



# **Samrat Pharmachem Limited**

**22<sup>nd</sup> Annual Report  
2013-2014**



**Board of Directors**

**CONTENTS**

Sr. No.	Particulars	Page No.
1.	Contents	1
2.	General Information	2
3.	Notice of Annual General Meeting	3
4.	Explanatory Statement	8
5.	Directors' Report	11
6.	Annexure to Directors' Report	15
7.	Secretarial Compliance Certificate	17
8.	Management Discussion & Analysis	21
9.	Corporate Governance Report	23
10.	Certification by CEO	35
11.	Certification by CFO	36
12.	Auditors' Certificate on Corporate Governance	37
13.	Independent Auditors' Report	38
14.	Balance Sheet	43
15.	Profit & Loss Account	45
16.	Schedules to Accounts and Notes forming part of the Accounts	46
17.	Cash Flow Statement	73
18.	Attendance Slip & Proxy Form	75

**BOARD OF DIRECTORS**

<b>Mr. Lalit Mehta</b>	Chairman & Managing Director
<b>Mr. Rajesh Mehta</b>	Executive Director
<b>Mr. Mahendra Pipalia</b>	Director
<b>Mr. Samir Kothary</b>	Director

**REGISTERED OFFICE & FACTORY**

Plot no. A2/3445, GIDC, Phase 4, Ankleshwar - 393 002, Gujarat

**CORPORATE OFFICE**

701/702, Business Square, M. A. Road, Andheri (West), Mumbai - 400 058

**STATUTORY AUDITORS**

**Shah, Shah & Shah**

*Chartered Accountants*

502, Damji Shamji Trade Centre, Vidyavihar (West), Mumbai - 400 086

**PRINCIPAL BANKER**

**ICICI Bank Ltd.**

Sagar Avenue, S. V. Road, Andheri (West), Mumbai - 400 058

**CO-BANKERS**

**HDFC Bank Ltd.**

Jamuna Apts, S. V. Road, Andheri (West), Mumbai - 400 058

**State Bank of India**

Rahul Apartments, S. V. Road, Andheri (West), Mumbai - 400 058

**UCO Bank**

FCC Branch, D. N. Road, Fort, Mumbai - 400 001

**REGISTRARS & SHARE TRANSFER AGENTS**

**Link Intime India Pvt. Ltd.**

C/13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai - 400 078

**NOTICE OF ANNUAL GENERAL MEETING**

NOTICE is hereby given that the **TWENTY-SECOND ANNUAL GENERAL MEETING** of the Members of the Company will be held on Saturday, the 27<sup>th</sup> September, 2014 at 1.00 p.m. at the Registered Office of the Company at Plot No. A2/3445, GIDC, Phase 4, Ankleshwar - 393 002, Gujarat to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31 Mar 2014 and the Profit and Loss Account of the company for the year ended as on that date, together with Directors' and Auditors' Reports thereon.
2. To appoint a Director in place of Mr. Rajesh Mehta, who retires by rotation and being eligible offers himself for re-appointment.

**3. Appointment of Auditors**

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

"Resolved that pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s. Shah, Shah & Shah, Chartered Accountants (Firm Registration No. 116457W; M. No. 049361), be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Twenty Fifth AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM), at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors."

**4. Appointment of Mr. Mahendra Pipalia as an Independent Director of the Company**

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

"Resolved that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. Mahendra Pipalia (DIN 00216959), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from September 27, 2014 upto September 26, 2019."

**5. Appointment of Mr. Samir Kothary as an Independent Director of the Company**

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

"Resolved that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. Samir Kothary (DIN 00216603), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from September 27, 2014 upto September 26, 2019."

**6. Re-appointment of Mr. Lalit Mehta as a Managing Director of the Company**

To consider and if thought fit to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT the Company hereby accords its approval and consent under section 196, 197, 203 and Schedule V and all other applicable provisions of the Companies Act, 2013, if any, to the re-appointment of Mr.

Lalit Damodar Mehta (Din 00216681) as Managing Director of the Company who has attained 78 years of age and to his receiving remuneration, benefits and amenities for a period of 3 years commencing from 1st April, 2014 to 31st March, 2017 upon the terms, conditions and stipulations contained in an agreement entered into between the Company and Mr. Lalit Damodar Mehta, a copy whereof is placed before the meeting and for the purposes of identification, is subscribed by the Chairman hereof, which agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or remuneration and/or agreement as may be agreed to between the Board of Directors and Mr. Lalit Damodar Mehta, provided however that the remuneration payable to Mr. Lalit Damodar Mehta shall not exceed the maximum limits for payment of managerial remuneration in accordance with the laws, policies, rules, regulations or guidelines in force from time to time.”

“RESOLVED FURTHER THAT the Board of Directors be and it is hereby authorised to take all necessary or desirable steps for the aforesaid purpose and matters incidental thereto”.

**7. Re-appointment of Mr. Rajesh Mehta as an Executive Director of the Company**

To consider and if thought fit to pass with or without modification(s) the following resolution as a Special Resolution:

“RESOLVED THAT the Company hereby accords its approval and consent under section 196, 197, 203 and Schedule V and all other applicable provisions of the Companies Act, 2013, to the re-appointment of Mr. Rajesh Lalit Mehta (DIN 00216731) as an Executive Director of the Company and to his receiving remuneration, benefits and amenities for a period of 3 years commencing from 1st April, 2014 to 31st March, 2017 upon the terms, conditions and stipulations contained in an agreement entered into between the Company and Mr. Rajesh Lalit Mehta, a copy whereof is placed before the meeting and for the purposes of identification, is subscribed by the Chairman hereof, which agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or remuneration and/or agreement as may be agreed to between the Board of Directors and Mr. Rajesh Lalit Mehta, provided however that the remuneration payable to Mr. Rajesh Lalit Mehta shall not exceed the maximum limits for payment of managerial remuneration in accordance with the laws, policies, rules, regulations or guidelines in force from time to time.”

“RESOLVED FURTHER THAT the Board of Directors be and it is hereby authorised to take all necessary or desirable steps for the aforesaid purpose and matters incidental thereto”.

## NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY SO APPOINTED NEED NOT BE A MEMBER OR MEMBERS, AS THE CASE MAY BE, OF THE COMPANY.
2. Proxy, if any, in order to be effective, must be received at the Registered Office of the Company at Plot No. A2/ 3445, GIDC, Phase 4, Ankleshwar - 393 002, Gujarat, not less than 48 hours before the commencement of the meeting. Proxies shall not have any right to speak at the meeting.
3. An explanatory statement as required U/s. 102 of the Companies Act, 2013, is annexed to the notice in respect of Item No. 3 To Item No. 7 of agenda of notice.
4. The Register of Members and the Share Transfer Books of the Company will remain closed for a period of 15 days from 13<sup>th</sup> September, 2014 to 27<sup>th</sup> September, 2014 (both days inclusive).
5. Members are requested to kindly notify to the Registrar and Transfer Agent of the company M/s. Link Intime India Pvt Ltd. (Kind Attn : Mr. Sharad Patkar), C/13 Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai - 400 078, immediately of any change in their addresses.
6. Information pursuant to Clause 49 of the Listing Agreement for re-appointment of Directors.

Name of the Director	Date of Birth	Date of Appointment	Qualification	Expertise in specific functional areas	No. of shares held in the company	Directorship in Other companies in India	Chairman/ Member of other committees of other companies
Mr. Rajesh Mehta	25/06/1964	16/06/1992	B.Com, CA	Finance	372,853	Nil	No
Mr. Mahendra Pipalia	09/11/1963	17/03/2003	B.Com, CA	Finance & IT	Nil	Proton Infosolutions Pvt. Ltd.	No
Mr. Samir Kothary	10/10/1962	30/07/2003	B.Sc., DBM	Procurement & Marketing	Nil	Nil	No

7. Members are requested to DEMAT their shares in order to facilitate easy & faster trading in equity shares.
8. Members are requested to quote their Folio / DP Id No. in all their correspondence.
9. Members desirous of having any information regarding accounts are requested to write to the Company at least 7 days in advance of the date of Annual General Meeting so as to enable the Management to keep the information ready.
10. Members are requested to bring their copies of the Annual Report to the Meeting.
11. Members are requested to bring with them the attendance slip and hand it over at the entrance duly signed by them.
12. **Note on Green Initiative :**

As per the circular bearing no. 17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 issued by the Ministry of Corporate Affairs, the companies are requested to send Annual Reports to the shareholders. According to the said circular the company is requesting all shareholders to send their email address to the company at its registered office or to the Registrar & Transfer Agent for necessary processing.

13. In compliance with the provisions of section 108 of the Act and the Rules framed thereunder, the members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all resolutions set forth in this Notice.

The instructions for e-voting are as under:

- A. In case a Member receives an e-mail from CDSL (for Members whose e-mail addresses are registered with the Company/ Depositories):
- i. Open the e-mail and also open PDF file namely "SPL e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
  - ii. Open the internet browser and type the following URL: <https://www.evotingindia.com>.
  - iii. Click on the Shareholder - Login.
  - iv. If you are already registered with CDSL for e-voting then you can use your existing user ID and password.
  - v. If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password.
  - vi. The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.
  - vii. Once the e-voting home page opens, click on e-voting> Active Voting Cycles.
  - viii. Select "EVEN" (E-Voting Event Number) of Samrat Pharmachem Limited. Now you are ready for e-voting as Cast Vote page opens.
  - ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - x. Upon confirmation, the message "Vote cast successfully" will be displayed.
  - xi. Once the vote on the resolution is cast, the Member shall not be allowed to change it subsequently.
  - xii. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG) format) of the relevant Board Resolution/ Authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [aqueelmulla@gmail.com](mailto:aqueelmulla@gmail.com), with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - xiii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) - Shareholders and e-voting user manual - Shareholders, available at the downloads section of [www.evoting.cdsl.com](http://www.evoting.cdsl.com).
- B. In case a Member receives physical copy of the Notice of the AGM (for Members whose email addresses are not registered with the Company/Depositories):
- i. Initial password is provided in the enclosed ballot form : EVEN (E-Voting Event Number), user ID and password.
  - ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xiii) above, to cast vote.
- C. **Other instructions:**
- i. The e-voting period commences on Saturday, September 20, 2014 (9.00 a.m. IST) and ends on Monday, September 22, 2014 (6.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or dematerialized form, as on September 12, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.



- ii. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on September 12, 2014.
- iii. Mr. A. A. Mulla, Practicing Company Secretary (Membership No. FCS 2973), has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
- iv. The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- v. Members who do not have access to e-voting facility may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Mr. A. A. Mulla, Practicing Company Secretary, (Membership No. FCS 2973), at the Registered Office of the Company not later than Monday, September 22, 2014 (6.00 p.m. IST).

Members have the option to request for physical copy of the Ballot Form by sending an e-mail to [samrat@bom4.vsnl.net.in](mailto:samrat@bom4.vsnl.net.in) by mentioning their Folio/ DP ID and Client ID No. However, the duly completed Ballot Form should reach the Registered Office of the Company not later than Monday, September 22, 2014 (6.00 p.m. IST).

Ballot Form received after this date will be treated as invalid.

A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.

- vi. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.samratpharmachem.com](http://www.samratpharmachem.com) and on the website of CDSL [www.evotingindia.co.in](http://www.evotingindia.co.in) within two days of the passing of the resolutions at the twenty-second AGM of the Company on September 27, 2014 and communicated to the BSE Limited, where the shares of the Company are listed.

**By Order of the Board of Directors  
For Samrat Pharmachem Limited**

**Place: Mumbai  
Date: 30<sup>th</sup> May 2014**

**Rajesh Mehta  
Executive Director**

**EXPLANATORY STATEMENT****Pursuant to section 102 of the Companies Act**

As required by Section 102 of the Companies Act, 2013 (Act), the following explanatory statements set out all material facts relating to the business mentioned under Item Nos. 3 to 7 of the accompanying Notice:

**Item No. 3**

This explanatory statement is provided though strictly not required as per Section 102 of the Act.

M/s. Shah, Shah & Shah, Chartered Accountants (Firm Registration No. 116457W; M. No. 049361), were appointed as the statutory auditors of the company for financial year 2013-14 at the Extra-ordinary General Meeting (EGM) held on Saturday, the 29th day of January, 2011.

M/s. Shah, Shah & Shah have been the Auditors of the Company since 2010-14 and have completed a term of four years. Prior to this, M/s Nalin S. Parekh & Co. were the Auditors of the Company till the financial year 2009-10. As per the provisions of Section 139 of the Act, no listed company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. Section 139 of the Act has also provided a period of three years from the date of commencement of the Act to comply with this requirement.

In view of the above, M/s Shah, Shah & Shah, being eligible for re-appointment and based on the recommendation of the Audit Committee, the Board of Directors has, at its meeting held on 30th May, 2014, proposed the appointment of M/s Shah, Shah & Shah as the statutory auditors of the company for a period of three years to hold office from the conclusion of this AGM till the conclusion of the Twenty-Fifth AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM).

The Board commends the Resolution at Item No. 3 for approval by the Members.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors/KMP is concerned or interested in the Resolution at Item No. 3 of the accompanying Notice.

**Item No. 4 and 5**

The Company had, pursuant to the provisions of Clause 49 of the Listing Agreements entered with the Stock Exchanges, appointed Mr. Mahendra Pipalia and Mr. Samir Kothary as independent directors at various times, in compliance with the requirements of the clause.

Pursuant to the provisions of section 149 of the Act, which came into effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation.

The Nominations Committee has recommended the appointment of these directors as Independent directors from September 27, 2014 to September 26, 2019.

Mr. Mahendra Pipalia and Mr. Samir Kothary, non-executive directors of the Company, has given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, each of these directors fulfil the conditions specified in the Act and the Rules framed thereunder for appointment as Independent director and they are independent of the management.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of these directors as Independent directors is now being placed before the Members for their approval.

The terms and conditions of appointment of the above directors shall be open for inspection by the members at the Registered Office of the Company during 11.00 am to 1.00 pm on all working days.

A brief profile of the Independent directors to be appointed is given below:

**Mr. Mahendra Pipalia** aged 50 years is a commerce graduate from the University of Mumbai and a fellow member of the Institute of Chartered Accountants of India. He has wide experience in internal audit, finance, taxation and identification and development of new technologies and software systems for various industries. He advises the Company in accounts, finance, taxation, audit matters, information technology & control systems.

**Mr. Samir Kothary** aged 52 years graduated from Mumbai University with a Science degree with specialization in Chemistry and also holds a Diploma in Business Management from the Indian Merchants Chamber. He is engaged in the business of marketing of pharmaceuticals and chemicals. He has over 22 years of experience in the pharmaceutical and chemical industry. He advises the Company in procurement of raw materials from India and abroad and also suggest policies to establish sales in national and international markets.

The Board commends the Resolution at Item No. 4 & 5 for approval by the Members.

Except Mr. Mahendra Pipalia & Mr. Samir Kothary, none of the Directors or Key Managerial Personnel (KMP) or relatives of directors/KMP is concerned or interested in the Resolution at Item No. 4 & 5 of the accompanying Notice.

#### **Item No. 6 and 7**

The remuneration committee at its meeting held on 31st March, 2014, recommended the re-appointment of Mr. Lalit Mehta, Managing Director of the Company & Mr. Rajesh Mehta, Executive Director of the Company for the period of 3 years from 1st April, 2014 till 31st March, 2017.

In pursuance of the recommendations of the remuneration committee, the Board of Directors at its meeting held on 31st March, 2014, re-appointed the following directors for the period of three years with effect from 1st April, 2014 to 31st March, 2017:

<b>Name of the Director</b>	<b>Re-appointed as</b>
Mr. Lalit Mehta	Managing Director
Mr. Rajesh Mehta	Executive Director

#### **NATURE OF DUTIES**

Mr. Lalit Mehta, Managing Director, shall look after the overall business, administrative, commercial, marketing, technical, financial matters and such other related functions of the Company.

Mr. Rajesh Mehta, Executive Director, shall look after the financial, technical, marketing & administrative matters and such other related functions of the Company.

#### **REMUNERATION**

The directors shall be entitled to the following emoluments, benefits and perquisites during the period of their employment subject to the ceiling limits laid down in Section 196, 197, 203 and Schedule V of the Companies Act, 2013.

#### **SALARY**

<b>Name of the Director</b>	<b>Salary Scale</b>
Mr. Lalit Mehta	Rs. 1,25,000 p.m.
Mr. Rajesh Mehta	Rs. 1,20,000 p.m.

#### **PERQUISITES**

Perquisites shall be restricted to an amount equal to annual salary. The perquisites payable to the Managing Director & Executive Director, are as under:

The Company shall provide for, or pay the expenses for, a car with driver and telephone facility at the residence of the Managing Director & Executive Director. Provision of, or payment of expenses of, a car for use on the Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of the car for private purposes shall be billed by the Company to the director.

Minimum Remuneration: Where in any financial year, the Company has no profits or its profits are inadequate, the remuneration payable will be in accordance with the provisions of Section II of Part II of Schedule V to the Companies Act, 2013, as may be amended from time to time.

In the event of any increase in the limits of the emoluments, benefits and perquisites payable in accordance with the laws, policies, rules, regulations or guidelines in force from time to time, the Company may, in its discretion, increase the remuneration payable to them, subject to obtaining such approvals as may be required.

#### **SITTING FEES**

No sitting fees will be paid to the appointees for attending the meeting of the Board of Directors or Committee thereof of the Company.

#### **OTHER TERMS**

- a. They shall not become interested or otherwise be concerned directly or through their spouse and / or minor children in any selling agency of the Company without the prior approval of the Central Government.
- b. They shall be entitled to re-imbursement of all actual traveling, lodging & boarding expenses and entertainment expenses reasonably incurred in connection with the business of the Company.
- c. They shall observe secrecy with regard to information acquired by him in the course of his appointment and shall not use the same for his own purpose either during the currency of this agreement or thereafter.

As per the provisions of Schedule V any Managing Director of the Company attaining the age of 70 years cannot continue on the post unless shareholders pass a special resolution confirming the appointment at their duly convened general meeting. Mr. Lalit Mehta is above 70 years and therefore his continuation in office as a Managing Director should be approved by the shareholders of the Company by passing a special resolution.

As regard to re-appointment of Mr. Rajesh Mehta as an Executive Director of the Company in compliance with the applicable provisions of the Companies Act, 2013, a Special Resolution in terms as set out in item no 7 of the accompanying Notice is now being placed before the members in the General Meeting for their approval.

The Agreements entered into between the company and the Managing Director and Executive Director is kept for inspection of the members at the Registered Office of the company between 11.00 am to 1.00 pm on all working days.

The Board commends the Resolutions at Item No. 6 & 7 for approval by the members.

Except Mr. Lalit Damodar Mehta & Mr. Rajesh Lalit Mehta, none of the Directors or Key Managerial Personnel (KMP) or relatives of directors/KMP is concerned or interested in the Resolutions as set out in Item No. 6 & 7 of the accompanying Notice.

**By Order of the Board of Directors  
For Samrat Pharmachem Limited**

**Place: Mumbai  
Date: 30<sup>th</sup> May 2014**

**Rajesh Mehta  
Executive Director**

**DIRECTORS' REPORT****TO THE MEMBERS**

Samrat Pharmachem Limited  
Ankleshwar.

The Directors are pleased to present the Twenty-Second Annual Report on the business and operations of the company and the financial accounts for the year ended 31 Mar 2014.

**FINANCIAL PERFORMANCE**

Particulars	31 March 2014 Rs.	31 March 2013 Rs.
Turnover	648,406,345	705,211,732
Profit before tax	4,074,680	5,815,646
Provision for tax	-817,853	-1,184,889
Net Deferred Tax Liability for current year	-705,608	-489,591
Profit after tax	2,551,219	4,141,166
<u>Profit &amp; Loss account</u>		
Balance brought forward	98,072,405	94,069,455
Profit of the current year after tax	2,522,695	4,141,166
Tax adjustment of previous year	-104,246	-138,216
Balance carried to Balance Sheet	100,490,854	98,072,405

**OPERATIONS**

Your company has performed reasonably well during the year. In a highly competitive business environment, your Company achieved a turnover of Rs. 6484.06 Lakhs as against Rs. 7052.11 Lakhs achieved last year - a decrease of around 8.06%. Production of 238.04 tons of pharmaceutical chemicals was achieved during the year.

**DIVIDEND**

In order to conserve the resources, your Directors do not recommend payment of Dividend for the financial year ended 31st March, 2014.

**EXPORTS**

During the year 2013-2014 your company's export division registered sales of Rs. 1753.71 Lacs, down from Rs. 1,788.56 Lacs last year. Your Company has initiated several export promotion measures to increase exports. The products of your Company have been well accepted in the international market and the Company expects better export turnover in the coming years.

**DEMATERIALISATION**

The equity shares of the Company have been dematerialized by joining the depositories viz. National Securities Depository Limited (NSDL) & Central Depository Services (India) Limited (CDSL). The ISIN (International Securities Identification Number) No. allotted to the Company is INE103E01016.

**CORPORATE GOVERNANCE**

Certificate of auditor of your company regarding compliance of the conditions of Corporate Governance as stipulated in Clause 49 of the listing agreement with stock exchange, is enclosed. Your Company has been practicing the principles of good corporate governance over the years. The Board of Directors supports the broad principles of corporate governance. In addition to the basic governance issues, the Board lays strong emphasis on transparency, accountability and integrity.

**LISTING OF SHARES**

The Company's shares are listed on the Bombay Stock Exchange Ltd, Ahmedabad Stock Exchange Ltd, Vadodara Stock Exchange Ltd, Saurashtra Kutch Stock Exchange Ltd & Pune Stock Exchange Ltd. It has paid the listing fees of all the exchanges except Saurashtra Kutch Stock Exchange for the period upto 31st March, 2014. The listing fees of Saurashtra Kutch Stock Exchange was not paid due to non-receipt of invoice or intimation for payment of listing fees from the said exchange. The same will be paid on receipt of any communication from the stock exchange. Your Company has not been delisted on any of these exchanges for non-payment of listing fees.

**INSURANCE**

The assets of the company have been adequately insured against all possible risks with ICICI Lombard General Insurance Co Ltd., United India Insurance Co. Ltd & The Oriental Insurance Co. Ltd.

**WEBSITE**

Your company's website address is [www.samratpharmachem.com](http://www.samratpharmachem.com). The performance of the Company will be regularly updated and be made available on this website. Also the website provides other vital information about the Company.

**SAFETY, HEALTH & ENVIRONMENT (SHE) POLICY**

As a responsible corporate citizen, the Company is fully alive to its responsibilities for protection of the environment and to provide its employees a safe and hazard free work place. The Company has adopted a Safety, Health & Environment Policy that applies to all employees and activities. The work culture encourages total involvement and commitment of the employees to the SHE Policy.

Some of the activities carried out during the year are as follows.

**Safety:**

- Providing necessary equipments and apparatus required for the safe operation of the manufacturing activities
- Observing the rules and regulations with regard to safety & precaution
- Consulting emergency control management team to monitor the safety of the plant
- Conducting regular safety audit
- Encouraging the workforce to use protective equipments and maintain cleanliness
- Conducting seminars to impart knowledge to employees on safe operations
- Organising safety week to create safety awareness

**Health:**

- Conducting medical health check up for all the employees of the Company periodically
- Conducting lecture meetings for providing guidance and counseling on matters of health, diet and exercise
- Conducting seminars to impart knowledge on meditation, yoga and anti-stress therapy

**Environment:**

- Ensuring smooth functioning of the effluent treatment plant with respect to air, water and solid waste.
- Updating the ETP plant to make it more nature friendly
- Proper monitoring of the pollution levels in and around the plants
- Planting trees in and around the factory
- Complying with the prescribed norms of pollution control

**PERSONNEL**

As on 31<sup>st</sup> March 2014, the total number of employees on the payroll of the company were 29. Industrial relations with employees at various levels continue to be cordial.

**DIRECTORS**

The Company had, pursuant to the provisions of clause 49 of the Listing Agreements entered into with the Stock Exchanges, appointed Mr. Mahendra Pipalia and Mr. Samir Kothary as Independent Directors of the Company.

As per section 149(4) of the Companies Act, 2013 (Act), which came into effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as Independent Directors. In accordance with the provisions of section 149 of the Act, these Directors are being appointed as Independent Directors to hold office as per their tenure of appointment mentioned in the Notice of the forthcoming Annual General Meeting (AGM) of the Company.

Mr. Rajesh Mehta, Director retires by rotation and being eligible has offered himself for re-appointment.

During the year Mr. Hitendra Shah, Non Executive Independent Director resigned from office as a Director effective from October 1, 2013, due to his pre-occupation. The Board places on record their gratitude for the valuable services rendered by Mr. Hitendra Shah to the company during his tenure.

**AUDITORS**

M/s. Shah, Shah & Shah, Chartered Accountants, who are the Statutory Auditors of the Company, hold office till the conclusion of the forthcoming AGM and are eligible for re-appointment. Pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules framed thereunder, it is proposed to appoint M/s. Shah, Shah & Shah as statutory auditors of the Company from the conclusion of the forthcoming AGM till the conclusion of the Twenty-Fifth AGM to be held in the year 2017, subject to ratification of their appointment at every AGM.

**AUDITORS REPORT**

The report of auditors is self explanatory and do not require any further elucidation.

**PARTICULARS OF EMPLOYEES**

The company does not have any employee whose particulars are required to be given under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended upto date.

**DISCLOSURE OF PARTICULARS**

Information as per 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 relating to conservation of energy, technology absorption, foreign exchange earnings and outgo are given in Annexure forming part of this report.

**SECRETARIAL COMPLIANCE CERTIFICATE**

Secretarial Compliance Certificate as required u/s 383A of the Companies Act 1956 for the financial year ended 31st March, 2014 has been obtained from the practicing company secretary and is attached to this report.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 217(2AA) of the Companies Act, 1956 as amended with respect of Directors Responsibility Statement, it is hereby confirmed:-

1. That the preparation of accounts for the Financial Year ended 31st March 2014, the applicable accounting standards have been followed along-with proper explanation relating to material departures;
2. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the Financial Year and the Profit or Loss of the Company for the year under review;
3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 as amended for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. That the Directors' have prepared the accounts for the financial year ended 31st March 2014 on a going concern basis.

**ACKNOWLEDGEMENTS**

Your Directors are thankful to you, our customers, suppliers, bankers, employees, consultants and to all those who have extended their committed support to the progress of your Company.

**By Order of the Board of Directors  
For Samrat Pharmachem Limited**

**Place: Mumbai  
Date: 30<sup>th</sup> May 2014**

**Rajesh Mehta  
Executive Director**



**ANNEXURE TO THE DIRECTORS' REPORT  
FOR THE YEAR ENDED 31st MARCH, 2014**

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo Section 217(1)(e) of the Companies Act, 1956

The Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988

**A. CONSERVATION OF ENERGY**

Your Company continues to explore & implement measures that will help in conservation and saving of energy.

Measures taken & benefits derived are as follows:

- Hot water coming from steam traps is recycled & used as boiler feed water.
- Using economiser effectively to pre-heat boiler feed water.
- Timely & routine preventive maintenance of boiler.
- Improvement in unit operations leading to reduction in processing time in reactor, centrifuge, drier & other equipments to minimize use of electricity.
- Both the boilers run on gas.

**TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION**

**(A) POWER & FUEL CONSUMPTION**

	Particulars	Current year ended March 2014	Previous year ended March 2013
1.	<b>ELECTRICITY</b>		
	a) Purchased Units (kwh)	327,882	291,352
	Total Amount (Rs.)	2,195,162	1,903,951
	Rate per Unit (Rs.)	6.69	6.53
	b) Own Generation (Through Diesel Generator)		
	Units (kwh)	0	0
	Total Amount (Rs.)	0	0
	Units per Litre of Diesel	0	0
	Cost per Unit (Rs.)	0	0
	Total Units	327,882	291,352
	Total Amount	2,195,162	1,903,951
	Average Rate Per Unit	6.69	6.53
2.	<b>DIESEL OIL</b>		
	Unit (Litres)	0	0
	Total Amount (Rs.)	0	0
	Rate per Unit (Rs.)	0	0
3.	<b>NATURAL GAS</b>		
	Unit (cubic metre)	97,300	124,536
	Total Amount (Rs.)	3,870,453	2,816,861
	Rate per cubic metre (Rs.)	39.78	22.62

4.	CONSUMPTION PER KILOGRAM (kg)		
	Production of Pharmaceutical Chemicals (Kg)	238,044	238,081
	Electricity Rs. per kg	9.22	8.00
	Diesel Oil Rs. per kg	0.00	0.00
	Natural Gas Rs. per kg	16.26	11.83

**B. TECHNOLOGY ABSORPTION**

The management has focused on productivity and quality improvement in order to optimize manufacturing costs. This has helped in achieving optimum manufacturing costs, improved quality of products and consequently enhanced customer satisfaction. The company uses indigenous technology.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

Foreign exchange earned **Rs. 175,371,348**  
 F.O.B. Value of export of finished goods  
 (Previous year Rs. 178,856,151)

Foreign exchange used **Rs. 479,701,130**  
 Import of raw materials  
 (Previous year Rs. 563,632,955)

**SECRETARIAL COMPLIANCE CERTIFICATE**

To,

The Members,

**M/s. Samrat Pharmachem Limited**

Plot no. A2/3445, GIDC, Phase 4, Ankleshwar – 393 002, Gujarat.

I have examined the registers, records, books and papers of **M/s. Samrat Pharmachem Limited** as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the Financial Year ended 31<sup>st</sup> March, 2014 (financial year). In my opinion and to the best of my information and according to the examination carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made thereunder.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the act and the rules made thereunder.
3. The Company being a public limited Company, comments as regard to minimum share capital is not required.
4. The Board of Directors duly met 7 times on 30/05/2013, 14/08/2013, 30/09/2013, 14/11/2013, 27/12/2013, 14/02/2014 & 31/03/2014 in respect of which meetings proper notices were given and the proceeding were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members and Transfer Books from 14th September, 2013 to 28th September, 2013 and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31<sup>st</sup> March, 2013 was held on 28/09/2013 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra-ordinary general meeting was held during the year.
8. The Company has not advanced any loan to its Directors or persons or firms or companies referred to in section 295 of the Act.
9. The Company has not entered into any contract falling within the purview of section 297 of the Act.
10. The Company has maintained a Register of Contracts as required under Section 301 of the Companies Act 1956.
11. There were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government, as the case may be.
12. The Company has not issued any duplicate certificate during the financial year.
13. That the company :
  - (a) Has delivered all certificates on transfer/transmission of securities during the financial year etc. in accordance with the provisions of the Act and listing agreement.
  - (b) Has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.

- (c) Was not required to post warrants to any member of the Company as no dividend was declared during the financial year.
  - (d) Has not declared any dividend and there were no deposit matured, or matured debentures and the interest accrued thereon etc. the provision of transfer of unclaimed or unpaid Accounts to the Investors Education and Protection Fund does not apply to the Company.
  - (e) Duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of additional Directors, alternate Director and Directors to fill casual vacancy during the financial year. However, during the year one Independent Director has resigned and relevant Form was filed with the Ministry of Corporate Affairs.
  15. The Company has appointed a Managing Director and a Whole-time Director and has paid them remuneration as per the provisions of the Companies Act, 1956.
  16. The Company has not appointed any sole selling agent during the financial year.
  17. The Company has obtained approval of the Central Government for appointment of Cost Auditors under section 233B(2) of the Companies Act, 1956 for maintenance of Cost Accounting Records required for organic and inorganic industry, for the financial year 2013-14. Besides that, company was not required to obtain any approval of Company Law Board, Registrar of Companies or such other authorities as prescribed under various provision of the Act.
  18. The Directors have disclosed their interest in the firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
  19. The Company has not issued any shares/debentures/other securities during the financial year.
  20. The Company has not bought back any shares during the financial year.
  21. There was no redemption of preference shares or debentures during the financial year.
  22. There were no transaction necessitating the Company to keep in abeyance the right to dividend, right shares and bonus shares pending registration of the shares.
  23. The Company has not invited/accepted any public deposits within the provisions of Section 58A during the financial year.
  24. The Company has made borrowing from banks and its borrowing was within the limit mentioned in resolution passed U/S 293(1) (d) of the Companies Act, 1956.
  25. The Company has not made any loan or advances or given guarantee or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
  26. The Company has not altered the provisions of the Memorandum of Association with respect to the situation of the Registered Office from one state to another during the year under scrutiny.
  27. The Company has not altered the provisions of the Memorandum of Association with respect to the object of the Company during the year under scrutiny.
  28. The Company has not altered the provisions of the Memorandum of Association with respect to the name of the Company during the year under scrutiny.
  29. The Company has not altered the provisions of the Memorandum of Association with respect to share capital of the Company during the year under scrutiny.

- 30. The Company has not altered its Articles of Association during the financial year.
- 31. There were no prosecution(s) initiated against or show cause notices received by the Company, during the financial year for offences under the Act.
- 32. The Company has not received any money as security from its employees during the financial year.
- 33. The Company has made contribution to Provident fund as per the rules of the Provident Fund during the financial year.

**For A. A. Mulla & Associates  
Company Secretaries**

**Place : Mumbai**

**Date : 30<sup>th</sup> May 2014**

**Aqueel A. Mulla  
Partner  
FCS NO. 2973  
C.P. No. 3237**

**ANNEXURE 'A'**
**Samrat Pharmachem Limited**
**Statutory Registers**

1. Register of Member U/s 150
2. Register of Directors, Managing Director, Manager and Secretary U/s 303
3. Register of Directors shareholdings U/s 307
4. Transfer Register
5. Charges Register
6. Minutes Book of all Board Meetings and general Meetings U/s 193 of the Act

**ANNEXURE 'B'**
**Samrat Pharmachem Limited**

1. Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the Financial Year 31<sup>st</sup> March, 2014.

Sr. No.	Form No.	Filed U/S	For	Service Request Number	Date of Filing	Whether filed on time Yes/No	If delay in filing whether requisite additional fee paid Yes / No	Filing Authority
1	32	303(2)	Cessation of Director	B86682721	12/10/2013	Yes	-	Registrar of Companies
2	20B	159	Annual Return having share capital	Q22451843	07/11/2013	Yes	-	Registrar of Companies
3	66	383A	Form for Submission of Compliance Certificate	Q13337761	12/10/2013	Yes	-	Registrar of Companies
4	23C	233B(2)	Form for application of appointment of Cost Auditor	S21542063	13/07/2013	No	Yes	Central Government
5	23D	233B	Form for information by Cost Auditor to Central Govt.	S23383722	12/10/2013	Yes	-	Central Government
6	17	138	Particulars for satisfaction of charges	B88808233	11/11/2013	Yes	-	MCA
7	23ACXBRL/ 23ACAXBRL	220	Form for filing Balance Sheet, P&L and other documents	Q27142777	19/12/2013	No	Yes	MCA

**For A. A. Mulla & Associates  
Company Secretaries**

**Place : Mumbai  
Date : 30<sup>th</sup> May 2014**

**Aqueel A. Mulla  
Partner  
FCS NO. 2973  
C.P. No. 3237**

**MANAGEMENT DISCUSSION AND ANALYSIS****INDUSTRY STRUCTURE AND DEVELOPMENTS**

Your Company is a producer of pharmaceutical chemicals. The intermediates produced are used in pharmaceutical and chemical industries. Your Company is amongst the manufacturers who produce for local and international needs of the pharmaceuticals and chemicals industry. The pharmaceutical and chemical industry is growing at a rapid pace every year. This results into growth of the support or intermediate industry like us.

**OPPORTUNITIES AND THREATS**

The company looks forward optimistically for all round growth in turnover & profitability in the ensuing years. Your company has taken effective steps to realize the dream performance in the years to come. The company intends to double its turnover in a short period of time. The company has taken effective measures to improve quality of products and its productivity to outwit competitor from domestic and international market.

The profit margin has come down drastically over the years and unless the quantitative volume of sales is increased it would be difficult to achieve the target of profitability set by the directors. The company should also plan to widen the product range by increasing the basket of products thereby enlarging the customer and sales base.

**PRODUCT PERFORMANCE**

The company has two plants producing varied items. The basic purpose of producing in two different plants is to improve efficiency and manageability. Your Company shall achieve sustainable growth in both plants by modernization and automation of operations. According to your Directors, these plants facilitate better division of labour, enable us to develop expertise in each plant and their respective items, and hence improve productivity and profitability of the Company.

**OUTLOOK**

According to Yes Bank Report titled "Indian Pharmaceutical Industry : Vision 2015", the Indian Pharmaceutical & Chemical industry is projected to grow at an annual rate of 14.2%. Currently valued at USD 10 Billion, the projected turnover to touch USD 50 Billion by the year 2015.

**RISKS AND CONCERNS**

Currency Risk : The year 2013-2014 saw some volatility on the currency exchange front. Imports constitute a major portion of our business activity. The company does selective hedging from time to time. However it is difficult to fully contain such adverse fluctuations, the management shall continue to take remedial steps to reduce its severity from time to time.

Competition Risk : We feel that the major business risks are the stiff competition due to low priced products from countries like China and also from domestic manufacturers for certain products. However the company is trying to expand its range of products to cater to different segment of customers and market in order to absorb fall in sales and margins.

Credit Risk : We have been able to reduce the irrecoverable amounts to a very negligible level, notwithstanding the inevitability of having some debts which are not recoverable. Due to strict monitoring and disciplined distribution channels, we do not foresee any material risk on this count.

Dead Stocks/Slow moving items/Rejections Risk : Sometimes the quality of finished product becomes bad or is rejected by a customer. The Company has taken every step in the raw material procurement stage, production stage, packing stage, testing stage and delivery stage to minimize the risk of rejection. If due to some unforeseen reasons the goods are rejected or are not as per our in-house standards, the company has made a system to reprocess all such failed material. Minimum cost is incurred to make them into acceptable standards again. Further the products

that have irregular demand or are sold in lesser quantities round the year are manufactured as per customers order only. Thus the company is successful in handling dead stocks, slow moving items and rejections.

**Fire, Theft & Explosion Risk :** The Company has been quite conscious of the inherent risk in our business. A lot of measures to safeguard the fixed assets and stocks in the factory are taken. The management has been regularly updating the risk profile and take necessary corrective steps like educating workers, insisting workers to wear gum boots, gloves, eye goggles, helmets etc, installing fire fighting equipments, putting sign boards, banning smoking in the premises, keeping hazardous materials in a safe and protected place etc. Apart from these measures, the company has also underwritten the various risks like fire, theft & burglary, earthquake, floods, riots, sale/purchase in transit etc with ICICI Lombard General Insurance Co Ltd, United India Insurance Co. Ltd & The Oriental Insurance Co. Ltd. for appropriate values.

#### **INTERNAL CONTROL SYSTEM AND ITS ADEQUACY**

The Company has instituted adequate internal controls, managed by professionals. The control mechanism duly supported by efficient integrated software ensures a proper documentation, accounting, reporting and safeguarding of assets. The Company has also well defined and established system of internal audit, which is periodically reviewed by the audit committee and steps taken to strengthen the control measures. The management and audit committee of the Board periodically reviews the observations and findings of the statutory auditors and ensures adherence to the well laid down policies, guidelines and procedures forming part of the internal control system.

#### **FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

A satisfactory business performance with average volume growth in key products and business units, combined with productivity improvement, cost management and working capital management have contributed to the good operating results for the year. Also sharp focus on cost and margins has resulted in enhanced operational efficiency.

#### **MATERIAL DEVELOPMENT IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONTS**

The industrial relations have been satisfactory in the Registered Office Cum Factory and at the Corporate Office. There was no loss of man-days during the year. A lot of initiatives have been undertaken by the Human Resource Department during the year. Apart from improvement in the system to align the compensation to the performance of the employees, steps are being taken by the management to provide training both in-house and at recognized institutes to enhance the effectiveness of the employees. Steps are also being taken to focus on managerial and behavioral competence across the organization. Information Technology has been a focused area for improving the operational efficiency and as a tool for decision-making.

#### **CAUTIONARY STATEMENT**

Statement in the report of Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning applicable securities laws or regulations. These statements are based on certain assumptions and expectations for future events. Actual results could differ materially from those of future events. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting global and domestic demand supply, finished goods prices in the domestic and overseas market in which the Company operates, raw materials cost and availability, changes in Government regulations, tax regimes, economic developments within India and other factors such as litigation and industrial relations. The Company assumes no responsibility to publicly amend, modify or revise and forward looking statements, on the basis of any subsequent development, information or events.

**By Order of the Board of Directors  
For Samrat Pharmachem Limited**

**Place: Mumbai  
Date: 30<sup>th</sup> May 2014**

**Rajesh Mehta  
Executive Director**



**CORPORATE GOVERNANCE REPORT**

(As per Clause 49 of the Listing Agreement with the Stock Exchanges)

We at Samrat believe that for a Company to succeed it must maintain global standards of Corporate Conduct towards its customers, suppliers, employees, bankers, shareholders and the society at large. The Company believes that it is rewarding to be better managed and governed and to identify and align its activities with national interest. To that end we as a Company have always focused on Good Corporate Governance - which is a key driver of sustainable corporate growth and long term value & wealth creation.

Above all else, Corporate Governance must balance individual interest with Corporate Goals and operate within accepted norms of propriety, equity, fair play and a sense of justice. Achieving this balance depends upon how accountable and transparent companies are. Accountability improves decision-making and thereby builds stakeholders confidence.

Corporate Governance is not merely compliance - it is an ongoing measure of superior delivery of company's objects with a view to translate opportunities into reality. It involves leveraging its resources and aligning its activities to consumer need, shareholders benefit and employee growth, thereby delighting all its stakeholders while minimizing risks.

Your Company has implemented the mandatory requirements of Corporate Governance as set out in Revised Clause 49 of the Listing Agreement with the Stock Exchanges.

**COMPANY'S PHILOSOPHY**

Samrat Pharmachem Limited is committed to the best practices in the area of Corporate Governance. The company believes that proper corporate governance facilitates effective management and control of business. This in turn, enables the company to maintain a high level of business ethics and to optimize the value of all its stakeholders. The objectives can be summarized as under:

- To enhance shareholders value.
- To protect interest of shareholders and other stakeholders including customers, suppliers, banks, employees and society at large.
- To ensure transparency and integrity in communication and to make available full, accurate and clear information to all concerned.
- To ensure accountability for performance and to achieve excellence at all levels.
- To provide corporate leadership of highest standards for other to follow.

Samrat Pharmachem Limited is committed to:

- Ensuring that the Board of Directors of the Company meet regularly, provide effective leadership, exercise control over management and monitor executive performance.
- Establishing a framework of strategic control and continuously reviewing its efficacy.
- Establishing clearly documented and transparent management processes for policy development, implementation and review, decision-making, monitoring, control and reporting.
- Providing free access to the Board to all relevant information, advices and resources as are necessary to enable it to carry out its role effectively.
- Ensuring that all employees are responsible for compliance issues with all applicable statutes, regulations, code of conduct, policies as laid down by the Board and report deviation or misconduct, if any, to the Board.

The concept of Corporate Governance hinges on the total transparency, integrity and accountability of the management team. Even before the code become mandatory, the Company has been following the Corporate Governance practices like striking out reasonable balance in the composition of Board of Directors and setting up business committees, adequate disclosure and business to be deliberated by the Board etc. Your Company is committed to follow good corporate governance practices and improve upon them year after year.

## **BOARD OF DIRECTORS**

### **a) Composition of the Board**

The Company is fully compliant with the revised Corporate Governance norms in terms of constitution of the Board, headed by its Executive Chairman Mr. Lalit Mehta. The Board comprising of 4 Directors has 2 Executive Directors' and 2 Non-executive Directors, representing the optimum mix of professionalism, knowledge and experience.

### **b) Directors' attendance record and Directorship held:**

See table 1 for details.

**Table 1 : Details about Samrat Pharmachem's Board of Directors'**

<b>Name of Director</b>	<b>Position</b>	<b>Number of Board Meetings held during the year</b>	<b>Number of Board Meetings attended during the year</b>	<b>Whether attended last AGM held on September 28, 2013 ?</b>	<b>Directorship in other public limited companies in India *</b>
Mr. Lalit Mehta (Din 00216681)	Chairman & Managing Director	7	7	Yes	-
Mr. Rajesh Mehta (Din 00216731)	Executive Director	7	7	Yes	-
Mahendra Pipalia (Din 00216959)	Non Executive Director	7	4	Yes	-
Samir Kothary (Din 00216603)	Non Executive Director	7	4	Yes	-
Hitendra Shah**	Non Executive Director	7	2	Yes	-

Notes : \* Figures in ( ) indicates listed companies.

\*\* Since resigned on October 1, 2013.

Independent Director means a Director who apart from receiving a Director's remuneration does not have any other material pecuniary relationship or transactions with the Company, its promoters, its management, or its subsidiaries, which in the judgment of the board may affect the independence of the judgment of the Director.

None of the Directors is a member of more than 10 Board-level Committees, or a Chairman of more than 5 such committees, as required Under Clause 49 of the Listing Agreement.

**c) Number of Board Meetings**

See table 2 for details.

**Table 2 : Samrat Pharmachem Limited held the following Board meetings during the year ended 31st March 2014.**

Sr. No.	Date of Board Meeting	Lalit Mehta	Rajesh Mehta	Mahendra Pipalia	Samir Kothary	Hitendra Shah
1.	30 <sup>th</sup> May, 2013	1	1	1	1	1
2.	14 <sup>th</sup> August, 2013	1	1	1	1	1
3.	30 <sup>th</sup> September, 2013	1	1	-	-	-
4.	14 <sup>th</sup> November, 2013	1	1	1	1	-
5.	27 <sup>th</sup> December, 2013	1	1	-	-	-
6.	14 <sup>th</sup> February, 2014	1	1	1	1	-
7.	31 <sup>th</sup> March, 2014	1	1	-	-	-
<b>Total Meetings Attended</b>		<b>7</b>	<b>7</b>	<b>4</b>	<b>4</b>	<b>2</b>

The maximum interval between 2 board meetings was not more than 4 calendar months.

**d) Information supplied to the Board**

Among others, this includes:

- Review of annual operating plan of businesses, capital budgets, updates,
- Quarterly results of the company,
- Minutes of the meeting of audit committee and other committees,
- Information on recruitment and remuneration of senior officers just below the Board level,
- Materially important show cause notices, demand notices, prosecution and penalty notices,
- Fatal or serious accidents or dangerous occurrences,
- Any material significant effluent or pollution problems,
- Any material relevant to default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company,
- Any issue which involves possible public or product liability claims of a substantial nature,
- Details of any joint venture or collaboration agreement,
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property,
- Significant labour problem and their proposed solutions,
- Significant development in human resources and industrial relations fronts,
- Sale of material nature, of investments, subsidiaries, assets, which is not in normal course of business,
- Quarterly details of foreign exchange exposure and the steps taken by management to limit the risks of adverse exchange rate movement and
- Non-compliance of any regulatory or statutory provision of listing requirements as well as shareholder services such as non-payment of dividend and delay in share transfer.

The Board of Samrat Pharmachem Limited is routinely presented with all information under the above heads whenever applicable and materially significant. These are submitted either as a part of agenda papers well in advance of Board meetings or are tabled in the course of the Board meetings.

**e) Materially significant related party transactions**

There have been no materially significant related party transactions, pecuniary transaction or relationships between Samrat Pharmachem Limited and its Directors for the year ended 31st March, 2014 that may have a potential conflict with the interest of the Company at large.

**f) Remuneration of Directors: sitting fees, salary, perquisites and commissions**

Table 3 gives the details of the remuneration package of Directors and their relationship with each other.

**Table 3 : Remuneration paid or payable to Directors during the Fin. Year 2013-2014**

Name of Director	Relation with other directors	Sitting Fees (Rs.)	Comm. on Profits	Salary p.a. (Rs.)	PF	Perquisites	Total
Lalit Mehta	Father of Rajesh Mehta	-	-	4,80,000	-	-	4,80,000
Rajesh Mehta	Son of Lalit Mehta	-	-	4,20,000	-	-	4,20,000
Mahendra Pipalia	-	30,000	-	-	-	-	30,000
Samir Kothary	-	30,000	-	-	-	-	30,000
Hitendra Shah**	-	15,000	-	-	-	-	15,000
<b>Total</b>		<b>75,000</b>	<b>-</b>	<b>9,00,000</b>	<b>-</b>	<b>-</b>	<b>9,75,000</b>

**Notes :** \*\* Since resigned on October 1, 2013.

**g) Committees of the Board**

**Audit Committee**

The audit committee of Samrat Pharmachem Limited performs the following functions:

- Overseeing the company's financial reporting process and disclosure of financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending the appointment and removal of external auditor, fixation of audit fee and approval for payment of any other services;
- Reviewing with the management the annual financial statement before submission to the Board;
- Reviewing with the management and external and internal auditors, the adequacy of internal control systems;
- Reviewing the adequacy of internal audit system;
- Discussing with internal auditors any significant finding and follow up on such issues;
- Reviewing the findings of any internal investigation by internal auditors in matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and then reporting such matter to the Board;
- Discussing with the external auditors before the audit commences on the nature and scope of audit as well as having post-audit discussion to ascertain any area of concerns;
- Reviewing the Company's financial and risk management policies and

- Examining reasons for substantial default in the payment to depositors, bankers, shareholders (in case of non-payment of declared dividends) and creditors, if any.

The Company continues to derive immense benefit from the deliberation of the Audit Committee presently comprising 3 non-executives and independent Directors, Mr. Mahendra Pipalia (Chairman), Mr. Samir Kothary and Mr. Hitendra Shah, who are eminent professionals knowledgeable in project finance, accounts and company law. Minutes of each audit committee meeting are placed before and discussed in the full Board. Mr. Rajesh Mehta was inducted as a member of the Audit Committee effective from October 1, 2013 in place of Mr. Hitendra Shah who resigned as a member of Audit Committee.

The audit committee met four times during the year on 31st March, 2013. Table 4 gives attendance record.

**Table 4 : Attendance record of audit committee members**

Name of Director	No. of Meetings held	Meetings attended
Mahendra Pipalia (Chairman)	4	4
Samir Kothary (Member)	4	4
Hitendra Shah** (Member)	4	2
Rajesh Mehta*** (Member)	4	2

Notes : \*\* Since resigned on October 1, 2013

\*\*\* Since inducted on October 1, 2013

In addition to the above, Samrat Pharmachem Limited's audit committee looks into controls and security of the Company's critical IT applications, the internal and control assurance audit report of all major profit centers and deviation from the code of business principles, if any.

#### **Remuneration and Compensation Committee**

Samrat Pharmachem's remuneration policy is based on 3 tenets: pay for responsibility, pay for performance and potential and pay for growth. The Company's remuneration committee is vested with all necessary powers and authority to ensure appropriate disclosure on the remuneration of Whole-time Directors' and to deal with all elements of remuneration package of all such Directors.

The committee presently comprising of 3 non-executive and independent directors - Mr. Samir Kothary (Chairman), Mr. Mahendra Pipalia and Mr. Hitendra Shah met 4 times during the year ended 31st March, 2014. Mr. Rajesh Mehta was inducted as a member of the Remuneration and Compensation Committee effective from October 1, 2013 in place of Mr. Hitendra Shah who resigned as a member of Remuneration and Compensation Committee. Table 5 gives the attendance record.

As for the non-whole-time Directors, their appointment is for the benefit of their professional expertise in their individual capacity as independent business executives. Accordingly, the service contract, notice period and severance fees, if any of the company are not applicable to such non-whole-time Directors. However as a company's policy, upon attaining the age of 70 years, the non-whole-time Directors' seek retirement by not offering themselves for re-appointment at the Annual General Meeting of the Company.

Table 5 gives the attendance record of the members of the remuneration committee.

**Table 5 : Attendance record of the remuneration committee members**

Name of Director	No. of Meetings held	Meetings attended
Samir Kothary (Chairman)	4	4
Mahendra Pipalia (Member)	4	4
Hitendra Shah** (Member)	4	2
Rajesh Mehta*** (Member)	4	2

Notes : \*\* Since resigned on October 1, 2013

\*\*\* Since inducted on October 1, 2013

**Shareholder / Investor Grievance Committee**

The Shareholder/Investor grievances committee specially looks into redressing of shareholders and investors' complaints such as transfer of shares, non-receipt of shares, non-receipt of declared dividend and to ensure expeditious share transfer process.

The committee presently comprising of 3 non-executive and independent directors - Mr. Hitendra Shah (Chairman), Mr. Mahendra Pipalia and Mr. Samir Kothary met 4 times during the year ended 31st March, 2014. Mr. Rajesh Mehta was inducted as a member of the Shareholder/ Investor Grievance Committee effective from October 1, 2013 in place of Mr. Hitendra Shah who resigned as a Chairperson of Shareholder/ Investor Grievance Committee. Mr. Samir Kothary was designated as the Chairman of Shareholder/ Investor Grievance Committee effective from October 1, 2013. Table 6 gives the attendance record.

**Table 6 : Attendance record of investor grievance committee members**

Name of Director	No. of Meetings held	Meetings attended
Samir Kothary (Chairman)	4	4
Mahendra Pipalia (Member)	4	4
Hitendra Shah** (Member)	4	2
Rajesh Mehta *** (Member)	4	2

Notes : \*\* Since resigned on October 1, 2013

\*\*\* Since inducted on October 1, 2013

**A summary of complaints received, resolved & pending during the year ended 31<sup>st</sup> March, 2014 is given below :**

Nature of Complaints	Received	Resolved	Pending
Non-receipt of share certificates duly transferred	0	0	0
Non-receipts of refund orders	0	0	0
Non-receipts of dividend warrants	1	1	0
Non-receipt of rejected DRF	0	0	0
Non-receipt of Demat Credit	0	0	0
Non-receipt of Annual Report	0	0	0
Miscellaneous	0	0	0
Letters from SEBI	0	0	0
Letters from Stock Exchanges	0	0	0

**MANAGEMENT****a) Management discussion and analysis**

The Directors' Report includes details of Management Discussion and Analysis of various businesses of the Company.

**b) Disclosures by management to the Board**

All details relating to financial and commercial transactions where Directors' may have a pecuniary interest are provided to the Board, and the interested Directors neither participate in the discussion, nor do they vote on such matters.

**GENERAL SHAREHOLDERS INFORMATION****a) Disclosure regarding appointment and re-appointment of Directors**

According to the Articles of Association of Samrat Pharmachem Limited, all Directors except Mr. Lalit Mehta retire by rotation every year and, if eligible offer themselves for re-election at every Annual General Meeting. All the Directors are eligible and offering themselves for re-election.

Given below are the abbreviated resumes of the Directors of Samrat Pharmachem Limited.

**Mr. Lalit Mehta** aged 77 years is the Chairman & Managing Director of Samrat Pharmachem Limited. Mr. Lalit Mehta is a science and law graduate from University of Mumbai. He is a promoter Director of the Company. Mr. Lalit Mehta started his career with Air India. His enthusiasm, hard work, vision & business sense landed him in the chemical business. Mr. Lalit Mehta has vast and varied experience of the chemical & pharmaceuticals industry. He is in the chemical & pharmaceutical line for the last 52 years. He looks after the entire administration of the Company.

**Mr. Rajesh Mehta** aged 49 years is the Executive Director of Samrat Pharmachem Limited. Mr. Rajesh Mehta is a commerce graduate from University of Mumbai and an Associate Member of the Institute of Chartered Accountants of India. He is a promoter Director of the Company. Mr. Rajesh Mehta has wide experience of the chemical and pharmaceutical industry. He is in chemical and pharmaceutical industry since last 25 years. He looks after financial, technical, marketing and administrative matters of the Company.

**Mr. Mahendra Pipalia** aged 49 years is the Non-executive Director of the Company. Mr. Mahendra Pipalia is a commerce graduate from the University of Mumbai and a fellow member of the Institute of Chartered Accountants of India. Mr. Mahendra Pipalia has wide experience in internal audit, finance and taxation as also development of software systems for various industries. He advises the Company in accounts, finance, taxation, audit matters & control systems.

**Mr. Samir Kothary** aged 51 years is the Non-executive Director of the Company. He is engaged in the business of trading of pharmaceuticals and chemicals. He has experience of more than 21 years in the pharmaceutical and chemical industry. He advises the Company in procurement of raw materials from India and abroad and in national and international consumer marketing.

**b) Communication to shareholders**

Samrat Pharmachem has its own web site and all vital information relating to the Company and its performance has been put on the web site. The web site address is [www.samratpharmachem.com](http://www.samratpharmachem.com).

The quarterly and annual results are published in leading newspapers circulated in Vadodara, Gujarat.

**c) Investors grievances**

As mentioned earlier in this chapter, the Company has constituted a Shareholders'/Investors' Grievance Committee for redressing shareholders' and investors' complaints. The status on complaints is reported to the Board of Directors as an agenda item.

**d) Share transfer**

All share transfers are handled by the Registrar and Share Transfer Agent M/s. Link Intime India Pvt Ltd, having office at C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400078 (Phone: 022-25963838, Fax : 022-25946969, Email : sharad.patkar@linkintime.co.in, Kind Attn. : Mr. Sharad Patkar). All transfers and queries relating to share transfer, demat and other matters may be referred to the Registrar directly at the above noted address.

**e) Details of non-compliance**

Company has been fully compliant with all matters relating to the capital market and the listing agreements.

**f) General body meetings**

Details of the last 3 annual general meetings are given in the Table 7.

**Table 7 : Date, time & venue of the last 3 AGMs :**

AGM No.	Financial Year	Date	Time	Venue
19 <sup>th</sup> AGM	31 <sup>st</sup> March, 2011	24 <sup>th</sup> Sept., 2011	1.00 p.m.	Plot No. A2/3445, GIDC, Phase 4, Ankleshwar – 393 002, Gujarat
20 <sup>th</sup> AGM	31 <sup>st</sup> March, 2012	29 <sup>th</sup> Sept., 2012	1.00 p.m.	Plot No. A2/3445, GIDC, Phase 4, Ankleshwar – 393 002, Gujarat
21 <sup>th</sup> AGM	31 <sup>st</sup> March, 2013	28 <sup>th</sup> Sept., 2013	1.00 p.m.	Plot No. A2/3445, GIDC, Phase 4, Ankleshwar - 393 002, Gujarat

**g) Postal ballot:**

During the year company was not required to take any postal ballot for passing resolutions as per Section 192A of the Companies Act, 1956 as amended.

**h) Extra-Ordinary General Meeting:**

No Extra-ordinary General Meeting was held during the year.

**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

As required by Clause 49 of the Listing Agreement, the auditor's certificate is given as an annexure to the Directors' Report.

**Additional Shareholder Information**

AGM No.	22 <sup>nd</sup> Annual General Meeting
Date	27 <sup>th</sup> September, 2014
Time	1:00 pm
Venue	Plot No. A2/3445, GIDC, Phase 4, Ankleshwar - 393 002, Gujarat

**Financial Calendar**

Financial Year	1 <sup>st</sup> April, 2013	— to —	31 <sup>st</sup> March, 2014
----------------	-----------------------------	--------	------------------------------



For the year ended 31<sup>st</sup> March 2014, results were announced on:

1st Quarterly Results (Un-audited)	14 <sup>th</sup> August, 2013
2nd Quarterly Results (Un-audited)	14 <sup>th</sup> November, 2013
3rd Quarterly Results (Un-audited)	14 <sup>th</sup> February, 2014
4th Quarterly Results (Audited)	30 <sup>th</sup> May, 2014

For the financial year 2014-2015, results will be announced on:

1st Quarterly Results (Un-audited)	Mid of August 2014
2nd Quarterly Results (Un-audited)	Mid of November 2014
3rd Quarterly Results (Un-audited)	Mid of February 2015
4th Quarterly Results (Audited)	End of May 2015

### Book Closure

The annual book closure period is from & to following dates, inclusive of both days.

Book Closure From Date	Book Closure To Date
13 <sup>th</sup> September, 2014	27 <sup>th</sup> September, 2014

### Listing

The Company's shares are listed and traded on the stock exchanges at Vadodara, Ahmedabad, Rajkot, Pune and Mumbai.

### Stock Codes

Name of the Stock Exchange	Stock Code
Bombay Stock Exchange Limited	530125
Vadodara Stock Exchange Limited	530125
Saurashtra Kutch Stock Exchange Limited	Samrat Pharmachem
Ahmedabad Stock Exchange Limited	530125
Pune Stock Exchange Limited	530125
ISIN No. (International Securities Identification No.)	INE103E01016

The International Securities Identification Number of Samrat Pharmachem Limited (or demat number) on both the NSDL (National Securities Depository Limited) and CDSL (Central Depository Services India Limited) is **INE103E01016**.

### Stock Data

Table 8 gives monthly high and low prices of Samrat Pharmachem Limited at The Stock Exchange, Mumbai (BSE) for the year ended 31<sup>st</sup> March, 2014.

**Table 8 : Monthly share price at BSE**

Month	High Price	Date	Low Price	Date
April 2013	33.00	29/4/2013	19.10	25/4/2013
May 2013	36.85	2/5/2013	23.00	28/5/2013
June 2013	24.10	5/6/2013	19.80	14/6/2013
July 2013	27.45	30/7/2013	20.00	5/7/2013
August 2013	27.50	16/8/2013	22.35	8/8/2013
September 2013	27.40	5/9/2013	24.95	5/9/2013
October 2013	26.00	01/10/13 & 30/10/13	25.90	22/10/2013
November 2013	25.90	6/11/2013	19.75	29/11/2013
December 2013	22.80	30/12/2013	18.00	3/12/2013
January 2014	27.45	8/1/2014	18.50	29/1/2014
February 2014	22.00	28/2/2014	17.75	4/2/2014
March 2014	24.45	20/3/2014	18.20	06/03/14 & 22/03/14

**Table 9 : Distribution of shareholding by size, class as on 31st March, 2014**

Holdings	Shareholders		Shares	
	Number	% of total	Shares	% of total
1-500	1863	83.06	409027	13.24
501-1000	210	9.37	164392	5.33
1001-2000	68	3.04	105809	3.43
2001-3000	35	1.56	86684	2.81
3001-4000	16	0.71	56397	1.82
4001-5000	13	0.57	60402	1.95
5001-10000	14	0.62	100407	3.24
10001-and above	24	1.07	2106582	68.18
<b>Grand Total</b>	<b>2243</b>	<b>100.00</b>	<b>3089700</b>	<b>100.00</b>

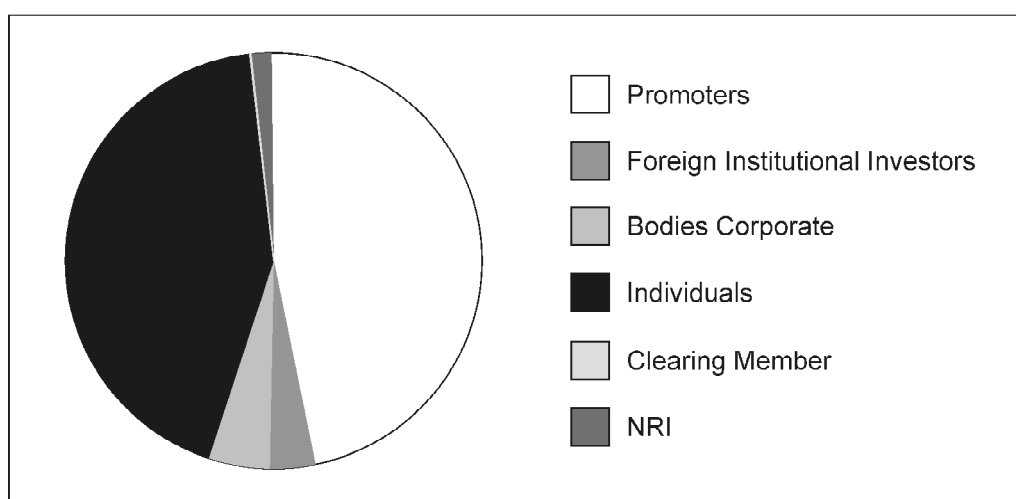
**Table 10 : Shares held in physical and dematerialized form as on 31st March, 2014**

Sr. No.	Particulars	No. of shares	% of total capital	No. of accounts
1.	Central Depository Services (I) Ltd	363,636	11.77%	451
2.	National Securities Depository Ltd	2,286,654	74.01%	819
	Total Dematerialised	<b>2,650,290</b>	<b>85.78%</b>	<b>1270</b>
3.	Physical	439,410	14.22%	973
	<b>Grand Total</b>	<b>3,089,700</b>	<b>100.00%</b>	<b>2243</b>

**Table 11 : Distribution of shareholdings by ownership as on 31st March, 2014**

Categories of equity shareholders as on 31st March, 2014

Category	Number of equity shares held	Percentage of holding
Promoters	1,445,431	46.78
Foreign Institutional Investors	100,000	3.24
Bodies Corporate	137,974	4.47
Individuals	1,358,546	43.97
Clearing Member	2,099	0.07
NRI	45,650	1.48
<b>GRAND TOTAL</b>	<b>3,089,700.00</b>	<b>100.00</b>

**Categories of Equity Shareholders**

**Details of public funding obtained for last 3 years**

Not applicable, Samrat Pharmachem Limited has not obtained any public funding in the last 3 years.

**Vigil Mechanism**

In April 2014 the Board adopted a policy on Vigil mechanism. In pursuance of the said committee employees can report their concerns about unethical behavior, actual or suspected fraud, or violation of code of conduct and ethics. It also provide for adequate safeguard against de-victimization of employees who avail of the mechanism, and allow direct access to the chairperson of the audit committee in exceptional cases.

**Investor Services**

All transfers and related operations are conducted by the Registrar and Share Transfer Agent M/s. Link Intime India Pvt Ltd having office at C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400 078 (Phone : 022-25963838, Fax : 022-25946969, Email: sharad.patkar@linkintime.co.in). Concerned Officer incharge of the Registry is Mr. Sharad Patkar.

All correspondence relating to transfer, mandate & change of address may be directly addressed to the Registrar and Share Transfer Agent.

The members may address their other queries to the Company at its Registered Office Address at:

Plot No. A2/3445, GIDC, Phase 4, Ankleshwar - 393 002, Gujarat, India.

Phone : (02646) 220774

Fax : (02646) 251291

Email : samrat@bom4.vsnl.net.in

Website : www.samratpharmachem.com

**Plant Locations**

- 1) Plot No. A2/3445, GIDC, Phase 4, Ankleshwar-393 002, Gujarat, India.
- 2) Plot No. A2/3444, GIDC, Phase 4, Ankleshwar-393 002, Gujarat, India.

**Declaration for compliance with Code of Conduct**

Pursuant to Clause 49(1D)(ii) of the listing agreement, I hereby declare that all the Board Members and senior management personnel are aware of the provisions of the Code of Conduct laid down by the Board and made effective from 1st January, 2006. All Board members and senior management personnel have affirmed compliance with the Code of Conduct.

**By Order of the Board of Directors  
For Samrat Pharmachem Limited**

**Place: Mumbai  
Date: 30<sup>th</sup> May 2014**

**Rajesh Mehta  
Executive Director**

**CERTIFICATION BY CHIEF EXECUTIVE OFFICER****30<sup>th</sup> May, 2014****The Board of Directors  
Samrat Pharmachem Limited**Plot No. A2/3445,  
GIDC, Phase 4,  
Ankleshwar - 393 002,  
Gujarat.

I, Mr. Lalit Mehta, Chief Executive Officer (CEO) of Samrat Pharmachem Limited certify to the Board in terms of the requirements of Clause 49 (V) of the Listing Agreement, that I have reviewed the financial statement and cash flow statement of the company for the financial year ended 31st March, 2014.

1. To the best of my knowledge, I certify that:
  - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that are misleading
  - (b) 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, and
  - (c) there are no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct
2. For the purposes of financial reporting, I accept the responsibility for establishing and maintaining internal controls and that I have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and I accept the responsibility to the auditors and the audit committee, and further state that there were no deficiencies in the design or operation such internal control.
3. I do further certify that there has been:
  - (a) no significant changes in internal controls during the year
  - (b) no significant changes in accounting policies during the year, and
  - (c) no instances of fraud, of which I am aware during the period
4. I further declare that all Board members and senior managerial personnel have affirmed compliance with the code of conduct for the current year.

**Lalit Mehta  
Chief Executive Officer****Place: Mumbai  
Date: 30<sup>th</sup> May 2014**

**CERTIFICATION BY CHIEF FINANCIAL OFFICER (CFO)**

I, Mr. Rajesh Mehta, Chief Financial Officer (CFO), of Samrat Pharmachem Limited, to the best of my knowledge and belief, certify that:-

1. I have reviewed the Balance Sheet and Profit and Loss account (both consolidated and unconsolidated), and all its schedules and notes on accounts, as well as the Cash Flow Statements and the Directors' Report and annexure thereto.
2. Based on my knowledge and information, these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
3. Based on my knowledge and information, these statements together present true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
4. To the best of my knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's Code of Conduct.
5. The Company's other certifying officers and I, are responsible for establishing and maintaining disclosure controls and procedures for the Company, and we have:-
  - (a) Designed such disclosure controls and procedures to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared; and
  - (b) Evaluated the effectiveness of the Company's disclosure, controls and procedure.
6. The Company's other certifying officers and I, have disclosed based on our most recent evaluation, wherever applicable, to the Company's auditors and audit committee of the Company's Board of Directors (and persons performing the equivalent functions):
  - (a) All significant deficiencies in the design or operation of internal controls;
  - (b) All significant changes in internal control during the year;
  - (c) All significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
  - (d) Instances of significant fraud, if any, of which we are aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.
7. I further declare that all Board members and senior management personnel have affirmed Compliance with the Code of Conduct for Board and Senior Management Personnel for the current year.

**Rajesh Mehta**  
**Chief Financial Officer**

**Place: Mumbai**  
**Date: 30<sup>th</sup> May 2014**

**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE****To the Members of Samrat Pharmachem Limited**

We have examined the compliance of conditions of corporate governance by **Samrat Pharmachem Limited** for the year ended **31st March 2014**, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange in India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. 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 explanation given to us, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the 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 the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Shah, Shah & Shah**  
**Chartered Accountants**

**Mehul Shah**  
**Partner**  
**Mumbai : 30<sup>th</sup> May 2014**  
**M. No. 049361**  
**FRN: 116457W**

**INDEPENDENT AUDITOR'S REPORT**

To  
The Members,  
**Samrat Pharmachem Limited**

We have audited the accompanying financial statements of **SAMRAT PHARMACHEM LIMITED** as at **31st March 2014**, which comprise of the Balance Sheet as at **March 31, 2014**, and the Statement of Profit and Loss, and Cash Flow Statement of the Company for the year ended on that date annexed thereto, 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 and financial performance in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. 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.

**Auditors' 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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:

- (i) in case of the Balance Sheet, of the state of affairs of the Company as at **31st March 2014**;
- (ii) in case of Statement of Profit and Loss, of the **profit** of the Company for the year ended on that date.
- (iii) in case of cash flow statement, of cash flow of the Company for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.



As required by section 227(3) of the Act, we report that:

- (a) we have obtained all the information and explanation, 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 the date of balance sheet, and taken on record by the board of directors, we report that none of the directors is disqualified as on the said date from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act 1956;
- (f) since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956, nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company;

**For Shah, Shah & Shah**  
**Chartered Accountants**

**Mehul Shah**

**Partner**

**Mumbai : 30<sup>th</sup> May 2014**

**M. No. 049361**

**FRN: 116457W**

---

ANNEXURE REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE  
IN CASE OF **SAMRAT PHARMACHEM LIMITED**

---

- (i) (a) The Company is maintaining proper records showing full particulars of, including quantitative details and situation, of fixed assets.
- (b) The management at reasonable intervals has verified the fixed assets. We have been informed that, no material discrepancies on such verification have been noticed.
- (c) The Company has not disposed substantial portion of its fixed assets during the year; accordingly the going concern status of the Company is not affected.
- (ii) (a) As per the records maintained, the management has conducted physical verification of inventory at reasonable intervals.
- (b) In our view, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) In our view, the Company has maintained proper records of inventory. The discrepancies noticed on physical verification of stocks as compared to the book records have been properly dealt with in the books of account on a periodical intervals.
- (iii) (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956.
- (b) Since no loans are granted, the sub-clause dealing with rate of interest and other terms and conditions of loans given by the company are not applicable.
- (c) Since no loans are granted, the sub-clause dealing with receipt of the principal amount and interest on regular basis is not applicable.
- (d) Since no loans are granted, the sub-clause dealing with overdue amount more than rupees one lakh is not applicable.
- (e) The Company has not taken unsecured loans from Parties covered in the register maintained under section 301 of the Companies Act 1956.
- (f) Since no loans are taken, the sub-clause dealing with rate of interest and other terms and conditions of loans given by the company are not applicable.
- (g) Since no loans are taken, the sub-clause dealing with payment of the principal amount and interest on a regular basis is not applicable.
- (iv) In our view, there is an adequate internal control system commensurate with the size of the Company and nature of its business, for the purchase of inventory and fixed assets, and for sale of goods and services. In our view, there has been no continuing failure to correct major weakness in internal control systems of the Company.
- (v) (a) According to the information and explanation given to us and on the basis of representation received from the Management, particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that Section.
- (b) According to the information and explanation given to us and on the basis of representation received from the Management, each of these transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

- (vi) The Company has not accepted any deposits from public within the meaning of the provisions of section 58A and section 58AA or any relevant provisions of the Companies Act, 1956 and the rules made there under. We have been informed by the management that there has been no order passed by the Company law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company with respect to compliance of the provisions of section 58A or 58AA or any other provisions of the Companies Act 1956.
- (vii) On the basis of internal audit reports broadly reviewed by us, we are of the opinion that, the coverage of internal audit functions carried out by an Internal Audit Department of the Company is adequate and commensurate with the size of the Company and nature of its business.
- (viii) We are informed by the management that, the Central Government has prescribed the method of maintenance of cost records u/s. 209 (1) (d) of the Companies Act, 1956 to the industry to which the Company pertains; and the Company has maintained the necessary accouts and records; and the same have been subjected to cost audit for the year ended March 31, 2013.
- (ix) (a) We have been informed by the management that, the Company is generally regular in depositing all undisputed statutory dues, with the appropriate authorities and there have been no material arrears of outstanding dues as at the last day of this financial year for more than six months from the date they became payable.
- (b) In our opinion and according to the information and explanation given to us, there are no dues of Income tax, Sales tax, Wealth Tax, Service tax, Custom Duty, Excise Duty or Cess, as applicable to it which have not been deposited on account of any dispute except the following:

Assessment Year	Type of Demand	Amount in Dispute (INR)	Forum where Dispute is pending
2011-12	Income-tax	3,580,450.00	Commissioner of Income-tax (Appeal)

- (x) There are no accumulated losses at the end of the financial year. Also, the Company has not reported any cash losses during the year or immediately preceding financial year.
- (xi) As informed to us by the management, the Company has not defaulted in repayment of any dues to financial institution or banks; whereas there are no debenture holders.
- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities; accordingly, there is no necessity as to maintaining documents and records in this respect.
- (xiii) The provisions of any special statute in respect of chit fund, nidhi, mutual benefit funds or societies are not applicable to the Company.
- (xiv) The Company has not dealt or traded in shares, securities, debentures and other investments; hence maintenance of records for the same does not arise.
- (xv) The management has informed us that, the Company has not given any guarantee for loans taken by others from any bank or financial institutions.
- (xvi) As per the explanation given by the management, the term loans were applied for the purposes for which they were obtained.
- (xvii) As explained to us by the management, there were no funds that were raised on a short-term basis, which have been applied for long-term investment. The management has explained that expansion on account of capital assets is being done from internal accruals, and the short term funds are primarily used to cater to the needs of working capital.
- (xviii) The Company has not issued any debentures; hence no security or charges have been created in respect of the same.

(xix) The Company has not made any public issues of shares during the year; hence disclosure requirement as to end utilization of public issue money is not required.

(xx) As informed by the management, there has not been noticed or reported any fraud on or by the Company during the year.

**For Shah, Shah & Shah**  
**Chartered Accountants**

**Mehul Shah**

**Partner**

**Mumbai : 30<sup>th</sup> May 2014**

**M. No. 049361**

**FRN: 116457W**

**BALANCE SHEET AS AT 31st MARCH, 2014**

	Particulars	Note No.	31/03/2014		31/03/2013	
			Rs.	Rs.	Rs.	Rs.
<b>A. EQUITY AND LIABILITIES</b>						
<b>1 Shareholders' Funds</b>						
(a) Share capital	1		30,897,000		30,897,000	
(b) Reserves and surplus	2		100,490,854		98,072,405	
(c) Money received against share warrants			0	131,387,854	0	128,969,405
<b>2 Share application money pending allotment</b>				0		0
<b>3 Non-current liabilities</b>						
(a) Long-term borrowings	3		6,562,037		10,088,087	
(b) Deferred tax liabilities (Net)	4		3,696,923		2,991,315	
(c) Other Long term liabilities			0		0	
(d) Long-term provisions			0	10,258,960	0	13,079,402
<b>4 Current liabilities</b>						
(a) Short-term borrowings	5		24,888,400		32,956,470	
(b) Trade payables	6		144,229,425		159,689,683	
(c) Other current liabilities	7		2,530,622		4,344,646	
(d) Short-term provisions	8		571,451	172,219,898	0	196,990,799
Total				313,866,712		339,039,606
<b>B. ASSETS</b>						
<b>1 Non-current assets</b>						
(a) Fixed assets	9					
(i) Tangible assets			74,848,244		37,451,603	
(ii) Intangible assets			243,904		299,337	
(iii) Capital work-in-progress			0		35,146,188	
(iv) Intangible assets under development			0		0	
			75,092,148		72,897,127	
(b) Non-current investments			0		0	
(c) Deferred tax assets (net)			0		0	
(d) Long-term loans and advances	10		1,321,000		1,336,500	
(e) Other non-current assets	11		1,857,243	78,270,391	1,707,473	75,941,100
<b>2 Current assets</b>						
(a) Current investments			0		0	
(b) Inventories	12		74,804,898		97,296,673	
(c) Trade receivables	13		112,288,222		117,677,315	
(d) Cash and Bank Balances	14		43,603,824		25,625,199	
(e) Short-term loans and advances	15		505,000		300,000	
(f) Other current assets	16		4,394,376	235,596,321	22,199,318	263,098,505
Total				313,866,712		339,039,606
Contingent Liabilities & Commitments	17					
NOTES ON ACCOUNT	25					

### AS PER OUR REPORT OF EVEN DATE

For Shah, Shah & Shah  
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS  
Lalit Mehta  
Managing Director

Rajesh Mehta  
Executive Director

Mehul Shah  
Partner  
Membership No. : 49361  
FRN : 116457W

Mahendra Pipalia  
Director

Samir Kothary  
Director

Place : Mumbai

Date : 30<sup>th</sup> May 2014

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2013**

	Particulars	Note	31/03/2014		31/03/2013	
			Rs.	Rs.	Rs.	Rs.
I.	Revenue from operations	18		648,406,345		705,211,732
II.	Other income	19		7,988,239		5,268,113
III.	<b>Total Revenue</b>			<b>656,394,584</b>		<b>710,479,845</b>
IV.	<b>Expenses</b>					
	Cost of Material Consumed	20	569,769,536		668,782,326	
	Changes in the inventories of FG, WIP & Traded goods	21	27,999,502		-16,008,998	
	Employee benefits expense	22	6,841,471		8,540,133	
	Finance costs	23	7,533,825		9,505,913	
	Depreciation and amortization expense	9	3,308,508		2,415,362	
	Other expenses	24	36,867,062		31,429,464	
	<b>Total expenses</b>			<b>652,319,904</b>		<b>704,664,199</b>
V.	<b>Profit before exceptional and extraordinary items and tax (III-IV)</b>			<b>4,074,680</b>		<b>5,815,646</b>
VI.	<b>Exceptional items</b>			<b>0</b>		<b>0</b>
VII.	<b>Profit before extraordinary items and tax (V - VI)</b>			<b>4,074,680</b>		<b>5,815,646</b>
VIII.	<b>Extraordinary Items</b>			<b>0</b>		<b>0</b>
IX.	<b>Profit before tax (VII- VIII)</b>			<b>4,074,680</b>		<b>5,815,646</b>
X.	<b>Tax expense:</b>					
	Provision for Taxation					
	- Current Tax		846,377		1,184,889	
	- Taxation of Earlier Years		104,246		138,216	
	- Deferred Tax		705,608		489,591	
				<b>1,656,231</b>		<b>1,812,696</b>
XI.	<b>Profit (Loss) for the period from continuing operations (VII-VIII)</b>			<b>2,418,449</b>		<b>4,002,950</b>
XII.	<b>Profit/(loss) from discontinuing operations</b>			<b>0</b>		<b>0</b>
XIII.	<b>Tax expense of discontinuing operations</b>			<b>0</b>		<b>0</b>
XIV.	<b>Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)</b>			<b>0</b>		<b>0</b>
XV.	<b>Profit (Loss) for the period (XI + XIV)</b>			<b>2,418,449</b>		<b>4,002,950</b>
XVI.	<b>Earnings per equity share:</b>					
	(1) Basic			<b>0.78</b>		<b>1.30</b>
	(2) Diluted			<b>0.78</b>		<b>1.30</b>
	NOTES ON ACCOUNT	25				

**AS PER OUR REPORT OF EVEN DATE**
**For Shah, Shah & Shah**
**Chartered Accountants**
**Mehul Shah**
**Partner**
**Membership No. : 49361**
**FRN : 116457W**
**Place : Mumbai**
**Date : 30<sup>th</sup> May 2014**
**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**
**Lalit Mehta**
**Managing Director**
**Mahendra Pipalia**
**Director**
**Rajesh Mehta**
**Executive Director**
**Samir Kothary**
**Director**

**Note 1 : SHARE CAPITAL**

Disclosure pursuant to Note no. 6(A)(a, b & c) of Part I of Schedule VI to the Companies Act, 1956

Share Capital	31 March 2014		31 March 2013	
	Number	Rs.	Number	Rs.
<b>Authorised</b> Equity Shares of Rs. 10 each	5,000,000	50,000,000	5,000,000	50,000,000
<b>Issued</b> Equity Shares of Rs. 10 each	3,089,700	30,897,000	3,089,700	30,897,000
<b>Subscribed &amp; Paid up</b> Equity Shares of Rs. 10 each fully paid	3,089,700	30,897,000	3,089,700	30,897,000
<b>Subscribed but not fully Paid up</b> Equity Shares of Rs. 10 each, not fully paid up	-	-	-	-
<b>Total</b>	3,089,700	30,897,000	3,089,700	30,897,000

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

Particulars - Equity Shares	31 March 2014		31 March 2013	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	3,089,700	30,897,000	3,089,700	30,897,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	3,089,700	30,897,000	3,089,700	30,897,000

Particulars - Preference Shares	31 March 2014		31 March 2013	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	-	-	-	-
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	-	-	-	-

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

NIL Equity Shares (NIL Previous year) are held by None, the holding company.

Disclosure pursuant to Note no. 6(A)(g) of Part I of Schedule VI to the Companies Act, 1956 (more than 5%)

Name of Shareholder	31 March 2014		31 March 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Lalit Mehta	417,198	13.50%	417,198	13.50%
Rajesh Mehta	372,853	12.07%	372,853	12.07%
Premal Mehta	174,281	5.64%	174,281	5.64%



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

(Following disclosure should be made for each class of Shares)

Particulars	Year (Aggregate No. of Shares)				
	2007-08	2008-09	2009-10	2010-11	2011-12
<b>Equity Shares :</b>					
Fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-
Fully paid up by way of bonus shares	-	-	-	-	-
Shares bought back	-	-	-	-	-
Convertible Shares Warrants	-	-	-	-	-
<b>Preference Shares :</b>					
Fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-
Fully paid up by way of bonus shares	-	-	-	-	-
Shares bought back	-	-	-	-	-

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

Unpaid Calls	Rs.
By Directors	-
By Officers	-
Others	-

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

Particulars - Equity Shares	31 March 2014		31 March 2013	
	Number	Rs.	Number	Rs.
Forfeited shares (amount originally paid up)	-	-	-	-

Particulars - Preference Shares	31 March 2014		31 March 2013	
	Number	Rs.	Number	Rs.
Forfeited shares (amount originally paid up)	-	-	-	-

**Disclosure pursuant to Note no. 6 (A) (e, h, j) of Part I of Schedule VI to the Companies Act, 1956**

Rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital.

Particulars	31 March 2014		31 March 2013	
	Number	Description	Number	Description
<b>Equity Shares</b>	3,089,700	Parri Pasu	3,089,700	Parri Pasu
Restrictions on the distribution of dividends		None		None
Voting rights or with differential voting rights as to dividend		All shares have equal Voting Rights		All shares have equal Voting Rights

Particulars	Number	Description	Number	Description
<b>Preference Shares</b>	-	-	-	-
Preferential rights in respect of payments of fixed dividend and repayment of capital.	-	Not Applicable	-	Not Applicable
Voting rights or with differential voting rights as to dividend	-	Not Applicable	-	Not Applicable
Full or partial participating rights in surplus profits or surplus capital	-	Not Applicable	-	Not Applicable
Cumulative, noncumulative, redeemable, convertible, non-convertible	-	Not Applicable	-	Not Applicable

Shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment, including the terms and amounts.

Particulars	31 March 2014		31 March 2013	
	Number	Description	Number	Description
Equity Shares	-	-	-	-
Preference Shares	-	-	-	-

Terms of any securities convertible into equity / preference shares issued along with the earliest date of conversion in descending order starting from the farthest such date.

Particulars	31 March 2014		31 March 2013	
	Number	Description	Number	Description
Equity Shares	-	-	-	-
Preference Shares	-	-	-	-
Warrants / Bonds	-	-	-	-
Debentures	-	-	-	-

## Note 2 : RESERVES AND SURPLUS

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

Particulars	31/03/2014	31/03/2013
	Rs.	Rs.
<b>a. Capital Reserves</b>		
Opening Balance	-	-
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	-	-
<b>b. Capital Redemption Reserve</b>		
Opening Balance	-	-
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	-	-

<b>c. Securities Premium Account</b>		
Opening Balance	-	-
Add: Securities premium credited on Share issue	-	-
Less: <u>Premium Utilised for various reasons</u>	-	-
Premium on Redemption of Debentures	-	-
For Issuing Bonus Shares	-	-
For Other Reasons (Please indicate)	-	-
Closing Balance	-	-
<b>d. Debenture Redemption Reserve</b>		
Opening Balance	-	-
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	-	-
<b>e. Revaluation Reserve</b>		
Opening Balance	-	-
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	-	-
<b>f. Share Options Outstanding Account</b>		
Opening Balance	-	-
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	-	-
<b>g. Other Reserves (Specify nature and purpose)</b>		
Opening Balance	-	-
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	-	-
<b>h. Surplus</b>		
Opening Balance	98,072,405	94,069,455
(+) Net Profit/(Net Loss) for the current year	2,418,449	4,002,950
(+) Transfer from Reserves	-	-
(-) Proposed Dividends	-	-
(-) Interim Dividends	-	-
(-) Transfer to Reserves	-	-
Closing Balance	<b>100,490,854</b>	<b>98,072,405</b>
Total Reserves & Surplus	<b>100,490,854</b>	<b>98,072,405</b>

**Note 3 : LONG-TERM BORROWINGS**

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

Particulars	31/03/2014	31/03/2013
	Rs.	Rs.
<b>Secured</b>		
<b>(a) Bonds/debentures</b>		
NIL (Previous Year: NIL) NIL % Debentures of Rs. NIL each redeemable at Par on N.A.(secured by N. A.)	-	-
(of the above, Rs. NIL is guaranteed by Directors and / or others)		
Details of redeemed bonds/debentures which the company has power to reissue: None		
<b>(b) Term loans</b>		
<u>From Banks</u>		
HDFC Bank	6,562,037	10,088,087
(Secured against mortgage of Office Premises)		
Terms of Repayment	Repayable under EMI	
Period of Maturity	Oct-16	
Number and amount of balance emi (incl interest)	31 11,856,415	
Rate of Interest	12%	
Other significant terms	-	-
<u>From other parties</u>	-	-
(Secured against Not Applicable)		
(of the above, Rs. None is guaranteed by Directors and / or others)		
Terms of Repayment : Not Applicable		
<b>(c) Deferred payment liabilities</b>	-	-
(Secured by Not Applicable)		
(of the above, Rs. None is guaranteed by Directors and / or others)		
<b>(d) Deposits</b>	-	-
(Secured By Not Applicable)		
(of the above, Rs. None is guaranteed by Directors and / or others)		
<b>(e) Loans and advances from related parties</b>	-	-
(Secured By Not Applicable)		
(of the above, Rs. None is guaranteed by Directors and / or others)		
Terms of Repayment Not Applicable.		
<b>(f) Long term maturities of finance lease obligations</b>	-	-
(Secured By Not Applicable)		
(of the above, Rs. None is guaranteed by Directors and / or others)		
<b>(g) Other loans and advances (Specify Nature if any)</b>	-	-
(Secured By Not Applicable)		
(of the above, Rs. None is guaranteed by Directors and / or others)		
Terms of Repayment Not Applicable.		
<b>Total Secured Long Term Borrowings</b>	<b>6,562,037</b>	<b>10,088,087</b>
<u>In case of continuing default as on the balance sheet date in repayment of loans and interest with respect to (b) (e) &amp; (g)</u>		
1. Period of default - None		
2. Amount - NIL		

<b>Unsecured</b>		
<b>(a) Bonds/debentures</b>		
NIL (Previous Year: NIL) NIL % Debentures of Rs. NIL each redeemable at Par on N.A.	-	-
(of the above, Rs. NIL is guaranteed by Directors and / or others)		
Details of redeemed bonds/debentures which the company has power to reissue: None		
<b>(b) Term loans</b>		
From banks	-	-
From other parties		
(of the above, Rs. None is guaranteed by Directors and / or others)		
Terms of Repayment Not Applicable		
<b>(c) Deferred payment liabilities</b>		
(of the above, Rs. None is guaranteed by Directors and / or others)	-	-
<b>(d) Deposits</b>		
(of the above, Rs. None is guaranteed by Directors and / or others)	-	-
<b>(e) Loans and advances from related parties</b>		
(of the above, Rs. None is guaranteed by Directors)	-	-
Terms of Repayment : Not Applicable		
<b>(f) Long term maturities of finance lease obligations</b>		
(of the above, Rs. None is guaranteed by Directors and / or others)	-	-
<b>(g) Other loans and advances (specify nature if any)</b>		
(of the above, Rs. None is guaranteed by Directors and / or others)	-	-
Terms of Repayment Not Applicable		
<b>Total Unsecured Long Term Borrowings</b>	-	-
<u>In case of continuing default as on the balance sheet date in repayment of loans and interest with respect to (b) (e) &amp; (g)</u>		
1. Period of default - None		
2. Amount - NIL		
<b>Total Long Term Borrowings</b>	<b>6,562,037</b>	<b>10,088,087</b>

**Note 4 : DEFERRED TAX ASSET (NET)**

The Company has accounted for taxes on income in accordance with AS-22 – Accounting for Taxes on Income issued by the Ministry of Corporate Affairs. Consequently, the net incremental deferred tax (liability) / asset is charged / credited to Profit and Loss Account. The year end position of taxes on income is as under:

Particulars	31/03/2014	31/03/2013
	Rs.	Rs.
<b>Deferred tax liability</b>		
Fixed Assets : Impact of Difference between tax depreciation and depreciation / amortisation charged for financial reporting	4,316,626	3,472,314
Others	-	-
Gross deferred tax liability	4,316,626	3,472,314
<b>Deferred tax asset</b>		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	-	-

Unabsorbed Depreciation as per Tax	-	-
Difference in stock value as per accounts and as per tax	699,915	480,999
Reserve for doubtful debts	-80,212	-
Gross deferred tax asset	619,703	480,999
<b>Net deferred tax liability / (asset)</b>	<b>3,696,923</b>	<b>2,991,315</b>

**Note 5 : SHORT-TERM BORROWINGS**

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

Particulars	31/03/2014	31/03/2013
	Rs.	Rs.
<b><u>Secured</u></b>		
<b>(a) Loans repayable on demand</b>		
From banks	-	-
from other parties		
(Secured By None)		
<b>(b) Loans and advances from related parties</b>	-	-
(Secured By Not Applicable)		
(of the above, Rs. NIL is guaranteed by Directors and / or others)		
<b>(c) Deposits</b>	-	-
(Secured By Not Applicable)		
(of the above, Rs. NIL is guaranteed by Directors and / or others)		
<b>(d) Other loans and advances</b>	-	-
<b>Cash Credit from ICICI bank</b>	21,362,351	29,842,729
(Secured by hypothecation of Stock, Book Debts, and first charge over Fixed Assets. As a collateral security, the promoter directors Mr. Lalit Mehta and Mr. Rajesh Mehta have given their personal guarantee)		
Period of Maturity	Cash Credit Account	
Number and amount of Installments due	Not Applicable	
Rate of Interest	14.50%	
Other significant terms	-	
<b>Principal of Term Loan falling due within a year</b>	3,526,050	3,113,741
<b>Total Secured Short Term Borrowings</b>	<b>24,888,400</b>	<b>32,956,470</b>
<u>In case of continuing default as on the balance sheet date in repayment of loans and interest with respect to (a) (b) &amp; (d)</u>		
1. Period of default - None		
2. Amount - NIL		
<b><u>Unsecured</u></b>		
<b>(a) Loans repayable on demand</b>	-	-
from banks		
from other parties		
(of the above, Rs. NIL is guaranteed by Directors and / or others)		
<b>(b) Loans and advances from related parties</b>	-	-
(of the above, Rs. NIL is guaranteed by Directors and / or others)		
<b>(c) Deposits</b>	-	-
(of the above, Rs. NIL is guaranteed by Directors and / or others)		

(d) Other loans and advances (specify nature) (of the above, Rs. NIL is guaranteed by Directors and / or others)	-	-
<b>Total Unsecured Short Term Borrowings</b>	-	-
<u>In case of continuing default as on the balance sheet date in repayment of loans and interest with respect to (a) (b) &amp; (d)</u>		
1. Period of default - None	-	-
2. Amount - NIL	-	-
<b>Total Short Term Borrowings</b>	<b>24,888,400</b>	<b>32,956,470</b>

**Note 6 : TRADE PAYABLES**

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

Particulars	31/03/2014	31/03/2013
	Rs.	Rs.
(a) Trade Payables	144,229,425	159,689,683
(b) Others	-	-
<b>Total Trade Payables</b>	<b>144,229,425</b>	<b>159,689,683</b>

**Note 7 : OTHER CURRENT LIABILITIES**

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

Particulars	31/03/2014	31/03/2013
	Rs.	Rs.
(a) Current maturities of long-term debt	-	-
(b) Current maturities of finance lease obligations	-	-
(c) Interest accrued but not due on borrowings	-	-
(d) Interest accrued and due on borrowings	-	-
(e) Income received in advance	-	-
(f) Unpaid dividends	-	-
(g) Application money received for allotment of securities and due for refund	-	-
interest accrued on (g) above		
Number of shares proposed to be issued: _____		
<b>Amount of premium (if any):</b> _____		
Terms and conditions of shares proposed to be issued:		
Date by which shares shall be allotted: _____		
Whether the company has sufficient authorized capital to cover the share capital amount resulting from allotment of shares out of such share application money		
The period overdue from the last date of allotment is _____;		
reason being _____		
(h) Unpaid matured deposits and interest accrued thereon	-	-
(i) Unpaid matured debentures and interest accrued thereon	-	-

(j) Other payables (specify nature)		
- Sundry Creditors For Fixed Assets	-28,645	-
- Advances Received Against Order/Goods	-	-
- TDS / TCS Payable	86,680	135,792
- Service Tax Payable	-	16,377
- Excise Liability On Finished Goods	2,472,587	4,192,477
<b>Total Other Current Liabilities</b>	<b>2,530,622</b>	<b>4,344,646</b>

**Note 8 : SHORT TERM PROVISIONS**

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

Particulars	31/03/2014	31/03/2013
	Rs.	Rs.
<b>(a) Provision for employee benefits</b>		
Salary & Reimbursements	-	-
Contribution to PF	-	-
Gratuity (Unfunded)	-	-
Leave Encashment (funded)	-	-
Superannuation (funded)	-	-
ESOP /ESOS	-	-
(b) Others	-	-
<b>(b) Others (Specify nature)</b>		
Provision for Taxation	571,451	-
<b>Total Short Term Provisions</b>	<b>571,451</b>	<b>-</b>



**Note 9 : FIXED ASSETS**

Disclosure pursuant to Note no. I (i), (ii), (iii); Note no. J (i),(ii); Note no. J and Note no. L of Part of Schedule VI to the Companies Act, 1956

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	31/03/13	Additions	Disposal	31/03/14	31/03/13	For Year	on Disposal	31/03/14	31/03/13	31/03/14
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>(a) Tangible Assets</b>										
Land	891,494	-	-	891,494	-	-	-	-	891,494	891,494
Factory Building	15,415,426	3,561,813	-	18,977,238	2,846,201	520,417	-	3,366,618	12,569,225	15,610,620
Office Premises	-	29,625,684	-	29,625,684	-	482,899	-	482,899	-	29,142,785
Plant And Machinery	30,718,228	143,922	-	30,862,150	9,766,114	1,459,131	-	11,225,245	20,952,114	19,636,905
Office Equipment	1,183,141	845,953	-	2,029,094	327,502	94,402	-	421,904	855,639	1,607,190
Computer System	2,299,968	340,925	-	2,640,893	1,509,642	225,581	-	1,735,223	790,326	905,670
Furniture And Fixtures	1,580,564	6,079,752	-	7,660,316	246,331	449,689	-	696,020	1,334,234	6,964,296
Vehicles	256,040	-	-	256,040	145,801	20,956	-	166,757	110,239	89,283
Others (specify nature)	-	-	-	-	-	-	-	-	-	-
Assets under lease (specify nature)	-	-	-	-	-	-	-	-	-	-
<b>Total (Current Year)</b>	<b>52,344,861</b>	<b>40,598,048</b>	<b>-</b>	<b>92,942,909</b>	<b>14,841,591</b>	<b>3,253,075</b>	<b>-</b>	<b>18,094,666</b>	<b>37,503,270</b>	<b>74,848,244</b>
<b>Total (Previous Year)</b>	<b>48,819,538</b>	<b>3,525,323</b>	<b>-</b>	<b>52,344,861</b>	<b>12,522,694</b>	<b>2,370,565</b>	<b>-</b>	<b>14,893,258</b>	<b>36,296,844</b>	<b>37,451,603</b>
<b>(b) Intangible Assets</b>										
Goodwill	-	-	-	-	-	-	-	-	-	-
Brands / trademarks	-	-	-	-	-	-	-	-	-	-
Computer software	422,031	-	-	422,031	122,694	55,433	-	178,127	299,337	243,904
Mastheads and publishing titles	-	-	-	-	-	-	-	-	-	-
Mining rights	-	-	-	-	-	-	-	-	-	-
Copyrights, and patents and other intellectual property rights, services and operating rights	-	-	-	-	-	-	-	-	-	-
Recipes, formulae, models, designs and prototypes	-	-	-	-	-	-	-	-	-	-
Licenses and franchise	-	-	-	-	-	-	-	-	-	-
<b>Total (Current Year)</b>	<b>422,031</b>	<b>-</b>	<b>-</b>	<b>422,031</b>	<b>122,694</b>	<b>55,433</b>	<b>-</b>	<b>178,127</b>	<b>299,337</b>	<b>243,904</b>
<b>Total (Previous Year)</b>	<b>96,060</b>	<b>325,971</b>	<b>-</b>	<b>422,031</b>	<b>77,897</b>	<b>44,797</b>	<b>-</b>	<b>122,694</b>	<b>18,163</b>	<b>299,337</b>
<b>(c) Capital Work-in-progress</b>	<b>35,146,188</b>	<b>-</b>	<b>35,146,188</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35,146,188</b>	<b>-</b>
<b>Total (Current Year)</b>	<b>35,146,188</b>	<b>-</b>	<b>35,146,188</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35,146,188</b>	<b>-</b>
<b>Total (Previous Year)</b>	<b>27,599,961</b>	<b>7,546,226</b>	<b>-</b>	<b>35,146,188</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27,599,961</b>	<b>35,146,188</b>
<b>(d) Intangible assets under development</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Disclosure pursuant to Note no.I (iv) and J (iii) of Part I of Schedule VI to the Companies Act, 1956

Where sums have been written off on a reduction of capital or revaluation of assets or where sums have been added on revaluation of assets

Particulars	Year (Aggregate No. of Shares)				
	2009-10	2010-11	2011-12	2012-13	2013-14
	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Asset details:</b>					
Balance as at 1st April	-	-	-	-	-
Impairment / Revaluation	-	-	-	-	-
Balance as at 31st March	-	-	-	-	-

**Note 10 : LONG TERM LOANS AND ADVANCES**

Disclosure pursuant to Note no. L (i),(ii) and (iii) of Part I of Schedule VI to the Companies Act, 1956

Particulars	31 March 2014		31 March 2013	
	Rs.	Rs.	Rs.	Rs.
<b>a. Capital Advances</b>				
Total (a)		-		-
<b>b. Loans and advances to related parties</b>				
Total (b)		-		-
<b>c. Other loans and advances</b>				
Secured, considered good	-	-	-	-
Unsecured, considered good			-	-
Staff Loans	1,321,000	1,321,000	1,336,500	1,336,500
Doubtful	-	-	-	-
Less: Provision for	-	-	-	-
Total (c)		1,321,000		1,336,500
<b>Total Long Term Loans and Advances</b>		<b>1,321,000</b>		<b>1,336,500</b>

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

Loans and advances to related parties	31 March 2014		31 March 2013	
	Rs.	Rs.	Rs.	Rs.
Directors *		-		-
Other officers of the Company *		-		-
Firm in which director is a partner *		-		-
Private Company in which director is a member		-		-

\*Either severally or jointly

**Note 11 : OTHER NON CURRENT ASSETS**

Disclosure pursuant to Note no. M (i),(ii) and (iii) of Part I of Schedule VI to the Companies Act, 1956

Particulars	31 March 2014		31 March 2013	
	Rs.	Rs.	Rs.	Rs.
<b>a. Long term trade receivables</b>				
Total (a)		-		-
<b>b. Security Deposits</b>				
Unsecured, considered good				
Deposits with various authorities	1,575,979	1,575,979	1,426,209	1,426,209
Total (b)		1,575,979		1,426,209
<b>c. Income tax refund receivable</b>		281,264		281,264
Total (c)		281,264		281,264
<b>d. Debts due by related parties</b>				
Total (d)		-		-
<b>Total Other Non-Current Assets</b>		<b>1,857,243</b>		<b>1,707,473</b>

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

**Details of debts due by related parties**

Particulars	31/03/14	31/03/13
	Rs.	Rs.
Directors *	-	-
Other officers of the Company *	-	-
Firm in which director is a partner *	-	-
Private Company in which director is a member	-	-
<b>Total debts due by related parties</b>	-	-

\*Either severally or jointly

**Note 12 : INVENTORIES**

Disclosure pursuant to Note no.O (i), (ii) and (ii) of Part I of Schedule VI to the Companies Act, 1956

Particulars	31 March 2014		31 March 2013	
	Rs.	Rs.	Rs.	Rs.
a. Raw Materials and components (Valued at lower of cost or net realisable value)	22,055,611		12,356,067	
Trade Goods	6,373,688		-	
Goods-in transit	-	28,429,299	-	12,356,067
b. Work-in-progress (Valued at lower of cost or net realisable value)	15,995,538		23,712,230	
Goods-in transit	-	15,995,538	-	23,712,230
c. Finished goods (Valued at lower of cost or net realisable value)	29,876,358		60,725,332	
Goods-in transit	-	29,876,358	-	60,725,332
d. Stores and spares (Valued at lower of cost or net realisable value)	-		-	
Goods-in transit	-	-	-	-
e. Loose Tools (Valued at Not Applicable)	-		-	
Goods-in transit	-	-	-	-
f. Packing Material (Valued at lower of cost or net realisable value)	503,704		503,044	
Goods-in transit	-	503,704	-	503,044
<b>Total Inventories</b>		<b>74,804,898</b>		<b>97,296,673</b>

**Note 13 : TRADE RECEIVABLES**

Disclosure pursuant to Note no.P (i), (ii), (iii) and (iv) of Part I of Schedule VI to the Companies Act, 1956

Particulars	31/03/14	31/03/13
	Rs.	Rs.
A. Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	109,589,978	116,216,296
Unsecured, considered doubtful	-	-
	109,589,978	116,216,296
<u>Less: Provision for doubtful debts</u>	-	-
Sub Total (A)	109,589,978	116,216,296
B. Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	2,698,245	1,461,019
Unsecured, considered doubtful	259,586	-
	2,957,831	1,461,019
<u>Less: Provision for doubtful debts</u>	259,586	-
Sub Total (B)	2,698,245	1,461,019
<b>Total Trade Receivables (A + B)</b>	<b>112,288,222</b>	<b>117,677,315</b>

**Details of Debts Due from Related Parties**

Particulars	31/03/14	31/03/13
	Rs.	Rs.
Directors *	-	-
Other officers of the Company *	-	-
Firm in which director is a partner *	-	-
Private Company in which director is a member	-	-
<b>Total Debts Due by Related Parties</b>	<b>-</b>	<b>-</b>

\*Either severally or jointly

**Note 14 : CASH AND BANK BALANCES**

Disclosure pursuant to Note no.Q (i), (ii), (iii), (iv) and (v) of Part I of Schedule VI to the Companies Act, 1956

Particulars	31 March 2014		31 March 2013	
	Rs.	Rs.	Rs.	Rs.
<b>CASH AND CASH EQUIVALENTS</b>				
<b>A. Balances with banks*</b>				
State Bank of India	34,313		25,906	
ICICI Bank A/C 102	22,414,969		98,110	
Citi Bank N.A.	0		14,531	
In-Transit	1,534		62,339	
HDFC Bank	78,404		-1,508,471	
UCO Bank	25,000	22,554,219	-	-1,307,585
B. Cash on hand		216,886		414,326
C. Cheques, drafts on hand		-		-
		22,771,105		-893,259
<b>D. OTHER BANK BALANCES</b>				
Earmarked Balances (e.g. unpaid dividend a/c)	-		-	
Margin money	-		-	
Security against borrowings	-		-	
Guarantees	-		-	
Fixed deposit with banks (Maturity with less than 12 months)		-		-
Fixed deposit with banks (Maturity with more than 12 months)				
- Fixed Deposit With ICICI Bank	20,832,719		19,539,770	
- Fixed Deposit With Citi Bank	-		6,978,688	
	-	20,832,719	-	26,518,458
E. Others (specify nature)		-		-
<b>Total Cash and Cash Equivalents (A+B+C+D)</b>		<b>43,603,824</b>		<b>25,625,199</b>

**Note 15 : SHORT TERM LOANS AND ADVANCES**

Disclosure pursuant to Note no. R (i), (ii) &amp; (iii) of Part I of Schedule VI to the Companies Act, 1956

Particulars	31 March 2014		31 March 2013	
	Rs.	Rs.	Rs.	Rs.
<b>A. Loans and advances to related parties (refer note 2)</b>				
Secured, considered good		-		-
Unsecured, considered good		-		-
Doubtful	-		-	
Less: Provision for doubtful loans and advances	-	-	-	-
<b>Sub Total (A)</b>		-		-
<b>B. Others</b>				
Secured, considered good		-		-
Unsecured, considered good		505,000		300,000
(Current portion of Staff Loans)				
To be recoverable in cash or in kind for the value to be received		-		-
Doubtful	-		-	
Less: Provision for doubtful _____	-	-	-	-
<b>Sub Total (B)</b>		505,000		300,000
<b>Total Short-term loans and advances (A + B)</b>		<b>505,000</b>		<b>300,000</b>

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

**Details of Loans and advances to related parties**

Particulars	31 March 2014		31 March 2013	
	Rs.	Rs.	Rs.	Rs.
Directors *		-		-
Other officers of the Company *		-		-
Firm in which director is a partner *		-		-
Private Company in which director is a member		-		-
<b>Total Loans and advances to related parties</b>		-		-

\*Either severally or jointly

**Note 16 : OTHER CURRENT ASSETS**

Disclosure pursuant to Note no. R (i), (ii) & (iii) of Part I of Schedule VI to the Companies Act, 1956

Particulars	31 March 2014		31 March 2013	
	Rs.	Rs.	Rs.	Rs.
<b>Taxation</b>	-		-	
<b>Non-Taxation</b>				
Central Excise Refund Receivable	-		12,676,385	
Cenvat Credit Balance	3,648,623		6,362,349	
Central Excise-Pla A/C	-		38,825	
Export Incentive Receivable	602,838		667,576	
Prepaid Expenses	142,915		90,665	
Advances For Fixed Assets	-	4,394,376	2,363,519	22,199,318
<b>Total Other Current Assets</b>		<b>4,394,376</b>		<b>22,199,318</b>

**Note 17 : CONTINGENT LIABILITIES AND COMMITMENTS**

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

Particulars	31 March 2014		31 March 2013	
	Rs.	Rs.	Rs.	Rs.
<b>A. Contingent Liabilities</b>				
(1) Claims against the company not acknowledged as debt (Income tax assessment dues for AY 2011-12 under appeal pending before first appellate authority)	3,580,450		-	
(2) Guarantees	-		-	
(3) Other money for which the company is contingently liable LC issued by Company's bankers	7,211,976		44,240,257	
<b>Sub Total (A)</b>		<b>10,792,426</b>		<b>44,240,257</b>
<b>B. Commitments</b>				
(1) Estimated amount of contracts remaining to be executed on capital account and not provided for	-		500,000	
(2) Uncalled liability on shares and other investments partly paid	-		-	
(3) Other commitments (specify nature)	-		-	
<b>Sub Total (B)</b>				<b>500,000</b>
<b>Total Contingent Liabilities and Commitments (A+B)</b>		<b>10,792,426</b>		<b>44,740,257</b>

**SPECIFIC DISCLOSURES****1. Disclosure pursuant to Note no. 6(U) of Part I of Schedule VI to the Companies Act, 1956**

Particulars	Total Rs.	Per share Rs.
Dividends proposed to be distributed to equity shareholders	-	-
Dividends proposed to be distributed to preference shareholders	-	-
Arrears of fixed cumulative dividends on preference shares	-	-

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

Where in respect of an issue of securities made for a specific purpose, the whole or part of the amount has not been used for the specific purpose at the balance sheet date, Indicate below how such unutilized amounts have been used or invested.
Not Applicable

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

If, in the opinion of the Board, any of the assets other than fixed assets and non-current investments do not have a value on realization in the ordinary course of business at least equal to the amount at which they are stated, the fact that the Board is of that opinion, shall be stated.

Name of Assets	Realisable Value	Value in Balance Sheet	Opinion of Board
		Not Applicable	

**Note 18 : REVENUE FROM OPERATIONS****Disclosure pursuant to Note no. 2 of Part II of Schedule VI to the Companies Act, 1956**

In respect of a company **other than a finance company** revenue from operations shall disclose separately in the notes revenue from

Particulars	31 March 2014		31 March 2013	
	Rs.	Rs.	Rs.	Rs.
Sale of products	714,073,378		782,831,542	
Sale of services	-		-	
Other operating revenues				
Foreign Exchange Fluctuation	908,222		1,559,949	
<b>Gross Revenue</b>		714,981,600		784,391,490
<u>Less:</u>				
Excise duty	52,799,328		63,806,130	
Sales tax	13,775,927	66,575,255	15,373,628	79,179,758
<b>Net Revenue From Operations</b>		<b>648,406,345</b>		<b>705,211,732</b>

In respect of a **finance company**, revenue from operations shall include revenue from

Particulars	31 March 2014		31 March 2013	
	Rs.	Rs.	Rs.	Rs.
Interest; and	-		-	
Other financial services	-		-	
<b>Net Revenue From Operations</b>		-		-

**Note 19 : OTHER INCOME**

Disclosure pursuant to Note no. 4 of Part II of Schedule VI to the Companies Act, 1956

Particulars	31 March 2014		31 March 2013	
	Rs.	Rs.	Rs.	Rs.
Interest Income (in case of a company other than a finance company)				
Interest Received	2,121,543		2,586,190	
Interest on Deposits	-	2,121,543	25,200	2,611,390
Export Incentives	4,941,063		2,644,723	
Income From Sale of Scrap	12,000		12,000	
License Sale	909,044	5,862,107	-	2,656,723
Net gain / (loss) on sale of investments		-		-
Other non-operating income (net of expenses directly attributable to such income)		4,589		-
<b>Total Other Income</b>		<b>7,988,239</b>		<b>5,268,113</b>

**Note 20 : COST OF MATERIAL CONSUMED**

Disclosure pursuant to Note no. 3 of Part II of Schedule VI to the Companies Act, 1956

Particulars	31 March 2014		31 March 2013	
	Rs.	Rs.	Rs.	Rs.
<u>Materials Consumed</u>				
<u>Opening Stock</u>				
Raw Materials	12,356,067		4,592,876	
Packing Materials	503,044		651,798	
Consumables including Spare Parts	-		-	
Traded Goods	-		-	
		<b>12,859,111</b>		<b>5,244,674</b>
Add : Cost of Purchases		579,469,740		676,396,762
Cost of Traded Goods		6,373,688		-
<u>Less : Closing Stock</u>				
Raw Materials	22,055,611		12,356,067	
Packing Materials	503,704		503,044	
Consumables including Spare Parts	-		-	
Traded Goods	6,373,688		-	
		<b>28,933,003</b>		<b>12,859,111</b>
<b>Cost of Material consumed</b>		<b>569,769,536</b>		<b>668,782,326</b>



**Note 21 : (INCREASE) / DECREASE IN INVENTORIES**

Disclosure pursuant to Note no. 3 of Part II of Schedule VI to the Companies Act, 1956

Particulars	31 March 2014		31 March 2013	
	Rs.	Rs.	Rs.	Rs.
<b>Inventories at the end of the year</b>				
Work-in-progress	15,995,538		23,712,230	
Finished Goods	29,876,358		60,725,332	
Traded Goods	6,373,688	52,245,583	-	84,437,562
<b>Inventories at the beginning of the year</b>				
Work-in-progress	23,712,230		12,147,842	
Finished Goods	56,532,855		56,280,722	
Traded Goods	-	80,245,085	-	68,428,564
<b>Net (Increase) / Decrease in Inventories</b>		<b>27,999,502</b>		<b>(16,008,998)</b>

**Note 22 : EMPLOYEE BENEFIT EXPENSES**

Disclosure pursuant to Note no. 5(1)(a) of Part II of Schedule VI to the Companies Act, 1956

Particulars	31 March 2014		31 March 2013	
	Rs.	Rs.	Rs.	Rs.
(a) Salaries, Wages and bonus				
Other Employees		4,506,997		4,171,557
Directors' Remuneration		900,000		2,940,000
(b) Contributions to -				
Provident fund	444,709		398,820	
Profession tax	-		2,400	
Employee State Insurance Corporation	96,256		131,623	
Employee Insurance	13,273		13,259	
(c) Gratuity fund contributions	131,114		113,510	
(d) Social security and other benefit plans for overseas employees	-		-	
(e) Expense on Employee Stock Option Scheme (ESOP) and Employee Stock Purchase Plan (ESPP)	-		-	
(f) Staff welfare expenses	749,122	1,434,474	768,964	1,428,576
<b>Total Employee Benefit Expenses</b>		<b>6,841,471</b>		<b>8,540,133</b>

**Note 23 : FINANCE COST**

Disclosure pursuant to Note no. 3 of Part II of Schedule VI to the Companies Act, 1956

Particulars	31 March 2014		31 March 2013	
	Rs.	Rs.	Rs.	Rs.
<b><u>Interest Charges</u></b>				
Interest on term Loan	1,450,728		-	
Interest on other borrowings	1,591,441	3,042,169	2,664,604	2,664,604
<b><u>Other borrowing costs</u></b>				
Bank Charges and commission incl L/c, others	4,491,656		6,841,309	
Car hire Purchase Finance charges	-	4,491,656	-	6,841,309
Applicable net loss (gain) on foreign currency transactions and translation		-		-
<b>Total Finance Cost</b>		<b>7,533,825</b>		<b>9,505,913</b>

**Note 24 : OTHER EXPENSES**

Particulars	31 March 2014		31 March 2013	
	Rs.	Rs.	Rs.	Rs.
<b>1.Purchase of Traded Goods</b>		<b>6,373,688</b>		<b>-</b>
<b>2.Manufacturing Expenses</b>				
Contract labour	3,125,284		3,434,543	
Job Work Charges	536,250		339,150	
Power Charges	2,195,162		1,903,951	
Gas Charges	3,870,453		2,816,861	
Water Charges	218,572		204,022	
Analytical & Testing Charges	499,073		692,558	
Insurance Charges	212,508		179,857	
Central Excise / Service Tax	4,090		40,562	
Notional Excise on Stock of Finished Goods	2,472,587		4,192,477	
Repairs To Factory Building	406,166		1,741,415	
Repairs To Plant & Machinery	2,691,239		3,237,474	
Effluent Treatment & Pollution Control	351,673		343,331	
Other Manufacturing Expenses	51,278		-	
		<b>16,634,334</b>		<b>19,126,200</b>
<b>3.Administrative &amp; Other Expenses</b>				
Directors' Sitting Fees	78,708		90,000	
Office Electricity	126,650		127,508	
Office Lease Rent	-		418,788	
Factory Cess & Taxes	-		-	
Legal & Professional Charges	2,158,122		3,027,572	
Printing, Stationery & Periodicals	629,616		669,562	
Conveyance - Local	260,059		259,914	
Vehicle Expenses	101,671		100,365	
Travelling - Outdoor	184,500		146,063	
Telephone & Telecommunication Expenses	654,072		717,110	

Postage & Courier Charges	253,631		204,138	
Auditor's Remuneration	272,000		243,478	
Stock Exchange & Custodial Fees	64,593		102,239	
Office Maintenance, Repairs & Renewals	237,191		219,529	
Insurance	82,289		63,362	
Advertisement (Statutory)	87,502		98,348	
AGM Expenses	25,315		-	
Sundry Expenses	541,366		614,482	
Donation	10,000		-	
		<b>5,767,285</b>		<b>7,102,458</b>
<b>4. Selling &amp; Distribution Expenses</b>				
Export Expenses	3,351,289		3,098,862	
Advertisement & Publicity	267,844		275,228	
Business Promotion	119,979		286,763	
Bad Debts Written Off	789,792		-	
Reserve For Doubtful Debts	259,586		-	
Discount	388,627		-115,117	
Commission & Brokerage	1,512,340		641,793	
Sales Tax	519,940		64,775	
Insurance - Goods-In-Transit (Sales)	327,059		174,836	
Delivery Charges	555,300		773,666	
		<b>8,091,756</b>		<b>5,200,806</b>
<b>5. Loss on Disposal of Fixed Assets</b>		-		-
<b>Total Other Expenses</b>		<b>36,867,062</b>		<b>31,429,464</b>

**NOTE 25 : OTHER NOTES**
**1. SIGNIFICANT ACCOUNTING POLICIES:**
**ACCOUNTING CONCEPTS:**

The Company follows mercantile system of accounting, and recognises income and expenses on accrual basis that are of significant nature. The financial statement have been prepared to comply in all material respect with the mandatory Accounting standards issued by the Institute of Chartered Accountants of India, in accordance with Indian Generally Accepted Accounting Policies and as per the provision of the Companies Act, 1956.

**FIXED ASSETS:**

Fixed Assets are stated at cost (net of Cenvat & VAT Credit) of acquisition/construction less accumulated depreciation and impairment loss. Cost includes direct expenses as well as clearly identifiable indirect expenses incurred to bring the assets to their working condition for its intended use, net of CENVAT and VAT recoverable.

**DEPRECIATION:**

- ☐ Depreciation on the Fixed assets has been provided on Straight Line basis as per the provision of Section 205 of the Companies Act, 1956, at the rates and in the manner specified in Schedule XIV to the Companies Act 1956.
- ☐ Individual assets of value less than Rs. 5000 are depreciated in the year of purchase.

**INVESTMENTS:**

A current investment is an investment that is by its nature readily realizable and is intended to be held for not more than one year from the date on which such investment is made. A long term investment is an investment other than a current investment. An investment property is an investment in land or buildings that are not intended to be

occupied substantially for use by, or in the operations of, the investing enterprise. Long term investments and are stated at cost. The carrying amount for current investments is the lower of cost and fair value.

**BORROWING COSTS:**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets, the assets that take substantial period of time to get ready for intended use, are capitalised as part of the cost of such assets.

**INTANGIBLE ASSET:**

An intangible asset is an identifiable non-monetary asset, without physical substance, held for use in the production or supply of goods or services, for rental to others, or for administrative purposes. Intangible Assets are stated at cost of acquisition less accumulated depreciation. All costs, including financing costs till commencement of commercial operations are capitalised.

**INVENTORIES :**

Inventories of finished goods, raw materials, and work in progress are carried at lower of cost or net realisable value. The cost of inventories of items that are not ordinarily interchangeable are assigned by specific identification of their individual costs. Other inventory items are recorded using first-in-first-out cost formula. The inventories include the relevant duties, taxes, and cess other than those subsequently recoverable by the enterprise from the taxing authorities that were incurred to bring the inventory to their present location and conditions.

**FOREIGN EXCHANGE TRANSACTIONS :**

- ☐ Initial Recognition: Transactions denominated in foreign currencies are recorded at daily bank rate for Sales and Custom rates for Purchases as on date of the transaction.
- ☐ Conversion: At the year-end, monetary items denominated in foreign currencies are converted into rupee equivalents at the year-end exchange rates.
- ☐ Exchange Differences: Any exchange gain or losses arising out of fluctuations are accounted for in the books of the account as per Accounting Standard -11 "The Effects of Changes in Foreign Exchange Rates ".

**CASH FLOW STATEMENT :**

Cash flows are reported using the indirect method, whereby the net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of the past or future cash receipts or payments. The cash flows from regular revenue generating, investing & financing activities of the company are segregated.

**REVENUE RECONGNITION :**

Sales turnover for the year includes sales value of goods and other recoveries such as Octroi, Transportation Charges etc, but excludes excise duty and VAT. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer.

**RETIREMENT BENEFITS :**

The Company's contribution to Provident Fund and ESIC is accounted on accrual basis and charged to Profit and Loss Account. The Company accounts for liability for Gratuity of employees on the basis of Actuarial Valuation. Gratuity is payable to Employees after Retirement or Resignation of Employees; whereas there is no defined policy enabling the employees to avail encashment of leave.

**IMPAIRMENT OF ASSETS :**

An asset is treated as impaired when the carrying cost of the Asset exceeds its recoverable value. An impairment loss is charged to the Profit & Loss account in the year in which an asset is identified as impaired. The Impairment loss recognized in prior accounting periods is increased / reversed where there has been change in the estimate of recoverable amount. The recoverable value is the higher of the net selling price and value in use.

**USE OF ESTIMATES :**

The preparation of financial statements requires management to make estimates and assumption that affect the reported amounts of assets and liabilities on the date of financial statements, the reported amount of revenues and expenses and the disclosures relating to contingent liabilities as on the date of financial statements. Actual results could differ from those of estimates. Any revision in accounting estimates is recognized in accordance with the respective accounting standard.

**EARNINGS PER SHARE :**

The Company reports basic and diluted earnings per share in accordance with AS-20 "Earnings Per Share". Basic earnings per share are computed by dividing the net profit or loss for the period by the weighted average number of Equity Shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of Equity Shares outstanding during the period as adjusted for the effects of all dilutive potential equity shares.

**PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS :**

Contingent liabilities as defined in AS-29 "Provisions, Contingent Liabilities and Contingent Assets" are disclosed by way of notes to accounts. Provision is made if it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability.

**TAXES ON INCOME :**

Tax expenses comprise both current & deferred taxes.

Current tax is determined as the tax payable in respect of taxable income for the year.

Deferred tax for the year is recognised on timing difference; being difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets and liabilities are measured assuming the tax rates and tax laws that have been enacted or substantially enacted by the Balance Sheet date. Deferred tax assets are recognised and carried forward only if there is a reasonable / virtual certainty of realisation.

**LEASES :**

1. Assets leased by the Company in its capacity as lessee, where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such a lease is capitalized at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is recognized for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year. Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognized as operating leases. Lease rentals under operating leases are recognized in the statement of profit and loss on a straight-line basis.
2. The value on realization of current assets in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet. According to the management, provision for all the known liabilities is adequate.
3. Balances in Debtors, Creditors, loans, advances, and other current assets are subject to confirmation and reconciliation.

4. Auditors' remuneration in accordance with paragraph 4B of part II of Schedule VI to the Companies Act, 1956 is as under:

Particulars	31 March 2014	31 March 2013
As Statutory Auditors	75,000	75,000
As Tax Auditors	25,000	25,000
As VAT Auditors	25,000	25,000
As Cost Auditors	25,000	25,000
As Secretarial Auditors	40,000	40,000
Company Law Matters	-	-
Management Services	-	-
Other Services	82,000	53,478
Reimbursement of expenses	-	-
	<b>2,72,000</b>	<b>243,478</b>

5. Earning per share is calculated as under:

Particulars	31 March 2014	31 March 2013
<b>Basic earning per share</b>		
Net profit after Taxation	2,418,449	4,002,950
Number of shares issued (Nominal Value Rs. 10)	3,089,700	3,089,700
Basic earning per share	0.78	1.30
<b>Diluted earning per share</b>		
Net profit after Taxation	2,418,449	4,002,950
Number of shares issued (Nominal Value Rs. 10)	3,089,700	3,089,700
Diluted earning per share	0.78	1.30

6. Directors' Remuneration	31 March 2014	31 March 2013
Within the limits of Schedule XIII to the Companies Act 1956	900,000	2,940,000

7. "The Micro, Small and Medium Enterprise Development Act, 2006" has repealed the provision of interest on delayed payment to small scale and ancillary industrial undertaking Act, 1993. The management does not find it necessary to provide for interest on delayed payments to the suppliers covered by the said Act in view of insignificant amount and probability of its outgo.

8. Disclosure of Provisions as required by AS-29 is as under:

Particulars	Opening Balance	Additional provisions during the year	Amount Used & Unused amount reversed during the year	Closing Balance
		<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>
Income tax provision	0	846,377	274,926	571,451

9. Related Party Disclosures, as required by AS-18 are given below:

A. Relationships:

Category I : Holding Company NIL

Category II : Key management Personnel

Managing Director

Remuneration Rs. 480000

Executive Director

Remuneration Rs. 420000

Category III : Others (Relatives of Key Management Personnel and Entities in which the Key Management Personnel have control or significant influence)

B. Transactions with related Parties:

TRANSACTIONS DURING THE YEAR	Relationship	Current Year	Previous Year
		Rs.	Rs.
Opening Balances	Key Managerial Persons	-	-
	Others	-	-
Loans & Advances received during the year	Key Managerial Persons	-	-
	Others	-	-
Amounts repaid during the year	Key Managerial Persons	-	-
	Others	-	-
Interest paid on loans and advances	Key Managerial Persons	-	-
	Others	-	-
Remuneration & Reimbursements	Key Managerial Persons	900,000	2,940,000
	Others	-	-
Closing Balances	Key Managerial Persons	-	-
	Others	-	-

10. Value of imports calculated on C.I.F basis by the company during the financial year in respect of –

Particulars	31 March 2014	31 March 2013
i. Raw materials;	479,701,130	563,632,955
ii. Components and spare parts	-	-
iii. Capital goods	-	-
iv. Trading Goods	-	-

**11. Other Expenses in Foreign Currency:**

Particulars	31 March 2014	31 March 2013
i. Royalty, Know-how, Professional and Consultation fees, Interest, and Other matters	-	38,537
ii. Total value if all imported / indigenous raw materials, spare parts and components consumed and the percentage of each to the total consumption	-	-
iii. Amount remitted in foreign currencies on account of dividends with a specific mention of the total number of non-resident shareholders, the total number of shares held by them on which the dividends were due and the year to which the dividends related;	-	-
iv. Earnings in foreign exchange classified under the following heads, namely		
i. Export of goods calculated on F.O.B. basis	175,371,348	177,296,202
ii. Royalty, know-how, professional and consultation fees;	-	-
iii. Interest and dividend	-	-
iv. Other income, indicating the nature thereof	-	-

**12. Information of major Raw Material Consumption**

Particulars	31 March 2014		31 March 2013	
	Quantity	Rupees	Quantity	Rupees
Iodine Crude	147.46 MT	475,153,126	153.88 MT	581,039,214
<b>Grand Total</b>	147.46 MT	475,153,126	153.88 MT	581,039,214

13. The excise duty and sales tax, shown as deduction from turnover, are total tax on sale of goods for the year.

14. The disclosure of "Employee Benefits" as per Accounting Standard 15 are as follows;

**(A) Defined contribution plans:**
**Provident fund:**

The Company has recognized the following amounts in the Profit and Loss Account for the year:

**(i) Contribution to Provident Fund (Employer's Contribution) Rs. 444709**

**(B) Defined Benefit Plans**
**(i) Disclosure of Gratuity Liabilities**

The Company has accounted for provision of gratuity based on actuarial valuation done by Life Insurance Corporation of India amounting to total liability till date of Rs. NIL.

15. The Company has only one reportable business segment hence no further disclosure is required under Accounting Standard-17 on "Segment reporting".



**16. Disclosure of Deferred Taxes**

<b>Deferred Tax Asset</b>	<b>31 March 2014</b>	<b>31 March 2013</b>
Due to Accumulated Depreciation	-	-
Addition / Disallowance under the Income-tax creating timing difference	(699,915)	(480,999)
Sub Total	(699,915)	(480,999)
Due to Difference between tax Depreciation and book depreciation	4,316,626	3,472,314
Reserve for doubtful debts	80,212	-
Sub Total	4,396,838	3,472,314
<b>Net Deferred Tax Liability</b>	<b>3,696,923</b>	<b>2,991,315</b>

17. The management has made full inquiries and is of the view that assets of the Company in form of fixed assets and Inventories are good in nature, and are stated at appropriate value of the respective assets; and there is no necessity as to impairment / write down provision in the accounts.

18. Disclosures required under Accounting Standard-19 on "Leases".

**Finance Lease - Assets Given on Lease**

The Company has not given any of its assets on lease.

<b>Operating Lease - Assets Taken on Lease</b>	<b>31 March 2014</b>	<b>31 March 2013</b>
Total of future minimum lease payments under non-cancelable operating leases for each of the following periods:		
- Not later than one year;	-	-
- Later than one year and not later than five years;	-	-
- Later than five years;	-	-
Total of future minimum sublease payments expected to be received under non-cancelable subleases at the balance sheet date	-	-
Lease payments recognized in the statement of profit and loss for the period, with separate amounts for minimum lease payments and contingent rents	-	418,788
Sub-lease payments received (or receivable) recognized in the statement of profit and loss for the period	0	0
General description of the lessee's significant leasing arrangements including, but not limited to, the following: Basis on which contingent rent payments are determined; Existence and terms of renewal or purchase options and escalation clauses; and Restrictions imposed by lease arrangements, such as those concerning dividends, additional debt, and further leasing.	Not Applicable	Not Applicable

<b>Operating Lease - Assets Given on Lease</b>	<b>31 March 2014</b>	<b>31 March 2013</b>
Gross carrying amount	-	-
Accumulated depreciation	-	-
Accumulated impairment losses	-	-
The depreciation recognized in the statement of profit and loss for the period	-	-
Impairment losses recognized in the statement of profit and loss for the period	-	-
Impairment losses reversed in the statement of profit and loss for the period;	-	-
Future minimum lease payments under non-cancelable operating leases in the aggregate and for each of the following periods	-	-
Not later than one year;	-	-
Later than one year and not later than five years;	-	-
Later than five years;	-	-
Total contingent rents recognized as income in the statement of profit and loss for the period	-	-

19. The previous year's figures have been regrouped / rearranged / reclassified wherever considered necessary to correspond with the figures of current year.

20. Notes 1 to 25 form an integral part of the accounts and have been duly authenticated.

**AS PER OUR REPORT OF EVEN DATE**

**For Shah, Shah & Shah**  
Chartered Accountants

**Mehul Shah**  
Partner  
Membership No. : 49361  
FRN : 116457W

Place : Mumbai  
Date : 30<sup>th</sup> May 2014

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**  
**For Samrat Pharmachem Limited**

**Lalit Mehta**  
Managing Director

**Mahendra Pipalia**  
Director

**Rajesh Mehta**  
Executive Director

**Samir Kothary**  
Director

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014**

Particulars	31/Mar/14 Rs.	31/Mar/13 Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	4,074,680	5,815,646
ADJUSTMENTS FOR :		
DEPRECIATION	3,308,508	2,415,362
DEPRECIATION - EXCESS PROVISION REVERSED	-51,668	0
PROFIT/LOSS ON SALE OF ASSETS	0	0
PROFIT/LOSS ON SALE OF INVESTMENTS	0	0
PRELIMINARY EXPENSES	0	0
INTEREST/DIVIDEND	5,412,282	6,919,723
	<u>8,669,122</u>	<u>9,335,084</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	<u>12,743,803</u>	<u>15,150,730</u>
ADJUSTMENTS FOR :		
TRADE AND OTHER RECEIVABLES	28,540,504	-11,175,144
INVENTORIES	22,491,774	-23,623,434
TRADE PAYABLES	-17,274,282	25,100,065
	<u>33,757,997</u>	<u>-9,698,513</u>
CASH GENERATED FROM OPERATIONS	<u>46,501,799</u>	<u>5,452,217</u>
INTEREST & FINANCE CHARGES PAID	-7,533,825	-9,505,913
DIRECT TAXES PAID	-379,172	-16,150,047
	<u>-7,912,998</u>	<u>-25,655,959</u>
CASH FLOW BEFORE EXTRAORDINARY ITEMS	<u>38,588,802</u>	<u>-20,203,742</u>
EXTRAORDINARY ITEMS	0	0
NET CASH FROM OPERATING ACTIVITIES	<u>38,588,802</u>	<u>-20,203,742</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
PURCHASE OF FIXED ASSETS	-40,598,048	-3,851,294
SALE/REALIZATION OF FIXED ASSETS	0	0
CAPITAL WORK-IN-PROGRESS	35,146,188	-7,546,226
SALE/REALIZATION OF INVESTMENTS	0	0
INTEREST/DIVIDEND RECEIVED	2,121,543	2,586,190
NET CASH USED IN INVESTING ACTIVITIES	<u>-3,330,318</u>	<u>-8,811,330</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
PROCEEDS FROM ISSUE OF SHARE CAPITAL	0	0
SUBSIDY FROM GOVERNMENT	0	0
PROCEEDS FROM LONG TERM BORROWINGS	-3,113,741	-2,749,645
SHORT TERM BORROWINGS	-8,480,378	11,585,977
NET CASH USED IN FINANCING ACTIVITIES	<u>-11,594,119</u>	<u>8,836,333</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>23,664,365</u>	<u>-20,178,740</u>
CASH AND CASH EQUIVALENTS AT 1/Apr (Opening Balance)	-893,259	19,285,481
CASH AND CASH EQUIVALENTS AT 31/Mar (Closing Balance)	<u>22,771,105</u>	<u>-893,259</u>

**For Shah, Shah & Shah**  
**Chartered Accountants**

**Mehul Shah**  
**Partner**

**Place : Mumbai**  
**Date : 30<sup>th</sup> May 2014**

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**  
**For Samrat Pharmachem Limited**

**Lalit Mehta**  
**Managing Director**

**Mahendra Pipalia**  
**Director**

**Rajesh Mehta**  
**Executive Director**

**Samir Kothary**  
**Director**

***[www.samratpharmachem.com](http://www.samratpharmachem.com)***

## Samrat Pharmachem Limited

Corporate Identification No. (CIN) - L24230GJ1992PLC017820

Registered Office : Plot No. A2/3445, GIDC, Phase 4, Ankleshwar - 393 002, Gujarat, India.

Phone: 02646-220774 Fax: 02646-251291 Email: samrat@bom4.vsnl.net.in Website: www.samratpharmachem.com

### ATTENDANCE SLIP

(Please complete this attendance slip and hand it over at the entrance of the Meeting Hall.)

### 22<sup>ND</sup> ANNUAL GENERAL MEETING ON SATURDAY, SEPTEMBER 27, 2014 AT 1.00 P.M.

at Plot No. A2/3445, GIDC, Phase 4, Ankleshwar - 393 002, Gujarat, India.

Folio No. \_\_\_\_\_ DP ID No. \_\_\_\_\_ Client ID No. \_\_\_\_\_  
 Name of the Member \_\_\_\_\_ Signature \_\_\_\_\_  
 Name of the Proxyholder \_\_\_\_\_ Signature \_\_\_\_\_

1. Only Member/Proxyholder can attend the Meeting.
2. Member/Proxyholder should bring his/her copy of the Annual Report for reference at the Meeting.

## Samrat Pharmachem Limited

Corporate Identification No. (CIN) - L24230GJ1992PLC017820

Registered Office : Plot No. A2/3445, GIDC, Phase 4, Ankleshwar - 393 002, Gujarat, India.

Phone: 02646-220774 Fax: 02646-251291 Email: samrat@bom4.vsnl.net.in Website: www.samratpharmachem.com

### PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s) : \_\_\_\_\_  
 Registered Address : \_\_\_\_\_  
 E-mail ID : \_\_\_\_\_  
 Folio No./ Client ID No. : \_\_\_\_\_

I/We, being the member(s) of \_\_\_\_\_ Shares of Samrat Pharmachem Limited, hereby appoint

1. Name \_\_\_\_\_ Email ID \_\_\_\_\_  
 Address \_\_\_\_\_  
 \_\_\_\_\_ Signature \_\_\_\_\_  
 or failing him
2. Name \_\_\_\_\_ Email ID \_\_\_\_\_  
 Address \_\_\_\_\_  
 \_\_\_\_\_ Signature \_\_\_\_\_  
 or failing him
3. Name \_\_\_\_\_ Email ID \_\_\_\_\_  
 Address \_\_\_\_\_  
 \_\_\_\_\_ Signature \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the twenty-second Annual General Meeting of the Company to be held on Saturday, September 27, 2014 at 1.00 p.m. at Plot No. A2/3445, GIDC, Phase 4, Ankleshwar - 393 002, Gujarat, India and at any adjournment thereof in respect of such resolutions as are indicated below:

1. Adoption of Statement of Profit and Loss, Balance Sheet, Report of Board of Directors and Auditors.
2. Re-appointment of Mr. Rajesh Mehta as a Director of the Company.
3. Appointment of Auditors.
4. Appointment of Mr. Mahendra Pipalia as an Independent Director.
5. Appointment of Mr. Samir Kothary as an Independent Director.
6. Re-appointment of Mr. Lalit Mehta as a Managing Director of the Company.
7. Re-appointment of Mr. Rajesh Mehta as an Executive Director of the Company.

Please Affix  
One Rupee  
Revenue  
Stamp here

Signature of Member(s)  
across the stamp

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014.

Signature of shareholder \_\_\_\_\_ Signature of Proxyholder(s) \_\_\_\_\_

- Note:
1. This form in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
  2. Those Members who have multiple folios with different joint holders may use copies of this Attendance Slip/Proxy.

***[www.samratpharmachem.com](http://www.samratpharmachem.com)***



**Ankleshwar Factory**

**Book-Post**



If undelivered please return to :

**Samrat Pharmachem Limited**

Plot No. A2/3445,

GIDC, Phase 4,

Ankleshwar - 393 002,

Gujarat.