

# Emmessar Biotech & Nutrition Ltd.



22<sup>nd</sup> ANNUAL REPORT

2013 - 2014

**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. Ajay I. Bora  
Dr. Anuradha Raghavan (Additional Director w.e.f 12.08.2013)  
Dr. Sarada Raghavan (Additional Director w.e.f 12.08.2013)

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**AUDITORS**

V. Sankar Aiyar & Co.,  
Chartered Accountants  
2-C, Court Chambers  
35, New Marine Lines,  
Mumbai - 400 020.

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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 : 91-22-66356209/10/11  
Fax : 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 Second 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 Thursday, the 18<sup>th</sup> of September, 2014 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 2014, the Balance Sheet as at that date and the Auditors' Report thereon.
2. To appoint a Director in place of Mr. Vijay K. Agrawal, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Manoj M. Shah, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Dr. Anuradha S. Raghavan, who was appointed as an additional Director of the company and being eligible offers herself for reappointment.
5. To appoint a Director in place of Dr. Sarada S. Raghavan, who was appointed as an additional Director of the company and being eligible offers herself for reappointment.  
To Consider and if thought fit to pass with or without modifications the following resolution.
6. 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. Sankar Aiyar & Co, Chartered Accountants, retiring Auditors of the Company, be and are hereby re-appointed Auditors of the Company, to hold office from the conclusion of this meeting up to the conclusion of the next Annual General Meeting of the Company".

**Resolved Further** that M/s. V. Sankar Aiyar & Co, Chartered Accountants, be paid for the financial year 2014 – 2015, such remuneration as may be mutually agreed upon.

By Order of the Board

For **Emmessar Biotech & Nutrition Ltd**

Place: Mumbai

**Ashok M. Kadakia**

Date: 22nd May 2014

**Chairman**

### Notes

1. 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.
  - a. 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.
2. 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. **S h a r e h o l d e r s** holding shares in dematerialised form shall address their communication to their respective depository participant only.
- 3) **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.**
- 4) The Directors who retire by rotation and being eligible for re-appointment are deemed to be interested in the resolution concerning them.
- 5) The Register of Members will remain closed from 11<sup>th</sup> September 2014 to 18<sup>th</sup> September 2014, both days inclusive.
- 6) Any queries regarding Accounts should be communicated in writing at the Registered office of the company at least seven days in advance before the date of the Annual General Meeting.
- 7) The Company's shares are listed at BSE Ltd.
8. Electronic copy of the Notice of the 22<sup>nd</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting alongwith the Attendance Slip & Proxy Form is being sent to all the members whose email IDs are registered with the Company / Depository Participants for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 22<sup>nd</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting alongwith the Attendance Slip & Proxy Form is being sent in the permitted mode.

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### 9. Voting through electronic means

I In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 22<sup>nd</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Ltd (CDSL):

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

A. 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 the Electronic Voting Sequence Number – "EVSN" alongwith "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now enter your User ID (for CDSL-16 digits Beneficiary ID & for NSDL-8 Character DP ID followed by 8 digit Client ID. Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
- (v) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and casted your vote earlier for EVSN of any company, then your existing password is to be used. If you are a first time user follow the steps given below.
- (vi) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)	
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.	

\* 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 last 8 digits of the demat account/folio number in the PAN field.

# Please enter any one of the details in order to login. In case either of the details are not recorded with the depository please enter the the first two letters of your name and the last 8 digits of the demat account/folio number in the PAN field.

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) Members holding shares in physical form will then reach directly the EVSN 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.

ix For Members holding shares in physical form, the details can be used only for e-Voting on the resolutions contained in this Notice.

x Click on the relevant EVSN on which you choose to vote.

xi 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.

xii Click on the "resolutions File Link" if you wish to view the entire Resolutions.

xiii 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.

xiv Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xv You can also take out a print of the voting done by you by clicking on "Click here to print" option on the Voting page.



- xvi If the Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
- xvii Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then 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.
- B. In case of members receiving the physical copy:  
Please follow all steps from Sl. No. (i) to Sl. No. (xvii) above to cast vote.
- C. The voting period begins on Saturday, September 13, 2014 at 10.00 a.m. and ends on Monday, September 15, 2014 at 5.30 p.m. During this period shareholder's of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date September 10, 2014 (end of the day), may cast their vote electronically. The e-Voting module shall be disabled by CDSL for voting thereafter.
- D. In case you have any queries or issues regarding e-Voting, you may refer the Frequently Asked Questions ("FAQ") 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).
- E. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of September 10, 2014.
- F. Mr. Dinesh Kumar Deora, Practising Company Secretary (Membership No. FCS 5683 COP 4119) has been appointed as the Scrutinizer to scrutinize the e-Voting process in a fair and transparent manner.
- G. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-Voting period unblock the votes in the presence of witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- H. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website [www.ebni.co.in](http://www.ebni.co.in) and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges, where the shares are listed.
10. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10.00 a.m. to 5.30 p.m.) on all working days except second half of 2<sup>nd</sup> and 4<sup>th</sup> Saturdays, up to and including the date of the Annual General Meeting of the Company.

By Order of the Board

For **Emmessar Biotech & Nutrition Ltd**

Place: Mumbai  
Date: 22<sup>nd</sup> May 2014

**Ashok M. Kadakia**  
Chairman

**NOTICE**  
**TWENTY SECOND ANNUAL GENERAL MEETING**

Notice is hereby given that the **Twenty Second 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, Talaja, Dist. Raigad on Thursday, the 18<sup>th</sup> of September, 2014 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 2014, the Balance Sheet as at that date and the Auditors' Report thereon.
2. To appoint a Director in place of Mr. Vijay K. Agrawal, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Manoj M. Shah, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Dr. Anuradha S. Raghavan, who was appointed as an additional Director of the company and being eligible offers herself for reappointment.
5. To appoint a Director in place of Dr. Sarada S. Raghavan, who was appointed as an additional Director of the company and being eligible offers herself for reappointment.
6. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

for EMESSAR BIOTECH & NUTRITION LTD

Ashok M. Kadakia  
Chairman

Place: Mumbai.

Date : 22.05.2014

**Notes:**

1. 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. 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.
2. 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. Shareholders holding shares in dematerialised form shall address their communication to their respective depository participant only.
3. **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.**
4. The Directors who retire by rotation and being eligible for re-appointment are deemed to be interested in the resolution concerning them.
5. The Register of Members will remain closed from 11<sup>th</sup> September 2014 to 18<sup>th</sup> September 2014, both days inclusive.
6. Any queries regarding Accounts should be communicated in writing at the Registered office of the company at least seven days in advance before the date of the Annual General Meeting.
7. The Company's shares are listed at BSE Ltd.
8. Electronic copy of the Notice of the 22<sup>nd</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting alongwith the Attendance Slip & Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants for communication purposes unless any member has requested for a hard copy of the same. For



members who have not registered their email address, physical copies of the Notice of the 22<sup>nd</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting alongwith the Attendance Slip & Proxy Form is being sent in the permitted mode.

**9. Voting through electronic means**

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

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  - (i) Log on to the e-Voting website: [www.evotingindia.com](http://www.evotingindia.com)
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  - (iii) Now, select the Electronic Voting Sequence Number – "EVSN" alongwith "COMPANY NAME" from the drop down menu and click on "SUBMIT"
  - (iv) Now enter your User ID (for CDSL-16 digits Beneficiary ID & for NSDL-8 Character DP ID followed by 8 digit Client ID. Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
  - (v) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and casted your vote earlier for EVSN of any company, then your existing password is to be used. If you are a first time user follow the steps given below.

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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.	

- \* 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 last 8 digits of the demat account/folio number in the PAN field.
- \* In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters.e.g. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the EVSN 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.
- ix For Members holding shares in physical form, the details can be used only for e-Voting on the resolutions contained in this Notice.



## 22nd ANNUAL REPORT

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- x Click on the relevant EVSN on which you choose to vote.
- xi 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.
- xii Click on the "resolutions File Link" if you wish to view the entire Resolutions.
- xiii 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.
- xiv Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
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- xvi If the Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
- xvii Institutional shareholders ( i.e. other than individuals, HUF, NRI etc. ) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then 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.
- B. In case of members receiving the physical copy:  
Please follow all steps from Sl. No. (i) to Sl. No. (xvii) above to cast vote.
- C. The voting period begins on Saturday, September 13, 2014 at 10.00 a.m. and ends on Monday, September 15, 2014 at 5.30 p.m. During this period shareholder's of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date September 11, 2014 (end of the day), may cast their vote electronically. The e-Voting module shall be disabled by CDSL for voting thereafter.
- D. In case you have any queries or issues regarding e-Voting, you may refer the Frequently Asked Questions ("FAQ") 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).
- E. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of September 10, 2014.
- F. Mr. Dinesh Kumar Deora, Practising Company Secretary (Membership No. FCS 5683 COP 4119) has been appointed as the Scrutinizer to scrutinize the e-Voting process in a fair and transparent manner.
- G. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-Voting period unblock the votes in the presence of witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- H. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website [www.ebni.co.in](http://www.ebni.co.in) and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges, where the shares are listed.
10. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10.00 a.m. to 5.30 p.m.) on all working days except second half of 2<sup>nd</sup> and 4<sup>th</sup> Saturdays, up to and including the date of the Annual General Meeting of the Company.

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

Place: Mumbai  
Date: 22<sup>nd</sup> May 2014

**Ashok M. Kadakia**  
Chairman





## Directors' Report

Your Directors present their 22<sup>nd</sup> Annual Report together with Audited Statement of Accounts of your Company for the year ended 31<sup>st</sup> March 2014.

Financial Results	(₹. in Lacs) (₹. in Lacs)	
	2013-2014	2012-2013
Profit / (Loss) before Interest, Depreciation and Tax:	2.85	(11.42)
Depreciation:	19.58	7.03
Deferred Tax	13.98	--
Net Profit / (Loss)	(30.71)	(18.45)

### 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. Vijay K. Agrawal and Mr. Manoj 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.

The Company had inducted Dr. Anuradha S. Raghavan as an additional Director and Dr. Sarada S. Raghavan as an additional Director. It is recommended that the members approve the reappointment of Dr. Anuradha S. Raghavan and Dr. Sarada S. Raghavan, 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. V. Sankar Aiyar & Co, Chartered Accountants, the retiring Auditors of the Company are eligible for re-appointment. Members are requested to re-appoint the Auditors for the current year 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:

- In preparing the Annual Accounts for the year ended 31<sup>st</sup> March 2014 all the applicable accounting standards have been followed.
- 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 2014 and of the Loss of the Company for the year ended on that date.
- 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.
- 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.

For and on behalf of the Board of Directors

Place: Mumbai

Date: 22<sup>nd</sup> May 2014

Ashok M. Kadakia

Chairman

### **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 2014.

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 ( CIF ) & Outgo:**

Earnings : 32,62,582	Previous year :35,07,901
Expenses: NIL	Previous year : NIL

For and on behalf of the  
Board of Directors

Place: Mumbai

Date: 22<sup>nd</sup> May 2014

**Ashok M. Kadakia**

**Chairman**

**CORPORATE GOVERNANCE FOR TWENTY SECOND 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 maximization of stakeholder's value in the long run.

**2. BOARD OF DIRECTORS****Composition of Board**

The Board consists of 7 Non-Executive Directors, the Chairman being Non-Executive Director. During the financial year the Board met 4 times on the following dates: 30th May 2013, 12th August 2013, 8th November 2013 and 10th February 2014.

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/Chairman-ship 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-Executive	Non-Promoter	6	Nil
Mr. Manoj M. Shah Non-Executive	Non-Promoter	7	Nil
Mr. Vijay K. Agrawal Non-Executive	Non-Promoter	5	Nil
Mr. Ajay I. Bora Non-Executive	Non-Promoter	Nil	Nil
Dr. Anuradha Raghavan Non-Executive	Non-Promoter	1	Nil
Dr. Sarada Raghavan Non-Executive	Non-Promoter	1	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 24.09.2013
Mr. Ashok M. Kadakia	3	No
Mr. MSR Ayyangar	4	Yes
Mr. Arvind M. Shah	NIL	No
Mr. Manoj M. Shah	1	No
Mr. Vijay K. Agrawal	3	Yes
Mr. Ajay I. Bora	4	No
Dr. Anuradha Raghavan	1	No
Dr. Sarada Raghavan	1	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)**

- Mr. Vijay K. Agrawal has an experience of more than 3 decades in the field of Fine and Speciality Chemicals. He is involved in activities of indenting, manufacturing, trading and sourcing for a long time. He is also advising U.S. based companies for their investment opportunities in Pharma Sector in India. He is a Director in the following other Companies.
  - Agarwal Chemical Agencies Pvt. Ltd.
  - Lee Pharma Ltd.
  - Survival Technologies Pvt. Ltd.
  - Rudra Speciality Chem Pvt. Ltd.
  - Survival Health & Nutrition Pvt. Ltd.
- Mr. Manoj M. Shah is a qualified Chartered Accountant and an experienced Financial Specialist. He is member of The Bombay Stock Exchange Ltd. He is a valued investor in our Company. The list of other Companies in which he is a Director is as follows.
  - Amu Investment & Finance Pvt. Ltd.
  - Amu Properties & Finance Pvt. Ltd.
  - Amu Shares & Securities Ltd.
  - Gava Commodities Ltd.

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5. AB 3D Solutions Ltd.
6. Lamhas Satellite Services Ltd
7. Vashi Railway Station Commercial Complex Limited

### 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	3
Mr. Ashok M. Kadakia	Non-Executive Director	1
Mr. Ajay I Bora	Non-Executive Director	1
Mr. MSR Ayyangar	Chief Executive Managing Director	4

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

30th May, 2013

12th August, 2013

8th November, 2013

10th February, 2014

#### 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:-

- a. 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.
- b. Recommending the appointment and removal of external auditor, fixation of audit fee and also approval of payment for any other services.
- c. 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.
- d. Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
  - e. 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.
  - f. Discussion with internal auditors any significant findings and follow up thereon.
  - g. 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.
  - h. 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.
  - i. Reviewing the company's financial and risk management policies.
  - j. 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:

12th August 2013

10th February 2014



• **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 6230 shareholders. The total number of complaints received and replied to the satisfaction of shareholders during the year under review were 5. There were no outstanding complaints as on March 31, 2014. There were no request for transfers & dematerialisation pending for approval as on March 31, 2014. They were approved and dealt with before 5th April 2014.

The company has an exclusive email id <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
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
2012 – 2013	24-09-2013	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**

i) 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.

ii) 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**

i. 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.

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

**8. GENERAL SHAREHOLDERS INFORMATION**

**i. Annual General Meeting**

Date and time : Thursday, 18th September 2014 at 11.00 hrs.

Venue : Plot No. T-3/2, MIDC Area, Talaja – 410 208.

Company's Corporate Identification No(CIN) L24110MH1992PLC065942

**ii. Financial Calendar for 2014-15(tentative)**

Financial reporting for the quarter ending June 30, 2014

2nd week of August 2014

Financial reporting for the quarter ending September 30, 2014

2nd week of November 2014

Financial reporting for the quarter ending December 31, 2014

2nd week of February 2015

Financial reporting for the year ending March 31, 2015

Between April & June 2015

**iii Date of Book Closure:**

11th September, 2014 to 18th September, 2014 (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		EMMESSA
ISIN No.	-	INE634B01016

**vii Stock Market Data**

		BSE Limited	
		High(₹)	Low(₹)
April	2013	3.67	3.50
May	2013	3.67	3.50
June	2013	3.67	3.50
July	2013	3.50	3.50
August	2013	3.67	3.67

September 2013	3.50	3.50
October 2013	3.50	3.50
November 2013	3.50	3.03
December 2013	3.50	3.03
January 2014	3.43	2.70
February 2014	3.78	3.60
March 2014	4.42	3.91

### 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: mnthelpdesk@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	: 26,93,387 Shares	(53.90%)
Private Corporate Bodies	: 68,057 Shares	(1.36%)
NRI	: 9,350 Shares	(0.19%)
Indian Public	: 22,15,506 Shares	(44.35%)
FII's & Banks	: 9,800 Shares	(0.20%)

### xii Dematerialisation of shares

About 83.52% of the shares have been dematerialised as on 31st March 2014. Trading in Emmessar Biotech & Nutrition Ltd shares is in compulsory demat w.e.f. 29th 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.



## MANAGEMENT DISCUSSIONS AND ANALYSIS

First signs of recovery are visible based on the top line. However, the bottom line has to improve – which certainly will, along with the top line in the coming years. There is a perceptible enthusiasm & preference on the part of the end users of our products. This assessment is based on the more frequent repeat orders from across the country.

The frequent calls we get directly from the customers, both from India and abroad, when they are unable to get instant supplies from their regular sources, indicate the growing recognition and acceptance of the essentiality of

our products at homes, both for care and cure, in relation to family health.

Our products are getting preference in Africa & USA over the products of well established big companies both from India and abroad – albeit for a small number of our committed customers. Our customer base is growing though slowly over a period. With the change in government in India and expected business friendly atmosphere for the next 5 years, there is hope and optimism for the future of our 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, 2014. 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 30-05-2013, 12-08-2013, 08-11-2013 and 10-02-2014 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 Audit Committee met on 30-05-2013, 12-08-2013, 08-11-2013 and 10-02-2014 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, 2013 was held on 24-09-2013 after giving proper notice to the Members of the company and the resolutions passed there 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;
  - iv) 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.
  - v) Has duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the company is duly constituted and during the year appointment of 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 issued 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.

Place: Mumbai

Date: 22-05-2014

Signature:

Name of Company Secretary:

Dinesh Deora

C. P. No. : 4119.

## **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, 2014.

1. eForm 20B with Annual Return in respect of AGM held on 24-09-2013 as required u/s 159 of the Companies Act, 1956, was filed with the Registrar of Companies, Maharashtra on 10-10-2013.
2. eForm 23AC and 23ACA in XBRL in respect of the year ended 31st March, 2013 as required u/s 220 of the Companies Act, 1956, was filed with the Registrar of Companies, Maharashtra on 24-09-2013.
3. eForm 66 u/s 383A for year ended 31-03-2013 filed on 24-09-2013.
4. eForm 32 u/s 303 dated 12-08-2013 filed on 22-08-2013.
5. eForm 32 u/s 303 dated 24-09-2013 filed on 24-09-2013.
6. eForm 23C u/s 233b for year 2011-2012 filed on 26-08-2013.
7. eForm 23C u/s 233b for year 2012-2013 filed on 26-08-2013.
8. eForm 23C u/s 233b for year 2013-2014 filed on 30-08-2013.



## INDEPENDENT AUDITORS REPORT

**To the Members of Emmessar Biotech & Nutrition Limited**

### Report on the Financial Statements

We have audited the accompanying financial statements of Emmessar Biotech & Nutrition Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

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

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014
- b) In the case of the Profit and Loss Account, of the Loss for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Emphasis of Matter

We draw your attention to Note 2.35 regarding going concern. Our opinion is not qualified in respect of this matter.

### 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

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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, 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, 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.

**For V. Sankar Aiyar & Co.,**

**Chartered Accountants.**

**FRN. 109208W**

Place: Mumbai

**V. Mohan**

Date: May 22, 2014

**Partner**

**M No.17748**



## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Referred to in Paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements" of our report of even date to the members of Emmessar Biotech & Nutrition Limited for the year ended 31<sup>st</sup> March, 2014.

- a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
  - b. As explained to us, the fixed assets have been physically verified by the management at the year end, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
  - c. In our opinion, the Company has not disposed of substantial part of fixed assets during the year and the going concern status of the Company is not affected.
2.
    - a. Inventories have been physically verified during the year by the Management. In our opinion, the frequency of verification is reasonable.
    - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and nature of its business.
    - c. In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material having regard to the size of the operations of the Company.
  3. 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.
  4. In our opinion and according to the information and explanations given to us, having regard to the explanation that purchase of certain items of inventor and fixed assets are for the Company's specialized requirements, and similarly, certain goods sold are for the specialized requirements of the buyers and suitable alternate source are not available to obtain comparable quotations, there is generally adequate internal control system commensurate with the size of the Company and the nature of its business for purchase of inventory and fixed assets and for the sale of goods and services. In our opinion, and according to the information and explanations given to us, we have not observed any major weakness during the course of audit.
5. In respect of transactions covered under Section 301 of the Companies Act, 1956:
    - a. In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956, have been entered in the register required to be maintained under that section.
    - b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of aforesaid contracts or arrangements in excess of Rs.5 lacs, 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 from the public. Accordingly Clause 4(vi) of the Order does not applicable to the Company.
  7. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
  8. We have broadly reviewed the books of account relating to material, labour and other items of cost maintained by the Company pursuant to the rules made by central government for the maintenance of the Cost records under section 209(1)(d) of the Act and we are opinion that prima-facie, the prescribed accounts and records have been made and maintained.
  9. In respect of the statutory dues:
    - a. According to the records of the Company, undisputed statutory dues including, Investor Education and Protection Fund, Income Tax, Wealth Tax, Service Tax, Customs Duty, Excise duty, cess and other material statutory dues have been regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31<sup>st</sup> March, 2014 for a period of more than six months from the date of becoming payable.

- b. In our opinion and according to the information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, service tax, Custom Duty, Excise Duty and Cess which have not been deposited on account of any dispute as on 31<sup>st</sup> March 2014.
10. The accumulated losses of the company have exceeded fifty percent of its net worth at end of the financial year. The company has not incurred cash losses during the financial year and has incurred cash loss of Rs. 11,42,682/- during the preceding financial year.
11. The company does not have any loans from banks and financial institutions. Accordingly, clause 4(xi) of the order is not applicable.
12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company 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. Accordingly, clause 4(xiii) of the Order does not apply.
14. The Company has not traded in securities, debentures and other investments. Accordingly, clause 4(xiv) of the Order does not apply.
15. In our opinion and according to information and explanations provided to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
16. The Company has not raised any loans from banks and financial institution during the year. Accordingly, clause 4(xvi) of the Order does not apply.
17. According to the information and explanations given to us, and on an overall examination of the Balance Sheet of the company, no funds raised on short term basis have prima facie, been used during the year for making long term investments.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures. Accordingly, clause 4(xix) of the Order does not apply.
20. The Company has not raised any money by way of public issue during the year. Accordingly clause 4(xx) of the Order does not apply.
21. According to the information and explanations given to us, and based on audit procedures performed and representations obtained from the management, we report that no material fraud on or by the Company, has been noticed or reported during the year under audit.

**For V. Sankar Aiyar & Co.,  
Chartered Accountants.**

**FRN. 109208W**

**V. Mohan**

**Partner**

**M No.17748**

Place: Mumbai

Date: May 22, 2014





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## 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 2014 as stipulated in Clause 49 of the Listing Agreement of the Company with the BSE 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 2014.

We state that in respect of investor grievances received during the year ended 31<sup>st</sup> March 2014, 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 V. Sankar Aiyar & Co**  
**Chartered Accountants**  
**FRN 109208W**

V. Mohan

Partner.

Membership No. 17748

Place: Mumbai

Date: 22<sup>nd</sup> May 2014

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**BALANCE SHEET AS AT 31ST MARCH 2014**

(Value in ₹)

	Note No.	As at 31.3.2014	As at 31.3.2013
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	2.1	49,961,000	49,961,000
(b) Reserves and surplus	2.2	(34,155,025)	(30,444,979)
		<u>15,805,975</u>	<u>19,516,021</u>
<b>2 Non-current liabilities</b>			
(a) Long Term Provisions	2.3	707,708	336,263
(b) Deferred Tax Liabilities (Net)	2.4	1,398,291	-
		<u>2,105,999</u>	<u>336,263</u>
<b>3 Current liabilities</b>			
(a) Trade payables	2.5	1,507,223	28,172,400
(b) Other current liabilities	2.6	2,761,840	509,851
(c) Short Term Provisions	2.7	48,971	677,098
		<u>4,318,034</u>	<u>29,359,349</u>
<b>TOTAL(1+2+3)</b>		<u><b>22,230,008</b></u>	<u><b>49,211,633</b></u>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
<b>(a) Fixed assets</b>			
(i) Tangible assets	2.8	15,800,308	18,356,510
		<u>15,800,308</u>	<u>18,356,510</u>
(b) Long-term loans and advances	2.9	739,955	498,034
		<u>739,955</u>	<u>498,034</u>
<b>2 Current assets</b>			
(a) Current Investments	2.10	53,519	50,020
(b) Inventories	2.11	3,319,508	2,872,121
(c) Trade Receivables	2.12	1,701,453	26,815,110
(d) Cash and cash equivalents	2.13	303,955	311,337
(e) Short-term loans and advances	2.14	311,310	308,501
		<u>5,689,745</u>	<u>30,357,089</u>
<b>TOTAL(1+2)</b>		<u><b>22,230,008</b></u>	<u><b>49,211,633</b></u>
<b>Significant Accounting Policies &amp; Notes on Accounts</b>	<b>1&amp;2</b>	-	-

As per our report of even date

For and on behalf of the Board

**For V. Sankar Aiyar & Co**  
Chartered Accountants  
Firm Regn No. 109208W

**V. Mohan**  
Partner

Director

Chairman

Managing Director

M.No. 17748

Place : Mumbai

Date : 22nd May 2014

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2014**

(Value in ₹)

	Note No.	For the year ended ended 31.3.2014	For the year ended ended 31.3.2013
<b>INCOME</b>			
Revenue From Operations	2.15	14,000,332	6,036,239
Less :- Excise Duty		314,152	235,714
Net Revenue From Operations		13,686,180	5,800,525
Other income	2.16	922,340	824,885
<b>TOTAL REVENUE</b>		<b>14,608,520</b>	<b>6,625,410</b>
<b>EXPENSES</b>			
(a) Cost of Materials Consumed	2.17	5,331,354	2,096,630
(b) Purchase of Stock in Trade	2.18	67,354	215,001
(c) Change in Inventories of Finished Goods, Work in Progress and Stock in Trade	2.19	(907,706)	(321,963)
(d) Employee Benefit Expenses	2.20	2,277,474	2,452,399
(e) Depreciation and amortisation expense	2.8	2,597,427	702,505
Less: Transferred to Revaluation Reserve		(638,900)	
(Depreciation and Amortisation Expense Includes Prior Period Amortisation of Rs. 11, 67,683)			
(g) Other expenses	2.21	7,554,372	3,326,025
<b>TOTAL EXPENSES</b>		<b>16,281,375</b>	<b>8,470,597</b>
<b>PROFIT /(LOSS) BEFORE TAX</b>		<b>(1,672,855)</b>	<b>(1,845,187)</b>
<b>Tax expense:</b>			
Deferred tax		(1,398,291)	-
<b>PROFIT /(LOSS) AFTER TAX</b>		<b>(3,071,146)</b>	<b>(1,845,187)</b>
<b>EARNING PER EQUITY SHARE (Equity Shares of Par Value Rs 10/- each fully paid up)</b>			
Basic / Diluted		(0.61)	(0.37)
Significant Accounting Policies & Notes on Accounts	1&2		

As per our report of even date

For and on behalf of the Board

**For V. Sankar Aiyar & Co**  
**Chartered Accountants**  
**Firm Regn No. 109208W**

**V. Mohan**  
**Partner**

M.No. 17748

Place : Mumbai

Date : 22nd May 2014

Director

Chairman

Managing Director

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**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2014**

	<b>2013-2014</b>	<b>2012-2013</b>
	<b>(in ₹)</b>	<b>(in ₹)</b>
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit\ ( Loss) before Tax and Extraordinary Items	<b>(1,672,855)</b>	<b>(1,845,187)</b>
<b>Adjustments for</b>		
Depreciation	1,958,527	702,505
Interest / Dividend Income	(29,538)	(3,181)
<b>Operating Profit / (Loss) before working Capital changes</b>	<b>256,134</b>	<b>(1,145,863)</b>
<b>Adjustment for (Increase) / Decrease in operating Assets</b>		
Inventories	(447,387)	(1,040,508)
Trade Receivables	25,113,657	(223,982)
Long term Loans and Advances	(241,921)	(85,475)
Short term Loans & Advances	(2,809)	838,745
<b>Adjustment for Increase / (Decrease) in operating Liabilities</b>		
Other Current Liabilities	2,251,989	(302,410)
Trade Payables	(26,665,178)	1,304,042.00
Long term provisions	371,445	(263,387)
Short term provisions	(628,127)	677,098
<b>Cash generated from operations</b>	<b>7,803</b>	<b>(241,740)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(41,225)	(60,005)
Investments in Mutual Funds	(3,499)	(3,181)
Interest / Dividend Received	29,538	3,181
<b>Net Cash inflow/(out flow) in Investing activities</b>	<b>(15,186)</b>	<b>(60,005)</b>
<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 increase in cash and cash equivalents	(7,383)	(301,745)
Cash and cash equivalents as at 31.3.2013	311,338	613,083
<b>Cash and cash equivalents as at 31.3.2014</b>	<b>303,955</b>	<b>311,338</b>

As per our report of even date

For and on behalf of the Board

**For V. Sankar Aiyar & Co**  
Chartered Accountants  
Firm Regn No. 109208W

**V. Mohan**

**Director**

**Chairman**

**Managing Director**

Partner

M.No. 17748

Place : Mumbai

Date : 22nd May 2014



**NOTE FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2014**

**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 Companies (Accounting Standard) rules, 2006 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, Finished goods and Stock-in-Trade 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. 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.

**6. 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".

**7. 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.

**8. 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.

**9. Foreign Currency Transactions and Translations**

Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of the transaction.

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Translation of all foreign currency denominated monetary Assets & Liabilities as at the balance sheet date are translated at year end exchange rates. Exchange difference arising on restatement or settlement is charged to the Statement of Profit and Loss.

### 10. 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.

### 11. 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.

#### A. 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.

### 12 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”.

### 13. 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.

### 14. 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.

### 15. 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.

**2 NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2014**

Particulars	As at 31.3.2014 (in ₹)	As at 31.3.2013 (in ₹)
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**2.1 SHARE CAPITAL****Authorised :**

Equity shares of ₹10/- Par Value	54,000,000	54,000,000
54,00,000( P.Y. 54,00,000) Equity Shares		
	<u>54,000,000</u>	<u>54,000,000</u>

**Issued, Subscribed and Paid up :**

Equity shares of ₹10/- Par Value		
49,96,100(P.Y. 49,96,100) Equity Shares fully paid up	49,961,000	49,961,000
* includes 4,98,000 Equity Shares of ₹10/- each allotted as Bonus Shares by capitalising Revaluation Reserve in the year 1994	49,961,000	49,961,000

- 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.
- 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, 2014 and March 31, 2013 is set out below:

Particulars	As At 31st March 2014		As At 31st March 2013	
	No .of Shares	Amount	No. of Shares	Amount
Number of Shares at the Beginning	4996100	49961000	4996100	49961000
Add :- Addition During the Year	0	0	0	0
Number of Shares at the End	<u>4996100</u>	<u>49961000</u>	<u>4996100</u>	<u>49961000</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 2014		As At 31st March 2013	
	No. of Shares	% of Holding	No. of Shares	% of Holding
M.S.Raghavan	265753	5.32	265553	5.32
Emmessar Technologies Ltd	752361	15.06	752361	15.06
Manar Leasing & Investment Pvt Ltd	528000	10.57	528000	10.57
Amu Investment & Finance Pvt Ltd	260000	5.20	260000	5.20
Heena M Shah	268000	5.36	268000	5.36

**2.2 RESERVES AND SURPLUS**

	As At 31st March 2014	As At 31st March 2013
Revaluation Reserve		
Opening Balance	638,900	638,900
Less: Transferred from Statement of Profit & loss a/c	(638,900)	
Closing Balance	-	638,900
(Deficit) in the Statement of Profit & Loss		
Opening Balance	(31,083,879)	(29,238,692)
Surplus / (Deficit) for the year	(3,071,146)	(1,845,187)
Closing Balance	<u>(34,155,025)</u>	<u>(30,444,979)</u>



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NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2014

Particulars	As at 31.3.2014 (in ₹)	As at 31.3.2013 (in ₹)
<b>2.3 LONG TERM PROVISIONS</b>		
Provision for Employee Benefits		
Gratuity (Refer Note 2.24)	707,708	336,263
	<u>707,708</u>	<u>336,263</u>
<b>2.4 DEFERRED TAX LIABILITIES (NET)</b>		
<u>Liabilities</u>		
Depreciation	1,632,105	-
<u>Assets</u>		
Employee benefit (Gratuity)	(233,814)	-
Net	<u>1,398,291</u>	<u>-</u>
<b>2.5 TRADE PAYABLE</b>		
Micro, Small & Medium Enterprises	-	-
Other Trade Payable	1,507,223	28,172,400
	<u>1,507,223</u>	<u>28,172,400</u>

THE DETAILS OF AMOUNTS OUTSTANDING TO MICRO, SMALL AND MEDIUM ENTERPRISES BASED ON AVAILABLE INFORMATION WITH THE COMPANY IS AS UNDER

i	The principal amount and the interest due thereon remaining unpaid to Suppliers		
a	Principal	-	-
b	Interest due thereon	-	-
ii	The delayed payments of principal paid beyond the appointed date during the entire accounting year	-	-
b	Interest actually paid under section 16 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-
iii	Normal interest accrued during the year, for all the delayed payments, as per the agreed terms	-	-
b	Normal interest payable for the period of delay in making payment, as per the agreed terms	-	-
iv	Total interest accrued during the year	-	-
b	Total interest accrued during the year and remaining unpaid	-	-

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.

**2.6 Other Current Liabilities**

Accrued Payroll	228,321	153,641
Accrued Expenses	332,371	41,854
<b>Other Liabilities</b>		
Payable to Statutory Authorities	2,201,148	188,893
Advance From Customers		125,463
	<u>2,761,840</u>	<u>509,851</u>



**NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2014**

Particulars	As at 31.3.2014 (in ₹)	As at 31.3.2013 (in ₹)
-------------	---------------------------	---------------------------

**2.7 SHORT TERM PROVISIONS**

Provision for Employee Benefits  
 Gratuity (Refer Note 2.24)

<b>48,971</b>	677,098
<b>48,971</b>	677,098

**2.8 FIXED ASSETS**

A.	Tangible assets	GROSS BLOCK (COST)				DEPRECIATION				NET BLOCK	
		"Balance as at 1 April, 2013"	Additions	Disposals	As at 31.3.2014	Balance as at 1.4.2013	For the year	Deductions/ adjustments	Up to 31.3.2014	As at 31.3.2014	As at 31.3.2013
		₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
	(a) Leasehold Land	8,871,300	-	-	8,871,300	-	1,896,192	-	1,896,192	6,975,108	8,871,300
	(b) Buildings	20,355,452	-	-	20,355,452	11,028,601	674,186	-	11,702,787	8,652,665	9,326,851
	(c) Plant and Machinery	26,200	6,511	-	32,711	986	1,402	-	2,388	30,323	25,214
	(d) Furniture and Fixtures	595,660	-	-	595,660	595,559	101	-	595,660	-	101
	(f) Office equipment	1,164,224	34,714	-	1,198,938	1,031,181	25,546	-	1,056,727	142,211	133,043
	Total	31,012,836	41,225	-	31,054,061	12,656,327	2,597,426	-	15,253,753	15,800,308	18,356,509
	Previous year	30,959,831	60,005	-	31,019,836	11,960,822	702,505	-	12,663,327	18,356,509	18,999,009

Registration is pending for 2 residential flats included in buildings.

**2.9 LONG TERM LOANS & ADVANCES**

AS AT 31-03-2014

AS AT 31-03-2013

**Unsecured, Considered good**

Security Deposits

49,510

46,010

**Balance with Government Authorities**

Vat Credit receivables

377,785

1,83,874

Tax Deducted at Source

266,646

2,13,150

Other Loans & Advances

46,014

55,000

**739,955**

**498,034**

**2.10 Current Investments**

Unquoted (At Lower of Cost or Fair Value) In Mutual Fund

29.878 Units Dividend option SBI Magnum Insta Cash Fund  
 (Market Value Rs. 53,594)

53,519

50,020

Net Asset Value

53,519

50,020

**2.11 INVENTORIES**

(At Lower of Cost or Net Realisable Value)

Raw Materials

689,093

1,149,412

Finished Goods

2,630,415

1,722,709

**3,319,508**

**2,872,121**

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NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2014

Particulars	As at 31.3.2014 (in ₹)	As at 31.3.2013 (in ₹)
<b>2.12 TRADE RECEIVABLES</b>		
<b>Unsecured , Considered Good</b>		
Debts outstanding for a period Exceeding Six Month	222,146	26,228,712
Other Debts	1,479,307	586,398
	<u>1,701,453</u>	<u>26,815,110</u>
<b>2.13 CASH AND CASH EQUIVALENTS</b>		
Balance with Banks		
In Current Account	301,525	306,753
Cash on Hand	2,430	4,584
	<u>303,955</u>	<u>311,337</u>
<b>2.14 SHORT TERM LOANS &amp; ADVANCES</b>		
<b>Unsecured, Considered Good</b>		
<b>Balance with Government Authorities</b>		
Cenvat Credit receivables	261,049	170,074
Loans & Advance to Employees		
<b>Advance to Staff</b>	5,000	28,883
Others		
<b>Prepaid Expenses</b>	45,261	87,155
Advance to Suppliers	-	22,389
	<u>311,310</u>	<u>308,501</u>

Particulars	Year Ended 31.3.2014 (in ₹)	Year Ended 31.3.2013 (in ₹)
<b>2.15 REVENUE FROM OPERATIONS</b>		
Manufactured Goods	13,853,041	5,669,018
Traded Goods	147,291	367,221
	<u>14,000,332</u>	<u>6,036,239</u>
Details of the Products Sold		
Manufactured Goods		
Healthcare Products	47,89,041	5,034,184
Fine Chemicals	9,064,000	634,834
	<u>13,853,041</u>	<u>5,669,018</u>
Traded Goods		
Healthcare	147,291	367,221
Generics	-	-
	<u>147,291</u>	<u>367,221</u>

**NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2014**

<b>Particulars</b>	<b>Year Ended 31.3.2014 (in ₹)</b>	<b>Year Ended 31.3.2013 (in ₹)</b>
<b>2.16 OTHER INCOME</b>		
Licence Fee/ Compensation	892,812	814,625
Interest Income	26,029	-
Dividend Income	3,499	3,181
Miscellaneous Income	-	7,079
	<u>922,340</u>	<u>824,885</u>
<b>2.17 COST OF MATERIALS CONSUMED</b>		
<b>Raw Materials, Process Chemicals &amp; Packing Materials Consumed</b>		
Opening Stock	1,149,412	430,867
Add: Purchases	4,871,035	2,815,175
	<u>6,020,447</u>	<u>3,246,042</u>
Less: Closing Stock	689,093	1,149,412
	<u>5,331,354</u>	<u>2,096,630</u>
<b>Details of Raw Materials Consumed:</b>		
Solvents	550,620	911,640
Oxidising Substances	185,963	293,600
Inorganic Salts	3,855,541	350,835
Others	739,230	540,555
	<u>5,331,354</u>	<u>2,096,630</u>
<b>2.18 PURCHASE OF TRADED GOODS</b>		
Healthcare Products	67,354	215,001
	<u>67,354</u>	<u>215,001</u>
<b>2.19 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS &amp; STOCK IN TRADE</b>		
<b>Inventories at the end of the year</b>		
Finished Goods \ Stock in Trade	2,630,415	1,722,709
<b>Inventories at the beginning of the year</b>		
Finished Goods \ Stock in Trade	1,722,709	1,400,746
	<u>(907,706)</u>	<u>(3,123,455)</u>
<b>Detail of Inventories</b>		
Finished Goods \ Stock in Trade		
Health Care Products	1,281,997	1,240,685
Fine Chemicals	1,348,418	482,024
	<u>2,630,415</u>	<u>1,722,709</u>

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NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2014

Particulars	Year Ended 31.3.2014 (in ₹)	Year Ended 31.3.2013 (in ₹)
<b>2.20 EMPLOYEE BENEFIT EXPENSES</b>		
Salaries, Wages & Bonus etc	2,144,096	2,224,399
Contributions to Provident & Other funds	62,520	87,502
Staff Welfare Expenses	70,858	140,498
	2,277,474	2,452,399
<b>2.21 OTHER EXPENSES</b>		
Processing Charges	3,797,397	1,091,138
Power & Fuel	48,595	72,703
Excise Duty on Stock	60,303	59,751
Freight, Clearing & Forwarding Charges	327,889	133,972
Advertisement	83,989	75,632
Auditor's Remuneration (Refer Note 2.22)	56,180	56,180
Bank Charges	21,620	19,999
Office Rent	100,000	100,000
Rates & Taxes	9,94,864	34,300
Insurance	116,221	94,536
Repairs and Maintenance- Others	84,190	30,078
Marketing & Sales Promotion Expenses	135,652	26,702
Printing & Stationery	72,265	57,436
Travelling & Conveyance	219,002	233,978
Listing fees with Stock exchange	16,854	16,854
Communication Expenses	206,384	307,594
Depository Connectivity Charges	6,741	6,741
Professional Charges	398,381	147,209
Exchange Loss on Foreign currency Transaction \ Transalation	78,275	37,065
Registrar & Share Transfer Agents Fees	117,997	111,246
Service charges of MIDC	137,088	241,173
Internet & Website Expenses	19,950	60,071
Sundry Balance written off	1,48,934	365
Factory Expenses	2,47,834	2,38,861
Miscellaneous Expenses	57,767	72,441
	7,554,372	3,326,025
<b>2.22 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
	56,180.00	56,180.00

**NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2014**

Particulars	Year Ended 31.3.2014 (in ₹)	Year Ended 31.3.2013 (in ₹)
<b>2.23 COMMITMENTS &amp; CONTINGENT LIABILITIES</b>		
a) Estimated Amount of Contract remains to be executed and not provided for in the accounts	NIL	NIL
b) Claims against the Company not acknowledged as Debts	NIL	NIL
<b>2.24 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	62,520	87,502
Total:	<u>62,520</u>	<u>87,502</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	1,013,361	992,412
b) Interest Cost	69,209	74,629
c) Past Service Cost	-	-
d) Current Service Cost	39,452	39,452
e) Past Service Cost - Vested Benefit	-	-
f) Current Cost / (Credit)	-	-
g) Settlement Cost / (Credit)	-	-
h) Benefits Paid	(296,505)	(228,848)
i) Actuarial (Gain) / Loss	(68,838)	135,716
j) Obligation at the year end	756,679	1,013,361
<b>B. Expenses recognised in the Profit and Loss Statement in respect of Gratuity Benefits</b>		
a) Current Service Cost	39,452	39,452
b) Past Service Cost	-	-
c) Interest Cost	69,209	74,629
d) Past Service Cost - Vested Benefit	-	-
e) Curtailment Cost / (Credit)	-	-
f) Settlement Cost / (Credit)	-	-
g) Net Actuarial (Gain) / Loss	-	-
h) Employees' Contribution	(68,838)	135,716
i) Total Expenses recognised in Profit and Loss Statement	39,823	249,797
<b>C. Following are the Principal Actuarial Assumption used as at the Balance Sheet date:</b>		
<b>Particulars</b>	<b>Gratuity</b>	<b>Gratuity</b>
a) Discount Rate	9.20%	8.00
b) Salary Escalation rate	10.00%	10.00%
c) Turnover Rate	10.98%	7.13%
d) Mortality Table	LIC 1994-96 Ultimate Table	LIC 1994-96 Ultimate Table

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

## NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2014

**D. Other Long Term Benefits**

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

**2.25 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, 2014

<b>Business Segments</b>	<b>Healthcare</b>	<b>Fine chemicals</b>	<b>Total (₹)</b>
Revenue	4,876,029	9,064,000	13,940,029
Segment Result	3,285,702	2,365,928	5,651,630
Unallocable expenses (Net)	-	-	8,246,825
Operating Income	-	-	(2,595,195)
Other Income (Net)	-	-	922,340
Profit before taxes	-	-	(1,672,855)
Tax expenses	-	-	(1,398,291)
Net profit for the year	-	-	(3,071,146)
Segment Assets	1,876,124	2,926,416	4,802,540
Unallocable Assets	-	-	1,563,638
Total Assets	-	-	6,366,178
Segment liabilities	73,552	1,433,671	1,507,223
Unallocable liabilities	-	-	3,508,519
Total liabilities	-	-	5,015,742

**2.26 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) Dr. Anuradha Raghavan - Daughter of MSR Ayyangar
  - iii) Dr. Sarada Raghavan - Daughter of MSR Ayyangar

**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>2013-2014</b>	<b>2012-2013</b>	<b>2013-2014</b>	<b>2012-2013</b>
Purchases	Nil	NIL	<b>Nil</b>	Nil
Sales	9,464,485	729,715	<b>Nil</b>	Nil
Advance Given	Nil	121,177	<b>Nil</b>	Nil
Advance Repaid	Nil	812,924	<b>Nil</b>	Nil
Remuneration **	Nil	Nil	609,360	1,113,313



**NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2014**

Note :-

**\*\*Remuneration**

	2013-2014	2012-2013
i) MSR Ayyangar	609,360	609,360
ii) A.V.Vardharajan	-	310,360
iii) A.V. Saranagarajan	-	114,500
iv) Vasudevan Raghavan	-	79,093
	<b>609,360</b>	<b>1,113,313</b>

2.27 Due to/ from parties are subject to confirmation.

2.28 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.

2.29 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

2.30 Value of Imports on CIF Basis

Particulars	Year Ended 31.3.2014 (in ₹)	Year Ended 31.3.2013 (in ₹)
Raw Materials	-	-
Other Materials	-	-
Total	-	-

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

Particulars	Year Ended 31.3.2014 (in ₹)	Year Ended 31.3.2013 (in ₹)
Net Profit for the year (₹)	<b>(3,071,146)</b>	(1,845,187)
No of Equity Shares outstanding at the begning of the year	<b>4,996,100</b>	4,996,100
No. of Equity Shares outstanding at the end of the year	<b>4,996,100</b>	4,996,100
Weighted Average Number of Equity Shares	<b>4,996,100</b>	4,996,100
Nominal Value per Share	<b>10</b>	10
<b>Basic and Diluted (EPS)</b>	<b>(0.61)</b>	<b>(0.37)</b>

2.32 Earnings in Foreign Exchange

Export of Goods (FOB Value)	<b>3,262,582</b>	3,507,901
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2.33 Expenditure in Foreign Currency

Other Matters	<b>NIL</b>	NIL
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## 22nd ANNUAL REPORT

### NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2014

#### 2.34 Details of Consumption of Imported & Indigenous Items

Particulars	2013-2014		2012-2013	
	Value in ₹	% of Total Consumption	Value in ₹	% of Total Consumption
<b>Raw Material</b>				
Imported	0	0	0	0
Indigenous	5,331,354	100	2,096,630	100
<b>Total</b>	<b>5,331,354</b>	<b>100</b>	<b>2,096,630</b>	<b>100</b>

2.35 The company is in the proces of evaluating various business opportunities within the pharmaceutical and health care industry. These business plans when implemented will have positive impact on the financial performance and absorb all the lossess. Accordingly, the company is of the view that going concern assumption is not affected.

2.36 Previous year figures have been regrouped/ reclassified to correspond with the curent year classification \ disclosure

As per our report of even date

For and on behalf of the Board

**For V. Sankar Aiyar & Co**  
**Chartered Accountants**  
**Firm Regn No. 109208W**

**V. Mohan**  
**Partner**  
**M.No. 17748**  
**Place : Mumbai**  
**Date : 22nd May 2014**

**Director**

**Chairman**

**Managing Director**



## Emmessar Biotech & Nutrition Ltd

Regd. Office: T-3/2, MIDC Area, Taloja - 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 Second Annual General Meeting  
of the Company to be held at T-3/2, MIDC Area, Taloja, Dist. Raigad, Maharashtra, at 11 hrs. on  
18th September, 2014.

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

Regd. Folio / DP ID & Client ID	
Name & Address of the Shareholder(s)	
Joint Holder 1	
Joint Holder 2	

- 1) I hereby record my presence at the TWENTY SECOND ANNUAL GENERAL MEETING of the Company being held on Thursday, September 18, 2014, at 11.00 a.m. at the Registered Office of the Company at: Plot No. T-3/2, MIDC Area, Talaja – 410208, Dist. Raigad, Maharashtra.
- 2) Signature of the shareholder / Proxy present
- 3) Shareholder/Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and handover at the entrance duly signed.
- 4) Shareholder/Proxy holder desiring to attend the meeting may bring his/her copy of the Annual Report for reference at the meeting.

**Note:** PLEASE CUT HERE AND BRING THE ABOVE ATTENDANCE SLIP TO THE MEETING.

### **ELECTRONIC VOTING PARTICULARS**

<b>E Voting Event Number (EVEN)</b>	<b>User ID</b>	<b>Password</b>

**Note:** Please read the instructions printed under the Note No. 9 to the Notice dated May 22, 2014 of the 22<sup>nd</sup> Annual General Meeting. The Voting period starts from 10.00 a.m. on Saturday, September 13, 2014 and ends at 5.30 p.m. on Monday, September 15, 2014. The voting module shall be disabled by CDSL for voting thereafter.







**Emmessar Biotech & Nutrition Ltd**

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