

**LACTOSE (INDIA) LIMITED**

**LACTOSE**

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**24<sup>th</sup>**

**ANNUAL REPORT 2014-2015**

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# LACTOSE (INDIA) LIMITED

## BOARD OF DIRECTORS

<b>Shri. Atul Maheshwari</b>	<i>Managing Director</i>
<b>Smt. Sangita Maheshwari</b>	<i>Whole Time Director</i>
<b>Shri. S.S.Toshniwal</b>	<i>Director</i>
<b>Shri. Pramod Kalani</b>	<i>Director</i>
<b>Shri. G. K. Sarda</b>	<i>Director</i>
<b>Shri. Abhijit Periwal</b>	<i>Director</i>

## AUDITORS

### **S G C O & Co.**

Chartered Accountants  
4 A, Kaledonia - HDIL,  
2nd Floor, Sahar Road, Near Andheri Station  
Andheri (East), Mumbai - 400 069

## BANKERS

- 1) Oriental Bank of Commerce**  
Mahatma Gandhi Seva Mandir Trust Bldg,  
Ground Floor, Opp Bandra Talao,  
S.V.Road, Bandra West,  
Mumbai - 400 050.
- 2) ICICI Bank**  
Mumbai

## REGISTERED OFFICE & WORKS

Survey No. 6,  
Village Poicha (Rania),  
Savli, Dist. Vadodara,  
Gujarat - 391 780.

## CORPORATE OFFICE

Unit No. G-02, 'A' Wing, Ground Floor,  
Navbharat Estates, Zakaria Bunder Road,  
Sewri (West), Mumbai - 400 015.

## REGISTRAR & SHARE TRANSFER AGENT

Big Share Services Pvt. Ltd.  
E 2/3, Ansa Industrial Estate,  
Saki vihar Road, Saki Naka,  
Andheri (East), Mumbai - 400 072.  
ISIN No. - INE 058I013  
BSE Scrip Code - 524202  
Company Identification No: L15201GJ1991PLC015186

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## NOTICE

**NOTICE** is hereby given that the Twenty fourth Annual General Meeting of the Members of LACTOSE (INDIA) LIMITED will be held at the Registered office of the Company, at Village Poicha (Rania), Survey No. 6, Savli, District Vadodara – 391780 on Saturday the 1<sup>st</sup> day of August, 2015 at 5.00 p. m. to transact the following Business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2015 and Profit and Loss Account for the year ended on that date together with the Report of Directors and Auditors thereon.
2. To appoint a director in place of Mr. S. S. Toshniwal, who retires by rotation and being eligible offers himself for re-appointment.
3. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 139, 141, 142 and other applicable provisions if any, of the Companies Act, 2013, M/s S G C O & Co., Chartered Accountants, (ICAI Registration No. 112081W) be and is hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting, at the remuneration to be fixed by the Board of Directors in addition to out of pocket expenses as may be incurred by them during the course of the Audit.”

### SPECIAL BUSINESS:

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

**“RESOLVED THAT** in accordance with the provisions of Section 161 of the Companies Act, 2013, Mr. Abhijit Periwal holds office only up to the date of this meeting, and in respect of whom the Company has received a notice in writing along with a deposit of Rs. 1,00,000/- under Section 160 of the said Act from a member signifying his intention to propose Mr. Abhijit Periwal as a candidate for the office of director be and is hereby appointed as a Director of the Company, who shall be liable to retire by rotation.”

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

**“RESOLVED THAT** powers conferred on the Board by this resolution at its sole discretion, consent of the Company be and is hereby accorded to the Board to offer, issue and allot on preferential basis upto 12,60,000 (Twelve Lacs sixty thousand) Convertible Warrants of Rs. 10/- (Rupees Ten) each convertible at the option of the holder into one equity share of Rs. 10/- each at a premium of Rs 17.50/- (or such adjusted numbers for any bonus, stock splits or consolidation, reduction or other reorganization of the capital structure of the company) at a price of Rs. 27.50 per warrant for cash (the pricing which is determined in accordance with the SEBI Guidelines as applicable) aggregating Rs. 3,46,50,000/- (Three Crores Forty Six Lacs Fifty Thousand only) and on which 25% is payable on application of convertible warrants and the rest of the amount payable at the time of conversion of warrants into equity shares in one or more tranches within 18 months from the date of issue, at such time or times, in such manner, form and numbers as may be prescribed while granting permission(s), sanction(s)

and approval(s) by the aforesaid authorities and / or which the Board may at its absolute discretion consider proper, desirable and expedient by way of pursuant to Sections 42 and all other applicable provisions, if any, of the Companies Act, 2013 and the Guidelines issued by the Securities and Exchange Board of India (SEBI) for Preferential Allotment of Convertible warrants into Equity Shares (including any amendment to or re-enactment thereof) and in accordance with the provisions of the Memorandum and Articles of Association of the Company and subject to the permission(s), sanction(s) and approvals of the SEBI, Reserve Bank of India (RBI), Bombay Stock Exchange Limited and such other authorities as may be required from time to time and subject to such conditions, modifications and alterations as may be prescribed by any one of them while granting such permission(s), sanction(s) and approval(s), which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof for the time being exercising the Preferential allotment(s) to the allottee, whether shareholders of the Company or not, as mentioned herein below:

Sr. No.	Name of Party	No. of Warrants proposed to be allotted
1.	Gyaneshwar Multitrade Private Limited	1260000
	Total	1260000

and also to seek listing of such securities on the stock exchange(s) in consultation with Advisor(s) appointed for the said purpose, as may be deemed appropriate, fit and proper by the Board.”

**“RESOLVED FURTHER THAT** the offer, issue and allotment of the aforesaid Convertible Warrants shall be made within 15 days from the date of passing of this resolution subject however, to the applicable statutory regulatory provisions and the SEBI Guidelines”.

**“RESOLVED FURTHER THAT** the “Relevant Date” under SEBI Guidelines for the purpose of determining the issue price of resultant shares shall be 02.07.2015, being 30 days prior to the date of passing this resolution.”

**“RESOLVED FURTHER THAT** the equity shares on conversion of warrants referred to hereinabove shall be subject to the Memorandum and Articles of Association of the Company and shall rank pari passu in all respects with the existing shares of the Company including entitlement for dividend.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to take all such actions and to give all such directions, or to do all such acts, deeds, matters and things as may be necessary or desirable and to settle any question or difficulty that may arise in this regard for the purpose of giving effect to the above Resolution.”

### NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. THE PROXIES IN ORDER TO BE EFFECTIVE MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. An Explanatory Statement pursuant to 102(1) of the Companies Act, 2013 in respect of item 4 & 5 of the notice is annexed hereto.

3. The Annual Report will also be available on the website of the Company at [www.lactoseindialimited.com](http://www.lactoseindialimited.com) in the Investors relation section.
4. The register of members and share transfer books shall remain closed from Monday the 27 July, 2015 to Saturday 1 August, 2015 both days inclusive.
5. The instrument of proxy for use at the meeting must be lodged at the Registered Office of the Company, not less than forty-eight hours before the commencement of the meeting.
6. Members/ Proxies are requested to bring their Attendance Slip duly filled in along with their copy of Annual Report to the Meeting.
7. Members are requested to address all the documents, transfer deeds, demat requests, and other communications with respect to shares in physical mode to the Registrar & Share Transfer Agents of the Company, M/s. Big Share Services Private Limited, directly quoting their full name, Folio No. and Name of the Company.
8. Members are also requested to note that the Company has entered into Tri-partite Agreement with NSDL and CDSL towards Dematerialization of shares. Members are requested to send all their requests towards Dematerialization to their respective DP's.
9. Members are requested to advise immediately about any change of address:
  - a) To their Depository Participants (DPs) in respect of their electronic share accounts.
  - b) To the Company's Registrar & Share Transfer Agents M/s. Big Share Services Private Limited in respect of their physical share folios if, any.
10. Electronic copy of the Notice of the AGM of the Company inter alia indicating the process and manner of e-voting along with the Attendance slip and Proxy form is being sent to all the members whose email IDs are registered with the Company/Depository participants(s) for communication purpose unless any member has requested for a hard copy of the same. For the members who have not registered their email address, physical copies of the notice of the AGM of the Company inter alia indicating the process and manner of e-voting along with the Attendance slip and proxy form is being sent in the permitted mode.
11. **SHAREHOLDER INSTRUCTIONS FOR E-VOTING**  
The instructions for shareholders voting electronically are as under:
  - (i) The voting period begins on 29 July, 2015 at 9.00 a.m. and ends on 31 July, 2015 at 5.00 p.m.. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 25 July, 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
  - (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - (iv) Click on Shareholders.
  - (v) Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)-
	<ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant Lactose (India) Limited on which you choose to vote.
- (xiii) 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.

- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) **Note for Non – Individual Shareholders and Custodians**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

Other Instructions:

- (A) The voting period begins on 29 July 2015 at 09.00 a.m. and ends on 31<sup>st</sup> July 2015 at 5.00 p.m. (preceding the date of AGM) During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 25 July 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (B) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- (C) The voting rights of the 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 25 July 2015.
- (D) Ms. Neeta H. Desai, ND & Associates has been appointed as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (E) The scrutinizer shall immediately after the conclusion of voting at the Annual General Meeting first count the votes cast at the meeting thereafter unlock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make not later than three working days of the conclusion of the meeting, a consolidated scrutinizer report of the total Votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.
- (G) A Member can opt for only one mode of voting i.e. either through e-voting or physical form. If Member cast his/her vote by both modes, the voting done through e-voting shall prevail and the vote by ballot shall be treated as invalid.
- (H) The results declared along with Scrutinizers' Report shall be placed on the Company's website [www.lactoseindialimited.com](http://www.lactoseindialimited.com) within two days of the passing of the Resolutions at the 24th AGM of the Company and communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

## ANNEXURE TO NOTICE

### EXPLANATORY STATEMENTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

#### Item No. 3.

Mr. Abhijit Periwal was appointed as an Additional Director w. e. f. 09.02.2015. As per Section 261 of the Companies Act, 2013 he holds office upto the date of Annual General Meeting. Hence this resolution.

None of the Directors are concerned or interested in the aforesaid resolution. The details of Mr. Abhijit Periwal as are follows:

Name of Director	Abhijit Periwal
Date of Birth	29.6.1976
Date of Appointment	09.02.2015
Expertise in specific Functional areas	Has experience and knowledge for finance related matters
Qualifications	C.A. & C.F.A.
Directorships held in other companies (Excluding Foreign Companies)	Abhijit Periwal Securities Private Limited
Committee position held in other companies	NIL
No. of Shares held	NIL

The Directors recommend this Resolution for your approval.

#### Item No. 4.

The Company plans to make Preferential Issue of 12,60,000 Convertible Warrants of Rs. 10/- each for cash at a price of Rs. 27.50/- aggregating to Rs. 3,46,50,000/- convertible at the option of the holder into one Equity Shares of Rs. 10/- each at the premium of Rs. 17.50/- (or such adjusted numbers for any bonus, stock splits or consolidation, reduction or other reorganization of the capital structure of the company). The details of the same are as under:

(a)	Relevant date and the price at which allotment is proposed	Relevant date in accordance with the SEBI guidelines for issue of Convertible warrants on preferential basis is 02.07.2015 and the price at which allotment proposed is Rs. 27.50/-. It is proposed to issue and allot the Warrants of Rs. 10/- each for cash at a premium of Rs. 17.50/- at the option of the holders into one equity share of Rs. 10/- each at the premium of Rs. 17.50/- (or such adjusted numbers for any bonus, stock splits or consolidation, reduction or other reorganization of the capital structure of the company) which is in accordance with SEBI preferential allotment guidelines, as applicable.
(b)	Number of Equity Shares proposed to be allotted on preferential allotment basis pursuant to Special Resolution passed under Section 42 of the Companies Act, 2013.	12,60,000 Convertible Warrants of Rs. 10/- each for cash at a price of Rs. 27.50/- each for cash aggregating to Rs. 3,46,50,000/- in one & more tranches.

(c)	Objects of the Issue	To augment the financial resources of the Company.
(d)	Intention of the Promoters/Directors/Key Management Personnel to subscribe to the offer and terms of payment.	The Promoter group entities are not applying in these issues. The allottee intend to subscribe to the tune of 12,60,000 Convertible Warrants of Rs. 10/- each for cash at a price of Rs. 27.50/- each for cash. 25% payable on Convertible Warrants at the time of application. Rest of the amount at the time of conversion of warrants into equity shares which will be within 18 months from the date of Issue.
(e)	Proposed time within which the allotment shall be complete	The Warrants are proposed to be allotted within 15 days of the passing of the Special Resolution approving their respective allotment. Provided that where the allotment is pending on account of pendency of any approval of such allotment by any regulatory authority or the Central Government, the allotment shall be completed within 15 days from the date of such approval.
(f)	Lock in period	The Convertible Warrants into Equity Shares proposed to be allotted on preferential issue basis shall be locked in as per the SEBI Guidelines for Preferential Issues.
(g)	Consequential changes, if any, in the Board of Directors	The proposed preferential allotment shall not result into any changes in the Board of Directors.

(h) Identity, No. of Convertible Warrants proposed to be allotted, total number of shares to be held post-preferential allotment, Percentage of Post Preferential equity capital held by each of the allottees:

Sr. No.	Name of the Applicant/Category	No. of Equity Shares proposed to be allotted	% of expanded Equity Share Capital
1.	Gyaneshwar Multitrade Private Limited	1260000	13.02
	<b>Total</b>	<b>1260000</b>	<b>13.02</b>

(i) Holding of the allottees prior to the allotment & post allotment

Sr. No.	Name of Party	Prior holding (no. of Equity shares)	Post holding (no. of Equity shares)
1.	Gyaneshwar Multitrade Private Limited	Nil	1260000

Details of proposed non-promoter allottee Gyaneshwar Multitrade Private Limited.

The Company is incorporated on 30.12.2013 with the Authorized Capital of Rs. 10,00,000/- & Paid up capital of Rs. 1,00,000/-. The List of Directors, List of Promoters & list of shareholders are as follows:

**List of Promoters**

- a) Mr. Anantraj Kesaria      b) Mr. Mihir Kesaria  
c) Mrs. Anjani Gore

**List of Shareholders**

- a) Ms. Arti M. Yashwant - 20%  
b) Mr. Anjani Gore – 20%  
c) Mr. Rajaram Chavan – 20%  
d) Mr. Ranjeet Kumar Ram – 20%  
e) Mr. Vishal R. Patil – 20%

**List of directors**

- a) Mrs. Anjani Gore      b) Mr. Rajshekar Patil  
c) Ms. Arti M. Yashwant

- (j) Consequential changes in the shareholding pattern/voting rights :

Sr. No.	Category	Pre-allotment in terms of shares		Post allotment in terms of shares	
		No.	%	No.	%
A.	Promoters & persons acting in concert	3218700	38.23	3218700	33.25
	<b>Total (A)</b>	<b>3218700</b>	<b>38.23</b>	<b>3218700</b>	<b>33.25</b>
B.	Mutual Funds/ Financial Institutional Investors/ Banks	77920	0.93	77920	0.81
	Central Govt. / State Govt.				
	<b>Total (B)</b>	<b>77920</b>	<b>0.93</b>	<b>77920</b>	<b>0.81</b>
C.	Public	4299960	51.07	5559960	57.44
	NRIs/OCBs	822420	9.77	822420	8.50
	<b>Total (C)</b>	<b>5122380</b>	<b>60.84</b>	<b>6382380</b>	<b>65.94</b>
	<b>Total (A+B+C)</b>	<b>8419000</b>	<b>100.00</b>	<b>9679000</b>	<b>100.00</b>

The proposed preferential allotment shall not result in change in Management control. Voting rights shall change in accordance with the shareholding pattern as above mentioned. A copy of the certificate received from the auditors of the Company in connection with the pricing of the proposed preferential issue shall be available for inspection during business hours on all working days at the Registered Office of the Company till the date of the ensuing Annual General Meeting.

The Board recommends the above resolution for your approval.

No Directors may be deemed to be concerned/ interested in the resolution.

**Registered Office:**  
VILLAGE POICHA (RANIA),  
SURVEY NO. 6,  
SAVLI, DIST.  
VADODARA – 391 780.

**By order of the Board of  
Lactose (India) Limited**

**Managing Director**

Place: Mumbai  
Date: 02.07.2015

## DIRECTORS' REPORT

To,

**The Members,**

Your Directors have pleasure in presenting the Twenty Fourth Annual Report of the Company together with the Audited Statement of the Accounts for the year ended on 31<sup>st</sup> March, 2015.

### FINANCIAL STATEMENT:

(₹ In Lacs)

	2014-15	2013-14
Operating Income	2401.93	2276.49
Expenditure	(2122.85)	(2219.09)
Profit before Depreciation and Tax	279.09	57.40
Depreciation	194.39	241.95
Profit before Tax	84.70	(184.55)
Prior period Items	1.10	190.00
Profit before Tax	85.80	5.45
Provision for Current Tax	--	--
Deferred Tax	33.97	1.28
Minimum Alternate Tax Credit Entitlement	--	--
Taxation of Earlier Years	1.88	1.55
After Tax	49.95	2.62

### DIVIDENDS:

To conserve the resources for future expansion of business your Directors do not recommend any dividend on Equity Shares for the financial year under review.

### REVIEW OF OPERATIONS:

A detailed analysis of the performance for the year has been included in the Management Discussion and Analysis, which forms part of the Annual Report AS AN "ANNEXURE E"

### DEPOSITS:

The Company has not accepted any deposit or unsecured loans from the public within the meaning of Section 73 of the Companies Act, 2013 read with The Companies (Acceptance of deposit by Companies) Rules, 2014.

### DIRECTORS

Mr. Shyam Sunder Toshniwal retires by rotation and being eligible offer himself for reappointment and Mr. Abhijit Periwal appointed as an additional director with effect from 09.02.2015. Except this there are no other changes in the Directors of the Company.

### BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and clause 49 of the Listing agreement, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

### TRAINING OF INDEPENDENT DIRECTORS:

Your Company's Independent Directors are highly qualified and have been associated with corporate and business organizations. They have been associated with your Company since last several years, hence they all understand Company's business and activities very well, however, for the newly appointed non executive Director and for all other non executive Independent director, the Board has shown Company's business activities and were also

introduced to Company's staff pursuant to the provisions of Clause 49 of the Listing agreement.

### DECLARATION BY AN INDEPENDENT DIRECTOR(S)

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

### BOARD MEETINGS

Pursuant to Section 134(3) (b), details of Board meeting held in the year is in the Annexure III of this DIRECTOR'S Report.

During the year Nine (9) Board Meetings and Four (4) Audit Committee Meetings were conveyed and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

A separate meeting of Independent Directors, pursuant to Section 149 (7) read with Schedule VI of the Companies Act, 2013 and Clause 49 of the listing agreement was held on 13.02.2015.

### REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration.

### AUDITORS:

### STATUTORY AUDITOR & AUDIT REPORT

The Board of Directors in their meeting held on 29<sup>th</sup> May, 2014, on the recommendation of the Audit Committee, in accordance with the provisions of Section 139 of the Companies Act, 2013 had appointed M/s S G C O & Co., Chartered Accountants, to act as the Auditors of your Company till the conclusion of the 24th Annual General Meeting.

The Board of Directors in their meeting held on 28 May, 2015, on the recommendations of the Audit Committee, in accordance with the provisions of Section 141 of the Companies Act, 2013, recommended M/s S G C O & Co, Chartered Accountants as the Auditors of your Company till the conclusion of the next Annual General Meeting. The Company has received a certificate from the Auditors to the effect that the proposed appointment, if made, will be in accordance with the limits specified under Section 139 (9) of the Companies Act, 2013.

The Auditors Report for the financial year 2014-15, does not contain any qualification, reservation or adverse remark.

### SECRETARIAL AUDITOR & SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies Appointment and Remuneration of Managerial Personnel) rules, 2014, the Company has appointed ND & Associates, a firm of Company Secretaries in Practice to undertake the secretarial Audit of the Company. The Report of the Secretarial Audit Report is annexed herewith as "Annexure A"

The Secretarial Auditors Report for the financial year 2014-15, does not contain any qualification, reservation or adverse remark.

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control Systems commensurate with the size, scale and complexity of its operation.

The internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Significant Audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

#### **VIGIL MECHANISM/WHISTLE BLOWER POLICY**

The Company has a vigil mechanism to deal with instance of fraud and mismanagement, if any. The policy is in the process of posting the same on the website of the Company.

#### **ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE**

The information required under Section 134 (3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, with respect to conservation of energy, technology absorption and foreign exchange earnings/outgo is given hereto and forms a part of this report as an "Annexure C".

#### **TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

Energy conservation is not only a national priority but also a key value driver for your Company. Employees are also encouraged to give suggestion that will result in energy saving.

As prescribed under the Section 134 (3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is not applicable, as there is no technology absorption, adaptation and innovation made by your Company. However, it has been the endeavor of the Company to continuously upgrade & standardize its products.

#### **FOREIGN EXCHANGE EARNING AND OUTGO**

	<b>Rs. in Lacs</b>
i) CIF Value of Imports	253.52
ii) Expenditure in foreign currency	5.78
iii) Foreign Exchange earned	257.86

#### **PARTICULARS OF EMPLOYEES**

The information required under section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of employees of the Company has been annexed herewith as "Annexure B".

#### **EXTRACT OF ANNUAL RETURN**

Pursuant to Section 134(3)(a) , extract of Annual Return in Form MGT-9 has been annexed to this Annual Report in Annexure "D".

#### **RELATED PARTY TRANSACTIONS**

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

#### **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

The particulars of loans, guarantees and investments have been disclosed in the financial statement.

#### **SAFETY, HEALTH AND ENVIRONMENT**

Your Company recognizes its role in health and safety, as well as its responsibility towards environment and society. Infact your Company's goals are: no accidents, no injuries to people and no damage to environment. Safety and security of personnel, assets and environmental protection are also on top of the agenda of the Company at its manufacturing facilities.

Clean environment and sustainable development integrated with the business objective is the focus of operations of the Company. The projects and activities are planned and designed with

environment protection as an integral part to ensure a safe and clean environment for sustainable development.

#### **DIRECTORS' RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 134(3)(c) OF THE COMPANIES ACT 2013**

The Directors state that: -

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation by way of notes to accounts relating to material departures;
- b) The selected accounting policies were applied consistently and the judgments and estimates made by them are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March 2015 and of the profit for the year ended on that date;
- c) The proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The annual accounts have been prepared on a going concern basis.
- e) The Directors had laid down internal financial controls to be followed by the Company and that such internal controls are adequate and were operating effectively.
- f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **CORPORATE GOVERNANCE:**

The Company has in place a system of Corporate Governance. A separate report on Corporate Governance forms part of this Annual Report. A certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement is annexed to the report on Corporate Governance.

#### **CASH FLOW STATEMENT:**

The cash flow statement for the year 2014 – 2015 is attached to the Balance Sheet.

#### **HUMAN RESOURCES AND INDUSTRIAL RELATIONS**

Industrial Relations continued to be harmonious throughout the year under review. Many initiatives have been taken to support business through organizational efficiency, process change support and various employee engagement programs which have helped the Organization achieve higher productivity levels.

#### **APPRECIATION:**

Your Directors take this opportunity to convey their deep sense of gratitude for valuable assistance and Co-operation extended to the Company by all valued customers and bankers viz. Oriental Bank of Commerce.

Your Directors also wish to place on record their sincere appreciation for the valued contribution, unstinted efforts by the employees at all levels which contributed, in no small measure, to the progress and the high performance of the Company during the year under review.

**For and on Behalf of the Board**

**PLACE : MUMBAI**

**DATE : 02.07.2015**

**(CHAIRMAN)**

**ANNEXURE “A”  
TO THE DIRECTOR’S REPROT**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2015  
[Pursuant to section 204(1) of the Companies Act, 2013 and  
rule No. 9 of the Companies

(Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
Lactose (India) Limited  
Village Poicha (Rania),  
Survey No. 6, Savli,  
District Vadodara – 391780

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Lactose (India) Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the M/s. Lactose (India) Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable to the Company during the Audit period)**

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit period)**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit period)** and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit period)**
- (vi) Other laws as follows (the list is not Exhaustive);
- Factories Act, 1948
  - Industrial Disputes Act, 1947
  - Payment of Wages Act, 1936- Payment of Bonus Act, 1965
  - Payment of Gratuity Act, 1972
  - The Contract Labour (Regulation and Abolition) Act, 1970
  - Employees Provident Fund and Miscellaneous Provisions Act, 1952
  - Employees State Insurance Act, 1948
  - Environment Protection Act, 1986
  - Indian Contracts Act, 1872
  - Income Tax Act, 1961 and Indirect Tax Laws
  - Pollution Control Laws

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India **(not notified hence not applicable to the Company during audit period)**.
- (ii) The Listing Agreements entered into by the Company with Mumbai Stock Exchange Stock;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We have relied on the representation made by the Company and its officers for systems and mechanism formed by the Company for compliances under other applicable Acts, laws and regulations to the Company

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable

laws, rules, regulations and guidelines.

We further report that during the audit period there were no instance of :

- (i) Public/Right/Preference issue of shares / debentures / sweat equity, etc. There was conversion of third tranche of Convertible Warrants into equity Shares and the said shares were admitted for trading by the Bombay Stock Exchange.
- (ii) Redemption / buy-back of securities
- (iii) Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013(iv) Merger / amalgamation / reconstruction, etc.
- (v) Foreign technical collaborations. Further, our report of even dated to be read along with the following clarifications:
  1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express as opinion on these secretarial records based on my audit.
  2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide as reasonable basis of my opinion.
  3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
  4. Where ever required, we have obtained the Management representation about the compliance of laws and regulations and happening
  5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
  6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : Mumbai

Date : 02.07.2015

Signature :

ND & Associates

FCS No. 3262

C P No.: 4741

## ANNEXURE "B" TO THE DIRECTOR'S REPROT

PARTICULARS OF EMPLOYEES PURSUANT TO THE PROVISIONS SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE, 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AND ANNEXED TO AND FORMING PART OF THE DIRECTORS REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015.

### Particulars of Employees

- a. **The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:**

Executive Director	Ratio to median remuneration
Mr. Atul Maheshwari	21.83
Mrs. Sangita Maheshwari	13.25

Non- executive Directors	Ratio to median remuneration
NIL	NIL

- b. **The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year:**

Name	% increase in remuneration in the financial year
Mr. Atul Maheshwari, Chairman & Managing Director	16.67%
Mrs. Sangita Maheshwari, Whole Time Director	41.67%

- c. **The percentage increase in the median remuneration of employees in the financial year: 13.27%**

- d. **The number of permanent employees on the rolls of the Company: 135**

(Excluding Key Managerial Personnel)

- e. **The explanation on the relationship between average increase in remuneration and Company performance:**

The individual increments varied from 5% to 10% based on individual performance. Besides in applicable cases increments were also given.

In order to ensure that remuneration reflects Company performance, the performance pay is also linked to organization performance, besides individual performance.

- f. **Comparison of the remuneration of the key managerial personnel against the performance of the Company:**

(Rs. in lakhs)

Aggregate remuneration of Key managerial personnel (KMP) in FY 2014-2015	56.25
Revenue	2401.93
Remuneration of KMPs (as % of revenue)	2.34%
Profit before Tax(PBT)	85.80
Remuneration of KMPs (as % of PBT)	65.56%

- g. Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:

(Rs. in lakhs)

Particulars	March 31 2015	March 31 2014	% Change
Market Capitalization	2167.89	724.00	199.43%
Price Earnings Ratio	43.64%	301.67%	-85.53%

- h. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average annual increase was around 13.72%, after accounting for promotions and other event based compensation revisions.

Increase in the managerial remuneration for the year was 25%

- i. **Comparison of each remuneration of the key**

managerial personnel against the performance of the Company:

(Rs. in Lakhs)

	Mr. Atul Maheshwari (Chairman and Managing Director)	Mrs. Sangita Maheshwari (Whole time Director)
Remuneration in FY 2014- 2015	35.00	21.25
Revenue	2401.93	2401.93
Remuneration (as % of Revenue)	1.46%	0.88%
Profit Before Tax (PBT)	85.80	85.80
Remuneration (as % of PBT)	40.79%	24.77%

The key parameters for any variable components of remuneration availed by the directors:

- k. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:

No employee has received remuneration in excess of highest paid director.

- l. Affirmation that the remuneration is as per the remuneration policy of the Company:

Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and Senior Management is as per the Remuneration Policy of your Company.

- m. The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014 is open for inspection at the registered office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Compliance Officer.

## ANNEXURE "C" TO THE DIRECTOR'S REPROT

### FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY.

#### A. Power & Fuel Consumption:-

Power and Fuel Consumption	Current year 31.03.2015	Previous Period 31.03.2014
1) Electricity		
Purchase Unit (KWH)	2569318	2433037
Total Amount (Rupees)	18788069	17187988
Rate per Unit (Rupees)	7.31	7.06
2) Agro Waste Briquettes		
Quantity (MTS)	1976.755	1886.935
Total Amount (Rs)	12203533	11659171
Average Rate/ Ton	6173.52	6178.89

## ANNEXURE "D" TO THE DIRECTOR'S REPROT

### EXTRACT OF ANNUAL RETRUN

As on the financial year ended 31.03.2015

Pursuant to Section 92 (3) of the Companies Act,  
2013, and Rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

FORM NO. MGT-9

#### I. REGISTRATION AND OTHER DETAILS:

- CIN: L15201GJ1991PLC015186
- Registration Date: 11/03/1991
- Name of the Company : LACTOSE (INDIA) LIMITED
- Category / Sub-Category of the Company: Company Limited by Shares/ Indian Non- Government Company
- Address of the Registered office and contact details: Survey No. 6, Village Poicha (Rania), Savli, Baroda, 391780
- Whether listed company Yes / No : Yes
- Name, Address and Contact details of Registrar and Transfer Agent, if any II. : Bigshare Services Private Limited. E-2 &3, Ansa Industrial Estate, Saki-Vihar Road, Sakinaka, Andheri( E), Mumbai- 400072

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. NO.	Name and Description of Main Products/ Services	NIC Code of the Products/ Services	% of total turnover of the Company
1	Manufacturing of Lactose Monohydrate	10509	44.5
2	Manufacturing of Pharmaceuticals	21002	55.5

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES – N.A.

#### IV. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Share Holding: As per Attachment

Statement Showing Shareholding Pattern Table (I)(a)										
	No. of Shares held at the beginning of the year 01.04.2014				No. of Shares held at the end of the year 31.03.2015				% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
<b>(A) Promoter and Promoter Group</b>										
<b>1. INDIAN</b>										
(a) INDIVIDUAL / HUF	1581960	715000	2296960	28.71	1549868	1134000	2683868	31.88	3.17	
(b) CENTRAL / STATE GOVERNMENT(S)	0	0	0	0.00	0	0	0	0.00	0.00	
(c) BODIES CORPORATE	0	0	0	0.00	0	0	0	0.00	0.00	
(d) FINANCIAL INSTITUTIONS / BANKS	0	0	0	0.00	0	0	0	0.00	0.00	
(e) ANY OTHERS (Specify)										
(i) DIRECTORS RELATIVES	0	0	0	0.00	0	0	0	0.00	0.00	
(ii) GROUP COMPANIES	534832	0	534832	6.69	534832	0	534832	6.35	-0.33	
(iii) TRUSTS	0	0	0	0.00	0	0	0	0.00	0.00	
<b>SUB TOTAL (A)(1):</b>	<b>2116792</b>	<b>715000</b>	<b>2831792</b>	<b>35.40</b>	<b>2084700</b>	<b>1134000</b>	<b>3218700</b>	<b>38.23</b>	<b>2.83</b>	
<b>2. FOREIGN</b>										
(a) INDIVIDUAL	0	0	0	0.00	0	0	0	0.00	0.00	
(b) BODIES CORPORATE	0	0	0	0.00	0	0	0	0.00	0.00	
(c) INSTITUTIONS	0	0	0	0.00	0	0	0	0.00	0.00	
(d) QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00	
(e) ANY OTHERS (Specify)	0	0	0	0.00	0	0	0	0.00	0.00	
<b>SUB TOTAL (A)(2):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	
<b>Total holding for Promoters and Promoter group (A)=(A)(1)+(A)(2)</b>	<b>2116792</b>	<b>715000</b>	<b>2831792</b>	<b>35.40</b>	<b>2084700</b>	<b>1134000</b>	<b>3218700</b>	<b>38.23</b>	<b>2.83</b>	
<b>(B) Public shareholding</b>										
<b>1. INSTITUTIONS</b>										
(a) MUTUAL FUNDS / UTI	0	0	0	0.00	0	0	0	0.00	0.00	
(b) FINANCIAL INSTITUTIONS / BANKS	0	77920	77920	0.97	0	77920	77920	0.93	-0.05	
(c) CENTRAL / STATE GOVERNMENT(S)	0	0	0	0.00	0	0	0	0.00	0.00	
(d) VENTURE CAPITAL FUNDS	0	0	0	0.00	0	0	0	0.00	0.00	
(e) INSURANCE COMPANIES	0	0	0	0.00	0	0	0	0.00	0.00	
(f) FII'S	0	0	0	0.00	0	0	0	0.00	0.00	
(g) FOREIGN VENTURE CAPITAL INVESTORS	0	0	0	0.00	0	0	0	0.00	0.00	
(h) QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00	
(i) ANY OTHERS (Specify)	0	0	0	0.00	0	0	0	0.00	0.00	
<b>SUB TOTAL (B)(1):</b>	<b>0</b>	<b>77920</b>	<b>77920</b>	<b>0.97</b>	<b>0</b>	<b>77920</b>	<b>77920</b>	<b>0.93</b>	<b>-0.05</b>	
<b>B 2. Non-institutions</b>										
(a) BODIES CORPORATE	64899	16467	81366	1.02	112548	16467	129015	1.53	0.52	
(b) INDIVIDUAL										
(i) (CAPITAL UPTO TO Rs. 1 Lakh)	790774	3043494	3834268	47.93	785233	2983285	3768518	44.76	-3.17	
(ii) (CAPITAL GREATER THAN Rs. 1 Lakh)	283181	95000	378181	4.73	305606	95000	400606	4.76	0.03	

	No. of Shares held at the beginning of the year 01.04.2014				No. of Shares held at the end of the year 31.03.2015				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(c) QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00
(d) ANY OTHERS (Specify)									
(i) TRUSTS	0	0	0	0.00	0	0	0	0.00	0.00
(ii) CLEARING MEMBER	1982	0	1982	0.02	1821	0	1821	0.02	0.00
(iii) DIRECTORS RELATIVES	0	0	0	0.00	0	0	0	0.00	0.00
(iv) EMPLOYEE	0	0	0	0.00	0	0	0	0.00	0.00
(v) FOREIGN NATIONALS	0	0	0	0.00	0	0	0	0.00	0.00
(vi) NON RESIDENT INDIANS (NRI)	14491	780000	794491	9.93	42420	780000	822420	9.77	-0.16
(vii) OVERSEAS BODIES CORPORATES	0	0	0	0.00	0	0	0	0.00	0.00
(viii) UNCLAIMED SUSPENSE ACCOUNT	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL (B)(2):</b>	<b>1155327</b>	<b>3934961</b>	<b>5090288</b>	<b>63.63</b>	<b>1247628</b>	<b>3874752</b>	<b>5122380</b>	<b>60.84</b>	<b>-2.79</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>1155327</b>	<b>4012881</b>	<b>5168208</b>	<b>64.60</b>	<b>1247628</b>	<b>3952672</b>	<b>5200300</b>	<b>61.77</b>	<b>-2.83</b>
<b>Total (A) + (B):</b>	<b>3272119</b>	<b>4727881</b>	<b>8000000</b>	<b>100.00</b>	<b>3332328</b>	<b>5086672</b>	<b>8419000</b>	<b>100.00</b>	<b>0.00</b>
<b>(C) Shares held by Custodians and against which Depository Receipts have been issued</b>									
(a) SHARES HELD BY CUSTODIANS	0	0	0	0.00	0.0000	0.0000	0	0.00	0.00
(i) Promoter and Promoter Group	0	0	0	0.00	0.0000	0.0000	0	0.00	0.00
(ii) Public	0	0	0	0.00	0.0000	0.0000	0	0.00	0.00
<b>SUB TOTAL (C)(1):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total (A) + (B) + (C)</b>	<b>3272119</b>	<b>4727881</b>	<b>8000000</b>	<b>100.00</b>	<b>3332328</b>	<b>5086672</b>	<b>8419000</b>	<b>100.00</b>	

**(ii) Shareholding of Promoters**

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in the holding during the year
		No. of Shares	% of total shares of the Company	% of shares Pledged/ encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares Pledged/ encumbered to total shares	
1	Atul Maheshwari	616940	7.71	Nil	846010	10.05	nil	2.34
2	Sangita Maheshwari	911530	11.39	Nil	1045110	12.41	nil	1.02
3	S. S. Toshniwal	22010	0.28	Nil	22010	0.26	nil	(0.02)
4	Madhu Toshniwal	490500	6.13	Nil	530468	6.30	nil	0.17
5	Madhusha Projects	534832	6.69	Nil	534832	6.35	nil	(0.34)
6	Pushpa Maheshwari	95910	1.20	Nil	153420	1.82	nil	0.62
7**	Surajmal Maheshwari	57510	0.72	Nil	0	0.00	nil	(0.72)
8	Yashwardhan Maheshwari	15360	0.19	Nil	15360	0.18	nil	(0.01)
9	Atul Maheshwari Huf	50000	0.63	Nil	50000	0.59	nil	(0.04)
10	Sandeep Toshniwal	7200	0.09	Nil	7200	0.09	nil	(0.00)
11	Ritu Toshniwal	30000	0.38	Nil	14290	0.17	nil	(0.21)

\*\* SHARES OF SURAJMAL MAHESHWARI WERE TRANSFERRED TO PUSHPA MAHESHWARI HIS WIFE AFTER HIS UNTIMELY DEMISE



## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/ accrued but not due for payment:

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness In crores
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	20.96	7.21	Nil	28.17
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	<b>20.96</b>	<b>7.21</b>		<b>28.17</b>
<b>Change in Indebtedness during the financial year</b>				
● Addition	37.08	1.99	Nil	39.07
● Reduction	50.95	2.79	Nil	53.74
<b>Net Change</b>	<b>13.87</b>	<b>0.80</b>		<b>14.67</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	34.83	8.01	Nil	42.84
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>				

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of remuneration	Atul Maheshwari	Sangita Maheshwari	Total Amount
1	Gross Salary			
	a) Salary as per provision contained in Section 17 (1) of the Income Tax Act 1961	3500000	2125000	5625000
	b) Value of Perquisite u/s 17 (2) Income Tax Act, 1961	Nil	Nil	Nil
	c) Profits in lieu of Salary Under Section 17 (3) Income Tax Act, 1961	Nil	Nil	Nil

2.	Stock Option	NIL	NIL	
3	Sweat Equity	NIL	NIL	NIL
4	Commission-As % of Profits Others Specify	NIL	NIL	NIL
5	Others, Please specify	NIL	NIL	NIL
	<b>Total (A)</b>	<b>3500000</b>	<b>2125000</b>	<b>5625000</b>
	Ceiling as per the Act			

**B. Remuneration to other directors: N.A.**

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD : N.A.**

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: N.A.**

## ANNEXURE "E" TO THE DIRECTOR'S REPROT MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Industry Structure and Development:

The Indian pharma market size is expected to grow to US\$ 85 billion by 2020. The growth in Indian domestic market will be on back of increasing consumer spending, rapid urbanization, and raising healthcare insurance and so on. Moreover, the government has been taking several cost effective measures in order to bring down healthcare expenses. Thus, governments are focusing on speedy introduction of generic drugs into the market. This too will benefit Indian pharma companies. In addition, the thrust on rural health programs, life saving drugs and preventive vaccines also augurs well for the pharma companies

The Government of India has unveiled 'Pharma Vision 2020' aimed at making India a global leader in end-to-end drug manufacture. It has reduced approval time for new facilities to boost investments. Further, the government has also put in place mechanisms such as the Drug Price Control Order and the National Pharmaceutical Pricing Authority to address the issue of affordability and availability of medicines.

The Indian pharmaceuticals market is third largest in terms of volume and thirteen largest in terms of value. India has achieved an eminent global position in pharma sector. The country also has a huge pool of scientists and engineers who have the potential to take the industry to a very high level.

The Indian pharmaceutical industry is estimated to grow at 20 per cent compound annual growth rate (CAGR) over the next five years. Gujarat clocked the highest growth rate in pharmaceuticals market at 22.4 per cent during November 2014, surpassing the industry growth rate, which grew by 10.9 per cent,

### Opportunities and Threats:

There is High demand for your company's products. The sector needs to continuously invest in development of global R&D capabilities and its well-established Contract Research and Manufacturing Services (CRAMS) segment. Strong international collaborations and partnership will support India's efforts to deliver more value-added products

### Outlook:

Growing the Business exponentially would require investing in infrastructure, in people and consolidation our strength.

Your Company has decided to focus on products and markets of higher profitability only. The change in marketing strategy and exposure in the world market will enable us to become a global

force to reckon with. We have started exporting new products to Canada, Nigeria etc and the demand for the products is very healthy.

#### Risk and Concerns:

Higher interest rate regimes are bound to stay thereby effecting expansion plans and profitability.

Internal Control System and their adequacy:

Being a pharma company and ISO Certified the process parameters are fully documented and are in place. The role and responsibilities of various people are fully defined in all the functional level. There is continuously flow of information at all level and effective internal audit and internal checks are done at regular interval to ensure their adequacy and efficiency.

Additionally, the following measures are taken to ensure proper control:

- Budgets are prepared for all the operational levels.
- Any material variance from budget has to be approved by the Executive director.
- Any major policy change is approved by the managing director.
- Any deficiency in not achieving target is reviewed at management meetings.

#### Human Resource development / Industrial relations:

The company has made a plan to recruit best talents of industry by providing them long term growth plan and various facilities. Proper job evaluation, merit rating and allocating right job to right person is the basis of our HR policy.

Harmonious industrial relations continued to prevail throughout the year.

#### REPORT ON CORPORATE GOVERNANCE:

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:

##### 1. Statement on Company's Philosophy on code of governance:

The Company's philosophy on Corporate Governance is to attain high level of transparency and accountability in the functioning of the Company and in its relationship with employees, shareholders, creditors, consumers, dealers, lenders and ensuring high degree of regulatory compliances.

The company also believes that its systems and procedure will enhance corporate performance and maximize shareholder value in the long term.

##### 2. Board of Directors:

###### a) Composition and Category of Directors.

The Present Board comprises of 6 members consisting of 2 Executive Director and 4 Non-Executive Directors. All the Non-Executive Directors are also independent Directors. The name and category of each Director is given below:

	Name of the Director	Category
1.	Mr. Atul Maheshwari	Managing Director
2.	Mr. G. K. Sarda	Non - Executive Director
3.	Mr. Pramod Kalani	Non - Executive Director
4.	Mr. Mahendra Singhi	Non-Executive Director (Till 14/08/2014)
5.	Mrs. Sangita Maheshwari	Whole Time Director
6.	Mr. Shyamsunder B. Toshniwal	Non- Executive Director
7.	Mr. Abhijit K. Periwal	Additional Director (w.e.f. 09/02/2015)

##### b) Attendance of each Director at the Board Meetings and the Last Annual General Meeting (AGM)

Name of the Director	No. of Board Meetings held	No. of Board Meetings Attended	Attendance at last AGM
1. Mr. Atul Maheshwari	9	9	Yes
2. Mr. G. K. Sarda	9	9	Yes
3. Mr. Pramod Kalani	9	9	Yes
4. Mr. Mahendra Singhi	9	4	No
5. Mr. Shyamsunder B. Toshniwal	9	4	Yes
6. Mrs. Sangita Maheshwari	9	9	Yes
7. Mr. Abhijit K. Periwal	9	1	No

##### c) Number of other Directorship and Chairmanship / Membership of committees of each Director

Name of Director	No. of other Directorship in other Companies	No. of Chairmanship / Membership in other Board Committees
1. Mr. Atul Maheshwari	Nil	Nil
2. Mr. G. K. Sarda	02	Nil
3. Mr. Pramod Kalani	03	Nil
4. Mr. Mahendra Singhi	03	Nil
5. Mrs. Sangita Maheshwari	01	Nil
6. Mr. Shyam Sundar Toshniwal	06	Nil
7. Mr. Abhijit K. Periwal	01	Nil

##### d) Number of Board Meetings held and the dates of the Board Meeting

Sr. No	Date of Board Meeting
01	11/04/2014
02	29/05/2014
03	26/06/2014
04	13/08/2014
05	14/08/2014
06	13/11/2014
07	09/02/2015
08	13/02/2015
09	30/03/2015

The gap between two board meetings did not exceed four months.

##### 3. Training of Board Members:

All the non executive Directors except one are associated with the Company for several years, besides a presentation was made to all non executive Independent Directors to give an overview of Company's operations,

##### 4. Board Evaluation Mechanism

One of the key functions of the Board is to monitor and review the Board evaluation framework. The questionnaire of the survey is a key part of the process of reviewing the functioning and effectiveness of the Board and for identifying possible paths for improvements.

Each Board member is requested to evaluate the effectiveness of Board dynamics and relationships, information flow, decision making of Directors, relationship to stakeholders, Company performance, Company strategy, and the effectiveness of the whole Board and its various committees.

Independent Directors have three key roles- governance, control and guidance. Some of the performance indicators based on which the independent directors are evaluated includes:

- Ability to contribute to and monitor our corporate governance practice
- Ability to contribute by introducing international best practices to address top- management issues
- Active participation in long-term strategic planning
- Commitment to the fulfillment of a Directors' obligations and fiduciary responsibilities, these include participation in Board and committee meetings.

**5. Vigil Mechanism/Whistle Blower Policy:**

The Company has a vigil mechanism to deal with fraud and mismanagement, if any. The policy is on the website of the Company.

**6. Board Committees:**

The Board has constituted three committees i.e. Audit Committee, Nomination & Remuneration Committee and Stakeholder Relationship Committee.

**6.1 Audit Committee Meetings and attendance during the year**

Composition of Audit Committee, meetings held and attended during the financial year ended on 31<sup>st</sup> March, 2015 are as follows:

Member	No. of Meetings held	No. of Meetings attended
1. Mr. G. K. Sarda	4	4
2. Mr. Pramod Kalani	4	4
3. Mr. Mahendra Singhi	4	1
4. Mr. Abhijit Periwal	4	1

4 meetings of the Committee were held during the year ended 31<sup>st</sup> March, 2015. The dates on which the meetings were held are as follows:

29.05.2014, 13.08.2014, 13.11.2014 and 13.02.2015

**The terms reference to the Audit Committee are broadly as under:**

- a. Overall assessment of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b. Recommending the appointment of external auditor, fixation of audit fee and also approval for payment for any other service rendered by the Auditors.
- c. Reviewing with management the annual financial statement before submission to the board, focusing primarily on:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (3)(c) of Section 134 of the Companies Act, 2013.
  - Changes if any, in accounting policies and practice.
  - Major accounting entries based on exercise of judgment by management.
  - Observations if any, in draft audit report.
  - Significant changes/amendments, if any, arising out of audit.

- The going concern assumption.
  - Compliance with accounting standards.
  - Qualification in the draft audit report.
  - Compliance with stock exchange and legal requirements concerning financial statement.
  - 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. Review of Quarterly /Half Yearly unaudited financial results before submission to the auditors and the Board.
  - e. Reviewing with the management, external and internal auditors, and the adequacy of internal control systems.
  - f. Reviewing the adequacy of internal audit functions, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
  - g. Discussion with internal auditors any significant finding and follow up thereon.
  - h. Reviewing the findings, if any, 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 material nature and reporting the matter to the Board.
  - i. Discussions with external auditors before the audit commence nature and scope of audit as well as have post- audit discussion to ascertain any area of concern.
  - j. Reviewing the company's financial and risk management policies.
  - k. To look into the reasons for substantial defaults, if any, in the payment to the shareholders (in case of non – payment of declared dividends) and creditors.
  - l. Financial Statements and Investments made by subsidiaries.

**The Audit Committee also reviews:**

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory Auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

In addition the committee increases its sphere with the amendment in the Companies Act, 2013 and Corporate Governance regulations resulting in more transparency in the accounts of the Company.

**6.2 Stakeholders' Relationship Committee:**

Composition of Stakeholders Relationship Committee, meetings held and attended during the financial year ended on 31<sup>st</sup> March, 2015 are as follows:

29.05.2014, 13.08.2014, 13.11.2014 and 13.02.2015

**Composition, Meetings and attendance during the year:**

Members	Designation	Meetings held	Meeting Attended
Mr. G. K. Sarda	Member	4	4
Mr. Pramod Kalani	Member	4	4
Mr. Atul Maheeswari	Chairman*	4	4

**6.3 Nomination and Remuneration Committee**

The company set up remuneration committee though the said committee is not mandatory under Clause 49 of the Listing Agreement.

The Committee consists of Mr. G. K. Sarda acting as a Chairman, Mr. Pramod Kalani and Mr. Abhijit Periwal as Members.

There were three meetings held on 29.05.2014, 14.08.2014 and 13.02.2015 for financial year ended 31.03.2015.

**Composition, Meetings and attendance during the year:**

Members	Designation	Meetings held	Meeting Attended
Mr. G. K. Sarda	Member	3	3
Mr. Pramod Kalani	Member	3	3
Mr. Mahendra Singhi	Member	3	1
Mr. Abhijit Periwal	Member	3	1

\* Due to resignation of Mr. Mahendra Singhi on 14.08.2014, the committee was reframed on 13.02.2015 and now it comprises of Mr. Abhijit Periwal, Mr. Pramod Kalani and Mr. G. K. Sarda.

**7 Independent Directors Meeting**

During the year under review, a meeting of the Independent Directors of the Company was held on 13 February 2015 in accordance with provisions of Schedule IV (Code of Independent Directors), without the attendance of non-independent directors and members of management inter-alia to discuss:

- To review the performance of non-independent directors and the Board as a whole.
- To review the performance of the Chairman of the Company, taking into account the views of executive directors and non-executive directors.
- To assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the Independent Directors were present in the meeting.

**8. Code of Practices and procedures for fair disclosures of unpublished price sensitive information:**

As per the requirements of Regulation 8 (1) of Securities and Exchange of Board India (prohibition of Insider Trading) Regulation, 2015, the Company is in the process of formulating code of fair disclosures of unpublished price sensitive information and will soon upload the same on the official website of the Company. The Company's Code of Conduct to regulate, monitor and report trading by employees and other connected persons is already in place.

**9. Related Party Transactions:**

All the transactions entered into with Related Parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreements during the financial year were in the ordinary course of business and on an arms length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013.

There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosures as required by Accounting Standard (AS 18) have been made in the notes to the Financial Statements.

**10. Compliance with Accounting Standard:**

In the preparation of the financial statements, the Company has followed the Accounting Standards notified pursuant to Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provision of the Companies Act, 2013 and the general circulars issued by the Ministry of Corporate Affairs from time to time. The significant accounting policies which are consistently applied have been set out in the notes to the Financial Statements.

**11. Queries/Request received during the year ended 31<sup>st</sup> March 2015**

Category	No. of Complaint(S) Received	No. of Complaint(S) Resolved	No. of Complaint(S) Pending
Non Receipt of Annual Report	3	3	0
Non Receipt of Demat Rejection Documents	4	4	0
Non Receipt of Share Certificate after Transfer	2	2	0
Sebi	4	4	0
<b>Total:</b>	<b>13</b>	<b>13</b>	<b>0</b>

There were no Outstanding Complaints as on 31<sup>st</sup> March, 2015.

**12. Compliance Officer**

Mr. Ashish Bhatia, employee of the Company continued to act as a Compliance Officer of the Company as per the requirements under the listing Agreement. He supervised all the compliances are made in time.

**13. General Body Meetings:****Annual General Meeting**

Location	Date	Time	No. of Special Resolutions
Survey no: 6, Village Poicha (Rania), Savli, Dist: Vadodara – 397 080.	28.09.2012	11.00 p.m.	Nil
Survey no: 6, Village Poicha (Rania), Savli, Dist: Vadodara – 397 080.	30.09.2013	11.00 a.m.	Nil
Survey no: 6, Village Poicha (Rania), Savli, Dist: Vadodara – 397 080. (EGM)	19.05.2014	03.30 p.m.	2
Survey no: 6, Village Poicha (Rania), Savli, Dist: Vadodara – 397 080.	25.09.2014	11.00 a.m.	10

**14. Disclosures:**

- Details of non compliance by the Company i.e. penalties and strictures imposed on the Company by Stock Exchange or SEBI or any statutory Authority related to Capital Market during last 3 years

**Ans :** None

- I The Company has complied with all mandatory requirement as stated in clause 49 of Listing Agreement and the non-mandatory requirement have been complied with to the extent feasible.

**15. Corporate Governance Certification:**

The Chairman and Managing Director have certified to the Board of Directors, compliance in respect of all matters pursuant to Clause 49 of the Listing Agreement, is annexed and forms part of this Report .

**16. Means of Communication:**

- Quarterly results Published in the newspaper in Free Press Journal & Navshakti
- Whether the Management is Discussions and Analysis a part of Annual report Yes

**17. General Shareholder Information :**

Date, Time, Venue of AGM: 1<sup>st</sup> August , 2015, at 05.00 p.m on Saturday, at the Registered Office of the Company.

Financial calendar:

Particulars	Date
1 <sup>st</sup> Quarter results	on or before 15 <sup>th</sup> August 2015
2 <sup>nd</sup> Quarter results	on or before 15 <sup>th</sup> November 2015
3 <sup>rd</sup> Quarter results	on or before 15 <sup>th</sup> February 2016
4 <sup>th</sup> Quarter results	on or before 31 <sup>st</sup> May, 2016

Date of Book Closure: 27<sup>th</sup> July, 2015 to 1<sup>st</sup> August, 2015. (Both days inclusive)

Stock Code: **524202**

Registrar and Share Transfer Agents: **Bigshare Services Pvt. Ltd.**

Plant Location : **Survey No 6, Village Poicha (Rania), Taluka Savli, Dist: Vadodara, Gujarat – 391 780**

Address for Correspondence:

**Unit No. G - 02, 'A' wing, Ground Floor, Navbharat Estates, Zakaria Bunder Road, Sewri (West), Mumbai – 400015**

Distribution Schedule:

Category	No. of Holders	%age	No. of Shares	%age
1-5000	16199	95.26	2801305	33.27
5001-10000	504	2.96	405411	04.81
10001-20000	180	1.05	272250 0	3.23
20001-30000	30	0.17	76333	00.91
30001-40000	23	0.13	82350	00.98
40001-50000	07	0.04	32889	00.39
50001-100000	30	0.18	210012	02.49
100001-99999999	32	0.18	4538450	53.91
<b>Total :</b>	<b>17005</b>		<b>8419000</b>	<b>100.00</b>

**Categories of shareholding as on 31<sup>st</sup> March 2015**

CATEGORY	NO.OF SHARES HELD	%OF SHARE HOLDING
A PROMOTER (S) HOLDING		
1. PROMOTER (S) -INDIAN PROMOTERS -FOREIGN PROMOTERS	3204410	38.0616
2. PERSONS ACTING IN CONCERT	—	—
<b>SUB-TOTAL</b>	<b>3218700</b>	<b>38.23</b>
B NON-PROMOTERS HOLDING		
3. INSTITUTIONAL INVESTORS	-	-
A. MUTUAL FUNDS AND UTI	-	-
B. BANKS, FINANCIAL INST, INSURANCE COMPANY (CENTRAL / STATE GOVT. INST / NON-GOVERNMENT INST)	77920	0.93
C. FII (S)	-	-
<b>SUB-TOTAL</b>	<b>77920</b>	<b>0.93</b>
4. OTHERS		
A. PRIVATE CORPORATE BODIES	129015	1.53
B. INDIAN PUBLIC	4169124	49.52
C. NRIS / OCBS	822420	9.77
D. ANY OTHER (FOREIGN-COMPANIES) CLEARING MEMBERS	1821	0.02
<b>SUB-TOTAL</b>	<b>5122380</b>	<b>60.84</b>
<b>GRAND TOTAL</b>	<b>8419000</b>	<b>100</b>

**18. Dematerialization of Shares:**

The shares of the company form a part of the Compulsory demat segment. The Company has established connectivity with Both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through the registrars, Big Share Services Pvt Limited

**19. International Securities Identification Number (ISIN)**

The Company's Scrip form a part of the SEBI's Compulsory demat segment bearing ISIN No INE 0581013

**20. Listing on the Stock Exchange:**

The Equity Shares of the Company is listed on **Bombay Stock Exchange Limited**. The Annual Listing fees for the year 2015-16 are paid. **The stock code at BSE : 524202**

**21. Secretarial Audit**

Pursuant to Section 204 of the Companies Act, 2013 and Rules there under, the Board of Directors of the Company appointed M/s. ND & Associates, Practicing Company Secretaries, to conduct Secretarial Audit of records and documents of the Company. The Secretarial Audit Report confirms that the Company has complied with all the applicable provisions of the Companies Act, 2013, Depositories Act, 1996, Listing Agreements with the Stock Exchanges, and all the Regulations and Guidelines of the Securities and Exchange Board of India (SEBI), as applicable to the Company. Report on Secretarial Audit is annexed and forms part of this Report.

## **Auditor's Certificate on Compliance with the Corporate Governance under clause 49 of the listing Agreement**

To the Members of Lactose (India) limited

We have examined the compliance of conditions of corporate governance by Lactose (India) Limited ("the Company") for the year ended on 31<sup>st</sup> March 2015 as stipulated in clause 49 of the listing agreement of the company with the stock exchanges.

The compliance of conditions of the corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company, for ensuring the compliance of the conditions of the corporate governance. It is neither an auditor 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, we certify that the company has complied with the conditions of the corporate governance as stipulated in the abovementioned listing agreement.

We have been explained that no investor's grievance are pending for a period of exceeding one month as on 31<sup>st</sup> March 2015, against the Company as per the records maintained by the company.

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

**For S G & C O**  
Chartered Accountant

Place: Mumbai  
Date: **02.07.2015**

K. M. Tulsian  
Partner  
Membership No. 38430

## **Managing Director Certification**

The Board of Directors  
**Lactose (India) Limited**  
Mumbai

Dear Members of the Board,

I, Atul Surajmal Maheshwari, Chairman & Managing Director of Lactose (India) Limited, to the best of my knowledge and belief, state that;

- (a) (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
- (ii) These statements present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- (b) There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- (c) I accept responsibility for establishing and maintaining internal controls for financial reporting. I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and steps taken or proposed to be taken for rectifying these deficiencies.
- (d) I have indicated to the Auditors and the Audit Committee:
  - (i) Significant changes, if any, in the internal control over financial reporting during the year.
  - (ii) Significant changes, if any, in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-  
Atul Maheshwari  
Chairman & Managing Director

## INDEPENDENT AUDITOR'S REPORT

To the Members of Lactose (India) Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of **Lactose (India) Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the annexure a statement on the matters specified in the paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company does not have any pending litigations which would impact its financial position.
    - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For S G C O & Co.**  
Chartered Accountants  
Firm Regn. No.:112081W

K.M. Tulsian  
Partner  
Mem. No. : 38430

Place: Mumbai

Date: 28<sup>th</sup> May, 2015

## Annexure to the Independent Auditors Report

Annexure referred to in Paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" in our Independent Auditor's Report to the members of the Lactose (India) Limited for the year ended 31<sup>st</sup> March, 2015. As required by the Companies (Auditors Report) Order, 2015 and according to the information and explanations given to us during the course of the audit and on the basis of such checks of the books and records as were considered appropriate we report that:

- (i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- b) All the assets are physically verified by the management in accordance with a phased programme of verification, which in our opinion is reasonable, considering the size of the Company and the nature of assets. In accordance with the programme, certain fixed assets were physically verified during the year. The frequency of verification is reasonable and no material discrepancies have been noticed on such physical verification.
- (ii) a) The inventories have been physically verified by the management during the year at reasonable intervals.
- b) The procedures of physical verification of the inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The Company has maintained proper records of its inventories. No material discrepancies were noticed on physical verification as compared to book records.
- (iii) The Company has not granted any loans to the parties covered in the register maintained under Section 189 of the Act. Hence paragraph 3 (iii) of the said Order is not applicable to the Company.
- (iv) In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and for the sale of goods and services. We have not observed any major weakness in the internal control system during the course of the audit.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed for maintenance of cost records under section 148 (1) of the Companies Act, 2013 for the Company.
- (vii) a) On the basis of our examination of the records of the Company, the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess have been regularly deposited with the appropriate authorities except there is slight delay in few cases of depositing TDS, Service Tax and Provident Fund. There are no undisputed amount payable in respect of such statutory dues which have remained outstanding as at 31<sup>st</sup> March, 2015 for a period more than six months from the date they became payable.
- b) There are no dues of Income Tax, Sales Tax Wealth Tax, Service Tax, Custom duty, Excise Duty, VAT and Cess which have not been deposited on account of any dispute with the appropriate authorities.
- c) There is no amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- (viii) The Company has no accumulated losses at the end of the financial year and it has not incurred any cash losses during the financial year and in the immediately preceding financial year.
- (ix) The Company has not defaulted in repayment of its dues to banks and financial institutions.
- (x) The Company has not given any guarantee for loans taken by others from banks and financial institutions.
- (xi) The Company has applied the term loans during the year for the purpose they were obtained.
- (xii) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of any fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

**For S G C O & Co.**  
Chartered Accountants  
Firm Regn. No.:112081W

K.M. Tulsian  
Partner  
Mem. No. : 38430

Place: Mumbai  
Date: 28<sup>th</sup> May, 2015

## BALANCE SHEET AS AT 31ST MARCH, 2015

(Amount in ₹)

Particulars	Note No.	As at March 31, 2015	As at March 31, 2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	84,190,000	80,000,000
Reserves and Surplus	3	74,680,638	68,574,882
Money received against Convertible Share Warrants	4	-	1,657,151
		<b>158,870,638</b>	<b>150,232,033</b>
<b>Non-current liabilities</b>			
Long-Term Borrowings	5	287,637,130	195,453,377
Deferred Tax Liabilities (Net)	6	14,909,852	11,512,737
Other Long Term Liabilities	7	132,865,306	85,493,003
Long-Term Provisions	8	3,950,327	3,377,346
		<b>439,362,615</b>	<b>295,836,463</b>
<b>Current liabilities</b>			
Short-Term Borrowings	9	36,761,183	23,286,465
Trade Payables	10	42,922,051	81,819,813
Other Current Liabilities	11	118,387,925	52,271,629
Short-Term Provisions	12	173,986	86,760
		<b>198,245,145</b>	<b>157,464,667</b>
<b>TOTAL</b>		<b>796,478,398</b>	<b>603,533,162</b>
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Fixed Assets	13		
- Tangible assets		622,046,848	279,272,296
Capital work-in-progress	14	14,401,522	154,039,659
		<b>636,448,371</b>	<b>433,311,955</b>
Non-Current Investments	15	5,584,830	5,590,080
Long-Term Loans and advances	16	28,731,562	35,051,129
		<b>670,764,763</b>	<b>473,953,164</b>
<b>Current Assets</b>			
Inventories	17	20,302,771	18,198,257
Trade Receivables	18	53,926,713	76,143,845
Cash and Bank Balances	19	3,766,004	7,812,350
Short-Term Loans and Advances	20	47,266,190	27,425,545
Other Current Assets	21	451,957	-
		<b>125,713,635</b>	<b>129,579,997</b>
<b>TOTAL</b>		<b>796,478,398</b>	<b>603,533,162</b>
Significant accounting policies	1		

Accompanying notes to the financial statements  
In terms of our report of even date

1 to 44

**For S G C O & Co.**  
Chartered Accountants

For and on behalf of the Board of Directors of  
**Lactose (India) Limited**

**Atul Maheshwari**  
Managing Director

**Sangita Maheshwari**  
Whole Time Director

**K.M. Tulsian**  
Partner  
Mem. No. 38430

Place : Mumbai  
Date : 28th May, 2015

Place : Mumbai  
Date : 28th May, 2015

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

(Amount in ₹)			
Particulars	Note No.	Year Ended March 31, 2015	Year Ended March 31, 2014
<b>Income:</b>			
Revenue from operations (Gross)	22	238,616,503	226,796,313
Less: Excise duty		1,667,668	4,356,418
Net Revenue from operation (Net)		236,948,835	222,439,895
Other Income	23	3,244,659	5,209,288
<b>Total Revenue</b>		<b>240,193,493</b>	<b>227,649,183</b>
<b>Expenses:</b>			
Cost of materials consumed	24	41,232,543	73,413,141
Purchase of Stock-in-Trade	25	19,349,469	11,187,342
Changes in inventories of finished goods, work-in-progress	26	(3,233,777)	12,220,589
Employee benefits expense	27	63,861,138	58,522,545
Finance costs	28	26,561,069	10,786,631
Depreciation and amortization expense	13	19,438,890	24,195,316
Other expenses	29	64,514,070	55,779,080
<b>Total Expenses</b>		<b>231,723,403</b>	<b>246,104,644</b>
Profit/(Loss) before Prior Period Items, Exceptional Items and Tax		8,470,090	(18,455,461)
Add / (Less) : Prior Period Income / (Expenses)	30	110,000	-
<b>Profit/(Loss) before exceptional items and tax</b>		<b>8,580,090</b>	<b>(18,455,461)</b>
Exceptional Item	31	-	19,000,000
<b>Profit before Tax</b>		<b>8,580,090</b>	<b>544,539</b>
<b>Less: Tax Expenses:</b>			
Current Tax :		1,638,553	5,430
Less: MAT Credit Entitlement		(1,638,553)	(5,430)
<b>Tax Expenses(Net)</b>		<b>-</b>	<b>-</b>
Deferred Tax Liability / (Assets)		3,397,115	127,655
Tax of Earlier Years		187,570	154,855
<b>Profit for the year</b>		<b>4,995,406</b>	<b>262,020</b>
Earnings per equity share: (Nominal value of ₹ 10 each)	32		
- Basic		0.60	0.03
- Diluted		0.60	0.03
Significant accounting policies	1		

Accompanying notes to the financial statements  
In terms of our report of even date

1 to 44

**For S G C O & Co.**  
Chartered Accountants

For and on behalf of the Board of Directors of  
**Lactose (India) Limited**

**Atul Maheshwari**  
Managing Director

**Sangita Maheshwari**  
Whole Time Director

**K.M. Tulsian**  
Partner  
Mem. No. 38430

Place : Mumbai  
Date : 28th May, 2015

Place : Mumbai  
Date : 28th May, 2015

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## ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

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### Note 1 : Significant Accounting Policies:

#### Overview

Lactose (India) Limited ("The Company") is a listed company domiciled in India and incorporated under the provisions of Companies Act, 1956. Company is a Pharmaceutical Company and engaged in the Business of Manufacturing, trading and carrying out job work and Trading of Pharmaceutical Products. The equity of the company is listed on the Bombay Stock Ex. change

#### A Basis of Accounting:

- a) The Financial Statements have been prepared in compliance with the Accounting Standards specified under section 133 of the Companies Act, 2013 read with Rules 7 of the Companies (Accounts) Rule, 2014
- b) Financial Statements are based on historical cost convention and are prepared on accrual basis.

#### B Use of Estimates:

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the financial statements and the reported amounts of revenues and expenses during the reporting period. Difference between actual results and estimates are recognized in the periods in which the results are known/ materialized.

#### C Revenue Recognition

- i) Revenue is recognised when it is earned and no significant uncertainty exists as to its realisation or collection.
- ii) Interest is recognised on a time proportion basis taking in to account the amount outstanding and the rate applicable.
- iii) Revenue in respect of export sales is recognised on shipment of products.
- iv) Dividend income is recognised when right to receive the same is established.
- v) Rental Income is recognized on accrual basis as per the terms of agreement
- vi) Revenue from conversion charges is recognised on completion of particular Job work.

D Purchases are stated inclusive of custom duty, clearing & forwarding charges and net of discounts, returns, VAT and rate differences.

E Sales are inclusive of excise duty & sales tax and are stated net of discounts, returns and rebates.

#### F Fixed Assets:

Fixed Assets are stated at actual cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

#### G Impairment of Fixed Assets

At the end of each year, the Company determines whether a provision should be made for impairment loss on fixed assets by considering the indication that an impairment loss may have occurred in accordance with Accounting Standard 28 on "Impairment of Assets". Where the recoverable amount of any fixed assets is lower than its carrying amount, a provision for impairment loss on fixed assets is made for the difference.

#### H Depreciation:

Depreciation on Fixed Assets has been provided on 'Straight Line Method' as per their useful life and in the manner prescribed in the Schedule II of the Companies Act, 2013.

#### I Borrowing Costs

Borrowing costs are recognised as an expense in the period in which they are incurred except the borrowing cost attributable to the acquisitions / constructions of a qualifying assets which are capitalised as a part of the cost of the fixed assets, up to the date, the assets are ready for its intended use.

#### J Inventories

Items of inventories are measured at lower of cost and net realisable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition.

Cost of finished goods, raw materials, work-in-progress, stores and spares, packing materials, trading and other products are determined on First in First out (FIFO) basis.

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## ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

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### **K Investments**

Investments that is intended to be held for more than a year from the date of acquisition are classified as long term investments and are carried at cost less any provision for other than temporary diminution in value. Investments other than long term investments being current investments are valued at cost or fair market value whichever is lower.

### **L Employee Benefits**

- i) Company's contribution to Provident Fund and other Funds for the year is accounted on accrual basis and charged to the Statement of Profit & Loss for the year.
- ii) Retirement benefits in the form of Gratuity are considered as defined benefit obligations and are provided on the basis of the actuarial valuation, using the projected unit credit method as at the date of the Balance Sheet.

### **M Provisions and Contingent Liabilities**

- i) Provisions are recognized in terms of Accounting Standard 29- "Provisions, Contingent Liabilities and Contingent Assets specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 when there is a present legal or statutory obligation as a result of past events where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made.
- ii) Contingent Liabilities are recognized only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.
- iii) Contingent Liabilities are disclosed by way of notes.

### **N Foreign Currency Transactions**

- i) The transactions in foreign currencies on revenue accounts are stated at the rate of exchange prevailing on the date of transactions.
- ii) The difference on account of fluctuation in the rate of exchange, prevailing on the date of transaction and the date of realisation are recognised as Income or Expenses.
- iii) Differences on translation of Current Assets and Current Liabilities remaining unsettled at the year-end are recognised as Income or Expenses.
- iv) Exchange difference on translation or settlement of long term foreignn currency monetary items (i.e. whose term of settlement exceeds twelve months from date of its origination) at rates different from those at which they were intially recorded or reported in the previous financial statement, in so far as it relates to acquisitions of depreciable assets are adjusted to the cost of the assets and depreciated over the remaining useful life of such assets. In other cases, these are accumulated in "Foreign currency monetary item translation difference account" and amortised by recognitions as income or expenses in each period over the balance term of such item till settlement occurs but not beyond March, 2020

### **O Accounting for Government Grants**

- i) Capital subsidy received from Government which is not attributable to any fixed asset is reflected under the head 'Capital Reserve'.
- ii) Subsidy for acquiring certain fixed assets is deducted from the cost of the related fixed assets.

### **P Accounting for Taxation of Income**

#### **Current Taxes**

Provision for current income-tax is recognized in accordance with the provisions of Indian Income- tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions.

#### **Deferred Taxes**

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profits offered for income tax and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantially enacted at the Balance Sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future. Deferred tax assets are reviewed as at each Balance Sheet date.

**ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
MARCH 31, 2015**

(Amount in ₹)

**Note 2 : Share Capital**

**a. Details of authorised, issued and subscribed share capital**

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Authorised Capital</b>		
12,000,000 (P.Y.10,000,000) Equity Shares of ₹10/- each	120,000,000	100,000,000
<b>Issued Subscribed and Paid up Capital</b>		
84,19,000 (PY 80,00,000) Equity Shares of ₹10/- each fully paid up	84,190,000	80,000,000
	<b>84,190,000</b>	<b>80,000,000</b>

**b. Terms & Conditions**

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive 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

**c. Increase in Authorised Share Capital**

The Company in its Annual General Meeting held on 25th September, 2014 has increased its authorised share capital from ₹ 100,000,000/- divided into 10,000,000 Equity Shares of ₹10/- each to ₹ 120,000,000/- divided into 12,000,000 Equity Shares of ₹10/- each.

**d. Shareholders having more than 5 % shareholding**

Name of Shareholder	As at March 31, 2015		As at March 31, 2014	
	No of Equity shares held	Holding (%)	No of Equity shares held	Holding (%)
Sangita Maheshwari	1,045,110	12.41	911,530	11.39
Indu Kasat	780,000	9.26	780,000	9.75
Atul Maheshwari	896,010	10.64	666,940	8.34
Madhusa Projects Private Limited	534,832	6.35	534,832	6.69
Madhu Toshniwal	530,468	6.30	490,500	6.13

**e. Reconciliation of equity shares outstanding**

Particulars	As at March 31, 2015		As at March 31, 2014	
	Number	Amount (In ₹)	Number	Amount (In ₹)
At the beginning of the year	8,000,000	80,000,000	7,603,000	76,030,000
<b>Issued during the year</b>				
- On Conversion of Share Warrants	419,000	4,190,000	397,000	3,970,000
At the end of the year	8,419,000	84,190,000	8,000,000	80,000,000

**ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
MARCH 31, 2015**

(Amount in ₹)

**Note 3 : Reserves and Surplus**

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Capital Reserves</b>	7,500,000	7,500,000
<b>Securities Premium Account</b>		
Balance as per last financial statements	5,762,888	4,710,838
Add: Amount received during the year	1,110,350	1,052,050
	<b>6,873,238</b>	<b>5,762,888</b>
<b>Surplus in the Statement of Profit &amp; Loss</b>		
Balance as per last financial statements	55,311,994	55,049,974
Add :Net Profit for the current year	4,995,406	262,020
	<b>60,307,400</b>	<b>55,311,994</b>
<b>GRAND TOTAL</b>	<b>74,680,638</b>	<b>68,574,882</b>

**Note 4 : Money received against Convertible Share Warrants**

Particulars	As at March 31, 2015	As at March 31, 2014
Money received against 4,19,000 (P.Y. 8,16,000) Convertible Share Warrants	1,657,151	2,912,663
Add: Money received during the Year	3,643,200	3,766,538
Less: Converted to 4,19,000 (P.Y. 3,97,000) equity shares at ₹12.65 per share	5,300,350	5,022,050
	-	<b>1,657,151</b>

The Company in March, 2013 had made a preferential issue of 11,34,000 Convertible Warrants at a premium of ₹ 2.65 per warrant (Face value ₹10 each) in accordance with SEBI guidelines and had received 25 % upfront money amounting to ₹ 35,86,275. In terms of the issue, the Company had converted 7,15,000 share warrants into 7,15,000 fully paid equity shares of ₹ 10/- after receiving balance 75% amounting to ₹ 67,83,563/- till 31st March, 2014

During the year, the Company has converted balance 4,19,000 share warrants into 4,19,000 fully paid equity shares of ₹ 10/- each after receiving balance 75% money on 26th June, 2014.

In terms of the issue, the amount so received from the above issue of shares has been utilized for the working capital requirements of the Company.

**ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
MARCH 31, 2015**

(Amount in ₹)

**Note 5 : Long-Term Borrowings**

Particulars	As at March 31, 2015	As at March 31, 2014
<b>SECURED</b>		
<b>Term Loans</b>		
From Banks	307,367,269	179,633,190
Less: Current maturities of long term debt (Refer Note no. 11)	52,673,976	6,000,000
	<b>254,693,293</b>	<b>173,633,190</b>
<b>Vehicle Loans</b>		
From Banks	3,528,272	5,520,076
From Others	583,389	1,152,014
	4,111,661	6,672,090
Less: Current maturities of long term debt (Refer Note no. 11)	2,670,516	2,560,429
	<b>1,441,145</b>	<b>4,111,661</b>
<b>UNSECURED</b>		
Loans from Directors	18,078,630	3,173,776
Inter Corporate Loans	13,424,062	14,534,750
<b>TOTAL</b>	<b>287,637,130</b>	<b>195,453,377</b>

**Other information regarding secured loans :**

**Term loan from banks :**

- a) Term loan from Oriental Bank of Commerce amounting to ₹ 17,39,73,439 (PY ₹ 17,96,33,190) is secured against hypothecation of Land and Building, Plant and Machinery, Furniture and Fixtures, Vehicles and other assets created out of the said Term loan. Loan is taken for the specific purpose of expansion of capacity for manufacturing of Lactose Monohydrate and Setting-up the new facility of Lactulose Solution. It carries an interest rate 4.00% + Base Rate. The loan is repayable in 60 equal monthly installments of ₹ 30,00,000 each, after a moratorium of 12 months, which has commenced from February, 2015. The interest is payable as and when due. The Term Loan was sanctioned for ₹ 18,00,00,000.
- b) Term loan from ICICI Bank amounting to USD 2,131,105 (equivalent to INR 13,33,93,830) (P.Y ₹ Nil) is secured by Pari pasu Charge with Oriental Bank of Commerce on present & future movable fixed assets, Factory land & building and current assets of the company. It carries an interest rate of 3 months LIBOR Rate + 1.83% . The loan is repayable in 9 equal quarterly installment of USD 88,800 and one last installment of USD 1,332,003, starting from July,2015. Equitable mortgage on residential premises of directors of the Company is also offered as a collateral security. The loan is further secured by personal guarantees by the directors and relative of directors of the company.

**Vehicle loans from banks :**

- a) Vehicle loan from ICICI Bank amounting to ₹ 12,38,857/- (PY ₹ 19,62,258/- ) is secured against respective vehicle. It carries interest rate of 10.60% p.a. and is repayable in 60 equal monthly installment amounting to ₹ 74,749 each, starting from 1st November 2011.
- b) Vehicle loan from ICICI Bank amounting to ₹ 12,38,864/- (PY ₹ 19,62,263/-) is secured against respective vehicle. It carries interest rate of 10.60% p.a. and is repayable in 60 equal monthly installment amounting to ₹ 74,749 each, starting from 1st November 2011.
- c) Vehicle loan from Kotak Mahindra Bank amounting to ₹ 5,30,576 (PY ₹ 8,34,336) is secured against respective vehicle. It carries interest rate of 12.20% p.a. and is repayable in 47 equal monthly installment amounting to ₹ 32,400 each, starting from 10th November 2012.
- d) Vehicle loan from Kotak Mahindra Bank amounting to ₹ 5,19,975 (PY ₹ 7,61,219) is secured against respective vehicle. It carries interest rate of 11.40% p.a. and is repayable in 47 equal monthly installment amounting to ₹ 26,300 each, starting from 20th March 2013.

**ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
MARCH 31, 2015**

(Amount in ₹)

**Vehicle Loan from Others :**

- a) Vehicle loan from Kotak Mahindra Prime Limited amounting to ₹ 2,40,259 (PY ₹ 6,22,600) is secured against respective vehicle. It carries interest rate of 9.46% p.a. and is repayable in 60 equal monthly installment amounting to ₹ 35,415 each, starting from 1st December 2010
- b) Vehicle loan from Tata Capital Limited amounting to ₹ 3,43,130 (PY ₹ 5,29,414) is secured against respective vehicle. It carries interest rate of 12.99% p.a. and is repayable in 60 equal monthly installment amounting to ₹ 19,880 each, starting from 9th December 2011.

**Loan from Directors / Inter Corporate Loans :**

Loans from Directors and Inter Corporate Loans are unsecured and repayable only after 31st March, 2016. The loans carry interest @ 14% p.a.

**Note 6 : Deferred Tax Liabilities (Net)**

The major components of deferred tax liability / asset as recognised in the financial statement is as follows:

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Deferred Tax Liability on account of :</b>		
Excess of net block of fixed assets as per books of accounts over net block for tax purpose	43,893,346	23,031,886
	<b>43,893,346</b>	<b>23,031,886</b>
<b>Deferred Tax Asset on account of :</b>		
Employee Benefits	1,328,465	1,116,305
Unabsorbed Depreciation	27,655,029	10,402,844
	<b>14,909,852</b>	<b>11,512,737</b>

**Note 7 : Other Long term Liabilities**

Particulars	As at March 31, 2015	As at March 31, 2014
Advance Manufacturing Consideration (Refer Note No. 37(a) and Note No. 37(b) )	74,624,761	54,401,967
Less : Current maturities (Refer Note no. 11)	9,377,200	5,777,200
	65,247,561	48,624,767
Rent Deposit	-	350,000
Unbilled Lease Rentals	83,259	61,686
Trade Payables	67,534,486	36,456,550
	<b>132,865,306</b>	<b>85,493,003</b>

**Note 8 : Long-Term Provisions**

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Provision for Employee Benefits:</b>		
Gratuity Payable	4,094,513	3,440,606
Less : Current Portion of Gratuity Payable (Refer Note no. 12)	144,186	63,260
	<b>3,950,327</b>	<b>3,377,346</b>

**ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
MARCH 31, 2015**

(Amount in ₹)

**Note 9 : Short-Term Borrowings**

Particulars	As at March 31, 2015	As at March 31, 2014
<b>SECURED</b>		
<b>Loans repayable on demand</b>		
From Banks	36,761,183	23,286,465
	<b>36,761,183</b>	<b>23,286,465</b>

**Other Information regarding loans repayable on demand**

- a) Cash Credit Facility from Oriental Bank of Commerce amounting to ₹ 2,95,33,233/- (PY ₹ 2,32,86,465) is secured against hypothecation of stocks of raw materials, stock in process, finished goods, stores & spares and trade receivables of the Company. It carries interest rate of 13.90% (3.50% + Base Rate of 10.40%).
- b) Cash Credit Facility from ICICI Bank amounting to ₹ 72,27,950 (PY ₹ Nil) is secured against hypothecation of stocks of raw materials, stock in process, finished goods, stores & spares and trade receivables of the Company ranking pari pasu with Oriental Bank of Commerce and second pari pasu charge on future and present movable fixed assets of the Company. Equitable mortgage of the residential premises of directors of the Company is also given as a collateral security. The loan is further secured by personal guarantees from directors and relative of directors.

**Note 10 : Trade Payables**

Particulars	As at March 31, 2015	As at March 31, 2014
Due to Medium, Small and Micro Enterprises	1,861,325	1,543,922
Others	41,060,726	80,275,891
	<b>42,922,051</b>	<b>81,819,813</b>

**Disclosures under Sec 22 of Micro, Small and Medium Enterprises Development Act, 2006 to the extent information available with the Company:**

Particulars	As at March 31, 2015	As at March 31, 2014
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of accounting year;	1,861,325	1,543,922
The amount of interest accrued and remaining unpaid at the end of accounting year; and	-	18,080
The amount of interest paid by the buyer in terms of section 16 along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid);	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	27,475

**Note:**

Interest paid or payable by the Company on the aforesaid principal amount has been waived by the concerned suppliers.

**ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
MARCH 31, 2015**

(Amount in ₹)

**Note 11 : Other Current Liabilities**

Particulars	As at March 31, 2015	As at March 31, 2014
Current maturities of long-term debt (Refer Note No. 5)	55,344,492	8,560,429
Current maturities of Advance Manufacturing Consideration (Refer Note 37(a) and 37(b) )	9,377,200	5,777,200
Payable for Capital Goods	26,491,875	32,884,276
Duties & Taxes Payable	817,199	866,296
Other Payable	26,357,159	4,183,427
	<b>118,387,925</b>	<b>52,271,629</b>

**Note 12 : Short-Term Provisions**

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Provision for employee benefits:</b>		
Current Portion of Gratuity Payable	144,186	63,260
<b>Others</b>		
Provison for Wealth Tax	29,800	23,500
	<b>173,986</b>	<b>86,760</b>

**ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**

**Note 13 : Fixed Assets**

Description of Assets	Gross Block						Accumulated Depreciation			Net Block		
	As at April 1, 2014	Additions during the year	Deletions during the year	As at March 31, 2015	Up to April 1, 2014	Depreciation charge for the year	Adjustments On disposals	Up to March 31, 2015	As at March 31, 2015	As at March 31, 2014		
<b>Tangible Assets</b>												
Land - Owned	4,819,242	-	-	4,819,242	-	-	-	-	4,819,242	4,819,242		
Building - (Factory)	104,563,718	78,471,639	-	183,035,357	26,243,619	3,707,045	-	29,950,664	153,084,693	78,320,099		
Building - (Office)	1,281,075	-	-	1,281,075	208,759	20,164	-	228,923	1,052,152	1,072,316		
Plant & Machinery	281,413,721	275,663,861	-	557,077,582	128,231,092	10,116,864	-	138,347,956	418,729,626	153,182,629		
Furniture & Fixtures	13,369,760	176,617	-	13,546,377	4,319,642	1,188,805	-	5,508,447	8,037,930	9,050,118		
Vehicles	16,700,450	-	-	16,700,450	4,399,277	2,316,676	-	6,715,953	9,984,497	12,301,173		
Office Equipments & Air Conditioners	10,599,736	54,325	-	10,654,061	9,931,692	187,664	-	10,119,356	534,705	668,044		
Computers	4,065,926	463,199	-	4,529,125	3,077,809	758,823	-	3,836,632	692,493	988,117		
Electrical Installations	6,931,381	7,383,802	-	14,315,183	1,796,975	918,139	-	2,715,114	11,600,069	5,134,406		
<b>Assets under Lease</b>												
Building (Office)	14,205,600	-	-	14,205,600	469,448	224,711	-	694,159	13,511,441	13,736,152		
<b>Total</b>	<b>457,950,609</b>	<b>362,213,443</b>	<b>-</b>	<b>820,164,052</b>	<b>178,678,313</b>	<b>19,438,890</b>	<b>-</b>	<b>198,117,203</b>	<b>622,046,849</b>	<b>279,272,296</b>		
<b>Previous Year</b>	<b>305,590,418</b>	<b>153,377,123</b>	<b>1,016,932</b>	<b>457,950,609</b>	<b>154,986,951</b>	<b>24,195,316</b>	<b>503,954</b>	<b>178,678,313</b>	<b>279,272,296</b>	<b>150,603,467</b>		

**Notes**

(a) Exchange differences amounting to Rs. 45,19,858/- (Previous Year Rs. Nil) has been capitalized to the cost of fixed assets in terms of exercise of option as per of Para 46A of AS11 (pursuant to notification dated 29 December 2011 issued by the Ministry of Corporate Affairs.) (Also refer Note 1 N (iv) of significant accounting policies).

\*Refer Note No.41

**ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
MARCH 31, 2015**

(Amount in ₹)

**Note 14 : Capital work-in-progress**

The Company has started the expansion of their capacity for manufacturing of Lactulose and other products. Expansion of lactulose plant has been completed during the year and accordingly has been capitalised. Necessary details are disclosed below :

Particulars	As at March 31, 2015	As at March 31, 2014
Opening Balance	154,039,659	108,825,907
<b>Add : Expenditure during the year</b>		
Electric Installations	6,450,318	-
Equipment, Plant & Machinery Cost	160,975,015	119,028,495
Construction Cost	28,853,934	54,654,827
Furniture & Fixtures	170,403	2,754,185
Bank Interest on Term Loan	20,833,208	14,602,436
Processing Fees & Documentation Charges on Term Loan	-	12,860,160
Personnel Cost	-	1,328,974
Other Expenses	248,833	1,161,316
Exchange Difference	4,519,858	
<b>Less: Plant capitalized during the year</b>	361,689,705	161,176,641
	<b>14,401,522</b>	<b>154,039,659</b>

**Note 15 : Non-Current Investments**

Particulars	As at March 31, 2015	As at March 31, 2014
<b>(Valued at cost, unless stated otherwise)</b>		
<b><u>Unquoted, Trade Investments</u></b>		
Investment in Equity instruments 4,00,000 (P.Y. 4,00,000) Equity Shares of ₹ 10 each fully paid up of Eurolife Healthcare Private Limited of	5,200,000	5,200,000
<b>(A)</b>	<b>5,200,000</b>	<b>5,200,000</b>
<b><u>Quoted, Non-Trade Investments</u></b>		
Investment in Equity instruments 1,000 (P.Y. 1,000) Equity Shares of ₹ 10 each fully paid up of Clio Infotech Limited	43,980	43,980
12,800 (P.Y. 12,800) Equity Shares of ₹ 10 each fully paid up of Shardul Securities & Finance Limited	384,000	384,000
5,000 (P.Y. 5,000) Equity Shares of ₹ 10 each fully paid up of Ojas Technochem Products Limited	123,915	123,915
<b>(B)</b>	<b>551,895</b>	<b>551,895</b>
<b>TOTAL (A+B)</b>	<b>5,751,895</b>	<b>5,751,895</b>
Less : Provision for dimunition in the value of Investments	167,065	161,815
	<b>5,584,830</b>	<b>5,590,080</b>

**ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
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(Amount in ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
Aggregate market value of quoted investments	551,200	422,820
Aggregate book value of quoted investments	551,895	551,895
Aggregate value of unquoted investments	5,200,000	5,200,000

**Note 16 : Long-Term Loans and advances**

(Unsecured, considered good)

Particulars	As at March 31, 2015	As at March 31, 2014
Capital Advances	10,903,501	24,832,278
Security Deposits	8,029,315	4,647,308
MAT Credit Entitlement	1,643,983	5,430
Advance Tax & TDS (Net)	6,341,348	3,226,478
Prepaid Interest	1,813,415	-
Duties and Taxes Receivable	-	2,339,635
	<b>28,731,562</b>	<b>35,051,129</b>

**Capital Advances includes :**

Particulars	As at March 31, 2015	As at March 31, 2014
Advance given to a Private Limited Company in which director of the Company is interested as director	6,000,000	-

**Note 17 : Inventories**

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Valued at Cost or Net Realisable Value whichever is lower</b>		
Raw Materials and components	7,661,339	9,510,577
Work-in-progress	8,414,174	2,637,233
Finished goods	542,232	3,085,396
Stores, spares and other consumables	3,685,026	2,965,051
<b>TOTAL</b>	<b>20,302,771</b>	<b>18,198,257</b>

**Note 18 : Trade Receivables**

(Unsecured, considered good)

Particulars	As at March 31, 2015	As at March 31, 2014
Trade receivables outstanding for a period exceeding six months from the date they are due for payment	9,710,171	9,589,131
Others	44,216,542	66,554,714
	<b>53,926,713</b>	<b>76,143,845</b>

**ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
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(Amount in ₹)

Trade Receivables stated above include debts due by:

Particulars	As at March 31, 2015	As at March 31, 2014
Due from a Private Limited Company in which director of the Company is interested as director	5,318,637	11,585,547
Due from a Proprietary concern in which relative of director of the Company is proprietor	8,818,407	6,574,284

**Note 19 : Cash and Bank Balances**

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Cash &amp; Cash Equivalents</b>		
<u>Balances with banks</u>		
- Current Account	517,352	4,005,381
- Fixed Deposits (with original maturity period upto 3 months)	1,762,623	2,662,834
Cash on hand	1,170,172	141,369
<b>Other Bank Balances</b>		
Fixed Deposits (Original maturity more than 3 months and upto 12 months) *	315,857	1,002,766
	<b>3,766,004</b>	<b>7,812,350</b>

Particulars	As at March 31, 2015	As at March 31, 2014
* Fixed Deposits pledged with banks against Bank Guarantee	315,857	299,487

**Note 20 : Short-Term Loans and Advances**

(Unsecured, considered good)

(Amount in ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
Advances Recoverable in cash or in kind	44,309,171	26,093,050
Advance to Suppliers	654,141	268,717
Prepaid Expenses	2,302,878	1,063,778
	<b>47,266,190</b>	<b>27,425,545</b>

**Note 21 : Other Current Assets**

(Unsecured, considered good)

Particulars	As at March 31, 2015	As at March 31, 2014
Interest Receivable	451,957	-
	<b>451,957</b>	-

**ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
MARCH 31, 2015**

(Amount in ₹)

**Note 22 : Revenue from operations**

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
<b>Operating Revenues</b>		
Gross Sales	47,966,380	103,456,489
Conversion Charges	184,144,213	119,021,632
	232,110,593	222,478,121
<b>Other Operating Revenues</b>		
Scrap Sales	728,704	948,159
Manufacturing Consideration (Refer Note 37)	5,777,206	3,370,033
	<b>238,616,503</b>	<b>226,796,313</b>

**Note 23 : Other income**

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
<b>Interest Income</b>		
Interest on Fixed Deposits	441,050	678,284
Interest on Electricity Deposit	821,851	-
<b>Other non-operating income</b>		
Profit on Sale of Non-Current Investments	-	538,828
Gain on Foreign Exchange Fluctuation (Net)	738,332	3,617,080
Sundry Balances written back	244,718	-
Dividend from Non-Current Investments	8,960	7,680
Rent Income	989,748	367,416
	<b>3,244,659</b>	<b>5,209,288</b>

**Note 24 : Cost of materials consumed**

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
<b>Raw Materials /Components</b>		
Opening Stock	9,510,577	20,705,114
Add: Purchases	39,383,305	62,218,604
Less: Closing Stock	7,661,339	9,510,577
	<b>41,232,543</b>	<b>73,413,141</b>

**Note 25 : Purchase of Stock-in-Trade**

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Purchases	19,349,469	11,187,342
	<b>19,349,469</b>	<b>11,187,342</b>

**ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
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(Amount in ₹)

**Note 26 : Changes in inventories of finished goods, work-in-progress**

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
<u>Opening Inventory</u>		
Finished Goods	3,085,396	12,928,086
Work-In-Progress	2,637,233	5,015,132
	5,722,629	17,943,218
<u>Closing Inventory</u>		
Finished Goods	542,232	3,085,396
Work-In-Progress	8,414,174	2,637,233
	8,956,406	5,722,629
	(3,233,777)	12,220,589

**Note 27 : Employee benefits expense**

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Salaries and Wages	56,132,659	50,997,044
Directors Remuneration	5,625,000	5,750,000
Gratuity Expenses	731,617	534,905
Contribution to PF & Other Funds	989,564	856,135
Staff welfare expenses	382,298	384,461
	<b>63,861,138</b>	<b>58,522,545</b>

Note: Salaries and Wages include amount paid towards contractual wages ₹ 2,58,62,191/- (P.Y. ₹1,97,79,539).

**Note 28 : Finance costs**

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Interest to Banks & Financial Institutions	20,636,168	9,613,707
Interest on Unsecured Loan	4,228,956	638,665
Bank Charges	1,695,946	534,259
	<b>26,561,069</b>	<b>10,786,631</b>

**ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
MARCH 31, 2015**

(Amount in ₹)

**Note 29: Other expenses**

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Stores and spares consumed	9,875,875	5,079,349
Laboratory materials consumed	1,437,687	1,293,830
Power and Fuel expenses	31,219,080	28,931,882
ETP Plant expenses	577,478	600,295
<u>Repairs to :</u>		
- Building	307,147	37,967
- Machinery	1,044,531	851,332
- Others	737,704	39,951
Rent	2,271,235	1,635,174
Rates and Taxes	152,299	362,318
Legal and Professional	2,988,967	2,972,841
Communication Expenses	972,613	909,523
Electricity Charges	230,927	184,969
Insurance Charges	1,324,216	2,325,180
Auditor's Remuneration	565,548	567,418
Travelling Expenses	3,564,376	2,338,374
Vehicle Expenses	1,856,795	1,975,348
Printing & Stationery	337,666	670,004
Provision for Diminution in the value of Investment	5,250	-
Commission & Brokerages	-	377,537
Freight Outward	6,555	335,507
Sales Promotion Charges	1,267,607	722,288
Loss on Sale of Fixed Assets	-	362,978
Sundry Balances Written Off	192,507	183,350
Sales Tax Paid	56,892	810,107
Miscellaneous Expenses	3,521,116	2,211,559
	<b>64,514,070</b>	<b>55,779,080</b>

**Auditors Remuneration includes :**

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Audit Fees	451,125	410,114
Taxation Matters	35,771	11,236
Other Services	78,652	146,068
<b>TOTAL</b>	<b>565,548</b>	<b>567,418</b>

**ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
MARCH 31, 2015**

(Amount in ₹)

**Note 30 : Prior Period Income / (Expenses)**

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
<b>Prior Period Income</b>		
Job Work	110,000	-
	110,000	-

**Note 31 : Exceptional Item**

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Consideration for Sale of Customers (Refer Note below)	-	19,000,000
	-	<b>19,000,000</b>

**Note:** Note: During the FY-2011-12, the Company had received an amount of ₹1,90,00,000/- from Kerry Ingredients Private Limited (KIPL) for transfer of Company's customers as per the manufacturing agreement executed on 11th January, 2013. During the F.Y.2013-14, the Company had transferred its entire customers to KIPL and accordingly the same was recognized as income under exceptional item.

**Note 32 : Earnings per equity share:**

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
<b>Basic / Dilutive Earnings per Share</b>		
Profit attributable to Equity shareholders	4,995,406	262,020
Weighted average number of equity shares	8,320,277	7,678,050
<b>Basic Earnings Per Share</b>	0.60	0.03
<b>Face value per Share</b>	10.00	10.00

**Note 33 : Contingent Liabilities**

Particulars	As at March 31, 2015	As at March 31, 2014
Guarantee given by Bank on behalf of the Company	805,000	455,000
Letter of Credit	11,358,199	11,727,450
Custom Duty against Export Obligation (Refer Note below)	16,510,288	10,985,244
<b>TOTAL</b>	<b>28,673,487</b>	<b>23,167,694</b>

**Note:** The Company has obtained license under Export Promotion Capital Goods Scheme (EPCG) for purchase of capital goods on zero percent custom duty. Under the EPCG the Company needs to fulfill certain export obligations, failing which, it is liable for payment of custom duty. Export Obligations amounting to ₹ 48,82,86,691/- (PY ₹ 32,85,69,733 /-) needs to be completed within 6 years from the date of purchase of respective license.

**Note 34 : Commitments**

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is ₹ 1,48,39,714/- (PY: ₹ 7,39,39,966/-).

**ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
MARCH 31, 2015**

(Amount in ₹)

**Note 35 :**

In the opinion of the Board the Current Assets and Long Term Loans and advances, are realisable in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet. The provision for all known liabilities is adequate and not in excess of amount reasonably necessary.

**Note 36 :**

Balances of trade receivables, payables, loans and advances are subject to confirmation, reconciliation and consequential adjustment, if any. Consequently revenue impact, presently is not ascertainable, will be considered as and when determined.

**Note 37 :**

- a) During the FY 2013-14, the Company had commenced production of its upgraded manufacturing facility to manufacture up to 10000 metric tons 200 Mesh Lactose per year exclusively for Kerry Indegredients India Private Limited (KIPL) and accordingly as per the manufacturing agreement with KIPL, has recognised during the year income of ₹ 57,77,200 (P.Y. ₹ 33,70,033/-) on proportionate basis out of total Advance Manufacturing Consideration amounting to ₹ 5,77,72,000 and the balance of ₹ 57,77,200/- (P.Y. ₹ 57,77,200/-) is disclosed under the head "Other Current liability" and ₹ 4,28,47,561/- (P.Y. ₹ 4,86,24,767/-) is disclosed under the head "Other Long term liability".
- b) During the year, Company has received an advance amounting to ₹ 2,60,00,000/- from Sanofi India Limited for procurement of machinery, equipment and carrying out civil work for structural modification of manufacturing facility exclusively meant for Sanofi India Limited through an agreement dated 10th April, 2014 and addendum thereto dated 1st January, 2015. As per said agreement, advance payment is to be adjusted by way of monthly deductions by Sanofi India Limited equivalent to 20% of the Conversion and Packaging charges billed to Sanofi India Limited by Lactose (India) Limited from F.Y 2015-2016. Accordingly, out of advance of ₹ 2,60,00,000/-, ₹ 36,00,000/- is disclosed under the head "Other Current liability" and ₹ 2,24,00,000/- is disclosed under the head "Other Long term liability" on estimated basis.

**Note 38 : Disclosure pursuant to Accounting Standard – 15 'Employee Benefits'**

Assumptions	Year Ended March 31, 2015	Year Ended March 31, 2014
Salary Growth *	7.00%	7.00%
Discount Rate	8.00%	9.00%
Withdrawal Rate	5% at younger ages and reducing to 1% at older ages according to graduated scale.	5% at younger ages and reducing to 1% at older ages according to graduated scale.
Mortality Rate	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.

\* \* The estimates of future salary increases, considered in an actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

(i) Changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof:

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Present value of obligation as at the beginning of the year:	3,440,606	3,493,873
Interest cost	275,248	314,449
Current service cost	311,987	279,974
Benefits paid	(77,711)	(588,172)
Actuarial (gain) / loss on obligation	144,383	(59,518)
Closing Present value of obligation	4,094,513	3,440,606

**ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
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(Amount in ₹)

(ii) Actuarial gain/ loss recognised in the Statement of Profit and Loss:

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Actuarial gain/ (loss) for the year obligation	-	-
Total (gain)/ loss for the year	144,383	(59,518)
Actuarial (gain)/ loss recognised during the year.	144,383	(59,518)

(iii) The amounts recognised in the Balance Sheet are as follows:

Particulars	As at March 31, 2015	As at March 31, 2014
Present value of obligation as at the end of the year	4,094,513	3,440,606
Funded value of assets (unfunded)	-	-
Net assets / (liability) recognised in balance sheet	(4,094,513)	(3,440,606)

(iv) The amounts recognised in the Statement of Profit and Loss are as follows:

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Current service cost	311,987	279,974
Past service cost	-	-
Interest cost	275,248	314,449
Expected return on plan assets	-	-
Net actuarial (gain) / loss recognized in the year	144,383	(59,518)
Expenses recognised in the statement of profit and loss	731,617	534,905
Add : Opening liability provided in Current year on account of change in Accounting Policy	-	-
Total Liability Provided in Current Year	731,616	534,905

**Note 39 : Segment Reporting**

**Basis of preparation**

In accordance with the requirements of Accounting Standard 17 "Segment Reporting", the Company's business consists of one reportable business segment i.e., "Manufacturing & Trading of Pharmaceutical Products", hence no separate disclosures pertaining to attributable Revenues, Profits, Assets, Liabilities, Capital Employed are given.

**Note 40 : Related Party disclosures**

**a. List of related parties**

Relationship	Name of the Party
Directors	Mrs. Sangita Maheshwari (Whole time director)
	Mr. Atul Maheshwari (Managing Director)
	Mr. SM Maheshwari (Upto 24th January, 2014)
	Mr. SS Toshniwal (From 13th August, 2014)
Relative of Director	Mr. Yash Maheshwari
	Mrs. Madhu Toshniwal

**ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
MARCH 31, 2015**

(Amount in ₹)

Relationship	Name of the Party
Enterprises having same Key Management	Eurolife Healthcare Private Limited
Personnel and / or their Relatives	Madhusa Projects Private Limited
	Himalayan Herbal Foods
	Madhusa Holdings Private Limited
	Madhusa Biotech Private Limited
	Lotus Global Private Limited
	Omega Colors Private Limited

**b. Transactions entered with Related Parties during the year**

Name of Party	Nature of Transaction	Year Ended March 31, 2015	Year Ended March 31, 2014
Mr. SM Maheshwari	Director's Remuneration	-	2,500,000
	Salary	-	500,000
Mr. Atul Maheshwari	Director's Remuneration	3,500,000	3,000,000
	Loans Taken	3,000,000	1,000,000
	Interest Paid	492,102	65,589
	Loan Repayment	908,240	-
	Equity Contribution (Including Premium)	-	2,745,936
Mrs. Sangita Maheshwari	Salary	-	1,250,000
	Director's Remuneration	2,125,000	250,000
	Rent	396,000	360,000
	Loans Taken	4,856,810	2,000,000
	Interest Paid	869,147	127,496
	Loan Repayment	2,308,472	-
	Equity Contribution (Including Premium)	-	1,600,858
Mrs. Madhu Toshniwal	Consultancy Charges paid	360,000	
	Equity Contribution (Including Premium)	-	675,257
Mr. Yash Maheshwari	Salary	30,000	61,742
Mr SS Toshniwal	Consultancy Charges paid	-	330,000
	Loan Taken	8,000,000	-
	Interest Paid	903,507	-
Himalayan Herbal Foods	Sales	19,534,540	11,469,364
Lotus Global Pvt Ltd	Purchases	40,529	72,562
Madhusa Projects Private Limited	Loan Taken	-	14,150,000
	Repayment of Loans Taken	10,146,823	
	Interest Paid	1,468,218	427,500

**ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
MARCH 31, 2015**

(Amount in ₹)

Name of Party	Nature of Transaction	Year Ended March 31, 2015	Year Ended March 31, 2014
Madhusha biotech Private Limited	Advance against Property	6,000,000	
Eurolife Healthcare Private Limited	Sales	26,117,167	57,951,616
	Purchases	-	758,127
	Advance received back	-	1,885,231
Omega Colors Private Limited	Compensation Paid	727,450	-

**c. Balance Outstanding of Related Parties :**

Name of Party	Receivable / Payable	Year Ended March 31, 2015	Year Ended March 31, 2014
Mrs Sangita Maheshwari	Unsecured Loan Payable	5,532,231	2,114,746
	Director Remuneration Payable	250,000	250,000
Mr. Atul Maheshwari	Unsecured Loan Payable	3,642,892	1,059,030
	Director Remuneration Payable	350,000	250,000
Mr. SM Maheshwari	Salary Payable	-	500,000
Mr. Yash Maheshwari	Salary Payable	-	10,000
Mrs. Madhu Toshniwal	Consultancy Charges Payable	27,500	
Mr. SS Toshniwal	Consultancy Charges Payable	-	27,500
	Unsecured Loan Payable	8,903,507	
Lotus Global Pvt Ltd	Trade Payables	40,529	33,999
Himalayan Herbal Foods	Trade Receivables 8,818,407	6,574,284	
Madhusha biotech Private Limited	Advance against Property	6,000,000	-
Madhusha Projects Private Limited	Unsecured Loan Payable	5,856,145	14,534,750
Eurolife Healthcare Private Limited	Trade Receivables	5,318,637	11,585,547
	Trade Payables	758,127	758,127

**Note 41 : Depreciations**

Effective from April 1, 2014, the Company has charged depreciation on its assets based on their useful life as stipulated under Schedule II of the Companies Act, 2013. Due to this, the depreciation for the year ended on 31st March, 2015 is lower by ₹49,13,249/- as compared to the depreciation computed under the earlier provisions of the Companies Act, 1956.

**Note 42 : Information pursuant to para 5(viii) of the General Instructions to the Statement of Profit and Loss**

**(a) Value of Imports on C.I.F Basis:**

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Stock-in-Trade	19,349,469	11,187,342
Capital goods	6,003,286	27,410,586
<b>TOTAL</b>	<b>25,352,755</b>	<b>38,597,928</b>

**ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
MARCH 31, 2015**

(Amount in ₹)

**(b) Expenditure in foreign currency (on accrual basis):**

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Travelling Expenses	578,966	100,987
<b>TOTAL</b>	<b>578,966</b>	<b>100,987</b>

**(c) Consumption of raw materials:**

Particulars		Year Ended March 31, 2015		Year Ended March 31, 2014	
		Amount	Percentage	Amount	Percentage
Manufacturing -	Imported	-	-	-	-
	Indigenous	41,232,543	100%	73,413,141	100%
<b>TOTAL</b>		<b>41,232,543</b>	<b>100%</b>	<b>73,413,141</b>	<b>100%</b>
Spares -	Imported	-	-	-	-
	Indigenous	9,875,875	100%	5,079,349	100%
<b>TOTAL</b>		<b>9,875,875</b>	<b>100%</b>	<b>5,079,349</b>	<b>100%</b>

**Note 43 : Information pursuant to para 5(ii) and 5(iii) of the General Instructions to the Statement of Profit and Loss**

**(a) Particulars of consumption of raw materials:**

Raw Materials	Year Ended March 31, 2015	Year Ended March 31, 2014
Crude Lactose	5,963,357	33,717,007
Lactulose	11,107,411	-
Others	24,161,775	39,696,134
	<b>41,232,543</b>	<b>73,413,141</b>

**(b) Particulars of traded goods purchases:**

Traded Goods	Year Ended March 31, 2015	Year Ended March 31, 2014
Low Density Polyethylene	19,349,469	11,187,342
	<b>19,349,469</b>	<b>11,187,342</b>

**(c) Particulars of Work-in-progress:**

Work in Progress	As at March 31, 2015	As at March 31, 2014
Lactulose	8,414,174	-
Others	-	2,637,233
	<b>8,414,174</b>	<b>2,637,233</b>

**ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
MARCH 31, 2015**

(Amount in ₹)

**(d) Particulars of sales and inventory position:**

Manufactured Goods	Year Ended March 31, 2015		
	Sales	Closing Inventory	Opening Inventory
Lactose	- (31,978,333)	- -	- (10,076,082)
Lactulose	590,113 (12,700)	542,232 (1,944,573)	1,944,573 (1,956,088)
Others	27,841,727 (59,996,092)	- (1,140,820)	1,140,820 (895,916)
<b>Total</b>	<b>28,431,840</b> <b>(91,987,125)</b>	<b>542,232</b> <b>(3,085,393)</b>	<b>3,085,393</b> <b>(12,928,086)</b>

\* Previous year figures are in brackets

**(e) Particulars of sales and inventory position:**

Traded Goods	Year Ended March 31, 2015		
	Sales	Closing Inventory	Opening Inventory
Low Density Polyethylene	19,534,540 (11,469,364)	- (NIL)	- (NIL)
<b>TOTAL</b>	<b>19,534,540</b> <b>(11,469,364)</b>	<b>-</b> <b>(NIL)</b>	<b>-</b> <b>(NIL)</b>

\* Previous year figures are in brackets

**Note 44 :**

Previous year's figures have been re-grouped / re-classified to conform to this year's classification.

In terms of our report of even date

**For S G C O & Co.**  
*Chartered Accountants*

For and on behalf of the Board of Directors of  
**Lactose (India) Limited**

**K.M. Tulsian**  
*Partner*  
**Mem. No. 38430**

**Atul Maheshwari**  
*Managing Director*

**Sangita Maheshwari**  
*Whole Time Director*

Place : Mumbai

Place : Mumbai

Date : 28th May, 2015

Date : 28th May, 2015

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

	(Amount in ₹)	
Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before taxation	8,580,090	544,539
Adjustments for:		
Depreciation on fixed assets	19,438,890	24,195,316
Loss on sale of fixed assets	-	362,978
Decrease in Value of investments	5,250	-
Interest expense	24,865,124	10,252,372
<b>Deduct:</b>		
Dividend Received	(8,960)	(7,680)
Profit on Sale of Investments	-	(538,828)
Interest income	(441,050)	(678,284)
Unrealised gain on Foreign Exchange Fluctuations	-	(2,362,363)
<b>Operating Profit before Working Capital changes</b>	<b>52,439,345</b>	<b>31,768,050</b>
Adjustments for :		
(Increase) / Decrease in inventories	(2,104,514)	22,775,609
(Increase) / Decrease in trade receivables	22,217,132	31,476,418
Increase/(Decrease) in trade payable	(38,897,762)	(22,977,384)
Increase/(Decrease) in long term trade payable	30,749,509	411,686
Increase/(Decrease) in other current liabilities	66,116,296	15,550,314
Increase/(Decrease) in other current Assets	(451,957)	-
Increase/(Decrease) in short term provisions	87,226	(225,637)
Increase/(Decrease) in long term provisions	572,981	174,270
<b>CASH GENERATED FROM OPERATIONS</b>	<b>130,728,256</b>	<b>78,953,325</b>
Income tax Paid	3,302,439	4,430,595
<b>Net Cash inflow from/ (outflow) from Operating activities</b>	<b>127,425,817</b>	<b>74,522,731</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of fixed assets	(208,173,784)	(153,377,123)
Fixed Deposits with Banks (more than 3 months maturity period)	686,909	(726,582)
Capital WIP	(14,401,522)	(45,213,752)
Sale of Fixed Assets	-	150,000
Sale of Investments	-	1,538,828
Long term loans & advances received back / (given)	9,434,437	(27,650,869)
Short term loans & advances received back / (given)	(19,840,645)	10,315,296
Interest received	441,050	678,284
Dividend received	8,960	7,680
<b>Net Cash inflow from/ (outflow) from Investing activities</b>	<b>(231,844,595)</b>	<b>(214,278,238)</b>

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

	(Amount in ₹)	
Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
<b>C. Cash Flow from Financing Activities</b>		
Proceeds / (Repayment) of long term borrowings	92,183,753	148,383,691
Proceeds / (Repayment) of short term borrowings	13,474,718	(4,821,572)
Advance for Expansion	16,622,794	(3,370,033)
Proceeds from Share Issue	5,300,350	5,022,050
Share warrant money pending allotment	(1,657,151)	(1,255,513)
Interest paid	(24,865,124)	(10,252,372)
	<b>101,059,341</b>	<b>133,706,251</b>
<b>Net Cash inflow from/ (outflow) from Financing activities</b>		
	<b>(3,359,438)</b>	<b>(6,049,256)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		
Cash and cash equivalents at the beginning of the year	6,809,584	12,858,840
<b>Cash and cash equivalents at the end of the year</b>	<b>3,450,147</b>	<b>6,809,584</b>

**Notes 1 :**

Cash and Cash Equivalents at the end of the year consists of cash in hand and balances with banks are as follows :

	Year Ended March 31, 2015	Year Ended March 31, 2014
Cash in hand	1,170,172	141,369
Bank balances	2,279,975	6,668,214
	<b>3,450,147</b>	<b>6,809,584</b>

**Note 2:**

Previous year's figures have been regrouped and rearranged wherever necessary in order to conform to current year's figures.

In terms of our report of even date

**For S G C O & Co.**  
*Chartered Accountants*

For and on behalf of the Board of Directors of  
**Lactose (India) Limited**

**K.M. Tulsian**  
*Partner*  
**Mem. No. 38430**

**Atul Maheshwari**  
*Managing Director*

**Sangita Maheshwari**  
*Whole Time Director*

Place : Mumbai

Place : Mumbai

Date : 28th May, 2015

Date : 28th May, 2015

**Dear Shareholder**

**Sub: Green Initiative in corporate Governance-Electronic mode of service of Documents**

The Ministry of Corporate affairs, Government of India, has by circular no 17/2011 dated 21<sup>st</sup> April 2011 and 18/2011 dated 29<sup>th</sup> April,2011 respectively, clarified that a company will have complied with the provisions of the companies act, 1956, if service of notice(s) / document(s) on its shareholders has been made through electronic mode. This initiative by the government is indeed commendable and your company supports the same. We are sure, that as a responsible shareholder, you too will support this initiative. By registering yourself with the company for e-communication, you will be able to receive such notice(s) / document(s) etc. promptly and without loss in postal transit.

It is proposed that henceforth documents like Notices of Meetings, annual Reports, Directors Report, Auditors Report and other shareholder communication will be sent electronically to the email address provided by you and made available to the Company by the Depositories viz, NSDL / CDSL. As and when there are changes in your email address, you are requested to keep your Depository Participant (DP) informed of the same.

For shares held in Physical form, shareholders can either register their email address with the Company at [investor.lactose@gmail.com](mailto:investor.lactose@gmail.com) mentioning their name(s) and Folio no. or return this Letter duly filled in to the Company's Registrar & Transfer Agent.

Kindly note that if you still wish to get a hard copy of the above documents, the Company will send the same, free of cost, upon receipt of a request from you.

Thanking you

Yours sincerely,

**For Lactose (India) Limited**

**Atul Maheshwari**

Managing Director

Folio No. / DP ID & Client ID \_\_\_\_\_  
Name of 1<sup>st</sup> Registered Holder \_\_\_\_\_  
Name of Joint Holder(s) \_\_\_\_\_  
E-mail Address (To Be Registered) \_\_\_\_\_  
Mobile No. \_\_\_\_\_

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

## LACTOSE (INDIA) LIMITED

CIN: L15201GJ1991PLC015186

**REGISTERED OFFICE :** VILLAGE POICHA (RANIA), SURVEY NO. 6, SAVLI, DIST. VADODARA – 391780

Tel: 02667244729, Email ID:investor.lactose@gmail.com Web: www.lactoseindialimited.com

### ATTENDANCE SLIP ANNUAL GENERAL MEETING 1<sup>ST</sup> AUGUST, 2015

DP ID – Client ID / : Folio No .	
Name & Address : Of sole Member	
Name of the Joint : Holder(s)	
No of Shares held :	

I certify that I am a member / Proxy for the member of the Company.

I hereby record my presence at the Annual General Meeting of the Company at Village Poicha (Rania), Survey no. 6, Savli, dist. Vadodara – 391780 at 11:30am on 1<sup>st</sup> Of August 2015

\_\_\_\_\_  
Member / Proxy's Signature

### ELECTRONIC VOTING PARTICULARS

EVS (Electronic Voting Sequence Number)	User ID	(Pan / Seq.No)
150703013		

NOTE: Please read the complete instructions given under the Note (The Instructions for shareholders voting electronically) to the Notice of the Extraordinary General Meeting. The Voting time starts from 27<sup>th</sup> July 2015 from 9 a.m. onwards and ends on 29<sup>th</sup> July, 2015 at 5.00 pm. The voting module shall be disabled by CDSL for voting thereafter

## LACTOSE (INDIA) LIMITED

CIN: L15201GJ1991PLC015186

**REGISTERED OFFICE :** VILLAGE POICHA (RANIA), SURVEY NO. 6, SAVLI, DIST. VADODARA – 391780

Tel: 02667244729, Email ID: investor.lactose@gmail.com Web: www.lactoseindialimited.com

### Form No. MGT-11 PROXY FORM

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

Name of the Member(s): \_\_\_\_\_

Registered Address: \_\_\_\_\_

Email Id: \_\_\_\_\_

Folio No./client ID No. \_\_\_\_\_ DP ID No. \_\_\_\_\_

I/We being the member(s) of Shares of Expo Gas Container Limited, hereby appoint

1. Name : \_\_\_\_\_ Email Id: \_\_\_\_\_

Address: \_\_\_\_\_

Or failing him

Signature: \_\_\_\_\_

2. Name : \_\_\_\_\_ Email Id: \_\_\_\_\_

Address: \_\_\_\_\_

Or failing him

Signature: \_\_\_\_\_

3. Name : \_\_\_\_\_ Email Id: \_\_\_\_\_

Address: \_\_\_\_\_

Signature: \_\_\_\_\_

As my/our proxy to attend and vote (on a poll) for me/us and my/our behalf at the 24<sup>th</sup> Annual General Meeting of the Company to be held on Saturday, 1 August, 2015 at 5.00 p.m. at Village Poicha (Rania), Survey No. 6, Savli, Dist. Vadodara – 391780 at any adjournment thereof in respect of such resolutions as are indicated below:

1. Adoption of Annual Accounts and reports thereon for the financial year ended 31<sup>st</sup> March, 2015.
2. Reappointment of Mr. S. S. Toshniwal, as Director of the Company.
3. To appoint auditor and fix their remuneration.
4. To confirm appointment of Mr. Abhijit Periwal as Director of the Company.
5. To make Preferential Issue of 12,60,000 Convertible Warrants of Rs. 10/- each.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015.

Signature of share holder \_\_\_\_\_

Signature of Proxy holder(s) \_\_\_\_\_

Note: This form of Proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.

**BOOK - POST**

*If undelivered, please return to :*

**LACTOSE (INDIA) LIMITED**

SURVEY NO. 6,  
VILLAGE POICHA (RANIA),  
TALUKA SAVLI,  
DISTRICT VADODARA  
GUJARAT - 391 780