

# Emmessar Biotech & Nutrition Ltd.



**21<sup>st</sup> ANNUAL REPORT**

**2012 - 2013**

## 21<sup>st</sup> ANNUAL REPORT

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### BOARD OF DIRECTORS

Shri. Ashok M. Kadakia (Chairman)  
Shri. MSR Ayyangar (Managing Director)  
Shri. Arvind M. Shah  
Shri. Manoj M. Shah  
Shri. Vijay K. Agrawal  
Shri. A.V. Vardharajan (Resigned w.e.f. 01.02.2013)  
Shri. Ajay I. Bora (Additional Director)

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### AUDITORS

M/s. R.G. Jain & Co.,  
Chartered Accountants  
507, 5th floor, Kakad Market  
306, Kalbadevi Road,  
Mumbai - 400 002.

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### REGISTERED OFFICE & FACTORY

Plot No. T-3/2, MIDC Area,  
P.O. Box No. 39,  
Taloja - 410 208,  
Dist. Raigad, Maharashtra.

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### ADMINISTRATIVE OFFICE

29, Kamer Building, 4th floor,  
38, Cawasji Patel Street,  
Fort, Mumbai - 400 001.  
Tel : 00-91-22-66356209/10/11  
Fax : 00-91-22-66370190  
Email : emmessar@vsnl.com / contact@ebnl.co.in  
**Exclusive email for Investors: investors@ebnl.co.in**  
Website: www.ebnl.co.in

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## NOTICE

Notice is hereby given that the **Twenty First Annual General Meeting of the Members of Emmessar Biotech & Nutrition Ltd** will be held at the Registered Office of the Company at T-3/2, MIDC Area, Taloja, Dist. Raigad on Tuesday, the 24<sup>th</sup> of September, 2013 at 11.00 hrs, to transact the following business.

### **Ordinary Business:**

1. To receive, consider and adopt the Directors' Report, Audited Statement of Profit & Loss for the year ended 31st March 2013, the Balance Sheet as at that date and the Auditors' Report thereon.
2. To appoint a Director in place of Mr. Ashok M. Kadakia, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Arvind M. Shah, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Ajay. I. Bora who was appointed as an additional director of the company and being eligible offers himself for reappointment.

To Consider and if thought fit to pass with or without modifications the following resolution.

### **Special Business:**

5. To appoint Auditors and fix their remuneration.

**"Resolved that** pursuant to the provisions of Section 224, and other applicable provisions, if any, of the Companies Act, 1956, M/s. V. Shankar Iyer & Co, Chartered Accountants, be and are hereby appointed Auditors of the Company, to hold office from the conclusion of this Annual General Meeting up to the conclusion of the next Annual General Meeting of the Company", in place of the retiring auditors M/s R. G. Jain & Co, Chartered Accountants.

**Resolved Further** that M/s. V. Shankar Iyer & Co, Chartered Accountants, be paid for the financial year 2013 - 2014 such remuneration as may be mutually agreed upon.

By Order of the Board  
For **Emmessar Biotech & Nutrition Ltd**

Place: Mumbai  
Date: 30<sup>th</sup> May 2013

**MSR Ayyangar**  
**Managing Director**

### **Notes**

- a) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself / herself and the proxy so appointed need not be a member.
- b) The proxy form duly completed and signed must be deposited at the Registered Office of the Company at least 48 hours before the commencement of the meeting.
- c) Members are requested to notify the Company's Registrar: Link Intime India Pvt. Ltd., immediately, at its Office in Mumbai, the change of address, corrections in name etc., if any.
- d) **Investors are requested to send their latest email id's to the Company or to the Company's Registrar. This will enable the Company to forward communications in electronic mode.**
- e) The Directors who retire by rotation and being eligible for re-appointment are deemed to be interested in the resolution concerning them.
- f) The Register of Members will remain closed from 17<sup>th</sup> September 2013 to 24<sup>th</sup> September 2013, both days inclusive.

By Order of the Board  
For **Emmessar Biotech & Nutrition Ltd**

Place: Mumbai  
Date: 30<sup>th</sup> May 2013

**MSR Ayyangar**  
**Managing Director**

## 21st ANNUAL REPORT

### Directors' Report

Your Directors present their 21<sup>st</sup> Annual Report together with Audited Statement of Accounts of your Company for the year ended 31<sup>st</sup> March 2013.

#### Financial Results

	(₹ in Lacs)	(₹ in Lacs)
	2012-2013	2011-2012
Profit /(Loss) before Interest,		
Depreciation and Tax:	(11.42)	4.40
Depreciation:	7.03	7.01
Net Profit / (Loss)	(18.45)	(2.61)

#### Operations, Management's discussions and analysis:

Encouraging repeat orders from Australia, Netherlands & South Africa are indicative of growing acceptance for our products. Our technology being futuristic, it is taking time for wide acceptance in the healthcare world. However, we see a very bright future for all our products in course of time.

#### Dividends:

As the Company has accumulated losses, no dividends are recommended.

#### Directors:

Mr. Ashok M. Kadakia and Mr. Arvind M. Shah retire by rotation and being eligible offer themselves for re-appointment.

The Directors mentioned above are deemed to be interested in their resolutions for re-appointment.

During the year under review Mr. A.V.Vardharajan, Executive Director of the Company left the employment of the company citing personal reasons. The Company had inducted Mr. Ajay I. Bora as an additional Director. It is recommended that the members approve the reappointment of Mr. Ajay I. Bora in the ensuing Annual General Meeting.

#### Statement Pursuant to Listing Agreements:

The Company's shares are listed with the BSE Ltd. Your Company has paid the annual listing fees up to date.

#### Auditors:

M/s. R. G. Jain & Co, Chartered Accountants, the retiring Auditors hold office till the conclusion of the ensuing Annual General Meeting. They have expressed their inability to continue as Auditors due to personal reasons. The Company has received a notice from one

member proposing M/s. V. Shankar Iyer & Co, Chartered Accountants as Auditors of the Company. A letter has also been received from M/s. V. Shankar Iyer & Co, Chartered Accountants stating that the appointment, if made will be in accordance with the provisions of the Companies Act, 1956. Members are requested to appoint M/s. V. Shankar Iyer & Co, Chartered Accountants, as the Auditors to hold office from the conclusion of this meeting to the conclusion of the next Annual General Meeting and fix their remuneration.

#### Particulars of Employees:

The particulars of employees under Section 217(2A) of the Companies Act 1956 is given in Annexure 1.

#### Energy Conservation, Technology Absorption, Foreign Exchange Earnings and Pollution Control.

A statement giving details of the Conservation of Energy, Technology absorption, Pollution Control, Exports and Foreign Exchange earnings and outgo is annexed to this report (Annexure 2).

#### Directors Responsibility Statement:

In Compliance with the provisions of Section 217 (2AA) of the Companies Act, 1956 (the Act) your Directors hereby confirm that:

- i) In preparing the Annual Accounts for the year ended 31<sup>st</sup> March 2013 all the applicable accounting standards have been followed.
- ii) Accounting policies were adopted and applied 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 2013 and of the Loss of the Company for the year ended on that date.
- iii) Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act and for preventing / detecting fraud and irregularities have been taken.
- iv) The Annual Accounts have been prepared on a "going concern" basis.

#### Corporate Governance:

A separate section on Corporate Governance and a certificate from Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with Stock Exchanges, form part of the Annual Report.



**Acknowledgements:**

Your Directors wish to place on record their appreciation of the wholehearted co-operation received by the Company from the Shareholders, Employees and its Bankers during the year under review.

By Order of the Board  
For **Emmessar Biotech & Nutrition Ltd**

Place: Mumbai  
Date: 30<sup>th</sup> May 2013

**MSR Ayyangar**  
**Managing Director**

**Annexure 1 to Directors Report.**

Particulars of employees pursuant to Section 217(2A) of the Companies Act 1956 read with the Companies (Particulars of Employees) Rules 1975 as amended by the Companies Amendment Act 1988 and forming part of the Directors' Report for the year ended 31<sup>st</sup> March 2013.

None of the employees (including for part of the year) received remuneration exceeding 2,00,000 per month. (24.00 Lacs per annum).

**Annexure 2 to Directors Report.**

Information as per Section 217(1)(e) read with Companies (Disclosure of Particulars in the Directors Report) Rules 1988 and forming part of the Directors' Report.

**1. Conservation of Energy & Pollution Control:**

As the Company's own factory has not been in operation, no special energy saving measures were required and there was no need for the Company to take any pollution control measures.

**2. Research and Development:**

The total amount spent on the R&D activities this year and previous year was not material and as the same have been included in normal heads of accounts, no amount can be quantified separately under the head of R&D cost.

**3. Foreign Exchange Earning (FOB) & Outgo:**

Earnings ₹35,07,901	Previous year : ₹55,83,361
Expenses: ₹0.00.	Previous year : ₹0.00

By Order of the Board  
For **Emmessar Biotech & Nutrition Ltd**

Place: Mumbai  
Date: 30<sup>th</sup> May 2013

**MSR Ayyangar**  
**Managing Director**

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# CORPORATE GOVERNANCE FOR TWENTY FIRST ANNUAL REPORT

The detailed report on Corporate Governance as per the format prescribed by SEBI and incorporated in Clause 49 of the Listing Agreement is set out below.

### MANDATORY REQUIREMENTS

#### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy on Corporate Governance envisages attainment of high level of transparency and accountability in the functioning of the Company and the conduct of its business, including its interaction with employees, share holders, creditors, consumers and institutional and other lenders and places due emphasis on regulatory compliance.

The Company believes that its systems and actions must be integrated for enhancement of Corporate performance resulting in the maximisation of stakeholder's value in the long run.

#### 2. BOARD OF DIRECTORS

##### Composition of Board

The Board consists of 5 Non-Executive Directors and 1 Executive Director, the Chairman being Non-Executive Director. During the financial year the Board met 4 times on the following dates: 9<sup>th</sup> May 2012, 12<sup>th</sup> July 2012, 31<sup>st</sup> October 2012 and 28<sup>th</sup> January 2013.

The composition of category of members of the Board and the number of their other directorships are set out below:

Director	Category	No. of Directorship held in other Companies	Committee Membership/ Chairmanship in other companies
Mr. Ashok M. Kadakia Chairman	Non-Promoter Non Executive	7	Nil
Mr. MSR Ayyangar Chief Executive	Promoter	2	2
Mr. Arvind M. Shah	Non-Promoter Non-Executive	6	Nil
Mr. Manoj M. Shah	Non-Promoter Non-Executive	7	Nil
Mr. Vijay K. Agrawal	Non-Promoter Non-Executive	4	Nil
Mr. Ajay I Bora	Non-Promoter Executive	Nil	Nil

#### Details of remuneration paid to all the Directors

The Company pays no sitting fees to its Directors, both executive and non-executive, for each Board and Audit committee meetings attended. Non-Executive Directors are not paid any salary, bonus, stock options, pension etc.

#### Attendance record of the Directors

Director	Board Meetings Attended during the year	Attendance at last AGM held on 17.9.2012
Mr. Ashok M. Kadakia	4	No
Mr. MSR Ayyangar	4	Yes
Mr. Arvind M. Shah	Nil	Yes
Mr. Manoj M. Shah	4	Yes
Mr. Vijay K. Agrawal	4	Yes
Mr. A.V. Vardharajan	4	Yes
		(Resigned w.e.f 1 <sup>st</sup> Feb 2013)
Mr. Ajay I. Bora	NIL	No

None of the Directors is a member in more than ten committees and acts as Chairman in more than 5 committees across all the companies in which he is a Director.

#### Brief Resume of Directors (Those retiring and eligible for reappointment)

- 1) Mr. Ashok M Kadakia is the Chairman of your Company since its inception. He has been in the Chemicals and Fine Chemicals Business for the last 34 years. The list of other Companies in which he is a Director is as follows.
  1. Ashok Organic Industries Ltd
  2. Aqua Alco-Chem Tech Pvt. Ltd
  3. Kadakia Alkalies & Chemical Ltd
  4. Hotel Rugby Ltd
  5. Ashok Cellulose Ltd
  6. Ashok Pharmaceuticals Pvt. Ltd
  7. Mahagujarat Chamunda Cement Company Pvt. Ltd
- 2) Mr. Arvind M. Shah is an experienced financial specialist. He is a member of The Bombay Stock Exchange Ltd. He is a valued investor in your Company. He is a Director in the following other Companies.
  1. Amu Shares & Securities Ltd.
  2. Amu Investment & Finance Private Ltd.
  3. Amu Properties & Finance Private Ltd.
  4. Gava Commodities Ltd.
  5. Lamhas Satellites Services Limited
  6. Manar Leasing & Investment Pvt. Ltd.
  7. Dideonet (India) Ltd



### 3. COMMITTEES OF THE BOARD

#### AUDIT COMMITTEE

##### Composition of the committee

Director	Category	Audit Committee Meetings Attended during the year
Mr. Vijay K. Agrawal	Non-Executive Director	4
Mr. Arvind M. Shah	Non-Executive Director	Nil
Mr. Manoj M. Shah	Non-Executive Director	4
Mr. MSR Ayyangar	Chief Executive Managing Director	4

During the year, the committee met 4 times on the following dates:

9<sup>th</sup> May, 2012

12<sup>th</sup> July, 2012

31<sup>st</sup> October, 2012

28<sup>th</sup> January, 2013

##### Functions of the Committee:

The Committee oversees the audit and risk management functions in the Company, including quality of internal and management audit. It also reviews audit plans, audited and un-audited financial results and findings of the internal and statutory auditors and recommends to the Board for its approval. The constitution of the Audit Committee meets with the requirements under Section 292A of the Companies Act, 1956.

The Board has stipulated the following as terms of reference, as are stipulated under Clause 49 of the listing agreement:-

- Overseeing of the company's financial reporting process and the disclosure of its financial information to review that the financial statement is correct, sufficient and credible.
- Recommending the appointment and removal of external auditor, fixation of audit fee and also approval of payment for any other services.
- Reviewing with management the annual financial statements before submission to the board, focusing primarily on:

Any changes in accounting policies and practices.

- Major accounting entries based on exercise of judgment by management.
- Qualifications in draft audit report

- Significant adjustments arising out of audit
  - The going concern assumption
  - Compliance with accounting standards
  - Compliance with stock exchange and legal requirements concerning financial statements.
  - Any related party transactions i.e. transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc; that may have potential conflict with the interests of company at large.
- Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
  - Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
  - Discussion with internal auditors any significant findings and follow up thereon.
  - Reviewing the findings of any internal investigation by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
  - Discussions with external auditors before the audit commences, nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
  - Reviewing the company's financial and risk management policies.
  - To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

### 4 SHARE TRANSFER & INVESTOR GRIEVANCE COMMITTEE

#### Composition of Committee

Name of Directors	Category
Mr. Ashok M. Kadakia	Non-Executive / Independent
Mr. Vijay Agarwal	Non-Executive / Independent
Mr. MSR Ayyangar	Chief Executive/Managing Director

During the year, the committee met 2 times on the following dates:

12<sup>th</sup> July 2012

28<sup>th</sup> January 2013

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### • Functions of the Committee

The Committee approves, transfer / transmission / transposition / consolidations / splitting, issue of duplicate certificates, de-materialisation, allotment of shares and debentures, shareholders grievances pertaining to non-receipt of transferred share certificates, non-receipt of balance sheet and non-receipts of dividend / interest etc.

### Compliance Officer

The Board has designated Mr. I. J. Pereira as the Compliance Officer.

### • Details of shareholder's complaints received, not solved and pending share certificates.

The Company has approximately 6266 shareholders. The total number of complaints received and replied to the satisfaction of shareholders during the year under review were 6. There were no outstanding complaints as on March 31, 2013. There were no request for transfers & dematerialisation pending for approval as on March 31, 2013. They were approved and dealt with before 5<sup>th</sup> April 2013.

The company has an exclusive email id <[investors@ebnl.co.in](mailto:investors@ebnl.co.in)> for receiving investor's complaints.

### 5. GENERAL BODY MEETINGS

Date, time and venue of the last three Annual General Meetings held are given below:-

Financial Year	Date	Time	Venue
2009 – 2010	26-06-2010	11.00 AM	T-3/2, MIDC, Talaja.
2010 – 2011	17-09-2011	11.00 AM	T-3/2, MIDC, Talaja
2011 – 2012	01-09-2012	11.00 AM	T-3/2, MIDC, Talaja

No postal ballots were used / invited for voting at these meetings in respect of special resolutions passed. The Company shall comply with the requirements relating to postal ballot as and when necessary.

### 6. DISCLOSURES

- In respect of related party transaction, the company does not have any transaction, which may have potential conflicts with the interest of the Company at large.
- The Company has complied with the requirements of regulatory authorities on capital markets and has not incurred any penalties / strictures during the last three years.

### 7. MEANS OF COMMUNICATION

- The quarterly, half yearly and annual results are forthwith communicated to all the Stock Exchanges with whom the Company is listed as soon as they

are approved and taken on record by the Board of Directors of the Company. Further, the results are published in one English daily newspaper (Free Press Journal) circulating in the country and in Marathi newspaper (Navshakti), published from Mumbai.

- Management discussion and analysis, forms part of the Directors' Report.

### 8. GENERAL SHAREHOLDERS INFORMATION

#### i. Annual General Meeting

Date and time : Tuesday, 24<sup>th</sup> September 2013 at 11.00 hrs.  
Venue : Plot No. T-3/2, MIDC Area,  
Talaja – 410 208.

#### ii. Financial Calendar for 2013-14(tentative)

Financial reporting for the quarter ending June 30, 2013  
2<sup>nd</sup> week of August 2013

Financial reporting for the quarter ending September 30, 2013  
2<sup>nd</sup> week of November 2013

Financial reporting for the quarter ending December 31, 2012  
2<sup>nd</sup> week of February 2014

Financial reporting for the year ending March 31, 2014  
Between April & June 2014

#### iii Date of Book Closure:

17<sup>th</sup> September, 2013 to 24<sup>th</sup> September, 2013 (both days inclusive).

iv **Dividend payment date:** This is not applicable as dividend is not declared.

#### v Listing on Stock Exchanges

Equity shares of the Company are listed only in the BSE Limited.

vi **Scrip Code:** - 524768  
Scrip ID - EMESSA  
ISIN No. - INE634B01016

#### vii Stock Market Data

Bombay Stock Exchange Limited

		High(₹)	Low(₹)
April	2012	6.39	4.45
May	2012	5.77	5.24
June	2012	5.70	5.00
July	2012	5.77	5.00
August	2012	8.21	5.11
September	2012	8.20	5.21
October	2012	5.32	4.50
November	2012	6.20	5.23
December	2012	7.60	5.65
January	2013	7.86	5.71
February	2013	5.98	4.80
March	2013	5.55	3.50





**viii Corporate Ethics**

The consistent endeavour of Emmessar Biotech & Nutrition Ltd., is to enhance the reputation of the Company and irrespective of the goals to be achieved, the means are as important as the end. The Company has adopted “the Code of Conduct for prevention of insider trading”, which contains policies prohibiting insider trading. The Company has also promulgated Code of Conduct to be followed by Directors and Management.

**ix Registrar and Share Transfer Agents**

Link Intime India Pvt. Ltd.  
C-13, Pannalal Silk Mills Compound,  
LBS Marg, Bhandup West, Mumbai – 400078.  
Telephone Number: 25963838  
Fax number: 25946970  
Email: [rnthelpdesk@linkintime.co.in](mailto:rnthelpdesk@linkintime.co.in)

**x Share Transfer System**

Share Transfer requests received in physical form are registered within 7 days from the date of receipt and Demat requests are normally confirmed within an average of 7 days from the date of receipt.

**xi Distribution of Shareholding**

Promoters including	
Persons acting in concert	: 26,70,806 Shares ( 53.46%)
Private Corporate Bodies	: 74,091 Shares ( 1.48%)
NRI	: 9,350 Shares ( 0.19%)
Indian Public	: 22,32,053 Shares (44.67%)
FIs & Banks	: 9,800 Shares ( 0.20%)

**xii Dematerialisation of shares**

About 83.46% of the shares have been dematerialised as on 31<sup>st</sup> March 2013 Trading in Emmessar Biotech & Nutrition Ltd shares is in compulsory demat w.e.f. 29<sup>th</sup> May 2000 as per the notification issued by Securities and Exchange Board of India.

**NON-MANDATORY REQUIREMENTS**

**Remuneration Committee**

Since no remuneration is being paid to the non-executive Directors, remuneration committee has not been formed.

**Shareholder’s Right**

The Company publishes quarterly and half yearly financial results and performance in newspapers, the same are not sent to the shareholders of the Company. The Company sends Annual Report, the yearly financial results / performance to the shareholders.

**Postal Ballot**

No postal ballots were used / invited for voting at general meetings in respect of special resolutions passed. The Company shall comply with the requirements relating to postal ballot as and when necessary.

**AUDITORS’ CERTIFICATE ON CORPORATE GOVERNANCE**

To the Members of **Emmessar Biotech & Nutrition Ltd.**

We have examined the compliance of conditions of Corporate Governance by Emmessar Biotech & Nutrition Limited (“the Company”) for the year ended on 31<sup>st</sup> March 2013 as stipulated in Clause 49 of the Listing Agreement of the Company with the Bombay Stock Exchange Limited.

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

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement for the year ended 31<sup>st</sup> March 2013.

We state that in respect of investor grievances received during the year ended 31<sup>st</sup> March 2013, no Investor Grievance is pending / unattended for a period exceeding one month against the Company as per the records maintained by the Share Transfer and Investor Grievance Committee and as intimated by the Registrars and Share Transfer Agents of the Company.

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

**For R. G. Jain & Co**  
**Chartered Accountants**  
Girish Jain  
Partner.  
Membership No. 107416

Place: Mumbai  
Date: 30th May 2013

**MANAGEMENT DISCUSSIONS AND ANALYSIS**

**Emmessar Biotech & Nutrition Ltd (EBNL) though has remained as a small company based on top line, it emerged as a Pioneer in Healthcare Technology by developing a new science called “VedaCeuticals”.**

VedaCeuticals is the Technology of influencing the “Software” that runs the body on auto pilot. Normally, any software can be infected by bugs and thus cripple the functioning of the hardware which is the human body. While all other systems of healthcare exclusively concentrate on dealing with healthcare anatomically or physiologically, EBNL is the only company with products that de-bugs the software of the human metabolism, which is the senior most causative factor in maintaining and sustaining health without any adverse side effects whatsoever.

For want of institutional help and absence of marketing infrastructure, the full potential of VedaCeutical technology could not be realized. However with growing realization and acceptance of high efficacy of EBNL products without

any harmful side effects, it is gaining acceptance by word of mouth publicity.

Our products are being sold albeit in small quantities in advanced countries like USA, Europe, Australia, South Africa etc.

Recently, **Isha Arogya**, an establishment connected with Isha Yoga centre Coimbatore, has evinced keen interest in purchasing our products for their program of rural healthcare. They have found EBNL products to be the most suitable because of their low price, high efficacy and harmlessness.

The lack of growth of EBNL was primarily because of lack of financial muscle and marketing infrastructure. However, the healthcare benefits of our products is becoming progressively the main driving force for expanding markets.

Your company’s management is very optimistic about the potential for future growth and prosperity of your company.



## SECRETARIAL AUDIT REPORT

To,  
The Members of  
**Emmessar Biotech & Nutrition Limited**  
Plot No. T-3/2, MIDC Area,  
P.O. Box 39, Talaja, Dist. Raigad,  
Maharashtra-410208

I have examined the register, records, books and papers of Emmessar Biotech & Nutrition Limited as required to be maintained under the Companies Act, 1956, and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31<sup>st</sup> March, 2013. In my opinion and to the best of my information and according to the examination carried out by me and explanations furnished to me by the company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers and stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time / by paying additional fees as prescribed under the Act and the rules made there under.
3. The Company being a Public Limited Company, the Comments are not required.
4. The Board of Directors duly met 4 ( Four ) times on 09-05-2012, 12-07-2012, 31-10-2012 and 28-01-2013 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed (no circular resolutions passed) in the Minutes Book maintained for the purpose.  
Further the Shareholders Grievances Committee met on 12-07-2012 and 28-01-2013 during the year under review.  
Further the Audit Committee met on 09-05-2012, 12-07-2012, 31-10-2012 and 28-01-2013 during the year under review.
5. The Company closed its Register of Members and/ or Debenture holders during the year under review after giving proper notice as required under section 154 of the Companies Act, 1956.
6. The annual general meeting for the financial year ended on 31<sup>st</sup> March, 2012 was held on 01-09-2012 after giving proper notice to the Members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year under review.
8. The Company has not advanced any loan to its directors and / or persons or firms or companies referred in the section 295 of the Act.
9. The company has duly complied with the provisions of Section 297 of the Act in respect of Contracts specified in that section.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. The Company was not required to obtain necessary approvals from the Board of Directors, members and previous approval of the Central Government pursuant of section 314 of the Act during the financial year.
12. During the year, Company has not issued any duplicate Share Certificates.
13. The Company:
  - i) Has delivered all the certificates of Equity Shares on transfer / split in accordance with the provisions of the Act. However there is no allotment of securities during the year under review.
  - ii) Has not declared any dividend during the last year and hence not required to transfer the dividend amount to a separate bank account.
  - iii) Was not required to post warrants for dividends as no dividend was declared and that there are no unclaimed / unpaid dividends;
  - ii) Was not required to transfer the amounts in unpaid dividend account. Application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund as there was no such instance.
14. The Board of Directors of the company is duly constituted and during the year appointment of

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- directors, additional directors, alternate directors and directors to fill casual vacancies have been made in accordance with the provisions of the Act.
15. There was re-appointment of Managing Director during the year under review.
  16. No appointment of sole-selling agents was made during the year under review.
  17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities during the financial year under review.
  18. The Directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
  19. The Company has not issued any shares / debentures / securities during the financial year under review.
  20. The Company has not bought back any shares during the financial year under review.
  21. The company has not redeemed any preference shares/ debentures during the financial year under review.
  22. The company was not required to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares as there was no such instance.
  23. The company has not invited or accepted deposits including any unsecured loans falling within the purview of section 58A and 58AA read with Companies (Acceptance of Deposit) Rules, 1975.
  24. The amount borrowed by the Company from directors, members, public, financial institutions, banks and others during the financial year ending is/ are within the borrowing limits of the company and that necessary resolutions as per section 293 (1) (d) of the Act have been passed in duly convened annual / extra ordinary general meeting.
  25. The Company has made loans and investment, or given guarantees or provided securities to other bodies corporate in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose.
  26. The Company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one State to another during the year under scrutiny.
  27. The Company has not altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny.
  28. The Company has not altered the provisions of the memorandum with respect to name of the company during the year under scrutiny.
  29. The Company has not altered the provisions of the memorandum with respect to share capital of the company during the year under scrutiny.
  30. The Company has not altered its Articles of Association during the financial year under scrutiny.
  31. There was no prosecution initiated against or show cause notices received by the Company under the Act during the financial year.
  32. The Company has not received any amount as security from its employees during the year under certification.
  33. The Company has regularly deposited both the employee's and employer's contribution to provident fund with prescribed authorities pursuant to Section 418 of the Act.

Signature:  
Name of Company Secretary: Dinesh Deora  
C. P. No. : 4119

Place: Mumbai  
Date: 30-05-2013



## **ANNEXURE A**

Registers as maintained by the Company:

1. Register of Members u/s 150 of C. A., 1956.
2. Share Transfer Register u/s 108
3. Directors Register u/s 303 3 of C. A. Act , 1956
4. Directors Shareholding Register u/s 307 of C. A. Act, 1956
5. Minutes Book of Annual General Meeting and Board Meeting u/s 193 of C. A. Act, 1956
6. Register under Section 301 (3) of the Companies Act, 1956.
7. Register of Loan and Investment made, guarantees / security given

## **ANNEXURE B**

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31<sup>st</sup> March, 2013.

1. eForm 20B with Annual Return in respect of AGM held on 01-09-2012 as required u/s 159 of the Companies Act, 1956, was filed with the Registrar of Companies, Maharashtra on 10-10-2012.
2. eForm 23AC and 23ACA in XBRL in respect of the year ended 31st March, 2012 as required u/s 220 of the Companies Act, 1956, was filed with the Registrar of Companies, Maharashtra on 03-12-2012.
3. eForm 23 u/s 192 dated 09-05-2012 filed on 14-05-2012.
4. eForm 25C u/s 269(2) dated 09-05-2012 filed on 14-05-2012.
5. eForm 23 u/s 192 dated 01-09-2012 filed on 18-12-2012.
6. eForm 32 u/s 303 dated 31-01-2013 filed on 31-01-2013.
7. eForm 32 u/s 303 dated 30-01-2013 filed on 20-02-2013.

## 21st ANNUAL REPORT

### INDEPENDENT AUDITORS REPORT

To the Members of  
Emmessar Biotech & Nutrition Limited

#### REPORT ON THE FINANCIAL STATEMENT

We have audited the accompanying financial statements of **Emmessar Biotech & Nutrition Limited** ("the Company") which comprise the Balance Sheet as at March 31, 2013, and 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 STATEMENT

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

#### AUDITOR RESPONSIBILITY

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

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

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

#### OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in

conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Profit and Loss Account, of the loss of the Company for the year ended on that date; and
- 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 REQUIREMENT

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
  - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For R.G. Jain and Co.  
Chartered Accountants  
Firm Regn No:-121214W

Place: Mumbai  
Date: 30<sup>th</sup> May 2013.

Girish Jain  
Partner  
Membership No- 107416





## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

(i) **In respect of Company's Fixed Assets:**

- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, the Company has formulated a regular programme of verification by which all assets of the Company shall be verified in phased manner, which in our opinion is reasonable, having regard to the size of the Company and the nature of its business and assets. No material discrepancies were noticed on such physical verification
- (c) In our opinion the Company has not disposed off any of its fixed assets and the going concern status of the Company is not affected.

(ii) **In respect of Company's Inventories:**

- (a) The stock of finished goods and raw material has been physically verified during the year by the Management. In our opinion the frequency of verification is reasonable. In the case of material lying with the third parties, certificates confirming stocks have been received in respect of a substantial portion of the stocks held.
- (b) In our opinion, the procedures of physical verification of inventory followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. As explained to us, the discrepancies noticed on verification between physical inventories and the book records were not material in relation to the size of the Company and the same have been properly dealt with in the books of account.

(iii) **In respect of loans, secured or unsecured, granted or taken by the Company to / from Companies, firms or other parties covered in the register maintained under Section 301 of the Companies act, 1956:**

- (a) The Company has neither granted nor taken

any loans, secured or unsecured, to/ from Companies, firm or other parties covered in the register maintained under section 301 of the Companies Act, 1956.

- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system 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 system. We have not observed any continuing failure on the part of the Company to correct major weakness in the internal control system.
- (v) In respect of contracts 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 explanations given to us,
  - (a) The particulars of contracts or arrangements referred to in Section 301 that needed 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 5lakhs in respect of any party, the transaction have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us during the year under report, the Company has not invited and accepted any deposits from the public within the meaning of Section 58A, 58AA or any other relevant provisions of Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
- (vii) In our opinion, the Company has an internal audit system for the year under audit commensurate with the size of the Company and the nature of its business.
- (viii) We have been broadly reviewed the cost records maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 in respect of the company's products to which the said rules are made applicable and are of the opinion that prima facie the prescribed records have been made

## 21st ANNUAL REPORT

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and maintained. We have, however, not made a detailed examination of the said records with a view to determine whether they are accurate or complete.

(ix) **In respect of statutory dues:**

(a) According to the records examined by us, the Company is generally regular in depositing during the year, the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employee State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues, to the extent applicable to it with the appropriate authorities. According to the information and explanations given to us, there are no arrears of undisputed outstanding statutory dues as at 31<sup>st</sup> March 2013 for a period of more than six months from the date they became payable.

(b) In our opinion and according to the information & explanations given to us, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited on account of any dispute as on 31<sup>st</sup> March 2013.

(x) The accumulated losses of the Company have exceeded 50% of its net worth at the end of the financial year. The Company has incurred cash losses in the current financial year and has not incurred cash losses in the immediately preceding financial year.

(xi) According to the information and explanations given to us, the Company has not taken any loan from a bank or financial institution or borrowed any sum against issue of debenture.

(xii) According to the information and explanation given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion and according to the information and explanations given to us, the Company is not a chit fund, nidhi, mutual benefit fund / society.

(xiv) According to the information and explanation given to us, the Company is not dealing or trading in shares, securities and debentures and other investments.

(xv) In our opinion and according to the information and explanations given to us, the Company has

not given any guarantee for loans taken by others from banks or financial institutions.

(xvi) According to the information and explanation given to us, the Company has not availed any term loan during the year.

(xvii) In our opinion and according to the information and explanations given to us and on the basis of an overall examination of the Balance Sheet and Cash Flow of the Company, we report that no funds raised on short-term basis have been utilized for long-term investment.

(xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year.

(xix) The Company has not issued any debentures.

(xx) The Company has not raised any money by way of public issue during the year.

(xxi) Based on the audit procedures performed and the information and explanations given by the Management, we report that to the best of our knowledge and belief, no fraud on or by the Company has been noticed or reported during the year that causes the financial statements to be materially misstated.

**For R.G. Jain and Co.  
Chartered Accountants  
Firm Regn No:-121214W**

**Place: Mumbai  
Date: 30<sup>th</sup> May 2013.**

**Girish Jain  
Partner  
Membership No- 107416**



**BALANCE SHEET AS AT 31ST MARCH 2013**

(Value in ₹)

	Note No.	As at 31.3.2013	As at 31.3.2012
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	2.1	49,961,000.00	49,961,000.00
(b) Reserves and surplus	2.2	-30,444,979.00	-28,599,792.00
		<u>19,516,021.00</u>	<u>21,361,208.00</u>
<b>2 Non-current liabilities</b>			
(a) Long Term Provisions	2.3	<u>336,263.00</u>	<u>599,650.00</u>
		<b>336,263.00</b>	<b>599,650.00</b>
<b>3 Current liabilities</b>			
(a) Trade payables	2.4	28,172,400.00	26,868,358.00
(b) Other current liabilities	2.5	<u>1,186,949.00</u>	<u>812,261.00</u>
		<u>29,359,349.00</u>	<u>27,680,619.00</u>
<b>TOTAL(1+2+3)</b>		<u><b>49,211,633.00</b></u>	<u><b>49,641,477.00</b></u>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
<b>(a) Fixed assets</b>			
(i) Tangible assets	2.6	18,356,510.00	18,999,009.00
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
		<u>18,356,510.00</u>	<u>18,999,009.00</u>
(b) Long-term loans and advances	2.7	<u>498,034.00</u>	<u>412,559.00</u>
		<b>498,034.00</b>	<b>412,559.00</b>
<b>2 Current assets</b>			
(a) Current Investments	2.8	50,020.00	46,839.00
(b) Inventories	2.9	2,872,121.00	1,831,613.00
(c) Trade Receivables	2.10	26,815,110.00	26,591,128.00
(d) Cash and cash equivalents	2.11	311,337.00	613,083.00
(e) Short-term loans and advances	2.12	308,501.00	1,147,246.00
		<u>30,357,089.00</u>	<u>30,229,909.00</u>
<b>TOTAL(1+2)</b>		<u><b>49,211,633.00</b></u>	<u><b>49,641,477.00</b></u>

As per our report of even date

For and on behalf of the Board

**For R.G. Jain & Co.**  
Chartered Accountants  
Firm Regn. No 121214W

**Ashok M. Kadakia**  
Chairman

**MSR Ayyangar**  
Managing Director

**Girish Jain**  
Partner  
Membership No. 107416

**Arvind M. Shah**  
Director

**Manoj M. Shah**  
Director

**Vijay K. Agrawal**  
Director

**Ajay I. Bora**  
Additional Director

Place : Mumbai  
Date : 30<sup>th</sup> May 2013

Place : Mumbai  
Date : 30<sup>th</sup> May 2013

## 21st ANNUAL REPORT

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

(Value in ₹)

	Note No.	For the year ended ended 31.3.2013	For the year ended ended 31.3.2012
<b>INCOME</b>			
Revenue From Operations	2.13	6,036,239.00	32,394,162.00
Less :- Excise Duty		<u>235,714.00</u>	<u>399,014.00</u>
Net Revenue From Operations		5,800,525.00	31,995,148.00
Other income	2.14	<u>824,885.00</u>	<u>709,209.00</u>
<b>TOTAL REVENUE</b>		<b><u>6,625,410.00</u></b>	<b><u>32,704,357.00</u></b>
<b>EXPENSES</b>			
(a) Cost of Materials Consumed	2.15	2,096,630.00	2,730,406.00
(b) Purchase of Stock in Trade	2.16	215,001.00	24,408,914.00
(c) Change in Inventories of Finished Goods, Work in Progress and Stock in Trade	2.17	-321,963.00	-898,922.00
(d) Employee Benefit Expenses	2.18	2,452,399.00	2,621,188.00
(e) Finance costs	-	-	-
(f) Depreciation and amortisation expense	2.6	702,505.00	701,724.00
(g) Other expenses	2.19	<u>3,326,025.00</u>	<u>3,401,942.00</u>
<b>TOTAL EXPENSES</b>		<b><u>8,470,597.00</u></b>	<b><u>32,965,252.00</u></b>
<b>PROFIT /(LOSS) BEFORE TAX AND EXCEPTIONAL ITEMS</b>		<b><u>-1,845,187.00</u></b>	<b><u>-260,895.00</u></b>
Exceptional items	-	-	-
<b>PROFIT /(LOSS) BEFORE TAX</b>		<b><u>-1,845,187.00</u></b>	<b><u>-260,895.00</u></b>
<b>Tax expense:</b>			
(a) Current tax expense for current year		-	-
(b) Current tax expense relating to prior years		-	-
(c) Net current tax expense		-	-
(d) Deferred tax		-	-
<b>PROFIT /(LOSS) AFTER TAX</b>		<b><u>-1,845,187.00</u></b>	<b><u>-260,895.00</u></b>
<b>EARNING PER EQUITY SHARE((Equity Shares of Par Value Rs 10/- each)</b>			
(a) Basic		-0.37	-0.05
(b) Diluted		-0.37	-0.05
<b>No. of shares used in computing earning per share</b>			
(a) Basic		4,996,100.00	4,996,100.00
(b) Diluted		4,996,100.00	4,996,100.00

Significant Accounting Policies & Notes on Accounts 1&2

As per our report of even date

For and on behalf of the Board

**For R.G. Jain & Co.**  
Chartered Accountants  
Firm Regn. No 121214W

**Ashok M. Kadakia**  
Chairman

**MSR Ayyangar**  
Managing Director

**Girish Jain**  
Partner  
Membership No. 107416

**Arvind M. Shah**  
Director

**Manoj M. Shah**  
Director

**Vijay K. Agrawal**  
Director

**Ajay I. Bora**  
Additional Director

Place : Mumbai  
Date : 30<sup>th</sup> May 2013

Place : Mumbai  
Date : 30<sup>th</sup> May 2013

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2013**

	2012-2013 (in ₹)	2011-2012 (in ₹)
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit\ ( Loss) before Tax and Extraordinary Items	<b>(1,845,187.00)</b>	<b>(260,895.00)</b>
<b>Adjustments for</b>		
Depreciation	702,505.00	701,724.00
Interest / Dividend Income	(3,181.00)	(2,998.00)
<b>Operating Profit / (Loss) before working Capital changes</b>	<b>(1,145,863.00)</b>	<b>437,831.00</b>
Changes in Working Capital		
Adjustment for (Increase) / Decrease in operating Assets		
Inventories	(1,040,508.00)	(496,793.00)
Trade Receivables	(223,982.00)	(4,292,138.00)
Long term Loans and Advances	(85,475.00)	(4,444.00)
Short term Loans & Advances	838,745.00	(728,497.00)
Adjustment for Increase / (Decrease) in operating Liabilities		
Other Current Liabilities	374,688.00	456,180.00
Trade Payables	1,304,042.00	4,728,327.00
Long term provisions	(263,387.00)	(193,261.00)
Cash generated from operations	(241,740.00)	(92,795.00)
Net Income Tax Paid	0.00	0.00
Cash Flow before extraordinary items	(241,740.00)	(92,795.00)
Extraordinary items	0.00	0.00
Net Cash flow from Operating activities	(241,740.00)	(92,795.00)
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(60,005.00)	(52,790.00)
Investments in Mutual Funds	(3,181.00)	(2,998.00)
Interest / Dividend Received	3,181.00	2,998.00
Net Cash inflow/(out flow) in Investing activities	(60,005.00)	(52,790.00)
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of long term borrowings	0.00	0.00
Net Cash used in financing activities	0.00	0.00
Net (Decrease) \Increase in cash and cash equivalents	(301,745.00)	(145,585.00)
Cash and cash equivalents at the beginning of the period	613,083.00	758,668.00
Cash and cash equivalents as the end of the period	311,338.00	613,083.00

As per our report of even date

For and on behalf of the Board

**For R.G. Jain & Co.**  
**Chartered Accountants**  
**Firm Regn. No 121214W**

**Ashok M. Kadakia**  
**Chairman**

**MSR Ayyangar**  
**Managing Director**

**Girish Jain**  
**Partner**  
**Membership No. 107416**

**Arvind M. Shah**  
**Director**

**Manoj M. Shah**  
**Director**

**Vijay K. Agrawal**  
**Director**

**Ajay I. Bora**  
**Additional Director**

Place : Mumbai  
Date : 30<sup>th</sup> May 2013

Place : Mumbai  
Date : 30<sup>th</sup> May 2013

## 21st ANNUAL REPORT

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### NOTE FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

#### A. Corporate Information

Emmessar Biotech & Nutrition Limited is a public limited company domiciled in India incorporated under the provisions of the Companies Act, 1956. Its shares are listed in the Bombay Stock Exchange. The Company is engaged in manufacturing and marketing Healthcare / pharmaceuticals products and chemicals. The Company caters to both domestic and international markets.

#### A) Significant Accounting Policies followed by the Company are as follows:-

##### 1. Basis of Preparation of Financial Statements:

The financial statements are prepared on the basis of going concern, on the accrual basis of accounting, under the historical cost convention except for revaluation of land, and in accordance with accounting principles generally accepted in India and to comply in all material aspects with the mandatory accounting standards issued by the Institute of Chartered Accountants of India as applicable and the relevant provisions of the Companies Act, 1956. The accounting policies have been consistently applied by the Company and are consistent with those followed in previous year.

##### 2. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets & liabilities and the disclosure of contingent liabilities as at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

##### 3. Inventories:

Raw material and Finished goods are valued at lower of costs or net realizable value. Cost of inventories comprises all cost of purchase, conversions and other costs incurred in bringing the inventories to their present location and condition. Finished goods are valued inclusive of excise duty payable thereon. Provisions for obsolescence / expired goods are made, wherever necessary. Cost is determined by using FIFO method.

##### 4. Cash and Cash Equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less from the date of purchase, to be cash equivalents.

##### 5. Cash Flow Statement

Cash flow is reported using indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non – cash

nature any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

##### 6. Revenue Recognition:

Sales are recognized, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Service revenue is recognized as per terms of contract. Sales include amount recovered towards Excise Duty but exclude, Central Sales Tax, Value Added Tax & Courier Charges and in case of Export Sales exclude amounts recovered towards insurance and freight.

##### 7. Fixed Assets:

Fixed Assets are stated at cost except for revaluation of Land, less accumulated depreciation. The cost of fixed assets includes freight and other incidental expenses related to the acquisition and installation of the respective assets and excludes Cenvat and MVAT, if any. Interests on borrowings for the purpose of acquiring Fixed Assets are also added to the cost of acquisition until the use thereof for Commercial Production.

Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of either net book value or net realizable value and are disclosed separately in the financial statements. Any expected loss is recognized in the Profit and Loss account as "Diminution in Fixed Assets".

##### 8. Depreciation:

Depreciation on Fixed Assets is provided on Straight Line Method at the applicable rates and in the manner as prescribed in Schedule XIV to the Companies Act, 1956, which management considers as being representative of the useful economic lives of such assets.

Depreciation on addition / deletion of Fixed Assets made during the year is provided on pro-rata basis from / up to the date of such addition / deletion, as the case may be. Assets under construction are not depreciated.

##### 9. Impairment of Assets:

The Company assesses at each Balance Sheet date where there is any indication that any assets may be impaired and if such indication exists, the carrying value of such assets is reduced to its estimated recoverable amount and a provision is made for such impairment loss in the Profit and Loss Account. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

##### 10. Foreign Currency Transactions and Translations

Transactions denominated in foreign currency are



recorded at the exchange rate prevailing on the date of relevant transaction.

Translation of all foreign currency denominated monetary Current Assets & Current Liabilities as at 31st March 2013 are translated at exchange rates prevailing as on the same date. Exchange difference arising on restatement or settlement is charged to the Statement of Profit and Loss.

#### 11. Investments

Long Term Investments are stated at cost of acquisition and related expenses. Provision is made to recognize a diminution, other than temporary, in the value of investments. Current Investments are carried individually at lower of cost and fair value.

#### 12. Employee Benefit:

##### A. Short Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, and performance incentive paid annual leave, bonus, leave travel assistance, medical allowance, contribution to provident fund etc. recognized as actual amounts due in period in which the employee renders the related services.

##### B. Post –employment benefits

###### a) Defined Contribution plan

Payment made to defined contribution plans such as Provident fund is charged as expenses as they fall due.

###### b) Defined Benefit Plan

The cost of providing benefits i.e. gratuity is determined using the Projected Unit Credit Method, with actuarial valuation carried out as at the balance sheet date. Actuarial gain and losses are recognized immediately in the Statement of Profit & Loss.

#### 13. Insurance

Wherever considered necessary, the Company covers all the normal risks on the basis of estimated values of its assets. The premium pertaining to the year is charged against revenue of the year. Insurance claims are accounted as and when admitted as due by the Insurance Company.

#### 14. Research and Development Cost

All revenue expenses pertaining to Research and Development are charged to the Profit and Loss Account under the normal and natural heads of account under which they are incurred; hence no amount can be quantified separately under the head of R & D Cost. The expenditure of capital nature on R & D is capitalized as fixed assets, and depreciated as per the Company's policy.

#### 15. Segment Reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organization and management structure.

The operating segments are the segments for which separate financial information is available and for which operating profit/ loss amounts are evaluated regularly by the management.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue/ expenses/ assets / liabilities".

#### 16. Taxation

Income Tax expense comprises current tax (i.e. Amount of Income tax for the period determined in accordance with the Income Tax law), deferred tax charge or credit (reflecting the tax effect of timing differences between accounting income and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred Tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realisation of the assets. Deferred tax assets are reviewed at each Balance Sheet date and written down or written up to reflect the amount that is reasonable / virtual certain (as the case may be) to be realized.

#### 17. Earnings per share

Basic earnings per share are computed by dividing the net profit or loss for the year attributable to equity share holders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity share holders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

#### 18. Provisions, Contingent Liabilities and Contingent Assets

Provision is recognized only when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation in the respect of which a reliable estimate can be made based on technical evaluation and past experience. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

## 21st ANNUAL REPORT

### 2 NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2013

Particulars	As at 31.3.2013 (in ₹)	As at 31.3.2012 (in ₹)
<b>2.1 SHARE CAPITAL</b>		
<b>Authorised :</b>		
Equity shares of ₹10/- Par Value 54,00,000 (P.Y. 54,00,000) Equity Shares	54,000,000.00	54,000,000.00
	<u>54,000,000.00</u>	<u>54,000,000.00</u>
<b>Issued, Subscribed and Paid up :</b>		
Equity shares of ₹10/- Par Value 49,96,100 (P.Y. 49,96,100) Equity Shares fully paid up	49,961,000.00	49,961,000.00
* includes 4,98,000 Equity Shares of ₹10/- each allotted as Bonus Shares by capitalising Revaluation Reserve in the year 1994		
	<u>49,961,000.00</u>	<u>49,961,000.00</u>

- a) The Company has only one class of shares referred to as Equity Shares having a par value of Rs 10/- each. Each holder of Equity Share is entitled to one vote per share.
- b) The Company has not declared any Dividend as it has accumulated Losses.
- c) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders

**d) Share Reconciliation**

The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2013 and March 31, 2012 is set out below:

Particulars	As At 31st March 2013		As At 31st March 2012	
	No. of Shares	Amount	No. of Shares	Amount
Number of Shares at the Beginning	4,996,100	49,961,000.00	4,996,100	49,961,000.00
Add :- Addition During the Year	0	0	0	0
Number of Shares at the End	<u>4,996,100</u>	<u>49,961,000.00</u>	<u>4,996,100</u>	<u>49,961,000.00</u>

**e) List of Shareholders holding more than 5% of the Total Number of Shares issued by the Company-**

Name of the Shareholder	As At 31st March 2013		As At 31st March 2012	
	No. of Shares	% of Holding	No. of Shares	% of Holding
M.S.Raghavan	265553	5.32	232,350	4.65
Emmessar Technologies Ltd	752361	15.06	713,226	14.28
Manar Leasing & Investment Pvt Ltd	528000	10.57	528,000	10.57
Amu Investment & Finance Pvt Ltd	260000	5.20	260,000	5.20
Heena M Shah	268000	5.36	268,000	5.36

**2.2 RESERVES AND SURPLUS**

Revaluation Reserve As per Last Balance Sheet	638,900.00	638,900.00
	<u>638,900.00</u>	<u>638,900.00</u>
(Deficit) in the Statement of Profit & Loss		
Opening Balance	-29,238,692.00	-28,977,797.00
Surplus / (Deficit) for the year	-1,845,187.00	-260,895.00
Closing Balance	<u>-31,083,879.00</u>	<u>-29,238,692.00</u>
	<u>-30,444,979.00</u>	<u>-28,599,792.00</u>



**NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2013**

Particulars	As at 31.3.2013 (in ₹)	As at 31.3.2012 (in ₹)
<b>2.3 LONG TERM PROVISIONS</b>		
Provision for Employee Benefits		
Gratuity	336,263.00	599,650.00
	<b>336,263.00</b>	<b>599,650.00</b>
<b>2.4 TRADE PAYABLE</b>		
Micro, Small & Medium Enterprises	-	-
Other Trade Payable	28,172,400.00	26,868,358.00
	<b>28,172,400.00</b>	<b>26,868,358.00</b>
<p>There is no amount due to Micro , Small Enterprises and Medium Enterprises Development Act, 2006. Further no Interest is paid/ payable in terms of Sec 16 of the said Act. The Information regarding dues to Micro , Small and Medium Enterprises are given to the extent such parties have been identified on the basis of information available with the Company.</p>		
<b>2.5 OTHER CURRENT LIABILITIES</b>		
Accrued Payroll	153,641.00	235,842.00
Accrued Expenses	41,854.00	44,824.00
<b>Other Liabilities</b>		
Payable to Statutory Authorities	188,893.00	122,972.00
Gratuity	677,098.00	392,762.00
Advance From Customers	125,463.00	15,861.00
	<b>1,186,949.00</b>	<b>812,261.00</b>

**2.6 FIXED ASSETS**

A. Tangible assets	GROSS BLOCK (COST)				DEPRECIATION				NET BLOCK	
	"Balance as at 1 April, 2012"	Additions	Disposals	As at 31.3.2013	Balance as at 1.4.2012	For the year	Deductions/ adjustments	Up to 31.3.2013	As at 31.3.2013	As at 31.3.2012
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
(a) Leasehold Land	8871300.00	0.00	0.00	8871300.00	0.00	0.00	0	0	8871300.00	8871300.00
(b) Buildings	20355452.00	0.00	0.00	20355452.00	10354415.00	674186.00	0	11028601	9326851.00	10001037.00
(c) Plant and Machinery	0.00	26200.00	0.00	26200.00	0.00	986.00	0	986	25214.00	0.00
(d) Furniture and Fixtures	595660.00	0.00	0.00	595660.00	589174.00	6385.00	0	595559	102.00	6486.00
(f) Office equipment	1130419.00	33805.00	0.00	1164224.00	1010233.00	20948.00	0	1031181	133043.00	120186.00
Total A	30952831.00	60005.00	0.00	31012836.00	11953822.00	702505.00	-	12,656,327	18356510.00	18999009.00
<b>B. Intangible assets</b>										
Trademarks	-	-	-	-	7,000.00	-	-	7,000.00	0.00	0.00
<b>Total(A+B)</b>	<b>30,952,831.00</b>	<b>60,005.00</b>	<b>-</b>	<b>31,012,836.00</b>	<b>11,960,822.00</b>	<b>702,505.00</b>	<b>-</b>	<b>12,663,327.00</b>	<b>18356510.00</b>	<b>18999009.00</b>
Previous year	30,907,041.00	52,790.00	-	30,959,831.00	11,259,098.00	788,121.00	385,680.00	11,259,098.00	18,999,009.00	0.00

Registration is pending for 2 residential flats included in buildings.



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### NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2013

Particulars	As at 31.3.2013 (in ₹)	As at 31.3.2012 (in ₹)
<b>2.7 LONG TERM LOANS &amp; ADVANCES</b>		
Unsecured, Considered good		
Security Deposits	46,010.00	46,010.00
Balance with Government Authorities		
Vat Credit receivables	183,874.00	177,865.00
Tax Deducted at Source	213,150.00	143,684.00
Other Loans & Advances	55,000.00	45,000.00
	<u>498,034.00</u>	<u>412,559.00</u>
<b>2.8 CURRENT INVESTMENTS</b>		
Unquoted ( At Lower of Cost or Fair Value)		
In Mutual Fund		
Dividend option SBI Magnum Insta Cash Fund	50,020.00	46,839.00
	<u>50,020.00</u>	<u>46,839.00</u>
Net asset value	50,020.00	46,839.00
<b>2.9 INVENTORIES</b>		
( At Lower of Cost or Net Realisable Value)		
Raw Materials	1,149,412.00	430,867.00
Work in Progress	-	-
Finished Goods	1,722,709.00	1,084,697.00
Stock in Trade	-	316,049.00
	<u>2,872,121.00</u>	<u>1,831,613.00</u>
<b>2.10 TRADE RECEIVABLES</b>		
Unsecured , Considered Good		
Debts outstanding for a period Exceeding Six Month	26,228,712.00	26,247,553.00
Other Debts	586,398.00	343,575.00
	<u>26,815,110.00</u>	<u>26,591,128.00</u>
<b>Provision for doubtful debts</b>		
Periodically, the Company evaluates all customer dues to the Company for collectability. The need for provisions is assessed based on various factors including collectability of specific dues ,risk perceptions of the industry in which the customer operates general economic factors, which could affect the customer's ability to settle. The Company normally provides for debtor where ascertainity of recoverablity is very less. The Company pursues the recovery of the dues, in part or full.		
<b>2.11 CASH AND CASH EQUIVALENTS</b>		
Balance with Banks		
In Current Account	306,753.00	611,437.00
Cash on Hand	4,584.00	1,646.00
	<u>311,337.00</u>	<u>613,083.00</u>



**NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2013**

<b>Particulars</b>	<b>As at 31.3.2013 (in ₹)</b>	<b>As at 31.3.2012 (in ₹)</b>
<b>2.12 SHORT TERM LOANS &amp; ADVANCES</b>		
<b>Unsecured, Considered Good</b>		
Loans & Advances to related parties	-	812,924.00
<b>(Refer Note No2.24)</b>		
<b>Balance with Government Authorities</b>		
Cenvat Credit receivables	170,074.00	39,728.00
Export Duty receivables	-	211,233.00
Loans & Advance to Employees		
<b>Advance to Staff</b>	<b>28,883.00</b>	<b>20,000.00</b>
Others		
<b>Prepaid Expenses</b>	<b>87,155.00</b>	<b>39,828.00</b>
Advance to Suppliers	22,389.00	23,533.00
	<u>308,501.00</u>	<u>1,147,246.00</u>

<b>Particulars</b>	<b>Year Ended 31.3.2013 (in ₹)</b>	<b>Year Ended 31.3.2012 (in ₹)</b>
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**2.13 REVENUE FROM OPERATIONS**

Manufactured Goods	5,669,018.00	7,388,762.00
Traded Goods	367,221.00	25,005,400.00
	<u>6,036,239.00</u>	<u>32,394,162.00</u>
Details of the Products Sold		
Manufactured Goods		
Healthcare Products	5,034,184.00	3,857,262.00
Fine Chemicals	634,834.00	3,531,500.00
	<u>5,669,018.00</u>	<u>7,388,762.00</u>
Traded Goods		
Healthcare	367,221.00	1,172,828.00
Generics	-	23,832,572.00
	<u>367,221.00</u>	<u>25,005,400.00</u>

**2.14 OTHER INCOME**

Licence Fee/ Compensation	814,625.00	694,436.00
Interest Income	-	11,775.00
Dividend Income	3,181.00	2,998.00
Miscellaneous Income	7,079.00	-
	<u>824,885.00</u>	<u>709,209.00</u>

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### NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2013

Particulars	Year Ended 31.3.2013 (in ₹)	Year Ended 31.3.2012 (in ₹)
<b>2.15 COST OF MATERIALS CONSUMED</b>		
<b>Raw Materials, Process Chemicals &amp; Packing Materials Consumed</b>		
Opening Stock	430,867.00	832,996.00
Add: Purchases	2,815,175.00	2,328,277.00
	<u>3,246,042.00</u>	<u>3,161,273.00</u>
Less: Closing Stock	1,149,412.00	430,867.00
<b>Cost of Materials Consumed</b>	<u><b>2,096,630.00</b></u>	<u><b>2,730,406.00</b></u>
<b>Details of Raw Materials Consumed:</b>		
Solvents	911,640.00	1,123,410.00
Oxidising Substances	293,600.00	411,978.00
Inorganic Salts	350,835.10	468,775.00
Others	540,554.90	726,243.00
	<u><b>2,096,630.00</b></u>	<u><b>2,730,406.00</b></u>
<b>2.16 PURCHASE OF TRADED GOODS</b>		
Generic Pharmaceuticals	-	23,822,750.00
Healthcare Products	215,001.00	586,164.00
	<u><b>215,001.00</b></u>	<u><b>24,408,914.00</b></u>
<b>2.17 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS &amp; STOCK IN TRADE</b>		
Inventories at the end of the year		
Finished Goods \ Stock in Trade	1,722,709.00	1,400,746.00
Inventories at the beginning of the year		
Finished Goods \ Stock in Trade	1,400,746.00	501,824.00
	<u><b>321,963.00</b></u>	<u><b>898,922.00</b></u>
Detail of Inventories Finished Goods \ Stock in Trade		
Health Care Products	1,240,685.00	1,266,746.00
Fine Chemicals	482,024.00	134,000.00
	<u><b>1,722,709.00</b></u>	<u><b>1,400,746.00</b></u>
<b>2.18 EMPLOYEE BENEFIT EXPENSES</b>		
Salaries,Wages & Bonus etc	2,224,399.00	2,383,671.00
Contributions to Provident & Other funds	87,502.00	104,748.00
Staff Welfare Expenses	140,498.00	132,769.00
	<u><b>2,452,399.00</b></u>	<u><b>2,621,188.00</b></u>

**NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012**

<b>Particulars</b>	<b>Year Ended 31.3.2013 (in ₹)</b>	<b>Year Ended 31.3.2012 (in ₹)</b>
<b>2.19 OTHER EXPENSES</b>		
Processing Charges	1,091,138.00	1,013,156.00
Power & Fuel	72,703.00	49,116.00
Excise Duty on Stock #	59,751.00	51,000.00
Freight, Clearing & Forwarding Charges	133,972.00	249,331.00
Advertisement	75,632.00	82,902.00
Auditor's Remuneration (Refer Note 2.20)	56,180.00	56,180.00
Bank Charges	19,999.00	27,302.00
Office Rent	100,000.00	100,000.00
Rates & Taxes	34,300.00	7,200.00
Insurance	94,536.00	45,466.00
Repairs and Maintenance- Others	30,078.00	84,222.00
Marketing & Sales Promotion Expenses	26,702.00	114,124.00
Printing & Stationery	57,436.00	60,454.00
Travelling & Conveyance	233,978.00	114,529.00
Listing fees with Stock exchange	16,854.00	16,545.00
Communication Expenses	307,594.00	243,546.00
Depository Connectivity Charges	6,741.00	6,618.00
Professional Charges	147,209.00	82,396.00
Exchange Loss on Foreign currency Transaction \ Transalation	37,065.00	256,059.00
Registrar& Share Transfer Agents Fees	111,246.00	109,197.00
Service charges of MIDC	241,173.00	198,129.00
Internet & Website Expenses	60,071.00	114,325.00
Bad Debts written off	-	57,898.00
Miscellaneous Expenses	311,667.00	262,247.00
	<b>3,326,025.00</b>	<b>3,401,942.00</b>
<b># Excise duty shown under expenditure represents the aggregate of excise duty borne by the Company and difference between excise duty on opening &amp; closing stock of finished goods.</b>		
<b>2.20 PAYMENT TO AUDITORS</b>		
Audit Fees	25,000.00	25,000.00
Tax Audit Fees	13,000.00	13,000.00
Certifications fees	12,000.00	12,000.00
Service Tax	6,180.00	6,180.00
	<b>56,180.00</b>	<b>56,180.00</b>
<b>2.21 COMMITMENTS &amp; CONTINGENT LIABILITIES</b>		
a) Estimated Amount of Contract remains to be executed and not provided for in the accounts ( Net of Payments Made) in respect of Capital Assets	<b>NIL</b>	<b>NIL</b>
b) Claims against the Company not acknowledges as Debts	<b>NIL</b>	<b>NIL</b>

## 21st ANNUAL REPORT

### NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2013

Particulars	Year Ended 31.3.2013 (in ₹) Gratuiy	Year Ended 31.3.2012 (in ₹) Gratuiy
<b>2.22 DISCLOSURE IN ACCORDANCE WITH ACCOUNTING STANDARDS AS NOTIFIED BY THE COMPANIES (ACCOUNTING STANDARDS) RULES, 2006.</b>		
<b>Accounting Standard (AS) - 15 on "Employee Benefits:</b>		
<b>i. Defined Contribution Plans:</b>		
The Company has recognised the following amounts in the Profits and Loss Account for the year:		
(i) Contribution to Employees' Provident Fund	<u>87,502.00</u>	104,748.00
Total:	<u>87,502.00</u>	<u>104,748.00</u>
<b>ii. Defined Benefit Plans:</b>		
(i) Gratuity is payable to all the members at the rate of 15 days salary for each year of service.		
<b>A. Changes in the Present Value of Obligation in respect of Gratuity Benefits</b>		
a) Obligation at the year beginning	992,412.00	963,746.00
b) Interest Cost	74,629.00	79,027.00
c) Past Service Cost	-	-
d) Current Service Cost	39,452.00	104,312.00
e) Past Service Cost - Vested Benefit	-	-
f) Current Cost / (Credit)	-	-
g) Settlement Cost / (Credit)	-	-
h) Benefits Paid	-228,848.00	-44,993.00
i) Actuarial (Gain) / Loss	135,716.00	-109,680.00
j) Obligation at the year end	1,013,361.00	992,412.00
<b>B. Expenses recognised in the Profit and Loss Statement in respect of Gratuity Benefits</b>		
a) Current Service Cost	39,452.00	59,319.00
b) Past Service Cost	-	-
c) Interest Cost	74,629.00	79,027.00
d) Past Service Cost - Vested Benefit	-	-
e) Curtailment Cost / (Credit)	-	-
f) Settlement Cost / (Credit)	-	-
g) Net Actuarial (Gain) / Loss	-	-
h) Employees' Contribution	135,716.00	-109,680.00
i) Total Expenses recognised in Profit and Loss Statement	249,797.00	28,666.00
<b>C. Following are the Principal Actuarial Assumption used as at the Balance Sheet date:</b>		
a) Discount Rate	8.50	8.00
b) Salary Escalation rate	0.10	0.10
c) Turnover Rate	0.10	0.10
d) Mortality Table	LIC 1994-96 Ultimate Table	LIC 1994-96 Ultimate Table

The estimation of future salary increases considered in Acturial Valuation takes account of infalction, seniority promotions, and other relevant factor on long term basis.

**NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2013****D. Other Long Term Benefits**

The Company's does not have any other Long Term benefits

**2.23 Accounting Standard (AS-17) "Segment Reporting":**

The Company has identified business segments as its primary segment. Business segments are primarily Healthcare and Fine Chemicals Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Fixed assets that are used interchangeably amongst segments are not allocated to primary segments.

Particulars - for the year ended March 31, 2013

<b>Business Segments</b>	<b>Healthcare</b>	<b>Fine chemicals</b>	<b>Total (₹)</b>
Revenue	5235525	565000	5,800,525.00
Segment Result	3,093,000.00	-285,000.00	2,808,000.00
Unallocable expenses (Net)	-	-	5,478,072.00
Operating Income	-	-	-2,670,072.00
Other Income (Net)	-	-	824,885.00
Profit before taxes	-	-	-1,845,187.00
Tax expenses	-	-	-
Net profit for the year	-	-	-1,845,187.00
Segment Assets	1,481,914.00	1,390,206.00	2,872,120.00
Unallocable Assets	-	-	46739113
Total Assets	-	-	49,611,233.00
Segment liabilities	27,141,400.00	1,031,000.00	28,172,400.00
Unallocable liabilities	-	-	21,438,833.00
Total liabilities	-	-	49,611,233.00

**2.24 Accounting Standard (As-18) " Related Party Disclosures":**

- a) Entities in which the Company has substantial Interest  
Emmessar Technologies Limited
- b) Key Management Personnel and their relatives
  - i) MSR Ayyangar - Managing Director
  - ii) A.V.Vardharajan - Executive Director ( Worked upto January 2013)
  - iii) A.V. Saranagarjan - Brother of A.V. Vardharanjan( Worked upto October 2012)
  - iv) Vasudevan Raghavan - Son of MSR Ayyangar (Worked upto August 2012)

**Details of the transactions with above parties**

Financial transactions have been carried out in the ordinary course of business and/ or in discharge of contractual obligations

<b>Transaction During the year</b>	<b>With parties referred to in a(i)</b>		<b>With parties referred to in b(i) (ii) (iii) (iv)</b>	
	<b>2012-2013</b>	<b>2011-2012</b>	<b>2012-2013</b>	<b>2011-2012</b>
Purchases	Nil	44,100.00	Nil	Nil
Sales	729715.00	-	Nil	Nil
Advance Given	121,177	1,112,924.00	Nil	Nil
Advance Repaid	812924.00	300,000.00	Nil	Nil
Remuneration **	Nil	Nil	1,113,313.00	1,315,464.00

## 21st ANNUAL REPORT

### NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2013

Note :-

<b>**Remuneration</b>	<b>2012-2013</b>	<b>2011-2012</b>
i) MSR Ayyangar	609360	609,360.00
ii) A.V.Vardharajan	310360	305,232.00
iii) A.V. Saranagarajan	114500	200,436.00
iv) Vasudevan Raghavan	79093	200,436.00
	<b>1113313</b>	<b>1,315,464.00</b>

2.25 The Company has incurred net loss during the year and it has also brought forward unabsorbed depreciation and business loss from previous years as per books of account as well as under the Income Tax Act, 1961. In view thereof no provision for Income Tax including Minimum Alternate Tax on Book Profits has been made in the accounts. However net Deferred Tax Asset has not been recognised, as there is uncertainty of the realization thereof in the future.

2.26 Due to/ from parties are subject to confirmation.

2.27 In the opinion of the Board all the current Assets, Loans and Advances deposits are realisable at value stated in ordinary course of business which are atleast equal to the amount at which they are stated in the books unless otherwise stated.

2.28 As no dividend has been declared during the current year as well as previous year, the Company has not remitted any dividend in foreign currency to its non resident shareholders during the current year as well as previous year.

2.29 Value of Imports on CIF Basis

<b>Particulars</b>	<b>Year Ended 31.3.2013</b>	<b>Year Ended 31.3.2012</b>
	<b>(in ₹)</b>	<b>(in ₹)</b>
Raw Materials	<b>0.00</b>	-
Other Materials	<b>0.00</b>	-
Total	<b>0.00</b>	-

2.30 Calculation of Earnings per share as per Accounting Standard (AS 20)

<b>Particulars</b>	<b>Year Ended 31.3.2013</b>	<b>Year Ended 31.3.2012</b>
	<b>(in ₹)</b>	<b>(in ₹)</b>
Net Profit for the year (₹)	<b>-1,845,187.00</b>	-260,895.00
No of Equity Shares outstanding at the begning of the year	<b>4,996,100.00</b>	4,996,100.00
No. of Equity Shares outstanding at the end of the year	<b>4,996,100.00</b>	4,996,100.00
Weighted Average Number of Equity Shares	<b>4,996,100.00</b>	4,996,100.00
Nominal Value per Share	<b>10.00</b>	10.00
<b>Basic and Diluted (EPS)</b>	<b>-0.37</b>	<b>-0.05</b>

2.31 Earnings in Foreign Exchange

Export of Goods (FOB Value)	<b>3,507,901.00</b>	5,583,361.00
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**NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2013**

2.32 Expenditure in Foreign Currency

<b>Particulars</b>	<b>Year Ended 31.3.2013 (in ₹)</b>	<b>Year Ended 31.3.2012 (in ₹)</b>
Imports / Other Expenditure	NIL	NIL

2.33 Details of Consumption of Imported & Indigenous Items

<b>Particulars</b>	<b>2012-2013</b>		<b>2011-2012</b>	
	<b>Value in ₹</b>	<b>% of Total Consumption</b>	<b>Value in ₹</b>	<b>% of Total Consumption</b>
<b>Raw Material</b>				
Imported	-	-	-	-
Indigenous	<b>2096630.00</b>	<b>100</b>	2,730,406.00	100
<b>Total</b>	<b>2,096,630.00</b>	<b>100</b>	2,730,406.00	100

2.34 Previous year figures have been regrouped/ reclassified to correspond with the current year classification \ disclosure.

As per our report of even date

**For R.G. Jain & Co.  
Chartered Accountants  
Firm Regn. No 121214W**

**Girish Jain  
Partner  
Membership No. 107416**

Place : Mumbai  
Date : 30<sup>th</sup> May 2013

For and on behalf of the Board

**Ashok M. Kadakia  
Chairman**

**Arvind M. Shah  
Director**

**Vijay K. Agrawal  
Director**

Place : Mumbai  
Date : 30<sup>th</sup> May 2013

**MSR Ayyangar  
Managing Director**

**Manoj M. Shah  
Director**

**Ajay I. Bora  
Additional Director**

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## Emmessar Biotech & Nutrition Ltd

Regd. Office: T-3/2, MIDC Area, Talaja - 410 208, Dist. Raigad, Maharashtra.

### PROXY FORM

Reg. Folio No. \_\_\_\_\_

I/We \_\_\_\_\_  
of \_\_\_\_\_ in the District of \_\_\_\_\_  
being a member/members of the above Company appoint\* \_\_\_\_\_  
of \_\_\_\_\_ in the District of \_\_\_\_\_ or failing him  
\_\_\_\_\_ of \_\_\_\_\_ in the District of \_\_\_\_\_ as my/our proxy  
to vote for me/us on my/our behalf at the Twenty First Annual General Meeting of the Company to be held at T-3/2,  
MIDC Area, Talaja, Dist. Raigad, Maharashtra, at 11 hrs. on 24<sup>th</sup> September, 2013.

Signed this \_\_\_\_\_ day of \_\_\_\_\_

#### Note:

#### Signature

This form duly completed and signed should be deposited at  
the Registered Office of the Company at least 48 hours before  
the time of the meeting.



## Emmessar Biotech & Nutrition Ltd

Regd. Office: T-3/2, MIDC Area, Talaja - 410 208, Dist. Raigad, Maharashtra.

### **ATTENDANCE SLIP**

To be signed and handed over at the Entrance of the Meeting Hall  
(TO BE FILLED IN BLOCK LETTERS)

Full Name of the Member attending \_\_\_\_\_

Full Name of the First Joint-Holder \_\_\_\_\_

(To be filled in if the first-named joint-holder does not attend the meeting)

Name of the Proxy \_\_\_\_\_

(To be filled in if proxy form has been duly deposited with the Company)

I hereby record my presence at the Twenty First Annual General Meeting of the Company to be held at: T-3/2, MIDC  
Area, Talaja, Dist. Raigad, Maharashtra, at 11 hrs. on 24<sup>th</sup> September, 2013.

Regd. Folio No. \_\_\_\_\_

No. of Shares held \_\_\_\_\_

\_\_\_\_\_  
Members'/Proxy's Signature  
(To be signed at time of  
handing over this slip)



## BOOK - POST

TO,

*If undelivered please return to :*

**EMMESSAR BIOTECH & NUTRITION LTD.**

29, KAMER BUILDING, 4TH FLOOR,

38, CAWASJI PATEL STREET, FORT,

MUMBAI 400 001.