

**BALANCE SHEET AND PROFIT & LOSS ACCOUNT**

**2012-2013**

**KLAR SEHEN PRIVATE LIMITED**

**Independent Auditor's Report**

**To the Members of KLAR SEHEN PRIVATE LIMITED**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **KLAR SEHEN PRIVATE LIMITED** ('the Company') which comprise the Balance Sheet as at 31<sup>st</sup> March 2013, 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**

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 referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal 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**

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.

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.

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2013;
- (ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.



**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, 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.
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 comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956; and
  - e. on the basis of written representations received from the directors as on 31<sup>st</sup> March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

Date **28 MAY 2013**  
Place : Kolkata.



For N. Chaudhuri & Co.,  
Chartered Accountants  
Firm's Registration No: 301032E

A handwritten signature in black ink.

(A. K. Deb)

Partner

Membership Number : 51033



**KLAR SEHEN PRIVATE LIMITED**

**(Year Ending 31st March, 2013)**

**Annexure to Independent Auditors' Report**

**(Referred to in paragraph (1) of under the heading or Report on Other Legal and Regulatory Requirements of our Report of even date.)**

1. In our opinion and according to the information and explanations given to us, the nature of the Company's business / activities during year is such that clauses xiii, xiv, xviii, xix and xx of Paragraph 4 of the Companies (Auditors' Report) Order, 2003, are not applicable to the Company.
2. In respect of its fixed assets:
  - (a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
  - (b) The fixed assets have been physically verified by the management during the year and there is a regular programme of such verification which in our opinion is reasonable. No material discrepancies were noticed on such verification.
  - (c) In our opinion disposal of fixed assets during the year does not affect the going concern assumption.
3. In respect of its inventories:
  - (a) The Inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
  - (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) The Company has maintained proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
4.
  - (a) The Company has given interest bearing unsecured loan to its 100% holding company without any stipulation as to repayment of the principal amount. Since the loan was given to its 100% holding company, the terms and conditions of the loan is not prima facie prejudicial to the interest of the company.
  - (b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, clause (iii) (f) to (iii) (g) of paragraph 4 of the Order are not applicable to the Company for the current year.



5. In our opinion and according to the information and explanations given to us, there are adequate internal control procedure commensurate with the size of the Company, and the nature of its business with regard to purchases of inventory, fixed assets and with regard to sale of goods. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal control system.
6. (a) In our opinion, and according to the information and explanations given to us, the Particulars of Contracts or Arrangements referred to in Section 301 of the Companies Act, 1956, have been entered in the register required to be maintained under that section.  
  
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such Contracts and Arrangements have been made at prices, which are reasonable having regard to prevailing market prices at the relevant time.
7. The Company has not accepted any deposits from the public within the meaning of sections 58A and 58AA or any other relevant provisions of the Companies Act 1956.
8. The Company is under the process of implementing an internal audit system commensurate with the size of the Company and nature of its business.
9. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant to the Rules made by Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
10. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Value added Tax, Wealth tax, Service tax, Customs duty, Excise duty, cess and any other material statutory dues with the appropriate authorities during the year. However, as at 31<sup>st</sup> March, 2013, there were no undisputed dues payable for a period of more than six months from the date they became payable.



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- (b) According to the information and explanations given to us, the details of sales tax, income tax, custom duty and excise duty, which have not been deposited as at March 31<sup>st</sup> 2013 on account of any dispute, are as under:

| Name of the Statute  | Nature of the dues    | Amount (Rs.)                            | Period to which the amount relates              | Forum where dispute is pending   |
|--|-----------------------|---|---|--|
| West Bengal Sales Tax Act, 1994                                  | West Bengal Sales Tax | 140,811.00                              | 2004-05   | Appellate & Revisional Board.  |
| Central Sales Tax Act, 1956                                      | Central Sales Tax     | 372,060.00                              | 2004-05   | Appellate & Revisional Board.  |
| Employees' State Insurance Act, 1948                             | Contribution          | 57,137.00<br>293,966.00<br>1,633,632.00 | 1994-95<br>2002-03<br>April, 2000 to Sept. 2004 | Calcutta High Court<br>Appellate Authority<br>Appellate Authority  |
| Employees' Provident Fund and Miscellaneous Provisions Act, 1952 | Contribution          | 1,874,239.00                            | May, 1999 to March, 2007                        | Demand of Rs. 1,874,239/- was realized by E.P.F.O W.B. at Salt Lake City by attaching Bank A/c. with S.B.I. Tollygunge Br. On 19.03.2009. Against the said demand, appeal was preferred before the E.P.F. Tribunal at New Delhi which was set-a-side and appeal was allowed in Company's favour by an order dated 24.03.2011. The Company filed a Writ Petition before the Hon'ble Calcutta High Court asking the E.P.F.O. Calcutta to refund the amount of Rs. 1,874,239/- so realized alongwith due interest which is pending. |



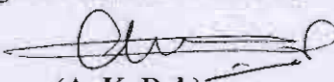
11. The Company does not have any accumulated losses as at the end of the year. The Company has not incurred cash losses during the financial year covered by our audit and immediately preceding financial year.
12. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institution or bank. The Company has not obtained any borrowings by way of debentures.
13. In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
14. According to the information and explanations given to us we are of the opinion that the Company has not given guarantees for loans taken by others from banks or financial institutions.
15. According to the information and explanations given to us, Car Loan from HDFC Bank was applied for the purpose for which the loan was obtained.
16. According to the information and explanations given to us, and on overall examination of the balance sheet of the Company, we report that funds raised on short term basis have, prima facie, not been used during the year for long term investment.
17. To the best of our knowledge and belief, and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

Date **28 MAY 2013**

Place : Kolkata.



For N. Chaudhuri & Co.,  
Chartered Accountants  
Firm's Registration No: 301032E

  
(A. K. Deb)

Partner

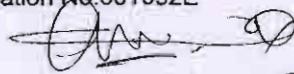
Membership Number : 51033

**KLAR SEHEN PRIVATE LIMITED**  
**Balance Sheet as at 31st March, 2013**

|  | Note No | As at 31-03-2013 |             | As at 31-03-2012 |             |
|--|---------|------------------|-------------|------------------|-------------|
|  |         | ₹                |             | ₹                |             |
| <b><u>EQUITY AND LIABILITIES</u></b>                                 |         |                  |             |                  |             |
| <b><u>Shareholder's Funds</u></b>                                    |         |                  |             |                  |             |
| Share Capital  | 3.1.1   | 6,998,000        | 170,997,971 | 6,998,000        | 135,124,018 |
| Reserves and Surplus   | 3.1.2   | 163,999,971      |             | 128,126,018      |             |
| <b><u>Non-Current Liabilities</u></b>                                |         |                  |             |                  |             |
| Long Term Borrowings   | 3.2.1   | 3,900,000        | 4,233,621   | 3,900,000        | 4,176,102   |
| Deferred Tax Liabilities (Net)                                       |         | 333,621          |             | 276,102          |             |
| <b><u>Current Liabilities</u></b>                                    |         |                  |             |                  |             |
| Short-Term Borrowings  | 3.3.1   | 4,944,755        | 51,807,611  | 4,691,779        | 43,415,185  |
| Trade Payables   | 3.3.2   | 30,592,522       |             | 24,589,010       |             |
| Other Current Liabilities  | 3.3.3   | 2,145,711        |             | 1,876,922        |             |
| Short-Term Provisions  | 3.3.4   | 14,124,623       |             | 12,257,474       |             |
| Total  |         |                  | 227,039,203 |                  | 182,715,305 |
| <b><u>ASSETS</u></b>   |         |                  |             |                  |             |
| <b><u>Non-Current Assets</u></b>                                     |         |                  |             |                  |             |
| <b><u>Fixed Assets</u></b>   |         |                  |             |                  |             |
| Tangible Assets  | 3.4.1   | 34,134,240       | 99,250,545  | 32,740,400       | 98,086,753  |
| Capital Work-in-Progress   |         | -                |             | 1,965,207        |             |
| Long term Loans and Advances   | 3.4.2   | 62,827,738       |             | 61,092,579       |             |
| Other Non-Current Assets   | 3.4.3   | 2,288,567        |             | 2,288,567        |             |
| <b><u>Current Assets</u></b>   |         |                  |             |                  |             |
| Current Investments  | 3.5.1   | 2,000,000        | 127,788,658 | 6,980,122        | 84,628,552  |
| Inventories  | 3.5.2   | 39,230,311       |             | 29,567,366       |             |
| Trade Receivables  | 3.5.3   | 30,610,156       |             | 21,989,055       |             |
| Cash and Cash Equivalents  | 3.5.4   | 14,100,300       |             | 14,598,879       |             |
| Short-Term Loans and Advances  | 3.5.5   | 17,950,949       |             | 11,493,130       |             |
| Other Current Assets   | 3.5.6   | 23,896,942       |             | -                |             |
| Total  |         |                  | 227,039,203 |                  | 182,715,305 |
| Significant Accounting Policies and Notes to the Financial Statement |         |                  |             |                  |             |
| 2 & 3  |         |                  |             |                  |             |

AS PER OUR REPORT OF EVEN DATE

For **N. Chaudhuri & Co.**  
**Chartered Accountants**  
 Firm Registration No. 301032E



(A. K. Deb)  
 PARTNER

Membership No. 051033

Kolkata

Dated : The 28th day of May, 2013.



The notes referred to above form an integral part of the Balance Sheet.

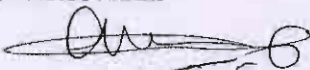



For and on behalf of the Board

  
 Director

  
 Director



**KLAR SEHEN PRIVATE LIMITED**  
**Statement of Profit and Loss for the year ended 31st March, 2013**

|  | Note No | Year Ended<br>31-03-2013<br>₹   | Year Ended<br>31-03-2012<br>₹ |
|--|---------|---|-------------------------------|
| <b>INCOME</b>  |         |   |                               |
| Revenue from operations  | 3.6.1   | 240,762,948   | 206,216,195                   |
| Other Income   | 3.6.2   | 20,670,280  | 3,488,798                     |
| <b>Total Revenue</b>   |         | <b>261,433,228</b>  | <b>209,704,993</b>            |
| <b>EXPENSES</b>  |         |   |                               |
| Cost of Materials Consumed   | 3.7.1   | 65,963,086  | 50,660,316                    |
| Purchase of Stock-in-Trade   | 3.7.2   | 22,522,001  | 22,492,843                    |
| Changes in Inventories of Finished goods, Stock-in-Process and Stock-in-Trade  | 3.7.3   | (7,389,350)   | (3,754,617)                   |
| Employee Benefit Expense   | 3.7.4   | 51,002,954  | 40,035,070                    |
| Finance Costs  | 3.7.5   | 882,967   | 753,621                       |
| Depreciation and Amortization expense  | 3.4.1   | 4,839,953   | 4,448,636                     |
| Other expenses   | 3.7.6   | 74,943,488  | 59,873,075                    |
| <b>Total Expenses</b>  |         | <b>212,765,099</b>  | <b>174,508,944</b>            |
| Profit Before Tax  |         | 48,668,129  | 35,196,049                    |
| Tax Expense:   |         |   |                               |
| Current Tax  | 3.7.7   | 12,736,657  | 11,236,557                    |
| Deferred Tax   |         | 57,519  | (293,303)                     |
| Profit/(Loss) for the year   |         | 35,873,953  | 24,252,795                    |
| Earning per equity share   |         |   |                               |
| (1) Basic  |         | 51.26   | 34.66                         |
| (2) Diluted  |         | 51.26   | 34.66                         |
| Significant Accounting Policies and Notes to the Financial Statement 2 & 3   |         |   |                               |
| AS PER OUR REPORT OF EVEN DATE   |         | The notes referred to above form an integral part of the Statement of Profit and Loss   |                               |
| <b>For N.Chaudhuri &amp; Co.</b><br><b>Chartered Accountants</b><br>Firm Registration No.301032E<br><br>(A. K. Deb)<br>PARTNER<br>Membership No. 051033 |         | For and on behalf of the Board<br> Director<br> Director |                               |
| Kolkata<br>Dated : The 28th day of May, 2013.  |         |    |                               |

**KLAR SEHEN PRIVATE LIMITED**

**CASH FLOW STATEMENT**

|   | Year ended<br>31st March, 2013 |              | Year ended<br>31st March, 2012 |              |
|---|--------------------------------|--------------|--------------------------------|--------------|
|   | Rs.                            | Rs.          | Rs.                            | Rs.          |
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>                       |                                |              |                                |              |
| Profit before tax   |                                | 48,668,129   |                                | 35,196,049   |
| Adjustment for :  |                                |              |                                |              |
| Depreciation  | 4,839,953                      |              | 4,448,636                      |              |
| Income from Interest  | (5,864,617)                    |              | (1,170,533)                    |              |
| Interest Paid   | 416,611                        |              | 352,339                        |              |
| Profit/ Loss on Sale of Fixed Assets                                | (13,626,583)                   |              |                                |              |
| Income from dividend  | (26,539)                       |              | (1,862,494)                    |              |
| Bad Debts/Advance Written off                                       | 352,029                        |              | 166,598                        |              |
| Liabilities no longer required written back                         | (198,715)                      |              | (249,725)                      |              |
| (Profit) /Loss on Sale of Investments(Net)                          | (473,231)                      |              | 790,296                        |              |
| Provision for leave liability                                       | 310,338                        | (14,270,754) | 407,474                        | 2,882,591    |
| Operating profit before working capital changes                     |                                | 34,397,375   |                                | 38,078,640   |
| <b>CHANGE IN WORKING CAPITAL</b><br>(Excluding Cash & Bank Balance) |                                |              |                                |              |
| Trade & Other Receivables   | (35,076,221)                   |              | (3,067,091)                    |              |
| Inventories   | (9,662,945)                    |              | (4,719,261)                    |              |
| Trade & Other Payables  | 6,471,016                      | (38,268,151) | (4,451,687)                    | (12,238,039) |
| Cash Generated from operations                                      |                                | (3,870,776)  |                                | 25,840,601   |
| Direct Tax Paid   |                                | (17,166,674) |                                | (13,448,622) |
| Net Cash from Operating Activities                                  |                                | (21,037,450) |                                | 12,391,979   |
| <b>B. ACTIVITIES</b>  |                                |              |                                |              |
| Addition to Fixed Assets  | (5,642,003)                    |              | (4,929,222)                    |              |
| Proceeds from Fixed Assets Disposal                                 | 15,000,000                     |              |                                |              |
| Investments   | 5,453,353                      |              | 40,812,675                     |              |
| Interest Income   | 5,864,617                      |              | 1,170,533                      |              |
| Dividend Income   | 26,539                         | 20,702,506   | 1,862,494                      | 38,916,480   |
| Net Cash from Investing Activities                                  |                                | 20,702,506   |                                | 38,916,480   |
| <b>C. NET CASH FLOW FROM FINANCING ACTIVITIES</b>                   |                                |              |                                |              |
| <b>ACTIVITIES</b>   |                                |              |                                |              |
| Loan to Holding Co  |                                |              |                                | (60,000,000) |
| Interest Paid   |                                | (416,611)    |                                | (352,339)    |
| Dividend (Including Dividend Distribution Tax)                      |                                |              |                                | (813,325)    |
| Increase/(Decrease) in Short Term Borrowings                        |                                |              |                                |              |
| Term Borrowings   |                                | 252,976      |                                | (1,279,023)  |
| Increase/(Decrease) in Long Term Borrowings                         |                                |              |                                | 500,000      |
| Net Cash from Financing Activities                                  |                                | (163,635)    |                                | (61,944,687) |
| Net Increase/ (Decrease) in Cash & Cash Equivalents (A+B+C)         |                                | (498,579)    |                                | (10,636,228) |
| <b>D. OPENING CASH &amp; CASH EQUIVELENTS</b>                       |                                | 14,598,879   |                                | 25,235,107   |
| <b>E. CLOSING CASH &amp; CASH EQUIVELENTS</b>                       |                                | 14,100,300   |                                | 14,598,879   |

**Note:**

- Notes to Accounts form an integral part of Cash Flow Statement.
- The Previous year's figures have been regrouped wherever necessary to conform to Current Year's classification.

This is the Cash Flow Statement referred to in our Report of even date.

For **N.Chaudhuri & Co.**

**Chartered Accountants**

Firm Registration No.301032E

(A K. Deb)

PARTNER

Membership No. 051033

Kolkata

The 28th day of May, 2013.

For and on behalf of the Board

Director

Director





## KLAR SEHEN PRIVATE LIMITED

### Significant accounting policies and notes to the accounts

For the year ended March 31, 2013

Schedules forming part of the Balance Sheet as at 31 March, 2013 and the Statement of Profit & Loss for the year ended on that date.

#### 1 Background :

Klar Sehen , a private limited company incorporated in the year 1977, is a manufacturer of pharmaceutical products used across various specialties viz. Ophthalmologists , ENT , Pediatrics , Physicians, Gynecologists , Dentists etc. The company has its own manufacturing unit at Kolkata and Hyderabad as well as outside ( loan licensing) at various places. The company also undertakes contract manufacturing ( pharmaceutical products ) of other entities.

In the Financial Year 2011-12 there has been a change in ownership of the company whereby it became a wholly owned subsidiary of Vivimed Labs Ltd and is considered as a group company of Vivimed.

#### 2 Significant Accounting Policies :

##### 2.1 Basis of Accounting:

The financial statements are prepared under the historical cost convention on the "Actual Concept" of Accountancy in accordance with the accounting principles generally accepted in India and comply with the prescribed Accounting Standards to the extent applicable & with the applicable provisions of the Companies Act, 1956.

##### 2.2 Use of Estimates:

The preparation of Financial statements in conformity with the accounting standards generally accepted in India requires, the management to make estimates and assumptions in respect of certain items like provisions for doubtful debts, impairment of fixed assets, etc. that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and reported amounts of revenues and expenses for the year. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

##### 2.3 Fixed Assets & Depreciation:

Fixed assets are stated at Cost less accumulated depreciation. Cost (net of Cenvat / VAT credit received / receivable) includes related expenditure.

Depreciation have been provided for on Reducing Balance Method at the rates / method prescribed as per Schedule XIV to the Companies Act, 1956. Leasehold land is amortized over the period of lease and eligible services.

##### 2.4 Borrowing Costs:

Borrowing costs attributable to the acquisition / constructions of a qualifying assets are capitalized as part of the cost of such assets up to the date of the assets are ready for its intended use. Other borrowing costs are recognized as an expense in the period in which they are incurred.

##### 2.5 Expenditure during the construction period :

The expenditure incidental to the expansion / new projects is allocated to Fixed Assets in the year of commencement of the commercial production.

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## KLAR SEHEN PRIVATE LIMITED

### 2.6 Investments :

Long term and strategic investments, if any, are stated at cost, less any diminution in the value other than temporary.

Current investments are stated at cost, consistently. Diminution in value, if any, is being accounted for on disposal.

### 2.7 Inventories :

Inventories are valued at lower of cost or net realizable value and the cost is ascertained as stated below:-

Loose Tools and Laboratory Equipment, Raw & Packing Materials are valued at cost (net of Cenvat / VAT credit availed, wherever applicable) and on FIFO basis.

Cost of Finished Goods and Work-in-Progress is determined by taking Material Cost (net of Cenvat / VAT availed), Labour and relevant appropriate overhead and on FIFO basis.

Provisions for Excise Duty have been made on finished goods, which have no impact on the profit of the Company.

### 2.8 Revenue Recognition :

Sales of product in domestic market are recognized at the point of dispatch of goods and includes processing charges, excise duty but excludes sales tax / VAT and trade discount.

Revenue in respect of export sales is recognized on shipment / air lift of products.  
Interest income is recognized on time proportionate method.

Revenue in respect of other income is recognized when no significant uncertainty as to its determination or realization exists.

### 2.9 Foreign Currency Transaction:

Purchase and sales in Foreign Currencies are accounted at rupee equivalent value incurred / earned.

### 2.10 Research & Development:

Cost of Fixed Assets for Research & Development is capitalized and expenses of revenue nature are charged to Statement of Profit & Loss.

### 2.11 Excise Duty:

Excise duty is accounted gross of Cenvat benefit availed on inputs and Fixed Assets.

### 2.12 Retirement Benefits:

a) Contribution to Provident Fund accruing during each year as per the scheme is charged to Statement of Profit & Loss.

b) Gratuity Liability is covered by contributing to Employees' Gratuity Trust Fund under the Group Gratuity Scheme of the L.I.C.

c) Liability for accumulated compensated absence of employee as per Company Rules, is under the process of actuarial valuation basis.

### 2.13 Provision for Bad and Doubtful Debts / Advances:

Provision is made in accounts for Bad & Doubtful Debts / Advances which in the opinion of the Management are considered irrecoverable.

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#### 2.14 Taxes on Income:

(I) Current Tax is measured at the amount expected to be paid to the taxation authorities, using the applicable tax rates, tax laws and favourable judicial pronouncement / legal opinions;

(II) Deferred tax, comprising of tax effect of timing difference, between taxable and accounting incomes for the period, is recognized keeping in view the consideration of prudence in respect of deferred tax assets.

*[Handwritten signature]*



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**KLAR SEHEN PRIVATE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**3.1 SHAREHOLDERS FUNDS**

**NOTE NO. 3.1.1 : SHARE CAPITAL**

| S.No.    | Particulars   | No. of Shares | As at<br>31-03-2013 | No. of Shares | As at<br>31-03-2012 |
|----------|---|---------------|---------------------|---------------|---------------------|
|          |   |               | ₹                   |               | ₹                   |
|          | Share Capital   |               |                     |               |                     |
|          | Authorised: Equity Shares   | 7,50,000      | 7,500,000           | 7,50,000      | 7,500,000           |
|          | Issued: Equity Shares   | 6,99,800      | 6,998,000           | 6,99,800      | 6,998,000           |
|          | Subscribed & Fully Paid Up : Equity Shares  | 6,99,800      | 6,998,000           | 6,99,800      | 6,998,000           |
|          | Par Value per share Rs. 10 each   |               |                     |               |                     |
|          | <b>Total</b>  |               | <b>6,998,000</b>    |               | <b>6,998,000</b>    |
| <b>a</b> | Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting period |               |                     |               |                     |
|          | Total no of shares at opening of accounting period  | 6,99,800      |                     | 6,99,800      |                     |
|          | Add/Less : Issued/Repaid During the year  | -             |                     | -             |                     |
|          | Total no of shares at end of accounting period  | 6,99,800      |                     | 6,99,800      |                     |
| <b>b</b> | The Company has only one class of share referred to as Equity Shares having a par value of Rs. 10                 |               |                     |               |                     |
|          | <b>Total</b>  |               | <b>6,998,000</b>    |               | <b>6,998,000</b>    |

**Notes:**

| <b>c</b> | Details of shares in respect of each class in the company held by its holding company or by subsidiaries or associates of the holding company or the ultimate holding company in aggregate |                  |            |                  |            |
|----------|--|------------------|------------|------------------|------------|
| SL. No   | Name of the Shareholders   | As at 31.03.2013 |            | As at 31.03.2012 |            |
|          |  | No of Shares     | Percentage | No of Shares     | Percentage |
| 1        | Vivimed Labs Limited   | 699,800          | 100        | 699,800          | 100        |





**KLAR SEHEN PRIVATE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE NO. 3.1.2 : RESERVES AND SURPLUS**

| S. No. | Particulars  | As at<br>31-03-2013 |  | As at<br>31-03-2012 |
|--------|--|---------------------|--|---------------------|
|        |  | ₹                   |  | ₹                   |
|        | <b><u>RESERVES AND SURPLUS</u></b>                           |                     |  |                     |
|        | <u>General Reserve</u>                                       |                     |  |                     |
|        | As per last Balance Sheet                                    | 91,974,869          |  | 91,974,869          |
|        |  | 91,974,869          |  | 91,974,869          |
|        | <u>Surplus</u>   |                     |  |                     |
|        | <u>Balance in Statement of Profit &amp; Loss</u>             |                     |  |                     |
|        | Opening Balance  | 36,151,149          |  | 11,892,948          |
|        | Add: Amount transferred from Statement of Profit & Loss      | 35,873,953          |  | 24,252,795          |
|        | Amount available for Appropriation                           | 72,025,102          |  | 36,145,743          |
|        | <u>Appropriations:</u>                                       |                     |  |                     |
|        | Corporate Dividend Tax on distributable Profit: Current year | -                   |  | (5,406)             |
|        | Earlier year   | -                   |  | (5,406)             |
|        | Balance in Statement of Profit & Loss                        | 72,025,102          |  | 36,151,149          |
|        | <b>Total</b>   | <b>163,999,971</b>  |  | <b>128,126,018</b>  |

**3.2 NON-CURRENT LIABILITIES**

**NOTE NO. 3.2.1 : LONG TERM BORROWINGS**

| S.No. | Particulars              | As at<br>31-03-2013 |  | As at<br>31-03-2012 |
|-------|--------------------------|---------------------|--|---------------------|
|       |                          | ₹                   |  | ₹                   |
|       | <b><u>UNSECURED</u></b>  |                     |  |                     |
|       | Deposits (Trade Deposit) | 3,900,000           |  | 3,900,000           |
|       | <b>Total</b>             | <b>3,900,000</b>    |  | <b>3,900,000</b>    |

**3.3 CURRENT LIABILITIES**

**NOTE NO. 3.3.1: SHORT TERM BORROWINGS.**

| S.No. | Particulars  | As at<br>31-03-2013 |  | As at<br>31-03-2012 |
|-------|--|---------------------|--|---------------------|
|       |  | ₹                   |  | ₹                   |
|       | <b><u>Secured</u></b>                              |                     |  |                     |
|       | Loans repayable on demand:                         |                     |  |                     |
|       | - from banks (UCO- Cash Credit)                    | 4,578,279           |  | 4,191,779           |
|       | Other loans and advances (Car Loan from HDFC Bank) | 366,476             |  | 500,000             |
|       | <b>Total</b>                                       | <b>4,944,755</b>    |  | <b>4,691,779</b>    |

**NOTE NO**

3.3.1.1 Working Capital Loan ( Cash credit from UCO Bank) is secured by hypothecation of Stock-in Trade and Book Debts

3.3.1.2 Car Loan from HDFC Bank is secured by hypothecation of Car-Ford Figo (Model No 1.4EXI)  
No W.B. 06J 7715

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## NOTE NO. 3.3.2 :TRADE PAYABLE

| S. No. | Particulars                         | As at<br>31-03-2013 |  | As at<br>31-03-2012 |
|--------|-------------------------------------|---------------------|--|---------------------|
|        |                                     | ₹                   |  | ₹                   |
|        | <b>Trade payables:</b>              |                     |  |                     |
|        | Micro, Small and Medium Enterprises | 1,471,519           |  | 1,499,586           |
|        | Others                              | 29,121,003          |  | 23,089,424          |
|        | <b>Total</b>                        | <b>30,592,522</b>   |  | <b>24,589,010</b>   |

## NOTE NO

|         |   |                     |  |                     |
|---------|---|---------------------|--|---------------------|
| 3.3.2.1 | Under the Micro, Small and Medium Enterprises Development Act, 2006,[ MSMED] following disclosures are required to be made relating to Micro,Small and Medium enterprises.                                      | As at<br>31-03-2013 |  | As at<br>31-03-2012 |
|         | Principal amount remaining unpaid to any supplier at the year end   | 1,471,519           |  | 1,499,586           |
|         | Interest due thereon  | -                   |  | -                   |
|         | Amount of interest paid by the Company in terms of Section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the year                                  | -                   |  | -                   |
|         | Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED      | -                   |  | -                   |
|         | Amount of interest accrued and remaining unpaid at the end of the accounting year   | -                   |  | -                   |
|         | ( The above information has been compiled in respect of parties to the extent to which they could be identified as Micro, Small and Medium enterprises on the basis of information available with the Company.) | -                   |  | -                   |

## NOTE NO. 3.3.3 : OTHER CURRENT LIABILITIES

| S.No. | Particulars                           | As at<br>31-03-2013 |  | As at<br>31-03-2012 |
|-------|---------------------------------------|---------------------|--|---------------------|
|       |                                       | ₹                   |  | ₹                   |
|       | Interest accrued and due on borrowing | 192,300             |  | 187,300             |
|       | Creditors for Capital Expenditure     | 536,880             |  | 459,645             |
|       | Other Payables *                      | 1,416,531           |  | 1,229,977           |
|       | <b>Total</b>                          | <b>2,145,711</b>    |  | <b>1,876,922</b>    |

\* Current Year - Includes statutory dues

Previous Year - Includes statutory dues and inter company Transactions

## NOTE NO. 3.3.4 : SHORT TERM PROVISIONS

| S.No. | Particulars                      | As at<br>31-03-2013 |  | As at<br>31-03-2012 |
|-------|----------------------------------|---------------------|--|---------------------|
|       |                                  | ₹                   |  | ₹                   |
|       | Provisions for employee benefits |                     |  |                     |
|       | Gratuity                         | -                   |  | -                   |
|       | Leave *                          | 1,167,812           |  | 857,474             |
|       | Income Tax                       | 12,956,811          |  | 11,400,000          |
|       | <b>Total</b>                     | <b>14,124,623</b>   |  | <b>12,257,474</b>   |

## Notes :

\* On estimated basis Current year Rs. 4,80,000 Previous year Rs. 4,60,000 The following table sets on the scheme of gratuity plan as required under AS 15 (Revised) Employee Benefits.

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**KLAR SEHEN PRIVATE LIMITED**

**NOTE NO. 3.3.4.1 :**

| B. Information as available from Life Insurance Corporation of India with whom Gratuity Scheme is funded |   | <b>As at<br/>31-03-2013</b> | <b>As at<br/>31-03-2012</b>     |
|--|---|-----------------------------|---------------------------------|
| 1  | Assumption<br>Discount Rate<br>Salary Escalation<br><b>Table Showing changes in present value of Obligation As on 31/03/2013</b>  | See Note below              | See Note below                  |
| 2  | Present value of obligations as at beginning of year<br>Interest cost<br>Current Service Cost<br>Benefits Paid<br>Actuarial (gain) / loss on obligations<br>Present value of obligations as at the end of year  |                             | -<br>-<br>-<br>-<br>-           |
| 3  | <b>Table showing changes in the fair value of plan assets As on 31/03/2013</b><br>Fair value of plan assets at beginning of year<br>Expected return on plan assets<br>Contributions<br>Benefits Paid<br>Actuarial gain / (Loss) on Plan assets<br>Fair value of plan assets at the end of year  |                             | -<br>-<br>-<br>-<br>-           |
| 4  | <b>Table showing fair value of plan assets</b><br>Fair value of plan assets at beginning of year<br>Actual return on plan assets<br>Contributions<br>Benefits Paid<br><br>Fair value of plan assets at the end of year<br>Funded status<br>Excess of Actual over estimated return on plan assets<br>(Actual rate of return = Estimated rate of return as ARD falls on 31st March) |                             | -<br>-<br>-<br>-<br>-<br>-<br>- |
| 5  | <b>Actuarial Gain / Loss recognized</b><br>Actuarial (gain) / loss on obligations<br>Actuarial (gain) / loss for the year - plan assets<br>Total (gain) / loss for the year<br>Actuarial (gain) / loss recognized in the year   |                             | -<br>-<br>-<br>-                |
| 6  | <b>The amounts to be recognized in the balance sheet and statements of profit and loss</b><br>Present value of obligations as at the end of year<br>Fair value of plan assets as at the end of the year<br>Funded status<br>Net asset / (liability) recognized in balance sheet   |                             | -<br>-<br>-<br>-                |
| 7  | <b>Expenses Recognised in statement of Profit and Loss</b><br>Current Service cost<br>Interest Cost<br>Expected return on plan assets<br><br>Net Actuarial (gain) / loss recognized in the year<br>Expenses recognised in statement of Profit and Loss  |                             | -<br>-<br>-<br>-<br>-           |

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**NOTE NO. 3.3.4.1.2 :**

Current years figure (F.Y. 2012-2013) and that of previous year (F.Y. 2011-2012) have not been received from LIC1 with whom the Gratuity Scheme has been funded and in absence thereof, the amount of Premium Paid for the year 2012-2013 and 2011-2012 have been charged to the Statement of Profit & Loss

**NOTE NO. 3.3.4.1.3 :**

Disclosures with respect to Accounting Standards notified by Companies (Accounting Standards) Rules, 2006:

Accounting Standard - 15 (Revised ) Employee Benefits :

Defined benefit plan and long term employment benefit

**General description**

**Gratuity (Defined benefit plan)**

The Company has a defined gratuity plan. Every Employee who has completed five years or more of service gets a gratuity on death or resignation or retirement at 15 days salary ( last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India in the form of a qualifying insurance policy.

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**KLAR SEHEN PRIVATE LIMITED**

**3.4.: Non-Current Assets  
FIXED ASSETS: 3.4.1**

| FIXED ASSETS: 3.4.1      |  |                  |                           |                                  |                  |                           |                             |                            |                    | Figures in ₹               |                            |
|--------------------------|--|------------------|---------------------------|----------------------------------|------------------|---------------------------|-----------------------------|----------------------------|--------------------|----------------------------|----------------------------|
| Sl. No.                  | Particulars                                | Gross Block      |                           |                                  | As at 31.03.2013 | Depreciation/Amortization |                             |                            |                    | Net Block as at 31.03.2013 | Net Block as at 31.03.2012 |
|                          |  | As at 01.04.2012 | Additions during the year | Sale / Deletions during the year |                  | Dep. As on 01.04.2012     | Dep. For the Year 2012-2013 | Impairment Loss / Reversal | Total Depreciation |                            |                            |
| TANGIBLE ASSETS          |  |                  |                           |                                  |                  |                           |                             |                            |                    |                            |                            |
| 1                        | FREEHOLD LAND                              | 981,593          | 391,824                   | 1,373,417                        | -                | -                         | -                           | -                          | -                  | -                          | 981,593                    |
| 2                        | LEASEHOLD LAND                             | 263,284          | -                         | -                                | 263,284          | 62,823                    | 3,182                       | -                          | 66,006             | 197,279                    | 200,461                    |
| 3                        | FACTORY SHED/ BUILDING (ON LEASEHOLD LAND) | 15,741,530       | 3,419,091                 | -                                | 19,160,621       | 8,568,862                 | 893,373                     | -                          | 9,462,235          | 9,698,386                  | 7,172,668                  |
| 4                        | PLANT & MACHINERY                          | 50,904,998       | 3,137,354                 | -                                | 54,042,352       | 29,411,030                | 3,232,005                   | -                          | 32,643,035         | 21,399,317                 | 21,493,968                 |
| 5                        | ELECTRICAL EQUIPMENT                       | 2,679,859        | 174,060                   | -                                | 3,053,919        | 1,748,146                 | 178,169                     | -                          | 1,926,315          | 1,127,504                  | 1,131,713                  |
| 6                        | OFFICE EQUIPMENT                           | 80,022           | 43,563                    | -                                | 123,585          | 1,091                     | 14,477                      | -                          | 15,568             | 108,017                    | 78,931                     |
| 7                        | COMPUTERS                                  | 1,470,873        | 219,908                   | -                                | 1,690,781        | 1,169,744                 | 182,102                     | -                          | 1,351,846          | 338,935                    | 301,129                    |
| 8                        | FURNITURE                                  | 2,996,079        | 221,410                   | -                                | 3,217,489        | 2,519,251                 | 106,499                     | -                          | 2,625,750          | 591,739                    | 476,828                    |
| 9                        | VEHICLES                                   | 1,243,449        | -                         | -                                | 1,243,449        | 370,968                   | 225,886                     | -                          | 596,864            | 646,595                    | 872,481                    |
| 10                       | BOOKS & PERIODICALS                        | 38,800           | -                         | -                                | 38,800           | 8,172                     | 4,260                       | -                          | 12,432             | 26,368                     | 30,628                     |
| TOTAL                    |  | 76,600,487       | 7,607,210                 | 1,373,417                        | 82,834,280       | 43,860,087                | 4,839,963                   | -                          | 48,700,040         | 34,134,240                 | 32,740,400                 |
| PREVIOUS YEAR            |  | 73,244,648       | 3,355,839                 | -                                | 76,600,487       | 39,411,461                | 4,448,636                   | -                          | 43,860,087         | 32,740,400                 | 33,833,197                 |
| CAPITAL WORK IN PROGRESS |  | -                | -                         | -                                | -                | -                         | -                           | -                          | -                  | -                          | 1,965,207                  |



*(Signature)*

**KLAR SEHEN PRIVATE LIMITED**

**NOTE NO. 3.4.2 : LONG- TERM LOANS AND ADVANCES**

| S.No. | Particulars   | As at<br>31-03-2013 |  | As at<br>31-03-2012 |
|-------|---|---------------------|--|---------------------|
|       |   | ₹                   |  | ₹                   |
|       | ( Unsecured - Considered Good )                             |                     |  |                     |
|       | Capital advance   | 703,047             |  | 680,705             |
|       | Security Deposit  | 2,124,691           |  | 411,874             |
|       | Un Secured Loan To Holding<br>Company(Vivimed Labs Limited) | 60,000,000          |  | 60,000,000          |
|       | <b>Total</b>  | <b>62,827,738</b>   |  | <b>61,092,579</b>   |

**NOTE NO. 3.4.3 : OTHER NON - CURRENT ASSETS**

| S.No. | Particulars       | As at<br>31-03-2013 |  | As at<br>31-03-2012 |
|-------|-------------------|---------------------|--|---------------------|
|       |                   | ₹                   |  | ₹                   |
|       | Others (PF & ESI) | 2,288,567           |  | 2,288,567           |
|       | <b>Total</b>      | <b>2,288,567</b>    |  | <b>2,288,567</b>    |

**Note:**

Represents money recovered by PF & deposited against ESI Court Order against which the legal proceeding initiated by the Company is pending

**3.5: CURRENT ASSETS**

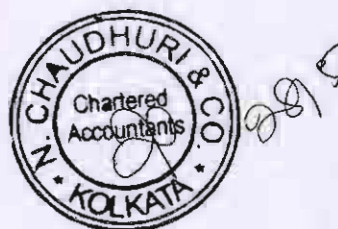
**NOTE NO. 3.5.1 : CURRENT INVESTMENTS**

| S. No. | Particulars                | As at<br>31-03-2013 |  | As at<br>31-03-2012 |
|--------|----------------------------|---------------------|--|---------------------|
|        |                            | ₹                   |  | ₹                   |
|        | Current investments :      |                     |  |                     |
|        | Investment in mutual funds | 1,000,000           |  | 5,980,122           |
|        | Other investments          | 1,000,000           |  | 1,000,000           |
|        | <b>Total</b>               | <b>2,000,000</b>    |  | <b>6,980,122</b>    |

**NOTE NO. 3.5.1.1 : CURRENT INVESTMENTS**

|  |           |  |           |
|--|-----------|--|-----------|
| Aggregate amount of quoted investments       | 1,000,000 |  | 5,980,122 |
| Aggregate Market Value of quoted investments | 552,086   |  | 5,462,445 |
| Aggregate amount of unquoted investments     | 1,000,000 |  | 1,000,000 |

Details of Investment given below





**KLAR SEHEN PRIVATE LIMITED**

|     |  | As at<br>31-03-2013<br>Not Quoted | As at<br>31-03-2012<br>Not Quoted |
|-----|--|-----------------------------------|-----------------------------------|
|     | <i>Current</i>   |                                   |                                   |
| II  | <b><u>Other Investments</u></b>  |                                   |                                   |
| (A) | <b><u>MUTUAL FUND- QUOTED, FULLY PAID UP</u></b>   |                                   |                                   |
| 1   | DSP BLACK ROCK INDIA T.I.G.E.R. FUND-REGULAR PLAN-DIVIDEND<br>[ NIL (2011 -10,768) units of Rs. 10.00 each<br>[ NIL (2011 -NIL) Purchased during the year] | 300,000                           | 300,000                           |
| 2   | DSP BLACK ROCK FOCUS 25 FUND GROWTH<br>50,000 (2011-50,000) units of Rs. 10.00 each<br>[ NIL (2011 -50,000) Purchased during the year]                     | -                                 | 500,000                           |
| 3   | DSP BLACK ROCK LIQUIDITY FUND GROWTH<br>6459 (2011-NIL) units of Rs. 10.00 each<br>[ 6,459 (2011 -NIL) Purchased during the year]                          | -                                 | 152,277                           |
| 4   | FRANKLIN INDIA PRIMA PLUS-DIVIDEND PAYOUT<br>7,052 (2011 - 7,052) units of Rs. 10.00 each<br>[NIL (2011 -NIL) Purchased during the year]                   | 300,000                           | 300,000                           |
| 5   | HDFC EQUITY FUND -DIVIDEND FUND<br>4,358 (2011-NIL) units of Rs. 10.00 each<br>[ 4,358 (2011 -NIL) Purchased during the year]                              | -                                 | 200,000                           |
| 6   | HDFC CMF TREASURY ADV. FUND - GROWTH<br>303 (2011-NIL) units of Rs. 10.00 each<br>[ NIL (2011 -23,216) Purchased during the year]                          | -                                 | 6,522                             |
| 7   | ICICI PRUDENTIAL FOCUSED BLUCHIP<br>EQUITY - DIVIDEND<br>12,756 (2011 - NIL) units of Rs. 10.00 each<br>[NIL (2011 - NIL) Purchased during the year]       | -                                 | 200,000                           |
| 8   | ICICI PRUDENTIAL FOCUSED BLUCHIP<br>REGULAR GROWTH<br>19,654 (2011 - 19,654) units of Rs. 10.00 each<br>[ NIL (2011 - 19,654) Purchased during the year]   | -                                 | 320,000                           |
| 9   | ICICI PRUDENTIAL DISCOVERY FUND - GROWTH<br>6,647 (2011 - 6,647) units of Rs. 10.00 each<br>[NIL (2011 - NIL) Purchased during the year]                   | -                                 | 301,323                           |
| 10  | ICICI PRUDENTIAL DISCOVERY FUND - DIVIDEND<br>15,375 (2011 - 15,375) units of Rs. 10.00 each<br>[ NIL (2011 - 15,375) Purchased during the year]           | -                                 | 300,000                           |



**KLAR SEHEN PRIVATE LIMITED**

|                    |  |                  |                  |
|--------------------|--|------------------|------------------|
| 11                 | <b>IDFC PREMIER EQUITY FUND PL-A DIV</b><br>NIL (2011 - 15,686) units of Rs. 25.00 each<br>[ NIL (2011 - 15,686 ) Purchased during the year]             | -                | 400,000          |
| 12                 | <b>RELIANCE BANKING GROWTH FUND</b><br>9285 (2011 - 9285) units of Rs. 10.00 each<br>[ NIL (2011 - 14,964 ) Purchased during the year]                   | -                | 960,000          |
| 13                 | <b>RELIANCE FIXED HORIZON FUND - FMP</b><br>1,20,000 (2010 - NIL) units of Rs. 10.00 each<br>[1,20,000 (2010 - NIL ) Purchased during the year]          | -                | 1,200,000        |
| 14                 | <b>RELIANCE REGULAR SAVINGS FUND - Equity</b><br>14,850 (2010 - 132312) units of Rs. 10.00 each<br>[ 3,59,991 (2010 - 132312) Purchased during the year] | -                | 440,000          |
| 15                 | <b>UTI ENERGY FUND-GROWTH PLAN</b><br>27,972 (2010 - 27,972) units of Rs. 10.00 each   | 400,000          | 400,000          |
| <b>Total ( A )</b> |  | <b>1,000,000</b> | <b>5,980,122</b> |

|                                |  |                  |                  |
|--------------------------------|--|------------------|------------------|
| (B)                            | <b><u>In Venture Fund: UN-QUOTED</u></b><br><b><u>CONTRIBUTION TO CINEMA CAPITAL</u></b> |                  |                  |
| 1                              | <b><u>VENTURE FUND SCHEME- 1</u></b>   | 1,000,000        | 1,000,000        |
| <b>Total (B)</b>               |  | <b>1,000,000</b> | <b>1,000,000</b> |
| <b>TOTAL II [(A) + (B)]</b>    |  | <b>2,000,000</b> | <b>6,980,122</b> |
| <b>TOTAL INVESTMENT I + II</b> |  | <b>2,000,000</b> | <b>6,980,122</b> |

|                                  |  |                  |                  |
|----------------------------------|--|------------------|------------------|
| <b><u>FUND- WISE SUMMARY</u></b> |  |                  |                  |
| <b>MUTUAL FUND</b>               |  | 1,000,000        | 5,980,122        |
| <b>VENTURE FUND</b>              |  | 1,000,000        | 1,000,000        |
| <b>Total</b>                     |  | <b>2,000,000</b> | <b>6,980,122</b> |

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## NOTE NO. 3.5.2 : INVENTORIES

| S. No. | Particulars  | As at<br>31-03-2013 |  | As at<br>31-03-2012 |
|--------|--|---------------------|--|---------------------|
|        |  | ₹                   |  | ₹                   |
|        | Raw and Packing materials  | 10,864,761          |  | 8,535,831           |
|        | Stock - in - Process   | 3,340,331           |  | 2,072,719           |
|        | Finished goods   | 16,881,806          |  | 11,967,315          |
|        | Stock - in - trade ( in respect of goods<br>acquired for trading ) | 7,784,189           |  | 5,463,744           |
|        | Stores and spares  | 132,128             |  | 193,669             |
|        | Finished goods/Stock-in-Trade-in Transit                           | 227,096             |  | 171,707             |
|        | Others/ F.G.in Transit   | -                   |  | 1,162,381           |
|        | <b>Total</b>   | <b>39,230,311</b>   |  | <b>29,567,366</b>   |

## NOTE NO. 3.5.3 : TRADE RECEIVABLES

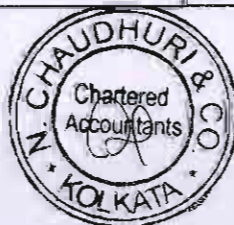
| S. No. | Particulars                     | As at<br>31-03-2013 |  | As at<br>31-03-2012 |
|--------|---------------------------------|---------------------|--|---------------------|
|        |                                 | ₹                   |  | ₹                   |
|        | ( Unsecured - Considered Good ) |                     |  |                     |
|        | Outstanding more than 6 months  | 1,791,241           |  | 2,085,310           |
|        | Others                          | 28,818,915          |  | 19,903,745          |
|        | <b>Total</b>                    | <b>30,610,156</b>   |  | <b>21,989,055</b>   |

## NOTE NO. 3.5.4 : CASH AND CASH EQUIVALENTS

| S. No. | Particulars   | As at<br>31-03-2013 |  | As at<br>31-03-2012 |
|--------|---|---------------------|--|---------------------|
|        |   | ₹                   |  | ₹                   |
|        | Balances with banks in Current and Deposit Accounts                                 | 13,030,512          |  | 13,869,136          |
|        | Margin Money  | 2,600               |  | 2,600               |
|        | Bank deposits with more than 12 months maturity                                     | 160,786             |  | 10,785              |
|        | Cheques, draft in hand  | 36,004              |  | 132,315             |
|        | Cash in hand  | 857,398             |  | 571,043             |
|        | Others: Includes Balance in saving A/c<br>pledged with Excise Authority as Security | 13,000              |  | 13,000              |
|        | <b>Total</b>  | <b>14,100,300</b>   |  | <b>14,598,879</b>   |

## NOTE NO. 3.5.5 : SHORT TERM LOANS AND ADVANCES

| S. No. | Particulars   | As at<br>31-03-2013 |  | As at<br>31-03-2012 |
|--------|---|---------------------|--|---------------------|
|        |   | ₹                   |  | ₹                   |
|        | ( Unsecured - Considered Good )   |                     |  |                     |
|        | Advance to Others ( Advance recoverable in<br>Cash<br>or in kind or for Value to be Received) | 2,100,046           |  | 1,831,232           |
|        | Balance with Central Excise Authorities   | 696,510             |  | 494,333             |
|        | Advance Income Tax and Tax deducted at<br>Source  | 15,154,393          |  | 9,167,565           |
|        | <b>Total</b>  | <b>17,950,949</b>   |  | <b>11,493,130</b>   |





## NOTE NO. 3.5.6 : OTHER CURRENT ASSETS

| S. No. | Particulars  | As at<br>31-03-2013 |  | As at<br>31-03-2012 |
|--------|--------------|---------------------|--|---------------------|
|        |              | ₹                   |  | ₹                   |
|        | Other *      | 23,896,942          |  | -                   |
|        | <b>Total</b> | <b>23,896,942</b>   |  | <b>-</b>            |

\* Includes Intercompany transactions (Corresponding Value for Intercompany transaction for Previous Year has been shown under Note No 3.3.3)

## NOTES TO THE FINANCIAL STATEMENTS

## INCOME:3.6

## NOTE NO. 3.6.1 : REVENUE FROM OPERATIONS

| S.No. | Particulars          | Year Ended<br>31-03-2013 |  | Year Ended<br>31-03-2012 |
|-------|----------------------|--------------------------|--|--------------------------|
|       |                      | ₹                        |  | ₹                        |
|       | Sale of Products     | 248,089,021              |  | 209,188,133              |
|       | Income from Services | 4,458,452                |  | 4,520,894                |
|       |                      | <b>252,547,473</b>       |  | <b>213,709,027</b>       |
|       | Less: Excise Duties  | 11,784,525               |  | 7,492,832                |
|       | <b>Total</b>         | <b>240,762,948</b>       |  | <b>206,216,195</b>       |

## 3.6.1.1 PARTICULARS OF SALE OF PRODUCTS

| Particulars              | Year Ended<br>31-03-2013 |  | Year Ended<br>31-03-2012 |
|--------------------------|--------------------------|--|--------------------------|
|                          | Value (in ₹)             |  | Value (in ₹)             |
| a) EYE / ENT Liquid      | 90,938,758               |  | 79,736,459               |
| b) Oral Liquid           | 82,906,778               |  | 50,609,292               |
| c) Dermatological Lotion | 6,249,757                |  | 5,592,264                |
| d) EYE / ENT Ointment    | 10,925,434               |  | 9,616,182                |
| e) Tablets               | 1,682,974                |  | 7,941,560                |
| f) Capsules              | 21,572,807               |  | 16,595,533               |
| g) Eye Drops             | 33,812,513               |  | 39,096,843               |
|                          | <b>248,089,021</b>       |  | <b>209,188,133</b>       |

## NOTE NO. 3.6.2 : OTHER INCOME

| S.No. | Particulars                             | Year Ended<br>31-03-2013 |  | Year Ended<br>31-03-2012 |
|-------|---|--------------------------|--|--------------------------|
|       |   | ₹                        |  | ₹                        |
|       | Interest income                         |                          |  |                          |
|       | Interest on Deposits #                  | 5,864,617                |  | 1,108,417                |
|       | Interest on Overdue Payment             | 175,911                  |  | 62,116                   |
|       | Dividend Income From Current Investment | 26,539                   |  | 1,862,494                |
|       | Net Gain/ (Loss) on sale of Investments | 473,231                  |  | (790,296)                |
|       | Other non-operating income *            | 14,129,982               |  | 1,246,067                |
|       | <b>Total</b>                            | <b>20,670,280</b>        |  | <b>3,488,798</b>         |

# Includes interest on Un-secured Loan Rs. 57,00,000 (Previous Year Nil )

\* Includes Industrial Promotional Assistance Rs. 2,83,934 (Previous Year Rs. 6,55,568) & Profit on Sale of Land Rs. 1,36,26,583 (Previous Year Nil )

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## NOTES TO THE FINANCIAL STATEMENTS

## NOTE NO. 3.7.1 : COST OF MATERIALS CONSUMED

| S.No. | Particulars                |            | Year ended<br>31-03-2013 |            | Year ended<br>31-03-2012 |
|-------|----------------------------|------------|--------------------------|------------|--------------------------|
|       |                            | ₹          | ₹                        | ₹          | ₹                        |
|       | <u>Raw Materials :</u>     |            |                          |            |                          |
|       | Stock at Commencement      | 4,331,771  |                          | 3,636,737  |                          |
|       | Add : Purchases            | 29,345,659 |                          | 22,555,127 |                          |
|       |                            | 33,677,430 |                          | 26,191,864 |                          |
|       | Less : Stock at Close      | 3,990,304  | 29,687,126               | 4,331,771  | 21,860,093               |
|       | <u>Packing Materials :</u> |            |                          |            |                          |
|       | Stock at Commencement      | 4,204,060  |                          | 3,943,728  |                          |
|       | Add : Purchases            | 38,946,357 |                          | 29,060,555 |                          |
|       |                            | 43,150,417 |                          | 33,004,283 |                          |
|       | Less : Stock at Close      | 6,874,457  | 36,275,960               | 4,204,060  | 28,800,223               |
|       | Total                      |            | 65,963,086               |            | 50,660,316               |

## NOTE NO. 3.7.1.1 : RAW &amp; PACKING MATERIALS CONSUMED

| S.No. |                           | Year Ended<br>31-03-2013 |  | Year Ended<br>31-03-2012 |
|-------|---------------------------|--------------------------|--|--------------------------|
|       |                           | Value (in ₹)             |  | Value (in ₹)             |
|       | <u>Raw Materials:</u>     |                          |  |                          |
|       | Active Ingredients        | 29,443,670               |  | 21,782,758               |
|       | Preservatives & Re-agents | 243,456                  |  | 77,335                   |
|       |                           | 29,687,126               |  | 21,860,093               |
|       | <u>Packing Materials</u>  | 36,275,960               |  | 28,800,223               |
|       |                           | 65,963,086               |  | 50,660,316               |

## NOTE NO. 3.7.2 : PURCHASE OF STOCK IN TRADE

| S.No. | Particulars   | Year Ended<br>31-03-2013 |  | Year Ended<br>31-03-2012 |
|-------|---|--------------------------|--|--------------------------|
|       |   | Value (in ₹)             |  | Value (in ₹)             |
|       | Purchase of Stock in Trade<br>(Third Party Manufacturing) | 22,522,001               |  | 22,492,843               |
|       | Total   | 22,522,001               |  | 22,492,843               |

## NOTE NO. 3.7.2.1 : PURCHASE OF STOCK IN TRADE

| S.No. | Particulars    | Year Ended<br>31-03-2013 |  | Year Ended<br>31-03-2012 |
|-------|----------------|--------------------------|--|--------------------------|
|       |                | Value (in ₹)             |  | Value (in ₹)             |
|       | Capsules       | 6,217,731                |  | 4,935,582                |
|       | Eye /Ent Drops | 12,403,106               |  | 15,675,870               |
|       | Tablets        | 3,901,164                |  | 1,881,391                |
|       |                | 22,522,001               |  | 22,492,843               |

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**KLAR SEHEN PRIVATE LIMITED**

**NOTE NO. 3.7.3 : CHANGES IN INVENTORIES OF FINISHED GOODS , STOCK- IN -PROCESS AND STOCK -IN -TRADE**

| S.No. | Particulars   |            | Year Ended<br>31-03-2013 |            | Year Ended<br>31-03-2012 |
|-------|---|------------|--------------------------|------------|--------------------------|
|       |   | ₹          | Value (in ₹)             | ₹          | Value (in ₹)             |
|       | Inventories (at Commencement) :                           |            |                          |            |                          |
|       | Stock - in - Process                                      | 2,072,719  |                          | 2,324,958  |                          |
|       | Finished Goods/Stock-in-Trade                             | 17,431,059 |                          | 14,827,160 |                          |
|       | Finished Goods/Stock -in- Trade in Transit                | 1,334,088  |                          | -          |                          |
|       |   | 20,837,866 |                          | 17,152,118 |                          |
|       | Less : Inventories (at Close) :                           |            |                          |            |                          |
|       | Stock - in - Process                                      | 3,340,331  |                          | 2,072,719  |                          |
|       | Finished Goods/Stock -in- Trade                           | 24,665,995 |                          | 17,431,059 |                          |
|       | Finished Goods/Stock -in- Trade in Transit                | 227,096    |                          | 1,334,088  |                          |
|       |   | 28,233,422 |                          | 20,837,866 |                          |
|       |   |            | (7,395,556)              |            | (3,685,748)              |
|       | Excise Duty on Increase/( Decrease ) of<br>Finished Goods |            | 6,206                    |            | (68,869)                 |
|       | <b>Total</b>  |            | <b>(7,389,350)</b>       |            | <b>(3,754,617)</b>       |

**EXPENSES: 3.7**

**NOTE NO. 3.7.4 : EMPLOYEE BENEFIT EXPENSES**

|  |   |  | Year Ended<br>31-03-2013 |  | Year Ended<br>31-03-2012 |
|--|---|--|--------------------------|--|--------------------------|
|  |   |  | ₹                        |  | ₹                        |
|  | Salaries & Wages                        |  | 46,106,369               |  | 35,566,774               |
|  | Contribution to Provident & Other Funds |  | 4,115,659                |  | 3,692,253                |
|  | Staff Welfare Expenses                  |  | 780,926                  |  | 776,043                  |
|  | <b>Total</b>                            |  | <b>51,002,954</b>        |  | <b>40,035,070</b>        |

**EXPENSES: 3.7**

**NOTE NO. 3.7.5 : FINANCE COST**

| S.No. | Particulars           |  | Year Ended<br>31-03-2013 |  | Year Ended<br>31-03-2012 |
|-------|-----------------------|--|--------------------------|--|--------------------------|
|       |                       |  | ₹                        |  | ₹                        |
|       | Interest Expenses     |  | 416,611                  |  | 352,339                  |
|       | Other Borrowing costs |  | 466,356                  |  | 401,282                  |
|       | <b>Total</b>          |  | <b>882,967</b>           |  | <b>753,621</b>           |

*[Handwritten Signature]*



*[Handwritten Signature]*



## NOTE NO. 3.7.6 : OTHER EXPENSES

| S.No. | Particulars                        | Year Ended<br>31-03-2013 |                   | Year Ended<br>31-03-2012 |                   |
|-------|------------------------------------|--------------------------|-------------------|--------------------------|-------------------|
|       |                                    | ₹                        | ₹                 | ₹                        | ₹                 |
|       | Consumption of Stores & Spares     |                          | 1,162,858         |                          | 1,103,964         |
|       | Conversion Charges                 |                          | 2,992,450         |                          | 2,058,659         |
|       | Power & Fuel                       |                          | 4,146,887         |                          | 2,752,704         |
|       | Rent                               |                          | 986,259           |                          | 1,062,955         |
|       | Repairs to Building                | 814,845                  |                   | 720,684                  |                   |
|       | Repairs to Machinery               | 927,640                  |                   | 528,535                  |                   |
|       | Other Repairing                    | 1,195,911                | 2,938,396         | 361,027                  | 1,610,246         |
|       | Insurance                          |                          | 556,827           |                          | 458,895           |
|       | Rates & Taxes                      |                          | 203,325           |                          | 250,880           |
|       | Advertisement & Staff Recruitment  |                          | 143,931           |                          | 358,216           |
|       | Bank Charges                       |                          | 138,297           |                          | 131,529           |
|       | Courier, Postage                   |                          | 864,117           |                          | 869,469           |
|       | Telephone Charges                  |                          | 452,393           |                          | 409,152           |
|       | Security Service Charges           |                          | 457,444           |                          | 354,736           |
|       | Subscription                       |                          | 383,417           |                          | 163,735           |
|       | Tender Fees & Expenses             |                          | 344,445           |                          | 153,909           |
|       | Printing & Stationery              |                          | 894,805           |                          | 847,102           |
|       | Payment to Auditors:               |                          |                   |                          |                   |
|       | For Statutory Audit Fees           | 90,000                   |                   | 75,000                   |                   |
|       | For Cost Audit Fees                | 10,000                   |                   | 10,000                   |                   |
|       | For Taxation Matters               | 20,000                   |                   | 15,000                   |                   |
|       | For Certification Work             | 32,000                   | 152,000           | 93,250                   | 193,250           |
|       | Bad Debt                           |                          | 352,029           |                          | 166,598           |
|       | Commission on Sales                | 3,652,707                |                   | 3,161,595                |                   |
|       | Freight & Forwarding on Sales      | 6,125,352                |                   | 4,751,157                |                   |
|       | Sales Promotion Expenses           | 17,490,981               |                   | 17,605,092               |                   |
|       | Other Marketing Expenses           | 24,704,449               | 51,973,489        | 16,731,766               | 42,249,610        |
|       | Travelling & Conveyance            |                          | 3,857,939         |                          | 2,854,810         |
|       | Legal & Profession Charges         |                          | 1,184,079         |                          | 1,140,155         |
|       | Exchange Loss/Gain on Export Sales |                          | 81,860            |                          | -                 |
|       | Other Expenses                     |                          | 676,241           |                          | 682,501           |
|       | <b>Total</b>                       |                          | <b>74,943,488</b> |                          | <b>59,873,075</b> |

| 3.7.6.1. | Value of Stores Consumed<br>Indigenous | Year Ended<br>31-03-2013 | % of Consumed | Year Ended<br>31-03-2012 | % of Consumed |
|----------|--|--------------------------|---------------|--------------------------|---------------|
|          |  | ₹                        |               | ₹                        |               |
|          |  | 1,162,858                | 100           | 1103964                  | 100           |

## NOTE NO. 3.7.7 : TAX EXPENSE

| S.No. | Particulars                   | Year Ended<br>31-03-2013 |                   | Year Ended<br>31-03-2012 |                   |
|-------|-------------------------------|--------------------------|-------------------|--------------------------|-------------------|
|       |                               | ₹                        | ₹                 | ₹                        | ₹                 |
|       | Income Tax                    |                          |                   |                          |                   |
|       | For Current year              |                          | 12,956,811        |                          | 11,400,000        |
|       | Less /Add Earlier years (Net) |                          | (220,154)         |                          | (163,443)         |
|       | <b>Total</b>                  |                          | <b>12,736,657</b> |                          | <b>11,236,557</b> |



**KLAR SEHEN PRIVATE LIMITED**

**3.8: OTHER NOTES**

**3.8.1**

Industrial Promotion Assistance of Rs.2.84 Lakhs (P.Y.6.55 Lakhs) received during the year from government of West Bengal under the West Bengal Industrial Promotion (Assistance to Industrial Units) Scheme ,2010 (Previously known as the West bengal Industrial Promotion (Assistance to Industrial Units) Scheme, 1994 ), has been treated as Capital Receipt for taxation purpose, in view of the decisions of the Hon'ble High Court at Calcutta in the matter.

**3.8.2**

|   | As at<br>31-03-2013 | As at<br>3/31/2012 |
|---|---------------------|--------------------|
|   | ₹                   | ₹                  |
| Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advance) : |                     | 769,000            |

**3.8.3**

|  | As at<br>31-02-2013 | As at<br>31-02-2012 |
|--|---------------------|---------------------|
|  | ₹                   | ₹                   |
| Contingent Liabilities not provided for :              |                     |                     |
| Guarantee issued by Bank                               | 36,786              | 36,786              |
| ( Margin held )  | (13,386)            | (13,386)            |
| Liabilities Disputed - Appeals Filed with respect to : |                     |                     |
| Sales Tax  | 512,871             | 512,871             |
| ESIC Contribution                                      | 1,984,735           | 1,984,735           |
| Provident Fund Contribution                            | 1,874,239           | 1,874,239           |

**3.8.4**

**Accounting Standard - 18 Related Party Transaction :**

**Name of the Related Party and Nature of the Related Party Relationship :**

**Directors and their relatives :**

Mr. Ashis Kumar Lahiri                      Director  
Mr. Anup Sankar Bhaduri                  Director (Resigned on 29.09.2011)  
Mrs. Runu Bhaduri                          Director (Resigned on 29.09.2011)

**100% Holding Company**

M/s Vivimed Labs Limited

**Transactions with Related Parties :**

**Details relating to persons referred to above :**

Vivimed Labs Limited. 100% Holding Company

|                            | 2012-2013  | 2011-2012  |
|----------------------------|------------|------------|
|                            | ₹          | ₹          |
| Loan given                 | 60,000,000 | 60,000,000 |
| Re-imbursement of Expenses | 19,500     | 41,875     |
| Purchase                   | 5,003,862  | 1,030,692  |
| Director Remuneration      | -          | 286,334    |
| Advance                    | 21,026,285 | -          |
| Interest on Unsecured Loan | 5,700,000  | -          |
| Others                     | 5,988      | -          |

**3.8.5**

**Accounting Standrad (As-17) on Segment Reporting**

**a) Primary Segment**

The Company has identified "Pharmaceuticals" as only primary reportable business segment .

**b) Secondary Segment (By Geographical Segment)**

|               | 2012-2013   | 2011-2012   |
|---------------|-------------|-------------|
|               | ₹           | ₹           |
| India         | 246,854,801 | 209,188,133 |
| Outside India | 1,234,220   | -           |
| Total Sales   | 248,089,021 | 209,188,133 |

In view of the interwoven /intermix nature of business and manufacturing facility, other segmental information is not ascertainable .

*[Handwritten Signature]*



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**KLAR SEHEN PRIVATE LIMITED**

3.8.6

|  | As at<br>31-03-2013 | As at<br>31-03-2012 |
|--|---------------------|---------------------|
|  | ₹                   | ₹                   |
| <b>Accounting Standard-20 on Earning per Share :</b>                         |                     |                     |
| Profit after Tax (in Rs.)  | <b>35,873,953</b>   | 24,252,795          |
| Profit used as Numerator for calculating Earning per share (in Rs.)          | <b>35,873,953</b>   | 24,252,795          |
| Weighted Average number of Shares used in computing basic earnings per share | <b>699,800</b>      | 699,800             |
| Nominal Value Per Share (in Rs.)   | <b>10</b>           | 10                  |
| Basic Earnings Per Share (in Rs.)  | <b>51.26</b>        | 34.66               |

3.8.7

| The Deferred tax liability of <b>Rs. 57,519</b> for the year has been adjusted in Statement of Profit & Loss. |                     |                              |                     |
|---|---------------------|------------------------------|---------------------|
| The major components of deferred tax assets and liabilities are as under :                                    |                     |                              |                     |
|   | As at<br>31-03-2012 | Tax effect for<br>the period | As at<br>31-03-2013 |
| <b>Deferred Tax Liability</b>   | ₹                   | ₹                            | ₹                   |
| Depreciation  | (803,212)           | 92,209                       | <b>(895,421)</b>    |
| Total   | (803,212)           | 92,209                       | <b>(895,421)</b>    |
| <b>Deferred Tax Assets</b>  |                     |                              |                     |
| Section 43B items   | 527,110             | 34,690                       | <b>561,800</b>      |
| Others  |                     |                              |                     |
| Total   | 527,110             | 34,690                       | <b>561,800</b>      |
| Net Deferred Tax Assets / ( Liability )   | (276,102)           | 57,519                       | <b>(333,621)</b>    |

3.8.8

|  |  |            |               |
|--|--|------------|---------------|
| <b>Expenditure in Foreign Currency</b> |  | 31-03-2013 | 31-03-2012    |
|  |  | ₹          | ₹             |
| Books & Periodicals                    |  | -          | <b>19,652</b> |

3.8.9

|                                     |                  |            |
|-------------------------------------|------------------|------------|
| <b>Earnings in Foreign Exchange</b> | 31-03-2013       | 31-03-2012 |
|                                     | ₹                | ₹          |
| FOB Value of Exports                | <b>1,155,412</b> | -          |

3.8.10

The financial statements has been prepared as per the format prescribed by Revised Schedule VI of the Companies Act 1956 ('The schedule') issued by Ministry of Corporate Affairs. Previous period's figures have been recast/ restated to conform to the classification required by the Revised Schedule VI.

Corresponding figures for previous year have been regrouped wherever necessary, to conform to the current year's classification.

For N. Chaudhuri & Co.  
Chartered Accountants  
Firm Registration No. : 301032E



( A . K . Deb )  
PARTNER  
Membership No. 051033

Place : Kolkata  
The 28th day of May, 2013.



For and on behalf of the Board

  
Director

  
Director