



**Standard Medical &
Pharmaceuticals Limited**

30th ANNUAL REPORT 2013-2014



BOARD OF DIRECTORS

A Raghava Reddy

Chairman

S Basu Thakur

Managing Director

V Rajagopal Reddy

Director

A Siva Kumar Reddy

Director

Auditors

M/s J B Reddy & Co.,
Chartered Accountants
206, Srinilaya Estates
Ameerpet
Hyderabad - 500073

Registered Office

6-3-652, 'Kautilya',

Somajiguda, Hyderabad-500 082.

Ph: 040 - 2331 0066, Fax: 2332 7464

Email: smplhohyd@gmail.com

Website : www.smplindia.co.in



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Thirtieth Annual General Meeting of the Members of Standard Medical & Pharmaceuticals Limited, will be held on Thursday, the 25th September, 2014 at 3.30 p.m at The Central Court Hotel, Lakdi-ka-pul, Hyderabad - 500004 to transact the following Business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Statement of Profit & Loss for the year ended on 31st March, 2014 and the Balance Sheet as at that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. S Basu Thakur (Holding DIN 01687089), who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint M/s J.B. Reddy & Co., Chartered Accountants (Firm Registration No.003256S), the retiring Auditors of the company, who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the company and to authorise the Board to fix their remuneration.

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass with or without modification (s), the following resolution as an Ordinary Resolution:-
"RESOLVED that pursuant to the Provisions of Sections 149,152 read with Schedule IV and all other applicable provisions of the Companies Act., 2013 and the Companies (Appointment and Qualification of Director) Rules, 2014 (including any statutory modification (s) or re-enactment thereof for the time being in force) and Clause 49 of Listing Agreement, Mr. V. Rajagopal Reddy (Holding DIN 02840961), who was appointed as an Independent Director of the company liable to retire by rotation under the provisions of companies Act., 1956 and whose term expires at this Annual General Meeting and in respect of whom the company has received a notice in writing under section 160 of the companies Act., 2013 from a member proposing his candidature for the office of the Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years i.e., upto the Annual General Meeting of the year 2019.
5. To consider and, if thought fit, to pass with or without modification (s), the following resolution as an Ordinary Resolution:-

"RESOLVED that pursuant to the Provisions of Sections 149,152 read with Schedule IV and all other applicable provisions of the Companies Act., 2013 and the Companies (Appointment and Qualification of Director) Rules, 2014 (including any statutory modification (s) or re-enactment thereof for the time being in force) and Clause 49 of Listing Agreement, Mr. A. Sivakumar Reddy (Holding DIN 02552207), who was appointed as an Independent Director of the company liable to retire by rotation under the provisions of companies Act., 1956 and whose term expires at this Annual General Meeting and in respect of whom the company has received a notice in writing under section 160 of the companies Act., 2013 from a member proposing his candidature for the office of the Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years i.e., upto the Annual General Meeting of the year 2019.

6. To Consider and thought fit, to pass with or without modification(s), the following resolution as Special Resolution:-
"RESOLVED THAT in supersession of the ordinary resolution passed under section 293 (1) (d) of the Companies Act, 1956 at its Extraordinary General Meeting held on 20.10.1986 and pursuant to section 180 (1)(c) and any other applicable provisions of the Companies Act., 2013 and the rules made there under (including any statutory modification (s) or re-enactment thereof for the time being in force), the consent of the company be and is hereby accorded to the Board of Directors to borrow monies in excess of the aggregate of the paid up share capital and free reserves of the company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loan obtained / to be obtained from the company's Bankers in the ordinary course of business, shall not be in excess of Rs. 40.00 crores (Rupees forty crores only) over and above the aggregate of the paid up share capital and free reserves of the company."
"RESOLVED FURTHER THAT the Board be and is hereby also authorised to do all such other acts, deeds, things as may be required from time to time which may be incidental or ancillary thereto in giving effect to this resolution".
7. 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 the resolution passed under section 293(1)(a) of the Companies Act., 1956 on 07.09.1994 and pursuant to section 180 (1)(a) and any other applicable provisions of the Companies Act., 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the



company be and is hereby accorded to the Board of Directors to create charge on the assets and undertakings of the company by way of equitable mortgage etc., with any Financial Institution(s), Bank(s) and such other lenders and to arrange or fix the terms and conditions including interest, repayment, security etc., for all such monies to be borrowed from time to time as may think fit and proper in the best interest of the company”.

“RESOLVED FURTHER THAT the Board be and is hereby also authorised to do all such other acts, deeds, things as may be required from time to time which may be incidental or ancillary thereto in giving effect to this resolution.”

By Order of the Board

Place : Hyderabad
Date : 9th August, 2014

A RAGHAVA REDDY
Chairman

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a member.
2. The Proxy forms should be lodged with the company not less than 48 hours before the time fixed for the meeting.
3. The Register of members and the share Transfer Books of the company will be closed from Wednesday, the 24th September, 2014 to Thursday, the 25th September, 2014 (both days inclusive).
4. The Ministry of Corporate Affairs, Government of India (vide its circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' by allowing paperless compliances and recognizing delivery of Notices / Documents / Annual Reports, etc., to the shareholders through electronic medium. In view of the above the Company will send Notices / Documents / Annual Reports, etc., to the shareholders through email, wherever the email addresses are available. Accordingly, members are requested to update / register their email addresses with the Company.
Pursuant to Section 108 of Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, the Company is pleased to provide the members' the facility to exercise their right to vote at the 30th AGM by electronic means and the business shall be transacted through e-voting services provided by Central Depository Services Limited. The e-voting facility will be available at the link www.evotingindia.com during the following voting period:

From 09.00 a.m. on 19th September, 2014 to 6.00 p.m. on 21th September, 2014.

5. E-voting shall not be allowed beyond 6.00 p.m on the 21th September, 2014. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company.
6. The Company has appointed Mr. L. Dhanamjay Reddy, Proprietor of M/s L. D. Reddy & Co., Practicing Company Secretaries, Hyderabad as Scrutinizer for conducting the e-voting process for the Annual General Meeting in a fair and transparent manner.
7. “The login ID and password for e-voting along with process, manner and instructions for e-voting is furnished in the annexure to the notice in page no. 4 for the members who have not registered their e-mail IDs with the Company. For the members who have registered their e-mail IDs with the Company the login ID and password for e-voting along with process, manner and instructions are forwarded by e-mail.”

EXPLANATORY STATEMENT:

(Pursuant to section 102(1) of the Companies Act, 2013)

ITEM NO.4

Mr. V. Rajagopal Reddy is an Independent Director of the Company. Mr V. Rajagopal Reddy is a member of the Audit Committee of the Board of Directors of the Company. Mr V. Rajagopal Reddy is an M.A. (Philosophy) with vast Industrial experience.

Mr. V. Rajagopal Reddy is a Director whose period of office is liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Sections 149 and other applicable provisions of the Companies Act, 2013, Mr V. Rajagopal Reddy being eligible and offering himself for appointment is proposed to be appointed as an Independent Director for five consecutive years for a term upto the conclusion of the Annual General Meeting of 2019.

The Company has received notice from a member proposing the candidature of Mr. V. Rajagopal Reddy for the office of the Director of the company. The Company has also received declaration from Mr V. Rajagopal Reddy that he meets with the criteria of independence as provided under section 149(6) of the Act.

The Board considers that his continued association would be of benefit to the company and it is desirable to continue to avail his services as an Independent Director. The Board recommends the resolution in relation to appointment of Mr V. Rajagopal Reddy as an Independent Director for the approval by the shareholders of the company.



Except Mr V. Rajagopal Reddy, none of the Directors and Key Managerial Personnel of the Company / their relatives are concerned or interested, financial or otherwise in the resolution set out at Item No.4.

ITEM NO. 5

Mr. A. Sivakumar Reddy is an Independent Director of the Company. Mr A. Sivakumar Reddy is a member of the Audit Committee of the Board of Directors of the Company. Mr A. Sivakumar Reddy is a holder of Bachelor Degree in Commerce with varied Business experience.

Mr. A. Sivakumar Reddy is a Director whose period of office is liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Sections 149 and other applicable provisions of the Companies Act, 2013, Mr A. Sivakumar Reddy being eligible and offering himself for appointment is proposed to be appointed as an Independent Director for five consecutive years for a term upto the conclusion of the Annual General Meeting of 2019.

The Company has received notice from a member proposing the candidature of Mr. A. Sivakumar Reddy for the office of the Director of the company. The Company has also received declaration from Mr A. Sivakumar Reddy that he meets with the criteria of independence as provided under section 149(6) of the Act.

The Board considers that his continued association would be of benefit to the company and it is desirable to continue to avail his services as an Independent Director. The Board recommends the resolution in relation to appointment of Mr A. Sivakumar Reddy as an Independent Director for the approval by the shareholders of the company.

Except Mr A. Sivakumar Reddy, none of the Directors and Key Managerial Personnel of the Company / their relatives are concerned or interested, financial or otherwise in the resolution set out at Item No.5.

ITEM NO.6

The Members of the company passed the ordinary resolution on 20.10.1986 at its Extra Ordinary General Meeting under section 293(1) (d) of the companies Act, 1956 borrowing over and above the aggregate of paid up share capital and free reserves of the company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of Rs. 40.00 crores (Rupees forty crores only). Section 180(1)(c) of the Companies Act, 2013 effective from 12th September ,2013 requires that the Board of Directors shall not borrow money in excess of the Company's paid up share capital and free reserves, apart from temporary loans

obtained from the company's bankers in the ordinary course of business, except with the consent of the members of the company accorded by way of a special resolutions.

It is therefore necessary for the members to pass a Special Resolution under the section 180(1)(c) and other applicable provisions of the Companies Act, 2013 as set out at Item No.6 of the notice to enable the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the company. Approval of members is being sought to borrow money upto Rs. 40.00 crores (Rupees forty crores only) in excess of the aggregate of the paid up share capital and free reserves of the company.

None of the Directors of the company/ Key Managerial Personnel / their relatives is concerned or interested, financial or otherwise, in the resolutions and at Item No.6.

The Board recommended the special resolution set out at Item No.6 of the notice for approval by the shareholders.

None of the directors are in any way interested/concerned in the above resolution.

ITEM NO.7

The members of the company passed the ordinary resolution on 07.09.1994 under sections 293(1) (a) of the Companies Act, 1956 at its General Body Meeting to create charge on the assets and undertakings of the company by way of equitable mortgage etc. Section 180(1)(a) of the Companies Act, 2013 effective from 12.09.2013 requires that the Board of Directors shall not create charges on the assets and undertaking of the company by way of equitable mortgage etc., with any Financial Institution(s), Banks(s) and such other lender(s) except with the consent of members of the company accorded by way of a special resolution. It is therefore necessary to pass special resolution as set out in Item No.7.

None of the Directors of the company / Key Managerial Personnel and their relatives is concerned or interested, financial or otherwise, in the resolution set out as Item No.7.

The Board recommends the special resolution set out at Item No.7 of the notice for approval by the shareholders.

None of the directors are in any way interested/concerned in the above resolution.

By Order of the Board

Place : Hyderabad
Date : 9th August, 2014

A RAGHAVA REDDY
Chairman



INSTRUCTIONS FOR EXERCISE OF VOTING RIGHTS BY ELECTRONIC MEANS

1. The voting period begins from 09.00 a.m. on 19th September, 2014 to 6.00 p.m. on 21st September, 2014. During this period shareholders of the Company to whom notice of the AGM have been dispatched electronically or physically by post or courier, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
2. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to register themselves as Corporates by logging on to www.evotingindia.com. A scanned copy of the Registration Form duly signed and seal affixed should be e-mailed to helpdesk.evoting@cdslindia.com. The login details will be sent by CDSL by reply mail. After receiving the login details they have to create a compliance user who would be able to link the account(s) which they wish to vote on. The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they can cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
3. The following are the instructions for participating in the e-voting on the resolutions contained in the notice of the Annual General Meeting. These apply to all the Members of the Company and who receive the notice either by e-mail or physical copy.
 - a. Log on to the e-voting website www.evotingindia.com during the voting period.
 - b. Click on "Shareholders" tab.
 - c. Select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
 - d. Enter your User ID as shown below:

Members holding shares in Physical form	Folio No.
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- e. Enter the image verification as displayed and click on "Login"
 - f. Enter the Password:
Password entry for Members who are holding shares in Physical form and are exercising e-voting for the first time shall be as below:
- | | |
|-----|---|
| PAN | For Members who have not registered their PAN, the first two letters of their name followed by the eight digits Serial Number printed on the address slip shall be entered in the PAN Field.. |
|-----|---|
- g. Click Submit for further processing. If the password entered is incorrect, system will not allow the login and you will have repeated the process under (e) above until the proper password is entered.
 - h. Members holding shares in physical form will be directed to the "Company Selection" menu.
 - i. Click on the EVSN for Standard Medical & Pharmaceuticals Limited and you will be directed to the e-Voting Screen.
 - j. The Description of the Resolutions as set out in the Notice of the Meeting and the voting options "YES/No" will be displayed for each of the resolutions on this Screen for voting.
 - k. Click on the "Resolutions File Link" if you wish to view the full description of the resolutions.
 - l. Select the option YES or NO for each of the item as desired by you. The option YES Implies that you assent to the Resolution and option NO implies that you dissent to the resolution.
 - m. After selection click on SUBMIT and a confirmation box will be displayed. If you wish to confirm and complete the voting press OK, else press CANCEL to change your vote.
 - n. Once you CONFIRM your vote on the resolution, you will not be allowed to modify your vote.
 - o. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
4. Voting through electronic means would be on the basis of proportion of shares held by the member viz., on "one-share one-vote" basis.
 5. For any queries or issues regarding e-voting, please refer to the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com



DIRECTORS' REPORT

To
The Members of
Standard Medical & Pharmaceuticals Limited,

Your Directors take pleasure in presenting this 30th Annual Report together with the Audited Accounts for the year ended 31st March, 2014 and the Report of the Auditors thereon.

FINANCIAL RESULTS

A statement of the financial and operational results of your Company for the year under review is furnished hereunder:

Particulars	(Rs. in lakhs)	
	2013-2014	2012-2013
Total Income	1.95	3.67
Total Expenditure	13.89	15.02
Profit / (Loss) for the year	(11.94)	(11.35)

OPERATIONS

There is no business income during the year as there was no operations on account of non availability of any Investible funds. The expenditure under different heads have been kept under control by taking necessary measures.

During the year the Company entered into an Agreement for selling 27,50,220 equity shares held at M/s. Medinova Diagnostic Services Limited equivalent to 29.01% (29.16% of Voting Capital of MDSL) to M/s. Vijaya Diagnostic Centre Private Limited. Consequently, M/s. Vijaya Diagnostic Centre Private Limited after completion of necessary formalities of the Open Offer and acquisition of Shares as mandated under SEBI (SAST) Regulation, 2011 has become the promoter of M/s. Medinova Diagnostic Services Limited in the place of M/s. Standard Medical & Pharmaceuticals Limited.

DIVIDEND

In view of the loss, your directors have not recommended any dividend on the paid up equity share capital of the company, for the year.

DIRECTORS

Sri. S. Basu Thakur, Director retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

STATUTORY AUDITORS

M/s. J B Reddy & Co., Auditors of your Company, retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Company has received certificate from the Auditors to the effect that their appointment, if made would be within the prescribed limits under section 224 (1-B) of the Companies Act, 1956.

As regards the Auditors' opinion in their report, members' attention is invited to Note No. 1.3, under the 'Notes Forming Part of Financial Statements', which is self-explanatory.

In respect of the Auditors' observation in their report on delays in making payments towards Provident Fund and E.S.I. Contributions, necessary efforts are being given to remit the amount in time. With regard to the Statutory dues as observed by the Auditors, efforts are on to clear the said amounts.

CORPORATE GOVERNANCE

A report on the Corporate Governance is annexed separately as part of this report along with a certificate of compliance from M/s J.B. Reddy & Company, Chartered Accountants in practice. Necessary requirements of obtaining certifications/declarations in terms of Clause 49 have been complied with.

MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Management Discussion and Analysis Report is annexed and forms an integral part of the Annual Report.

PUBLIC DEPOSITS

During the year, the Company has not accepted any deposits in the nature of public.

PARTICULARS OF EMPLOYEES

None of the Employees is in receipt of remuneration exceeding the limits as prescribed under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

PARTICULARS RELATING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUT GO

The particulars of conservation of energy and technology absorption as required to be furnished under Sec. 217(1)(e) of the Companies Act, 1956 read with relevant rules thereunder, are not applicable to your Company.

The Company has not earned any foreign exchange during the year. Also, during the year, there was no foreign exchange used.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, in relation to financial statements for the year 2013-14, the Board of Directors reports that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- Accounting policies have been selected 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 and of the profit or loss of the Company for the year under review;
- Proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Annual Accounts for the financial year ended 31st March, 2014 have been prepared on a 'going concern' basis.

ACKNOWLEDGEMENT

Your Directors wish to thank the Banks, various Governmental Agencies and Investors of your Company for their understanding and support. Your Directors also take this opportunity to convey their appreciation to all the Employees of your Company for their contribution.

for and on behalf of the Board

Place : Hyderabad
Date : 9th August, 2014

A RAGHAVA REDDY
Chairman



ANNEXURE TO DIRECTORS' REPORT

[Additional information pursuant to requirement of section 217 (1) (e) of the Companies Act, 1956]

MANAGEMENT DISCUSSION & ANALYSIS

The Company is engaged in the business of Marketing/Trading of Hospital Products & Consumables.

1. Business Overview & Outlook:

Medical electronics has emerged as one of the fastest sectors in the entire electronics fields. Inventions of new medical equipment have made the job of the Medical professionals easier. In the past, doctors were more depending on their own clinical skills to treat the patients but now the whole range of diagnostic, surgical equipment are available at their disposal to treat a patient. Advancement in diagnostics, substantial demand, coupled with ongoing standardization of regulation and accreditation, has made India an attractive destination for foreign companies to outsource manufacturing of high-end medical devices. Many companies are now entering into the field of manufacturing medical equipment which are not only being used in India but are being exported also.

2. Company's Performance:

The Company could not transact business during the year 2013-2014 also due to the non-availability of investible funds. However, as the Company does not have much liability various thoughts are being put together to start the operation afresh.

CORPORATE GOVERNANCE

The Company's philosophy on Code of Corporate Governance:

Your Company believes that Good Corporate Governance helps in retaining shareholders' and other stakeholders' confidence while dealing with all the shareholders, customers and others, apart from enhancing the image of the Company.

Your Company's philosophy on Corporate Governance is founded upon a rich legacy of integrity, accountability, fairness and transparency and therefore your Company remains committed to these basic tenets towards achieving excellence in Corporate Governance. Your Company pursues best corporate practices and timely disclosures to enhance the long term value and aspirations of all shareholders and other stakeholders.

BOARD OF DIRECTORS:

The Board of Directors comprises of a Non - Executive Chairman, a Managing Director and Two Independent Non - Executive Directors.

During the financial year under review, Five Board Meetings were held, i.e., on May 28, 2013, August 14, 2013, November 14, 2013, February 14, 2014 and March 27, 2014.

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

S.No.	Name of the Director	Designation	No. of Board Meetings Attended	Attendance at Last AGM held on 25.09.2013
1.	Sri. A Raghava Reddy	Non-Executive Chairman	5	YES
2.	Sri. S. Basu Thakur	Managing Director	5	YES
3.	Sri. V. Rajagopal Reddy	Independent Non-executive Director	5	NO
4.	Sri. A. Siva Kumar Reddy	Independent Non-executive Director	5	NO

AUDIT COMMITTEE:

The Audit Committee consists of three Directors viz:

Sri. V. Rajagopal Reddy (Chairman) - Independent Non-Executive Director

Sri. A Raghava Reddy (Member) - Non-Executive Chairman

Sri. A Siva Kumar Reddy (Member) - Independent Non-Executive Director

The terms of reference of the Audit Committee covers all matters specified under the Listing Agreement as well as the provisions of Section 292A of the Companies Act, 1956 and inter alia, includes the following



- a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b) Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- c) Reviewing 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 draft audit report
 - Significant adjustments arising out of audit
 - Compliance with Stock Exchange and legal requirements concerning financial statements
 - Disclosure of any related party transactions.
 - Reviewing with the management, external and internal auditors, the adequacy of internal control systems
- d) Reviewing 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.
- e) Discussion with internal auditors any significant findings and follow up thereon.
- f) Reviewing 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.
- g) Discussion with statutory auditors before the audit commences, nature and scope of audit as well as have post-audit discussions to ascertain any area of concern.
- h) Reviewing the Company's financial and risk management policies.
- i) To look into the reasons for substantial defaults in the payment to the shareholders (in case of non payment of declared dividends) and creditors.

The Committee, inter alia, has reviewed the financial statements including Auditors' Report for the year ended March 31, 2014 and has recommended its adoption. In addition, the Committee has also reviewed Unaudited quarterly results for June 30, 2013, quarterly and half yearly results for September 30, 2013 and quarterly results for December 31, 2013 which were subjected to a Limited Review by the Statutory Auditors of the Company and audited financial results for the year ended March 31, 2014.

During the financial year, four meetings were held i.e., on May 28, 2013, August 14, 2013, November 14, 2013, February 14, 2014. The details of attendance by members of the Committee are as below:

S.No.	Name of the Director	No. of Meetings	No. of Meetings Attended
1.	Sri. V. Rajagopal Reddy (Chairman)	4	4
2.	Sri. A Raghava Reddy	4	4
3.	Sri. A Siva Kumar Reddy	4	4

Remuneration Committee:

No separate remuneration committee was constituted. Except for the managerial remuneration paid to Sri S Basu Thakur, Managing Director as mentioned in Note No. 16 under the Notes Forming Part of Financial Statements, none of the Directors is paid any remuneration other than the sitting fees for the Board Meetings attended.

Shareholders'/ Investors' Grievance Committee:

The Shareholders'/Investors' Grievance Committee consists of Sri A Raghava Reddy, Chairman and Sri S Basu Thakur, Managing Director. Sri S. Basu Thakur, Managing Director is the compliance officer.



During the financial year, Nine meetings were held i.e., on May 27, 2013, July 29, 2013, August 26, 2013, September 23, 2013, November 4, 2013, December 16, 2013, January 31, 2014, February 17, 2014 and March 15, 2014.

There are no complaints or Transfer of Shares pending as on March 31, 2014

Share Transfer System: Transfer of Securities are registered and duly transferred certificates are dispatched within fifteen (15) days of receipt provided the transfer documents are in order.

General Body Meetings:-

The details of location and time of last three Annual General Meetings are given below:-

Year	Location	Date	Time
2010-2011	Hotel Green Park, Greenlands, Begumpet, Hyderabad	28th Sept., 2011	3.30 P.M.
2011-2012	Hotel Green Park, Greenlands, Begumpet, Hyderabad	28th Sept., 2012	3.30 P.M.
2012-2013	Central Court Hotel, Lakdi-ka-pul, Hyderabad	25th Sept., 2013	3.30 P.M.

There was no resolution put through postal ballot at the above Annual General Meetings.

Disclosures:

- No transactions of material nature has been entered into by the Company with its Promoters, Directors or the Management, their successors, relatives etc., that may have potential conflict with the interest of the Company at large. For the details of other transactions and past transactions with deemed related parties, the members attention is invited to Note No.18 in the Notes Forming Part of Financial Statements.
- The details of Non-compliance by the Company: Except for suspension of the trading in the shares of the Company by the Bombay Stock Exchange Ltd., Mumbai due to delay in payment of Annual Listing Fees, there were no instances of Non-compliance or penalty, strictures passed on the Company by any Stock Exchange or SEBI or any Statutory Authority on any matter related to the Capital Markets during the last three years.

Code of Conduct

In compliance with Clause 49 of the Listing Agreement with the Stock Exchange, the Company has adopted a Code of Business Conduct and Ethics for its Board Members and Senior Management Personnel, a copy of which is available at the Company's website, www.smplindia.co.in. All the members of the Board and the senior management personnel had affirmed compliance with the Code for the year ended March 31, 2014 and a declaration to this effect signed by the Chairman is forming part of this report.

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992, the Company has adopted a "Code of Conduct for Prevention of Insider Trading". This Code is applicable to all the Directors and designated employees of the Company

CEO/CFO Certification:

In accordance with the provisions of clause 49(v) of the Listing Agreement, the Managing Director of the Company, has furnished the requisite certificate to the Board of Directors, the Audit Committee and the Auditors.

Means of Communication:

The quarterly and half yearly results of the Company were published during the Financial Year under review in the News Papers namely, Financial Express & Andhra Prabha.

**General Shareholders Information:**

The Thirtieth Annual General Meeting will be held on Thursday, the 25th September, 2014 at 3.30 P.M. at Central Court Hotel, Lakdi-ka-pul, Hyderabad -500004.

Date of Book Closure:

The Company's Share Transfer Books will remain closed from Wednesday, the 24th September, 2014 to Thursday, the 25th September, 2014 (both days inclusive) for the purpose of Annual General Meeting for the Financial Year ended 31st March, 2014.

Listing on Stock Exchanges:

The Company's shares are presently listed on the Stock Exchanges at Mumbai, Chennai and Delhi. The members approved the resolution for delisting of shares from Stock Exchanges at Chennai & Delhi. The Company has not been regular in payment of annual listing fee to these Stock Exchanges in view of the losses and strained Cashflows. The respective addresses of Stock Exchanges are given below:

Stock Code :

(In BSE) 511042

Addresses

The Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.

The Madras Stock Exchange Ltd. Exchange Bldg.PB.No.183, No. 30, 2nd line Beach, Chennai-600 001.

The Delhi Stock Exchange Association Ltd. DSE House, 3/1, Asaf Ali Road, New Delhi - 110 002.

Market Price Data : Not available

Distribution of Shareholdings as on 31st March, 2014.

No. of equity Shares held	% of share capital
1- 500	49.62
501- 1000	18.58
1001- 2000	8.45
2001- 3000	1.94
3001- 4000	0.74
4001- 5000	0.62
5001-10000	1.18
10001 and above	18.87
TOTAL	<u>100.00</u>

Dematerialisation of Shares:

The Company's Equity Shares are included in the list of Companies whose scrips have been mandated by SEBI for settlement only in dematerialised form by all investors. The Company is pursuing with NSDL & CDSL in this regard.

Registrar and Transfer Agents:

The Company has not appointed any Registrar and Transfer Agents and its in-house Share Department provides all shareholder related services.

**Investor Correspondence:**

The Company's Share Department provides assistance to members under the supervision of Mr. G S N Raju. Any query relating to shares and requests for transactions such as transfers, transmissions and nomination facilities, duplicate share certificates, change of address, non-receipt of dividend/Annual Report may please be taken up with:

Mr G S N Raju
Standard Medical & Pharmaceuticals Ltd.
6-3-652, 'Kautilya', Somajiguda
Hyderabad - 500 082
Ph: 040 - 2331 0066, Fax: 2332 7464
Email: smplhohyd@gmail.com

Auditors' Certificate on Corporate Governance: As required by Clause 49 of the Listing Agreement, the Auditors' Certificate is given hereunder.

DECLARATION ON CODE OF CONDUCT

In terms of the requirement of Clause 49 of the Listing Agreement, Code of Conduct as approved by the Board of Directors of the Company on 30th May, 2014 had been displayed at the Company's website www.smplindia.co.in. All the members of the Board and the senior management personnel had affirmed compliance with the Code for the year ended March 31, 2014

Place : Hyderabad
Date : 30th May, 2014

A RAGHAVA REDDY
Chairman

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Standard Medical & Pharmaceuticals Ltd.,

We have examined the compliance of conditions of Corporate Governance by Standard Medical & Pharmaceuticals Ltd., for the year ended March 31, 2014, as stipulated in Clause 49 of the Listing Agreements of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and 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, except for the suspension of trading in shares of the company by the Bombay Stock Exchange Limited, due to delay in payment of listing fees and also non-payment of listing fee to the stock exchanges at Chennai and Delhi, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

We 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 **J B REDDY & CO.**,
Chartered Accountants
Firm Regn.No. 003256S

Place : Hyderabad
Date : 30th May, 2014

A V REDDY
Partner
M.No. 023983



INDEPENDENT AUDITORS' REPORT

To
The Members of
Standard Medical & Pharmaceuticals Limited,

Report on the Financial Statements

We have audited the accompanying financial statements of STANDARD MEDICAL & PHARMACEUTICALS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, the Profit and Loss Statement and the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements.

Management is responsible for the preparation of these 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 Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal controls 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the 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 the internal controls relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required *subject to Note No. 1.3 in the Notes Forming Part of Financial Statements regarding preparation of accounts on principles applicable to the going concern and give a true and fair view in conformity with the accounting principles generally accepted in India:*

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- b) in the case of the Statement of Profit and Loss, of the Loss of the Company for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2003("the Order") issued by the Central Government in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2) As required by sub-section (3) of section 227 of the Act, we report that:
 - a) We have 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, Profit and Loss Statement, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

for **J B REDDY & CO.,**
Chartered Accountants
Firm Regn. No. 003256S

Place : Hyderabad
Date : 30th May, 2014

A V REDDY
Partner
M No. 023983



Annexure referred to in paragraph I under the heading “Report on other legal and regulatory requirements” of our report of even date

- i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- b. All fixed assets have not been physically verified by the Management during the year, but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its Assets. No material discrepancies were noticed on such verification.
- c. There was no disposal of fixed assets during the year.
- ii) During the year the company has not carried any Trading activity and the Company is not having any Inventory at the Year end. Hence other matters specified in the clause are not applicable to the company.
- iii) a. The Company has not granted any loans, Secured or Unsecured, to Companies, Firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- b. The Company has obtained unsecured Loans from two parties covered in the Register maintained under section 301 of the Act. However, Loans obtained from one party was settled by way of assignment of debt during the year. The maximum amount involved during the year and the year-end balance of loans obtained from the party was Rs.18,48,78,323/-. The said loans/ advances are interest free and other terms and conditions on which the said loans/ advances were obtained are not prima facie prejudicial to the interest of the Company. As per the information and explanations given to us, there are no specific terms and conditions as to repayment of these loans.
- iv) In our opinion, there is an adequate internal control procedures commensurate with the size of the company and the nature of it's business. During the course of our audit no major weaknesses have been noticed in internal controls.
- v) a. According to the information and explanations provided by the Management, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 has been so entered.
- b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi) During the year under audit, the Company has not accepted any deposits from the public.
- vii) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- viii) The Central Government has not prescribed maintenance of cost records by the Company under section 209(1)(d) of the Companies Act, 1956 for any of it's products.
- ix) a. The provisions of Excise Duty, Cess and others are not applicable to the company. *However, the Company is not regular in depositing the Provident Fund and Employee's State Insurance Contributions.*
- b. According to the information and explanations given to us *excepting an amount of Rs.3,88,480- representing Sales Tax and Provident Fund dues*, there were no other undisputed statutory dues outstanding, at the year end for a period of more than six months from the date they became payable.
- c. According to the records of the Company and on the basis of the information and explanations given to us, there are no dues of Sales-tax, Income-tax, Customs Duty, Wealth tax, Excise Duty, Service Tax and Cess which have not been deposited on account of any dispute.
- x) *The accumulated losses of the Company at the end of financial year are more than fifty percent of its net worth.* The Company has incurred cash losses during the financial year and in the immediately preceding financial year.
- xi) The Company has not defaulted in repayment of dues to the Financial Institutions or banks or Debenture Holders.



- xii) The Company has not granted any loans or advances on the basis of security by the way of pledge of shares, debentures or other securities.
- xiii) In our opinion, the Company is not a chit fund, nidhi / mutual benefit fund / society. Therefore, the provisions of Clause 4(xiii) of the Order are not applicable.
- xiv) In our opinion and according to the information and explanations given to us, the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the order are not applicable to the Company.
- xv) The Company has not given any guarantee for loans taken by others from banks or financial Institutions.
- xvi) The Company has not obtained any term loans during the year.
- xvii) The Funds raised on short term basis have not been used for long term investment and whereas part of long term funds were used for working capital requirement of the company.
- xviii) During the year, the Company has not made, any preferential allotment of the Shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
- xix) Based on books and records produced to us by the management, securities have been created in respect of debentures issued.
- xx) During the year the Company has not raised any money by way public issue. Hence, other matters specified in the Clause are not applicable to the Company.
- xxi) As per the checks carried out by us, no fraud on or by the company has been noticed or reported during the year under report.

for **J B REDDY & CO.,**
Chartered Accountants
Firm Regn. No. 003256S

Place : Hyderabad
Date : 30th May, 2014

A V REDDY
Partner
M No. 023983



BALANCE SHEET AS AT MARCH 31, 2014

Particulars	Note No.	As at 31st March 2014 (Rupees)	As at 31st March 2013 (Rupees)
I EQUITY & LIABILITIES			
1. Shareholders' Funds			
a) Share Capital	2	10,80,68,375	10,80,68,375
b) Reserves and Surplus	3	(27,01,55,604)	(26,89,61,986)
Sub-Total		(16,20,87,229)	(16,08,93,611)
2. Non-Current Liabilities			
a) Long-Term Borrowings	4	18,53,52,633	17,99,35,681
Sub-Total		18,53,52,633	17,99,35,681
3. Current Liabilities			
a) Short-Term Borrowings	5	0	24,53,953
b) Other Current Liabilities	6	43,12,480	60,33,759
c) Short-Term Provisions	7	2,07,692	3,21,970
Sub-Total		45,20,172	88,09,682
TOTAL		2,77,85,576	2,78,51,752
II ASSETS			
1. Non-Current Assets			
a) Fixed Assets			
Tangible Assets	8	1,26,266	1,77,100
b) Non-Current Investments	9	2,75,14,200	2,75,14,200
Sub-Total		2,76,40,466	2,76,91,300
2. Current Assets			
a) Trade Receivables	10	0	0
b) Cash and Cash equivalents	11	22,322	33,597
c) Short-Term Loans and Advances	12	1,22,788	1,26,855
Sub-Total		1,45,110	1,60,452
TOTAL		2,77,85,576	2,78,51,752
Significant Accounting Policies	1		

As per our report of even date

for and on behalf of the Board

for **J B REDDY & CO.**,
Chartered Accountants
Firm Regn. No. 003256S

A V REDDY
Partner
M No. 023983

Place : Hyderabad
Date : 30th May, 2014

A RAGHAVA REDDY
Chairman

S BASU THAKUR
Managing Director



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2014

Particulars	Note No.	For the Year ended 31st March 2014 (Rupees)	For the Year ended 31st March 2013 (Rupees)
I Revenue from Operations		0	0
II Other Income	13	1,95,257	3,66,836
III Total Revenue (I+II)		1,95,257	3,66,836
IV Expenses:			
Employee Benefits Expense	14	7,59,103	6,50,483
Depreciation	8	50,834	51,295
Other Expenses	15	5,78,938	7,99,977
Total Expenses		13,88,875	15,01,755
V Profit / (Loss) Before Tax (III - IV)		(11,93,618)	(11,34,919)
VI Less : Provision for Tax		0	0
VII Profit / (Loss) for the Year (V-VI)		(11,93,618)	(11,34,919)
VIII Earnings per Equity Share:			
Basic & Diluted		(0.11)	(0.10)
Significant Accounting Policies	I		

As per our report of even date

for and on behalf of the Board

for **J B REDDY & CO.**,
Chartered Accountants
Firm Regn. No. 003256S

A V REDDY
Partner
M No. 023983

Place : Hyderabad
Date : 30th May, 2014

A RAGHAVA REDDY
Chairman

S BASU THAKUR
Managing Director



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	For the year ended 31st March, 2014 (Rs.in lacs)	For the year ended 31st March, 2013 (Rs.in lacs)
A CASH FLOW FROM OPERATING ACTIVITIES:		
Profit / (Loss) before Tax	(11.94)	(11.35)
Adjustments for:		
Depreciation	0.51	0.51
Operating Profit / (Loss) before Working Capital Changes	(11.43)	(10.84)
Adjustment for:		
Trade Receivables	0.00	1.98
Other Current Liabilities	(17.21)	(10.75)
Short-term Provisions	(1.14)	0.09
Short-term Loans & Advances	0.04	1.25
Net Cash from Operating Activities	(29.74)	(18.27)
B CASH FLOW FROM INVESTING ACTIVITIES:		
Interest received	0.00	0.00
Net cash flow from investing activities	0.00	0.00
C CASH FLOW FROM FINANCING ACTIVITIES:		
Long-Term Borrowings	54.17	43.66
Short-Term Borrowings	(24.54)	(25.54)
Net Cash from Financing Activities	29.63	18.12
Net Increase / (Decrease) in Cash and Cash equivalents (A + B + C)	(0.11)	(0.15)
Cash and Cash equivalents at the beginning of the year	0.33	0.48
Cash and Cash equivalents at the end of the year	0.22	0.33

As per our report of even date

for and on behalf of the Board

for J B REDDY & CO.,
Chartered Accountants
Firm Regn. No. 003256S

A V REDDY
Partner
M No. 023983

Place : Hyderabad
Date : 30th May, 2014

A RAGHAVA REDDY
Chairman

S BASU THAKUR
Managing Director



NOTES FORMING PART OF FINANCIAL STATEMENTS

I SIGNIFICANT ACCOUNTING POLICIES

I.1 BASIS OF PREPARATION

The Financial Statements of the Company have been prepared in accordance with the accounting principles generally accepted in India. The Company has prepared these Financial Statements to comply in all material respects with the Accounting Standards Notified under the Companies (Accounting Standard Rules, 2006 as amended) and relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention. The Accounting Policies adopted in the Financial Statements are consistent with those of previous year.

I.2 USE OF ESTIMATES

The Preparation of financial statements in conformity with generally accepted accounting principles in India requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although, these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring material adjustments to the carrying amounts of assets or liabilities in future periods.

I.3 GOING CONCERN CONCEPT

Although, the accumulated losses of the Company together with the Loss for the year ended 31st March, 2014 exceeded its Capital and Reserves, since the company with its future plans, is hopeful of turning around, the accounts have been prepared on a going concern concept.

I.4 REVENUE RECOGNITION

All Incomes and expenditure are accounted on accrual basis.

I.5 FIXED ASSETS AND DEPRECIATION

Land is valued at cost. Other Fixed Assets including Assets given on lease are valued at Cost less accumulated Depreciation.

The carrying amount of fixed assets are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amounts, and where carrying values exceed the estimated recoverable amount, assets are written down to their recoverable amount.

Depreciation is provided on straight line basis as per the rates prescribed in Schedule XIV of the Companies Act, 1956.

I.6 IMPAIRMENT OF ASSETS

The company determines whether there is any indication of impairment of the carrying amount of its assets. The recoverable amount of such assets are estimated, if any indication exists and impairment loss is recognized wherever the carrying amount of the assets exceeds its recoverable amount.

I.7 INVESTMENTS

Investments being long term in nature are carried at cost. The decline in the value, if any, being temporary in nature, has not been provided.

I.8 EMPLOYEE BENEFITS

- i) Contribution to Provident Fund is recognized as an expenditure on accrual basis.
- ii) The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees on retirement, death while in employment or on termination of employment with an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Gratuity plan of the entity is an unfunded plan. The company accounts for the liability for future Gratuity benefits on the basis of an independent actuarial valuation.
- iii) Leave encashment is not categorized as a retirement benefit, as the company is in the practice of paying the leave encashment benefit every year.

I.9 Deferred Income Taxes: Eventhough, the Company has unabsorbed Depreciation and carry forward losses, deferred tax asset has not been recognized in the books of accounts since generation of sufficient future taxable income in near future is uncertain.



Note No.	Particulars	As at 31.03.2014 (Rupees)	As at 31.03.2013 (Rupees)
2	SHARE CAPITAL		
	Authorised:		
	1,40,00,000 Equity Shares of Rs.10/- each	14,00,00,000	14,00,00,000
	10,00,000 Unclassified Shares of Rs. 10/- each	1,00,00,000	1,00,00,000
	Total	<u>15,00,00,000</u>	<u>15,00,00,000</u>
	Issued, Subscribed and Paidup:		
	1,08,45,700 Equity Shares of Rs.10/- each Subscribed and called up in full	10,84,57,000	10,84,57,000
	Less: Calls-in-arrears	3,88,625	3,88,625
	Total	<u>10,80,68,375</u>	<u>10,80,68,375</u>
a)	Reconciliation of number of shares:		
	Shares outstanding as at 1st April,2013/1st April,2012	1,08,45,700	1,08,45,700
	Shares outstanding as at 1st April,2014/1st April,2013	1,08,45,700	1,08,45,700
b)	List of share holders holding more than 5% of the total number of shares issued by the company:		
	Canara Bank	6,11,120	6,11,120
3	RESERVES & SURPLUS		
a)	Capital Reserve (Central Subsidy)	23,04,400	23,04,400
b)	Share Premium	19,65,450	19,65,450
c)	General Reserve	20,20,000	20,20,000
d)	Debenture Redemption Reserve	1,00,00,000	1,00,00,000
e)	Surplus / (Deficit) in Statement of Profit & Loss		
	Opening Balance	(28,52,51,836)	(28,41,16,917)
	Add: Profit / (Loss) for the year	(11,93,618)	(11,34,919)
	Closing Balance	<u>(28,64,45,454)</u>	<u>(28,52,51,836)</u>
	Total	<u>(27,01,55,604)</u>	<u>(26,89,61,986)</u>



Note No.	Particulars	As at 31.03.2014 (Rupees)	As at 31.03.2013 (Rupees)
4	LONG-TERM BORROWINGS		
	15% Secured Redeemable Non-Convertible Debentures	4,74,310	4,74,310
	Loans and Advances from Companies (Unsecured)#	18,48,78,323	17,94,61,371
	Total	18,53,52,633	17,99,35,681

The above liability of 15% Non-convertible Debentures, being unpaid without proper and valid claims, is continuing under long term borrowings. The said Debentures, as per the terms of issue are secured by way of second charge over leased assets and assets under Hire Purchase Agreements and book debts pertaining to such Lease and Hire Purchase assets.

In respect of Loans and Advances from companies there are no specific terms and conditions as to repayment of the above Loans and Advances.

Includes Rs. Nil (Previous Year Rs. 12,02,43,684) dues to related parties - Refer to Note No. 18.

5 SHORT-TERM BORROWINGS

Loans and Advances from Related Parties (Unsecured)	0	24,53,953
Total	0	24,53,953

Refer to Note No. 18

6 OTHER CURRENT LIABILITIES

Statutory Dues	4,32,337	5,35,110
Outstanding Expenses	15,32,353	17,86,166
Other Liabilities	23,47,790	37,12,483
Total	43,12,480	60,33,759

7 SHORT-TERM PROVISIONS

Provision for Gratuity	2,07,692	3,21,970
Total	2,07,692	3,21,970



Note No. 8
FIXED ASSET
Tangible Assets :
 (Amount in Rupees)

Sl. No.	DESCRIPTION	GROSS BLOCK (AT COST)			DEPRECIATION			NET BLOCK	
		As at 31.3.2013	Additions	As at 31.03.2014	Upto 31.03.2013	For the Year	Upto 31.03.2014	As at 31.03.2014	As at 31.03.2013
1.	Land	79,955	0	79,955	0	0	0	79,955	79,955
2.	Plant & Machinery	1,30,41,330	0	1,30,41,330	1,30,40,619	711	1,30,41,330	0	711
3.	Office Equipment	19,70,078	0	19,70,078	18,78,880	46,085	19,24,965	45,113	91,198
4.	Furniture & Fixtures	8,43,802	0	8,43,802	8,43,802	0	8,43,802	0	0
5.	Vehicles	86,87,495	0	86,87,495	86,87,495	0	86,87,495	0	0
6.	Electrical Installations	1,79,077	0	1,79,077	1,73,841	4,038	1,77,879	1,198	5,236
	TOTAL	2,48,01,737	0	2,48,01,737	2,46,24,637	50,834	2,46,75,471	1,26,266	1,77,100



Note No.	Particulars	As at 31.03.2014 (Rupees)	As at 31.03.2013 (Rupees)
9 NON-CURRENT INVESTMENTS			
a)	Trade, Quoted - at Cost - fully paid-up Associates: 27,50,220 Equity Shares of Rs. 10/- each fully paid up of Medinova Diagnostic Services Limited (Market value as on 31.03.2014 is Rs. 3.05)	2,75,02,200	2,75,02,200
b)	Trade, unquoted - at cost - fully paid-up 200 Equity Shares of Rs. 10/- each of Universal Research Centre and Hospitals	2,000	2,000
c)	Non- Trade- at cost - fully paid-up 1,000 Equity shares of Rs. 10 /- each of Saraswat Co-operative Bank Limited	10,000	10,000
	Total	2,75,14,200	2,75,14,200
10 TRADE RECEIVABLES			
	Unsecured, Considered Good	0	0
	Unsecured, Considered Doubtful	16,95,934	16,95,934
		16,95,934	16,95,934
	Less: Provision for Doubtful of recovery	16,95,934	16,95,934
	Total	0	0
The Company has filed Suits for recovery of the dues in respect of certain cases which are in different stages and final outcome is awaited. However, appropriate provisions have been made for doubtful debts.			
11 CASH AND CASH EQUIVALENTS			
	Balances with Scheduled Banks in Current Accounts	11,742	12,455
	Cash on Hand	10,580	21,142
	Total	22,322	33,597
12 SHORT-TERM LOANS & ADVANCES			
	(Unsecured, Considered Good)		
	Deposits with / Receivables from Statutory / Govt. Authorities	80,366	80,366
	Prepaid Expenses	24,422	28,489
	Rent Deposit	18,000	18,000
	Total	1,22,788	1,26,855



Note No.	Particulars	For the Year ended 31.03.2014 (Rupees)	For the Year ended 31.03.2013 (Rupees)
13	OTHER INCOME		
	Balances in Parties Accounts written back / written off (Net)	1,94,257	3,66,836
	Miscellaneous Income	1,000	0
	Total	<u>1,95,257</u>	<u>3,66,836</u>
14	EMPLOYEE BENEFIT EXPENSE		
	Salaries, Wages and Bonus	6,31,234	5,79,624
	Contribution to Provident and Other Funds	44,283	41,028
	Gratuity	61,424	8,713
	Other Benefits	22,162	21,118
	Total	<u>7,59,103</u>	<u>6,50,483</u>
15	OTHER EXPENSES		
	Rent	60,000	60,000
	Printing and Stationery	41,513	39,139
	Postage, Telephones & Trunk Calls	1,65,666	1,75,625
	Travelling and Conveyance	4,800	4,425
	Legal and Professional Charges	25,000	25,000
	Remuneration to Auditors :		
	- Audit Fee	18,000	18,000
	- Taxation Matters	0	15,000
	Directors Sitting Fee	7,500	4,500
	Insurance	8,246	5,000
	Annual Listing Fees	65,944	69,688
	Bad Debts Written off	0	1,98,227
	Miscellaneous Expenses	1,82,269	1,85,373
	Total	<u>5,78,938</u>	<u>7,99,977</u>
16	Managerial Remuneration :		
	Sri S Basu Thakur, Managing Director		
	Salary	1,44,000	1,44,000
	Rent Free Accommodation	57,600	57,600
	Contribution to Provident Fund	17,280	17,280
	Perquisites	26,400	26,400
	Total	<u>2,45,280</u>	<u>2,45,280</u>



17. Balances of Sundry Debtors, Sundry Creditors, Loans and Advances payable or receivable are subject to confirmations to be obtained from the parties.

18. Related Party Transactions:

As required by Accounting Standard – AS 18 “Related Party Disclosures” issued by the Institute of Chartered Accountants of India, details of transactions and list of related parties with whom transactions have taken place during the year are as follows:

During the year, the Company had entered into a Tripartite “Deed of Assignment of Debt” with M/s. Medinova Diagnostic Services Limited (MDSL) and M/s. Harvins Constructions Pvt. Ltd (HCPL) for assignment of Debt as on 31.01.2014. Accordingly, Debts payable to M/s. MDSL have been assigned to M/s. HCPL for an aggregate amount of Rs.12,35,38,622/- upon execution of the said Deed of Assignment of Debt, the Call Deposit, Advances and Accrued Interest payable to the related party M/s. MDSL stands settled as on 31.01.2014.

a) Company on which presumed significant influence exists.

Name of the Company	:	Medinova Diagnostic Services Limited	
Nature of Relationship	:	Presumed significant influence	
Nature of Transactions		Volume (Rupees)	
		For the year ended	For the year ended
		31.03.2014	31.03.2013
Receiving / (Rendering) Services			
Sharing of Expenses - Net	:	8,40,985	(23,370)
Amount Transferred / Settled - Net	:	12,35,38,622	25,00,000
Amounts Outstanding at the Balance Sheet date		As at	As at
		31.03.2014	31.03.2013
– Unsecured Loan	:	0	2,93,18,305
– Advances received including Advance for Capital Items	:	0	6,14,25,839
– Accrued Interest	:	0	3,19,53,493
– Investment in Shares	:	2,75,02,200	2,75,02,200

b) **Key Management Personnel**

		For the year ended	For the year ended
		31.03.2014	31.03.2013

Sri S. Basu Thakur, Managing Director			
Remuneration	:	Rs. 2,45, 280	Rs. 2,45,280

c) There are no Loans and Advances in the nature of Loans to Subsidiaries, Associates etc. as required to be disclosed under Clause 32 of listing agreement. The Company has an investment of Rs.275.02 lacs in 2750220 Equity Shares of Rs.10/- each in its Associate Company M/s Medinova Diagnostic Services Limited.

During the year, the Company had entered into a Share Purchase Agreement (SPA) with M/s. Vijaya Diagnostic Centre Pvt. Ltd (Acquirer) for sale of 27,50,220 equity shares held as investment in M/s. Medinova Diagnostic Services Limited. The Sale/Transfer of the said equity shares would be concluded in favour of the acquirer subject to fulfillment of the ‘Open Offer’ requirements as mended under Regulation 3(1) and 4 of the SEBI (SAST) Regulations, 2011, by the Acquirer.

19. The company is engaged in the Business of Marketing/Trading of Hospital Products. There are no other reportable segments.



20. Disclosure required by the AS-15 (Revised) - Employee Benefits.

The Company adopted the revised Accounting Standard - 15 Employee Benefits. The details of the components of net benefit expenses recognised in the Statement of profit and loss with regard to gratuity and amounts recognised in the Balance Sheet are given below.

a. Expenses Recognised in statement of Profit & Loss:	for the year 2013-2014 Amount (Rs.)	for the year 2012-2013 Amount (Rs.)
Current Service Cost	6,923	9,393
Interest Cost on benefit obligation	25,758	25,061
Expected return on plan assets	Nil	Nil
Net Actuarial (gain) / loss recognized in the year	28,743	(25,741)
Past services cost	Nil	Nil
Net benefit expenses	61,424	8,713
Actual return on plan assets	NA	NA
b. Changes in present value of the defined benefit obligation:	As at 31.03.2014 Amount (Rs.)	As at 31.03.2013 Amount (Rs.)
Opening defined benefit obligation	3,21,970	3,13,257
Interest Cost	25,758	25,061
Current Services Cost	6,923	9,393
Benefits paid	(1,75,702)	Nil
Actuarial (gains) / losses on obligation	28,743	(25,741)
Closing defined benefit obligation	2,07,692	3,21,970
c. Actuarial Assumptions:		
Salary Rise	6%	6%
Discount Rate	8%	8%
Attrition Rate	1%	1%
Mortality Rate	Table of LIC 1994-96	1994-96
Retirement Age	58 Years	58 Years

21. The company has no dues to Micro, Small and Medium Enterprises as at the Balance Sheet date.

22. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the Current year's classification / disclosure.

As per our report of even date

for and on behalf of the Board

for J B REDDY & CO.,
Chartered Accountants
Firm Regn. No. 003256S

A V REDDY
Partner
M No. 023983

Place : Hyderabad
Date : 30th May, 2014

A RAGHAVA REDDY
Chairman

S BASU THAKUR
Managing Director



**Form No. MGT-11
PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies
(Management and Administration) Rules, 2014]

CIN : L24239API983PLC004152
Name of the Company : **Standard Medical & Pharmaceuticals Limited**
Registered Office : 6-3-652, Kautilya, Somajiguda, Hyderabad – 500 082, Telangana
Name of the member (s) :
Registered address :
E-mail Id :
Folio No/ Client Id :

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name			
Address			
E-mail Id	or failing him	Signature	
2. Name			
Address			
E-mail Id	or failing him	Signature	
3. Name			
Address			
E-mail Id		Signature	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30th Annual General Meeting of the Company, to be held on Thursday, the 25th September 2014 at 3.30 P.M. at Central Court Hotel, Lakdi-Ka-Pul, Hyderabad – 500 004 and at any adjournment thereof in respect of all the Resolutions indicated in the Notice

Signed this day of 2014.

Signature of Shareholder :

Signature of Proxy holder(s) :

Affix Re.1/-
Revenue
Stamp
Signature

NOTE: 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.

Standard Medical & Pharmaceuticals Limited

CIN: L24239API983PLC004152

Regd. Office: **6-3-652, Kautilya, Somajiguda, Hyderabad – 500 082, Telangana**

ATTENDANCE SLIP

30th ANNUAL GENERAL MEETING

Folio No.		Name & Address of the Registered Shareholder /Proxy
No. of Shares		

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company.

I hereby record my presence at the 30th Annual General Meeting of the Company at Central Court Hotel, Lakdi-Ka-Pul, Hyderabad – 500 004 on Thursday, the 25th September 2014 at 3.30 PM

Member's/Proxy's Signature

Note: Please complete this form and hand it over at the entrance of the hall.

**BOOK POST
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If undelivered please return to :



Standard Medical & Pharmaceuticals Limited
Regd. Office:6-3-652, 'Kautilya',
Somajiguda, Hyderabad-500082