Spotlight" is the OOH wing of the Company which has a vision 'To make an impact in the OOH market by combining Marketing Strength and Futuristic Approach'. The Company had procured various prestigious tenders like Bus Rapid Transit System Bus Shelters, AUDA & Ahmedabad Municipal Corporation. Sandesh Spotlight has properties in the prime locations in the city of Ahmedabad, covering the most prominent junctions & some of the busiest cross roads, and aims at strategically adding more so as to be able to provide its clients with best visibility for their brands; in line with its mission - 'To work as a team with our clients to ensure better mileage and visibility for their brands'.

Better Planning, focused approach for the implementation of strategy and professionalization of the management will help the Company to have a sustained development of its business. Further, looking to the popularity of its newspaper amongst its readers, there seems to be no close threat from its competitors.

3) SEGMENT-WISE OR PRODUCT-WISE PERFOMANCE

I) PUBLICATION:

This is the core business of the Company since its inception. The Company had been able to maintain its business volumes despite stiff competition in the Regional Print Media Industry. The revenue from the publication division was ₹ 7165.82 Lacs during the Financial Year under review as against ₹ 6130.49 Lacs in previous Financial Year.

II) FINANCE DIVISION:

The Company has been in the Financing business and during the year under review, the segment revenue from Finance Division was ₹ 3954.37 Lacs during the Financial Year under review as against ₹ 4238.76 Lacs in the previous year.

4) OUTLOOK, RISKS AND CONCERNS

The increase in population, literacy rate and reach has led to increased circulation and readership of the newspapers in India. The company is steadily increasing its geographical presence, which helps improve its circulation and readership of its publications.

The business outlook for the Print Media Industry and the Company looks good. Both readership and circulation of newspapers is growing in India.

Newsprint prices are an important driver for print earnings as they constitute approximately 40% of operating costs and about 33% of revenues. Though international prices in USD terms have been largely stable over past two years, newsprint cost for the print companies in India were hardening due to an increase in domestic newsprint price and rupee depreciation. Newsprint prices are unlikely to exhibit significant increase due to declining demand from the developed countries. Newsprint price increase is expected to be restricted to approximately 5%. However, the Company keeps close watch on the development on the Newsprint front. The Company uses imported as well as domestic newsprint and by judicious mix of them, tries to mitigate the high cost impact on the operations. The newsprint price is cyclical and is dependent on various factors.

The Company is continuously strengthening its market positions, reinforcing its relationships with Agents, Advertisers and providing high quality contents to its readers. The Company's website i.e. "www.sandesh.com" is a very popular website for the Gujarati community.

5) INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

The Company's internal control systems are adequate considering size and nature of operations of the Company, to meet regulatory/ statutory requirements, assure recording of all transactions and report reliable and timely financial information. The Audit Committee of the Board of Directors of the Company periodically reviews the internal control system and also internal audit reports.

6) DEVELOPMENTS ON HUMAN RESOURCE/INDUSTRIAL RELATIONS FRONT

The Company treats its employees as most valuable assets. The Company aims to align human resource practices with its business goals. The performance management system enables a holistic approach to the issue of managing performance and does not limit to only an appraisal. The Company takes pride of its highly motivated and committed team of its employees. The employees performed to their full potential and contributed to the growth and development of the Company. During the Financial Year, the industrial relations between the employees and management were calm and composed.

7) CORPORATE SOCIAL RESPONSIBILITIES (CSR)

The company has started CSR initiatives with the objective to bring one of the biggest concerns of recent times into notice of its readers, engage them in its activities, start protecting the environment and make a better place for future generations. Following are few of the CSR initiatives: **(a)** Plan-A-Tree Activity: It was the first activity under Go-Green Campaign, where approximately 50000 saplings planted across the state of Gujarat. **(b)** Paper Bag Distribution: The paper bags were distributed across the state of Gujarat in retail stores. These paper bags were made by NGO's like BPA & Approach. **(c)** Paryavarun Nu Raavan: A Raavan was created out of plastic waste approx 25 feet tall on Dusherra of 2012. Raavan dahaan was shown through 3D mapping technique. Items of plastic waste were used in making the Raavana. For this activity, the Company is now an official record holder at Limca Book of Records Edition 2014. **(d)** E-Waste Campaign: 'Amdavad Against E-waste' was an initiative to create awareness on E-Waste and collection drive covering entire city of Ahmedabad. An actual E-waste collection stall was set up across multiple locations across city, where people were invited to deposit E-waste. The depositors were given their due share of money for depositing E-waste. The waste thus collected will be scientifically and safely disposed of as per the applicable Rules by the authorized recycler. More than 17000 KG of E-waste was collected within 18 days from 80 camps at 40 locations and 1130 individuals/organizations had directly participated in 'Amdavad Against E-waste Campaign'.

8) DISCUSSIONS ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE AND OUTLOOK

The Company has generated cash surplus of ₹ 6576.79/- Lacs as compared to ₹ 4569.33/- Lacs in the previous year. The Company, as planned is gradually moving upwards in its core business and also as explained earlier looks for opportunities available in new sector.

9) CAUTIONARY STATEMENT

Readers are cautioned that this discussion and analysis contains forward-looking statements that involve risks and uncertainties. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of their date. The above discussion and analysis should be read in conjunction with the Company's financial statements included herein and the notes thereto.

REPORT ON CORPORATE GOVERNANCE FORMING PART OF DIRECTORS' REPORT

1. BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Your Company firmly believes that Good Corporate Governance in any organization needs to be principle-based as well as simple, moral, accountable, responsive and transparent (SMART). The philosophy of the Company is to attain the highest standards of Corporate Governance by ensuring transparency in all its actions & operations and to maximize values of its stakeholders. The Company fully complies with all the provisions and stipulations laid down in the guidelines on the corporate governance as provided in Clause 49 of the Listing Agreements with the Stock Exchanges. This philosophy of the Company would ensure that it follows highest standards of professionalism, integrity, accountability, fairness, transparency, social responsiveness and best business practices.

2. BOARD OF DIRECTORS

The Board of Directors of the Company consists of the Directors having varied experience in different areas and acknowledged as leading professionals in their respective fields. The composition of the Board is in conformity with the provisions of Clause 49 of the Listing Agreement. Shri Falgunbhai Patel, Managing Director, is the Chairman of the Board. The Board of Directors of the Company consists of two Promoter-Executive Directors, one Promoter-Non-Executive Director, one Additional & Professional-Executive Director, three Independent Non-Executive Directors and one Additional-Independent-Non Executive Director.

The details of composition of the Board, category of the Directors as well as their directorship/membership in other companies/ committees are given below:

Name of Director	Category	Board Meetings held during the tenure	Board Meetings attended	Attendance at the last AGM held on 30.08.2012	Other Directorships held (including Pvt. Ltd. Companies) at the year ended	No. of Board Committees of which Chairman/ Member
Shri Falgunbhai Patel	Promoter, Executive	5	4	Yes	3	Nil
Shri Parthiv Patel	Promoter, Executive	5	5	Yes	5	Nil
Shri Sudhir Nanavati	Independent, Non-Executive	5	4	No	1	Nil
Shri Mukesh Patel	Independent, Non-Executive	5	5	Yes	8	5 (Chairmanship) 5 (Membership)
Shri Shreyas Pandya	Independent, Non-Executive	5	5	Yes	4	Nil
Shri Ravindra Dhariwal	Nominee of Equity Investor/ Independent, Non-Executive	5	Nil	No	Resigned	Resigned
Smt. Pannaben Patel	Promoter, Non-Executive	5	Nil	Yes	Nil	Nil
Shri Jitendra Bhatt	Independent, Non-Executive	2	Nil	No	Resigned	Resigned
Shri Sandeep Singhi	Additional Director, Independent, Non-Executive	2	1	N.A.	Nil	Nil
Shri Yogesh Jani	Additional Director, Professional, Executive	0	Nil	N.A.	Nil	Nil

Yes – Attended, No – Not Attended, N.A. – Not Applicable

Details of Membership/Chairmanship of Audit Committees and Shareholders'/Investors' Grievance Committees only are considered in terms of Clause-49 of the Listing Agreement.

(a) Hon'ble Justice Dr. Jitendra Bhatt had resigned as the Director effective from October 17, 2012.

(b) Shri Sandeep Singhi was appointed as an Additional Director effective from November 09, 2012.

(c) Shri Yogesh Jani was appointed as an Additional Executive Director effective from February 12, 2013.

(d) Shri Ravindra Dhariwal had resigned as the Director effective from March 14, 2013.

All the relevant information about production, sales, financial results, loan & investments, capital expenditure proposals, share transfers, demat/remat compliance, status of statutory dues payment etc., are regularly placed before the Board for their review/ approval. The Board, on quarterly basis, reviews the compliance reports of the applicable laws submitted by the heads of the respective departments/divisions.

During the year under review, total 5 (five) meetings of the Board of Directors were held on 24.05.2012, 09.08.2012, 09.11.2012, 16.01.2013 and 12.02.2013. Further, during the year under review Hon'ble Justice Dr. Jitendra Bhatt and Shri Ravindra Dhariwal had resigned as Directors of the Company. Shri Sandeep Singhi and Shri Yogesh Jani were appointed as Additional Directors of the Company. The Company has observed the Corporate Governance provisions of the Listing Agreement for conducting the Board Meetings.

Personal shareholding of the Non-Executive Directors is as follows:

Sr. No.	Name of the Director	No. of Equity shares as on 31/03/2013
1.	Shri Sudhir Nanavati	250
2.	Shri Mukesh Patel	Nil
3.	Shri Shreyas Pandya	51600
4.	Smt. Pannaben Patel	6300
5.	Shri Sandeep Singhi	Nil

3. AUDIT COMMITTEE

The constitution of the Audit Committee of the Board of Directors of the Company is in conformity with the provisions of section 292A of the Companies Act, 1956 read with the provisions of Clause-49 of the Listing Agreement with the Stock Exchanges. The Audit Committee was reconstituted and now consists of Shri Mukesh Patel, who is the Chairman of the Committee, Shri Sudhir Nanavati, Shri Shreyas Pandya and Shri Sandeep Singhi, as the members. During the year Shri Ravindra Dhariwal had resigned as a Director of the Company and thus ceased to be member of the Audit Committee. The Company Secretary of the Company acts as the Secretary to the Committee.

The Audit Committee of the Company has been mandated with the same terms of reference specified in Clause 49 II of the Listing Agreement. These terms also fully conform to the requirements of section 292A of the Companies Act, 1956.

During the year under review total 4 (four) meetings of Audit Committee were held on 24.05.2012, 09.08.2012, 09.11.2012 and 12.02.2013. The Statutory Auditors, the Internal Auditors, the Finance & Accounts Head. The attendance of the Members of the Audit Committee is as under:

		Date of Audit Committee Meeting during the Financial Year 2012-2013			
Sr.No.	Attendance of Directors	24.05.2012	09.08.2012	09.11.2012	12.02.2013
1.	Shri Mukesh Patel	Yes	Yes	Yes	Yes
2.	Shri Sudhir Nanavati	No	Yes	Yes	Yes
3.	Shri Shreyas Pandya	Yes	Yes	Yes	Yes
4.	Shri Ravindra Dhariwal	No	No	No	No
5.	Shri Sandeep Singhi	N.A.	N.A.	N.A.	N.A.

Yes – Attended, No – Not Attended, N.A. – Not Applicable

The Statutory Auditors, the Internal Auditors, the Finance & Accounts Head and the Managing Directors of the Company usually invited to attend the meetings of the Audit Committee. The Company Secretary of the Company acts as the Secretary to the Committee.

4. REMUNERATION COMMITTEE

The Remuneration Committee of the Board was reconstituted and presently consists of three Independent Non-Executive Directors and one Additional-Independent-Non Executive Director viz. Shri Sudhir Nanavati, who is the Chairman of the Committee, Shri Mukesh Patel, Shri Shreyas Pandya and Shri Sandeep Singhi, as the Members of the Committee. The decisions regarding the remuneration of the Executive Directors are taken by the Remuneration Committee and placed before the Board of Directors subject to such approvals from the shareholders and the Central Government, as and when necessary. The Company Secretary of the Company acts as the Secretary to the Committee. During the year under review a meeting of the Remuneration Committee was held on 12.02.2013. The attendance of the Members of the Remuneration Committee is as under:

Sr. No.	Attendance of Directors	Attendance
1.	Shri Sudhir Nanavati	Yes
2.	Shri Mukesh Patel	Yes
3.	Shri Shreyas Pandya	Yes
4.	Shri Sandeep Singhi	N.A.

Yes – Attended, No – Not Attended, N.A. – Not Applicable

5. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

During the year under review the Shareholders'/Investors' Grievance Committee was reconstituted. Shri Sudhir Nanavati is the Chairman of Shareholders'/Investors' Grievances Committee of the Company. Shri Mukesh Patel, Shri Shreyas Pandya and Shri Sandeep Singhi are the Members of the Committee. During the year Shri Ravindra Dhariwal had resigned as a Director of the Company and thus ceased to be a member of the Shareholders'/Investors' Grievances Committee. The Company Secretary of the Company acts as the Secretary to the Committee.

The Committee looks into redressing the Investors grievances/complaints viz. non-receipt of dividend or Annual Report, delay in share transfer etc., considers & approves share transfer, transmission, transposition, dematerialization, Rematerialization, deletion of names, splitting and consolidation and issuance of duplicate shares etc. During the year under review, 4 (Four) meetings of the Shareholders'/Investors' Grievances Committee were held on 24.05.2012, 09.08.2012, 09.11.2012 and 12.02.2013. The attendance of the Members of the Shareholders'/Investors' Grievances Committee is as follows:

Sr.No.	Attendance of Directors	Date of Investors' Grievance Committee Meeting during the Financial Year 2012-2013			
		24.05.2012	09.08.2012	09.11.2012	12.02.2013
1.	Shri Sudhir Nanavati	No	Yes	Yes	Yes
2.	Shri Mukesh Patel	Yes	Yes	Yes	Yes
3.	Shri Shreyas Pandya	Yes	Yes	Yes	Yes
4.	Shri Ravindra Dhariwal	No	No	No	No
5.	Shri Sandeep Singhi	N.A.	N.A.	N.A.	N.A.

Yes – Attended, No – Not Attended, N.A. – Not Applicable

Sr.No.	Particulars	Status of Complaints
1.	No. of complaints received from the shareholders during the period from 01.04.2012 to 31.03.2013	11
2.	No. of complaints resolved during the year	11
3.	No. of complaints pending at the end of the year	Nil
4.	No. of pending transfer as on 31.03.2013 due to certain defects	215

COMPLIANCE OFFICER :- Shri Dhaval Pandya, Company Secretary, is the Compliance Officer for complying with the requirements of Securities Laws and the Listing Agreements with the Stock Exchanges in India.

6. REMUNERATION OF DIRECTORS

A statement on the remuneration paid to the Executive & Non-Executive Directors is given below:

(Amount ₹ in Lacs)

Name of the Directors	Salary	Commission*	Perquisites & Allowances	Sitting Fee	Total Remuneration
Shri Falgunbhai Patel	78.00	344.36	1.09	—	423.45
Shri Parthiv Patel	36.00	436.02	—	—	472.02
Shri Sudhir Nanavati	—	—	—	0.10	0.10
Shri Mukesh Patel	—	—	—	—	—
Shri Shreyas Pandya	—	—	—	—	—
Shri Ravindra Dhariwal	—	—	—	—	—
Smt. Pannaben Patel	—	—	—	—	—
Shri Jitendra Bhatt	—	—	—	—	—
Shri Sandeep Singhi	—	—	—	0.03	0.03
Shri Yogesh Jani	0.82	—	—	—	0.82

** Payable in Financial Year 2013-2014*

7. DISCLOSURES

A) Disclosures on materially significant related party transactions i.e. transactions by the Company of material nature, with its promoters, the directors or the management, the relatives etc. that may have potential conflicts with the interest of the Company at large:
During the year under review, there is no transaction by the Company of material nature, with its promoters, the directors or the management, the relatives etc. that may have potential conflicts with the interest of the Company at large. All the transactions with the related parties are disclosed in Note No. 33 of "Notes on Accounts" annexed to the Financial Statements for the year.

B) Details of non-compliance by the Company, penalties imposed on /strictures passed against, the Company by Stock Exchange or SEBI or other authority on any matter related to Capital Markets, during last three years: None during the year under review.

C) Though there is no formal Whistle Blower Policy, the Company takes cognizance of complaints made and suggestions given by the employees and others. Even anonymous complaints are looked into and whenever necessary, suitable corrective steps are taken. No employee of the Company has been denied access to the Audit Committee of the Board of Directors of the Company.

D) The Company has a system of periodic review and reporting of risk assessment by senior executives to the Board of Directors with a view to minimize risks. The Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement. It has also complied with non-mandatory requirements of Clause 49 like constitution of Remuneration Committee.

E) A qualified practicing Company Secretary had carried out audit to reconcile the total admitted capital with the Depositories and the total issued & listed capital. The total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with the Depositories.

8. AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

The Certificate from the Auditors of the Company, M/s. Manubhai & Co., confirming compliance with the provisions of the corporate governance as provided in the Clause 49 of the Listing Agreement, is attached to the Directors' Report forming part of the Annual Report.

9. CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT

The Board of Directors has laid down the Code of Conduct for all Board Members and Members of Senior Management of the Company. The said Code is also placed on the website of the Company viz. "www.sandesh.com". The Certificate from the Chairman & Managing Director affirming compliance of the said Code by all the Board Members and Members of Senior Management of the Company, to whom the Code is applicable, is separately attached to this Report.

10. GENERAL BODY MEETING

The details of last three Annual General Meetings of the Company are as under:

No. of AGM	Financial Year	Date	Time	Venue	Special Resolution passed
69th	2011-12	30.08.2012	**10:00 a.m.**	Gujarat Law Society Auditorium, G.L.S. College Campus, Opp. Law Garden, Ellisbridge, Ahmedabad–380006	Not applicable
68th	2010-11	05.08.2011	**10:00 a.m.**	Gujarat Law Society Auditorium, G.L.S. College Campus, Opp. Law Garden, Ellisbridge, Ahmedabad–380006	1. Reappointment with revised remuneration of Shri Falgunbhai Patel as a Managing Director of the Company. 2. Alteration of the Articles of Association
67th	2009-10	30.07.2010	**10:00 a.m.**	Gujarat Law Society Auditorium, G.L.S. College Campus, Opp. Law Garden, Ellisbridge, Ahmedabad–380006	Not applicable

No Extra Ordinary General Meeting was held during the financial year 2012-2013.

Postal Ballot: During the year under review, no Resolution was passed through postal ballot under the provisions of Section 192A of the Companies Act, 1956 and the Companies (Passing of the Resolutions by Postal Ballot) Rules, 2001 nor any resolution is proposed to be conducted through postal ballot.

11. MEANS OF COMMUNICATION

The Financial Results of the Company will be reported as mentioned below:

Half yearly report sent to shareholders	:	No but the results of the Company are published in the newspapers
Quarterly Results normally published in	:	In English daily – The Economic Times, The Financial Express & in Regional Daily (Gujarati) "Sandesh"
Any website	:	National Stock Exchange of India Ltd. (www.nse-india.com), BSE Limited (www.bseindia.com) and The Sandesh Limited (www.sandesh.com)
Whether it also displays official news release and the presentation made to institutional investors or to the analysis	:	Not Applicable
Whether Management Discussion & Analysis Report is a part of Annual Report	:	Yes. The Management's Discussion and Analysis Report forms part of the Annual Report and is displayed on the Company's website www.sandesh.com

12. SHAREHOLDERS' GENERAL INFORMATION

(A) 70th Annual General Meeting	:	Date	: Thursday, the 5th day of September, 2013
		Time	: 10:00 a.m.
		Venue	: Gujarat Law Society Auditorium, G.L.S. Collage Campus, Opp. Law Garden, Ellisbridge, Ahmedabad–380006 (Gujarat)
(B) Financial Year	:	Financial Year of the Company is for a period of 12 months from 1st April to 31st March.	
(C) Book Closure	:	31.08.2013 to 05.09.2013 (both days inclusive)	
(D) Dividend Payment date	:	On or after 09.09.2013, if declared at the 70th Annual General Meeting	

(E) Listing of Stock Exchanges : **BSE LIMITED,**
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai–400001 [Scrip No. : 526725]

NATIONAL STOCK EXCHANGE OF INDIA LIMITED,
"Exchange Plaza", Bandra-Kurla Complex, Bandra (E), Mumbai–400 051 [Symbol : SANDESH (EQ.)]

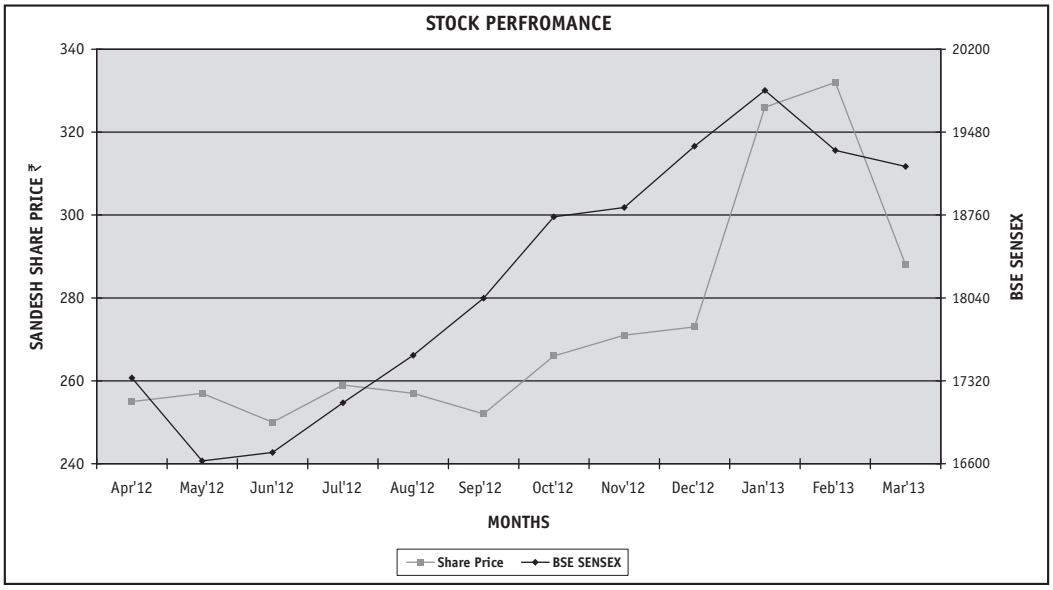
The Company has paid the Annual Listing Fees for the financial year 2013-14 to the above Stock Exchanges and also paid the Annual Custody/ Custodial Fees to the Depositories i.e. National Securities Depository Limited (NSDL), Mumbai & Central Depository Services (India) Limited (CDSL), Mumbai for the financial year 2013-2014.

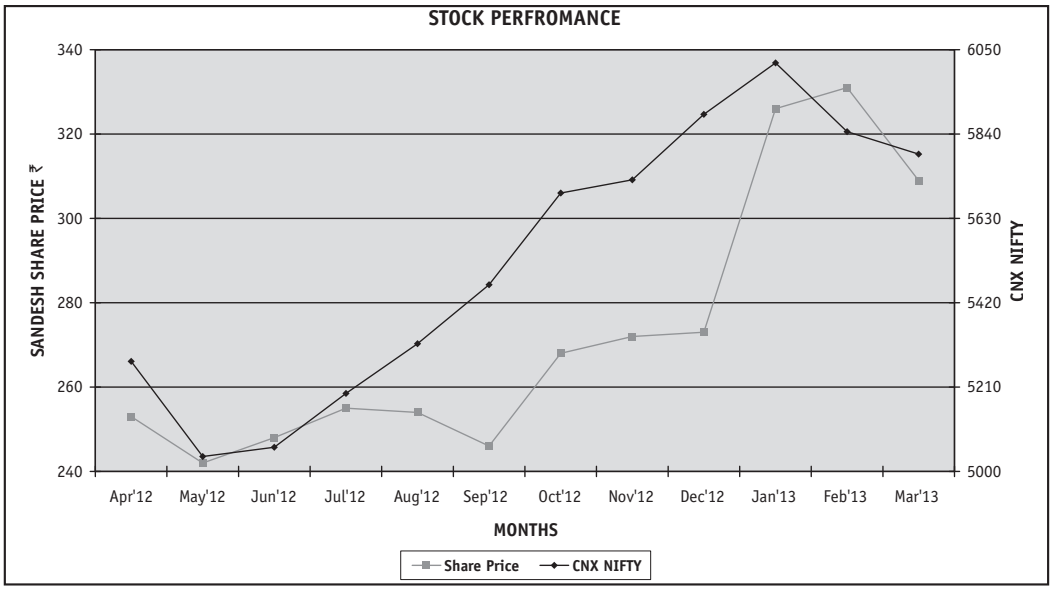
(F) ISIN Number : INE583B01015

(G) Monthly High & Low : For the financial year 2012-13

Month	Share price, trades of The Sandesh Limited at Listed Stock Exchanges						BSE SENSEX (Close)		NSE NIFTY (Close)	
	BSE			NSE						
	Highest (₹)	Lowest (₹)	No. of Shares traded	Highest (₹)	Lowest (₹)	No. of Shares traded	High	Low	High	Low
April, 2012	269.85	240.00	11204	264.90	240.25	8295	17597.42	17094.51	5358.50	5189.00
May, 2012	283.70	230.05	4420	257.95	226.05	7060	17301.91	15948.10	5239.15	4835.65
June, 2012	259.65	240.40	3601	259.30	236.00	6221	17429.98	15965.16	5278.90	4841.60
July, 2012	272.95	245.45	2664	268.50	242.05	2044	17618.35	16639.82	5345.35	5043.00
August, 2012	275.00	238.20	4738	271.00	236.05	3873	17885.26	17197.93	5421.00	5215.70
September, 2012	263.65	240.05	5878	266.80	225.00	5974	18762.74	17313.34	5703.30	5225.70
October, 2012	281.55	250.10	9550	285.00	250.00	12378	19058.15	18430.85	5787.60	5597.90
November, 2012	284.80	256.50	5337	291.95	252.00	8598	19339.90	18309.37	5879.85	5571.40
December, 2012	284.00	262.05	7231	280.00	266.10	7789	19486.80	19229.26	5930.90	5847.70
January, 2013	384.95	266.35	192603	386.80	265.45	277514	20103.53	19580.81	6082.30	5950.85
February, 2013	372.45	292.10	9974	364.95	296.05	14563	19781.19	18861.54	5998.90	5693.05
March, 2013	340.00	235.00	51206	342.50	276.40	23712	19683.23	18681.42	5945.70	5633.85

(The above information is compiled from the data available from the websites of BSE and NSE)





(H) Registrar & Share Transfer Agent : MCS Limited, having its regional office at 101, Shatdal Complex, 1st Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad – 380009.
Telephone No. (079) 26582878, Fax No. (079) 26581296,
Email ID: mcsahmd@gmail.com

(I) Share Transfer System : MCS Limited is the Registrar & Share Transfer Agent for entire functions of the share registry, both for physical transfers as well as issue of duplicate/ dematerialization/ Rematerialization/consolidation/ split/transmission/name deletion etc. of shares

(J) Distribution of Shareholding as on March 31, 2013

No. of Shares (Range)		Total Nos. of Shares		Total Nos. of Holders	
From	To	Shares	(%)	Holders	(%)
1	500	361338	4.77	3303	94.00
501	1000	70048	0.93	92	2.62
1001	2000	55709	0.74	39	1.11
2001	3000	36707	0.48	15	0.43
3001	4000	47561	0.63	13	0.37
4001	5000	42400	0.56	9	0.26
5001	10000	103024	1.36	15	0.43
10001	50000	204701	2.70	11	0.31
50001	Above	6647933	87.83	17	0.48
T O T A L		**7569421**	**100.00**	**3514**	**100.00**

(K) Categories of Shareholding as on March 31, 2013 :

Sr. No.	Category	No. of shares in Demat form	No. ofshares in Physical form	Total No. of Shares held	% of Total share holding	Total No. of share holders
1.	Promoters	5671015	—	5671015	74.92	12
2.	Mutual Fund /UTI	——	500	500	00.01	1
3.	Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institution, Non-Government Institutions)	——	——	——	——	——
4.	Foreign Institutional Investors	——	——	——	——	——
5.	Private Corporate Bodies	1013120	6400	1019520	13.47	109
6.	Indian Public (Individual/HUF)	573147	168502	741649	09.80	3331
7.	NRIs/ OCBs	133637	3100	136737	01.81	61
8.	GDR	——	——	——	——	——
	GRAND TOTAL	**7390919**	**178502**	**7569421**	**100.00**	**3514**

(L) Dematerialization Details : As on 31st March, 2013, total 2467 shareholders were holding 7390919 equity shares out of total 7569421 equity shares in Dematerialized Form, which constitute 97.64% of the total Share Capital of the Company. Promoters of the Company hold their 100% shareholding in Dematerialized Form. The Shares of your company are regularly traded in BSE and NSE.

(M) Outstanding GDR/ADR : Not Applicable

(N) Plants/ Factories :

1) "SANDESH BHAVAN", Lad Society Road, B/h. Vastrapur Gam, P.O. Bodakdev, AHMEDABAD

2) "SATYESH BHAVAN", B/h. Jalaram Temple, Bahucharaji Road, Karelibaug, BARODA

3) "SATYESH BHAVAN", Dakoriya Mill Compound, Near Gurudev Petrol Pump, Khatodara GIDC, Bamroli Road, SURAT

4) "SANDESH BHAVAN", OPP. Sat Hanuman, Navagam, Rajkot-Ahmedabad Highway, RAJKOT

5) "SATYESH BHAVAN", Ruvapari Road, BHAVNAGAR

6) Godown No. 3, Gujarat State Warehousing Corporation, Near Atmaram Circle & Bajaj Showroom, Bhuj Madhapar Road, BHUJ.

(O) Address for correspondence :

Shareholders are requested to correspond with the company at the following address:

1) **THE SANDESH LIMITED,** "Sandesh Bhavan", Lad Society Road, B/h. Vastrapur Gam, P.O. Bodakdev, Ahmedabad–380054 (Gujarat).
Phone No.: (079) 40004000 (Board), 40004319 (Dir.), **Fax No.**: (079)40004242,
Email: *cs@sandesh.com, secretarial@sandesh.com*

2) **MCS LIMITED,** Registrar & Share Transfer Agent,
Unit : The Sandesh Limited
101, Shatdal Complex, 1st Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad–380009 (Gujarat)
Phone No. : (079) 26582878, **Fax No.** : (079) 26581296, **Email** : mcsahmd@gmail.com

13. C.E.O./C.F.O. CERTIFICATION

Managing Director and Chief Financial Officer Certificate (As per Clause 49 of the Listing Agreement):

We certify that:

1. We have reviewed the Balance Sheet and Profit & Loss Account and all the Schedules and Notes on accounts, as well as the cash flow statement and the Directors' Report.

2. To the best of our 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;

3. To the best of our knowledge and belief, there are, no transactions entered into by the Company during the year, which are fraudulent, illegal or violating the Company's code of conduct.

4. We are responsible for establishing and maintaining internal controls for financial reporting and procedures for the Company, and we have evaluated the effectiveness of the Company's internal controls and procedures pertaining to financial reporting.

5. We have disclosed, based on our most recent evaluation, wherever applicable, to the Company's auditors and through them to the Audit Committee of the Company's Board of Directors:

a. There were no significant deficiencies in the design or operation of the internal controls, that could adversely affect the company's ability to record, process, summarize and report financial data, and there have been no material weaknesses in the internal controls over financial reporting including any corrective actions with regard to deficiencies;

b. There were no significant changes in internal control over financial reporting during the year covered by this Report;

c. There were no instances of fraud of which we are aware, that involve the management and capital or other employees who have a significant role in the company's internal control system;

d. All significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements.

Date : May 27, 2013 — **Falgunbhai Patel**, *Chairman & Managing Director* — **Sanjay Kumar Tandon**, *Chief Financial Officer*

Place : Ahmedabad

ANNEXURE TO CORPORATE GOVERNANCE REPORT
DECLARATION REGARDING AFFIRMATION OF THE CODE OF CONDUCT

In terms of the requirements of Clause-49 of the Listing Agreement, this is to confirm that all the Members of the Board and the Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31st March, 2013.

For, **THE SANDESH LIMITED**

Place : Ahmedabad
Date : May 27, 2013

Falgunbhai Patel
Chairman & Managing Director

CERTIFICATE

TO THE MEMBERS, OF THE SANDESH LIMITED

We have examined the compliance of conditions of Corporate Governance by THE SANDESH LIMITED for the year ended March 31, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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 as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors & the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of Company.

For, **MANUBHAI & COMPANY**,
Chartered Accountants
Firm registration no: 106041W

[K. C. PATEL]
Partner
Membership No. 30083

Date : May 27, 2013
Place : Ahmedabad

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
THE SANDESH LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of The Sandesh Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act 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 March 31, 2013;
(b) in the case of the Statement of Profit and Loss, 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.

Emphasis of Matter:

We draw attention to Note No. 31 regarding non-adjustment of claims under arbitration. Our opinion is not qualified on this matter.

Report on Other Legal and Regulatory Requirements

1 As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2 As required by section 227(3) of the Act, 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 purpose 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For, **MANUBHAI & Co.**
Chartered Accountants
Firm registration no: 106041W

[K. C. PATEL]
Partner
Membership No. 30083

Place : Ahmedabad
Date : May 27, 2013

Annexure to Auditor's Report

The annexure referred to in our report to the members of The Sandesh Limited (the Company) for the year ended March 31, 2013.

1. a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

b. As explained us, the fixed assets have been physically verified by the management once in a year which we consider reasonable having regard to the size of the company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c. In our opinion, the Company has not disposed of substantial part of fixed assets during the year.

2. a. As explained to us, the inventories have been physically verified by management at reasonable intervals.

b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the company and the nature of its business.

c. In our opinion and according to the information and explanations given to us, the company has maintained proper records of its inventories. The discrepancies noticed on verification between the physical stocks and the book records were not material.

3. a. According to the information and the explanations given to us, the company has not granted any loans or advances in the nature of loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Consequently, requirement of clauses {iii (a) to (d)} of the paragraph 4 of 'the Order' are not applicable.

b. i. The Company has taken loans from six parties listed in the register maintained under section 301 of the Companies Act, 1956. The aggregate maximum amount involved was ₹ 4223.99 Lacs and year end balance was aggregating to ₹ 1767.72 Lacs.

ii. In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of the loans obtained are not prima facie prejudicial to the interest of the Company.

iii. In respect of the loan taken by the Company, interest payments are regular and principal amount is repayable on demand.

4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.

5. a. According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered

b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of ₹ 5 Lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

6. In our opinion and according to the information and explanations given to us, the Company has not accepted public deposit within the meaning of section 58A and the Companies (Acceptance of Deposits) Rules, 1975. We are informed that no order has been passed by Company Law Board or National Company Law Tribunal or any Court or other tribunal in this regard.

7. The Company has appointed a firm of Chartered Accountant as internal auditors. Based on the reports of internal auditors, in our opinion the internal audit System is commensurate with the size and nature of the Company's business.

8. The Central Government has prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of publication of newspapers and periodicals. We have broadly reviewed the accounts and records of the Company in this connection and are of the opinion, that *prima facie*, the prescribed accounts and records have been made and maintained. We have not, however, carried out a detailed examination of the same.

9. a. According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty and other material statutory dues applicable to it.

b. According to the information and explanations given to us, no disputed amounts payable in respect of income tax, sales tax, wealth tax, service tax and customs duty were in arrears, as at March 31, 2013 for a period of more than six months from the date they became payable.

c. According to the information and explanation given to us, there are no dues of wealth tax, service tax and customs duty which have not been deposited on account of any dispute. In respect of income tax, fringe benefit tax and sales tax, details of disputed dues which have not been deposited are given hereunder:

Name of the Statute	Nature of the dues	Amount (₹ In Lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act	Income Tax	1.25	A.Y.2009-10	CIT(Appeal)
Income Tax Act	Income Tax	688.75* (Protective Demand)	A.Y.2006-07	CIT(Appeal)
Income Tax Act	Fringe Benefit Tax	17.95*	A.Y.2007-08	CIT(Appeal)
Sales Tax Act	Sales Tax	4.09	F.Y. 1995 – 96	VAT – Tribunal

* Income tax department has adjusted refund of ₹ 94.98 lacs. The said adjustment is not considered against the above mentioned demands for want of information.

10. The company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by audit and in the immediately preceding financial year.

11. Based on our audit procedure and the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to bank.

12. We are of the opinion that the company has maintained adequate record in respect of loans and advances granted on the basis of security by way of pledge of shares, debentures and other similar debentures.

13. The Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the reporting requirement of clause 4(xiii) of 'the Order' is not applicable to the Company.

14. In our opinion and according to the information and explanation given to us, the Company has maintained proper records of transactions and contracts in respect of trading in shares / units of mutual funds and timely entries have been made therein. All shares / units of mutual fund have been made by the Company in its own name.

15. 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.

16. The Company has not obtained term loan during the year.

17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that funds raised on short – term basis prima facie not been used for long term investment.

18. During the year, the Company has not made preferential allotment of shares to parties and Companies covered in the register maintained under Section 301 of the Companies Act, 1956.

19. The Company has not issued any debentures during the year.

20. The Company has not raised any money by way of public issue during the year.

21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For, **MANUBHAI & Co.**
Chartered Accountants
Firm registration no: 106041W

[K. C. PATEL]
Partner
Membership No. 30083

Place : Ahmedabad
Date : May 27, 2013

BALANCE SHEET AS AT MARCH 31, 2013

(₹ in lacs)

PARTICULARS	Note No.	As at March 31, 2013	As at March 31, 2012
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share Capital	2	756.94	852.94
(b) Reserves and surplus	3	35,104.91	32,500.27
		35,861.85	**33,353.21**
(2) Non- current liabilities			
(a) Deferred tax liabilities (Net)	4	584.93	655.99
(b) Other long-term liabilities	5	830.58	746.49
(c) Long- term provisions	6	155.98	96.33
		1,571.49	**1,498.81**
(3) Current liabilities			
(a) Short- term borrowings	7	6,767.62	8,165.29
(b) Trade payables	8	793.77	1,344.49
(c) Other current liabilities	9	5,296.15	4,535.33
(d) Short-term provisions	10	3,100.06	2,526.79
		15,957.60	**16,571.90**
TOTAL		**53,390.94**	**51,423.92**
II. ASSETS			
1 **Non Current Assets**			
(a) **Fixed Assets**			
(i) Tangible assets	11	7,404.43	7,765.91
(ii) Intangible assets	11	56.00	56.00
(iii) Capital work-in-progress	11	21.55	149.58
(b) Non-current investments	12	15,891.61	14,588.57
(c) Long-term loans and advances	13	1,071.22	718.14
		24,444.81	**23,278.20**
2 **Current Assets**			
(a) Inventories	14	2,515.91	3,034.95
(b) Trade receivables	15	4,963.27	6,214.16
(c) Cash and cash equivalents	16	2,732.02	525.60
(d) Short-term loans and advances	17	15,863.33	17,022.35
(e) Other current assets	18	2,871.60	1,348.66
		28,946.13	**28,145.72**
TOTAL		**53,390.94**	**51,423.92**

Statement of Significant Accounting Policies 1

Notes form an integral part of accounts 1 to 34

As per our report of even date attached

For, Manubhai & Co.,
Chartered Accountants
Firm registration no: 106041W

(K.C. PATEL)
Partner
Membership No. 30083

Ahmedabad
Dated: May 27, 2013

Dhaval Pandya
Company Secretary

For and on behalf of the Board,

Falgunbhai Patel
Chairman & Managing Director

Parthiv Patel
Managing Director

Ahmedabad
Dated: May 27, 2013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

(₹ in lacs)

	PARTICULARS	Note No.	For the year 2012-13	For the year 2011-12
I	Revenue from operations	19	30,672.43	27,220.37
II	Other income	20	331.45	224.70
III	Total Revenue **(I+II)**		**31,003.88**	**27,445.07**
IV	Expenses :			
	a. Cost of material consumed	21	11,983.83	11,321.63
	b. Purchases of stock-in-trade	22	962.12	929.66
	c. Employee benefits expenses	23	2,076.94	1,620.11
	d. Finance cost	24	537.79	980.05
	e. Depreciation and amortisation expenses	11	814.61	654.53
	Less: Transfer from Revaluation Reserve		0.40	0.43
			814.21	654.10
	f. Other expenses	25	7,533.87	6,010.56
	Total Expenses		**23,908.76**	**21,516.11**
V	Profit before exceptional and extraordinary items and tax **(III-IV)**		7,095.12	5,928.96
VI	Exceptional items	26	962.69	(67.28)
VII	Profit before tax **(V - VI)**		8,057.81	5,861.68
VIII	Tax expense:			
	a. Current tax		2,550.00	1,896.06
	b. Adjustment of Previous year taxes		(183.61)	-
	c. Deferred Tax	4	(71.06)	50.41
IX	Profit for the period **(VII -VIII)**		**5,762.48**	**3,915.21**
X	Earnings per equity share:			
	Basic and Diluted - ₹ per share	27	67.83	45.90
	Statement of Significant Accounting Policies	1		
	Notes form an integral part of accounts	1 to 34		

As per our report of even date attached

For, Manubhai & Co.,
Chartered Accountants
Firm registration no: 106041W

(K.C. PATEL)
Partner
Membership No. 30083

Ahmedabad
Dated: May 27, 2013

Dhaval Pandya
Company Secretary

For and on behalf of the Board,

Falgunbhai Patel
Chairman & Managing Director

Parthiv Patel
Managing Director

Ahmedabad
Dated: May 27, 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

Particulars	For the Year ended March 31, 2013 ₹ In Lacs	For the Year ended March 31, 2012 ₹ In Lacs
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT / (LOSS) BEFORE TAX AND EXTRAORDINARY ITEMS	8,057.81	5,861.68
Adjustments for		
Depreciation	814.21	654.10
Interest Received (net)	(1,369.99)	(682.68)
Loss/ (Profit) of sale / discard of fixed assets	(962.69)	67.28
(Profit) on sale of Investment	-	(0.92)
Dividend Income	(141.24)	(26.05)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	6,398.10	5,873.41
Adjustments for		
Trade and other receivables	1,250.89	(1,500.81)
Inventories	519.04	(1,542.99)
Payables	366.99	(5,967.40)
Other Assets	(1,522.94)	(1,285.73)
Loans & Advances	1,403.99	(1,717.10)
CASH GENERATED FROM OPERATIONS	8,416.07	(6,140.62)
Direct taxes paid	(2,411.60)	(1,870.25)
NET CASH FLOW FROM OPERATING ACTIVITIES	**6,004.47**	**(8,010.87)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(469.00)	(993.49)
Sale of fixed / discarded assets	1,106.59	14.49
Sale/ (Purchase) of Investments	(1,303.04)	(5,304.33)
Dividend Income	141.24	26.05
NET CASH FLOW FROM INVESTING ACTIVITIES	**(524.21)**	**(6,257.28)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Buy back of Equity Shares	(2,899.20)	-
Short term borrowings (Net)	(1,099.09)	4,169.19
(Increase)/Decrease in unsecured loans	(298.58)	2,056.30
Interest Paid/received	1,369.99	682.68
Dividend Paid (including Dividend Distribution Tax)	(346.96)	(397.84)
NET CASH FLOW USED IN FINANCING ACTIVITIES	**(3,273.84)**	**6,510.33**
NET INCREASE IN CASH AND CASH EQUIVALENTS	**2,206.42**	**(7,757.82)**
CASH AND CASH EQUIVALENTS AS ON 31.03.2012	**525.60**	**8,283.42**
CASH AND CASH EQUIVALENTS AS ON 31.03.2013	**2,732.02**	**525.60**

Notes:
1 Figures in brackets represent outflow
2 Cash Equivalents includes Cash and Bank Balances
3 The cash flow has been prepared under the "Indirect Method" set out in Accounting Standard -3 'Cash Flow Statement'.

As per our report of even date attached

For, Manubhai & Co.,
Chartered Accountants
Firm registration no: 106041W

(K.C. PATEL)
Partner
Membership No. 30083

Ahmedabad
Dated: May 27, 2013

For and on behalf of the Board,

Falgunbhai Patel
Chairman & Managing Director

Parthiv Patel
Managing Director

Dhaval Pandya
Company Secretary

Ahmedabad
Dated: May 27, 2013

1. SIGNIFICANT ACCOUNTING POLICIES :

1 Basis of Preparation of Financial Statements :

The Company maintains its accounts on accrual basis following the historical cost convention except for the revaluation of certain fixed assets and in accordance with generally accepted accounting principles ["GAAP"] , as well as in compliance with the Accounting Standards referred to in Section 211(3C) and other requirements of the Companies Act, 1956.

2 USE OF ESTIMATES:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

3 RECOGNITION OF INCOME :

(a) Advertisement revenue is recognised as and when advertisement is published/displayed/aired and is disclosed net of trade discounts and service tax.

(b) Sale of newspaper, magazine, waste Paper and scrap is recognised when the significant risk and rewards of ownership have passed on to the buyers and is disclosed net of sales return and discounts.

(c) Sale of real estate is recognised when the significant risks and rewards of ownership have passed on to the customer.

(d) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

(e) Dividend income is recognised when the right to receive the dividend is established.

4 FIXED ASSETS & DEPRECIATION:

(a) Land and Buildings acquired upto 31-03-1994 are stated at revalued amount less accumulated depreciation.

(b) All Other Fixed Assets are stated at historical cost less accumulated depreciation.

(c) Cost includes all expenditure incurred to bring the assets to its present location and condition.

(d) Depreciation has been calculated in accordance with and at the rates specified in Schedule XIV to the Companies Act, 1956.

(e) Depreciation in respect of additions to Machineries from 01-04-1992 is provided on straight line method and in respect of all other fixed assets on written down method.

(f) Depreciation in respect of addition and deletion of assets during the year is provided based on the actual number of days for which assets remained in use.

(g) Value of Tenancy rights is assessed at each balance sheet date for any impairment loss.

(h) Fixed Assets upto a value of ₹5000 are fully depreciated in the year of its acquisition.

5 IMPAIRMENT OF ASSETS :

As at each Balance Sheet date, the carrying amount of assets is tested for impairment so as to determine:

(a) the provision for impairment loss required, if any, or

(b) the reversal required in respect of impairment loss recognised in previous periods, if any

Impairement loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

6 INVENTORIES :

Inventories are valued after providing for obsolescence, as under:-

(a) Raw Materials, Stores, Gift articles and Finished goods.	:	At lower of cost or net realisable value. However, material and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.
(b) Work in progress		
1) Publication	:	At about cost
2) Construction	:	At cost
(c) Trading Goods		
1) Shares/Units	:	At cost or fair value, which ever is lower.
2) Other	:	At lower of cost or net realisable value.

7 INVESTMENTS :

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investment.

Long term investments are stated at cost. Provision is made for diminution in value, other than of temporary nature, of such investment.

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

8 FOREIGN CURRENCY TRANSACTIONS :

Transactions of foreign currency are recorded at the exchange rate as applicable at the date of transactions. Monetary Assets / Liabilities outstanding at the close of the financial year are stated at the contracted and / or appropriate exchange rate at the close of the year and the gain / loss is credited / charged to Statement of Profit & Loss Account.

9 EMPLOYEE BENEFITS :

(a) Short term employee benefits are charged off in the year in which the related services are rendered.

(b) **Defined Contribution Plan :**

Contribution to Provident Fund and Pension Fund Scheme are paid in accordance with applicable statutes and deposited with the Regional Provident Fund Commissioner.

(c) **Defined Benefit Plan :**

Liabilities in respect of post employment benefit (gratuity) have been determined at present value of the amount payable towards contribution based on actuarial valuation made by an independent actuary as at the balance sheet date. The actuarial gains or losses are recognised immediately in the Statement of profit and loss account.

The Company makes contributions to a trust to fund the gratuity liability. Under this scheme, the obligation to pay gratuity remains with the Company.

10 SEGMENT ACCOUNTING :

Segment accounting policies are in line with the accounting policies of the Company, In addition, the following specific accounting policies have been followed for segment reporting:

(a) Segment revenue includes sales & other income directly identifiable with/allocable to the segment, including inter segment revenue.

(b) Expenses that are directly identifiable with/allocable to segments are considered for determining the Segment Result.

(c) Income/Expense which relate to the Company as a whole and not allocable to segments are included in "Unallocable Corporate Income/Expense".

(d) Segment assets & liabilities include those directly identifiable with the respective segments.

(e) Unallocable corporate assets and liabilities represent the assets & liabilities that relate to the Company as a whole and not allocable to any segment.

11 INCOME TAXES :

(a) Income tax charge or credit comprises current tax and deferred tax charge or credit.

(b) Current tax is provided at current tax rates based on assessable income.

(c) Deferred tax asset/liability are recognised at the tax rates and tax laws that have been enacted or substantively enacted by Balance Sheet date based on the tax effect of timing differences resulting from the recognition of items in the financial statements and in estimating its current tax provision. Deferred tax assets are recognised, if there is a reasonable certainty of realisation. Deffered tax effects are reviewed at each Balance Sheet Dates.

12 PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS :

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

13 BORROWING COST:

Borrowing costs attributable to the acquisition and construction of assets are capitalized as part of the cost of such assets up to the date when such asset is ready for its intended use. Other borrowing cost are treated as revenue expenditure.

14 LEASES

Leases are classified as operating leases where the lessor effectively retains substantially all the risks and benefits of the ownership of the leased assets. Operating lease payments are expensed with reference to lease terms and other considerations.

15 GENERAL:

Accounting Policies not specifically referred to are consistent with generally accepted accounting practice.

Notes to Financial Statements:

Note No.	Particulars	As at March 31, 2013 ₹ in Lacs	As at March 31, 2012 ₹ in Lacs
2	**Share Capital**		
	(a) Authorized :		
	1,50,00,000 (P.Y. 1,50,00,000) Equity Shares of ₹ 10 each	1,500.00	1,500.00
	(b) Issued & Subscribed:		
	75,69,421 (P.Y. 85,29,421) Equity Shares of ₹ 10 each	756.94	852.94
	(c) Paid up :		
	75,69,421 (P.Y. 85,29,421) Equity Shares of ₹ 10 each	756.94	852.94
	Total Share Capital	**756.94**	**852.94**

(d) Rights, preferences and restrictions :

(i) The Company has only one class of equity shares referred to as equity shares having a par value of ₹ 10. Each holder of equity share is entitled to one vote per share.

(ii) Dividends, if any, is declared and paid in Indian Rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

(iii) In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

(e) During the year, the Company has bought back and extinguished 9.60 Lacs Equity Shares of ₹ 10/- each at a price of ₹302/- per share, for an aggregate amount of ₹2899.20 Lacs, through the Tender Offer process, in terms of the buy back offer made by the Board of Directors of the Company.

(f) 1,18,193 Equity Shares were bought back in the financial year 2009-10

(g) Details of shareholders holding more than 5 per cent shares :

Sr. No.	Name of the Shareholder	2012-2013		2011-2012	
		No. of Shares	% of Shareholding	No. of shares	% of Shareholding
1	Satlon Enterprise Private Limited	1,898,150	25.08%	1,898,150	22.25%
2	Satyesh Prochem LLP	1,275,777	16.85%	1,275,777	14.96%
3	Parthiv Falgunbhai Patel	1,189,100	15.71%	1,189,100	13.94%
4	Scabious Enterprise LLP	420,831	5.56%	420,831	4.93%
5	Falgunbhai Chimanbhai Patel	386,350	5.10%	386,350	4.53%

(h) Reconciliation of number of shares outstanding: (in Nos)

Particulars	As at March 31, 2013	As at March 31, 2012
Equity Shares at the beginning of the year	8,529,421	8,529,421
Less: Shares cancelled on buy back	960,000	-
Equity Shares at the end of the year	**7,569,421**	8,529,421

Note No.	Particulars	As at March 31, 2013 ₹ in Lacs	As at March 31, 2012 ₹ in Lacs
3	**Reserves and Surplus**		
	(a) Capital Reserves		
	As per last Balance Sheet	0.44	0.44
		0.44	**0.44**
	(b) Security Premium		
	As per last Balance Sheet	4,119.82	4,119.82
	Less: Premium on Buyback of Equity Shares	2,803.20	-
		1,316.62	**4,119.82**
	(c) Revaluation Reserve		
	As per last Balance Sheet	100.45	144.48
	Less: Difference of depreciation on revalued figures & book value of fixed assets	0.40	0.43
	Less: Adjustments on account of sale/discard of assets	-	43.60
		100.05	**100.45**
	(d) General Reserve		
	As per last Balance Sheet	27,584.79	23,584.79
	Add: Transferred from Statement of Profit & Loss	4,000.00	4,000.00
		31,584.79	**27,584.79**
	(e) Surplus in the Statement of Profit and Loss		
	As per last Balance Sheet	694.77	1,126.52
	Add: Profit for the year	5,762.48	3,915.21
	Less: Appropriations made during the year		
	- Proposed Dividend (Dividend per Share ₹4/- (Previous Year ₹3.5/-)	302.78	298.53
	- Tax on Dividend	51.46	48.43
	- Transfer to General Reserve	4,000.00	4,000.00
		2,103.01	**694.77**
	Total	**35,104.91**	**32,500.27**
4	**Deferred Tax Liabilities**		
	The Company has computed Deferred Tax Liabilities of ₹ **650.42** Lacs and Deferred Tax Assets of ₹ **65.49** Lacs as on 31st March, 2013 on the following items of timing differences :		
	a. Deferred Tax Liabilities:		
	Difference between written down value of fixed asstes as per Income Tax Act and Companies Act	650.42	715.37
	b. Deferred Tax Assets :		
	Disallowance under the Income Tax Act, 1961	65.49	59.38
	c. Net Deferred Tax Liability (a – b)	**584.93**	**655.99**
5	**Other Long-term Liabilities (Unsecured)**		
	Deposits from Agents and Others	830.58	746.49
	Total	**830.58**	**746.49**

Note No.	Particulars	As at March 31, 2013 ₹ in Lacs	As at March 31, 2012 ₹ in Lacs
6	**Long-term provisions**		
	Provision for employee benefits.		
	Gratuity	155.98	96.33
		155.98	**96.33**

The Company's gratuity plan is funded. The following table sets out the status of the gratuity plan as required under Accounting Standard 15 "Employee Benefits" and the reconciliation of opening balances of the present value of the defined benefit obligation.

	Particulars	**For year ended March 31, 2013 ₹ in Lacs**	**For year ended March 31, 2012 ₹ in Lacs**
I	**Changes in Present Value of Obligations:**		
	Present Value of Obligation as at the beginning of the year	239.72	232.31
	Current Service Cost	14.51	14.42
	Interest Cost	20.38	19.16
	Actuarial (gain) / Loss on obligations	62.22	(5.99)
	Benefits paid	(13.79)	(20.18)
	Present value of Obligation as at the end of the year	**323.04**	**239.72**
II	**Changes in the fair value of Plan assets as on 31st March, 2013:**		
	Fair Value of Plan Assets at the beginning of the year	125.84	122.30
	Expected Return on Plan Assets	10.82	9.78
	Contributions	18.00	19.05
	Benefits paid	(13.79)	(20.18)
	Actuarial Gain on Plan Assets	(4.51)	(5.11)
	Fair Value of Plan Assets at the end of the year	**136.36**	**125.84**
	Funded Status	186.68	113.88
	Total Actuarial Gain to be recognised	**(66.73)**	**0.87**
III	**The amount recognised in balance sheet:**		
	Present value of Obligation as at the end of the year	323.04	239.72
	Fair Value of Plan Assets at the end of the year	136.36	125.84
	Net Liability recognized in Balance sheet	186.68	113.88
IV	**Amount recognised in Profit and Loss Account:**		
	Current Service Cost	14.51	14.42
	Interest Cost	20.38	19.16
	Expected Return on Plan Assets	(10.82)	(9.78)
	Net Actuarial (gain) / Loss recognised in the year	66.73	(0.87)
	Expenses Recognized in the Statement of Profit & Loss	90.80	22.93

	Particulars	For year ended March 31, 2013 ₹ in Lacs	For year ended March 31, 2012 ₹ in Lacs
V	**Assumptions:**		
	Discount Rate	8.25%	8.50%
	Expected Rate of Return on Plan Assets	8.70%	8.60%
	Salary Escalation	4.00%	4.00%
VI	**Investment Details:**		
	Government of India Securities	11.76	11.76
	State Govt Securities	5.89	5.89
	Bonds of PSU	10.12	10.12
	Others (Including bank balance)	108.59	98.07
	Total	**136.36**	**125.84**

VII Investment Details:

The estimates of rate of escalation in salary considered in actuarial valuation, taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

Note No.	Particulars	As at March 31, 2013 ₹ in Lacs	As at March 31, 2012 ₹ in Lacs
7	**Short-term borrowings**		
	(a) Loans From Banks (Secured)		
	• Working capital Loan	3,772.06	4,098.99
	• Short Term Loan	-	2,000.00
	• Overdraft (Secured against fixed deposits with bank)	1,227.84	-
		4,999.90	**6,098.99**
	(b) Loans and advances from related parties (Unsecured)		
	• from Directors (See Note no 33)	376.95	1,866.54
	• from Related Parties (See Note no 33)	1,390.77	199.76
		1,767.72	**2,066.30**
	Total	**6,767.62**	**8,165.29**
	The working capital loan and demand Loan are secured against charge over all movable fixed assets of the company, whereas short term loan is secured by way of extension of mortgage charge on commercial properties of Promoter company & Negative lien on Fully Compulsory Covertible Debentures of Applewoods Estate Pvt Ltd held by company in respect of Short-term Loan.		
8	**Trade Payables**		
	Trade Payable	793.77	1,344.49
		793.77	**1,344.49**

(i) Trade payables include ₹ NIL (Previous year ₹ NIL) due to creditors registered with the company as per the provisions of Micro, Small and Medium Enterprises Development Act, 2006 (MSME).

(ii) No interest is paid / payable during the year to Micro, Small and Medium Enterprises.

(iii) The above information has been determined to the extent such parties could be identified on the basis of information available with the Company regarding the status of suppliers under the MSME.

Note No.	Particulars	As at March 31, 2013 ₹ in Lacs	As at March 31, 2012 ₹ in Lacs
9	**Other current liabilities**		
	(a) Advance from customers	1,827.57	1,573.79
	(b) Unpaid Dividend*	74.92	65.03
	(c) Deposits	-	2.15
	(d) Statutory dues	56.94	31.55
	(e) Other liabilities	3,336.72	2,862.81
	Total	**5,296.15**	**4,535.33**
	* Includes dividend of ₹3.62 Lacs (P.Y. ₹2.97 Lacs) on shares received for transfer but not transferred in the name of buyer based on the opinion obtained and consequently not transferred to Investor Education Protection Fund.		
10	**Short-term provisions**		
	(a) Provision for Gratuity- Current *	30.70	17.55
	(b) Provision for Taxation	2,715.12	2,162.28
	(c) Proposed Dividend	302.78	298.53
	(d) Tax on Dividend	51.46	48.43
	Total	**3,100.06**	**2,526.79**

* Refer note no. 6

11 Fixed Assets

₹ in Lacs

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As On April 1, 2012	Additions	Deduction	As On March 31, 2013	Up To March 31, 2012	For the Year	Sales / Adjustment	Up To March 31, 2013	As On March 31, 2013	As On March 31, 2012
(A) TANGIBLE ASSETS										
Land	1,429.94	0.00	86.23	1,343.71	0.00	0.00	0.00	0.00	1,343.71	1,429.94
Buildings	2,198.55	150.77	90.11	2,259.21	1,016.60	104.35	58.03	1,062.92	1,196.29	1,181.95
Plant & Machineries	8,811.16	343.00	361.45	8,792.71	4,131.74	597.66	337.13	4,392.27	4,400.44	4,679.42
Electric Fittings	227.83	2.34	0.00	230.17	145.51	11.63	0.00	157.14	73.03	82.32
Furniture	166.12	5.25	0.00	171.37	97.00	13.66	0.00	110.66	60.71	69.12
Office Equipments	107.92	24.14	1.41	130.65	64.90	8.02	0.97	71.95	58.70	43.02
Motor Vehicles	537.83	71.53	34.64	574.72	257.69	79.29	33.81	303.17	271.55	280.14
	13,479.35	**597.03**	**573.84**	**13,502.54**	**5,713.44**	**814.61**	**429.94**	**6,098.11**	**7 404.43**	**7,765.91**
(B) INTANGIBLE ASSETS										
Tenancy Right	56.00	0.00	0.00	56.00	0.00	0.00	0.00	0.00	56.00	56.00
Total (A+B)	**13,535.35**	**597.03**	**573.84**	**13,558.54**	**5,713.44**	**814.61**	**429.94**	**6,098.11**	**7,460.43**	**7,821.91**
Previous year	13,577.07	966.52	1,008.25	13,535.34	5,941.78	654.53	882.88	5,713.43	7,821.91	7,635.29
Capital Work in Progress	—	—	—	—	—	—	—	—	**21.55**	**149.58**

Note No.	Particulars	Face Value (in Rs)	No of Shares/ Bonds	As at March 31, 2013 ₹ in Lacs	As at March 31, 2012 ₹ in Lacs
12	**Non-current investments** (Long term Investments)				
	(a) **IN EQUITY SHARES**				
	TRADE INVESTMENTS				
	FULLY PAID EQUITY SHARES (UNQUOTED)				
	Hindustan Samachar Co-Op Society Ltd	10	10	0.01	0.01
	Press Trust of India Ltd	15	15	0.02	0.02
	(b) **OTHER THAN TRADE INVESTMENTS**				
	FULLY PAID EQUITY SHARES (UNQUOTED)				
	Applewoods Estate Pvt. Ltd. (Class A)	10	1,58,168 (P.Y. 1,00,000)	3,444.39	2,146.35
	Manekchowk Co-Op Bank Ltd	25	1,624	0.41	0.41
	(c) **DEBENTURES & OTHER SECURITIES (UNQUOTED)**				
	Applewood Estate Pvt. Ltd.- 15.5% - FCCD - A	100	4,148,825	4,149.13	4,149.13
	Applewood Estate Pvt. Ltd.- 15.5% - FCCD - B	100	7,604,815	8,211.25	8,211.25
	(d) **FULLY PAID EQUITY SHARES (QUOTED)**				
	MOIL Limited	10	1,703	6.39	6.39
	(e) **INVESTMENT IN PARTNERSHIP FIRM***			5.00	-
	(f) **IN GOVERNMENT SECURITIES (UN QUOTED)**				
	National Savings Certificates (Deposited with Sales Tax Authorities)			0.01	0.01
	(g) **INVESTMENT PROPERTY**			75.00	75.00
	Total			**15,891.61**	**14,588.57**
	Aggregate cost of quoted investments			6.39	6.39
	Aggregate cost of unquoted investments			15,805.22	14,507.18
	Aggregate Market value of quoted investments			3.78	4.27

* Particulars of investment in capital of Partnership Firm- Saujanya Developers

Name of Partners	% of Profit Sharing	Capital as on 31.3.2013 (₹ in Lacs)
The Sandesh Limited	50%	5.00
Saumya Construction Pvt Ltd	50%	5.00

Note No.	Particulars	As at March 31, 2013 ₹ in Lacs	As at March 31, 2012 ₹ in Lacs
13	**Long-term loans and advances (Unsecured & considered good)**		
	Security Deposits	472.02	163.42
	Due from Revenue Authorities	599.20	554.72
	Total	**1,071.22**	**718.14**
14	**Inventories**		
	(a) Raw materials	1,429.79	961.18
	(b) Work-in-progress	-	35.52
	(c) Finished goods	-	0.66
	(d) Stock-in-trade (in respect of goods acquired for trading);	874.64	1,767.15
	(e) Stores and spares	211.48	270.44
	Total	**2,515.91**	**3,034.95**

Note No.	Particulars	As at March 31, 2013 ₹ in Lacs	As at March 31, 2012 ₹ in Lacs
15	**Trade Receivables (unsecured)**		
	(a) Outstanding for a period exceeding six months -		
	Considered good	485.62	322.85
	Doubtful	4.41	63.53
		490.03	386.38
	(b) Others - considered good		
	Considered good	4,477.65	5,891.31
	Doubtful	-	-
		4,477.65	5,891.31
		4,967.68	**6,277.69**
	Less : Provision for Doubtful Debts	(4.41)	(63.53)
	Total	**4,963.27**	**6,214.16**
16	**Cash and Bank Balances**		
	(i) Cash on hand	72.82	60.49
	(ii) Balances with banks		
	in current Accounts #	217.07	454.04
	in fixed deposits*	2,442.13	11.07
	Total	**2,732.02**	**525.60**
	# Includes Unclaimed Dividend of ₹75.12 Lacs(P.Y. ₹65.23 Lacs)		
	* Includes fixed deposit of ₹117.43 Lacs (P.Y. ₹5.15 Lacs) maturing after 12 months from balance sheet date		
	Includes fixed deposit of ₹230.00 Lacs (P.Y. ₹Nil) under lien with the bank as security against overdraft		
17	**Short-term loans and advances** (Unsecured, Considered Good unless otherwise stated)		
	(a) Loans (includes ₹2830.39 Lacs(P.Y.₹6100.34 lacs) secured against Equitable Mortgage and ₹1500.00 Lacs (P.Y.₹1000.00 Lacs) secured against pledge of shares)	12,542.49	14,783.18
	(b) Advance recoverable in cash or kind	190.02	84.27
	(c) Advance recoverable in cash or kind from Related parties	115.10	-
	(d) Deposit	623.67	360.90
	(e) Advance Income-tax, Fringe Benefit-tax & Tax deducted at source (includes ₹ (P.Y. ₹545.18 lacs) paid / adjusted under protest)	2,392.05	1,794.00
	Total	**15,863.33**	**17,022.35**
18	**Other current assets**		
	Interest accrued but not due on Fixed Deposits with banks and others	2,871.60	1,348.66
	Total	**2,871.60**	**1,348.66**

Note No.	Particulars	For the year 2012-13 ₹ in Lacs	For the year 2011-12 ₹ in Lacs
19	**Revenue from Operations :**		
	(a) Turnover (Net of discounts)		
	(i) Sale of Publications*	7,165.82	6,130.49
	(ii) Revenue from Advertisement Space - Newspaper	15,820.57	14,440.93
	(iii) Revenue from Advertisement - Telecast	140.53	-
	(iv) Revenue from Advertisement Space - OOH	1,756.38	1,179.84
		24,883.30	21,751.26
	(b) Other operating revenues		
	(i) Interest	2,132.56	2,239.22
	(ii) Interest on Debenture	1821.81	1,662.73
	(iii) Bad debts recovery	167.19	17.48
	(iv) Sale of Trading Goods	1,101.19	1,031.34
	(v) Other Income	566.38	518.34
		5,789.13	5,469.11
	Total (a+b)	**30,672.43**	**27,220.37**
	* **Sales of Publications include sales of:**		
	Daily Publications	6 961.86	5 997.59
	Weekly & Yearly Publications	203.96	132.90
		7 165.82	**6 130.49**
20	**Other Income**		
	(a) Interest on Income tax refund	-	2.87
	(b) Dividend	141.24	26.05
	(c) Rent	0.06	14.48
	(d) Income from Windmill	16.84	12.94
	(e) Excess provision written back	64.35	9.71
	(f) Sundry creditors written back	-	129.74
	(g) Profit on sale of Investments (Short Term)	-	1.09
	(h) Profit on conversion of land into stock-in-trade	17.90	14.43
	(i) Gain on Exchange rate fluctuation	71.09	6.08
	(j) Miscellaneous Income	19.97	7.31
	Total	**331.45**	**224.70**
21	**Cost of material consumed**		
	Newsprint Consumed	11,983.83	11,321.63
	Total	**11,983.83**	**11,321.63**
22	**Purchases/ Cost of Goods sold : Stock-in-trade**		
	(i) Bullion	968.59	2,010.91
	(ii) Real Estate	42.86	14.43
	(iii) Other Items	-	4.67
		1,011.45	**2,030.01**
	Less: Changes in Inventories	(49.33)	(1,100.35)
	Total	**962.12**	**929.66**

Note No.	Particulars	For the year 2012-13 ₹ in Lacs	For the year 2011-12 ₹ in Lacs
23	**Employee Benefits Expense**		
	(a) Salaries/wages and contribution to PF fund	1,284.86	954.52
	(b) Managing Directors Remuneration & Commission	785.73	664.67
	(c) Staff welfare expenese	6.35	0.92
	Total	**2,076.94**	**1,620.11**
24	**Finance Cost**		
	Interest		
	To Bank	197.91	465.04
	To Directors	152.35	400.16
	To others	187.53	114.85
	Total	**537.79**	**980.05**
25	**Other expenses**		
	(a) Power and fuel	346.95	284.52
	(b) Stores and spares consumed	1,679.11	1,258.09
	(c) Repairs to:-		
	Buildings	54.34	68.78
	Machinery	28.77	144.80
	Others	63.95	43.09
		147.06	**256.67**
	(d) Feature, Newsgathering and purashkar expenses	267.14	525.71
	(e) News service/LL/Internet and telephone expenses	136.83	85.84
	(f) Insurance Premium	10.77	34.74
	(g) Rent	45.32	20.99
	(h) Rates and taxes	32.29	18.71
	(i) Audit Fees	6.90	8.48
	(j) Directors' sitting fees	-	0.07
	(k) Provision for doubtful debts	4.41	63.53
	(l) Loss on sale of Investments	-	0.17
	(m) Bad Debts written off	334.89	218.58
	(n) Donation	30.32	30.72
	(o) Travelling expenses	46.12	68.91
	(p) License fee, mounting fee & other expenses	1,589.80	917.04
	(q) Professional & Legal expenses	106.09	167.11
	(r) Selling expenses		
	Parcel/distribution expenses	534.68	474.71
	Cash discounts	670.88	621.68
	Business promotion expenses	377.78	441.01
	Distribution Expenses	227.87	-
	Commission	53.95	59.28
		1,865.16	**1,596.68**
	(s) Miscellaneous Expenses	884.71	454.00
	Total	**7,533.87**	**6,010.56**
	* **Payments to the auditors**		
	(a) For Statutory audit	3.37	3.31
	(b) For Certification	3.53	5.17
		6.90	**8.48**

Note No.	Particulars		For the year 2012-13 ₹ in Lacs	For the year 2011-12 ₹ in Lacs
26	**Exceptional Items**			
	(a) (Loss) on sale/discard of assets		(12.77)	(71.62)
	(b) Profit on sale of fixed assets		975.46	4.34
	The net effect of (loss)/profit on sale/discard is included in Statement of Profit and Loss		**962.69**	**(67.28)**
27	**Earning Per Share:**			
	(a) Net Profit after Tax (Amount in lacs)		5,762.48	3,915.21
	(b) Total Weighted Average Number of Shares for Basic and Diluted Earning		8,495,229	8,529,421
	(c) Basic and Diluted Earning per share in rupees		**67.83**	**45.90**
28	**(a) Raw Material consumption :**			
	Newsprint		11 983.83	11 321.63
	(b) Value of imported and indigenous Raw Materials consumed and percentage thereof to the total consumption. (Including imports through Agents)			
	Imported	₹ in lacs	4 585.32	358.54
		%	38.26	3.17
	Indigenous	₹ in lacs	7 398.51	10 963.09
		%	61.74	96.83
	(c) Value of Imported and Indigenous Spare Parts and Components consumed and percentage thereof to the total consumption.			
	Imported	₹ in lacs	-	-
		%	-	-
	Indigenous	₹ in lacs	1 679.11	1 258.09
		%	100.00	100.00
	(d) Value of Imports on CIF basis in respect of:			
	Raw Materials: Newsprint (Including imports through agents)		5 821.49	31.60
	Capital Goods		101.41	-
	(e) Expenditure in Foreign Currency :-			
	Travelling		-	14.51
	Legal Expenses		2.77	1.37
	Membership Fees		-	0.13
	Software Expenses		20.91	-
	(f) Earnings in Foreign Currency :-			
	Service Charges		1.04	2.77

	2012-13 ₹ in Lacs	2011-12 ₹ in Lacs
29 Details Of Trading Activity :		
(a) Equity Shares		
Opening Stock	**243.48**	**225.68**
Sales/Adjustment	-	-
Closing Stock	**292.81**	**243.48**
(b) Real Estate		
Opening Stock	**386.92**	**407.05**
Construction / Acquisition	-	14.43
Sales	74.87	64.94
Closing Stock	**361.95**	**386.92**
(c) Bullions		
Opening Stock	**1102.44**	**0.00**
Purchases / Conversion	-	2010.91
Sales/Adjustment	1026.32	962.19
Closing Stock	**133.85**	**1102.44**
30 Contingent liabilities and commitments (to the extent not provided for)		
(a) **Contingent liabilities**		
(i) Claims against the company not acknowledged as debt	Amount not Determined	Amount not Determined
(ii) Income-tax demand of ₹1103.04 lacs (Previous year ₹1398.11 lacs) including provisional demand of ₹688.75 lacs (previous year ₹688.75 lacs) has been raised against the company for various Assessment Years, which has not been acknowledged as debt in view of legal opinion and various judicial pronouncements. Appeals & rectification applications filed against the same as well as appeal effect orders for these years are still pending. Such demands have been paid/adjusted against refunds due except the provisional demand)		
(b) **Commitments**		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for	527.71 Lacs	46.75 Lacs

31 No adjustment has been made in the accounts in respect of claims, under arbitration.

32 SEGMENT INFORMATION:

Information about Primary business segments as at / for the year ended: ₹ in Lacs

Particulars	Media		Finance		Other		Unallocable		Eliminations		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
1 Segment Revenue												
External Turnover	25772.28	22435.59	3954.37	3901.95	1101.19	1031.34	176.04	76.19	-	-	31003.88	27445.07
Add : Intersegment Turnover	-	-	-	336.81	-	-	-	-	-	(336.81)	-	-
Net Turnover	**25772.28**	**22435.59**	**3954.37**	**4238.76**	**1101.19**	**1031.34**	**176.04**	**76.19**	**-**	**(336.81)**	**31003.88**	**27445.07**
2 Segment Result before Interest	3497.60	2543.08	3312.73	3177.70	139.07	99.94	-	-	-	-	6949.20	5820.72
Less: Interest Expense	-	-	-	-	-	-	-	-	-	-	-	-
Add: Interest Income	-	-	-	-	-	-	-	-	-	-	-	-
Add:Unallocable income	-	-	-	-	-	-	145.72	40.96	-	-	145.72	40.96
Add: Exceptional Item	-	-	-	-	-	-	962.69	-	-	-	962.69	0.00
Profit Before Tax	**3497.60**	**2543.08**	**3312.73**	**3177.70**	**139.07**	**99.94**	**1108.41**	**40.96**	**-**	**-**	**8057.81**	**5861.68**
Current Tax - Income-tax	-	-	-	-	-	-	2550.00	1896.06	-	-	2550.00	1896.06
Adjustment of Previous year taxes	-	-	-	-	-	-	(183.61)	-	-	-	(183.61)	-
Deferred Tax	-	-	-	-	-	-	(71.06)	50.41	-	-	(71.06)	50.41
Profit After Tax	**3497.60**	**2543.08**	**3312.73**	**4157.75**	**139.07**	**99.94**	**(1370.53)**	**(2885.56)**	**-**	**-**	**5762.48**	**3915.21**
3 Other Information												
Segment Assets	16447.45	16727.58	17856.22	14794.25	803.61	1732.84	18283.64	18160.93	-	-	53390.92	51415.60
Segment Liability	7012.10	6666.79	6787.76	4066.30	-	-	3729.21	7329.28	-	-	17529.07	18062.37
Capital Expenditure	469.00	993.49	-	-	-	-	-	-	-	-	469.00	993.49
Depreciation	814.21	654.10	-	-	-	-	-	-	-	-	814.21	654.10

Note: The Company has identified two business segments namely, Media and Finance.

33 Related Parties Disclosure:

I (a) Name of Key Management Personnel :

1 Shri Falgunbhai Patel Chairman & Managing Director

2 Shri Parthiv Patel Managing Director

(b) Relatives of Key Managerial Personnel:

1 Smt. Pannaben F. Patel

2 Smt. Ritaben C. Patel

3 Smt. Nishi P. Patel

(c) Enterprise over which Key Management Personnel having control or significant influence:

1 Satlon Enterprise Pvt Ltd

2 Dhanali Stock Holdings Pvt Ltd

3 Sandesh Procon LLP

4 Saintfoint Enterprise LLP

5 Scabious Enterprise LLP

6 Satyesh Prochem LLP

7 Applewoods Estate Pvt Ltd

8 Nilsan Realty LLP

9 Autumnleaf Estates Pvt Ltd

10 Lilavati Chimanbhai Patel Charitable Trust

II Particulars of transactions with related parties. The transactions are disclosed in aggregate value for the year:

₹ in Lacs

Particulars	2012-13				2011-12			
	Associates	Key Management pesonnel (Managing Director Wholetime Director Manager & Other Managerial personnel)	Relatives of Key Management pesonnel (Spouse, Son, daughter, brother, sister, father mother who may influence or be influenced by such personnel or their relatives)	Total	Associates	Key Management pesonnel (Managing Director Wholetime Director Manager & Other Managerial personnel)	Relatives of Key Management pesonnel (Spouse, Son, daughter, brother, sister, father mother who may influence or be influenced by such personnel or their relatives)	Total
Remuneration	-	785.73	4.20	**789.93**	-	665.72	4.20	**669.92**
Loans Given / Repayment	2058.78	4137.74	1031.12	**7227.64**	1755.35	7405.74	20.39	**9181.48**
Loans Taken	2790.86	3656.36	481.85	**6929.07**	1955.11	8708.00	574.66	**11237.77**
Purchase of Fixed Assets	-	-	-	-	0.95	-	-	**0.95**
Capital Advance	115.10	-	-	**115.10**	-	-	-	-
Rent Expenses	25.59	1.55	1.10	**28.24**	1.07	4.16	1.20	**6.43**
Balance Outstanding as at the year end	1385.77	376.95	5.00	**1767.72**	199.76	1312.27	554.27	**2066.30**
Dividend Paid	142.76	55.14	0.58	**198.48**	155.74	70.43	0.67	**226.84**
Interest Paid	213.04	91.28	31.39	**335.71**	75.06	341.25	58.91	**475.22**
Interest Received	1821.81	-	-	**1821.81**	1662.73	-	-	**1662.73**
Sales	29.79	-	-	**29.79**	72.69	-	-	**72.69**
Purchase	1.45	-	-	**1.45**	0.87	-	-	**0.87**
Donation	30.00	-	-	**30.00**	30.00	-	-	**30.00**

III **Disclosure of material transactions with Related Party:**

		For year ended March 31,2013 ₹ in Lacs	For year ended March 31,2012 ₹ in Lacs
1	Remuneration to Key Management Personnel		
	a Mr Parthiv Patel	392.04	332.86
	b Mr Falgun Patel	392.87	332.86
2	Loan taken from		
	a Mr Parthiv Patel	1361.39	3303.49
	b Mr Falgun Patel	2294.97	5404.51
	c Satlon Enterprise Private Limited	2612.59	-
3	Loan repayment to		
	a Mr Parthiv Patel	1886.24	2778.63
	b Mr Falgun Patel	2251.50	4627.10
	c Smt. Pannaben F. Patel	1031.12	-
	d Satlon Enterprise Pvt Ltd	1558.22	912.39
4	Purchase of fixed assets		
	Applewoods Estate Pvt Ltd	-	0.95
5	Capital Advance		
	Applewoods Estate Pvt Ltd	115.10	-
6	Rent Expenses		
	a Mr Parthiv Patel	-	0.97
	b Mr Falgun Patel	-	1.80
	c Falgun Patel HUF	-	1.39
	d Smt. Nishiben P. Patel	-	1.20
	e Satlon Enterprise Pvt. Ltd.	24.09	1.07
7	Dividend Paid		
	a Mr Parthiv Patel	41.62	47.56
	b Mr Falgun Patel	-	22.87
	c Satlon Enterprise Pvt. Ltd.	66.44	75.93
	d Satyesh Prochem LLP	44.65	51.03
8	Interest Paid		
	a Mr Parthiv Patel	48.93	115.89
	b Mr Falgun Patel	42.35	68.10
	c Mr Falgun Patel HUF	56.76	157.26
	d Satlon Enterprise Private Limited	156.08	58.91
	e Mrs Pannaben Patel		
9	Interest Received		
	Applewoods Estate Private Limited	1821.81	1662.73
10	Sales		
	a Applewoods Estate Private Limited	-	53.27
	b Sandesh Procon LLP	-	19.42
	c Nilsan Realty LLP	29.79	-
11	Purchase		
	a Sandesh Procon LLP	1.45	-
	b Applewoods Estate Private Limited	-	0.87

34 Previous year figures have been re grouped/ re classified / re arranged to make them comparable with those of current year's classification.

NOTES :

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THE SANDESH LIMITED

Regd. Office: - "SANDESH BHAVAN", Lad Society Road, B/h. Vastrapur Gam, P.O. Boadakdev, Ahmedabad–380054

ATTENDANCE SLIP

PLEASE FILL IN ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL. JOINT SHAREHOLDERS MAY OBTAIN ADDITIONAL ATTENDANCE SLIP ON REQUEST.

REGD. FOLIO NO. : _____

NAME OF THE SHAREHOLDER OR PROXY* #DP ID & CLIENT ID NO : _____

No. of Shares held : _____

_____

*Strike out whichever is not applicable

#Applicable for investors holding shares in electronic form.

I, hereby record my presence at the 70th ANNUAL GENERAL MEETING of the Company held on Thursday, the 5th day of September, 2013 at 10:00 a.m. at Gujarat Law Society Auditorium, G.L.S. College Campus, Opp. Law Garden, Ellisbridge, Ahmedabad - 380 006.

_____

SIGNATURE OF THE SHARE HOLDER/PROXY*

THE SANDESH LIMITED

Regd. Office: - "SANDESH BHAVAN", Lad Society Road, B/h. Vastrapur Gam, P.O. Boadakdev, Ahmedabad–380054

PROXY FORM

REGD. FOLIO NO. : _____

#DP ID & CLIENT ID NO : _____

No. of Shares held : _____

I/We _____ of _____

_____ being a member(s) of THE SANDESH LIMITED hereby appoint _____

_____ of _____

or falling him _____ of

_____

as my/our proxy to vote for me/us and on my/our behalf at the 70th ANNUAL GENERAL MEETING of the Company to be held on Thursday, the 5th day of September, 2013 at 10:00 a.m. or at any adjournment thereof.

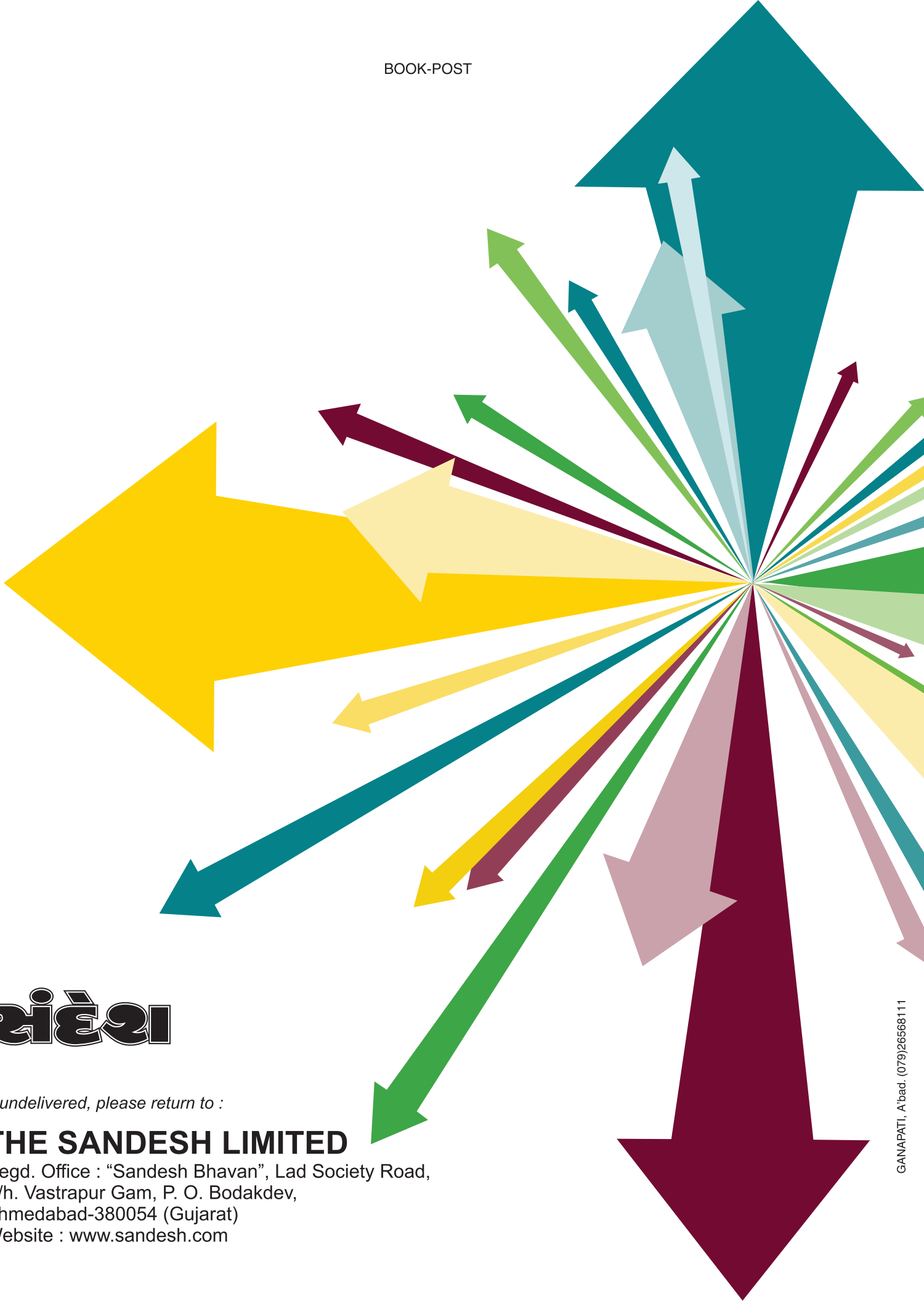
Signed this _____ day of _____, 2013

Affix 15 paisa Revenue Stamp

NOTE:

The Proxy must be returned so as to reach the Registered Office of the Company not less then 48 hours before the time for holding the aforesaid meeting. The Proxy need not be member of the Company. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

BOOK-POST



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If undelivered, please return to :

THE SANDESH LIMITED

Regd. Office : “Sandesh Bhavan”, Lad Society Road,
B/h. Vastrapur Gam, P. O. Bodakdev,
Ahmedabad-380054 (Gujarat)
Website : www.sandesh.com

GANAPATI, A'bad. (079)26568111