



# **Samrat Pharmachem Limited**

**21<sup>st</sup> Annual Report  
2012-2013**



**Mr. Lalit Mehta**  
Chairman & Managing Director

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**BOARD OF DIRECTORS**

<b>Mr. Lalit Mehta</b>	Chairman & Managing Director
<b>Mr. Rajesh Mehta</b>	Executive Director
<b>Mr. Mahendra Pipalia</b>	Director
<b>Mr. Samir Kothary</b>	Director
<b>Mr. Hitendra Shah</b>	Director

**STATUTORY & REGISTERED OFFICE & FACTORY**

Plot no. A2/3445, GIDC, Phase 4, Ankleshwar - 393 002, Gujarat

**CORPORATE OFFICE**

701/702, Business Square, M. A. Road, Andheri (West), Mumbai - 400 058

**STATUTORY AUDITORS**

**Shah, Shah & Shah**

*Chartered Accountants*

502, Damji Shamji Trade Centre, Vidyavihar (West), Mumbai - 400 086

**PRINCIPAL BANKER**

**ICICI Bank Ltd.**

Sagar Avenue, S. V. Road, Andheri (West), Mumbai - 400 058

**CITI Bank N. A.**

Kalpachandra, S. V. Road, Andheri (West), Mumbai – 400 058

**CO-BANKERS**

**HDFC Bank Ltd.**

Jamuna Apts, S. V. Road, Andheri (West), Mumbai - 400 058

**State Bank of India**

Rahul Apartments, S. V. Road, Andheri (West), Mumbai - 400 058

**REGISTRARS & SHARE TRANSFER AGENTS**

**Link Intime India Pvt Ltd**

C/13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai - 400 078

**NOTICE OF ANNUAL GENERAL MEETING**

NOTICE is hereby given that the **TWENTY-FIRST** ANNUAL GENERAL MEETING of the Members of the Company will be held on Saturday, the 28<sup>th</sup> September, 2013 at 1.00 p.m. at the Registered Office of the Company at Plot No. A2/3445, GIDC, Phase 4, Ankleshwar - 393 002, Gujarat to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2013 and the Profit and Loss Account of the company for the year ended as on that date, together with Directors' and Auditors' Reports thereon.
2. To appoint a Director in place of Mr. Mahendra Pipalia, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Samir Kothary, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors' and fix their remuneration. The retiring auditors, M/s. Shah, Shah & Shah, Chartered Accountants, Mumbai are eligible for re-appointment.

**NOTES**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY OR PROXIES SO APPOINTED NEED NOT BE A MEMBER OR MEMBERS, AS THE CASE MAY BE, OF THE COMPANY.
2. Proxies, if any, in order to be effective, must be received at the Registered Office of the Company at Plot No. A2/3445, GIDC, Phase 4, Ankleshwar - 393 002, Gujarat, not less than 48 hours before the commencement of the meeting. Proxies shall not have any right to speak at the meeting.
3. An explanatory statement as required U/s. 173(2) of the Companies Act, 1956, is annexed to the notice in respect of Item No. 5 of agenda of notice.
4. The Register of Members and the Share Transfer Books of the Company will remain closed for a period of 15 days from 14<sup>th</sup> September, 2013 to 28<sup>th</sup> September, 2013 (both days inclusive).
5. Members are requested to kindly notify to the Registrar and Transfer Agent of the company M/s. Link Intime India Pvt Ltd. (Kind Attn : Mr. Sharad Patkar), C/13 Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai - 400 078, immediately of any change in their addresses.
6. Information pursuant to Clause 49 of the Listing Agreement for re-appointment of Directors.

Name of the Director	Date of Birth	Date of Appointment	Qualification	Directorship in Other companies in India	Chairman/ Member of other committees of other companies
Mr. Mahendra Pipalia	09/11/1963	17/03/2003	B.Com, CA	No	No
Mr. Samir Kothary	10/10/1962	30/07/2003	B.Sc., DBM	No	No

7. Members are requested to DEMAT their shares in order to facilitate easy & faster trading in equity shares.
8. Members are requested to quote their Folio / DP Id No. in all their correspondence.
9. Members desirous of having any information regarding accounts are requested to write to the Company at least 7 days in advance of the date of Annual General Meeting so as to enable the Management to keep the information ready.
10. Members are requested to bring their copies of the Annual Report to the Meeting.
11. Members are requested to bring with them the attendance slip and hand it over at the entrance duly signed by them.
12. **Note on Green Initiative :**

As per the circular bearing no. 17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 issued by the Ministry of Corporate Affairs, the companies are requested to send Annual Reports to the shareholders. According to the said circular the company is requesting all shareholders to send their email address to the company at its registered office or to the Registrar & Transfer Agent for necessary processing.

**By Order of the Board of Directors  
For Samrat Pharmachem Limited**

**Place: Mumbai  
Date: 30<sup>th</sup> May 2013**

**Lalit Mehta  
Managing Director**

**DIRECTORS' REPORT****TO THE MEMBERS**

Samrat Pharmachem Limited  
Ankleshwar.

The Directors are pleased to present the Twenty-First Annual Report on the business and operations of the company and the financial accounts for the year ended 31<sup>st</sup> March, 2013.

**FINANCIAL PERFORMANCE**

Particulars	31 March 2013 Rs.	31 March 2012 Rs.
Turnover	705,211,732	695,431,124
Profit before tax	5,815,646	57,990,290
Provision for tax	-1,184,889	-19,994,495
Net Deferred Tax Liability for current year	-489,591	-181,905
Profit after tax	4,141,166	37,813,890
<u>Profit &amp; Loss account</u>		
Balance brought forward	94,069,455	56,296,594
Profit of the current year after tax	4,141,166	37,813,890
Tax adjustment of previous year	-138,216	-41,029
Balance carried to Balance Sheet	98,072,405	94,069,455

**OPERATIONS**

Your company has performed reasonably well during the year. In a highly competitive business environment, your Company achieved a turnover of Rs. 7052.11 Lakhs as against Rs. 6954.31 Lakhs achieved last year - a increase of around 1%. Production of 238.08 tons of pharmaceutical chemicals was achieved during the year.

**DIVIDEND**

In order to conserve the resources, your Directors do not recommend payment of Dividend for the current year.

**EXPORTS**

During the year 2012-2013 your company's export division registered sales of Rs. 1,788.56 Lacs, down from Rs. 2,532.21 Lacs last year. Your Company has initiated several export promotion measures to increase exports. The products of your Company have been well accepted in the international market and the Company expects better export turnover in the coming year.

**DEMATERIALISATION**

The equity shares of the Company have been dematerialized by joining the depositories viz. National Securities Depository Limited (NSDL) & Central Depository Services (India) Limited (CDSL). The ISIN (International Securities Identification Number) No. allotted to the Company is INE103E01016.

**CORPORATE GOVERNANCE**

Certificate of auditor of your company regarding compliance of the conditions of Corporate Governance as stipulated in Clause 49 of the listing agreement with stock exchange, is enclosed. Your Company has been practicing the principles of good corporate governance over the years. The Board of Directors supports the broad principles of corporate governance. In addition to the basic governance issues, the Board lays strong emphasis on transparency, accountability and integrity. The company has adopted Code of Conduct for Directors and Employees of the Company as stipulated in revised Clause 49 of the Listing Agreement effective from 1<sup>st</sup> January, 2006.

Your company is following all norms of Corporate Governance as laid down in Clause 49 of the listing agreement. The company has not carried out the Corporate Governance Voluntary Guidelines 2009 in the financial year 2012-13. The company will fulfill the requirement as laid down under Corporate Governance Voluntary Guidelines 2009 in due course of time.

**LISTING OF SHARES**

The Company's shares are listed on the Bombay Stock Exchange Ltd, Ahmedabad Stock Exchange Ltd, Vadodara Stock Exchange Ltd, Saurashtra Kutch Stock Exchange Ltd & Pune Stock Exchange Ltd. It has paid the listing fees of all the exchanges except Saurashtra Kutch Stock Exchange for the period upto 31st March, 2013. The listing fees of Saurashtra Kutch Stock Exchange was not paid due to non-receipt of invoice or intimation for payment of listing fees from the said exchange. The same will be paid on receipt of any communication from the stock exchange. Your Company has not been delisted on any of these exchanges for non-payment of listing fees.

**INSURANCE**

The assets of the company have been adequately insured against all possible risks with ICICI Lombard General Insurance Co Ltd., United India Insurance Co. Ltd & The Oriental Insurance Co. Ltd.

**WEBSITE**

Your company's website address is [www.samratpharmachem.com](http://www.samratpharmachem.com). The performance of the Company will be regularly updated and be made available on this website. Also the website provides other vital information about the Company.

**FAMI QS / FSSAI CERTIFICATION**

Your company has received FAMIQs Certificate issued by Swiss Cert Pvt. Ltd. for implementing and maintaining Feed Safety Management System including Good Manufacturing Practice (GMP) w.e.f. 29th September, 2012.

Your company has received FSSAI Certificate issued by Ministry of Health & Family Welfare for implementing and maintaining Food Safety Management System w.e.f. 31st December, 2012.

**SAFETY, HEALTH & ENVIRONMENT (SHE) POLICY**

As a responsible corporate citizen, the Company is fully alive to its responsibilities for protection of the environment and to provide its employees a safe and hazard free work place. The Company has adopted a Safety, Health & Environment Policy that applies to all employees and activities. The work culture encourages total involvement and commitment of the employees to the SHE Policy.

Some of the activities carried out during the year are as follows.

**Safety:**

- Providing necessary equipments and apparatus required for the safe operation of the manufacturing activities
- Observing the rules and regulations with regard to safety & precaution
- Consulting emergency control management team to monitor the safety of the plant



- Conducting regular safety audit
- Encouraging the workforce to use protective equipments and maintain cleanliness
- Conducting seminars to impart knowledge to employees on safe operations
- Organising safety week to create safety awareness

**Health:**

- Conducting medical health check up for all the employees of the Company periodically
- Conducting lecture meetings for providing guidance and counseling on matters of health, diet and exercise
- Conducting seminars to impart knowledge on meditation, yoga and anti-stress therapy

**Environment:**

- Ensuring smooth functioning of the effluent treatment plant with respect to air, water and solid waste.
- Updating the ETP plant to make it more nature friendly
- Proper monitoring of the pollution levels in and around the plants
- Planting trees in and around the factory
- Complying with the prescribed norms of pollution control

**PERSONNEL**

As on 31<sup>st</sup> March 2013, the total number of employees on the payroll of the company was 30. Industrial relations with employees at various levels continue to be cordial.

**DIRECTORS**

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Mahendra Pipalia & Mr. Samir Kothary retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

**AUDITORS**

The Auditors of the Company M/s. Shah, Shah & Shah, Chartered Accountants, Mumbai hold office till the conclusion of forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

**AUDITORS REPORT**

The report of auditors is self explanatory and do not require any further elucidation.

**PARTICULARS OF EMPLOYEES**

The company does not have any employee whose particulars are required to be given under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended upto date.

**DISCLOSURE OF PARTICULARS**

Information as per section 217(1)(e) of the Companies Act, 1956 read with The Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 relating to conservation of energy, technology absorption, foreign exchange earnings and outgo are given in Annexure forming part of this report.

**SECRETARIAL COMPLIANCE CERTIFICATE**

Secretarial Compliance Certificate as required u/s 383A of the Companies Act 1956 for the financial year ended 31st March, 2013 has been obtained from the practicing company secretary and is attached to this report.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 217(2AA) of the Companies Act, 1956 as amended with respect of Directors responsibility statement, it is hereby confirmed :-

1. That the preparation of accounts for the Financial Year ended 31st March 2013, 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 were reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the Financial Year and the Profit or 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 as amended 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 financial year ended 31st March 2013 on a going concern basis.

**ACKNOWLEDGEMENTS**

Your Directors are thankful to you, our customers, suppliers, bankers, employees, consultants and to all those who have extended their committed support to the progress of your Company.

**By Order of the Board of Directors  
For Samrat Pharmachem Limited**

**Place: Mumbai  
Date: 30<sup>th</sup> May 2013**

**Lalit Mehta  
Managing Director**