

**24<sup>TH</sup> ANNUAL REPORT  
2013-2014**

**KESAR PETROPRODUCTS LIMITED**

**24<sup>TH</sup> ANNUAL REPORT 2013-2014****DIRECTORS**

Mr. Nazirsaheb Sayyed  
Mr. Ajay Sharma (upto09.12.2013)  
Mr. Sunil A. Sawant  
Mr. Mohit PremKumar Kaushik (w.e.f. 09.12.2013)

**BANKERS**

Bank of India  
Axis Bank Limited

**AUDITORS**

Sayeed Khan & Associates  
Chartered Accountants

**REGISTRAR & TRANSFER AGENTS**

M/s. System Support Services  
09, Shivai Industrial Estate,  
Near Parke Davis  
89, Andheri - Kurla Road  
Sakinaka, Mumbai - 400 072.  
Tel Nos.: 28500835 (5 lines)  
E-mail: syss72@yahoo.com

**REGISTERED OFF. & FACTORY**

D-7/1, MIDC,  
LoteParshuram, TalukaKhed,  
District: Ratnagiri – 415722  
Maharashtra

**CIN NO.**

23209PN1990PLC054829

**24<sup>th</sup> ANNUAL GENERAL MEETING**

Date : 30<sup>th</sup> September, 2014  
Day : Tuesday  
Time : 11.00 A.M.  
Place : D-7/1, MIDC,  
Lote Parshuram, TalukaKhed,  
District: Ratnagiri – 415722  
Maharashtra

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# KESAR PETROPRODUCTS LIMITED

Registered Office: D-7/1, M.I.D.C., Lote Parshuram, Taluka- Khed, District Ratnagiri, Maharashtra- 415722

## NOTICE

NOTICE is hereby given that the 24th Annual General Meeting of KESAR PETROPRODUCTS LIMITED will be held on Tuesday, the 30<sup>th</sup> September, 2014 at 11.00 a.m. at the registered office of the Company at D-7/1, M.I.D.C., Lote Parshuram, Taluka-Khed, District Ratnagiri, Maharashtra- 415722 to transact the following business:

### **A) ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2014 and Profit and Loss Account for the Year ended on that date together with the Reports of Directors' and Auditors' thereon.
2. To appoint Auditors and fix their remuneration.

### **B) SPECIAL BUSINESS:**

3. **To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:**

“RESOLVED THAT Mr. Mohit Prem Kumar Kaushik (DIN 06463483) who was appointed as an Additional Director w.e.f. 9<sup>th</sup> December, 2013, by the Board of Directors of the Company at its meeting held on 9<sup>th</sup> December, 2013 and who holds office upto the date of this Annual General Meeting pursuant to Section 260 of the Companies Act, 1956 (corresponding to Section 161(1) of the Companies Act, 2013) and in respect of whom the Company has received under Section 160 of the Companies Act, 2013 (erstwhile Section 257 of the Companies Act, 1956), a notice in writing from a member proposing his candidature for the office of Directorship of the Company, be and is hereby appointed a Director of the Company.”

4. **To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:**

“Resolved that pursuant to section 149,152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder [including any statutory modification(s) or re-enactment thereof for the time being in force] read with schedule IV to the Companies Act, 2013, Shri. Sunil Sawant (DIN 03520018), a non – executive director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, to hold office for a term of 5 years from 30<sup>th</sup> September, 2014 to 29<sup>th</sup> September, 2019.”

5. **To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:**

“Resolved that pursuant to section 149,152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder [including any statutory modification(s) or re-enactment thereof for the time being in force] read with schedule IV to the Companies Act, 2013, Shri. Nazirsahab Mubarak Sayyad (DIN 01820552), a non – executive director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, to hold office for a term of 5 years from 30<sup>th</sup> September, 2014 to 29<sup>th</sup> September, 2019.”

6. **To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 and in this regard to consider and if thought fit, to pass, with or without modification (s) the following resolution as a Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification (s) thereto or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and

adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Article of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**7. Borrowing Powers:**

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

“RESOLVED that pursuant to Section 180(1)(c) of the Companies Act, 2013, consent of the Company be and is hereby accorded to the Board of Directors (which power the Board may exercise by delegation to a duly constituted Committee thereof) to borrow money from time to time that together with the monies already borrowed (apart from temporary loans obtained from the company’s bankers in the ordinary course of business) may exceed the aggregate of the paid up capital and free reserves provided however that the total amount so borrowed and remaining outstanding at any one time shall not exceed Rs.100 Cr ( Rupees one hundred crores only) in the aggregate.”

**8. Mortgage of Assets**

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

“RESOLVED that pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, consent of the members of the company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the ‘Board’ which term shall be deemed to include a duly constituted committee thereof) to create such charges, mortgages, hypothecations in additions to the existing charges, mortgages and hypothecations created by the Company, on such moveable and immovable properties, both present and future and in such manner as the Board may deem fit, together with power to take over the management and concern of the company in certain events, in favour of Banks/Agencies/ Trustees for Debentures/ Bonds to secure borrowings from time to time provided that the aggregate of borrowings so secured shall not exceed Rs.100 Cr ( Rupees one hundred crores only) outstanding at anytime exclusive of interest, additional interest, compound interest, liquidated damages, commitment charges, premia on prepayment or on redemption, costs, charges, expenses and all other monies payable by the company in respect of such borrowings.

RESOLVED FURTHER that for the purpose of giving effect to the above Resolution, the board be and is hereby authorized and empowered to finalize, settle and execute requisite agreements, documents, deeds, indemnities, guarantees, declarations or other legal undertakings and do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgages/ charges as aforesaid.”

**By Order of the Board  
for KESAR PETROPRODUCTS LIMITED**

**Mumbai  
Date : 8<sup>th</sup> September, 2014**

**NAZIRSAHEB SAYYED  
DIRECTOR**

**NOTES:**

1. Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. The proxy form to be effective must be duly executed and signed and must be lodged at the company's registered office at least 48 hours before the time of the meeting.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, the 23<sup>rd</sup> September, 2014 to Tuesday, the 30<sup>th</sup> September, 2014 (both days inclusive).
3. All matters in connection with the Shares of the Company may be addressed to the Company’s Registrars & Transfer Agents viz. M/s. SYSTEM SUPPORT SERVICE, 209, Shivai Industrial Estate, Near Parke Davis 89, Andheri - Kurla Road, Sakinaka, Mumbai- 400 072. Members are requested to quote their respective folio numbers / D.P / I.D. numbers and also notify the change of address, if any, to the Company's Registrars & Transfer Agents.

4. Shareholders desiring information as regards the accounts are requested to write to the Company at least 10 days before the Annual General Meeting to enable the Management to keep the information ready.

#### 5. Voting through Electronic Means:

1. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide the members with facility to exercise their right to vote at the 24<sup>th</sup> Annual General Meeting by electronic means and the business may be transacted through e-Voting services as provided by National Securities Depository Limited (NSDL).

The instruction for e-voting is as under:

A. In case a Member receives an email from NSDL {for members whose email IDs are registered with the Company/Depository Participant(s)}:

i) Open email and open PDF file with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.

ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>

iii) Click on Shareholder – Login.

iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.

v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digital characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

vi) Home Page of e-voting opens. Click on E-Voting: Active Voting Cycles.

vii) Select “EVEN” of Kesar Petroproducts Limited.

viii) Now you are ready for e-voting as Cast Vote page opens.

ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

x) Upon confirmation, the message “Vote cast successfully” will be displayed.

xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

xii) Institutional shareholders (i.e other than individuals, HUF, NRI, etc) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter, etc together with the attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through email to [shirdipankaj123@gmail.com](mailto:shirdipankaj123@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participant(s) or requesting physical copy]:

i) Initial password will be provided separately:

**EVEN (E Voting Event Number) USER ID PASSWORD/PIN**

ii) Please follow all steps from SI. No. (ii) to SI. No. (xii) above, to cast vote.

2. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the 'Downloads' section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com)

3. If you are already registered with NSDL for e-voting then you can use your existing USER ID and Password/Pin for casting your vote.

4. 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).

5. The E-voting period commences on 24<sup>th</sup> September, 2014 and ends on 26<sup>th</sup> September, 2014. During this period, the shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 9<sup>th</sup> September, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
6. The voting rights of shareholders shall be in proportion to their shares of the paid up equity capital of the Company as on the cut-off date (record date) of 9<sup>th</sup> September, 2014.
7. Mr. Pankaj S.Desai, B.Com(Hons), A.C.S, A.C.A has been appointed as Scrutinizer having their office at 5/14, Malad C.H.S., Opp. Saraf Hall, Poddar Park, Malad (East), Mumbai – 400097, to scrutinize the e-voting process in a fair and transparent manner.
8. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of atleast two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes case in favour or against, if any, forthwith to the Chairman of the Company.
9. The Results shall be declared within forty eight hours from the conclusion of the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.kesarpetroproducts.com and on the website of NSDL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to BSE Limited (BSE) accordingly.

The brief back ground of the Directors proposed for appointment are given below:

1.	Name of the Director	Mr. MohitPrem Kumar Kaushik	Mr. Nazirsaheb Sayyed	Mr. Sunil Sawant
2.	Date of Birth	02/07/1988	01/06/1966	21/12/1969
3.	Date of Appointment	09.12.13	31.12.2010	10.05.2011
4.	Experience in specific Areas	Commercial	Production	Administration
5.	Qualifications	H.S.C.	B.Sc	Graduate
6.	Directorships in other Companies	Director inNiyati Venture Private Limited	NIL	NIL
7.	Membership / Chairmanship Of Committees	3/NIL	NIL/3	3/NIL

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

The following statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

#### **Item No. 3:**

The Board of Directors of the Company at its meeting held on 9<sup>th</sup> December, 2013, appointed Mr. Mohit PremKumar Kaushik, as an Additional Director pursuant to Section 161 of the Companies Act, 2013 (erstwhile Section 260 of the Companies Act, 1956), and he holds office upto the date of ensuing Annual General Meeting.

The Company has received Notice under Section 160 of the Companies Act, 2013(erstwhile Section 257 of the Companies Act, 1956) from a member of Company along with the requisite deposit signifying his intention to propose Mr. Mohit PremKumar Kaushik as a Director of the Company.

Your Board of Directors deemed it fit & proper to appoint him on the board of the company and to oversee the operations of the Company, subject to the approval of shareholders.

Except Mr. Mohit PremKumar Kaushik (being an appointee), none of the directors are interested.

#### **Item No.4& 5:**

As per the provision of Section 149 of the Companies Act, 2013 ("the Act") which has come into force with effect from 1<sup>st</sup> April, 2014, the Independent Directors shall hold office for a term upto five consecutive years on the Board of a company and are not liable to retire by rotation.

Mr. Nazirsaheb Sayyed and Mr. Sunil Atmaram Sawant meet the criteria of Independence as provided under Section 149 (6) of the Act.

The matter regarding appointment of Mr. Nazirsaheb Sayyed and Mr. Sunil Atmaram Sawant as an Independent Directors was placed before the Nomination & Remuneration Committee, which recommended their appointment as under:

1. Mr. Nazirsaheb Sayyed as an Independent Director for five years from 30<sup>th</sup> September, 2014 to 29<sup>th</sup> September, 2019.
2. Mr. Sunil Atmaram Sawant as an Independent Director for five years from 30<sup>th</sup> September, 2014 to 29<sup>th</sup> September, 2019.

In the opinion of the Board, Mr. Nazirsaheb Sayyed and Mr. Sunil Atmaram Sawant fulfils the conditions specified in the Act and the Rules made there under for appointment as Independent Director and they are independent of the management.

In Compliance with the provision of Section 149 read with schedule IV of the Act, the appointment of Mr. Nazirsaheb Sayyed and Mr. Sunil Atmaram Sawant as an Independent Directors are now being placed before the Members in General Meeting for their approval.

The Director recommends the resolutions set out in Item Nos. 4 to 5 of accompanying notice.

Except Mr. Nazirsaheb Sayyed and Mr. Sunil Atmaram Sawant, none of the Directors are concerned or interested in the above mentioned Resolution.

#### **Item No. 6**

The existing Articles of Association of the Company are based on the Companies Act, 1956 and several regulations in the existing Articles of Association contain references to specific sections of the Companies Act, 1956 and some regulations in the existing Articles of Association are no longer in conformity with the Act.

The Act is now largely in force. On 12th September, 2013, the Ministry of Corporate Affairs ("MCA") had notified 98 Sections for implementation. Subsequently, on 26th March, 2014, MCA notified most of the remaining Sections (barring those provisions which require sanction / confirmation of the National Company Law Tribunal ("Tribunal") such as variation of rights of holders of different classes of shares (Section 48), reduction of share capital (Section 66), compromises, arrangements and amalgamations (Chapter XV), prevention of oppression and mismanagement (Chapter XVI), revival and rehabilitation of sick companies (Chapter XIX), winding up (Chapter XX) and certain other provisions including, inter-alia, relating to Investor Education and Protection Fund (Section 125) and valuation by registered valuers (Section 247). However, substantive sections of the Act which deal with the general working of companies stand notified.

With the coming into force of the Act, several regulations of the existing Articles of Association of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing Articles of Association by a new set of Articles.

The new Articles of Association to be substituted in place of the existing Articles of Association are based on Table 'F' of the Act which sets out the model Articles of Association for a Company limited by shares. Shareholder's attention is invited to certain salient provisions in the new draft Article of Association of the Company viz:

- (a) Company's lien now extends also to bonuses declared from time to time in respect of shares over which lien exists;
- (b) the nominee(s) of a deceased sole member are recognized as having title to the deceased's interest in the shares;

- (c) new provisions regarding application of funds from reserve accounts when amounts in reserve accounts are to be capitalized;
- (d) new provisions relating to appointment of chief executive officer and chief financial officer, in addition to manager and company secretary;
- (e) existing articles have been streamlined and aligned with the Act;
- (f) the statutory provisions of the Act which permit a company to do some acts "if so authorized by its articles" or provisions which require a company to do acts in a prescribed manner "unless the articles otherwise provide" have been specifically included; and
- (g) Provisions of the existing Article of Association which are already part of statute in the Act have not been reproduced in the new draft Articles of Association as they would only lead to duplication their non-inclusion makes the new draft Article of Association crisp, concise and clear and aids ease of reading and understanding.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at item No. 8 of the Notice.

The Board commends the Special Resolution set out at Item No. 6 of the Notice for approval by the shareholders.

#### **Item No. 7**

In terms of Section 180 (1)(c) of the Companies Act, 2013, consent of the Company in General Meeting by way of a Special Resolution is required for the Board of Directors of the Company ("the Board") to borrow monies for the purpose of the business of the Company, (apart from temporary loans obtained from the Company's bankers) in excess of the paid up capital of the Company and its free reserves, that is to say, reserves, not set apart for any specific purpose.

It is hence proposed that the approval of the members be sought to borrow a sum not exceeding Rs.100 Cr ( Rupees one hundred crores only) over and above the aggregate of the paid up capital and free reserves of the Company, to comply with the Section 180(1)(c) of the Companies Act, 2013.

Your Directors recommend the resolution set out in item no. 7 of the accompanying Notice.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution.

#### **Item No. 8:**

To meet its long term fund requirements, the Company will be required to borrow monies from various lending agencies from time to time including through issue of debentures/bonds. As security for these borrowings/issue of debentures or bonds, the Company is required to create mortgages/charges on certain movable and immovable properties of the company as may be required as per the terms of the borrowings/issue of debenture or bonds. In terms of Section 180(1)(a) of the Companies Act, 2013, it is necessary for the Company to obtain approval of the members by way of a Special Resolution for creation of mortgage/charge/hypothecation in favor of the lending agencies/debenture trustees. The resolution passed earlier is valid only till September, 2014 as per the clarification issued by the Ministry of Corporate Affairs.

It is hence proposed that the approval of the members be sought to create the mortgages/charges on the company's properties, to comply with Section 180(1)(a) of the Companies Act, 2013.

Your Directors recommend the resolution set out in item No. 8 of the accompanying Notice.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the Resolution.

**By Order of the Board  
for KESAR PETROPRODUCTS LIMITED**

**Mumbai  
Date : 8<sup>th</sup> September, 2014**

**NAZIRSAHEB SAYYED  
DIRECTOR**



## DIRECTORS' REPORT

To,  
The Shareholders,

Your Directors have pleasure in presenting their 24<sup>th</sup> Annual Report and the audited accounts for the financial year ended on 31<sup>st</sup> March, 2014.

### FINANCIAL RESULTS

	<u>2013-2014</u> (Rs.)	<u>2012-2013</u> (Rs.)
Total Turnover & Other Income	1535466294	44,46,43,266
Manufacturing and Other Expenses	1510272687	43,81,40,554
Profit / (Loss) before interest and depreciation	25193607	65,02,712
Interest	67006	7,174
Profit / (Loss) after interest	25126601	64,95,538
Depreciation and Misc. Expenses written off	4274481	41,71,972
Profit / (Loss) after interest And Depreciation	20852120	23,23,566
Provision for Tax	4272023	3,87,247
Profit / (Loss) after Tax	16580097	19,36,319
Balance Profit / (Loss) brought forward from Previous Year	2191250	2,54,931
Balance Profit Carried to the Balance Sheet	<u>18771347</u>	<u>21,91,250</u>

### DIVIDEND

As the company's profit are insufficient to declare dividend and your Directors therefore do not recommend payment of Dividend for the year.

### OPERATIONS OF THE COMPANY

During the year, the Company has undertaken production of CPC Crude and cuprous chloride. Some of the production was undertaken done on job work basis. The Company is trying to initiate and streamline the operations cycle of the plant by bringing about structural and strategic alterations in the plant and also by investing funds and resources for upgrading and tapping the production capabilities of the Company.

### STATUS OF ISSUES FROM THE ORDER DATED 17<sup>TH</sup> AUGUST, 2007 OF THE BOARD FOR FINANCIAL AND INDUSTRIAL RECONSTRUCTION (BIFR)

Wide order dated 09/12/2013 by the order of Board for Financial and Industrial Reconstruction the the reference stands awaited under sec 13 (4) of SARFESAI Act 2002 read with sec 15 (1) of SICA 1985.

The Company has been compelled to initiate separate legal proceedings with respect to re-possession of the statutory records including the Books of Accounts and the Company's premises at 7, NaginMahal, Churchgate, Mumbai, from the erstwhile promoters of the company, who have maliciously failed to handover possession thereof to the new promoters and management of the company.

These apart, it has come to the knowledge of the management that there are Advance Licenses which the Erstwhile Management (EWM) had got issued from the DGFT, which are still remaining open and have deliberately not been closed/forfeited with ulterior and malignant purposes. The outcome of the licenses is unascertainable due to

absence of the underlying records and liability therein, as and when it arises, shall be recovered from the EWM. The management estimates the value of the pending advance license liability at Rs. 9,66,78,150/- which apparently is un-surrendered. The total advance licenses issued are estimated at Rs. 13.74 Cr approx. since 1997 which are estimated to be pending for forfeiture.

The Canara Bank has transferred the assets to one of the ARC at Zero value. We are trying to settle with them amicably.

### **LISTING OF THE NEW EQUITY SHARES ON THE BOMBAY STOCK EXCHANGE LIMITED (BSE)**

The BSE has lifted the suspension of trading wef 16<sup>th</sup> June 2014 and now the shares are being traded in the exchange.

The Company has paid the requisite Annual Listing Fees, to the above Exchange.

### **COMPULSORY DEMATERIALISATION OF COMPANY'S SHARES**

The Company's Equity Shares were compulsorily dematerialized and as such the Company's Shares continue to be traded in the electronic form as per the relevant SEBI guidelines. The process of dematerialization of the Shares issued consequent upon the reduction of Share Capital, in 2008, has been completed in Central Depository Services (India) Limited;

### **DIRECTORS**

Mr. Nazirsaheb Sayyed and Mr. Sunil Atmaram Sawant are being eligible for appointment as Independent Director. Mr. Mohit Prem Kumar Kaushik who was appointed as Additional Director on 09.12.13 is being appointed as Director (Subject to the approval of Shareholders). Mr. Ajay Sharma resigned from the directorship of the company on 09.12.13.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013 (erstwhile Section-217(2AA) of the Companies Act, 1956), with respect to Directors' Responsibility Statement is hereby confirmed :

- 1) That in the preparation of the accounts for the financial year ended 31st March, 2014; the applicable accounting standards have been followed along with proper explanation relating to material departures.
- 2) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the year and of the loss of the Company for the year under review.
- 3) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- 4) That the Directors have prepared the accounts for the year ended 31<sup>st</sup> March, 2014, on a going concern basis.
- 5) Had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- 6) 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 complied with all the requirements of Corporate Governance, as applicable to the Company, during the period under report, as per the amended Listing Agreement with the Bombay Stock Exchange. The Report on Corporate Governance together with the Auditor's Report thereon, is annexed hereto in accordance with Clause 49 of the Listing Agreement with the Bombay Stock Exchange.

## **AUDITOR**

M/s. Sayeed Khan & Associates, Chartered Accountants, the Statutory Auditors of the Company retire at ensuing Annual General Meeting and are eligible for re-appointment.

## **AUDITORS REPORT**

In their report, the auditors have made certain observations. The response of the management is presented herein below:-

1. The auditors have made observations about the non-provision of gratuity and retirement benefits for the company's employees. The management opines that the same remains uncalled for as the company has no employees drawing such remuneration so as to qualify for retirement or other benefits. All the old employees have been retired as per Court Order which the new management has paid off.
2. The auditors have made observations about the initiation of recovery proceedings by M/s Invent Assets Reconstruction Company Limited (IARCL). IARCL is the 2<sup>nd</sup> charge holder in respect of the company's assets. The above recovery procedure has been initiated by IARCL under the sanction by the 1<sup>st</sup> charge holder M/s. MalvikaHarbopharma Private Limited. The management remains committed to its core for reviving the company and all the directors remain very enthusiastic on the prospects of the company and its products. The management is very optimistic and is looking forward with fervor towards a turnaround in the company's finances in the immediate year. The management remains committed to its lenders and is keen on maintaining cordial and fruitful relations with all of them.

## **EMPLOYEES**

The relations between the management and its employees have been cordial. Your Directors place on record their appreciation of the efficient and loyal services rendered by the employees of the Company at all levels.

The Company did not have any employees whose remuneration attracts the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

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

Information required under Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, with respect to conservation of energy, technology absorption and foreign exchange earnings, is enclosed as an Annexure to this report.

## **ACKNOWLEDGEMENT**

Your Directors place on record their appreciation of the support received from the Company's Bankers, Shareholders and other stake holders and look forward to their support and goodwill.

**By Order of the Board  
for KESAR PETROPRODUCTS LIMITED**

**Mumbai  
Date : 8<sup>th</sup> September, 2014**

**NAZIRSAHEB SAYYED  
CHAIRMAN**

## **CFO & CEO/ DIRECTOR CERTIFICATION**

We, Nazirsaheb Sayyed & Sunil Sawant, the Directors of Kesar Petroproducts Ltd., to the best of our knowledge and belief, certify that:-

- We have viewed the Balance Sheet & Profit & Loss Account and all the schedules and notes on accounts, as well as the cash flow statements, and Directors Report.
- Based on our knowledge & information, these statements do not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements made, in the light of the circumstances under which such statements were made, not misleading with respect to the statement made.
- Based on our knowledge & information, the financial statements, and other financial information included in this report, present in all material respect, a true and fair view of the Company's affairs, the financial condition, results of operations and cash flow of the company as of, and for, the periods presented in the report, and are in compliance with existing accounting standards and/or applicable laws and regulations.
- To the best of our knowledge and belief, no transactions entered into by the Company during the financial year are fraudulent, illegal or violative of the Company's code of conduct.
- We accept responsibility for establishing and maintaining internal controls for Financial Reporting and we have evaluated the effectiveness of the Internal Control Systems of the company pertaining to Financial Reporting the same have disclosed to the auditors and the Audit Committee. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- We have indicated to Auditors and the Audit committee that:
  1. There have been no significant changes in internal control over Financial reporting during the year under reference;
  2. There have been no significant changes in Accounting Policies during the year requiring disclosure in the notes to the Financial Statements; and
  3. We are not aware of any instance during the year of significant fraud with involvement therein of the Management or an employee having a significant role in the company's internal control system over Financial Reporting.

Sd/-  
Nazirsaheb Sayyed  
Director

Sd/-  
Sunil Sawant  
Director

Place:- Mumbai

Date: - 8<sup>th</sup> September, 2014

**ANNEXURE "A" - DISCLOSURE OF PARTICULARS RULES, 1988**

Information required under the Companies (Disclosure of particulars in the Report of the Board of Directors), Rules 1988.

**CONSERVATION OF ENERGY**

Since the Company has stopped its operations, this provision is not applicable

**TECHNOLOGY ABSORPTION:**

Since the Company has stopped its operations, this provision is not applicable

**FOREIGN EXCHANGE EARNINGS AND OUTGO : (Rs. in Lacs) (Rs. in Lacs)**

	<b>2013 - 14</b>	<b>2012 - 13</b>
1. Total Foreign Exchange earned	556.56	1,291.41
2. Total Foreign Exchange used	831.00	NIL

**FORM A  
(See Rule 2)**

Form for disclosure of particulars with respect to conservation of energy etc.

**Power and fuel consumption**

	<b>2013 - 14</b>	<b>2012- 13</b>
<b>Electricity:</b>		
Unit Amount (Rs. in Lacs)	1.08.	N.A.
Total Amounts (Rs. in Lacs)	7.09.	N.A.
Rate / Unit	6.54.	N.A.
<b>Furnace Oil / Brickket:</b>		
Quantity	N.A.	N.A.
Total Amount	N.A.	N.A.
Rate / Unit	N.A.	N.A.
<b>Consumption per unit of Production</b>		
1. Electricity	N.A	N.A.
2. Furnace Oil	N.A	N.A.

**FORM B (See Rule 2)**

**TECHNOLOGY ABSORPTION:**

Please see point B above

**By Order of the Board  
for KESAR PETROPRODUCTS LIMITED**

**NAZIRSAHEB SAYYED  
CHAIRMAN**

Place:- Mumbai

Date:- 8<sup>th</sup> September, 2014

## CORPORATE GOVERNANCE

The Board of Directors of the Company supports the broad principles of Corporate Governance. Given below is the Report on Corporate Governance in respect of the year ended 31<sup>st</sup> March, 2014.

### 1. Company's Philosophy on Code of Governance

The Company's philosophy on Corporate Governance lays strong emphasis on transparency, accountability and integrity. All employees are guided by the Company's policies on important issues, including our relationship with consumers, shareholders and Government.

### 2. Composition of Board

The Board comprises three Non-executive Directors. Accordingly, the composition of the Board is in conformity with the Listing Agreements with the Stock Exchanges. Mr. Nazirsaheb Sayyed, a Director, is the non-executive Chairman of the Board. The composition of the Board and other relevant details relating to Directors are given below:

Sr. No	Name of Director	Designation	No. of other Directorships	No. of Memberships of Board Committees	No. of Board Committees of which the Director is a Chairperson
1.	Mr. Nazirsaheb Sayyed	Non-Executive	Nil	3	3
2.	Mr. Ajay Sharma (upto 09.12.13)	Non-Executive	Nil	3	Nil
3.	Mr. Sunil A. Sawant	Non-Executive	Nil	3	Nil
4.	Mr. Mohit PremKumar Kaushik (w.e.f. 09.12.13)	Executive	1	3	NIL

### 3. Board Meetings, Committee meetings and the 23<sup>rd</sup> Annual General Meeting:

During the year 2013-14, 8 Board Meetings, 5 Meetings of the Audit Committee and 5 meetings of the Investors' Grievances Committee were held. No meeting of the Remuneration Committee was held. The last Annual General Meeting of the Company was held on 30th September, 2013. All the Directors were present at all the Board meetings and at all the General meetings.

#### A. AUDIT COMMITTEE

The Audit Committee constituted by the Board of Directors consists of Directors namely, Mr. Nazirsaheb Sayyed, Mr. Ajay Sharma (upto 09.12.13), Mr. Sunil A. Sawant and Mr. Mohit PremKumar Kaushik (w.e.f. 09.12.13). The constitution of Audit Committee meets with the requirements of the Section 177 of Companies Act, 2013 (erstwhile Section 292A of the Companies Act, 1956) and Clause 49 of the Listing Agreement.

The terms of reference of the Audit Committee include:

- reviewing financial statements and pre-publication announcements before submission to the Board.
- ensuring compliance of internal control systems and follow-up action on internal audit reports.
- apprising the Board on the impact of accounting policies, auditing standards and legislation.
- holding periodical discussions with Statutory Auditors on the scope and content of the audit.
- reviewing the Company's financial and risk management policies.

During the financial year 2013-14, the Audit Committee Meetings were held on 15.05.2013, 05.09.2013, 10.08.2013, 15.11.2013 & 05.02.2014. All the members of the Committee were present there at.

#### B. Remuneration Committee

The Committee did not hold any meeting as there was no agenda. The remuneration policy is directed towards rewarding performance. It is aimed at attracting and retaining talent. The Company's incentive plan is linked to performance and achievement of the Company's objectives. No remuneration was paid / payable to Directors of the Company during the year ended March 31, 2014.

### C. Shareholders'/Investors' Grievance Committee

The Shareholders'/Investors'/Grievance Committee consist of Mr. Nazirsaheb Sayyed (Chairman), Mr. Ajay Sharma (upto 09.12.2013), Mr. Sunil A. Sawant, Mr. MohitPrem Kumar Kaushik (w.e.f. 09.12.2013)& they are the members. The Committee held five meetings on 15.05.2013, 05.09.2013, 10.08.2013, 15.11.2013 & 05.02.2014 and considered, inter alia, Shareholders'/investors' complaints relating to non-receipt of certificates after transfer, delay in confirmation/ rejection of requests for DEMAT of Shares, etc. During the financial year ended 31<sup>st</sup> March, 2014, 4 complaints were received from shareholders/ investors. The Company has acted upon all valid share transfers received during the financial year. There were no pending transfers as on March 31, 2014. Mrs.Manali More is the compliance officer.

### 4. ANNUAL GENERAL MEETING

The last three Annual General Meeting of the Company was held as under:

Year	Location	Date	Time
2012-13	Plots Nos. D-7/1, MIDC Industrial Estate, Lote Parshuram, Taluka Khed, District Ratnagiri, MAHARASHTRA	30.09.2013	11.00 A.M.
2011-12	Same as above	29.09.2012	11.00 A.M.
2010-11	Same as above	02.03.2012	12.00 Noon

### 5. DISCLOSURES

- a) Disclosure on materially significant related party transaction i.e. transaction of the company of material nature with its promoters, the Directors or Management or relatives etc. that may have potential conflicts with the interest of the company.

The Company has received all relevant disclosures; there is no conflict of interest. There was no transaction with any parties in which Directors of the Company were interested that may have potential conflict with the interest of company at large.

- b) Details of non-compliance by the company penalties, strictures imposed on the company by Stock Exchange or SEBI or any Statutory Authority or any matter related to capital market during the last three years.

NIL - The Company has complied with all the requirements of the regulatory authorities on capital markets and no penalty / stricture was imposed on the Company in the last three years.

### 6. MEANS OF COMMUNICATION

- a) The Company does not send its quarterly report to each household of shareholders.  
b) The quarterly and full year results are published in 'Business Standard' in English and 'Daily Sagar' in Marathi.  
c) These results together with the Company's official statement are also displayed on BSE website.  
d) Presentations are also made from time to time to analysts and institutional investors.

### 7. MANAGEMENT DISCUSSION AND ANALYSIS

(within the limits set by the Company's competitive position)

The Company is engaged in the business of manufacture and trading of chemicals and cuprous chloride. The Company became a BIFR Company since 2007. Invent Assets Securitization and Reconstruction Private Limited has taken over the possession of the Company's factory situated at LoteParshuram District, Ratnagiri, Maharashtra. under the SARFASI Act, 2002. The new management has taken over the Company since January, 2008 and has restarted the business. The Old Management continues to create immense hurdles in the conduct of the business. They have as yet not handed over the office at 7, NaginMahal, Churchgate, Mumbai and have also not handed over the statutory records and books. One of the second charge holders have transferred the assets to one of the ARCs at Zero value and company is trying to settle the issue amicably. The first charges on the Company exist.

### 8. SHAREHOLDERS' INFORMATION

24th Annual General Meeting

Date & Time	Tuesday, 30 <sup>th</sup> September, 2014 at 11.00 a.m.
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## 9. FINANCIAL CALENDAR

The Company follows April - March as its financial year. The results for every quarter beginning from April are declared in the month following the quarter except for the last quarter, for which the results are generally declared in June as permitted by the Listing Agreement.

## 10. DATES OF BOOK CLOSURE

Book Closure dates-	Tuesday, the 23 <sup>rd</sup> September, 2014 to Tuesday, the 30 <sup>th</sup> September, 2014 (both days inclusive)
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**11. DIVIDEND PAYMENT DATE** : Not Applicable

## 12. LISTING OF EQUITY SHARES

The Company's Equity Shares continued to be listed on the Mumbai Stock Exchange. The Company has paid annual listing fees. The trading in the shares of the company is on .

## 13. STOCK CODE

Bombay Stock Exchange Limited (Physical) : Code: 524174

Bombay Stock Exchange Limited (Demat): Code: INE 133C01017

## 14. MARKET PRICE DATA

The Company's Shares had been suspended from trading during the year ended 31.03.2014 and hence there is no data available for the monthly high and low quotations of shares traded on the Bombay Stock Exchange Limited. But, the company shares have again started trading from June, 2014.

## 15. REGISTRAR AND SHARE TRANSFER AGENTS

M/s. System Support Services

09, Shivai Industrial Estate, Near Parke Davis, 89, Andheri - Kurla Road, Sakinaka,  
Mumbai - 400 072.

Tel No. 28500835, Email id: [syss72@yahoo.com](mailto:syss72@yahoo.com)

## 16. SHARE TRANSFER SYSTEM

Applications for transfer of shares held in physical form are received at the office of the Registrars and Share Transfer Agents of the Company; the Board Committee attends to share transfer formalities at least once in 15 days. Shares held in the dematerialized form are electronically traded in the Depository and the Registrars and Share Transfer Agents of the Company periodically receive from the Depository the beneficiary holdings so as to enable them to update their records and to send all corporate communications, dividend warrants etc.

Physical shares received for dematerialization are processed and completed within a period of 15 days from the date of receipt, provided they are in order in every respect. Bad deliveries are immediately returned to Depository Participants under advice to the shareholders.

## 17. THE SHAREHOLDING PATTERN AND DISTRIBUTION OF SHAREHOLDING OF EQUITY SHARES (AS AT MARCH 31, 2014)

Category	No. of Equity shares held	Percentage of shareholding
<b>A Promoters</b>		
1 Indian Promoters	3500001	48.16
2 Foreign Promoters	NIL	NIL
3 Persons acting in Concert	NIL	NIL
<b>B Non-Promoters Holding</b>		
<b>1 Institutional Investors</b>		
A Mutual Funds and UTI, Banks, Financial Institutions, Insurance Companies	1213	0.02



	(Central/State Govt. Institutions/Non-Government Institutions)		
B	FII's	NIL	NIL
2.	Others		
A	Private Corporate Bodies	45315	0.62
B	NRI's/OCB's/Foreign Nationals	10136	0.14
C	Indian Public	3710652	51.06
<b>TOTAL</b>		<b>72,67,317</b>	<b>100.00</b>

## 18. PLANT LOCATION

The Company's Plants are located at: Plots Nos. D-7/1, MIDC Industrial Estate, Lote Parshuram, Taluka Khed, District : Ratnagiri, MAHARASHTRA

## 19. CODE OF CONDUCT

As required by Clause 49 I (D) of the Listing Agreement, the Company has formulated a Code of Conduct for all Directors and Senior Management of the Company and the same has been adopted by the Board. All the Directors and Senior Management Personnel have affirmed compliance with the said Code of Conduct.

## 20. ADDRESS FOR CORRESPONDENCE

For assistance regarding dematerialization of shares, share transfers, transmissions, change of addresses, or any other query relating to shares, please write to :

### Registrar & Transfer Agents OR The Company At

M/s. System Support Services Plots Nos. D-7/1 MIDC, Midclote Industrial Estate,  
09, Shivai Industrial Estate, Lote Parshuram, Taluka Khed,  
Near Parke Davis, 89, District: Ratnagiri - 415722  
Andheri - Kurla Road, Sakinaka,  
Mumbai - 400 072.

**By Order of the Board  
for KESAR PETROPRODUCTS LTD**

**Mumbai  
Date : 8<sup>th</sup> September, 2014**

**NAZIR SAHEB SAYYED  
DIRECTOR**

## **AUDITORS REPORT ON CORPORATE GOVERNANCE OF THE BOARD**

To  
The Board of Directors  
KESAR PETROPRODUCTS LIMITED  
Plots no-D- MIDC Industrial Estate  
Lote Parskahuram, Taluka ,  
District :Ratnagiri  
MAHARASHTRA

We have read the Report of the Board of Directors on Corporate Governance and have examined the relevant records relating to compliance of Corporate Governance by KESAR PETROPRODUCTS LIMITED (“The company”) for the year ending March 31,2014, as stipulated in Clause 49 of the Listing Agreement of the said company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management . Our examination was conducted in the manner described in the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India and was limited to procedures and the implementation thereof adopted by the company for ensuring compliance with the conditions of Corporate Governance. Our examination was neither an audit nor was it conducted to express opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us and on the basis of our examination described above, the company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

For SAYEED KHAN & ASSOCIATES  
Chartered Accountants

SAYEED KHAN  
Proprietor

PLACE: MUMBAI  
Date: 8<sup>th</sup> September 2014.

## INDEPENDENT AUDITORS' REPORT

To  
The Members  
Kesar Petroproducts Limited

We have audited the accompanying financial statements of **M/s. KESAR PETROPRODUCTS LIMITED**, which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

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

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

### **Opinion**

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

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

### **Emphasis of matters**

We draw attention to the following notes in Note 24 Part B attached to the financial statements. Our opinion is not qualified in respect of these matters.

- i. Notes 24 A (2) regarding Company accounting for encashment of leave salary and gratuity, on cash basis and other matters referred to thereunder.
- ii. Notes 24 B (1) regarding Company being declared out of the purview of the Sick Company's definition and other matters referred to thereunder.
- iii. Notes 24 B (2) regarding Secured Loans from M/s. Invent Assets Reconstruction Company Limited and other matters as referred to thereunder.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) order 2003, issued by the Central Government on India in terms of section 227 (4A) of the Companies Act, 1956 (The Act) and on the basis of such checks as we considered appropriate and according to the informations and explanations given to us during the course of audit, we enclose herein the annexures a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. As required by section 227(3) of the Act, we report that:
  - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
  - c) the Balance Sheet and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
  - d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act 2013; and;
  - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Sayeed Khan & Associates  
Chartered Accountants

Place : Mumbai  
Date : 8<sup>th</sup>September, 2014

Sayeed Khan  
Proprietor

**Statement referred to in paragraph 3 of the Auditors Report of even date to the members of M/s. KESAR PETROPRODUCTS LIMITED on the accounts for the year ended 31<sup>st</sup> March, 2014.**

On the basis of such checks as considered appropriate and in terms of the information and explanations given to us, we state as under:-

- 1 (a) In our opinion, the record of fixed assets maintained by the Company has been duly updated to show full particulars and situation of the fixed assets;
  - (b) We are informed that the physical verification of the fixed assets has been duly carried out by the management of the company during the year;
  - (c) During the year the company has not disposed off any substantial, major part of its fixed assets
- 2 (a) We are informed that the inventories of the company has been subjected to physical verification by the management.
  - (b) In our opinion and according to the information and explanations given to us, the company has verified its inventory for identification and valuations of its inventory.
  - (c) As informed to us by the management, the company is maintaining proper records for inventory and the physical verification of stock was duly conducted at regular intervals. Having regards to the size of the operations of the company and the nature of the stocks held, the discrepancies noticed on verification between physical stocks and book records were not material and have been properly dealt with in the book of accounts.
- 3 As per the information furnished, during the year the company has not granted or taken any loans, secured or unsecured, to or from any companies, firms, or other parties covered in the register maintained u/s 301 of the Companies Act, 1956 hence clause 3 (b), 3 (c), 3 (d), 3 (e), 3 (f) & 3 (g) are not applicable to the company.
- 4 In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of it business with regards to the purchases of inventory and fixed assets and for the sale of goods. During the course

of our audit, no other major weaknesses have been noticed in the internal controls and there is no continuing failure for the same.

- 5 (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that needed to be entered into the registers maintained u/s 301 of the Companies Act, 1956 have been duly entered.
- (b) In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of contracts or arrangements entered in the registers maintained u/s 301 of the Companies Act, 1956 and exceeding the value of Rupees Five Lacs in respect of any party during the year.
6. The Company has not accepted any deposit, within the meaning of section 58A of the Companies Act, 1956 and the rules framed there under.
7. In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government of India for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956, in respect of the manufacture of chemicals and are of the opinion that, prima facie, the prescribed records and accounts have been made and maintained. However, we have not carried out a detailed examination of such records with a view to determining whether they are accurate or complete.
9. (a) According to the information and explanations given to us and the records examined by us, the company is regular in depositing with the appropriate authorities undisputed statutory dues, Employees Provident Fund and Sales Tax.
- (b) According to the records of the company there are no dues of Sales Tax, Income Tax, Customs, Wealth Tax, Excise Duty Cess which have not been deposited on account of dispute except the company had been served with an order u/s 271 (1) (c) & subsequent demand u/s 156 under the Income Tax Act, 1961 for the periods; AY 2002-03 for Rs. 4,42,098/-, AY 2003-04 for Rs. 3,79,195/-, AY 2007-08 for Rs. 1,92,07,921/-. The total amount of outstanding demand with the Income Tax Department totals to Rs2,00,29,214/-. The company has preferred an appeal with the Income Tax Appellate Tribunal for AY 2002-03 and 2003-04 and appeal is pending with Commissioner of Income Tax (Appeals) for AY 2007-08.
10. The accumulated losses as at the end of the year do not exceed fifty percent of its net worth. The company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year
11. Based on our audit procedures and the information and explanations given by the management, we are of the opinion that the Secured loans due payable by the company as at 31/03/2014 which pertains to the erstwhile management prior to the takeover by the new management, are as per the details tabulated hereunder:-

Name of the Institution/Purpose	Amount in Rs
Secured Loans For Fixed Assets	1,45,00,000
Other Secured Loans	2,46,04,037
Canara Bank *	14,15,000
<b>TOTAL AMOUNT</b>	<b>4,05,19,037</b>

\* Canara Bank has transferred the assets to an Assets Reconstruction Company at Zero value. The company remains committed to settle the issue amicably.

12. Based on our examination of the record and the information and explanations given to us, the Company has not granted any loans and/or advances on the basis of security by way of pledge of shares, debentures and other securities.

13. Clause (xiii) of the Order is not applicable to the company as the company is not a Chit Fund Company or Nidhi or Mutual Benefit Fund or Society.
14. During the year the company has no transactions in respect of dealing in shares, securities, debentures and other investments. All shares, debentures and other securities have been held by the company in its own name.
15. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
16. According to the information and explanations given to us, no Term Loans were raised during the year.
17. Based on our examination of the Balance Sheet of the company as at 31<sup>st</sup> March, 2014, we find that the company has not used funds raised on short term basis for long term investments.
18. The company has not made any preferential allotment of shares during the year.
19. During the year covered by our audit report the company has not issued any secured debentures.
20. The company has not raised money by public issues during the year covered by our audit.
21. As per the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

For Sayeed Khan & Associates  
Chartered Accountants

Place : Mumbai  
Date : 8<sup>th</sup>September, 2014

Sayeed Khan  
Proprietor

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

<b>PARTICULARS</b>	<b>NOTE</b>	<b>AS AT 31-Mar-2014 Rs.</b>	<b>AS AT 31-Mar-2013 Rs.</b>
<b><u>I). EQUITY &amp; LIABILITIES</u></b>			
<b><u>1) SHAREHOLDERS FUNDS</u></b>			
(a) Share Capital	<b>1</b>	72,673,170	72,673,170
(b) Reserves & Surplus	<b>2</b>	21,771,347	5,191,250
		<b>94,444,517</b>	<b>77,864,420</b>
<b><u>2). NON CURRENT LIABILITIES</u></b>			
(a) Long Term Borrowings	<b>3</b>	50,401,049	50,401,049
(b) Deferred Tax Liabilities (Net)		1,153,323	-
		<b>51,554,372</b>	<b>50,401,049</b>
<b><u>3). CURRENT LIABILITIES</u></b>			
(a) Short Term Borrowings	<b>4</b>	10,300,483	10,882,056
(b) Trade Payables	<b>5</b>	376,547,509	130,945,123
(c) Other Current Liabilities	<b>6</b>	76,140	76,140
(d) Short Term Provisions	<b>7</b>	3,247,262	5,572,160
		<b>390,171,394</b>	<b>147,475,479</b>
		<b>536,170,283</b>	<b>275,740,948</b>
<b><u>II). ASSETS</u></b>			
<b><u>1) NON CURRENT ASSETS</u></b>			
(a) Fixed assets			
Tangible Assets	<b>8</b>	98,204,933	79,720,625
(b) Long Term Loans & Advances	<b>9</b>	2,736,196	1,848,493
(c) Other Non Current Assets	<b>10</b>	567,880	681,456
		<b>101,509,009</b>	<b>82,250,574</b>
<b><u>2) CURRENT ASSETS</u></b>			
(a) Current Investments	<b>11</b>	475	475
(b) Inventories	<b>12</b>	13,252,271	31,934,181
(c) Trade Receivables	<b>13</b>	163,583,616	45,167,599
(d) Cash & Cash Equivalents	<b>14</b>	86,162,835	112,659,063
(e) Short Term Loans & Advances	<b>15</b>	171,662,077	3,729,055
		<b>434,661,274</b>	<b>193,490,373</b>
		<b>536,170,283</b>	<b>275,740,947</b>

**AS PER OUR REPORT OF EVEN DATE**  
**For SAYEED KHAN & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**FIRM Regn No: 125227W**

**FOR & ON BEHALF OF THE BOARD**

**CA SAYEED KHAN**  
**PROPRIETOR**  
**MNo: 117114**  
**PLACE: MUMBAI**  
**DATED : 8th SEPTEMBER 2014**

**NAZIR M. SAYYED**  
**DIRECTOR**

**SUNIL SAWANT**  
**DIRECTOR**

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

<b>PARTICULARS</b>	<b>NOTE</b>	<b>Year ended 31-Mar-2014 Rs.</b>	<b>Year ended 31-Mar-2013 Rs.</b>
I). Revenue from Operations	<b>16</b>	1,533,278,927	443,811,059
II). Other Income	<b>17</b>	2,187,367	832,207
<b>III). Total Revenue ( I + II )</b>	-	<b>1,535,466,294</b>	<b>444,643,266</b>
IV). Expenses			
Purchase of Stock	<b>18</b>	1,357,806,856	412,175,181
Change in Inventories	<b>19</b>	18,681,910	16,009,339
Employee Benefit Expenses	<b>20</b>	31,665,665	2,123,780
Finance Cost	<b>21</b>	67,006	7,174
Depreciation and Amortisation Expenses	<b>22</b>	4,274,481	4,171,972
Other Expenses	<b>23</b>	102,118,257	7,832,254
<b>Total Expenses</b>		<b>1,514,614,174</b>	<b>442,319,700</b>
<b>V). Profit before Exceptional &amp; Extraordinary Items &amp; Tax ( III - IV )</b>	-	<b>20,852,120</b>	<b>2,323,566</b>
VI). Exceptional Items / Extraordinary Items	-	-	-
<b>VII). Profit before Tax ( V - VI )</b>	-	<b>20,852,120</b>	<b>2,323,566</b>
VIII). Tax Expense			
1). Current Tax		3,118,700	387,247
2). Deferred Tax		1,153,323	-
<b>IX). Profit/(Loss) for the year ( VII - VIII )</b>		<b>16,580,097</b>	<b>1,936,319</b>
<b>X). Earning per equity share</b>			
1). Basic		<u>2.28</u>	<u>0.27</u>
2). Diluted		<u>2.28</u>	<u>0.27</u>

**AS PER OUR REPORT OF EVEN DATE**  
**For SAYEED KHAN & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**FIRM Regn No: 125227W**

**FOR & ON BEHALF OF THE BOARD**

**CA SAYEED KHAN**  
**PROPRIETOR**  
**MNo: 117114**  
**PLACE: MUMBAI**  
**DATED : 8th SEPTEMBER 2014**

**NAZIR M. SAYYED**  
**DIRECTOR**

**SUNIL SAWANT**  
**DIRECTOR**



**NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2014**

<b>PARTICULARS</b>	<b>AS ON 31-Mar- 2014 Rs.</b>	<b>AS ON 31-Mar-2013 Rs.</b>
<b><u>NOTE - '1'</u></b>		
<b><u>i) SHARE CAPITAL</u></b>		
<b><u>AUTHORISED</u></b>		
3,50,00,000 Equity Shares of Rs.10/- each (Previous year 3,50,00,000 equity shares of Rs. 10/- each)	350,000,000	350,000,000
	<u>350,000,000</u>	<u>350,000,000</u>
<b><u>ISSUED, SUBSCRIBED AND PAID UP</u></b>		
72,67,317 Equity Shares of Rs. 10/- each (Previous year 72,67,317 equity shares of Rs. 10/- each)	72,673,170	72,673,170
<b>TOTAL Rs.</b>	<u>72,673,170</u>	<u>72,673,170</u>

**ii) PAR VALUE PER SHARE - RS. 10/-**

**iii) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting period:**

Outstanding as at beginning of the year	72,67,317	72,67,317
Change during the year	NIL	NIL
Outstanding as at end of the year	<u>72,67,317</u>	<u>72,67,317</u>

**iv) The details of Shareholders holding more than 5% of shares**

Name of the Shareholders	As at 31st March 2014		As at 31st March 2013	
	No of Shares	% held	No of Shares	% held
DINESH SHARMA HUF	3000000	41.28	3000000	41.28
SHREYAS SHARMA	1750000	24.08	1750000	24.08
SHRUTI SHARMA	1750000	24.08	1750000	24.08
RAJKUMAR	500000	6.88	500000	6.88

**NOTE - '2'**

**RESERVES & SURPLUS**

Capital Subsidy from SICOM	3,000,000	3,000,000
Surplus / (Deficit) in Statement of Profit and Loss		
Opening Balance	2,191,250	254,931
Add / Less : Profit / Loss during the year	<u>16,580,097</u>	<u>1,936,319</u>
	18,771,347	2,191,250
Balance as on 31st March	18,771,347	2,191,250
<b>TOTAL Rs.</b>	<u>18,771,347</u>	<u>2,191,250</u>

**NOTE - '3'****LONG TERM BORROWING****SECURED LOANS****Other Loans & Advances**

(a) Canara Bank	1,415,000	1,415,000
(b) Other Secured Loans	39,104,037	39,104,037

**UNSECURED LOANS****Other Loans & Advances**

(a) External Commercial borrowing	6,762,250	6,762,250
(b) Others	3,119,762	3,119,762

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<b>TOTAL Rs.</b>	<b>50,401,049</b>	<b>50,401,049</b>
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**NOTE - '4'****SHORT TERM BORROWINGS****Unsecured**

Loans Repayable on demand	10,300,483	10,882,056
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<b>TOTAL Rs.</b>	<b>10,300,483</b>	<b>10,882,056</b>
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**NOTE - '5'****TRADE PAYABLES**

Micro Small and Medium Enterprise	-	-
Others	376,547,509	130,945,123

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<b>TOTAL Rs.</b>	<b>376,547,509</b>	<b>130,945,123</b>
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**NOTE - '6'****OTHER CURRENT LIABILITIES**

Other payables	76,140	76,140
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<b>TOTAL Rs.</b>	<b>76,140</b>	<b>76,140</b>
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**NOTE - '7'****SHORT TERM PROVISION**

Provision for Employee Benefits	-	-
Others – Taxes	3,247,262	5,572,160

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<b>TOTAL Rs.</b>	<b>3,247,262</b>	<b>5,572,160</b>
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NOTE '8' - TANGIBLE FIXED ASSETS (AT COST) AS AT 31st MARCH, 2013

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION / IMPAIRMENT					NET BLOCK	
	COST AS AT	ADDITIONS /	DEDUCTI	BALANCE	UPTO	RATE	FOR THE	DEDUCTIO	UPTO	AS ON	AS ON
	01/04/2013	TRANSFERS	ONS /	COST	01/04/2013	%	YEAR	NS	31/03/2014	31/03/2014	31/03/2013
		TRANSFERS	RS	AS AT				ON			
				31/03/2014				DISPOSAL			
								S			
Land (Leasehold)	1151000	-	-	1151000	13014	0	0	0	13014	1137986	1137986
Buildings - Plant	9634160	-	-	9634160	1449540	3.34	321781	0	1771320	7862840	8184620
Buildings - Non Plant	13719590	-	-	13719590	993129	1.63	223629	0	1216759	12502831	12726461
Plant & Machinery	71989998	22478212	-	94468210	14793968	4.75	3513016	0	18306985	76161225	57196030
Furniture & Fixtures	241254	167000	-	408254	65101	6.33	18938	0	84039	324215	176153
Factory & Office Equipments	264349	-	-	264349	183577	16.21	42851	0	226428	37921	80772
Vehicles	315669	-	-	315669	118466	9.5	29989	0	148454	167215	197203
Computer Systems	26750	-	-	26750	5350	40	10700		16050	10700	21400
Capital Work in Progress	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL Rs.</b>	<b>97342770</b>	<b>22645212</b>	<b>-</b>	<b>119987982</b>	<b>17622145</b>		<b>4160905</b>	<b>-</b>	<b>21783049</b>	<b>98204933</b>	<b>79720625</b>
<b>PREVIOUS YEAR</b>	<b>97316020</b>	<b>26750</b>	<b>-</b>	<b>97342770</b>	<b>13563748</b>	<b>-</b>	<b>4058396</b>	<b>-</b>	<b>17622145</b>	<b>79720625</b>	<b>83752272</b>

**NOTE '9'**

**LONG TERM LOANS AND ADVANCES**

Advance Income tax 241,061 154,725

Balance with Government Authorities 2,495,135 1,693,768

**TOTAL Rs.** 2,736,196 1,848,493

**NOTE '10'**

**OTHER NON CURRENT ASSETS**

Unamortized Expenses 567,880 681,456

**TOTAL Rs.** 567,880 681,456

**NOTE '11'**

**CURRENT INVESTMENTS**

Others Current Investment 475 475

**TOTAL Rs.** 475 475

**NOTE '12'**

**INVENTORIES**

(As per inventory certified & valued by the management)

Raw Materials 12,599,597 31,373,317

Stores & Spares 652,674 560,864

Other Goods in Stock - -

**TOTAL Rs.** 13,252,271 31,934,181

**NOTE '13'****TRADE RECEIVABLES**

Outstanding for less than 6 months from the due date	163,583,616	45,167,599
Outstanding for More than 6 months from the due date	-	-
Deposits	-	-

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<b>TOTAL Rs.</b>	<b>163,583,616</b>	<b>45,167,599</b>
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**NOTE - '14'****CASH AND CASH EQUIVALENTS**

Balance with banks	82,675,994	112,446,575
Cash on Hand	3,486,841	212,488

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<b>TOTAL Rs.</b>	<b>86,162,835</b>	<b>112,659,063</b>
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**NOTE - '15'****SHORT TERM LOANS AND ADVANCES**

Others Loans & Advances Recoverable	171,662,077	3,729,055
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<b>TOTAL Rs.</b>	<b>171,662,077</b>	<b>3,729,055</b>
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**NOTE - '16'****Revenue from operations**

Sale of products	1,531,560,585	437,547,711
Sale of Services - Job Work	-	6,244,400
Other Operating Revenues	1,718,342	18,948

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<b>TOTAL Rs.</b>	<b>1,533,278,927</b>	<b>443,811,059</b>
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**NOTE - '17'****Other Income**

Interest income from Banks	740,641	865
Other Non- operating Incomes		
- Rental Incomes from Lease	285,276	736,512
- Exchange Rate Fluctuations	1,161,450	94,830

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<b>TOTAL Rs.</b>	<b>2,187,367</b>	<b>832,207</b>
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**NOTE - '18'****PURCHASE OF STOCK**

Purchases	1,357,806,856	412,175,181
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<b>TOTAL Rs.</b>	<b>1,357,806,856</b>	<b>412,175,181</b>
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**NOTE - '19'****CHANGE IN INVENTORIES**

Stock in Trade		
Opening Balance	31,934,181	47,943,520
Less: Closing Stock	(13,252,271)	(31,934,181)

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<b>TOTAL Rs.</b>	<b>18,681,910</b>	<b>16,009,339</b>
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**NOTE - '20'****EMPLOYEE BENEFIT EXPENSES**

Salaries & Wages	31,337,455	2,123,430
Staff Welfare	328,210	350
<b>TOTAL Rs.</b>	<b>31,665,665</b>	<b>2,123,780</b>

**NOTE - '21'****FINANCE COSTS**

Interest Expenses	-	-
Bank Charges	67,006	7,174
<b>TOTAL Rs.</b>	<b>67,006</b>	<b>7,174</b>

**NOTE - '22'****DEPRECIATION & AMORTIZATION EXPENSES**

Depreciation for the year	4,160,905	4,058,396
Amortizations for the year	113,576	113,576
<b>TOTAL Rs.</b>	<b>4,274,481</b>	<b>4,171,972</b>

**NOTE - '23'****OTHER EXPENSES**

Discounts Allowed	1,309,568	1,240,596
Electricity & Water	35,828,314	1,406,467
Stores & Spares, Other Factory Expenses	28,322,699	261,240
Repairs & Maintenance:		
- Buildings	3,326,820	95,919
- Machinery	942,104	23,346
Fees, Subscriptions & Rates	1,251,115	580,204
Insurance	985,061	5,562
Interest on delayed payments	606,634	10,266
Printing & Stationery	160,719	31,439
Postage, Telephone & Telex	432,879	94,749
Travelling & Conveyance	1,163,747	24,650
Advertisement & Publicity	732,756	96,736
Legal & Professional Fees	2,159,334	591,707
Auditors Remuneration	35,000	35,000
Transport & Handling	21,464,272	2,697,241
Commissions Paid	2,628,126	517,062
Office Expenses	769,109	120,070
<b>TOTAL Rs.</b>	<b>102,118,257</b>	<b>7,832,254</b>

**A). STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**1. BASIS OF PREPARATION OF ACCOUNTS:**

- a. The company had been referred to the BIFR for a Rehabilitation Scheme in the year 2005-2006 and accordingly has been restructured and has commenced commercial production in the year 2009-2010. During the year, the company has been declared out of the purview of the Sick Companies definition as per BIFR Order dated 09/12/2013. The accounts of the company have been prepared on "Going Concern Basis".
- b. The accounts have been prepared on historical cost basis ignoring changes, if any, in the purchasing power of money and on accounting principles of going concern. All revenues and expenses are accounted on accrual basis. Accounting policies not specifically referred to otherwise are consistent and are in consonance with generally accepted accounting principles.

**2. METHOD OF ACCOUNTING:**

*The accounts of the company have been prepared on accrual basis of accounting except for encashment of leave salary and gratuity, which are accounted for on cash basis. The same is not in consonance with the provisions of AS-15 "Accounting for Retirement Benefits in Financial Statements" issued by the Institute of Chartered Accountants of India.*

**3. FIXED ASSETS:**

- a. Tangible Fixed Assets are stated at their historical costs less depreciation and upon provision of Impairment Losses duly recognized as per the provisions of AS28 issued by the Institute of Chartered Accountants of India. Cost of Acquisition or construction is inclusive of taxes and other incidental expenses up to date, the assets are put to use.
- b. Modifications or cost of improvements to the existing Plant & Machinery is capitalized if it increases its useful life as well as capacity of the plant. All other replacement costs are charged to the Profit & Loss Account.

**4. DEPRECIATION**

1. Depreciation on Plant & Machinery, Buildings has been provided on SLM basis for the period of use at the rates prescribed in Schedule XIV to the Companies Act, 1956. Plant & Machinery is treated as a continuous process plant, since the same is required and designed to operate throughout the year.
2. In the case of other Fixed assets, depreciation is provided on Written Down Value method at the rates prescribed in Schedule XIV to the Companies Act, 1956.

**5. INVESTMENTS**

Investments are all long term and are stated at costs.

**6. VALUATION OF INVENTORY**

The Stocks of Materials, Stores, Spares and Packing Materials are valued at cost based on weighted average method. Stock-in -Process and Finished Goods are valued at cost or net realizable values, whichever is lower.

**7. RETIREMENT BENEFITS:**

The company has various schemes of Retirement Benefits such as Provident Fund, Gratuity, Leave Encashment. The liability for gratuity and Leave Encashment has however not been actuarially determined and the company continues to account for such liability on actual payment basis.

**8. REVENUE RECOGNITION**

The company recognizes revenue on sale of product, net of discounts and applicable taxes viz VAT, Sales Tax CST etc, when the product is shipped to customer ie. when the risk and rewards of the ownership is passed on to the customer. The income from services is recognized net of taxes. The Turnover for the year includes Sale Value of Goods & Services excluding rebates & discounts.

**9. FOREIGN CURRENCY TRANSACTIONS**

The transactions of involving Foreign Exchange on revenue account, for foreign travel, imports, exports income / loss are accounted at exchange rate prevailing on the date of transaction and unsettled transactions are translated at the rate prevailing at the year end. Any income or expense on account of exchange difference on transaction is recognized in the Profit & Loss Account, except in the case

where they relate to acquisition of Fixed Assets. Premium on forward contract is also accounted for in proportions over the period of contract.

<u>Details of Foreign Exchange Flows</u>	Year Ended 31 <sup>st</sup> March	
	2014	2013
	<u>Rs.Lacs</u>	<u>Rs.Lacs</u>
CIF Value of Imported Goods	831.00	Nil
Expenditure in Foreign Currency	Nil	Nil
Payment of Dividend on Equity Sh in Foreign Currency	Nil	Nil
Earnings in Foreign Currency (FOB)	<u>556.00</u>	<u>Nil</u>

#### 10. EXPENDITURE ON BENEFITS OF ENDURING NATURE

Revenue Expenditure on retrenchment expenses including expenses related thereto whose benefits are to be received in coming years are treated as deferred expenditure and such expenditures are amortized over a period of 10 years.

#### 11. CENVAT BENEFIT

Cenvat benefit is accounted for on accrual basis on purchase of raw materials and Capital Goods

#### 12. GOVERNMENT GRANTS

Revenue grants are recognized in the Profit & Loss Accounts. Capital Grants are credited to Capital Reserves.

#### 13. PAYMENTS MADE TO AUDITORS

<u>Summary of Payments</u>	Year Ended 31 <sup>st</sup> March	
	2014	2013
	<u>Rupees</u>	<u>Rupees</u>
Towards Audit Fees	<u>35,000</u>	<u>35,000</u>

#### 14. CONTINGENT LIABILITIES

<u>Details of Contingent Liabilities</u>	As at 31 <sup>st</sup> March	
	2014	2013
	<u>Rupees in Lacs</u>	<u>Rupees in Lacs.</u>
a. Guarantee given by the company's Bankers and Counter guaranteed by the company	Nil	Nil
b. Claims against the company not acknowledged as Debts	Nil	Nil
c. Service Tax demand under dispute	Nil	83.43
d. Custom Duty payable in respect of goods imported against Advance License pending Export Obligations**	Nil	967.00
e. Interest and penalties under Employees PF & Misc Provisions Act, 1952	3.64	3.64
f. Claim by one of the erstwhile Director as Salary	18.00	18.00
g. Income Tax demand under appeal***	200.29	282.44

\*\* During the previous year the company has been served with an intimation by the DGFT for a claim pending in respect of goods imported against Advance License pending Obligation amounting to Rs. 967.00 Lacs. The management has informed that the matter stands dissolved and the claim stands withdrawn.

\*\*\* During the earlier years the company had been served with an order u/s 271 (1) (c) & subsequent demand u/s 156 under the Income Tax Act, 1961 for the aforementioned periods; AY 2002-03 for Rs. 4,42,098/-, AY 2003-04 for Rs. 3,72,195/-, AY 2007-08 for Rs. 1,92,07,921/-. The company has preferred an appeal with the Income tax appellate Tribunal for AY 2002-03 and 2003-04 and appeal is pending with commissioner of Income – Tax(Appeals) for AY 2007-08.

## 15. EARNINGS PER SHARE

<u>Computation of Basic &amp; Diluted EPS</u>	Year Ended 31 <sup>st</sup> March	
	<u>2014</u>	<u>2013</u>
a). Profit /(Loss) after Tax as per P&L Account	1,65,80,097	19,36,319
b). Number of Equity Shares of Rs. 10/- each	72,67,317	72,67,317
c). Basic EPS	2.28	0.27
d). Diluted EPS	2.28	0.27
e). Face Value per Equity Shares	<u>10.00</u>	<u>10.00</u>

## **B). NOTES TO ACCOUNTS**

### 1. The Company has been declared out of the purview of the Sick Company's definition

During the year, the company has been declared out of the purview of the Sick Companies definition as per BIFR Order No: 215/2004 dated 09/12/2013. Accordingly the Net worth of the company has been restored and turned positive and also during the current and the previous year, the company has reported substantial profits from operations.

### 2. Secured Loans

- Loans from Financial Institutions assigned to the New Promoters are secured by equitable mortgage of immovable assets (excluding Housing Colony), hypothecation of all the company's moveable assets, (except Book Debts), both present & future, personal guarantees of the then Managing Director and a charge upon the assets of the company as per the Deeds of Assignment duly entered into by the company which exceed over Rs. 6500.00 Lacs in favour of the Secured Lenders per se.
- Other Secured Loans from M/s. Malvika Harbopharma (P) Ltd are secured by a 1<sup>st</sup> charge upon all the Fixed Assets including the Housing Colony.
- Loans from M/s. Invent Assets Reconstruction Company Limited are secured by a 2<sup>nd</sup> charge upon all the Fixed Assets.

*M/s. Invent Assets Reconstruction Company Limited (IARCL) has initiated recovery procedure under the provisions of the Securitization & Reconstruction Of Financial Assets & Enforcement Of Security Interest Act, 2002 wherein it has taken possession of the Residential Colony located at Lote, Ratnagiri. The possession by IARCL has been in consultation with the 1<sup>st</sup> charge holders M/s. Malvika Harbopharma Private Limited who retain the say in all the settlement of dues of the said loans.*

- Loans from Canara Bank is secured by a 2<sup>nd</sup> charge upon all the Fixed Assets which is to the tune of approx 3.93 Crores including the interest and by personal guarantee of the Director, Mr. Sanjay Bagrodia

- The Company follows Accounting Standard (AS22) "Accounting for Taxes on Income" as notified by Companies Accounting Standard Rules, 2006. The Company has deferred tax liability with difference in depreciation in block of fixed assets as per tax books and financial books. The calculations of deferred tax liability is as under.

	<u>2013-14</u>	<u>2012-13</u>
	<u>Rs in Lacs .</u>	<u>Rs in Lacs.</u>
Deferred Tax Liability (Opening)	Nil	Nil
Less: Deferred Tax Asset for the year :		
Depreciation as per Companies Act	41.60	
Depreciation as per IT Act.	<u>78.93</u>	(37.33)
Deferred rate of tax @ 30.9%	11.53	Nil
Deferred tax liability as on 31-03-2014	<u>11.53</u>	<u>Nil</u>

- The balances reflected in the accounts of Sundry Debtors, Loans and Advances, secured loans from financial institutions and bank and sundry creditors are subject to confirmation/reconciliation and the consequential adjustment, if any. As the company's Account/facilities with balance confirmation for the period thereafter from such lenders under secured loan is not yet received.



5. There are no dues to enterprise as defined under clause (m) of section 2 of the Micro, Small & Medium Enterprises Development Act, 2006 remaining outstanding for more than 45 days as at 31<sup>st</sup> March, 2014 which having been identified by the management and relied upon by the auditors.
6. As the company's business activities fall within a single segment ie. Chemicals, the disclosure requirement of Accounting Standard – 17 on Segment Reporting as issued by the Institute of Chartered Accountants of India is not applicable. During the year the company has undertaken trading and manufacturing of Chemical & Intermediates Goods, which are within the above described segment.
7. Disclosure regarding parties and transactions as required by AS – 18 issued by the Institute of Chartered Accountants of India are as under:-
- A. NAME OF RELATED PARTY AND THEIR RELATIONSHIP
- i). Associate Company  
Nil
- ii). Directors  
Shri Nazirsaheb M.Sayyed  
Shri.Mohit Kaushik  
Shri Sunil Sawant
- iii). Relatives of Key Managerial Personnel  
Nil
- B. TRANSACTIONS WITH RELATED PARTY:  
The company has not entered into any transactions with related party within the meaning of Accounting Standard 18 "Related Parties Disclosure".
8. Test as required under Accounting Standard – 28 relating to Impairment of Assets have been carried out. The Company assessed at the Balance Sheet date, the value of the Fixed Assets in order to comply with the provisions of A.S - 28. The Company is of the opinion that the assets of the Company will generate adequate benefits in future. The Company has arrived to this opinion considering the present condition of the assets and its withstanding capacity even for increased capacity by four times to that of present capacity. The Company has also considered net cash flow before tax and also present value of future cash flow. The future cash flows were taken into account based on the budgeted turnovers fixed for future years in recent budget meeting.  
In view of expected continuous profits the Company has felt that the "Value in use" of the Fixed Assets is more than carrying cost of the fixed assets, hence no provision for impairment of Loss of Fixed Assets has been made.
9. The Sales Tax incentives Scheme 1993 of SICOM provides that the unit should work for 35 years or during the currency of the Sales Tax Benefits/other benefits drawn/availed of under the 1993 Scheme by way of incentives there under, whichever longer. Accordingly, the Sales Tax benefits of Rs. 264.97 Lacs (PY Rs. 264.97 Lacs) availed till 30/09/2003 by the company is subject to compliance of the terms and conditions of the said scheme. The company has opted for Deferral Scheme of Sales Tax liability w.e.f. 01/07/2003. Accordingly the sales tax liability of Rs. 31.20 Lacs (PY Rs. 31.20 Lacs) shall be repayable after Ten years in five equal annual installments.
10. The figures of the previous years have been regrouped/rearranged wherever necessary and the figures are rounded off to the nearest rupee

**Signature to Notes 1 to 24**

**For Sayeed Khan & Associates**  
**Chartered Accountants**  
**Firm Regn No: 125227W**

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

**Sayeed Khan**  
**Proprietor**  
**Membership No: 117114**

**Nazir M. Sayyed**  
**Director**

**Sunil Sawant**  
**Director**

**Place : Mumbai**  
**Date : 8<sup>th</sup> September, 2014**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2014**

(Rs. In Lacs)

	AS AT	AS AT
	31-Mar-2014	31-Mar-2013
<b>A) CASH FLOW FROM OPERATING ACTIVITIES :</b>		
NET PROFIT BEFORE TAX AND EXTRA ORDINARY ITEMS	208.52	23.24
<b>ADJUSTMENTS FOR :</b>		
DEPRECIATION & AMORTIZATIONS	42.74	41.72
INTERESTS PAID	6.74	0.07
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>258.00</b>	<b>65.03</b>
<b>ADJUSTMENTS FOR :</b>		
(INCREASE)/DECREASE IN CURRENT ASSETS	(2,676.67)	(297.34)
(INCREASE)/DECREASE IN CURRENT LIABILITIES	2,426.96	1,354.14
(INCREASE)/DECREASE IN NET CURRENT ASSETS	(249.71)	1,056.80
<b>CASH GENERATED FROM OPERATIONS</b>	<b>8.29</b>	<b>1,121.82</b>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>8.29</b>	<b>1,121.82</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES :</b>		
ADDITIONS TO FIXED ASSETS	(226.45)	(0.27)
ADDITIONS TO LONG TERM DEPOSITS	(40.06)	-
INTERESTS PAID	(6.74)	(0.07)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(273.25)</b>	<b>(0.34)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
(INCREASE)/DECREASE IN SHARE CAPITAL	-	-
(INCREASE)/DECREASE IN BORROWINGS	-	-
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/DECREASE IN CASH &amp; CASH EQUIVALENTS</b>	<b>(264.96)</b>	<b>1,121.49</b>
<b>CASH &amp; CASH EQUIVALENTS (OPENING BALANCE)</b>	<b>1,126.60</b>	<b>5.11</b>
<b>CASH &amp; CASH EQUIVALENTS (CLOSING BALANCE)</b>	<b>861.63</b>	<b>1,126.60</b>

**AUDITORS' CERTIFICATE**

We have verified the above Cash Flow Statement of KESAR PETROPRODUCTS LTD. derived from the audited financial Statements for the year ended 31st March, 2014 and found the same to be drawn in accordance therewith and with the requirements of clause 32 of the listing agreements with the Stock Exchanges.

For SAYEED KHAN &amp; ASSOCIATES

CHARTERED ACCOUNTANTS,

SAYEED KHAN

PROPRIETOR

PLACE: MUMBAI

DATED : 8th SEPTEMBER 2014

# 24TH ANNUAL REPORT 2013 - 2014

## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

### I. Registration Detail

Registration No.  State Code

Balance Sheet Date     
Date Month Year

### II. Capital Raised During the year (Amount in Rs.Thousands).

Public Issue  Rights Issue

Bonus Issue  Private Placement

On Amalgamation

### III. Position of Mobilisation & Deployment of Funds (Amount in Rs.Thousands).

Total Liabilities  Total Assets

#### Sources of Funds (Amount in Rs.Thousands).

Paid-Up Capital  Reserve & Surplus

Secured Loans  Unsecured Loan

#### Application of Funds (Amount in Rs.Thousands).

Net Fixed Assets  Investments

Net Current Assets  Misc. Expenditure

Accumulated Losses  Preoperative Exp's

### IV. Performance of the Company : (Amount in Rs.Thousands).

Turnover  Total Expenditure

Profit/Loss Before Tax  Profit After Tax

Earning Per Share ( In Rupees )

### V. Generic Names of Three Principal Products / Service of Company

Item Code No.

Product Description

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS  
FOR KESAR PETROPRODUCTS LTD.**

NAZIRSAHEB SAYYED  
DIRECTOR

SUNIL SAWANT  
DIRECTOR

## PROXY FORM

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

### KESAR PETROPRODUCTS LIMITED

(CIN: L23209PN1990PLC054829)

Regd. Office: D-7/1, MIDC, Lote Parshuram, Taluka Khed, District: Ratnagiri – 415722, Maharashtra.

Name of the Member (s):

Registered Address:

Email Id:

Folio / DP ID – Client ID No :

I/We being the member (s) of \_\_\_\_\_ shares of the above named Company hereby appoint:

1. Name \_\_\_\_\_ Address \_\_\_\_\_

E-mail \_\_\_\_\_ Signature \_\_\_\_\_ or falling him.

2. Name \_\_\_\_\_ Address \_\_\_\_\_

E-mail \_\_\_\_\_ Signature \_\_\_\_\_ or falling him.

3. Name \_\_\_\_\_ Address \_\_\_\_\_

E-mail \_\_\_\_\_ Signature \_\_\_\_\_ or falling him.

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24<sup>th</sup> Annual General Meeting of the Company, to be held on Tuesday, the 30<sup>th</sup> September, 2014 at 11.00 a.m. at D-7/1, MIDC, Lote Parshuram, Taluka Khed, District: Ratnagiri – 415722, Maharashtra, and at any adjournment thereof in respect of such resolutions as are indicated below:

	Resolutions	Optional*	
		For	Against
	<b>ORDINARY BUSINESS</b>		
1.	Adoption of Financial Statements for the year ended 31 <sup>st</sup> March, 2014, Reports of the Directors and Auditors		
2.	Appointment of Auditor and fix their Remuneration		
	<b>SPECIAL BUSINESS</b>		
3.	Appointment of Mr. Mohit Prem Kumar Kaushik as Director		
4.	Appointment of Mr. Sunil Atmaram Sawant as an Independent Director		
5.	Appointment of Mr. Nazirsaheb Sayyed as an Independent Director		
6.	Adoption of New Articles of Association		
7.	Fixation of Limits of Borrowing Powers		
8.	Mortgage of Assets		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014

Signature of Shareholder \_\_\_\_\_

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

Affix  
Revenue  
Stamp

Notes:

1. 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.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of 24<sup>th</sup> Annual General Meeting.
3. It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details including details of member(s) in the above box before submission.

**ATTENDANCE SLIP**

**KESAR PETROPRODUCTS LIMITED**

(CIN: L23209PN1990PLC054829)

**Registered Office:**

D-7/1, MIDC, Lote Parshuram, Taluka Khed,  
District: Ratnagiri – 415722, Maharashtra.

**24<sup>th</sup> Annual General Meeting – 30<sup>th</sup> September, 2014**

Please complete this Attendance Slip and hand it over at the entrance of the Meeting Hall.

NAME OF THE SHAREHOLDER/PROXY  
ADDRESS

Folio No.....

DP ID\* .....

No. of Shares held:

Client Id\*.....

I hereby record my presence at the 24<sup>th</sup> ANNUAL GENERAL MEETING of the Company at its Registered Office of the Company at D-7/1, MIDC, Lote Parshuram, Taluka Khed, District: Ratnagiri – 415722, on Tuesday, the 30<sup>th</sup> September, 2014 at 11.00 a.m.

\*To be used for shares held in  
electronic form

**Signature of the Shareholder / Proxy**