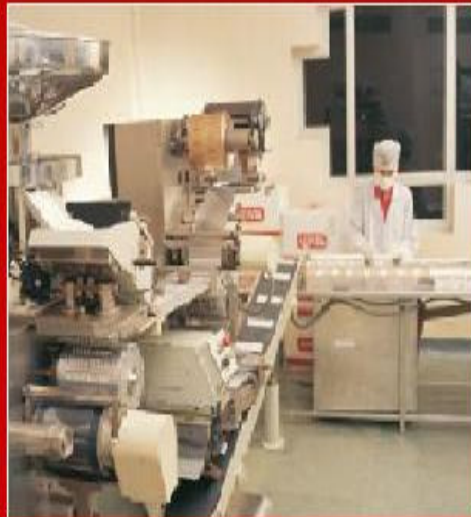




2013-2014

# 20th Annual Report



*Expanding the Horizons with Quality*  
*Expanding the Horizons with Quality*

**DETAILS INSIDE**



**BOARD OF DIRECTORS:**

<b>Name of the Directors</b>	<b>Designation</b>	<b>Directors' Identification Number (DIN)</b>
Mr. Peeyush Kumar Aggarwal	Director	00090423
Mr. Sachin Garg	Director	03320351
Mr. Kamal Kishore Sharma	Independent Director	02039980
Mr. Brahm Dutt Sharma	Independent Director	02157681
Mr. Manoj Kumar Jain	Independent Director	02573858

**COMPANY SECRETARY & COMPLIANCE OFFICER:** Ms. Anjali Kalra

**AUDITORS:**

RMA & Associates, Chartered Accountants  
UG - 2, Plot No. 48,  
Hasanpur, IP Extension, Delhi - 110092  
(Firm Registration No. 000978N)

**BANKERS:**

Indian Overseas Bank  
HDFC Bank  
Vijaya Bank  
State Bank of India

**CORPORATE OFFICE:**

807, Arunachal Building, 19  
Barakhamba Road, Connaught Place,  
New Delhi-110 001(INDIA)  
Tel No.: 91-11-43571040-45  
FAX : 91-11-42424884  
E-Mail: [mail@advikindia.com](mailto:mail@advikindia.com)  
Website: [www.advikindia.com](http://www.advikindia.com)

**REGISTERED OFFICE & PLANT:**

138, Roz-Ka-Meo, Industrial Area,  
Sohna, Distt. -Mewat (Haryana) INDIA  
Tel. No.: 0124-2362471,+91-9813179885

***CIN: L74899HR1994PLC038300***

**SHARE TRANSFER AGENT :**

Beetal Financial & Computer Services (P) Ltd.  
Beetal House, 3<sup>rd</sup> Floor, 99, Madangir  
Behind Local Shopping Centre,  
Near Dada Harsukhdas Mandir  
New Delhi -110 062  
Tel: 91-11-29961281/82  
Fax: 91-11-29961284  
E-mail: [beetalrta@gmail.com](mailto:beetalrta@gmail.com)

**NOTICE**

Notice is hereby given that the 20<sup>th</sup> (Twentieth) Annual General Meeting of the Members of **ADVİK LABORATORIES LIMITED** will be held on Tuesday, 30<sup>th</sup> September, 2014 at 10.00 A.M. at its Registered Office at 138, Roz- Ka - Meo, Industrial Area Sohna, Distt. Mewat-122 103 (Haryana) INDIA to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as on 31<sup>st</sup> March, 2014, the Profit & Loss account for the period ended on that date, Auditors' Report and Directors' Report thereon.
2. To appoint a Director in place of Mr. Sachin Garg (03320351), who retires by rotation and being eligible, offers himself for reappointment.
3. To consider and thought fit, to pass, with or without modification(s) the following resolution as an ordinary resolution

**"RESOLVED THAT** M/s RMA & Associates, Chartered Accountants, New Delhi, (Registration No. 000978N), the Company's retiring auditors, being eligible and offering themselves for reappointment, be and are hereby reappointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the 24<sup>th</sup> Annual General Meeting of the Company (subject to the ratification of their appointment at every AGM), at a remuneration as may be agreed upon between the Auditors and the Board of Directors on the recommendations of the Audit Committee of the Board of Directors of the Company."

**SPECIAL BUSINESS:**

**4. Appointment of Mr. Sachin Garg as Managing Director of the Company**

To consider and if thought fit, to pass, with or without modification, the following resolution as Special Resolution:

**"RESOLVED THAT** subject to such consents and permissions, as may be necessary, approval of the Company be and is hereby accorded in terms of Section 196 , 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V of the Companies Act, 2013, including any statutory modification or re-enactment thereof (corresponding to Sections 198, 269, 309 and any other applicable provisions of the Companies Act, 1956 read with Schedule XIII of the Companies Act, 1956), Mr. Sachin Garg (DIN No. 03320351) be and is hereby

appointed as the Managing Director of the company on the terms and conditions as set out hereunder:-

**Terms & Conditions of appointment:**

**i) Tenure:**

Upto five years as may be decided by the Board of Directors. His period of office shall be liable to determination by retire of directors by rotation

**ii) Remuneration:**

**(a) Salary**

Rs. 55,000/- per month. The Board or any Committee thereof in its absolute discretion and from time to time will review the salary payable to Mr. Sachin Garg subject to the provisions of Section 196 and 197 and Schedule V of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013.

**(b) Perquisites**

Perquisites evaluated as per Income Tax Rules, wherever applicable, and at actual cost to the Company in other cases.

**(c) Commission on net profits**

Such amount as may be decided by the Board of Directors or a Committee thereof from year to year provided that the total remuneration including salary and perquisites alongwith commission paid to him shall not exceed the limit laid down under Section 197 and 198 and Schedule V of the Companies Act, 2013.

**(d) Minimum Remuneration**

In the event of absence or inadequacy of profits in any financial year, the aforementioned remuneration, excluding commission shall be paid to Mr. Sachin Garg as the Managing Director of the Company as the minimum remuneration, subject to necessary approvals, if any.

**iii) Functions:**

Mr. Sachin Garg shall discharge such duties and functions as may be assigned to him by the Board of Directors from time to time.

**iv) Sitting Fees:**

If permissible by law, he shall be entitled to sitting fees in addition to the components of remuneration mentioned above for attending meetings(s) of the Board of Directors or Committees thereof. At present, he is not getting any sitting fees for attending meetings(s) of the Board of Directors or Committees thereof.

**v) Leave:**

As per rules of the Company, but not exceeding one month's leave with full salary for eleven months of service.

## vi) Reimbursement of Expenses:

Reimbursement of all entertainment, travelling, hotel and other expenses incurred by Mr. Sachin Garg during the course of his employment in connection with the business of the company.

## vii) Termination:

The appointment of Mr. Sachin Garg as Managing Director may be terminated by either party by giving to the other one month notice in writing.

**RESOLVED FURTHER THAT** the Board of Directors or a Committee thereof be and is hereby authorized to vary or modify any of the above terms and conditions including alter, vary or increase the salary, grade and other remuneration, notwithstanding the same shall exceed the overall remuneration set out as above or as may be prescribed/permissible provided however the same is within the limits laid down in the Schedule V then subsisting, without requiring any further resolution or consent of or reference to the Members and to take all necessary steps, actions, which are incidental and consequential to give effect to the above Resolution.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem necessary, proper or desirable and to settle any questions, difficulties and/or doubts that may arise in this regard in order to implement and give effect to the foregoing resolution.”

## 5. Appointment of Mr. Brahm Dutt Sharma as an Independent Director

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, 150, 152 and any applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification (s) or re – enactment thereof for the time being in force ) read with Schedule IV to the Companies Act, 2013, Mr. Brahm Dutt Sharma (DIN 02157681), who was appointed as an Additional Director of the Company in terms of Section 161(1) of the Companies Act, 2013 with effect from 26<sup>th</sup> December, 2013 and whose terms of office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from the date of this Annual General Meeting.”

## 6. Appointment of Mr. Manoj Kumar Jain as an Independent Director

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, 150, 152 and any applicable provisions of the Companies Act, 2013 and the Companies (Appointment and

Qualification of Directors) Rules, 2014 (including any statutory modification (s) or re – enactment thereof for the time being in force ) read with Schedule IV to the Companies Act, 2013, Manoj Kumar Jain ( DIN 02573858), who was appointed as an Additional Director of the Company in terms of Section 161(1) of the Companies Act, 2013 with effect from 26<sup>th</sup> December, 2013 and whose terms of office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from the date of this Annual General Meeting.”

## **7. Appointment of Mr. Kamal Kishore Sharma as an Independent Director**

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, 150, 152 and any applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification (s) or re – enactment thereof for the time being in force ) read with Schedule IV to the Companies Act, 2013, Mr. Kamal Kishore Sharma ( DIN 02039980), Director of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term for five consecutive years from the date of this Annual General Meeting.”

## **8. Appointment of Ms. Madhu Sharma a Director**

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, 150, 152 and any applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification (s) or re – enactment thereof for the time being in force ), Ms. Madhu Sharma ( DIN 06947852 ), 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 Women Director of the Company whose term of office shall be liable to determination by retirement of directors by rotation.”

## **9. Approval of remuneration of Cost Auditor of the Company for the Financial Year ending March 31, 2015**

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

**“RESOLVED THAT** pursuant to the provisions of Section 148 of the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-

enactment thereof for the time being in force), the remuneration of Rs. 50,000/- per annum (Rupees Fifty Thousand Only) plus service tax, as applicable and out of pocket expenses, payable to the Cost Auditors, M/s H A M & ASSOCIATES, appointed by the Board of Directors of the company to conduct the audit of cost records of the company for the pharmaceutical formulation business of the Company for the financial year ending March 31, 2015, be and is hereby ratified and approved.”

## **10. Creation of Mortgage/Hypothecation/Charge on the Movable/Immovable Property of the Company**

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

**“RESOLVED THAT** in supersession of all the earlier resolutions passed by the shareholders in this regard and pursuant to Section 180(1)(a) of the Companies Act, 2013 and any other applicable provisions (corresponding to Section 293(1)(a) of the Companies Act, 1956) and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall deemed to include any Committee thereof) to create, mortgage/hypothecation and/or charge in addition to the existing mortgages/ hypothecations created/to be created by the Company in such form and manner and with such ranking and on such terms as the Board may determine on all or any of the movable and/or immovable properties, both present and future or substantially the whole of the undertaking(s) or the undertaking(s) of the Company for securing any loan/credit facility obtained or as may be obtained from any lender, financial institution or person or persons from time to time together with interest, costs, charges, expenses and any other money payable by the Company.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution the Board be and is hereby authorized to finalise, settle and execute such documents/deeds/writings/papers/agreements as may be required and to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem necessary, proper or requisite.”

**By order of the Board of Directors  
For Advik Laboratories Limited**

**Place: New Delhi  
Dated: 02.09.2014**

**Sd/-  
Peeyush Kumar Aggarwal  
Chairman  
DIN-00090423**

## NOTES:

**1. Explanatory Statement as required under Section 102(1) of the Companies Act, 2013 (the Act), relating to the Special Business to be transacted at the meeting is annexed.**

**2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY FORM IS ENCLOSED. THE INSTRUMENT APPOINTING A PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

A person can act as a proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding holding more than ten per cent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act proxy for any other person or member.

**3. Corporate Members intending to send their authorized representative to attend the Meeting are requested to send at the Registered Office of the Company, a duly certified copy of the Board Resolution, authorising their representative to attend and vote on their behalf at this General Meeting.**

**4. Queries proposed to be raised at the Annual General Meeting may be sent to the Company at its registered office at least seven days prior to the date of Annual General Meeting to enable the management to keep the information ready at the meeting.**

**5. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 27th September, 2014 to Tuesday, 30th September, 2014 (both days inclusive) for the purpose of the AGM.**

**6. Members / Proxies should fill-in the attendance slip for attending the Meeting and bring their attendance slip along with their copy of the Annual Report to the Meeting.**

**7. In case of joint holders attending the meeting, only such joint holder who is higher in the order of name will be entitled to vote.**

**8. Members who are holding Company's shares in dematerialized form are required to bring details of their Depository Account Number for identification.**

**9. The members are requested to intimate changes, if any, in their registered address to the Registrar & Share Transfer Agents for shares held in physical form & to their respective Depository participants for shares held in electronic form.**

**10. All documents referred to in the accompanying Notice are opened for inspection at the Registered Office of the Company on all working days, except Sunday between 2 P.M. to 4 P.M. upto the date of the Annual General Meeting.**

**11. Members are requested :**

- i) To quote their folio Nos. in all correspondence.
- ii) To note that no gifts will be distributed at the meeting.

iii) In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

- 12.**Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses for receiving all communications including Annual Report, Notices, Circulars, etc from the Company electronically.
- 13.**In terms of Section 72 of the Companies Act, 2013, a Member of the Company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Member(s) desirous of availing this facility may submit nomination in the prescribed Form SH – 13 to the Company/RTA in case shares are held in Physical form, and to their respective depository participant, if held in electronic form.
- 14.**Members holding shares in demat form are requested to submit their Permanent Account Number (PAN) to their respective Depository Participant and those holding shares in physical form are requested to submit their PAN details to the company / RTA in order to comply with the SEBI guidelines.
- 15.**Pursuant to Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide the evoting facility to the members to exercise their right to vote by electronic means. The Company has fixed 29th August, 2014 as a cut – off date to record the entitlement of the shareholders to cast their vote electronically at the 20th Annual General Meeting (AGM) by electronic means under the Companies Act, 2013 and rules made thereunder. Consequently, the same cut off date, i.e., 29th August, 2014 would record entitlement of the shareholders, who do not cast their vote electronically, to cast their vote at the 20th AGM on 30th September, 2014.

The e-voting period will commence at 10.00 A.M. on 22nd September, 2014 and will end at 05.00 P.M. on 24th September, 2014. The Company has appointed Mr. Ashish Kumar Friends (Membership No. FCS –5129 & CP No. 4056), Company Secretary in Practice to act as Scrutinizer, for conducting the scrutiny of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given as Annexure to the Notice.

The Company has engaged the services of Beetal Financial & Computer Services (P) Ltd. and CDSL as the Authorised Agencies to provide e-voting facilities.

**ANNEXURE TO THE NOTICE**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**

**Item No.4**

As per the Section 203 of the Companies Act, 2013 mandates that every listed company shall have either the Managing Director or Chief Executive Officer or Manager and in their absence, a whole time director as a whole time key managerial personnel.

In order to meet the requirements of Section 203 of the Companies Act, 2013, the Board of Directors of the Company has proposed to appoint Mr. Sachin Garg as a Managing Director of the Company for a period of five years whose term of office is liable to determination by retire of Directors by rotation.

A brief profile of Mr. Sachin Garg is given below:

Mr. Sachin Garg, aged 34 years, is a fellow Member of the Institute of Chartered Accountants of India. He has rich experience of more than 6 years. He has significant expertise in Corporate Laws, Audit, Finance & Taxation, Capital Markets, Project Management etc. He has always demonstrated a certain dynamism and foresight seen in the most pragmatic of professional.

Details of his other Directorships and Committee Memberships are as follows:

Sl. No.	Directorships in other Public Companies	Committee Membership/Chairmanship	
1	Onus Plantations and Agro Limited	Nil	Nil

As per Section 149 of the Companies Act, 2013 read with Schedule IV thereunder, Office of Independent Directors is not liable to be determined by rotation and Section 152(2) of the Companies Act, 2013 provides that atleast two-third of the Board excluding Independent Directors shall be the Directors whose period of office is liable to determination by retirement of Directors by rotation.

Accordingly, in order to comply with the aforesaid provisions of the Companies Act, 2013, the Company is required to reconstitute the composition of its Board in a manner that it comprises of 2/3rd of the total number of Directors whose period of office is liable to determination by retirement of directors by rotation. Hence, the Company has proposed to appoint Mr. Sachin Garg as the Managing Director of the Company for a period of five years and his office shall be determined to retirement of Directors by rotation.

Keeping in view the experience and expertise of these persons, the Board considers it desirable that the Company should continue to avail the services of Mr. Sachin Garg and accordingly recommends the Resolution at Item No.4 for approval by the Members as Special Resolution.

Except Mr. Sachin Garg, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or

otherwise in the resolution set out in Item No. 4. The Board of Directors recommends the resolution for approval by the members.

## **Item No. 5**

The Board of Directors of the Company had appointed Mr. Brahm Dutt Sharma as an Additional Director of the Company w.e.f. 26/12/2013 as per Section 161 of the Companies Act, 2013 and Rules made thereunder and as such he holds office upto the date of conclusion of this Annual General Meeting.

The Company had pursuant to the provisions of Clause 49 of the Listing Agreement entered into with the Stock Exchanges, appointed Mr. Brahm Dutt Sharma as an Independent Director.

Pursuant to the provisions of Section 149 of the Companies Act, 2013 and the Rules framed thereunder, which came into effect from 01st April, 2014, every listed public company is required to have atleast one-third of the total number of directors as Independent Directors, who are not liable to retire by rotation.

The Board has recommended the appointment of Mr. Brahm Dutt Sharma as an Independent Director for a term of five years from the date of this annual general meeting.

The Company has received notices in writing under Section 160 of the Companies Act, 2013 from a member alongwith deposit of requisite amount proposing his candidature for the office of Director.

Mr. Brahm Dutt Sharma has given a declaration to the Board that he meets the criteria of Independence as provided under Section 149(6) of the Act. In the opinion of the Board, Mr. Brahm Dutt Sharma fulfils the conditions specified in the Act and the Rules framed there under for the appointment as Independent Director and he is Independent of the management. Copies of the draft letter of appointment of Mr. Brahm Dutt Sharma would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Brahm Dutt Sharma as an Independent Director is now being placed before the members for their approval.

A brief profile of Mr. Brahm Dutt Sharma is given below.

Mr. Brahm Dutt Sharma, aged 51 years, is a member of Bar Council of India. He is a Law Graduate from prestigious Delhi University and has also done M. Com from Delhi University. He has vast experience in the field of Construction and Production. He is specialized in Real estate, Corporate Laws and Taxation matters, etc. He has always demonstrated a certain dynamism and foresight seen in the most pragmatic of professional.

Mr. Brahm Dutt Sharma is a member of Audit Committee, Share Transfer cum Shareholders Grievance Committee and Remuneration Committee.

Mr. Brahm Dutt Sharma does not hold by himself or for any other person on a beneficiary basis, any shares in the Company as per declaration given by him.

The Board considers that his continue association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Brahm Dutt Sharma as an Independent Director of the Company.

Except Mr. Brahm Dutt Sharma, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise in the resolution set out in Item No. 5. The Board of Directors recommends the resolution for approval by the members.

## **Item No.6**

The Board of Directors of the Company had appointed Mr. Manoj Kumar Jain as an Additional Director of the Company w.e.f. 26/12/2013 as per Section 161 of the Companies Act, 2013 and Rules made thereunder and as such he holds office upto the date of this Annual General Meeting.

The Company had pursuant to the provisions of Clause 49 of the Listing Agreement entered into with the Stock Exchanges, appointed Mr. Manoj Kumar Jain as an Independent Director.

Pursuant to the provisions of Section 149 of the Companies Act, 2013 and the Rules framed there under, which came into effect from 1<sup>st</sup> April, 2014, every listed public company is required to have atleast one-third of the total number of directors as Independent Directors, who are not liable to retire by rotation.

The Board has recommended the appointment of Mr. Manoj Kumar Jain as an Independent Director for a term of five years from the date of this annual general meeting.

The Company has received notices in writing under Section 160 of the Companies Act, 2013 from a member alongwith deposit of requisite amount proposing his candidature for the office of Director.

Mr. Manoj Kumar Jain has given a declaration to the Board that he meets the criteria of Independence as provided under Section 149(6) of the Act. In the opinion of the Board, Mr. Manoj Kumar Jain fulfils the conditions specified in the Act and the Rules framed there under for the appointment as Independent Director and he is Independent of the management. Copies of the draft letter for appointment of Mr. Manoj Kumar Jain would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Manoj Kumar Jain as an Independent Director is now being placed before the members for their approval.

A brief profile of Mr. Manoj Kumar Jain is given below.

Mr. Manoj Kumar Jain, aged about 47 years is a graduate by qualification. He has a rich experience of almost 10 years in NBFC and Stock Broking activities. He serves as an Independent Director of Advik Laboratories Limited. He brings a major strength to the Company in planning its future financial growth.

Details of his other Directorships and Committee Memberships are as follows:

Sl. No.	Directorships in other Public Companies	Committee Membership/Chairmanship	
1	North Eastern Carrying Corporation Limited	Audit Committee Remuneration Committee Shareholders' Grievance Committee	Chairman Chairman
2	Goyal Achal Sampatti Vikas & Niyojan Nigam Limited	Audit Committee Remuneration Committee Shareholders'/Investors Grievance Committee	Chairman Member Member

Mr. Manoj Kumar Jain does not hold by himself or for any other person on a beneficiary basis, any shares in the Company as per declaration given by him.

The Board considers that his continue association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Manoj Kumar Jain as an Independent Director of the Company.

Except Mr. Manoj Kumar Jain, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise in the resolution set out in Item No. 6. The Board of Directors recommends the resolution for approval by the members.

## Item No. 7

The Company had pursuant to the provisions of Clause 49 of the Listing Agreement entered into with the Stock Exchanges, appointed Mr. Kamal Kishore Sharma as an Independent Director.

Pursuant to the provisions of Section 149 of the Companies Act, 2013 and the Rules framed thereunder which came into effect from 01st April, 2014, every listed public company is required to have atleast one-third of the total number of directors as Independent Directors, who are not liable to retire by rotation.

The Board has recommended the appointment of Mr. Kamal Kishore Sharma as an Independent Director for a term of five years from the date of this annual general meeting.

The Company has received notices in writing under Section 160 of the Companies Act, 2013 alongwith deposit of requisite amount from a member proposing his candidature for the office of Director.

Mr. Kamal Kishore Sharma has given a declaration to the Board that he meets the criteria of Independence as provided under Section 149(6) of the Act. In the opinion of the Board, Mr. Kamal Kishore Sharma fulfils the conditions specified in the Act and the Rules framed there under for his appointment as Independent Director and he is Independent of the management. Copies of the draft letter for appointment of Mr. Kamal Kishore Sharma would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Kamal Kishore Sharma as an Independent Director is now being placed before the members for their approval.

A brief profile of Mr. Kamal Kishore Sharma is given below:

Mr. Kamal Kishore Sharma, aged 51 years, is a Commerce Graduate from Delhi University. He has an enriched experience of over 26 years in establishing & managing manufacturing units, trading & Retail business. He has significant expertise in preparing business plans, business valuation, Real Estate business, Finance & Taxation & Financial services. His business interests today are in the areas of Real estate, Retail & Infrastructure and Stock Broking activities. He has always demonstrated a certain dynamism and foresight seen in the most pragmatic of professional.

Details of his other Directorships and Committee Memberships are as follows:

Sl. No.	Directorships in other Public Companies	Committee Membership/Chairmanship	
1	Interworld Digital Limited	Audit Committee	Chairman
		Share Transfer and Shareholders' / Investors Grievance Committee	Chairman
		Remuneration Committee	Chairman

Mr. Kamal Kishore Sharma does not hold by himself or for any other person on a beneficiary basis, any shares in the Company as per declaration given by him.

The Board considers that his continue association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Kamal Kishore Sharma as an Independent Director of the Company.

Except Mr. Kamal Kishore Sharma, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise in the resolution set out in Item No. 7. The Board of Directors recommends the resolution for approval by the members.

## Item No. 8

Pursuant to the provisions of Section 149 of the Companies Act, 2013, which came into effect from 01st April, 2014 and Rules framed thereunder, every listed public company is required to have atleast one Woman Director.

The Board has recommended the appointment of Ms. Madhu Sharma as a Woman Director for whose term of office is liable to determination by retirement of director by rotation. The

Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member alongwith deposit of requisite amount proposing her candidature for the office of Director.

Ms. Madhu Sharma has also given her consent to act as a Director of the Company and has confirmed that she is not disqualified to act as a Director. In the opinion of the Board, Ms. Madhu Sharma fulfils the conditions specified in the Act and the Rules framed there under for her appointment as a Woman Director.

Copies of the draft letter for appointment of Ms. Madhu Sharma would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

In compliance with the provisions of Section 149 of the Act, the appointment of Ms. Madhu Sharma as a Woman Director is now being placed before the members for their approval.

A brief profile of Ms. Madhu Sharma is given below:

Ms. Madhu Sharma, aged 55 years, is a Bachelor of Arts from prestigious University. She has extensive experience of almost 20 Years in various aspects of management, viz., the field of marketing and general administration. She has always demonstrated a certain dynamism and foresight seen in the most pragmatic of professional.

At present, Ms. Madhu Sharma is not a Director in any other Company.

Ms. Madhu Sharma does not hold by herself or for any other person on a beneficiary basis, any shares in the Company as per declaration given by her.

The Board considers that her association would be of immense benefit to the Company and it is desirable to avail services of Ms. Madhu Sharma as a Woman Director of the Company. Except Ms. Madhu Sharma, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise in the resolution set out in Item No. 8. The Board of Directors recommends the resolution for approval by the members.

## **Item No. 9**

### **Cost Auditor**

The Board, on the recommendation of the Audit Committee, had approved the appointment of the M/s H A M & ASSOCIATES as the Cost Auditors of the Company to conduct the audit of cost records of the Company for the financial year ending 31<sup>st</sup> March, 2015 at the remuneration as provided in the resolution.

In accordance with the provisions of Section 148 of the Act, read with Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out in Item No. 8 of the notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2015.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise in the resolution set out in Item No. 9. The Board of Directors recommends the resolution for approval by the members.

## **Item No. 10**

Consequent to notification of Section 180(1) (a) of the Companies Act, 2013, consent of the Company is required by way of Special Resolution to create mortgage and/or charge on the moveable/immovable properties of the Company. Accordingly, the approval of the members of the Company by way of Special Resolution is sought to authorise the Board of Directors to create mortgage/hypothecation and/or charge (in addition to the existing mortgages/charges/hypothecations created by the Company) on all or any of the movable and/or immovable properties, both present and future or substantially the whole of the undertaking(s) or the undertaking(s) of the Company as set out in Item No. 9 of the Notice. The Board recommends the special resolution as set out in Item No. 10 of the Notice for approval of the members.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise in the special resolution set out in Item No. 10. The Board of Directors recommends the special resolution for approval by the members.

**By order of the Board of Directors  
For Advik Laboratories Limited**

**Place: New Delhi  
Dated: 02.09.2014**

**Sd/-  
Peeyush Kumar Aggarwal  
Chairman  
DIN-00090423**

## **VOTING THROUGH ELECTRONIC MEANS**

**The instructions for members for voting electronically are as under:-**

➤ **In case of members receiving e-mail:**

- i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- ii) Click on "Shareholders" tab.
- iii) Now, select "**ADVIK LABORATORIES LIMITED**" from the drop down menu and click on "SUBMIT"
- iv) Now Enter your User ID
  - a. **For CDSL:** 16 digits beneficiary ID,
  - b. **For NSDL:** 8 Character DP ID followed by 8 Digits Client ID,
  - c. **Physical Form:** Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v) Next enter the Image Verification as displayed and Click on Login.
- vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- vii) If you are a first time user follow the steps given below:
  - ❖ **PAN** - Enter your 10 digit alpha-numeric \*PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
  - ❖ Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.
  - ❖ In case the sequence 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 sequence number 1 then enter RA00000001 in the PAN Field.
  - ❖ **DOB** - Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in DD/MM/YYYY format.
  - ❖ **Dividend Bank Details** - Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.
  - ❖ Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares you hold on record date i.e. 29<sup>th</sup> August, 2014 in the Dividend Bank details field.
- viii) After entering these details appropriately, click on "SUBMIT" tab.
- ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions 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.
- x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi) Click on "**ADVIK LABORATORIES LIMITED**"
- xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv) 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.

- xv)** Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi)** You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvii)** If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

### **Important Notes:**

- ✓ 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 Corporate. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- ✓ After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- ✓ The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- ✓ They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

### ➤ **In case of members receiving the physical copy:**

- A.** Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- B.** The voting period begins on **22<sup>nd</sup> September, 2014 (10:00 AM)** and ends on **24<sup>th</sup> September 2014 (5:00 PM)**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **29<sup>th</sup> August, 2014**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on Resolution is cast by the shareholders, the shareholders shall not be allowed to change it subsequently.
- C.** 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.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- D.** The shareholders can opt for only one mode of voting, i.e. either physically by attending AGM or e-voting. If any shareholders opt for e-voting, he/she will not be eligible to vote physically in AGM.

Mr. Ashish Kumar Friends (Membership No. FCS -5129 & CP No. 4056), Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Results of e-voting shall be declared on or after the AGM of the Company and the Results declared with Scrutinizer Report shall be placed on the Website of the Company i.e. viz. [www.advikindia.com](http://www.advikindia.com) and also on the website of CDSL viz. [www.cdslindia.com](http://www.cdslindia.com) within two days of passing of the Resolution of the AGM of the Company.

**By order of the Board of Directors  
For Advik Laboratories Limited**

**Sd/-  
Peeyush Kumar Aggarwal  
Chairman  
DIN-00090423**

**Place: New Delhi  
Dated: 02.09.2014**

## DIRECTORS' REPORT

To

The Members of Advik Laboratories Limited,

Your Directors have great pleasure in presenting the **20<sup>th</sup> Annual Report** of the Company along with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2014, and Auditors Report thereon.

### 1. **FINANCIAL RESULTS**

(Rs. in Lacs)

	<b>2013-14</b>	<b>2012-13</b>
Gross Sales	2966.30	3385.76
Other Income	61.42	27.02
Gross profit/ (Loss) before interest & dep	280.61	288.71
Interest	115.97	129.31
Depreciation	68.45	57.67
Net Profit/(Loss) for the year	96.19	101.73

### **YEAR UNDER REVIEW**

During the year, although our turnover has been less than the previous year, but we have doubled our export order as compared to last year with the help of our quality & timely supply to the foreign buyers. However due to tough competition and low margins, we could not enhance our domestic turnover. Hence for achieving the higher profitability, company is focusing on overseas, mainly African countries markets, where our credibility & reliability has already been established.

Also the company is making endeavor to establish products in the European and North American markets. Further, the company had planned earlier to enter the domestic market. However tight control by regulatory authorities over price of very large number of formulations, deferred its plans. As such the company is trying to expand in export mainly

### 2. **MATERIAL CHANGES**

There is no material Changes in the company during the last financial year 2013-2014 affecting the financial position of the company between and end of the Financial Year 2013-14.

### 3. **SHARE CAPITAL OF THE COMPANY**

Pursuant to the provisions of Section 81 (1A) and all other applicable provisions of the Companies Act, 1956, and the as per the provisions of Chapter VII of the Securities Exchange Board of India( Issue of Capital and Disclosure Requirements) Regulations, 2009, [SEBI (ICDR) Regulations, 2009] the preferential Issue was passed by the Shareholders of the Company through Special Resolution in the last Annual General Meeting held on 27<sup>th</sup> September, 2013 to the following Promoter and Non-Promoter Group:



Promoters/Non-Promoters Group	No. of Equity Shares	No. of Warrants
Promoters Group	22,57,650	22,42,350
Non-Promoters Group	34,17,700	18,40,300

The Preferential issue has been successfully done and the shares have also been listed on the Bombay Stock Exchange. However, trading approval of the above mentioned equity shares are still pending from Bombay Stock Exchange.

Further, in accordance with the above said Preferential Issue, the Company has increased its Authorized Share Capital from Rs. 12,00,00,000/- (Rupees Twelve Crores Only ) to Rs. 20,00,00,000/- (Rupees Twenty Crores Only). Accordingly the Company has altered its Memorandum of Association of the Company to take effect of the aforesaid increase in the Authorised Share Capital of the company in the Memorandum of Association of the Company.

Further, in accordance with the above said Preferential Issue, the Company has allotted 56,75,350 equity shares to the Promoters and Non-Promoter Group & accordingly the paid up share capital of the company was increase from Rs. 9,35,34,000/- to 15,0287,500/- to during the year under review.

#### **4. PUBLIC DEPOSIT**

Your Company has not accepted any deposits from the public or its employees during the year under review. The details of loan and advances, which are required to be disclosed in the annual accounts of the Company pursuant to Clause 32 of the Listing Agreement with the Company, are furnished separately.

#### **5. DIRECTORS**

During the year under review, Mr. Varun Aggarwal and Mr. Atul Aggarwal were appointed on the Board on 18<sup>th</sup> May, 2013. After that, on 26<sup>th</sup> June, 2013, Mr. Rakesh Kumar Gupta was appointed and Mr. Kishan Kumar put his resignation before the Board. On 31<sup>st</sup> July, 2013, 2 Directors were included in the Board, name, Mr. Peeyush Kumar Aggarwal and Mr. Sachin Garg. Mr. Varun Aggarwal, Mr. Atul Aggarwal and Mr. Rakesh Kumar Gupta were resigned on 7<sup>th</sup> August, 2013 and Mr. Kamal Kishore Sharma was appointed on 12<sup>th</sup> August, 2013.

Mr. F.M. Banthiya and Mr. A.P. Jain, Independent Directors of the Company had resigned from the Board with effect from 28<sup>th</sup> November, 2013 and your Board had appointed, Mr. Brahm Dutt Sharma and Mr. Manoj Kumar Jain as Additional Independent Directors of the Company with effect from 26<sup>th</sup> December, 2013

Mr. V.K. Jain, Managing Director of the company has also resigned from the Post of Managing Director and as well as Director of the Company with effect from 1<sup>st</sup> February, 2014.

Mr. Brahm Dutt Sharma, was appointed as an Additional Director in the category of Non-Executive, Independent Director of the Company with effect from 26<sup>th</sup> December, 2013. As per Section 161(1) of the Companies Act, 2013, Mr. Brahm Dutt Sharma will hold office of Director upto the date of the ensuing AGM. Appropriate resolution seeking your approval for the appointment of Mr. Brahm Dutt Sharma as an Independent Director of the Company for five consecutive years forms part of the notice calling AGM.

Mr. Manoj Kumar Jain, was appointed as an Additional Director in the category of Non-Executive, Independent Director of the Company with effect from 26<sup>th</sup> December, 2013. As per Section 161(1) of the Companies Act, 2013, Mr. Manoj Kumar Jain will hold office of Director upto the date of the ensuing AGM. Appropriate resolution seeking your approval for the appointment of Mr. Manoj Kumar Jain as an Independent Director of the Company for five consecutive years forms part of the notice calling AGM.

In order to meet the requirements of Section 203 of the Companies Act, 2013, the Board of Directors of the Company has also proposed to appoint Mr. Sachin Garg as a Managing Director of the Company for a period of five years whose term of office is liable to determination by retire of Directors by rotation. Appropriate resolution seeking your approval for the above appointment of Mr. Sachin Garg as a Managing Director of the Company, liable to retire by rotation, forms part of the notice calling the AGM.

Pursuant to the provisions of Section 149 of the Companies Act, 2013, which came into effect from 01<sup>st</sup> April, 2014 and Rules framed thereunder, every listed public company is required to have atleast one Woman Director. The Board has recommended the appointment of Ms. Madhu Sharma as an Independent Woman Director for a term of five years from the date of her appointment

Mr. Sachin Garg, Director of the Company, retires by Rotation at the ensuing Annual General Meeting of your Company and being eligible, has offered himself for re-appointment. Your Board has recommended his re-appointment.

In accordance with the provisions of Section 149 of the Companies Act, 2013 and the Rules made thereunder, which came into effect from April 1, 2014, approval of the Members will be sought at the ensuing Annual General Meeting of the Company for formalizing the appointment of Mr. Kamal Kishore Sharma as an Independent Director of the Company whose office shall not be liable to retire by rotation for a consecutive 5 years from the date of this AGM.

Your Company has received declarations from all the Independent Directors of the Company confirming that they met with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

Brief resumes of the Directors who are proposed to be appointed/ re-appointed is furnished in the explanatory statement to the notice of the ensuing Annual General Meeting forming part of this Annual Report.

## **6. AUDITORS**

M/s RMA & Associates, Chartered Accountants, the existing Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. Further, as per the provisions of the Section 139 of Companies Act, 2013, the Statutory Auditor of the Company can be appointed for a term of five consecutive years subject to the ratification of their term at every Annual General Meeting. As RMA & Associates has also been appointed as the Statutory Auditors in the 19<sup>th</sup> Annual General Meeting, so now they will be appointed for a term of next four years. A certificate as per the provisions of Companies Act, 2013 regarding their eligibility for the

proposed re-appointment has been obtained from them. Your Directors recommend their re-appointment.

## **Cost Audit**

Pursuant to the various circulars issued by the Ministry of Corporate Affairs, the Company is required to maintain cost records for all the products being manufactured by it and get the same audited by a cost auditor.

M/s H A M & Associates, Cost Accountant has been appointed as the Cost Auditor of the company to conduct cost audit of the cost accounts maintained by the company for the financial year 2014-15.

The remuneration of the cost auditor for the financial year 2014-15 is subject to ratification by the shareholders. Accordingly a relevant Resolution in item no. 9 to the notice has been included in the notice of the ensuing Annual General Meeting.

## **7. AUDIT COMMITTEE**

As on 31<sup>st</sup> March, 2014, the Audit Committee of the company was comprised of three Non Executive Directors namely, Mr. Kamal Kishore Sharma, Mr. Brahm Dutt Sharma and Mr. Sachin Garg. Mr. Kamal Kishore Sharma, a Non Executive Independent Director, is the Chairman of the Audit Committee. The Committee works as per the requirement of Section 177 of the Companies Act, 2013 and the Clause-49 of the Listing Agreement on Corporate Governance. The Audit Committee meets at periodic intervals to transact the business as per the terms of reference made to it in the light of requirements of Section 177 of the Companies Act, 2013 and the Clause-49 of the Listing Agreement on Corporate Governance.

## **8. BOARD'S COMMENT ON AUDITOR'S REPORT**

The company always strives to present an unqualified Financial Statement. There is no Audit qualification by Auditors in the Auditor's Report as to financial statements of the company for the financial year 2013-14.

## **9. DIRECTORS RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217 (2AA) OF THE COMPANIES ACT, 1956**

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

- I. In the preparation of the annual accounts for financial year ended 31<sup>st</sup> March, 2014, the applicable Accounting Standards have been followed along with proper explanation relating to material departures. .
- II. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2014 and of the profit of the Company for the year under review.

- III. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- IV. The Directors had prepared the annual accounts for financial year ended 31<sup>st</sup> March, 2014 on a 'going concern basis'.

## **10. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

A detailed Management Discussion and Analysis Report, pursuant to Clause 49 of the Listing agreement are annexed hereto, forming integral part of this report.

## **11. SAFETY & ENVIRONMENT**

The company continued to maintain a good safety record. The manufacturing facility of the company is environment friendly & the company maintains all safety majors.

## **12. PARTICULARS OF EMPLOYEES**

In terms of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, None of the employee is receiving remuneration above the limit therefore no particulars is required to be given.

## **13. REPORT ON CORPORATE GOVERNANCE**

Pursuant to Clause-49 of the Listing Agreement with the Stock Exchanges, a report on Corporate Governance along with Auditor's Certificate on its compliance report is annexed hereto (Annexure-B) forming integral part of this report.

## **14. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE**

The Company lay focus on Conservation of energy with studies, discussions and analysis, which are undertaken regularly for further improvements. In terms of requirements of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 the required information relating to, conservation of energy, technology absorptions and foreign exchange earnings and outgo are Annexed hereto as Annexure-A.

## **15. LISTING**

The Shares of your company continued to be listed on the Bombay Stock Exchange Limited and Ahmedabad Stock Exchange Limited. Both these Stock Exchanges have nationwide terminals and therefore, shareholders/investors are not facing any difficulty in trading the shares of the Company from any part of the country. The Company has paid annual Listing fee for the Financial Year 2014-15 to the Bombay Stock Exchange Limited.

## **16. INDUSTRIAL RELATIONS**

During the period under review the industrial relations in the company were peaceful, harmonies & cordial.

**17. ACKNOWLEDGEMENTS**

Your Directors take this opportunity to place on record their appreciation towards bankers, clients and all the business associates for their continuous support to the Company and to the shareholders for the confidence reposed in the Company management. The directors also convey their appreciation to the employees at all levels for their enormous personal efforts as well as collective contribution.

**By order of the Board of Directors  
For Advik Laboratories Limited**

**Place: New Delhi  
Dated: 02.09.2014**

**Sd/-  
(Peeyush Kumar Aggarwal)  
Chairman  
DIN-00090423**

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### **ECONOMY OUTLOOK**

#### **□ GLOBAL LEVEL**

The Pharmaceutical Industry is one the best and growing Industry. The global expenditure on medicines is expected to exceed US\$ 1 trillion for the first time in 2014 and it is expected to reach till US\$ 1.2 trillion in upcoming years. The global pharmaceutical market is estimated to cross USD 1 trillion in 2013. It is expected to grow at a CAGR of 6% to reach USD 1.2 trillion by 2016 (IMS, The Global Use of Medicines: Outlook through 2016). This growth will be largely contributed by what is called the 'pharmerging' markets<sup>1</sup>, generics and the biologics space. For the period from 2011 to 2016, pharmerging markets have been estimated to grow at a CAGR of 12% to 15%; generics at a CAGR of 11% to 12%; and biologics at a CAGR of 5% to 6%. During the same period, developed markets, coping with patent expiries, are expected to register much lower growth —estimated at a CAGR of 1% to 4%. Of all developed markets, the US still continues to be the largest, followed by Japan and Germany. However, what needs noting is that by growing at a significantly higher rate, the pharmerging markets are expected to account for 30% of the global market in 2016, from 20% in 2012. In doing so, the pharmerging markets will, in the aggregate, match the size of the US market in 2016. The global pharmaceutical industry is at an interesting point in time.

Sales in the largest pharmaceutical market, i.e., the United States of America (USA), is expected to be US\$ 350-380 billion by 2017, with growth in the range of 1-4% per annum. Sales in Japan, the second largest pharmaceutical market is expected to be in the range of US\$ 105-110 billion by 2017, reflecting a CAGR of 2-5% during the period 2013-17. The top 5 European markets are expected to grow at a CAGR of 0-3% for the period 2013-17, as compared to 2% CAGR for 2008-12, to achieve sales in the range of US\$ 145-160 billion. Pharmerging market sales, with their higher rate of growth, are expected to match or slightly exceed those in the USA pharmaceutical market by 2017, in value terms.

#### **□ INDIAN LEVEL**

As the industry has seen tremendous progress in terms of infrastructure development, technology base and the wide range of products manufactured. Demand from the exports market has been growing rapidly due to the capability of Indian players to produce cost-effective drugs with world class manufacturing facilities. Bulk drugs of all major therapeutic groups, requiring complicated manufacturing processes are now being produced in India. In world rankings, the domestic industry stands fourth in terms of volume and 13<sup>th</sup> in value terms. The ranking in value terms may also be a reflection of the low prices at which medicines are sold in the country.

The Pharmaceutical industry's long successful strategy of placing big bets on a few molecules, promoting them heavily and turning them into blockbusters worked well for many years, but its R&D productivity has now plummeted and the environment's changing. The Indian Pharmaceutical industry has been witnessing phenomenal growth in

recent years, driven by rising consumption levels in the country and strong demand from export markets. The pharmaceutical industry in India is estimated to be worth about US\$ 10 bn, growing at an annual rate of 9%.

Pharma companies have developed Good Manufacturing Practices (GMP) compliant facilities for the production of different dosage forms. In addition to having GMP, WHO, several Indian companies have also been getting plant approvals from international regulatory agencies like US FDA, MCA (UK), TGA (Australia), MCC (South Africa). India possesses the highest number of US FDA approved manufacturing facilities outside the USA and currently tops in filing the drug master files (DMF) with the US FDA. This has also facilitated the domestic industry to attract contract manufacturing opportunities in the rapidly growing generics market.

### **2020 vision of the India's Pharmaceutical Industry**

India's pharmaceutical sector will touch US\$ 45 billion by 2020, according to a major study by global management and consulting firm, McKinsey & Company. The reasons for this optimism are well founded. In the period 2002-2012, the country's healthcare sector grew three times in size, touching US\$ 70 billion from US\$ 23 billion. India's pharmaceutical market experienced a similar boom, reaching US\$ 18 billion in 2012 from US\$ 6 billion in 2005. The report further states that the Indian pharmaceutical market will be the sixth largest in the world by 2020.

The rise of pharmaceutical outsourcing and investments by multinational companies (MNCs), allied with the country's growing economy, committed health insurance segment and improved healthcare facilities, is expected to drive the market's growth. India is today one of the top emerging markets in the global pharmaceutical scene. The sector is highly knowledge-based and its steady growth is positively affecting the Indian economy. The organised nature of the Indian pharmaceutical industry is attracting several companies that are finding it viable to increase their operations in the country.

The growth in Indian domestic market will be boosted by increasing consumer spending, rapid urbanisation, increasing healthcare insurance and so on. The lifestyle segments such as cardiovascular, anti-diabetes, anti-depressants and anti-cancers will continue to be lucrative and fast growing owing to increased urbanisation and change in lifestyle patterns. Going forward, better growth in domestic sales will depend on the ability of companies to align their product portfolio towards these chronic therapies as these diseases are on the rise. In various global markets, governments have been taking several cost-effective measures in order to bring down healthcare expenses. Thus, governments are focusing on speedy introduction of generic drugs into the market. This too will benefit Indian pharma companies.

For the US market, Indian companies are developing niche portfolios in various segments. High margin injectables, dermatology, respiratory, biogenerics, complex generics, etc., have become areas of interest. Most of the Indian pharma companies have been working on these niche drugs in order to optimise growth and margins. Moreover, generic penetration in the US is expected to peak out at 86-87 per cent over the next couple of years from 83 per cent currently.

## **COMPANY VISION & MISSION**

Advik Laboratories Limited markets its range of Ethical & Generic Products to countries in the Middle East, South America & Africa. All the products sold are WHO - GMP approved & are sold under its own brand name or through local companies in these countries. It has "A" class most modern manufacturing facilities at 138, Roz-Ka-Meo, industrial Area, Sohna with the plot area of 6370 sq. meter in the HUDA approved Industrial area, appx. 30 kms. from Indira Gandhi International Airport & 55 kms. From ICD, in the State of Haryana in Pharmaceutical with around 75000 sq. ft. constructed area including Air-conditioning(AHU) & Clean Room System wherever required with 0.5 micron Hepa Filters. Company multi-category mfg. plant has the flexibility to manufacture formulations of different therapeutic segments, in the form of Tablets, Capsules, Oral Liquids & Dry Syrups under the guidelines of ISO 9001:2008 & WHO-GMP certifications. We manufacture and export a wide range of pharmaceutical medicines that includes antihypertensive medicines, antihypertensive tablets, antifungal tablets, antifungal capsules, erectile dysfunction drugs, sedatives, corticosteroid medicines, antimalarials, anthelmintics, antipyretic & anti-inflammatory and antibacterials & antibiotics.

### ❖ **VISION-**

***Company's vision is "To be provider of quality health services for the betterment of mankind."***



### ❖ **MISSION-**

***Company's Mission is "Working towards complete satisfaction of all customers through quality, provided at the least cost, supported with excellent service."***

## **INTERNATIONAL OUTLOOK OF THE COMPANY**

Advik Laboratories Limited markets its range of Ethical & Generic Products to countries in the Middle East, South America & Africa. All the products sold are WHO - GMP approved & are sold under its own brand name or through local companies in these countries. Because of the commendable export performance, the company received the prestigious Udyog Patra Award from the Government of India in 1999. In the New Millennium the globe is your marketplace. This philosophy holds true for Advik Laboratories. We are currently exporting our products to the Middle East, South American & African countries.

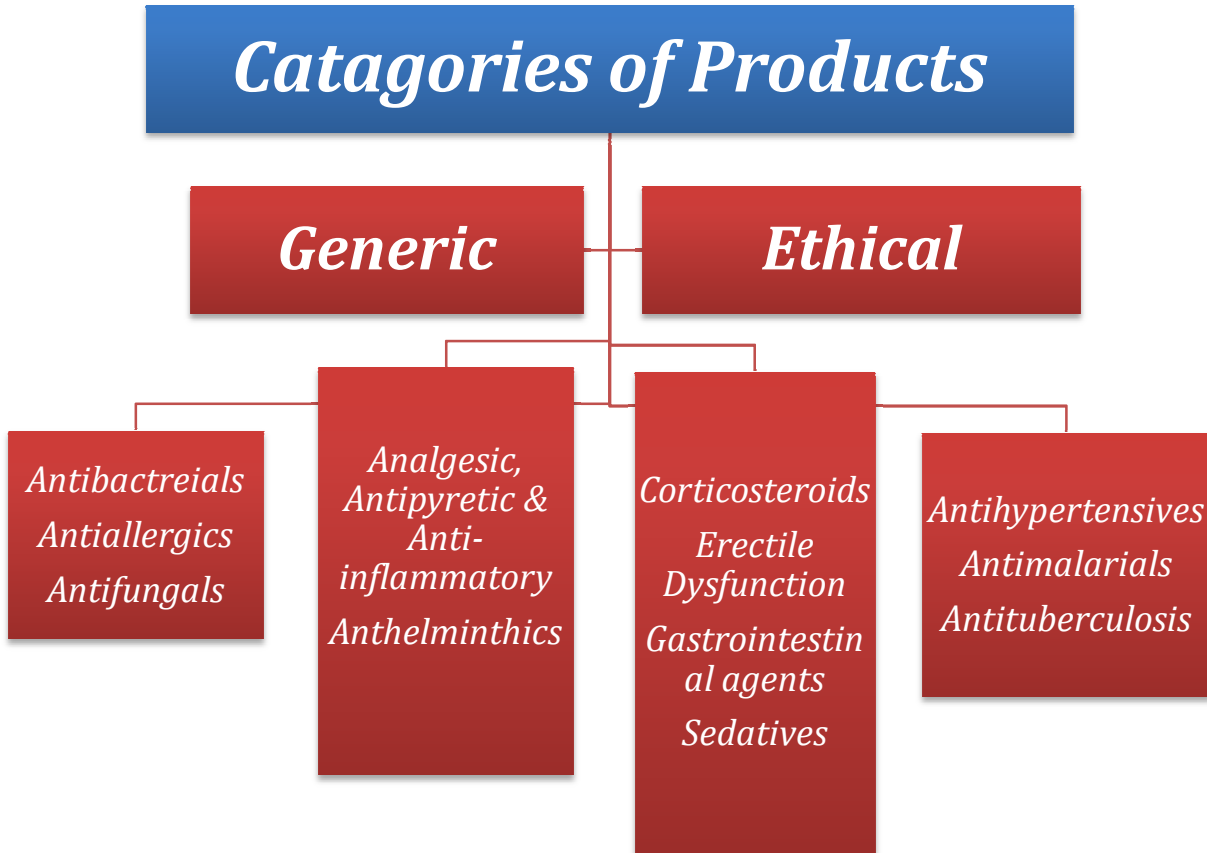


We also undertake job manufacturing in bulk quantity orders for exports to various countries. Presently, we are doing exports for VXL Drugs & Pharmaceuticals (P) Ltd and other companies on loan license basis. Export Turnover of the company is increased by two times from the last financial year 12-13. Export Turnover for the last financial year was Rs. 461.06 Lacs and it has become Rs. 927.33 Lacs in the year 13-14.

## **RANGE OF PRODUCTS**

Advik Laboratories Limited markets its range of Ethical & Generic Products to countries in the Middle East, South America & Africa. All the products sold are WHO - GMP approved & are sold under its own brand name or through local companies in these countries.

**RANGE OF PRODUCTS**



## **STRENGTHS & OPPORTUNITIES**

### **❖ MARKET SIZE**

From a market size of US\$ 12.6 billion in 2009, the Indian pharmaceutical market will grow to US\$ 55 billion by 2020, with the potential to reach US\$ 70 billion in an aggressive growth scenario. In a pessimistic scenario characterised by regulatory controls and economic slowdown, the market will be depressed but is still expected to reach US\$ 35 billion.

India currently exports drug intermediates, Active Pharmaceutical Ingredients (APIs), Finished Dosage Formulations (FDFs), Bio-Pharmaceuticals, and Clinical Services across the globe. The exports of pharmaceuticals from India grew to US\$ 14.6 billion in 2012-13 from US\$ 6.23 billion in 2006-07, registering a compound annual growth rate (CAGR) of around 15.2 per cent.

### **❖ INVESTMENTS**

The allowance of foreign direct investment (FDI) in India's pharma sector has been well received by foreign investors. According to data released by the Department of Industrial Policy and Promotion (DIPP), the drugs and pharmaceutical sector attracted FDI worth Rs 60,100.91 crore (US\$ 9.94 billion) between April 2000 and June 2014. Some of the major investments in the Indian pharmaceutical sector are as follows:

- Cipla has planned to invest £ 100 million (US\$ 165.74 million) in its British subsidiary. This investment will fund the launch of a range of drugs in the areas of respiratory, oncology and antiretroviral medicines, as well as research and development (R&D), clinical trials and further expansion internationally and in the UK.
- GeneOmbio Technologies and Resilient Cosmeceuticals have launched the country's first comprehensive nutrigenomics support lab in collaboration with DNA LIFE under the Gene Support brand.
- Cipla announced its fifth global acquisition deal, within a span of a year, by picking up a 51 per cent stake for US\$ 21 million in a pharmaceuticals manufacturing and distribution business in Yemen.
- Meiji Holdings has acquired Medreich for Rs 1,720 crore (US\$ 284.51 million). Temasek had earlier in 2005 invested Rs 109 crore (US\$ 18.03 million) for a 25 per cent stake in Medreich, which manufactures therapeutic generic and branded drugs.
- Glenmark Pharmaceuticals has opened its new monoclonal antibody manufacturing facility in La Chaux-de-Fonds, Switzerland. The facility supplements Glenmark's existing in-house discovery and development capabilities and will supply material for clinical development.
- Arvind Remedies has obtained the rights from SRM University to access patented technology for the commercial manufacture of drugs to combat Type II diabetes and cardiovascular diseases.

### **❖ GOVERNMENT INITIATIVES**

As per extant policy, FDI up to 100 per cent, under the automatic route, is permitted in the pharmaceutical sector for Greenfield investment. Hundred per cent FDI is also permitted for investments in existing companies under the government approval route. Further, the Government of India has also put in place mechanisms such as the Drug Price Control Order

and the National Pharmaceutical Pricing Authority to address the issue of affordability and availability of medicines.

Some of the major initiatives taken by the government to promote the pharmaceutical sector in India are as follows:

- India plans to set up industrial parks in the pharmaceutical and information technology (IT) sectors in China to strengthen India-China trade and investment ties.
- The Union Cabinet of India has cleared foreign investment proposal worth US\$ 400 million by KKR to acquire stakes in two pharmaceutical companies, Gland Pharma and Gland Celsus Bio Chemicals.
- Mr Ghulam Nabi Azad, Union Minister for Health and Family Welfare, Government of India, met Ms Margaret Hamburg, MD, Commissioner of Food and Drugs, USA. A Statement of Intent on cooperation in the field of medical products was signed between the US Food and Drugs Administration (USFDA) and the Ministry of Health and Family Welfare, India.

## ❖ ROAD AHEAD

The growth in Indian domestic market will be boosted by increasing consumer spending, rapid urbanisation, increasing healthcare insurance and so on. The lifestyle segments such as cardiovascular, anti-diabetes, anti-depressants and anti-cancers will continue to be lucrative and fast growing owing to increased urbanisation and change in lifestyle patterns. Going forward, better growth in domestic sales will depend on the ability of companies to align their product portfolio towards these chronic therapies as these diseases are on the rise.

In various global markets, governments have been taking several cost-effective measures in order to bring down healthcare expenses. Thus, governments are focusing on speedy introduction of generic drugs into the market. This too will benefit Indian pharma companies.

For the US market, Indian companies are developing niche portfolios in various segments. High margin injectables, dermatology, respiratory, biogenerics, complex generics, etc., have become areas of interest. Most of the Indian pharma companies have been working on these niche drugs in order to optimise growth and margins. Moreover, generic penetration in the US is expected to peak out at 86-87 per cent over the next couple of years from 83 per cent currently.

## ISSUES & THREATS

### ❖ INCREASING SPAN OF PRICE CONTROL

The draft National Pharmaceuticals Policy, 2006, currently underway and awaiting approval from the Parliament, intends to bring 354 drugs under price control, which is in addition to the 74 bulk drugs already notified under price control. The price control as proposed in the Policy is likely to cover at least 50-60% of the domestic market under price control. The proposed control on prices is set to impact the industry margin significantly, especially those players having only local operations. However, to secure the profitability, firms will have to increase their scale of production.

The number of drugs under price control had come down from nearly 400 in the 1970s to 72 in 1995, and further reduced to 29 in 2002. This decision was however stalled by the

Supreme Court, asking the Department of Fertilisers and Chemicals, GoI, to identify the essential and life saving drugs that need to continue remaining under price control. The Department listed 354 items that it purchases for its hospitals called the National List of Essential Medicines (NLEM). The new draft policy consists of these 354 drugs that are likely to be under the cost based price control.

## ❖ **PRICE EROSION IN GENERICS**

Indian generics market is witnessing a margin pressure in most of the product categories due to two main reasons: the proposed price control likely to be imposed by the Government and the stiff competition among domestic players. In fact, India has witnessed a fast rise in the number of players over a period of time. Moreover, the expansion of capacities by certain leading players has also fuelled competition in certain product categories, which restricts margins of the smaller players.

The fall in prices of generic drugs are not limited to India only. The US, which is the world's largest pharmaceutical market, is also experiencing a sharp reduction in prices of generic drugs due to stiff competition. Some other developed countries like the UK and Germany have also witnessed the same scenario. The erosion in prices is to the extent of 90% in some cases. Indian players, which have been operating in these markets, have also witnessed erosion in margins in certain therapeutic segments.

## ❖ **LOW R&D PRODUCTIVITY**

Despite the increasing expenditure on R&D, the introduction of new molecules by Indian players has been limited. It is, in fact, a hit-and-miss situation in the field of discovery and developments of new chemical entity (NCEs), where misses are more than hits. Very few discoveries reach the final stages of approvals, and in most of the cases, the claim for patent gets stuck in legal battles.

In spite of the rising expenditure in R&D, the level of investment in R&D is still low, at average 4% as compared to the global practice of spending 12-16% of sales on R&D. The changing global pharmaceutical industry has transformed prospects of Indian pharmaceutical companies. The leading pharma companies in India have been actively extending the frontiers of scientific knowledge and going global through mergers and acquisitions. In 2005, acquisitions by the Indian pharmaceutical companies were the highest, with 20 buyouts abroad. A similar trend was observed during 2006, which include Dr Reddy's buyout of Germany's Betapharm and Ranbaxy's purchase of Romania's Terapia. Europe has emerged as the most preferred destination for acquisitions by Indian companies.

The European generics market has emerged as a major attraction for acquisitions by Indian companies. According to reports, margin erosion in Europe is much less compared to the US when a drug or formulation becomes generic.

Consolidation is inevitable and is expected to bring in economies of scale and provide access to newer geographies to regional players. The Government has estimated that by year 2010, the industry has the potential to achieve a size of US\$ 28 bn.

## **SEGMENT WISE OR PRODUCT WISE PERFORMANCE**

As per the requirement of AS-17, the segment reporting is not applicable to the company, as there are no other segments in the company except manufacturing of medicines.

## **INTERNAL CONTROL SYSTEM & OTHER ADEQUACY**

The company has adequate internal control systems commensurate with the nature of its business and size of its operations and the company has developed processes to safeguard its assets and all the transactions are recorded and reported as per the generally accepted or prescribed norms. The internal control systems are well documented and rigidly implemented. There are clearly defined systems and authority and responsibilities in place which ensure accuracy and reliability of all financial and other data for effective and efficient management. The systems and processes are reviewed periodically and upgraded by the management.

## **HUMAN RESOURCES**

Your Company's industrial relations continued to be harmonious during the year under review. Your Company is striving hard to retain the skilled manpower since the turnover has increased manifold in the industry. At Advik, we believe in offering, learning and development opportunities to allow people to realize their full potential, and we have created various processes that encourage employees in this direction.

## **CAUTIONARY STATEMENT**

The Management Discussion and Analysis Report contain certain forward looking statements within the meaning of applicable security laws and regulations. These pertain to the Company's future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties, regarding fluctuations in earnings, our ability to manage growth, competition, economic growth in India, ability to attract and retain highly skilled professionals, time and cost over runs on contracts, government policies and actions with respect to investments, fiscal deficits, regulation etc. In accordance with the Code of Corporate Governance approved by the Securities and Exchange Board of India, shareholders and readers are cautioned that in the case of data and information external to the Company, no representation is made on its accuracy or comprehensiveness though the same are based on sources thought to be reliable.

**(References:** Consolidated FDI Policy, Department of Industrial Policy & Promotion (DIPP), Press Information Bureau (PIB), Media Reports, Pharmaceuticals Export Promotion Council, [www.pwc.com](http://www.pwc.com))

**ANNEXURE "A" TO THE DIRECTOR'S REPORT**

**Information under Section 217(1)(e) of the Companies Act, 1956 read with the company (Disclosure of particulars in the report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31<sup>st</sup> March, 2014.**

	<b>Current Year 2013-2014</b>	<b>Previous Year 2012-2013</b>
<b>A) CONSERVATION OF ENERGY</b>		
<b>I) Power and Fuel Consumption</b>		
<b>1) Electricity</b>		
<b>a) Purchased Unit (kwh)</b>	118684	149062
Total amount	1199827	79054
Rate/ Unit (Rs/Kwh)	8.77	7.24
<b>b) Own generation</b>		
i) Through Diesel		
Generator Unit (Kwh)	8402	42826
Unit per litre of Diesel oil (Kwh)	2.80	4.37
Cost/Unit (Rs/ Kwh)	18.97	10.09
ii) Through Steam Turbine		
Generator Unit (Lakh kwh)	-	-
Unit per tonne of fuel (kwh)	-	-
Cost/unit (Rs/kwh)	-	-
<b>2) Coal</b>	-	-
<b>3) Furnace Oil</b>	-	-
<b>4) Others/internal generation</b>	-	-
<b>B) TECHNOLOGY ABSORPTION</b>		
I) Research & Development (R & D)	NIL	NIL
II) Technology absorption, adoption & Innovation	NIL	NIL
<b>C) FOREIGN EXCHANGE EARNINGS AND OUTGO</b>		
Foreign Exchange Earned	(Rs in lacs) 860.75	442.17
Foreign Exchange used	(Rs in lacs) 0.45	15.25

## CORPORATE GOVERNANCE REPORT

### ANNEXURE "B" TO THE DIRECTORS' REPORT

#### **1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

Corporate Governance is the set of system, rules, practices, and principals and processed by which a company governed, directed and controlled. It provide the guidelines and the framework of rules by which a company can maintain the balance between the interest of many stakeholders i.e. Shareholders, management, customers, suppliers, financiers, employees, government and last but not the least, the Society. It encompasses practically, every sphere of management, from the action plans and internal controls of performances measurement and corporate disclosures.

It also provides the structure through which the Company objectives, the means of attaining these objectives & monitoring performance are set to be managed and controlled. The essence of Corporate Governance revolves around four basic inter related segments. Integrity & fairness, Transparency & Disclosure, and Accountability & Responsibility. It is about commitment to values and ethical business conduct, voluntary practices and companies with laws & regulations leading to effective control and management of the organization in achieving the objectives.

In accordance with Clause 49 of the listing agreement with the stock exchange(s) on Corporate Governance, report on the practices & compliances by the company is given below:

#### **2. BOARD OF DIRECTORS**

As on 31.03.2014, there were 5 Directors on the Board with a Non-Executive Chairman. Three of the total five Directors were Independent Non-Executive Directors, which duly complied with requirements of the Clause-49 of the Listing Agreement of the Stock Exchange i.e Corporate Governance Code. Further the independent directors do not have any material pecuniary relationship or transactions with the company, its promoters, its Directors and its senior management, which may affect their independence. All the non-executive independent directors have understanding of business/profession /finance.

The information on the Composition of Board of Directors, category of directors, their attendance at the Board meetings and at the last AGM held during the year financial year 2013-14 is given below:

<b>Name</b>	<b>Designation Status</b>	<b>No. of meetings attended</b>	<b>Attendance at last AGM</b>	<b>Remarks</b>
Mr. Peeyush Kumar Aggarwal	Non-Executive Promoter Director	12	Yes	Appointed on 31.07.2013



Mr. V. K. Jain	Managing Director Executive Director	11	Yes	Resigned on 01.02.2014
Mr. Sachin Garg	Non-Executive Professional Director	12	Yes	Appointed on 31.07.2013
Mr. Kamal Kishore Sharma	Independent Director	11	Yes	Appointed on 12.08.2013
Mr. F.M. Banthiya	Independent Director	3	Yes	Resigned on 28.11.2013
Mr. A.P. Jain	Independent Director	3	Yes	Resigned on 28.11.2013
Mr. Rakesh Kumar Gupta	Independent Director	1	No	Appointed on 26.06.2013 and resigned on 07.08.2013
Mr. Atul Agarwal	Non-Executive Director	3	No	Appointed on 18.05.2013 and resigned on 07.08.2013
Mr. Varun Agarwal	Non-Executive Director	3	No	Appointed on 18.05.2013 and resigned on 07.08.2013
Mr. Kishan Kumar	Independent Director	2	No	Resigned on 26.06.2013
Mr. Manoj Kumar Jain	Independent Director	4	No	Appointed on 26.12.2013
Mr. BrahmDutt Sharma	Independent Director	4	No	Appointed on 26.12.2013

## **Board Meeting & Procedures**

The Company holds at least four Board meeting in a year, one in each quarter to review the financial results and other items on the agenda and the gap between two Board meetings does not exceed four calendar months. Apart from the four scheduled Board meetings, additional Board meetings are also convened to address the specific needs of the Company. In case of the business exigencies or urgency of matters, resolutions are also passed through circulations.

There were total 16 (sixteen) Board Meetings held during the financial year 2013-14 on the following dates:

18<sup>th</sup> May, 2013, 30<sup>th</sup> May, 2013, 26<sup>th</sup> June, 2013, 31<sup>st</sup> July, 2013, 12<sup>th</sup> August, 2013, 19<sup>th</sup> August, 2013, 14<sup>th</sup> September, 2013, 27<sup>th</sup> September, 2013, 14<sup>th</sup> November, 2013, 21<sup>st</sup> November, 2013, 28<sup>th</sup> November, 2013, 26<sup>th</sup> December, 2013, 1<sup>st</sup> January, 2014, 3<sup>rd</sup> February, 2014, 13<sup>th</sup> February, 2014 & 31<sup>st</sup> March, 2014

## **Code of Conduct:**

The Board of Directors of the Company has laid down a code of conduct for all the members and senior management personnel of the company who have affirmed their compliance therewith. The same has been uploaded on the website [www.advikindia.com](http://www.advikindia.com)

## **Brief profile of the Director liable to retire by rotation and others**

Mr. Sachin Garg, aged 34 years, is a fellow Member of the Institute of Chartered Accountants of India. He has rich experience of more than 7 years. He has significant expertise in Corporate Laws, Audit, Finance & Taxation, Capital Markets, and Project Management etc. He has always demonstrated a certain dynamism and foresight seen in the most pragmatic of professional. Mr. Sachin Garg has no interest, directly or indirectly, in the capital of the Company and is not related to any of the Directors or the Promoters of the Company during the last two years prior to his appointment.

Brief resumes of the Directors who are proposed to be appointed/ re-appointed is furnished in the explanatory statement to the notice of the ensuing Annual General Meeting forming part of this Annual Report.

## **Holding and Subsidiary Company**

The company doesn't have any holding or subsidiary company.

### **3. AUDIT COMMITTEE**

As on 1<sup>st</sup> April, 2013, the Audit Committee of the Board of Directors comprises of Mr. F. M. Banthiya, Chairman, Mr. A. P. Jain and Mr. Kishan Kumar (All non-executive Independent directors). Mr. F. M. Banthiya being an independent director is the Chairman of the Committee & he has rich experience in the field of finance & accounts. The other members of the audit Committee are competent to read, understand and analyze the Profit & Loss account, Balance Sheet, Cash Flow statement.

On 26<sup>th</sup> June, 2013, Mr. Kishan Kumar, Independent Director, put his resignation and accordingly, the Committee was constituted with the appointment of new member, Mr. Sachin Garg in place of him in the Board Meeting held on 31<sup>st</sup> July, 2013. Therefore the Constitution of the Audit Committee as on 31<sup>st</sup> July, 2013 was:

<i>Mr. F. M. Bhanthiya:</i>	<i>Chairman</i>
<i>Mr. A.P. Jain:</i>	<i>Member</i>
<i>Mr. Sachin Garg:</i>	<i>Member</i>

Further, on 28<sup>th</sup> November, 2013, Mr. F.M Banthiya, Chairman and Mr. A.P Jain, Member of Audit Committee put their resignation to the Board and due to their resignation, Audit Committee was again reconstituted in the Board Meeting held on 26<sup>th</sup> December, 2013 and in place of them Mr. Kamal Kishore Sharma was appointed as the Chairman and Mr. Brahm Dutt Sharma was included as the member of the Committee. After the reconstitution on 26<sup>th</sup> December, 2013, the Audit Committee comprised of:

<i>Mr. Kamal Kishore Sharma:</i>	<i>Chairman</i>
<i>Mr. Brahm Dutt Sharma:</i>	<i>Member</i>
<i>Mr. Sachin Garg:</i>	<i>Member</i>

There were total 5 Audit Committee meetings were held in the Financial Year 13-14. The details of that and the attendance of the members are as follows:

<b>Name</b>	<b>No. of Meetings</b>
<i>Mr. F. M. Bhanthiya</i>	4
<i>Mr. A.P. Jain</i>	4
Mr. Kishan Kumar	1
Mr. Brahm Dutt Sharma	1
Mr. Kamal Kishore Sharma	1
Mr. Sachin Garg	4

The Company Secretary acts as the secretary of the Audit Committee.

The terms of reference of the Audit Committee include the matters specified under Clause-49 of the Listing Agreement entered into with the Stock Exchanges as well as those provided in Section 292A of the Companies Act, 1956 and inter-alia includes the following:-

1. Detailed overview of the company's financial reporting process and the disclosures of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and fixation of the audit fees.
3. Approval of the payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing with the management the annual financial statements before submission to the Board, for approval, with particular reference to :
  - a) Matters required being included in The Director's Responsibility Statement to be included in the Board's report in terms of Clause 2AA of Section 217 of the Companies Act., 1956.
  - b) Changes, if any, in accounting policies and practices and reasons for the same.
  - c) Major accounting entries involving estimates based on the exercise of judgment by management.
  - d) Significant adjustments arising out of audit findings.
  - e) Compliance with listing agreement and legal requirements relating to financial statements.
  - f) Disclosure of any related party transactions.
  - g) Qualification in draft Audit report.
5. Reviewing with the management the quarterly financial statements before submission to the Board for approval.
6. Reviewing with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage of internal audit.
8. Discussion with internal auditors any significant findings and follow up thereon.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of material nature and reporting the matter to the Board.

10. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, if any, and shareholders (in case of non-payment of declared dividends) and creditors.
11. Discussion with statutory auditors before the audit commences about nature and scope of audit as well as the post audit discussion to ascertain any area of concern.
12. To review the functioning of the whistle blower mechanism, in case the same is existing in the organization.
13. To review the following mandatory requirements:-
  - I. Management Discussion and analysis of financial condition and results of operations.
  - II. Statement of significant related party transactions submitted by the management.
  - III. Management letters/ letters of internal control weaknesses issued by the statutory auditors.
  - IV. Internal audit reports relating to internal control weaknesses, and
  - V. The appointment and removal of internal auditor of the company shall be subject to the review by the audit Committee.
14. Carrying out any other function as is mentioned in the terms of reference of Audit Committee as amended from time to time by the Listing agreement and Companies Act, 1956.

#### **4. REMUNERATION COMMITTEE**

As on 1<sup>st</sup> April, 2013, the Remuneration Committee of the Board of Directors comprised of Mr. F. M. Banthiya as Chairman, Mr. Kishan Kumar as Member and Mr. A.P.Jain as Member. Chairman of the Committee was a Non-executive independent Director.

Further Non – Executive Directors were not paid any remuneration during the Financial Year under review i.e. Financial Year 2013-2014.

Sitting fees per meeting paid to two Non-executive Directors for attending the meeting of the Board of Directors of the Company, as per the approval of the Remuneration Committee, is within the maximum limits prescribed under the Companies Act, 1956.

On 26<sup>th</sup> June, 2013, Mr. Kishan Kumar, Member of Remuneration Committee put his resignation to the Board and in place of him Mr. Sachin Garg was appointed as the member of the Committee in the Board Meeting held 31<sup>st</sup> July, 2013. The new constitution of the Committee was:

<i>Mr. F. M. Bhanthiya:</i>	<i>Chairman</i>
<i>Mr. A.P. Jain:</i>	<i>Member</i>
<i>Mr. Sachin Garg:</i>	<i>Member</i>

Further, in the Board Meeting held on 26<sup>th</sup> December 2013, due to the resignation of Mr. A.P.Jain and Mr. F. M. Banthiya on 28<sup>th</sup> November, 2013, Remuneration Committee was again reconstituted and in place of them Mr. Kamal Kishore Sharma was appointed as the Chairman and Mr. Brahm Dutt Sharma was appointed as the member of the Committee. After the reconstitution, the Remuneration Committee comprised of:

*Mr. Kamal Kishore Sharma: Chairman*  
*Mr. Brahm Dutt Sharma: Member*  
*Mr. Sachin Garg: Member*

Details of remuneration by way of salary and perquisites paid to Managing Director of the Company for the year 01.04.2013 to 31.03.2014 are as follows:

<b>Particulars</b>	<b>Total Amount (Rs.)</b>
Salary including Perquisites*	50,000 Per Month**

\*The Salary was given to Mr. V.K. Jain, Managing Director till the date of his resignation i.e. 1<sup>st</sup> February, 2014.

\*\*Salary includes Basic Salary, House Rent Allowance and other allowances.

### **5. SHARE TRANSFER CUM SHAREHOLDERS' GRIEVANCE COMMITTEE**

As on 1<sup>st</sup> April, 2013, the Share Transfer cum Shareholders' Grievance Committee of the Board of Directors comprises Mr. F. M. Banthiya as Chairman, Mr. Kishan Kumar as Member and Mr. A.P.Jain as Member. Chairman of the Committee is Non-executive independent Director.

On 26<sup>th</sup> June, 2013, Mr. Kishan Kumar, Member of Share Transfer cum Shareholders' Grievance Committee put his resignation to the Board and in place of him Mr. Sachin Garg was appointed as the member of the Committee in the Board Meeting held on 31<sup>st</sup> July, 2013. The new constitution of the Committee as on 31<sup>st</sup> July, 2013 was:

*Mr. F. M. Bhanthiya: Chairman*  
*Mr. A.P. Jain: Member*  
*Mr. Sachin Garg: Member*

Further in the Board Meeting held on 26<sup>th</sup> December 2013, due to the resignation of Mr. A.P.Jain and Mr. F. M. Banthiya on 28<sup>th</sup> November, 2013, Share Transfer cum Shareholders' Grievance Committee was again reconstituted and in place of them. Mr. Kamal Kishore Sharma was appointed as the Chairman and Mr. Brahm Dutt Sharma was appointed as the member of the Committee. After the reconstitution, the Share Transfer cum Shareholders' Grievance Committee comprised of:

*Mr. Kamal Kishore Sharma: Chairman*  
*Mr. Brahm Dutt Sharma: Member*  
*Mr. Sachin Garg: Member*

The meeting of the Shareholder's Grievance & Transfer Committee takes place at periodic intervals to look into the matter of investors' grievances and transfer lodged during the period. Every grievance of the shareholder is paid a due heed and its proper redressal on time is ensured.

The Company confirms that there are no share transfers pending for more than 30 days from the date of lodgments.

Further there were no investor complaints pending on 31<sup>st</sup> March 2014.

## **GENERAL BODY MEETINGS**

The last three Annual General Meetings of the Company were held on Registered Office of the Company. Date, time and attendance of directors at AGM during the last three financial years are as follows.

Year	Date of AGM	Time of AGM	Venue	Attendance of Directors
2010-2011	29.10.2011	11.00 A.M.	Registered Office: 138,Roz-Ka-Meo, Industrial Area, Sohna, Distt: Gurgaon-122103	V.K.Jain F.M.Banthiya Kishan Kumar
2011-2012	29.09.2012	11.00 A.M.	Registered Office: 138,Roz-Ka-Meo, Industrial Area, Sohna, Distt: Gurgaon-122103	V.K.Jain F.M.Banthiya Kishan Kumar
2012-2013	27.09.2013	10:00 A.M.	Registered Office: 138,Roz-Ka-Meo, Industrial Area, Sohna, Distt: Gurgaon-122103	V.K.Jain Peeyush Kumar Aggarwal Sachin Garg F.M.Banthiya A.P. Jain Kamal Kishore Sharma

During the year under review, 1 (one) Special Resolution was passed at Annual General Meeting of the shareholders held on 27<sup>th</sup> September, 2013 for the year 12-13 of the Shareholders. No resolution was passed through Postal Ballot during the year under review.

## **6. DISCLOSURES**

### ***Related Party Transaction***

The summary of the materially significant related party transaction are provided in the Notes to the Accounts forming part of this Annual Report. However, none of the related party transactions have potential conflict with the interest of the company at large, and all the transactions were entered into on arms-length basis.

Your company has a Related Party Transaction with Advik Finance & Properties Private Limited in which your Managing Director, Mr. V.K. Jain is Director. As on 1<sup>st</sup> February, 2014, he resigned from the post of Managing Director as well as the Director of the Company, and as such Advik Finance & Properties Private Limited ceased to be a Related Party as there are no Common Directors between both the, there is no Related Party Transaction after the resignation of with Mr. V. K. Jain will Advik Finance & Properties Private Limited

Suitable disclosure as required by Accounting Standard (AS-18) on Related Party Transactions has been made in the Annual Report.

## **7. MANAGEMENT DISCUSSIONS AND ANALYSIS FORMS PART OF THE ANNUAL REPORT.**

## **8. VARIOUS CERTIFICATES REQUIRED UNDER CLAUSE 49 OF LISTING AGREEMENT HAS TAKEN BY THE COMPANY**

## **9. RISK MANAGEMENT**

The company has laid down procedures to inform Board members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management controls risk through means of a properly defined framework.

## **10. MEANS OF COMMUNICATION**

Timely disclosure of consistent, comparable, relevant and reliable information on corporate financial performance is at the core of good governance. Towards this end:-

- a. Quarterly/Half Yearly/Annual Results: The Quarterly, Half Yearly and Annual Results of the Company are sending to the Stock Exchange immediately after they are approved by the Board.
- b. Publication of Quarterly/Half Yearly/Annual Results: The Quarterly, Half Yearly and Annual Results of the Company are published in the prescribed proforma within 48 hours of the conclusion of the Board in which they are considered, at least in one nationwide English newspaper and in one vernacular newspaper.
- c. The unaudited quarterly results for the quarters ended 30.06.2013, 30.09.2013, 31.12.2013 & audited results for the quarter and year ended 31.03.2014 were published in Business Standard in English and Hindi Editions and the same were also being uploaded on the website of the Company on regular basis.

## **11. AUDITOR'S CERTIFICATE**

Auditor's Report certifying that the condition of Corporate Governance as stipulated in Clause-49 of the Listing Agreement with the Stock Exchanges is annexed to the report.

The Certificate from the Statutory Auditor's would be sent to the Stock Exchanges along with the Annual Report of the company.

## **12. GENERAL SHAREHOLDER INFORMATION**

### **Date, Time and Venue of the Twentieth Annual General Meeting:**

Tuesday, 30<sup>th</sup> September, 2014 at 10.00 A.M at Registered Office of the company at 138, Roz Ka Meo Industrial Area, Sohna – 122103 Mewat (Haryana).

**Book Closure Date:** 27<sup>th</sup> September, 2014 to 30<sup>th</sup> September, 2014 (Both Days Inclusive)

**Listing on Stock Exchange:** Bombay Stock Exchange  
Ahmedabad Stock Exchange

**ISIN No allotted to Equity Shares** : INE537C01019

**Stock Code** : Bombay Stock Exchange -531686  
: Ahmedabad Stock Exchange-01636/ADVIK LABO (ASE)

**Market Price data** : High & Low quotations (based on daily closing price) and number of equity shares traded during each Month in the year of 13-14 at BSE are given in the table below: (1<sup>st</sup> April, 2013 to 31<sup>st</sup> March, 2014)

<b>Month</b>	<b>High Price (Rs.)</b>	<b>Low Price (Rs.)</b>	<b>Total No. of Equity Shares traded</b>
Apr-13	5.37	3.74	16,765
May-13	4.15	3.19	22,059
Jun-13	3.80	3.06	10,604
Jul-13	3.74	2.97	4,932
Aug-13	3.04	2.50	25,279
Sep-13	2.78	2.40	10,208
Oct-13	3.41	2.68	24,902
Nov-13	3.67	2.54	16,232
Dec-13	4.93	3.65	20,210
Jan-14	4.76	3.67	33,831
Feb-14	4.33	3.40	8,838
Mar-14	4.25	3.58	13,058

**Source: BSE Limited**

**Share Transfer Agent:** **Beetal Financial & Computer Services (P) Ltd.**  
Beetal House, 3<sup>rd</sup> Floor, 99, Madangir  
Behind Local Shopping Centre,  
Near Dada HarsukhdasMandir  
New Delhi-110 062  
**Tel:** 91-11-29961281/82  
**Fax:** 91-11-29961284  
**E-mail:** [beetalrta@gmail.com](mailto:beetalrta@gmail.com)

**Compliance Officer Name:** Ms. Anjali Kalra, Company Secretary

**E-mail id for Investors:** [investors@advikindia.com](mailto:investors@advikindia.com), [mail@advikindia.com](mailto:mail@advikindia.com)

**Share Transfer System:**

The Company has appointed M/s Beetel Financial & Computers Services (P) Limited as Shares Transfer Agents for both physical and Demat form of shares. Requisite and Regular meetings of the Share Transfer cum Shareholders' Grievance Committee is held to approve the transfers/ transmission etc. and to look into shareholder's grievances, if there is any. All the complete transfer documents, which are received till three days prior to the date of the meeting, are normally considered for approval in the meeting. As the shares of the Company are in compulsory demat mode, after approval an option letter is sent to the transferee giving him/ her option to receive either in the physical mode or in the demat mode, and as per the mode opted by the transferee the shares are transferred.

**DETAILS RELATED TO SHARE CAPITAL OF THE COMPANIES**

**Shareholding Pattern as on 31<sup>st</sup> March 2014**

	<b>Category of Shareholder</b>	<b>No. of Share-holders</b>	<b>% of Share-holders</b>	<b>No. of Share held</b>	<b>% of share holding</b>
<b>(A)</b>	<b><u>Shareholding of Promoter &amp; Promoter Group</u></b>				
(1)	Indian	4	0.08	4780621	31.81
(2)	Foreign	N.A.	N.A.	N.A.	N.A.
<b>Total (A)</b>	<b>Total</b>	<b>4</b>	<b>0.08</b>	<b>4780621</b>	<b>31.81</b>
<b>(B)</b>	<b><u>Public Shareholding</u></b>				
(1)	<u>Institutions</u>	N.A.	N.A.	N.A.	N.A.
(2)	<u>Non Institutions</u>				
(a)	- Bodies Corporate	122	2.28	3959795	26.35
(b)	- Individuals	5033	94.30	6054105	40.28
(c)	- Others				
	- NRI	23	0.43	20373	0.14
	- Clearing Member	3	0.06	500	0.00
	- HUF	152	2.85	213356	1.42
<b>Total (B)</b>	<b>Total</b>	<b>5333</b>	<b>99.92</b>	<b>10248129</b>	<b>68.19</b>
<b>(A)+(B)</b>	<b>GRAND TOTAL</b>	<b>5337</b>	<b>100</b>	<b>15028750</b>	<b>100</b>

**Distribution Schedule as on 31<sup>st</sup> March, 2014**

<b>Holding of Nominal value of Rs.</b>	<b>No. of Shareholders</b>	<b>% to total</b>	<b>No. of Shares</b>	<b>Amount in Rs.</b>	<b>% to total</b>
Up to 5000	3,574	66.97	8,88,724	88,87,240	5.9135
5001 to 10000	927	17.37	8,43,303	84,33,030	5.6113
10001 to 20000	410	7.68	6,82,026	68,20,260	4.5381
20001 to 30000	141	2.64	3,74,025	37,40,250	2.4887
30001 to 40000	59	1.11	2,16,957	21,69,570	1.4436
40001 to 50000	69	1.29	3,31,673	33,16,730	2.2069
50001 to 100000	83	1.56	6,19,949	61,99,490	4.1251
100001 & above	74	1.39	1,10,72,093	11,07,20,930	73.6727
<b>TOTAL</b>	<b>5337</b>	<b>100.00</b>	<b>1,50,28,750</b>	<b>15,02,87,500</b>	<b>100.00</b>

**Dematerialization of Shares:**

As on 31<sup>st</sup> March, 2014, the breakup of the equity capital in Physical and demat form is as follows.

	<b>No. of Shares</b>	<b>Percentage (%)</b>
NSDL -	11739757*	78.11
CDSL -	3278813**	21.82
Physical -	10180	0.07

\*The Company has applied for listing of 56,75,350 equity shares issued on 21<sup>st</sup> November, 2013 to BSE & ASE and has received listing approval of the same from BSE. However, the listing approval of the aforesaid 56,75,350 equity shares from ASE is yet to be received.

\*\* The Company has made necessary applications to NSDL & CDSL for dematerialization of 42,17,700 and 14,57,650 equity shares with NSDL & CDSL respectively. The aforesaid shares have been dematerialized at CDSL. However the dematerialization of the same has yet been pending at NSDL at the end of NSDL.

Further those members of the Company, whose shares are still in the physical mode, are requested to get their shares dematerialized at the earliest.

## **Registered Office & Plant Location**

138, Roz ka Meo, Industrial Area, Sohna, Distt: Mewat, Haryana-122 103,  
**Ph. Nos.:**0124-2362471, 0124-2014471; **Website:** [www.advikindia.com](http://www.advikindia.com)

## **Address of Communication & Corporate Office Address:**

**Address:** 807, Arunachal Building, 19, Barakhamba Road, Connaught Place, New Delhi-110001; **Ph. No.:** 011-43571040-45, **Fax:** 011-42424884 **email:** [investors@advikindia.com](mailto:investors@advikindia.com)

## **SEBI Complaints Redress System (SCORES):**

Your Company is registered with Securities & Exchange Board of India's (SEBI's) recently launched SEBI Complaints Redress System (SCORES), wherein investor complaints are processed in a centralized web based complaint redress system. Here, all the activities starting from lodging of a complaint till its disposal by SEBI would be carried online in an automated environment and the status of every complaint can be viewed online at any time. It would obviate the need for physical movement of complaints and the possibility of loss, damage or misdirection of the complaints would be avoided.

## **Compliance of Corporate Governance Code under Clause-49 of Listing Agreement**

As required by Clause-49 of the Listing Agreement, Certificate of Practicing Chartered Accountant regarding compliance with the provisions of Corporate Governance forms part of the Director's Report.

### **DECLARATIONS UNDER CLAUSE-49 I (D) (II) BY THE DIRECTOR OF AFFIRMATION BY THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT OF COMPLIANCE WITH THE CODE OF CONDUCT**

To the Shareholders,

To the best of my knowledge and belief and information available with me, I hereby declare that all Board Members and Senior Management Personnel of M/s Advik Laboratories Limited have complied with Code of conduct during the financial year 2013-14 (as applicable on them).

**Place: New Delhi**  
**Date : 30.05.2014**

**Sd/-**  
**(Peeyush Kumar Aggarwal )**  
**Director**  
**DIN-00090423**

## **Auditor's Certificate on compliance with the condition of corporate governance under Clause 49 of the Listing Agreement(s)**

### **To the Members of Advik Laboratories Limited**

We have examined the compliance of the conditions of Corporate Governance by Advik Laboratories Limited for the year ended 31<sup>st</sup> March, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof adopted by the company for ensuring the compliance of the conditions of Corporate Governance. 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 explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We state that in respect of investor grievances received during the year ended March 31, 2014, no investor grievances are pending against the company as per the records maintained by the Registrar & Share Transfer Agent and the company and presented to the Shareholders Grievances Committee.

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

**For M/s. RMA & Associates  
Chartered Accountants  
Firm Regn. No. 000978N**

**Place: New Delhi  
Dated: 30<sup>th</sup> May, 2014**

**Sd/-  
Pankaj Chander  
Partner  
M. No. 89065**

**NON MANDATORY REQUIREMENTS UNDER CLAUSE-49 OF THE LISTING AGREEMENT OF STOCK EXCHANGE**

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement with the Stock Exchanges. Further, compliance of non-mandatory requirements of the said clauses is provided below:

**I. Remuneration Committee**

The Company has constituted the Remuneration Committee to approve the payment of remuneration to the executive directors. Non-Executive directors are not entitled to any remuneration except sitting fees.

**III. Shareholder's rights**

The quarterly financial results of the Company are published in English language newspaper having nationwide circulation and also in regional language newspaper of the registered office of the company. Annual Reports containing the detailed Balance Sheet and Profit and Loss A/c is also sent to individual shareholders of the company.

**IV. Audit Qualifications**

The Company always strives to present an unqualified Financial Statement. There is no audit qualification by the Auditors for financial year 2013-14.

**V. Training of the Board members**

The Board of Directors of the Company is continuously briefed with the developments and performance of the company so as to enable them to monitor the same at regular intervals. Reports on risk assessment and minimization process and new initiatives proposed by the company are also presented to them for suggestions and up gradation.

**VI. Whistle Blower policy**

The Company intends to promote a policy for employees to have and open access to the respective Functional heads, Managing Director so as to ensure ethical and fair conduct of the business of the company.

**By order of the Board of Directors  
For Advik Laboratories Limited**

**Sd/-  
Peeyush Kumar Aggarwal  
Chairman  
DIN-00090423**

**Place: New Delhi  
Dated: 02.09.2014**

## INDEPENDENT AUDITOR'S REPORT

To the members of  
**Advik Laboratories Limited**

### **Report on the financial statements**

We have audited the accompanying financial statements of Advik Laboratories Limited (the Company'), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2014 the Statement of Profit and Loss and the 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 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.

### **Auditors' responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accounts 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 the management as well as evaluating the overall presentation of financial statements.

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

## Opinion

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

- (a) In the case of Balance Sheet of the state of affairs of the Company as at 31<sup>st</sup> March 2014:
- (b) In the case of the Statement of Profit and Loss, of the profit of the Company for the year
- (c) In the case of the Cash Flow Statement, of the cash flows of the Company 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 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 [and proper returns adequate for the purposes of our audit have been received from branches not visited by us];
  - 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 [and with the returns received from branches not visited by us];
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss 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.
  - 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.

- 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 M/s. RMA & Associates  
Chartered Accountants  
Firm Regn. No. 000978N**

**Place: New Delhi  
Dated : 30<sup>th</sup> May, 2014**

**Sd/-  
Pankaj Chander  
Partner  
M. No. 89065**

**ANNEXURE TO THE AUDITOR'S REPORT**

(Referred to in paragraph 3 of the Auditor's Report of even date to the members of Advik Laboratories Limited on the financial statements for the year ended March 31, 2014)

1. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.  
(b) As explained to us, fixed assets have been physically verified by the management in a phased periodic manner, which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.  
(c) In our opinion and according to the information and explanations given to us, there was no substantial disposal of fixed assets during the year.
2. (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.  
(b) The procedure of physical verification of inventories followed by the management are 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 the records of inventory, we are of the opinion that the company has maintained proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- 3.(a) The company has not granted any loans, secured or unsecured to companies firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the requirements of clause (iiib), (iiic) and (iiid) of paragraph 4 of the order are not applicable.  
(b) The company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Act.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of Inventory and fixed assets and for the sale of goods . During the course of our audit, no major weakness has been noticed in the internal control systems in respect of these areas.
5. In respect of the contract or arrangements entered in the register maintained in pursuance of section 301 of the Companies Act, 1956 to the best of our knowledge and belief and according to the information and explanation given to us:

- a) The particulars of contracts or arrangements referred to in Section 301 that need to be entered in the register maintained under the said section have been so entered.
- b) Where each of such transaction is in excess of Rs. 5.00 lacs in respect of any party and having regard to our comments in paragraph (iv) above, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits during the year from the public within the meaning of the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and rules made there under.
7. The company has an internal audit system, the scope and coverage of which, in our opinion, requires to be enlarged to commensurate with the size and nature of its business.
8. We have broadly reviewed the books of accounts maintained by the company pursuant to rule made by Central Government under section 209(1)(d) of the Companies Act, 1956 for maintenance of Cost records and are of the opinion that, prima facie, the prescribed accounts and records have been maintained. However, we have not carried out any detailed examination of such accounts and records.
9. (a) According to the records of the company, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees state insurance, income tax, sales tax, wealth tax, Service tax custom duty, excise duty, cess and other statutory dues applicable to it, except slight delay in few cases.  
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, Sales tax, wealth tax, Service tax, customs duty and excise duty were outstanding, as at March 31, 2014 for a period of more than six months from the date they became payable.  
(c) According to the records of the company, there are no dues of sales tax, Income Tax, customs duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.
10. The company does not have any accumulated losses at the end of the financial year and has not incurred any cash losses in the financial year and in the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any bank or financial institution and it has not issued any debentures & other securities.

12. According to information and explanations given to us and based on the records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the company.
14. In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable.
15. According to information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
16. In our opinion, on the basis of information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short term basis have been used for long term investment. No long term funds have been used to finance short term assets except core (permanent) working capital.
18. According to the information and explanations given to us, the company has made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act. In our opinion, the price at which shares have been issued is not prejudicial to the interest of the company.
19. During the period covered by our audit report, the company has not issued any debentures. The question of creation of any security does not arise.
20. The company has not raised any money by way of public issues during the year.
21. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

**For M/s. RMA & Associates  
Chartered Accountants  
Firm Regn. No. 000978N**

**Sd/-  
Pankaj Chander  
Partner  
M. No. 89065**

**Place: New Delhi  
Dated: 30<sup>th</sup> May, 2014**

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

<b>PARTICULARS</b>	<b>NOTE NO.</b>	<b>As at 31<sup>st</sup> March, 2014 (Rs.)</b>	<b>As at 31<sup>st</sup> March, 2013 (Rs.)</b>
<b>I. EQUITY AND LIABILITIES</b>			
<b>Share Holders Funds</b>			
Share Capital A/c	2	<b>150,287,500</b>	93,534,000
Money received against Share warrants		<b>27,024,250</b>	-
Reserve and Surplus	3	<b>23,485,433</b>	18,848,562
		<b>200,797,183</b>	112,382,562
<b>Non-current liabilities</b>			
Long-term borrowings	4	<b>29,931,554</b>	84,854,810
Long-term Provisions	5	<b>1,212,578</b>	1,091,665
Deferred Tax Liability		<b>12,258,587</b>	9,109,083
		<b>43,402,719</b>	95,055,558
<b>Current Liabilities</b>			
Short Term Borrowings	6	<b>40,466,944</b>	40,549,787
Trade Payables		<b>44,815,889</b>	28,188,849
Other Current Liabilities	7	<b>16,876,272</b>	14,250,374
Short Term Provisions		<b>1,832,965</b>	1,938,485
		<b>103,992,070</b>	84,927,495
	<b>TOTAL</b>	<b>348,191,972</b>	292,365,615
<b>II. ASSETS</b>			
<b>Non-Current Assets</b>			
Tangible Assets	8	<b>151,793,812</b>	94,663,783
Non-Current Investments	9	<b>9,230,000</b>	9,230,000
		<b>161,023,812</b>	103,893,783
<b>Current Assets</b>			
Inventories	10	<b>67,985,475</b>	94,435,529
Trade Receivables	11	<b>86,486,003</b>	60,706,920
Cash & Cash Equivalents	12	<b>525,810</b>	1,069,827
Short Term Loans & Advances	13	<b>26,538,542</b>	32,042,753
Other Current Assets	14	<b>5,632,330</b>	216,803
		<b>187,168,160</b>	188,471,832
	<b>TOTAL</b>	<b>348,191,972</b>	292,365,615
<b>Accompanying Notes Forming Part Of The Financial Statements as per our report attached</b>	<b>1-36</b>		

For RMA & Associates  
Chartered Accountants  
Firm Regn. No. : 000978N

For and on behalf of the Board of Directors

Sd/-  
(Pankaj Chander)  
Partner  
Membership No. 89065

Sd/-  
(Peeyush Kumar Aggarwal)  
Chairman  
DIN:00090423

Sd/-  
(Sachin Garg)  
Director  
DIN:03320351

Sd/-  
(Anjali Kalra)  
Company Secretary  
Membership No. 30734

Place: New Delhi  
Date: 30<sup>th</sup> May, 2014

## **PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2014**

PARTICULARS	NOTE NO.	As at 31 <sup>st</sup> March, 2014 (Rs.)	As at 31 <sup>st</sup> March, 2013 (Rs.)
<b>I. INCOME</b>			
Revenue from operations	15	<b>296,630,550</b>	338,575,809
Other Income	16	<b>6,141,798</b>	2,702,458
<b>Total</b>		<b>302,772,348</b>	341,278,267
<b>II. EXPENSES</b>			
Cost of Material Consumed	17	<b>239,291,246</b>	308,661,235
Change in Inventories of Finished Goods & Work in Progress	18	<b>22,486,438</b>	(10,670,836)
Employees Benefit	19	<b>6,465,851</b>	4,702,765
Finance Charges	20	<b>11,597,148</b>	12,931,345
Depreciation & Amortizations	8	<b>6,845,300</b>	5,767,389
Other Expenses	21	<b>6,467,025</b>	9,713,266
<b>Total</b>		<b>293,153,008</b>	331,105,164
<b>Profit Before Exceptional &amp; Extraordinary Items &amp; Tax</b>		<b>9,619,340</b>	10,173,103
Exceptional Items		-	-
<b>Profit Before Extraordinary Items &amp; Tax</b>		<b>9,619,340</b>	10,173,103
Extraordinary Items		-	-
<b>Profit Before Tax</b>		<b>9,619,340</b>	10,173,103
<b>Tax Expense:</b>			
a) Provision for Income Tax(MAT)		<b>1,832,965</b>	1,938,485
b) Deferred Tax Liabilities/(Assets)		<b>3,149,504</b>	3,235,987
c) Tax Paid for prior years			
<b>Net Profit after Tax transferred to Balance Sheet</b>		<b>4,636,871</b>	4,998,631
Earning per equity shares in Rs.		<b>0.412</b>	0.534
Basic & Diluted in Rs.		<b>0.368</b>	0.534
<b>Accompanying Notes Forming Part Of The Financial Statements as per our report attached</b>	<b>1-36</b>		

**For RMA & Associates  
Chartered Accountants  
Firm Regn. No. : 000978N**

**For and on behalf of the Board of Directors**

**Sd/-  
(Pankaj Chander)  
Partner  
Membership No. 89065**

**Sd/-  
(Peeyush Kumar Aggarwal)  
Chairman  
DIN-00090423**

**Sd/-  
(Sachin Garg)  
Director  
DIN:03320351**

**Sd/-  
(Anjali Kalra)  
Company Secretary  
Membership No. 30734**

**Place: New Delhi  
Date: 30<sup>th</sup> May, 2014**

<b>CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014</b>		<b>(Rs.)</b>	
<b>Particulars</b>	<b>As at 31.03.2014</b>	<b>As at 31.03.2013</b>	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net profit before tax and extraordinary items	<b>9619340</b>	10,173,103	
Add: Adjustment for Depreciation	<b>6845300</b>	5,767,389	
Provision for Gratuity	<b>118731</b>	135,354	
Provision for Leave Encashment	<b>2182</b>	27,976	
Interest & Other Costs	<b>11597148</b>	12,931,345	
Interest Received	<b>(66005)</b>	(94,640)	
<b>Operating profit before working capital changes</b>	<b>28,116,696</b>	28,940,527	
<b>Adjustment for:</b>			
Increase / (Decrease) in Trade Payables	<b>16627040</b>	25,356,153	
Increase / (Decrease) in Current Liabilities	<b>2625898</b>	5,164,985	
(Increase) / Decrease in Trade Receivables	<b>(25779083)</b>	(31,759,302)	
(Increase) / Decrease in Short Term Loans & Advances	<b>5504211</b>	(8,188,614)	
(Increase) / Decrease in Other Current Assets	<b>(5415527)</b>	(163,322)	
(Increase) / Decrease in Inventories	<b>26450054</b>	(19,091,341)	
<b>Cash Generated From Operations</b>			
Direct Taxes Paid	<b>(1938485)</b>	(23,417)	
<b>Net Cash from operating activities (A)</b>	<b>46,190,804</b>	234,669	
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Fixed Assets	<b>(63975329)</b>	(3,039,621)	
Interest Received	<b>66005</b>	94,640	
<b>Net cash outflow from investing activities (B)</b>	<b>63,909,324</b>	(2,944,981)	
<b>C. Cash Flow from financing activities</b>			
Proceeds from issue of share capital	<b>56753500</b>	0	
Proceeds from issue of share warrants	<b>27024250</b>	0	
Repayment of short term borrowings	<b>(82843)</b>	70407	
Repayment of long term borrowings	<b>(54923256)</b>	15638717	
Interest Paid	<b>(11597148)</b>	(12,931,345)	
<b>Net cash used in financial Activities ©</b>	<b>17,174,503</b>	2,777,779	
<b>Net Increase/ (Decrease) in cash (A+B+C)</b>	<b>(544,017)</b>	67,467	
<b>Cash &amp; Cash Equivalents (Opening balance)</b>	<b>1,069,827</b>	1,002,360	
<b>Cash &amp; Cash Equivalents (Closing balance)</b>	<b>525810</b>	1,069,827	

For RMA & Associates  
Chartered Accountants  
Firm Regn. No. : 000978N

For and on behalf of the Board of Directors

Sd/-  
(Pankaj Chander)  
Partner  
Membership No. 89065 DIN-00090423

Sd/-  
(Peeyush Kumar Aggarwal)  
Chairman

Sd/-  
(Sachin Garg)  
Director  
DIN:03320351

Sd/-  
(Anjali Kalra)  
Company Secretary  
Membership No. 30734

Place: New Delhi  
Date: 30<sup>th</sup> May, 2014

**NOTES TO ACCOUNTS**

**NOTE NO. 1**

**SIGNIFICANT ACCOUNTING POLICIES**

**a) Basis of Accounting**

These financial statements have been prepared and presented on the accrual basis of accounting and comply with the Accounting Standards prescribed in the Companies (Account Standards) rules 2006 issued by the Central Government and in compliance with the applicable Accounting Standards (AS) referred to in sub-section (3C) of Section 211 (read with section 133 of Companies Act, 2013) of the said Act. The accounting policies, except otherwise stated, have been consistently applied by the Company.

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in Revised Schedule VI to the Companies Act, 1956. Based on the nature of the services and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

**b) Uses of Estimates**

The presentation of financial statements in conformity with the generally accepted accounting principles requires management to judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and disclosure of contingent liabilities on the date of the financial statements. Difference between the actual results and estimates are recognized in the year in which the results are known/materialized.

**c) Revenue Recognition**

Revenue from sale of goods in the course of ordinary activities is recognized when the significant risk and rewards in respect of ownership are transferred to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods as well as regarding its collection. Revenue is net of excise duty & sales tax.

Export incentive entitlements are recognized as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

**d) Tangible Fixed Assets and Depreciation**

Tangible fixed assets are stated at the cost of acquisition or construction, less accumulated depreciation and impairment losses, if any. the cost of an item or tangible fixed asset comprises its purchase price excluding cenvat credit but including of non refundable taxes

or levies and any attributable cost of bringing the asset to its working condition for its intended use. Advances paid towards acquisition of tangible fixed assets outstanding at each Balance sheet date, are shown in fixed assets schedule as advances paid.

Depreciation on tangible fixed assets, is provided on a pro-rata basis, using the straight-line method and at the rates specified in Schedule-XIV to the Companies Act, 1956. Depreciation on fixed assets costing upto Rs. 5000/- is provided @ 100% over a period of one(1) year. The policy of company is to provide depreciation on the Building, Plant & Machinery and Other Fixed Assets from the date of commercial production/put to use.

## **e) Impairment of Assets**

An asset is impaired if there is sufficient indication that the carrying cost would exceed the recoverable amount of cash generating asset. In that event an impairment loss so computed would be recognized in the accounts in the relevant year.

## **f) Borrowing Costs**

Borrowing costs are interest and other costs incurred by the Company in connection with the borrowing of funds. Borrowing cost directly attributable to acquisition or construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use is capitalised. All other borrowing costs are treated as period cost and charged to the profit and loss account in the year in which it was incurred.

## **g) Inventories**

Inventories comprises raw materials, work-in-progress, finished goods, stock-in-trade and stores and spares are carried at the lower of cost and net realizable value. Cost of inventories comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition In case of manufactured inventories and WIP, fixed production overheads are allocated on the basis of normal capacity of production facilities. Excise duty liability is included in the valuation of closing inventory of finished goods.

Net realizable value is the estimated selling prices in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

## **h) Employee Retirement Benefits**

1. Defined contribution plan: Company's contribution paid/payable during the year to provident fund, ESIC and labour welfare fund are charged to statement of profit and loss account on due basis.

2. Defined benefit plan : Company's liabilities towards gratuity and long term compensated absences are provided for based on actuarial valuation carried out at the close of each year. The actuarial valuation is done by an Independent Actuary as per projected unit credit method.

## i) Foreign Exchange Transactions

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising on foreign currency transaction settled during the period are recognized in the statement of Profit & Loss.

Monetary assets and liabilities denominated in foreign currencies as at the Balance Sheet date are transacted at period end rates. The resultant exchange differences are recognised in the Statement of Profit & Loss. Non –monetary assets are at the rate prevailing on the date of transaction.

## j) Income taxes

**Current Tax:** Provision for Taxation is ascertained on the basis of assessable profit computed in accordance with the provisions of Income Tax Act, 1961.

**Minimum Alternate Tax (MAT) Credit:** Minimum Alternate Tax credit is recognized, as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Profit & Loss Account and shown as MAT Credit Entitlement under Loans & Advances. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

**Deferred Tax:** Deferred Tax is recognized, subject to the consideration of prudence, as the tax effect of timing difference between the taxable income & accounting income computed for the current accounting year and reversal of earlier years' timing difference. Deferred Tax Assets are recognized and carried forward to the extent that there is a reasonable certainty, except arising from unabsorbed depreciation and carry forward losses, which are recognized to the extent that there is virtual certainty, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

## k) Investments

Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. The provision for any diminution in the value of long term investments is made only if such a decline is other than temporary.

## l) Cash Flow Statement

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

## **m) Provisions & Contingencies**

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. Liabilities which are material, and whose future outcome cannot be ascertained with reasonable certainty, are treated as contingent, and disclosed by way of notes to the account. Contingent Assets are neither recognized nor disclosed in the financial statements.

These are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

## **n) Earning per share**

Earnings per Share (EPS) is calculated by dividing the Net Profit or Loss for the period attributable to equity shareholders by the Weighted Average Number of equity shares outstanding during the period.

For the purpose of calculating Diluted Earnings per Share, the Net Profit or Loss for the period attributable to equity shareholders is divided by the Weighted Average Number of shares outstanding during the period after adjusted for the effects of all dilutive potential equity shares.

## **o) Other Accounting policies**

Accounting Policies not specifically referred to are in accordance with generally accepted accounting principles.

Notes forming part of the Accounts	As at 31.03.14 (Rs.)	As at 31.03.13 (Rs.)
<b>NOTE NO. 2 SHARE CAPITAL</b>		
<b>A) AUTHORISED</b>		
2,00,00,000 Equity Shares of Rs. 10/- each	<u>200,000,000</u>	<u>120,000,000</u>
(Previous year 1,20,00,000 Equity Shares of Rs. 10/- each)	<u>200,000,000</u>	<u>120,000,000</u>

During the year company has increased its Authorized Share Capital from Rs. 120,000,000 to Rs. 200,000,000 divided into 20,000,000 Equity Shares of Rs. 10/- each by creation of 8,000,000 Equity Shares of Rs. 10/- each as per the provision of Section 94 of the Companies Act, 1956. Accordingly, Company has amended Clause V of its Memorandum of Association.

**B) ISSUED, SUBSCRIBED AND PAID UP**

1,50,28,750 Equity Shares of Rs. 10/- each	<u>150,287,500</u>	<u>93,534,000</u>
(Previous year 93,53,400 Equity Shares of Rs. 10/- each)	<u>150,287,500</u>	<u>93,534,000</u>

Pursuant to approval of shareholders by way of Special Resolution accorded in compliance with provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment(s) or re-enactment thereof), and in-principle approval received from BSE Limited, copies of which are placed before the meeting and initialed by the Chairman for the purpose of identification thereof, and subject to the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (hereinafter referred to as "SEBI (ICDR) Regulations") and in accordance with other existing Guidelines, rules and regulations of the Securities and Exchange Board of India ("SEBI") including the SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 2011 and subject to enabling provisions of the Memorandum and Articles of Association of the Company, the Board of Directors hereby allot 56,75,350 (Fifty Six Lakhs Seventy Five Thousand Three Hundred and Fifty Only) Equity Shares of Rs. 10/- (Rupees Ten Only) each and 40,82,650 (Forty Lakhs Eighty Two Thousand Six Hundred and Fifty Only) Warrants, to be convertible at the option of warrant holders in one or more tranches, within 18 months from the date of allotment into equivalent number of fully paid up Equity Share of face value of Rs.10/- each for cash at an exercise price of Rs. 10/- (Rupees Ten only) each or such other price as may be determined in accordance with the provisions of SEBI (ICDR) Regulations, 2009, **on Preferential basis** to the persons belonging to the Promoters and Non-Promoter. In Principal Approval of the above mentioned Equity Shares & Shares Warrants has been received from BSE on 21.11.2013.

Reconciliation of equity shares outstanding at the beginning and at the end of the year is as under:-

Particulars	As at 31.03.14	As at 31.03.13
Equity Shares at the beginning of the year	<b>93,53,400</b>	93,53,400
Add : Shares issued to Promoters on preferential basis	<b>22,57,650</b>	Nil
Add: Shares issued to non-promoters on preferential basis	<b>34,17,700</b>	Nil
Equity Shares at the end of the Period	<b>1,50,28,750</b>	93,53,400

The number of shares held by each shareholder holding more than 5% shares are given below:

Name of Shareholder	As at 31.03.2014		As at 31.03.2013	
	No. of shares	%	No. of shares	%
Omkam Pharmaceuticals Pvt Ltd	<b>39,44,637</b>	<b>26.25%</b>	Nil	Nil
Virender Kumar Jain	<b>Nil</b>	<b>Nil</b>	10,55,894	11.29%
Advik Finance & Properties Pvt. Ltd	<b>Nil</b>	<b>Nil</b>	8,45,747	9.04%
Peeyush Kumar Aggarwal	<b>8,35,984</b>	<b>5.56%</b>	Nil	Nil
Sangeetha S	<b>Nil</b>	<b>Nil</b>	4,80,400	5.14%
Sathya S	<b>Nil</b>	<b>Nil</b>	4,80,380	5.14%

- A.** The company has only one class of shares having a par value of Rs10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholder's in the ensuring General Meeting.
- B.** In the event of liquidation of the company, the holder of equity shares will be entitled to receive remaining assets of the company in proportion to their number of equity shares after distribution of all preferential amounts.

Notes forming part of Accounts	As at 31.03.14 (Rs.)	As at 31.03.13 (Rs.)
<b>NOTE NO. 3</b>		
<b>RESERVES AND SURPLUS</b>		
Profit & Loss Account (As per last Balance Sheet)	<b>18,821,062</b>	13,822,431
Add: Net Profit for the current year	<b>4,636,871</b>	4,998,631
<u>Capital Reserve Account</u>		
Share Forfeiture Account	<b>27,500</b>	27,500
Total Reserve & Surplus carried forwarded to Balance Sheet	<b>23,485,433</b>	18,848,562

Notes forming part of Accounts	As at 31.03.14 (Rs.)		As at 31.03.13 (Rs.)	
	Non-Current	Current	Non-Current	Current
<b>NOTE NO. 4</b>				
<b><u>Long-term borrowings</u></b>				
<b>SECURED LOANS</b>				
<b>Term Loan</b>	<b>29,658,531</b>	<b>11,438,000</b>	39,745,531	9,804,000
Indian Overseas Bank				
(secured by first charge on Building, Plant & Machinery)				
Current maturity of Long Term Debts are classified under other current liabilities.				
<b>HDFC Bank Ltd.</b>	<b>273,023</b>	<b>336,475</b>	609,279	304,563.00
(secured by hypothecation charges On vehicle financed by them)				
<b>UNSECURED LOANS</b>				
- Inter-corporate Loans	-	-	33,500,000	-
- from Director, Friends & Relatives	-	-	11,000,000	-
	<b>29,931,554</b>	<b>11,774,475</b>	84,854,810	10,108,563

- (a) Term loan from Indian Overseas Bank of Rs. 90,65,098/- which carries interest base rate+3.75% and is repayable in 60 installments of Rs. 2,06,000/- from October, 2012. The loan is secured by all immovable & movable fixed assets of the company.
- (b) Term loan from Indian Overseas Bank of Rs. 1,95,59,433/- which carries interest base rate+3.75% and is repayable in 84 installments of Rs. 3,28,000/- from October, 2012. The loan is secured by all immovable & movable fixed assets of the company.
- (c) Term loan includes Working Capital Term Loan of Rs. 1,24,72,000/- from Indian Overseas Bank which carries interest base rate + 3.75% and is repayable in 60 monthly installments of Rs. 2,83,000/- from October, 2012. The loan is secured by 1<sup>st</sup> charge on the current and fixed assets of the company.
- (d) Vehicle Finance loan carries interest @ 10% p.a. and repayable in 36 equal monthly installments. The loan is secured by hypothecation of vehicle.

Notes forming part of Accounts	As at 31.03.14 (Rs.)	As at 31.03.13 (Rs.)
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## NOTE NO. 5

### Long Term Provisions

#### Provision for Employee Benefits

- Gratuity	<b>850,558</b>	731,827
- Leave Encashment	<b>362,020</b>	359,838
	<b>1,212,578</b>	1,091,665

## NOTE NO. 6

### Short Term Borrowings

#### SECURED LOANS

<b>Working Capital Loan</b>	<b>40,466,944</b>	40,549,787
Indian Overseas Bank (Secured by first charge on stocks of Finished Goods, Raw Materials. W.I.P		
& Sundry Debtors	<b>40,466,944</b>	40,549,787

Working capital loan availed from Indian overseas bank are secured by hypothecation of inventories and book debts ( present & future) also first charge by way of mortgage on all immovable properties and by way of hypothecation on all the fixed assets of the company both present & future and guaranteed by director/promoter. The said facility is repayable on demand.

<b>Notes forming part of Accounts</b>	<b>As at 31.03.14 (Rs.)</b>	<b>As at 31.03.13 (Rs.)</b>
<b>NOTE NO. 7</b>		
<b>Other Current Liabilities</b>		
Current Maturities of long term debt	<b>11,774,475</b>	10,108,563
Interest accrued and due on borrowings	<b>1,006,694</b>	591,050
Accrued Salaries & benefits	<b>993,055</b>	525,678
Advance received from Customers	<b>1,855,000</b>	1,855,000
Direct Taxes	<b>143,755</b>	51,558
Indirect Taxes	<b>3,374</b>	16,818
Others	<b>1,099,919</b>	1,101,707
	<b>16,876,272</b>	14,250,374



**NOTE NO. 08**

**FIXED ASSETS (TANGIBLE ASSETS)**

(Amount in Rupees)

Description	Gross Block			Depreciation				Net Block		
	As at 01.04.13	Additions during the year	Adjustments during the year	As at 31-Mar-14	Upto 31-Mar-13	During the Year	Sales/ Adjustments	As at 31-Mar-14	As at 31-Mar-14	As at 31-Mar-13
Land	4,840,000	-	-	4,840,000	-	-	-	-	4,840,000	4,840,000
Building	50,430,770	-	-	50,430,770	18,626,490	1,684,388	-	20,310,878	30,119,892	31,804,280
Plant & Machinery	97,303,573	2,121,608	-	99,425,181	40,544,459	4,688,434	-	45,232,893	54,192,288	56,759,114
Furniture & Fixture	221,684	25,500	-	247,184	184,968	19,567	-	204,535	42,649	36,716
Computer & Printer	85,207	34,100	-	119,307	32,090	15,813	-	47,903	71,404	53,117
Vehicle	1,209,920	3,391,121	-	4,601,041	39,364	437,098	-	476,462	4,124,579	1,170,556
Advance agt. Purchase of Godown	-	58,403,000	-	58,403,000	-	-	-	-	58,403,000	-
<b>This Year</b>	<b>154,091,154</b>	<b>63,975,329</b>	<b>-</b>	<b>218,066,483</b>	<b>59,427,371</b>	<b>6,845,300</b>	<b>-</b>	<b>66,272,671</b>	<b>151,793,812</b>	<b>94,663,783</b>
Previous year	151,051,533	3,039,621	-	154,091,154	53,659,982	5,767,389	-	59,427,371	94,663,783	97,391,551

## Notes forming part of Accounts

As at  
31.03.14(Rs.)

As at  
31.03.13(Rs.)

### NOTE NO. 9

#### Non-Current Investments

##### Shares of Un-quoted Companies:

25000 equity shares of A.G.Fats Ltd. of Rs. 100/- per share	<b>2,500,000</b>	2,500,000
50000 equity shares of Braham Hosiery P Ltd. of Rs. 10/- per share	<b>500,000</b>	500,000
85000 equity Shares of R.N.Knitfab (P) Ltd. of Rs. 10/- per share	<b>850,000</b>	850,000
538000 equity Shares of India Securities Ltd. of Rs. 10/- per share	<b>5,380,000</b>	5,380,000
	<b>9,230,000</b>	9,230,000

### NOTE NO. 10

#### INVENTORIES

(As valued and certified by the Management at lower of cost or net realisable value)

Raw Materials & Packing Materials	<b>27,285,592</b>	31,234,979
Store & Spares	<b>4,841,081</b>	4,855,310
Finished Goods	<b>34,508,802</b>	49,405,100
Work in Process	<b>1,350,000</b>	8,940,140
	<b>67,985,475</b>	94,435,529

### NOTE NO. 11

#### Trade Receivables

(Unsecured and considered Good)

Exceeding Six months	<b>28,656,377</b>	16,778,944
Less than Six months	<b>57,829,626</b>	43,927,976
	<b>86,486,003</b>	60,706,920

### NOTE NO. 12

#### Cash & Cash Equivalents

Cash in hand	<b>310,053</b>	424,200
Balance with scheduled Banks		
- in Current Accounts	<b>215,757</b>	480,627
- Margin Money with IOB	-	165,000
	<b>525,810</b>	1,069,827

**Notes forming part of Accounts**

**As at  
31.03.14(Rs.)**

**As at  
31.03.13(Rs.)**

**NOTE NO. 13**

**Short Term Loans & Advances**

(Unsecured considered good)

Advances recoverable in cash or in kind or for value

to be received

**22,314,800**

27,539,865

Excise Duty Deposit A/c

**3,841,214**

3,823,262

Tax Deducted at Source

**124,249**

421,347

Security Deposit

**258,279**

258,279

**26,538,542**

32,042,753

**NOTE NO. 14**

**Other Current Assets**

Service Tax Receivable A/c

**183,887**

136,796

Prepaid Expenses

**68,488**

80,007

Income receivables against exports

**5,379,955**

-

**5,632,330**

216,803

**NOTE NO. 15**

**Revenue from operations**

Gross Sales

**290,843,064**

320,262,775

Less : Excise Duty

**35,832**

697,081

Other Operating Revenue

**5,823,318**

19,010,115

Net Sales

**296,630,550**

338,575,809

**NOTE NO. 16**

Duty Drawback

**3,302,823**

884,315

Income from Export Incentives

**2,763,449**

1,723,503

Interest Received

**66,005**

94,640

Other Misc. Income

**9,521**

—

**TOTAL**

**6,141,798**

2,702,458

Notes forming part of Accounts	As at 31.03.14(Rs.)	As at 31.03.14(Rs.)
<b>NOTE NO. 17</b>		
<b>Cost of Material Consumed</b>		
<b>Raw,Packing &amp; Store &amp; spares inventory at the beginning of the year</b>	<b>36,090,289</b>	27,669,784
Purchases during the year	<b>235,207,471</b>	317,081,740
Inventory at the end of the year	<b>(32,126,673)</b>	(36,090,289)
Freight & Cartage Inward	<b>120,159</b>	-
<b>T O T A L</b>	<b>239,291,246</b>	308,661,235
<b>NOTE NO. 18</b>		
<b>Change in Inventories of Finished Goods &amp; WIP</b>		
Change in Work in Progress	<b>7,590,140</b>	(590,020)
Charges in Stock of Finished Goods	<b>14,896,298</b>	(10,080,816)
<b>T O T A L</b>	<b>22,486,438</b>	(10,670,836)
<b>NOTE NO. 19</b>		
<b>Employees Benefit</b>		
Salary & Wages	<b>4,810,983</b>	3,236,195
Other allowance & benefits to employees	<b>1,321,777</b>	1,027,643
Employer contribution to PF, ESI & welfare fund	<b>180,054</b>	119,883
Staff welfare	<b>123,689</b>	169,124
Medical expenses	<b>29,348</b>	149,920
	<b>6,465,851</b>	4,702,765
<b>NOTE NO. 20</b>		
<b>FINANCE CHARGES</b>		
Interest on Working Capital Loan	<b>5,704,388</b>	5,264,349
Interest on Term Loans	<b>6,677,057</b>	7,626,448
Interest on Finance of Vehicle	<b>78,192</b>	16,277
Others	<b>479,742</b>	24,271
Foreign Exchange Fluctuation a/c	<b>(1,342,231)</b>	-
	<b>11,597,148</b>	12,931,345

**Notes forming part of Accounts** **As at 31.03.14** **As at 31.03.13**

**NOTE NO. 21**  
**Other Expenses**

Consumables	<b>158,198</b>	145,136
Power & Fuel	<b>1,202,736</b>	1,508,711
Repair & maintenance to building	<b>135,241</b>	427,758
Repair & maintenance to Plant & Machineries	<b>481,141</b>	283,274
Testing Charges	<b>40,459</b>	247,933
Bank Charges	<b>354,523</b>	1,099,514
Printing & Stationery	<b>132,594</b>	62,562
Vehicle expenses	<b>218,239</b>	327,871
Conveyance expenses	<b>119,783</b>	44,639
Telephone expenses	<b>125,422</b>	166,225
General repair & maintenance	<b>267,885</b>	292,091
Postage & telegram	<b>25,205</b>	31,628
Director Travelling expenses	<b>113,029</b>	1,823,624
Legal & Professional expenses	<b>642,710</b>	607,068
Audit fee	<b>85,000</b>	70,000
Rates & Taxes & other fee's	<b>441,742</b>	278,964
Factory & General Insurance	<b>245,499</b>	272,009
Travelling expenses	<b>103,393</b>	1,020
Miscellaneous expenses	<b>90,934</b>	57,524
AGM exps.	<b>1,345</b>	562
Diwali Expenses	<b>190,825</b>	221,936
Books, Newspapers & Periodicals	<b>16,059</b>	5,148
Water & Electricity	<b>45,205</b>	181,632
Security Service	<b>487,076</b>	397,027
Advertisement	<b>57,013</b>	73,965
Business Promotion Expenses	<b>183,827</b>	269,535
Packing & Forwarding Expenses	<b>438,755</b>	429,713
Selling & Distribution expenses	<b>63,187</b>	300,123
Commission	-	86,074
	<b>6,467,025</b>	9,713,266

**NOTE NO. 22 CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF:**

	As on 31 <sup>st</sup> March, 2014 (Rs.)	As on 31 <sup>st</sup> March, 2013 (Rs.)
<b>Performance Guarantees given by company bankers on behalf of company</b>	—	4,34,000

**NOTE NO. 23** Employee Benefits: The Disclosure required as per the revised AS-15

Brief description of the Plans: The Company has various schemes for long term benefits such as Provident Fund, Gratuity, and Leave Encashment. The Company's defined contribution plans are Provident Funds, Employee's State Insurance Fund & Employee's Pension Scheme (under the provision of Provident Funds & Miscellaneous Provisions Act, 1952). The Company has no further obligation beyond making the contributions. The Company's defined benefit plans include Gratuity & Leave Encashment Plan. In accordance with the applicable Indian Laws, the company provides for gratuity for all employees. The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on respective employee's last drawn salary & for the years of employment with the Company. The amounts charge to Profit & Loss Account based on Gratuity Plan as required under Accounting Standard ("AS") 15 (Revised) are as under:-

Particulars	Gratuity A/c (Rs. In lacs)	Leave Encashment A/c
Obligation as on 31.03.2014	1.19	0.02

**NOTE NO. 24** The disclosure as per Accounting Standard (AS-17) "Segment Reporting" Issued by the Institute of Chartered Accountants of India:

**(a) Business Segment:**

The Company is engaged primarily in pharmaceuticals business and there are no separate reportable segments as per AS-17.

**(b) Geographical Segment:**

Particulars	(Rs. in lacs)	
	Year ended 31 <sup>st</sup> March, 2014	Year ended 31 <sup>st</sup> March, 2013
Sales revenue(net)		
-In India	<b>1980.74</b>	2734.60
-Outside India	<b>927.33</b>	461.06
	<b>2908.07</b>	3195.66

- 25.** Company has not received intimation from supplier regarding the status under Micro, Small & Medium Enterprises Development Act, 2006 and hence disclosure, if any, relating to amount unpaid as at the year end together with the interest paid/payable as required under the Act have not been given.

26. On November 21, 2013 company has received In-principle approval from BSE(Bombay Stock Exchange) for the issuance of 56,75,350 Equity Shares and 40,82,650 Warrants convertible into Equity Shares of Rs. 10/- each issued at par to Promoters & Non-Promoters on a preferential basis in terms of Clause 24(a) of the Listing Agreement. Accordingly, on 21.11.13, company has issued the above stated Equity Shares & Warrants to Promoter & Non Promoters Category as under:-.

Name of Allottee	Category	No. of Equity Shares	No. of Warrants
Mr. Peeyush K. Aggarwal	Promoter	800000	1121175
M/S Omkam Pharmaceuticals Pvt. Ltd.	Promoter	1457650	1121175
M/s Dhiru Builders & Promoters Pvt. Ltd.	Non-Promoter	1708850	920150
M/s Patliputra International Ltd.	Non- Promoter	1708850	920150
	<b>Total</b>	<b>5675350</b>	4082650

27. **Related Party Disclosures**

Information relating to Related Party Transactions as per "Accounting Standard 18" notified by the Companies (Accounting Standards) Rules, 2006

Related Party and relationship with whom transactions have taken place during the year

- i. Key Management Personnel :Mr. V.K.Jain, Managing Director

Enterprises owned or significantly influenced by KMP and/or their relatives

- i. Advik Finance & Properties Pvt. Ltd.

- (ii) Detail of transactions between company and Related:-

Nature of Transactions	2013-2014	2012-2013
Director's Remuneration	<b>5,00,000</b>	7,44,158
Loan Repaid	<b>6,64,888</b>	( 5,112)

28. In the opinion of the Board, the Current Assets, Loan & Advances shown in the Balance Sheet have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.

29. Payment to Auditors' (Rs.)

Particulars	As on 31 <sup>st</sup> March, 2014	As on 31 <sup>st</sup> March, 2013
<b>Audit Fee</b>	<b>60,000</b>	50,000
<b>Taxation matters</b>	<b>25,000</b>	20,000
<b>Total (exclusive of Service tax)</b>	<b>85,000</b>	70,000

**30. INVESTMENTS**

Company has sent notices to the various companies in which company has invested, as neither they are sending duplicate shares nor are replying the letters of the company, as company has misplaced/lost the share certificates during the shifting of records. As such these shares certificates are not physically held by the company as on 31<sup>st</sup> March, 2014.

31. (a) The Company has not provided quantitative information under Clause 2(5) in view of the exemption granted by Central Government vide their notification no. 301 dated 08.02.2011.

**Earning in Foreign Exchange**

Particulars	(Rs. in lacs)	
	As at 31.03.14	As at 31.03.13
Export of Goods	860.75	442.17

**Expenditure in Foreign Currency**

Particulars	(Rs. in lacs)	
	As at 31.03.14	As at 31.03.13
Tour & Travelling	0.45	15.25

**32. DEFERRED TAX LIABILITY**

The Breakup of deferred tax (liabilities as at March 31,2014 is as under:

Particulars	As at 31.03.14	As at 31.03.13
<u>Deferred Tax Liabilities</u>		
- Timing Difference on account of Depreciation	<b>(1,22,97,811)</b>	(1,14,23,723)
<u>Deferred Tax Assets</u>		
- Timing Difference on account of carry forward	<b>39,224</b>	23,14,640
Losses & other allowances		
<b>Deferred Liabilities (net)</b>	<b>(1,22,58,587)</b>	(91,09,083)

33. The Company has made some trading activities from its Delhi office which includes in the Sales amount.

34. "Earning per share" computed accordance with Accounting Standard (AS) – 20

(Rs. in lacs)

Particulars	As	at	As	at
	31.03.2014		31.03.2013	
<b>a) Numerator:</b>				
Net Profit after taxation as per Profit & Loss A/C	<b>46.37</b>		49.99	
<b>b) Denominator:</b>				
No. of shares at the beginning of the year	<b>93,53,400</b>		93,53,400	
Equity Shares issued to Promoters & Non Promoters on preferential basis on 21.11.13	<b>56,75,350</b>		--	
Warrants issued to Promoters & Non Promoters on preferential basis on 21.11.13	<b>40,82,650</b>		--	
Weighted average number of equity shares outstanding during the year	<b>1,12,45,183</b>		93,53,400	
Weighted average number of diluted shares outstanding during the year	<b>1,26,06,066</b>		93,53,400	
Face Value per share ( In Rs.)	<b>10/-</b>		10/-	
Earnings per share(EPS)				
- Basic (In Rs.)	<b>0.412</b>		0.534	
- Diluted ( In Rs.)	<b>0.368</b>		0.534	

35. The balances of unsecured loans, loans & advances and sundry creditors are subject to the confirmation and consequential reconciliation/adjustments arising there from, if any. The management, however, does not except any material variation.

36. Previous year figures have been regrouped, rearranged wherever necessary to correspond with the current year's classification/disclosure.

For and on behalf of the Board of Directors

As per Report attached  
For RMA & Associates  
Chartered Accountants  
Firm Regn. No. : 000978N

Sd/-  
(Pankaj Chander)  
Partner  
Membership No. 89065

Sd/-  
(Peeyush Kumar Aggarwal)  
Chairman  
DIN:00090423

Sd/-  
(Sachin Garg)  
Director  
DIN:03320351

Sd/-  
(Anjali Kalra)  
Company Secretary  
Membership No. 30734

Place: New Delhi  
Date: 30<sup>th</sup> May, 2014



**ADVIK LABORATORIES LIMITED  
CIN: L74899HR1994PLC038300**

Regd. Off: 138, Roz-Ka-Meo, Industrial Area Sohna, Distt. -Mewat (Haryana) INDIA  
Tel. No.: 0124-2362471 ; E-Mail: [mail@advikindia.com](mailto:mail@advikindia.com); Website: www.advikindia.com

**Form No. MGT 11  
PROXY FORM**

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

<b>Name of the Member (s):</b> .....
<b>Registered address:</b> .....
<b>E-mail Id:</b> ..... <b>Folio No. /DP ID &amp; Client ID:</b> .....

I/We, being the member (s) of.....shares of the Advik Laboratories Limited above named company, hereby appoint

**Name:** ..... **E-mail Id:** .....

**Address:** ..... **Signature:** .....

or failing him/her

**Name:** ..... **E-mail Id:** .....

**Address:** ..... **Signature:** .....

as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 20<sup>th</sup> Annual General Meeting of the Company, to be held on Tuesday, the 30<sup>th</sup> September, 2014 at 10.00 a.m. 138, Roz-Ka-Meo, Industrial Area Sohna, Distt. - Mewat (Haryana) INDIA and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

Res.No.	Description	For	Against
1.	Adoption of Financial Statements, Board and Auditors' Report for 31 <sup>st</sup> March, 2014		
2.	Re-appointment of Mr. Sachin Garg as Director Who is liable to retire by Rotation.		
3.	Appointment of M/s RMA & Associates, as Statutory Auditor.		
4.	Appointment of Mr. Sachin Garg as Managing Director.		
5.	Appointment of Mr. Brahm Dutt Sharma as an Independent Director		
6.	Appointment of Mr. Manoj Kumar Jain as an Independent Director		
7.	Appointment of Mr. Kamal Kishore Sharma as an Independent Director		
8.	Appointment of Ms. Madhu Sharma as Woman Director		
9.	Approval of remuneration of Cost Auditor of the Company for the Financial Year ending March 31, 2015		
10.	Creation of Mortgage/Hypothecation/Charge on the Movable/Immovable Property of the Company		

Signed this ..... day of ..... 2014. Signature of Shareholder:.....



**NOTES:**

- 1) Please put a 'X' in the appropriate column against the respective resolutions. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- 2) Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in the aggregate not more than ten percent (10%) of the total Share Capital of the Company carrying voting rights. A member holding more than ten percent (10%) of the total Share Capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other member.
- 3) This form of Proxy in order to be effective should be duly completed, stamped, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.



**ADVIK LABORATORIES LIMITED**

Regd. Off: 138, Roz-Ka-Meo, Industrial Area Sohna, Distt. -Mewat (Haryana) INDIA  
Tel. No.: 0124-2362471, E-Mail: [mail@advikindia.com](mailto:mail@advikindia.com); Website: [www.advikindia.com](http://www.advikindia.com)

**CIN: L74899HR1994PLC038300****E-COMMUNICATION REGISTRATION FORM**

Dear Shareholders,

You are aware that majority of the provisions of Companies Act, 2013 have been made effective from 1st April, 2014. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules issued there under, Companies can serve Annual Reports, Notices and other communications through electronic mode to those shareholders who have registered their email address either with the Company/RTA or with the Depository.

It is a welcome move that would benefit the society at large, as this will reduce paper consumption to a great extent and allow shareholders to contribute towards a greener environment. This provides a golden opportunity to every shareholder of Advik Laboratories Limited to contribute to the cause of 'Green Initiative' by giving their consent to receive various communications from the Company through electronic mode.

We therefore invite all our shareholders to contribute to the cause by filling up the form given below to receive communication from the Company in electronic mode. You can also download the appended registration form from the website of the Company [www.advikindia.com](http://www.advikindia.com).

[Please note that as a Member of the Company, you will be entitled to receive all such communication in physical form, upon request.]

**Best Regards,**  
**Sd/-**  
**Sachin Garg**  
**(Director)**

**E-COMMUNICATION REGISTRATION FORM**

Folio No. /DP ID &amp; Client ID: .....

Name of the 1 Registered Holder: .....

Name of the Joint Holder[s]: (1).....(2).....

Registered Address: .....

E-mail ID (to be registered): ..... Mob./Tel. No.:.....

I/We shareholder(s) of Advik Laboratories Limited hereby agree to receive communications from the Company in electronic mode. Please register my above E-mail ID in your records for sending communications in electronic form.

Date: ..... Signature: .....

**Note:** Shareholder(s) are requested to keep the Company informed as and when there is any change in the e-mail address.

**ATTENDANCE SLIP**

(To be handed over at the entrance of the meeting venue)

Name of the Member(s) / Proxy\*: .....

Registered address: .....

E-mail Id: ..... Folio No. /DP ID &amp; Client ID: .....

I/We, being the member (s) of ..... shares of the above named company, hereby record my/our presence at the 20<sup>th</sup> Annual General Meeting of the Company, to be held on Tuesday, the 30<sup>th</sup> day of September, 2014 at 10.00 a.m. at 138, Roz-Ka-Meo, Industrial Area Sohna, Distt. -Mewat (Haryana) India and at any adjournment thereof.

Signature of the Member/Proxy\*: .....  
(\*strike out whichever is not applicable)

**NOTES:**

1. Members/Proxies are requested to bring the duly signed attendance slip to the meeting and hand it over at the entrance.
2. Corporate members intending to send their authorized representatives to attend the meeting are requested to send, to the Company, a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
3. For the convenience of Members, persons other than Members/Proxies will not be admitted.

**If undelivered, please return to :-**  
Advik Laboratories Limited  
807, Aruanchal Building, 19  
Barakhamba Road, Connaught Place  
New Delhi – 110 001  
Tel nos. : 011-43571040-45,  
Telefax : 011-42424884  
Email : mail@advikindia.com