



**PRATIKSHA CHEMICALS LIMITED**

21<sup>ST</sup>

**ANNUAL REPORT**

**2011-2012**

# PRATIKSHA CHEMICALS LIMITED

## 21st ANNUAL REPORT 2011-2012

- Regd. Office** : 3<sup>rd</sup> Floor, H K Complex,  
Nr. Dharnidhar Temple,  
Vasna, Ahmedabad.
- Board of Directors** : Shri H.K. Bhatt – Whole Time Director  
Shri J.K.Patel - Technical Director  
Shri Upendra Adhyaru- Independent Director  
Shri Somabhai Patel – Independent Director
- Auditors** : M/s H. K. Shah & Co.  
Chartered Accountants  
404, Sarap Building, 4<sup>th</sup> Floor,  
Opp. Navjivan Press, Ashram Road,  
Ahmedabad-380 014.
- Registrar &  
Share Transfer Agent** : **M/s. Sharepro Services India Pvt. limited**  
13, AB Smitha Warehousing Complex,  
Sakinaka Telephone Lane, Sakinaka,  
Andheri (East) Mumbai-400 072.  
Fax : 2859156
- Stock Exchanges  
wherein the Shares  
of the Company  
are listed** : **(1) The Bombay Stock Exchange Ltd.**  
25<sup>th</sup> Floor, P.J.Towers,  
Dalal Street, Fort,  
Mumbai-400001.  
**(2) The Ahmedabad Stock Exchange Ltd.**  
Kamdhenu Complex,  
Opp. Sahjanand College,  
Panjarapole, Ambawadi,  
Ahmedabad-380 015.

**NOTICE**

Notice is hereby given that the Twenty First Annual General Meeting of Pratiksha Chemicals Limited will be held at Registered Office of the company at 3<sup>rd</sup> Floor, H K Complex, Nr. Dharnidhar Temple, Vasna, Ahmedabad on 28<sup>th</sup> September, 2012 at 4.00 P.M. to transact the following business:

**ORDINARY BUSINESS :**

1. To receive consider and adopt the Audited Accounts of the company for the year ended 31<sup>st</sup> March 2012 and the Report of the Directors and auditors thereon.
2. To appoint Director in place of Shri Somabhai Patel, who retires by rotation and eligible for re-appointment.
3. To appoint Auditors, and to fix their remuneration.

**SPECIAL BUSINESS :**

4. To consider and if thought fit, to pass with or without modifications, following resolution as an ordinary resolution.

"RESOLVED THAT pursuant to Section 269, 198, 309, 310 reqd with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and provisions of Articles of Association of the Company, Shri Harishbhai K Bhatt, Director be and is hereby reappointed as the Whole Time Director of the Company for a period of 5 (Five) years w.e.f 01/04/2012 at a remuneration of Rs. 60000/- P.M with a liberty to board of directors to vary the terms in consultation with shri H. K Bhatt.

"RESOLVED FURTHER THAT other perquisites and/or allowances, if any payable to Shri Harishbhai K Bhatt, will be decided by board of directors in consultation with the said director."

5. "RESOLVED THAT pursuant to Section 269, 198, 309, 310, schedule XIII and other applicable provisions, if any of the Companies Act, 1956 and provisions of Articles of Association of the Company Shri. Jayesh K. Patel, Director of the company be and is hereby appointed as the Technical Director of the Company for a period of 5 (Five) years w.e.f 01/04/2012 at a remuneration of Rs.60000/- P.M. with a liberty to board of directors to vary the terms in consultation with shri J K Patel.

"RESOLVED FURTHER THAT other perquisites and/or allowances, if any payable to Shri. Jayesh K. Patel will be decided by board of directors in consultation with the said director.

6. To consider and if thought fit, to pass with or without modifications, following resolution as Special resolution.

RESOLVED THAT pursuant to provisions of section 314 and other provisions of if any of Companies Act, 1956 Ms. Neema patel, relative of Shri J K patel Technical director of the company be and is hereby appointed as officer of the company to look after administrative functions of the company w.e.f 01/04/2012 and she shall be paid monthly remuneration of Rs. 15000/-.

**Place : Ahmedabad**

**Date : 30/05/2012**

**By order of the Board of Directors,  
FOR PRATIKSHA CHEMICALS LTD.**

**Sd/-  
CHAIRMAN**

**NOTES :-**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. INSTRUMENT OF PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 21<sup>st</sup> Sept. 2012 to 28<sup>th</sup> Sept. 2012 (both days inclusive).
3. As a measure of economy, Annual Report will not be distributed at the Meeting. So, members are requested to bring their copy of Annual Report with them to the Annual General Meeting.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****ITEM NO. 4 :**

Shri Harishbhai Bhatt was appointed as Director on the Board of the Company since its incorporation. He was appointed as Whole Time Director of the Company for a term of 5 years. Now, His term is due for reappointment. He has provided good leadership to the company. Hence, Board has decided to re-appoint him for a term of 5 years w.e.f. 01/04/2012 subject to approval by share holders of the Company in General Meeting. Other perquisites shall be decided in consultation with the said director by the board of directors.

None of the directors, except Shri Harishbhai Bhatt is interested or concerned in the resolution.

**ITEM NO. 5 :**

Shri Jayesh K. Patel was appointed as Director on the Board of the Company since its incorporation. Now, Looking to his experience in the industry as well as his expertise, Board has proposed to appoint him as Technical Director for a term of 5 years w.e.f. 01/04/2012 subject to approval by share holders of the Company in General Meeting. Other perquisites shall be decided in consultation with the said director by the board of directors.

None of the directors, except Mr. Jayesh K. Patel are interested or concerned in the resolution.

**ITEM NO. 6 :**

Ms. Neema patel is pursuing her interest in administrative functions of the company and she being relative of director of the company requires members approval for appointment to hold any office or place of profit in the company.

None of the director except shri J K patel is concerned or interested in the resolution.

**Place : Ahmedabad**  
**Date : 30/05/2012**

**By order of the Board of Directors,**  
**FOR PRATIKSHA CHEMICALS LTD.**

**Sd/-**  
**CHAIRMAN**

**DIRECTORS' REPORT**

To,  
The Members of,  
**M/s Pratiksha Chemicals Limited**

Your Directors have pleasure in presenting the Annual Report of the Company together with the Audited Accounts for the financial year ended on 31<sup>st</sup> March 2012.

**1. FINANCIAL RESULTS :***(Rs. in lacs)*

Particulars	2011-12	2010-11
Profit (Loss) before Depreciation	42.57	37.04
Depreciation	34.77	33.46
Profit /(Loss) before Tax	7.8	3.58
Provision for Tax	(3.67)	(3.38)
Profit /(Loss) after Tax	11.47	6.96

During the current year, your company has achieved a reasonable level of growth. We are hoping that the phenomenal growth shall be achieved during the next coming years.

**2. DIVIDEND :**

On account of accumulated losses, your directors did not recommend any Dividend.

**3. FUTURE PROSPECTS :**

During the year under review, Company has concentrated mainly on exports through merchant exporters. Company has good enquiries on hand, which are quite prospective. Company has put more emphasis on quality control comparable to international standard along with quality measures for pollution control. In the times to come, your Directors are quite hopeful of wiping out of loss through achieving better sales target and cost conservative measures even though not compromising on quality standard of the product.

**4. DIRECTORS :**

Shri Somabhai Patel, Director of the company retires at the ensuring Annual General meeting and eligible for re-appointment.

**5. PASSING OF RESOLUTION BY POSTAL BALLOT :**

As per directives of GPCB, all effluent industries including your Company, are required to be shifted from Sanand Taluka to other industrial area which are less prone to residents. In consideration of such shifting, Company is required to mortgage/ charge/ lien/ assign/ transfer/ lease/ sale of undertaking whether in parts or in full which required approval of shareholders by way of passing postal ballot resolution.

For the said purpose, Company has made postal ballot voting process and in the Board meeting held on 16<sup>th</sup> July, 2011 result was declared and resolution was passed by way of postal ballot to carry out enabling resolution.

**6. PERSONNEL :**

Your directors' wish to place on record their appreciation for the contribution to growth of the business made by employees at all levels. Information as required pursuant to section 217(2A) of the companies Act, 1956 has not been given, as it is not applicable.

**7. AUDITORS :**

M/s H K Shah & Co., Chartered Accountants, Ahmedabad, statutory Auditor of the Company retire

at the conclusion of ensuing Annual General Meeting and being eligible, offer themselves for Re-appointment.

**8. DEPOSITS :**

During the year, Company has not accepted inter corporate Deposits, which falls under Section 58A of Companies Act, 1956.

**9. ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE :**

The additional information required to be disclosed in terms of notification No.1029 dated 31<sup>st</sup> December, 1998 issued by the Department of Company Affairs, Ministry of Finance is not applicable.

**10. COST RECORDS :**

By Notification Dated 30<sup>th</sup> June, 2011, Ministry of Corporate affairs has made it mandatory for companies in pigment industry to maintain cost records in specific format as per prescribed law for F.Y 2011-12. Company has appointed M/S Koushalya V Melvani, Cost accountants to file compliance certificate for the same.

**11. DIRECTORS' RESPONSIBILITY STATEMENT :**

Pursuant to Section 217(2A) of Companies Act, 1956, the Directors confirm that:

- i. In the preparation of Annual Accounts, appropriate accounting standard have been followed.
- ii. Appropriate accounting policies have been selected and applied consistently and judgments and estimates made that are reasonable and prudent so as to give true and fair view of state of affairs of the company at the end of financial year ended 31st March, 2012.
- iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safe guarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv. The Annual Accounts have been prepared on going concern basis.

**12. AUDITOR'S QUALIFICATION :**

Auditors have qualified their report to the members of the Company. In this connection directors of the Company have discussed the same at arm's length on the recommendation of audit committee and have intimated to take necessary action so as to show fair view of state of affairs of the company in the coming financial year.

**13. REPORT ON CORPORATE GOVERNANCE :**

Compliance Report on Corporate Governance is a part of Annual Report is annexed herewith.

**14. ACKNOWLEDGEMENTS :**

Your Directors wish to place on record their appreciation of the whole hearted co-operation extended to company from various departments of the central and state governments, company' bankers and financial institutions and employees of the company and look forward for the same cordial relationship in coming years.

**FOR AND ON BEHALF OF THE BOARD**

**PLACE : AHMEDABAD  
DATE : 30/05/2012**

**Sd/-  
CHAIRMAN**

**ANNUAL REPORT 2011-12****REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE**

The Securities and Exchange Board of India (SEBI) constituted the Committee on Corporate Governance to promote and raise the standard of Corporate Governance of listed companies. The Committee has made recommendation on the composition of the board of directors, audit committee, board procedure etc.

The company has taken necessary steps to comply with the clause of 49 of the revised Listing Agreement given below is the report of the Directors on the Corporate Governance.

**REPORT ON CORPORATE GOVERNANCE****1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE :**

The Company believes in functioning in a transparent manner with the basic philosophy being to enhance the Shareholder value, keeping in mind the needs and interest of other stakeholders, in compliance thereof. The following information is placed before the shareholders.

**BOARD OF DIRECTORS :**

Name of Director	Category	Date of Board Meeting											AGM
		10-4 2011	15-5 2011	30-5 2011	16-7 2011	8-8 2011	22-8 2011	6-11 2011	11-11 2011	12-1 2012	4-2 2012	31-3 2012	30-9 2011
Shri H.K. Bhatt	Whole time Director	P	P	P	P	P	P	P	P	P	P	P	P
Shri J K Patel	Promoter Director	P	P	P	P	P	P	P	P	P	P	P	P
Shri Upendra Adhvaryu	Nonexecutive Independent Director	P	P	P	P	P	P	P	P	P	P	P	P
Shri Somabhai Patel	Nonexecutive Independent Director	P	P	P	P	P	P	P	P	P	P	P	P

No Directors are having Chairmanship of more than five companies where they are director.

Name of Director	Other Directorship (No. of Company)
Shri H K Bhatt	2
Shri J K Patel	Nil
Shri Upendra Adhvaryu	Nil
Shri Somabhai Patel	Nil

In line with the requirements of the code of the corporate governance, the board of directors comprises of four members. However, Your Company is trying its level best to increase strength of the Board to accomplish the revised clause-49 of listing agreement.

Company does not have any system of payment of remuneration to independent Directors.

Further during the year, meeting of Board of Directors was held Eleven times.

A declaration signed by Shri H K Bhatt, Whole Time Director of the company according compliance of sub-Clause (1D) of Clause 49 of the listing Agreement is attached herewith forming part of his Annual Report.

**2. AUDIT COMMITTEE :**

Pursuant to the revised clause 49 of the listing agreement, the company has appointed Audit committee consisting of followings :

- (i) Mr. Somabhai Patel - Chairman
- (ii) Mr. Upendra Adhvaryu - Member
- (iii) Mr. J K Patel - Member

The scope of committee includes.

- a. Review of company's financial reporting process and the financial statement.
- b. Review internal control systems and functioning of internal audit process.
- c. Post audit review with statutory auditors.

During the year under review, Audit committee met four times where all the members attended meetings.

**3. REMUNERATION COMMITTEE :**

Pursuant to the revised clause 49 of the listing agreement, the company has appointed Remuneration committee consisting of followings :

- (i) Mr. Somabhai Patel - Chairman
- (ii) Mr. Upendra Adhvaryu - Member
- (iii) Mr. Jayesh K. Patel - Member

Remuneration paid during the year by the Company was -

- (1) To Mr. H.K. Bhatt – Rs. 60,000/- pm.
- (2) To Mr. J. K. Patel – Rs. 60,000/- pm from April, 2011 to October, 2011  
Rs. 75, 000/- pm from November, 2011 to March, 2012.

- which are in conformity with the provisions of the Companies Act, 1956.

No sitting fees was paid to any Director.

**4. SHAREHOLDERS' COMMITTEE :**

The company has complied the requirement of the sub clause VI (A), (B) of the clause 49 of the Listing agreement.

The composition of shareholders cum investors' grievance committee was as follows :

- (i) Mr. Upendra Adhvaryu - Chairman
- (ii) Mr. Somabhai Bhatt - Member

During the year, the company and their Registrar and Share Transfer Agents M/s Sharepro Services India Pvt. Ltd. has not received any complaints. It is policy of the company to give reply of shareholders complaint within the time frame prescribed by the SEBI/Stock Exchanges.

The Share received for transfer is approved on 15<sup>th</sup> and 30<sup>th</sup> of the each month and are given effect by the Registrar and Share Transfer Agent.

M/s. Sharepro Services India Pvt. Ltd. was appointed as common Agent for electronic as well as physical share transfer work.

**5. GENERAL BODY MEETING :**

Date	Type	Time	Location
30/09/2009	AGM	10.00 A.M.	3 <sup>rd</sup> Floor, H K Complex, Opp. Dharnidhar Derasar, Vasna, Ahmedabad-380007.
30/09/2010	AGM	10.00 A.M.	----- do -----
30/09/2011	AGM	10.00 A.M.	----- do -----



There are no special resolutions passed by the company through postal ballot at any of the above annual general meeting. However, The company has passed resolution under section 293(1)(a) of companies act, 1956 during the year.

#### 6. DISCLOSURES :

(A) During the year under review, the quarterly unaudited results were taken on record by the Board of Directors at the end of month of respective quarter. However in terms of clause 41 of Listing Agreement, the same were furnished to the concerned stock exchanges were also circulated in the newspaper within the stipulated time.

(B) Pursuant to directives of GPCB, all effluent industries within Sanand Taluka need to be shifted to other industrial areas which are less prone to residents. Our industries, being pollution sensitive, has shown initiative to the said directive and intend to shift at another place. In consideration of such shifting, Company is require to mortgage/ charge/ lien/ assign/ transfer/ lease/ sale of undertaking whether in parts or full.

According to provisions of Section 192A of Companies Act, 1956 the consent of the shareholders for the above purpose is required to be obtained by means of Postal Ballot. Hence, Company has obtained approval by way of issuing notice to shareholders on 30<sup>th</sup> May, 2011 and declared result on 16<sup>th</sup> July, 2011. Mr. Anish B. Shah of M/s A. Shah & Associates was appointed as scrutinizer for conducting postal ballot voting process.

(C) Company has followed accounting standards diligently.

(D) Further, company is in the process of lying down risk assessment system.

(E) Further, company has not received any funds through capital market during the year.

(F) Transaction with related parties have been properly disclosed in notes to accounts and discussed at length by audit committee.

(G) Management discussion and analysis report is attached to and forms part of this report.

(H) Further, Shri H K Bhatt, Whole Time Director of the company has certified to board of directors of the company regarding compliance of sub-clause (v) of clause 49 of listing agreement.

#### 7. MEANS OF COMMUNICATION :

The means of communication between the Shareholders and company are transparent and investor friendly. The quarterly results of the company are published in English and Gujarati news papers as required by the listing agreement. Steps are being taken to display the corporate results on the EDIFAR & Corporate website.

#### 8. GENERAL SHAREHOLDERS' INFORMATION :

Annual General Meeting :	Date :	28/09/2012
(Date, Time & Venue)	Time :	4.00 p.m.
	Venue :	3 <sup>rd</sup> Floor, H K Complex, Opp. Dharnidhar Derasar, Vasna, Ahmedabad-380007

Financial Calendar :	1 <sup>st</sup> April 2011 to 31 <sup>st</sup> March 2012
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Date of Book Closure :	From 21 <sup>st</sup> Sept.2012 to 28 <sup>th</sup> Sept. 2012 (Both days inclusive)
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Dividend Payment Date :	No Dividend declared
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#### 9. LISTING OF STOCK EXCHANGE :

Bombay Stock Exchange Limited	: 531257
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Ahmedabad Stock Exchange Limited	: 45512
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**10. MARKET PRICE DATA AT BOMBAY STOCK EXCHANGE LIMITED :**

MONTH	HIGH (RS.)	LOW (RS.)
April, 2011	3.66	2.90
May, 2011	3.52	3.05
June, 2011	3.69	3.41
July, 2011	3.75	3.20
August, 2011	3.05	3.05
September, 2011	2.90	2.50
October, 2011	2.55	2.43
November, 2011	2.67	2.33
December, 2011	–	–
January, 2012	2.22	2.22
February, 2012	2.11	2.11
March, 2012	2.10	1.86

**11. DISTRIBUTION OF SHAREHOLDING AS ON 31 MARCH, 2012 :**

No. of Equity shares held	No. of share holders	% of total s.holders	No. of shares held	% of shareholding
1 to 500	4088	86.54	548501	9.85
501 to 1000	253	5.35	225305	4.04
1001 to 2000	197	4.17	349151	6.27
2001 to 3000	53	1.12	135458	2.43
3001 to 4000	35	0.74	127773	2.29
4001 to 5000	22	0.46	101831	1.83
5001 to 10000	32	0.69	223747	4.02
10001 to above	44	0.93	3858574	69.27
<b>TOTAL</b>	<b>4724</b>	<b>100.00</b>	<b>5570340</b>	<b>100.00</b>

**11. DISTRIBUTION PATTERN AS ON THE 31<sup>ST</sup> MARCH, 2012 :**

	No. of Shares	Percentage
Promoters and Relatives	1993550	35.78
Banks/ FII/ FI	0	0.00
Public	1971151	35.38
Body Corporate	1274656	22.89
NRI	330983	5.95

**12. REGISTRAR AND SHARE TRANSFER AGENT :****M/s. Sharepro Services India Pvt. limited**

13, AB Smitha Warehousing Complex, Sakinaka Telephone Lane, Sakinaka, Andheri (East) Mumbai-400 072. Fax : 2859156

**13. SHARE TRANSFER SYSTEM :**

The share transfer work is handled by registrar and transfer agent for the company.

Share Transfers are registered and dispatched within a period of thirty days from the date of the lodgments if the transfer documents are correct and valid in all respects.