

PRATIKSHA CHEMICALS
LIMITED

M/s. PRATIKSHA CHEMICALS LIMITED

FORM B

1	Name of the company	M/s. Pratiksha Chemicals Limited
2	Annual Financial statement for the year ended	31 st March 2014
3	Type of Audit Qualifications	Qualified
4	Frequency of Qualifications	Occasional
5	Draw attention to relevant notes in the Annual Financial Statements and Management response to the qualification in the Directors' Report	Point No. (i) to (iii) of basis for qualified report in Auditor's Report regarding non-compliance with different Accounting Standards.
6	Additional comments from the Board/ Audit Committee Chair	Board members and committee members would take precautionary measures to avoid the same qualifications in upcoming financial years.
7	To be signed by- <ul style="list-style-type: none">• CEO/ MD• CFO• Auditor of the company• Audit committee chairman	<p>sdl-</p> <p>sdl-</p> <p>sdl-</p> <p>sdl-</p>

PRATIKSHA CHEMICALS LIMITED

REGISTERED OFFICE

**3rd Floor, H. K. Complex,
Near Dharnidhar Temple,
Vasna, Ahmedabad**

ANNUAL REPORT

2013-14

PRATIKSHA CHEMICALS LIMITED

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 Technical Director
Shri. Upendra Adhyaru Independent Director
Shri. Somabhai Patel Independent 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,
Saki naka Telephone Lane, Saki naka,
Andheri (East)
Mumbai - 400 072
Fax: 2859156

**Stock Exchanges wherein the
Shares of the Company
are listed** : (1) The Bombay Stock Exchange
25th Floor, P. J. Towers,
Dalal Street, Fort,
Mumbai - 400001.

NOTICE

Notice is hereby given that the Twenty Third 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, 2014 at 10.00 a.m. at the registered office of the company to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the profit and loss account of the Company for the year ended on 31st March, 2014 and Balance Sheet as at that date and Director's Report and Auditors' Report thereon.
2. To appoint Director in place of Mr. Somabhai Patel (DIN: 01188702), who retires by rotation, in terms of Section 152(6) of the Companies Act, 2013, and being eligible, offers himself for re-appointment.
3. To appoint Auditors, and to fix their remuneration and in this regard 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 there under, as amended from time to time, M/s. H. K. Shah & Co., Chartered Accountants (Firm Registration No. 109583W), be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting for a consecutive period of five (5) financial years, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS:

4. To consider and if thought fit to pass with or without modification, 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 there under, read with Schedule IV to the Act, as amended from time to time, Mr. Somabhai Patel (DIN: 01188702), a retiring Director, if appointed as a 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 appointed as an Independent Director of the Company with effect from 30th September, 2014 for a consecutive period of five (5) financial years not liable to retire by rotation."

5. To consider and if thought fit to pass with or without modification, 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 there under, read with Schedule IV to the Act, as amended from time to time, Mr. Upendra Adhvaryu (DIN: 00483857), a 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 appointed as an Independent Director of the Company with effect from 30th September, 2014 for a consecutive period of five (5) financial years not liable to retire by rotation.”

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

“RESOLVED THAT pursuant to the provisions of Section 149(1) and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed there under, as amended from time to time, Mrs. Acharya Lalithamma Ramakrishnan in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as a Woman Director of the Company, who would be liable for retire by rotation.”

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

“RESOLVED THAT in supersession of all the earlier resolutions passed at the previous General Meetings of the Company, the consent of the members of the Company, be and is hereby accorded under the provisions of Section 180(1)© of the Companies Act, 2013 (previously being Section 293(1)(d) of the Companies Act, 1956), to the Board of Directors to borrow from time to time such sum or sums of money as they may deem necessary for the purpose of the business of the Company, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from cash credit arrangement, discounting of bills and other temporary loans obtained from Company’s Bankers in the ordinary course of business) and remaining outstanding at any point of time will exceed the aggregate of the Paid-up Share Capital of the Company and its Free Reserves, i.e. reserves not set apart for any specific purpose; provided that the total amount up to which monies may be borrowed by the Board of Directors and which shall remain outstanding at any given point of time shall not exceed the sum of Rs. 100 crores (Rupees hundred crores).”

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

“RESOLVED THAT pursuant to the provisions of Section 186 of the Companies Act, 2013 and the rules framed there under, as amended from time to time (previously being Section 372A of the Companies Act, 1956), the consent of the members of the Company, be and is hereby granted to the Board of Directors of the Company to give any loan to any Body Corporate(s)/Person(s), to give any guarantee or to provide any security in connection with a loan to any Body Corporate(s)/Person(s) and to acquire by way of subscription, purchase or otherwise, securities of any Body Corporate(s) and to decide limit up to which such investments in securities/loans/guarantees, that may be given or made, notwithstanding that any loan given to any Body Corporate(s)/Person(s), any guarantee given or any security provided in connection with a loan to any Body Corporate(s)/Person(s) and to acquire by way of subscription, purchase or otherwise, securities of any Body Corporate(s) may exceed 60% of the aggregate of the paid-up Share Capital and Free Reserves and Securities Premium Account; or 100% of its Free Reserves, whichever is higher at any point of time however it shall not exceed beyond Rs. 50 crores at any point of time; on such terms and conditions, as the Board may think fit.”

Place: Ahmedabad
Date: 14/08/2014

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

Sd/-
CHAIRMAN
(Mr. Harish Bhatt)
(DIN: 00400765)

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 26th Sept. 2014 to 30th Sept. 2014 (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.
4. Explanatory statement under section 102 of the companies Act, 2013 is attached with the notice.

5. The Company is pleased to offer e-voting facility to all its members to enable them to cast their vote electronically in terms of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement (including any statutory modification or re-enactment thereof for the time being in force). Accordingly, a member may exercise his vote by electronic means and the Company may pass any resolution by electronic voting system in accordance with the above provisions.

The instructions for e-voting are as under:

SECTION A - E-VOTING PROCESS -

Step 1: Open your web browser during the voting period and log on to the e-Voting Website: www.evotingindia.com.

Step 2: Click on "Shareholders" to cast your vote(s)

Step 3: Select the Electronic Voting Sequence Number (EVSN) i.e. **"140826108"** along with "COMPANY NAME" i.e. **"Pratiksha Chemicals Limited"** from the drop down menu and click on "SUBMIT".

Step 4: Please enter User ID -

a. For account holders in CDSL :- Your 16 digits beneficiary ID

b. For account holders in NSDL :- Your 8 Character DP ID followed by 8 Digits Client ID

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

Step 5: Enter the Image Verification as displayed and Click on Login

Step 6: If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.

Step 7: If you are a first time user follow the steps given below:

7.1 Enter your 10 digit alpha-numeric PAN issued by Income Tax Department.

For members who have not updated their PAN with the Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN Field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.

7.2 Enter the Date of Birth (DOB) recorded in the demat account or registered with the Company for the demat account in DD/MM/YYYY format

7.3 Enter your Dividend Bank details (Account Number) recorded in the demat account or registered with the Company for the demat account

Step 8: After entering these details appropriately, click on "SUBMIT" tab.

Step 9: First time user holding shares in Demat form will now reach Password Generation menu wherein they are required to create their login password in the password field. Kindly note that this password can also be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-Voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system. Members holding shares in physical form will then directly reach the Company selection screen.

Step 10: Click on the EVSN of the Company i.e. **140826108** to vote.

Step 11: On the voting page, you will see Resolution description and against the same the option 'YES/NO' for voting. Select the relevant option as desired YES or NO and click on submit.

Step 12: Click on the Resolution File Link if you wish to view the Notice.

Step 13: After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

Step 14: Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

SECTION B - COMMENCEMENT OF E-VOTING PERIOD AND OTHER E-VOTING INSTRUCTIONS

- i** The e-Voting period commences on September 25, 2014 (9.00 a.m.) and ends on September 27, 2014 (6.00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on cutoff date (record date) of 29th August, 2014 may cast their vote electronically. The e-Voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- ii.** The voting rights of shareholders shall be in proportion to their shares of the Paid Up Equity Share Capital of the Company.
- iii.** CS Anish Shah, Practicing Company Secretary (Membership No.: FCS 4713; CP No: 6560) (Address: D- 413, Shiromani Complex, Opp. Ocean Park, S.M. Road, Satellite, Ahmedabad - 380 015, Gujarat, India) has been appointed as the Scrutinizer to scrutinize the e-Voting process.
- iv.** The Scrutinizer shall, within a period not exceeding three (3) working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favor or against, if any and submit forth with to the Chairman of the Company.
- v.** The Results shall be declared on the date of AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website and on the website of CDSL <https://www.evotingindia.co.in> within two days of the passing of the resolutions at the AGM of the Company and communicated to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.
- vi.** The resolutions shall be deemed to be passed on the date of the Annual General Meeting, subject to receipt of sufficient votes.
- vii.** For Members holding shares in physical form, the password and default number can be used only for e-Voting on the resolutions given in the notice.
- viii.** Institutional Shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates, link their account which they wish to vote on and then cast their vote. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com. They should also upload a scanned copy of the Board Resolution / Power of Attorney (POA) which they have issued in favor of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the vote.

- ix.** You can also update your mobile number and E-mail ID in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-Voting system in future. The same may be used in case the Member forgets the password and the same needs to be reset.

- x.** In case you have any queries or issues regarding e-Voting, you may refer the Frequently Asked Questions ("FAQs") and e-Voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

Explanatory Statement
(Pursuant to section 102 of the Companies Act, 2013)

As required by section 102 of the Companies Act, 2013 (The 'Act'), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 4 to 8 of the accompanying Notice:

Item No. 4 & 5:

The Company had pursuant to the provisions of Clause 49 of the Listing Agreement, entered with the Stock Exchange, appointed Mr. Somabhai Patel and Mr. Upendra Adhvaryu as Independent Directors in the past, in compliance with the requirements of the Clause. Pursuant to the provisions of Section 149 of the Companies Act, 2013, which came into effect on April 1, 2014, every listed Company is required to have at least one-third of the total number of Directors as Independent Directors, who are not liable for retire by rotation.

The Board has recommended the appointment of Mr. Somabhai Patel and Mr. Upendra Adhvaryu as Independent Directors from September 30, 2014 to September 29, 2019. Mr. Somabhai Patel and Mr. Upendra Adhvaryu have given a declaration to the Board that they meets the criteria of independence as provided in Section 149(6) of the Act. In opinion of the Board, Mr. Somabhai Patel and Mr. Upendra Adhvaryu fulfill the conditions specified in the Act and the rules framed there under for appointment as Independent Directors. In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Somabhai Patel and Mr. Upendra Adhvaryu as Independent Directors is now being placed before the Members for their approval. The terms and conditions of appointment of Mr. Somabhai Patel and Mr. Upendra Adhvaryu shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day.

None of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives except Mr. Somabhai Patel and Mr. Upendra Adhvaryu are concerned or interested, financially or otherwise, in the resolution set out at Item No. 4.

Item No. 6:

Pursuant to the provisions of Section 149 of the Companies Act, 2013, which came into effect on April 1, 2014, every listed Company is required to have at least one woman Director, who is liable for retire by rotation.

The Board has recommended the appointment of Mrs. Acharya Lalithamma Ramakrishnan as a Woman Director w.e.f. September 30, 2014. Mrs. Acharya Lalithamma Ramakrishnan has given her consent in Form DIR-2 as required under the Act. She has also given a declaration in Form DIR-8 that she is not disqualified under Section 164 of the Act and is being eligible for appointment as Director. In opinion of the Board, Mrs. Acharya Lalithamma Ramakrishnan fulfills the conditions specified in the Act and the rules framed there under for appointment as a Director. In compliance with the provisions of Section 149 of the Act, the appointment of Mrs. Acharya Lalithamma Ramakrishnan as a Director is now being placed before the Members for their approval. The terms and conditions of appointment of Mrs. Acharya Lalithamma Ramakrishnan shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day.

None of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives except Mrs. Acharya Lalithamma Ramakrishnan is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5.

Item No. 7:

In terms of the provisions of Section 180 of the Companies Act, 2013, the Board can exercise certain powers only with the consent of members in general meeting by passing special resolution. In relation to the said provisions and in view of the expected growth in the business of the Company, the Board of Directors on behalf of the Company may borrow monies from various sources consequent to which the amount outstanding could exceed the earlier limit decided by the members/Directors earlier to this resolution but shall not at anytime exceed the limit of Rs. 100 crores. Further, under the Act, it is now required that such a resolution shall be passed by way of a special resolution.

Your Directors accordingly recommend increase in the borrowing powers to Rs. 100 crores as set out in the enabling resolution at Item No. 7 for the approval of the members.

None of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 7.

Item No. 8:

The Board of Directors of a Company has been permitted to make loans, give guarantees, provide securities to and make investments in the securities of other bodies corporate to the extent of 60% of its paid-up capital and free reserves and securities premium account or 100% of its free reserves and securities premium account whichever is higher, in terms of Section 186 of the Companies Act, 2013, from time to time, for business purposes.

Where the aggregate of loans and investments made, guarantees given and securities provided exceed the aforesaid limits, prior approval of the Members by way of Special Resolution is required.

It may be noted that, in terms of erstwhile Section 372A of the Companies Act, 1956 any inter-corporate loan given / investment made / guarantee given / security provided to wholly owned subsidiaries are exempt while reckoning the overall limit permissible, as per the said provisions of the Act. However, in terms of Section 186 of the Companies Act, 2013 such exemption has been withdrawn and the same shall be included for arriving at the aggregate permissible limit and hence any loan given / investment made / guarantee given / security provided have to be included for the purpose of arriving at the aforesaid overall limit and therefore it is proposed that the shareholders may fix the limit at Rs. 50 crores.

The Board recommends the enabling Special Resolution for shareholders' approval.

None of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 8.

Place: AHMEDABAD
Date: 14/08/2014

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

sd/
CHAIRMAN
(Mr. Harish Bhatt)
(DIN: 00400765)

DIRECTORS' REPORT

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

Your Directors have pleasure in presenting the twenty-third Annual Report of the Company together with the Audited Accounts for the financial year ended on 31st March 2014.

1. Financial Results:

Particulars	(Rs. in lacs)	
	2013-14	2012-13
Profit (Loss) before Depreciation	37.02	36.87
Depreciation	35.59	35.52
Profit / (Loss) before Tax	1.42	1.34
Provision for Tax	----	----
Profit / (Loss) after Tax	1.42	1.34

During the current year your company has 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. Delisting from Ahmedabad Stock Exchange Ltd.:

During the year under review, Company is being voluntarily delisted from the Ahmedabad Stock Exchange Limited.

5. Directors

As per provisions of Section 152(6) of the Companies Act, 2013, Mr. Somabhai Patel, Director liable to retire by rotation, offers himself for re-appointment at the general meeting. Mr. Somabhai Patel and Mr. Upendra Adhvaryu are being appointed as Independent Directors for consecutive five financial years as per provisions of Section 149 of the Companies Act, 2013. Mrs. Acharya Lalithamma Ramakrishnan is being appointed as a Woman Director as per provisions of Section 149 of the Companies Act, Necessary resolutions for the appointment /re-appointment of the aforesaid directors have been included in the notice convening the ensuing AGM and details of the proposal for appointment / re-appointment are mentioned in the explanatory statement of the notice. Your directors commend their appointment / re-appointment. All the directors of the Company have confirmed that they are not disqualified from being appointed as directors in terms of Section 164 of the Companies Act, 2013 (Previously being Section 274(1) (g) of the Companies Act, 1956).

6. 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.

7. Auditors

M/s H K Shah & Co., Chartered Accountants, Ahmedabad, Statutory Auditor of the Company, (Firm Registration No.: 109583W) holds office until the conclusion of the ensuring Annual General Meeting. As per newly inserted Section 139 of the Companies Act, 2013, they are appointed for a term of five consecutive financial years, for which necessary resolution is put to vote in this AGM, as stated in the item no. 3 of the notice, they are eligible for appointment to conduct statutory audit. The company has received certificate from the auditor to the effect that their appointment if made, would be within the prescribed limits under the Companies Act.

Notes to the accounts referred to in Auditor's report are self explanatory and therefore do not call for any further comments.

8. Deposits

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

9. 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.

10. 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, 2014.
- 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.

11. 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. The Auditor has drawn particular attention on the following matters:

- (I) Adhering to significant accounting policy, the Company is accounting for Gratuity & Leave encashment on cash basis. This is not in accordance with AS-1 and AS-15, prescribed by the ICSI.
- (II) AS-2 relating to valuation of inventories has not been followed.
- (III) Balances of unsecured loans, other liabilities, Creditors, Debtors, Loans & Advances are subject to confirmation by the parties concerned and reconciliation thereof in subsequent years.

12. Report on Corporate Governance

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

13. 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: 14/08/2014

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

Sd/-
CHAIRMAN
(Mr. Harish Bhatt)
(DIN: 00400765)

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
Mr. H K Bhatt	Whole Time Director	5	Yes	Yes
Mr. J K Patel	Technical Promoter Director	5	Yes	Yes
Mr. Upendra Adhavryu	Independent Non Executive Director	5	Yes	Yes
Mr. Somabhai patel	Independent Non Executive Director	5	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.

**PRATIKSHA CHEMICALS
LIMITED**

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. Jayesh K. Patel | - Member |

Remuneration paid during the year by the Company was –

Name of the Director	Designation	Amount Paid (Rs.)
Mr. Harishbhai Bhatt	Whole-time Director	5,00,880/-
Mr. Jayesh K. Patel	Director	6,98,880/-

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 with 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
30/09/2011	AGM	04.00 PM	3 rd Floor, H K Complex, Opp. Dharnidhar Derasar, Vasna, Ahmedabad-380007
28/09/2012	AGM	04.00 P.M.	
30/09/2013	AGM	10.00 A.M.	

6. DISCLOSURES:

- (A) During the year under review, the quarterly unaudited results were taken on record by the Board of Directors at the end of month of respective quarter. 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, Time & Venue)	Date: 30/09/2014 Time: 10.00 A.M. Venue: 3 rd Floor, H K Complex, Opp. Dharnidhar Derasar, Vasna, Ahmedabad-380007
Financial Calendar	1 st April 2013 to 31 st March 2014
Date of Book Closure	From 26 th Sept.2014 to 30 th Sept. 2014 (Both days inclusive)
Dividend Payment Date	No Dividend declared

9. LISTING OF STOCK EXCHANGE:

Bombay Stock Exchange Limited : 531257

The Company has been voluntarily delisted from the Ahmedabad Stock Exchange Limited during the year under review.

**PRATIKSHA CHEMICALS
LIMITED**

10. MARKET PRICE DATA AT BOMBAY STOCK EXCHANGE LIMITED:

MONTH	HIGH (RS.)	LOW (RS.)
April, 2013	Not Traded	Not Traded
May, 2013	Not Traded	Not Traded
June, 2013	Not Traded	Not Traded
July, 2013	2.23	2.23
August, 2013	2.25	2.23
September, 2013	Not Traded	Not Traded
October, 2013	2.20	2.20
November, 2013	Not Traded	Not Traded
December, 2013	Not Traded	Not Traded
January, 2014	Not Traded	Not Traded
February, 2014	2.54	2.30
March, 2014	2.50	2.27

11. DISTRIBUTION PATTERN AS ON THE 31STMARCH, 2014:

	No of Shares	Percentage
Promoters and Relatives	1993550	35.80
Banks/ FII/ FI	00	0.00
Public	2789852	50.08
Body Corporate	456355	8.19
NRI	330583	5.93
TOTAL	5570340	100.00

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 : N.A.
instruments and conversion date and likely impact on Equity

Address for Correspondence

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

4170080 shares out of **5570340** Equity shares of the company have been dematerialized as at 31st March, 2014 representing **74.86 %** of total paid-up capital of the company.

For and On behalf of the Board of

Directors

Date: 14/08/2014
Place: Ahmedabad

Sd/-
Mr. H K Bhatt
Whole Time Director
(DIN: 00400765)

MANAGEMENT DISCUSSION AND ANALYSIS

1. Overall Review:

The overall performance during the financial year 2013-14 has been satisfactory.

2. Financial Review:

Total turnover for the year ended 31st March, 2014 was Rs. 649.69 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

PLACE: AHMEDABAD

FOR, PRATIKSHA CHEMICALS LIMITED

DATE: 14/08/2014

Sd/
Whole time Director
Mr. H K Bhatt
(DIN: 00400765)

CERTIFICATION BY MANAGING DIRECTOR TO THE BOARD

I, Mr. H K Bhatt, Whole Time Director of M/S. 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 apprised 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: 14/08/2014

PLACE: AHMEDABAD

Sd/

Mr. H K Bhatt

Whole Time Director

(DIN: 00400765)

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

I, Mr. H K Bhatt, Chairman & Whole Time Director of M/s. 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 2014.

Place: Ahmedabad

Date: 14/08/2014

sdf

Mr. H K Bhatt

Chairman & Whole Time Director

(DIN: 00400765)

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
PRATIKSHA CHEMICALS LIMITED

We have examined the compliance of the conditions of corporate Governance by M/s. Pratiksha Chemicals Limited for the year ended on March 31, 2014, 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 as assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**PLACE: AHMEDABAD
DATE: 14/08/2014
ASSOCIATES**

For, A. SHAH &

PRACTICING COMPANY SECRETARIES

sd/-
**Mr. ANISH B. SHAH
(Proprietor)
C. P. No. 6560**

CA K. M. Shah 99241 12785
B.Com., D.T.P., F.C.A.

CA H. K. Shah 98257 22785
B.Com., L.L.B., D.T.P., F.C.A.

CA G. K. Shah 98258 44995
B.Com., F.C.A., D.I.S.A. (ICAI)



H. K. Shah & Co.

Chartered Accountants

CA J. G. Vaidya 99099 19785
B.Com., F.C.A.

CA T. H. Patel 99099 19785
B.Com., F.C.A., C.P.A.

CA M. G. Desai 9998612120
M.Com., A.C.A., C.S.

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 comprises the Balance Sheet as at March 31 2014, 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") read with the General circular 15/2013 dated 13th September 2013 of the Ministry Of Corporate Affairs in respect of section 133 of the companies Act, 2013. 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.

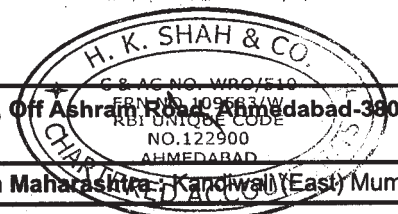
Mailing Address : 403/404, "SARAP" Building, 4th Floor, Opp. Navjivan Press, Nr. Income Tax, Off Ashrafi Road, Ahmedabad-380014
Phone : 079-27544995 / 2785 (M) 9909919785

Head Office : Ahmedabad (Guj.) Branches in Gujarat : Gandhinagar, Vadodara, Vapi Branch in Maharashtra : Kandivall (East) Mumbai

e-mail : hkshahandco@gmail.com, hkshahandco@hotmail.com

PAN No. : AACFH 1917 R SERVICE Tax No. : AACFH 1917 R - ST001

C&AG Regn. No. : WRO / 510. ICAI Regn. No. : 109583/W



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) ***Adhering to significant accounting policy, the company is accounting for Gratuity & Leave encashment on cash basis. This is not in accordance with Accounting Standard – 1 on “Disclosure of Accounting Policies and 15 on “Accounting for Retiring Benefits” prescribed by the Institute of Chartered Accountants 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.***
- (ii) ***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.***
- (iii) ***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.***

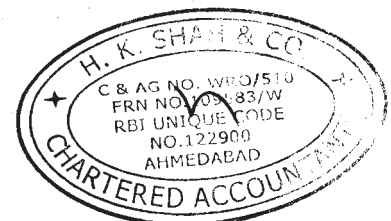
Opinion

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, 2014;
- (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

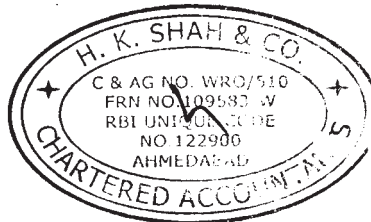
1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, 1956 and sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified 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 explanation which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. With **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 read with the General Circular 15/2013 dated 13th September 2013 of the Ministry Of Corporate Affairs in respect of section 133 of the companies Act, 2013.; **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, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 and sub-section (2) of section 164 of the Companies Act, 2013.
- 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: Ahmedabad
Date: 30/05/2014



H.K. Shah

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 2014**, 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 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 not been physically verified during the year by the management as informed to us.

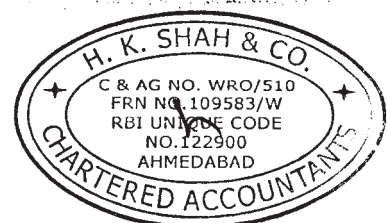
(b) In our opinion, the procedures of physical verification of stocks followed by the Management are not reasonable and adequate in relation to the size of the Company and the nature of its business.

(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 31-03-2014 of Rs. 132.38 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

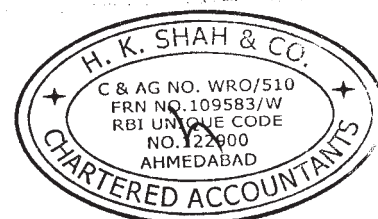
(iii) The company is regular in repaying the principle amounts as stipulated.
4. In our opinion and according to information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business. However the same needs to be strengthened on a priority basis.



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.

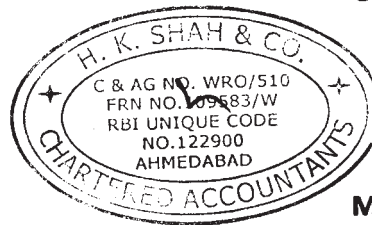
(b) In our opinion and according to the information and explanations given to us, the transactions exceeding Rs. 5 lacs made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard 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, 2014 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 2014.
10. The accumulated losses of the company exceeds fifty percent of net worth as at 31st March, 2014 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 statue 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 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



Place: Ahmedabad
Date: 30/05/2014

H. K. Shah
H. K. Shah
Partner
Membership No.: 042758

PRATIKSHA CHEMICALS LIMITED
BALANCE SHEET AS AT MARCH 31, 2014

Particulars	Note	As at 31.03.2014		As at 31.03.2013	
		Rupees	Rupees	Rupees	Rupees
<u>I EQUITY AND LIABILITIES</u>					
(1) Shareholders' Funds					
(a) Share Capital	1	55,703,400		55,703,400	
(b) Reserves & Surplus	2	(29,616,045)	26,087,355	(29,758,276)	25,945,124
(2) Share application money pending allotment		-	-	-	-
(3) Non-current liabilities					
(a) Long-term borrowings	3	13,238,176		18,238,176	
(b) Deferred tax liabilities (Net)		-		-	
(c) Other Long term liabilities		-		-	
(d) Long-term provisions		-	13,238,176	-	18,238,176
(4) Current liabilities					
(a) Short-term borrowings	4	18,607,529		15,477,928	
(b) Trade payables	5	31,154,595		25,110,423	
(c) Other current liabilities	6	6,837,524		166,685	
(d) Short-term provisions	7	104,427	56,704,075	107,294	40,862,330
			96,029,606		85,045,630
<u>II ASSETS</u>					
(1) Non-current assets					
(a) Fixed Assets	8				
(i) Tangible Assets		22,785,384		26,305,191	
(ii) Intangible Assets		-		-	
(iii) Capital work-in-progress		-		-	
(iv) Intangible Assets under Development		-		-	
(b) Non-current Investments		231,100		231,100	
(c) Deferred Tax Assets		1,049,466		1,049,466	
(d) Long-term loans and advances		-		-	
(e) Other non-current assets		-	24,065,950	-	27,585,757
(2) Current Assets					
(a) Current investments		-		-	
(b) Inventories	9	47,141,559		40,233,706	
(c) Trade receivables	10	13,088,828		15,083,360	
(d) Cash and cash equivalents	11	148,101		583,852	
(e) Short-term loans and advances	12	11,585,168		1,558,955	
(f) Other current assets		-	71,963,656	-	57,459,873
			96,029,606		85,045,630

Summary of Significant Accounting Policies

21

As per our attached report of even date

H. K Shah & Co
Chartered Accountants

Firm Registration No : 109583/W

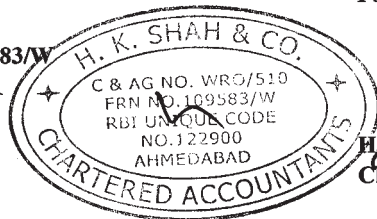
CA H. K. Shah
Partner

Membership No.: 042758

Place: Ahmedabad

Date: 30/05/2014

For and on behalf of the Board



Harish Bhatt
Chairman

Jayesh Patel
Director

Place: Ahmedabad

Date: 30/05/2014

Place: Ahmedabad

Date: 30/05/2014

PRATIKSHA CHEMICALS LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

Particulars	Note	For the period April 1, 2013 to March 31, 2014		For the period April 1, 2012 to March 31, 2013	
		Rupees	Rupees	Rupees	Rupees
(I) REVENUE					
- Revenue from Operations	14	64,969,278		57,224,067	
Other Income	15	150,649		594,695	
Total Revenue			65,119,927		57,818,762
(II) EXPENSES					
Cost of Material Consumed	16	53,098,990		51,691,737	
(Increase) / Decrease in Stock	17	(6,270,127)		(14,279,532)	
Manufacturing Expenses	18	2,857,712		2,589,323	
Administrative Expenses	19	9,632,355	59,318,930	11,789,133	51,790,661
(III) Earnings Before Interest, Depreciation and Amortization - EBDITA (I-II)			5,800,997		6,028,101
Financial Charges	20	2,099,360		2,341,011	
Depreciation and Amortisation expense	8	3,559,406		3,552,504	
Total Expenses			5,658,766		5,893,515
(V) Profit / (Loss) Before Exceptional items and Tax			142,231		134,586
Exceptional items			-		-
Prior Period Adjustments		-	-	-	-
(VI) Profit/(Loss) before Taxes - PBT			142,231		134,586
Tax expense:					
Current tax		-	-	-	-
Deferred tax		-	-	-	-
Profit/(Loss) for the period after tax			142,231		134,586
Earnings per share					
- Basic / Diluted			0.03		0.02
- Nominal value of shares			10.00		10.00

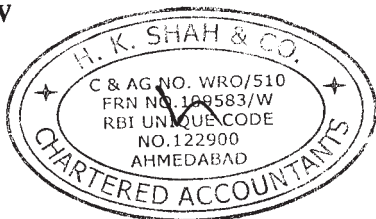
As per our attached report of even date

H. K Shah & Co

Chartered Accountants

Firm Registration No : 109583/W

H.K. Shah



CA H. K. Shah

Partner

Membership No.: 042758

Place: Ahmedabad

Date: 30/05/2014

For and on behalf of the Board

Harish Bhatt
Chairman

Place: Ahmedabad

Date: 30/05/2014

Jayesh Patel

Jayesh Patel
Director

Place: Ahmedabad

Date: 30/05/2014

PRATIKSHA CHEMICALS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	For the year ended 31-03-2014 Amount (Rs.)	For the year ended 31-03-2013 Amount (Rs.)
A. Cash flow from operating activities:		
Net profit / Loss for the year	142,231	134,586
Adjustments for :		
Add:		
Depreciation	3,559,406	3,552,504
Other non cash Addition	-	915,233
Less :		
Deffered tax income	-	-
Interest Income on Investment	(78,220)	-
Gain on sale of asset	-	(147,000)
Operating profit before Working Capital changes	3,623,417	4,455,323
Add/(Less): Changes in Working Capital		
Trade Receivables	1,994,532	11,338,193
Other Receivables	(10,026,213)	4,666,530
Inventories	(6,907,853)	(11,629,699)
Trade payables	6,044,172	(10,429,743)
Others Payables	9,797,573	2,282,964
	902,212	(3,771,755)
Cash generated from operating activities	4,525,629	683,568
Less: Tax Paid	-	-
Net cash from operating activities	(A) 4,525,629	683,568
B. Cash flow from investing activities:		
Purchase of fixed assets	(39,600)	(123,374)
Sale of Fixed Assets	-	147,000
Purchase of Investment	-	(128,000)
Interest on Investment	78,220	-
Net cash used in investing activities	(B) 38,620	(104,374)
C. Cash flow from financing activities:		
Procurement/(Repayment) of long term borrowings		
Unsecured Loan	(5,000,000)	(1,350,000)
Net cash flow from financial activities (c)	(C) (5,000,000)	(1,350,000)
Net Increase/(Decrease) in Cash and Cash Equivalents	(A+B+C) (435,751)	(770,806)
Add: Cash and cash equivalents opening	583,852	1,354,658
Cash and cash equivalents closing	148,101	583,852

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 attached report of even date

H. K. Shah & Co.

Chartered Accountants

Firm Registration No: 109583/W

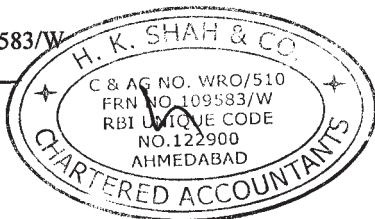
H. K. Shah

Partner

Membership No.: 042758

Place: Ahmedabad

Date: 30/05/2014



For and on behalf of the Board

Harish Bhatt
 Harish Bhatt
 Chairman

Jayesh Patel
 Jayesh Patel
 Director

Place: Ahmedabad
 Date: 30/05/2014

Place: Ahmedabad
 Date: 30/05/2014

PRATIKSHA CHEMICALS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

NOTE NO. 01 - SHARE CAPITAL

Particulars	As at 31.03.2014		As at 31.03.2013	
	Rupees	Rupees	Rupees	Rupees
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 31.03.2014		As at 31.03.2013	
	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:

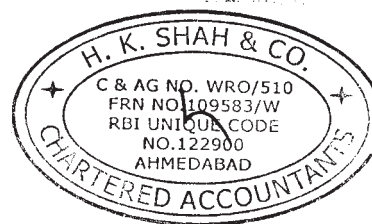
Particulars	As at 31.03.2014		As at 31.03.2013	
	No of Shares	%	No of Shares	%
Equity Shares of Rs.10/- each fully paid				
Shri Harshad K Patel	689232	12.37%	689232	12.37%
Shri Harish K bhatt	692690	12.44%	692690	12.44%
SBS Colores & Chemiques Pvt. Ltd.	807700	14.50%	807700	14.50%

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 Shares : NIL



PRATIKSHA CHEMICALS LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

NOTE NO. 02 - RESERVES & SURPLUS

Particulars	As at 31.03.2014	As at 31.03.2013
	Rupees	Rupees
Surplus / (deficit) in the Statement of Profit and Loss		
Balance as per the last financial statement	(34,072,720)	(34,207,306)
Add: Profit for the period	142,231	134,586
Closing Balance	(33,930,489)	(34,072,720)
Share Premium	4,314,444	4,314,444
Total of Reserves and Surplus	(29,616,045)	(29,758,276)

NOTE NO. 03 - LONG TERM BORROWINGS

Particulars	As at 31.03.2014		As at 31.03.2013	
	Rupees	Rupees	Rupees	Rupees
-Unsecured Loan				
From Directors and their Relatives	8,151,639	-	13,151,639	
Intercompany Deposits	5,086,537	13,238,176	5,086,537	18,238,176
		13,238,176		18,238,176

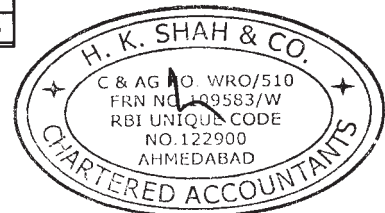
Indian rupee unsecured loan from Directors, Shareholders and their relatives carries interest @ 9 % p.a.as on the reporting date. Repayment Schedule of Unsecured Loan is not specified.

NOTE NO. 04 - SHORT TERM BORROWINGS

Particulars	As at 31.03.2014		As at 31.03.2013	
	Rupees	Rupees	Rupees	Rupees
a) Loans Repayable on Demand				
From Banks				
1. Bank of Baroda - Cash Credit Account	18,607,529		15,477,928	
2. From Financial Institutions		18,607,529	-	15,477,928
(Secured by hypothecation of Raw Materials, Stock in process, Finished Goods, Book debts and further secured by personal guarantee of the directors of the				
		18,607,529		15,477,928

NOTE NO. 05 - TRADE PAYABLES

Particulars	As at 31.03.2014	As at 31.03.2013
	Rupees	Rupees
- Creditors for Goods	31,154,595	25,110,423
	31,154,595	25,110,423

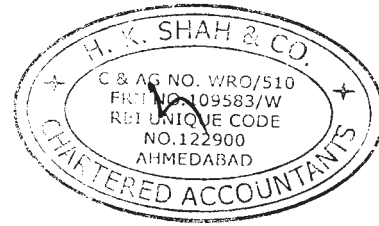


PRATIKSHA CHEMICALS LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014****NOTE NO. 06 - OTHER CURRENT LIABILITIES**

Particulars	As at 31.03.2014		As at 31.03.2013	
	Rupees	Rupees	Rupees	Rupees
Other current liabilities				
- Due to others	177,428		85,645	
- Statutory liabilities (including Duties and Taxes)	6,660,096	6,837,524	81,040	166,685
		6,837,524		166,685

NOTE NO. 07 - SHORT TERM PROVISIONS

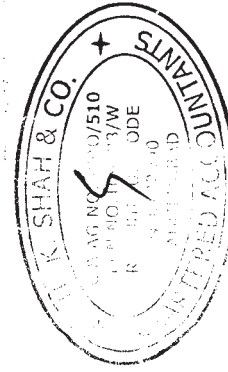
Particulars	As at	As at
	31.03.2014	31.03.2013
	Rupees	Rupees
Provision for Expenses	104,427	107,294
	104,427	107,294



PRATIKSHA CHEMICALS LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

NOTE NO. 08 - TANGIBLE ASSETS

Sr. No.	Name of Assets	Rate	Gross Block			Depreciation			Net Block		
			As at 31.03.2013	Addition	Deletion	As at 31.03.2014	As at 31.03.2013	Addition	Deletion	As at 31.03.2014	As at 31.03.2013
1	Building	3.34%	13,779,474	-	-	13,779,474	7,209,654	460,234	-	7,669,888	6,109,586
2	Furniture & Fixtures	6.33%	80,334	-	-	80,334	80,333	-	-	80,333	-
3	Plant & Machinery	4.75%	65,062,751	-	-	65,062,751	46,882,646	3,090,481	-	49,973,127	15,089,624
4	Land	0%	1,530,268	-	-	1,530,268	0	-	-	0	1,530,268
5	Office Equipment	16.21%	474,020	-	-	474,020	466,981	7,039	-	474,020	0
7	Electrification	7.07%	22,500	39,600	-	62,100	4,542	1,652	-	6,194	55,906
	TOTAL		80,949,347	39,600	0	80,949,347	52,165,959	3,559,406	0	58,203,562	22,785,384
	Previous Year		81,900,280	123,374	1,074,307	80,949,347	52,165,959	3,552,504	1,074,307	54,644,156	26,305,191
											29,734,321



PRATIKSHA CHEMICALS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

NOTE NO. 09 - INVENTORIES

Particulars	As at 31.03.2014	As at 31.03.2013
	Rupees	Rupees
- Fuel	473,231	376,500
- Packing Material	183,043	170,300
- Raw material	1,538,295	1,010,043
- Work in Progress	43,270,490	38,452,143
- Finished goods	1,676,500	224,720
	47,141,559	40,233,706

NOTE NO. 10 - TRADE RECEIVABLES

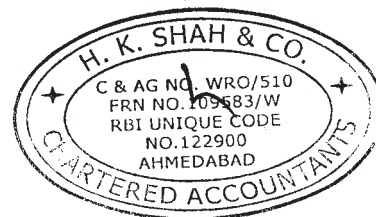
Particulars	As at 31.03.2014	As at 31.03.2013
	Rupees	Rupees
Sundry Debtors (Considered Goods)		
- Exceeding Six Months	4,959,954	4,311,534
- Others	7,422,308	10,119,896
- Advance to Creditors	706,566	651,930
	13,088,828	15,083,360

NOTE NO. 11 - CASH AND BANK BALANCES

Particulars	As at 31.03.2014	As at 31.03.2013
	Rupees	Rupees
Cash and cash equivalents	-	-
Cash on hand	148,101	583,852
	148,101	583,852

NOTE NO. 12 - SHORT TERM LOANS AND ADVANCES

Particulars	As at 31.03.2014	As at 31.03.2013
	Rupees	Rupees
Security Deposit		
Unsecured, Considered good	466,828	403,806
Other Loans and Advances		
Unsecured, Considered good	166,976	133,019
Balances with Revenue Authority	10,951,364	1,022,130
Others	-	-
	11,585,168	1,558,955



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

NOTE NO. 14 - REVENUE FROM OPERATION

Particulars	2013-14	2012-13
	Rupees	Rupees
Gross Sales	64,969,278	63,420,357
Less: Excise Duty & Cess	-	(6,196,290)
TOTAL	64,969,278	57,224,067

NOTE NO. 15 - OTHER INCOME

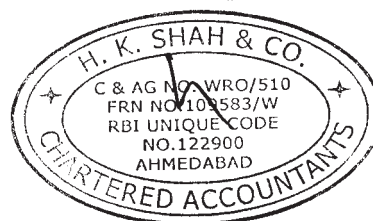
Particulars	2013-14	2012-13
	Rupees	Rupees
Dividend Income	360	360
Kasar Vataav	1,105	72,739
Prior Period Income	-	-
Refund from Excise Department	-	-
Income From Foreign Exchange Fluctuation	-	-
Other Income	146,424	307,531
Discount Received from Parties	2,760	214,065
TOTAL	150,649	594,695

NOTE NO. 16 - RAW MATERIAL CONSUMPTION

Particulars	2013-14	2012-13
	Rupees	Rupees
Opening Stock	1,556,843	4,206,675
Add: Purchase		
Purchase of Raw Material	53,736,716	49,041,905
	55,293,559	53,248,580
Less: Closing Stock	2,194,569	1,556,843
TOTAL	53,098,990	51,691,737

NOTE NO. 17 - INCREASE/(DECREASE) IN STOCK

Particulars	2013-14	2012-13
	Rupees	Rupees
Opening Stock		
- Finished Goods	224,720	11,140,831
- WIP	38,452,143	13,256,500
Less: Closing stocks		
- Finished Goods	1,676,500	224,720
- WIP	43,270,490	38,452,143
Increase / (Decrease) in stock	(6,270,127)	(14,279,532)



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

NOTE NO. 18 - MANUFACTURING EXPENSES

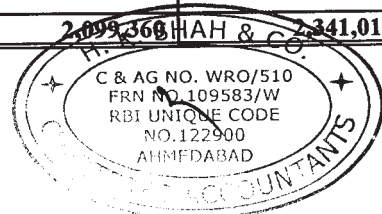
Particulars	2013-14	2012-13
	Rupees	Rupees
Factory Salary	-	908,396
Factory Overtime Exps.	108,623	99,554
Power & Fuel	201,141	199,392
Factory Expense	271,012	280,129
Laboratory Expense	12,890	5,567
Labour Charges	2,149,414	2,008,570
Insurance	73,618	109,429
Annual custody Fees	16,854	15,000
Excise duty on Finished Stock	-	(1,186,629)
Production Bonus Expense	24,160	149,915
TOTAL	2,857,712	2,589,323

NOTE NO. 19 - ADMINISTRATIVE EXPENSES

Particulars	2013-14	2012-13
	Rupees	Rupees
Advertisement exp.	50,567	19,875
Annual Issuer Fees	16,854	15,000
Auditor's Remuneration	80,000	30,000
Bonus expenses	293,175	274,977
Bed Debts	-	2,292,000
Provident fund Expenses (Staff)	86,216	-
Director's Remuneration	1,199,760	1,397,400
Deferred Revenue Exps.	-	915,233
Electricity Exp.	2,819,571	2,533,674
Freight Inward / Outward Exps.	19,556	46,501
Gujarat Pollution Control Board Charges	21,056	152,233
Legal and Professional fees	244,347	250,026
Office Rent Exps	120,000	120,000
Pollution control Exp	504,117	591,641
Postage Exp	32,942	-
Repair and Maintenance Exps.	786,168	733,554
ROC Fees Exp	20,000	-
Salary Office	1,759,452	794,200
Service Tax Expenses	36,614	-
Staff welfare	145,654	116,757
Transportation Charges	977,167	820,773
Other Expenses	419,139	685,289
TOTAL	9,632,355	11,789,133

NOTE NO. 20 - FINANCIAL CHARGES

Particulars	2013-14	2012-13
	Rupees	Rupees
Bank Interest	1,958,295	2,298,433
Bank Charges	141,065	42,578
Interest on Director's Loan	-	-
Loan Processing Fees	-	-
TOTAL	2,099,360	2,341,011



PRATIKSHA CHEMICALS LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED
MARCH 31, 2014

NOTE A:- CORPORATE INFORMATION :

Pratiksha Chemicals Limited was incorporated 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 standards 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:

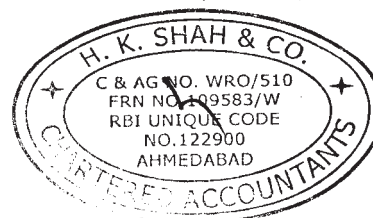
- (i) Fixed Assets are stated at their original cost including incidental expenses related to acquisition and installation, less accumulated depreciation. Cost comprises of the purchase price and any other attributable cost of bringing the assets to its working condition for its intended use.
- (ii)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

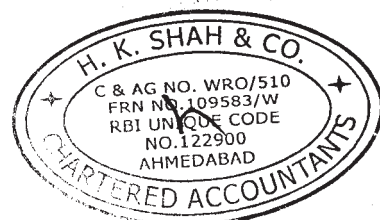
- (i) Stock in trade comprising of raw materials (including goods in transit), packing material, stock in process and finished goods are valued at the lower of cost and net realizable value after making such provisions as required on account of damage, unserviceable and obsolete stocks
- (ii) Stocks 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.

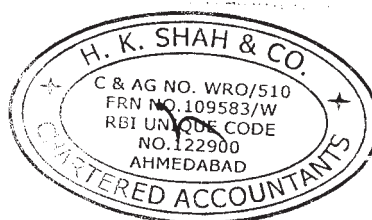
(o) Provisions, Contingent Liabilities and Contingent Assets:

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.

As per our attached report of even date.




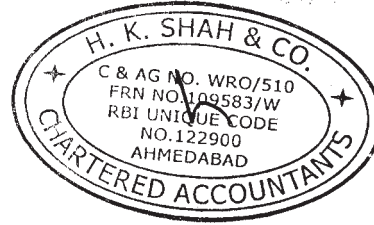
For and on behalf of the board

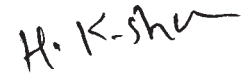
For, H. K. Shah & Co.,

Chartered Accountants
Firm Registration No.: 109583/W


Harish Bhatt
Director
Place: Ahmedabad
Date: 30/05/2014


Jayesh Patel
Director
Place: Ahmedabad
Date: 30/05/2014




H. K. Shah
Partner
M. No.: 042758
Place: Ahmedabad
Date: 30/05/2014

NOTE : 21 ADDITIONAL NOTES :-

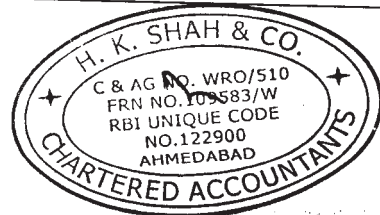
1. Contingent Liabilities and Capital Commitments: Rs. NIL (P.Y. NIL)
2. Deferred Tax Liability/Assets are not created in absence of virtual certainty.
3. No provision for income tax is considered necessary in view of carry forward losses and unabsorbed depreciation under the Income Tax Act 1961.
4. 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.
5. 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.

6. 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:

Sr. 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	Surbhi ben 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**

[Amount in Rs.]

Sr. No.	Nature of transaction	2013-14	2012-13
(i)	Intercorporate Deposit/Loans		
	- Concerns in which Directors are interested	5,086,537	5,086,537
	- Key Management Personnel and Relatives	8,151,639	13,151,639
(ii)	Expenditure on other service		
	- Concerns in which Directors are interested	NIL	NIL
	- Key Management Personal and Relatives	NIL	NIL
(iii)	Managerial Remuneration	1,199,760	1,397,400
(iv)	Outstanding Balances:		
	<i>Due to company</i>		
	Concerns in which Directors are interested	NIL	NIL
	Key Management Personal and Relatives	60,000	60,000
	<i>Payable by company</i>		
	- Concerns in which Directors are interested	5,086,537	5,086,537
	- Key Management Personnel and Relatives	8,151,639	13,151,639

7. **PARTICULARS OF EARNING PER SHARE:**

Particulars	2013-14	2012-13
Net Profit/(Loss) for the year	142,231	134,586
Number of equity shares	5,570,340	5,570,340
Nominal value of the share	10	10
Earning per Share	0.03	0.02
Diluted EPS	0.03	0.02

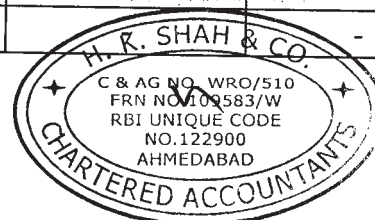
There is no change in the number of equity shares during the period.

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 deferred tax assets as provided by Accounting Standard 22 – accounting for taxes on income.
9. Auditors' Remuneration is made up of:

PAYMENT TO AUDITORS: (Excluding Service Tax)

[Amount in Rs.]

Auditor Remuneration	2013-14	2012-13
For Statutory Audit	35,000	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	80,000	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	2013-14 Amount (Rs.)	2012-13 Amount (Rs.)
Salary	1,199,760	1,397,400
Total :	1,199,760	1,397,400

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

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

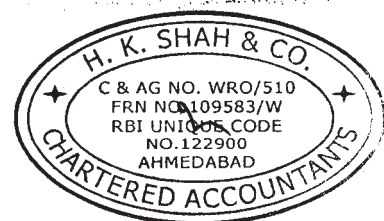
Particulars	2013-14 Amount (Rs.)	2012-13 Amount (Rs.)
Expenditure in Foreign Currency	NIL	NIL

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

13. Earning in Foreign Currency:

Sr. No.	Particulars	2013-14 Amount (Rs.)	2012-13 Amount (Rs.)
1.	Export of goods calculated on F.O.B. basis		2,367,196
2.	Royalty, know-how, professional and consultation fees	NIL	NIL
3.	Interest and Dividend	NIL	NIL
4.	Other Income	NIL	NIL
	Total		2,367,196

As per our attached report of even date.



For and on behalf of the board

For, H. K. Shah & Co.,

Chartered Accountants

Firm Registration No.: 109583/W

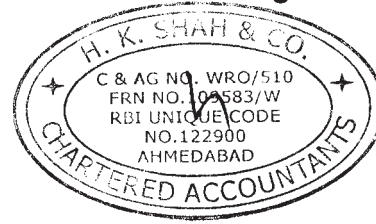

Harish Bhatt
Director

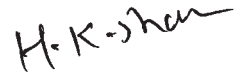
Place: Ahmedabad
Date: 30/05/2014



Jayesh Patel
Director

Place: Ahmedabad
Date: 30/05/2014





H. K. Shah
Partner

M. No.: 042758
Place: Ahmedabad
Date: 30/05/2014

ATTENDANCE SLIP

Name of the attending Member (In Block Letters): _____

Folio No/ DPID / Client ID : _____

Name of the Proxy : _____

(To be filled in if the Proxy attends instead of the Member)

No. of Shares held: _____

(in words) _____

I hereby record my presence at the Annual General Meeting of the Company at 3rd Floor, H K Complex, Vasna, Ahmedabad-380007. on Tuesday the 30th day of September, 2014 and at any adjournment thereof.

PROXY FORM

I/We of.....being Member/Members of the above named Company, hereby appointor failing him..... as my/our Proxy to attend and vote for me/us and on my/our behalf at Annual General Meeting of the Company, to be held on Tuesday the 30th day of September, 2014 at 3rd Floor, H K Complex, Vasna, Ahmedabad-380007 at 10.00 a.m. and at any adjournment thereof.

Signed this day of 2014.

Folio No/ Client ID: _____

DP ID: _____

No. of Shares: _____

Signature: _____

Affix Re. 1.00 Revenue Stamp

N.B.: This proxy must be deposited at the Registered Office of the Company at 3rd Floor, H K Complex, Vasna, Ahmedabad-380007

Member's/Proxy's Signatur (To be signed at the time of handing over this slip(NOTE: Shareholder/Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and hand over the same at the entrance after the same has been duly signed))