



PRATIKSHA CHEMICALS LIMITED

21ST

ANNUAL REPORT

2011-2012

PRATIKSHA CHEMICALS LIMITED

21st ANNUAL REPORT 2011-2012

- Regd. Office** : 3rd Floor, H K Complex,
Nr. Dharnidhar Temple,
Vasna, Ahmedabad.
- Board of Directors** : Shri H.K. Bhatt – Whole Time Director
Shri J.K.Patel - Technical Director
Shri Upendra Adhyaru- Independent Director
Shri Somabhai Patel – Independent Director
- Auditors** : M/s H. K. Shah & Co.
Chartered Accountants
404, Sarap Building, 4th Floor,
Opp. Navjivan Press, Ashram Road,
Ahmedabad-380 014.
- Registrar &
Share Transfer Agent** : **M/s. Sharepro Services India Pvt. limited**
13, AB Smitha Warehousing Complex,
Sakinaka Telephone Lane, Sakinaka,
Andheri (East) Mumbai-400 072.
Fax : 2859156
- Stock Exchanges
wherein the Shares
of the Company
are listed** : **(1) The Bombay Stock Exchange Ltd.**
25th Floor, P.J.Towers,
Dalal Street, Fort,
Mumbai-400001.
(2) The Ahmedabad Stock Exchange Ltd.
Kamdhenu Complex,
Opp. Sahjanand College,
Panjarapole, Ambawadi,
Ahmedabad-380 015.

NOTICE

Notice is hereby given that the Twenty First Annual General Meeting of Pratiksha Chemicals Limited will be held at Registered Office of the company at 3rd Floor, H K Complex, Nr. Dharnidhar Temple, Vasna, Ahmedabad on 28th September, 2012 at 4.00 P.M. to transact the following business:

ORDINARY BUSINESS :

1. To receive consider and adopt the Audited Accounts of the company for the year ended 31st March 2012 and the Report of the Directors and auditors thereon.
2. To appoint Director in place of Shri Somabhai Patel, who retires by rotation and eligible for re-appointment.
3. To appoint Auditors, and to fix their remuneration.

SPECIAL BUSINESS :

4. To consider and if thought fit, to pass with or without modifications, following resolution as an ordinary resolution.

“RESOLVED THAT pursuant to Section 269, 198, 309, 310 reqd with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and provisions of Articles of Association of the Company, Shri Harishbhai K Bhatt, Director be and is hereby reappointed as the Whole Time Director of the Company for a period of 5 (Five) years w.e.f 01/04/2012 at a remuneration of Rs. 60000/- P.M with a liberty to board of directors to vary the terms in consultation with shri H. K Bhatt.

“RESOLVED FURTHER THAT other perquisites and/or allowances, if any payable to Shri Harishbhai K Bhatt, will be decided by board of directors in consultation with the said director.”

5. “RESOLVED THAT pursuant to Section 269, 198, 309, 310, schedule XIII and other applicable provisions, if any of the Companies Act, 1956 and provisions of Articles of Association of the Company Shri. Jayesh K. Patel, Director of the company be and is hereby appointed as the Technical Director of the Company for a period of 5 (Five) years w.e.f 01/04/2012 at a remuneration of Rs.60000/- P.M. with a liberty to board of directors to vary the terms in consultation with shri J K Patel.

“RESOLVED FURTHER THAT other perquisites and/or allowances, if any payable to Shri. Jayesh K. Patel will be decided by board of directors in consultation with the said director.

6. To consider and if thought fit, to pass with or without modifications, following resolution as Special resolution.

RESOLVED THAT pursuant to provisions of section 314 and other provisions of if any of Companies Act, 1956 Ms. Neema patel, relative of Shri J K patel Technical director of the company be and is hereby appointed as officer of the company to look after administrative functions of the company w.e.f 01/04/2012 and she shall be paid monthly remuneration of Rs. 15000/-.

Place : Ahmedabad

Date : 30/05/2012

**By order of the Board of Directors,
FOR PRATIKSHA CHEMICALS LTD.**

**Sd/-
CHAIRMAN**

NOTES :-

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. INSTRUMENT OF PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 21st Sept. 2012 to 28th Sept. 2012 (both days inclusive).
3. As a measure of economy, Annual Report will not be distributed at the Meeting. So, members are requested to bring their copy of Annual Report with them to the Annual General Meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**ITEM NO. 4 :**

Shri Harishbhai Bhatt was appointed as Director on the Board of the Company since its incorporation. He was appointed as Whole Time Director of the Company for a term of 5 years. Now, His term is due for reappointment. He has provided good leadership to the company. Hence, Board has decided to re-appoint him for a term of 5 years w.e.f. 01/04/2012 subject to approval by share holders of the Company in General Meeting. Other perquisites shall be decided in consultation with the said director by the board of directors.

None of the directors, except Shri Harishbhai Bhatt is interested or concerned in the resolution.

ITEM NO. 5 :

Shri Jayesh K. Patel was appointed as Director on the Board of the Company since its incorporation. Now, Looking to his experience in the industry as well as his expertise, Board has proposed to appoint him as Technical Director for a term of 5 years w.e.f. 01/04/2012 subject to approval by share holders of the Company in General Meeting. Other perquisites shall be decided in consultation with the said director by the board of directors.

None of the directors, except Mr. Jayesh K. Patel are interested or concerned in the resolution.

ITEM NO. 6 :

Ms. Neema patel is pursuing her interest in administrative functions of the company and she being relative of director of the company requires members approval for appointment to hold any office or place of profit in the company.

None of the director except shri J K patel is concerned or interested in the resolution.

Place : Ahmedabad
Date : 30/05/2012

By order of the Board of Directors,
FOR PRATIKSHA CHEMICALS LTD.

Sd/-
CHAIRMAN

DIRECTORS' REPORT

To,
The Members of,
M/s Pratiksha Chemicals Limited

Your Directors have pleasure in presenting the Annual Report of the Company together with the Audited Accounts for the financial year ended on 31st March 2012.

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

Particulars	2011-12	2010-11
Profit (Loss) before Depreciation	42.57	37.04
Depreciation	34.77	33.46
Profit /(Loss) before Tax	7.8	3.58
Provision for Tax	(3.67)	(3.38)
Profit /(Loss) after Tax	11.47	6.96

During the current year, your company has achieved a reasonable level of growth. We are hoping that the phenomenal growth shall be achieved during the next coming years.

2. DIVIDEND :

On account of accumulated losses, your directors did not recommend any Dividend.

3. FUTURE PROSPECTS :

During the year under review, Company has concentrated mainly on exports through merchant exporters. Company has good enquiries on hand, which are quite prospective. Company has put more emphasis on quality control comparable to international standard along with quality measures for pollution control. In the times to come, your Directors are quite hopeful of wiping out of loss through achieving better sales target and cost conservative measures even though not compromising on quality standard of the product.

4. DIRECTORS :

Shri Somabhai Patel, Director of the company retires at the ensuring Annual General meeting and eligible for re-appointment.

5. PASSING OF RESOLUTION BY POSTAL BALLOT :

As per directives of GPCB, all effluent industries including your Company, are required to be shifted from Sanand Taluka to other industrial area which are less prone to residents. In consideration of such shifting, Company is required to mortgage/ charge/ lien/ assign/ transfer/ lease/ sale of undertaking whether in parts or in full which required approval of shareholders by way of passing postal ballot resolution.

For the said purpose, Company has made postal ballot voting process and in the Board meeting held on 16th July, 2011 result was declared and resolution was passed by way of postal ballot to carry out enabling resolution.

6. PERSONNEL :

Your directors' wish to place on record their appreciation for the contribution to growth of the business made by employees at all levels. Information as required pursuant to section 217(2A) of the companies Act, 1956 has not been given, as it is not applicable.

7. AUDITORS :

M/s H K Shah & Co., Chartered Accountants, Ahmedabad, statutory Auditor of the Company retire

at the conclusion of ensuing Annual General Meeting and being eligible, offer themselves for Re-appointment.

8. DEPOSITS :

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

9. ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE :

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

10. COST RECORDS :

By Notification Dated 30th June, 2011, Ministry of Corporate affairs has made it mandatory for companies in pigment industry to maintain cost records in specific format as per prescribed law for F.Y 2011-12. Company has appointed M/S Koushalya V Melvani, Cost accountants to file compliance certificate for the same.

11. DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to Section 217(2A) of Companies Act, 1956, the Directors confirm that:

- i. In the preparation of Annual Accounts, appropriate accounting standard have been followed.
- ii. Appropriate accounting policies have been selected and applied consistently and judgments and estimates made that are reasonable and prudent so as to give true and fair view of state of affairs of the company at the end of financial year ended 31st March, 2012.
- iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safe guarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv. The Annual Accounts have been prepared on going concern basis.

12. AUDITOR'S QUALIFICATION :

Auditors have qualified their report to the members of the Company. In this connection directors of the Company have discussed the same at arm's length on the recommendation of audit committee and have intimated to take necessary action so as to show fair view of state of affairs of the company in the coming financial year.

13. REPORT ON CORPORATE GOVERNANCE :

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

14. ACKNOWLEDGEMENTS :

Your Directors wish to place on record their appreciation of the whole hearted co-operation extended to company from various departments of the central and state governments, company' bankers and financial institutions and employees of the company and look forward for the same cordial relationship in coming years.

FOR AND ON BEHALF OF THE BOARD

PLACE : AHMEDABAD
DATE : 30/05/2012

Sd/-
CHAIRMAN

ANNUAL REPORT 2011-12

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

The Securities and Exchange Board of India (SEBI) constituted the Committee on Corporate Governance to promote and raise the standard of Corporate Governance of listed companies. The Committee has made recommendation on the composition of the board of directors, audit committee, board procedure etc.

The company has taken necessary steps to comply with the clause of 49 of the revised Listing Agreement given below is the repost of the Directors on the Corporate Governance.

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE :

The Company believes in functioning in a transparent manner with the basic philosophy being to enhance the Shareholder value, keeping in mind the needs and interest of other stakeholders, in compliance thereof. The following information is placed before the shareholders.

BOARD OF DIRECTORS :

Name of Director	Category	Date of Board Meeting											AGM
		10-4 2011	15-5 2011	30-5 2011	16-7 2011	8-8 2011	22-8 2011	6-11 2011	11-11 2011	12-1 2012	4-2 2012	31-3 2012	
Shri H.K. Bhatt	Whole time Director	P	P	P	P	P	P	P	P	P	P	P	P
Shri J K Patel	Promoter Director	P	P	P	P	P	P	P	P	P	P	P	P
Shri Upendra Adhvaryu	Nonexecutive Independent Director	P	P	P	P	P	P	P	P	P	P	P	P
Shri Somabhai Patel	Nonexecutive Independent Director	P	P	P	P	P	P	P	P	P	P	P	P

No Directors are having Chairmanship of more than five companies where they are director.

Name of Director	Other Directorship (No. of Company)
Shri H K Bhatt	2
Shri J K Patel	Nil
Shri Upendra Adhvaryu	Nil
Shri Somabhai Patel	Nil

In line with the requirements of the code of the corporate governance, the board of directors comprises of four members. However, Your Company is trying its level best to increase strength of the Board to accomplish the revised clause-49 of listing agreement.

Company does not have any system of payment of remuneration to independent Directors.

Further during the year, meeting of Board of Directors was held Eleven times.

A declaration signed by Shri H K Bhatt, Whole Time Director of the company according compliance of sub-Clause (1D) of Clause 49 of the listing Agreement is attached herewith forming part of his Annual Report.

2. AUDIT COMMITTEE :

Pursuant to the revised clause 49 of the listing agreement, the company has appointed Audit committee consisting of followings :

- (i) Mr. Somabhai Patel - Chairman
- (ii) Mr. Upendra Adhvaryu - Member
- (iii) Mr. J K Patel - Member

The scope of committee includes.

- a. Review of company's financial reporting process and the financial statement.
- b. Review internal control systems and functioning of internal audit process.
- c. Post audit review with statutory auditors.

During the year under review, Audit committee met four times where all the members attended meetings.

3. REMUNERATION COMMITTEE :

Pursuant to the revised clause 49 of the listing agreement, the company has appointed Remuneration committee consisting of followings :

- (i) Mr. Somabhai Patel - Chairman
- (ii) Mr. Upendra Adhvaryu - Member
- (iii) Mr. Jayesh K. Patel - Member

Remuneration paid during the year by the Company was -

- (1) To Mr. H.K. Bhatt – Rs. 60,000/- pm.
- (2) To Mr. J. K. Patel – Rs. 60,000/- pm from April, 2011 to October, 2011
Rs. 75, 000/- pm from November, 2011 to March, 2012.

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

No sitting fees was paid to any Director.

4. SHAREHOLDERS' COMMITTEE :

The company has complied the requirement of the sub clause VI (A), (B) of the clause 49 of the Listing agreement.

The composition of shareholders cum investors' grievance committee was as follows :

- (i) Mr. Upendra Adhvaryu - Chairman
- (ii) Mr. Somabhai Bhatt - Member

During the year, the company and their Registrar and Share Transfer Agents M/s Sharepro Services India Pvt. Ltd. has not received any complaints. It is policy of the company to give reply of shareholders complaint within the time frame prescribed by the SEBI/Stock Exchanges.

The Share received for transfer is approved on 15th and 30th of the each month and are given effect by the Registrar and Share Transfer Agent.

M/s. Sharepro Services India Pvt. Ltd. was appointed as common Agent for electronic as well as physical share transfer work.

5. GENERAL BODY MEETING :

Date	Type	Time	Location
30/09/2009	AGM	10.00 A.M.	3 rd Floor, H K Complex, Opp. Dharnidhar Derasar, Vasna, Ahmedabad-380007.
30/09/2010	AGM	10.00 A.M.	----- do -----
30/09/2011	AGM	10.00 A.M.	----- do -----

There are no special resolutions passed by the company through postal ballot at any of the above annual general meeting. However, The company has passed resolution under section 293(1)(a) of companies act, 1956 during the year.

6. DISCLOSURES :

- (A) During the year under review, the quarterly unaudited results were taken on record by the Board of Directors at the end of month of respective quarter. However in terms of clause 41 of Listing Agreement, the same were furnished to the concerned stock exchanges were also circulated in the newspaper within the stipulated time.
- (B) Pursuant to directives of GPCB, all effluent industries within Sanand Taluka need to be shifted to other industrial areas which are less prone to residents. Our industries, being pollution sensitive, has shown initiative to the said directive and intend to shift at another place. In consideration of such shifting, Company is require to mortgage/ charge/ lien/ assign/ transfer/ lease/ sale of undertaking whether in parts or full.
- According to provisions of Section 192A of Companies Act, 1956 the consent of the shareholders for the above purpose is required to be obtained by means of Postal Ballot. Hence, Company has obtained approval by way of issuing notice to shareholders on 30th May, 2011 and declared result on 16th July, 2011. Mr. Anish B. Shah of M/s A. Shah & Associates was appointed as scrutinizer for conducting postal ballot voting process.
- (C) Company has followed accounting standards diligently.
- (D) Further, company is in the process of lying down risk assessment system.
- (E) Further, company has not received any funds through capital market during the year.
- (F) Transaction with related parties have been properly disclosed in notes to accounts and discussed at length by audit committee.
- (G) Management discussion and analysis report is attached to and forms part of this report.
- (H) Further, Shri H K Bhatt, Whole Time Director of the company has certified to board of directors of the company regarding compliance of sub-clause (v) of clause 49 of listing agreement.

7. MEANS OF COMMUNICATION :

The means of communication between the Shareholders and company are transparent and investor friendly. The quarterly results of the company are published in English and Gujarati news papers as required by the listing agreement. Steps are being taken to display the corporate results on the EDIFAR & Corporate website.

8. GENERAL SHAREHOLDERS' INFORMATION :

Annual General Meeting :	Date :	28/09/2012
(Date, Time & Venue)	Time :	4.00 p.m.
	Venue :	3 rd Floor, H K Complex, Opp. Dharnidhar Derasar, Vasna, Ahmedabad-380007
Financial Calendar :	1 st April 2011 to 31 st March 2012	
Date of Book Closure :	From 21 st Sept.2012 to 28 th Sept. 2012 (Both days inclusive)	
Dividend Payment Date :	No Dividend declared	

9. LISTING OF STOCK EXCHANGE :

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

10. MARKET PRICE DATA AT BOMBAY STOCK EXCHANGE LIMITED :

MONTH	HIGH (RS.)	LOW (RS.)
April, 2011	3.66	2.90
May, 2011	3.52	3.05
June, 2011	3.69	3.41
July, 2011	3.75	3.20
August, 2011	3.05	3.05
September, 2011	2.90	2.50
October, 2011	2.55	2.43
November, 2011	2.67	2.33
December, 2011	-	-
January, 2012	2.22	2.22
February, 2012	2.11	2.11
March, 2012	2.10	1.86

11. DISTRIBUTION OF SHAREHOLDING AS ON 31 MARCH, 2012 :

No. of Equity shares held	No. of share holders	% of total s.holders	No. of shares held	% of shareholding
1 to 500	4088	86.54	548501	9.85
501 to 1000	253	5.35	225305	4.04
1001 to 2000	197	4.17	349151	6.27
2001 to 3000	53	1.12	135458	2.43
3001 to 4000	35	0.74	127773	2.29
4001 to 5000	22	0.46	101831	1.83
5001 to 10000	32	0.69	223747	4.02
10001 to above	44	0.93	3858574	69.27
TOTAL	4724	100.00	5570340	100.00

11. DISTRIBUTION PATTERN AS ON THE 31ST MARCH, 2012 :

	No. of Shares	Percentage
Promoters and Relatives	1993550	35.78
Banks/ FII/ FI	0	0.00
Public	1971151	35.38
Body Corporate	1274656	22.89
NRI	330983	5.95

12. REGISTRAR AND SHARE TRANSFER AGENT :

M/s. Sharepro Services India Pvt. limited

13, AB Smitha Warehousing Complex, Sakinaka Telephone Lane, Sakinaka, Andheri (East) Mumbai-400 072. Fax : 2859156

13. SHARE TRANSFER SYSTEM :

The share transfer work is handled by registrar and transfer agent for the company.

Share Transfers are registered and dispatched within a period of thirty days from the date of the lodgments if the transfer documents are correct and valid in all respects.

14. DEMATIRIALISATION OF SHARES :

Outstanding GDRs/ADRs/Warrants or any
Convertibles instruments and conversion
date and likely impact on Equity

: N.A.

Address for Correspondence

: 3rd Floor, H K Complex, Opp. Dharnidhar Derasar,
Vasna, Ahmedabad

4160580 shares out of 5570340 Equity shares of the company have been dematerialized as at
31st March, 2012 representing 74.69 % of total paid-up capital of the company.

For and On behalf of the Board of Directors

Date : 30/05/2012
Place : Ahmedabad

Sd/-
H K Bhatt
Whole Time Director

MANAGEMENT DISCUSSION AND ANALYSIS

1. OVERALL REVIEW :

The overall performance during the financial year 2011-12 has been satisfactory.

2. FINANCIAL REVIEW:

Total turnover for the year ended 31st March, 2012 was Rs. 1113.32 lacs. This increase was mainly on account of improvement in manufacturing process and sales promotion drive. Better working capital management was also one of the emphasis on which proper weightage was laid upon.

3. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY :

Considering the size of the company, your company has adequate system of internal control to provide reasonable assurance that assets are safeguarded and protected from unauthorized use or deposition.

4. BUSINESS ENVIRONMENT :

The Performance of the company for the year under review was satisfactory.

5. RISK AND CONCERN :

The building, plant and machinery, vehicle and stocks of the company are adequately insured.

6. CAUTIONARY STATEMENT :

Statements in this report on management Discussion and analysis may be forward looking statements within the meaning of applicable security laws or regulations. These statements are based on certain assumptions and expectations of future events. Actual results could however, differ materially from those expressed or implied. Important factors that could make a different to the Company's operations include global and domestic demand supply conditions, finished goods prices, raw material cost and availability and changes in government regulation and tax structure, economic development within India and the countries with which the company has business contacts and other factors such as litigation and industrial relations.

The Company assumes no responsibilities in respect of forward looking statements which may be amended or modified in future on the basis of subsequent developments, information of event

BY ORDER OF THE BOARD OF DIRECTORS
For Pratiksha Chemicals Limited

Date : 30/05/2012
Place : Ahmedabad

Sd/-
Mr. H K Bhatt
Whole time Director

CERTIFICATION BY MANAGING DIRECTOR TO THE BOARD

I, Mr. H K Bhatt, Whole Time Director of the PRATIKSHA CHEMICALS LTD certify that :

1. I have reviewed the financial statements for the Year and that to the best of my knowledge and belief:
 - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - b. These statements give a true and fair view of the state of affairs of the company and of the results of operations and cash flows. The financial statements have been prepared in conformity, in all material respects, with the existing generally accepted accounting principles including Accounting Standards, applicable laws and regulations.
2. These are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
3. I accept overall responsibility for the company's internal control system and financial reporting. This is monitored by the internal audit function, which encompasses the examination and evaluation of the adequacy and effectiveness. Internal audit works with all the levels of management and statutory auditors and reports significant issues to the Audit Committee of the Board. The auditors and audit committee are appraised of any corrective action taken with regard to significant deficiencies and material weakness.
4. I indicate to the auditors and to the audit committee :
 - a. Significant changes in internal control over financial reporting during the year.
 - b. Significant changes in accounting policies during the year;
 - c. Instances of significant fraud of which we have become aware of and which involve management or other employees who have significant role in the company's internal control system over financial reporting.

However, during the year there were no such changes or instances.

Date : 30/05/2012
Place : AHMEDABAD

Sd/-
Whole Time Director

DECLARATION BY THE CHAIRMAN & WHOLE TIME DIRECTOR ABOUT CORPORATE GOVERNANCE

I, Mr. H K Bhatt, Chairman & Whole Time Director of Pratiksha Chemicals Limited hereby confirm pursuant to clause 49(1)(d) of the listing agreement that:

1. The board of directors of Pratiksha Chemicals Limited has laid down a code of conduct has been placed on the company's website.
2. All the members of the board as well as senior management personal have complied with the said code of conduct for the year ended 31st March 2012.

Date : 30/05/2012
Place : Ahmedabad

Sd/-
Mr. H K Bhatt
Chairman & Whole Time Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
Pratiksha Chemicals Limited

We have examined the compliance of the conditions of corporate Governance by Pratiksha Chemicals Limited for the year ended on March 31, 2012, as stipulated in Clause 49 of the listing Agreements of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of the opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

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.

Place : Ahmedabad
Date : 30/05/2012

For, H K SHAH & Co.
Chartered Accountants

Sd/-
H K Shah (FCA)
Partner
M No. 42758

AUDITOR'S REPORT

To
The Members,
Pratiksha Chemicals Limited
Ahmedabad.

1. We have audited the attached Balance Sheet of Pratiksha Chemicals Limited as at 31st March, 2012, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting, the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, and on the basis of such checks as we considered appropriate and according to information and explanations given to us, we enclose in the Annexure, a statement on the matters specified in paragraph 4 and 5 of the said order.
4. Particular attention is drawn :
 - (i) The company has not made provision for doubtful debts amounting to Rs. 22.88 lacs as at year end. This has resulted in under statement of loss and over statement of current assets by Rs.22.88 lacs.
 - (ii) The company has not made adjustment in respect of deferred revenue expenditure amounting to Rs. 9.15 lac, which has resulted in under statement of loss and over statement of miscellaneous expenditure by such amount.
 - (iii) The company has not carried out impairment test and accordingly the impairment loss if any has not been charged to profit and loss account. The impact of which on the profits of the company could not be ascertained.
 - (iv) Adhering to significant accounting policy, the company is accounting for Gratuity & Leave encashment on cash basis. This is not in according with Accounting Standard – 1 on "Disclosure of Accounting Policies and 15 on "Accounting for Retiring Benefits" prescribed by the Institute of Chartered Accounting of India and contrary to provision contained in Section 209(3) of The Companies Act, 1956. The extent of non-compliance in terms of value is not ascertainable.
- (v) AS - 2 relating valuation of Inventories has not been followed. The technical valuation claimed by company is not quantifiable hence; we are not in a position to quantify the effect on the profit and loss account and balance sheet.
- (vi) Balances of Unsecured Loans, Other Liabilities, Creditors, Debtors, Loans and Advances are subject to confirmation by the parties concerned and reconciliation thereof in subsequent years.
5. Further to our comments in the Annexure refer above, 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, subject to para – 4 above , proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d. In our opinion the Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, except note no. (iii), (iv), (v)
- e. On the basis of written representations received from the directors of the company, as at March 31st, 2012 and taken on record by the board of directors, we report that none of the directors is disqualified from being appointed as director under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts subject to para 4 above :
 - a. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - b. in the case of the Profit and Loss Account, of the profit 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.

For, H. K. SHAH & CO.,
Chartered Accountants
FRN: 109583w

Sd/-
H. K SHAH
Partner
Mem. No. 042758

Place : Ahmedabad
Date : 30/05/2012

ANNEXURE TO THE AUDITOR'S REPORT

The annexure referred to in the Auditors Report to the members of Pratiksha Chemicals Limited for the year ended 31st March 2012, we report that:

1. (a) The Fixed Asset Register showing particulars including quantitative details and situation of fixed assets is under compilation and updation.
(b) According to the information and explanation furnished to us, the company has not physically verified all of its fixed assets. Since the fixed assets records are still under compilation no comparison with the book records have yet been made. In the absence of such comparison, opinion as to discrepancies, if any, can not be given.
(c) During the year, the company has not disposed off any substantial part of fixed assets.
2. (a) The Inventory have been physically verified during the year by the management as informed to us
(b) In our opinion, the procedures of physical verification of stocks followed by the Management are not reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) On the basis of our examination of inventories records, in our opinion, the company is not maintaining the reasonable records of inventories. AS - 2 relating valuation of Inventories has not been followed. The technical valuation claimed by company is not quantifiable hence; we are not in a position to quantify the effect on the profit and loss account and balance sheet.
3. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained u/s.301 of the Companies Act, 1956. Accordingly the clauses 4(iii)(b), 4(iii)(c) and 4(iii)(d) of the report are not applicable.
(b) (i) As per the information and explanations given to us, the Company has taken unsecured loans having closing balance as on 31-03-2012 of Rs. 195.88 Lacs from three parties covered in the register maintained u/s.301 of the Companies Act, 1956 and
(ii) In our opinion, the terms and conditions on which loans have been taken from companies, firms or other parties listed in the registered maintained under section 301 of the Companies Act, 1956 are not prima facie prejudicial to the interest of the company
(iii) The company is regular in repaying the principle amounts as stipulated
4. In our opinion and according to information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventories, fixed assets and with regard to the sale of goods. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal control.
5. (a) According to information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the act have been entered in the register required to be maintained under that section.
(b) In our opinion and according to the information and explanations given to us, the transactions exceeding Rs. 5 lacs 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.
6. The company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the act and the rules framed there under.
7. In our opinion the company does not have internal audit system commensurate with the nature and the size of the business.

8. We have broadly reviewed the Cost Records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records.
9. (a) According to information and explanation given to us, and on the basis of our examination of the books of accounts, the company is generally regular in depositing with appropriate authorities undisputed statutory dues and the company has no arrears except the liabilities of statutory dues as per schedule of current liabilities of such outstanding dues as at 31st March, 2012 for a period more than six months from the date they became payable.
(b) According to the information and explanation given to us, there are no disputed outstanding dues as at 31st March, 2012.
10. The accumulated losses of the company exceeds fifty percent of net worth as at 31st March, 2012 after considering qualifications, as reported in the audit report, the effect of which could be ascertained. It has not incurred cash loss in the financial year ended on that date.
11. According to the records of the company examined by us and the basis of information and explanations given to us, the company has not defaulted in repayment of dues to any financial or bank or debenture holders.
12. The company has not granted any loans and advances on the basis of securities by way pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to Chit fund, Nidhi, Mutual Benefit Funds or a Society are not applicable to the company.
14. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments.
15. In our opinion and according to the information and explanation given to us, the company has not given any guarantee for loans taken by others from banks and financial institutions during the year.
16. In our opinion and according to the information and explanations given to us, the company has not obtained any term loans. Accordingly clause 4(xvi) of the order is not applicable.
17. As per the information and explanation given to us, the company has not raised any funds on short-term basis, which have been used for long-term investments and vice-versa.
18. The company has not issued any preferential allotment of shares to parties and companies covered under register maintained under section 301 of The Companies Act, 1956.
19. During the year covered by audit report, the company has not issued any debentures.
20. The company has not raised any money by public issues during the year under review.
21. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For, H. K. SHAH & CO.,
Chartered Accountants
FRN: 109583w

Sd/-
H. K SHAH
Partner
Mem. No. 042758

Place : Ahmedabad
Date : 30/05/2012

BALANCE SHEET AS AT MARCH 31, 2012

Particulars	Note	As at 31-03-2012		As at 31-03-2011	
		Rupees	Rupees	Rupees	Rupees
I. EQUITY AND LIABILITIES :					
(1) Shareholders' Funds :					
(a) Share Capital	1	55,703,400		55,703,400	
(b) Reserves & Surplus	2	(29,892,862)	25,810,538	(31,039,724)	24,663,676
(2) Share application money pending allotment					
		--	--	--	--
(3) Non-current liabilities :					
(a) Long-term borrowings	3	19,588,176		22,062,368	
(b) Deferred tax liabilities (Net)		--		--	
(c) Other Long term liabilities		--		--	
(d) Long-term provisions		--	19,588,176	--	22,062,368
(4) Current liabilities :					
(a) Short-term borrowings	4	11,997,741		16,240,192	
(b) Trade payables	5	35,540,166		29,137,038	
(c) Other current liabilities	6	203,539		63,637	
(d) Short-term provisions	7	1,267,663	49,009,109	1,424,975	46,865,842
			94,407,823		93,591,886
II. ASSETS :					
(1) Non-current assets :					
(a) Fixed Assets	8				
(i) Tangible Assets		29,734,321		29,878,900	
(ii) Intangible Assets		--		--	
(iii) Capital work-in-progress		--		--	
(iv) Intangible Assets under Development		--		--	
(b) Non-current Investments		103,100		103,100	
(c) Deferred Tax Assets		1,049,466		681,757	
(d) Long-term loans and advances		--		--	
(e) Other non-current assets	9	915,233	31,802,120	915,233	31,578,990
(2) Current Assets :					
(a) Current investments		--		--	
(b) Inventories	10	28,604,006		31,969,345	
(c) Trade receivables	11	26,421,553		25,677,312	
(d) Cash and cash equivalents	12	1,354,658		525,832	
(e) Short-term loans and advances	13	6,225,485		3,840,407	
(f) Other current assets		--	62,605,702	--	62,012,896
			94,407,823		93,591,886

Summary of Significant Accounting Policies 21

As per our report attached

H. K Shah & Co.

Chartered Accountants

Firm Registration No.: 109583/W

Sd/-

H. K Shah

Partner

Membership No.: 042758

Place : Ahmedabad

Date : 30/05/2012

For and on behalf of the Board

Sd/-

Director

Sd/-

Director

Place : Ahmedabad

Date : 30/05/2012

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012

Particulars	Note	For the Period April 1, 2011 to March, 31 2012		For the Period April 1, 2010 to March 31, 2011	
		Rupees	Rupees	Rupees	Rupees
(I) REVENUE :					
Revenue from Operations	14	111,331,344		81,564,432	
Other Income	15	195,057		196,634	
Total Revenue			111,526,401		81,761,066
(II) EXPENSES :					
Cost of Material Consumed	16	84,046,346		63,065,317	
(Increase) / Decrease in Stock	17	3,432,929		(2,967,733)	
Manufacturing Expenses	18	4,430,886		4,855,850	
Administrative Expenses	19	11,620,871		9,017,486	
			103,531,032		73,970,920
(III) Earnings Before Interest, Depreciation and Amortization-EBDITA (I-II)			7,995,369		7,790,146
Financial Charges	20	3,619,582		2,811,385	
Depreciation and Amortisation expense	8	3,477,125		3,345,741	
Total Expenses			7,096,707		6,157,126
(V) Profit/(Loss) Before Exceptional items and Tax			898,662		1,633,021
Exceptional items			-		-
Prior Period Adjustments		119,512	119,512	1,274,065	1,274,065
(VI) Profit/(Loss) before Taxes - PBT			779,150		358,956
Tax expense :					
Current tax		-		-	
Deferred tax		(367,709)	(367,709)	(337,785)	(337,785)
Profit/(Loss) for the period after tax			1,146,859		696,741
Earnings per share :					
- Basic / Diluted			0.21		0.13
- Nominal value of shares			10.00		10.00

As per our report attached
H. K Shah & Co.
Chartered Accountants
Firm Registration No.: 109583/W

Sd/-
H. K Shah
Partner
Membership No.: 042758

Place : Ahmedabad
Date : 30/05/2012

For and on behalf of the Board

Sd/-
Director

Sd/-
Director

Place : Ahmedabad
Date : 30/05/2012

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

Particulars	For the year ended 31-03-2012 Amount (Rs.)	For the year ended 31-03-2011 Amount (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net profit / Loss for the year	1146859	696741
Adjustments for :		
Add : Fringe Benefit Tax	--	--
Depreciation	3477125	3345741
Preliminary Exps w/off	--	--
Other on cash Addition	--	--
Less : Sundry credit balance Written back	--	--
Deffered tax income	367709	337786
Interest Income	--	--
Operating profit before working cap. charges	4256275	3704696
Adjustments for :		
Trade Receivables	(744241)	(1917820)
Other Receivables	(2385078)	(108168)
Inventories	3365339	(4832228)
Trade payables Including others	6403128	1282866
Others	(4259861)	4425114
	<u>(2379287)</u>	<u>(1150236)</u>
Cash generated from operating activities	6635562	2554460
Less : Tax Paid	--	--
Net cash from operating activities (a)	6635562	2554460
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets	(3349845)	(3052205)
Sale of Fixed Assets	17301	--
Purchase of fixed assets of investment	--	(100000)
Increase in Capital WIP	--	1267533
Interest Income	--	--
Net cash used in investing activities (b)	(3332544)	(1884672)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Procurement/(Repayment) of long term borrowings	--	763145
Unsecured Loan	(2474192)	4270000
Net cash flow from financial activities (c)	(2474192)	5033145
Net Increase/(Decrease) in cash and cash equivalents (a)+(b)+(c)	828826	5702933
Cash and cash equivalents opening	525832	(5177101)
Cash and cash equivalents closing	1354658	525832

Explanatory Notes to Cash Flow Statement :

1. The Cash Flow Statement is prepared in accordance with the format prescribed by Securities and Exchange Board of India & as Accounting Standard 3 as Prescribed by the Institute of Chartered Accountants of India.
2. In Part A of the Cash Flow Statements, figures in brackets indicates deductions made from the net profit for deriving the cash flow from operating activities. In part B & part C, figures in brackets indicates cash flow.
3. Figures of the previous year have been regrouped wherever necessary, to confirm to current years presentation.

As per our report attached

H. K Shah & Co.

Chartered Accountants

Firm Registration No.: 109583/W

Sd/-

H. K Shah

Partner

Membership No.: 042758

Place : Ahmedabad

Date : 30/05/2012

For and on behalf of the Board

Sd/-

Director

Sd/-

Director

Place : Ahmedabad

Date : 30/05/2012

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

Particulars	As at 31-03-2012		As at 31-03-2011	
	Rupees	Rupees	Rupees	Rupees
NOTE NO. 01 - SHARE CAPITAL :				
Authorised Shares :				
75,00,000 Equity Shares of Rs.10/- each		75,000,000		75,000,000
Issued, Subscribed and Paid up shares :				
55,70,340 Equity Shares of Rs.10/- each fully paid up		55,703,400		55,703,400
		55,703,400		55,703,400

a. Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period :

Particulars	As at 31-03-2012		As at 31-03-2011	
	No of Shares	Rupees	No of Shares	Rupees
Equity Shares :				
At the beginning of the period	5,570,340	55,703,400	5,570,340	55,703,400
Issued during the year as fully paid	–	–	–	–
Outstanding at the end of the period	5,570,340	55,703,400	5,570,340	55,703,400

b. Terms / Rights attached to Equity Shares :

The Company has only one class of equity shares having a 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 2012, no dividend is declared by Board of Directors.
(Previous year - Nil)

c. Details of Shareholders holding more than 5% shares in the company :

Particulars	As at 31-03-2012		As at 31-03-2011	
	No of Shares	Rupees	No of Shares	Rupees
Equity Shares of Rs.10/- each fully paid				
Shri Harshad K Patel	689232	12.37%	689232	12.37%
Shri Harish K bhatt	692690	12.44%	692690	12.44%
SBS Colores & Chemiques Pvt. Ltd.	807700	14.50%	807700	14.50%

d. Shares reserved for issue under options : NIL

e. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares brought back during the period of five years immediately preceding the reporting date : NIL

f. Securities convertible into equity / preference shares issued along with the earliest date of conversion : NIL

g. Forfeited Share : NIL

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

Particulars	As at 31-03-2012 Rupees		As at 31-30-2011 Rupees	
NOTE NO. 02 - RESERVES & SURPLUS :				
General Reserve :				
Balance as per the last financial statement		(35,354,165)	(36,050,909)	
Add : Profit for the period		1,146,859	696,741	
Closing Balance		(34,207,306)	(35,354,168)	
Share Premium		4,314,444	4,314,444	
Total of Reserves and Surplus		(29,892,862)	(31,039,724)	
Particulars	As at 31-03-2012		As at 31-03-2011	
	Rupees	Rupees	Rupees	Rupees
NOTE NO. 03 - LONG TERM BORROWINGS :				
a) Bonds / Debentures	--	--	--	--
- Secured Loan				
From Banks	--	--	--	--
India Infrastructure Finance Co. Ltd				
c) Deferred payment liabilities	--	--	--	--
- Unsecured Loan				
From Directors and their Relatives	14,501,639	--	14,275,831	
Intercorporate Deposits	5,086,537	19,588,176	7,786,537	22,062,368
f) Long term maturities of finance lease obligations	--	--	--	--
		19,588,176		22,062,368
Indian rupee unsecured loan from Directors, Shareholders and their relatives carries interest @ 9 % p.a.as on the reporting date. Repayment Schedule of Unsecured Loan is not specified.				
NOTE NO. 04 - SHORT TERM BORROWINGS :				
a) Loans Repayable on Demand				
From Banks				
1. Bank of Baroda - Cash Credit Account	11,997,741		16,240,192	
2. From Financial Institutions	--	11,997,741	--	16,240,192
(Secured by hypothecation of Raw Materials, Stock in process, Finished Goods, Book debts and further secured by personal guarantee of the directors of the company and corporate guarantee of Associate/ Group company)				
b) Loans and Advances from related parties	--	--	--	--
c) Deposits	--	--	--	--
d) Others	--	--	--	--
		11,997,741		16,240,192
Particulars	As at 31-03-2012 Rupees		As at 31-30-2011 Rupees	
NOTE NO. 05 - TRADE PAYABLES :				
- Creditors for Goods		35,540,166	29,137,038	
		35,540,166	29,137,038	

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

Particulars	As at 31-03-2012		As at 31-03-2011	
	Rupees	Rupees	Rupees	Rupees
NOTE NO. 06 - OTHER CURRENT LIABILITIES :				
Current maturities of long-term debt*				
Secured Loan				
From Banks	--		--	
Current maturities of finance lease obligations	--		--	
Other current liabilities				
- Due to Micro and small enterprises #	--		--	
- Due to others	203,539		63,637	
- Statutory liabilities (including Duties and Taxes)	--	203,539	--	63,637
		203,539		63,637

There have been no claimed transactions during the period with Micro and Small enterprises covered under the Micro, Small and Medium Enterprises Development (MSMED) Act 2006. Hence details of principal and interest have not been reported.

Particulars	As at 31-03-2012 Rupees	As at 31-30-2011 Rupees
NOTE NO. 07 - SHORT TERM PROVISIONS :		
Provision for Expenses	1,267,663	1,424,975
	1,267,663	1,424,975

NOTE NO. 08 FIXED ASSETS :

S. N.	Name of Assets	Rate	GROSS BLOCK			Depreciation			Net Block		
			Op. Bal. 01-04-11	Add. during the year	Closing Bal. 31-3-12	Bal. as on 1-4-11	during the year	during the year	Total Dep.	As on 31-3-12	As on 31-3-11
1.	Building	3.34%	13779474	--	13,779,474	6,289,186	460,234	-	6,749,420	7,030,054	7,490,288
2	Furniture & Fixtures	6.33%	80334	--	80,334	74,932	5,085	--	80,017	317	5,402
3	Plant & Machinery	4.75%	61589532	3,349,845	64,939,377	40,807,322	2,987,134	--	43,794,456	21,144,921	20,782,210
4	Land	0%	1530268	--	1,530,268	--	--	--	--	1,530,268	1,530,268
5	Office Equipment	16.21%	474020	--	474,020	462,637	2,172	--	464,809	9,211	11,383
6	Vehicle	9.50%	1586139	(511,833)	1,074,307	1,547,928	20,909	(494,532)	1,074,305	1	38,211
7	Electrification	7.07%	22500	--	22,500	1,360	1,591	--	2,951	19,549	21,140
	TOTAL		79062267	2,838,013	81,900,280	49,183,365	3,477,125	(494,532)	52,165,958	29,734,321	29,878,902

Particulars	As at 31-03-2012 Rupees	As at 31-30-2011 Rupees
NOTE NO. 09 - OTHER NON CURRENT ASSETS :		
- Deferred Revenue Expenditure	915,233	915,233
	915,233	915,233

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

Particulars	As at 31-03-2012 Rupees	As at 31-30-2011 Rupees
<u>NOTE NO. 10 INVENTORIES :</u>		
- Fuel	55,000	191,836
- Packing Material	138,732	90,444
- Raw material	4,012,943	3,856,805
- Work in Progress	13,256,500	15,323,912
- Finished goods	11,140,831	12,506,348
	28,604,006	31,969,345
<u>NOTE NO. 11 TRADE RECEIVABLES :</u>		
Sundry Debtors (Considered Goods)		
- Exceeding Six Months	9,921,728	9,859,401
- Others	15,525,395	14,800,752
- Advance to Creditors	974,430	1,017,159
	26,421,553	25,677,312
<u>NOTE NO. 12 CASH AND BANK BALANCES :</u>		
Cash and cash equivalents		
Cash on hand	1,354,658	494,761
Balances with Banks		
- on Current account with Banks	--	31,071
- on Term deposit including interest accrued thereon	--	--
- on Margin Money Deposit including interest accrued thereon	--	--
	1,354,658	525,832
<u>NOTE NO. 13 SHORT TERM LOANS AND ADVANCES :</u>		
Security Deposit :		
Unsecured, Considered good	--	--
Other Loans and Advances :		
Unsecured, Considered good	221,216	197,442
Advances for Material	--	--
Balances with Revenue Authority	5,703,865	3,338,779
Others	300,404	304,186
	6,225,485	3,840,407
<u>NOTE NO. 14 REVENUE FROM OPERATION :</u>		
Gross Sales	120287503	84611688
Less : Excise Duty & Cess	-8956159	-3047256
	111331344	81564432

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

Particulars	As at 31-03-2012 Rupees	As at 31-30-2011 Rupees
<u>NOTE NO. 15 OTHER INCOME :</u>		
Dividend Income	360	450
Kasar Vatav	5809	5199
Prior Period Income	13904	109133
Refund from Excise Department	18481	0
Income From Foreign Exchange Fluctuation	27526	0
Other Income	20850	0
Discount Received from Parties	108127	81852
	195057	196634
<u>NOTE NO. 16 RAW MATERIAL CONSUMPTION :</u>		
Opening Stock	4139085	2274589.54
Add : Purchase		
Purchase of Raw Material	84113936	64929812
	84113936	64929812
Less : Closing Stock		
	4206675	4139085
	84046346	63065317
<u>NOTE NO. 17 INCREASE/(DECREASE) IN STOCK :</u>		
Closing stocks		
- Finished Goods	11140831	12506348
- WIP	13256500	15323912
Less : Opening Stock		
- Finished Goods	12506348	10090527
- WIP	15323912	14772000
Increase / (Decrease) in stock	(3432929)	2967733
<u>NOTE NO. 18 - MANUFACTURING EXPENSES :</u>		
Factory Salary	944564	918493
Factory Overtime Exps.	138599	104292
Power & Fuel	504422	408120
Factory Expense	350033	190336
Laboratory Expense	45401	13026
Labour Charges	2251056	1918676
Insurance	139803	58840
Annual custody Fees	(7283)	70803
Membership and Subscription Fees	6624	5400
Excise duty on Finished Stock	57667	1167864
	4430886	4855850

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

Particulars	As at 31-03-2012 Rupees	As at 31-30-2011 Rupees
<u>NOTE NO. 19 ADMINISTRATIVE EXPENSES :</u>		
Advertisement exp.	9889	1672
Annual Issuer Fees	16545	0
Auditor's Remmuneration	30000	30000
Bonus expenses	311330	97487
Carting Exps	12175	4930
Commision	43137	1149
Consultancy Charges	16443	0
Companies contribution to PF	76048	57036
Conveyance Expense	3029	24093
Courier exp	15719	8029
Director's Remmuneration	1493400	1191160
Domain Renewal Fees	5000	0
Electricity Exp.	2968946	2172475
Electrical Exp.	0	16600
Environmental exp.	38605	56156
Freight Inward / Outward Exps.	172485	48224
Gram panchayat Tax exp.	2800	22425
Interest on PF	0	6086
Legal and Professional fees	219737	164349
Listing fees	42113	17729
Miscellaneous Exps	6630	835
Office Exp & Other Expenses	32972	1430
Office Rent Exps	120000	120000
P.F.(employees contribution)	63387	68500
Pollution control Exp	1353968	880954
Professional Fees	35000	35000
Professional Tax	14720	11420
Repair and Maintenance Exps.	2125463	2001986
Salary Office	441093	354640
Staff welfare	102896	131655
Stationary & Printing Exp.	59448	55712
Telephone bill	63531	55098
Transportation Charges	1540859	1213397
Travelling Exps	90000	40000
Vehicle repairing exp.	59736	64302
Water Charges	25410	23515
Website hosting Charges	8357	39442
	11620871	9017486
<u>NOTE NO. 20 - FINANCIAL CHARGES :</u>		
Bank Interest	2191087	2756149
Bank Charges	62069	55236
Interest on Director's Loan	1301676	0
Loan Processing Fees	64750	0
	3619582	2811385

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012**NOTE A : CORPORATE INFORMATION :**

Pratiksha Chemicals Limited was incepted in the year 1991 as Pratiksha Chemicals Pvt. Ltd. and started the commercial production of Phthalocyanine Pigment Green 7. In the year 1994, Pratiksha Chemicals Pvt. Ltd. was changed to a limited company and was christened as Pratiksha Chemicals Limited. Currently company is engaged in the manufacturing business of Pigment Green 7 and Copper Phthalocyanine Green Crude.

NOTE B : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES :**(a) Basis of preparation of financial statements :**

These financial statements have been prepared on the accrual basis of accounting, under the historical cost convention, and in accordance with the Companies Act, 1956 and the applicable accounting standard issued by The Institute of Chartered Accountants of India.

(b) Use of estimates :

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reported period. Differences between the actual result and estimates are recognised in the period in which the results are known/ determined.

(c) Fixed Assets :

- (i) Fixed Assets are stated at their original cost including incidental expenses related to acquisition and installation, less accumulated depreciation. Cost comprises of the purchase price and any other attributable cost of bringing the assets to its working condition for its intended use.
- (ii) Capital Work in Progress is stated at cost.

(d) Impairment of Assets :

An asset is treated as impaired when its carrying cost exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

(e) Borrowing Costs :

Borrowing Costs that are directly attributable to acquisition of qualifying assets are capitalized for the period until the asset is ready for intended use. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs are recognizing as an expense in the period in which they are incurred. No borrowing costs are eligible for capitalization during the year.

(f) Depreciation :

Depreciation on assets is provided on the straight line method at rates and in the manner prescribed in schedule XIV to the Companies Act, 1956.

(g) Investments :

Investments are valued at cost. Provision for diminution in the value of Long Term investment is made only if, such decline is not temporary in nature in the opinion of the management.

(h) Inventories :

- (i) Stock in trade comprising of raw materials (including goods in transit), packing material, stock in process and finished goods are valued at the lower of cost and net realizable value after making such provisions as required on account of damage, unserviceable and obsolete stocks
- (ii) Stocks of stores, spares and consumable are valued at cost.
- (iii) Value of raw material and packing material does not include excise duty, counter veiling duty paid to the extent of which CENVAT credit is available.
- (iv) Excise duty on goods manufactured by the company and remaining in inventory is included as a part of valuation of finished goods.

(i) Retirement Benefits :

- (i) Contributions to provident fund are made at predetermined rates to Government Authority and charged to profit and loss account.
- (ii) The Company is accounting for gratuity and leave encashment on cash basis.

(j) Revenue Recognition :

- (i) Sales are recognized when the seller has transferred to the buyer, the property in the goods, for a price, or all significant risks and rewards of ownership have been transferred to the buyer without the seller retaining any effective control over the goods. Sales are stated at contractual realizable values, net of excise duty, sales tax and trade discounts.
- (ii) Commission income is recognized as per contracts/receipt of credit note.
- (iii) Job work Income is recognized when the goods are transferred to buyer and where no uncertainty exists regarding realization of revenue.

(k) Foreign Currency Transactions :

- (i) Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction.
- (ii) In respect of monetary items denominated in foreign currencies, exchange differences arising out of settlement or on conversion at the closing rate are recognized in the Profit and Loss Account, other than exchange differences on acquisition of fixed assets, which are adjusted in the carrying amount of fixed assets.

(l) Stores and Spares :

Items of stores and spares are charged to the revenue at the stage of purchase and stocks of such items as at the end of the year is accounted at cost.

(m) Research and Development Expenditure :

Revenue Expenditure in respect of Research and Development is charged to the Profit and Loss Account and Capital Expenditure is added to the cost of Fixed Assets in the year in which it is incurred.

(n) Taxation :

Provision for income-tax is based on the taxable income computed in accordance with the provision of the Income-tax Act, 1961. Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period.

(o) Provisions, Contingent Liabilities and Contingent Assets :

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

(p) Amortization of Deferred Revenue Expenditure :

The Company is amortizing 1/5th of Deferred Revenue Expenditure every year.

NOTE : 21 ADDITIONAL NOTES :

1. Contingent Liabilities and Capital Commitments Rs. NIL (P.Y. NIL)
2. The company has not made any provisions for Doubtful debts though considered doubtful for recovery amounting to Rs. 2,288,424/- as the management is still putting persuasive efforts for recovery.
3. No provision for income tax is considered necessary in view of carry forward losses and unabsorbed depreciation under the Income Tax Act 1961.
4. The company operates within a solitary business segment i.e. manufacturing of pigments, the disclosure requirements of Accounting Standard – 17 “Segment Reporting”, issued by the Institute of Chartered Accountants of India is not applicable.
5. In current year company has not amortized 1/5th of deferred revenue expenditure.
6. The company has not disclosed outstanding dues to Small Scale Industrial undertakings and details regarding the same as company are not having any outstanding to SSI unit.
7. Related Party Disclosures :
 - (a) List of related parties with whom transactions have taken place during the year :
As per Accounting Standard 18, issued by the Institute of Chartered Accountants of India, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below :

(a) List of related parties with whom transactions have taken place during the year and relationship :

No.	Name of related party	Relationship
1	Jayesh K. Patel	Key Management Personnel
2	Harish K. Bhatt	
3	Harshad K. Patel	
4	Asthu H. Patel	Relatives of key Management personnel
5	Dwijen H. Bhatt	
6	Ratnakala ben H Patel	
7	Surbhi ben H Bhatt	
8	Harshad K Patel (HUF)	
9	Harish K Bhatt (HUF)	
10	Dhara Organisers Pvt. Ltd.	Concerns in which Directors are interested
11	H. K. Builders	
12	J. K. Patel & Co.	

(b) Transactions with related parties :

[Amount in Rs.]

No.	Nature of transaction	2011-12	2010-11
(i)	Intercorporate Deposit/Loans :		
	- Concerns in which Directors are interested	5,086,537	7,786,537
	- Key Management Personnel and Relatives	14,501,639	14,275,831
(ii)	Expenditure on other service :		
	- Concerns in which Directors are interested	NIL	NIL
	- Key Management Personal and Relatives	NIL	NIL
(iii)	Managerial Remuneration	1,493,400	1,191,160
(iv)	Outstanding Balances :		
	Due to company :		
	- Concerns in which Directors are interested	NIL	NIL
	- Key Management Personal and Relatives	180,000	180,000
	Payable by company :		
	- Concerns in which Directors are interested	5,086,537	7,786,537
	- Key Management Personnel and Relatives	14,501,639	14,275,831

8. Particulars of Earning per Share :

Particulars	2011-2012 Amount (Rs.)	2010-2011 Amount (Rs.)
Net Profit/(Loss) for the year	11,46,859	6,96,741
Number of equity shares	5,570,340	5,570,340
Nominal value of the share	10	10
Earning per Share	0.21	0.13
Diluted EPS	0.21	0.13

There is no change in the number of equity shares during the period.

9. The company is entitled to setoff of carried forwarded losses and unabsorbed depreciation against the future taxable income under the Income-tax Act. However, as a matter of prudence, company is not recognizing the differed tax assets as provided by Accounting Standard 22 – accounting for taxes on income.

10. Auditors' Remuneration is made up of :

Particulars	2011-2012 Amount (Rs.)	2010-2011 Amount (Rs.)
Auditor Remuneration (excluding Service Tax)		
For Statutory Audit	20,000	20,000
For Taxation Matters	10,000	10,000
For Company Law Matters	--	--
For Management Services	--	--
For Other Services	35,000	35,000
Reimbursement of Expense	--	--
Total	65,000	65,000

11. (a) The Company has been advised that the computation of net profits for the purpose of Directors' remuneration under section 349 of the Companies Act, 1956 need not be enumerated since no commission has been paid to the Directors. In view of the inadequate profit, fixed monthly remuneration has been paid to the Directors as per Schedule-XIII to the Companies Act, 1956.

(b) Directors Remuneration is made up of :

Particulars	2011-2012 Amount (Rs.)	2010-2011 Amount (Rs.)
Salary	1,493,400	1,191,160
Total	1,493,400	1,191,160

(12) Value of Imports on CIF Basis Rs. NIL (P.Y. NIL)

(13) Earning in Foreign Currency :

Particulars	2011-2012 Amount (Rs.)	2010-2011 Amount (Rs.)
1. Export of goods calculated on F.O.B. basis	21,37,330.00	NIL
2. Royalty, know-how, professional and consultation fees	0.00	NIL
3. Interest and Dividend	0.00	NIL
4. Other Income	0.00	NIL
Total	21,37,330.00	NIL

(14) Expenditure in Foreign Currency (on payment basis) :

Particulars	2011-2012 Amount (Rs.)	2010-2011 Amount (Rs.)
Expenditure in Foreign Currency	NIL	NIL

15. Hitherto the Company has adopted the old Schedule VI to the Companies Act 1956 for the preparation and presentation of its financial statements. However, from the current year the Company has adopted the Revised Schedule VI to comply with the notification made under the Companies Act 1956. Accordingly the Company has reclassified / regrouped the previous year figures to confirm to this year's classification.

As per our report attached
H. K Shah & Co.
 Chartered Accountants
 Firm Registration No.: 109583/W

Sd/-
H. K Shah
 Partner
 Membership No.: 042758

Place : Ahmedabad
Date : 30/05/2012

For and on behalf of the Board

Sd/-
 Director

Sd/-
 Director

Place : Ahmedabad
Date : 30/05/2012

PRATIKSHA CHEMICALS LIMITED, AHMEDABAD

3rd Floor, H. K. Complex, Opp. Dharnidhar Derasar, Vasna, Ahmedabad-380007.

PROXY FORM

Reg. Folio No. _____ No. of Shares held _____ We _____
of _____ in the district of _____ being a
Member / Members of PRATIKSHA CHEMICALS LTD. hereby appoint _____
in the District of _____ or failing him/her _____ of _____
_____ in the District of _____ as my/
our Proxy to attend and vote for me/us and on my/our behalf at the 21st Annual General Meeting of
the Company to be held on the 28th September, 2012 and at any adjournment thereof.

As witness my hand/our hands this _____ day of _____ 2012.

Signed said

- NOTE : (a) The form should be signed across the stamp as per specimen signatures registered with the Company.
(b) The Proxy Form duly completed must be the Company not less than 48 hours before time fixed for holding the aforesaid meeting.

----- TEAR OFF -----

PRATIKSHA CHEMICALS LIMITED, AHMEDABAD

3rd Floor, H. K. Complex, Opp. Dharnidhar Derasar, Vasna, Ahmedabad-380007.

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting Hall)

TWENTYFIRST ANNUAL GENERAL MEETING

I/We hereby record me/our presence at the 21st Annual General Meeting held at 3rd Floor, H.K.Complex, Nr. Dharnidhar Temple, Vasna, Ahmedabad - 380007 on 28th September, 2012.

Full Name of the Member (in BLOCK LETTERS) _____

Reg. Folion No. _____ No. of Shares held _____ Full Name of the Proxy (in
BLOCK LETTERS) _____ SIGNATURE OF THE MEMBER(S) OR PROXY /

PROXIES PRESENT _____ Please complete and sign this Attendance Slip and thanover
at the enterence of the Meeting Hall. Only Member(s) or their Proxies with this Attendance Slip will
be allowed entry to Meeting.

Book Post

If undelivered Please return to :

PRATIKSHA CHEMICALS LIMITED

3rd Floor, H.K.Complex,

Opp. Dharnidhar Derasar,

Vasna, Ahmedabad - 380007