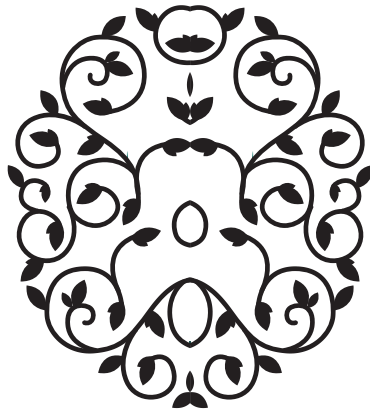


# ***Laurel Organics Limited***



**24th  
Annual Report  
Financial Year 2016-17**

## BOARD OF DIRECTORS

1. **MR. SAMEER GOEL**
2. **MR. SACHIN GOEL**
3. **MR. JAGDEEP DHAWAN**
4. **MRS. RICHA GUPTA**

**Managing Director**  
**Non Executive Director**  
**Independent Director**  
**Independent Director**

## AUDITORS

M/s A.K. Jalan & Associates  
Chartered Accountants, New Delhi

## LISTED WITH STOCK EXCHANGE:

Bombay Stock Exchange Limited  
1st Floor, Rotunda Building, PJ Towers,  
Dalal Street, Fort Mumbai 400001

## REGISTERED OFFICE:

Vill. Bhonsdi, Tehsil Sohna Distt.,  
Gurgaon-122012, Haryana  
Email: laurelorganicslimited@gmail.com

## BANKER :

HDFC Bank Limited  
Corporation Bank

## CORPORATE OFFICE:

Office No. 380-381, Aggarwal Millenium  
Tower-II, Netaji Subhash Place, Pitampura  
New Delhi-110034

## REGISTRAR & SHARE TRANSFER AGENT:

Beetal Financial & Computer Services (P) Limited,  
Beetal House, 3rd Floor, 99 Madangir,  
New Delhi-110062

## SECRETARIAL AUDITORS:

M/s Chandrasekaran Associates  
Mayur Vihar, Delhi-110091

## MR. GAURAV KUMAR

Company Secretary (Upto 09-09-2016)

## MS. PRATIBHA ANAND

Company Secretary  
(From 10-11-2016 till date)

## MR. RAMAN KUMAR THAKUR

Chief Financial Officer (w.e.f 17-05-2016)  
Resigned on 04-04-2017

## CONTENTS

<b>Notice</b>	<b>1-7</b>
<b>Director's Report</b>	<b>8-19</b>
<b>Annexure to Director's Report</b>	<b>20-41</b>
<b>Auditors Report</b>	<b>42-46</b>
<b>Balance Sheet alongwith Notes</b>	<b>47-61</b>

# Laurel Organics Ltd.

## Laurel Organics Limited

Registered Office: Village Bhondsi Tehsil Sohna Distt., Gurgaon-122102, Haryana, India,  
Tel: 011-29535650, Fax : 011-47063601, CIN No. L24239HR1993PLC032120  
Website: www.laurel.co.in Email ID: laurelorganicslimited@gmail.com

### NOTICE

NOTICE is hereby given that the 24th Annual General Meeting (AGM) of the members of Laurel Organics Limited will be held on Thursday, 28th September, 2017 at 12.30 p.m. at the registered office of the Company at Village Bhondsi, Tehsil Sohna Distt., Gurgaon-122102 (Haryana) to transact the following businesses:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone Financial Statements of the Company as at 31st March, 2017 including the Audited Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss for the year ended on that date and reports of the Board of Directors and Auditors thereon
2. To re-appoint Mr. Sameer Goel (Managing Director of the Company) as Director liable to retire by rotation:

**"RESOLVED THAT** Mr. Sameer Goel (DIN: 00161786) who retires by rotation and being eligible offers himself for reappointment, be and is hereby reappointed as Director of the Company, liable to retire by rotation."

3. To appoint Auditors to hold office from the conclusion of this 24th Annual General Meeting till the conclusion of Company's 29th Annual General Meeting.

**"RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit & Auditors) Rules, 2014 as may be applicable and pursuant to the recommendations of Board of Directors, M/s. Singhi & Co, Chartered Accountants, (Firm Registration Number: 302049E), be and are hereby appointed as Statutory Auditors of the Company, in place of retiring auditors M/s A. K. Jalan & Associates, Chartered Accountants, (Registration No. 500107N), to hold the office for a period of 5 (five) consecutive years from the conclusion of this 24th Annual General Meeting until the conclusion of 29th Annual General Meeting, subject to ratification by members every year, at such remuneration, as may be decided by the Board of Directors of the Company.

**By order of the Board**

**Sd/-**

**Pratibha Anand**

**Company Secretary**

**Date: 23rd August, 2017**  
**Place: New Delhi**

**Corp Off: 380-381, Aggarwal Millenium Tower-2,  
Netaji Subhash Place, New Delhi-110034**

## ANNEXURE TO NOTICE OF AGM

### ITEM NO. 2

#### **Details of Directors seeking Re-appointment at the Annual General Meeting pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Statement provided under Secretarial Standards on general meetings (SS-2)**

Mr. Sameer Goel, (DIN: 00161786), aged 42 years, a Delhi University Commerce graduate, holds a stature in the Indian API market and has strong multi-dimensional capabilities in the areas of Business Development, Product Development, Strategic Marketing and Operations Management. Mr. Goel has more than 25 years of corporate experience and is a co-promoter of Kimia Biosciences Limited (Formerly known as Kimia Biosciences Pvt. Ltd), engaged in dealing of bulk drugs addressing to various high potential therapeutic segments. Kimia get its products manufactured on job work basis from facilities at Derabassi, Punjab and few other locations in the country that enables it to produce wide range of APIs.

He holds nerves of pharmaceutical APIs business and having in-depth knowledge about Industry, Market and products. He is well known face in amongst the APIs industries. He is great visionary with good sense of business.

Keeping in view his qualification and his leadership qualities supported by experience, the Board of Directors in their meeting held on 29th March 2016 had appointed Mr. Sameer Goel, as an additional director & afterwards, regularized as Managing Director for a period of five (5) years w.e.f. 29th March, 2016 at 23rd Annual General Meeting held on 30th September, 2016.

As per his terms of appointment, he does not withdraw any remuneration from the Company, liable to retire by rotation. He retires by rotation at this 24th AGM of the Company and being eligible, offers himself for re-appointment.

Mr. Goel has been instrumental in setting up the Research and Development (R&D) facility of the Company. Under his prudent guidance and leadership, R&D activity is achieving progress in the development work on formulations.

He does not hold shares in the Company. He has attended all the meetings of the Board during the financial year 2016-17. He is brother of Director Mr. Sachin Goel (DIN: 00161762) and does not have any relationship with other director, manager, KMP etc.

He is also a Director on the Board of Kimia Biosciences Limited, Biotavia Buildcon Private Limited, SG Bullion Impex Private Limited, Nova Transbuild Solutions Private Limited, Synthergy Pharma Private Limited and Sky India Infrapromoters Private Limited.

There are no Un-listed companies in which he holds Chairmanship/ Membership of Committees of the board.

There are no listed companies in which he holds directorship and the membership of Committees of the board except of Laurel Organics Limited.

## NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ON HIS/ HER BEHALF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. Proxies, in order to be effective should be duly stamped, completed, signed and must be sent to the Company so as to receive at its Registered Office not later than 48 hours before the commencement of the Annual General Meeting (AGM).
3. **Corporate Members** are requested to send to the Registered Office of the Company, a duly certified copy of the Board Resolution pursuant to Section 113 of the Companies Act, 2013, authorizing their representative to attend and vote at the Annual General Meeting ('AGM').
4. All documents referred to in the accompanying Notice shall be open for inspection at the Registered Office of the Company and Corporate Office of the Company during normal business hours on all days except Saturdays and Sunday, up to and including the date of the Annual General Meeting.
5. Members can inspect the register of directors and key managerial personnel and their shareholding, required to be maintained under section 170 of the Companies Act, 2013 and register of contracts or arrangements in which the directors are interested, to be maintained under section 189 of the Companies Act, 2013 during the course of the meeting at the venue.
6. Members are requested to bring their copies of Annual Report and attendance slip at the Meeting and Members who wish to obtain information on the Financial Statements for the year ended March 31, 2017, may send their queries at least seven days before the Annual General Meeting to the Compliance Officer & Company Secretary at the registered/ or corporate office of the Company or by way of email on laurelorganicslimited@gmail.com
7. Electronic Copy of Notice of AGM along-with the Annual Report for the financial year 2016-17 is being sent to all the Members whose email IDs are registered with the Company / Depository Participants(s) for communication. For Members who have not registered their email address, physical copies of Notice of AGM along-with the Annual Report for 2016-17 is being sent by the permitted mode.

Members may also note that Notice along-with Annual Report will also being placed on the Company's official website i.e. [www.laurel.co.in](http://www.laurel.co.in) and physical copies thereof will also be available at the Company's Registered Office for inspection during normal business hours on working days.

8. The Company has appointed M/s Beetal Financial and Computer Services Private Limited, Delhi as the Registrar and Share Transfer Agents with effect from January 1, 2016. Members are requested to register/update/notify immediately about any change in their address/e-mail address /bank details to their Depository Participant (DP) in respect of their shareholding in Demat mode and in respect of their physical shareholding to M/s Beetal Financial and Computer Services Private Limited, Beetal House, 3rd Floor, 99 Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, Delhi 110062 either physically or by sending mail on beetalrta@gmail.com .

9. Members who are still holding shares in physical form are advised to Dematerialize their shareholding to avail of the benefits of dematerialization which include easy liquidity since trading is permitted only in dematerialized form, electronic transfer, savings in stamp duty, prevention of forgery, etc.
10. Subject to receipt of requisite number of votes, the resolution(s) at item no. 1 to 3 in Notice of AGM shall be deemed to be passed at the 24th Annual General Meeting of the Company scheduled to be held on Thursday, 28th September, 2017.
11. The Company has decided to close the Register of Members and the Share Transfer Register on September 22, 2017 in terms of the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Cut-off date to record the entitlement of shareholders for the purpose of e-voting is September 21, 2017.
12. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form may file nomination in the prescribed Form SH-13 and for cancellation/ variation in nomination in the prescribed Form SH-14 with the Company's RTA. In respect of shares held in electronic/ demat form, the nomination may be filed with the respective Depository Participant.
13. SEBI has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts and members holding shares in physical form to the Company/ RTA.
14. Members, who have not registered their e-mail addresses so far, are requested to register their email address with the Company/ Depository Participant for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically.
15. A Route Map along with the Prominent Landmark for easy location of the Venue of AGM and attendance slip is annexed with the Notice and also available on website of Company i.e. [www.laurel.co.in](http://www.laurel.co.in).
16. Voting through electronic means:
  - I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
  - II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
  - III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

IV. The remote e-voting period commences on 25th September, 2017 (9:00 am) and ends on 27th September, 2017 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 21st September, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

V. The process and manner for remote e-voting are as under:

A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :

(i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.

NOTE: Shareholders already registered with NSDL for e-voting will not receive the PDF file "remote e-voting.pdf".

(ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>

(iii) Click on Shareholder - Login

(iv) Put your user ID and password. Click Login.

(v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

(vii) Select "EVEN" of 'Laurel Organics Limited.

(viii) Now you are ready for remote e-voting as Cast Vote page opens.

(ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

(x) Upon confirmation, the message "Vote cast successfully" will be displayed.

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [navneetlegal@gmail.com](mailto:navneetlegal@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :

(i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM :

<b>EVEN (Remote e-voting Event Number)</b>	<b>USER ID</b>	<b>PASSWORD/PIN</b>
--	----------------	---------------------

(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the 'downloads' section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.

VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

NOTE: Shareholders who forgot the User Details/Password can use "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ClientID).

In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No+Folio No).

VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 21st September, 2017.

X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 21st September, 2017, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [beetalrta@gmail.com](mailto:beetalrta@gmail.com)/ [beetal@beetalfinancial.com](mailto:beetal@beetalfinancial.com).

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.

XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

XIII. Ms. Navneet Kaur, Proprietor of M/s N. K. Chandok & Associates (Company Secretaries), has been appointed as Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "remote e-voting" or



"Ballot Paper" or "Poling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

XVI. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company viz. [www.laurel.co.in](http://www.laurel.co.in) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

**By order of the Board**

**Sd/-**

**Pratibha Anand**

**Company Secretary**

**Date: 23rd August, 2017**

**Place: New Delhi**

**Corp Off: 380-381, Aggarwal Millenium Tower-2,  
Netaji Subhash Place, New Delhi-110034**

## DIRECTORS' REPORT

To,  
The Shareholders,  
The Directors have the pleasure of presenting Twenty Fourth (24th) Annual Report of your Company together with the Audited Financial Statement for the year ended 31st March, 2017.

### FINANCIAL SUMMARY

	Year Ended March 31, 2017	(Rs. In lacs) Year Ended March 31, 2016
Net Sales/ Income from operation	146.0	19.21
Other Income	59.18	18.67
	-----	-----
Total Income	205.18	37.88
Cost of Raw Material Consumed	0.00	7.75
Employee Benefit Expense	75.08	213.43
Other expenses	135.57	135.60
Depreciation	34.75	29.35
Finance Charges	26.90	55.71
Change in Inventory/ Stock in trade	0.00	0.43
Purchases of Stock in Trade	35.39	0.00
	-----	-----
Total Expenditure	307.68	442.27
	-----	-----
Profit / (Loss) for the year	(102.51)	(404.39)
Less: Deferred Tax	(7.61)	(0.91)
Profit/ (Loss) carried to Balance Sheet	(94.90)	(404.30)
	-----	-----
<b>Earnings per Share</b>	<b>(1.29)</b>	<b>(5.49)</b>
	-----	-----

### STATE OF COMPANY'S AFFAIRS

The Company has been consistently practising prudent finance and working capital management. The strong focus on working capital and liquidity management has helped timely generation of sufficient internal cash flow to invest in long term strategic objectives of the Company.

Company has upgraded its Plant in accordance with Good Manufacturing Practice (GMP) Standards for pharmaceutical productions and has received GMP certificate dated 25-07-2017 valid upto 06-04-2022, from the office of State Drugs Controller, Haryana, Food and Drugs Administration, Haryana, Panchkula.

The Company has obtained Manufacturing License from State Drugs Controller-cum-Licensing Authority, Food and Drugs Administration, Haryana on 07-04-2017, in order to manufacture final product Bulk Drugs - Active Pharmaceutical Ingredients (APIs).

- Brief details of the license obtained- Grant of Manufacturing License on Form 25 and 28 for manufacturing of Biological and Non- Biological Drugs.
- Relevance of such license to the listed entity- The Company shall initiate the process of manufacturing final product bulk drugs - Active Pharmaceutical Ingredients (APIs);
- Period for which such license is valid- 5 years i.e. upto 06-04-2022.

Company has recently started Research & Development (R&D) at its plant located at Village Bhondsi, Tehsil Sohna, Distt. Gurgaon, Haryana-122102

## **CAPITAL**

There has been a change in the Share Capital of the Company during the year under review.

40,00,000 , 0.1% Redeemable Non-Convertible Preference Shares (RNCPS) of Rs 10/- each issued/ allotted by the Company on 17th May, 2016 to a non- promoter on private placement basis, consequent to which, the overall Paid-up Share Capital of the Company stand increased to 11,38,50,000/-, comprising of 73,85,000 Equity Shares of Rs 10/- each and 40,00,000 Preference Shares of Rs 10/- each. The said RNCPS are not listed on any Stock Exchange.

## **SCHEME OF ARRANGEMENT WITH KIMIA BIOSCIENCES LIMITED**

During the year under review, Board of Directors of the Company in their meeting held on August 02, 2016 has approved the Scheme of Arrangement for Amalgamation of the Company with M/s Kimia Biosciences Limited ("Kimia"). Kimia is engaged in the business of manufacturing of pharmaceutical products specifically bulk drugs, having facilities at Derabassi, Punjab, Bhiwadi, and has recently shifted its R&D unit at the plant located in Gurgaon.

Company has received 'No Adverse Observation' dated January 23, 2017 from Bombay Stock Exchange regarding the draft Scheme of Arrangement between Laurel Organics Limited and Kimia Biosciences Limited and has filed first motion petition to National Company Law Tribunal (NCLT), Chandigarh for further proceedings.

Approval of the Scheme pursuant to section 391 - 394 of the Companies Act, 1956 or any corresponding provisions of the Companies Act, 2013 (to the extend notified) shall also be deemed to be the approval under section 100 to 105 of the Companies Act, 1956 or any corresponding provisions of the Companies Act, 2013 (to the extend notified) for reduction and cancellation of shares of the Company.

## **HOLDING, SUBSIDIARY, ASSOCIATE COMPANIES**

The Company does not have any Subsidiary. During the year under review, Kimia Biosciences Limited became the Holding Company by acquiring 37,28,100 Equity Shares (50.48%) of Rs. 10/- each during the quarter ended on September, 2016 and is covered under the category of 'Promoter and Promoter Group' of the Company.

## **DIVIDEND**

In view of accumulated losses of the Company, your company does not recommend dividend for the financial year 2016-17.

Further, there were no amounts of unclaimed dividend to be transferred to Investor Education & Protection Fund (IEPF) as per the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time.

## **TRANSFER TO GENERAL RESERVES**

During the Financial Year ended on March 31, 2017, the Company has not transferred any amount to the General Reserves.

## **PUBLIC DEPOSITS**

Your Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

## **LOANS, GUARANTEES AND INVESTMENTS**

There were no loans, guarantee given or investments made during the year under review. Details of Loans taken and securities provided in related thereto are provided in Note No. 25 of Notes to the Financial Statements, enclosed with this Annual Report.

## **CORPORATE GOVERNANCE REPORT & MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Pursuant to Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as Listing Regulations), the Equity Capital of the Company Rs. 7,38,50,000 (Rupees Seven Crores Thirty Eight Lacs and Fifty Thousand only) and the Net worth of the Company is negative and does not exceed Rs. 25 crores as on March 31, 2017. Thus, Company is not required to submit the Corporate Governance Report.

Management Discussion and Analysis- In compliance with Regulation 34(3) read with Schedule V(B) of SEBI(Listing Obligations & Disclosure Requirements) Regulations, 2015, a Management Discussion and Analysis, forms part of this report as Annexure-I.

## **EXTRACT OF ANNUAL RETURN**

Pursuant to Section 92(3) and 134(3)(a) of the Companies Act, 2013 ('the Act') and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of Annual Return in Form MGT-9 is annexed as Annexure-II.

## **STATUTORY AUDITORS, THEIR REPORT AND NOTES TO FINANCIAL STATEMENTS**

In the 21st Annual General Meeting held on 29th September, 2014, M/s. A.K Jalan & Associates, Chartered Accountants, New Delhi (FRN 500107N) had been appointed as Statutory Auditors of the Company for a period of three(3) years subject to ratification at every Annual General Meeting. Their term of office, as per the provisions of Section 139 of the Companies Act, 2013 and rules made there under, will expire at the conclusion of forthcoming Annual General Meeting.

Therefore, in line with the recommendation of Audit Committee and subject to the approval of shareholders at ensuing Annual General Meeting (AGM) of the Company, the board of directors in its meeting held on August 23, 2017 has proposed the appointment of M/s. Singhi & Co, Chartered Accountants, (Firm Registration Number: 302049E), as Statutory Auditors of the Company, in place of retiring auditors M/s A. K. Jalan & Associates, Chartered Accountants, (Registration No. 500107N), to hold the office from the conclusion of this 24th Annual General Meeting (AGM) until the conclusion of 29th Annual General Meeting, subject to ratification by members at every AGM.

The report of the Statutory Auditors along with Notes on Standalone Financial Statements for the year ended March 31, 2017 is enclosed with this report, which is self explanatory and do not call for any further comments. There is qualified opinion in Audit Report, the basis of which is as follows:

The Company has accumulated losses and its net worth has been fully eroded. The Company's current liabilities exceeded its current assets as at the balance sheet date and business of the Company has remained suspended for major part of the financial year, and also the Company incurred net loss during the current and previous year(s) affecting the going concern assumptions. Appropriateness of the assumption of 'going concern' is dependent upon Company's ability to raise sufficient resources/ generate cash flows in future to meet its obligations.

Management of the company has, though, expressed positive hope in this regard as necessary funds required for up-gradation/renovation of plant have been infused during the FY by them and phase I of the process has completed and part of the plant facility has started yielding revenue during last quarter and, therefore, the financial statements of the Company have been prepared on a going concern basis.

Further, during the year, the Auditors' has not reported any fraud u/s 143(12) of the Companies Act, 2013 and rules made there under.

## SECRETARIAL AUDITOR

In terms of Section 204 of the Companies Act, 2013 and Rules made there under, M/s. Chandrasekaran Associates, Practicing Company Secretaries, New Delhi has been appointed as Secretarial Auditors of the Company for the financial year 2016-17.

The report of the Secretarial Auditors for the year ended March 31, 2017 is enclosed as Annexure-III to this report. The report is self-explanatory and do not call for any further comments.

## INTERNAL FINANCIAL CONTROLS

The internal financial controls with reference to the Financial Statements are commensurate with the size and nature of business of the Company. Your Company continuously invests in strengthening the internal control processes and systems. The internal control process and systems provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes, safeguarding of assets of the Company and ensuring compliance with corporate policies. Procedures to ensure conformance with the policies, processes and standards have been put in place covering all activities.

The processes and financial activities are subjected to independent audits by internal as well as statutory auditors. Implementations of recommendations from various audit reports are regularly monitored by the senior management. The Board of directors of the Company have also appointed an Internal Auditor, Sh. Biswajit Das Chatterjee, Chartered Accountant (ACA51729), Financial Advisor of the Company, to ascertain, inter-alia, their views on the adequacy of internal control systems and keep the board of directors informed of its major observations periodically. Internal and statutory audit reports and findings, including comments by the management, if any, are periodically placed before the Audit Committee of the Board of Directors.

## DIRECTORS' RESPONSIBILITY STATEMENT

In compliance with the provisions of Section 134 (3)(C) read with Section 134 (5) of the Companies Act, 2013, your Directors confirm:

- (a) that in the preparation of the annual financial statements for the year ended March 31, 2017, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profits/ losses of the company for that period;
- (c) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) that the annual financial statements have been prepared on a going concern basis;
- (e) that the directors had laid down proper internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## RELATED PARTY TRANSACTIONS

All the related party transactions entered into by the Company during the year were on arm's length basis and in the ordinary course of business. During the year, no transaction was entered into by the company with its Key Managerial Personnel. The Company did not enter into any related party transaction which was in conflict with its interest. Statements of transactions with related parties in summary form are periodically

placed before the Audit Committee and are approved by the Committee. Details of provided in Note No. 25 (xxx) of the Notes to Financial Statements of the Company, enclosed with this report.

The prescribed Form AOC-2 is enclosed and forms part of this Report as Annexure-IV.

The policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions as approved by the Board has been hosted on Company's website viz. [www.laurel.co.in](http://www.laurel.co.in).

## **CODE OF CONDUCT**

The Company has laid down a Code of Conduct ("Code") for all Board members and Senior Management of the Company. The code is available on the website of the Company i.e. [www.laurel.co.in](http://www.laurel.co.in) The Code has been circulated to all the members of the Board and Senior Management and they have affirmed compliance with the Code for the financial year ended 31st March, 2017. A declaration signed by Mr. Sameer Goel, Managing Director of the Company affirming the compliance of the Code of Conduct by Board Members and Senior Management Executives is attached to this Annual Report as Annexure-V.

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Pursuant to the provisions of Section 152 of the Act, Mr. Sameer Goel, Managing Director of the Company, retires by rotation at the forthcoming Annual General Meeting (AGM) and is eligible for re-appointment.

During the year under review, the designation of Mr. Sachin Goel was changed from Whole Time Director ("WTD") (appointed as Additional Director on 29th March, 2016, to be regularized as WTD, subject to the approval of Shareholders in AGM) and presently, continues to act as a non-executive director w.e.f 17th May, 2016.

Mr. Jagdeep Dhawan and Mrs. Richa Gupta, duly appointed as an Independent Directors in AGM dated 30th September, 2016 for a period of five (5) consecutive years, w.e.f 29th March, 2016 and 15th April 2016, respectively. In compliance with the provisions of Section 149(7) of the Act, Independent Directors have given declarations that they meet the criteria of independence prescribed by Section 149(6) of the Act.

Mr. Gaurav Kumar and Mr. Raman Thakur, were appointed as the Company Secretary and Chief Financial Officer (CFO) w.e.f. 12th March, 2016 and 17 May, 2016 respectively. During the year, Mr. Gaurav Kumar resigned from the position of Company Secretary & Compliance Officer of the Company effective from September 09, 2016 and Ms. Pratibha Anand was appointed as Company Secretary & Compliance Officer of the Company w.e.f November 10, 2016. Further, Mr. Raman Kumar Thakur has resigned from the office of CFO w.e.f April 04, 2017.

During the year, seven Board Meetings were held on May 12, 2016, May 17, 2016, May 30, 2016, August 02, 2016, August 13, 2016, November 10, 2016 and February 13, 2017.

The Board of Directors ("Board") comprises of optimum number of Executive, Non-Executive, and Independent Directors as required under applicable legislations. As on date of this Report, the Board consists of four (4) Directors comprising one (1) Managing Director and one (1) Non-Executive Director. There are two (2) Independent Directors in the Company including one (1) Independent Woman Director as required under Section 149 of the Companies Act, 2013 & rules made thereunder and Regulation 17 of the Listing Regulations.

NIL number of Shares and convertible instruments held by non-executive directors.

Details of the composition of the Board, the Board meetings held during the year, attendance of Directors at Board meetings and other related matters are as under:

Name of Director	Designation/ Category	Number of other directorship held	Number of other Board Committees of which member/ chairperson	Number of Board Meetings held during the tenure	Board Meetings attended last AGM	Attendance Attendance at the
Mr. Sameer Goel	Chairman, Managing Director/ED	6	1	7	7	Yes
Mr. Sachin Goel	Director/ NED	6	1	7	7	Yes
Mr. Jagdeep Dhawan	Independent Director	NIL	NIL	7	7	Yes
Mrs. Richa Gupta	Independent Director	NIL	NIL	7	7	Yes

## Notes:

Except Mr. Sameer Goel and Mr. Sachin Goel, who are related to each other as brothers, none of the other Directors are related to any other Director on the Board in term of definition of 'relative' as per the Companies Act, 2013.

Mr. Sameer Goel is liable to retire by rotation at the forthcoming Annual General Meeting (AGM) and being eligible, has offered himself for re-appointment. Relevant details pertaining to Mr. Sameer Goel are provided in the notice of the AGM.

All IDs of the Company have furnished declarations that they qualify the conditions of being independent as per Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations. These were placed before the Board.

The IDs of the Company met on March 31, 2017 under the chairmanship of Mr. Jagdeep Dhawan without the presence of Non-Independent Directors or management personnel to review the performance of Non-Independent Directors, the Board, Committees and the Chairperson. The meeting also reviewed the quality, quantity and timeliness of flow of information between the Company and the Board. The terms and conditions of appointment of Independent Directors have been placed on the website of the Company [www.laurel.co.in](http://www.laurel.co.in). The details of familiarization programmes for Independent Directors have been provided in the Directors' Report and posted on the website of the Company and can be accessed at the web link: <http://www.laurel.co.in/policies.html>.

## COMMITTEES OF BOARD

During the year under review and as on date, the composition of Committees i.e. Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee, remained unchanged.

## AUDIT COMMITTEE

The constitution of the Committee is in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. During the year under review, seven meetings of the Committee were held on May 12, 2016, May 17, 2016, May 30, 2016, August 02, 2016, August 13, 2016, November 10, 2016 and February 13, 2017.

The composition of the Committee as well as the particulars of attendance at the Committee meetings during the year and other related details are given in the table below:

Name & Designation	Category of Directorship	Qualification	No. of meetings held during the tenure	No. of meetings attended
Mr. Jagdeep Dhawan	ID	Graduate	7	7
Mrs. Richa Gupta	ID	Graduate	7	7
Mr. Sameer Goel	MD	Graduate	7	7

The Chairman of the Committee attended the last AGM of the Company. The Company Secretary acts as the Secretary to the Committee. The Statutory Auditors, Internal Auditors, Secretarial Auditors and other related functional executives of the Company also attended the meeting when required. Further, the Board has accepted all the recommendation of Audit Committee during the period.

The principal terms of reference of the Committee as approved by the Board and as revised / updated from time to time by the Board are:

## Financial Information Review

- 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.
- To examine the financial statement and the auditors' report thereon;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval.
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- To review and recommend the appointment, removal and terms of remuneration of Auditors of Company.

## Internal Controls and Policies for Maintaining Vigil

- Scrutiny of inter-corporate loans and investments.
- Valuation of undertaking's or assets of the company, wherever it is necessary.
- Evaluation of Internal Financial Controls and Risk Management systems.
- 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.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower (Vigil) mechanism.
- To approve the appointment of Chief Financial Officer (i.e., the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate and recommend to the Board.
- Investigate any activity within its terms of reference and any matters referred to it by the Board.
- Reviewing with the Auditors and Management, if required, about internal control systems, the scope of audit, including the observations of the Auditors and review of financial statement before their submission to the Board and any related issues there with.

## Relationship with Statutory, Internal and Secretarial Auditors

- Recommend to the Board for appointment, remuneration and terms of appointment of Auditors of the Company.
- Approval of payments to Statutory Auditors for any other services rendered by them.
- Review and monitor the Auditor's independence and performance and effectiveness of audit process.



iv. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.

vi. Discussion with Internal Auditors of any significant findings and follow up there on.

## **Risk Management**

i. Review procedures for risk assessment and minimization for informing the same to the Board.

ii. Framing, recommending to the Board and reviewing the Risk Management Policy and Plan from time to time.

## **Related Party Transactions**

i. Approval or any subsequent modification of transactions of the Company with related parties.

ii. To lay down the criteria for granting the omnibus approval in line with the policy on related party transactions.

iii. To review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given.

## **STAKE HOLDERS RELATIONSHIP COMMITTEE**

The Securities Transfer & Stakeholders Relationship Committee considers and oversees resolution of grievances of security holders and investors of the Company.

During the year, the Committee met Nineteen times on 28-05-2016, 10-08-2016, 08-09-2016, 21-09-2016, 10-10-2016, 22-10-2016, 03-11-2016, 21-11-2016, 25-11-2016, 06-12-2016, 08-12-2016, 14-12-2016, 30-12-2016, 13-01-2017, 25-01-2017, 17-02-2017, 03-03-2017, 17-03-2017, 31-03-2017. Company effectuated all requests for transfer of shares, consolidation and issue of duplicate share certificate, within prescribed time limits.

The composition of the Committee as well as the particulars of attendance at the Committee meetings during the year and other related details are given in the table below:

Name & Designation	Category of Directorship	Qualification	No. of meetings held during the tenure	No. of meetings attended
Mr. Jagdeep Dhawan	ID	Graduate	19	19
Mrs. Richa Gupta	ID	Graduate	19	19
Mr. Sameer Goel	MD	Graduate	19	19

Company Secretary provided secretarial support to the Committee.

## **NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee recommends the appointment of Directors and remuneration of such Directors other than Independent Directors. During the year under review, seven meetings of the Committee were held on May 12, 2016, May 17, 2016, May 30, 2016, August 02, 2016, August 13, 2016, November 10, 2016 and February 13, 2017.

The composition of the Committee as well as the particulars of attendance at the Committee meetings during the year and other related details are given in the table below:

Name & Designation	Category of Directorship	Qualification	No. of meetings held during the tenure	No. of meetings attended
Mr. Jagdeep Dhawan	ID	Graduate	7	7
Mrs. Richa Gupta	ID	Graduate	7	7
Mr. Sameer Goel	MD	Graduate	7	7

Company Secretary provided secretarial support to the Committee.

Pursuant to Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations, Nomination and Remuneration Committee has the following principal terms of reference:

1. To evaluate and recommend the composition of the Board of Directors and committees thereof.
2. To identify persons who are qualified to become Directors and who may be appointed in senior management positions in accordance with the criteria laid down, recommend to the Board their appointment and removal.
3. To determine whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
4. To formulate a criteria for performance evaluation of Directors and the Board and to carry out evaluation of every Director's performance.
5. Devising a Policy on Board Diversity.
6. Formulate the criteria for determining qualifications, positive attributes and independence of a Director.
7. To recommend a Policy to the Board relating to the remuneration for the Directors, KMPs and other employees, for its approval.
8. To note information on recruitment and remuneration of Senior Officers just below the level of Board of Directors, including appointment or removal of Chief Financial Officer and the Company Secretary.
12. To undertake related activities, functions and duties as the Board of Directors may from time to time, after deliberations, prescribe or as may be required to be undertaken in terms of any statutory or regulatory provisions.

## **NOMINATION AND REMUNERATION POLICY**

In compliance with Section 178(3) of the Act and Regulation 19(3) of Listing Regulations and on the recommendation of Nomination and Remuneration Committee, the board framed a "Nomination, Remuneration and Evaluation Policy" on director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director.

The said policy may be accessed at Company's website and forms part of this report as Annexure-VI.

## **PARTICULARS OF EMPLOYEES**

The information as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) & (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company forms part of this report as Annexure-VII.

## **BOARD EVALUATION**

In compliance with the provisions of Section 134(3)(p) of the Act read with Rule 8(4) of the Companies (Accounts) Rules, 2014, the Board carried out annual evaluation of its own performance, that of its Committees and individual directors.

The performance of the Board and its committees and individual directors were evaluated by the Board after seeking inputs from all the Directors on the basis of criteria, such as composition and structure of the Board, quality of deliberations, effectiveness of the procedures adopted by the Board, participation of the Board and committee meetings and governance reviews etc. Pursuant to Regulation 17(10) of Listing Regulations, the Board carried out performance evaluation of Independent Directors without the participation of the director being evaluated.

As per Schedule IV to the Companies Act, 2013 and Regulation 25 of the Listing Regulations, a separate meeting of Independent Directors was held on March 31, 2017, where Independent Directors, reviewed the performance of Non-Independent Directors, the Board as a whole, and the Chairman of the Company.

**Familiarization Programme of Independent Directors-** The Independent Directors of the Company have been updated with their roles, rights and responsibilities in the company to enable them to familiarize with Company's procedures and practices.

The Company endeavors to familiarize the Independent Directors with the strategy, operations and functioning of the Company and also with changes in the regulatory environment having significant impact on the operations of company and the Pharmaceutical Industry as a whole.

## **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

At present, the provisions of Section 135 of the Companies Act, 2013 are not applicable to the Company.

## **MATERIAL CHANGES AND COMMITMENT**

There is no material changes and commitments affecting the financial position of the Company between the end of financial year of the Company and the date of this report.

Note: Revocation of Suspension in Trading of Equity Shares of the Company was received through Notice from BSE Limited dated April 29, 2016, effective from May 09, 2016.

## **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS**

No significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

## **RISK MANAGEMENT POLICY**

- a. **DEVELOPMENT OF RISK MANAGEMENT POLICY:** In terms of the requirement of the Companies Act, 2013 and the Listing Regulations, the Company has developed and implemented the Risk Management Policy and the Audit Committee of the Company reviews the same periodically.
- b. **IMPLEMENTATION OF RISK MANAGEMENT POLICY:** The Company recognizes that risk is an integral and unavoidable component of business and hence is committed to managing the risk in a proactive and effective manner. The Risk Management Policy approved by the Board has been effectively implemented. The Company's Management systems, organizational structures, processes, standards, code of conduct and behaviors together form the Risk Management System of the Company and are managed accordingly.
- c. **IDENTIFICATION OF KEY RISKS WHICH MAY THREATEN THE EXISTENCE OF THE COMPANY AND RISK MITIGATION:** The common risks faced by the Company include Raw Material Procurement Risk, Environment & Safety Risk, Market Risk, Technology risk, Business Operational Risk, Reputation Risk, Regulatory & Compliance Risk, Human Resource Risk Working Capital and Business continuity Risk. Your Company has well defined processes and systems to identify, assess & mitigate the key risks. A platform for exception reporting of violations is in place which is reviewed regularly and remedial measures are being undertaken immediately.

## **VIGIL MECHANISM/ WHISTLEBLOWER POLICY**

In compliance with the provisions of Section 177(9) & (10) of the Act, read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules 2014 and Regulation 22 of Listing Regulations, Company formulated a vigil Mechanism for Directors and employees to report concerns including any unethical behavior, actual or suspected frauds taking place in the Company for appropriate action thereon.

The Whistleblower policy has been hosted on Company's website viz. [www.laurel.co.in](http://www.laurel.co.in).

## **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Policies on Code of Conduct and Prevention of Workplace Harassment is displayed on company's website viz. [www.laurel.co.in](http://www.laurel.co.in).

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The company always endeavors to create and provide an environment that is free from discrimination, intimidation, abuse & harassment, especially to protect the integrity and dignity of woman employees. Nil complaints were received during the year under review.

## **DETAILS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The disclosures to be made under sub-section (3) (m) of Section 134 of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 by your Company are explained as under:

### **(A) Conservation of energy-**

- |   |  |
|---|--|
| (i) the steps taken or impact on conservation of energy                       | The Company has pharmaceutical manufacturing unit for Bulk Drug Intermediates, APIs formulations, requires normal consumption of electricity. The Company takes all necessary steps to reduce the consumption of energy. |
| (ii) the steps taken by the company for utilising alternate sources of energy |  |
| (iii) the capital investment on energy conservation equipments                |  |

### **(B) Technology absorption-**

- |  |   |
|--|---|
| (i) the efforts made towards technology absorption   | The Company is engaged in the process of updating latest Technology(ies).             |
| (ii) the benefits derived like product improvement, cost reduction, product development or import substitution                 |   |
| (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- |   |
| (a) the details of technology imported;  |   |
| (b) the year of import;  | No expenditure was incurred on Research and Development during the year under review. |
| (c) whether the technology been fully absorbed;  |   |
| (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and                            |   |
| (iv) the expenditure incurred on Research and Development  |   |

### **(C) Foreign exchange earnings and Outgo-**

The total foreign exchange used and the total foreign exchange earned during the year as compared to the previous financial year has been provided hereunder:

Foreign Exchange Earnings & Outgo	Current Year (2016-17)	Previous Year (2015-16)
Inflow	NIL	NIL
Outflow	Rs. 32.71 lacs (USD 48000)	NIL

## **HUMAN RESOURCES**

Adapting to change is quintessential to a growing organization's longevity. Over the time, Laurel has changed to adapt and evolve with the changing economic landscape, while keeping its core value firmly entrenched. The Human Resource Department of the organization has strategic and functional responsibilities for all of the Human Resource disciplines in the changing scenario.

On the Industrial front, the Company continued to foster cordial Industrial Relations with its workforce during the year.

## **APPRECIATION AND ACKNOWLEDGEMENT**

Your Directors appreciate the trust reposed by the medical fraternity and look forward to their continued patronage. The Directors are also grateful & pleased to place on record their appreciation for the excellent support, guidance and cooperation extended by financial institutions, banks, authorities, creditors and customers.

The Board also expresses its appreciation of the understanding and support extended by the shareholders and the commitment shown by the employees of the Company.

**For and on behalf of the Board  
For Laurel Organics Limited**

**Sameer Goel  
(Managing Director)  
(DIN: 00161786)**

**Sachin Goel  
(Director)  
(DIN: 00161762)**

**Date : 23 August, 2017  
Place: New Delhi**

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****INDUSTRY STRUCTURE AND DEVELOPMENTS****Global Economy**

Global economic growth in 2016 is estimated at 3.1% down from 3.4% in 2015 with advanced economies decline from 2.1% in 2015 to 1.7% in 2016 and emerging economies from 4.2% in 2015 to 4.1% in 2016. However, from second half of 2016, global economy gained some momentum especially in advanced economies due to recovery in investment, manufacturing and trade. These include resumption in global demand, strengthening of commodity prices lifting global inflation, reducing deflationary pressures and positive developments in financial markets. Stronger than expected pickup in growth in advanced economies in latter part of 2016 reflects projected cyclical recovery in global manufacturing and uptick in business confidence especially after the United States elections.

**Global Pharma Market:**

Although the life sciences sector operates around the issues relating to cost and pricing, clinical and operational innovation, customer and consumer engagement and regulatory compliance, it is expected to have sales growth for the next several years due to favorable demographic trends and significant unmet medical needs. The global pharmaceutical sales grew by around 7% in the year 2016 compared to the year 2015 and key growth drivers continue to be shift towards use of generic medicines accompanied by patent expiries mainly in the regulated market and higher growth in Pharmerging markets. During 2016, share of United States, Europe and Emerging markets in global pharmaceutical sales remained relatively static compared to 2015.

R&D -During the 2008-2015 period, the compound annual growth rate of global R&D spending was 1.7%; during the 2016-2022 period, the rate will grow at 2.8%. The year-over-year increase, however, will remain around 3%, versus some dramatic jumps seen in 2013, 2014 and 2015.

The global spending on medicines is forecasted to reach close to US\$ 1.5 trillion by 2021, an increase of about 33% over the 2016 level, growing at 4 to 7% only slightly slower than 6.2% growth over prior five years. Developed market spending growth will be driven by original brands and innovation in specialty medicines while Pharmerging markets will continue to be driven by off patent generic products. Innovation in specialty medicines will continue lifting the share of global spending from 30% in 2016 to 35% in 2021 driven by the adoption of new breakthrough medicines.

**Domestic Pharmaceuticals Market**

India is the largest provider of generic drugs globally with the Indian generics accounting for 20% of the global exports in terms of volume. Branded generics dominate the Indian pharmaceuticals market, constituting nearly 70 to 80% of the market. Of late, consolidation has become an important characteristic of the Indian Pharmaceutical Market (IPM) as the industry is highly fragmented. By 2021, India is likely to be the 9th largest market globally in absolute size. India enjoys an important position in the global pharmaceuticals sector. The country also has a large pool of scientists and engineers who have the potential to steer the industry ahead to an even higher level.

The Indian pharmaceuticals market is valued at Rs. 1,11,134 crores in March 17 MAT (Moving Annual Total) by All India Organisation of Chemists and Druggists (AIOCD) with growth of 10% over the same period last year. The key therapies are chronic and sub-chronic segments like Cardiac, CNS, Gastro-intestinal, VMN, Anti-diabetic, Respiratory, Pain and Dermatology, which will continue to contribute in growth.

**OPPORTUNITIES AND CHALLENGES**

India is the largest exporter of formulations with 14% market share and ranks 12th in the world in terms of export value. Double-digit growth is expected over the next five years. The purported rise of lifestyle diseases in India is expected to boost industry sales figures. Over USD 200 Billion is expected to be spent on medical infrastructure in the next decade. The Union Cabinet has given its nod for the amendment of the existing Foreign Direct Investment (FDI) policy in the pharmaceutical sector in order to allow FDI up to 100 per cent under the automatic route for manufacturing of medical devices subject to certain conditions.

The drugs and pharmaceuticals sector attracted cumulative FDI inflows worth US\$ 14.71 billion between April 2000 and March 2017, according to data released by the Department of Industrial Policy and Promotion (DIPP).

One of the key challenges in this sector is the price control on medicines introduced by the Government where the prices and margins are monitored very closely. The main concern is to develop new medicines that can prevent or cure currently incurable diseases. There is also stiff competition from generic medicine producers from other developing nations.

**SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE**

The Company has received GMP certificate on Form 25 & 28 dated 25-07-2017 for manufacturing for sale or distribution of Bulk Drugs (APIs) formulations, under the provisions of Schedule 'M' of Drugs & Cosmetic Rules, 1945.

During the year under review, contract manufacturing on loan license & job work basis continued, and practices for manufacturing, Research & Development (R&D) segment of the organization, were followed at the plant located at Village Bhondsi, Tehsil Sohna, Distt. Gurgaon, Haryana -122102.

## OUTLOOK

The Company has commenced building new formulations and APIs manufacturing facility and the capacities are built in anticipation of demands.

### Government Initiatives:

The Government of India unveiled 'Pharma Vision 2020' aimed at making India a global leader in end-to-end drug manufacture. Approval time for new facilities has been reduced to boost investments.

The government introduced mechanisms such as the Drug Price Control Order and the National Pharmaceutical Pricing Authority to deal with the issue of affordability and availability of medicines.

Union Minister of Chemicals and Petrochemicals, has announced setting up of chemical hubs across the country, early environment clearances in existing clusters, adequate infrastructure, and establishment of a Central Institute of Chemical Engineering and Technology.

GST is effective from 01st July, 2017, and would merge all significant taxes currently applicable to the Company's business operations (except taxes relating to profit/income) into a single tax. While this is expected to bring in greater transparency across all the economic activities and reduce multiple tax levies and administration, there is likely to be a significant short-term impact on the operations of the Company, on account of lack of clarity and differences in interpretations by various stakeholders.

## RISKS AND CONCERNS

**Currency fluctuation risks:** Currency risks mainly arise out of overseas operations and financing activities. Exchange rate fluctuations could significantly impact earnings and net equity because of invoicing in foreign currencies, expenditure in foreign currencies, foreign currency borrowings and translation of financial statements of overseas subsidiaries into Indian rupees. The Company has a defined foreign exchange risk management framework to manage these risks excluding translation risks.

**New technologies' impact on pharma:** An ongoing issue for the pharmaceutical industry is how new technologies, particularly digital-related technologies, will impact drug development and commercialization. The Company reports emerging technologies in healthcare as a whole, such as artificial intelligence, 3D printing and their impacts on business models, operations, workforce needs and cyber security risks as well as the positive impact of a digitized supply chain in reducing manufacturing costs.

**Slowing growth in emerging markets:** Emerging markets have been a strong contributor to overall pharmaceutical industry growth, but lower economic growth in emerging markets is resulting in slower growth in pharmaceutical industry growth in those markets. Leading pharmerging markets, defined by QuintilesIMS as low-income countries with high pharmaceutical growth, have seen real growth in gross domestic product slow from 1-4 percentage points over the past decade, according to the firm's study. This has triggered a corresponding reduction in medicine volume growth, from an average of 7% annually over the past five years to 4% forecast through 2021. China, in particular, will see a decline in annual volume growth from 17% to 4% over the same period. Overall, volume growth continues to be driven by non-original products (i.e., generics) that account for 91% of the volume in pharmerging markets. The outlook for spending growth across these markets is expected to moderate from 10% CAGR over the past five years to 6% to 9% through 2021.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company's internal control framework is designed specifically to ensure effectiveness and efficiency of operations, reliability of financial reporting and compliance of laws and regulations. A proper and extensive system of internal control is practiced by the Company, to ensure that all its assets are safeguarded and protected, and that transactions are authorized, recorded and reported properly.

Internal Audit and control system evaluates adequacy of internal controls, adherence of processes and procedures, compliances of regulatory & legal requirements. The Internal Audit programme is periodically reviewed by Audit Committee in order to keep preventive checks on compliance risks. The Company is also following procedures in all its departments with special emphasis on manufacturing and quality assurance activities.

## FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The job work done by the company for the year 2016-17 is Rs. 14.60 Lacs in comparison to the year 2015-16 which was Rs. 19.21 Lacs.

## MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

In the context of people employed, there have been no significant changes in workforce employed during the financial year 2016-17 as compared to the previous year. However, there was change in management of the Company viz-a-vis a new set of Directors were appointed in the beginning of the year under review, and their appointment were duly regularized in Annual General Meeting held on September 30, 2016.



## **CERTIFICATE PURSUANT TO REGULATION 17(8) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.**

We, Mr. Sameer Goel, Managing Director and Mr. M. D. Joshi, Assistant GM- Finance & Accounts of the Company do hereby certify to the Board that: -

- (a) We have reviewed the Financial Statements and the Cash Flow Statement for the year ended March 31, 2017 and that to the best of our knowledge and belief: -
  - (i) the said statements do not contain any materially untrue statements or omit any material fact, or contain statements that might be misleading;
  - (ii) the said statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There 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.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee: -
  - (i) significant changes in internal control over financial reporting during the year, if any;
  - (ii) significant changes in accounting policies during the year if any and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**For Laurel Organics Limited**

**SAMEER GOEL**

Managing Director  
DIN: 00161786

**For Laurel Organics Limited**

**SACHIN GOEL**

Director  
DIN: 00161762

Note: Mr. Raman Kumar Thakur, Chief Financial Officer (CFO) of the Company resigned w.e.f 04-04-2017, and the Company is in process to appoint CFO in near future. Therefore, Mr. M. D. Joshi, Assistant GM- Finance & Accounts, has signed the compliance certificate.

Delhi, May 30, 2017

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### **DECLARATION FOR COMPLIANCE WITH THE CODES OF CONDUCT**

I hereby declare that the Directors and Senior Management of the Company have affirmed compliance with the Codes of Conduct as applicable to them for the year ended March 31, 2017.

**For Laurel Organics Limited**

Delhi, May 30, 2017

**SAMEER GOEL**  
Managing Director  
DIN: 00161786



**FORM NO. MGT-9  
EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31st March, 2017

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

- i) CIN - L24239HR1993PLC032120
- ii) Registration Date - 27th September 1993
- iii) Name of the Company - LAUREL ORGANICS LIMITED
- iv) Category/Sub-Category of the Company - Public Company / Company Limited by shares/ Indian Non-Govt. Co.
- v) Address of the Registered Office and contact details - Vill Bhondsi, Tehsil Sohna, Dist Gurgaon-122102, Haryana.  
Tel: +91-01242267351  
Email ID: laurelorganicslimited@gmail.com  
Website: www.laurel.co.in
- vi) Whether listed company (Yes/No) - Yes
- vii) Name, Address and Contact details of Registrar and Share Transfer Agent, if any - Beetal Financial & Computer Services (P) Limited, Beetal House, 3rd Floor, 99 Madangir, New Delhi-110062  
Tel: 011-29961281  
Email ID: beetalrta@gmail.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

S. No.	Name and Description of main products/services	NIC Code of the product /service	% to total turnover of the Company
1	Chemical & Pharmaceutical Products (Bulk Drug Intermediates, APIs manufacturing)	99623700	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl. No.	Name and address of the company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1	KIMIA BIOSCIENCES LIMITED* (Formerly known as Kimia Biosciences Pvt. Ltd) Corp Off: 974, Aggarwal Millenium Tower-2, Netaji Subhash Place, Pitampura, Delhi-110034	U24233HR2007PLC069240	Holding	50.48%	Section 2(87) of the Companies Act, 2013

\* Kimia Biosciences Limited ("Kimia") became the Holding Company by acquiring 37,28,100 Equity Shares (50.48%) of Rs. 10/- each during the quarter ended on September, 2016 and is covered under the category of 'Promoter and Promoter Group' of the Company. Furthermore, Kimia has recently shifted its registered office from the State of Delhi to the State of Haryana at 'Village Bhondsi, Tehsil Sohna, Distt. Gurgaon-122102, Haryana.

## IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

### (i) Category-wise Share Holding

S. No.	Category of Shareholders	No. of shares held at the beginning of the year (01.04.2016)				No. of shares held at the end of the year (31.03.2017)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
	1 Indian									
	a) Individual	0	3021100	3021100	40.91	0	0	0	0	-40.91
	b) Huf	0	0	0	0	0	0	0	0	0
	c) Central Govt /state Govt/ President Of India	0	0	0	0	0	0	0	0	0
	d) Financial Inst/banks	0	0	0	0	0	0	0	0	0
	e) Any other- Body Corporates Bijwasan Agro Ltd and Agora Agro P Ltd	0	608400	608400	8.24	0	0	0	0	-8.24
	KIMIA BIOSCIENCES LIMITED	0	0	0	0	3728100	0	3728100	50.48	50.48
	Sub-total (A) (1):-	0	3629500	3629500	49.15	3728100	0	3728100	50.48	1.34
	2 Foreign									
	a) NRIs- Individuals	0	0	0	0	0	0	0	0	0
	b) Other-Individuals	0	0	0	0	0	0	0	0	0
	c) Bodies Corporate	0	0	0	0	0	0	0	0	0
	d) Banks/FI	0	0	0	0	0	0	0	0	0
	e) Any Other	0	0	0	0	0	0	0	0	0
	Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
	Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	0	3629500	3629500	49.15	3728100	0	3728100	50.48	1.34
B.	Public shareholding									
	1 Institutions									
	a) Mutual Funds	0	100000	100000	1.35	0	181100	181100	2.45	1.10
	b) Venture Capital Funds	0	0	0	0.00	0	0	0	0	0
	c) Alternate Investment Funds	0	0	0	0.00	0	0	0	0	0
	d) Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0	0
	e) Foreign Portfolio Investros	0	0	0	0.00	0	0	0	0	0
	f) Financial Inst/banks	0	723300	723300	9.79	0	0	0	0	-9.79
	g) Insurance Companies	0	0	0	0.00	0	0	0	0	0
	h) Provident Funds/ Pension Fund	0	0	0	0.00	0	0	0	0	0
	i) Any other	0	0	0	0.00	0	0	0	0	0
	Sub-total (B) (1):-	0	823300	823300	11.15	0	181100	181100	2.45	-8.70

<b>2 Non- Institutions</b>										
<b>a) Bodies Corporate</b>										
i) Indian	0	311500	311500	4.22	22800	127900	150700	2.04	-2.18	
ii) Overseas	0	0	0	0.00	0	100000	100000	1.35	1.35	
<b>b) Individuals</b>										
i) Individual shareholders holding nominal share capital upto Rs. 1 Lakh	0	2456500	2456500	33.26	94400	2470700	2565100	34.73	1.47	
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	0	164200	164200	2.22	59700	60000	119700	1.62	-0.60	
<b>c) Others (specify)</b>										
I. Clearing Members	0	0	0	0.00	0	0	0	0.00	0.00	
II. NRI's	0	0	0	0.00	0	531900	531900	7.20	7.20	
III. HUF	0	0	0	0.00	5000	3400	8400	0.11	0.11	
IV. Unclaimed Shares Suspense Account- Clause 5A	0	0	0	0	0	0	0	0.00	0.00	
<b>Sub-total (B) (2):-</b>	<b>0</b>	<b>2932200</b>	<b>2932200</b>	<b>39.70</b>	<b>181900</b>	<b>3293900</b>	<b>3475800</b>	<b>47.07</b>	<b>7.36</b>	
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)]</b>	<b>0</b>	<b>3755500</b>	<b>3755500</b>	<b>50.85</b>	<b>181900</b>	<b>3475000</b>	<b>3656900</b>	<b>49.52</b>	<b>-1.34</b>	
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Grand Total (A+B+C)</b>	<b>0</b>	<b>7385000</b>	<b>7385000</b>	<b>100.00</b>	<b>3910000</b>	<b>3475000</b>	<b>7385000</b>	<b>100.00</b>	<b>-1.34</b>	

**(ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	% change in share holding during the year
1	Kumar Sahay Verma	3010600	40.77	0	0	0	0	(40.77)
2	Vandana Verma	10500	0.14	0	0	0	0	(0.14)
3	Bijwasan Agro Limited	508400	6.88	0	0	0	0	(6.88)
4	Agora Agro Private Limited	100000	1.35					(1.35)
5	Kimia Biosciences Limited (Formerly known as Kimia Biosciences Pvt. Ltd)	0	0.00	0	3728100	50.48205823	0	50.48
<b>Total</b>		<b>3629500</b>	<b>49.15</b>	<b>0</b>	<b>3728100</b>	<b>50.48</b>	<b>0</b>	<b>1.33</b>

Note: On 17th May, 2016, Laurel Organics Limited allotted 40,00,000 0.1% Non Convertible Cumulative Redeemable Preference Shares to non promoter entity to raise funds, thereby increasing the Authorized and Paid up Share Capital to Rs. 11,38,50,000 during the year under review.

### (iii) Change in Promoters' Shareholding

No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
Kumar Sahay Verma					
At the beginning of the year		3010600	40.77	3010600	40.77
Date wise Increase / (Decrease) in Promoters Shareholding during the year pursuant to Share Transfers		-3010600	0	0	0
At the end of the year		0	0	0	0
Vandana Verma					
At the beginning of the year		10500	0.14	10500	0.14
Date wise Increase / (Decrease) in Promoters Shareholding during the year pursuant to Share Transfers		(10500)*	0	0	0
At the end of the year		0	0	0	0
Bijwasan Agro Limited					
At the beginning of the year		508400	6.88	508400	6.88
Date wise Increase / (Decrease) in Promoters Shareholding during the year pursuant to Share Transfers		(508400)*	0	0	0
At the end of the year		0	0	0	0
Agora Agro Private Ltd					
At the beginning of the year		100000	1.35	100000	1.35
Date wise Increase / (Decrease) in Promoters Shareholding during the year pursuant to Share Transfers		(100000)*	0	0	0
At the end of the year		0	0	0	0
KIMIA BIOSCIENCES LIMITED					
At the beginning of the year		0	0.00	0	0.00
Date wise Increase / (Decrease) in Promoters Shareholding during the year pursuant to Shares Transfers/ purchases through open offer		3728100	50.48	3728100	50.48
At the end of the year		3728100	50.48	3728100	50.48

Note: \* Promoters at the beginning of year sold their Shares vide Share Transfer Deeds dated 08.09.2016 to Kimia Biosciences Limited.  
Further, 98,600 Equity Shares were acquired by way of Open Offer during the year under review.

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

Sl. No.	Name		Shareholding at the beginning of the year		Date on which change happened <sup>8</sup>	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Satish Chander Shah	Beginning of the Year	102500	1.39	01.04.2016	0	-	102500	1.39
		End of the Year	102500	1.39	31.03.2017	0		102500	1.39
2	SOPTEX DEVELOPMENTS LIMITED	Beginning of the Year	100000	1.35	01.04.2016	0	-	100000	1.35
		End of the Year	100000	1.35	31.03.2017	0		100000	1.35
3	INDIAN BANK A/C INDIAN BANK MUTUAL FUND	Beginning of the Year	94700	1.28	01.04.2016	0	-	94700	1.28
		End of the Year	94700	1.28	31.03.2017	0		94700	1.28
4	SOUTHERN INDIA DEPOSITORY SERVICES P LTD	Beginning of the Year	81100	1.10	01.04.2016	0	-	81100	1.10
		End of the Year	81100	1.10	31.03.2017	0		81100	1.10
5	M J GEORGE	Beginning of the Year	1700	0.02	01.04.2016	0	-	1700	0.02
		During the year	35000	0.47	28-10-2016	35000	Transfer	36700	0.50
		End of the Year	36700	0.50	31.03.2017	0		36700	0.50
6	PARVEEN KUMAR GUPTA	Beginning of the Year	0	0.00	01.04.2016	0	-	0	0.00
		During the year	24000	0.32	23-09-2016	24000		24000	0.32
			-1000	-0.01	06-01-2017	-1000	Transfer	23000	0.31
			10000	0.14	20-01-2017	10000	Transfer	33000	0.45
		End of the Year	33000	0.45	31.03.2017	0		33000	0.45
7	MAHENDRA J SHAH	Beginning of the Year	30000	0.41	01.04.2016	0	-	30000	0.41
		End of the Year	30000	0.41	31.03.2017	0		30000	0.41
8	HITESH J SHAH	Beginning of the Year	30000	0.41	01.04.2016	0	-	30000	0.41
		End of the Year	30000	0.41	31.03.2017	0		30000	0.41
9	NARENDRA K BANSAL	Beginning of the Year	30000	0.41	01.04.2016	0	-	30000	0.41
		End of the Year	30000	0.41	31.03.2017	0		30000	0.41
10	LEO ORGANICS P LTD	Beginning of the Year	23300	0.32	01.04.2016	0	-	23300	0.32
		End of the Year	23300	0.32	31.03.2017	0		23300	0.32

**(v) Shareholding of Directors and Key Managerial Personnel**

Sl. No.	Name		Shareholding at the beginning of the year (01.04.2016)		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
NIL shares are held by Directors and KMP									

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Rs. in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	291.00	383.76	0.00	<b>674.76</b>
ii) Interest due but not paid	0.00	0.00	0.00	<b>0.00</b>
iii) Interest Accrued but not due	31.38	3.23	0.00	<b>34.61</b>
<b>Total (i+ii+iii)</b>	<b>322.38</b>	<b>386.99</b>	<b>0.00</b>	<b>709.37</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	0.00	899.64	0.00	<b>899.64</b>
Reduction	195.00	400.01	0.00	<b>595.01</b>
<b>Net Change</b>	<b>-195.00</b>	<b>499.63</b>	<b>0.00</b>	<b>304.63</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	96.00	883.39	0.00	979.39
ii) Interest due but not paid	31.38	3.23	0.00	34.61
iii) Interest Accrued but not due	22.62	0.00	0.00	22.62
<b>Total (i+ii+iii)</b>	<b>150.00</b>	<b>886.62</b>	<b>0.00</b>	<b>1036.62</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of Managing Director/ Wholetime Director/ Manager	Total Amount (in Rs.)
		Mr. Sameer Goel (Managing Director)	
1	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	Nil	Nil
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	Nil	Nil
2	Stock Option	Nil	Nil
3	Sweat Equity	Nil	Nil
4	Commission	Nil	Nil
	- as % of profit	Nil	Nil
	- Others, specify	Nil	Nil
5	Others, please specify	Nil	Nil
	<b>Total(A)</b>	-	-
	<b>Ceiling as per Companies Act, 2013*</b>	-	-

\* Due to accumulated losses in the Company, Managing Director did not withdraw any remuneration during the year

### B. Remuneration to Other Directors

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount (in Rs.)
		Mr. Sachin Goel	Mr. Jagdeep Dhawan	Mrs. Richa Gupta	
1	Independent Directors				
	-Fees for attending Board/ Committee Meetings	Nil	Nil	Nil	Nil
	-Commission	Nil	Nil	Nil	Nil
	-Others, please specify	Nil	Nil	Nil	Nil
	Total(1)	Nil	Nil	Nil	Nil
2	Other Non-executive Directors				
	-Fees for attending Board/ Committee Meetings	Nil	Nil	Nil	Nil
	-Commission	Nil	Nil	Nil	Nil
	-Others, please specify	Nil	Nil	Nil	Nil
	Total(2)	Nil	Nil	Nil	Nil
	Total(B)=(1+2)	Nil	Nil	Nil	Nil
	Total Managerial Remuneration	-	-	-	-
	<b>Overall Ceiling as per the Companies Act, 2013**</b>	<b>7,00,000</b>	<b>28,00,000</b>	<b>28,00,000</b>	<b>63,00,000</b>

Note: \*\* Overall Ceiling of Remuneration for other directors includes only maximum remuneration payable for sitting fees for attending Board & Committee meetings.

## C. Remuneration to key managerial personnel other than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount (in Rs.)
		Chief Executive Officer (CEO)	Chief Financial Officer (CFO)*	Company Secretary (CS)#	
1	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	4,78,560	3,23,040	<b>8,01,600</b>
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961^	-	7,315	-	<b>7,315</b>
	(c) Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	Nil	Nil	Nil
3	Sweat Equity	-	Nil	Nil	Nil
4	Commission	-	Nil	Nil	Nil
	- as % of profit	-			
	- Others, specify	-			
5	Others, please specify	-	-	-	0
<b>Total</b>		-	4,85,875	3,23,040	<b>8,08,915</b>

# Remuneration of Company Secretary is taken on pro-rata basis for Mr. Gaurav Kumar (appointment date 12-03-2016 till resignation date 09-09-2016) and for Ms. Pratibha Anand (appointment date 10-11-2017 till March 31, 2017). Hence, aggregate salary has been taken for the relevant period.

\* The Chief Financial Officer (CFO) of the Company viz. Mr. Raman Kumar Thakur, was appointed on 17-05-2016 and remuneration is calculated accordingly till 31-03-2017. Further, he has resigned from the position of CFO of the Company effective from 04-04-2017.

^ Mobile Allowances provided.

## VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding / Compounding fees imposed	Authority [RD/NCLT/COU RT]	Appeal made, if any (give details)
<b>A. COMPANY - NIL</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS - NIL</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT - NIL</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board of Directors of  
**LAUREL ORGANICS LIMITED**

Place : New Delhi  
Date : 23rd August, 2017

**SAMEER GOEL**  
Managing Director  
DIN: 00161786

**SACHIN GOEL**  
Director  
DIN: 00161762



**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017**

The Members  
Laurel Organics Limited  
Village Bhondsi, Tehsil Sohna  
Distt Gurgaon, Haryana-122102

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by Laurel Organics Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit. We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 55A;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; Not Applicable
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014; Not Applicable
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not Applicable
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and Not Applicable
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not Applicable
- (vi) The other laws, as informed and certified by the Management of the company which are specifically applicable to the Company based on the Sectors/ Industry are:
  - 1. The Drug and Cosmetics Act, 1940;
  - 2. The Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954;
  - 3. The Drug and Price Control Order, 2013;
  - 4. The Prevention of Cruelty to Animals Act, 1960.

We have also examined compliance with the applicable clauses/Regulations of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs.

(ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

- a. There has been significant delay in intimation to Stock Exchange, where the securities of company are listed in various instances.
- b. Company has borrowed unsecured loan from its Holding Company, however, has not filed Form MGT 14 with Registrar of Companies.
- c. Company has approved the Scheme of Arrangement during the period, however, has not filed Form MGT 14 with Register of Companies.
- d. Company has satisfied the vehicle loan in full secured by hypothecation during the previous year and necessary compliances are yet to be done.

We further report that

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

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

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period following major events have happened which are deemed to have major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

1. The Company has made allotment of 40,00,000 (Forty Lacs) 0.1% Redeemable Non-Convertible Preference Shares of face value of Rs. 10/- each fully paid-up for cash at an issue price of Rs. 10/- to the person belonging to the Non-Promoters Category on Private Placement basis.
2. The Company has become Subsidiary Company of M/s Kimia Biosciences Limited.
3. The Company has approved the Composite Scheme of Arrangement between Kimia Biosciences Limited ("Transferor Company") with the Company (Transferee Company") and reduction of share capital of the company.
4. During the period under review, the promoters of the Company have been changed.
5. Trading in company's securities was suspended and such suspension was revoked by stock exchange during the period w.e.f. 09.05.2016.

For Chandrasekaran Associates

Company Secretaries

Lakhan Gupta  
Partner  
Membership No. 36583  
Certificate of Practice No. 13725

Date: 23.08.2017  
Place: New Delhi

Note: This report is to be read with our letter of even date which is annexed as Annexure-A, and form forms an integral part of this report.

The Members

Laurel Organics Limited  
Village Bhondsi, Tehsil Sohna  
Distt Gurgaon, Haryana-122102

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

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

For Chandrasekaran Associates

Company Secretaries

Lakhan Gupta

Partner

Membership No. 36583

Certificate of Practice No. 13725

Date: 23.08.2017

Place: New Delhi

**FORM NO. AOC -2**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

**DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS.**

SL. No.	Particulars	Details
1.	Name (s) of the related party & nature of relationship	NA
2.	Nature of contracts/arrangements/transaction	NA
3.	Duration of the contracts/arrangements/transaction	NA
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	NA
5.	Justification for entering into such contracts or arrangements or transactions'	NA
6.	Date of approval by the Board	NA
7.	Amount paid as advances, if any	NA
8.	Date on which the special resolution was passed in General Meeting as required under first proviso to section 188	NA

**DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS AT ARM'S LENGTH BASIS**

(Rs. in Lakhs)

1.	Name (s) of the related party & nature of relationship	Kimia Biosciences Limited, Holding Company
2.	Nature of contracts/arrangements/transaction	a) Loans Taken: 102.63 b) Interest on Loans: 25.13 c) Job Income Received: 97.50 d) Other Income Received/ Technical fee/rent charges: 31.62 e) Purchases-In transit: 29.88 f) Sale of Traded Goods: 48.50
3.	Duration of the contracts/ arrangements/ transaction	a) On demand b) On demand c) Requirement based d) Yearly e) Requirement based f) Changes from time to time
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	a) Not Interest bearing unsecured b) payable on demand c) Product to product variance/minimum fixed monthly d) Per product & annual based e) 90 days credit f) 90 days credit
5.	Date of approval by the Board	All related party transactions are approved by Board in its meeting held on 17-05-2016 in line with recommendation of Audit Committee of the Company.
6.	Amount paid as advances, if any	-N.A.-

For and on behalf of the Board  
**LAUREL ORGANICS LIMITED**

Place : New Delhi  
Date : 23rd August, 2017

**SAMEER GOEL**  
Managing Director  
(DIN: 00161786)

**SACHIN GOEL**  
Director  
(DIN: 00161762)

**DECLARATION OF THE EXECUTIVE DIRECTOR**

This is to certify that the Company has laid down Code of Conduct for all the Board Members and Senior management of the Company and the copy of the same is uploaded on the website of the Company- "[www.laurel.co.in](http://www.laurel.co.in)".

Further, certified that the Members of the Board of Directors and Senior Management personnel have affirmed having complied with the Code applicable to them during the year ended 31st March, 2017.

For and on behalf of the Board  
**LAUREL ORGANICS LIMITED**

Place : New Delhi  
Date : 23rd August, 2017

**SAMEER GOEL**  
Managing Director  
(DIN: 00161786)

**SACHIN GOEL**  
Director  
(DIN: 00161762)

### NOMINATION AND REMUNERATION POLICY

#### 1. INTRODUCTION

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with applicable rules thereto and Regulation 19 of SEBI (LODR) Regulation, 2015 as amended from time to time.

The Board of Directors ("Board") of Laurel Organics Limited ("Company") has adopted the following policy for nomination and remuneration of Directors, Key Managerial Personnel (KMP), Senior Management Personnel and other Employees.

This Policy will be applicable with effect from 01st April, 2014 and has been formulated in accordance with the requirements of the provisions of Section 178 of the Companies Act, 2013 and Rules made thereunder and the Listing Agreement.

#### 2. POLICY OBJECTIVE

- a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- b. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c. remuneration to Directors, key managerial personnel and senior management involves a balance short and long-term performance objectives appropriate to the working of the company and its goals.
  - a. To lay down criteria for identifying persons who are qualified to become Directors and who may be appointed in Senior Management of the Company in accordance with the criteria laid down by the Nomination and Remuneration Committee and recommend to the Board their appointment and removal.
  - b. To lay down criteria to carry out evaluation of every Director's /KMP/ other employees performance.
  - c. To formulate criteria for determining qualification, positive attributes and Independence of a Director;

#### 3. DEFINITIONS

- i. "Board of Directors" means the "Board of Directors" of Simbhaoli Sugars Limited, as constituted from time to time.
- ii. "Company" means Laurel Organics Limited
- iii. "Independent Director" means a Director of the Company, not being a Managing or Whole-Time Director or a Nominee Director and who is neither a Promoter nor belongs to the Promoter Group of the Company and who satisfies the criteria of independence as prescribed under the provisions of the Companies Act 2013 (including the rules prescribed thereunder) and the Listing Agreement with the Stock Exchanges under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- iv. "Key Managerial Personnel" or KMP means key managerial personnel as defined under the Companies Act, 2013 and includes:-
  - I. Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-Time Director;
  - II. Company Secretary;
  - III. Chief Financial Officer; and
  - IV. Such other officer as may be prescribed by the Central Government.
- v. "Nomination and Remuneration Committee" means "Nomination and Remuneration Committee" constituted by the Board of Directors of the Company from time to time under the provisions of the Companies Act 2013 and the Listing Agreement with the Stock Exchanges.
- vi. "Policy" means the Nomination and Remuneration Policy.
- vii. "Other employees" means, Senior Management Personnel of the Company.
- viii. "Senior Management Personnel" means, the personnel of the Company, who are members of its core management team excluding Board of Directors and KMPs, comprising of all the members of management one level below the Whole Time Directors including the functional heads.

### 3. CONSTITUTION

- a. The Board has constituted the Nomination and Remuneration Committee.
- b. The Committee shall comprise of at least three non- executive directors, of which not less than one-half shall be the independent directors.
- c. Chairman of the Committee shall be an Independent Director.
- d. The Company Secretary shall act as Secretary to the Committee.
- e. The Chairperson of the Company may be appointed as member of Nomination and Remuneration Committee but shall not chair the Committee.

### 4. POLICY

This policy is divided into three parts:

#### 4.1 Appointment and Removal

- a. Criteria for identifying persons, who are qualified to be appointed as a Director / KMP / Senior Management Personnel / Other Employees of the Company:
  - i. The Committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and accordingly recommend to the Board his / her appointment.
  - ii. The Company should ensure that the person so appointed as Director/ Independent Director/ KMP/ Senior Management Personnel shall not be disqualified under the Companies Act, 2013, rules made thereunder, Listing Agreement with the Stock Exchange under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other enactment for the time being in force.
  - iii. The Director/ Independent Director/ KMP/ Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made thereunder, Listing Agreement with the Stock Exchange under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other enactment for the time being in force.
  - iv. The other employees shall be appointed and removed as the per the policy and procedure of the Company.

#### b. Term / Tenure:

The Term / Tenure of the Directors shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder and Listing agreement with the Stock Exchange under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

The Term/Tenure of the KMP's/Senior Management Personnel and other employees shall be as per the Company's prevailing Human resource policy.

#### c. Removal:

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations or any other reasonable ground or the result of the performance appraisal, the Committee may recommend to the Board for removal of Director(s).

The removal of KMP's, Senior Management Personnel or other employees shall be as per the Company's prevailing Human resource policy.

#### d. Retirement:

The director, KMP, senior management and other employees shall retire as per the relevant provisions of the Companies Act, 2013 along with the rules made thereunder and the prevailing policy of the Company, as may be applicable.

#### 4.2 Remuneration

The level and composition of remuneration to be paid to the Managing Director, Whole-Time Director(s), Non-Executive Director(s), KMP's, Senior Management Personnel and other employees shall be reasonable and sufficient to attract, retain and motivate directors, KMP's, Senior Management and other employees of the quality required to run the Company successfully. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration should also involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

## **1. Director/ Managing Director**

Besides the above Criteria, the Remuneration/ Compensation/ Commission / Incentive / Bonus etc. to be paid to Director/ Managing Director shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

## **2. Non-Executive Independent Directors**

The Non-Executive Independent Director may receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall be subject to ceiling/ limits as provided under the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force. In addition, the Independent Directors shall not be entitled to stock options.

## **3. Senior Management Personnel / KMPs**

The Remuneration to be paid to Senior Management Personnel / KMP's shall be based on the experience, qualification and expertise of the related personnel and shall be decided by the Managing Director of the Company in consonance with the limits, if any, prescribed under the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force or Company's prevailing Human resource policy.

## **4. Other Employees**

The power to decide structure of remuneration for other employees has been delegated to the Managing Director of the Company or any other employee that the Managing Director may deem fit.

### **4.3 Evaluation**

#### **1. Criteria for evaluation of Executive and Non-Executive Director(s):**

The performance evaluation of the Executive and Non-Executive Director(s) shall be done by the Nomination and Remuneration Committee and also by the Independent Directors in their separate meetings.

The Executive and Non-Executive Directors (excluding Independent Directors) shall be evaluated on the basis of the following criteria i.e. whether they:

- (a) act objectively and constructively while exercising their duties;
- (b) exercise their responsibilities in a bona fide manner in the interest of the Company;
- (c) devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- (d) do not abuse their position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- (e) assist the Company in implementing the best corporate governance practices;
- (f) strive to attend all meetings of the Board of Directors, the Committees and the general meetings of the Company;
- (g) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (h) keep themselves well informed about the Company and the external environment in which it operates;
- (i) do not unfairly obstruct the functioning of the Board or Committee of the Board of Directors;
- (j) moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest;
- (k) abide by Company's Memorandum and Articles of Association, Companies Act, 2013 rules made thereunder and Listing agreement, company's policies and procedures including code of conduct, insider trading guidelines etc;



(l) safeguarded the confidentiality;

(m) any other factor that the Independent Director(s) / Board of Directors may consider necessary for such evaluation.

In addition to the evaluation criteria as above-said, Whole Time Director(s) shall also be evaluated on the basis of targets / Financial Performance of the Company / any other criteria as may be given to them by the Board of Directors from time to time.

## **2. Criteria for evaluation of Independent Directors:**

The performance evaluation of the Independent Directors shall be carried out by the Nomination and Remuneration Committee and also by the entire Board of Directors excluding the Director being evaluated.

In addition to the evaluation criteria as above-said at Para No. 4.3 Clause 1, an Independent Directors shall also be evaluated on the basis of the following criteria i.e. whether they:

(a) refrain from any action that would lead to loss of independence,

(b) inform the Board immediately when they lose their independence.

## **3. Criteria for evaluating performance of Key Managerial Personnel and Senior Management Personnel:**

The performance evaluation of KMP's and Senior Management Personnel shall be done by their respective reporting heads based on the KRA's given to them at the beginning of the year and in time with the prevailing policies of the Company.

## **4. Criteria for evaluating performance of Other Employees:**

The performance evaluation of other employees shall be done by the Managing Director of the Company or any other employee that the Managing Director may deem fit, based on the KRA's given to them at the beginning of the year and in time with the prevailing policies of the Company.

## **5. DISCLOSURES**

The Policy shall be disclosed in the Board's report of the Company.

## **6. AMENDMENT(s)**

The Board of Directors may review or amend this policy, in whole or in part, from time to time, after taking into account the recommendations from the Nomination and Remuneration Committee.

## PARTICULARS OF REMUNERATION

The information required under Section 197(12) of the Act and the Rules made thereunder, in respect of employees of the Company is follows:

- (a) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;

Non- Executive Directors	Ratio to Median Remuneration
Mr. Sachin Goel	N.A.
Mr. Jagdeep Dhawan	N.A.
Mrs. Richa Gupta	N.A.
Executive Directors	
Mr. Sameer Goel	N.A.

Note : Directors did not withdraw any remuneration, due to accumulated losses in the Company.

- (b) the percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year;

Name of Person	% increase in remuneration
Mr. Sameer Goel	NIL
Mr. Sachin Goel	NIL
Mr. Jagdeep Dhawan	NIL
Mrs. Richa Gupta	NIL
Mr. Gaurav Kumar*, Company Secretary	NIL
Mr. Raman Kumar Thakur, Chief Financial Officer	NIL
Ms. Pratibha Anand*, Company Secretary	NIL

\* Mr. Gaurav Kumar resigned as Company Secretary w.e.f. 9th September, 2016 and Ms. Pratibha Anand was appointed as Company Secretary w.e.f 10th November, 2016.

- (c) the percentage increase in the median remuneration of employees in the financial year 2016-17. NIL%

- (d) the number of permanent employees on the rolls of Company:

The number of employees on the payroll of the Company as on 31st March, 2017 was 96, as compared to number 84, as at 31st March, 2016.

- (e) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

The average increase in salaries of employees other than managerial personnel in 2016-17 was NIL%. Percentage increase in the managerial remuneration for the year was NIL.

Note: Bonus at an average rate of 8.33% was provided to all the employees of Company during the year under review.

- (f) affirmation that the remuneration is as per the remuneration policy of the Company

The remuneration is as per the Nomination, Remuneration and Evaluation Policy for Directors, Key Managerial Personnel and other employees of the Company to whom it applies.

- (g) Particulars of Employees pursuant to provisions of section 197 of the Companies Act, 2013 and Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are hereby attached with this report as Annexure - VIIA

Place : New Delhi  
Date : 23rd August, 2017

**SAMEER GOEL**  
Managing Director  
(DIN: 00161786)

For and on behalf of the Board  
**LAUREL ORGANICS LIMITED**

**SACHIN GOEL**  
Director  
(DIN: 00161762)

**PARTICULARS OF EMPLOYEES**

Pursuant to provisions of section 197 of the Companies Act, 2013 and Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the details of remuneration of the employees are given below:

(a) **Top 10 Employee in terms of remuneration who were Employed throughout the financial year:**

Sr. No.	Name	Designation	Remuneration (Amt. in Rs.)	Nature of employment (whether contractual or otherwise)	Qualification	Experience (No. of Years)	Date of Commencement of employment	Age (years)	If employee is relative of any Director or manager, provide the name of such Director of Manager	Last employment before joining the Company
1	Mr. MAHANDER PRATAP SINGH	Manufacturing Head	150000	Payroll	B.Sc	31 Years	01-Jun-16	54	No	Kimia Biosciences Pvt. Ltd.
2	Mr. RAMESH CHANDRA DUBEY	Sr. Manager- Production	85000	Payroll	M.Sc	29 Years	07-Nov-16	55	No	Indophyto Chem Ltd.
3	Mr. PREM SHANKER RAWAT	AGM- EHS	83333	Payroll	MBA (Safety Mgmt.)	34 Years	02-Dec-16	57	No	Parabolic Drugs
4	Mr. RAJENDER SINGH	Dy. Manager- QC	52500	Payroll	B.Sc	16 Years	17-Oct-99	46	No	NA
5	Mr. SHRINIVAS	Assistant Manager- Production	50000	Payroll	B.Sc	16 Years	26-Oct-16	45	No	Vitalife Laboratories Ltd.
6	Mr. ANAND PRATAP SINGH	Shift Incharge- Production	50000	Payroll	B.Sc	17 Years	5-Dec-16	45	No	Coral Drugs Pvt. Ltd.
7	Mr. YASHPAL SINGH	Assistant Manager- Engg. & Utility	44344	Payroll	Diploma (Mech Engg.)	23 Years	26-Aug-16	52	No	Vitalife Laboratories Ltd.
8	Mr. RAKESH JANGID	Assistant Manager- Engg. & Utility	40833	Payroll	B.Tech (Mech.)	04 Years	17-Oct-16	27	No	Sharp Mint Ltd.
9	Mr. ANURAG DAHIYA	Asst. Manager- Admin & IR	40000	Payroll	B.A	08 Years	01-Mar-17	31	No	NSDS Consultants Pvt. Ltd.
10	Mr. RAMAN KR.THAKUR	Astt. Manager- Accounts	39880	Payroll	B.Com	16 Years	01-Jan-07	44	No	Ranvir Export Pvt. Ltd.

(b) Employees who were in the receipt of remuneration aggregating Rs. 1,02,00,000 or more per annum : **None**

(c) Employed for part of the financial year and was in receipt of remuneration not less than Rs. 8,50,000 per month : **None**

(d) Employee who was in receipt of remuneration in excess of that drawn by the Managing Director or whole time director or manager and holds by himself or along with his spouse and dependent children, not less than 2% of the equity shares of the Company : **None**

Note: 1. There were no employee in the Company, throughout the financial year or part of the year, who were in receipt of remuneration aggregating Rs. 1,02,00,000 or more per annum or Rs. 8,50,000 per month.

## **INDEPENDENT AUDITOR'S REPORT**

To

**The Members,  
M/s Laurel Organics Limited**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of M/s LAUREL ORGANICS LTD which comprise the Balance Sheet as at 31/03/2017, Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

### **Management Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation 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 the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

### **Basis for Qualified Opinion**

The Company has accumulated losses and its net worth has been fully eroded. The Company's current liabilities exceeded its current assets as at the balance sheet date, business of the Company has remained suspended for major part of the financial year, and also the Company incurred net loss during the current and previous year(s) affecting the going concern assumptions. Appropriateness of the assumption of 'going concern' is dependent upon Company's ability to raise sufficient resources/ generate cash flows in future to meet its obligations. Management of the company has, though, expressed positive hope in this regard as necessary funds required for upgradation/renovation of plant have been infused during the FY by them and phase I of the process has completed and part of the plant facility has started yielding revenue during last quarter and , therefore, the financial statements of the Company have been prepared on a going concern basis.

### **Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In case of the Balance Sheet, of the state of affairs of the Company as at 31/03/2017;
- (b) In case Statement of Profit and Loss Account, Loss of the for the year ended on that date;
- (c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure-I a statement on the matters specified in the paragraphs 3 and 4 of the said Order.
2. As required by section 143(3) of the Act, we further report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph;
  - (e) In our opinion, though the matter described in the basis of qualified opinion above has potential adverse effect on the functioning of the Company in future, the changed management and Board of Directors, which has already taken place and ownership change process is under way, has expressed their belief that this matter will not have adverse effect on the functioning of the Company in view of positive steps being undertaken to comply with all obligations, past as well as future, and also step-up operations in coming future.
  - (f) On the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Companies Act, 2013.
  - (g) Report on the internal financial controls under clause (i) of sub-section 3 of section 143 of the Companies Act 2013 is enclosed as Annexure-II to this report.
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations, if any, on its financial position, in its financial statements.
    - ii. The Company did not have long-term contracts including derivatives contracts for which there were material foreseeable losses.
    - iii. No amount is required to be transferred to the Investor Education and Protection Fund by the Company as on 31 March, 2017.
    - iv. the Company has provided requisite disclosures as below as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company:

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	240000	9195	249195
(+) Permitted receipts	Nil	213550	213550
(-) Permitted payments	Nil	212538	212538
(-) Amount deposited in Banks	240000	Nil	240000
Closing cash in hand as on 30.12.2016	Nil	10207	10207

**For A K Jalan & Associates**  
**Chartered Accountants**  
**(FRN 500107N)**

**Place: New Delhi**

**Date : 30/05/2017**

**Sd/-**  
**(CA A K Jalan, FCA), Partner**  
**Membership No.052776**

**Annexure referred to in Paragraph (1) under Report on Other Legal and Regulatory Requirements of our Report of even date to the members of LAUREL ORGANICS LTD on the accounts for the year ended 31st March 2017.**

**Report under the Companies (Auditor's Report) Order, 2016, under sub-section (11) of section 143 of the Act of the Companies Act, 2013 ("the Act")**

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

**1. Fixed Assets:**

- (a) The company has maintained records showing full particulars, including quantitative details and situation of its Fixed Assets on computer assisted system.
- (b) As per information and explanations given to us, the Fixed Assets of the Company have been physically verified by the management during the year and it seems that the procedure of physical verification employed was reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were found on such verification.
- (c) According to the information and explanation given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company.

**2. Inventories:**

As per information and explanation given to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

**3. Loans granted by the Company:**

As per information and explanations given to us, the company has not granted loans, secured or unsecured to companies, firms, LLP or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, paragraph 3(iii) of the order is not applicable.

**4. Loans to Directors and Investment by company:**

As per information and explanations given and books and records examined by us, no loan has been given to directors and company has made no investment. Hence, paragraph 3(iv) of the order is not applicable.

**5. Acceptance of Deposits:**

The company has not accepted deposits from the public and therefore the directions of the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder are not applicable to the Company. Hence, paragraph 3(v) of the order is not applicable.

**6. Maintenance of Cost Records:**

The Central Govt. has prescribed Rules for the maintenance of the cost records u/s 148(1) of the Companies Act, 2013. Company has appointed Cost Audit for the Financial Year 2013-14 and thereafter due to upward change in the quantum of applicability of provisions, under which the Company does not fall, no audit was appointed.

**7. In respect of Statutory Dues:**

- (a) According to the information and explanation given to us and on the basis of our examination of records of the Company, the Company is generally regular in depositing the undisputed statutory dues as applicable with appropriate authorities in India.
- (b) According to the information and explanation given to us and the records of the Company examined by us, no disputed statutory dues were outstanding for payments before any forum for relief or otherwise.

**8. Repayment of Loans:**

Company has not raised term loans from Banks/Financial Institutions during the year under audit. Hence, paragraph 3(viii) of the order is not applicable.

**9. Utilisation of IPO and further Public offer:**

In terms of the information and explanations given to us, no moneys have been raised by way of initial public offer or further public offer (including debt instruments) and term loans by the Company during the Financial year under review. However, as per members approval Company has issued and allotted 0.10% Redeemable, Non-Convertible, Cumulative Preference Shares 40,00,000 of Rs.10 each for Rs.400 lacs on private placement basis during the financial year and the funds so raised has been utilized for the purpose for which it has been issued.

**10. Reporting of Fraud:**

According to the information and explanations given to us and based on the audit procedures performed and representation obtained from the management, we report that the fraud on or by the Company, having material misstatement on the financial statements has not been noticed or reported during the year under audit.

**11. Approval of Managerial Remuneration:**

In our opinion, and according to the information and explanations given to us, no managerial remuneration has been paid or provided in terms of section 197 read with Schedule V to the Companies Act, 2013.

**12. Nidhi Company:**

In terms of the information and explanations given, the Company is not a Nidhi Company. Hence, paragraph 3(xii) of the order is not applicable.

**13. Related Party Transactions:**

As per information and explanations given and the books and records examined by us, we state that transactions with the related parties are in compliance with section 188 of Companies Act, 2013 and proper disclosure have been made in the Financial Statement under audit at appropriate places(s).

**14. Private Placement or Preferential Issues:**

As per information and explanations given to us, the company has not made preferential allotment or private placement of equity shares or fully or partly convertible debentures during the year under review. However, private placement of 0.10% Redeemable, Non-Convertible, Cumulative Preference Shares 40,00,000 of Rs.10 each for Rs.400 lacs has been made by the Company during the year under review as per the approval of the members by way of a resolution passed in their extra ordinary general meeting held on 30/03/2016 and necessary compliance in the matter has been done.

**15. Non Cash Transactions:**

As per information and explanations given and the books and records examined by us, we state that the company has not entered into any non-cash transactions with directors or persons connected with them. Hence, paragraph 3(xv) of the order is not applicable.

**16. Register under RBI Act 1934:**

The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, paragraph 3(xvi) of the order is not applicable.

**For A K Jalan & Associates  
Chartered Accountants  
(FRN 500107N)**

**Sd/-  
(CA A K Jalan, FCA), Partner**

**Membreship No.052776**

## ANNEXURE-II

**Annexure referred to in Paragraph [2(f)] under Report on Other Legal and Regulatory Requirements of our Report of even date to the members of LAUREL ORGANICS LTD on the accounts for the year ended 31st March 2017.**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have examined the internal financial controls over financial reporting of M/s LAUREL ORGANICS LTD ('the Company') as on 31-Mar-2017 in connection with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note 168 require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31-Mar-2017.

**Place: New Delhi  
Date : 30/05/2017**

**For A K Jalan & Associates  
Chartered Accountants  
(FRN 500107N)**

**Sd/-  
(CA A K Jalan,FCA),  
Partner  
Membership No.052776**



## BALANCE-SHEET AS AT 31st MARCH 2017

Amount in Rupees

	Particulars	Note No.	As at 31.03.2017 (Rs.)	As at 31.03.2016 (Rs.)
I.	<b>EQUITY &amp; LIABILITIES :</b>			
	<b>1 Shareholder's Fund:</b>			
	(a) Share Capital	1	113,850,000	73,850,000
	(b) Reserves and Surplus/(Loss)	2	(122,132,773)	(112,642,461)
			<u>(8,282,773)</u>	<u>(38,792,461)</u>
	<b>2 Non-current Liabilities</b>			
	(a) Long-term borrowings	3	97,938,798	67,476,053
	(b) Deferred tax liabilities (Net)	4	2,073,803	2,834,416
	(c) Other Long-term liabilities	5	-	-
	(d) Long-term provisions	6	3,568,498	2,728,296
			<u>103,581,099</u>	<u>73,038,765</u>
	<b>3 Current Liabilities</b>			
	(a) Short-term borrowings		-	-
	(b) Trade payables	7		
	Total outstanding due to Micro Enterprises and small enterprises			
	Total outstanding due to other than Micro Enterprises and small enterprises		4,088,266	157,099
	(c) Other current liabilities	8	18,073,339	6,691,366
	(d) Short-term provisions	9	-	-
			<u>22,161,605</u>	<u>6,848,465</u>
	<b>TOTAL</b>		<u>117,459,931</u>	<u>41,094,769</u>
II.	<b>ASSETS</b>			
	<b>1. Non-current Assets</b>			
	(a) Fixed Assets	10		
	(i) Tangible assets		66,637,831	32,042,569
	(ii) Intangible assets		2,538	2,538
	(iii) Capital work-in-progress		30,735,781	-
	(b) Non-current investments		-	-
	(c) Long-term loans and advances	11	1,266,490	1,311,490
	(d) Other non-current assets	12	1,675,000	1,675,000
			<u>100,317,640</u>	<u>35,031,597</u>
	<b>2. Current Assets</b>			
	(a) Current Investments		-	-
	(b) Inventories	13	6,225,319	738,017
	(c) Trade receivables	14	753,905	910,376
	(d) Cash and cash equivalents	15	520,581	115,974
	(e) Short-term loans and advances	16	7,929,188	4,037,882
	(f) Other current assets	17	1,713,298	260,923
			<u>17,142,291</u>	<u>6,063,172</u>
	<b>Total</b>		<u>117,459,931</u>	<u>41,094,769</u>
	Summary of significant accounting policies and other Notes	24-25		

The accompanying notes are an integral part of the financial statements

In terms of our attached report of even date

For A K Jalan & Associates

Chartered Accountants

(FRN 500107N)

CAA K Jalan, FCA

Partner

M. No. 052776

For and on behalf of the Board

Sameer Goel  
Managing Director

Sachin Goel  
Director

Pratibha Anand  
Company Secretary  
New Delhi, May 30, 2017

New Delhi, May 30, 2017

## PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH 2017

Amount in Rupees

	Particulars	Note- No.	YEARENDED 31.03.2017 (Rs.)	YEARENDED 31.03.2016 (Rs.)
I.	Revenue from operations	18	14,600,000	1,921,045
II.	Other income	19	5,918,056	1,866,954
III.	<b>Total Revenue ( I + II )</b>		<b>20,518,056</b>	<b>3,787,999</b>
IV.	<b>Expenses:</b>			
	Cost of raw material consumed	20 (a)	-	774,732
	Purchases of Stock-in-Trade	20 (b)	3,539,746	
	Change in inventories of finished goods, work-in-progress and Stock-in-trade	20 (c)	-	42,531
	Employee benefit expense	21	7,507,379	21,343,043
	Finance costs	22	2,690,191	5,570,594
	Depreciation and amortization expense	10	3,474,661	2,935,645
	Other expenses	23	13,557,004	13,560,037
	<b>Total Expenses</b>		<b>30,768,981</b>	<b>44,226,582</b>
V.	<b>Profit before exceptional and extraordinary items and tax ( III - IV )</b>		<b>(10,250,925)</b>	<b>(40,438,583)</b>
VI.	Exceptional Items		-	-
VII.	<b>Profit before extraordinary items and tax ( V - VI )</b>		<b>(10,250,925)</b>	<b>(40,438,583)</b>
VIII.	Extraordinary Items		-	-
IX.	<b>Profit before tax ( VII - VIII )</b>		<b>(10,250,925)</b>	<b>(40,438,583)</b>
X.	Tax Expense:			
	- Current Tax		-	-
	- Deferred Tax (L/(A))	4	(760,613)	91,941
XI.	<b>Profit for the year from continuing operations ( VII - VIII )</b>		<b>(9,490,312)</b>	<b>(40,530,524)</b>
XII.	Profit from discontinuing operations		-	-
XIII.	Tax expense of discontinuing operations		-	-
XIV.	<b>Profit from Discontinuing operations (after tax) ( XII - XIII )</b>		<b>-</b>	<b>-</b>
XV.	<b>Profit for the period ( XI + XIV )</b>		<b>(9,490,312)</b>	<b>(40,530,524)</b>
XVI.	<b>Earnings per equity share (Basic/Diluted) (Rs.) :</b>	25 XXV'	<b>(1.29)</b>	<b>(5.49)</b>

The accompanying notes are an integral part of the financial statements

In terms of our attached report of even date

For A K Jalan & Associates

Chartered Accountants

(FRN 500107N)

CAAK Jalan, FCA

Partner

M. No. 052776

New Delhi, May 30, 2017

For and on behalf of the Board

Sameer Goel

Managing Director

Sachin Goel

Director

Pratibha Anand

Company Secretary

New Delhi, May 30, 2017

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017

Amount in Rupees

DESCRIPTION	YEAR ENDED 31.03.2017 (Rs.)	YEAR ENDED 31.03.2016 (Rs.)
<b>A Cash flow from operating activities :</b>		
Net profit before tax from continuing operation	(10,250,925)	(40,438,583)
Adjustments for:		
Depreciation	3,474,661	2,935,645
Amortisation	-	-
Finance Costs	2,690,191	5,570,594
Interest Income	(18,941)	(24,104)
Loss on assets discarded	2,496,594	131,207
<b>Operating profit before Working Capital Changes</b>	<b>(1,608,420)</b>	<b>(31,825,241)</b>
<b>Adjustment for Changes in Working Capital :</b>		
(Increase)/Decrease in Trade Receivables	156,471	1,816,295
(Increase) in Other Current Assets	(1,452,376)	664,233
(Increase) in Long Term Loans & Advances	45,000	(38,173)
(Increase)/decrease in Other non-current Assets	-	-
(Increase)/decrease in Inventories	(5,487,302)	34,316
(Increase)/decrease in Short Term Loans & Advances	(3,891,306)	669,850
Increase/(Decrease) in Trade Payables	3,931,167	(10,395,219)
(Decrease) in Long Term liabilities	-	(2,174,781)
Increase/(Decrease) in Other current liabilities	11,381,973	(17,326,514)
Increase in Long term provisions	840,202	(1,293,233)
Increase in Short term provisions	-	-
<b>Net Cash from operating activities (A)</b>	<b>3,915,410</b>	<b>(59,868,466)</b>
<b>B Cash Flow from investing activities :</b>		
Purchase of Fixed Assets	(40,566,517)	(1,000,050)
Capital Work in Progress	(30,735,781)	-
Interest Received	18,941	24,104
Preliminary Expenses	-	-
<b>Net Cash (Used in) investing activities (B)</b>	<b>(71,283,358)</b>	<b>(975,946)</b>
<b>C Cash flow from financing activities :</b>		
Proceeds from share allotment (Preference)	40,000,000	-
Proceeds/(repayment) of Long Term Borrowings	30,462,745	66,499,309
Finance costs paid	(2,690,191)	(5,570,594)
<b>Net Cash (Used in) financing activities (C)</b>	<b>67,772,554</b>	<b>60,928,715</b>
<b>Net Increase in cash and equivalents (A+B+C)</b>	<b>404,606</b>	<b>84,303</b>
Cash & Cash equivalents (opening balance)	115,974	30,850
<b>Cash &amp; Cash equivalents at the end of the year</b>	<b>520,581</b>	<b>115,974</b>

Previous year's figures have been re grouped/recasted wherever necessary to confirm to the current year's Classification.

The accompanying notes are an integral part of the financial statements in terms of our attached report of even date

For A K Jalan & Associates

For and on behalf of the Board

Chartered Accountants

(FRN 500107N)

CAA K Jalan, FCA

Partner

M. No. 052776

Sameer Goel

Managing Director

Sachin Goel

Director

Pratibha Anand

Company Secretary

New Delhi, May 30, 2017

New Delhi, May 30, 2017

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

	AS AT 31.03.2017		Amount in Rs. AS AT 31.03.2016	
<b>1. SHARE CAPITAL</b>				
<b>AUTHORISED :</b>				
Equity Shares - 73,85,000 of Rs. 10 each (Previous Year 73,85,000 of Rs. 10 each)		73,850,000		73,850,000
		<u>73,850,000</u>		<u>73,850,000</u>
40,00,000 (Previous Year 40,00,000)				
0.1% Redeemable Non-Convertible				
Cumulative Preference Shares of Rs. 10 each		40,000,000		40,000,000
		<u>113,850,000</u>		<u>113,850,000</u>
<b>Issued, Subscribed and paid up :</b>				
Equity Shares - 73,85,000 of Rs. 10 each fully paid up (Previous Year 73,85,000 of Rs. 10 each)		73,850,000		73,850,000
Preference Shares - 40,00,000 of Rs. 10 each fully paid up (Previous Year -Nil-)		40,000,000		-
		<u>113,850,000</u>		<u>73,850,000</u>
<b>i) Reconciliation of the number of shares outstanding (Equity Shares)</b>				
	As at 31.03.2017		As at 31.03.2016	
	No. of Shares	Rs.	No. of Shares	Rs.
Issued, Subscribed and paid-up shares				
At the beginning of the year	7,385,000	73,850,000	7,385,000	73,850,000
Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding as at the end of the year	<u>7,385,000</u>	<u>73,850,000</u>	<u>7,385,000</u>	<u>73,850,000</u>
<b>ii) Reconciliation of the number of shares outstanding (Preference Shares)</b>				
	As at 31.03.2017		As at 31.03.2016	
	No. of Shares	Rs.	No. of Shares	Rs.
Issued, Subscribed and paid-up shares				
At the beginning of the year	4,000,000	40,000,000	-	-
Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding as at the end of the year	<u>4,000,000</u>	<u>40,000,000</u>	<u>-</u>	<u>-</u>
<b>iii) Details of each shareholder holding more than 5% shares</b>				
	As at 31.03.2017		As at 31.03.2016	
	No. of Shares held	% Holding	No. of Shares Held	% Holding
<b>Equity:</b>				
M/s Kimia Biosciences Ltd.	3,728,100	50.48%	-	-
K. S.Varma	-	-	3,010,600	41%
Bijwasan Agro Ltd.	-	-	508,400	7%
<b>Preference:</b>				
Utsav Securities Pvt. Ltd.	<u>4,000,000</u>	<u>100%</u>	<u>-</u>	<u>-</u>
<b>iii) There is no change in the Issued, Paid up Equity Share Capital during the year and no Bonus/Right, Buy-back of shares in the preceding five years. However, there has been change in holding &gt;5% of equity shares, as holding of Mr. K S Varma &amp; Bijwasn Agro Ltd. has been taken over by Kimia Biosciences Ltd. during the 2nd Quarter of the year. Due approvals in this regard has been obtained from SEBI/BSE. During the year company has issued 40,00,000 Preference Shares of Rs.10/-each (0.1% Redeemable Non-Convertible Cumulative Preference Shares redeemable within a period of 10 yrs.) to M/s Utsav Securities Ltd. on 17.05.2016 during the year.</b>				
<b>iv) Shares issued/boughtback during the year: -Nil- .</b>				
<b>v) Further disclosures - please refer Note 25 (ii) .</b>				
<b>2. RESERVE AND SURPLUS</b>				
<b>(i) Surplus/(Defecit) in Statement of Profit and Loss:</b>				
Profit/(Loss) in Profit and Loss Statement from Previous Year		As at 31.03.17 (112,642,461)		As at 31.03.16 -72111937
Profit / (Loss) for the year		(9,490,312)		-40530524
Transfer to General Reserve		-		-
Surplus/(Defecit) in Profit and Loss Statement carried to Balance sheet		<u>(122,132,773)</u>		<u>-112642461</u>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### 3. LONG TERM BORROWINGS

#### SECURED LOANS

Vehicle Loans from corporarion bank	-	385,966
Loan from Kimia Biosciences Pvt. Ltd.	9,600,000	29,100,000
(Payable on demand with interest @9% p.a. )		
	29,100,000	385,966

#### UNSECURED LOANS

Other Loans from Bodies Corporate & individuals	88,338,798	38,376,053
(Payable on demand with interest @9% p.a. )		
	88,338,798	38376053
<b>Total</b>	<b>97,938,798</b>	<b>67476053</b>

- i) Company has taken secured borrowings to the tune of Rs. 2,91,00,000 during the previous years from Kimia Biosciences Ltd as per agreement with changes in tenure & rate of interest to 9% p.a. in CY against creation of respective charge on Immovable property of the company.
- ii) Further disclosures - please refer Note 25 (iii) .

### 4. DEFERRED TAX LIABILITIES (NET)

#### i) Deferred Tax Liabilities on account of timing difference

-Depreciation	3,356,847	3,800,483
<b>Total (i)</b>	<b>3,356,847</b>	<b>3,800,483</b>

#### ii) Deferred Tax Asset on account of timing differences

'-Provision for employees long term benefits (Gratuity/EL)	1,070,549	818,489
-Provision for Doubtful debts	-	-
-Others	212,495	147,578
<b>Total (ii)</b>	<b>1,283,044</b>	<b>966,067</b>

#### Total Net Liabilities/(Assets) (i-ii)

	<b>2,073,803</b>	<b>2,834,416</b>
--	------------------	------------------

iii) Deferred Tax Assets and Deferred Tax Liabilities have been offset as they relate to the same governing laws.

### 5. OTHER LONG TERM LIABILITIES

Unsecured Borrowings-Non Current	-	-
(Due, pending for payments)		
Others:		
- Advances received	-	-

### 6. LONG TERM PROVISIONS

Provision for employee long term benefits (refer Note 25-xxi)	3,568,498	2,728,296
	<b>3,568,498</b>	<b>2,728,296</b>

### 7. TRADE PAYABLES

Due to Micro & small enterprises	-	-
Others	4,088,266	157,099
Payable for Capital Assets	-	-
	<b>4,088,266</b>	<b>157,099</b>

### 8. OTHER CURRENT LIABILITIES

-Secured	-	-
-Unsecured	-	-
Loans/adv. From Directors	-	-
Advance from Customers	23,323	23,323
Other Payables:		
-Employee related liabilities	2,708,462	2,096,508
-Statutory dues payables	678,682	742,775
-Expenses payables	121,843	367,631
-Other payables	676,932	-
-Creditors-Capital Exp	8,048,999	-
-Interest Payable on Loans	5,815,098	3,461,129
	<b>18,073,339</b>	<b>6,691,366</b>

### 9. SHORT TERM PROVISIONS

Provision for Employee Benefits	-	-
Others:		
- Provision for Payables	-	-
	-	-

## 10. FIXED ASSETS

Amount in Rs.

Particulars	Gross Block at cost				Depreciation				Net Block	
	As at 31.03.16	Additions	Sales/Cap. Adjustment	As at 31.03.17	Upto 31.03.16	For the Period/year	Sales/ Adjustment	Upto 31.03.17	As at 31.03.17	As at 31.03.16
<b>(i) Tangible Assets</b>										
Land	4745884			4745884					4745884	4745884
Building	18592785	11132529		29725314	11513714	631,693		12145407	17579907	7079071
Plant & Machinery	75918425	28929338	8948092	95899672	61259563	1,593,333	7491271	55361624	40538047	14658863
Office Equipment	437560	173870	35365	576065	373264	30,489	33597	370156	205909	64296
Lab Equipment	8523785		1718382	6805403	4702587	863,006	1621980	3943613	2861790	3821198
Weigh Bridge	498883			498883	436457	3,308		439765	59119	62426
Motor Vehicles	3426047		2542609	883438	2202832	236,466	1605900	833398	50040	1223215
Cycle	1487			1487	1413	-		1413	74	74
Furniture & Fixtures	1164313	86230	739230	511312	957041	36,317	734336	259022	252290	207272
Electric Installation	1692255			1692255	1607642	-		1607642	84613	84613
Computer	437128	244550		681678	341471	80,050		421520	260158	95657
<b>Total</b>	<b>115,438,553</b>	<b>40,566,517</b>	<b>13,983,678</b>	<b>142021392</b>	<b>83,395,983</b>	<b>3,474,661</b>	<b>11,487,084</b>	<b>75,383,561</b>	<b>66,637,831</b>	<b>32,042,569</b>
<b>(ii) Intangible Assets</b>										
Computer Software	50,761			50761	48,223			48,223	2,538	2,538
<b>Total</b>	<b>50,761</b>	<b>-</b>	<b>-</b>	<b>50761</b>	<b>48,223</b>	<b>-</b>	<b>-</b>	<b>48,223</b>	<b>2,538</b>	<b>2,538</b>
<b>(iii) Capital work in progress</b>	<b>-</b>	<b>30,735,781</b>	<b>-</b>	<b>30735781</b>				<b>-</b>	<b>30,735,781</b>	<b>-</b>
<b>Total</b>	<b>115,489,314</b>	<b>71,302,299</b>	<b>13,983,678</b>	<b>172807934</b>	<b>83,444,207</b>	<b>3,474,661</b>	<b>11,487,084</b>	<b>75,431,784</b>	<b>97,376,150</b>	<b>32,045,107</b>
<b>Previous Year</b>	<b>118,984,502</b>	<b>1,000,050</b>	<b>4,495,238</b>	<b>115489314</b>	<b>84,871,772</b>	<b>2,935,645</b>	<b>4,363,210</b>	<b>83,444,207</b>	<b>32,045,107</b>	<b>34,112,730</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

	AS AT 31.03.2017	Amount in Rs. AS AT 31.03.2016
<b>11. LONG TERM LOANS &amp; ADVANCES</b>		
Unsecured, considered good, unless otherwise stated:		
Security Deposits	1,266,490	1,266,490
Advances recoverable in cash or in kind or for value to be received (provided for)	-	-
Prepaid Expenses (licensing)	-	45,000
	<u>1,266,490</u>	<u>1,311,490</u>
Less: Provision For Doubtful Debts/advances	-	-
	<u>1,266,490</u>	<u>1,311,490</u>
<b>12. OTHER NON - CURRENT ASSETS</b>		
Unsecured, considered good, unless otherwise stated:		
Deposits (TDR) with banks	175,000	175,000
Receivables for asset discarded	-	-
Capital Investment subsidy	1,500,000	1,500,000
Misc. Expenditures (to the extent not written off)	-	-
	<u>1,675,000</u>	<u>1,675,000</u>
Less: Provision For Doubtful Debts	-	-
	<u>1,675,000</u>	<u>1,675,000</u>
<b>13. INVENTORIES (At lower of cost and market value)</b>		
Raw Materials (In Transit)	29,88,000	-
Work-in-Process	-	-
Finished Goods	-	-
Stock-in-trade	-	-
Consumables Stores and Spares	2,953,260	248,017
Realisable Scrap (Assets discarded)	284,059	490,000
	<u>6,225,319</u>	<u>738,017</u>
<b>14. TRADE RECEIVABLES</b>		
Unsecured, unless otherwise stated, considered good:		
Trade receivables over six months		
- Considered good	-	-
- Considered doubtful	-	-
Others debts :		
- Considered good	753,905	910,376
- Considered good (unbilled receivables)	-	-
	<u>753,905</u>	<u>910,376</u>
Less: Provision For Doubtful Debts	-	-
	<u>753,905</u>	<u>910,376</u>
<b>15. CASH &amp; CASH EQUIVALENTS</b>		
Balances with Banks		
- on Current Accounts	515,020	102,429
- on Deposit Account	-	-
Cash on hand	5,561	13,545
	<u>520,581</u>	<u>115,974</u>
<b>16. SHORT TERM LOANS &amp; ADVANCES (Considered Good)</b>		
Unsecured, unless otherwise stated:		
Advances recoverable in cash or in kind or for value to be received		
- Considered good	36,381	23,042
- Considered doubtful	-	-
Advance to Suppliers (Revenue)	-	36,684
Advance to Suppliers (Capital items)	1,335,662	1,290,000
Advance tax & tax deducted at source	3,043,118	2,546,024
VAT 444,683	466	-
Cenvat Credit/Service Tax Receivable	3,069,345	141,667
	<u>7,929,188</u>	<u>4,037,882</u>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

	AS AT 31.03.2017	Amount in Rs. AS AT 31.03.2016
<b>17. OTHER CURRENT ASSETS</b>		
Interest accrued on Fixed Deposits	74,880	57,675
Prepaid Expenses (licensing)	701,710	203,248
Receivables against assets disposed off	936,709	-
	<u>1,713,298</u>	<u>260,923</u>
<b>18. REVENUE FROM OPERATIONS</b>		
Sales (including deemed sales)	4,850,000	1,534,594
Job/Processing Charges Income	9,750,000	386,451
	<u>14,600,000</u>	<u>1,921,045</u>
<b>19. OTHER INCOME</b>		
Miscellaneous Income/Tech Fee	3,000,000	377,087
Interest income on fixed deposits with bank/ others	18,941	24,104
Asset discarded/scrapped (Net of reliasable scrap value)	2,736,616	357,972
Liability no longer required w/back		1,107,791
Lease Rent	162,499	-
	<u>5,918,056</u>	<u>1,866,954</u>
<b>20. a) COST OF MATERIALS CONSUMED</b>	-	774,732
<b>b) PURCHASES OF STOCK IN TRADE</b>	3,539,746	-
<b>c) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
Closing value	-	-
Less: Opening value	-	42,531
Increase/(Decrease) in Stocks	<u>-</u>	<u>(42,531)</u>
<b>21. EMPLOYEE BENEFIT EXPENSES</b>		
Salaries, Wages, Bonus	5,866,843	17,779,123
Contribution to Provident and other Funds	385,932	1,486,281
Gratuity/EL provisions (refer Note 25-xxi)	985,063	1,260,722
Staff Welfare	269,541	816,917
	<u>7,507,379</u>	<u>21,343,043</u>
<b>22. FINANCE COST</b>		
Interest Expenses	2,671,194	5,550,318
Bank Charges	18,997	20,276
	<u>2,690,191</u>	<u>5,570,594</u>
<b>23. OTHER EXPENSES</b>		
Consumables store & spares consumed/billed	242,470	304,816
Power, Fuel & water Charges	1,748,277	3,087,330
Repairs and maintenance		
- Plant & Machinery	1,404,909	947,390
- Building	41,998	-
- Others	-	38,415
Freight & Cartage	32,612	23,467
Laboratory Expenses	292,229	69,814
Lease Rent (Machinery)/storage facility charges	-	80,898
EHS/ETP expenses	101,384	248,418
Travelling & conveyance expenses	381,741	743,358
Printing and stationery	297,938	136,067
Postage & courier expenses	344,854	126,619
Communication/telephone exp.	195,793	231,245
Legal and professional charges	1,874,913	840,130
Rates, taxes & Fees	3,515,137	666,276
Insurance expenses	157,421	169,307
Advertisement & Business Promotion expenses	68,512	103,551
Directors sitting Fees	-	15,000
Miscellaneous expenses	16,355	14,320
Security Services	1,000,176	477,840
Debtors non relisable w/off (deductions against receivables)	33,599	1,334,689
Prior Period adjustments	-	3,732,547
Auditors Fee	230,000	168,540
Loss on assets discarded	1,559,885	-
Exchange Rate Fluctuations	16,800	-
	<u>13,557,004</u>	<u>13,560,037</u>



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### 24. SIGNIFICANT ACCOUNTING POLICIES:

#### i) BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

- (a) The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP). GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.
- (b) The Financial Statements of the Company are prepared under the historical cost convention and as going concern in accordance with applicable accounting standards. Mercantile system of accounting is followed in preparation of the accounts.
- (c) All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle to be 12 months for the purpose of current and non-current classification of assets and liabilities.
- (d) **Use of Estimates:** - The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management of the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure thereof as on the relevant date of the financial statements and the reported amounts of revenue and expenses during the accounting period under consideration. Actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which results materialize.

#### ii) Revenue Recognition:

All the items of cost/expenditure and revenue/income have been accounted for on accrual basis.

#### iii) Fixed Assets:

- (i) All the fixed assets are stated at cost less accumulated depreciation using the historical cost concept. The costs of respective assets comprising purchase price/cost of construction and directly attributable cost of bringing the assets to working condition for its intended use.
- (ii) Improvement/modification cost of Plant & Machinery, if any, of enduring nature will be capitalized in the respective plant & machinery A/c.
- (iii) Worn-out/discarded assets are identified annually and removed/written-off from the respective assets block.

#### iv) Depreciation:

Fixed Assets are depreciated on Straight line method on pro-rata basis from the date on which each asset is put to use. Schedule II to the Companies Act, 2013 has been applied for the year and necessary changes in the process of charging depreciation according to the said Schedule - II to the CA2013 has been implemented to charge depreciation on the basis of useful life concept instead of percentage of depreciation since last FY 2014-15.

#### v) Impairment of Assets:

Company has assessed as at the balance sheet date whether there was any indication of impairment in its cash generating units (CGU) and losses, if any, were recognized, wherever carrying amount of assets of CGU exceeded their recoverable amount.

#### vi) Inventories are valued as follows :

- (a) Raw Materials, store & Spares, components and consumables are valued at cost on FIFO method.
- (b) Finished goods are valued at cost or realizable value whichever is lower.  
Processed stocks are valued at direct raw material cost and appropriate share of overheads.
- (c) Solvents/spent, part & partial of stock considered as stock in trade are valued at the price at which these are procured from the principal.
- (d) Raw materials and store items found damaged/expired on physical verification are written off and charged to revenue a/c.

#### vii) Excise Duty:

- a) Excise Duty payable on finished goods is accounted for on clearance of goods from the factory premises, if any.
- b) On Goods dispatched under Job work challans, no excise is payable as raw materials received and manufactured goods sent back on delivery Challans for and on behalf of the Principals only.

#### viii) Research and Development:

Research & Development expenditure of revenue nature is to be written off in the year in which it is incurred Nil expenses held during the year under review.

**ix) Sales:**

Sales, is recognized at the point of dispatch of goods to the customers and is reported net of sales tax & excise duty. However, utilization of consumables and indirect raw materials for carrying out contract manufacturing is recognized as deemed sales, net of Sales Tax.

**x) Job work charges:**

- a) Job charges are recognized as per Job Invoices raised during the year, on per Kg conversion Charges basis. However, part of plant has been offered on minimum monthly conversion charges basis and differential conversion charges billed accordingly.
- b) Revenue has been recognized on unbilled fully processed, approved goods as at the end of the accounting year as per agreed per Kg. Job charges basis.

**xi) Employee Benefits:**

- (a) Provisions for Gratuity & Earned Leave encashment on actuarial valuation by independent actuaries by using Projected Unit Credit (PUC) method has been made for the employees continuing their services as on the Balance sheet date. Accumulation of Earned leave is restricted to 30 days for availing in future. However, encashment allowed for employees separated, retrenched and retired & accounted on payment basis. (Previous year also accounted for on Actuarial valuation basis).
- (b) Gratuity liability was fully provided during the year in compliance of AS-15(revised) of the ICAI.
- (c) Provident fund, ESIC contributions and other short term employee benefits recognized as an expense and charged to profit & loss account on accrual basis.

**xii) Taxation:**

- a) Current Tax is determined as the amount of tax payable in respect of taxable income for the year.
- b) Deferred Tax is recognized subject to consideration of prudence, on timing differences, being difference between taxable and accounting income/expenditure that originate in one period and are capable of reversal in one or more subsequent period(s). Deferred Tax assets are not recognized unless there is "virtual certainty" that sufficient future taxable income will be available against which such deferred tax assets will be realized.

**xiii) Earnings per share:**

Basic earnings per share is computed by dividing net profit or loss for the period attributable to equity shareholders by the weighted average number of shares outstanding during the year. Diluted earnings per share amount computed after adjusting the effects of all dilutive potential on equity shares. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share, and also the weighted average number of equity shares, which could have been issued on the conversion of all dilutive potential shares. In computing dilutive earnings per share, only potential equity shares that are dilutive and that decrease profit per share are included.

**xiv) Cash and Cash Equivalents:**

In the cash flow statement, cash and cash equivalent includes cash in hand, demand deposits with banks, of 6 months or less maturity only, other short term highly liquid investments with original maturities of six months or less.

**xv) Provision and Contingent Liabilities and contingent assets:**

The company recognizes a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or present obligation that the likely hood of outflow of resources is remote, no provision/disclosure is made. Contingent assets are neither recognized nor disclosed in the financial statements.

**25. GENERAL NOTES:**

The Company was incorporated on 27th September, 1993 and started its commercial production on 5th May, 1995. The main activity of the company is manufacturing and sales of pharmaceutical-bulk drugs (API-Active Pharmaceutical Ingredients) since beginning. The Company is having its manufacturing facility at Village-Bhonds, Tehsil - Sohna, Distt. Gurgaon, Haryana. Notes on various aspects of operations of the company during the financial year are summarized as below:

**(i) a) Contingent Liabilities not acknowledged as debts and provided for:**

PF/ESIC: E.S.I.C. has not claimed/quantified additional demand of interest/damages, if any, on delayed deposit/payment of ESI dues during current & earlier periods yet, hence not acknowledged/provided for. Quantum could not be ascertained.

**b) Commitments:**

Capital expenditure for Plant & Equipments contracted for at the end of the reporting period and advances paid but not concognised as liability amounting to Rs.13.36 lakhs.

**ii) Disclosure relating to Share Capital:**

Rights, Preferences and Restrictions attached to the Equity Shares:

**a) Authorised Capital:**

Authorized Share Capital of the Company is Rs. 113,850,000 (Rupees Eleven Crore Thirty Eight Lakh Fifty Thousand only) comprising of 7,385,000 (Seventy Three Lakh Eighty Five Thousand) Equity Shares of Rs. 10/- each and 4,000,000 (Forty Lakh) Preference shares of Rs. 10/- each. The reclassification and increase in Authorised capital was approved by members in their EGM held on 30th March.2016.

**b) Share Issuance:**

The Members of the company also approved to create, offer, issue and allot, on private placement basis, up to 4,000,000 (Forty Lakh) 0.1% Redeemable Non-Convertible Cumulative Preference Shares ("RPS") of face value of Rs.10/- (Rupees Ten only) each fully paid-up for cash at an issue price of Rs.10/- (Rupees Ten only) to the persons belonging to non-Promoter Category on the following conditions, accordingly vide Board meeting dated 17th May'2016 RPS were issued by the company:

The said Preference Shares shall rank for dividend in priority to the equity shares for the time being of the Company.

The said Preference Shares shall in winding up be entitled to rank, as regards repayment of capital and arrears of dividend, whether declared or not, up to the commencement of the winding up, in priority to the equity shares but shall not be entitled to any further participation in profits or assets or surplus fund.

The payment of dividend shall be on cumulative basis.

The said Preference Shares shall be Non-Convertible.

The voting rights of the persons holding the said Preference Shares shall be in accordance with the provisions of Section 47 of the Companies Act 2013 (including any statutory modifications or re-enactments thereof for the time being in force).

At the option of the issuer, at any time within a period not exceeding ten years from the date of allotment as per the provisions of the Act.

Nil equity shares have been allotted as fully paid up without payment being received in cash during the period of five years immediately preceding the date as at which the Balance Sheet is prepared.

**c) Voting Power/Dividend:**

Each holder of equity shares is entitled to one vote per share. The dividend, if any, to be proposed by the Board of Directors is subject to approval of the shareholders in Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders.

**d) Equity in Dematerialised Form:**

Company's Paid up equity shares 39,10,000 (52.95%) out of total equity shares of 73,85,000, held in dematerialized form as on 31.03.2017. Holding held by Promoters is in 100% dematerialized form.

**iii) Secured/Unsecured Loans:**

Secured loans to the tune of Rs.291 lakh taken in P.Y. secured by exclusive mortgage of the land property of the company to revive the working and pay off long pending Statutory & other liabilities of the company. Charge to this effect has been created by the lender. The loan has been partly repaid to the tune of Rs.195 lakh during the year. Terms of Interest payable were modified /reduced from 11% to @9% p.a. during the year based on mutual consent and agreement to this effect duly approved by the Board.

Company has further taken unsecured loans from time to time to cop up with the funds requirements to meet Upgradation & refurbishment of the plant totaling to Rs. 883.39 lakh. Interest has not been provided on the unsecured loans taken from Kimia Biosciences Ltd. in view of likely merger as the process of the same has started with the approval of the Board. Interest on other unsecured loans has been provided @9% repayable on demand.

**iv) Trade Payables and Trade receivable balances are subject to reconciliation and confirmation from the parties concerned.**

**v) As per AS-22 issued by ICAI, deferred tax asset and liability has been recognized and necessary effects were given in profit & loss account during the year. Detail break-up of accumulated deferred tax assets and liability after adjustment as on 31.03.2017 is given in Note No.4.**

**vi) Plant Up-gradation & Capital Expenditure:**

Management has decided to upgrade the plant and approved capital expenditure in view of enhanced Regulatory requirements and to make the plant GMP compliant & create better business prospects in near future. Accordingly, Company has taken up-gradation activity in two phases. 1st phase of Up-gradation was completed in Decemeber'2016. A sum of Rs.4,05,66,517 was capitalized in various heads during the year as per Note 10 of Financial Statements. Company has started manufacturing activity on Job work basis after trial production in last quarter of the year. The up gradation of 2nd phase has started and incurred expenditure amounting to Rs.3,07,35,781 which is under progress and recognized under Capital WIP a/c as on 31.03.2017.

**vii) Particulars of the consumption of Materials:**

There has been no substantial business activity during the year due to upgradation activities undertaken. However, Company has started production after up-gradation & taking trials on Contract Manufacturing basis in the last quarter of the Financial Year . Raw materials supplied by the principal manufacturer as per requirements of products manufactured were received on excise challans as well and goods manufactured by the company were again transferred/ dispatched back on excise challans as well. Being stocks under Job work, therefore, was not forming part of company's own manufacturing and, hence, details of raw materials consumed and goods manufactured etc. were not pertaining to the company directly, hence not given herein below to that extent. However, small quantities Imported and sold on own account for which landed cost of direct raw materials traded is given below:

Description	Year ended 31.03.2017		Year ended 31.03.2016	
	Value (Rs. lacs)	% age	Value (Rs. lacs)	%age
(a) Raw Material consumed/traded				
Imported/Indigenous (Imported-35.40 lakh)	35.40	100	7.75	100
(b) Stores, Spares & consumables				
Indigenous (Imported-Nil)	2.42	100	3.05	100

**viii) Prior Period Adjustments:**

C.Y. -Nil- (P.Y. Rs. 37.32 lakh)

- ix)** Company has paid a sum of Rs.28.00 lakhs plus taxes to BSE on a/c of reinstatement fee for regularizing suspended script on BSE trading platform during the year. The amount so paid has been charged to the revenue of the year.
- x)** The operation of the company was suspended for major part of the year due to up gradation. However, company has started Production of Bulk drug intermediates on contract manufacturing basis during last quarter of the year on minimum monthly conversion charges basis. Revenue for the year has been accounted for on a/c of the qty. manufactured/dispatched on per kg basis with balancing charges. Accordingly, transactions for the FY have been accounted for in accounts.
- xi)** Sales include Rs.48.50 lakh on a/c sale of imported goods/Rms traded on payment of duty on which CST/VAT has been charged & paid and the same has been treated in accounts accordingly. Procurement cost of materials has been shown in Profit & Loss a/c. Revenue on a/c of Job/conversion charges amounting to Rs.97.50 lakh has been accounted for under revenue from operations.
- xii)** In the opinion of the management the realizable value of non-current and current assets, loans & advances in the ordinary course of business would be, at least, equal to the amount at which they are stated in the balance sheet.
- xiii)** Travelling, conveyance and vehicle running expenses include Rs. Nil (Previous Year Rs. 4.24 lakh) spent by the directors for business purposes undertaken by them.
- xiv)** Company has provided for bonus @8.33% for all employees of the Company covered under the provisions of the Payment of Bonus Act. Accordingly an amount of Rs.7.08 lakh has been provided during the year in revenue account.
- xv)** Repairs and maintenance expenses of Plant and Machinery amounting to Rs. 14.05 lakh as per Note No.-23 include cost of repairs, replacement of partial worn out assets to keep them as usable.
- xvi)** Laboratory Expenses amounting to Rs.2.92 lakh as per Note No.-23 include HPLC /GC spares/column and accessories and regents/solvents/consumable, which are consumed for carrying out lab testing of products and raw materials.
- xvii)** Company has taken insurance cover for fire on building, plant & machinery, inventories of the company as well as against Public Liability amounting to Rs.1437 1500 lakh & 1500 lakh respectively. Adequacy of risk cover is justified by the management on the basis of risk assessment carried out by them based on internal inputs made available in the matter. Insurance cover towards inventory of raw materials, work-in-progress and finished goods etc. belonging to the principal manufacturer, were taken by them, for which no risk and responsibility lies on the company.
- xviii)** Certain assets including plant & machinery, worn out/non usable discarded by the company upon physical verification, partially has been sold as scrap. Provision for realizable scrapped value of the same received/provided in books of accounts under Note No.19.

xix) The works of the company were covered by ESIC with effect from June'08. All the workers having salary within the limit of ESIC are covered under ESIC scheme and the company has complied with the provisions of the ESIC Act regularly. Contribution payable for the year provided in accounts and outstanding payables are shown under current liabilities.

xx) A sum of Rs.6.79 lakh was outstanding liability towards the Statutory dues as at the close of the financial year on a/c of Excise duty, P.F., ESIC, TDS. As per practice, all these current statutory dues are paid within the time allowed under the relevant laws and/or the Income Tax Act, 1961 generally.

**xxi) Accounting Standard (AS-15) on Employee Benefits**

(a) Contributions are made to Employees Provident Fund, Family Pension Fund, ESIC and other Statutory Funds which covers all regular employees as per provision of these respective Acts. The contributions are normally based on a certain proportion of the employee's salary. Amount recognized as an expense in respect of these defined contribution plans are as under:

(Rs. Lacs)

	Year ended 31.03.2017	Year ended 31.03.2016
Contribution to Provident & Family Pension Fund	3.01	10.52
Contribution to ESIC including EDLI	0.82	4.10
Contribution to Labour Welfare Fund	0.03	0.24

However, in addition to the above, company has paid contributions of EPF, ESIC and LWF for the employees engaged in Up-gradation activities amounting to Rs. 8.90 lakh, 3.45 lakh & 0.17 lakh respectively. These amounts have been capitalized in respective Fixed Assets heads or held under capital WIP A/c.

(b) Provision for Gratuity and Earned leave liability is based on actuarial valuation done by an independent actuary as at the end of the year. Based on the actuarial valuation, provision (accumulated) is made for a sum of Rs. 35.68 lakh and it covers all regular employees. Major drivers in actuarial assumptions are, years of service and employee compensation. Commitments are actuarially determined using "Projected Unit Credit" method. Gains and Losses on changes in actuarial assumptions are accounted for in the Statement of Profit & Loss, details are as under:

(Rs. Lacs)

Particulars	As at 31.03.2017		As at 31.03.2016	
	Gratuity	EL liability	Gratuity	EL liability
<b>Reconciliation of liability recognised in the Balance Sheet</b>				
Present value of commitments (as per Actuarial Valuation)	30.08	4.84	23.76	3.52
Fair value of plan assets	-	-	-	-
Net Liability in the Balance Sheet	30.08	4.84	23.76	3.52
<b>Movement in net Liability recognised in the Balance Sheet</b>				
Net Liability as at the beginning of the year	23.76	3.52	36.63	3.59
Net expense recognised in the Statement of Profit & Loss	8.24	1.61	11.72	0.89
Contribution/paid during the year	-1.92	-0.29	-24.59	-0.95
Net Liability as at the end of the year	30.08	4.84	23.76	3.52
<b>Expense recognised in the Statement of Profit &amp; Loss</b>				
Current service cost	3.71	1.28	2.59	0.53
Interest cost	1.90	0.28	2.93	0.29
Expected return on plan asset	0	0	0	0
Actuarial Loss/(Gain)	2.63	0.05	6.20	0.07
Expense charged to the Statement of Profit & Loss	8.24	1.61	11.72	0.89
<b>Return on plan assets</b>				
Expected return on plan asset	-	-	-	-
Actuarial gain	-	-	-	-
Actual return on plan assets	-	-	-	-

## Reconciliation of defined-benefit commitments

Commitments as at the beginning of the year	23.76	3.52	36.63	3.59
Current service cost	3.71	1.28	2.59	0.53
Interest cost	1.90	0.28	2.93	0.29
Paid benefits	-1.92	-0.29	-24.59	-0.95
Actuarial loss	2.63	0.05	6.20	0.07
Commitments as at the end of the year	30.08	4.84	23.76	3.52

## Reconciliation of Plan Assets

Plant assets as at the beginning of the year	-	-	-	-
Expected return on plan asset	-	-	-	-
Contribution during the year	-	-	-	-
Paid benefits	-	-	-	-
Actuarial gain	-	-	-	-
Plant assets as at the end of the year	-	-	-	-
Principal actuarial assumptions as at the Balance Sheet date				
Discount rate	7.54	7.54	8	8
Estimated rate of return on plan assets	-	-	-	-
Expected rate of salary increase	5.5	5.5	5.5	5.5
Attrition rate %	2 & 3	2 & 3	2 & 3	2 & 3
Mortality Table	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)

xxii) Income/Expenditure in Foreign Currency: Rs. 32.71 lakh (P.Y. -Nil-).

## xxiii) Auditors Remuneration :

Auditors' Remuneration amounting to Rs.2.30 lakh to Statutory Auditors provided during the year.

## xxiv) SEGMENT REPORTING:

Information regarding Segment reporting as per AS-17 for the year ended 31/03/2017:

The Company is engaged in only one business segment - Pharmaceutical Bulk drug and drug intermediate (API- Active Pharmaceutical Ingredients) on contract manufacturing basis only. Therefore, there is single segment assets and liabilities only. There was no geographical segment as well.

## xxv) Accounting Standard (AS-20) on Earnings Per Share:

As required by Accounting Standards 20 issued by the Institute of Chartered Accountants of India, the earning per share (EPS) is calculated by dividing the profit attributable to the equity share holders by the average number of equity shares outstanding during the year and is ascertained as follows:

Particulars		Year ended 31.03.2017	Year ended 31.03.2016
Profit/(Loss) available to the equity shares	Rs.	(9,490,312)	(40,530,524)
Weighted average no. of equity shares		7385000	7385000
Nominal value of equity shares	Rs.	10	10
Earning per share of Rs.10 each (basic/diluted)	Rs	(1.29)	(5.49)

xxvi) The company has not received intimation from suppliers regarding their status under the micro, small and medium enterprises and hence disclosure, if any, relating to balance outstanding including interest thereon, if any, as at the Balance Sheet date could not be ascertained, hence has not been furnished. Company has undertaken steps to prepare a panel of such suppliers and seek all the relevant information, so as to classify and monitor relevant information in future.

xxvii) A sum of Rs.30.43 lakh is receivable on account of TDS deducted on Job charges from the Income Tax department for the F.Y. 2012-13, 2014-15, 2015-16 and 2016-17. Income tax returns for the year 12-13 & 14-15 have already been filed within time and refunds are under process. However, TDS for 16-17 would be refundable/ claimed from the Department on filing of ITR for the year concerned. These will be adjusted, as and when returns are processed and orders/refunds are received by the Company.

xxviii) Cenvat/Service Tax Input credit taken/ paid on input cost/services, availed against goods manufactured and under reverse charge obligation of the Company during the year.

## xxix) Preparation of Financial Statements:

The Financial Statements as on the closing date of 31st March, 2017 are prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended). Applicability of Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under section 133 of the Act, will be applicable to company with effect from 1st April, 2017. Accordingly, the adjustments to Financial information of the company for year ended 31st March, 2017 and the transition date opening balances as at April 1, 2016 will be dealt with in the Financial Statements prepared for the year 2017-18.

**xxx) Related Party disclosure:**

A) List of Related Parties:

i) Subsidiaries / holding Cos. :

Name	Country	Relationship
Kimia Biosciences Ltd.*	India	Holding

ii) Key Managerial Personnel:

Name	Designation
Mr. Sameer Goel*	CMD
Mr. Sachin Goel*	Director

B) Transactions with Related Parties (Rs. Lakhs):

Particulars	Volume of Transactions during the year ended		Amount Outstanding as on	
	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
i) Kimia Biosciences Ltd.:				
a) Loans taken/(Repaid) (secured & unsecured) -Net	102.63	674.76	777.39	674.76
b) Interest on Loans	25.13	38.46	57.22	34.61
c) Job Income Received	97.5	-	0.11	-
d) Other Income Received (Technical fee/rent charges)	31.62	-	-	-
e) Purchases -In transit	29.88	-	29.88	-
e) Sale of traded goods	48.5	-	-	-

\* These parties considered as related parties effective from 29th March, 2016, subsequent to Change in management and Appointment as Directors on the Board of the company.

**xxxii)** Previous year figures have been regrouped/re-arranged wherever necessary to correspond with the current year's classification/ disclosure and rounded off to nearest one rupee.

**xxxiii) Disclosure on Specified Bank Notes (SBNs):**

During the year, the Company had Specified Bank Notes or other denomination Notes as defined in the MCA notification, GSR 308(E) dated 31st March, 2017. The details of SBNs held and transacted during the period from 8 November, 2016 to 30 December, 2016, the denomination-wise SBNs and other notes as per the notification are as follows:

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	240000	9195	249195
Add: Permitted receipts	-	213550	213550
Less: Permitted payments	-	212538	212538
Less: Amount deposited in Banks	240000	-	240000
Closing cash in hand as on 30.12.2016	-	10207	10207

**xxxiii)** Notes 1 to 25 form an integral part of the statement of accounts of the company comprising Balance Sheet as on 31st March'2017 and the Profit & Loss Statement for the year ended on that date.

Signed for identification.

For A K Jalan & Associates  
Chartered Accountants  
(FRN 500107N)  
CA A K Jalan, FCA  
Partner  
M. No. 052776

For and on behalf of the Board

Sameer Goel                      Sachin Goel  
Managing Director              Director

Pratibha Anand  
Company Secretary  
New Delhi, May 30, 2017

New Delhi, May 30, 2017







## Laurel Organics Limited

CIN No. L24239HR1993PLC032120

Registered Office: Village Bhondsi, Tehsil Sohna, Distt. Gurgaon, Haryana-122102, India,

Tel: 011-29535650, Fax: 011-47063601

W: www.laurel.co.in E: laurelorganicslimited@gmail.com

### PROXY FORM

(Form No. MGT-11)

[Pursuant to Section 105(6) of the Companies Act, 2013

and Rule 19(3) of the Companies

(Management and Administration) Rules, 2014]

Name of Member(s) :

Registered address :

Folio No. / Client ID :

DP ID :

E-mail Id :

I/We, being the member(s) of Laurel Organics Limited, holding \_\_\_\_\_ Shares of the Company, hereby appoint:

- (1) Name : \_\_\_\_\_ Email Id : \_\_\_\_\_  
Address : \_\_\_\_\_  
Signature : \_\_\_\_\_, or failing him
- (2) Name : \_\_\_\_\_ Email Id : \_\_\_\_\_  
Address : \_\_\_\_\_  
Signature : \_\_\_\_\_, or failing him
- (3) Name : \_\_\_\_\_ Email Id : \_\_\_\_\_  
Address : \_\_\_\_\_  
Signature : \_\_\_\_\_, or failing him

as my /our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24th Annual General Meeting of the Company to be held on **Thursday, the 28th day of September, 2017 at 12:30 PM** at Village Bhondsi, Tehsil Sohna, Distt. Gurgaon, Haryana-122102 or any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Description of Resolutions	Assent	Dissent
1.	Adoption of Audited Financial Statements of the Company for the Financial Year ended on March 31st, 2017 along with the Directors' and Auditors' Report thereon.		
2.	Appointment of Director in place of Mr. Sameer Goel (DIN: 00161786), who retires by rotation and, being eligible, offers himself for re-appointment.		
3.	Appointment of M/s Singhi & Co., Chartered Accountants as Statutory Auditor of the Company.		

Signed on this.....day of .....2017.

Signature of Member(s) .....Signature of Proxyholder(s).....

#### Notes:

- 1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
- 2) A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as a proxy. However, such person shall not act as proxy for any other shareholders.
- 3) Shareholders may give their assent or dissent against each Resolution.
- 4) Corporate members intending to send their authorized representative(s) to attend the meeting are requested to send a certified copy of the board resolution authorizing their representative(s) to attend and vote on their behalf at the meeting.

Affix One  
Rupee  
Revenue  
Stamp

## Laurel Organics Limited

CIN No. L24239HR1993PLC032120

Registered Office: Village Bhondsi, Tehsil Sohna, Distt. Gurgaon, Haryana-122102, India,

Tel: 011-29535650, Fax: 011-47063601

W: [www.laurel.co.in](http://www.laurel.co.in) E: [laurelorganicslimited@gmail.com](mailto:laurelorganicslimited@gmail.com)

### Attendance Slip

24th ANNUAL GENERAL MEETING

Thursday, 28th September, 2017 at 12:30 PM

Folio No. / DP ID Client ID No.	
Name of First named Member/Proxy/ Authorised Representative	
Name of Joint Member(s), if any:	
No. of Shares held	

I certify that I am a member/proxy/authorized representative for the member, of the Company.

I hereby record my presence at the 24th Annual General Meeting of the Company at Village Bhondsi, Tehsil Sohna, Distt. Gurgaon, Haryana-122102 on Thursday, 28th September, 2017.

.....

Signature of the member/proxy

#### Notes :

- a) Only member/proxy can attend the meeting. No minors would be allowed at the meeting.
- b) Member/proxy who wish to attend the meeting must bring this attendance slip to the meeting and hand over at the entrance duly filled in and signed.
- c) Member/proxy should bring his/her copy of the Annual Report for reference at the meeting.