



**PRATIKSHA CHEMICALS LIMITED**

For, PRATIKSHA CHEMICALS LTD.

  
DIRECTOR

**22<sup>ND</sup>**

**ANNUAL REPORT**  
**2012-2013**

# **PRATIKSHA CHEMICALS LIMITED**

## **22nd ANNUAL REPORT 2012-2013**

- 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 - Director  
Shri Upendra Adhyaru - Director  
Shri Somabhai Patel - 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 Second Annual General Meeting of Pratiksha Chemicals Limited will be held at Regd. Office at 3rd Floor, H K Complex, Nr. Dharnidhar Temple, Vasna, Ahmedabad on 30th September, 2013 at 10.00A.M. at the registered office of the company to transact the following business:

**ORDINARY BUSINESS :**

1. To receive consider and adopt the Audited Accounts of the company for the year ended 31st March 2013 and the Report of the Directors and auditors thereon.
2. To appoint Director in place of Mr. Upendra Adhvaryu, who retires by rotation and eligible for re-appointment.
3. To appoint Auditors, and to fix their remuneration.

Place : Ahmedabad  
Date : 30/05/2013

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 Tuesday, 24th Sept. 2013 to Monday, 30th Sept. 2013 (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.

**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 31st March 2013.

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

<b>Particulars</b>	<b>2012-13</b>	<b>2011-12</b>
Profit (Loss) before Depreciation	36.87	43.75
Depreciation	35.52	34.77
Profit /(Loss) before Tax	1.34	8.98
Provision for Tax	—	(3.67)
Profit /(Loss) after Tax	1.34	11.47

During the current year your company has not achieved a reasonable level of growth in terms of turnover as well as profit. We are hoping that the phenomenal growth shall be achieved during the next coming years.

**2. Dividend :**

On account of having 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 :**

Mr. Upendra Adhvaryu , Director of the company retires at the ensuring Annual General meeting and eligible for re-appointment.

**5. 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.

**6. Auditors :**

M/s H K Shah & Co., Chartered Accountants, Ahmedabad, Auditor of the Company retire at the conclusion of ensuing Annual General Meeting and being eligible, offer themselves for Re-appointment.

**7. Deposits :**

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

**8. Energy, Technology And Foreign Exchange :**

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

**9. 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, 2013.
- 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.

**10. 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.

**11. Report on Corporate Governance :**

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

**12. 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.

PLACE : AHMEDABAD

DATE : 30/05/2013

FOR AND ON BEHALF OF THE BOARD

Sd/-  
CHAIRMAN

## 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 repost 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	No. of Board Meeting	Attendance	Last AGM Attendance
Shri H.K. Bhatt	Whole time Director	6	Yes	Yes
Shri J K Patel	Promoter Director	6	Yes	Yes
Shri Upendra Adhvaryu	Non executive Independent Director	6	Yes	Yes
Shri Somabhai Patel	Non executive Independent Director	6	Yes	Yes

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 Six 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 :

Presently the company has Four Directors. The company has independent audit committee which submits the report to the management on monthly basis and action is taken on the same by the Managing Director on regular basis.

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. J K Patel - Member

Remuneration paid during the year by the Company was -

Name of the Director	Designation (Rs.)	Amount Paid
Mr. Harishbhai Bhatt	Managing Director	13,97,400/-

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

No sitting fees are 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 Patel - 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 15th and 30th 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
30/09/2010	AGM	10.00 A.M.	3 <sup>rd</sup> Floor, H K Complex, Opp. Dharnidhar Derasar, Vasna, Ahmedabad-380007.
30/09/2011	AGM	4.00 P.M.	----- do -----
28/09/2012	AGM	4.00 P.M.	----- do -----

**6. DISCLOSURES :**

- (A) During the year under review, the quarterly unaudited results were taken on record by the Board of Directors. 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) Company has followed accounting standards diligently.
- (C) Further, company is in the process of laying down risk assessment system.
- (D) Further, company has not received any funds through capital market during the year.
- (E) Transaction with related parties have been properly disclosed in notes to accounts and discussed at length by audit committee.
- (F) Management discussion and analysis report is attached to and forms part of this report.
- (G) Further, Shri H K Bhatt, Whole Time Director of the company as 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 :        30/09/2013  
 (Date, Time & Venue)                      Time :        10.00 a.m.  
    Venue :        3<sup>rd</sup> Floor, H K Complex,  
    Opp. Dharnidhar Derasar,  
    Vasna, Ahmedabad-380007

Financial Calendar :                      1st April 2012 to 31st March 2013  
 Date of Book Closure :                      24th Sept.2013 to 30th Sept. 2013 (Both days inclusive)  
 Dividend Payment Date :                      No Dividend declared

**9. LISTING OF STOCK EXCHANGE :**

Bombay Stock Exchange Limited : 531257  
 Ahmedabad Stock Exchange Limited : 45512

**10. MARKET PRICE DATA AT BOMBAY STOCK EXCHANGE LIMITED :**

MONTH	HIGH (RS.)	LOW (RS.)
April, 2012	2.10	2.10
May, 2012	2.03	2.03
June, 2012	1.93	1.80
July, 2012	1.91	1.66
August, 2012	2.92	2.00
September, 2012	NA.	N.A.
October, 2012	2.93	2.92
November, 2012	2.79	2.48
December, 2012	2.36	1.95
January, 2013	2.12	1.84
February, 2013	2.03	1.94
March, 2013	2.13	2.13



**11. DISTRIBUTION OF SHAREHOLDING AS ON 31 MARCH, 2013 :**

No. of Equity shares held	No. of share holders	% of total s.holders	No. of shares held	% of shareholding
1 to 500	4070	86.56	543710	9.76
501 to 1000	252	5.36	223852	4.02
1001 to 2000	197	4.19	348473	6.26
2001 to 3000	49	1.04	125654	2.25
3001 to 4000	35	0.74	127404	2.29
4001 to 5000	21	0.45	96831	1.74
5001 to 10000	34	0.72	233033	4.19
10001 to above	44	0.94	3871383	69.40
<b>TOTAL</b>	<b>4702</b>	<b>100.00</b>	<b>5570340</b>	<b>100.00</b>

**11. DISTRIBUTION PATTERN AS ON THE 31<sup>ST</sup> MARCH, 2013 :**

	No. of Shares	Percentage
Promoters and Relatives	1993550	35.79
Banks/ FII/ FI	0	0.00
Public	2787554	50.05
Body Corporate	458253	8.23
NRI	330983	5.93

**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.

**14. DEMATIRIALISATION OF SHARES :**

Outstanding GDRs/ADRs/Warrants or any

Convertibles instruments and conversion

date and likely impact on Equity

: N.A.

Address for Correspondence

: 3<sup>rd</sup> Floor, H K Complex,  
Opp. Dharnidhar Derasar,  
Vasna, Ahmedabad

4165780 shares out of 5570340 Equity shares of the company have been dematerialized as at 31st March, 2013 representing 74.79 % of total paid-up capital of the company.

**For and On behalf of the Board of Directors**Date : 30/05/2013  
Place : AhmedabadSd/-  
**Mr. H K Bhatt**  
Whole Time Director