

**SAINT GOBAIN CERAMIC MATERIALS
BHUTAN PRIVATE LIMITED**

BALANCE SHEET AS AT 31ST DECEMBER, 2010

AND

**PROFIT AND LOSS ACCOUNT & CASH FLOW
STATEMENT FOR THE YEAR ENDED
31ST DECEMBER, 2010**

RAY & RAY
Chartered Accountants

Kolkata Mumbai Delhi Bangalore Chennai Tirunneveli

DIRECTORS' REPORT

To

The Members,
Saint-Gobain Ceramic Materials Bhutan Pvt. Ltd.

Your Directors have pleasure in presenting the Fourth Annual Report of your Company along with the Audited Accounts for the year ended 31st December, 2010.

Financial Highlights

	(In Nu.)	
	2010	2009
Sales	453,062,367	181,378,994
Other Income	1,505,123	67,300
Increase in finished goods	5,659,445	-
Total Income	460,226,934	181,446,294
Expenditure	395,849,614	152,658,765
Profit/(Loss) before Depreciation and Tax	64,377,320	28,787,529
Depreciation	47,698,459	28,098,371
Operating Profit	16,678,861	689,158
Interest	30770235	15804873
Profit/(Loss) before Tax	(14,091,374)	(15,115,714)
Provision for Taxation	-	-
Profit / (Loss) after Tax	(14,091,374)	(15,115,714)
Balance carried forward from Last year	(18,841,210)	(3,725,496)
Balance carried to Balance Sheet	(32,932,584)	(18,841,210)

Development & Outlook

Year 2010, was the first full year of operation for your Company. The Company made a profit at operating level (before interest). The production has been ramped up and except for few months in the second half of the year, the capacity utilization was above 90%. With technical support from the parent company, your company will be able to stabilize the production process and ensure the consistency in the quality of the product.

Auditors' Report

There is no reservation, qualification or adverse remark in the auditor's report for the financial year ended on 31st December 2010.


Auditors

M/s Ray & Ray, Chartered Accountants, Kolkata, India, are retiring as per the provisions of the Companies Act of the Kingdom of Bhutan, 2000 at the conclusion of the forthcoming Annual General Meeting. M/s Ray & Ray, Chartered Accountants, Kolkata, India, are eligible and willing to act as the Auditors of the Company from the conclusion of the forthcoming Annual General Meeting until the conclusion of the Fifth Annual General Meeting. Your directors recommend appointment of M/s Ray & Ray, Chartered Accountants, as Auditors of the Company at the Fourth Annual General Meeting.

Acknowledgments

Your directors take this opportunity to acknowledge with sincere gratitude the support and co-operation given by the Bhutan Government, Bank of Bhutan Limited, Vendors, Contractors and Shareholders in the completion of the project and smooth functioning of the operations.

For and on behalf of the Board of Directors


ANAND MAHAJAN
CHAIRMAN

Date: 10th May 2011

Place: Pasakha

