

NOTICE

NOTICE is hereby given that the EIGHTH Annual General Meeting of the Members of Creative Health Care Pvt. Ltd will be held on Wednesday, at 26th June, 2013 at the Registered Office of the Company at 130, Shanta Industrial Estate, 1st Floor, I.B.Patel Road, Goregaon East, Mumbai-400 063, at 11a.m. to transact the following business.

- 1) To consider and adopt the Directors' Report, the audited Balance Sheet as at 31st March 2013, and Profit and Loss Account for the year ended on 31.03.2013 and Auditors' Report thereon.
- 2) To appoint Jayesh Sutaria Associates, Chartered Accountants, as the Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

NOTE:- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THAT A PROXY NEED NOT BE A MEMBER.

REGISTERED OFFICE:-

130, Shanta Industrial Estate,
1st Floor, I.B.Patel Road,
Goregaon East,
Mumbai 400 063.

BY ORDER OF THE BOARD OF DIRECTORS


CHAIRMAN

Dated: 31/05/2013

DIRECTORS' REPORT

**TO,
THE MEMBERS,
CREATIVE HEALTH CARE PVT. LTD,**

Gentlemen,

Your Directors submit herewith the EIGHTH Annual Report together with Audited statements of accounts for the year ended on 31/03/2013.

FINANCIAL RESULTS :-

Amount in Rupees.

| Financial Results | 2012-2013 | 2011-2012 |
|-------------------------------------|------------------|------------------|
| Sales & Other Income | 60,03,40,219 | 45,79,36,978 |
| Profit/(Loss) before Tax | 5,99,54,940 | 5,01,32,231 |
| Less: Provision for Taxation | 1,25,00,000 | 1,05,00,000 |
| Less: Deferred Tax Charge/(credit) | 16,04,604 | 6,10,362 |
| Less : Short provision for Taxation | 19,40,140 | - |
| Net Profit After Tax | 4,39,10,196 | 3,90,21,868 |
| Add : Profit b/f from previous year | 16,91,08,928 | 13,00,87,060 |
| Balance c/f to Reserves & Surplus | 21,30,19,124 | 16,91,08,928 |

FINANCIAL RESULTS :-

During the period under report, the company has recorded a higher turnover & other income of Rs.60.03 crores as against the turnover of Rs.45.79 crores in the previous year & has made the higher Profit after tax at Rs.4.39 crores as against the profit of Rs. 3.90 crores in the corresponding period of previous year. The directors hope to achieve the better results in the year to come.

OUTLOOK

The business outlook for your company is very encouraging and your company is well positioned to focus on the opportunities to become a competent player in the field. The strong performance of your company is expected to continue.

DIVIDEND :

In view of the plough back of the entire profits for the year into the business of the company, the directors of the company have not recommended any dividends on the equity shares.

SHARE CAPITAL

During the year under report, the company has increased Authorised Share Capital From Rs.2.5 crores to Rs. 5 Crores by creating 25,00,000 Equity Shares of Rs. 10 each on 23rd July, 2012.

COST AUDIT

The Company has appointed vide order no. FNo. 52/26/CAB/2010 dated 2nd May, 2011 of the Central Government, Department of Corporate affairs, Ministry of Company affairs and subject to the approval of Central Government, and other applicable provisions of the Companies Act 1956, Mr. B. Venkateswarlu in the name and under the style of Bharathula & Associates who is holding prescribed qualification as laid in the section 233 (1) of the companies Act, 1956, as Cost Auditor of the company to audit the cost accounts maintained by the company for the financial year ended 31st March 2013.

AUDITORS :

Members are requested to approve the appointment of M/s Jayesh Sutaria Associates, Chartered Accountants, Mumbai, as auditors of the company and to fix their remuneration. They have furnished a certificate stating that their appointment if made will be within the limits laid down u/s 224 (1B) of the companies Act, 1956.

DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to the requirement under section 217(2AA) of the Companies (Amendment) Act, 2000, with respect to Directors' responsibility statement, it is hereby confirmed:

- 1) That in the preparation of the accounts for the financial year ended 31st March 2013; the applicable accounting standards have been followed along with proper explanation relating to material departures.
- 2) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the period under review;
- 3) That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- 4) That the Directors have prepared the accounts for the financial year ended 31-03-2013 on a 'going concern' basis.

PARTICULARS OF EMPLOYEES

No details are given as required u/s 217 (2A) of the companies Act, 1956, as it is not applicable to the company.

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION:

The operations of your company are not energy intensive. The company has however, taken adequate measures to conserve energy consumption. The impact of these efforts has enhanced energy efficiency. As energy cost forms a very small part of total expenses, the financial impact of these measures is not material and hence not measured.

The company has no activity relating to technology absorption.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

The details of expenditure and earnings in foreign currency are given under Notes to Accounts in Schedule to the Profit and Loss Account and the Balance Sheet.

APPRECIATION

Your Directors wish to express their gratitude and appreciation to your Company's customers, shareholders and the bankers for their continued understanding and support.

The Board of Directors appreciates and acknowledges the dedicated services and cooperation rendered by all the employees of the Company.

FOR & ON BEHALF OF THE BOARD

Place: - Mumbai

Dated: - 31/05/2013


CHAIRMAN



JAYESH SUTARIA ASSOCIATES

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To,
The Members,
Creative Health Care Private Ltd

Report on the Financial Statements

1. We have audited the accompanying financial statements of **M/s Creative Health Care Private Ltd**, which comprise the Balance Sheet as at 31 March 2013 and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. 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 flow of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956. 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.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. 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. 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.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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JAYESH SUTARIA ASSOCIATES

CHARTERED ACCOUNTANTS

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Opinion


6. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements give the information required by the Act, in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India:
- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2013;
 - (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditors Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. 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 behalf, 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, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act; and
 - (e) on the basis of written representations received from the directors as on 31 March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

For **Jayesh Sutaria Associates**
Chartered Accountants

Firms Registration No.: 104187W


(Jayesh Sutaria)
Proprietor
M.No. 39696



Mumbai: 31 MAY 2013



JAYESH SUTARIA ASSOCIATES

CHARTERED ACCOUNTANTS

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 2 of our report of even date)

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The fixed assets are physically verified by the management in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No materials discrepancies were noticed on such verification.

(c) The Company has not disposed off a substantial part of fixed assets during the year and accordingly, going concern is not affected.
2. (a) As explained to us, the management at the regular interval during the year has physically verified the inventories.

(b) In our opinion and according to information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business

(c) The Company has maintained proper records of inventories. As explained to us, there is no material discrepancy noticed on physical verification.
3. (a) The company has Granted Loan to one party listed in the register maintained under section 301 of the Companies Act, 1956. The total amount of loan given was Rs 23,600,000/-. The maximum balance outstanding at the any time during the Year was Rs.23,600,000/-

(b) The Loan given by the company as referred to above paragraph are not prejudicial to the interest of the company



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JAYESH SUTARIA ASSOCIATES

CHARTERED ACCOUNTANTS

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(c) As there are no stipulations as regards to repayment of such loans, we are unable to comment, whether the payment of principal amount was regular or not.

4. In our opinion and according to the information and explanations given to us, the Company has adequate internal control procedures commensurate with the size of the Company and nature of its business for the purchase of fixed assets and for sale of goods and services. Further, based on our examination and accordance to the information and explanations given to us, we have not noted any continuing failure to correct major weakness in the internal controls.
5. (a) According to the information and explanation given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Act, have been so entered.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuant of contracts or arrangements entered in the register maintained under section 301 of the Act, and exceeding the value of five lakh rupees in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the Provisions of section 58A and 58AA of the Act and the rules framed there under are applicable.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
8. We have been informed that Central Government has not prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 in respect of company's activities.



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JAYESH SUTARIA ASSOCIATES

CHARTERED ACCOUNTANTS

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9. (a) According to the information and explanation given to us, the Company is regular in depositing undisputed statutory dues including provident fund, investment education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and any other statutory dues with the appropriate authorities during the year.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, custom duty and excise duty were outstanding, as at March 31, 2013 for a period of more than six months from the date they became payable.
10. The Company does not have any accumulated losses as at the year end, and has not incurred any cash losses during the financial year.
11. On the basis of our examination and according to information and explanation given to us, the company has not defaulted in repayment of dues to any bank and or financial institutions. The company has no borrowings by way of debentures.
12. The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities, clause (xii) of the said order is not applicable.
13. The Company is engaged in manufacturing activity, and therefore the provisions of clause (xiii) of the said order relating to a chit fund or nidhi / mutual fund / society are not applicable to the Company.
14. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.



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JAYESH SUTARIA ASSOCIATES

CHARTERED ACCOUNTANTS

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15. On the basis of our examination of books and records, and according to the information and explanations given to us, the term loans availed by the company were prima facie applied by the company during the year for the purpose for which the loans were obtained.
16. According to the cash flow statement and other records examined by us and according to information and explanation given to us and on overall examination of the balance sheet of the company, we report that the funds raised on short term basis have prima facie, not been used during the year for long term investments except temporary deployment pending application. No long term funds have been used to finance short term assets except for permanent working capital and /or temporary deployment pending application.
17. The Company has not made any preferential allotment of shares or issued debentures or made any public issue during the year, and accordingly, clauses (xviii), (xix) and (xx) of the said order are not applicable to the Company.
18. To the best of our knowledge and belief, and according to the information and explanations given to us, there have been no cases of fraud on or by the Company noticed or reported during the year.

In view of the nature of business carried on by the company & absence of conditions pre-requisite to the reporting requirement of clause (xiv) the said clause is, at present, is not applicable.

For JAYESH SUTARIA ASSOCIATES
CHARTERED ACCOUNTANTS

(Firm Registration No. 104187W)




(JAYESH SUTARIA)

Proprietor

M.No.039696

Mumbai: 31 MAY 2013

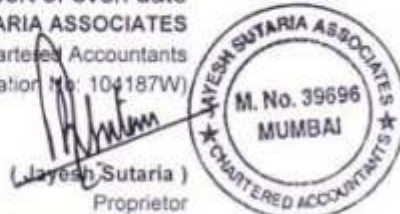
CREATIVE HEALTHCARE PVT LTD

Balance Sheet As At 31st March 2013

| Note No | As at 31st March 2013 (Rs.) | As at 31st March 2012 (Rs.) |
|---------------------------------------|-----------------------------------|-----------------------------------|
| <u>EQUITY AND LIABILITIES</u> | | |
| <u>Shareholders' Funds:</u> | | |
| (a) Share Capital 2 | 25,000,000 | 25,000,000 |
| (b) Reserves & Surplus 3 | 216,019,124 | 172,108,928 |
| <u>Non Current Liabilities</u> | | |
| (a) Long Term Borrowings 4 | 7,233,877 | 4,486,350 |
| (b) Long Term Provisions 5 | 27,065,580 | 24,565,580 |
| <u>Current Liabilities</u> | | |
| (a) Short Term Borrowings 6 | 54,442,404 | 49,633,564 |
| (b) Trade Payables 7 | 120,500,464 | 69,495,946 |
| (c) Other Current Liabilities 8 | 9,505,690 | 8,038,499 |
| (d) Short Term Provisions 9 | 307,929 | 241,277 |
| TOTAL | 460,075,068 | 353,570,145 |
| <u>ASSETS</u> | | |
| <u>Non Current Assets</u> | | |
| (a) Fixed Assets 10 | | |
| (i) Tangible Assets | 126,105,991 | 101,396,368 |
| (ii) Capital work in progress | - | 4,373,031 |
| (b) Non Current Investments 11 | 435,000 | 35,000 |
| (c) Deferred Tax Assets (Net) 12 | 8,158,459 | 9,763,063 |
| (d) Long Term Loans and Advances 13 | 17,857,980 | 24,201,277 |
| <u>Current Assets</u> | | |
| (a) Inventories 14 | 97,818,931 | 59,911,692 |
| (b) Trade receivables 15 | 166,802,770 | 131,957,947 |
| (c) Cash and Bank Balances 16 | 316,470 | 1,212,725 |
| (d) Short Term Loans and Advances 17 | 42,330,538 | 20,628,622 |
| (e) Other Current Assets 18 | 248,929 | 90,420 |
| TOTAL | 460,075,068 | 353,570,145 |

Significant Accounting Policies 1
Notes on financial statements 2 to 32

As per our report of even date
For JAYESH SUTARIA ASSOCIATES
Chartered Accountants
(Firm Registration No: 104187W)



Membership No: 39696





Director


Director

Mumbai : 31 MAY 2013

CREATIVE HEALTHCARE PVT LTD

Profit & Loss Account for the year ended on 31st March 2013

| | Note No | As at 31st March 2013 (Rs.) | As at 31st March 2012 (Rs.) |
|---|---------|---|-----------------------------------|
| I INCOME | | | |
| (a) Revenue From Operations | 19 | 600,241,219 | 457,931,980 |
| (b) Other Income | 20 | 99,000 | 4,998 |
| TOTAL | | 600,340,219 | 457,936,978 |
| II EXPENDITURE | | | |
| (a) Cost of Materials Consumed | 21 | 453,131,833 | 334,641,975 |
| (b) Changes in inventory of Finished Goods Stock in Process and Stock in Trade | 22 | (6,771,766) | (1,133,223) |
| (c) Employment Benefit Expense | 23 | 23,479,127 | 18,416,521 |
| (d) Finance Cost | 24 | 8,088,788 | 5,011,820 |
| (e) Depreciation and Amortisation Expense | 10 | 12,515,455 | 10,143,132 |
| (f) Other Expense | 25 | 49,941,842 | 40,724,522 |
| TOTAL | | 540,385,279 | 407,804,747 |
| III Profit Before Exceptional & Extraordinary Items & Tax(I-II) | | 59,954,940 | 50,132,231 |
| IV Exceptional Items | | - | - |
| V Profit Before Extraordinary Items & Tax (III-IV) | | 59,954,940 | 50,132,231 |
| VI Extraordinary Items | | - | - |
| VII Profit Before Tax (V-VI) | | 59,954,940 | 50,132,231 |
| VII Tax Expense: | | | |
| (a) Current Tax | | 12,500,000 | 10,500,000 |
| (b) Short /Excess Provision for Tax | | 1,940,140 | - |
| (c) Deferred Tax Charge /(Credit) | | 1,604,604 | 610,362 |
| IX Profit For the Year (VII-VIII) | | 43,910,196 | 39,021,869 |
| X Earnings Per Equity Share: | 26 | | |
| (a) Basic | | 17.56 | 15.61 |
| (b) Diluted | | 17.56 | 15.61 |
| Significant Accounting Policies | 1 | | |
| Notes on financial statements | 2 to 32 | | |
| <p>As per our report of even date For JAYESH SUTARIA ASSOCIATES Chartered Accountants (Firm Registration No: 104187W)</p> <p>(Jayesh Sutaria) Proprietor Membership No: 39696</p> <p>Mumbai : 31 MAY 2013</p> | | | |
| | |  | |
| | | <p style="text-align: center;"> Director</p> <p style="text-align: center;"> Director</p> | |

CREATIVE HEALTH CARE PRIVATE LIMITED

Note 1. SIGNIFICANT ACCOUNTING POLICIES

1) Disclosure of Accounting Policies:

The accounts have been prepaid using historical cost convention and on the basis of going concern, with revenues recognized and expenses accounted on accrual basis, unless otherwise stated.

Use of Estimates:

The preparation of financial statements requires management to make estimates and assumptions of some of the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities on the date of the financial statements and amounts of revenues and expenses during the period reported. Actual amounts could differ from these estimates.

2) Valuation of Inventories:

Inventories are valued at cost or net realizable value, whichever is lower. Cost for the purpose of valuation of stocks purchased is determined by using first in first out method net of taxes and duties eligible for credit except in following cases:

a) Raw Materials

Raw Materials are valued at cost on FIFO basis

b) Work in Process

Work in Process is valued at cost, which includes the cost of raw materials and overheads on FIFO basis up to the stage of the completion.

c) Finished Goods

Finished goods are valued at the lower of the cost or net realizable value and are inclusive of excise duty.

3) Cash Flow Statements:

Cash flow statement has been prepared under Indirect Method. Cash and Cash equivalents comprise Cash in hand, Current and other Accounts (including Fixed Deposits) held with Banks.

4) Events occurring after the Balance Sheet Date:

- a) Assets and Liabilities are adjusted for events occurring after the balance sheet date that provide additional evidence to assist the estimation of amounts realisation to conditions existing at the balance sheet date.
- b) Dividends, which are proposed / declare by the company after the Balance Sheet date but before the approval of the financial statements, are adjusted.



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5) Net Profit or Loss for the Period Prior Period Items and Changes in Accounting Policies:

Significant items of Extra-ordinary Items and prior period Income and Expenditure are accounted in accordance with Accounting Standard 5.

6) Depreciation Accounting:

- a) Depreciation on fixed assets is provided on written down value basis at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.
- b) Assets costing less than Rs. 5000/- are charged to revenue in the year of addition.

7) Revenue Recognition:

- a) Sales are accounted net of excise duty, sales tax and sales returns.
- b) Other items of revenue are recognized in accordance with the Accounting Standards (AS-9) issued by the Institutes of Chartered Accountants of India. Accordingly, where there are uncertainties in the ascertainment/realisation of income such as interest from customer (upon factors such as financial condition of the person from whom the same is to be realized)/Liquidated damages recovered from suppliers/contractor, the same is not accounted for

Foreign Currency Transactions are accounted at the exchange rate prevailing on the date of transaction takes place.

8) Accounting for Fixed Assets:

Fixed Assets

- a) Fixed assets are stated at cost of construction or acquisition less depreciation. All costs attributable to bring the fixed assets to a working condition are capitalized net of taxes and duties eligible for credit.
- b) Exchange differences due to changes in foreign exchange liabilities in relation to the acquisition of Fixed Assets from outside India are adjusted in the carrying cost of the respective Fixed Assets.

Capital Work in Progress:

Advance Paid for acquisition of fixed assets and cost of assets (net of taxes and duties eligible for credit.) not put to use before the year end are disclosed under Capital Work in Progress.

9) Accounting for Effects in Foreign Exchange Rate:

Fixed Assets:

- a) Fixed assets acquired out of foreign currency loans are recorded at the actual transaction rate.
- b) The gains or losses due to exchange fluctuation on repayment of such loans during the year are accounted at the actual repayment rate and consequent adjustments made in the cost of Fixed Assets
- c) The gain or losses on translation of such loan liabilities at the year end (at closing rate) are adjusted against the cost of Fixed Assets.



Current Assets and Current Liabilities:

- a) Foreign currency Current Assets and Current Liabilities are recorded at the actual transaction rate.
- b) The gain or loss arising out of settlement are recognized as income /expenditure in the profit and loss account,
- c) The gain or loss arising out of translation of the assets and liabilities at the closing rate at the year end are recognized as income / expenditure in the profit and loss account

10) Accounting for Retirement Benefits:

Provident Fund/ Employees Pension Scheme

Contribution to Employees Pension Scheme is remitted to Provident Fund Commissioner at applicable rates and debited to the Profit and Loss Account on accrual basis.

Gratuity & Leave Encashment:

Since the company is in second year of operation, policies for other employees benefit is are under formulation.

11) Borrowing Cost:

Borrowing costs, attributable to qualifying assets, are capitalized up to the date the assets is ready to put to use. All other borrowing costs are charged to revenue

12) Segment Reporting:

The Company is engaged in one Business Segments i.e. Pharmaceuticals.

13) Related Party Transaction:

Remuneration to key managerial personnel, other than independent Non executive directors as "Related Party Transaction" in the Notes to Accounts, as per the standard and its interpretations.

14) Earning per shares:

Basic Earning per share has been computed with reference to the Weighted Average number of shares, based on monthly rests

15) Accounting for taxes on income:

Income tax expense is accounted in accordance with AS 22 "Accounting for taxes on Income" which includes current taxes and deferred taxes, Deferred taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years, Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available.



16) Intangible Assets:

General

- a) Intangible assets are stated at cost less accumulated amortisation
- b) Computer software being intangible assets is amortised over a period of years.

Research & Development:

- a) Expenditure relating to capital items are treated as fixed assets and depreciated at applicable rates.
- b) Expenditure on Research is recognised as an expense under respective natural heads, as and when incurred.

17) Impairment of Assets:

The company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the management estimates the recoverable amount of the assets if such recoverable amount of the assets is less than its carrying amount the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the assets is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

18) Provisions, Contingent Liabilities and Contingent Assets:

- a) A present obligation, which could be reliably estimated, is provided for in the accounts, if it is probable that an outflow of resources embodying economic benefits will be required for its settlement.
- b) Contingent Liabilities are disclosed by way of notes in the Balance Sheet.
- c) Contingent Assets are neither recognised nor disclosed.



CREATIVE HEALTH CARE PVT LTD

Notes Forming Part of Accounts

Note 2 SHARE CAPITAL

| | As at 31st March 2013 (Rs.) | As at 31st March 2012 (Rs.) |
|---|-----------------------------------|-----------------------------------|
| <u>Authorised Capital</u> | | |
| 5,000,000 Equity Shares of Rs 10 Each (Previous Year: 2,500,000 Equity Shares of Rs 10 Each) | 50,000,000 | 25,000,000 |
| TOTAL | <u>50,000,000</u> | <u>25,000,000</u> |

Issued, Subscribed and Paid Up

Equity Share Capital

| | | |
|--|-------------------|-------------------|
| 2,500,000 Equity Shares of Rs 10 Each Fully Paid (Previous Year: 2,500,000 Equity Shares of Rs 10 Each) | 25,000,000 | 25,000,000 |
| TOTAL | <u>25,000,000</u> | <u>25,000,000</u> |

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting Period

Equity Shares :

| | | |
|--|--------------|-------------------------|
| Number of Shares outstanding at the beginning of the Year: | Qty Value | 2,500,000 25,000,000 |
|--|--------------|-------------------------|

| | | |
|--|--------------|--------|
| Add : <u>Further Issue During The Period</u> | Qty Value | - - |
|--|--------------|--------|

| | | |
|--|--------------|-------------------------|
| Number of Shares outstanding at the End of the Year: | Qty Value | 2,500,000 25,000,000 |
|--|--------------|-------------------------|

b) Terms/rights attached to Shares

The Company has only one class of equity shares having a par value of Rs 10 per share. Each holder of Equity share is entitled to one vote per share. The Company declares and pays Dividend in Indian Rupees

In the Event of Liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company. The distribution will be in the no of equity Shares held by the Shareholders

c) Shareholding of more than 5 %

| | <u>As at 31st March 2013</u> | <u>As at 31st March 2012</u> |
|--------------------------------|-----------------------------------|-----------------------------------|
| <u>Name of the Shareholder</u> | <u>% Held</u> <u>No of Shares</u> | <u>% Held</u> <u>No of Shares</u> |
| Vivimed Laboratories Ltd | 100% 2500000 | 100% 2500000 |



CREATIVE HEALTH CARE PVT LTD

Notes Forming Part of Accounts

Note 3 RESERVES AND SURPLUS

| | As at 31st March 2013 (Rs.) | As at 31st March 2012 (Rs.) |
|--|-----------------------------------|-----------------------------------|
| <u>Capital Reserve</u> | | |
| Opening Balance | 3,000,000 | 3,000,000 |
| <u>Surplus As per Statement of Profit And Loss</u> | | |
| Opening Balance | 169,108,928 | 130,087,059 |
| Add: Profit for the Year | 43,910,196 | 39,021,869 |
| | <u>213,019,124</u> | <u>169,108,928</u> |
| | <u>216,019,124</u> | <u>172,108,928</u> |

Note 4 LONG TERM BORROWINGS

| | As at 31st March 2013 | | As at 31st March 2012 | |
|---------------------|------------------------|----------------|------------------------|----------------|
| | <u>Non Current</u> | <u>Current</u> | <u>Non Current</u> | <u>Current</u> |
| <u>Secured</u> | | | | |
| Axis Bank Ltd | 5446974 | 7500000 | 4486350 | 7500000 |
| Kotak Mahindra Bank | 1786903 | 1190343 | | |
| | <u>7233877</u> | <u>8690343</u> | <u>4486350</u> | <u>7500000</u> |

a) Additional Information to Secured Long Term Borrowings

The long Term portion of Term Loans are shown under Long Term Borrowings and the current Maturities of the long Term Borrowings are shown under the current liabilities as per the disclosure requirements of the Revised schedule VI

b) Details of Securities

Secured against first charge on entire Fixed Assets of the Company both present & Future including equitable mortgage of land at kashipur,uttaranchal and is further secured by corporate guarantee of holding Company and Personal Guarantee of Promoter director

c) Maturity Profile of Unsecured Term Loans are set out Below

| | 1-2 years | 2-3 years | 3 - 4 Years | Beyond 4 Years |
|-------------------------------|------------------|-----------|----------------|-------------------|
| Term Loans From Axis Bank Ltd | 5,446,974 | - | - | - |
| Kotak Mahindra Car Loan | 1,786,903 | - | - | - |
| | <u>7,233,877</u> | <u>-</u> | <u>-</u> | <u>-</u> |

Note 5 LONG TERM PROVISIONS

| | As at 31st March 2013 (Rs.) | As at 31st March 2012 (Rs.) |
|------------------------|-----------------------------------|-----------------------------------|
| Provision for Taxation | 27,065,580 | 24,565,580 |
| | <u>27,065,580</u> | <u>24,565,580</u> |



CREATIVE HEALTH CARE PVT LTD

Notes Forming Part of Accounts

| Note 6 | <u>SHORT TERM BORROWINGS</u> | As at 31st March 2013 (Rs.) | As at 31st March 2012 (Rs.) |
|--|------------------------------|-----------------------------------|-----------------------------------|
| a) Secured | | | |
| Loans Repayable on Demand | | | |
| Rupee Loan On | | | |
| Cash Credit Account From Axis Bank Ltd | | 54,442,404 | 49,633,564 |
| TOTAL | | 54,442,404 | 49,633,564 |

Details of Securities

Secured against first charge on entire Current Assets of the Company both present & future including equitable mortgage of land at kashipur, uttaranchal and is further secured by corporate guarantee of holding company and personal guarantee of promoter director.

| Note 7 | <u>TRADE PAYABLES</u> | As at 31st March 2013 (Rs.) | As at 31st March 2012 (Rs.) |
|--------------|-----------------------|-----------------------------------|-----------------------------------|
| a) Payables | | 120,500,464 | 69,495,946 |
| TOTAL | | 120,500,464 | 69,495,946 |

Additional Information to Trade Payables

There are no amounts due to the suppliers covered under the Micro, Small and Medium Enterprises Development Act, 2006. This information takes into account only those suppliers who have responded to the enquiries made by Company for this purpose.

Trade payables are dues in respect of goods purchased or services received (including from employees, professionals and others under contract) in the normal course of business.

| Note 8 | <u>OTHER CURRENT LIABILITIES</u> | As at 31st March 2013 (Rs.) | As at 31st March 2012 (Rs.) |
|---|----------------------------------|-----------------------------------|-----------------------------------|
| a) Current Maturities of Long term Borrowings | | 8,690,343 | 7,500,000 |
| b) Other Payables | | | |
| - Temporary Overdraft From Bank | | - | 80,468 |
| - Statutory Dues Payable | | 815,347 | 458,031 |
| TOTAL | | 9,505,690 | 8,038,499 |

| Note 9 | <u>SHORT TERM PROVISIONS</u> | As at 31st March 2013 (Rs.) | As at 31st March 2012 (Rs.) |
|------------------------------------|------------------------------|-----------------------------------|-----------------------------------|
| a) Provision For Employee Benefits | | 307,929 | 241,277 |
| TOTAL | | 307,929 | 241,277 |



CREATIVE HEALTHCARE PVT LTD

Notes Forming Parts of Accounts

Note 10

Fixed Assets:

| Particulars of Assets | GROSS BLOCK | | | DEPRECIATION/AMORTISATION | | | | NET BLOCK | |
|---------------------------------|--------------------|-----------------------------|------------------------------|---------------------------|-------------------|-------------------|-------------------------------|--------------------|---------------------|
| | As at 01/04/12 | Addition during the year | Deduction during the year | As at 31/03/13 | As at 01/04/12 | for the year | adjustment during the year | As at 31/03/13 | As at 31/03/12 |
| Tangible Assets | | | | | | | | | |
| Land | 13,914,494 | 3,560,285.00 | | 17,474,779 | - | - | - | 17,474,779 | 13,914,494 |
| Building | 50,394,362 | 12,915,735 | | 63,300,097 | 13,886,231 | 3,649,813 | 17,536,044 | 45,764,053 | 36,498,131 |
| Plant & Machinery | 79,012,695 | 13,773,611 | | 92,786,306 | 34,163,050 | 7,360,012 | 41,523,062 | 51,263,243 | 44,849,645 |
| Electrical Equipment | 6,401,238 | 2,057,818 | | 8,459,056 | 2,912,634 | 636,390 | 3,549,024 | 4,910,031 | 3,488,604 |
| Office Equipment | 1,462,695 | 789,379 | | 2,252,074 | 484,512 | 185,360.72 | 669,873 | 1,582,201 | 978,183 |
| Computers | 974,691 | 231,382 | | 1,206,073 | 641,322 | 187,098 | 828,420 | 377,653 | 333,369 |
| Furniture | 1,014,576 | 140,319 | | 1,154,895 | 330,357 | 131,536 | 461,893 | 693,002 | 684,219 |
| Vehicles | 1,393,297 | 3,756,550 | | 5,149,847 | 743,574 | 365,245 | 1,108,819 | 4,041,028 | 649,723 |
| Total (Rs.) | 154,558,048 | 37,225,078 | - | 191,783,126 | 53,161,681 | 12,515,455 | - | 126,105,991 | 101,396,368 |
| Previous Year (Rs.) | 132,697,347 | 21,860,701 | - | 154,558,048 | 43,018,549 | 10,143,132 | 53,161,681 | 101,396,367 | 89,678,798 |
| Capital Work In Progress | | | | | | | | | 4,373,031.00 |

No depreciation has been provided on the following assets, which were installed during the year, but not put to use

Particulars
Building
Amount
12,915,735



CREATIVE HEALTH CARE PVT LTD

Notes Forming Part of Accounts

| Note 11 | NON-CURRENT INVESTMENTS | As at 31st March 2013 (Rs.) | As at 31st March 2012 (Rs.) |
|---------|--|-----------------------------------|-----------------------------------|
| | <u>Other Investment</u> | | |
| a) | In Government Securities-Unquoted (at Cost) Nations Savings Certificate | 35,000 | 35,000 |
| b) | In Subsidiary Company-Unquoted (at Cost) Tevaz Formulations Pvt Ltd 40,000 Equity Shares of Rs10 each fully Paid | 400,000 | |
| | TOTAL | 435,000 | 35,000 |

Additional Information to Investment in National Savings Certificate

The above Investments has been given as Guarantees / Bonds to various Government Departments
There are no investments purchased and sold /redeemed during the Year

| Note 12 | DEFERRED TAX ASSET (NET) | As at 31st March 2013 (Rs.) | As at 31st March 2012 (Rs.) |
|---------|--|-----------------------------------|-----------------------------------|
| a) | <u>Deferred Tax Asset</u> Mat Credit Available under the Income Tax Act, 1961 | 10,159,311 | 11,340,021 |
| b) | <u>Deferred Tax Liability</u> Tax Effect of timing Defference On account of Books & depreciation | 2,000,852 | 1,576,958 |
| | TOTAL | 8,158,459 | 9,763,063 |

| Note 13 | LONG TERM LOANS AND ADVANCES (Unsecured and considered Good) | As at 31st March 2013 (Rs.) | As at 31st March 2012 (Rs.) |
|---------|---|-----------------------------------|-----------------------------------|
| a) | Capital Advances | 490,910 | 490,910 |
| b) | Loans and Advances to employees | 939,410 | 665,500 |
| c) | Income Tax | 16,427,660 | 23,044,867 |
| | TOTAL | 17,857,980 | 24,201,277 |

| Note 14 | INVENTORIES | As at 31st March 2013 (Rs.) | As at 31st March 2012 (Rs.) |
|---------|---------------------------|-----------------------------------|-----------------------------------|
| a) | Raw Materials | 63,184,899 | 36,990,981 |
| b) | Work-in- progress | 7,566,593 | 2,980,583 |
| c) | Finished Goods | 2,617,927 | 432,171 |
| d) | Othres (Packing Material) | 24,449,512 | 19,507,957 |
| | TOTAL | 97,818,931 | 59,911,692 |

Additional Information to Inventories

The above is stated as Valued and Certified by the Management and relied upon by the Auditors



CREATIVE HEALTH CARE PVT LTD

Notes Forming Part of Accounts

| <u>Note 15</u> | <u>TRADE RECEIVABLES</u> (Unsecured and considered Good) | As at 31st March 2013 (Rs.) | As at 31st March 2012 (Rs.) |
|----------------|---|-----------------------------------|-----------------------------------|
| a) | Outstanding for more than Six months | 47,449,641 | 31,926,882 |
| b) | Outstanding Less than Six Months | 119,353,129 | 100,031,065 |
| | TOTAL | 166,802,770 | 131,957,947 |

The Company has filed a Suit against one of its debtors for recovery of amounts due from them. The Amount involved Rs 32,13,040/- (Rs 32,13,040/-). Pending outcome of the said suit and on the face of Legal Opinion obtained by the company, No provision has been made for the said amount

| <u>Note 16</u> | <u>CASH AND BANK BALANCES</u> | As at 31st March 2013 (Rs.) | As at 31st March 2012 (Rs.) |
|----------------|-------------------------------|-----------------------------------|-----------------------------------|
| a) | Cash and Cash Equivalents | | |
| | - Balance with Banks | 289,518 | 632,161 |
| | - Cash on Hand | 26,952 | 580,564 |
| | TOTAL | 316,470 | 1,212,725 |

| <u>Note 17</u> | <u>SHORT TERM LOANS AND ADVANCES</u> | As at 31st March 2013 (Rs.) | As at 31st March 2012 (Rs.) |
|----------------|--------------------------------------|-----------------------------------|-----------------------------------|
| a) | Loans and advance to related Parties | 23,600,000 | 9,800,000 |
| b) | Deposits | 2,042,799 | 855,905 |
| b) | Others | 16,687,739 | 9,972,717 |
| | TOTAL | 42,330,538 | 20,628,622 |

Others Include advance to suppliers, tender earnest money, advance to security and contractors

| <u>Note 18</u> | <u>OTHER CURRENT ASSETS</u> | As at 31st March 2013 (Rs.) | As at 31st March 2012 (Rs.) |
|----------------|-----------------------------|-----------------------------------|-----------------------------------|
| a) | Preliminary Expense | 132,750 | - |
| b) | Prepaid Expense | 116,179 | 90,420 |
| | TOTAL | 248,929 | 90,420 |

| <u>Note 19</u> | <u>REVENUE FROM OPERATIONS</u> | As at 31st March 2013 (Rs.) | As at 31st March 2012 (Rs.) |
|----------------|--------------------------------|-----------------------------------|-----------------------------------|
| a) | Sale of Products (Domestic) | 597,322,639 | 446,310,338 |
| b) | Sale of products (Exports) | 745,662 | |
| | | 598,068,301 | |
| c) | Sale of Services | 1,354,791 | 10,986,235 |
| d) | Other Operating revenue | 818,127 | 635,407 |
| | TOTAL | 600,241,219 | 457,931,980 |



CREATIVE HEALTH CARE PVT LTD

Notes Forming Part of Accounts

Note 19.1 DETAILS OF SALE

| | As at 31st March 2013 Value (In Lakhs) | As at 31st March 2012 Value (In Lakhs) |
|--------------|--|--|
| a) Tablet | 970.64 | 760.84 |
| b) Capsules | 408.19 | 373.97 |
| c) Ointments | 1043.29 | 806.95 |
| d) Liquid | 3216.72 | 2,228.65 |
| e) Lotion | 341.85 | 292.69 |
| TOTAL | 5980.69 | 4,463.10 |

Note 19.2 EARNINGS IN FOREIGN EXCHANGE

| | | |
|-------------------------|---------|-----|
| a) FOB Value of Exports | 745,662 | Nil |
|-------------------------|---------|-----|

Note 20 OTHER INCOME

| | As at 31st March 2013 (Rs.) | As at 31st March 2012 (Rs.) |
|---------------------------|-----------------------------------|-----------------------------------|
| a) Interest Income | 15,122 | 4,998 |
| b) Miscellaneous Receipts | 83,878 | |
| TOTAL | 99,000 | 4,998 |

Note 21 COST OF MATERIAL CONSUMED

| | As at 31st March 2012 (Rs.) | As at 31st March 2012 (Rs.) |
|---------------------------------|-----------------------------------|-----------------------------------|
| a) <u>Raw Material</u> | | |
| Opening Stock | 36,990,981 | 24,503,163 |
| Add: Purchase and Expenses | 320,070,773 | 226,434,426 |
| Add: Custom Duty | 281,751 | - |
| | <u>357,343,505</u> | <u>250,937,589</u> |
| Add: Purchase of Finished Goods | 550,000 | - |
| Less: Closing Stock | <u>63,184,898</u> | <u>36,990,981</u> |
| | <u>294,708,607</u> | <u>213,946,608</u> |
| b) <u>Packing Material</u> | | |
| Opening Stock | 19,507,957 | 19,002,990 |
| Add: Purchase and Expenses | 163,364,781 | 121,200,334 |
| Less: Closing Stock | <u>24,449,512</u> | <u>19,507,957</u> |
| | <u>158,423,226</u> | <u>120,695,367</u> |
| TOTAL | 453,131,833 | 334,641,975 |



CREATIVE HEALTH CARE PVT LTD

Notes Forming Part of Accounts

Note 21.1 CIF VALUE OF IMPORTS

| | As at 31st March 2013 (Rs.) | As at 31st March 2012 (Rs.) |
|-------------------------------|-----------------------------------|-----------------------------------|
| a) Raw Material | Nil | Nil |
| b) Components and Spare Parts | Nil | Nil |
| c) Finished Products | Nil | Nil |
| d) Capital Goods | Nil | Nil |

Note 21.2 DETAILS OF RAW MATERIAL CONSUMED

| | As at 31st March 2013 | | As at 31st March 2012 | |
|---------------------------------------|-----------------------|-----------------|-----------------------|--------------------|
| | Qty('000) | Amt (Lakhs) | Qty('000) | Amt (Lakhs) |
| a) Ferrous Ascorbate | 17.27 | 106.70 | 22.55 | 140.48 |
| b) Propylene Glycol | 105.18 | 140.46 | 94.39 | 117.98 |
| c) Rabeperazole + Domperidone Pellets | 5.79 | 107.22 | 6.72 | 124.94 |
| d) Rabeperazole Sodium Pellets | 2.85 | 38.01 | 2.79 | 37.75 |
| e) Sugar | 821.51 | 349.55 | 614.75 | 208.83 |
| d) Glycerine | 49.24 | 46.93 | 43.28 | 31.31 |
| f) Liquid Glucose | 1309.40 | 428.83 | 562.54 | 158.92 |
| g) Others | | 1729.38 | - | 1004.54 |
| | | <u>2947.09</u> | | <u>1824.75</u> |
| of Which: | % | | % | |
| Imported | | - | | - |
| Indigenous | 100% | 2,947.09 | 100% | 213,946,608 |
| TOTAL | | <u>2,947.09</u> | | <u>213,946,608</u> |

Note 22 CHANGES IN INVENTORIES OF FINISHED GOODS STOCK IN PROCESS AND STOCK IN TRADE

| | As at 31st March 2013 (Rs.) | As at 31st March 2012 (Rs.) |
|----------------------------|-----------------------------------|-----------------------------------|
| <u>Opening Stock</u> | | |
| Finished Goods | 432,171 | 192,954 |
| Work in Process | 2,980,583 | 2,086,577 |
| | <u>3,412,754</u> | <u>2,279,531</u> |
| <u>Less: Closing Stock</u> | | |
| Finished Goods | 2,617,927 | 432,171 |
| Work in Process | 7,566,593 | 2,980,583 |
| | <u>10,184,520</u> | <u>3,412,754</u> |
| TOTAL | <u>(6,771,766)</u> | <u>(1,133,223)</u> |

Note 23 EMPLOYEE BENEFIT EXPENSE

| | As at 31st March 2013 (Rs.) | As at 31st March 2012 (Rs.) |
|--|-----------------------------------|-----------------------------------|
| a) Salary And Wages | 20,300,016 | 15,799,629 |
| b) Contribution to Provident and other Funds | 1,482,915 | 1,122,463 |
| c) Staff Welfare Expense | 1,696,196 | 1,494,429 |
| TOTAL | <u>23,479,127</u> | <u>18,416,521</u> |

Salary and Wages includes an amount paid Rs 33,00,000/- (Last Year Rs 24,00,000) to directors of the Company



CREATIVE HEALTH CARE PVT LTD

Notes Forming Part of Accounts

| Note 24 | FINANCE COST | As at 31st March 2013 (Rs.) | As at 31st March 2012 (Rs.) |
|----------------|----------------------|-----------------------------------|-----------------------------------|
| a) | Interest Expense | 6,859,746 | 3,532,184 |
| b) | Other Borrowing Cost | 1,229,042 | 1,479,636 |
| | TOTAL | 8,088,788 | 5,011,820 |

| Note 25 | OTHER EXPENSE | As at 31st March 2013 (Rs.) | As at 31st March 2012 (Rs.) |
|----------------|---|-----------------------------------|-----------------------------------|
| a) | Manufacturing Expense | | |
| | - Consumption of stores | 5,365,114 | 3,556,154 |
| | - Power and Fuel | 10,040,851 | 6,676,520 |
| | - Labour and other Processing expense | 5,589,043 | 5,004,285 |
| | - Repairs to Building | 493,402 | 1,612,576 |
| | - Repairs to Machinery | 3,976,177 | 3,516,420 |
| | - Analytical Charges | 915,059 | 691,146 |
| | | 26,379,646 | 21,057,101 |
| a) | Selling and Distribution Expense | | |
| | - Freight and Transportation | 7,508,728 | 6,315,559 |
| | - Business Promotion | 573,872 | 513,340 |
| | - Other Expense | 953,300 | 524,328 |
| | - Service Tax | - | 34,088 |
| | | 9,035,900 | 7,387,315 |
| c) | Establishment Expense | | |
| | - Professional Fees | 3,166,606 | 2,586,382 |
| | - General Exps | 4,557,117 | 3,747,515 |
| | - Insurance | 499,454 | 508,981 |
| | - Rates & Taxes | 330,790 | 62,200 |
| | - Other Repairs | 2,040,357 | 1,689,480 |
| | - Travelling Exps | 1,770,278 | 1,995,417 |
| | - Communication Exps | 701,864 | 518,316 |
| | - Printing & Stationery | 1,291,290 | 998,584 |
| | - Auditors Remuneration | | |
| | (a) Audit Fees | 168,540 | 123,596 |
| | (b) Tax Audit Fees | - | 49,635 |
| | | 14,526,296 | 12,280,106 |
| | TOTAL | 49,941,842 | 40,724,522 |

| Note 26 | EARNINGS PER SHARE | As at 31st March 2013 (Rs.) | As at 31st March 2012 (Rs.) |
|----------------|---|-----------------------------------|-----------------------------------|
| a) | Profit after Tax | 43,910,196 | 39,021,869 |
| b) | Weighted Average Number of Equity Shares | | |
| | - For Basic EPS | 2,500,000 | 2,500,000 |
| | - For Diluted EPS | 2,500,000 | 2,500,000 |
| c) | Face Value per Equity Share | 10 | 10 |
| d) | Earnings Per Share | | |
| | - Basic EPS | 17.56 | 15.61 |
| | - Diluted EPS | 17.56 | 15.61 |



CREATIVE HEALTH CARE PVT LTD

Notes Forming Part of Accounts

- Note 27** In the opinion of the Board of Directors and to the best of their knowledge and belief, the value on realization of Current Assets, loans and Advances in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet
- Note 28** Balance of Sundry Debtors, sundry Creditors and Loans and Advances are subject to confirmation
- Note 29** Figures of the Previous Year Have been regrouped wherever necessary
- Note 30** **COMMITMENTS**
Estimated amount of Contract to be Executed on Capital Account and not provided for Rs 34.46 Lakhs (Previous Year Rs 46.09 Lakhs)
- Note 31** The Sales Tax Authorities have served a notice of demand asking the company to pay an amount of Rs11,74,005/- and Rs.20,08,555/- for financial year 2007/08 and 2008/09 respectively, on completion of assessment for these years. However the company has not accepted the same and has preferred an appeal against the said order and therefore no provisions for such liabilities have been made.

Note 32 **DISCLOSURE IN ACCORDANCE WITH AS -18 RELATED PARTY TRANSACTIONS**

1.) Relationships (during the year):

Holding Company : Vivimed Laboratories Ltd

Subsidiary Company : Tevaz Formulations Pvt Ltd

Directors : Mr S P Jain, Dr Birbal Singh, Mr Manjit Singh, Dr V Manohar Rao, Mr Santosh Varatwar, Mr. Sandeep V. Rao, Mr. Ramesh Challa

Enterprises over which key management personnel exercise significant influence

Akshay Printers
Future Lifesciences

2.) Particular of Transactions with parties in ordinary course of Business.

a) Holding Company

Transactions

| | |
|------------------------------------|----------------|
| Purchase of Raw & Packing Material | Rs 95,93,633/- |
| Sale Made | Rs 28,02,686/- |
| Expenses Incurred | Rs 2,54,558/- |
| Sale of RM & PM | Rs 1,83,811/- |
| Year end Balance | |
| Sundry Debtors | Rs 87,12,237/- |

b) Subsidiary Company

Transactions

| | |
|--------------------------------------|------------------|
| Sale of Goods | Rs 1,09,24,916/- |
| Expenses Incurred | Rs 14,45,598/- |
| Repayment of Unsecured Loan Received | Rs 40,00,000/- |
| Loan Given | Rs 1,78,00,000/- |
| Year end Balance | |
| Loans and Advances | Rs.2,36,00,000/- |

c) Director and Relative of Directors

Transactions

| | |
|-------------------------|----------------|
| Remuneration Paid | Rs 33,00,000/- |
| Professional Fees Paid | Rs. 3,18,000/- |
| Year end Balance | |
| Sundry Creditors | Nil |
| Commission Paid | Nil |

d) Enterprise over which Key Management Personnel/Relative

Transactions

| | |
|------------------------------|----------------|
| Sale of Goods | Rs 15,42,278/- |
| Purchase of Packing Material | Rs 68,70,484/- |
| Year end Balance | |
| Sundry Debtors | Rs 40,88,152/- |
| Sundry Creditors | Rs.30,11,178/- |



CREATIVE HEALTH CARE PVT LTD

Notes Forming Part of Accounts

Note 32 DISCLOSURE IN ACCORDANCE WITH AS -18 RELATED PARTY TRANSACTIONS

3.1 Transactions with related Parties

| <u>Nature of Transaction</u> | <u>Holding Company</u> | <u>Subsidiary Company</u> | <u>Key Management Personnel</u> | <u>Director</u> |
|--|-------------------------|---------------------------|---------------------------------|----------------------------------|
| <u>Loans given</u> - Tevaz Formulations Pvt Ltd | | Rs 1,78,00,000/- | | |
| <u>Repayment of Loans</u> - Tevaz Formulations Pvt Ltd | | Rs. 40,00,000/- | | |
| <u>Sale of Goods</u> - Tevaz Formulations Pvt Ltd - Future Lifesciences - Vivimed Labs Ltd (Haridwar) | Rs. 28,02,686/- | Rs.1,09,24,916/- | Rs. 15,42,278/- | |
| <u>Reimbursement of Expenses</u> - Tevaz Formulations Pvt Ltd - Vivimed Labs Ltd | Rs. 2,54,558/- | Rs. 14,45,598/- | | |
| <u>Purchase of Packing Material</u> - Akshay Printers | | | Rs.68,70,484/- | |
| <u>Purchase of Raw Materials</u> - Vivimed Labs Ltd (Hyderabad) | Rs.95,93,633/- | | | |
| <u>Sale of Raw Material / Packing Material</u> - Vivimed Labs Ltd (Haridwar) | Rs.1,83,811/- | | | |
| <u>Remuneration Paid</u> - Sumatiprakash Jain - Sandeep Varalwar | | | | Rs.16,50,000/- Rs.16,50,000/- |
| <u>Professional fees</u> - Dr. Birbal Singh - Manjit Singh | | | | Rs.2,58,000/- Rs.60,000/- |
| <u>Amount Outstanding at Year End</u> <u>Receivable at year End</u> - Vivimed Labs Ltd (Haridwar) - Tevaz Formulations Pvt Ltd - Future LifeSciences | Rs.87,12,237/- | Rs.1,09,24,916/- | Rs.40,88,152/- | |
| <u>Payable at Year end</u> - Akshay Printers | | | Rs.30,11,178/- | |
| TOTAL | Rs 2,15,46,925/- | Rs 4,50,95,430/- | Rs 1,55,12,092/- | Rs 36,18,000/- |

For Transaction relating to reimbursement of actual expenses to/from related parties have not been considered above

Certain key management personnel and holding company have extended guarantees as security borrowings of the Company

The detail of related parties as defined in Accounting Standard AS18 have been ascertained and provided by the management and Auditors have relied upon.

Legal and Professional Fees Include an amount paid Rs 3,18,000/- (Rs 3,18,000/-) to Directors

For JAYESH SUTARIA ASSOCIATES

Chartered Accountants
(Firm Registration No. 104187W)

(Mr. Jayesh Sutaria)
Proprietor
Membership No: 39696



For CREATIVE HEALTHCARE PVT LTD

Director

Mumbai 31 MAY 2013