



SANJIVANI PARANTERAL LIMITED



A WHO GMP Certified Company



19th ANNUAL REPORT

2012-2013

**BOARD OF DIRECTORS**

Ashwani Khemka
Narmadeshwar Chaube
Mahendra Kalwankar
Dr. Vinod Goyel

AUDITORS

M/s. Milind Mehta & Co.
Chartered Accountant
Mumbai.

REGISTERED OFFICE

205, P.N. Kothari Industrial Estate,
L.B.S. Marg, Bhandup (W),
Mumbai-400 078.

REGISTRAR & SHARE TRANSFER AGENT

Link Intime Pvt. Ltd.
C-13, Pannalal Silk Mills Compound, L.B.S. Marg,
Bhandup (W), Mumbai-400 078.

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SANJIVANI PARANTERAL LIMITED

NOTICE

NOTICE is hereby given that the 19th ANNUAL GENERAL MEETING of SANJIVANI PARANTERAL LIMITED will be held on Wednesday the 11th September, 2013 at Meeting Hall, Hotel Aditya, L.B.S.Marg, Bhandup (W), Mumbai – 400 078 at 9.30 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March'2013 and the statement of Profit & Loss Account for the year ended 31st March, 2013 together with the Report of the Directors' and Auditor's thereon.
2. To appoint a Director in place of Mr. Narmadeshwar R. Chaube who retires by rotation and being eligible offers himself for re-appointment.
3. To consider and if thought fit to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT M/s. Milind Mehta & Company, Chartered Accountants, be and are hereby re-appointed as Auditors of the company from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the company on such remuneration as may be fixed by the Board of directors plus reimbursement of all out of pocket expenses."

Registered office:

205, P. N. Kothari Industrial Estate,
L.B.S. Marg, Bhandup (W),
Mumbai - 400 078.

By order of the Board

Place : Mumbai

Date: 14th August'2013

Ashwani Khemka
Chairman & Managing Director



Notes:

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE LODGED/RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THIS ANNUAL GENERAL MEETING.
- 2) The Register of Members and Share Transfer Books of the company will remain closed from Wednesday 4th September, 2013 to Wednesday 11th September, 2013 (both days inclusive).
- 3) All matters connected to shares transfers and other related matters be addressed to the company's Share Transfer Agent M/S. Link Intime India Pvt. Limited at C-13, Pannalal Silk Mill Compound ,L. B. S. Marg, Bhandup (W), Mumbai – 400 078.
- 4) Members while corresponding with the company are requested to quote their respective Folio No. in the correspondence and also notify the change of address, if any, to the company.
- 5) Members are requested to bring their copies of Annual Report at the time of attending the Annual General Meeting.
- 6) Members seeking any information/clarification with regard to accounts are requested to write to the company at an early date so as to enable the management to keep the information ready.
- 7) Members/Proxy holders are requested to produce attendance slip, at the entrance of the Hall of the meeting duly completed and signed.

Mumbai, 14th August, 2013

By order of the Board

Regd. Office :
205, P. N. Kothari Industrial Estate,
L.B.S. Marg, Bhandup (W),
Mumbai - 400 078.

Ashwani Khemka
Chairman & Managing Director



DIRECTOR'S REPORT

Dear Members

Your Directors are pleased to present herewith the 19th Annual Report together with the Audited statement of accounts for the year ended 31st March, 2013.

MANAGEMENT DISCUSSION AND ANALYSIS :

FINANCIAL RESULTS

(₹. In Lakhs)

PR TICULARS	AS AT 31.03.2013	AS AT 31.03.2012
Sales & Other Income	15389.36	15230.78
PBID	1271.46	1329.48
Interest	793.03	907.59
Depreciation	98.86	95.07
PBT	379.57	326.82
PAT	255.41	269.00

PERFORMANCE REVIEW AND FUTURE PLANS

During the year under review, Company has achieved the turnover of Rs.15389.36 L and PBT of Rs.379.57L as against Rs.15230.78L and Rs.326.82 L respectively for the corresponding previous year. Company is focusing on international market and increased its product registration from 42 to 74 during the year under review.

The current macroeconomic environment continues to remain challenging in the backdrop of weak global economic environment. India is emerging as a low-cost, high quality option for outsourcing of research, manufacturing and other services. This offers a great opportunity for the Indian pharmaceutical industry and Indian pharma companies. The Global pharmaceutical Industry is witnessing a growing importance of generics. The Pharmaceutical Industry continues to remain fragmented and competitive especially due to increased generalization. Global pharmaceutical market intelligence company IMS Health believes the Indian generic manufacturers will grow at a faster clip as drugs worth approximately \$170 billion will go off patent in 2015.

The domestic formulation business is a very critical component of Sanjivani's business. Sanjivani has built an important relationship with doctors. The company continues to make investment in the domestic branded business, particularly with the newer specialty segments. We continue to invest strongly behind our brands as reflected in surge in our marketing expenses during the year under review.

OUTLOOK

It has been witnessed by the domestic pharmaceutical industry that with increase in GDP and per capita income, more customers are able to afford organized healthcare. This is very important and advantageous for a company like Sanjivani which has strength in the acute therapy segments since Sanjivani has started the consolidation process for its product line in the lifestyle diseases segment also and is registering growth. It is also looking at various other high growth and niche areas in the domestic segment. Sanjivani has had a history of having a very good equity with its customers and has successfully built up quite a few large brands.

INTERNAL CONTROL SYSTEM

The Company maintains a system of well-established policies and procedures for internal control of operations and activities. The internal audit function is further strengthened in consultation with statutory auditors for monitoring statutory and operational issues. The prime objective of this audit is to test the adequacy and effectiveness of all internal control systems and suggest improvements. Significant issues are brought to the attention of the audit committee for periodical review.

HUMAN RESOURCES

The well qualified employees including staffs & workers have been recruited in the organization to carry out day to day work. All type know-how and training is provided to these employees to explore their talent for the benefits of the organization.

DIVIDEND:

Your Directors do not recommend any dividend to conserve the resources of the Company.



FIXED DEPOSITS

During year under review the company has not accepted any deposit within the meaning of section 58A of the Companies' Act, 1956 read with the Companies (Acceptance of Deposit) Rules, 1975 as amended.

DIRECTORS

Shri N.R.Chaube retires by rotation at ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

STATEMENT OF DIRECTORS' RESPONSIBILITY:

Pursuant to the requirement of section 217(2AA) of the Companies Act, 1956, the Board of Directors hereby state that:

- (a) in preparation of annual accounts, the applicable accounting standard had been followed along with proper explanation relating to material departure;
- (b) the directors had selected such accounting policies and applied them consistently and made judgement 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 financial year and of the profit or loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities;
- (d) the directors had prepared the annual accounts on going concern basis.

CORPORATE GOVERNANCE:

Pursuant to clause 49 of Listing Agreement, a Report on Corporate Governance is given in Annexure A.

AUDIT COMMITTEE:

Pursuant to section 292A of the Companies Act, 1956, an audit committee was constituted comprising the following Directors:

Name of Directors

Narmadeshwar Chaube	Chairman
Mahendra Kalwankar	Member
Dr. Vinod Goyal	Member

AUDITORS:

The Auditors of the Company M/s. Milind Mehta & Co., Chartered Accountants, retire at the forthcoming Annual General Meeting and are eligible for re-appointment. The Audit Committee of the Board of Directors have recommended that M/s. Milind Mehta & Co., Chartered Accountants, be appointed as auditors to hold office until the conclusion of the next Annual General Meeting. Company has received confirmation that their appointment, if made will be within the limits prescribed under section 224 (1B) of the Companies Act, 1956.



COST AUDITOR:

Pursuant to the provisions under section 233B of the Companies Act, 1956 the company has appointed M/s Chetan Gandhi & Associates, Cost Accountants as Cost Auditors of the Company for the financial year 2013-2014.

DISCLOSURES :

A PARTICULARS OF EMPLOYEES

Since the company does not have any employees drawing remuneration in excess of Rs. 60,00,000 p.a. or Rs. 5,00,000 per month the information required pursuant to provisions of section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, have not been given.

B CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Additional information as required in terms of the provisions of section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of the Board of Directors) Rule, 1988 in respect to above matters is given below:

Power and Fuel Consumption	<u>2012-13</u>	<u>2011-12</u>
1. Gas and Electricity		
a) (1) Gas		
Quantity (Kgs)	99	396
Total Amt. (₹)	4703	18810
Average Rate / Unit	47.50	47.50
(2) Electricity		
Unit	920182	908808
Total Amt. (₹)	6898695	5613025
Average Rate / Unit	7.497	6.176
b) Own Generation	-	-
2. Coal	-	-
3. Furnace Oil, LSHS & L.D. Oil		
Quantity (Ltrs)	56013.11	50410
Total Amt. (₹)	3300953	2972707
Average Rate / Unit	58.93	58.97
4. Other / Internal Generation	-	-

C RESEARCH & DEVELOPMENT:

The Company has no specific Research and Development Department. However, the Company is outsourcing the R&D work for the development of new monocular and also has a in-house Quality Control Department to check the quality of different products manufactured.

D FOREIGN EXCHANGE EARNINGS AND OUTGO:

Total Foreign exchange used and Earned

	<u>2012-13</u>	<u>2011-12</u>
Used	5,67,35,238	7,67,16,239
Earned	30,16,43,288	31,25,20,874



SANJIVANI PARANTERAL LIMITED

ACKNOWLEDGEMENT :

Your board of Director is grateful to the Company's Shareholders, Bankers, Government Authorities, Customers, Suppliers, Distributors, and Business Associates for their continued and valued support. The Directors also wish to place on record their appreciation to Company's personnel at all levels for the contribution made by them towards the working of your Company.

For and on behalf of the Board of Directors

PLACE: MUMBAI

DATE : 30th MAY'2013

ASHWANI KHEMKA
Chairman & Managing Director

ANNEXURE 'A' TO DIRECTORS' REPORT

CORPORATE GOVERNANCE:

COMPANY's PHILOSOPHY

The Board of Directors of the company is firmly committed to the adoption of fair business practice in the pursuit of its corporate goal of protection of the interest of its stakeholders. The Board of Directors acknowledges it is primarily responsible for devising and implementing good business practices that meets the above objective. Towards this it has adopted corporate policies, which are in harmony with the guidelines prescribed in the listing agreement.

BOARD OF DIRECTORS:

The Board of Directors comprises of three non-executive Directors. The composition of the Board, the attendance of Directors at the Board meetings during the last financial year, attendance at the last annual general meeting and directorship in other companies are listed below:

Name of Director	Category of Directorship	No. of Board meetings attended	Attendance at the last AGM	No. of other Directorship	All Committees Membership (including non-mandatory)	
					Member	Chairman
Mr. Ashwani Khemka	Chairman cum Managing Director	13	Yes	2	1	0
Mr. Narmadeshwar Chaube	Non-Executive Independent Director	8	Yes	NIL	1	2
Mr. Mahendra Kalwankar	Non-Executive Independent Director	13	Yes	NIL	2	1
Dr. Vinod Goyel	Non-Executive Independent Director	9	Yes	1	3	0

A total of 13 Board meetings and 5 Audit Committee meetings were held during the year 2012-2013. The maximum interval between any two meetings were not more than 3 months. The Board meetings were held on 24th April'2012, 15th May'2012, 15th June'2012, 22nd June 2012, 20th July'2012, 14th August'2012, 16th October'2012, 5th November'2012, 14th November'2012, 9th January'2013, 8th February 2013, 28th February 2013 and 22nd March'2013. All the Board meetings were held in Mumbai.



There is no relationship of Directors with each other.

No loans or advances were given to any of the directors of the company.

CODE OF CONDUCT:

The Company has formulated and implemented a Code of Conduct for all Board Members and Senior Management of the Company with Clause 49 (1) (D) of the Listing Agreement.

AUDIT COMMITTEE:

Terms of reference:

The role and terms of reference of the Audit committee covers the areas mentioned in the clause 49 of the Listing Agreement with stock exchange and section 292A of the Companies Act, 1956, which among other things include:

1. A periodical reviews of efficacy of the internal control systems and procedures and suggests improvement therein.
2. Review of operating results on a quarterly basis, prior to their submission to the Board for its consideration and adoption.
3. Advise the Board on appointment / removal of statutory auditors and fix their remuneration.
4. Review with the statutory auditors their audit findings and suggest measures to address any areas of concern cited by them.
5. Assure the Board on the adequacy of company's risks management measures and implementation of financial policies and procedures.

The Audit committee met 5 times during the year i.e on 15th May'2012, 20th July'2012, 14th August'2012, 5th November'2012, 8th February' 2013

COMPOSITION OF AUDIT COMMITTEE:

Name of the Member	Status
Mr. Narmadeshwar Chaube	Chairman
Mr. Mahendra Kalwankar	Member
Dr. Vinod Goyel	Member

REMUNERATION COMMITTEE:

Terms of reference:

The remuneration committee of the Board was set up on 30th October, 2003 comprising of 3 independent non-executive directors with Mr. N.R.Chaube its chairman, to suggest remuneration that may be paid to the executive Director.

COMPOSITION OF REMUNERATION COMMITTEE:

Name of the Member	Status
Mr. Narmadeshwar Chaube	Chairman
Mr. Mahendra Kalwankar	Member
Dr. Vinod Goyel	Member

Remuneration Policy:

Remuneration of employees largely consists of salary and perquisites. The objectives of remuneration policy are to motivate employees to excel in their performance, recognize their contribution, retain talent and reward merit.