



PRATIKSHA CHEMICALS LIMITED

For, PRATIKSHA CHEMICALS LTD.


DIRECTOR

22ND

ANNUAL REPORT

2012-2013

PRATIKSHA CHEMICALS LIMITED

22nd ANNUAL REPORT 2012-2013

- Regd. Office** : 3rd Floor, H K Complex,
Nr. Dharnidhar Temple,
Vasna, Ahmedabad.
- Board of Directors** : Shri H.K. Bhatt - Whole Time Director
Shri J.K.Patel - Director
Shri Upendra Adhyaru - Director
Shri Somabhai Patel - Director
- Auditors** : M/s H. K. Shah & Co.
Chartered Accountants
404, Sarap Building, 4th Floor,
Opp. Navjivan Press, Ashram Road,
Ahmedabad-380 014.
- Registrar &
Share Transfer Agent** : **M/s. Sharepro Services India Pvt. limited**
13, AB Smitha Warehousing Complex,
Sakinaka Telephone Lane, Sakinaka,
Andheri (East) Mumbai-400 072.
Fax : 2859156
- Stock Exchanges
wherein the Shares
of the Company
are listed** : **(1) The Bombay Stock Exchange Ltd.**
25th Floor, P.J.Towers,
Dalal Street, Fort,
Mumbai-400001.
(2) The Ahmedabad Stock Exchange Ltd.
Kamdhenu Complex,
Opp. Sahjanand College,
Panjarapole, Ambawadi,
Ahmedabad-380 015.

NOTICE

Notice is hereby given that the Twenty Second Annual General Meeting of Pratiksha Chemicals Limited will be held at Regd. Office at 3rd Floor, H K Complex, Nr. Dharnidhar Temple, Vasna, Ahmedabad on 30th September, 2013 at 10.00A.M. at the registered office of the company to transact the following business:

ORDINARY BUSINESS :

1. To receive consider and adopt the Audited Accounts of the company for the year ended 31st March 2013 and the Report of the Directors and auditors thereon.
2. To appoint Director in place of Mr. Upendra Adhvaryu, who retires by rotation and eligible for re-appointment.
3. To appoint Auditors, and to fix their remuneration.

Place : Ahmedabad
Date : 30/05/2013

By order of the Board of Directors,
FOR PRATIKSHA CHEMICALS LTD.

Sd/-
CHAIRMAN

NOTES :-

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. INSTRUMENT OF PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 24st Sept. 2013 to Monday, 30th Sept. 2013 (both days inclusive).
3. As a measure of economy, Annual Report will not be distributed at the Meeting. So, members are requested to bring their copy of Annual Report with them to the Annual General Meeting.

DIRECTORS' REPORT

To,
The Members of,
M/s Pratiksha Chemicals Limited

Your Directors have pleasure in presenting the Annual Report of the Company together with the Audited Accounts for the financial year ended on 31st March 2013.

1. FINANCIAL RESULTS :*(Rs. in lacs)*

Particulars	2012-13	2011-12
Profit (Loss) before Depreciation	36.87	43.75
Depreciation	35.52	34.77
Profit /(Loss) before Tax	1.34	8.98
Provision for Tax	—	(3.67)
Profit /(Loss) after Tax	1.34	11.47

During the current year your company has not achieved a reasonable level of growth in terms of turnover as well as profit. We are hoping that the phenomenal growth shall be achieved during the next coming years.

2. Dividend :

On account of having accumulated losses, your directors did not recommend any Dividend.

3. Future Prospects :

During the year under review, Company has concentrated mainly on exports through merchant exporters. Company has good enquiries on hand, which are quite prospective. Company has put more emphasis on quality control comparable to international standard along with quality measures for pollution control. In the times to come, your Directors are quite hopeful of wiping out of loss through achieving better sales target and cost conservative measures even though not compromising on quality standard of the product.

4. Directors :

Mr. Upendra Adhvaryu , Director of the company retires at the ensuing Annual General meeting and eligible for re-appointment.

5. Personnel :

Your directors' wish to place on record their appreciation for the contribution to growth of the business made by employees at all levels. Information as required pursuant to section 217(2A) of the companies Act, 1956 has not been given, as it is not applicable.

6. Auditors :

M/s H K Shah & Co., Chartered Accountants, Ahmedabad, Auditor of the Company retire at the conclusion of ensuing Annual General Meeting and being eligible, offer themselves for Re-appointment.

7. Deposits :

During the year, Company has not accepted Deposits, which falls under Section 58A of Companies Act, 1956.

8. Energy, Technology And Foreign Exchange :

The additional information required to be disclosed in terms of notification No.1029 dated 31st December, 1998 issued by the Department of Company Affairs, Ministry of Finance is not applicable.

9. Directors' Responsibility Statement :

Pursuant to Section 217(2A) of Companies Act, 1956, the Directors confirm that:

- i. In the preparation of Annual Accounts, appropriate accounting standard have been followed.
- ii. Appropriate accounting policies have been selected and applied consistently and judgments and estimates made that are reasonable and prudent so as to give true and fair view of state of affairs of the company at the end of financial year ended 31st March, 2013.
- iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safe guarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv. The Annual Accounts have been prepared on going concern basis.

10. Auditor's Qualification :

Auditors have qualified their report to the members of the Company. In this connection directors of the Company have discussed the same at arm's length on the recommendation of audit committee and have intimated to take necessary action so as to show fair view of state of affairs of the company in the coming financial year.

11. Report on Corporate Governance :

Compliance Report on Corporate Governance is a part of Annual Report is annexed herewith.

12. Acknowledgements :

Your Directors wish to place on record their appreciation of the whole hearted co-operation extended to company from various departments of the central and state governments, company' bankers and financial institutions and employees of the company and look forward for the same cordial relationship in coming years.

PLACE : AHMEDABAD

DATE : 30/05/2013

FOR AND ON BEHALF OF THE BOARD

Sd/-
CHAIRMAN

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

The Securities and Exchange Board of India (SEBI) constituted the Committee on Corporate Governance to promote and raise the standard of Corporate Governance of listed companies. The Committee has made recommendation on the composition of the board of directors, audit committee, board procedure etc.

The company has taken necessary steps to comply with the clause of 49 of the revised Listing Agreement given below is the repost of the Directors on the Corporate Governance.

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE :

The Company believes in functioning in a transparent manner with the basic philosophy being to enhance the Shareholder value, keeping in mind the needs and interest of other stakeholders, in compliance thereof. The following information is placed before the shareholders.

BOARD OF DIRECTORS :

Name of Director	Category	No. of Board Meeting	Attendance	Last AGM Attendance
Shri H.K. Bhatt	Whole time Director	6	Yes	Yes
Shri J K Patel	Promoter Director	6	Yes	Yes
Shri Upendra Adhvaryu	Non executive Independent Director	6	Yes	Yes
Shri Somabhai Patel	Non executive Independent Director	6	Yes	Yes

No Directors are having Chairmanship of more than five companies where they are director.

Name of Director	Other Directorship (No. of Company)
Shri H K Bhatt	2
Shri J K Patel	Nil
Shri Upendra Adhvaryu	Nil
Shri Somabhai Patel	Nil

In line with the requirements of the code of the corporate governance, the board of directors comprises of four members. However, Your Company is trying its level best to increase strength of the Board to accomplish the revised clause-49 of listing agreement.

Company does not have any system of payment of remuneration to independent Directors.

Further during the year, meeting of Board of Directors was held Six times.

A declaration signed by Shri H K Bhatt, Whole Time Director of the company according compliance of sub-Clause (1D) of Clause 49 of the listing Agreement is attached herewith forming part of his Annual Report.

2. AUDIT COMMITTEE :

Presently the company has Four Directors. The company has independent audit committee which submits the report to the management on monthly basis and action is taken on the same by the Managing Director on regular basis.

Pursuant to the revised clause 49 of the listing agreement, the company has appointed Audit committee consisting of followings :

- (i) Mr. Somabhai Patel - Chairman
- (ii) Mr. Upendra Adhvaryu - Member
- (iii) Mr. J K Patel - Member

The scope of committee includes.

- a. Review of company's financial reporting process and the financial statement.
- b. Review internal control systems and functioning of internal audit process.
- c. Post audit review with statutory auditors.

During the year under review, Audit committee met four times where all the members attended meetings.

3. REMUNERATION COMMITTEE :

Pursuant to the revised clause 49 of the listing agreement, the company has appointed Remuneration committee consisting of followings :

- (i) Mr. Somabhai Patel - Chairman
- (ii) Mr. Upendra Adhvaryu - Member
- (iii) Mr. J K Patel - Member

Remuneration paid during the year by the Company was -

Name of the Director	Designation (Rs.)	Amount Paid
Mr. Harishbhai Bhatt	Managing Director	13,97,400/-

which are in conformity with the provisions of the Companies Act, 1956.

No sitting fees are paid to any Director.

4. SHAREHOLDERS' COMMITTEE :

The company has complied the requirement of the sub clause VI (A), (B) of the clause 49 of the Listing agreement.

The composition of shareholders cum investors' grievance committee was as follows:

- (i) Mr. Upendra Adhvaryu - Chairman
- (ii) Mr. Somabhai Patel - Member

During the year, the company and their Registrar and Share Transfer Agents M/s Sharepro Services India Pvt. Ltd. has not received any complaints. It is policy of the company to give reply of shareholders complaint within the time frame prescribed by the SEBI/Stock Exchanges.

The Share received for transfer is approved on 15th and 30th of the each month and are given effect by the Registrar and Share Transfer Agent.

M/s. Sharepro Services India Pvt. Ltd. was appointed as common Agent for electronic as well as physical share transfer work.

5. GENERAL BODY MEETING :

Date	Type	Time	Location
30/09/2010	AGM	10.00 A.M.	3 rd Floor, H K Complex, Opp. Dharnidhar Derasar, Vasna, Ahmedabad-380007.
30/09/2011	AGM	4.00 P.M.	----- do -----
28/09/2012	AGM	4.00 P.M.	----- do -----

6. DISCLOSURES :

- (A) During the year under review, the quarterly unaudited results were taken on record by the Board of Directors. However in terms of clause 41 of Listing Agreement, the same were furnished to the concerned stock exchanges were also circulated in the newspaper within the stipulated time.
- (B) Company has followed accounting standards diligently.
- (C) Further, company is in the process of lying down risk assessment system.
- (D) Further, company has not received any funds through capital market during the year.
- (E) Transaction with related parties have been properly disclosed in notes to accounts and discussed at length by audit committee.
- (F) Management discussion and analysis report is attached to and forms part of this report.
- (G) Further, Shri H K Bhatt, Whole Time Director of the company as certified to board of directors of the company regarding compliance of sub-clause (v) of clause 49 of listing agreement.

7. MEANS OF COMMUNICATION :

The means of communication between the Shareholders and company are transparent and investor friendly. The quarterly results of the company are published in English and Gujarati news papers as required by the listing agreement. Steps are being taken to display the corporate results on the EDIFAR & Corporate website.

8. GENERAL SHAREHOLDERS' INFORMATION :

Annual General Meeting :	Date :	30/09/2013
(Date, Time & Venue)	Time :	10.00 a.m.
	Venue :	3 rd Floor, H K Complex, Opp. Dharnidhar Derasar, Vasna, Ahmedabad-380007

Financial Calendar :	1st April 2012 to 31st March 2013
Date of Book Closure :	24th Sept.2013 to 30th Sept. 2013 (Both days inclusive)
Dividend Payment Date :	No Dividend declared

9. LISTING OF STOCK EXCHANGE :

Bombay Stock Exchange Limited : 531257
 Ahmedabad Stock Exchange Limited : 45512

10. MARKET PRICE DATA AT BOMBAY STOCK EXCHANGE LIMITED :

MONTH	HIGH (RS.)	LOW (RS.)
April, 2012	2.10	2.10
May, 2012	2.03	2.03
June, 2012	1.93	1.80
July, 2012	1.91	1.66
August, 2012	2.92	2.00
September, 2012	NA.	N.A.
October, 2012	2.93	2.92
November, 2012	2.79	2.48
December, 2012	2.36	1.95
January, 2013	2.12	1.84
February, 2013	2.03	1.94
March, 2013	2.13	2.13

11. DISTRIBUTION OF SHAREHOLDING AS ON 31 MARCH, 2013 :

No. of Equity shares held	No. of share holders	% of total s.holders	No. of shares held	% of shareholding
1 to 500	4070	86.56	543710	9.76
501 to 1000	252	5.36	223852	4.02
1001 to 2000	197	4.19	348473	6.26
2001 to 3000	49	1.04	125654	2.25
3001 to 4000	35	0.74	127404	2.29
4001 to 5000	21	0.45	96831	1.74
5001 to 10000	34	0.72	233033	4.19
10001 to above	44	0.94	3871383	69.40
TOTAL	4702	100.00	5570340	100.00

11. DISTRIBUTION PATTERN AS ON THE 31ST MARCH, 2013 :

	No. of Shares	Percentage
Promoters and Relatives	1993550	35.79
Banks/ FII/ FI	0	0.00
Public	2787554	50.05
Body Corporate	458253	8.23
NRI	330983	5.93

12. REGISTRAR AND SHARE TRANSFER AGENT :**M/s. Sharepro Services India Pvt. limited**

13, AB Smitha Warehousing Complex, Sakinaka Telephone Lane, Sakinaka, Andheri (East) Mumbai-400 072. Fax : 2859156

13. SHARE TRANSFER SYSTEM :

The share transfer work is handled by registrar and transfer agent for the company.

Share Transfers are registered and dispatched within a period of thirty days from the date of the lodgments if the transfer documents are correct and valid in all respects.

14. DEMATERIALISATION OF SHARES :

Outstanding GDRs/ADRs/Warrants or any Convertibles instruments and conversion date and likely impact on Equity

: N.A.

Address for Correspondence

: 3rd Floor, H K Complex,
Opp. Dharnidhar Derasar,
Vasna, Ahmedabad

4165780 shares out of 5570340 Equity shares of the company have been dematerialized as at 31st March, 2013 representing 74.79 % of total paid-up capital of the company.

For and On behalf of the Board of DirectorsDate : 30/05/2013
Place : AhmedabadSd/-
Mr. H K Bhatt
Whole Time Director

MANAGEMENT DISCUSSION AND ANALYSIS

1. **OVERALL REVIEW :**
The overall performance during the financial year 2012-13 has been satisfactory.
2. **FINANCIAL REVIEW:**
Total turnover for the year ended 31st March, 2013 was Rs. 572.24 lacs. This increase was mainly on account of improvement in manufacturing process and sales promotion drive. Better working capital management was also one of the emphasis on which proper weightage was laid upon.
3. **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY :**
Considering the size of the company, your company has adequate system of internal control to provide reasonable assurance that assets are safeguarded and protected from unauthorized use or deposition.
4. **BUSINESS ENVIRONMENT :**
The Performance of the company for the year under review was satisfactory.
5. **RISK AND CONCERN :**
The building, plant and machinery, vehicle and stocks of the company are adequately insured.
6. **CAUTIONARY STATEMENT :**
Statements in this report on management Discussion and analysis may be forward looking statements within the meaning of applicable security laws or regulations. These statements are based on certain assumptions and expectations of future events. Actual results could however, differ materially from those expressed or implied. Important factors that could make a different to the Company's operations include global and domestic demand supply conditions, finished goods prices, raw material cost and availability and changes in government regulation and tax structure, economic development within India and the countries with which the company has business contacts and other factors such as litigation and industrial relations.

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

**BY ORDER OF THE BOARD OF DIRECTORS
FOR, PRATIKSHA CHEMICALS LIMITED**

**PLACE : AHMEDABAD
DATE : 30/05/2013**

**Sd/-
Mr. H K Bhatt
Whole time Director**

FORM A

1.	Name of the company	M/s. Pratiksha Chemicals Limited
2.	Annual Financial statement for the year ended	31st March 2013
3.	Type of observations	Qualified
4.	Frequency of observations	Occasional
5.	To be signed by :-	
	• CEO/ MD	Sd/- _____
	• CFO	Sd/- _____
	• Auditor of the company	Sd/- _____
	• Audit committee chairman	Sd/- _____

CERTIFICATION BY MANAGING DIRECTOR TO THE BOARD

I, Mr. H K Bhatt, Whole Time Director of the PRATIKSHA CHEMICALS LTD certify that :

1. I have reviewed the financial statements for the Year and that to the best of my knowledge and belief:
 - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - b. These statements give a true and fair view of the state of affairs of the company and of the results of operations and cash flows. The financial statements have been prepared in conformity, in all material respects, with the existing generally accepted accounting principles including Accounting Standards, applicable laws and regulations.
2. These are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
3. I accept overall responsibility for the company's internal control system and financial reporting. This is monitored by the internal audit function, which encompasses the examination and evaluation of the adequacy and effectiveness. Internal audit works with all the levels of management and statutory auditors and reports significant issues to the Audit Committee of the Board. The auditors and audit committee are appraised of any corrective action taken with regard to significant deficiencies and material weakness.
4. I indicate to the auditors and to the audit committee :
 - a. Significant changes in internal control over financial reporting during the year.
 - b. Significant changes in accounting policies during the year;
 - c. Instances of significant fraud of which we have become aware of and which involve management or other employees who have significant role in the company's internal control system over financial reporting.

However, during the year there were no such changes or instances.

Date : 30/05/2013
Place : AHMEDABAD

Sd/-
Mr. H K Bhatt
Whole Time Director

**DECLARATION BY THE CHAIRMAN & WHOLE TIME DIRECTOR
ABOUT CORPORATE GOVERNANCE**

I, Mr. H K Bhatt, Chairman & Whole Time Director of Pratiksha Chemicals Limited hereby confirm pursuant to clause 49(1)(d) of the listing agreement that:

1. The board of directors of Pratiksha Chemicals Limited has laid down a code of conduct has been placed on the company's website.
2. All the members of the board as well as senior management personal have complied with the said code of conduct for the year ended 31st March 2013.

Date : 30/05/2013
Place : AHMEDABAD

Sd/-
Mr. H K Bhatt
Whole Time Director

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
Pratiksha Chemicals Limited

We have examined the compliance of the conditions of corporate Governance by Pratiksha Chemicals Limited for the year ended on March 31, 2013, as stipulated in Clause 49 of the listing Agreements of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of the opinion on the financial statement of the Company.

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

We 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.

Date : 30/05/2013
Place : Ahmedabad

For, A. SHAH & ASSOCIATES
Company Secretaries

Sd/-
Anish Shah

AUDITORS' REPORT

TO
THE MEMBERS OF
PRATIKSHA CHEMICALS LIMITED

Report on the Financial Statements :

We have audited the accompanying financial statements of PRATIKSHA CHEMICALS LIMITED, which comprise the Balance Sheet as at March 31 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements :

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

Auditor's Responsibility :

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

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

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

Basis for Qualified Report :

- (i) The company has not carried out impairment test and accordingly the impairment loss if any has not been charged to profit and loss account. The impact of which on the profits of the company could not be ascertained.
- (ii) Adhering to significant accounting policy, the company is accounting for Gratuity & Leave encashment on cash basis. This is not in according with Accounting Standard – 1 on "Disclosure of Accounting Policies and 15 on "Accounting for Retiring Benefits" prescribed by the Institute of Chartered Accounting of India and contrary to provision contained in Section 209(3) of The Companies Act, 1956. The extent of non-compliance in terms of value is not ascertainable.
- (iii) Accounting Standard - 2 relating valuation of Inventories has not been followed. The technical valuation claimed by company is not quantifiable hence; we are not in a position to quantify the effect on the profit and loss account and balance sheet.
- (iv) Balances of Unsecured Loans, Other Liabilities, Creditors, Debtors, Loans and Advances are subject to confirmation by the parties concerned and reconciliation thereof in subsequent years.

Opinion :

Subject to the above observation, in our opinion and to the best of our information and according to the

explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Profit and Loss Account, of the profit/ loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements :

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our, subject to Basis for Qualified 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; Except point no. (i), (ii), (iii) of Basis for qualified Opinion.
 - e. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - 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, H. K. Shah & Co.,
Chartered Accountants
Firm Registration No.: 109583/W**

**Place : Ahmadabad
Date : 30/05/2013**

**Sd/-
H. K. Shah
Partner
M. No.: 042758**

ANNEXURE TO THE AUDITOR'S REPORT

The annexure referred to in the Auditors Report to the members of Pratiksha Chemicals Limited for the year ended 31st March 2013, we report that:

1. (a) The Fixed Asset Register showing particulars including quantitative details and situation of fixed assets is under compilation and updation.
(b) According to the information and explanation furnished to us, the company has not physically verified all of its fixed assets. Since the fixed assets records are still under compilation no comparison with the book records have yet been made. In the absence of such comparison, opinion as to discrepancies, if any, cannot be given.
(c) During the year, the company has not disposed off any substantial part of fixed assets.
2. (a) The Inventory have been physically verified during the year by the management as informed to us
(b) In our opinion, the procedures of physical verification of stocks followed by the Management are not reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) On the basis of our examination of inventories records, in our opinion, the company is not maintaining the reasonable records of inventories. AS - 2 relating valuation of Inventories has not been followed. The technical valuation claimed by company is not quantifiable hence; we are not in a position to quantify the effect on the profit and loss account and balance sheet.
3. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained u/s.301 of the Companies Act, 1956. Accordingly the clauses 4(iii)(b), 4(iii)(c) and 4(iii)(d) of the report are not applicable.
(b) (i) As per the information and explanations given to us, the Company has taken unsecured loans having closing balance as on 31-03-2013 of Rs. 182.38 Lacs from three parties covered in the register maintained u/s.301 of the Companies Act, 1956 and
(ii) In our opinion, the terms and conditions on which loans have been taken from companies, firms or other parties listed in the registered maintained under section 301 of the Companies Act, 1956 are not prima facie prejudicial to the interest of the company
(iii) The company is regular in repaying the principle amounts as stipulated.
4. In our opinion and according to information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventories, fixed assets and with regard to the sale of goods. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal control.
5. (a) According to information and explanations provided by the management, the 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) In our opinion and according to the information and explanations given to us, the transactions exceeding Rs. 5 lacs made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the act and the rules framed there under.
7. In our opinion the company does not have internal audit system commensurate with the nature and the size of the business.

8. We have broadly reviewed the Cost Records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records.
9. (a) According to information and explanation given to us, and on the basis of our examination of the books of accounts, the company is generally regular in depositing with appropriate authorities undisputed statutory dues and the company has no arrears except the liabilities of statutory dues as per schedule of current liabilities of such outstanding dues as at 31st March, 2013 for a period more than six months from the date they became payable.
(b) According to the information and explanation given to us, there are no disputed outstanding dues as at 31st March 2013.
10. The accumulated losses of the company exceeds fifty percent of net worth as at 31st March, 2013 after considering qualifications, as reported in the audit report, the effect of which could be ascertained. It has not incurred cash loss in the financial year ended on that date.
11. According to the records of the company examined by us and the basis of information and explanations given to us, the company has not defaulted in repayment of dues to any financial or bank or debenture holders.
12. The company has not granted any loans and advances on the basis of securities by way pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to Chit fund, Nidhi, Mutual Benefit Funds or a Society are not applicable to the company.
14. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments.
15. In our opinion and according to the information and explanation given to us, the company has not given any guarantee for loans taken by others from banks and financial institutions during the year.
16. In our opinion and according to the information and explanations given to us, the company has not obtained any term loans. Accordingly, clause 4(xvi) of the order is not applicable.
17. As per the information and explanation given to us, the company has not raised any funds on short-term basis, which have been used for long-term investments and vice-versa.
18. The company has not issued any preferential allotment of shares to parties and companies covered under register maintained under section 301 of The Companies Act, 1956.
19. During the year covered by audit report, the company has not issued any debentures.
20. The company has not raised any money by public issues during the year under review.
21. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For, H. K. Shah & Co.,
Chartered Accountants
Firm Registration No.: 109583/W

Sd/-
H. K. Shah
Partner
M. No.: 042758

Place : Ahmadabad
Date : 30/05/2013

BALANCE SHEET AS AT MARCH 31, 2013

Particulars	Note	As at 31-03-2013		As at 31-03-2012	
		Rupees	Rupees	Rupees	Rupees
I. EQUITY AND LIABILITIES :					
(1) Shareholders' Funds :					
(a) Share Capital	1	55,703,400		55,703,400	
(b) Reserves & Surplus	2	(29,758,276)	25,945,124	(29,892,862)	25,810,538
(2) Share application money pending allotment					
(3) Non-current liabilities :					
(a) Long-term borrowings	3	18,238,176		19,588,176	
(b) Deferred tax liabilities (Net)					
(c) Other Long term liabilities					
(d) Long-term provisions			18,238,176		19,588,176
(4) Current liabilities :					
(a) Short-term borrowings	4	15,477,928		11,997,741	
(b) Trade payables	5	25,110,423		35,540,166	
(c) Other current liabilities	6	166,685		203,539	
(d) Short-term provisions	7	107,294	40,862,330	1,267,663	49,009,109
			85,045,630		94,407,823
II. ASSETS :					
(1) Non-current assets :					
(a) Fixed Assets	8				
(i) Tangible Assets		26,305,191		29,734,321	
(ii) Intangible Assets					
(iii) Capital work-in-progress					
(iv) Intangible Assets under Development					
(b) Non-current Investments		231,100		103,100	
(c) Deferred Tax Assets		1,049,466		1,049,466	
(d) Long-term loans and advances					
(e) Other non-current assets	9		27,585,757	915,233	31,802,120
(2) Current Assets :					
(a) Current investments					
(b) Inventories	10	40,233,706		28,604,007	
(c) Trade receivables	11	15,083,360		26,421,553	
(d) Cash and cash equivalents	12	583,852		1,354,658	
(e) Short-term loans and advances	13	1,558,955		6,225,485	
(f) Other current assets			57,459,873		62,605,703
			85,045,630		94,407,823

Summary of Significant Accounting Policies 21

As per our report attached

H. K Shah & Co.

Chartered Accountants

Firm Registration No.: 109583/W

Sd/-

H. K Shah

Partner

Membership No.: 042758

Place : Ahmedabad

Date : 30/05/2013

For and on behalf of the Board

Sd/-

Harish Bhatt

Director

Place : Ahmedabad

Date : 30/05/2013

Sd/-

Jayesh Patel

Director

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

Particulars	Note	For the Period April 1, 2012 to March, 31 2013		For the Period April 1, 2011 to March 31, 2012	
		Rupees	Rupees	Rupees	Rupees
(I) REVENUE :					
Revenue from Operations	14	57,224,067		111,331,344	
Other Income	15	594,695		195,057	
Total Revenue			57,818,762		111,526,401
(II) EXPENSES :					
Cost of Material Consumed	16	51,691,737		84,046,346	
(Increase) / Decrease in Stock	17	(14,279,532)		3,432,929	
Manufacturing Expenses	18	2,589,323		4,424,262	
Administrative Expenses	19	11,789,133		11,627,495	
			51,790,661		103,531,032
(III) Earnings Before Interest, Depreciation and Amortization-EBDITA (I-II)			6,028,101		7,995,369
Financial Charges	20	2,341,011		3,619,582	
Depreciation and Amortisation expense	8	3,552,504		3,477,125	
Total Expenses			5,893,515		7,096,707
(V) Profit/(Loss) Before Exceptional items and Tax			134,586		898,662
Exceptional items			-		-
Prior Period Adjustments			-	119,512	119,512
(VI) Profit/(Loss) before Taxes - PBT			134,586		779,150
Tax expense :					
Current tax				-	
Deferred tax				(367,709)	(367,709)
Profit/(Loss) for the period after tax			134,586		1,146,859
Earnings per share :					
- Basic / Diluted			0.02		0.21
- Nominal value of shares			10.00		10.00

As per our report attached

For and on behalf of the Board

H. K Shah & Co.
Chartered Accountants
Firm Registration No.: 109583/W

Sd/-
H. K Shah
Partner
Membership No.: 042758

Place : Ahmedabad
Date : 30/05/2013

Sd/-
Harish Bhatt
Director

Place : Ahmedabad
Date : 30/05/2013

Sd/-
Jayesh Patel
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	For the year ended 31-03-2013 Amount (Rs.)	For the year ended 31-03-2012 Amount (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net profit / Loss for the year	134,586	1,146,859
Adjustments for :		
Add : Depreciation	3,552,504	3,477,125
Other non cash Addition	915,233	-
Less : Deferred tax income	-	(367,709)
Gain on sale of asset	(147,000)	-
Operating profit before working cap. charges	4,455,323	4,256,275
Adjustments for :		
Trade Receivables	11,338,193	(744,241)
Other Receivables	4,666,530	(2,385,078)
Inventories	(11,629,699)	3,365,339
Trade payables Including others	(10,429,743)	6,403,128
Others	2,282,964	(4,259,861)
	(3,771,755)	2,379,287
Cash generated from operating activities	683,568	6,635,562
Less : Tax Paid	-	-
Net cash from operating activities (A)	683,568	6,635,562
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets	(123,374)	(3,349,845)
Sale of Fixed Assets	147,000	17,301
Purchase of investment	(128,000)	-
Net cash used in investing activities (B)	(104,374)	(3,332,544)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Procurement/(Repayment) of long term borrowings Unsecured Loan	(1,350,000)	(2,474,192)
Net cash flow from financial activities (C)	(1,350,000)	(2,474,192)
Net Increase/(Decrease) in cash and cash equivalents (A)+(B)+(C)	(770,806)	828,825
Add : Cash and cash equivalents opening	1,354,658	525,832
Cash and cash equivalents closing	583,852	1354657

Explanatory Notes to Cash Flow Statement :

- The Cash Flow Statement is prepared in accordance with the format prescribed by Securites and Exchange Board of India & as Accounting Standard 3 as Prescribed by the Institute of Chartered Accountants of India
- In Part A of the Cash Flow Statements, figures in brackets indicates deductions made from the net profit for deriving the cash flow from operating activities. In part B & part C, figures in brackets indicates cash flow.
- Figures of the previous year have been regrouped wherever necessary, to confirm to current years presentation.

As per our report attached

For and on behalf of the Board

H. K Shah & Co.

Chartered Accountants

Firm Registration No.: 109583/W

Sd/-

H. K Shah

Partner

Membership No.: 042758

Place : Ahmedabad

Date : 30/05/2013

Sd/-

Harish Bhatt

Director

Place : Ahmedabad

Date : 30/05/2013

Sd/-

Jayesh Patel

Director

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

Particulars	As at 31-03-2013		As at 31-03-2012	
	Rupees	Rupees	Rupees	Rupees
NOTE NO. 01 - SHARE CAPITAL :				
Authorised Shares :				
75,00,000 Equity Shares of Rs.10/- each		75,000,000		75,000,000
Issued, Subscribed and Paid up shares :				
55,70,340 Equity Shares of Rs.10/- each fully paid up		55,703,400		55,703,400
		55,703,400		55,703,400

a. Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period :

Particulars	As at 31-03-2013		As at 31-03-2012	
	No of Shares	Rupees	No of Shares	Rupees
Equity Shares :				
At the beginning of the period	5,570,340	55,703,400	5,570,340	55,703,400
Issued during the year as fully paid	—	—	—	—
Outstanding at the end of the period	5,570,340	55,703,400	5,570,340	55,703,400

b. Terms / Rights attached to Equity Shares :

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting.

During the year ended 31st March 2013, no dividend is declared by Board of Directors.
(Previous year - Nil)

c. Details of Shareholders holding more than 5% shares in the company :

Particulars	As at 31-03-2013		As at 31-03-2012	
	No of Shares	%	No of Shares	%
Equity Shares of Rs.10/- each fully paid				
Shri Harshad K Patel	689232	12.37%	689232	12.37%
Shri Harish K bhatt	692690	12.44%	692690	12.44%
SBS Colores & Chemiques Pvt. Ltd.	807700	14.50%	807700	14.50%

d. Shares reserved for issue under options : NIL

e. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares brought back during the period of five years immediately preceding the reporting date : NIL

f. Securities convertible into equity / preference shares issued along with the earliest date of conversion : NIL

g. Forfeited Share : NIL

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

Particulars	As at 31-03-2013 Rupees		As at 31-30-2012 Rupees	
NOTE NO. 02 - RESERVES & SURPLUS :				
General Reserve :				
Balance as per the last financial statement	(34,207,306)		(35,354,165)	
Add : Profit for the period	134,586		1,146,859	
Closing Balance	(34,072,720)		(34,207,306)	
Share Premium	4,314,444		4,314,444	
Total of Reserves and Surplus	(29,758,276)		(29,892,862)	
Particulars	As at 31-03-2013		As at 31-03-2012	
	Rupees	Rupees	Rupees	Rupees
NOTE NO. 03 - LONG TERM BORROWINGS :				
Unsecured Loan :				
From Directors and their Relatives	13,151,639	-	14,501,639	
Intercorporate Deposits	5,086,537	18,238,176	5,086,537	19,588,176
	18,238,176			19,588,176
Indian rupee unsecured loan from Directors, Shareholders and their relatives carries interest @ 9 % p.a.as on the reporting date. Repayment Schedule of Unsecured Loan is not specified.				
Particulars	As at 31-03-2013		As at 31-03-2012	
	Rupees	Rupees	Rupees	Rupees
NOTE NO. 04 - SHORT TERM BORROWINGS :				
a) Loans Repayable on Demand :				
From Banks				
1. Bank of Baroda - Cash Credit Account	15,477,928		11,997,741	
2. From Financial Institutions		15,477,928	-	11,997,741
(Secured by hypothecation of Raw Materials, Stock in process, Finished Goods, Book debts and further secured by personal guarantee of the directors of the company and corporate guarantee of Associate/ Group company)				
	15,477,928			11,997,741
Particulars	As at 31-03-2013 Rupees		As at 31-30-2012 Rupees	
NOTE NO. 05 - TRADE PAYABLES :				
- Creditors for Goods	25,110,423		35,540,166	
	25,110,423		35,540,166	

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

Particulars	As at 31-03-2013		As at 31-03-2012	
	Rupees	Rupees	Rupees	Rupees
NOTE NO. 06 - OTHER CURRENT LIABILITIES :				
Other current liabilities				
- Due to others	85,645		203,539	
- Statutory liabilities (including Duties and Taxes)	81,040	166,685	--	203,539
		166,685		203,539

There have been no claimed transactions during the period with Micro and Small enterprises covered under the Micro, Small and Medium Enterprises Development (MSMED) Act 2006. Hence details of principal and interest have not been reported.

Particulars	As at 31-03-2013 Rupees	As at 31-30-2012 Rupees
NOTE NO. 07 - SHORT TERM PROVISIONS :		
Provision for Expenses	107,294	1,267,663
	107,294	1,267,663

NOTE NO. 08 TANGIBLE ASSETS :

Sr. No.	Name of Assets	Rate	Gross Block			Depreciation				Net Block		
			As at 31-3-12	Addi-tion	Dele-tion	As at 31-3-13	As at 31-3-12	Addi-tion	Dele-tion	As at 31-3-13	As at 31-3-13	As at 31-3-12
1	Building	3.34%	13,779,474	-	-	13,779,474	6,749,420	460,234	-	7,209,654	6,569,820	7,030,054
2	Furniture & Fixtures	6.33%	80,334	-	-	80,334	80,017	316	-	80,333	1	317
3	Plant & Machinery	4.75%	64,939,377	123,374	-	65,062,751	43,794,456	3,088,190	-	46,882,646	18,180,105	21,144,921
4	Land	0%	1,530,268	-	-	1,530,268	0	-	-	0	1,530,268	1,530,268
5	Office Equipment	16.21%	474,020	-	-	474,020	464,809	2,172	-	466,981	7,039	9,211
6	Vehicle	9.50%	1,074,307	-	1,074,307	0	1,074,306	1	1,074,307	0	0	1
7	Electrification	7.07%	22,500	-	-	22,500	2,951	1,591	-	4,542	17,958	19,549
TOTAL			81,900,280	123,374	1,074,307	80,949,347	52,165,959	8,552,504	1,074,307	54,644,156	26,305,191	29,734,321
Previous Year			79,062,267	2,838,013	-	81,900,280	49,183,365	8,477,125	(494,532)	52,165,959	29,734,321	29,878,902

Particulars	As at 31-03-2013 Rupees	As at 31-30-2012 Rupees
NOTE NO. 09 - OTHER NON CURRENT ASSETS :		
- Deferred Revenue Expenditure	--	915,233
	--	915,233
NOTE NO. 10 INVENTORIES :		
- Fuel	376,500	55,000
- Packing Material	170,300	138,732
- Raw material	1,010,043	4,012,943
- Work in Progress	38,452,143	13,256,50
- Finished goods	224,720	11,140,831
	40,233,706	28,604,006

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

Particulars	As at 31-03-2013 Rupees	As at 31-30-2012 Rupees
<u>NOTE NO. 11 TRADE RECEIVABLES :</u>		
Sundry Debtors (Considered Goods)		
- Exceeding Six Months	4,311,534	9,921,728
- Others	10,119,896	15,525,395
- Advance to Creditors	651,930	974,430
	15,083,360	26,421,553
<u>NOTE NO. 12 CASH AND BANK BALANCES :</u>		
Cash and cash equivalents		
Cash on hand	583,852	1,354,658
	583,852	1,354,658
<u>NOTE NO. 13 SHORT TERM LOANS AND ADVANCES :</u>		
Security Deposit :		
Unsecured, Considered good	403,806	-
Other Loans and Advances :		
Unsecured, Considered good	133,019	221,216
Advances for Material	-	-
Balances with Revenue Authority	1,022,130	5,703,865
Others	-	300,404
	1,558,955	6,225,485

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

Particulars	2012-13 Rupees	2011-12 Rupees
<u>NOTE NO. 14 REVENUE FROM OPERATION :</u>		
Gross Sales	63,420,357	120,287,503
Less : Excise Duty & Cess	(6,196,290)	(8,956,159)
	57,224,067	111,331,344
<u>NOTE NO. 15 OTHER INCOME :</u>		
Dividend Income	360	360
Kasar Vatav	72,739	5,809
Prior Period Income	-	13,904
Refund from Excise Department	-	18,481
Income From Foreign Exchange Fluctuation	-	27,526
Other Income	307,531	20,850
Discount Received from Parties	214,065	108,127
	594,695	195,057

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

Particulars	2012-13 Rupees	2011-12 Rupees
NOTE NO. 16 RAW MATERIAL CONSUMPTION :		
Opening Stock	4,206,675	4,139,085
Add : Purchase		
Purchase of Raw Material	49,041,905	84,113,936
	49,041,905	84,113,936
Less : Closing Stock		
	1,556,843	4,206,675
	51,691,737	84,046,346
NOTE NO. 17 INCREASE/(DECREASE) IN STOCK :		
Closing stocks		
- Finished Goods	11,140,831	12,506,348
- WIP	13,256,500	15,323,912
Less : Opening Stock		
- Finished Goods	224,720	11,140,831
- WIP	38,452,143	13,256,500
Increase / (Decrease) in stock	(14,279,532)	3,432,929
NOTE NO. 18 - MANUFACTURING EXPENSES :		
Factory Salary	908,396	944,564
Factory Overtime Exps.	99,554	138,599
Power & Fuel	199,392	504,422
Factory Expense	280,129	350,033
Laboratory Expense	5,567	45,401
Labour Charges	2,008,570	2,251,056
Insurance	109,429	139,803
Annual custody Fees	15,000	(7,283)
Excise duty on Finished Stock	(1,186,629)	57,667
Production Bonus Expense	149,915	-
	2,589,323	4,424,262
NOTE NO. 19 ADMINISTRATIVE EXPENSES :		
Advertisement exp.	19,875	9,889
Annual Issuer Fees	15,000	16,545
Auditor's Remuneration	30,000	30,000
Bonus expenses	274,977	311,330
Bed Debts	2,292,000	-
Companies contribution to PF	-	76,048
Director's Remuneration	1,397,400	1,493,400
Deferred Revenue Exps.	915,233	-
Electricity Exp.	2,533,674	2,968,946
Freight Inward / Outward Exps.	46,501	172,485
Gujarat Pollution Control Board Charges	152,233	-
Legal and Professional fees	250,026	219,737

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

Particulars	2012-13 Rupees	2011-12 Rupees
NOTE NO. 19 ADMINISTRATIVE EXPENSES : (CONTD.....)		
Office Rent Exps	120,000	120,000
Pollution control Exp	591,641	1,353,968
Repair and Maintenance Exps.	733,554	2,125,463
Salary Office	794,200	441,093
Staff welfare	116,757	102,896
Transportation Charges	820,773	1,540,859
Other Expenses	685,289	644,836
	11,789,133	11,627,495
NOTE NO. 20 - FINANCIAL CHARGES :		
Bank Interest	2,298,433	2,191,087
Bank Charges	42,578	62,069
Interest on Director's Loan	--	1,301,676
Loan Processing Fees	--	64,750
	2,341,011	3,619,582

NOTE : 21 ADDITIONAL NOTES :

- Contingent Liabilities and Capital Commitments Rs. NIL (P.Y. NIL)
- Deferred Tax Liability/Assets are not created in view of fall in sales, and absence of virtual certainty.
- No provision for income tax is considered necessary in view of carry forward losses and unabsorbed depreciation under the Income Tax Act 1961.
- The company operates within a solitary business segment i.e. manufacturing of pigments, the disclosure requirements of Accounting Standard – 17 "Segment Reporting", issued by the Institute of Chartered Accountants of India is not applicable.
- The company has not disclosed outstanding dues to Small Scale Industrial undertakings and details regarding the same as company are not having any outstanding to SSI unit.
- Related Party Disclosures :

(a) List of related parties with whom transactions have taken place during the year :

As per Accounting Standard 18, issued by the Institute of Chartered Accountants of India, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below :

No.	Name of related party	Relationship
1	Jayesh K. Patel	Key Management Personnel
2	Harish K. Bhatt	
3	Harshad K. Patel	
4	Asthu H. Patel	Relatives of key Management personnel
5	Dwijen H. Bhatt	
6	Ratnakalaben H Patel	
7	Surbhiben H Bhatt	
8	Harshad K Patel (HUF)	
9	Harish K Bhatt (HUF)	
10	Dhara Organisers Pvt. Ltd.	Concerns in which Directors are interested
11	H. K. Builders	
12	J. K. Patel & Co.	

(b) Transactions with related parties :		<i>[Amount in Rs.]</i>	
No.	Nature of transaction	2012-13	2011-12
(i)	Intercorporate Deposit/Loans :		
	- Concerns in which Directors are interested	5,086,537	5,086,537
	- Key Management Personnel and Relatives	1,31,51,639	14,501,639
(ii)	Expenditure on other service :		
	- Concerns in which Directors are interested	NIL	NIL
	- Key Management Personal and Relatives	NIL	NIL
(iii)	Managerial Remuneration	13,97,400	14,93,400
(iv)	Outstanding Balances :		
	Due to company :		
	- Concerns in which Directors are interested	NIL	NIL
	- Key Management Personal and Relatives	60,000	180,000
	Payable by company :		
	- Concerns in which Directors are interested	5,086,537	5,086,537
	- Key Management Personnel and Relatives	1,31,51,639	14,501,639

7. Particulars of Earning per Share :

Particulars	2012-2013 Amount (Rs.)	2011-2012 Amount (Rs.)
Net Profit/(Loss) for the year	1,34,586	11,46,859
Number of equity shares	5,570,340	5,570,340
Nominal value of the share	10	10
Earning per Share	0.02	0.21
Diluted EPS	0.02	0.21

There is no change in the number of equity shares during the period.

8. The company is entitled to setoff of carried forwarded losses and unabsorbed depreciation against the future taxable income under the Income-tax Act. However, as a matter of prudence, company is not recognizing the differed tax assets as provided by Accounting Standard 22 – accounting for taxes on income.

9. Auditors' Remuneration is made up of :

Particulars	2012-2013 Amount (Rs.)	2011-2012 Amount (Rs.)
Auditor Remuneration (excluding Service Tax)		
For Statutory Audit	20,000	20,000
For Taxation Matters	10,000	10,000
For Company Law Matters	—	—
For Management Services	—	—
For Other Services	35,000	35,000
Reimbursement of Expense	—	—
Total	65,000	65,000

10. Director's Remuneration :

(a) The Company has been advised that the computation of net profits for the purpose of Directors' remuneration under section 349 of the Companies Act, 1956 need not be enumerated since no commission has been paid to the Directors. In view of the inadequate profit, fixed monthly remuneration has been paid to the Directors as per Schedule-XIII to the Companies Act, 1956.

(b) Directors Remuneration is made up of :

Particulars	2012-2013 Amount (Rs.)	2011-2012 Amount (Rs.)
Salary	13,97,400	14,93,400
Total	13,97,400	14,93,400

11. Value of Imports on CIF Basis Rs. NIL (P.Y. NIL)

12. Earning in Foreign Currency :

Particulars	2012-2013 Amount (Rs.)	2011-2012 Amount (Rs.)
1. Export of goods calculated on F.O.B. basis	23,67,196.00	21,37,330.00
2. Royalty, know-how, professional and consultation fees	NIL	NIL
3. Interest and Dividend	NIL	NIL
4. Other Income	NIL	NIL
Total	23,67,196.00	21,37,330.00

13. Expenditure in Foreign Currency (on payment basis) :

Particulars	2012-2013 Amount (Rs.)	2011-2012 Amount (Rs.)
Expenditure in Foreign Currency	NIL	NIL

14. The company has reclassified / regrouped the previous year figures wherever it seems necessary.

As per our report attached

For and on behalf of the Board

H. K Shah & Co.

Chartered Accountants

Firm Registration No.: 109583/W

Sd/-

H. K Shah

Partner

Membership No.: 042758

Sd/-

Harish Bhatt

Director

Sd/-

Jayesh Patel

Director

Place : Ahmedabad

Date : 30/05/2013

Place : Ahmedabad

Date : 30/05/2013

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013**NOTE A : CORPORATE INFORMATION :**

Pratiksha Chemicals Limited was incepted in the year 1991 as Pratiksha Chemicals Pvt. Ltd. and started the commercial production of Phthalocyanine Pigment Green 7. In the year 1994, Pratiksha Chemicals Pvt. Ltd. was changed to a limited company and was christened as Pratiksha Chemicals Limited. Currently company is engaged in the manufacturing business of Pigment Green 7 and Copper Phthalocyanine Green Crude.

NOTE B : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES :**(a) Basis of preparation of financial statements :**

These financial statements have been prepared on the accrual basis of accounting, under the historical cost convention, and in accordance with the Companies Act, 1956 and the applicable accounting standard issued by The Institute of Chartered Accountants of India.

(b) Use of estimates :

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reported period. Differences between the actual result and estimates are recognised in the period in which the results are known/ determined.

(c) Fixed Assets :

- (i) Fixed Assets are stated at their original cost including incidental expenses related to acquisition and installation, less accumulated depreciation. Cost comprises of the purchase price and any other attributable cost of bringing the assets to its working condition for its intended use.
- (ii) Capital Work in Progress is stated at cost.

(d) Impairment of Assets :

An asset is treated as impaired when its carrying cost exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

(e) Borrowing Costs :

Borrowing Costs that are directly attributable to acquisition of qualifying assets are capitalized for the period until the asset is ready for intended use. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs are recognizing as an expense in the period in which they are incurred. No borrowing costs are eligible for capitalization during the year.

(f) Depreciation :

Depreciation on assets is provided on the straight line method at rates and in the manner prescribed in schedule XIV to the Companies Act, 1956.

(g) Investments :

Investments are valued at cost. Provision for diminution in the value of Long Term investment is made only if, such decline is not temporary in nature in the opinion of the management.

(h) Inventories :

- (i) Stock in trade comprising of raw materials (including goods in transit), packing material, stock in process and finished goods are valued at the lower of cost and net realizable value after making such provisions as required on account of damage, unserviceable and obsolete stocks
- (ii) Stocks of stores, spares and consumable are valued at cost.
- (iii) Value of raw material and packing material does not include excise duty, counter veiling duty paid to the extent of which CENVAT credit is available.

(iv) Excise duty on goods manufactured by the company and remaining in inventory is included as a part of valuation of finished goods.

(i) Retirement Benefits :

- (i) Contributions to provident fund are made at predetermined rates to Government Authority and charged to profit and loss account.
- (ii) The Company is accounting for gratuity and leave encashment on cash basis.

(j) Revenue Recognition :

- (i) Sales are recognized when the seller has transferred to the buyer, the property in the goods, for a price, or all significant risks and rewards of ownership have been transferred to the buyer without the seller retaining any effective control over the goods. Sales are stated at contractual realizable values, net of excise duty, sales tax and trade discounts.
- (ii) Commission income is recognized as per contracts/receipt of credit note.
- (iii) Job work Income is recognized when the goods are transferred to buyer and where no uncertainty exists regarding realization of revenue.

(k) Foreign Currency Transactions :

- (i) Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction.
- (ii) In respect of monetary items denominated in foreign currencies, exchange differences arising out of settlement or on conversion at the closing rate are recognized in the Profit and Loss Account, other than exchange differences on acquisition of fixed assets, which are adjusted in the carrying amount of fixed assets.

(l) Stores and Spares :

Items of stores and spares are charged to the revenue at the stage of purchase and stocks of such items as at the end of the year is accounted at cost.

(m) Research and Development Expenditure :

Revenue Expenditure in respect of Research and Development is charged to the Profit and Loss Account and Capital Expenditure is added to the cost of Fixed Assets in the year in which it is incurred.

(n) Taxation :

Provision for income-tax is based on the taxable income computed in accordance with the provision of the Income-tax Act, 1961. Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period.

(o) Provisions, Contingent Liabilities and Contingent Assets :

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

(p) Amortization of Deferred Revenue Expenditure :

The Company is amortizing 1/5th of Deferred Revenue Expenditure every year.

PRATIKSHA CHEMICALS LIMITED, AHMEDABAD

3rd Floor, H. K. Complex, Opp. Dharnidhar Derasar, Vasna, Ahmedabad-380007.

PROXY FORM

Reg. Folio No. _____ No. of Shares held _____ We _____
of _____ in the district of _____ being a
Member / Members of PRATIKSHA CHEMICALS LTD. hereby appoint _____
in the District of _____ or failing him/her _____ of _____
_____ in the District of _____ as my/
our Proxy to attend and vote for me/us and on my/our behalf at the 22nd Annual General Meeting of
the Company to be held on the 30th September, 2013 and at any adjournment thereof.

As witness my hand/our hands this _____ day of _____ 2013.

Signed said

- NOTE : (a) The form should be signed across the stamp as per specimen signatures registered with the Company.
(b) The Proxy Form duly completed must be the Company not less than 48 hours before time fixed for holding the aforesaid meeting.

----- TEAR OFF -----

PRATIKSHA CHEMICALS LIMITED, AHMEDABAD

3rd Floor, H. K. Complex, Opp. Dharnidhar Derasar, Vasna, Ahmedabad-380007.

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting Hall)

TWENTYSECOND ANNUAL GENERAL MEETING

I/We hereby record me/our presence at the 22nd Annual General Meeting held at 3rd Floor, H.K.Complex, Nr. Dharnidhar Temple, Vasna, Ahmedabad - 380007 on 30th September, 2013.

Full Name of the Member (in BLOCK LETTERS) _____

Reg. Folion No. _____ No. of Shares held _____ Full Name of the Proxy (in
BLOCK LETTERS) _____ SIGNATURE OF THE MEMBER(S) OR PROXY /

PROXIES PRESENT _____ Please complete and sign this Attendance Slip and thanover
at the enterence of the Meeting Hall. Only Member(s) or their Proxies with this Attendance Slip will
be allowed entry to Meeting.

Book Post

If undelivered Please return to :

PRATIKSHA CHEMICALS LIMITED

3rd Floor, H.K.Complex,

Opp. Dharmidhar Derasar,

Vasna, Ahmedabad - 380007