

VIRENDRA SHAH
B.COM., F.C.A., F.C.S.

V. SHAH & ASSOCIATES

CHARTERED ACCOUNTANTS

Independent Auditor's Report

To the Members of Panchsheel Organics Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Panchsheel Organics Limited ('the Company'), which comprise the balance sheet as at 31 March 2015, 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 Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statement.



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31 March 2015 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) on the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
 - (f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position in the financial Statement (Refer Note 26 (ii) (N) (4, 5, 6) of financial statements);
 - ii. The Company has not made any Long Term contract including derivative contracts, hence, it is not required to make provision for material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.



Place: Vadodara
Date: 30.05.2015

For V. Shah & Associates,
Chartered Accountants,
F. R. N. 109816 W

V.R. Shah
(Proprietor)
Membership No. FCA 034994

Annexure to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2015, we report that:

(i) In respect of its Fixed Assets

- (a) The Company is in process of updating the records showing full particulars, including quantitative details and situation of fixed assets;
- (b) As explained to us, the Company has a program for physical verification of fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the Company and the nature of its assets.

(ii) Inventory

- (a) As explained to us, the inventory has been physically verified during the year by the management;
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancy noticed on physical verification of inventory have been properly dealt with in the books of accounts.

(iii) According to the information and explanations given to us, there are no loans(secured or unsecured) granted by the Company to companies, firms or other parties covered in the register maintained under section 189 of The Companies Act,2013. Hence, para,3(iii)(a) and (b) of the Order is not applicable.

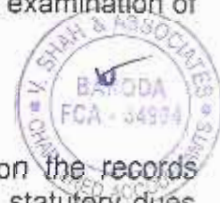
(iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business, for the purchase of inventory and Fixed assets and for the sale of goods & services. During the course of our audit we have not observed any continuing failure to correct major weaknesses in Internal Control.

(v) The Company has not invited the deposits from members. However Company has accepted interest free unsecured loan from directors of the company during the year under review.

(vi) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government for maintenance of cost records under Clause (d) of Sub- section (1) of Section 209 of the Companies Act, 1956 in respect of its products and are of the opinion that prime facie, the prescribed accounts and records have been made and maintained. However, we have not made detailed examination of the records with the view to determine whether they are accurate or complete.

(vii) Statutory and other dues:

- (a) According to the information and explanations given to us and based on the records examined by us, the Company has been regular in depositing undisputed statutory dues including Provident fund, Investor Education and Protection Fund, Employees' State insurance, Income tax, Sales Tax, Wealth Tax, Service Tax, Custom duty, Excise Duty, Value Added Tax, Cess, Luxury Tax and any other statutory dues with the appropriate authorities during the year. There is no undisputed amounts of such statutory dues payable as at 31.03.2015 for a period of more than six months from the date they become payable.



- (b) According to the information and explanation given to us, details of the dues of Sale Tax, Income Tax and Excise Duty which have not been deposited on account of any dispute are given below :

Name of the Statute	Nature of Dues	Period to which the Amount Relates	Forum where the Dispute is pending	Total Demand Amount (Rs)
Central Sales Tax & VAT	Sales Tax, Interest & Penalty	F.Y. 2003-04	The Dy. Commissioner of Sales Tax (Appeal 3), Mumbai	6,05,877.00
Central Sales Tax & VAT	Sales Tax, Interest & Penalty	F.Y. 2004-05	The Dy. Commissioner of Sales Tax (Appeal 3), Mumbai	13,75,000.00
Central Sales Tax	Sales Tax, Interest & Penalty	F.Y. 2005 - 06	The Hon'ble Registrar, MP Commercial Tax Appellate Board, Bhopal (MP)	452,310.00
Central Sales Tax	Sales Tax, Interest & Penalty	F.Y. 2006 - 07	The Hon'ble Registrar, MP Commercial Tax Appellate Board, Bhopal (MP)	12,72,938.00
Central Sales Tax, VAT & Entry Tax	Sales Tax, Entry Tax and Interest & Penalty	F.Y. 2007 - 08	The Hon'ble Registrar, MP Commercial Tax Appellate Board, Bhopal (MP)	591,208.00
Central Sales Tax & VAT	Sales Tax, Interest & Penalty	F.Y. 2008 - 09	The Hon'ble Registrar, MP Commercial Tax Appellate Board, Bhopal (MP)	688,435.00
Central Sales Tax & VAT	Sales Tax, Interest & Penalty	F.Y. 2008-09	The Dy. Commissioner of Sales Tax (Appeal), CT Ernakulum	2,76,114.00
Central Sales Tax & VAT	Sales Tax, Interest & Penalty	F.Y. 2009 - 10	The Dy. Commissioner of Commercial Tax (Appeals), Indore	14,85,294.00
Income Tax Act, 1961	80HHC/80I A/MAT	F.Y. 1998 - 99	The Income Tax Appellate Tribunal, Indore	547,684.00
Income Tax Act, 1961	80HHC/80I A/MAT	F.Y. 1999 - 00	The Income Tax Appellate Tribunal, Indore	9,03,802.00
Income Tax Act, 1961	80HHC/80I A/MAT	F.Y. 2000 - 01	The Income Tax Appellate Tribunal, Indore	7,52,589.00
Central Excise Act, 1944	Excise Duty	F.Y. 1999 - 00	The Asst Registrar, Customs, Excise & Service Tax Appellate Tribunal, New Delhi	471,369.00
Central Sales	Sales tax interest &	F.Y 2010-11	The Dy. Commissioner of	10,05,405.00



Tax & vat	penalty		Sales Tax(appeal) Indore	
Central Sales Tax & vat	Sales tax interest & penalty	F.Y 2011-12	The Dy Commissioner of Commercial Tax (Appeals), Indore	24,71,397.00
Central Sales Tax & vat	Sales tax interest & penalty	F.Y 2011-12	The Assistant Commissioner of Commercial Tax , Indore	50,53,879.00

(c) According to the information and explanations given to us the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under has been transferred to such fund within time.

- (viii) The Company does not have any accumulated losses as at the end of the financial year and has not incurred cash losses during the Financial Year covered by our audit and in the immediately preceding financial year.
- (ix) Based on our Audit procedure and on the information and explanation given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution or bank;
- (x) There is no guarantee given by the Company for loans taken by others from bank and financial institutions;
- (xi) The Company has applied amount of term loans for the purpose for which the term loan was obtained;
- (xii) To the best of our knowledge and belief and according to the explanations given to us, no material fraud on or by the company has been noticed or reported during the course of our Audit.



For V. Shah & Associates,
Chartered Accountants,
F. R. N. 109816 W

V.R. Shah

V.R.Shah
(Proprietor)

Membership No. FCA 034994

Place: Vadodara
Date: 30.05.2015

NOTE NO- 26

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY NOTES AND INFORMATION FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2015

I: Significant Accounting Policies:

A. Basis of Preparation of financial statement

The financial statements have been prepared under the historical cost convention, in accordance with the generally accepted accounting principles (GAAP) and provisions of The Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 as adopted consistently by the company, except where a newly issued Accounting Standards initially adopted or a revision in to an existing accounting standard requires a change in the accounting policy hitherto in use.

B. Basis of Accounting:

- a. The company follows the mercantile system of accounting.
- b. All income and expenditure items having material bearing on financial statement are recognized on accrual basis, except Dividend income and insurance claim, if any.

C. Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

D. Fixed Assets

- a. All fixed assets are valued at cost of acquisition/ construction. The cost of fixed assets comprises of its purchase price and attributable costs, including finance cost, of bringing the assets to its working condition for its intended use.
- b. The expenses incurred during construction period, incidental to the Expansion / New Project are allocated to respective Fixed Assets in the year of commencement of the commercial operation.

E. Depreciation

- a. Depreciation on fixed assets is provided on the "Written down Value Method" at the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956.
- b. Depreciation on Fixed Assets Purchased / Sold during the period is proportionately charged.

F. Investments

Long term investments are stated at cost, less provision for diminution (other than temporary) in value.

G. Valuation of Inventories

Raw materials, packing materials, Work in Process, Finished Goods and Traded Goods are valued at lower of cost or net realizable value after providing for obsolescence, if any. However, these items are considered to be realizable at cost if the finished products, in which they will be used, are expected to be sold at or above cost.

Cost comprises expenditure incurred in normal course of business in bringing such inventories to their present location and condition.

Cost of inventories is arrived on FIFO basis.

H. Cash and Cash Equivalents

Cash and Cash equivalent for purpose of cash flow statement comprise cash at bank and in hand and short term investment with an original maturity of 3 months or less.

I. Foreign Exchange Transaction

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Foreign currency monetary assets & liabilities and forward contracts are restated at year end exchange rates.

Exchange Gain/Loss is credited / debited as Other Income / Other Expenses in the statement of Profit and Loss under the head "Foreign Exchange Fluctuation Account".

J. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date.

Contingent Liability are not recognized, but are disclosed in the Notes.

Contingent assets are neither recognized nor disclosed in the financial statements.

K. Revenue Recognition

Revenue is recognized to the extent that is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue from sale of goods is recognized when significant risks and rewards of ownership of the goods have been passed to the buyer, which ordinarily coincides with dispatch of goods to customers. Revenues are recorded at invoice value, but net of Sales returns and trade discounts.

Benefits on account of entitlement of export incentives are recognized as and when the right to receive is established.

Interest income is recognized on time proportion basis.

Dividend income is recognized when the right to receive is established.

L. Employee Benefits

Liabilities in respect of Retirement Benefits are provided by monthly payment to Pension and Provident Fund under the Employees Provident Funds (and Miscellaneous Provisions), Act, 1952.

The Gratuity payable at the time of retirement are charged to the Statement of Profit and Loss on basis of independent external actuarial valuation determined and basis of Projected Unit Credit method carried out annually. Actuarial gains and losses are immediately recognized in the Statement of Profit and Loss.

Company has not framed policy to pay Leave Encashment to the employees. Benefit in terms of workmen demand pending settlement, medical reimbursement, leave travel concession, are accounted when paid.

M. Income Tax

The amount of Income Tax is provided in accordance with the provisions of Income Tax Act, 1961. Deferred tax is recognized, subject to the consideration of prudence, on timing differences being differences between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets are not recognized on unabsorbed depreciation and carry forward of losses unless there is a virtual certainty that sufficient taxable profits will be available against which such deferred tax assets can be realized.

N. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial periods of time to get ready for intended use. All other borrowing costs are charged to the revenue.

Interest and other cost in connection with the borrowing of fund are charged to the Statement of Profit and Loss.

O. Impairment of Assets

An assets is treated as impaired when the carrying cost of the assets exceeds its recoverable value. An impairment loss is charged to the profit and loss account in the year in which the assets are identified as impaired. The impairment loss recognized in the prior periods is reversed if there has been a change in the estimate of recoverable amount.

P. Research and Development

Revenue expenditure on Research and Development is recognized as expense in the year in which it is incurred. Capital expenditure on Research and Development is shown as addition to Fixed Assets.

Q. Expenditure on Regulatory Approvals

Expenditure incurred for obtaining regulatory approvals and registration of products for overseas markets is charged to revenue.

R. Government Grants and Subsidies

Capital subsidy/Government grants are accounted for where it is reasonably certain that the ultimate collection will be made.

Capital subsidy/Government grants related to specific depreciable assets are shown as deduction from the gross value of the asset concerned in arriving at its book value. The grant/subsidy is thus recognized in the Statement of Profit and Loss over the useful life of such depreciable assets by way of a reduced depreciation charge.

S. Leases

Lease rentals on assets taken on operating lease are recognized as expense in the Statement of Profit and Loss on an accrual basis over the lease term in accordance with the lease agreement.

T. Events after the date of Balance Sheet:

Wherever material, events occurring after the date of Balance Sheet are considered up to the date of adoption of the accounts.

U. Claims:

Claims against the company not acknowledged as debts are disclosed after a careful evolution of the facts and legal aspects of the matter involved.

V. Prior Period & Extra Ordinary Items:

Prior Period adjustment, extra ordinary items and changes in the accounting policies having material impact on the financial affairs of the Company are disclosed.

II OTHER EXPLANATORY NOTES AND INFORMATION:

- A. Amount of Income Tax has been provided on Taxable Income of the Company as per provision of the Income Tax Act, 1961.
- B. The Board of Directors are of the opinion that discounted net future generation from the Assets in use and shown in the schedule of fixed assets, is more than the carrying amount of fixed assets in Balance Sheet, as such, no provision for Impairment of Assets is required to be made in terms of the requirement of accounting standard (AS - 28) "Impairment of Assets" issued by the Institute of Chartered Accountants of India for the year ended 31.03.2015.
- C. Segment Reporting :
The Company operates in one reportable segment i.e. Manufacturing and Trading of Bulk Drug and Intermediate.
- D. The Investment made by the company is held in its own name.
- E. In the opinion of Board and to the best of their knowledge and belief,

All the current assets, loans and advances will have the value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.

Provision for all known liabilities is adequate and not in excess of the amount reasonably necessary. There is no liability contingent or otherwise except those stated in the Balance Sheet.
- F. Debit and credit balances are subject to reconciliation and confirmation.
- G. The expenses of Salary and wages debited in Statement of Profit & Loss includes the amount of Director Remuneration of Rs. 87,60,000/- (P.Y. Rs.78,00,000/-).
- H. Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives as specified in Schedule II, as disclosed in Accounting Policy on Depreciation and Amortization. Accordingly the unamortized carrying value is being depreciated / amortized over the revised / remaining useful lives. The written down value of Fixed Assets whose lives have expired as at 1st April 2014 have been adjusted, by way of Depreciation, net of tax, in the opening balance of Surplus in Profit and Loss Account, amounting to Rs.51,85,372.70/-.

I. Retirement Benefits :

- a) The Gratuity liability is determined based on the actuarial Valuation done by Actuary as at Balance Sheet date in context of the Revised AS – 15 issued by the ICAI, New Delhi, as follows :-

PARTICULARS	GRATUITY FUND 31.03.15	GRATUITY FUND 31.03.14
Expenditure recognized in the statement of Profit & Loss for the year ended March 31, 2015	Rs.	Rs.
Current Service Cost	5,71,589	5,81,906
Interest Cost	8,28,678	6,52,544
Employer Contribution	Nil	Nil
Expected Return on Plan Assets	Nil	Nil
Net Actuarial (Gains) / Loss	(6,99,121)	9,67,229
Interest On Fund	Nil	Nil
Settlement Cost	Nil	Nil
Total Expenses	7,01,146	22,01,679
Change in Obligation during the Year ended March 31, 2014		
Present value of Defined Benefit Obligation at beginning of the year	1,03,58,473	81,56,794
Current Service Cost	5,71,589	5,81,906
Interest Cost	8,28,678	6,52,544
Settlement Cost	Nil	Nil
Past Service Cost	Nil	Nil
Employer Contribution	Nil	Nil
Actuarial (Gain) / Loss	(6,99,121)	9,67,229
Benefit Payment	1,05,215	NIL
Present Value of Defined Benefit Obligation at the end of the year.	1,09,54,404	1,03,58,743
Change in Assets during the Year ended March 31, 2013		
Plan assets at the beginning of the year	Nil	Nil
Assets acquired in amalgamation in previous year	Nil	Nil
Expected Return on Plan Assets	N.A.	N.A.

Contribution by Employer	N.A.	N.A.
Settlements	Nil	Nil
Actual benefit paid	N.A.	N.A.
Actuarial (Gain) / Loss	Nil	Nil
Plan assets at the end of the year	Nil	Nil
Actuarial Assumption	Nil	Nil
Discounting Rate	8.00%	8.00%
Expected rate of return on plan assets	N.A.	N.A.
Rate of escalation in Salary (p.a.)	5.00%	5.00%

The rate of escalation in salary (p.a.) considered in actuarial valuation is worked out after into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. Mortality rate are obtained from the relevant data of Life Insurance Corporation of India.

b) Liability in respect of Provident Fund is provided on actual contribution basis.

J.	Earnings Per Share	Rs.	Rs.
	As per Accounting Standard 20 of ICAI, New Delhi, Basic and Diluted of Earning per Share are as under		
	Particulars	31.03.2015	31.03.2014
	i. Basic Earnings per Share		
	(1) Net Profit after Tax	1,89,91,090.82	1,75,88,877.24
	(2) Number of Equity Shares		
	At the beginning of the year	50,15,400	50,15,400
	Issued during the year on preferential basis for proportionate period	0	0
	Weight age Average Number of Equity Shares	50,15,400	50,15,400
	Basic Earnings per Shares	3.79	3.51
	ii. Diluted Earnings Per Share		
	(1) Net Profit after Tax duly adjusted	1,89,91,090.82	1,75,88,877.24

	(2) Numbers of Equity Share at the beginning of the year	50,15,400	50,15,400
	Issued during the year on preferential basis	0	0
	Diluted Potential Equity Shares	0	0
	Weightage Average Number of Equity Shares	50,15,400	50,15,400
	Diluted Earning Per Share	3.79	3.51
iii.	Face Value of Equity shares (Rs.)	10	10
	Particulars	2014-15	2013-14
K.	Value of Imports of Raw Material on CIF basis	7,93,26,720	5,52,63,518
L.	Earning in foreign currency as per Certificate submitted by Management FOB value of Export Sale	1,02,06,702	11,140,760
M.	Expenditure in foreign currency:		
	Capital Expenditure	NIL	28,08,429
	Commission	1,20,541	NIL
	Total	1,20,541	28,08,429
N.	Contingent Liabilities & Commitments:		
1	Estimated amount of contracts (Net of advances) remaining to be executed on capital account not Provided for	Nil	Nil
2	(I) Letter of Credit Outstanding	1,02,89,714	52,29,136
	(II) Foreign Bills / Buyers Credit	31,68,374	56,89,291
	(III) Document at site	4,87,253	4,15,915
	(IV) Margin money given against above	90,00,000	40,00,000
3	Bank Guarantee given by Company's Banker on behalf of the company	Nil	Nil
4	Demand of Sales Tax Authorities (Net of advances) not acknowledged by the Company	1,13,04,112.00	3835063.00

		and contested/appealed		
	5	Demand of Income Tax Authorities (Net of advances) not acknowledged by the Company and contested/appealed	14,03,075.00	1,403,075.00
	6	Demand of Central Excise Authorities (Net of advances) not acknowledged by the Company and contested/appealed	4,71,369.00	471,369.00
O.	Auditors Remuneration			
	Statutory Audit		90,000	60,000
	Tax Audit		25,000	25,000

P. Related Party Disclosures under Accounting Standard 18:

Sr. No	Name	Relationship	Transaction	Amount(Rs.)	Amount(Rs.)
			Closing Balance	31.03.2015	31.03.2014
1	Turakhia Brothers	Associate Concern	Sales	0.00	17107.00
			Purchase	25,33,803.00	1,20,93,747.00
			Brokerage & Commission	81970.00	Nil
			Rent	1,74,000.00	1,74,000.00
			Closing Balance	Nil	Nil
2	Invochem Laboratories	Associate Concern	Testing Charges	57,550.00	23,189.00
			Closing Balance	Nil	Nil
3	Synodrug & Intermediates	Associate Concern	Sales	6,41,727.00	31,32,041.00
			Purchase	13,26,177.00	19,42,014.00
			Processing Charges	5,49,602.00	3,64,639.00
			Closing Balance	Nil	Nil
4	Suneeta Chemicals	Associate Concern	Processing Charges	28,62,760.00	30,00,180.00
			Closing Balance	Nil	3169992.00 (Cr.)
5	Gene Biotech P Ltd	Associate Concern	Sales	10,11,361.00	3,55,006.00
			Purchase	26,17,813.00	90,80,566.00

			Closing Balance	Nil	Nil
6	Gene Biotech P Ltd – HP	Associate Concern	Sales	43,23,182.00	27,61,811.00
			Purchase	1,03,36,712.00	1,04,58,896.00
			Closing Balance	Nil	Nil
7	Arti K Turakhia	Associate Concern	Rent	1,74,000.00	1,74,000.00
			Closing Balance	Nil	Nil
8	Paramount Organics	Associate Concern	Processing Charges	7,86,600.00	15,15,466.00
			Closing Balance	Nil	800624.00 (Cr.)
9	Mahendra A Turakhia	Key Managerial Personnel	Directors remuneration	30,00,000.00	26,80,000.00
			Closing Balance	Nil	175345.00(Cr.)
10	Kishore A Turakhia	Key Managerial Personnel	Directors remuneration	28,80,000.00	25,60,000.00
			Closing Balance	Nil	142705.00(Cr.)
11	Rajesh A Turakhia	Key Managerial Personnel	Directors remuneration	28,80,000.00	25,60,000.00
			Closing Balance	Nil	142705.00(Cr.)

*(Dr.)Receivables, (Cr.)Payable

Company has no Subsidiary or Joint Venture Concern.

The Company has identified all the related parties transactions during the Year as per details given above.

During the Year, there were no amounts written off or written back from Such parties.

Q. Previous year figure have been classified, regrouped and recast to make comparable with those of year under review.

As per our report of even date

For V Shah & Associates,
Chartered Accountants

(V R SHAH)
Proprietor

Place : Indore
Date : 30th May, 2015

Chandrakant Shah
Chief Financial Officer

For and on behalf of the Board

MAHENDRA TURAKHIA
Chairman & Managing Director

KISHORE TURAKHIA
Director

RAJESH TURAKHIA
Director

Aparna R. Akadkar
Company Secretary

PANCHSHEEL ORGANICS LIMITED

BALANCE SHEET AS AT 31 ST MARCH 2015

(Amount in Rs.)

Sr. No	Particulars	Notes	As at March 31, 2015	As at March 31, 2014
I.	EQUITY AND LIABILITIES			
A.	Shareholders' Funds			
	Share Capital	1	50,154,000.00	50,154,000.00
	Reserve & Surplus	2	134,929,818.99	124,833,353.88
			185,083,818.99	174,987,353.88
B.	Non Current Liabilities			
	Long term borrowings	3	20,757,044.58	6,086,126.10
	Deferred Tax Liabilities	4	4,664,079.32	10,799,120.45
	Long term provisions	5	9,858,964.00	9,322,626.00
			35,280,087.90	26,207,872.55
C.	Current Liabilities			
	Short term borrowings	6	41,354,907.51	43,869,860.79
	Trade payables	7	51,662,746.27	86,578,568.14
	Other current Liabilities	8	5,125,114.05	5,103,283.71
	Short term provisions	9	12,733,861.94	16,690,064.38
			110,876,629.77	152,241,777.02
	Total		331,240,536.67	353,437,003.45
II.	ASSETS			
A.	Non Current Assets			
	Fixed Assets			
	Tangible Assets	10	67,756,366.15	78,418,418.81
	Intangible Assets		-	-
	Non Current Investments	11	6,000.00	6,000.00
	Long term Loans & advances	12	4,763,366.50	4,962,353.50
			72,525,732.65	83,386,772.31
B.	Current Assets			
	Inventories	13	99,352,733.66	99,388,494.01
	Trade receivables	14	138,571,192.35	139,217,386.85
	Cash & Bank balances	15	14,219,948.42	6,499,500.32
	Short term loans & advances	16	6,217,742.38	24,944,849.96
	Other Current assets	17	353,187.21	-
			258,714,804.02	270,050,231.14
	Significant Accounting policies and Other explanatory Notes & Information	26		
	Total		331,240,536.67	353,437,003.45

As per our report of even date
For V Shah & Associates
Chartered Accountants

V.R. Shah
V.R. Shah
Proprietor



For and on behalf of the Board

Mahendra Turakhia
Mahendra Turakhia
Chairman & Managing Director

DIN No - 00006222

Rajesh Turakhia
Rajesh Turakhia

Director
DIN - 00006246

Kishore Turakhia
Kishore Turakhia
Director

DIN - 00006238

A.R. Akadkar
Aparna R. Akadkar
Company Secretary

Place : Indore
Date : 30.05.2015

Place : Indore
Date : 30.05.2015

Chandrakant Shal
Chandrakant Shal
Chief Financial Officer
DIN 00006256

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2015

(Amount in Rs.)

Sr. No.	Particulars	Notes	2014-15	2013-14
I.	Revenue from operations	18	358,037,403.65	391,762,026.83
II.	Other income	19	1,005,402.50	644,445.81
III.	Total Revenue (I + II)		359,042,806.15	392,406,472.64
IV.	Expenses:			
	Raw Material Consumed	20	199,021,905.43	193,076,923.73
	Cost of Traded Goods	21	43,754,887.03	95,783,406.35
	(Increase) / Decrease in Inventories	22	(7,524,686.00)	2,785,023.57
	Employees Cost	23	21,403,203.00	19,384,428.00
	Finance Cost	24	6,676,305.08	7,289,968.32
	Depreciation	10	14,683,285.94	10,873,077.41
	Other Expenses	25	53,394,153.39	36,248,538.34
	Total expenses		331,409,053.87	365,441,365.72
V.	Profit before exceptional and extraordinary items and tax (III-IV)		27,633,752.28	26,965,106.92
VI.	Exceptional items		-	-
VII.	Profit before extraordinary items and tax (V - VI)		27,633,752.28	26,965,106.92
VIII.	Extraordinary Items		-	-
IX.	Profit before tax (VII- VIII)		27,633,752.28	26,965,106.92
X	Tax expense:			
	(1) Current tax		11,907,691.43	10,507,348.00
	(2) Deferred tax Expense / (Income)		(3,644,634.54)	(1,258,198.32)
	(3) Income Tax of earlier period		379,604.56	127,080.00
			8,642,661.46	9,376,229.68
XI	Profit (Loss) for the period from continuing operations (IX-X)		18,991,090.82	17,588,877.24
XII	Profit/(loss) from discontinuing operations		-	-
XIII	Profit (Loss) for the period (XI + XII)		18,991,090.82	17,588,877.24
XIV	Earnings per equity share:			
	(1) Basic		3.79	3.51
	(2) Diluted		3.79	3.51
	Significant Accounting policies and Other explanatory Notes & Information	26		

As per our report of even date
For V Shah & Associates
Chartered Accountants

V.R. Shah
Proprietor



For and on behalf of the Board

Mahendra Turakhia
Chairman & Managing Director

DIN No- 00006222

Rajesh Turakhia
Director

DIN No- 00006246

Kishore Turakhia
Director

DIN No- 00006238

Aparna R. Akadkar
Company Secretary

DIN No- 00006256

Place : Indore
Date : 30.05.2015

Place : Indore
Date : 30.05.2015

Chandrakant Shah
Chief Financial Officer

DIN No- 00006256

Cash Flow Statement

Particulars	As At March, 31 2015	As At March, 31 2014
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax and extra ordinary items	27,633,752.28	26,965,106.92
Adjustment for:		
Add: (1) Depreciation	14,683,285.84	10,873,077.41
(2) Interest paid	6,676,305.08	7,289,968.32
	48,993,343.30	45,128,152.65
Less: (1) Interest received	920,342.50	520,935.81
(2) Commission received	85,060.00	123,510.00
Operating profit before working capital changes	47,987,940.80	44,483,706.84
Adjustment for Working Capital changes		
Inventory	35,760.35	(9,135,639.40)
Short term Loans & Advances	18,727,107.58	(247,899.00)
Other Current Assets	(353,187.21)	158,461.00
Trade Payables	(34,915,821.87)	21,156,602.88
Other Current Liabilities	(7,457.08)	32,459.91
Long Term Provision for Gratuity	536,338.00	1,961,511.00
Provision for Gratuity	69,593.00	220,168.00
Provision for Employee Benefit	236,697.00	34,700.00
Provision for Expense	(726,554.00)	678,771.75
Unpaid Dividend	-	110,291.50
Trade Receivables	646,194.50	(19,098,310.21)
Security Deposits	198,987.00	(656,960.00)
Advance Tax / TDS	(5,011,076.87)	-
Sub total	(20,573,419.60)	(4,766,042.59)
Cash generated from operations	27,414,521.20	39,717,664.25
Less: (1) Direct Taxes paid	10,506,686.00	4,400,000.00
(2) I - Tax of earlier years	379,604.56	183,849.00
(3) Interest on Advance I-Tax	-	560,173.00
Cash flow before extra-ordinary items	16,528,230.64	34,573,642.25
Less: Extra ordinary adjustment - prior period adjustment	-	-
Net Cash Flow From Operating Activities	16,528,230.64	34,573,642.25
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Commission received	85,060.00	123,510.00
Purchase of Fixed Assets	(12,388,248.58)	(12,070,371.82)
Net Cash Used in Investing Activities	(12,303,188.58)	(11,946,861.82)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Short Term Borrowings	(2,514,953.26)	(11,717,939.27)
Interest received	920,342.50	520,935.81
Repayment of Long Term Borrowings	14,670,918.48	(1,046,378.60)
current liability of term loan	29,287.42	(204,101.00)
Interest Paid	(6,676,305.08)	(7,289,968.32)
Repayment of Dividend including Dividend Distribution Tax	(2,933,884.00)	(426,184.00)
Net Cash used in Financing activities	3,495,406.04	(20,163,635.38)
(D) Net Increase in Cash & Cash Equivalents (A)+(B)+(C)	7,720,448.10	2,463,145.05
(E) Cash & Cash Equivalents at the commencement of the year	6,499,500.32	4,036,355.27
(F) Cash & Cash Equivalents at the end of the year	14,219,948.42	6,499,500.32

As per our report of even date
For V Shah & Associates
Chartered Accountants

For and on behalf of the Board

V. R. Shah
Proprietor

Mahendra Turakhia
Chairman & Managing Director

Kishore Turakhia
Director

Rajesh Turakhia
Director

Aparna R. Akadra
Company Secretary

Place : Indore
Date : 30.05.2015

Place : Indore
Date : 30.05.2015

Chandrakant Shah
Chief Financial Officer

DIN No - 00006256

NOTES TO BALANCE SHEET AS AT 31.03.2015

(Amount in Rs.)

Particulars	As at March 31, 2015	As at March 31, 2014
-------------	-------------------------	-------------------------

NOTE - 1 : SHARE CAPITAL

Authorised Capital 60,00,000 (P.Y. 60,00,000) Equity Shares of Rs. 10/- each	6,00,00,000.00	6,00,00,000.00
Issued Subscribed and Paid up 50,15,400 (P.Y. 50,15,400) Equity Shares of Rs. 10/- each	5,01,54,000.00	5,01,54,000.00
TOTAL	5,01,54,000.00	5,01,54,000.00

a) Terms/ rights attached to equity shares :

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by The Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March 2015, the amount of per share dividend recognised as distributions to equity shareholders was Rs. 0.50 (31st March, 2014 - Rs. 0.50).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

b) Details of Shareholders holding more than 5 percent shares in the Company :

Name of Shareholder	2014-15		2013-14	
	No. of Shares	% of Holding	No. of Shares	% of Holding
MAHENDRA A TURAKHIA	1130713	22.56	1072306	21.38
KISHORE A TURAKHIA	1121240	22.36	1078240	21.50
RAJESH A TURAKHIA	1157239	23.07	1074239	21.42
SUNEETA CHEMICALS PVT. LTD.	302600	6.03	302600	6.03

c) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period :

Particulars	2014-15	2013-14
	No. of Shares	No. of Shares
Shares outstanding at the beginning of the year	5015400	5015400
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	5015400	5015400

PANCHSHEEL ORGANICS LIMITED

NOTES TO BALANCE SHEET AS AT 31.03.2015

CIN No: L24232MP1989PLC005390

(Amount in Rs.)

Particulars	As at March 31, 2015	As at March 31, 2014
NOTE - 2 : RESERVE & SURPLUS		
Capital Reserve :		
Subsidy from UNIDO	84,48,171.12	84,48,171.12
Add : Received during the year		
	84,48,171.12	84,48,171.12
Less : Depreciation on Machinery received from UNIDO	6,45,906.83	
Less : Transferred to Statement of Profit and Loss	6,91,236.00	
	71,11,028.29	84,48,171.12
Share Premium :	30,00,000.00	30,00,000.00
General Reserve :		
Balance as per Last Balance Sheet	80,59,560.00	62,59,560.00
Add : Current year transfer	20,00,000.00	18,00,000.00
	1,00,59,560.00	80,59,560.00
Statement of Profit & Loss :		
Balance as per last Balance Sheet	10,53,25,622.75	9,24,70,629.51
Add : Profit for the year	1,89,91,090.82	1,75,88,877.24
Add : Depreciation on Machinery received from UNIDO	6,45,906.83	-
Less : Depreciation pertaining to transitional period (Net of Tax)	51,85,372.70	-
Less : Transfer to General Reserve	20,00,000.00	18,00,000.00
Less : Provision for Dividend	25,07,700.00	25,07,700.00
Less : Dividend Distribution Tax	5,10,317.00	4,26,184.00
	11,47,59,230.70	10,53,25,622.75
TOTAL	13,49,29,818.99	12,48,33,353.88
NON CURRENT LIABILITIES :		
NOTE - 3 : SECURED LOANS		
MPFC Term Loan No. 15/2640		
Term Loan From Madhya Pradesh Financial Corporation	80,73,666.00	89,00,000.10
Less: Amt. disclosed under the head "Other Current Liability" - Note No.- 8	18,00,000.00	32,06,988.00
	62,73,666.00	56,93,012.10
MPFC Term Loan No. 66/4268		
Term Loan From Madhya Pradesh Financial Corporation	-	5,93,012.00
Less: Amt. disclosed under the head "Other Current Liability" - Note No.- 8	-	5,93,012.00
	-	-
MPFC Term Loan No. 66/4304		
Term Loan From Madhya Pradesh Financial Corporation	1,50,00,000.00	-
Less: Amt. disclosed under the head "Other Current Liability" - Note No.- 8	15,00,000.00	-
	1,35,00,000.00	-
HDFC Bank - Car Loan		
Vehicle Loan from HDFC Car loan	13,10,000.00	-
Less: Amt. disclosed under the head "Other Current Liability" - Note No.- 8	4,40,686.42	-
	8,69,313.58	-
Chola Mandalam Investment & Finance Company Ltd - Car Loan		
Car Loan from Chola Mandalam Investment & Finance Company Ltd	2,11,889.00	-
Less: Amt. disclosed under the head "Other Current Liability" - Note No.- 8	97,824.00	-
	1,14,065.00	-
YES Bank - Car Loan		
Car Loan from YES Bank	3,93,114.00	7,95,451.00
Less: Amt. disclosed under the head "Other Current Liability" - Note No.- 8	3,93,114.00	4,02,337.00
	-	3,93,114.00
Sub Total	2,07,57,044.58	60,86,126.10

PANCHSHEEL ORGANICS LIMITED

NOTES TO BALANCE SHEET AS AT 31.03.2015

CIN No: L24232MP1989PLC005390

(Amount in Rs.)

Particulars	As at March 31, 2015	As at March 31, 2014
TERMS OF REPAYMENT OF LOANS :		
<u>MPFC Term Loan No. 15/2640</u> Repayable in 20 equal Quarterly installment of Rs. 450000/- each from October, 2014		
<u>MPFC Term Loan No. 66/4304</u> Repayable in 20 equal Quarterly installment of Rs. 750000/- each from October, 2015 @ rate of interest at 15.25% p.a.		
<u>HDFC Car Loan</u> Repayable in 36 equal monthly installment of Rs. 42000/- from month April, 2015		
<u>Chola Mandalam Investment & Finance Company Ltd - Car Loan</u> Repayable in 35 equal monthly installment of Rs. 10320/- from month May, 2014 @ rate of interest at 15.46 % p.a.		
<u>YES Bank - Car Loan</u> Repayable in 36 equal monthly installment of Rs. 38150/- from month February, 2013		
There is no default in repayment of Loan Installment and interest thereon.		
SECURITY PROVIDED :		
<u>MPFC Term Loan-1 :</u> First charge over the Fixed Assets by way of equitable mortgage of Land & Building and hypothecation of Plant & Machinery (existing & future) of the company. Land (leasehold) admeasuring 3251.58 sq. mtrs. Situated at Plot no. B-6 & B-7, Sector -C, Industrial Area, Sanwer Road, Distt. Indore. Further charge on additional securities worth Rs.47.65 Lacs in the form of shares already pledged with the Corporation. Personal Guarantee given by Directors of the company namely Shri Mahendra Turkhia, Shri Kishore Turkhia and Shri Rajesh Turkhia		
<u>MPFC Term Loan-2 :</u> First charge over the Fixed Assets by way of equitable mortgage of Land & Building and hypothecation of Plant & Machinery (existing & future) of the company. Land (leasehold) admeasuring 3251.58 sq. mtrs. Situated at Plot no. B-6 & B-7, Sector -C, Industrial Area, Sanwer Road, Distt. Indore. Further charge on additional securities worth Rs.70.96 Lacs in the form of shares already pledged with the Corporation. Personal Guarantee given by Directors of the company namely Shri Mahendra Turkhia, Shri Kishore Turkhia and Shri Rajesh Turkhia		
UNSECURED LOANS		
Inter Corporate Loans	-	-
Sub Total	-	-
TOTAL	2,07,57,044.58	60,86,126.10

NOTES TO BALANCE SHEET AS AT 31.03.2015

(Amount in Rs.)

Particulars	As at March 31, 2015	As at March 31, 2014
NOTE NO - 4 : DEFERRED TAX LIABILITY		
Deferred Tax Liability Balance B/f.	1,07,99,120.45	1,20,57,318.77
Less : Deferred Tax Income	36,44,634.64	12,58,198.32
Less : Deferred Tax Liability transitional period	24,90,406.59	-
TOTAL	46,64,079.32	1,07,99,120.45
The Major components of Deferred Tax Liabilities are as under :		
Particulars	31.03.2015	31.03.2014
A) Deferred Tax Liability		
Difference between Accounting and Tax depreciation	46,64,079.32	1,07,99,120.45
B) Deferred Tax Assets		
Unabsorbed Depreciation & Business Loss	-	-
Others	-	-
C) Net Deferred Tax Liability	46,64,079.32	1,07,99,120.45
NOTE NO - 5 : LONG TERM PROVISIONS		
Provision for Gratuity	1,09,54,404.00	1,03,58,473.00
Less: Amt. disclosed under the head "Short term Provisions" - Note No.- 9	10,95,440.00	10,35,847.00
TOTAL	98,58,964.00	93,22,626.00
NOTE NO - 6 : SHORT TERM BOROWINGS		
<u>Secured</u>		
Working Capital Limit with Yes Bank	2,78,35,621.75	3,05,42,141.85
Working Capital Limit with HSBC Bank Ltd.	1,35,19,285.76	1,33,27,718.94
(Secured against first pari passu charge by hypothecation of stock and book and first pari passu charge on Immovable Property held by the Promoters of the Company and personal guarantee of three Directors of Company.)		
TOTAL	4,13,54,907.51	4,38,69,860.79
NOTE NO - 7 : TRADE PAYABLES		
UNSECURED		
Sundry Creditors	5,16,62,746.27	8,65,78,568.14
(The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amount unpaid at the year end together with interest paid / payable under the Act have not been given.)		
TOTAL	5,16,62,746.27	8,65,78,568.14
NOTE NO - 8 : OTHER CURRENT LIABILITIES		
<u>Secured</u>		
MPFC Term Loan No. 15/2640	18,00,000.00	32,06,988.00
MPFC Term Loan No. 66/4268	-	5,93,012.00
MPFC Term Loan No. 66/4304	15,00,000.00	-
HDFC Bank - Car Loan	4,40,686.42	-
Chola Mandalam Investment & Finance Company Ltd - Car Loan	97,824.00	-
YES Bank - Car Loan	3,93,114.00	4,02,337.00
Sub Total	42,31,624.42	42,02,337.00
<u>Unsecured</u>		
Duties & Taxes	6,67,586.13	7,90,655.21
Unpaid Dividend	2,25,903.50	1,10,291.50
Sub Total	8,93,489.63	9,00,946.71
TOTAL	51,25,114.05	51,03,283.71

NOTES TO BALANCE SHEET AS AT 31.03.2015

(Amount in Rs.)

Particulars	As at March 31, 2015	As at March 31, 2014
NOTE NO - 9 : SHORT TERM PROVISIONS		
Unsecured		
Provision for Employee Benefit		
Gratuity Provision (Note No - 5)	10,95,440.00	10,35,847.00
Other Provisions for Employee Benefit	7,17,820.00	4,81,123.00
Provision for Expense	15,30,130.94	22,56,684.94
Current Tax Payable (Net of Adv. I. Tax / TDS receivable)	63,72,454.00	99,82,525.44
Proposed Dividend	25,07,700.00	25,07,700.00
Tax on Proposed Dividend	5,10,317.00	4,26,184.00
TOTAL	1,27,33,861.94	1,66,90,064.38
NOTE NO - 11 : NON CURRENT INVESTMENTS		
Investments at Cost :		
Unquoted		
10 Shares in Gujrat Mercantile Credit Co Op Soc Ltd of Rs. 100 each	1,000.00	1,000.00
Indira Vikas Patra	5,000.00	5,000.00
TOTAL	6,000.00	6,000.00
NOTE NO - 12 : LONG TERM LOANS & ADVANCES		
(Unsecured, Considered good)		
Security Deposits :	27,60,252.00	29,59,239.00
Other Advances :	20,03,114.50	20,03,114.50
TOTAL	47,63,366.50	49,62,353.50
NOTE NO - 13 : INVENTORIES		
(Valued at Lower of Cost or Net Realisable Value)		
Raw Material	5,84,67,652.00	6,15,55,606.32
Packing Material	1,03,540.00	1,03,540.00
Work In Progress	1,46,73,377.00	1,32,39,019.00
Finished Goods	2,25,00,125.00	1,64,09,797.00
Traded Stock	36,08,039.66	80,80,531.69
TOTAL	9,93,52,733.66	9,93,88,494.01
NOTE NO - 14: TRADE DEBTORS		
(Unsecured, Considered good)		
Outstanding for a period exceeding Six months from the date they are due for payment	-	2,78,67,636.30
Others	13,85,71,192.35	11,13,49,750.55
Considered doubtful, not provided for	-	-
TOTAL	13,85,71,192.35	13,92,17,386.85
NOTE NO - 15 : CASH & BANK BALANCES		
Cash & Cash equivalents		
Balance with Banks		
- In Current account / (Over Drawn Bank Account)	37,91,880.70	14,20,890.08
Cash In Hand	6,10,930.59	5,62,604.59
	44,02,811.29	19,83,494.67
Other Bank Balances		
- In Fixed deposit account \$	25,000.00	25,000.00
- Margin Money Deposit \$	97,92,137.13	44,91,005.65
(\$ with original Maturity of more than 12 months of Rs. 2530814.46 (P.Y.Rs. 4491005.65))	98,17,137.13	45,16,005.65
TOTAL	1,42,19,948.42	64,99,500.32
NOTE NO - 16 : SHORT TERM LOANS & ADVANCES		
(Unsecured, Considered good, recoverable in cash or in kind)		
Loans & Advances to Employees	15,34,935.00	46,63,887.00
Balance with Government Authority	46,82,807.38	39,55,597.38
Other Advances	-	1,63,25,365.58
TOTAL	62,17,742.38	2,49,44,849.96
NOTE NO -17 : OTHER CURRENT ASSETS		
MPFC Term Loan No. 66/4268 (Excess paid)	1,31,241.71	0.00
Pre paid Insurance	2,21,945.50	-
TOTAL	3,53,187.21	-

PANCHSHEEL ORGANICS LTD

Notes to Statement of Profit & Loss for the year ended on 31.03.2015

Particulars	2014-15	2013-14
NOTE NO - 18 REVENUE FROM OPERATIONS		
A) Manufacturing Sales		
Export	1,34,86,249.00	31,28,049.33
Domestic	30,52,16,833.15	29,75,79,386.00
	31,87,03,082.15	30,07,07,435.33
B) Trading Sales		
Export	36,25,000.00	99,82,918.00
Domestic	4,65,49,632.00	9,04,92,444.00
	5,01,74,632.00	10,04,75,362.00
Total Sales - (A+B)	36,88,77,714.15	40,11,82,797.33
Less : Excise Duty	1,08,93,055.00	95,11,068.00
Net Sales	35,79,84,659.15	39,16,71,729.33
Other Operating Income	52,744.50	90,297.50
TOTAL	35,80,37,403.65	39,17,62,026.83
Sale of Products - Broad head wise		
Particulars	2014-15	2013-14
Finished Goods		
Bulk Drug & Intermediate	31,87,03,082.15	30,07,07,435.33
Traded Goods		
Bulk Drug & Intermediate	2,08,79,817.00	3,32,27,675.00
Formulations	1,16,79,327.00	1,08,60,035.00
D.E.P.B. Licence	1,72,74,173.00	5,58,77,460.00
Wind Mill	3,41,315.00	5,10,192.00
Total	36,88,77,714.15	40,11,82,797.33
NOTE NO - 19 : OTHER INCOME		
Interest Received	9,20,342.50	5,20,935.81
Commission Received	85,060.00	1,23,510.00
TOTAL	10,05,402.50	6,44,445.81
NOTE NO - 20 : COST OF RAW MATERIAL CONSUMED		
Opening Stock of Intermediate Raw Material	6,15,55,606.32	5,30,76,693.00
Add : Purchases of Intermediate Raw Material	19,59,33,951.11	20,16,49,662.05
	25,74,89,557.43	25,47,26,355.05
Less : Closing Stock of Intermediate Raw Material	5,84,67,652.00	6,16,49,431.32
TOTAL	19,90,21,905.43	19,30,76,923.73
Cost of Raw Materials Consumed		
Particulars	2014-2015	2013-2014
	Rs.	% of
	Consumption	Consumption
Imported	7,51,82,454.96	38%
Indigeneous	12,38,39,450.47	62%
Total	19,90,21,905.43	100%
	Rs.	% of
	Consumption	Consumption
Imported	7,01,30,033.51	36%
Indigeneous	12,29,46,890.22	64%
Total	19,30,76,923.73	100%

PANCHSHEEL ORGANICS LTD

Notes to Statement of Profit & Loss for the year ended on 31.03.2015

Form No: L24232MP1989PLC005390

Particulars	2014-15	2013-14
NOTE NO - 21 : COST OF TRADED GOODS		
Opening Stock	80,80,531.69	46,38,582.04
Add : Purchases	3,92,82,395.00	9,92,25,356.00
	4,73,62,926.69	10,38,83,938.04
Less : Closing Stock	36,08,039.66	80,80,531.69
TOTAL	4,37,54,887.03	9,57,83,406.35
Details of Traded Goods :		
Particulars	2014-15	2013-14
Purchases		
Bulk Drug & Intermediate	99,84,943.00	3,30,33,205.00
Formulations	13,36,470.00	14,55,971.00
D.E.P.B. Licence	1,72,07,689.00	5,53,81,284.00
	2,85,29,102.00	8,98,70,460.00
Closing Stock		
Bulk Drug & Intermediate	0.00	55,56,305.00
Formulations	36,08,039.66	25,24,226.69
	36,08,039.66	80,80,531.69
NOTE NO - 22 : (INCREASE) / DECREASE IN INVENTORIES		
INVENTORY AT THE YEAR END		
Finished Goods of Bulk Drug & Intermediates	2,25,00,125.00	1,64,09,797.00
Work In Process of Bulk Drug & Intermediates	1,46,73,377.00	1,32,39,019.00
	3,71,73,502.00	2,96,48,816.00
LESS : INVENTORY AT BEGINING		
Finished Goods of Bulk Drug & Intermediates	1,64,09,797.00	1,64,44,128.57
Work In Process of Bulk Drug & Intermediates	1,32,39,019.00	1,59,89,711.00
	2,96,48,816.00	3,24,33,839.57
TOTAL	(75,24,686.00)	27,85,023.57
NOTE NO - 23 : EMPLOYEES COST		
Salary, Wages & Bonus	1,94,88,363.00	1,59,97,407.00
Contribution To E.S.I.C.	1,21,902.00	1,25,754.00
Contribution To Provident Fund	2,85,558.00	2,82,050.00
Gratuity expenses	7,01,346.00	22,01,679.00
Staff Welfare	8,06,034.00	7,77,538.00
TOTAL	2,14,03,203.00	1,93,84,428.00
NOTE NO - 24 : FINANCE COST		
Bank Charges	6,75,782.37	5,89,331.27
Interest to Bank	42,77,259.52	52,25,468.06
Interest on Term Loan	9,89,916.19	8,37,067.00
Interest to Others	7,33,347.00	6,38,102.00
TOTAL	66,76,305.08	72,89,968.32
NOTE NO - 25 : OTHER EXPENSES		
OPERATING EXPENSES		
Consumables	9,38,336.00	6,78,952.00
Entry Tax	16,10,267.00	20,70,553.00
Freight Inwards	22,72,867.44	22,24,515.00
Packing Materials used	17,17,236.00	17,89,700.00
Power & Fuel	79,13,038.00	74,73,166.30
Processing Charges	45,65,819.00	50,22,450.00
Quality Control Expense	1,55,896.00	1,72,201.00
Other Operating Expenses	20,19,973.97	21,65,150.14
TOTAL - A	2,11,93,433.41	2,15,96,687.44

Notes to Statement of Profit & Loss for the year ended on 31.03.2015

Particulars	2014-15	2013-14
ADMINISTRATIVE, SELLING & OTHER EXPENDITURE		
Advertisement	2,47,854.00	2,71,689.00
Auditor's Remuneration	1,27,750.00	85,000.00
Outward Cartage, Hamali & Crain Charges	5,22,066.40	5,65,248.92
Building repairing expense	6,62,635.00	3,02,343.00
Commission & Brokerage	10,26,453.00	10,73,975.00
Commission & Brokerage (Export)	1,20,540.61	
Consolidation charges	94,633.00	
Consultancy Fees	8,28,180.60	7,05,140.00
Conveyance	13,34,979.00	10,30,972.00
Courier Charges	8,74,386.01	5,94,726.06
Discount, Kasar & Bad Debts	14,47,563.54	21,85,292.78
Export Clearing Charges	5,08,072.00	4,44,020.43
Exhibition Expenses	4,63,822.00	
Fees & Subscription	3,87,621.96	5,47,132.00
Foreign Exchange Fluctuation Charges	(78,179.81)	2,21,297.20
Freight Outward	4,92,233.00	3,57,955.52
Miscellaneous Expenses	9,03,963.00	8,69,283.00
Printing & Stationary	4,10,497.20	3,82,364.10
Rent	5,58,000.00	5,58,000.00
Legal expenses	55,000.00	58,023.00
Telephone Expenses & Charges	4,49,608.00	3,92,394.80
Travelling Expenses	9,54,647.60	8,90,174.47
Warehousing Charges	3,07,129.00	3,46,593.00
Insurance Claim rejected written off	1,63,25,365.58	-
Other Administrative Expenses	26,12,280.42	27,27,472.32
VAT / CST	5,63,618.87	42,754.30
TOTAL -B	3,22,00,719.98	1,46,51,850.90
TOTAL - A+ B	5,33,94,153.39	3,62,48,538.34

PANCHSHEEL ORGANICS LTD
NOTE NO -10 : FIXED ASSETS

PARTICULARS OF FIXED ASSETS FOR THE YEAR ENDED 31.03.2015

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 31.03.2014	Additions	Sale / Transfer	As at 31.03.2015	During the year	Deduction	Dep. Pertaining to	As at 31.03.2015	As at 31.03.2014
TANGIBLE ASSETS :									
Lease Hold Land	53,529.00	-	-	53,529.00	-	-	-	53,529.00	53,529.00
Land at Pithampur	25,78,262.00	-	-	25,78,262.00	-	-	-	25,78,262.00	25,78,262.00
Site Development	19,88,045.00	0.00	0.00	19,88,045.00	46,988.00	-	-	19,88,045.00	19,88,045.00
Factory Building	1,57,35,542.49	14,41,337.00	0.00	1,71,76,879.49	5,58,628.14	-	-	1,71,76,879.49	1,57,35,542.49
Plant & Machinery	9,70,79,272.92	70,96,688.25	0.00	10,41,75,961.17	1,13,49,860.27	-	-	10,41,75,961.17	9,70,79,272.92
Equipments	1,15,22,730.56	11,14,012.00	0.00	1,26,36,742.56	13,48,463.58	-	-	1,26,36,742.56	1,15,22,730.56
Furniture & Fixtures	31,48,231.63	5,37,882.32	0.00	36,86,113.95	6,95,194.32	-	-	36,86,113.95	31,48,231.63
Office Equipments	4,87,670.00	1,12,720.00	0.00	6,00,390.00	2,02,810.27	-	-	6,00,390.00	4,87,670.00
Vehicles	57,95,214.00	20,05,073.00	0.00	78,00,287.00	10,47,236.06	-	-	78,00,287.00	57,95,214.00
Computer	8,52,072.55	80,535.00	0.00	9,32,607.55	1,24,340.30	-	-	9,32,607.55	8,52,072.55
TOTAL - A	13,92,41,670.15	1,23,88,248.57	-	15,16,29,918.72	1,53,74,521.94	-	-	15,16,29,918.72	13,92,41,670.15
INTANGIBLE ASSETS :									
TOTAL - B	-	-	-	-	-	-	-	-	-
TOTAL - A+B	13,92,41,670.15	1,23,88,248.57	-	15,16,29,918.72	1,53,74,521.94	-	-	15,16,29,918.72	13,92,41,670.15
PREVIOUS YEAR	12,71,71,296.32	1,20,70,371.82	-	13,92,41,670.14	1,08,73,077.41	-	-	13,92,41,670.14	12,71,71,296.32

NOTE NO - 1 : Some of the Vehicles are in name of Director of the company.

NOTE NO - 2 : Amount of Depreciation on Plant & Machinery received from UNIDO has been transferred to Capital Reserve A/c & remaining balance are charged to the Statement of Profit & Loss, as under :

Particulars		2014-15
Depreciation as per Books		1,53,74,521.94
Less : Transfer to Capital Reserve		6,91,236.00
Depreciation Tr. To Revenue A/c		<u>1,46,83,285.94</u>

CIN NO. L24232MP1989PLC005390

PANCHSHEEL ORGANICS LIMITED

Regd. Offc.: B-6 & B-7 Sector-C, Industrial Area, Sanwer Road,

Indore, Madhya Pradesh -452015.

CIN: L24232MP1989PLC005390

☎ 0731-2721709 ☎ 91-22063929 ✉ www.panchsheelorganics.com

NOTICE

NOTICE is hereby given that 26th Annual General Meeting (AGM) of the Members of the Panchsheel Organics Limited will be held on Wednesday, September 30, 2015 at 11.00 a.m. at the Registered Office of the Company at B-6 & B-7 Sector-C, Industrial Area, Sanwer Road, Indore, Madhya Pradesh -452015.

Notice of the Meeting together with Balance Sheet as at 31st March, 2015, Profit & Loss Account for the year ended on that date, including the Notes/ Schedules thereto, Auditors Report and Directors Report Annual Report has been available for the Members on 2nd September, 2015 on the Company's website- www.panchsheelorganics.com and the same shall also be available for inspection, during the office hours, at the Registered Office of the Company. Members will be entitled to receive the said documents in physical form free of cost at any time upon request to their registered address and the aforesaid documents have also been sent electronically to those members who have registered their e-mail addresses.

(Note: The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" by allowing companies to send documents to their shareholders in electronic mode)

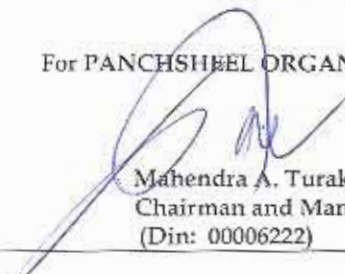
Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses with Purvaregistry, Registrar and Share Transfer Agents of the Company.

Notice pursuant to Section 91 of the Companies Act, 2013 read with Clause 16 of the Listing Agreement that the Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 24th September, 2015 to Wednesday, 30th September, 2015 (both the days inclusive) for the purpose of ensuing AGM.

For PANCHSHEEL ORGANICS LIMITED

Place: Indore

Date: 2nd September, 2015


Mahendra A. Turakhia
Chairman and Managing Director
(Din: 00006222)

NOTICE

CIN No: L24232MP1989PLC005399

NOTICE is hereby given that 26th Annual General Meeting (AGM) of the Members of the Panchsheel Organics Limited will be held on Wednesday, September 30, 2015 at 11:00 a.m. at the Registered Office of the Company at B-6 & B-7 Sector-C, Industrial Area, Sanwer Road, Indore, Madhya Pradesh -452015.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2015 and Statement of Profit & Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Rajesh A. Turakhia (DIN: 00006246) who retires by rotation, and being eligible offers himself for re-appointment.
3. To declare dividend for the Financial Year 2014-15.
4. To ratify appointment of Statutory Auditors and fix their remuneration and in this regard, to consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution: "M/s. V R Shah & Associates,, Chartered Accountants (Registration No. 109816W), be and are hereby appointed at the 26th Annual General Meeting as Statutory Auditors of the Company, to hold office till the conclusion of the 28th Annual General Meeting of the Company on such remuneration to be fixed by the Board of Directors of the Company

SPECIAL BUSINESS :

5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT subject to the approval of Central Government, M/s Jitendrakumar Yadav & Associates, Cost Auditor Mumbai who has confirmed his eligibility u/s 139 of the Companies Act, 2013 be and is hereby appointed as Cost Auditor to audit the Cost Accounting records related to Bulk Drugs of the Company for the Financial Year 2015-2016 on a remuneration approved by board.

RESOLVED FURTHER THAT Mr. Mahendra A. Turakhia, Managing Director (DIN: 00006222) of the Company be and is hereby authorized to take all such necessary steps and actions and authorized to do all the necessary formalities and to sign and submit the necessary papers and forms with required authorities including E-Form with Registrar of Companies to give the effect of the appointment of the Cost Auditor."

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution: "RESOLVED THAT in supersession of all earlier resolutions passed in this regard and pursuant to provisions of 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force), consent of the Members of the Company be and is hereby accorded to the Board of Directors to borrow money, from time to time at its

6. Members are requested to notify change in address, if any, immediately to the Company at its Registered Office, quoting their Folio Numbers.
7. The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" by allowing companies to send documents to their shareholders in electronic mode. To support this green initiative and to receive communications from the Company in electronic mode, Members who have not registered their e-mail addresses and are holding shares in physical form are requested to contact the Share Transfer Agents of the Company and register their email-id. Members holding shares in dematerialized form are requested to contact their Depository Participant. Members may please note that notices, annual reports, etc. will be available on the Company's website-www.panchsheelorganics.com and the same shall also be available for inspection, during the office hours, at the Registered Office of the Company. Members will be entitled to receive the said documents in physical form free of cost at any time upon request.
8. Please followed below Google direction on your search engine:

https://www.google.co.in/maps?q=panchsheel+organics+ltd&ion=1&espv=2&bav=on.2,or.r_cp.&bvm=bv.103388427,d.dGo&biw=1366&bih=628&dpr=1&um=1&ie=UTF-8&sa=X&ved=0CAYQ_AUoAWoVChMIzaza_KyNyAIVxJ2UCh3ccw6D
9. The Members/Proxies are requested to bring the attendance slip duly filled in for attending the Meeting.
10. The relative Explanatory Statement, pursuant to Section 102 in respect of the special business set out in the accompanying Notice is annexed hereto.

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 5


A proposal for appointment of Cost Auditor for the financial year 2015-16 was recommended by the Audit Committee to the Board. It was proposed to re-appoint Mr. Jitendrakumar Yadav & Associates, Cost Accountants, as Cost Auditors for the financial year 2015-16. As per Rule 14 of Companies (Audit and Auditors) Rules 2014, the appointment and remuneration payable to the Cost Auditors is to be ratified by the Shareholders. Hence this resolution is put for the consideration of the shareholders. None of the Directors and Key Managerial Personnel or relatives of them are interested in the above resolution. The Board of Directors recommends the resolution set forth in Item No. 6 for the approval of the Members as Ordinary Resolution.

Item No. 6 & 7.

Pursuant to the erstwhile provisions of Sections 293(1)(d) and 293(1)(a) of the Companies Act, 1956, the Board of Directors was authorized by the Members of the

Company to borrow moneys on behalf of the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) in excess of the aggregate of the paid-up capital of the Company and its free reserves, subject to the total outstanding amount so borrowed not exceeding a sum of R 2,00,00,00,000/- (Rupees Two Hundred Crores Only) at any point of time and also, to secure the said borrowings by creating mortgage/charge on all or any of the movable/immovable properties of the Company. Accordingly, in order to remain compliant with the provisions of Sections 180(1)(c) and 180(1)(a) of the Companies Act, 2013, the consent of the Members is being sought by way of special resolutions for authorizing the Board of Directors to borrow moneys on behalf of the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) in excess of the aggregate of the paid-up capital of the Company and its free reserves, subject to the total outstanding amount so borrowed not exceeding a sum of R 2,00,00,00,000/- (Rupees Two Hundred Crores Only) at any point of time and also, to secure the same by creating the mortgage/pledge/hypothecation/charge on the whole or part of the Company's land, building thereon, machinery, stocks, book debts and all other assets of the Company whether movable or immovable, situated in India or abroad. None of the Directors and Key Managerial Personnel or relatives of them are interested in the above resolution. The Board of Directors recommends the resolutions set forth in Item Nos. 06 & 07 for the approval of the Members as Special Resolutions.

For PANCHSHEEL ORGANICS LIMITED


Mahendra A. Turakhia
Chairman and Managing Director

(Din: 00006222)

Date: 02/09/2014

Place : Indore



PANCHSHEEL ORGANICS LIMITED

ANNUAL REPORT 2014-15

BOARD OF DIRECTORS

Mahendra Turakhia	Chairman & Managing Director	(DIN No. 00006222)
Kishore Turakhia	Promoter/Executive Director	(DIN No. 00006236)
Rajesh Turakhia	Promoter/Executive Director	(DIN No. 00006246)
Varsha ketan Doshi	Independent and Non-Executive Director	(DIN No. 06912583)
Diwakar Mani Tripathi	Independent and Non-Executive Director	(DIN No. 06912629)
Shambhunath chakravarti	Independent and Non-Executive Director	(DIN No. 06924557)

REGISTERED OFFICE

B6 & B7, Sector – C, Industrial Estate,
Sanwer Road, Indore (MP)

CORPORATE OFFICE

1, Kapadia Chamber, 1st Cinema Road,
Mumbai – 400 020

BANKERS

1. Yes Bank Ltd,
Horniman Circle, Mumbai

2. HSBC Bank,
M. G. Road, Fort, Mumbai

AUDITORS

M/s V. R. Shah & Associates
Chartered Accountants

COMPANY SECRETARY AND COMPLIANCE OFFICER

Miss. Aparna Ramesh Akadkar

CHIEF FINANCIAL OFFICER

Mr. Chandrakant Shah

PLANT

B6 & B7, Sector – C, Industrial Estate,
Sanwer Road, Indore (MP)

SHARE TRANSFER AGENTS

Purva Share Registry (I) Pvt Ltd
Shivshakti Industrial Estate,
Unit No. 9, 7/B, Sitaram Mill Compound,
J R Boticha Marge, Lower Parel, Mumbai 400 011

REPORT OF DIRECTORS OF PANCHSHEEL ORGANICS LTD FOR THE YEAR ENDED 31ST MARCH, 2015

Your Directors take pleasure in presenting the Twenty Sixth Annual Report together with the Audited Balance Sheet as at 31 March, 2015 and the Statement of Profit & Loss for the year ended 31st March, 2015.

OPERATING RESULTS

Particulars	2014-2015 (₹)	2013-2014 (₹)
Revenue from Operation	3,58,037,404	3,91,762,026
Other Income	1,005,402	644,446
Total Income	3,59,042,806	3,92,406,473
Operating, Depreciation and Other Expenses	3,03,329,546	3,38,766,969
Administrative and Finance Cost	28,079,508	2,66,743,96
Total Expenses	3,31,409,054	3,65,441,366
Profit before Tax	27,633,752	26,965,107
Less: Provision for Current Tax	11,907,691	10,507,348
Provision for Deferred Tax	(3,644,634)	(1,258,198)
Income Tax for earlier year	379,604	127,080
Profit After Tax	18,991,091	17,588,877

PERFORMANCE

During the year under review your Company's turnover of ₹ 3,580 Lacs compared to ₹3,917 Lacs in the previous fiscal year 2013-2014, registering an decrease of 8.60 %. The Turnover of the Company for the year under review showed a consistent growth.

DIVIDEND

Your Directors recommend for approval of the members at the ensuing Annual General Meeting payment of final dividend of 5% per equity share (₹0.50 per equity share) for the financial year ended March, 2015. The Dividend will be paid in compliance with the applicable regulations.

The dividend will be paid to the members whose names appears in the Register of Members as on 24th September, 2015 in respect of shares held in dematerialized form, it will be paid to the members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.

REVIEW OF OPERATIONS & FUTURE PROSPECTS:

The Turnover of the Company for the year under review showed a decrease of 8.60 % over the corresponding previous year.

DIRECTORS

Your Company has 6 Directors consisting of 3 Independent Directors, 3 (Three) Executive Directors including Managing Director as on March 31, 2015.

In accordance with the Articles of Association of the Company and In terms of Section 152 of the Companies Act, 2013, Mr. Rajesh Abhaychand Turakhia the Directors of the Company, retire by rotation and being eligible, offer them for re-appointment.

AUDITORS

M/s V R. Shah & Associates, Chartered Accountants, the Statutory Auditor of the Company retire at the ensuing Annual General Meeting eligible for the re-appointment as Auditors of the Company to hold the office from the date of 26th Annual General Meeting until the conclusion of the 28th Annual General Meeting. The Directors recommend reappointing M/s V.R Shah & Associates., as Auditors of the Company.

AUDITOR'S REPORT

Information and explanations on items contained in the Auditors Report which might be considered to be "Reservations, Qualifications or adverse Remarks" is given below:

COST AUDITOR

The Board of Directors of Company has, upon recommendations of the Audit Committee, appointed Jitendrakumar Yadav & Associates., Cost Accountant as Cost Auditors for conducting an audit of Cost Accounting Records maintained by the Company for the Financial Year 2015-16.

As required under the provisions of Section 139 of the Companies Act, 2013 and as per Rule 14 of Companies (Audit and Auditors) Rules 2014, with the prior approval of Central Government the Company has obtained & a written confirmation from CMA Jitendrakumar Yadav & Associates, to the effect that they are eligible for appointment as Cost Auditors under Section 139 of the Companies Act, 2013.

The Audit Committee has also received a certificate from the Cost Auditor certifying their independence and arm's length relationship with the Company. The Cost Auditors shall forward their report to the Central Government, Ministry of Corporate Affairs, New Delhi for the Financial Year 2015-16, within the prescribed time limit.

KEY MANAGERIAL PERSONNEL

Mr. Chandrakant shah, Chief Financial Officer and Miss. Aparna Ramesh Akadkar Company Secretary and Compliance Officer of the Company were appointed as Key Managerial Personnel during the Financial Year 2014-15 in accordance with the Section 203 of the Companies Act, 2013.

NUMBER OF MEETINGS OF THE BOARD

Regular meetings of the Board are held to discuss and decide on various business policies, strategies and other businesses. The schedule of the Board/Committee meeting to be held in the forthcoming financial year is being circulated to the Directors in advance to enable them to plan their schedule for effective participation in the meetings. Due to business exigencies, certain business decisions are taken by the Board through circulation from time to time.

During the Financial Year 2014-15, the Company held 4 board meetings of the Board of Directors as per Section 173 of Companies Act, 2013 which is summarized below. The provisions of Companies Act, 2013 and listing agreement were adhered to while considering the time gap between two meetings.

S No.	Date of Meeting	Board Strength	No. of Directors Present
1	30.05.2014	6	6
2	14.08.2014	6	6
3	10.09.2014	6	6
4	15.11.2014	6	6
5	14.02.2015	6	6

COMMITTEE OF DIRECTORS

The Company has following Committees of the Board:

*Audit Committee

*Nomination and Remuneration Committee

*Shareholder grievances committee/Investors Grievances Committee:

The details with respect to the compositions, powers, roles, terms of reference, etc. of relevant committees are given in details in the 'Report on Corporate Governance' of the Company which forms part of this Annual Report.

SUBSIDIARY COMPANIES

The Company does not have any subsidiary.

FIXED DEPOSITS

The Company has not invited and accepted any Fixed Deposits from the public within the meaning of with Section 73 and 74 of the Companies Act, 2013 read with Rule 8(5)(v)&(vi) of the Companies (Accounts) Rules, 2014, hence disclosure required under above rule not applicable to the Company.

FINANCIAL CONDITION AND RESULT OF OPERATION

Management Discussion and Analysis of financial condition and result of operation of the Company for the year under review, as stipulated under clause 49 of listing agreement with the Stock Exchanges are given as a separate statement in the Annual Report.

PARTICULARS OF EMPLOYEES

Particulars of employees as required u/s 134 of the Companies Act, 2013 are not annexed since there are no employees drawing remuneration of more than Rs 60,00,000/- per annum during the year under review, if employed for full year or more than R 5,00,000/- per month, if employed for part of the year.

DIRECTORS RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013-

- 1) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- 2) That the directors had 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 financial year viz. 31st March, 2015 and of the profit or loss of the Company for the year ended on that date.
- 3) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- 4) That the Directors had prepared the annual accounts on a going concern basis.
- 5) That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- 6) That systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

DECLARATION BY INDEPENDENT DIRECTOR(S) AND RE-APPOINTMENT, IF ANY

The Company has received necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of Independence laid down in Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Independent Directors shall hold office for a term up to five consecutive years on the Board of a Company, but shall be eligible for re-appointment for next five years on

passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

LISTING OF EQUITY SHARES

The equity shares of your Company are listed on the Bombay Stock Exchange Limited, Mumbai (BSE) and the Madhya Pradesh Stock Exchange, Indore. The Listing fee for the financial year 2015-2016 has already been paid.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGOING

A Statement giving details of conservation of energy, technology absorption, foreign exchange earnings and outgo in accordance with the Rule (8)(3) of the Companies (Accounts) Rules, 2014, is annexed hereto; and forms part of this report.

CORPORATE GOVERNANCE

As required by the Clause 49 of the Listing Agreement entered in to by your Company with the BSE Limited and Madhya Pradesh Stock Exchange and The National Stock Exchange of India Limited, a detailed Report on Corporate Governance together with a report on Management Discussion Analysis is included in the Annual Report. The Auditors have Certified the Company's Compliance with the Listing Agreement and the same is annexed to the report on Corporate Governance.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 is annexed as "Annexure-I" to the Directors' Report.

BUSINESS RISK MANAGEMENT

The Company has a robust Business Risk Management (BRM) framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting. The framework has different risk models which help in identifying risks trend, exposure and potential impact analysis at a Company level as also separately for business. The Company has adopted risk management policy.

INTERNAL FINANCIAL CONTROL

The Company has in place adequate internal financial controls with reference to financial statements. The Company has adopted policy on internal financial control system for proper observation of adequate internal financial controls.

POLICIES

Vigil Mechanism / Whistle Blower Policy

The Company has a vigil mechanism named Whistle Blower Policy (WBP) in accordance with Section 177(9) of the Companies Act, 2013 and Clause 49 of the Listing Agreement to deal with instances of fraud and mismanagement, if any. The vigil mechanism/Whistle Blower Policy is uploaded on the Company's website.

Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. Extract of Remuneration Policy is given in MGT-9 to the Corporate Governance Report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTY

All related party transactions that were entered during the financial year were in the ordinary course of the business of the Bank and were on arms length basis. There were no materially significant related party transactions entered by the Company with promoters, Directors, Key Managerial Personnel or other persons which may have potential conflict with the interest of the Company. Considering the nature of the industry in which the Company operates, transactions with related parties of the Company are in the ordinary course of business which are on arm's length basis. Since all related party transactions entered into by the Company were in the ordinary course of business and were on an arm's length basis, form AOC-2 is not applicable to the Company.

SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

In order to prevent sexual harassment of women at work place a new act The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been notified on 9th December, 2013. Under the said Act every Company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee. A policy for prevention of Sexual Harassment of Women at workplace and setting up of the Committee for implementation of said policy is under review and consideration.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report is attached separately to this report

CORPORATE SOCIAL RESPONSIBILITY

The company does not meet the criteria of Section 135 of Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 so there is no requirement to constitute Corporate Social Responsibility Committee.

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s GMS & CO., a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed as "Annexure-II" to the Directors' Report.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the Directors individually, the Chairperson's as well as the evaluation of the working of its Audit Committee, Corporate Social Responsibility Committee, Nomination & Remuneration Committee and Stakeholder Relationship Committee. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

There was unpaid/unclaimed Dividend of Rs. 115,612 declared and paid in Financial Year 2014-15. The company has unpaid/unclaimed dividend of Rs. 110,292/- for past years which are not due for transfer to Investor Education and Protection fund pursuant to the provisions of Section 125 of the Companies Act, 2013.

MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate on the date of this report.

EMPLOYEES STOCK OPTION PLAN

The Company has not provided any Stock Option Scheme to the employees.

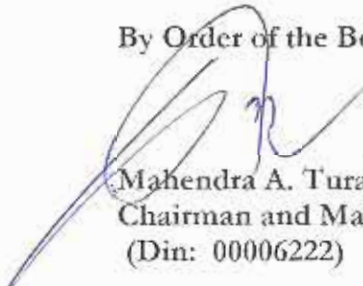
ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation and sincere thanks to the state government, government agencies, banks, financial institutions, joint venture partners, customers, shareholders, fixed deposit holders, vendors and other related organizations who through their continued support and co-operation, have helped, as partners, in your Company's progress.

Your Directors also acknowledge the hard work, dedication and commitment of the employees.

By Order of the Board of Directors

Place: Indore
Date: 30th May, 2015


Mahendra A. Turakhia
Chairman and Managing Director
(Din: 00006222)

ANNEXURE TO DIRECTOR'S REPORT

Information pursuant to Section 134(3)(m) of the Companies Act, 2013 read with the Rule (8)(3) of the Companies (Accounts) Rules, 2014 forming part of the Directors Report for the year ended 31st March 2015.

CONSERVATION OF ENERGY

Wherever possible energy conservation measures have been taken along with the additional investments for the same and proposal being implemented for reduction of consumption if energy.

FORM 'A'

Power and Fuel Consumption

	PARTICULARS	Current Year	Previous Year
1.	Electricity		
	Total Units	683645	641300
	Amount (Rs. In Lacs)	50.74	45.33
	Rate per unit (Rs.)	7.42	7.07
	Consumption per unit of Production (in unit)/Kg	9.55	8.98
2.	Furnace Oil (Diesel)		
	Total units (ltr.)	394705	416039
	Amount (Rs. In Lacs)	27.94	29.33
	Rate per Unit (Rs.)	7.08	7.05
	Consumption per unit of production (in unit) Kg	5.51	5.82

FORM 'B' TECHNOLOGY ABSORPTION

Research and Development (R & D)

1.	Specific Areas in which developmental activities carried out by the company	Development of new products and absorption of new technology.
2.	Benefits derived as a result of the above R & D	Improvement in quality, customer satisfaction, productivity & Transparency
3.	Future plan of action.	Up gradation of technology & Improving standard of living.
4.	Expenditure on R & D	There being no separate R & D cell, the expenditure cannot be quantified

TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

The management has created a work culture in the organization to foster innovation in all functions including production. The technology used is entirely indigenous. However, continuous efforts are being made towards the modernization and up gradation of technology for higher output of the products qualitatively and quantitatively modernization; and up gradation of technology for higher output of the products qualitatively and quantitatively.

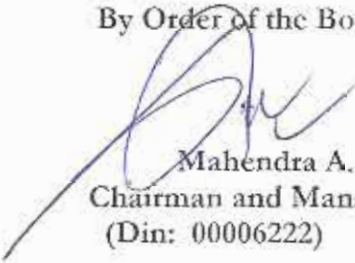
FOREIGN EXCHANGE EARNINGS AND OUTGOINGS

During the year under review Company has imported the raw materials of 79,326,721/- and exported the goods worth 17,111,249/-.

During the year company spent foreign exchange of 1,20,541/- for commission and brokerage.

By Order of the Board of Directors

Place: Indore
Date: 30th May, 2015


Mahendra A. Turakhia
Chairman and Managing Director
(Din: 00006222)

MANAGEMENT DISCUSSION AND ANALYSIS

INTRODUCTION AND OVERVIEW

The pharmaceutical industry is expected to grow at 19% in 2013 & the domestic pharmaceutical market is estimated to touch US \$ 20 billion by 2015. The Indian pharmaceutical industry ranks among the top five countries by volume (production) further, estimated the healthcare market in India to reach US \$31.59 billion by 2020. Low cost of skilled manpower and innovations are some of the main factors supporting this growth. According to the Department of Pharmaceuticals, the Indian pharmaceutical industry employs about 340,000 people and an estimated 400,000 doctors and 300,000 chemists.

Rapidly changing global economic & business conditions and technological innovation are creating an increasingly competitive environment that is driving Companies to transform their operations globally. While the expectations of the customers have increased manifold; we are committed to satisfy the clients with improved quality and accelerated delivery schedules with a focus on developing long terms relationships and strengthening strategic partnerships.

Drugs and pharmaceutical industry plays a vital role in the economic development of a nation. It is one of the largest and most advanced sectors in the world, acting as a source for various drugs, medicines and their intermediates as well as other pharmaceutical formulations. Being the intense knowledge-driven industry, it offers innumerable business opportunities for the investors/ corporates the world over. The existence of well-defined and strong pharmaceutical industry is important for promoting and sustaining research and developmental (R&D) efforts and initiatives in an economy as well as making available the quality medicines to all at affordable prices. That is, it is essential to improve the health status of the individuals as well as the society as a whole, so that positive contributions could be made to the economic growth and regional development of a country.

INDUSTRY STRUCTURE AND DEVELOPMENT

The Indian drugs and pharmaceutical industry, over the years, has shown tremendous progress in terms of infrastructure development, technology base creation as well as product usage. On the global platform, India holds fourth position in terms of volume and thirteenth position in terms of value of production in pharmaceuticals. The pharmaceutical industry has been producing bulk drugs belonging to all major therapeutic groups requiring complicated manufacturing processes as well as a wide range of pharma machinery and equipments. It has also developed excellent 'good manufacturing practices' (GMP) compliant facilities for the production of different dosage forms. Besides, the amendment to the Patents Act, 1970 [enactment of Patents (Amendment) Act, 2005], has opened up new avenues for the sector. The new patent regime has ushered in the era of product patents for the pharmaceutical sector, in line with the obligations under the World Trade Organisation (WTO) and Trade-Related Aspects of Intellectual Property Rights (TRIPS) Agreement. As a result, the Indian pharmaceutical industry has become self-reliant in several areas and has developed a more sound and technologically advanced R&D segment.

The industry offers several opportunities for investments and trade owing to the following advantageous features:-

- Self-reliance displayed by the production of 70 per cent of bulk drugs and almost the entire requirement of formulations within the country;
- Low cost of production of quality bulk drugs and formulations
- Low R&D costs
- Strong scientific, innovative and technical manpower
- Excellent and world-class national laboratories specializing in process development and development of cost effective technologies
- Increasing balance of trade in pharma sector
- Efficient and cost effective source for procuring generic drugs, especially the drugs going off patent in the next few years
- Excellent centre for clinical trials in view of the diversity in population
- Fast growing biotech industry which has great potential in the international market
- Apart from its strengths in manufacturing and exporting allopathic medicines, the systems of medicines like Ayurveda, Unani, Siddha, Yoga, Naturopathy and Homeopathy are also prevalent in the country.

Driven by all such factors, India has been recognized as one of the leading global players in pharmaceuticals. The annual turnover of the industry is estimated to be about US \$ 17 billion (over Rs. 68,000 crores) during 2006-07. Indian exports are destined to more than 200 countries around the globe including highly regulated markets of US, Europe, Japan and Australia. The value of exports of drugs and pharmaceuticals has increased to Rs.24,942 crores in 2006-07 from around Rs. 22,216 crores in 2005-06. While, the imports of medicinal and pharmaceutical products have been around Rs. 5867.3 crores (provisional) in the year 2006-07. It is estimated that by the year 2010, the industry has the potential to achieve over Rs. 1,00,000 crores in formulations and bulk drug production. Moreover, increasing number of Indian pharmaceutical Companies have been getting international regulatory approvals for their plants from agencies like USFDA (USA), MHRA (UK), TGA (Australia), MCC (South Africa), Health Canada, etc. India has the largest number of USFDA approved plants for generic manufacture. Leading Indian companies are now seeking more Abbreviated New Drug Approvals (ANDAs) in USA in specialized segments like anti infectives, cardiovasculars and central nervous system groups.

The drugs and pharmaceutical is one of the most diversified of all the industrial sectors. The accumulated knowledge of traditional medicinal system and large bio-diversity of India offers great advantage to the drug industry. The rapidly changing economic, trade and intellectual property scenario, nationally and internationally, poses many challenges to it, including the challenge of becoming leaders and competitors globally. This necessitates a shift in the approach of the industry, that is moving away from manufacturing only known drugs to discovering and commercialising new molecules through innovative process routes. It would mean that the Indian pharma industry has to focus more on R&D, so as to enable India to maintain its status in the world pharma market and move ahead to become a global leader. In other words, the strength of the industry lies in leveraging the country's power in organic synthesis and process engineering as well as developing cost-effective technologies in

the shortest possible time for drug intermediates and bulk activities, without compromising on quality.

SMES IN THE PHARMA INDUSTRY

According to the Confederation of Indian Industries (CII), there are around 8,000 small and medium enterprises (SME) units, accounting for about 70% of the total number of the pharma units in India. Indian SMEs are also opening up for emerging opportunities in the pharmaceutical industry in the field of CRAMS, clinical research etc. These would drive them to play a definitive role in the transitional global pharmaceutical environment, where a sizeable number of drugs are expected to go off patent in the coming years. The Indian government has been making every attempt to support SMEs through several incentives. One such effort is the development of SME clusters in various parts of the country.

INVESTMENT IN THE INDIAN PHARMACEUTICAL INDUSTRY

100% foreign direct investment (FDI) is allowed under automatic route in the drugs and pharmaceuticals sector, including those involving use of recombinant technology. Also, FDI up to 100% is permitted for brown field investments (i.e. investments in existing companies), in the pharmaceuticals sector, under the Government approval route. The drugs and pharmaceuticals industry attracted foreign direct investment to the tune of US\$ 9.17 BN for the period between April 2000 and January 2012.

FACTORS INFLUENCING GROWTH OF THE INDUSTRY

The Indian pharmaceutical industry ranks 14th in the world by value of pharmaceutical products. With a well-established domestic manufacturing base and low-cost skilled manpower, India is emerging as a global hub for pharma products and the industry continues to be on a growth trajectory. Moreover, India is significantly ahead in providing chemistry services such as analogue preparation, analytical chemistry and structural drug design, which will provide it ample scope in contract research and other emerging segments in the pharmaceutical industry. Some of the major factors that would drive growth in the industry are as follows:

- **Increase in domestic demand:** More than half of India's population does not have access to advanced medical services, as they usually depend on traditional medicine practices. However, with increase in awareness levels, rising per capita income, change in lifestyle due to urbanisation and increase in literacy levels, demand for advanced medical treatment is expected to rise. Moreover, growth in the middle class population would further influence demand for pharmaceutical products.
- **Rise in outsourcing activities:** Increase in the outsourcing business to India would also drive growth of the Indian pharmaceutical industry. Some of the factors that are likely to influence clinical data management and bio-statistics markets in India in the near future include: 1) cost efficient research vis-à-vis other countries 2) highly-skilled labour base 3) cheaper cost of skilled labour 4) presence in end-to-end solutions across the drug-development spectrum and 5) robust growth in the IT industry.

- Growth in healthcare financing products: Development in the Indian financial industry has eased healthcare financing with introduction of products such as health insurance policy, life insurance policy and cashless claims. This has resulted in increase in healthcare spending, which in turn, has benefitted the pharmaceutical industry.

- Demand in the generics market: During 2008-2015, prescription drugs worth about US\$ 300 bn are expected to go off patent, mostly from the US. Prior experience of Indian pharmaceutical companies in generic drugs would provide an edge to them.

- Demand from emerging segments: Some of the emerging segments such as contract research and development, biopharma, clinical trials, bio-generics, medical tourism and pharma packaging are also expected to drive growth of the Indian pharmaceutical industry.

Indian pharmaceutical industry: SWOT analysis

The SWOT analysis of the industry reveals the position of the Indian pharmaceutical industry in respect to its internal and external environment.

Strengths

- Low cost of innovation, manufacturing and operations
- Low cost of skilled manpower and proven track record in design of high technology manufacturing devices.

Weaknesses

- Stringent pricing regulations affecting the profitability of pharma companies
- Presence of more unorganised players versus the organised ones, resulting in an increasingly competitive environment, characterised by stiff price competition.

Opportunities

- Opening of the health insurance sector and increase in per capita income - the growth drivers for the pharmaceutical industry
- India, a potentially preferred global outsourcing hub for pharmaceutical products due to low cost of skilled labour.

Domestic Markets

The Company has a wide range of pharmaceutical products in its portfolio. We try and tap every lawful opportunity coming our way and follow a focused approach and increased marketing efforts. All these have resulted in increased growth of the Company in the recent years. In the coming years, we shall strive hard to build a strong reputation for ourselves and carve a niche for our products.

International Markets

The Company is continuously trying to build a large overseas business and revenue from export business accounts for a sizeable component of Company's total turnover. The Company is continuously tapping potentially new markets and exporting a wide range of products to these countries.

Threats

- Other low-cost countries such as China and Israel affecting outsourcing demand for Indian pharmaceutical products
- Entry of foreign players (well equipped technology-based products) into the Indian market.

Drug Pricing

The domestic pharmaceutical industry is very much dependent on the government's drug pricing policy. It is important for the Government to introduce free and fair competition rather than arbitrary drug control measures to decide prices of essential drugs.

This will ensure that Companies like us can manufacture and market all the vital life saving drugs at economical prices.

Rising Costs and Availability of Materials

The prices of many APIs and intermediates have risen significantly due to restriction in production by various Chinese manufacturers. Other factors contributing to such price hike are rise in price of petroleum-based products, frequent shortages and general inflationary conditions.

All these adversely affect the production schedules and overall margins of our Company's products.

SEGMENT-WISE PERFORMANCE

The operation of the Company consists of the single segment. The Company deals in bulk drugs. Hence, Accounting Standard on Segment Reporting (AS-17) issued by Institute of Chartered Accountants of India does not apply.

OUTLOOK

The Indian economy has shown a substantial growth in the year 2011-12 and this will have a positive impact on all the sectors. However, to tap the full potential of this emerging opportunity, the domestic industry needs to improve its cost effectiveness, scale of operations and quality/reliability in order to be able to compete with other global suppliers in the export market.

Commodities prices have maintained their high volatility, making it difficult to take long-term view on prices. The appreciation of rupee against dollar has further been a cause of concern for exporters.

We are committed to deliver quality products on a consistent basis and at competitive prices. Our strategy has been to make optimum utilisation of the resources, raw materials, timely production and delivery schedules, safety of the workforce and finally develop strong customer relationship and thereby backing our prime motto to be a customer driven Company.

Factors that may affect our results of the operations

Our financial conditions and results of operations are affected by numerous factors inter alia—

- Growth of unorganized sector and threat from local regional players
- Change in freight and forwarding charges
- General economic and business conditions;
- Our Company's ability to successfully implement our growth strategy
- Fluctuation in Exchange rates.
- Prices of raw materials we consume and the products we manufacture;
- Changes in laws and regulations relating to the industry in which we operate;
- Changes in political and social conditions in India;

Our Results of Operations

The Break-up of Revenue and Costs of Company is as given below:

PARTICULARS	Year ended March 31 2015 (₹)	Year ended March 31 2014 (₹)
INCOME		
Sales & Income from Operation		
Export	17,111,249	13,110,967
Domestic	3,51,766,465	3,88,071,830
	3,68,877,714	4,01,182,797
(Increase)/Decrease in Stocks	(7,524,686)	2,785,023
Less: Excise Duty	10,893,055	9,511,068
Add:-Other Income	1,005,403	644,446
Other Operating Income	52,744	90,297
TOTAL	3,66,567,491	3,89,621,449
EXPENDITURE		
Operating Expenditure	2,42,776,792	28,886,330
Administrative And Other Expenditure	74,797,356	55,632,966

Finance Charges	6,676,305	7,289,968
Depreciation for the Year	14,683,286	10,873,077
TOTAL	3,38,933,739	3,62,656,342
Profit Before Tax	27,633,752	26,965,107
Less: Provision for Deferred Tax	(3,644,635)	(1,258,198)
Provision for Income Tax	11,907,691	10,507,348
Income-Tax for earlier Year	3,79,604	1,27,080
Profit After Tax	18,991,090	17,588,877
Balance brought forward	1,05,325,623	92,470,630
Balance carried to balancesheet	18,991,090	17,588,877
Earning Per Share	3.79	3.51

(1) Total Income

Our revenue has decrease from ₹ 3,92,406,473 to ₹ 3,59,042,806 as compared to previous year i.e 2013-14 to at a rate of 8.50% The Sales have decrease at a rate of 8.05%. Sales in export market has increased to 4,000,281 in current year while sales in domestic market has decrease from '3,88,071,830' to '3,51,766,465' as compared to previous financial year. There is decrease in stock of ₹ 2,785,023.00 in Financial Year 2013-14 to where as in Current Year there is increase in stock of (7,524,686.00) in Financial Year 2014-15

(2) Operating Expenditure

The operating expenditure has decrease from ₹ 21,596,687 to ₹ 21,193,433 as compared to previous financial year. The operating expenditure has been decrease by 1.87 %.

(3) Administrative and other expenses

The administrative expenses have increased from ₹14,651,851 to ₹ 32,200,720 as compared to previous financial year. The expenditure has increased by 119.77 %

(4) Interest and Financial Charges

Net Financial charges has decrease from ₹ 7,289,968 to ₹ 6,676,305 as compared to previous financial year. There has been decrease of 8.42%.

(5) Depreciation

The Depreciation cost has increased from ₹ 10,873,077 to ₹ 14,683,286 in Financial Year 2014-2015

(6) Net Profit

Net profit for the financial year 2014-15 is ₹ 18,991,091

Other Factors:**(1) Known trends or uncertainties**

The world economy has witnessed an unprecedented economic crisis causing severe recessionary trends in various countries but Indian pharmaceutical industry remained less affected compared to other sectors.

(2) Future relationship between costs and revenues

Our Company doesn't see substantial increase in labour cost or other cost related to the product except that raw material prices may go up in near future due to rise in commodity prices. However, any increase in raw material prices would be duly covered in the sales price of the product.

(3) Dependence on Single or few suppliers/Customers

The Customer base of our Company is very strong as we do not deal with a single customer or supplier. We have a very cordial relationship with all customers and suppliers with whom we have been dealing for a very long time.

(4) Significant developments subsequent to last financial year.

In the opinion of the Directors, there are no significant changes since the date of the last financial statements, which could materially affect the operations, and Profitability of our Company.

INTERNAL CONTROL

The Company's internal control procedures are tailored to match the organization's pace of growth and increasing complexity of operations. This ensures compliance to various policies, practices and statutes.

We have an adequate system of Internal Control which enables reliable financial reporting, safeguard of assets and encourages adherence to management policies.

The Company has a system for speedy compilation of accounts and management information reports to comply with applicable laws and regulations.

We have a reasonable budgetary control system so that the management can monthly review actual performance against the budget. A well defined organization structure is in place with authority level, internal rules and guidelines for conducting business transactions.

Transaction in which the management is interested in their personal capacity

During the year, there are no materially significant related party transactions entered into with the management that may have potential conflict with the interest of your Company.

Human Resource and Industrial Relations

Industrial relations of the company were cordial during the year and continue to remain peaceful at the factory & office at Indore and the corporate office at Mumbai and all the employees are working with the company for a common objective.

Cautionary Statement

Statements in this Management Discussion and Analysis describing your Company's objectives, projections, estimates and expectations, may be 'forward looking statements' are within the meaning of the applicable laws and regulations. Actual results might differ substantially or materially from those expressed and implied. Important development that could affect your Company's operations include a downtrend in the international market, fall in onsite, offshore rate and significant changes in political and economic environment, environment standards, tax laws, litigations and labour relations.

For PANCHSHEEL ORGANICS LIMITED

Place: Indore

Date: 30th May, 2015


Mahendra A. Turakhia
Chairman and Managing Director
(Din: 00006222)

Form No. MGT-9

ANNUAL RETURN

As on the financial year ended on 31/03/2015

of

PANCHSHEEL ORGANICS LIMITED

[Pursuant to Section 92(1) of the Companies Act, 2013

and

Rule 11(1) of the Companies (Management and Administration) Rules, 2014]

1. REGISTRATION AND OTHER DETAILS:

CIN	L24232MP1989PLC005390
Registration Date	02/08/1989
Name of the Company	PANCHSHEEL ORGANICS LIMITED
Category / Sub-Category of the Company	Indian Non-Government Company
Address of the Registered Office and contact details	B-6 & B-7 Sector-C, Industrial Area, Sanwer Road, Indore-452015, Madhya Pradesh.
Whether listed company	Listed
Name, address and contact details of Registrar and Transfer Agent, if any	Purva Share Registry (India) Pvt. Ltd , Unit No. 9, Shiv Shakti Ind. Estt., J.R. Boricha Marg, Opp. Kasturba Hospital Lane, Lower Parel (E), Mumbai-400011.

2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated):-

SL. No.	Name and Description of main Products / Services	NIC Code of the Product/Service	% to total turnover of the Company
01	Pharmaceuticals	24	100%

3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

SL. No.	Name and address of the Company	CIN / GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
NA	NA	NA	NA	NA	NA

4. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

[illegible]

f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-Total (B)(1):	0	0	0	0	0	0	0	0	0
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	19086	326100	345186	6.88%	12528	326100	338628	6.75%	0.13%
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individual									
i) Individual Shareholders holding nominal share capital upto Rs. 1 Lakh	411828	364200	776028	15.47%	402912	359200	762112	15.20%	0.27%
ii) Individual Shareholders holding nominal share capital in excess of Rs. 1 Lakh	533302	35300	568602	11.34%	370018	19800	389818	7.77%	3.57%
c) Other (Specify)									
i) Non Resident Indians	63300	0	63300	1.26%	70831	0	70831	1.41%	0.15%
ii) Hindu Undivided Families	25620	0	25620	0.51%	31920	0	31920	0.64%	0.13%
iii) Clearing Members	779	0	779	0.02%	1799	0	1799	0.04%	0.02%
Sub-Total (B)(2):	1053915	725600	1779515	35.48%	890008	705100	1595108	31.80%	3.68%
Total Public Share holding (B)= (B)(1) + (B)(2)	1053915	725600	1779515	35.48%	890008	705100	1595108	31.80%	3.68%
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	4289800	725600	5015400	100%	4310200	705200	5015400	100%	0%

ii. Shareholding of Promoters

Shareholders Name	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% of Change in share holding during the year
	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	
1.Kishore Abhaychand Turakhia	1079240	21.52%	0	1121240	22.36%	0	0.84%
2. Rajesh Abhaychand Turakhia	1074239	21.42%	0	1157239	23.07%	0	1.65%
3. Mahendra Abhaychand Turakhia	1072306	21.38%	0	1130713	22.54%	0	1.16%
4.Mahendra A Turakhia (Huf)	3700	0.07%	0	3700	0.07%	0	0
5. Rajesh A Turakhia (Huf)	3700	0.07%	0	3700	0.07%	0	0
6. Kishore A Turakhia (Huf)	3700	0.07%	0	3700	0.07%	0	0
TOTAL	32,35,885	64.52%		34,20,292	68.20%		3.68%

iii. Change in Promoters' Shareholding

1. Kishore Abhaychand Turakhia

Shareholding at the beginning of the year			Cumulative Shareholding during the year	
For Each Top 10 Share Holders	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	1079240	21.52%	1079240	21.52%
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	43000	0.86%	43000	0.86%
At the end of the year	1122240	22.37%	1122240	22.37%

2. Rajesh Abhaychand Turakhia

Shareholding at the beginning of the year			Cumulative Shareholding during the year	
For Each Top 10 Share Holders	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	1074239	21.42%	1074239	21.42%
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	83000	1.66%	83000	1.66%
At the end of the year	1157239	23.07%	1157239	23.07%

3. Mahendra Abhaychand Turakhia

Shareholding at the beginning of the year			Cumulative Shareholding during the year	
For Each Top 10 Share Holders	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	1072206	21.38%	1072206	21.38%
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	58407	1.17%	58407	1.17%

etc):				
At the end of the year	1130613	22.54%	1130613	22.54%

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Shareholding at the beginning of the year			Cumulative Shareholding during the year	
For Each Top 10 Share Holders	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<u>At the beginning of the year</u>				
Suneeta Chemicals Pvt Ltd	302600	6.02%	302600	6.02%
Manish Umed Doshi	100000	1.99%	100000	1.99%
Kamlesh M Gandhi	83294	1.66%	83294	1.66%
Tripathi Diwakar Mani	66450	1.32%	66450	1.32%
Gaurang Natwarbhai Patel	49500	0.97%	49500	0.97%
NarendraKumar Chunilal Jasani	30000	0.59%	30000	0.59%
Madhukar Chunilal Jasani	30000	0.59%	30000	0.59%
Rekha R Damani	20026	0.39%	20026	0.39%
Deepali C Shah	19800	0.39%	19800	0.39%
Ila S Shah	18950	0.37%	18950	0.37%
Date wise Increase/Decrease in other than Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g.allotment/transfer/bonus/sweat equity etc):				
Suneeta Chemicals Pvt Ltd	0	0	0	0
Manish Umed Doshi	0	0	0	0
Kamlesh M Gandhi	0	0	0	0
Tripathi Diwakar Mani	-11269	-0.22%	-11269	-0.22%
Gaurang Natwarbhai Patel	-7044	-0.14%	-7044	-0.14%
NarendraKumar Chunilal Jasani	0	0	0	0
Madhukar Chunilal Jasani	0	0	0	0
Rekha R Damani	0	0	0	0
Deepali C Shah	0	0	0	0
Ila S Shah	0	0	0	0
<u>At the end of the year</u> (or on the date of separation, if separated during the year)				
Suneeta Chemicals Pvt Ltd	302600	6.02%	302600	6.02%
Manish Umed Doshi	100000	1.99%	100000	1.99%
Kamlesh M Gandhi	83294	1.66%	83294	1.66%
Tripathi Diwakar Mani	55181	1.10%	55181	1.10%
Gaurang Natwarbhai Patel	42456	0.83%	42456	0.83%
NarendraKumar Chunilal Jasani	30000	0.59%	30000	0.59%

Madhukar Chunilal Jasani	30000	0.59%	30000	0.59%
Rekha R Damani	20026	0.39%	20026	0.39%
Deepali C Shah	19800	0.39%	19800	0.39%
Ila S Shah	18950	0.37%	18950	0.37%

v. Shareholding of Directors and Key Managerial Personnel

Name of Director/KMP:

Shareholding at the beginning of the year			Cumulative Shareholding during the year	
For Each Directors and KMP	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year				
Kishore Abhaychand Turakhia	10,79,240	21.52%	10,79,240	21.52%
Rajesh Abhaychand Turakhia	10,74,239	21.42%	10,74,239	21.42%
Mahendra Abhaychand Turakhia	10,72,206	21.38%	10,72,206	21.38%
Tripathi Diwakar Mani	66,450	1.32%	66,450	1.32%
Chandrakant Acharatlal Shah	12,550	0.25%	12,550	0.25%
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):				
Kishore Abhaychand Turakhia	43000	0.86%	43000	0.86%
Rajesh Abhaychand Turakhia	83000	1.66%	83000	1.66%
Mahendra Abhaychand Turakhia	58407	1.17%	58407	1.17%
Tripathi Diwakar Mani	-11269	-0.22%	11269	0.22%
Chandrakant Acharatlal Shah	0	0	0	0
At the end of the year				
Kishore Abhaychand Turakhia	11,22,240	22.37%	11,21,240	22.37%
Rajesh Abhaychand Turakhia	11,57,239	23.07%	11,57,239	23.07%
Mahendra Abhaychand Turakhia	11,30,613	22.54%	11,30,613	22.54%
Tripathi Diwakar Mani	55,181	1.10%	55,181	1.10%
Chandrakant Acharatlal Shah	12,550	0.25%	12,550	0.25%

5. INDEBTEDNESS :

(Indebtedness of the Company including interest outstanding/accrued but not due for payment):
(Rs.In Lac)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	49,955,987	0	0	0
ii. Interest due but not paid	0	0	0	0
iii. Interest accrued but not due	0	0	0	0
Total (i+ ii+ iii)	49,955,987	0	0	49,955,987
Change in Indebtedness during the financial year				
Addition	12,155,964	0	0	0
Reduction	0	0	0	0
Net Change	12,155,964	0	0	12,155,964
Indebtedness at the end of the financial year				
i. Principal Amount	62,111,951	0	0	0
ii. Interest due but not paid	0	0	0	0
iii. Interest accrued but not due	0	0	0	0
Total (i+ ii+ iii)	62,111,951	0	0	62,111,951

6. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No	Particulars of Remuneration	Mahendra Abhaychand Turakhia (Managing Directors)	Rajesh Abhechand Turakhia (Whole-time director)	Kishore Abhaychand Turakhia (Whole-time director)
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	30,00,000	28,80,000	28,80,000
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	Nil	Nil	Nil
2	Stock Options	-	-	-
3	Sweat Equity	-	-	-
4	Dir Remuneration & Commission	-	--	--

	- as % of profit			
	- Others, specify....	Nil	Nil	Nil
5	Others, please specify -Fee for attending Board/ Committee Meetings	Nil	Nil	Nil
	Total (A)	30,00,000	28,80,000	28,80,000
	Other Ceiling as per Act			

B. Remuneration to other Directors:

Sr. No	Particulars of Remuneration	Varsha Ketan Doshi	Diwakar Mani Tripath	Shambhnath Chakravart	Total amount
1.	Independent Director				
	-Fee for attending Board/ Committee Meetings	Nil	Nil	Nil	Nil
	Commission	Nil	Nil	Nil	Nil
	- Others, please specify	Nil	Nil	Nil	Nil
	Total (1)				
2	Other Non Executive Directors	NA	NA	NA	NA
	-Fee for attending Board/ Committee Meetings	Nil	Nil	Nil	Nil
	Commission	Nil	Nil	Nil	Nil
	- Others, please specify	Nil	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil	Nil
	Total B= 1+2	Nil	Nil	Nil	Nil
	Total Managerial Remuneration	Nil	Nil	Nil	Nil
	Other Ceiling as per Act	Nil	Nil	Nil	Nil

7. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalties/ Punishment/ Compounding Fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give details)
A. COMPANY		N/A			
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS		N/A			
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICER IN DEFAULT		N/A			
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

Place: Indore
Date: 30th May, 2015

For PANCHSHEEL ORGANICS LIMITED


MAHENDRA A. TURAKHIA
MANAGING DIRECTOR
(Din: 00006222)

Corporate Governance Report 2014-2015

The detailed report on Corporate Governance, for the financial year ended March 31, 2015 as per the format prescribed by SEBI and incorporated in Clause 49 of the Listing Agreement is set out below:

1. Company's philosophy on the Code of Governance

Corporate Governance is a set of systems and practices to ensure that the affairs of the Company is being managed in a way which ensures accountability, transparency, fairness in all its transactions in widest sense and meet up its stakeholders aspirations and societal expectations.

The Company has always endeavored to implement the Corporate Governance process in the most democratic form as maximization of shareholders wealth is cornerstone of your Company. For the Company the advent of the revised Clause 49 of the Listing Agreement has paved way for sharing with the stakeholders, the corporate governance practices, which are deeply rooted in the corporate culture of the Company. Your Company has been committed in adopting and adhering to global recognised standards of corporate conduct towards its employees, clients and the society at large. The management team of your Company exerts the strict adherence to corporate governance practices in order to cover the entire spectrum of governance activities and benchmark its practices with the prevailing guidelines of Corporate Governance.

2. Board of Directors

The Board of Panchsheel consists of Six Directors with a fair representation of Executive, Non-Executive and Independent Directors. The Chairman being Executive, as per Listing Agreement, the Company has three Independent Directors. There is no institutional nominee on the Board. Details of Directors retiring by rotation and their brief are provided in the notice to Annual General Meeting.

2.1. Composition and category of Directors

<i>Category</i>	<i>Name of Director</i>
Promoter / Executive Director	Mahendra A. Turakhia Kishore A. Turakhia Rajesh A. Turakhia
Non Executive and Independent Director	Varsha ketan Doshi Diwakar Mani Tripathi Shambhunath chakravarti

2.2. Board Meetings

Attendance of each Director at the Board Meetings and the last Annual General Meeting:

The Company holds regular Board Meetings. The detailed agenda along with the explanatory notes is circulated to the Directors well in advance. The Directors can suggest inclusion of any item(s) in the agenda at the Board Meeting.

The Company held 5 (Five) Board Meetings for the year ended 31st March, 2015. These were held on 30th May, 2014; 14th August, 2014; 10th September, 2014; 15th November, 2014; 14th February, 2015.

The attendance of the Directors at the Board Meeting and the Annual General Meeting held during the year ended 31st March 2015 was as follows

Directors	Board Meetings attended during the year	Whether attended last AGM	Other Directorships/ Board Committees (Numbers)	
			Directorships (excluding Private Limited Company)	Board Committee Membership/ (Chairmanship)
Mahendra A. Turakhia	5	Yes	None	None
Kishore A. Turakhia	5	Yes	None	None
Rajesh A. Turakhia	5	Yes	None	None
Varsha ketan Doshi	5	Yes	None	None
Diwakar Mani Tripathi	5	Yes	None	None
Shambhunath chakravarti	5	Yes	None	None

In accordance with the Articles of Association of the Company and In terms of Section 152 of the Companies Act, 2013, Mr. Rajesh Abhaychand Turakhia the Directors of the Company, retire by rotation and being eligible, offer them for re-appointment.

2.3 Information provided to the Board:

The Board of the Company is presented with all information under the following heads, whenever applicable and materially significant. These are submitted either as part of the agenda will in advance of the Board Meetings or are tabled in the course of the Board Meetings. This inter-alia, includes:

Corporate Governance Report 2014-2015

1. Annual operating plans of businesses, capital budgets, updates.
2. Quarterly results of the Company and its operating divisions or business segments.
3. Minutes of the Audit Committee and other committees.
4. Information on recruitment and remuneration of senior officers just below the Board level.
5. Materially important litigations, show cause, demand, prosecution and penalty notices.
6. Fatal or serious accidents.
7. Any material default in financial obligations to and by the Company or substantial non-payment for services rendered by the Company.
8. Details of any joint venture or collaboration agreement or new client win.
9. Any issue, which involves possible public liability claims of substantial nature, including any judgment or order, which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
10. Transactions have involved substantial payments towards good-will, brand equity, or intellectual property.
11. Significant development in the human resources front.
12. Sale of material nature of investments, subsidiaries, assets which is not in the normal course of business.
13. Quarterly details of foreign exchange exposure and the steps taken by management to limit the risks of adverse exchange rate movement.
14. Quarterly update on the return from deployment of surplus funds.
15. Non-compliance of any regulatory or statutory provisions or listing requirements as well as shareholders services as non-payment of dividend and delays in share transfer.

2.4. Brief resume of Directors who will be retiring by rotation at this Annual General Meeting of the Company

Mr. Rajesh Abhaychand Turakhia aged 58 years, residing at B/105, Swetambari Apts., 2nd Floor, N. J. Road No. 5, Gulmohar Cross Road No. 6, Mumbai 400049 holds the degree of Bachelor of Commerce and has a rich experience in the Pharmaceuticals industry as well as finance.

2.5 Secretarial Standards Relating To The Meetings

The Institute of Company Secretaries of India (ICSI) has established Secretarial Standards relating to the Meetings of the Board thereof and Annual General Meetings. Approval of the Central Government under sub-section (10) of Section 118 of the Companies Act, 2013 has been accorded to the Secretarial Standards (SS) namely SS-1 on Meetings of the Board and SS-2 on General Meetings.

These Secretarial Standards (SS-1 and SS-2) shall apply to Board Meetings and General Meetings, in respect of which Notices are issued on or after 1st July, 2015. The Company shall follow the same.

3. Audit Committee

The primary objective of the Audit Committee is to monitor and provide effective supervision of the management's financial reporting progress with a view to ensure accurate timely and proper disclosures and transparency, integrity and quality of financial reporting.

The Committee oversees the work carried out by the management, internal auditors on the financial reporting process and the safeguards employed by them.

3.1 Composition, Name of Members and Chairman

The Audit Committee of the Board comprises three Directors namely Mrs. Varsha ketan Doshi as a Chairman, Mr. Kishore A Turakhia and Diwakar Mani Tripathi as members. The Audit Committee meets with the requirement of the Companies Act, 2013 and Clause 49 of the Listing Agreements. Mr. Chandrakant A Shah is the Secretary of the Audit Committee.

3.2 Brief description of the terms of reference

The Audit Committee of the Company Perform following functions as follows:

- (a) To oversee the Company's financial reporting process and the disclosure of its financial information and to ensure that the financial statements are correct, sufficient and credible.
- (b) To recommend to the Board, the appointment, re-appointment and, if required removal of Statutory auditors and fixing audit fees and to approval of payments for any other services.
- (c) To review with management the annual financial statements before submission to the Board, focusing primarily on:
 - Any changes in accounting policies and practices
 - Major accounting entries based on exercise of judgment by management
 - Qualifications in the draft audit report
 - Significant adjustments arising out of audit
 - The going concern assumption
 - Compliance with the accounting standards
 - Compliance with Stock Exchanges and legal requirements concerning financial statements
 - Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large
- (d) To review and approve annual accounts of the Company and recommended to the Board for consideration or otherwise.
- (e) To review with Management; external and internal auditors, and review the efficiency of internal control systems. .

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- (f) To review the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- (g) To discuss with internal auditors about any significant findings and follow-up thereon.
- (h) To review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- (i) To discuss with external auditors before the audit commences, the nature and scope of audit as well as have post-audit discussions to ascertain any area of concern.
- (j) To review the Company's financial and risk management policies.
- (k) To look into the reasons for substantial defaults in the payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

3.3 Meetings and Attendance during the year 2014-15

Attendance record of the Audit Committee during the year as per the table
Given below:

Name Of Directors	Category	No. of Meetings held during the year	
		Held	Attended
Mrs. Varsha ketan Doshi	Independent	5	5
Mr. Kishore A. Turakhia	Non-Independent	5	5
Diwakar Mani Tripathi	Independent	5	5
Mr. Chandrakant A Shah	Secretary	5	5

3.4 Independent Directors' Meeting

During the year under review, the Independent Directors met on March 25, 2015, inter alia, to discuss and review:

- Evaluation of the performance of Non-independent Directors and the Board of Directors as a whole.
- Evaluation of the performance of the chairperson of the Company, taking into account the views of the Executive and Non-Executive Directors.
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

4. Remuneration Committee

The Remuneration Committee determines and recommends to the Board of Directors, the remuneration payable to the Executive Directors. The Board of Directors approved the remuneration to the Executive Directors on the basis of the performance as well as Company's performance, subject to consents as may be required.

The Non Executive Directors are not paid any remuneration except for the sitting fees for attending the Board Meetings/Committee Meetings.

The resolutions for the appointment and remuneration payable to the Executive Directors including commission to Managing Director are approved by the shareholders of the Company.

The remuneration to the Executive Directors consists of a fixed salary and other perquisites. The Leave Travel Allowance is paid as per the Company's rules. Provident Fund and Superannuation are provided for as per the Company's policies. Wherever applicable, the perquisites are considered as part of remuneration and taxed as per Income Tax Laws. The Commission recommended by the Remuneration Committee to the Board is paid to the Managing Director in accordance with the provisions of the Companies Act, 2013.

The Remuneration Committee of the Board comprises three Directors namely:

Mr. Diwakar Mani Tripathi	- Chairman
Mr. Rajesh A Turakhia	- Member
Ms. Varsha ketan Doshi	- Member

The details of remuneration of Executive Directors for the financial year 2014-2015 are given below:

(Rupees in Lacs)

Particulars	2014-15	2013-14	2012-13
Salary and Allowances (Rs.)	87,60,000	78,00,000	73,20,000
Contribution to PF, Superannuation and Gratuity Funds (Rs.)	-	-	-
Commission (Rs.)	-	-	-
Total (Rs.)	87,60,000	78,00,000	73,20,000

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The details of remuneration paid to the Non-Executive Directors by way of sitting fees during the financial year 2014-15 are given below:

Sr. No.	Name of the Non-Executive Director	Sitting fees (Rupees)	Other elements of remuneration
1.	Ms. Varsha ketan Doshi	-	-
2.	Mr. Diwakar Mani Tripathi	-	-
3.	Mr. Shambhunath chakravarti	-	-

5. Shareholders/ Investor Grievance Committee

5.1 Scope of the Committee

The scope of the Shareholders Grievance Committee is to review and address the grievances of the shareholders in respect of share transfers, transmission, issue of duplicate/consolidated share certificates, allotment and listing of shares, non-receipt of annual report, non-receipt of balance sheet, non-receipt of dividend etc, and other related activities. In addition, the Committee also looks into matters that can facilitate better investor's services and relations.

5.2 Composition of the Committee

The Committee is headed by Mr. Rajesh A Turakhia, Executive Director and other members of the Committee include Mr. Kishore A Turakhia and Mr. Diwakar Mani Tripathi.

5.3 Compliance Officer

Miss. Aparna Ramesh Akadkar is the Compliance officer of the Company

6. General Body Meetings

6.1 Location and time, where last three AGMs were held

Following table details the particulars of the last Three Annual General Meetings of the Company

Financial Year	Date & Time	Venue
2011-2012	29 September, 2012 at 11.30 a.m.	Registered Office
2012-2013	20 th July, 2013 at 11.30 am	Registered Office
2013-2014	30 th September at 11.30 am	Registered Office

7. Disclosures

7.1 Disclosures regarding materially significant related party transactions

No transaction of material nature has been entered into by the Company with its Promoters or Directors or management or relatives etc. that may have potential conflict with the interest of the Company.

All transactions with the Related Parties were in the ordinary course of business and at an arms length.

7.2 Disclosure

There are no material transactions with related parties, which require separate disclosure. A comprehensive list of related party transactions as required by Accounting Standard (AS) 18 issued by the Institute of Chartered Accountants of India, forms part of note no. N of II other explanatory notes and information to the accounts in the Annual Report.

The Board reviews the risk assessment and minimization procedure from time to time. The risk management issues are discussed in detail in the report of Management Discussion and Analysis.

There is no material pecuniary transaction with any Non-Executive as well as Independent Directors of the Company that requires a separate disclosure.

The Management Discussion and Analysis Report prepared in accordance with the requirements laid out in Clause 49 of the Listing Agreement.

There were no materially significant related party transactions i.e. transactions of the Company of material nature, with its Promoters, Directors or the Management or relatives etc. that may have potential conflict with the interest of the Company at large.

No penalties were imposed on the Company by the Bombay Stock Exchange Limited or SEBI or any other statutory authority on any matter related to capital market during the last three years.

The details of compliance with mandatory requirements of Clause 49 are as contained in this Report.

7.3 Prevention of Insider Trading

In compliance with the Securities and Exchange Board of India (Prevention of Insider Trading) Regulations 2015, as amended till date on prevention of Insider Trading, the Company has a comprehensive code of conduct and the same is being strictly adhered by its

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management staff and relevant business associates. The code expressly lays down the guidelines and the procedure to be followed and disclosures to be made while dealing with shares of the company and cautioning them on the consequences on non-compliance thereof.

The Company follows quiet periods (closure of trading window) prior to its publication of unpublished price sensitive information. During the quiet period, the Company has set up a mechanism where the management and relevant staff and business associates of the Company are informed not to trade in Company's securities.

The Company also affirms that no personnel has been denied access to the audit committee

7.4 Code of conduct

In terms of Clause 49 of the Listing Agreement(s), the Company has adopted a Code of Conduct for the Board of Directors and Senior Management Personnel of the Company. The same has been posted on the Company's website. The Declaration by the Chairman of the Company forms part of this Report.

7.5 Details of Compliance with Clause 49 of the Listing Agreement

The Company has complied with the provisions of Clause 49 of the Listing Agreement

8 Means of Communication

- (a) Half-yearly report were sent to each registered residential addresses of shareholders
- (b) The quarterly and half yearly results are published in the Free Press Journal (National Daily) And Chautha Sansar (Regional Newspaper).
- (c) The Listing Centre of BSE is a web based application designed by the BSE for corporate. All periodical compliance filings like shareholding pattern, corporate governance report, etc are also filed electronically on the Listing Centre.
- (d) The investors complaints are processed in a centralized web based complaints redress system. The salient features of this system is Centralised database of all companies, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.

9. Management Discussion and Analysis

The Company has provided a detailed Management Discussion and Analysis report in its Annual Report and the same forms part of the Annual Report.

10. General Shareholder Information

10.1 Forth Coming Annual General Meeting

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The forthcoming Annual General Meeting of the Company is scheduled to be held on 30th September, 2015 at the Registered Office of the Company at 11.00 a.m. at B-6 & B-7, Sector C, Industrial Area, Sanwer Road, Indore-452015.

10.2 Financial Year of the Company

1st April to 31st March.

10.3 Date of Book Closure

From 24th September, 2015 to 30th September, 2015 (Both days inclusive).

10.4 Dividend payment date

Credit/ dispatch of dividend warrants between 01st September, 2015 to 5th September, 2015.

10.5 Listing on Stock Exchange

The Bombay Stock Exchange Limited, Mumbai
The Madhya Pradesh Stock Exchange, Indore

10.6 Stock Code

531726 on The Bombay Stock Exchange Limited, Mumbai
2853 on The Madhya Pradesh Stock Exchange Limited, Indore

10.6 The ISIN of Panchsheel Organics Limited on both NSDL and CDSL

INE 316G0101

10.7 Market Price Data: High Low during each month in Financial Year i.e. 1st April 2014 to 31st March, 2015.

Month	Open Price	High Price	Low Price	Close Price	No. of Shares
April 2014	23.00	24.60	21.80	24.00	11,222
May 2014	22.80	25.20	22.50	25.20	4,809
June 2014	24.00	24.00	20.50	22.00	23,427
July 2014	22.00	23.00	20.50	21.00	18,608
August 2014	20.85	26.10	20.55	23.95	1,93,551

Corporate Governance Report 2014-2015

September 2014	22.80	37.35	22.85	32.00	40,369
October 2014	30.40	34.70	28.10	31.25	24,467
November 2014	30.00	36.00	24.45	31.02	44,553
December 2014	32.65	33.20	27.50	31.00	10,422
January 2015	30.95	38.00	27.00	30.50	20,486
February 2015	30.50	33.50	26.40	31.00	12,052
March 2015	30.90	41.00	28.40	37.00	1,74,206

10.8 Registrar and Share Transfer agents

Purva Share Registry (I) Private Limited
 ShivShakti Industrial Estate, Unit No. 9, 7/B
 Sitaram Mill Compound, J. R. Boricha Marg
 Lower Parel (East), Mumbai- 400 011.

10.9 Share transfer system

Shares sent for transfer in physical form are registered and returned by Registrar and Share transfer agents within 30 days from the date of receipt of documents, provided the documents are found in order. Share under objection are returned within 21 days. There has been transfer of 20,400 Equity shares in the physical form during the financial year 2014-15.

10.10 Distribution Schedule and Shareholding Pattern as on March 31, 2015

Distribution Schedule as on March 31, 2015

Sr. No.	Category	No. of Shareholders	% of Shareholders	Amount	% Amount
1	1 - 5000	1073	75.14	2,305,470	4.60
2	5001 - 10000	167	11.69	1,453,110	2.90
3	10001 - 20000	87	6.09	1,354,170	2.70
4	20001 - 30000	33	2.31	8,31,020	1.66
5	30001 - 40000	17	1.19	6,06,160	1.21
6	40001 - 50000	16	1.12	7,51,000	1.50
7	50001 - 100000	16	1.12	1,102,070	2.20
8	100001 and above	19	1.33	41,751,000	83.25
Total		1442	100.00	50,15,4000	100.00

Shareholding Pattern as on March 31, 2015

Sr. No.	Category Shareholder	of No. of Shareholders	Number of Shares	% of Equity
1.	Promoters	6	3,420,292	68.20%

Corporate Governance Report 2014-2015

2.	Mutual Funds/ UTI	-	-	-
3.	Bank/Financial Institution/Insurance Company	-	-	-
4.	FII's/GDR	-	-	-
5.	Private Bodies Corporate	38	3,38,628	6.75%
6.	Indian Public	1,339	1,151,930	22.97%
7.	NRI's/OCBs	9	70,831	1.41%
8.	Others	36	33,719	0.67%
Total		1,428	50,15,400	100

10.11 Dematerialisation of Shares

As on 31st March, 2015, 5,45,556 equity shares of Rs.10/- each were in dematerialized form with NSDL and 37,64,644 equity shares of Rs. 10/- each were in dematerialized form with CDSL constituting 10.88% and 75.07% respectively of the paid-up capital.

10.12 Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity

Not issued

10.13 Plant Locations

The Company's Plants are located at B6 & B7, Sector C, Industrial Area, Sanwer Road, Indore, Madhya Pradesh.

10.14 Address for correspondence

For any Query relating to the Shares of the Company

Purva Share Registry (I) Private Limited

Shiv Shakti Industrial Estate, Unit No. 9, 7/B, Sitaram Mill Compound, J. R. Boricha Marg, Lower Parel, Mumbai- 400 011

Any other Query

Secretarial Department

Panchsheel Organics Limited

B-6 & B-7, Sector C, Industrial Area, Sanwer Road, Indore -452015, M.P.

Email: poltd@vsnl.com

11. Code of Business Conduct & Ethics For Directors/Management Personnel

The company is committed in conducting its business in conformity with ethical standards and applicable laws and regulations. The code of conduct for the directors and senior management of the company has been laid Down by the board and the same is posted on the website of the company declaration by the CEO/managing director under clause 49 of the listing agreement regarding adherence to the code of conduct

12.Prohibition of Insider Trading

With a view to regulate trading in securities by the Directors and Designated Employees, the Company has adopted a Code of Conduct for prevention of Insider Trading.

CERTIFICATE ON CORPORATE GOVERNANCE

Managing Director's Certification pursuant to Clause 49 of the Listing Agreement

I, Mahendra Turakhia, Chairman & Managing Director of Panchsheel Organics Limited, to the best of my knowledge and belief, certify that:

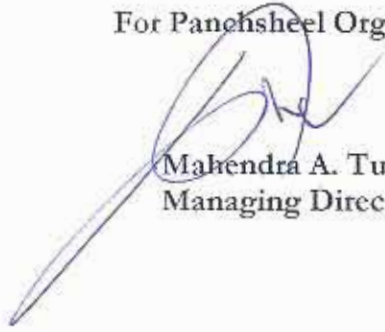
1. I have reviewed the Balance Sheet as on 31st March, 2015 and Profit and Loss Account for the year ended as on that date along with all its schedules and notes on accounts, as well as the cash flow statements and the Directors' Report;
2. Based on my knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the statements made;
3. Based on my knowledge and information, the financial statements, and other financial information included in this report, present in all material respects, a true and fair view of, the Company's affairs, the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report, and are in compliance with the existing accounting standards and / or applicable laws and regulations;
4. To the best of my knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violate of the Company's code of conduct;
5. I am responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the Company, and I have:
 - a) Designed such disclosure controls and procedures to ensure that material information relating to the Company, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

Corporate Governance Report 2014-2015

- b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the Company's disclosure, controls and procedures; and
 - d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal year that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting;
6. I have disclosed based on our most recent evaluation, wherever applicable, to the Company's auditors and the Audit Committee of the Company (and persons performing the equivalent functions)
- a) All deficiencies in the design or operation of internal controls, which could adversely affect the Company's ability to record, process, summarize and report financial data, and have identified for the Company's auditors, any material weaknesses in internal controls over financial reporting including any corrective actions with regard to deficiencies;
 - b) Significant changes, if any, in internal controls during the year covered by this report;
 - c) All significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements;
 - d) Instances of significant fraud of which I am aware, that involves management or other employees who have a significant role in the Company's internal control system;
7. I affirm that I have not denied any personnel, access to the Audit Committee of the Company (in respect of matters involving alleged misconduct) and I have provided protection to 'whistle blowers' from unfair termination and other unfair or prejudicial employment practices; and
8. I further declare that all board members and senior managerial personnel have affirmed compliance with the code of conduct for the current year.

For Panchsheel Organics Limited

Place: Indore
Date: 30th May, 2015



Mahendra A. Turakhia
Managing Director

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

**TO THE MEMBERS OF
PANCHSHEEL ORGANICS LIMITED**

We have examined the compliance of conditions of Corporate Governance by Panchsheel Organics Limited (the Company) for the year ended on March 31, 2015, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock exchanges.

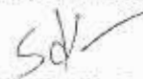
The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-referred Listing Agreement.

We have been explained that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.

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 M/S. V.R Shah & Associates
Chartered Accountants


V. R. Shah
Proprietor

Place: Indore
Date: 30th May, 2015

CERTIFICATE FROM PRACTISING COMPANY SECRETARY REGARDING
COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Shareholders of PANCHSHEEL ORGANICS LIMITED,

We have examined the compliance of conditions of Corporate Governance by Duke Offshore Limited for the year ended 31st March 2015, as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchange in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination has been limited to a review of procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement, subject to the following:

The Board of Directors of the Company does have an optimum combination of executive and non-executive directors.

We state that no investor grievance is pending against the Company exceeding one month as per records maintained by the company, which are presented to the Shareholders / Investors Grievance Committee.

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 management has conducted the affairs of the Company.

For GMS & CO.,

SD/-

Gaurang shah

Practising Company Secretary

Membership No: 32581

Certificate of Practice Number: 11953

PANCHSHEEL ORGANICS LIMITED

Regd. Off: B-6 & B-7, Sector - C, Industrial Area, Sanwer Road, Indore, Madhya Pradesh 452015

ATTENDANCE SLIP

CIN No: L24232MP1989PLC005390

I/We hereby record my/our presence at the Annual General Meeting of the Company to be held on Saturday, the 30th day of Sep, 2015 at 11.00 A.M. at B-6 & B-7, Sector - C, Industrial Area, Sanwer Road, Indore, Madhya Pradesh 452015

DPID *:	Folio No.:
Client Id *:	No. of Shares:

*** Applicable for investors holding shares in electronic**

Name and Address of the Shareholder (s)

If Shareholder (s), Please sign here

If Proxy, please mention name and sign here

Signature _____

Name & Signature _____

Note:

1. Please fill this attendance slip and hand it over at the entrance of the hall.
2. Please complete the Folio / DP ID-Client ID No. and name, sign this Attendance Slip and hand it over at the Attendance Verification Counter at the ENTRANCE OF THE MEETING HALL.
3. Electronic copy of the Annual Report for 2015 and Notice of the Annual General Meeting (AGM) along with Attendance Slip and Proxy Form is being sent to all the members whose email address is registered with the Company/ Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
4. Physical copy of the Annual Report for 2015 and Notice of the Annual General Meeting along with Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members whose email is not registered or have requested for a hard copy.



GMS & CO.

Practicing Company Secretaries

Office:302-A-wing, Rushabh Enclave,Near Ambemata Temple,Bhayander(w),Thane-401101

ANNEXURE II

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2015

To ,

The Members,

PANCHSHEEL ORGANICS LIMITED

CIN NO: L24232MP1989PLC005390

Add: B-6 & B-7 SECTOR-C, INDUSTRIAL AREA,SANWER ROAD,,
INDOREi-452015, Madhya Pradesh

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **PANCHSHEEL ORGANICS LIMITED**(hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the **PANCHSHEEL ORGANICS LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **PANCHSHEEL ORGANICS LIMITED** for the financial year ended on 31st March 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;



GMS & CO.

Practicing Company Secretaries

Office:302-A-wing, Rushabh Enclave,Near Ambemata Temple,Bhayander(w),Thane-401101

- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) Other laws applicable to the Company as per the representation given by the Company:

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange(s).



GMS & CO.

Practicing Company Secretaries

Office:302-A-wing, Rushabh Enclave,Near Ambemata Temple,Bhayander(w),Thane-401101

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

It is observed that as per the management representation letter given by the company that they have already submitted delisting application to Ahmedabad stock exchange & the same matter is pending with the exchanges.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

For GMS & Co.

Sd/-

[GAURANG SHAH]

PRACTICING COMPANY SECRETARY

ACS: 32581 COP: 11953

Place: Mumbai

Date: 30th May,2015

Note: This report is to be read with our letter of even date that is annexed as Annexure I and forms an integral part of this report.



GMS & CO.

Practicing Company Secretaries

Office:302-A-wing, Rushabh Enclave,Near Ambemata Temple,Bhayander(w),Thane-401101

To,

The Members,

PANCHSHEEL ORGANICS LIMITED

CIN NO: L24232MP1989PLC005390

Add: B-6 & B-7 SECTOR-C, INDUSTRIAL AREA,SANWER ROAD,,
INDOREi-452015, Madhya Pradesh

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules and regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For GMS & Co.

Sd/-

[GAURANG SHAH]

PRACTICING COMPANY SECRETARIES

ACS: 32581 COP: 11953

Place: Mumbai

Date: 30.05.2015

PANCHSHEEL ORGANICS LIMITED

Regd. Off: B-6 & B-7, Sector - C, Industrial Area, Sanwer Road, Indore, Madhya Pradesh 452015

PROXY FORM

(Pursuant to section 105(6) of the companies act 2013 and rule 19(3) of the Companies (Management and Administration) Rule, 2014)

Name of the member (s):	E-mail id:
	No. of shares held
Registered address:	Folio No.
	DP ID*
	Client ID*

* Applicable for investors holding shares in electronic form.

I/We of being a Member/Members of **Panchsheel Organics Limited** hereby appoint _____ of _____ or failing him/her _____ of _____ as my/our Proxy to vote for me / us on my / our behalf at the Annual General Meeting of the Company to be held on Tuesday, the 30th day of Sep, 2014 at 11.30 A.M. at B-6 & B-7, Sector - C, Industrial Area, Sanwer Road, Indore, Madhya Pradesh 452015, and any adjournment thereof.

Affix
revenue
stamp

Dated this _____ day of _____ 2015

Signature _____

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. A Proxy need not be a member of the company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.
5. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 26th Annual General Meeting.
6. Please complete all details including details of member(s) in above box before submission.