

Laurel Organics Limited

Regd. Office: Vill. Bhondsi, Tehsil Sohna
Distt. Gurgaon (Haryana) - 122102

NOTICE

NOTICE is hereby given that the 21st Annual General Meeting of the members of Laurel Organics Limited will be held on Monday, the 29th September, 2014 at 12.30 P.M. at the Registered office of the company at Vill. Bhondsi, Tehsil Sohna, Distt. Gurgaon (Haryana) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2014, the Profit & Loss Account for the year ended on that date and the report of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mrs. Sakuntala Prasad, who retires by rotation, and being eligible, offers herself for re-appointment.
3. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit to pass with or without modifications the following resolution as an ordinary Resolution :
"RESOLVED that pursuant to the provisions of Section 139 of the Companies Act, 2013 and Rules made there under and pursuant to recommendation of Audit Committee of the Board, M/s A. K. Jalan & Associates, Chartered Accountants, (Registration No. 500107N) be and is hereby appointment as statutory Auditors of the Company to hold office from the conclusion of this AGM till the conclusion of third consecutive AGM of the Company to be held in 2017 (subject to ratification by members at every AGM held after this AGM) at such remuneration as shall be fixed by the Board of Directors of the Company upon recommendation of the Audit Committee."

SPECIAL BUSINESS :

4. To consider and if thought fit, to pass with or without modification the following resolution as Special resolution:
"RESOLVED THAT pursuant to the provisions section 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment(s) thereof for the time being in force), consent of the members be and is hereby accorded to the re-appointment of Mr. Kumar Sahay Varma as Chairman & Managing Director (CMD) of the Company not liable to retire by rotation with effect from August 9th, 2014 for a period of 5 years in the following terms & conditions as contained in the agreement dated 14.08.2014 entered into by the Company with Mr. Kumar Sahay Varma:
 1. Remuneration: Rs.150,000/- per month (including Basic Rs.75,000, house rent allowance/company maintained furnished accommodation Rs.35,000 & Executive allowance Rs.25,000 and;
 2. Perquisites & Allowances :
 - (a) Leave travel allowance for himself and his family in accordance with the rules of the Company subject to a ceiling of Rs. 10,000/- per annum;
 - (b) Medical re-imburement for himself and his family in accordance with the rules of the Company subject to a ceiling of Rs. 27,000/- per annum and medical insurance cover for himself and his direct family subject to the annual premium of Rs.50,000/-;
 - (c) Benefits under the Provident Fund Scheme, in accordance with the Company's rules and regulations in force from time to time. Gratuity payable as per the rules of the Company.
 - (d) Reimbursement of Gas, Electricity, water at actual, subject to the limit of Rs.4000/- per month;
 - (e) Club fees at actual, subject to one clubs;
 - (f) Provision for use of the Company's chauffeur driven car for office duties only;
 - (g) Reimbursement of cellular phone and telephone at residence subject to the limit of Rs. 5,000/- per month.)

RESOLVED FURTHER THAT Mrs. Vandana Varma, Director of the Company be and is hereby authorized to take such steps as may be necessary to give effect to this resolution."

5. To consider and if thought fit, to pass with or without modification the following resolution as Special resolution:
"RESOLVED THAT pursuant to the provisions section 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment(s) thereof for the time being in force), consent of the members be and is hereby accorded to the re-appointment of Mr. Abhishek Sahay Varma as Whole Time Director of the Company not liable to retire by rotation with effect from November 9th, 2014 for a period of 5 years in the following terms & conditions as contained in the agreement dated 14.08.2014 entered into by the Company with Mr. Abhishek Sahay Varma:
 1. Remuneration : Rs.125,000/- per month (including Basic Rs.60,000, house rent allowance Rs.30,000 & Executive allowance Rs.20,000 and
 2. Perquisites & Allowances :
 - (a) Leave travel allowance for himself and his family in accordance with the rules of the Company subject to a ceiling of Rs. 10,000/- per annum;
 - (b) Medical re-imburement for himself and his family in accordance with the rules of the Company subject to a ceiling of Rs. 25,000/- per annum and medical insurance cover for himself and his direct family subject to the annual premium of Rs.25,000/-;
 - (c) Benefits under the Provident Fund Scheme, the Company's Pension in accordance with the Company's rules and regulations in force from time to time. Gratuity payable as per the rules of the Company.
 - (d) Reimbursement of Gas, Electricity, water at actual, subject to the limit of Rs.4000/- per month;
 - (e) Provision for use of the Company's chauffeur driven car for office duties only;
 - (f) Reimbursement of cellular phone and telephone at residence subject to the limit of Rs. 5,000/- per month.)

RESOLVED FURTHER THAT Mrs. Vandana Varma, Director of the Company be and is hereby authorized to take such steps as may be necessary to give effect to this resolution."

6. To consider and if thought fit, to pass with or without modification the following resolution as Ordinary resolution:

"RESOLVED THAT Mr. Sandeep Gupta, an Independent Director of the Company pursuant to clause 49 of the Listing Agreement entered into with the Stock Exchanges, whose office is not liable to be determined by retirement of directors by rotation, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company pursuant to the provisions of Section 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, for a period of five years, not liable to retire by rotation."

7. To consider and if thought fit, to pass with or without modification the following resolution as Ordinary resolution:

"RESOLVED THAT Mr. Prabhat C Jha, an Independent Director of the Company pursuant to clause 49 of the Listing Agreement entered into with the Stock Exchanges, whose office is not liable to be determined by retirement of directors by rotation, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company pursuant to the provisions of Section 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, for a period of five years, not liable to retire by rotation."

8. To consider and if thought fit, to pass with or without modification the following resolution as Ordinary resolution:

"RESOLVED THAT Mr. Binod Roy, an Independent Director of the Company pursuant to clause 49 of the Listing Agreement entered into with the Stock Exchanges, whose office is not liable to be determined by retirement of directors by rotation, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company pursuant to the provisions of Section 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, for a period of five years, not liable to retire by rotation."

Place: Bhondsi,
August 14, 2014.
CIN : L24239HR1993PLC032120

By order of the Board

Registered Office:
Vill. Bhondsi, Tehsil Sohna
Distt. Gurgaon (Haryana)

Sd/-
(Abhishek S. Varma)
Director

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Corporate Members intending to send their authorized representative(s) to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing the representative(s) to attend and vote on their behalf at the Meeting.
3. The Members/Proxies are requested to bring the copy of the Annual Report to the Annual General Meeting and hand over the attendance slip at the entrance of the meeting venue along with their Registered Folio No./Client ID and DP ID Numbers for easy identification.
4. The Shareholders are requested to notify any change in their address immediately. In case the Shareholders find that the address mentioned in the correspondence address by the company is incorrect/ incomplete please intimate your correct address immediately clearly indicating the post pin code number.
5. If the shares are held by the Shareholders in more than one folio, please get the same consolidated.
6. The Ministry of Corporate Affairs has taken a "Green initiatives in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail address, so far, are requested to register their e-mail address by sending written signed request to the Company.
7. Since the company's shares are available in physical form the provisions of section 108 of the companies Act, 2013 are not available to share holder for voting through electronic mode.
8. Particulars required for Re-appointment of Directors pursuant to Clause 49 of the Listing Agreement :

In terms of Section 149 & 152 of the Companies Act, 2013, Mr. Sandeep Gupta, Mr. Binod Roy and Mr. Prabhat C Jha not retire by rotation at ensuring meeting and being eligible offer themselves for re-appointment at the ensuing Annual General Meeting for a period of five years, not liable to retire by rotation. The Board of Directors of the Company commends their respective reappointments.

Mrs. Shakuntala Prasad, director liable to retire by rotation at ensuring meeting and being eligible offer themselves for re-appointment at the ensuing Annual General Meeting.

The information or details for the aforesaid Directors are as under:

Name of Director	Mr. Sandeep Gupta	Mr. Prabhat C Jha	Mr. Binod Roy
Date of Birth	30.07.1968	01.03.1980	04.07.1976
Date of first Appointment	08.02.2003	08.02.2003	08.02.2003
Relationship with other Director(s)	None	None	None
Experience	Mr. Gupta is successful entrepreneur with wide experience of industry and has competent knowledge in Financial & Operational Management areas. Mr. Gupta is not holding any Equity Shares of the company.	He is having rich and varied experience in Human resources and design of various systems across the production & Quality control departments.	Mr. Roy is successful entrepreneur with wide experience and has competent knowledge and experience in information Technology areas. Mr. Roy is not holding any Equity Shares of the company
Qualification	B. Tech	MBA	MCA
Board membership of other Companies	Nil	Nil	Nil
Chairman/ Member of the Committee of Directors of other Companies	Nil	Nil	Nil

9. The Shareholders are requested to bring their copies of the Annual Report and the Attendance Slips with them at the Annual General Meeting.
10. The Register of Members & Share transfer books of the company will remain closed from 24th September'14 to 29th September'14 (both days inclusive) in compliance with Section 91 of the Companies Act, 2013.

EXPLANATORY STATEMENT:

1. In respect of Item No. 4 :

Mr. Kumar Sahay Varma was appointed by the members as Chairman & Managing Director w.e.f 09.08.2009 for a period of five years.

Due to the constant efforts put by Mr. Varma, there has been positive change for the Company on several parameters starting with repayment of dues of secured creditors, repayment of advances received from RLL, satisfaction of charge created on assets of the company, buyback of shares held by HSIDC by existing promoters and moderate financial performance.

Mr. Varma is associated with the Company for the past 20 years and pursuing a well strategize plan to strengthen and develop the business. Several initiatives aligned to the objectives are currently underway. The Company should avail the services of Mr. Varma as an able and experienced CEO & Managing Director.

In view of excellent contribution made by Mr. Varma towards the growth of the Company, the Board of Directors in its meeting held on 15th May, 2014 have re-appointed him as chairman & managing Director for a period of five years w.e.f 9th August 2014, subject to approval of shareholders of the company on remuneration as recommended by the Remuneration Committee and the remunerations within the limit prescribed in schedule V to the Companies Act 2013 as approved by the Board of Directors.

Mrs. Vandana Varma and Mr. Abhishek Sahay Varma are related to Mr. Kumar Sahay Varma. To that extent they can be regarded as concerned or interested in the resolutions at item nos. 6. None of the other directors of the Company are interested in this resolution. The Board recommends this special resolution for your approval.

In respect of Item No. 5 :

Mr. Abhishek Sahay Varma was appointed by the members as Whole Time Director w.e.f 09.11.2009 for a period of five years. Due to the constant efforts put by Mr. Varma, there has been positive change for the Company on several parameters starting with production, quality compliance, finance and administration matters of the company and has made significant progress in all spheres of business and has come out as force to reckon in pharmaceutical industry in its own way.

In view of excellent contribution made by Mr. Varma towards the growth of the Company, the Board of Directors in its meeting held on 14th August, 2014 have re-appointed him as Whole Time Director for a period of five years w.e.f 9th November 2014, subject to approval of shareholders of the company on remuneration as recommended by the Remuneration Committee and the remunerations within the limit prescribed in schedule V to the Companies Act 2013 as approved by the Board of Directors.

Mrs. Vandana Varma and Mr. Kumar Sahay Varma are related to Mr. Abhishek Sahay Varma. To that extent they can be regarded as concerned or interested in the resolutions at item nos. 7. None of the other directors of the Company are interested in this resolution. The Board recommends this special resolution for your approval.

In respect of Item No. 6, 7 & 8 :

Mr. Sandeep Gupta, Mr. Prabhat C Jha and Mr. Binod Roy are currently Non-Executive Independent Directors of the Company in pursuance of the Listing Agreement. Sections 149 & 152 read with Schedule IV of the Companies Act, 2013 (the "Act") and amended Clause 49 of the Listing Agreement, inter alia stipulates the conditions for the appointment of Independent Directors by a listed company. In view of the same, it is proposed to appoint Mr. Sandeep Gupta, Mr. Prabhat C Jha and Mr. Binod Roy as Independent Directors under Section 149 of the Act and amended Clause 49 of the Listing Agreement, for a period of five years, not liable to retire by rotation. They are not disqualified from being appointed as Directors in terms of Section 164 of the Act. The Company has received notices in writing from members along with the deposit of requisite amount under Section 160 of the Act proposing their candidatures for the office of Director of the Company.

The Company has also received declarations from Mr. Sandeep Gupta, Mr. Prabhat C Jha and Mr. Binod Roy that they meet the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement. In the opinion of the Board, Mr. Sandeep Gupta, Mr. Prabhat C Jha and Mr. Binod Roy fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement and are independent of the management. Brief profiles of Mr. Sandeep Gupta, Mr. Prabhat C Jha and Mr. Binod Roy, their expertise in Specific Functional Area, Directorships and Committee positions held by them in other Companies are included separately in this Notice and report on Corporate Governance forming part of the Annual Report.

DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting the 21st Annual Report on the business and operations of the Company together with the Audited Statements of Accounts along with the Report of the Auditors for the year ended 31st March, 2014.

Financial Results

	2013-14	2012-13
	(Rs. In lacs)	(Rs. In lacs)
Net sales/income from operation	644.60	1223.82
Other Income	3.49	5.57
	-----	-----
Total Income	648.09	1229.39
	-----	-----
Cost of Raw Material Consumed	31.82	-
Staff Cost	297.28	304.01
Other Expenses	343.58	730.18
Depreciation	44.65	44.78
Finance Charges	8.44	18.73
Change in Inventory/Stock in Trade	1.57	(2.53)
	-----	-----
Total expenditure	727.34	1095.17
	-----	-----
Profit / (Loss) for the year	(79.25)	134.21
Add/(Less):		
Deferred Tax	0.77	(7.90)
	-----	-----
Balance carried to Balance Sheet	(78.48)	126.31
	-----	-----
Earning Per Equity Share (Basic/diluted) (Rs.)	(1.06)	1.71

OPERATIONAL REVIEW

During the year under review, the operations were adversely affected due to lower level of capacity utilization by RLL, sluggish and competitive market and overall economic recession.

The gross-receipts/turnover of the Company has fallen by 47% which is Rs.644.60 lacs as compared to previous year of Rs.1223.82 Lacs. Despite of best efforts being made by the company in reducing the finance cost by 55%, which is Rs.8.44 lacs as compared to previous year of Rs. 18.73 lacs, Other Manufacturing Expenses by 53% which is 343.58 lacs as compared to previous year of Rs 730.18 lacs, the Company has not able to recover its operating costs and has, therefore, incurred a loss of Rs.78.48 lacs as compared to profit of Rs. 126.31 lacs in previous year.

The company had moved to variable job work charges based on per kg output as per the requirement of Ranbaxy and carried out modernization work to increase the capacity of reactors during the last year keeping long term business prospects in sight, in spite of recessionary conditions prevailing globally. The company reaped the benefit of utilization of expanded capacity for the full year which had resulted into increased sale of services in previous year. However, during the current year the company has not sufficient orders in hand to run the plant at full capacity, therefore, the company had to slow/close down entire manufacturing operations during last quarter of the year and on the other hand fixed cost continued to be same during the period, thus, finally had increased the losses of the company.

Considering increase in cost of crude petroleum, Company had taken steps to replace furnace oil fired boilers to briquette fired boilers in last two years. This step helped Company to reduce its fuel cost as compared to last year.

CONTRACT MANUFACTURING

Your company has been operating on contract manufacturing basis for RLL. The operation has shown declining trend due to less capacity utilization by RLL as compared to previous year. The management of your company is presently working on alternative strategy to improve the job work revenue and also manufacture on its own account at micro level. It is believed that the efforts of management significantly contribute for the overall improvement in the operation of the company in future.

The Company is presently carrying out contract manufacturing activity for M/s Ranbaxy Laboratories Ltd, (a wholly owned subsidiary of the Japanese giant M/S Daichi Sankyo) a reputed pharmaceutical company for the past 10 years and the contract was further extended on 01/01/2013 for further period of five years for manufacturing Bulk Drug intermediates as per their specification and requirement.

Taking advantage of this growing segment, your company is exploring all possibilities to expand further and intends to enter into such agreement with other companies within and outside India. The experience of your company in efficiently manufacturing and supplying about 45 different products to M/S RLL during the past several years.

GOOD MANUFACTURING PRACTICE (GMP)

Since last year we are also focusing on written standard operating procedures in all working of the departments and focusing on Good Manufacturing Practice (GMP). This gives your company a sense of confidence that it would be able to handle the offshore business opportunities very well in future.

PLANT CAPACITY

Since the Company has manufactured so many different types of intermediates of almost all therapeutic groups, it has resulted in building up a capacity which extremely flexible which can handle all type of reactions relevant in the pharmaceutical manufacturing. This has helped the company being way ahead of its competitors in terms of plant flexibilities which has helped to cater to higher demand, increase in yields and steady costs thus maintaining reasonable steady growth in the past. However, due to lesser capacity utilization during the FY 2013-14, growth has been showing declining trend.

DUES OF UNSECURED CREDITORS

Company had been advanced by M/s Ranbaxy Lab. Ltd. earlier to meet its obligation of OTS reached with the IDBI and UBI, the entire loan liability has been repaid to M/s Ranbaxy Lab. Ltd. during the year.

DIVIDEND

In view of accumulated losses of the company your directors do not recommend any dividend.

NETWORTH

The net worth of the company has remained in negative direction during the FY 2013-14. Therefore, brought forward accumulated loss has increased as compared to previous year.

FIXED DEPOSIT

Your company has not accepted fixed deposits from the members or public, by public invitation during the year.

DIRECTORS

Three Directors namely Mr. Sandeep Gupta , Mr. Binod Roy and Mr Prabhat C Jha who retire by rotation at the ensuing Annual General Meeting. In view of the provisions of Sections 149 & 152 of the Companies Act, 2013 and amended clause 49 of the Listing Agreement, it is proposed to re-appoint Mr. Sandeep Gupta , Mr. Binod Roy and Mr Prabhat C Jha as Independent Directors under Section 149 of the Companies Act, 2013 and clause 49 of the Listing Agreement, at the ensuing Annual General Meeting for a period of upto five years, not liable to retire by rotation.

AUDITORS

M/s A K Jalan & Associates, Chartered Accountants, retires as Auditors of the company at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The company has received certificate from them under section 139 read with Section 141 of the Companies Act, 2013.

Based on the recommendation of the Audit Committee, the Board of Director of the company proposes the re-appointment of M/s A.K.Jalan, Delhi, Chartered Accountants as Statutory Auditors of the Company for a term of three consecutive years from the date of ensuring Annual General Meeting till conclusion of the Annual General Meeting to be held in the year 2017 subject to approval of the members.

COST AUDIT

The Cost Auditor, M/s Mahesh Singh & Co., re-appointed by the Company under Section 148 of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014 attended the Audit Committee Meeting, where Cost Audit Report was discussed.

The due date for filing the Cost Audit Reports in XBRL mode for the financial year ended March 31, 2013 was September 30, 2013 and further extended. The Cost Audit Reports were filed by the Cost Auditor on February 19, 2014 within extended time period. The due date for filing the Cost Audit Reports for the financial year ended March 31, 2014 is September 30, 2014.

CORPORATE GOVERNANCE

Your Company has taken adequate steps to ensure compliance with the provisions of Corporate Governance prescribed under the Listing Agreement with the Stock Exchanges. A separate report on Corporate Governance along with the certificate of the auditors confirming compliance with the conditions of Corporate Governance, as stipulated under Clause 49 of the Listing Agreements entered into with the Stock Exchanges is annexed.

CORPORATE SOCIAL RESPONSIBILITY:

Sustainability is a complex concept incorporating a wide range of social, environmental and economic issues. We recognize the holistic nature of a sustainable approach. As such, this commitment is about our people, the communities where we work, our suppliers and partners and the clients we work with.

Laurel Organics Ltd.

This is a commitment to safeguard the health and safety of our employees and workers and for that company take the following steps:

- The company has been provided with change rooms and wash facilities.
- The Company uniform consists of Apron, Cap and Slipper/shoe for workers.
- All the employees are trained on the requirement of good personnel hygiene at the time of their training programme and same is monitored by QA officers and department heads on routine basis.

HEALTH AND SAFETY

The company continues to accord high priority to health and safety of employees. During the year under review, a health & safety week was organized several times in its factory and the training programme and workshop for safety, awareness was also conducted for all employees at the plant. The comprehensive health check up of the employees was also carried out at the plant.

ENVIRONMENT

The plant is maintained strictly in compliance with the provisions of the Pollution Control Act. All the Effluents either of water or Air being generated during the manufacturing process are released after proper treatment strictly as per the Pollution Control Regulations and Rules.

INSURANCE OF ASSETS:

All the fixed assets, finished goods, semi-finished goods, raw materials, packing materials and other goods and assets of the Company have been insured against fire, burglary, transit, riots, strike, malicious damage and allied risks.

LISTING OF SHARES

Your Company equity shares are listed with Bombay Stock Exchange Limited. However, the scrip is under temporary suspension from trading. The Company has been putting its best possible efforts to recommence the trading at the earliest. In the matter, it is worth mentioning that your Company had issued 885,000 equity shares of Rs 10/- each at par in repayment of dues to IDBI in partial modification of sanctioned rehabilitation scheme by Hon'ble BIFR in March, 2004. However, Hon'ble BIFR has now approved the issue of equity shares to IDBI and condoned the delay in taking approval for the same. The BIFR order was submitted to the BSE and follow-up is on to ensure early regularization of listing of shares.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 217(2AA) of the Companies Act, 1956, your directors confirm that:

- (i) In the preparation of annual accounts the applicable accounting standards have been followed along-with proper explanations, wherever necessary relating to the material departures.
- (ii) Your directors have selected prudent accounting policies.
- (iii) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding assets of the company and for preventing and detecting fraud and other irregularities.
- (iv) The directors have prepared the annual accounts on a going concern basis.

STATUTORY PARTICULARS

The company had no employee of the category specified in sub section 217(2A) of the Companies Act, 1956 read with the companies (particulars of employees) Rules, 1975. The statement showing particulars of foreign exchanges earning and outgo is annexed hereto and form part of this report.

AUDITORS & THEIR REPORT

With reference to the observation and remarks of the Auditors in their report, which are self-explanatory and have been suitably covered in the Notes to Accounts.

INDUSTRIAL RELATIONS

Industrial relations continued to be cordial during the year under review.

ACKNOWLEDGEMENTS

Your Directors acknowledge the vital role played by hard working employees of the Company at all levels towards its overall success, other stakeholders, bankers and business associates, who have continued to lend their valuable support to the Company in its efforts to success. The Directors take this opportunity to record their appreciation in this regard.

Place: Bhondsi.
Date: August 14, 2014

For and on behalf of the Board

Sd/-
(Abhishek Sahay Varma)
(Director)

ANNEXURES TO THE DIRECTORS' REPORT:

ANNEXURE-1

Particulars as per the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 forming part of the Director's Report for the year ended 31st March, 2014

A. Conservation of energy:

- a) Energy conservation measure taken : - Cold water re-circulation system was adopted to reduce energy loss.
- Old Chiller has been replaced with new energy efficient chiller.
- Existing one F.O. fired boiler was Modified to permit the use of alternate cheaper fuel in place of F.O.
- b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy : -NIL-
- c) Impact of measure at (a) & (b) above : As a result of the measure at (a) above the consumption of diesel and electricity has been rationalized.
- d) Energy consumption particulars :

FORM – A

Form for Disclosure of particulars with respect to conservation of energy

A. Power and fuel consumption	Current Year 2013-14	Previous Year 2012-13		
1. Electricity:				
(a) Purchased:				
Unit KWH'000	1040.059	938.063		
Total amount (Rs in lacs)	86.01	66.65		
Rate per unit (Rs.)	8.27	7.10		
(b) Own generation:				
Through Diesel Generator				
Units KWH'000	456.444	815.340		
Unit per ltr of diesel/oil	3.23	3.43		
Cost per unit (Rs.)	16.88	13.07		
2. Furnace Oil/HSD & Coal/Petcoke/Ors. used in Boiler/Thermopac etc. :				
	F.O./HSD	Coal/Petcoke/ors	F.O./HSD	Coal/Petcoke
Quantity (K.ltrs/Kg.)	3.685	385.80	22.472	571.642
Total cost (Rs in lacs)	1.84	36.10	9.54	51.06
Average rate (Rs.)	49.93	9.36	42.48	8.93
3. Consumption per unit of Production:				
Production (in MT)	40.474		51.70	
Electricity per MT KWH'000	36.97		30.39	
Furnace oil/HSD per MT (K.ltrs)	9.62		10.30	

Note: Figures for the year are not exactly comparable with last year, since the figures pertain to Jobwork involving multiple processes for ever changing different products, requiring less/more time and less/more steps to reach the final products.

B. Technology absorption:

-NIL- (Previous year -NIL-)

C. Foreign exchange earnings and outgo:

- a) Activities relating to export initiatives taken to increase exports, development of new Products and services, and export plan: NIL.
- b) Total foreign exchange used and earned: Used Rs.-NIL- (P.Y. Rs. NIL)
Earnings NIL (P.Y. - NIL)

CORPORATE GOVERNANCE

The Securities and Exchange Board of India (SEBI) ushered in a formal code of corporate governance (hereafter the Code) through Clause 49 of the listing agreement executed by the Company with stock exchanges. Clause 49 lays down several corporate governance practices which listed companies are required to adopt. The Code has been periodically upgraded to ensure the adoption of best corporate governance practices by the Corporate. While most of the practices laid down in clause 49 require mandatory compliance, few are recommendatory in nature. This report sets out the compliance status of the Company with the requirements of corporate governance, as set out in Clause 49, for the financial year 2013-14:

Company's Philosophy on Corporate Governance

In present corporate scenario as well as rising awareness among investors, stakeholders and other interested agencies, excellence is adjudged by corporate management, which is guided by code of corporate governance. Its essence lies in company's effort to strive for higher level of accountability, full disclosure, and fairness in operations, more transparency, appropriate composition and size of the Board, with composite goal of maximizing shareholders value along with other compliance.

Your company's philosophy on corporate governance is aimed at enabling the management to establish an effective mechanism for overseeing the affairs, to ensure effectiveness of the Board, to ensure truthful and factual presentation of the company's financial position, conducting the company's business effectively keeping in view the stakeholders' interest.

Board of Directors

In terms of the Company's Corporate Governance Policy, all statutory and other significant and material information are placed before the Board to enable it to discharge its responsibilities of strategic supervision of the Company and as trustee of stake holders.

Composition and Status of Directors

The present strength of the Board of your company is Seven directors. There are three Executive directors and four non-executive directors.

During the year under review, five Board meetings were held during the year 2013-14. The dates on which the Board meetings held are as follows:

31st May, 2013, 14th August, 2013, 14th November, 2013, 14th February, 2014 and 31st March, 2014.

The composition of Board of Directors, attendance of Directors at Board meetings, and at the last Annual General Meeting, as also the number of directorship and committee membership held by them in other companies are given below:

Name of Directors	Category of Director	No of BOD meetings attended	Attendance at last AGM	No of Director -ship in other companies	No. of other Committee Memberships
Mr. K S Varma	Executive	5	Yes	1	Nil
Mrs Vandana Varma	Executive	5	Yes	1	Nil
Mr Abhishek S Varma	Executive	5	Yes	1	Nil
Mr Sandeep Gupta	Non Exe./Indep.	1	Yes	Nil	Nil
Mr. Prabhat C Jha.	Non Exe./Indep.	2	Yes	Nil	Nil
Mr Binod Roy	Non Exe./Indep.	5	Yes	Nil	Nil
Mrs. Shakuntala Prasad	Non Exe./Indep.	5	Yes	Nil	Nil

COMMITTEES OF THE BOARD

AUDIT COMMITTEE

The company has constituted Audit committee as stipulated under clause 49 of Listing agreement with stock exchanges and to meet requirement of Section 292A of the Companies Act, 1956 as introduced by the Companies (amendment) Act, 2000.

The terms of reference specified by the Board to the Audit committee are as contained in Clause 49 of the listing agreement and under Section 292A of the Companies Act, 1956, and it also undertakes such other matters as may be delegated by the Board from time to time. The primary function of Audit committee is to periodically interact with internal auditors to review their reports, and discuss adequacy of internal control system, meet with statutory auditors to discuss their observations and suggestion on accounts and accounting policies. The audit committee also reviews with the management the quarterly and annual statements before submission to the Board.

The Audit committee of the company comprises of three independent non-executive directors, viz. Mr. Prabhat C Jha (Chairman), Mr. Binod Roy & Mrs. Shakuntala Prasad. The Managing Director, Head of Finance and other functional managers are invitees to the Audit Committee as and when necessary. The constitution of the committee meets the requirement of section 292A of the Companies Act, 1956.

During the year under review 2 meetings of the Audit committee were held.

REMUNERATION COMMITTEE

The remuneration Committee of the Board comprises of Mr. Binod Roy (Chairman of the Committee), Mr. Sandeep Gupta, Mrs. Shakuntala Prasad. The function of the Committee inter-alia include to lay down, review and revise remuneration of the managerial personnel, to give recommendations to the Board of Directors on the matter concerning the managerial remuneration, to deal with any other matter related or incidental to the above or as may be delegated by the Board from time to time. During the year under review, one remuneration committee meeting was held.

The details of remuneration paid to Executive Directors during the year 2013-14 are given below:

Name of Executive Directors	Salary (Rs.)	Perquisites and allowances (Rs.)	Total (Rs.)
1. Mr. K S Varma	1200000	529432	1729432
2. Mrs Vandana Varma	840000	83280	923280
3. Mr Abhishek S Varma	1320000	59360	1379360

SHAREHOLDERS /INVESTORS GRIEVANCE COMMITTEE

The Board of Directors of the Company has constituted a shareholders/ investors grievance committee comprising of Mr. Binod Roy (Chairman) , Mrs. Sakuntala Prasad & Mr. Prabhat C Jha, members.

The function of the committee inter-alia includes approval/rejection of transfers, transmission of shares, issue of fresh/ duplicate certificate upon split/consolidation/renewal/mutilation/loss or otherwise, monitor the matters of litigation related to shareholders and take decisions relating thereto, consider, review and monitor the matters related to shareholders grievances.

During the year under review, 3 meetings of shareholders committee were held on, 31st May, 2013, 14th August, 2013 and 31st March, 2014. The meetings were attended by all the members of the committee.

ANNUAL GENERAL MEETINGS

Location and time for last 3 Annual General Meetings were as follows:

Year	Location	Date	Time
2010-2011	Village-Bhondsi, Tehsil-Sohna, Gurgaon	26.09.2011	12.30 P.M
2011-2012	Village-Bhondsi, Tehsil-Sohna, Gurgaon	28.09.2012	12.30 P.M
2012-2013	Village-Bhondsi, Tehsil-Sohna, Gurgaon	27.09.2013	12.30 P.M

During the year ended 31st March'2014 there were no resolution passed by the Company's shareholders through postal ballot. At the ensuing Annual general meeting there is no resolution proposed to be passed by postal ballot.

DISCLOSURES

At present the company's revenue generation is from job work activity, hence no transaction of material nature were entered into by the Company with its Promoters, the Directors or Management, their subsidiary or relatives etc., that may have a potential conflict with the interest of the Company.

There were no penalties imposed on the Company by Stock Exchanges or Securities Exchange Board of India (SEBI) or by any regulatory authority for non-compliance of applicable laws.

Non Mandatory Requirements of Listing Agreement :

The Company has complied with mandatory requirements as discussed in this report as per Clause 49. The non-mandatory requirements complied with have been disclosed at the relevant places.

MEANS OF COMMUNICATION

Quarterly Results are published in the newspapers and are not sent to each shareholder. The results are usually published in the following newspapers:

- i) Pioneer
- ii) Hari bhumi

GENERAL SHAREHOLDER INFORMATION

21st ANNUAL GENERAL MEETING

Date & Time : Monday, 29th September, 2014 at 12.30 PM.

Venue : Village Bhondsi, Tehsil Sohna, Distt.Gurgaon, Haryana.

BOOK CLOSURE DATE

24th September'14 to 29th September'14.

DIVIDEND PAYMENT DATE

Since your company is having accumulated losses, dividend payment was not made since inception.

LISTING OF SHARES ON STOCK EXCHANGES

The shares of your company are listed on the following stock exchanges.

Laurel Organics Ltd.

NAME OF THE STOCK EXCHANGE

The Bombay Stock Exchange Limited.
Delhi Stock Exchange Associations Limited,
Madras Stock Exchange Ltd, Chennai.
Ahmedabad Stock Exchange Ltd, Ahmedabad
Jaipur Stock Exchange Ltd.

STOCK CODE

530313
Stock Exchanges not in operation

STOCK MARKET DATA

Bombay Stock Exchange(BSE)

Since the company's script was suspended by Bombay Stock Exchange, there is no trading of the shares of the company, therefore, no data was available for the financial year. However the Company's application has been pending with Bombay Stock Exchange for revocation of suspension since last year and required compliances for revocation of suspension has been made by the company and the same is subject to approval of listing committee of BSE. The management is putting constant efforts to start early trading of the shares.

Delhi Stock Exchange(DSE)

The company has filed an application under stock exchange amnesty scheme along with payment of listing fee to DSE. The DSE has been asked for ISIN No of the Company. Since the company doesn't have ISIN No. the trading of securities with DSE is under hold.

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2014.

Nominal Value	No. of Holder	%to Total	No. of Share.	% to Total
UP TO 5,000	12342	99.45	2641000	35.76
5,000 TO 10,000	39	0.31	301700	4.08
10000 TO 20000	16	0.13	215900	2.92
20000 TO 30000	5	0.04	137300	1.86
30000 TO 40000	1	0.01	36100	0.49
40000 TO 50000	0	0	0	0
50000 TO 60000	0	0	0	0
60000 TO 70000	0	0	0	0
70000 TO 80000	0	0	0	0
80000 TO 90000	1	0.01	81100	1.10
90000 TO 100000	3	0.02	286400	3.88
ABOVE 1,00,000	3	0.02	3685500	49.90
TOTAL	12410	100	7385000	100.00

DEMATERIALISATION OF SHARES

The Company's application has been rejected several times by NSDL due to negative net worth and certificate of continuous listing. During the year under review your company has been able to achieve positive net worth based on the financial result of 31st March, 2014. A fresh application has been made to NSDL for dematerialization of shares last year. The Company is following up on regular basis and will be done as soon as possible.

REGISTRAR AND SHARE TRANSFER AGENT

The Company has already appointed M/s Abhipra Capitals Limited, as registrar & share transfer agent, the agreement between the Company and the respective RTA was on hold, awaiting clearance from NSDL/CDSL.

SHARE TRANSFER SYSTEM

Presently the share transfers which are received in physical form are processed and the share certificates are returned within a period of 30 days from the date of receipt, subject to the validity and completeness of the transfer documents in all respect. The authority for transfer of shares has been delegated by the BOD to the Whole time Director for transfer of upto 10000 equity shares under one folio at a time, beyond which the matter is placed before the shareholders committee, which meets as and when, required.

SECRETARIAL AUDIT

As stipulated by SEBI, a qualified Company Secretary in practice M/s S. Behera & Co, conducts the secretarial Audit of the Company. The Company Secretary in Practice conducts their Secretarial Audit in every quarter and issues a Secretarial Audit Certificate to cover all specified aspects under applicable regulations to the Company.

PLANT LOCATION

Village- Bhondsi, Tehsil - Sohna, Distt. - Gurgaon, Haryana 122102.

ADDRESS FOR CORRESPONDENCE

Investors correspondence: Village-Bhondsi, Tehsil- Sohna, Distt. Gurgaon, Haryana-122102
Tel : 0124-3259517, laurelorganicslimited@gmail.com.

Any query on Annual report: Village-Bhondsi, Tehsil- Sohna, Distt. Gurgaon, Haryana-122102
Tel : 0124-3259517, laurelorganicslimited@gmail.com.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure & Developments

The recovery of the Indian economy seems to be on track with GDP predicted to grow to higher levels. Industrial recovery has also gathered momentum in recent months. The government is expected to adopt a gradual approach while withdrawing policy stimulus measures so that the recovery is not hampered.

The Indian pharmaceutical industry maintained its momentum and registered growing trends, according to ORG-IMS statistics.

The dynamics of the Indian pharmaceutical industry is undergoing significant changes. Multinational corporations are working to entrench themselves as evidenced by the recent buyouts of the domestic business of major Indian pharmaceutical organizations. In the coming years, the industry may witness a significant shift and a consolidation phase. All the major players are trying to reach out to emerging rural markets in order to expand their reach.

Taking advantage of this growing segment, your company is exploring all possibilities to expand further and intends to enter into such agreement with other companies within and outside India. The experience of your company in efficiently manufacturing and supplying about 45 different products to M/S RLL during the past several years

Opportunities and challenges

With the core promoters/management including technocrats, the Company has been healthy on technical side which is reflected in its ability to manufacture wide range of Bulk drug products in a cost effective manner by regularly evaluating alternate processes, inputs, sources etc. Technical competency has also helped the Company to continuously update and upgrade its technology and improvement in processes, increased yields and value additions in association with M/s Ranbaxy Lab Ltd.

Segment-wise or product-wise performance

Since the company's operations restricted to contract manufacturing during the year, therefore no product wise or segment wise performance can be provided.

However, in the context of Contract manufacturing, the increased revenue from job work reflects the production performance of the company.

Outlook

Your Company's overall earnings presently depend on the job work of pharmaceutical products. Because pharmaceutical business is global in nature and also the company is doing job work for an Indian MNC (now a global MNC), its volume of business depends on overall global economic outlook & global demand and supply scenario.

As a diversification and to secure future profitability, your company is in continuous efforts for creating solvent recovery facility/plant and business generations from other major pharmaceutical companies. Further initiatives have been taken for up-gradation of the plant to GMP standards & obtaining license/approvals from the Drug authorities to start own production.

Risks and concerns

Though the pharmaceutical products, and particularly bulk drug intermediates, which can be manufactured by the company, are internationally traded, but at present the company has no production of its own. It is dependent on contract manufacturing on the job basis. Therefore, there are no risk areas like market fluctuations or import tariffs, but the major risk is job order itself.

As a part of its overall risk management strategy, the company has carried its operations based on a manufacturing Contract for five years with M/s Ranbaxy Laboratories Ltd., duly renewed for another five years w.e.f. 01/01/2013 for manufacturing Bulk Drug intermediates as per their specification and requirements on variable charges per KG basis. Company is also looking for business from other major pharma/chem. player like SRF, Jubilant & Celeste. Therefore, the risk depends on the volume of job work being provided, which is further depending on the overall market situation.

Internal control system and their adequacy

A proper and extensive system of internal control is practiced by your company, to ensure that all its assets are safeguarded and protected, and that transactions are authorized, recorded and reported properly.

An adequate programme of internal audits, reviews by management and documented policies, guidelines and procedures, supplement the internal control system, which is designed to ensure reliability of financial and all other records, ultimately based on which periodical financial statements and other data are prepared and to maintain accountability for safeguarding of assets.

During the year the Company has appointed M/s R. K. Aggarwal & Associates, Chartered Accountant to conduct internal audit of the company. Top management and audit committee of the Board reviews the findings and recommendation of internal auditors.

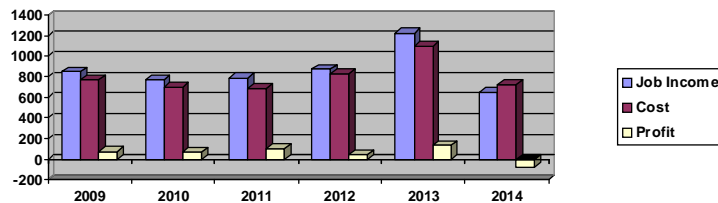
The company is also following written procedures in all its departments with special emphasis in manufacturing and Quality Assurance activities.

Financial Risk :

Dues to unsecured creditors have been cleared during this year. To mitigate the risk of vendor payment, the company is looking forward for arrangement of working capital and term loans in near future. In the mean time, the company was meeting its requirement from its operating cash flows.

Financial performance with respect to operational performance :

The Job work done by the company for the year 2013-14 is Rs. 648.09 lacs in comparison to the year 2012-13 which was Rs.1229.38 lacs . The details are in below:



Development 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 2013-14 compared to the previous year.

Place: Bhondsi.
Date: August 14, 2014

For and on behalf of the Board

Sd/-
(Abhishek Sahay Varma)
(Director)

CERTIFICATE OF COMPLIANCE FROM AUDITORS AS STIPULATED UNDER CLAUSE 49 OF LISTING AGREEMENT OF THE STOCK EXCHANGES IN INDIA

CERTIFICATE

To the Shareholders,

We have examined the compliance of conditions of Corporate Governance by Laurel Organics Ltd. for the year ended on 31st March'2014, as stipulated in clause 49 of the Listing Agreement of the said company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company. In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement, except non-payment of listing fees.

We state that in respect of investor grievances received during the year ended 31st March, 2014, no investor grievances are pending against the company.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For A K Jalan & Associates
Chartered Accountants
(FRN No.500107N)

Place: New Delhi
Date : August 14, 2014

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

INDEPENDENT AUDITOR'S REPORT

To

The Members ,

M/s Laurel Organics Limited

Dear Members ,

i) Report on the Financial Statements

We have audited the accompanying financial statements of LAUREL ORGANICS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year ended March 31, 2014, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

ii) Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956, of India (the 'Act') read with the General Circular No.15/2013 dated 13/09/2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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.

iii) Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

iv) Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) In the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

v) Emphasis of matter

According to the information and explanations received and records of the Company examined by us, the Company had eaten up its equity and free reserves and had been classified as sick Industrial Company under the provisions of the SICA by the Hon' ble BIFR during the last week of March, 2004. However, the Hon' ble BIFR vide its Order Dt. 27/12/2005 had considered the Company as an ancillary of Ranbaxy Lab. Ltd., which is using 100 % capacity for manufacturing various intermediate products on job charges basis eliminating the concept of net-worth from consideration. Therefore, the accounts are prepared on going concern basis, irrespective of erosion of its net-worth and commercial activities solely based on single job work providing company. Our opinion, however, is not qualified in respect of this matter.

vi) Report on Other Legal and Regulatory Requirements

1. As required by 'the Companies (Auditor's Report) Order', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act (hereinafter referred to as the 'Order'), 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 a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books

- c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement, dealt with by this report, comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular No.15/2013 dated 13/09/2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
- e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

Place: New Delhi-5
Date : 14/08/2014

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

Annexure to the Auditors' Report

(Referred to in sub-paragraph 1 of paragraph (v) 'Report on other Legal and Regulatory Requirements' section of the Independent Auditors' Report of even date to the members of Laurel Organics Limited on the Financial Statements as of and for the year ended 31st March, 2014)

01. In respect of its Fixed Assets:

- (a) The company has maintained records showing 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) In our opinion, and according to the information and explanation given to us, a substantial part of the fixed assets has not been disposed off by the Company during the year.

02. In respect of its inventories:

- (a) The inventory (own inventory and stock of inventory belonging to principal manufacturer) have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory were not material as compared to the book records in relation to the operation of the Company.

03. Loans taken/Advanced by the Company:

Based on the audit procedures applied and according to the information and explanations given to us, the company has neither granted nor taken loans in the nature of loans, secured or unsecured, to/from Companies, Firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956. Therefore, the provisions of clause 4(iii) (a), (b), (c), (d), (e), (f) and (g) of the Order are not applicable to the Company.

04. Internal Control Procedures:

In our opinion and according to the information and explanation given to us, there are adequate internal control system commensurate with the size of the Company and the nature of its business, for purchase/procurement of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have we been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.

05. Maintenance of Register u/s 301 and Transactions with the Parties listed:

In our opinion and according to the information and explanations given to us, there are no contracts and arrangements referred to in Section 301 of the Companies Act, 1956 entered into during the year that need to be entered in the register maintained under that Section. Accordingly, sub-clause (b) of sub-para (v) of para 4 of the Order is not applicable to the Company for the current year.

06. Acceptance of Deposits:

As informed the company has not accepted any deposits from the public within the meaning of section 58A and Section 58AA or any other relevant provisions of the Companies Act, 1956 and the Rules framed there under during the year.

07. Internal Audit:

In our opinion, the Company has an internal auditor carrying on audit work independently. Still the Company's present *internal audit system require further strengthening to be commensurate with the size and nature of its business.*

08. Records of sales, realizable bye-products etc.:

As per information and explanations received and records of company examined by us, the company has maintained proper records for sale, job work charges and realizable bye-products as prescribed. Cost of deemed sales on account of utilization of consumable stores, indirect raw materials during job manufacturing process and re-imburements for other expenses, packing materials etc were charged to other expenses.

09. Maintenance of Cost Records:

The Central Govt. has prescribed Rules for the maintenance of the cost records u/s 209(1)(d) of the Companies Act, 1956. Company has appointed Cost Audit for the Financial Year 2013-14. *However, report of audit for FY 2012-13 has been received and considered.* As per explanations received and records broadly reviewed, the Company has been engaged in processing of drug intermediates for other major pharmaceutical Company on Job Charges basis. The cost data for major component of drugs manufactured is not available, therefore, could not be verified.

10. In respect of Statutory Dues:

(a) According to the information and explanation given to us and the records of the Company examined by us, *the Company has delayed deposit of the undisputed statutory dues relating to Income Tax Deducted at Source, PF, ESI, Labor Welfare Fund contribution, Service Tax and sales tax amounts, which have not been paid in time due to various reasons including financial sickness.* However, in other cases 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.

11. Accumulated Losses:

The accumulated losses as at March 31, 2014 of the Company stand at Rs.550.84 lacs (Last Year Rs. 472.36 Lacs). The Company has incurred cash losses of Rs.33.82 lacs. However, the company has not sustained cash losses during the last financial year.

12. The Company has not taken any term loans, excepting car loans, during the year. No defaults in car loans were noticed.

13. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

14. The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company.

15. The Company is not a dealer or trader in shares, securities, debentures and other investments during the year.

16. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year, except the undertaking given for personal loan raised by employee against salary/terminal benefits from Corporation Bank.

17. Company has not raised any term loans from Banks/Financial Institutions during the year under audit.

18. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, in our opinion, there are no funds raised on short term basis which have been used for long term investment, and vice versa.

19. According to the information and explanations given to us, during the year the Company has not made any preferential allotment of shares to parties and Companies covered in the Register maintained under Section 301 of the Companies Act, 1956. However, Company has got an order during the year on an application made to the Hon'ble BIFR to regularize preferential allotment of 8.85 lacs equity shares of Rs.10 each fully paid-up made at par to the IDBI during earlier year as part of OTS reached with them.

20. The Company has not raised any capital by way of Public Issue. The Company has also not issued any Debentures during the year.

21. 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 no fraud on or by the Company, having material misstatement on the financial statements has been noticed or reported during the year under audit.

Place: New Delhi
Date : 14/08/2014

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

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

BALANCE-SHEET AS AT 31st MARCH 2014

	Particulars	Note No.	As at 31.03.2014 (Rs.)	As at 31.03.2013 (Rs.)
I.	EQUITY & LIABILITIES :			
	1 Shareholder's Fund:			
	(a) Share Capital	1	73,850,000	73,850,000
	(b) Reserves and Surplus/(Loss)	2	<u>(55,083,759)</u>	<u>(47,236,323)</u>
			<u>18,766,241</u>	<u>26,613,677</u>
	2 Non-current Liabilities			
	(a) Long-term borrowings	3	1,214,898	1,613,251
	(b) Deferred tax liabilities (Net)	4	2,690,149	2,767,336
	(c) Other long-term liabilities	5	4,594,605	4,128,620
	(d) Long-term provisions	6	<u>4,107,422</u>	<u>3,358,519</u>
			<u>12,607,073</u>	<u>11,867,725</u>
	3 Current Liabilities			
	(a) Short-term borrowings		-	-
	(b) Trade payables	7	9,191,000	7,216,887
	(c) Other current liabilities	8	14,524,582	13,857,159
	(d) Short-term provisions	9	-	<u>733,615</u>
			<u>23,715,581</u>	<u>21,807,661</u>
	TOTAL		<u>55,088,895</u>	<u>60,289,063</u>
II.	ASSETS			
	1. Non-current Assets			
	(a) Fixed Assets	10		
	(i) Tangible assets		38,577,166	38,618,061
	(ii) Intangible assets		8,625	19,512
	(iii) Capital work-in-progress		105,518	-
	(b) Non-current investments		-	-
	(c) Long-term loans and advances	11	1,236,428	1,256,004
	(d) Other non-current assets	12	<u>1,550,000</u>	<u>1,648,815</u>
			<u>41,477,737</u>	<u>41,542,392</u>
	2. Current Assets			
	(a) Current Investments		-	-
	(b) Inventories	13	675,465	1,278,723
	(c) Trade receivables	14	3,830,374	13,940,367
	(d) Cash and cash equivalents	15	168,967	243,268
	(e) Short-term loans and advances	16	5,297,085	2,944,785
	(f) Other current assets	17	<u>3,639,268</u>	<u>339,527</u>
			<u>13,611,159</u>	<u>18,746,671</u>
	Total		<u>55,088,895</u>	<u>60,289,063</u>

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)

Sd/-

CA A K Jalan, FCA

Partner

Regn. No. 052776

New Delhi, August 14, 2014

For and on behalf of the Board

Sd/-

(K S Varma)

C M D

Sd/-

(Abhishek S Varma)

Director

Bhondsi, August 14, 2014

PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH 2014

	Particulars	Note- No.	YEAR ENDED 31.03.2014 (Rs.)	YEAR ENDED 31.03.2013 (Rs.)
I.	Revenue from operations	18	64,460,351	122,381,799
II.	Other income	19	<u>348,836</u>	<u>556,894</u>
III.	Total Revenue (I + II)		<u>64,809,187</u>	<u>122,938,693</u>
IV.	Expenses:			
	Cost of raw material consumed		3181518	-
	Change in inventories of finished goods, work-in-progress and Stock-in-trade	20	157,068	(253,140)
	Employee benefit expense	21	29,728,334	30,400,795
	Finance costs	22	844,375	1,873,513
	Depreciation and amortization expense	10	4,464,790	4,478,101
	Other expenses	23	<u>34,357,726</u>	<u>73,018,120</u>
	Total Expenses		<u>72,733,811</u>	<u>109,517,389</u>
V.	Profit before exceptional and extraordinary items and tax (III - IV)		(7,924,624)	13,421,304
VI.	Exceptional Items		-	-
VII.	Profit before extraordinary items and tax (V - VI)		(7,924,624)	13,421,304
VIII.	Extraordinary Items		-	-
IX.	Profit before tax (VII - VIII)		(7,924,624)	13,421,304
X.	Tax Expense:			
	- Current Tax		-	-
	- Deferred Tax	4	<u>(77,187)</u>	<u>789,713</u>
XI.	Profit for the year from continuing operations (IX - X)		(7,847,437)	12,631,591
XII.	Profit from discontinuing operations		-	-
XIII.	Tax expense of discontinuing operations		-	-
XIV.	Profit from Discontinuing operations (after tax) (XII - XIII)		-	-
XV.	Profit for the period (XI + XIV)		(7,847,437)	12,631,591
XVI.	Earnings per equity share (Basic/Diluted) (Rs.) :		1.06	1.71

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)

Sd/-

CA A K Jalan, FCA

Partner

Regn. No. 052776

New Delhi, August 14, 2014

For and on behalf of the Board

Sd/-

(K S Varma)

C M D

Sd/-

(Abhishek S Varma)

Director

Bhondsi, August 14, 2014

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

DESCRIPTION	YEAR ENDED 31.03.2014 (Rs.)	YEAR ENDED 31.03.2013 (Rs.)
A Cash flow from operating activities :		
Net profit before tax from continuing operation	(7,924,624)	13,421,304
Adjustments for:		
Depreciation	4,464,790	4,478,101
Amortisation	(10,000)	(10,000)
Finance Costs	844,375	1,873,513
Interest Income	(17,006)	(15,557)
Loss on assets discarded	-	250,126
Operating profit before Working Capital Changes	(2,642,464)	19,997,488
Adjustment for Changes in Working Capital :		
(Increase)/Decrease in Trade Receivables	10,109,993	5,142,901
(Increase) in Other Current Assets	(3,299,741)	(27,559)
(Increase) in Long Term Loans & Advances	19,577	979,226
(Increase)/decrease in Other non-current Assets	98,815	(43,315)
(Increase)/decrease in Inventories	603,258	(162,106)
(Increase)/decrease in Short Term Loans & Advances	(2,352,299)	(912,105)
Increase/(Decrease) in Trade Payables	1,974,113	(1,428,415)
(Decrease) in Long Term liabilities	465,985	66,969
Increase/(Decrease) in Other current liabilities	667,423	(11,521,692)
Increase in Long term provisions	748,903	430,019
Increase in Short term provisions	<u>(733,615)</u>	<u>272,218</u>
Net Cash from operating activities (A)	<u>5,659,947</u>	<u>12,793,630</u>
B Cash Flow from investing activities :		
Purchase of Fixed Assets	(4,518,526)	(8,746,920)
Capital Work in Progress	-	3,533,407
Interest Received	17,006	15,557
Preliminary Expenses	<u>10,000</u>	<u>10,000</u>
Net Cash (Used in) investing activities (B)	<u>(4,491,521)</u>	<u>(5,187,956)</u>
C Cash flow from financing activities :		
Payments to Long Term Borrowings	(398,353)	(6,197,689)
Finance costs paid	<u>(844,375)</u>	<u>(1,873,513)</u>
Net Cash (Used in) financing activities (C)	<u>(1,242,728)</u>	<u>(8,071,202)</u>
Net Increase in cash and equivalents (A+B+C)	<u>(74,302)</u>	<u>(465,528)</u>
Cash & Cash equivalents (opening balance)	<u>243,268</u>	<u>708,796</u>
Cash & Cash equivalents at the end of the year	<u>168,967</u>	<u>243,268</u>

Previous year's figures have been regrouped wherever necessary to confirm to the current year's classification.

In terms of our attached report of even date

For A K Jalan & Associates

Chartered Accountants

(FRN 500107N)

Sd/-

CAAK Jalan, FCA

Partner

Regn. No. 052776

New Delhi, August 14, 2014

For and on behalf of the Board

Sd/-

(K S Varma)

CMD

Sd/-

(Abhishek S Varma)

Director

Bhondsi, August 14, 2014

Laurel Organics Ltd.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

	AS AT 31.03.2014	Amount in Rs. AS AT 31.03.2013
1. SHARE CAPITAL		
AUTHORISED:		
Equity Shares - 90,00,000 of Rs. 10 each (Previous Year - 90,00,000 of Rs. 10 each)	90,000,000	90,000,000
	<u>90,000,000</u>	<u>90,000,000</u>
Issued, Subscribed and paid up :		
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
	<u>73,850,000</u>	<u>73,850,000</u>

i) Reconciliation of the number of shares outstanding

	As at 31.03.2014		As at 31.03.2013	
	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>

ii) Details of each shareholder holding more than 5% shares

	As at 31.03.2014		As at 31.03.2013	
	No. of Shares held	% Holding	No. of Shares Held	% Holding
Mr. K S Varma	3,010,600	41%	3,010,600	41%
Bijwasan Agro Ltd.	608,400	8%	508,400	7%

- iii) There is no change in the Issued, Paid up Share Capital during the year and no Bonus/Right, Buy-back of shares in the preceding five years. However, the Authorised share capital has been reclassified by conversion of 564000 -10% COCPS into Equity shares by increasing the Authorised equity shares capital to 90,00,000 of Rs.10-each during previous year 2012-13.
- iv) Shares issued/boughtback during the year: -NIL-
- v) Further disclosures - please refer Note 25 (ii) .

2. RESERVE AND SURPLUS/(LOSSES)

(i) Detail of Surplus/(Defecit) in Profit and Loss Statement:	As at 31.03.14	As at 31.03.13
Profit/(Loss) in Profit and Loss Statement from Previous Year	(47,236,323)	(59,867,914)
Profit / (Loss) for the year	(7,847,437)	12,631,591
Transfer to General Reserve	-	-
Surplus/(Defecit) in Profit and Loss Statement carried to Balance sheet	<u>(55,083,759)</u>	<u>(47,236,323)</u>

3. LONG TERM BORROWINGS

SECURED LOANS		
Vehicle Loans from corporarion bank (Payable in 60 monthly installments with interest @11% p.a. reducing at monthly rests)	645,580	908,684
	<u>645,580</u>	<u>908,684</u>
UNSECURED LOANS		
Other Loans from Bodies Corporate & individuals (Payable in 36 monthly installments from F.Y. 2012-13, 2013-14 with bank Financing rates)	569,318	704,567
	<u>569,318</u>	<u>704,567</u>
Total	<u>1,214,898</u>	<u>1,613,251</u>

- i) Vehicle Loans are secured against hypothecation of respective cars. Relevant charge has, however, been created in respect of loan from Corporation Bank.
- ii) Due to business exigencies and non availability of funds otherwise from banks/financial institutions, company had agreed with the Director of the company to borrow in personal capacity from Private lending institutions for company's business purposes namely Barklays Investment & Loans (I) Ltd. & Fullerton India Credit Ltd. amounting to Rs. 7.50 lacs payable in 36 monthly installments at interest payable @20% p.a. monthly reducing & Rs.10.00 lacs

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

payable in 48 monthly installments at interest payable @19.93% p.a. monthly reducing respectively. The said amount has been received by the company in previous year as unsecured loan through the Director concerned. Company is paying the principal amount with interest as and when the same becoming due.

- iii) To meet urgent short term funds requirements of the company, it has taken unsecured loans in the name of three Senior employees namely Anil Kr. Singh, Rakesh Kr. Verma & M D Joshi, Rupees two lacs each from Corporation Bank at interest rate of 14.5% p.a. repayable in 36 monthly installments. Company is paying the principal amount with interest as and when due for payment on monthly rests.

	AS AT 31.03.2014	Amount in Rs. AS AT 31.03.2013
4. DEFERRED TAX LIABILITIES (NET)		
i) Deferred Tax Liabilities on account of timing difference		
-Depreciation	3,999,026	4,153,236
Total (i)	<u>3,999,026</u>	<u>4,153,236</u>
ii) Deferred Tax Asset on account of timing differences		
-Provision for employees long term benefits (Gratuity/EL)	1,215,387	983,976
-Provision for Doubtful debts	-	346,080
-Others	93,490	55,844
Total (ii)	<u>1,308,877</u>	<u>1,385,900</u>
Total Net Liabilities/(Assets) (i-ii)	<u>2,690,149</u>	<u>2,767,336</u>
iii) Deferred Tax Assets and Deferred Tax Liabilities have been offset as they relate to the same governing laws.		
iv) Debts becoming bad has been written off against which tax benefits accruing to the company during the year therefore, deferred tax assets have reduced during the year.		
5. OTHER LONG TERM LIABILITIES		
Unsecured Borrowings-Non Current (Due, pending for payments)	2,900,000	2,900,000
Trade Payables (refer Note 25-vi)	1,399,073	1,172,389
Others:		
- Advances received (refer Note 25-xvii)	295,532	56,231
	<u>4,594,605</u>	<u>4,128,620</u>
6. LONG TERM PROVISIONS		
Provision for employee long term benefits (refer Note 25-xxii)	4,107,422	3,358,519
	<u>4,107,422</u>	<u>3,358,519</u>
7. TRADE PAYABLES		
Due to Micro & small enterprises	-	-
Others	8,723,021	7,216,887
Cheques issued from Current A/c (in excess)	467,978	-
	<u>9,191,000</u>	<u>7,216,887</u>
8. OTHER CURRENT LIABILITIES		
Current Maturities of Long Term debt:		
-Secured	287,058	408,272
-Unsecured	662,583	6,902,637
Interest accrued but not due on borrowings	-	64,817
Advance from Customers	127,552	10,031
Other Payables:		
-Employee related liabilities	6,039,313	3,726,666
-Statutory dues payables (refer Note 25-xxi)	4,191,092	1,378,523
-Expenses payables	2,489,650	1,346,510
-Other payables	727,334	19,702
	<u>14,524,582</u>	<u>13,857,159</u>
9. SHORT TERM PROVISIONS		
Provision for Employee Benefits	-	-
Others:		
- Provision for Payables (refer Note 25-xx)	-	733,615
	<u>-</u>	<u>733,615</u>

10. FIXED ASSETS

Particulars	Gross Block at cost				Depreciation				Net Block	
	As at 31.03.13	Additions	Sales/Cap. Adjustment	As at 31.03.14	Upto 31.03.13	For the year	Sales/ Adjustment	Upto 31.03.14	As at 31.03.14	As at 31.03.13
(i) Tangible Assets										
Land	4745884			4745884					4745884	4745884
Building	18138338	454447		18592785	9811050	613,431		10424481	8168304	8327288
Plant & Machinery	76313068	1527395		77840463	59043603	2,853,012		61896614	15943849	17269465
Office Equipment	765730	17833		783563	345249	36,725		381974	401589	420481
Lab Equipment	6497641	2333295		8830936	2315158	363,729		2678887	6152049	4182483
Weigh Bridge	498883			498883	372512	23,698		396210	102673	126371
Motor Vehicles	4094191			4094191	1377297	381,972		1759269	2334922	2716894
Cycle	2887			2887	1931	204		2135	752	956
Furniture & Fixtures	1163175	17438		1180613	879208	20,361		899569	281044	283967
Electric Installation	1693970			1693970	1406558	80,464		1487022	206948	287412
Computer	832957	62600		895557	576097	80,309		656406	239151	256860
Total	114,746,724	4,413,008	-	119,159,732	76,128,663	4,453,903	-	80,582,566	38,577,166	38,618,061
(ii) Intangible Assets										
Computer Software	98,861			98,861	79,349	10,887	-	90,236	8,625	19,512
Total	98,861	-	-	98,861	79,349	10,887	-	90,236	8,625	19,512
(iii) Capital work in progress	-	105,518		105,518				-	105,518	-
Total	114,845,585	4,518,526	-	119,364,111	76,208,012	4,464,790	-	80,672,802	38,691,309	38,637,573
Previous Year	110,085,964	8,746,920	3,987,299	114,845,585	71,933,676	4,478,101	203,766	76,208,012	38,637,573	38,152,288

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

	AS AT 31.03.2014	Amount in Rs. AS AT 31.03.2013
11. LONG TERM LOANS & ADVANCES		
Unsecured, considered good, unless otherwise stated:		
Security Deposits	1,217,920	1,217,920
Advances recoverable in cash or in kind or for value to be received (provided for)	-	1,120,000
Prepaid Expenses (licensing)	18,508	38,084
	1,236,428	2,376,004
Less: Provision For Doubtful Debts/advances	-	1,120,000
	1,236,428	1,256,004
12. OTHER NON - CURRENT ASSETS		
Unsecured, considered good, unless otherwise stated:		
Deposits (TDR) with banks	50,000	50,000
Receivables for asset discarded	-	88,815
Capital Investment subsidy	1,500,000	1,500,000
Misc. Expenditures (to the extent not written off)	-	10,000
	1,550,000	1,648,815
Less: Provision For Doubtful Debts	-	-
	1,550,000	1,648,815
13. INVENTORIES (At lower of cost and market value)		
Raw Materials	-	-
Work-in-Process	-	-
Finished Goods	-	-
Stock-in-trade (Refer Note-24-vi)	96,072	253,140
Consumables Stores and Spares	579,393	1,025,583
	675,465	1,278,723
14. TRADE RECEIVABLES		
Unsecured, unless otherwise stated, considered good:		
Trade receivables over six months		
- Considered good	-	-
- Considered doubtful	-	-
Others debts :		
- Considered good	-	13,045,299
- Considered good (unbilled receivables)	3,830,374	895,068
	3,830,374	13,940,367
Less: Provision For Doubtful Debts	-	-
	3,830,374	13,940,367
15. CASH & CASH EQUIVALENTS		
Balances with Banks		
- on Current Accounts	26,521	112,982
- on Deposit Account	125,000	125,000
Cash in hand	17,446	5,286
	168,967	243,268
16. SHORT TERM LOANS & ADVANCES (Considered Good)		
Unsecured, unless otherwise stated:		
Advances recoverable in cash		
- Considered good	19,104	12,350
- Considered doubtful	-	-
Excise PLA balance	1,391	-
Advance to Suppliers (Revenue)	100,573	83,155
Advance to Suppliers (Capital items)	740,000	-
Advance tax & tax deducted at source	3,888,562	2,776,741
VAT	219	72,540
Cenvat Credit/Service Tax Receivable	547,237	-
	5,297,085	2,944,785

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

	Amount in Rs.	
	AS AT 31.03.2014	AS AT 31.03.2013
17. OTHER CURRENT ASSETS		
Interest accrued on Fixed Deposits	26,037	22,407
Prepaid Expenses (licensing)	551,241	317,120
Receivable against Excise liability (Ranbaxy Lab.Ltd.)	2,172,135	-
DHBVN Ltd. (Advance)	889,855	-
	<u>3,639,268</u>	<u>339,527</u>
18. REVENUE FROM OPERATIONS		
Sales (including deemed sales) (refer Note 25-x)	8,201,133	28,119,021
Job/Processing Charges	56,259,218	94,262,778
	<u>64,460,351</u>	<u>122,381,799</u>
19. OTHER INCOME		
Miscellaneous Income	304,317	527,760
Interest income on fixed deposits with bank/ others	17,006	15,557
Sundry balances Written Back	27,513	13,577
	<u>348,836</u>	<u>556,894</u>
20. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Closing value	96,072	253,140
Less: Opening value	253,140	-
Increase/(Decrease) in Stocks	<u>(157,068)</u>	<u>253,140</u>
21. EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages, Bonus	25,998,869	26,920,180
Contribution to Provident and other Funds	1,710,641	1,713,167
Gratuity/EL provisions (refer Note 25-xxii)	1,059,818	604,151
Staff Welfare	959,006	1,163,297
	<u>29,728,334</u>	<u>30,400,795</u>
22. FINANCE COST		
Interest Expenses	789,472	1,707,015
Bank Charges	54,903	166,498
	<u>844,375</u>	<u>1,873,513</u>
23. OTHER EXPENSES		
Consumables store & spares consumed/billed	2,456,894	27,805,600
Power, Fuel & water Charges	20,093,564	23,316,632
Repairs and maintenance		
- Plant & Machinery	4,100,822	8,565,262
- Building	591,793	3,014,644
- Others	126,466	146,035
Freight & Cartage	157,232	181,897
Laboratory Expenses	2,728,419	3,493,886
Lease Rent (Machinery)/storage facility charges	168,532	231,130
EHS/ETP expenses	800,203	968,376
Travelling & conveyance expenses	838,258	929,233
Printing and stationery	386,270	473,292
Postage & courier expenses	103,107	103,497
Communication/telephone exp.	283,704	295,990
Legal and professional charges	672,573	705,597
Rates, taxes & Fees	285,169	374,471
Insurance expenses	282,236	268,484
Advertisement & Business Promotion expenses	253,028	245,747
Directors Fees	46,668	160,000
Miscellaneous expenses	232,115	188,515
Bad debts/advances-provisions	-	1,120,000
Assets discarded/written off	-	250,126
Prior period adjustments (Net)	(249,327)	179,706
	<u>34,357,726</u>	<u>73,018,120</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

24. SIGNIFICANT ACCOUNTING POLICIES:

i) Basis of Accounting:

The accounts of the company have been prepared under the historical cost concept on accrual basis and in accordance with the generally accepted accounting principles in India. These financial statement have been prepared to comply in all material aspect with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Companies Act, 1956. Going concern concept has been assumed for preparation of accounts.

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) Modification cost of Plant & Machinery of enduring nature has been capitalized in the respective plant & machinery A/c.
- (iii) Worn-out/discarded assets are identified periodically and removed from the respective assets block.

iv) Depreciation:

Depreciation on Fixed Assets is provided on straight line method at the rates specified in schedule XIV to the Companies Act, 1956 as follows:

- (i) Depreciation on all fixed assets have been computed for the whole year.
- (ii) Depreciation on Plant & Machinery has been provided for three shift basis.
- (iii) Depreciation on additions made in assets during the year has been provided on pro-rata basis for the period of use. No depreciation is charged on worn-out/discarded assets during the year.

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 :

- (i) Raw Materials, store & Spares, components and consumables are valued at cost on FIFO method.
- (ii) 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.
- (iii) Solvents/spents, part & partial of stock considered as stock in trade are valued at the price at which these are procured from the principal.
- (iv) Raw materials and store items found damaged/expired on physical verification are written off and charged to revenue a/c.

vii) Excise Duty:

- i) Excise Duty payable on finished goods is accounted for on clearance of goods from the factory premises, if any.
- ii) 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.
- iii) Manufactured goods under direct job work for and on behalf of principal was dispatched/ transferred on payment of excise duty. Excise Duty paid in discharge of liability on clearance of manufactured goods by the company, net of CENVAT credit, was reimbursed by the principal manufacturer, hence has not been shown in the revenue account.

viii) Research and Development:

Research & Development expenditure of revenue nature is written off in the year in which it is incurred.

ix) Sales:

- a) Sales, is recognized at the point of dispatch of goods to the customers and is reported net of sales tax but inclusive of excise duty. However, utilization of consumables and indirect raw materials for carrying out contract manufacturing is recognized as deemed sales, net of Sales Tax.
- b) Sale (deemed) of recovered/spent solvent, netted off with conversion charges of some of products, taken as stock in trade and, recognized at the point of dispatch of such goods to the customers.

x) Job work charges:

- a) Job charges are recognised as per Job Invoices raised during the year, on per Kg conversion charges basis.
- 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. Job charges also been taken into account for the fully processed under test goods equivalent to 90% of per kg. agreed conversion charges.
- c) Terms of Gain/efficiency on account of higher yield against standard consumption norms agreed in previous year, not extended by the principal (RLL), not considered in revenue account. However, deductions made and/or likely debit on account of excess consumption/yield loss, if any, provided in revenue of the year.

xi) Miscellaneous Expenditure:

Miscellaneous Expenditure comprises of preliminary expenses are amortized equally over a period of ten years.

xii) Employee Benefits:

- (i) 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 only, excluding Sr. Managerial staff. However, encashment allowed for

employees separated, retrenched and retired & accounted on payment basis. (Previous year also accounted for on Actuarial valuation basis).

- (ii) Gratuity liability was fully provided during the year in compliance of AS-15(revised) of the ICAI.
- (iii) Provident fund, ESIC contributions and other short term employee benefits are recognized as an expense and charged to profit & loss account.

xiii) 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.

xiv) Provision and Contingent Liabilities:

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.

xv) Cash and Cash Equivalents:

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

25. GENERAL NOTES:

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

Labour cases: In four labour cases compensation claimed amounting to Rs.2.25 lacs approx. have not been acknowledged and provided for. (Previous year Rs.2.25lacs).

PF/ESIC: Company may contingently be liable for Interest/damages on delayed deposit/ payment of P.F./E.S.I.C., not claimed/ quantified yet, hence not acknowledged/provided for.

Electricity demand: DHBVN Ltd., state owned electricity company, supplying power to the company has demanded a sum of Rs.17.98 lacs as charges for slow running of meter. Company has provided unbilled amount included in the said amount of Rs.5.35 lacs. However, company has filed a petition against the unlawful demand raised by DHBVNL before the Hon'ble Civil Courts at Gurgaon. The Hon'ble court has directed to pay 50% of demand so raised and accepted the company's petition. Amount so paid as 50% Rs.8.89 lacs in protest has been accounted for under short term advances. Company may be held liable for the demand so raised on final order from the courts, hence acknowledged it at contingent liability.

ii) Disclosure relating to Share Capital:

Rights, Preferences and Restrictions attached to the Equity Shares:

The company has only one class of shares referred to as equity shares having at par value of Rs.10 per share. 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.

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. However, company had issued 885000 equity shares of Rs. 10 each at par in part payment of dues to IDBI in accordance with final OTS sanctioned. Though, the allotment was made in partial modification of Sanctioned Rehabilitation Scheme by BIFR, sanction to such modification to the approved scheme from BIFR could not be obtained by IDBI, the monitoring agency, in time. Therefore, the Company had approached Hon'ble BIFR for ratification of issue of the said equity shares. Now, the BIFR has approved/ratified issuance of such shares, for which necessary documents are filed with Bombay stock exchange by the company for listing.

- iii) Company had been advanced by M/s Ranbaxy Lab. Ltd. to the tune of Rs.395/- lacs in earlier years to meet its obligation of OTS reached with the IDBI and UBI, repayable in 60 monthly (further rescheduled) installments with interest @13.5% p.a. Now, the entire loan liability has been repaid to M/s Ranbaxy Lab. Ltd. during the year.
- iv) a) Trade advances amounting to Rs.11.20 lacs which were considered doubtful of recovery and, therefore, was fully provided for in previous years, could not be recovered despite continuous efforts put in by the company for last many yrs., has been written off during the year .
- v) 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.
- vi) Trade Payables and Trade receivable balances are subject to reconciliation and confirmation from the parties concerned. Trade payables due for payment for more than a year amounting to Rs. 13.99 lacs, considered payable accounted for under other long term liabilities.
- vii) As per AS-22 issued by ICAI, deferred tax asset and liability has been recognized and necessary effect were given in profit & loss account during the year. Detail break-up of accumulated deferred tax assets and liability after adjustment as on 31.03.2014 is given in Note No.4.

viii) Particulars of the consumption of Materials:

Company has manufactured goods for a leading pharmaceutical Company M/s Ranbaxy Laboratory Limited (RLL) on Job charges basis in majority. Raw materials supplied by the principal manufacturer as per requirements of products manufactured were received on excise invoices as stock transfers or otherwise as well and finished goods manufactured by the company were again transferred/ dispatched back on excise invoices as stock transfers as well, hence not forming part of company's own manufacturing and , therefore, details of raw materials consumed and goods manufactured etc. were not pertaining to the company directly, hence not given herein below to the extent. However, small quantities manufactured on own account for which cost of direct raw materials consumed is given below. In addition, the raw materials/items consumed for carrying out the direct job manufacturing activity by the company out of its own stock were mainly of consumable in nature and, therefore, had been billed as deemed sales to the principal Company on cost basis.

Description	Year ended 31.03.2014		Year ended 31.03.2013	
	Value (Rs. lacs)	%age	Value (Rs. lacs)	%age
(a) Raw Material Imported/Indigenous	31.82	100	0.00	0.00
(b) Stores, Spares & consumables Indigenous (For job work)	24.57	100	278.06	100

- ix) During the year company has carried its operation based on a manufacturing Contract for five years with M/s Ranbaxy Laboratories Ltd., executed in 2008 and extended on 01/01/2013 for further period of five years there from for manufacturing Bulk Drug intermediates as per their specification and requirements. Accordingly, revenue for the year has been accounted for on a/c of the qty. manufactured/dispached on per kg basis.
- x) Sales include a sum of Rs.40.86 lacs for the goods manufactured & sold on company's own account. Which further include Deemed Sales amounting to Rs. 41.15 lacs, comprising of Rs. 38.65 lacs on account of sale of saleable by products i.e. recovered non-usable solvents & Rs.2.50 lacs of reimbursements and bills raised for use of consumables and indirect raw materials in job manufacturing processes for the principal manufacturer during the year on cost basis and on which CST/VAT has been charged & paid and the same has been treated in accounts accordingly. Procurement cost of materials has been shown under Note-23.
- xi) Company has accounted for deemed sales, opening and closing stock except the petroleum products and purchases net of sales tax/vat component thereon, which was kept in separate account head and from where input vat available was adjusted and balance liability was paid.
- xii) Company has capitalized Plant and machinery amounting to Rs.45.19 lacs (including installation cost) during the year.
- xiii) Travelling, conveyance and vehicle running expenses include Rs.5.20 lacs (Previous Year Rs. 4.92 lacs) spent by the directors for business trips 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.6.12 lacs has been provided during the year in revenue account.
- xv) Interest on outstanding inter corporate deposits of Rs. 29.00 lacs have not been provided in view of the continuing understanding for waiver of interest with ICD lenders.
- xvi) Funds provided/arranged for during earlier years by the Directors and/or companies in which directors are interested amounting to Rs.2.96 lacs have been shown as unsecured long term liability not bearing interest in view of an understanding to this effect with the respective parties.
- xvii) Repairs & maintenance expense of Plant and Machinery amounting to Rs. 41.01 lacs as per Note No.-23 include cost of repairs, replacement of partial worn out assets and cost incurred for minor modifications of revenue nature.
- xviii) Laboratory Expenses amounting to Rs.27.28 lacs as per Note No.-23 include HPLC /GC spares/column and accessories of Rs. 11.75 lacs and reagents/solvents/consumable of Rs.15.53 lacs, which are consumed for carrying out lab testing of products and raw materials.
- xix) Company has taken insurance cover for fire on building, plant & machinery, inventories of the company as well as against Public Liability amounting to Rs.1433- lacs & 1500-lacs 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 i.e. M/s Ranbaxy Lab Ltd., were taken by them, for which no risk and responsibility lies on the company.
- xx) 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 period from June,08 to Feb.'09 not paid/provided earlier, as intimation from department regarding coverage for the period was received and registration was granted in March,09 only and towards which liability was provided during earlier years, paid Rs.2.0 lacs in previous year. Balance liability amounting to Rs. 2.61 lacs is paid during the year.
- xxi) A sum of Rs.41.91 lacs is outstanding liability towards the Statutory dues as at the close of the financial year. The said amount include Excise duty 21.72 lacs (now paid off) P.F. payable Rs.6.96 lacs, ESIC Rs.7.77 lacs, TDS Rs.4.68 lacs. 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.

xxii) 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 31.03.2014	Year ended 31.03.2013
-		
Contribution to Provident & Family Pension Fund	11.11	10.53
Contribution to ESIC including EDLI	5.71	6.31
Contribution to Labour Welfare Fund	0.29	0.29

(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.41.07 lacs 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 31.03.2014		As at 31.03.2013	
	Gratuity	EL liability	Gratuity	EL liability
Reconciliation of liability recognised in the Balance Sheet				
Present value of commitments (as per Actuarial Valuation)	36.28	4.80	27.71	5.87
Fair value of plan assets	-	-	-	-
Net Liability in the Balance Sheet	36.28	4.80	27.71	5.87
Movement in net Liability recognised in the Balance Sheet				
Net Liability as at the beginning of the year	27.71	5.87	24.51	4.77
Net expense recognised in the Statement of Profit & Loss	11.19	-0.59	4.48	1.56
Contribution/paid during the year	-2.62	-0.48	-1.28	-0.46
Net Liability as at the end of the year	36.28	4.80	27.71	5.87
Expense recognised in the Statement of Profit & Loss				
Current service cost	3.83	1.14	3.20	1.44
Interest cost	2.22	0.47	1.96	0.38
Expected return on plan asset	0.00	0.00	-	-
Actuarial Loss/(Gain)	5.14	-2.20	-0.68	-0.26
Expense charged to the Statement of Profit & Loss	11.19	-0.59	4.48	1.56
Return on plan assets				
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	27.71	5.87	24.51	4.77
Current service cost	3.83	1.14	3.20	1.44
Interest cost	2.22	0.47	1.96	0.38
Paid benefits	-2.62	-0.48	-1.28	-0.46
Actuarial loss	5.14	-2.20	-0.68	-0.26
Commitments as at the end of the year	36.28	4.80	27.71	5.87
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	8.5	8.5	8	8
Estimated rate of return on plan assets	-	-	-	-
Expected rate of salary increase	6	6	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)

xxiii) Income/Expenditure in Foreign Currency: -Nil- (P.Y. -Nil-).

xxiv) Auditors Remuneration :

Legal & Professional expenses includes Auditors' Remuneration amounting to Rs.1.69 lacs to Statutory Auditors and Rs.,0.40 lacs towards cost & internal Auditors.

xxv) Information regarding primary segment reporting as per AS-17 for the year ended 31/03/2014:

The Company is engaged in the primary business segment of Bulk drug and drug intermediate manufacturing on job charges basis only. Hence, there is single segment assets and liabilities only. There was no geographical segment.

xxvi) 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 31.03.2014	Year ended 31.03.2013
Profit/(Loss) available to the equity shares	Rs. (7847437)	12631591
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. (1.06)	1.71

xxvii) 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.

xxviii) A sum of Rs.38.89 lacs is receivable on account of TDS deducted on Job charges from the Income Tax department for the F.Y. 2011-12, 2012-13 & 2013-14. Income tax returns for the year 11-12 & 12-13 have already filled within time and refunds are under process. However, TDS for 13-14 would be refundable/claimed from the Department on filing of ITR for the year concerned.

xxix) Cenvat/Service Tax Input credit taken paid on input cost/services availed against goods manufactured & under reverse charge. A sum of Rs.5.47 lacs is still lying in credit to be adjustable against the payables/liability in coming period.

xxx) Related Party disclosure:

List of related parties with whom transactions have taken place during the year:

1. Related Parties where common control exists:

Bijwasan Agro Ltd.

Agora Agro Pvt. Ltd.

2. Key Management Personnel:

Mr. K S Varma, CMD

Mr. Abhishek S Varma, Wholetime Director

Mrs. Vandana Varma, Wholetime Director

3 Transactions:

	2013-14	(Rs.lacs) 2012-13
Outstanding balance Payable		
Bijwasan Agro Ltd.	2.96	0.56
Agora Agro Pvt. Ltd.	0.36	0.36
Remuneration to Key Managerial Personnel:		
Remuneration -CMD & Wholetime Directors	40.32	40.10
Outstanding Balance-Remuneration Payable	28.98	10.01
Rent paid to Mrs. Vandana Varma	4.20	5.10
(included in remuneration above)		

xxxi) The revised Schedule-VI has been effective from 1st April,2011 for the presentation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. 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.

xxxii) Notes 1 to 25 form an integral part of the statement of accounts of the company comprising Balance Sheet as on 31st March'2014 and the Profit & Loss Statement for the year ended on that date.

As per our attached report of even date
For A K Jalan & Associates
Chartered Accountants
FRN 500107N

For and on behalf of the Board

Sd/-
CAA K Jalan
FCA, Partner
Regn. No. 052776
Place : New Delhi, August 14, 2014

Sd/-
(K S Varma)
CMD

Sd/-
(Abhishek S Varma)
Director

Bhondsi, August 14, 2014

Laurel Organics Limited

**Regd. Office: Vill. Bhondsi, Tehsil Sohna
Distt. Gurgaon (Haryana) - 122102**

PROXY FORM

Folio No.....

No. of Shares.....

I/we.....
of.....in the district of.....
being a member/members of Laurel Organics Limited hereby appoint.....
.....in the district of.....
of falling him/her.....of.....
as my/ our proxy to attend and to vote for me/us behalf at the 21st Annual General Meeting of the Company to be held on Monday, the 29th September, 2014 Vill. Bhondsi, Tehsil Sohna, Distt. Gurgaon (Haryana) at 12.30 P.M. and at any adjournment thereof.

Signed this.....day of.....2014

Note : The Proxy Form must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.
A Proxy need not be a member.

Laurel Organics Limited

**Regd. Office: Vill. Bhondsi, Tehsil Sohna
Distt. Gurgaon (Haryana) - 122102**

ATTENDANCE SLIP

Name of the attending Member

(in Block Letter)

Member's Folio Number

Name of Proxy(s) (in Block Letters)

(to be filled in, if a Proxy attends instead of the Members)

No. of Shaers

I hereby record my presence at the 21st Annual General Meeting held at Regd. Office : Vill, Bhondsi, Tehsil, Sohna Distt. Gurgaon (Harayana) Monday, the 29th September, 2014 at 12.30 P.M.

**MEMBER/PROXY'S SIGNATURE
(TO BE SIGNED AT THE TIME OF
HANDING OVER THIS SLIP)**

BOARD OF DIRECTORS

1. Mr. K S Varma	Chairman cum Managing Director
2. Mr. Abhishek S. Varma	Whole Time Director
3. Mrs. Vandana Varma	Whole Time Director
4. Mr. Sandeep Gupta	Director
5. Mr. Prabhat C Jha	Director
6. Mr Binod Roy	Director
7. Mrs. Shakuntala Prasad	Director

BANKERS

Allahabad Bank
Corporation Bank
HDFC Bank

AUDITORS

A. K. Jalan & Associates
Chartered Accountants
New Delhi

REGISTERED OFFICE/WORKS

Vill. Bhondsi, Tehsil Sohna.
Distt. Gurgaon (Haryana)-122102
Te1. : 0124-3259517
E-mail : laurelorganicslimited@gmail.com

ADMINISTRATIVE OFFICE :

C-111, Paryavaran Complex,
Near Saket, New Delhi-30
Tel. : 011-29535433

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