



ZYDEN GENTEC LIMITED

Annual Report 2013-14

*Chemistry for a
BETTER Life*

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REGISTERED OFFICE

143/1, Deepshree Building, Kotri road, Gumanpura, Kota - 324 007, Tel. No.: 0744-2390508 / 2112267 Fax: 0744-2392196, E-mail: contact@zydengentec.in Web: www.zydengentec.com



BOARD OF DIRECTORS

Mr. Vinod Kumar Gupta
(Chairman)

Mr. Niranjan Kumar Agrawal
(Non executive & Independent Director)

Mr. V Siva Subbu
(Non executive & Independent Director)

Mr. Manish Jatia
(Whole Time Director)

STATUTORY AUDITORS

M/s Rajvanshi & Associates
Chartered Accountants,
H-15, Chittaranjan Marg, C-Scheme,
Jaipur – 302001 (Rajasthan)

CORPORATE ADVISORS

M/s V.M. & Associates,
Company Secretaries,
403, Royal World, S.C. Road,
Jaipur – 302001 (Rajasthan)

REGISTRAR & SHARE TRANSFER AGENT

Aarthi Consultants Private Limited
1-2-285, Domalguda, Hyderabad – 500029
Tel. No.: 040-27638111 Fax: 040-27632184
Email id: info@arthiconsultants.com

BANKERS

Punjab National Bank
State Bank of Hyderabad
SIDBI
Axis bank
HDFC Bank
UCO Bank

KEY MANGERIAL PERSONNEL

Mr. Manish Jatia
(Whole Time Director)

Mr. Giriraj Nagar
(Chief Financial Officer)

Ms Simranjeet Kaur
(Company Secretary)

**Stock Exchange Where Company's Security
Listed: Bombay Stock Exchange**

REGISTERED OFFICE

ZYDEN GENTEC LIMITED
143/1 Deepshree Building, Kotri Road,
Gumanpura, Kota, Rajasthan.
(CIN: L67120RJ1994PLC008284)

MANUFACTURING UNIT

Unit-I
Sy. No. 168, IDA Bollaram, Jinaram Mandal,
Medak District, Hyderabad (AP)
Email: contact@zydengentec.in

Unit-II
Plot No. 13, Industrial Area,
Jhalawar Road, Bhimpura, Industrial Area,
Kota, Rajasthan.
Tel. No.: 0744-2112267

WHOLLY OWNED SUBSIDIARY

Zyden Gentec Hong Kong Limited
Unit 801, 8th Floor, 20 Queen's Road Central,
Hong Kong.

**Company registered under Companies Act
1956 (CIN: L67120RJ1994PLC008284)**



DIRECTORS REPORT

Dear Shareowners,

Zyden Gentec Limited.

Your Directors have immense pleasure in presenting their 20th Annual Report on the business and operations of the Company along with the audited Accounts and Auditor's Report for the financial year ended on 31st March, 2014.

FINANCIAL RESULTS

The Standalone and consolidated performance of the company for the financial year ended on 31st March, 2014 is summarized below:

| PARTICULARS | (Rs. in Lacs) | (Rs. in Lacs) | |
|--|---------------|---------------|----------|
| | CONSOLIDATED | STANDALONE | |
| | 2013-14 | 2013-14 | 2012-13 |
| 1. Income from Operations | 158.93 | 158.93 | 754.88 |
| 2. Total Expenses | 315.02 | 314.61 | 881.80 |
| 3. Profit/(Loss) from operations before other Income, finance costs and exceptional items (1-2) | (156.09) | (155.68) | (126.92) |
| 4. Other Income | 132.60 | 132.59 | 93.59 |
| 5. Profit/(Loss) from ordinary activities before finance costs, exceptional items and Tax (3+4) | (23.49) | (23.09) | (33.33) |
| 6. Finance cost | 3.42 | 3.42 | 39.75 |
| 7. Profit/(Loss) from ordinary activities after finance costs but before exceptional items and Tax (5 -6) | (26.91) | (26.49) | (73.08) |
| 8. Taxation (including FBT & De ferred Taxation) | -- | -- | -- |
| 9. Net Profit / (Loss) after Tax & exceptional items (7 -8) | (26.91) | (26.49) | (73.08) |



FINANCIAL PERFORMANCE OF THE COMPANY

During the Financial Year 2013-14, the gross receipts from Operations of the Company were Rs. 158.93 lacs as compared to Rs. 754.88 lacs in the financial year 2012-13 whereas the profit or (Loss) after tax & exceptional items for the FY 2013-14 were Rs. (26.49) lacs as against Rs. (73.08) lacs in the financial year 2012-13 and the **consolidated gross receipts** from Operations of the Company was Rs. 158.93 lacs and the profit or (Loss) after tax & exceptional items were Rs. (26.91) lacs for the year ended 31st March, 2014.

TRANSFER TO RESERVE

There is no amount proposed to be transferred in reserve as there is no profit at the year ended as on 31st March, 2014.

DIVIDEND

Due to non availability of distributable profits, your Directors do not recommend any dividend for the financial year 2013-14.

FIXED DEPOSITS

The Company has not invited or accepted any fixed deposit from the public during the financial year 2013-14.

BOARD OF DIRECTORS

a) Retire by Rotation

In accordance with the provisions of Section 152 of the Companies Act, 2013 and as per Article 89 of the Articles of Association of the Company, Mr. Vinod Kumar Gupta (DIN 00193202) Director of the Company retires by rotation at the ensuring Annual General Meeting and being eligible offer himself for re-appointment as per Article 90 of the Articles of Association of the Company.

b) Resignation of Director

During the financial year 2013-14, Ms. Anita Kumari, Whole Time Director has resigned from the Board w.e.f. 12th March, 2014. The Board accepted the same and put on record the appreciation of her contribution towards the Company during her tenure.

c) Change in Designation

Mr. Manish Jatia was appointed as director of the Company w.e.f. 30th May, 2013. During the year the designation of Mr. Manish Jatia was changed from Director to Whole Time Director of the Company w.e.f. 26th March, 2014 after receiving of his consent for the post of Whole Time Director on such remuneration decided by the Board of the Company.



d) Appointment of Additional Director

Mr. V Siva Subbu was appointed as Additional Director at the Board of Directors Meeting held on 26th March, 2014. The Board received notice from a member proposing the candidature of Mr. V Siva Subbu for the office of Director u/s 149, 150, 152 of the Companies Act, 2013. The Board recommends his appointment as an Independent Director of the Company, not liable to retire by rotation.

The Details are furnished in Explanatory Statement annexed to the Notice calling AGM.

NUMBER OF BOARD MEETINGS

During the year, Board of Directors of the Company were met six (6) times on 30th May, 2013, 13th August, 2013, 30th August, 2013, 14th November, 2013, 7th February, 2014 and 26th March, 2014.

REMUNERATION AND NOMINATION COMMITTEE

The Board constituted the Remuneration committee in year 2005, now it has been renamed as Remuneration and Nomination Committee in compliance of section 178 of the Companies Act, 2013. The terms of reference of the committee were also extended so as to formulate remuneration policy for appointment and remuneration of the directors including their qualifications, independence and other incidental matters thereto.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

As per section 186 of the Companies act 2013, the particulars of loans, guarantees and investments for the year ended on 31st March, 2014 are as follows:

| Particulars | F.Y. 2013 -14 (in Rs.) | F.Y. 2012 -13 (in Rs.) |
|---------------------------|---------------------------|---------------------------|
| Long term loan & advances | 1,260,280 | 1,212,102 |
| Non-current Investment | 70,250 | 70,250 |

PARTICULARS OF RELATED PARTY TRANSACTIONS

During the year under review, there were no related party transactions as per section 188 of the Companies Act 2013.

AUDITORS AND AUDITORS REPORT

M/s Rajvanshi and Associates, Chartered Accountants, Statutory Auditors of the Company, retires at the forthcoming Annual General Meeting and have confirmed their eligibility and that reappointment, if made, would be within the prescribed limits under Section 139 of Companies Act, 2013 and that they are not disqualified for such re- appointment within the meaning of the Act.



There are no reservations, qualifications or adverse remarks contained in the auditor's Report attached to the balance sheet as at 31st March, 2014. Information referred in the Auditor's Report are self explanatory and don't call for any further comments.

Your Board recommends their re-appointment for tenure of 5 years from the conclusion of this AGM till the conclusion of 25th AGM of the company to be held in the calendar year 2019.

SUBSIDIARY COMPANY

Zyden Gentec Hong Kong Limited is wholly owned Subsidiary of Company having its registered Office at Unit 801, 8th Floor, 20 Queen's Road central, Hong Kong . The Statement as per section 212 of Companies Act 1956 (129 of Companies Act 2013), disclosure of Zyden Gentec Hong Kong Limited attached along with consolidated financial statement .

CORPORATE GOVERNANCE REPORT

The Company has complied with all the mandatory requirements of Corporate Governance as per Clause 49 of Listing Agreement specified by Securities & Exchange Board of India (SEBI). As required by the said clause, a separate section of Corporate Governance, forms part of the Annual Report of the Company. A certificate from M/s V. M. & Associates, Company Secretaries in Practice, confirming compliance of conditions of Corporate Governance, is annexed with this report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A detailed discussion on the industrial structure, development, opportunities, threats, review of operational performance and risks, as required under the Listing Agreement with stock exchanges, forms part of this report and is annexed herewith.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND RESEARCH & DEVELOPMENT

A. Conservation of energy :

I. Energy conservation measures taken:

Energy conservation has a direct impact on the cost of the product, so high priority is given on to in all our locations. Manufacturing process parameters are continuously monitored by experienced & qualified technicians & engineers for better & efficient output leading directly & indirectly to energy efficient environment.

II. Additional investments and proposal, if any, being implemented for reduction of consumption of energy:

- i. HT line & connections installed in place of LT.
- ii. New temperature indicators installed for better monitoring.
- iii. Replaced all of old pipe lines & fittings and new Insulations done.



iv. 180 KVA DG Set.

III. Impact of above measures on the cost of production of goods:

- i. The above measures helped to improve the energy management and consequently to reduce the cost.

B. Technology absorption:

The manufacturing technology is indigenous. The company has in-house Research & Development facilities.

C. Research & development:

I. Specific areas in which R&D carried out by the Company:

Developments of new compounds, products like Oxybutynin Hydro Chloride USP, Tolnaftate EP USP, Isopropamide Iodide USP, Rosuvastatin Calcium during the year and a couple of products are ready to start commercial production.

II. Benefits derived as a result of above R&D:

Developments of new products and improved quality of existing products and compounds, resulting in better profits and helped in creating good clientele.

III. Future Plan of Action:

To keep a continuous focus on development of new compounds & products.

IV. Expenditure on R&D:

During the financial year 2013-14 expenditure incurred regarding research and development were Rs. 66,000/- only.

FOREIGN EXCHANGE EARNING AND OUTGO

The foreign exchange earnings during the financial year 2013-14 is Rs. 27,25,383/- and import was nil as there was no import during the year.

PARTICULARS OF EMPLOYEES

None of the Employees of the company were in receipt of the remuneration exceeding the limits prescribed under section 217(2A) of the Companies Act, 1956, as amended, during the financial year 2013-14.

ISSUE OF FOREIGN CURRENCY CONVERTIBLE BONDS

The company has not issued any Foreign Currency Convertible Bonds during the financial year 2013-14.



LISTING AT STOCK EXCHANGE

The Equity Shares of your company continue to be listed on Bombay Stock Exchange Limited and the annual listing fees for the financial year 2014-15 have been paid.

DEPOSITORY SYSTEM

The trading in equity shares of your company is in dematerialization form. As on the date 30th August, 2014 (date of last benpose), equity shares representing 98.59% of equity shares are in dematerialization form.

EMPLOYEE STOCK OPTION SCHEME

The Company has not issued any stock options for its employees during financial year 2013-14.

LOANS ON COMPANY

Bank accounts were classified as NPA (Non performing Assets) by the Banks and Company has initiated the process of settlement with Banks and accordingly has not provided any liability towards interest including penal interest expenses as company is hopeful that no liability other than that recorded in the books of accounts would arise.

Management is initiated the process for settlements / up gradation of Accounts and hopeful of favourable decision.

DIRECTORS' RESPONSIBILITY STATEMENT

The Audited Accounts for the financial year 2013-14 are in conformity of section 134(5) of the Companies Act, 2013 and applicable Auditing Standards. The Financial Statements (including consolidated financial Statement) fairly reflects the transactions carried out during the year and reasonably present the financial condition and results of operation of the Company. Your Directors confirm that:

- ◆ In the preparation of the Annual Accounts for the year ended 31st March, 2014, the applicable Accounting Standards have been followed along with proper explanations and there are no material departures from the same;
- ◆ We have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company for the Financial year 2013-14 and of the Profit and loss of the Company for that period;
- ◆ We 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;
- ◆ We have prepared the Annual Accounts of the Company on a 'going concern' basis;



HUMAN RESOURCE

Your company is of the firm opinion that efficiency of its employees plays a key role in achieving set goals and building competitive work environment which further leads to sound coordination and employees work like a team. Our various management programmes at different levels, ensures vibrant and motivated work force, which leads to achievement of our goals. The management and board shows gratitude towards its employees for having faith and never say die attitude towards accomplishment of defined goals.

SECRETARIAL AUDIT REPORT

Pursuant to the Section 204 of The Companies Act, 2013, every listed company shall annex with its Board's Report, a Secretarial Audit Report which shall be issued from the financial year 2014-15 onwards which is to be given by a Company Secretary in practice.

In compliance with the aforesaid requirements, M/s V.M. & Associates, Company Secretaries, Jaipur, have been appointed as the Secretarial Auditor of the Company for the financial year 2014 -15.

INTERNAL AUDITOR

The Board has appointed Ms. Rekha Chaurshiya, Chartered Accountant, holding Membership No 404422 as Internal Auditor of the Company w.e.f. 30th May, 2014.

ACKNOWLEDGEMENT

Your Directors would like to express their appreciation for assistance and co -operation received from the Bankers, Government Authorities, Customers, Vendors, Advisors, Members and all concerned. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the executives, staff and workers of the Company.

For and on behalf of Board of Directors

Sd/-

Vinod Kumar Gupta
Chairman

Date: 30.08.2014

Place: Kota



MANAGEMENT DISCUSSION & ANALYSIS REPORT

INDUSTRY STRUCTURE & DEVELOPMENTS

The pharmaceutical industry in India would continue to remain under great international focus on international scenario despite price wars and huge import from Chinese firms. India being perceived as a stable, trustable and large consumption democracy has been getting encouraged responses from many MNCs and overseas strategic investors in Indian businesses, especially in Pharmaceutical Sector in last couple of years. Moreover the Pharmaceutical Sector will continue to grow further as the cost of health care in India is substantially lower, in comparison with many western & developed countries. Indian pharmaceutical sector is currently one of the largest and most developed in the world and has the quality of being recognized as high-quality, low-cost skilled producer of pharmaceuticals.

Your company, Zyden Gentec Limited has added a few new products to its large product range during the year. Further the company is hopeful of sustaining its market presence and capturing and retaining its clientele.

OUTLOOK ON OPPORTUNITIES

Outlook on the Indian Pharmaceutical market continues to be positive despite of the economic & slowdown pressures, as commonly felt by all the businesses, continue to exert its affect. As stated earlier, with the introduction of the product patent regime beginning January 1, 2005 the Indian market continue to remain an attractive option for introduction of research based products. Industry consolidation is expected to bring in economies of scale and provide access to regional player s. The biggest growth driver continues to be the pipeline of patent expiries. Consequently, companies are recognizing the importance of pipelines and are making significant investments in research and drug development.

Your company would continue to consolidate on the present manufacturing facility. The company has widened its range of products with more emphasis on quality. And subsidiary in Hong Kong, the management is expecting to cater foreign markets more effectively, further increasing the clientele abroad.

OUTLOOK ON THREATS, RISKS AND CONCERNS

The product patent regime poses the serious challenge to domestic industry unless it invests in R&D. The global pharmaceutical business has inherent risks of patent litigation, regulatory issues and product liability, particularly in the developed markets. Globally, over-investment and excess capacities weight on the generic industry has been resulting in increasing competition and pricing pressures. The industry faces risk of all Research & Development initiatives not leading to commercially viable and successful products. Rise in cost of raw materials, exchange rate fluctuations, environmental liabilities, tax laws, litigation, labour relations and significant changes in the global, political and economic environment exert tremendous influence on the performance of the Company. Since larger players are becoming more dominant, market impact may change the financial performance of the Company. Apart from this, the procedural hurdles & delays at DCA continue to act as growth deterrent in India.



INTERNAL CONTROL SYSTEM

The Company remains committed to ensure an effective internal control that provides assurance on the efficiency of operations and security of assets. Your company's well established and robust internal audit processes, both at business and corporate levels, continuously monitor the effectiveness of the internal control environment across the Company and the status of compliance with operating systems, internal policies and regulatory requirements. The Company has also undertaken steps to implement new control measures in line with best global practices such as standard operating procedures as per CGMP requirement.

FINANCIAL REVIEW & ANALYSIS

Share Capital

Presently, the Authorized Share Capital of the Company is Rs. 15,00,00,000/- (Rupees fifteen crores only) comprising of 1,50,00,000 (One crore and fifty lacs) equity shares of Rs. 10/- (Rupees ten only) each. During the period there have been no increase / decrease in the Authorized Share Capital of the Company.

Fixed Assets

The Company had Fixed Assets amounting to Rs. 825.21 Lacs on 31st March, 2014.

Investment

There were no investments made by the company during the year under review.

Sales

The standalone sales (net of excise duty) & other operating income for the current financial year is Rs. 158.93 Lacs where as it is Rs. 754.88 Lacs in previous financial year.

Segment wise Performance

(Lacs.)

| Particulars | Financial Year 2013-14 | Financial Year 2012-13 |
|---|------------------------|------------------------|
| Income from Manufacturing & Allied Activities | Rs. 158.93 | Rs. 754.88 |

CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis Report describing the Company's objectives, projections, estimates and expectations may be "forward looking statements" within the meaning of the applicable provisions of applicable laws and regulations. Actual results may substantially or materially differ from those expressed or implied. Some important developments such as significant changes in the global, political and economic environment, environment in India and key markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, interest and other costs etc. could affect the company's performance.

For and on behalf of Board of Directors

Sd/-

Date: 30.08.2014

Place: Kota

Vinod Kumar Gupta

Chairman



CORPORATE GOVERNANCE REPORT

OUR PHILOSOPHY: CORPORATE GOVERNANCE

We are dedicated to conduct our operations on highest standards of Corporate Governance. Our corporate culture is based on transparency, conscience, fairness, accountability, propriety, equity and ethical business practices which are the key derivatives for sustainable corporate growth and long-term value creation. Our structure of Corporate Governance identifies the need of distribution of the role and responsibilities among different participants in the organization, among the Board of Directors, managers, shareholders and other stakeholders. We aim to align with the interests of individuals, corporations and society and thereby enhancing the stakeholders' value.

The corporate governance practices of the company further strengthened through compliances of all applicable laws including Securities and Exchange Board of India (SEBI) regulations and Clause 49 of their Listing Agreement with Stock Exchange. The Company fully recognizes the rights to information of its shareholders on the performance of the Company and considers itself as trustee of its shareholders. The policies and practices of Corporate Governance of Company as follows:

1. BOARD OF DIRECTORS

The Board is in a fiduciary position, empowered to oversee the management function with a view to ensure its effectiveness and enhancement of stakeholder value. The Board decides on the policies to be implemented across the Company, and reviews and monitors its strategic direction and annual business plan and business objectives. The Board acting as trustees on behalf of the shareholders ensures that the Company has clear goals in enhancing its value and growth for all the stakeholders associated with the Company and follows best governance practices.

a) Composition

The Board of Directors of the Company consists of 4(Four) Directors, comprising of 1 (one) Promoter Non- Executive Chairman, 1 (one) Executive Whole-time Director and 2 (Two) Non-Executive Independent Director. The Board represents an optimal mix of professionalism, knowledge and experience, in conformity with clause 49 of their Listing Agreement with the stock exchange, in which the company's shares are listed. None of the Directors on the Board is a member of more than 10 committees and Chairman of more than 5 committees across all the companies in which he is a Director. All the Directors have made the requisite disclosures regarding committee positions held by them in other companies.

b) Board Meetings

During the financial year 2013-14, the Board met 6 (Six) times and the intervening period between Board Meetings was not more than four (4) months as prescribed in Companies Act, 1956 and Clause 49 of Listing Agreement. The dates of meetings were as follows:



| Quarter | No of Meetings | Date of Meetings held during the Quarter |
|--------------------|----------------|--|
| April – June | 1 | 30 th May, 2013 |
| July – September | 2 | 13 th August, 2013 and 30 th August, 2013 |
| October – December | 1 | 14 th November, 2013 |
| January – March | 2 | 07 th February, 2014 and 26 th March, 2014 |

c) Category and Attendance of Directors

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the financial year 2013-14 and at the last Annual General Meeting (AGM), as also the number of Directorships and Committee positions held by them in other Companies as on 31st March, 2014 were as follows:

| Name | Category | Board Meetings attended during the Year | Attended Last AGM | No. of Directorship held in other Companies | | Committee Position in other Companies | |
|---|---|---|-------------------|---|--------|---------------------------------------|--------|
| | | | | Chairman | Member | Chairman | Member |
| Mr. Vinod Kumar Gupta | Promoter & Non-Executive Chairman | 6 | Yes | NIL | 1 | NIL | NIL |
| Mr. Niranjan Kumar Agrawal | Non-Executive & Independent Director | 6 | Yes | NIL | NIL | NIL | NIL |
| Mr. V Siva Subbu (From 26.03.2014) | Non-Executive & Independent Director | 1 | No | NIL | 1 | NIL | NIL |
| Ms. Anita Kumari (Upto 12 th March, 2014) | Executive & Whole Time Independent Director | 5 | Yes | NIL | NIL | NIL | NIL |
| Mr. Manish Jatia | Whole Time Director | 6 | Yes | NIL | 7 | NIL | NIL |



d) Shareholding of Directors in the Company as on 31st March, 2014 is as under:

| Name | No. of shares held | % of paid-up capital |
|-----------------------------|--------------------|----------------------|
| Mr. Vinod Kumar Gupta | Nil | Nil |
| Mr. Niranjana Kumar Agrawal | 1,000 | 0.009% |
| Mr. V Siva Subbu | NIL | NIL |
| Mr. Manish Jatia | NIL | NIL |

e) Remuneration / Sitting fee of Whole Time Director: NIL

f) Code of Conduct

The Company has laid down a code of conduct and ethics for the directors and employees of the Company. Our Principles are enshrined in a Code of conduct for all our board members and employees of the Company and are adhered to in letter and spirit. The code of conduct has been posted on the Company's website: www.zydengentec.in. This code ensures compliance with the revised clause 49 of the Listing Agreement executed with the Stock Exchanges. A declaration to this effect signed by Mr. Vinod Kumar Gupta, Chairman & Non Executive Director of the Company forms part of this report.

The board members and senior management personnel have confirmed the compliance with the respective Code of Conduct.

2. AUDIT COMMITTEE

The Audit Committee has been re-constituted as per Section 177 of the Companies Act, 2013 and clause 49 of the Listing Agreement with the Stock Exchanges. The terms of reference include:

- ◆ To investigate activities with its terms of reference.
- ◆ To seek information / records from any employee of the company.
- ◆ To obtain outside legal or other professional advice.
- ◆ Overseeing of the Company's financial reporting process to ensure that the financial statement is correct and the disclosure of its financial information is sufficient and credible.
- ◆ Major accounting entries based on exercise of judgment by management.
- ◆ Compliance with accounting standards.
- ◆ Compliance with listing agreement and other legal requirements concerning financial statements.
- ◆ Any changes in accounting policies and practices.
- ◆ To secure attendance of outsiders with relevant expertise, if necessary.
- ◆ Reviewing the adequacy of internal audit function.



- ◆ Discussion with internal auditor regarding any significant findings and follow up thereon.
- ◆ Discussion with external auditors about the nature and scope of audit before the audit commence as well as post-audit discussion to ascertain any area of concern.
- ◆ Any other item referred to it by the Board.

a) Audit Committee Meetings held during Financial Year 2013 -14

During the financial year 2013-14, the members of the Audit committee met 4 (**Four**) times on the following dates:

| Quarter | No of Meetings | Date of Meetings held during the Quarter |
|--------------------|----------------|--|
| April – June | 1 | 29 th May, 2013 |
| July – September | 1 | 13 th August, 2013 |
| October – December | 1 | 14 th November, 2013 |
| January – March | 1 | 7 th February, 2014 |

b) Category and Attendance of members

The names and categories of the Directors on the Committee, their attendance at the Meetings held during the Financial Year 2013-14 are as follows:

| Name | Designation | Category | Attendance |
|--|-------------|---------------------------------------|------------|
| Mr. Niranjan Kumar Agrawal | Chairman | Non-Executive & Independent Director | 4 |
| Mr. Manish Jatia (w.e.f. 14.11.2013 up to 26.03.2014) | Member | Non-Executive & Independent Director | 2 |
| Mr. Vinod Kumar Gupta | Member | Promoter & Non Executive Chairman | 4 |
| Mr. V Siva Subbu (w.e.f. 26.03.2014) | Member | Non- Executive & Independent Director | NIL |

- ◆ Members of the Audit Committee have requisite financial and management expertise.
- ◆ The Statutory Auditors and Internal Auditors are invited to attend and participate in the meeting of the Committee. The Company Secretary acts as the Secretary to the Committee.



3. STAKEHOLDERS RELATIONSHIP COMMITTEE (previously named as Shareholder's / Investors' Grievances' Committee)

The Board has re-constituted and renamed Shareholders' / Investors' Grievance Committee (SIG) as Stakeholders Relationship Committee in accordance with the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The committee remains having same powers and duties such as specifically looking into redressal of investors' complaints like share transfers, non-receipt of annual reports, issue of duplicate share certificates, transfer and transmission of shares, exchange of shares and other allied transactions. Its scope also includes delegating the powers to the executives of Company / share transfer agents to process share transfers etc.

a) Meetings held during Financial Year 2013-14

During the financial year 2013-14, the members of the committee met 4 (**Four**) times under review to redress the grievances of the shareholders of the Company at the following dates:

| Quarter | No of Meetings | Date of Meetings held during the Quarter |
|--------------------|----------------|--|
| April – June | 1 | 29 th May, 2013 |
| July – September | 1 | 12 th August, 2013 |
| October – December | 1 | 12 th November, 2013 |
| January – March | 1 | 6 th February, 2014 |

Based on the report received from the Company's Registrar, the status of investor complaints as on March 31, 2014 are as under:

| | |
|---------------------------------|-----|
| Complaints as on April 01, 2013 | NIL |
| Received during the year | NIL |
| Resolved during the year | NIL |
| Pending as on March 31, 2014 | NIL |

**b) Composition, Category and Attendance of member**

| Name | Designation | Category | Attendance |
|--|--------------------|--|-------------------|
| Mr. Vinod Kumar Gupta | Chairman | Promoter & Non-Executive Chairman | 4 |
| Mr. Niranjn Kumar Agrawal | Member | Non-Executive & Independent Director | 4 |
| Mr. Manish Jatia (w.e.f. 14.11.2013 upto 26.03.2014) | Member | Non- Executive & Independent Director | 2 |
| Mr. V Siva Subbu (w.e.f. 26.03.2014) | Member | Non- Executive & Independent Director | NIL |

Compliance Office:

Ms. Simranjeet Kaur is the Company Secretary and Compliance Officer of the Company.

4. NOMINATION AND REMUNERATION COMMITTEE (Previously named as Remuneration Committee)

The Remuneration Committee is re-constituted and renamed as Nomination and Remuneration Committee in line with the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges and as per the provisions of Section 178 of the Companies Act, 2013 in the board meeting held on 14th August, 2014. The committee remains having same powers and duties such as to review, assess and recommend to the Board for the appointment of executive and non-executive Directors and compensation payable and to consider and recommend human resource policies relating to compensation and performance management.

a) Composition

| Name | Designation | Category | Attendance |
|--|--------------------|--------------------------------------|-------------------|
| Mr. Niranjn Kumar Agrawal | Chairman | Non-Executive & Independent Director | 1 |
| Mr. Manish Jatia (w.e.f. 14.11.2013 upto 25.03.2014) | Member | Non-Executive & Independent Director | 1 |
| Mr. Vinod Kumar Gupta | Member | Promoter & Non-Executive Chairman | 1 |
| Mr. V Siva Subbu (From 26.03.2014) | Member | Non-Executive & Independent Director | NIL |

b) Meetings held during Financial Year 2013-14

During the financial year 2013-14, the members of the Nomination and Remuneration committee met **1 (One)** time on 30th September, 2013.



5. GENERAL BODY MEETINGS

The details of Annual General Meetings held in the last three years are given below:

| Annual General Meeting (F Y) | Day, Date & Time | Venue | Special Resolutions |
|---|--|--|--|
| 17 th Meeting (F Y 2010-11) | Friday, 30 th September, 2011 at 1.00 P.M. | Surya Plaza, Kotri Road, Gumanpura, Kota, Rajasthan - 324007 | No Special Resolution was passed. |
| 18 th Meeting (F Y 2011-12) | Saturday, 25 th August, 2012 at 1.00 P.M. | Surya Plaza, Kotri Road, Gumanpura, Kota, Rajasthan - 324007 | No Special Resolution was passed. |
| 19 th Meeting (FY 2012-13) | Saturday, 28 th Sep. 2013 | Plot No. 13, Industrial Area, Jhalawar Road, Bhimpura, Kota, Rajasthan | Appointment of Ms. Anita Kumari As Whole Time Director |

6. POSTAL BALLOT

During the financial year 2013-14, Two (2) resolutions were passed through Postal Ballot. The said special resolutions were passed for authorizing the Board for following items:

- To sell, dispose off and / or transfer of whole or substantially whole of company's undertaking located at 168, Ida, Bollaram Jinnaram Mandal, Medak District -502 325 Hyderabad, Andhra Pradesh u/s 180(1)(a) of the Companies Act, 2013
- To Borrow money up to a sum of Rs. 20,00,00,000/- (Rupees Twenty Crores Only) u/s 180(1)(C) of the Companies Act, 2013

RESULT OF VOTING ARE AS BELOW:

| Total Votes | Votes in assent of proposed resolution | Votes in dissent of proposed resolution | Results |
|-------------|---|--|--|
| a. 5881217 | 5881217 | 0 | 100% in favor of the proposed resolution. |
| b. 5881217 | 5881217 | 0 | 100% in favor of the proposed resolution. |



None of the business proposed to be transacted in the ensuing Annual General Meeting, requires passing through postal ballot.

7. EXTRA-ORDINARY GENERAL MEETING

No Extra –Ordinary General Meeting was held by the Company during the year.

8. DISCLOSURES

- ◆ **Financial Statements / Accounting treatments:** In the preparation of Financial Statements, the Company has followed the Accounting Standards issued by Institute of Chartered Accountants of India to the extent applicable.
- ◆ **Materially Significant Related Parties Transactions:** There are no materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their relatives etc. that may have potential conflict with the interests of the Company at large.
- ◆ **Strictures or Penalties:** During the last three years, there were no strictures or penalties imposed either by the SEBI or the Stock Exchange or any other Statutory Authorities for non-compliance of any matter related to Capital Markets.
- ◆ **Compliance with Code of Conduct and Whistle Blower Mechanism:** The Company has adopted a Whistle Blower policy and has established the necessary mechanism in line with clause 7 of Annexure 1D to Clause 49 of the Listing Agreement with the Stock Exchange, for employees to report concerns about unethical behaviours. No personnel have been denied access to the audit committee.

9. MEANS OF COMMUNICATION

- ◆ Quarterly, half yearly and annual financial Results are published in one regional language i.e. "Rashtradoot" (Regional newspaper). In compliance with the requirements of Listing Agreement, the company regularly updates un-audited as well as audited financial results on its functional website (i.e. www.zydengentec.in) also, after they are taken on record by the Board.
- ◆ The Company's Results and other corporate announcement are regularly sent to the stock exchanges.
- ◆ All price sensitive information is made available at the earliest through newspapers and intimated to the stock exchanges for public dissemination.
- ◆ Annual Report containing, inter alia, Audited Annual Accounts, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management's Discussion and Analysis (MD&AR) Report forms part of the Annual Report.



10. GENERAL SHAREHOLDER INFORMATION

a. Annual General Meeting:

Date, Time & Venue: Saturday, 27th September, 2014 at 3.00 P.M. at "Hotel Surya Plaza , near vishal mega mart, Kotri-Gumanpura Road, Gumanpura, Kota - 324007 (Rajasthan).

b. Financial Calendar:

| | |
|-------------------------------------|---|
| June Quarter Ending Results | Within 45 days from end of quarter. |
| September Quarter Ending Results | Within 45 days from end of quarter. |
| December Quarter Ending Results | Within 45 days from end of quarter. |
| March Quarter / Year Ending Results | Within 60 days from end of quarter of the financial year (Audited). |

c. **Book Closure date:** Thursday, 25th September, 2014 to Saturday, 27th September, 2014

d. **Dividend:** No dividend being recommended by the Board during the financial year 2013-14.

e. **Listing of Equity Shares in Stock Exchanges:** Bombay Stock Exchange (BSE Limited).

f. **Demat ISIN exchange number in:** INE622B01037

g. **Stock Code:** Bombay Stock Exchange – 530091. The Company has paid annual listing fee to Stock exchange as well as depository fees to NSDL and CDSL.

h. Dematerialization of Shares

The shares of the Company are available for trading in the depository systems of both the National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL). As on 31st March, 2014, 1,09,55,084 equity shares of the company forming 98.58% of the share capital of the Company stand dematerialized.

i. Liquidity of Shares

The Equity Shares of the Company have been listed at Recognized Stock Exchange: Bombay Stock Exchange, India.

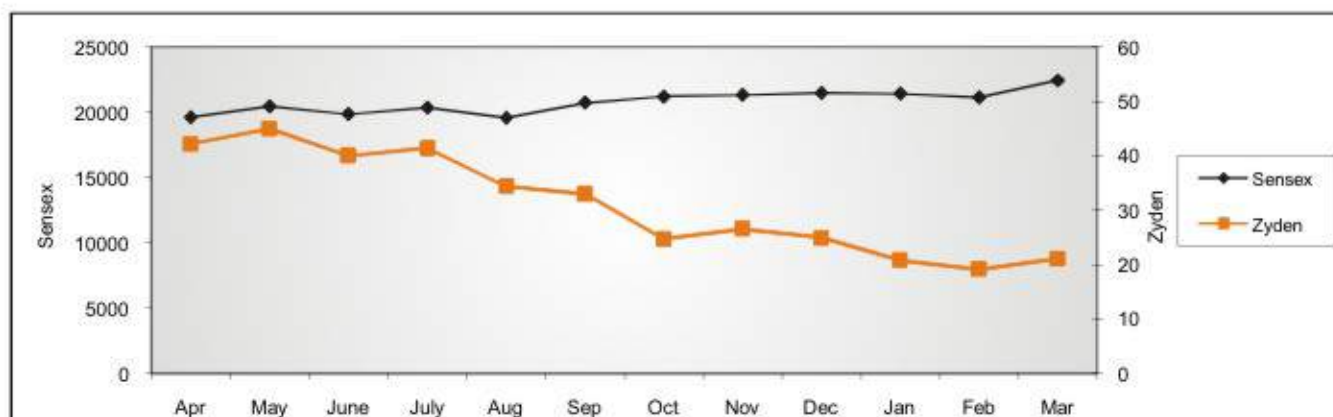


j. Market Price Data

The high and low prices of every month during the financial year 2013-14 are given below:

| BOMBAY STOCK EXCHANGE: ZYDEN GENTEC LIMITED (530091) | | | | | |
|--|----------------------------------|---------------------------------|-------------------------------|--------------------|-------------------|
| Month | High (Rs. 10/- face value) | Low (Rs. 10/- face value) | Number of Shares traded | BSE Sensex High | BSE Sensex Low |
| April 2013 | 42.20 | 31.00 | 114174 | 19662.68 | 18144.22 |
| May 2013 | 44.95 | 27.95 | 276864 | 20443.62 | 19451.26 |
| June 2013 | 40.00 | 26.25 | 260067 | 19860.19 | 18467.16 |
| July 2013 | 41.40 | 19.00 | 402311 | 20315.06 | 19126.82 |
| August 2013 | 34.40 | 26.20 | 219098 | 19569.20 | 17448.71 |
| September 2013 | 33.00 | 21.15 | 267253 | 20739.69 | 18166.17 |
| October 2013 | 24.70 | 16.05 | 449200 | 21205.44 | 19264.72 |
| November 2013 | 26.55 | 16.00 | 155330 | 21321.53 | 20137.67 |
| December 2013 | 24.95 | 16.10 | 1588616 | 21483.74 | 20568.70 |
| January 2014 | 20.80 | 14.50 | 2444350 | 21409.66 | 20343.78 |
| February 2014 | 19.15 | 15.75 | 1185449 | 21140.51 | 19963.12 |
| March 2014 | 21.05 | 12.35 | 1873717 | 22467.21 | 20920.98 |

k. Performance of Company's Shares in Comparison to BSE



**I. Share Transfer System**

With a view to expedite the process of share transfers, the Board of Directors of the Company has delegated the powers of share transfer to Stakeholder's Relationship Committee (previously named as Shareholder's Grievances' Committee). As on date, all the work related to the shares both held in physical and electronic form is handled by Register & Share transfer Agent. All correspondences are to be directed to the Register & Share transfer Agent at the above mentioned address. The correspondences may also be sent at the Company's address which will be sent by the Company to Register & Share transfer Agent. Share transfer is normally affected within the maximum period of 30 days from the date of receipt, if all required documentation is duly submitted by the transferor & transferee.

m. Distribution of Shareholding as on 31st March, 2014

| No of Equity Shares held | Share Holders | % of Share Holders | No. of Shares | Amount (in Rs.) | % of Total Shares |
|---------------------------------|----------------------|---------------------------|----------------------|------------------------|--------------------------|
| 1 – 5000 | 2989 | 74.58 | 485495 | 4854950 | 4.37 |
| 5001-10000 | 391 | 9.76 | 328372 | 3283720 | 2.96 |
| 10001-20000 | 214 | 5.34 | 330345 | 3303450 | 2.97 |
| 20001-30000 | 107 | 2.67 | 281174 | 2811740 | 2.53 |
| 30001-40000 | 55 | 1.37 | 197067 | 1970670 | 1.77 |
| 40001-50000 | 54 | 1.35 | 247491 | 2474910 | 2.23 |
| 50001-100000 | 78 | 1.95 | 566890 | 5668900 | 5.1 |
| 100001 & Above | 120 | 2.99 | 8675566 | 86755660 | 78.07 |
| Total | 4008 | 100 | 11112400 | 111124000 | 100 |



n. Shareholding Pattern as on 31st March, 2014

| CATEGORY | NO. OF SHARES HELD | % OF SHAREHOLDING |
|---|--------------------|-------------------|
| A. Promoters' Holding | | |
| (a) Indian Promoter | 253800 | 2.28 |
| (b) Persons acting in concert | NIL | NIL |
| (c) Foreign Promoters | NIL | NIL |
| Subtotal-A | 253800 | 2.28 |
| B. Non Promoters Holding | | |
| (a) Institutional Investors | NIL | NIL |
| (b) Mutual Funds & UTI | NIL | NIL |
| (c) Banks, FIs, Insurance Companies | 499054 | 4.49 |
| (d) Foreign Institutional Investors | NIL | NIL |
| Subtotal-B | 499054 | 4.49 |
| C. Others | | |
| (a) Private Corporate Bodies | 1129212 | 10.16 |
| (b) i. INDIVIDUALS - HOLDING UPTO RS.1 LAKH | 2240066 | 20.16 |
| .ii INDIVIDUALS - HOLDING EXCESS OF RS.1 LAKH | 4580978 | 41.22 |
| (c) Non Resident Indians | 14493 | 0.13 |
| (d) Any other (Associates & Relatives of Director) | NIL | NIL |
| (e) Trust | NIL | NIL |
| (f) Employees | NIL | NIL |
| (g) Clearing Members | 2394797 | 21.55 |
| (h) Foreign Nationals | NIL | NIL |
| Subtotal-C | 10359546 | 93.23 |
| Grand Total (A+B+C) | 11112400 | 100 |



o. Registrar & Share Transfer Agent

Aarhi Consultants Pvt. Ltd.

1-2-285, Domalguda, Hyderabad, Andhra Pradesh, Tel: 040-27638111, Fax: 040-27632184

E-mail: info@aarhiconsultants.com, Website: www.aarhiconsultants.com

p. Outstanding GDRs / Warrants and Convertible Instruments

The Company has not issued any GDRs / Warrants or any other instrument which is convertible into Equity Shares of the Company.

q. Plant Locations

The addresses of the company's Plant and manufacturing unit mentioned at the first page of this Annual Report.

r. Address for Correspondence

Zyden Gentec Limited

143/1, Deepshree Building, Kotri Road, Gumanpura,

Kota (Rajasthan)-324 007, Phone Nos. 0744-2390508 / 2112267, Fax No. 0744-2392196

E-mail: compliance@zydengentec.com , Web: www.zydengentec.in

11. SHARE CAPITAL AUDIT

For each of the quarter in the financial year 2013-14, M/s V. M. & Associates, Company Secretaries, Jaipur carried out audits to reconcile the total admitted issued and listed capital in demat with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) & physical form.

12. CIN

The Corporate Identity Number ("CIN") of the Company as allotted by Ministry of Corporate Affairs is: L67120RJ1994PLC008284.

For and on behalf of Board of Directors

Date: 30.08.2014

Place: Kota

Sd/-
Vinod Kumar Gupta
Chairman



CERTIFICATE BY CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO)

To

The Board of Directors,

Zyden Gentec Limited.

We, **Manish Jatia, Whole Time Director & CEO** and **Giriraj Nagar, CFO** of Zyden Gentec Limited, to the best of our knowledge and belief hereby certify to the Board that:

1. We have reviewed the Balance Sheet and Statement of Profit and Loss, and all its notes, and confirm that:
 - ◆ Based on our knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact or contain statements that might be misleading;
 - ◆ Based on our knowledge and information, the financial statements, present in all material respects, a true and fair view of the Company's affairs and except as stated are in compliance with the existing accounting standards and or applicable laws and regulations.
 - ◆ To the best of our knowledge and belief, no transactions entered into by the Company during the period are fraudulent, illegal or void of the Company's code of conduct.
 - ◆ We are responsible for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company, and we have:
 - ◆ Designed such controls and procedures to ensure that material information relating to the Company is made known to us;
 - ◆ Designed such internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements has been done in accordance with generally accepted accounting principles;
 - ◆ Evaluated the effectiveness of the Company's disclosure, controls and procedures.
2. We confirm that
 - ◆ There are no deficiencies in the design or operation of internal controls, which could materially adversely affect the Company's ability to record, process, summarize and report financial data;
 - ◆ There are no significant changes in internal controls during the period;
 - ◆ All significant changes in accounting policies during the year have been disclosed in the notes to the financial statements; and
 - ◆ There are no instances of significant fraud of which we are aware, that involves management or other employees who have a significant role in the Company's internal controls system.
3. We affirm that we have not denied any personnel, access to the audit committee of the Company (in respect of matters involving alleged misconduct) and we have provided protection to 'whistle blowers' from unfair termination and other unfair or prejudicial employment practices.

Date : 30.08.2014

Place: Kota

Sd/-

Manish Jatia

Whole Time Director & CEO

Sd/-

Giriraj Nagar

Chief Financial officer



CERTIFICATE ON COMPLIANCE AS STIPULATED UNDER CLAUSE 49 OF THIS LISTING AGREEMENT WITH STOCK EXCHANGE

To,
The **Members,**
Zyden Gentec Ltd.

We have examined the compliance of conditions of Corporate Governance by Zyden Gentec Limited for the year ended on 31st March, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchange in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has generally complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For V. M. & Associates
Company Secretaries

Sd/-

CS Manoj Maheshwari
Partner, CP No. 1971

Place: Jaipur
Date: 30/08/2014

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH COMPANY'S CODE OF CONDUCT

The **Shareholders,**
Zyden Gentec Limited.

This is to confirm that the Company has adopted a Code of Conduct for its Board of Directors and Senior Management Personnel. The code of conduct of the Company is available on its website (www.zydengentec.in). I hereby confirm that the Company has, in respect of the financial year ended on March 31, 2014, received from the members of its Board and the senior management team, a declaration of compliance with the Code of Conduct as applicable to them.

Sd/-

Vinod Kumar Gupta
Chairman

Date: 30.08.2014
Place: Kota



SECRETARIAL COMPLIANCE CERTIFICATE

The Members,
Zyden Gentec Limited

I am pleased to confirm that the Company has complied with the provisions of the Companies Act, 1956 and notified provisions of the Companies Act 2013 and rules framed there under for the financial year ended 31st March, 2014 and have:

1. Maintained all the books of accounts and statutory registers required as per the Companies Act, 1956 ("the Act") and the Rules made there under.
2. Filed all the forms and returns and furnished all the necessary particulars to the Registrar of Companies, Jaipur, as required by the Act.
3. Issued all the notices required to be given for convening of Board / Committee Meetings and General Meeting, within the time limit prescribed by law.
4. Conducted the Board / Committee Meetings and Annual General Meeting as per the Act.
5. Complied with all the requirements relating to the minutes and proceedings of the meeting of the Directors / Committee members and the Shareholders.
6. Made all the disclosures required under the Act.
7. Not exceeded the borrowing powers.
8. No penalties or strictures have been imposed on the Company by the Stock Exchanges, Securities and Exchange Board of India (SEBI) or any other statutory authority on any matter related to Capital Markets during the last three years.
9. The content of the certificate is true to the best of my knowledge and belief, knowing fully well that on the faith and strength of what is stated above, the shareholders of the Company would place full reliance on it.

Place: Kota
Date: 30.08.2014

Sd/-
CS Simranjeet Kaur
Company Secretary

REPORT OF AUDIT COMMITTEE

The Shareholders,
Zyden Gentec Limited

The Audit Committee of the Board of Directors comprises of 3 Directors (Non-Executive & Independent Directors) of the Company. The Committee operates under a written charter adopted by the Board of Directors, and has been vested with all the powers necessary to effectively discharge its responsibilities.

The committee has primary responsibility for the financial statements and reporting process including the systems of internal controls. Further it also considers the matters relating to appointment or reappointment of Auditors, their remunerations and also reviews the Vigil Mechanism. During the financial year, the Committee discussed with the Company's auditors about overall scope and plans for their audit. The Committee also discussed appraisal of the company's internal controls and the overall quality of the Company's financial reporting.

In fulfilling its oversight responsibilities, the committee has reviewed and discussed the Company's audited financial statements with the management. Relying on the review and discussions with the management and the auditors, the Audit Committee believes that the Company's financial statements are fairly presented in all material aspects.

Further the Committee has recommended the Board for appointment of M/s Rajvanshi and Associates, Chartered Accountants, as Statutory Auditor of the Company who shall hold office from the conclusion of this Annual General Meeting till the conclusion of the 25th AGM of the Company to be held in the year 2019 (subject to ratification of their appointment at every AGM)

The Company's Code of Business Conduct and Ethics has the mechanism whereby no personnel intending to make a complaint relating to Securities and financial reporting shall be denied access to the Audit Committee.

Place: Kota
Date: 30.08.2014

Sd/-
Niranjan Kumar Agrawal
Chairman Audit Committee



Independent Auditor's Report

To The Members of Zyden Gentec Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Zyden Gentec Limited** which comprise the Balance Sheet as at 31 March 2014, 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") read with the general circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements read together with the Significant Accounting Policies and notes thereon give the information required by the Companies Act, 1956 in the manner so required and;

1. The interest expense of Rs. 28,28,653/- have been reversed during the year and further not providing the interest payable in respect of Term loans and other facilities taken by the company which have been recalled by the banks and other financial institutions due to defaults by the company.
2. The Provision for Gratuity and Leave Encashment has not been provided by the Company.

Subject to above, the financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.

- a) In the case of Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) In the case of Statement of Profit & Loss, of the loss of the Company for the year ended on that date and
- c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.



Emphasis of the matter

We draw your attention to the following paras stated in Note No. 28– other explanatory information:

1. Point No. (c) regarding not recognizing Deferred tax liability considering absence of virtual certainty.
2. Point No. (j) regarding not providing depreciation in respect of building, plant and Machinery and all other fixed assets installed at Hyderabad unit due to its being not in operation.

However, our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003, 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 sub-Section (3C) of Section 211 of the Companies Act, 1956 read with the general circular 15/2013 dated 13th September,2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013, and
- e. On the basis written representations received from the directors as on 31 March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014, from being appointed as a director in terms of clause (g) of sub-Section (1) of Section 274 of the Companies Act, 1956.

For Rajvanshi & Associates
Chartered Accountants
Firm Regn. No. : 005069C

Sd/-

Vikas Rajvanshi
Partner
Membership No.: 073670
Place: Jaipur
Date: 30th May 2014



ANNEXURES TO THE AUDITOR'S REPORT

(Referred to in paragraph 1 under the heading of "Report on other legal & Regulatory Requirements" of our report of even date)

1) In respect of fixed assets:

a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets on the basis of available information. However, such records showing full particulars including quantitative details and situations of certain fixed assets are being updated.

b) As explained to us, fixed assets have been physically verified by the management in a phased periodical manner which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification, as per the explanations provided to us.

c) In our opinion and according to the information and explanation given to us, there is no substantial disposal of fixed assets during the year.

2) In respect of its inventories:

a) As explained to us, the inventories have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable having regard to the size of the company and the nature of its business.

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

c) In our opinion and according to the information and explanations given to us, the company has maintained proper records of its inventories. As explained to us no material discrepancies were noticed on verification between the physical stocks and the book records.

3) In respect of loans secured or unsecured loan, taken or granted by the company to / from companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956:

a) As per information and explanations provided to us, the Company has granted unsecured loans to two Companies covered in the register maintained under section 301 of the Companies act, 1956. The maximum amount involved was Rs 138.48 lacs. The year end balance was Rs. 110.02 lacs.

b) Rates of interest and other terms and conditions of loans given by the Company, secured or unsecured, are not prima facie prejudicial to the interest of Company.

c) Receipt of principal and interest is also regular wherever stipulated.

d) There was no overdue amount and consequently question of taking reasonable steps for recovery of principal and interest when overdue amount is more than Rs.1 lac does not arise.

e) According to the information and explanations given to us, the Company has taken unsecured loan parties covered under 301 register of the Companies Act, 1956. Numbers of parties involved were 2 and maximum outstanding during the year was Rs.170.02 lacs and amount outstanding as on 31.03.2014 is Rs.57.66 lacs;

f) Rate of interest and other terms & conditions of loan taken by the Company, secured or unsecured are not prima facie prejudicial to the interest of the Company.

g) Payment of principal and interest is also regular wherever stipulated.

4) In our opinion and according to the information and explanation given to us, there are adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal control system.



- 5) In respect of register maintained under section 301 of the companies act, 1956
- a) Based on the information and explanation given to us, the transactions pertaining to contracts and arrangements that need to be entered into a register in pursuance of section 301 of the Companies Act, 1956 have been so entered.
- b) According to information and explanation given to us, there are no transactions of purchase and sales entered into the register maintained under section 301 of the Companies Act, 1956 and prices of such are reasonable having regard to the prevailing market prices at the relevant time as explained to us.
- 6) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from public, hence question of complying with the directions issued by the Reserve Bank of India and the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under in respect of deposits accepted from public does not arise. No order was passed by company law Board, or National Company Law Tribunal or Reserve Bank of India or any other tribunal and hence question of its compliance does not arise.
- 7) As informed to us the Company has own internal audit system commensurate with the size and the nature of its business. No external auditor is engaged for the purpose of Internal Audit.
- 8) We have broadly reviewed the books of accounts maintained by the company pursuant to the rules made by the Central Government of India, regarding maintenance of cost records under clause (d) of Sub Section (1) of Section 209 of the Act and are of the opinion that prima facie the prescribed accounts and records have been maintained. We have however not carried out detailed examination of the same.
- 9) On the basis of the records produced to us, the company is irregular in depositing with appropriate authorities undisputed statutory dues of Provident Fund, Employee's State Insurance, TDS and Sales Tax(VAT). To the best of our knowledge and according to the information and explanations given to us there were arrears of undisputed outstanding statutory dues as at the last day of the financial year for a period of more than six months from the date they become payable such as Rs. 521871/- due towards PF, Rs. 26835/- due towards ITDS and Rs. 1270790/- due towards VAT and CST. There were unpaid disputed dues of ESI of Rs. 210000/- The necessary documents as regards authority with whom appeal was filed could not be produced.
- 10) The Company has losses but do not have accumulated losses which are more than 50% of the net worth at the end of the Financial Year ended on 31st March, 2014. However, the Company has incurred cash losses in the current financial year and in the immediately preceding financial year.
- 11) According to the information and explanations given to us, the Company has defaulted in repayment of dues to financial institutions and the banks of Rs. 9,25,55,990/- as on the balance sheet date after reversing the interest due to NPA of account. Please refer Note no. 3.1,5 and point (a) and (b) of note No.28- other explanatory information. Banks and financial institutions have recalled the loans and facilities.
- 12) On the basis of information and explanation given to us, the company has not granted any loan on the basis of security by way of pledge of shares, debenture and other securities. Therefore, the question of adequacy or otherwise of maintenance of documents and records in respect thereof does not arise.
- 13) The Company is not a chit fund/ Nidhi/ mutual benefit fund/ society. Therefore, the provisions of the clause 4(xiii) of the order are not applicable on the Company.
- 14) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of the clause 4(xi v) of the order are not applicable on the Company.



- 15) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- 16) According to our audit procedure and on the basis of information and explanation given to us the term loan was applied for the purpose for which that loan was obtained.
- 17) According to the information and explanation given to us, and on an overall examination of the balance sheet of the Company, we are of the opinion that there are no funds raised on short-term basis that, prima facie, have been used for the long term investment nor the long term loan have been used to finance short term assets except for permanent working capital.
- 18) According to the information and explanations given to us, the company has not during the year made any preferential allotment of shares.
- 19) According to the information and explanation given to us, during the period covered by our audit report, the Company has not issued any debentures. Accordingly, no security / charge has been created in respect of debentures issued.
- 20) The Company has not raised any money by public issue during the year.
- 21) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For Rajvanshi & Associates
Chartered Accountants
(Firm Registration No. 005069C)

Sd/-

Vikas Rajvanshi
(Partner)
M.No: 073670
Place : J A I P U R
Dated : 30th May 2014



ZYDEN GENTEC LIMITED

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BALANCE - SHEET AS ON 31st MARCH 2014

(Amount in Rs.)

| PARTICULARS | NOTES | AS AT 31-Mar-2014 | AS AT 31-Mar-2013 |
|--------------------------------|-------|--------------------|--------------------|
| EQUITY AND LIABILITIES | | | |
| SHARE HOLDERS FUNDS | | | |
| Share Capital | 1 | 111,124,000 | 111,124,000 |
| Reserves & Surplus | 2 | 12,515,365 | 15,154,907 |
| | | 123,639,365 | 126,278,907 |
| Non-current liabilities | | | |
| Long-term borrowings | 3 | - | - |
| Long-term provisions | 4 | 877,771 | 877,771 |
| | | 877,771 | 877,771 |
| Current liabilities | | | |
| Short-term borrowings | 5 | 54,121,321 | 70,668,955 |
| Trade Payables | 6 | 15,452,336 | 9,971,672 |
| Other current liabilities | 7 | 50,586,880 | 55,156,543 |
| | | 120,160,537 | 135,797,170 |
| TOTAL | | 244,677,673 | 262,953,848 |
| ASSETS | | | |
| Non-current assets | | | |
| Fixed assets | | | |
| Tangible assets | 8 | 82,520,988 | 85,283,379 |
| Intangible Assets | 1 | 1 | 1 |
| Non-current investments | 9 | 70,250 | 70,250 |
| Long-term loans and advances | 10 | 1,260,280 | 1,212,102 |
| Other non current assets | 11 | 181,174 | 1,677,709 |
| | | 84,032,693 | 88,243,441 |
| Current assets | | | |
| Inventories | 12 | 6,923,089 | 12,664,713 |
| Trade Receivables | 13 | 46,863,025 | 46,939,056 |
| Cash and Cash Equivalents | 14 | 329,073 | 1,214,593 |
| Short-term loans and advances | 15 | 106,529,793 | 113,892,045 |
| | | 160,644,980 | 174,710,407 |
| TOTAL | | 244,677,673 | 262,953,848 |

Significant Accounting Policies and Notes to Financial Statements

A
1-28

As per our report of even date
For Rajvanshi & Associates
Chartered Accountants

For & on behalf of the Board of Directors

Sd/-

Vikas Rajvanshi

Partner

Membership No. : 073670

Firm Regn. No. : 005069C

Sd/-

Vinod Kumar Gupta

Chairman

DIN No:- 00193202

Sd/-

Manish Jatia

Whole Time Director

DIN No:- 00483354

Sd/-

G.P. Nagar

Chief Financial Officer

Date: 30th May 2014

Place : Jaipur



ZYDEN GENTEC LIMITED

20th Annual Report, 2013-14

Statement of Profit & Loss for the year ended 31-March-2014

(Amount in Rs.)

| Particulars | Notes | Year ended on 31-March 2014 | Year ended on 31-March 2013 |
|---|-------|-----------------------------|-----------------------------|
| Income | | | |
| Revenue from operation(Gross) | 16 | 18,300,755 | 83,056,598 |
| Less: Excise Duty | | (2,407,320) | (7,568,471) |
| Revenue from operation(Net) | | 15,893,435 | 75,488,127 |
| Other Income | 17 | 13,259,892 | 9,359,973 |
| TOTAL (I) | | 29,153,327 | 84,848,100 |
| Expenses | | | |
| Cost of Material consumed | 18 | 19,696,099 | 53,539,116 |
| Direct Expenses | 19 | 2,099,373 | 7,778,803 |
| Change in Inventories of Finished Goods/ WIP | 20 | 872,863 | 12,563,398 |
| Employee benefit expense | 21 | 3,566,405 | 7,647,288 |
| Finance cost | 22 | 341,974 | 3,975,847 |
| Depreciation and amortization expense | 8 | 2,475,478 | 2,589,549 |
| Other Expense | 23 | 2,751,081 | 4,062,011 |
| Total (II) | | 31,803,271 | 92,156,012 |
| Loss Before Exceptional, Extraordinary Items & Tax(I-II) | | (2,649,945) | (7,307,912) |
| Less: Exceptional Items | | - | - |
| Loss Before Extraordinary Items & Tax | | (2,649,945) | (7,307,912) |
| Less: Extraordinary Items | | - | - |
| Loss Before Tax | | (2,649,945) | (7,307,912) |
| Less: Tax expense | | | |
| Current Tax | | - | - |
| Deferred Tax | | - | - |
| Loss for the period | | (2,649,945) | (7,307,912) |
| Basic/ Diluted | 24 | (0.24) | (0.66) |

Significant Accounting Policies and Notes to Financial Statements

A
1-28

As per our report of even date
For Rajvanshi & Associates
Chartered Accountants

For & on behalf of the Board of Directors

Sd/-

Vikas Rajvanshi

Partner

Membership No. : 073670

Firm Regn. No. : 005069C

Sd/-

Vinod Kumar Gupta

Chairman

DIN No:- 00193202

Sd/-

Manish Jatia

Whole Time Director

DIN No:- 00483354

Sd/-

G.P. Nagar

Chief Financial Officer

Date:30th May, 2014

Place : Jaipur



ZYDEN GENTEC LIMITED

20th Annual Report, 2013-14

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31.03.2014

(Amount in `)

| Note No. | Particulars | As at 31 March, 2014 | As at 31 March, 2013 |
|---|-------------|----------------------|----------------------|
| 1.0 Share Capital | | | |
| Authorised Share Capital | | | |
| 1,50,00,000 Equity shares of Rs.10/- | | 150,000,000 | 150,000,000 |
| Issued, Subscribed & Paid up Capital | | | |
| 1,11,12,400 Equity shares of Rs. 10/- | | 111,124,000 | 111,124,000 |
| | | 111,124,000 | 111,124,000 |

1.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares

| | As at 31 March, 2014 No. of shares | As at 31 March, 2013 No. of shares |
|--------------------------------------|---------------------------------------|---------------------------------------|
| At the beginning of the period | 11,112,400 | 111,124,000 |
| Issued during the year | - | - |
| Equity Shares at the end of the year | 11,112,400 | 11,112,400* |

*(Consequent upon consolidation in Equity shares of Rs.10/-each)

1.2 Terms/Rights attached to Equity Shares

The Company has only one class of equity shares having a face value of Rs.10/- per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividends proposed by the Board of Directors is subject to approval of shareholders in the annual general meeting. In the event of liquidation of the company, the Equity shareholders will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

1.3 Details of shareholders holding more than 5% shares in the company:

| Equity shares of ` 10/- each fully paid | As at 31 March, 2014 No. of share /% of holding | As at 31 March, 2013 No. of share /% of holding |
|---|--|--|
| Brijmohan Sagarmal Capital Services Private Limited | 1295000 (11.65%) | |
| Associated Stock Broking Pvt Limited | 810265 (7.29%) | |
| Padmesh Deodatta Gupta | 654394 (5.89%) | 1500000 (13.50%) |
| Vinod S Gupta | | 683900 (6.15%) |
| Sharda Advisory Services Private Limited | | 750000 (6.75%) |
| Govinddas Govardhandas Daga | | 1000000 (9.00%) |
| Sudha Devi Govinddas Daga | | 740000 (6.66%) |
| Gordhandas Narsingdas Daga (HUF) | | 550000 (4.99%) |

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares. During the year 2012-13, company consolidated its Equity shares from Rs.1/- to Rs.10/- each. Fractional shares arising out of this consolidation were given to a director to hold and sell the same in the market in trust on behalf of the company. Total fractional shares arising out of above exercise were consolidated into 147 shares of Rs.10/- each and were sold. Sale proceed of Rs.6804.39 /- (Net of expenses), is lying in the bank account of director.

2.0 Reserves and Surplus

| | As at 31 March, 2014 | As at 31 March, 2013 |
|---|----------------------|----------------------|
| Capital Reserve | | |
| Amount forfeited on non exercise of option of conversion by the allottees of convertible Bonds | | |
| Opening Balance | 12,130,000 | 9,705,000.00 |
| Add: Amount forfeited during the year | - | 2,425,000.00 |
| Closing Balance | 12,130,000 | 12,130,000 |
| Capital Investment Subsidy | | |
| Opening Balance | 1,500,000 | - |
| Add: Received during the year | - | 1,500,000 |
| Closing Balance | 1,500,000 | 1,500,000 |
| Securities Premium Account | | |
| Opening Balance | 43,312,000 | 43,312,000 |
| Add: Received during the year | - | - |
| Closing Balance | 43,312,000 | 43,312,000 |
| Foreign Currency Monetary Translation Difference Account | | |
| | 10,403 | - |



ZYDEN GENTEC LIMITED

20th Annual Report, 2013-14

General Reserve

| | | |
|--|---------------------|---------------------|
| Opening Balance | 6,048,744 | 6,048,744 |
| Add: Amount transferred from Surplus in statement of Profit & Loss | - | - |
| Closing Balance | 6,048,744 | 6,048,744 |
| (Deficit)/ Surplus in the statement of Profit and Loss | | |
| Balance as per Last Financial Statements | (47,835,837) | (40,527,925) |
| (Loss)/Profit for the Year | (2,649,945) | (7,307,912) |
| Net (Deficit)/Surplus | (50,485,782) | (47,835,837) |
| Total Reserves and Surplus | 12,515,365 | 15,154,907 |

3.0 Long Term Borrowings

3.1 Current Maturities of Long Term Debt(Refer Note.7)

Secured

Term loans

Punjab National Bank Limited

| | As at 31 March, 2014 | As at 31 March, 2013 |
|--|----------------------|----------------------|
| 1. Against hypothecation of plant and machinery, Equitable mortgage of factory land and building at Kota, second charge on factory land and building, plant and machinery, equipments and current assets of Company's Hyderabad Unit, personal guarantee of some of directors & their specific immovable properties, corporate guarantee of other bodies corporate and their specific immovable properties. Repayable in 28 quarterly instalments of Rs.8lacs to 21.25 lacs from 1.4.2013 carrying interest @15.5% p.a. | 27,383,846 | 28,787,066 |
| 2. Against hypothecation of plant and machinery, Equitable mortgage of factory land and building at Kota, second charge on factory land and building, plant and machinery, equipments and current assets of Company's Hyderabad Unit, personal guarantee of some of directors and their specific immovable properties, corporate guarantee of other bodies corporate and their specific immovable properties. Repayable in 20 quarterly instalments of Rs.2.2 lacs from 1.10.2011 carrying interest @15% p.a. | 3,304,645 | 3,549,256 |
| 3. Working capital term loan against hypothecation of all stocks and book debts, hypothecation of plant and machinery, Equitable mortgage of factory land and building at Kota, second charge on factory land and building, plant and machinery, equipments and current assets of Company's Hyderabad Unit, personal guarantee of some of directors and their specific immovable properties, corporate guarantee of other bodies corporate and their specific immovable properties. Repayable in 72 monthly instalments of Rs.100417/- to 178417/- from 1.4.2013 carrying interest @15.5% p.a. | 10,000,000 | 10,063,800 |
| 4. Term loan facility against hypothecation of stock and book debts and plant and machinery present and future, repayable in 12 monthly instalments of Rs.194000/- commencing from October 2012. | - | 2,194,837 |
| 5. Against hypothecation of Vehicle-Winger, repayable in 33 equated monthly instalments of Rs. 16900/- w.e.f. 1.4.2011 carrying interest @12%p.a. | 268,826 | 282,596 |

Term loan from SIDBI

1. Against hypothecation of all movable assets except book debts and personal guarantee of some of directors repayable in 50 monthly instalments of Rs 100000/- carrying interest @ 11% p.a. Monthly rests.
2. Against hypothecation of DG Sets and personal guarantee of some of directors repayable in 54 monthly instalments of Rs. 14230/- after a moratorium period of six months from the date of disbursement carrying interest @ 11% p.a. at monthly rests. (After adjustment of subsidy, instalment amount is 11800/)

All the accounts have become NPA. All loans have been recalled by the Bank /secured Creditor. As Loans have been recalled these are included in current maturities under current liabilities.

| | |
|-------------------|-------------------|
| 44,201,237 | 48,121,475 |
|-------------------|-------------------|

4.0 Long Term Provisions

- Provision for Employee Benefits
-Gratuity & Leave Encashment

| As at 31 March, 2014 | As at 31 March, 2013 |
|----------------------|----------------------|
| 877,771 | 877,771 |
| 877,771 | 877,771 |

5.0 Short Term Borrowing
Secured
Cash Credits from Banks
Punjab National Bank

Cash credit facility against hypothecation of all stocks and book debts and hypothecation of plant and machinery, Equitable mortgage of factory land and building at Kota, second charge on factory land and building, plant and machinery, equipments and current assets of Company's Hyderabad Unit, personal guarantee of some of directors and their specific immovable properties, corporate guarantee of other bodies corporate and their specific immovable properties. Repayable on demand carrying interest ranging from 14.5% to 15% p.a.

| | As at 31 March, 2014 | As at 31 March, 2013 |
|--|----------------------|----------------------|
| | 8,290,610 | 26,652,880 |

- Letter of credit facility - Usance period not exceeding 90 days

Security as mentioned above in cash credit facility
 LC of Rs. 1265456/- Devolved on 04/09/2012 and Balance on 12/10/2012

| | | |
|--|-----------|-----------|
| | 1,699,811 | 1,709,036 |
|--|-----------|-----------|

State Bank of Hyderabad

Against first charge on current assets of Hyderabad Unit of the Company, Equitable mortgage of factory land and building at bollaram, Ist charge on plant and machinery and equipments at bollaram unit, second charge on fixed assets of kota unit, personal guarantee of two directors.

| | | |
|--|------------|------------|
| | 38,364,332 | 38,364,332 |
|--|------------|------------|

All the accounts have become NPA. All loans have been recalled by the Bank /secured Creditor. As Loans have been recalled these are included in current maturities under current liabilities.

Unsecured
From Related Parties
From directors

repayable on demand, interest free

| | | |
|--|-----------|-----------|
| | 5,766,568 | 3,942,707 |
|--|-----------|-----------|

| | | |
|--|-------------------|-------------------|
| | 54,121,321 | 70,668,955 |
|--|-------------------|-------------------|

6.0 Trade Payables

Trade Payables*

| | As at 31 March, 2014 | As at 31 March, 2013 |
|--|----------------------|----------------------|
| | 15,452,336 | 9,971,672 |
| | 15,452,336 | 9,971,672 |

*The company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures regarding:

- Amount due and outstanding to suppliers as at the end of accounting year.
- Interest paid during the year
- Interest payable at the end of accounting year
- Interest accrued and unpaid at the end of the accounting year, have not been given.

The company is making efforts to get the confirmations from the suppliers as regards their status under the act.

7.0 Other Current Liabilities

Reddy Pharmaceuticals(Advance Received against factory Sale of Hyderabad
 Current Maturities of Long Term Debts (Refer Note 3.1)
 Govt Departments(TDS, VAT and Service Tax Payable)
 Bonus and EPF Payable
 Expenses and other Payables

| | | |
|--|-------------------|-------------------|
| | 2,100,000 | - |
| | 44,201,237 | 48,121,475 |
| | 1,340,627 | 1,700,002 |
| | 663,345 | 599,686 |
| | 2,281,672 | 4,735,380 |
| | 50,586,880 | 55,156,543 |

9.0 Non Current Investments

(Valued at Cost)

Investment in Equity Instruments (unquoted)
Investment in Subsidiary companies

Investment in Zyden Gentec Hong Kong Limited.
 10,000 Equity Shares of 1 HKD each

| | | |
|--|--------|--------|
| | 70,250 | 70,250 |
|--|--------|--------|

| | | |
|--|---------------|---------------|
| | 70,250 | 70,250 |
|--|---------------|---------------|

10.0 Long Term Loans & Advances
10.1 Security Deposit

Security Deposits with govt. departments/others

Total (A)

| | | |
|--|-----------|-----------|
| | 1,178,492 | 1,125,532 |
|--|-----------|-----------|

| | | |
|--|------------------|------------------|
| | 1,178,492 | 1,125,532 |
|--|------------------|------------------|

10.2 Other Loans and Advances

ITDS/FBT refundable/adjustable

| | | |
|--|--------|--------|
| | 81,788 | 86,570 |
|--|--------|--------|

Total (B)

| | | |
|--|--------|--------|
| | 81,788 | 86,570 |
|--|--------|--------|

Total (A+B)

| | | |
|--|------------------|------------------|
| | 1,260,280 | 1,212,102 |
|--|------------------|------------------|

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11.0 Other Non Current Assets

 Other Bank Balances(Unsecured, considered good)
 Interest accrued on FDR

| As at 31 March, 2014 | As at 31 March, 2013 |
|----------------------|----------------------|
| 121,201 | 1,621,201 |
| 59,973 | 56,508 |
| 181,174 | 1,677,709 |

12.0 Inventories
At cost or net realisable value which ever is lower

 Raw Material
 Work in Progress
 Finished goods
 Stores ,spares and consumable/packing material

| As at 31 March, 2014 | As at 31 March, 2013 |
|----------------------|----------------------|
| 2,381,897 | 7,210,629 |
| - | 1,477,494 |
| 4,311,222 | 3,706,591 |
| 229,969 | 269,999 |
| 6,923,089 | 12,664,713 |

13.0 Trade Receivable
13.1 Outstanding for a period exceeding six months from the date they are due for payment

 Unsecured & Considered Good
Total (A)

| As at 31 March, 2014 | As at 31 March, 2013 |
|----------------------|----------------------|
| 46,275,141 | 34,349,107 |
| 46,275,141 | 34,349,107 |

13.2 Other Trade Receivables

 Unsecured & Considered Good
Total (B)
Total (A+B)

| | |
|-------------------|-------------------|
| 587,885 | 12,589,949 |
| 587,885 | 12,589,949 |
| 46,863,025 | 46,939,056 |

14.0 Cash & Cash Equivalents

 Bank balances
 -Current Accounts
 Cash in Hand

| As at 31 March, 2014 | As at 31 March, 2013 |
|----------------------|----------------------|
| 23,804 | 114,017 |
| 305,269 | 1,100,576 |
| 329,073 | 1,214,593 |

15.0 Short Term Loans & Advances
15.1 Loans and Advances to Related Parties

 Unsecured & Considered Good
Total (A)

| As at 31 March, 2014 | As at 31 March, 2013 |
|----------------------|----------------------|
| 11,002,762 | 11,386,064 |
| 11,002,762 | 11,386,064 |

15.2 Loans and Advances recoverable in cash or in kind

 Unsecured & Considered Good
Total (B)

| | |
|---------------|----------------|
| 20,000 | 459,558 |
| 20,000 | 459,558 |

15.3 Other Loans and Advances

 Unsecured & Considered Good
 Loans and advances to body corporates and others
 Advance to Subsidiary
 Balances with Statutory/Government Authorities
 Interest accrued but not due
 Prepaid Expenses
 Interest Receivable
Total (C)
Total (A+B+C)

| | |
|--------------------|--------------------|
| 80,079,933 | 97,762,399 |
| 123,904 | 113,501 |
| 3,824,127 | 4,087,031 |
| 19,068 | 19,068 |
| - | 64,424 |
| 11,460,000 | - |
| 95,507,031 | 102,046,423 |
| 106,529,793 | 113,892,045 |

16.0 Revenue from operation(Gross)

 Sale of Products
 Job Work
 Other Operating Revenue

Less: Excise Duty

| 2013-14 | 2012-13 |
|--------------------|--------------------|
| 18,325,096 | 81,272,956 |
| - | 1,226,000 |
| (24,341) | 557,642 |
| 18,300,755 | 83,056,598 |
| (2,407,320) | (7,568,471) |
| 15,893,435 | 75,488,127 |

 Details of Products sold
 Drug Intermediates

| | |
|-------------------|-------------------|
| 18,325,096 | 81,272,956 |
| 18,325,096 | 81,272,956 |

 Details of Other operating revenue
 Unspent liabilities /sundry balances written back(Net)
 Exchange gain/(loss)
 Others

| | |
|-----------------|----------------|
| 8,500 | 108,867 |
| (32,841) | 145,793 |
| - | 302,982 |
| (24,341) | 557,642 |

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| | | | |
|--|-----------|-------------------|-------------------|
| 17.0 Other Income | | 2013-14 | 2012-13 |
| Interest on FDR | | 11,972 | 139,795 |
| Interest on current loans and advances | | 11,487,169 | 9,220,178 |
| Interest reversed on NPA and other Accounts | | 1,760,750 | - |
| | | 13,259,892 | 9,359,973 |
| 18.0 Cost of Material consumed | | 2013-14 | 2012-13 |
| Opening Stock | | 7,210,629 | 7,402,082 |
| Add: Purchases | | 14,683,377 | 52,122,660 |
| Custom duty | | | 346,247 |
| Carriage Inward and import clearing expenses | | 183,990 | 878,756 |
| | | 22,077,996 | 60,749,745 |
| Less: Closing Stock | | 2,381,897 | 7,210,629 |
| | | 19,696,099 | 53,539,116 |
| 19.0 Direct Expenses | | 2013-14 | 2012-13 |
| Power and Fuel | | 1,679,373 | 6,067,456 |
| Repair & Maintenance Expenses | | | |
| -Machinery | | 141,335 | 389,956 |
| -Building | | 22,007 | 78,625 |
| Consumption of stores and spares/packing material | | 256,658 | 1,242,766 |
| | | 2,099,373 | 7,778,803 |
| 20.0 Change in Inventories of Finished Goods/ WIP | | 2013-14 | 2012-13 |
| Inventory at the end of year | | | |
| - Finished goods | | 4,311,222 | 3,706,591 |
| - Work in progress | | - | 1,477,494 |
| | Total (A) | 4,311,222 | 5,184,085 |
| Inventory at the beginning of year | | | |
| - Finished goods | | 3,706,591 | 7,837,147 |
| - Work in progress | | 1,477,494 | 9,910,336 |
| | Total (B) | 5,184,085 | 17,747,483 |
| Net Change in Inventories of Finished Goods/ WIP | | 872,863 | 12,563,398 |
| 21.0 Employee Benefit Expenses | | 2013-14 | 2012-13 |
| Salaries & Wages | | 3,486,358 | 7,142,522 |
| Gratuity to staff | | - | 118,095 |
| Contribution to Provident and Other funds | | - | 169,629 |
| Staff Welfare | | 80,047 | 217,042 |
| | | 3,566,405 | 7,647,288 |
| 22.0 Finance Cost | | 2013-14 | 2012-13 |
| Bank Charges | | 341,974 | 60,538 |
| Interest Expenses | | - | 3,705,785 |
| Other Borrowing Cost | | - | 209,524 |
| | | 341,974 | 3,975,847 |
| 23.0 Other Expenses | | 2013-14 | 2012-13 |
| Communication Costs | | 195,871 | 339,387 |
| Freight & Forwarding | | 32,575 | 728,004 |
| C&F Expenses (Export) | | 116,627 | - |
| Insurance Charges | | 74,023 | 126,194 |
| Legal & Professional Expenses | | 575,699 | 516,584 |
| Loss on Sale of Fixed Assets | | 136,463 | 8,751 |
| Misc Expenses | | 183,457 | 241,045 |
| Payment to auditor | | | |
| -Statutory & Tax Audit Fees | | 50,000 | 50,000 |
| -Income Tax matters | | - | - |
| -Company Law matters | | 26,000 | - |
| -Other Services | | - | - |
| Printing & Stationery | | 77,656 | 105,718 |
| Rent | | 316,800 | 564,191 |
| Tour & Travelling Expenses | | 485,584 | 552,775 |
| Vehicle Maintenance | | 480,326 | 829,362 |
| | | 2,751,081 | 4,062,011 |

24.0 Earnings Per Share (EPS)

| | 2013-14 | 2012-13 |
|--|----------------|----------------|
| Net Profit after tax attributable to Equity Shareholders (a) | (2,649,945) | (7,307,912) |
| Weighted Average number of equity Shares outstanding during the year (b) | 11,112,400 | 11,112,400 |
| Basic Earnings per share (a/b) | (0.24) | (0.66) |
| Weighted Average number of equity shares in computing Diluted EPS (c) | 11,112,400 | 11,112,400 |
| Diluted Earnings per Share (a/c) | (0.24) | (0.66) |
| Face Value per equity Share | 10.00 | 10.00 |

25.0 Contingent Liabilities

| | As at 31 March, 2014 | As at 31 March, 2013 |
|--|-----------------------------|-----------------------------|
| ESI demand for ESI department for Hyderabad unit | 210,000 | 210,000 |

26.0 Segment Reporting

The company is a one-segment company of manufacturing of Drug Intermediaries. Hence, no further disclosures are required under AS-17, other than those already provided in the financial statements.

27.0 Related Party Disclosure

(Disclosure as required by Accounting Standard (AS) 18 Related Party Disclosures)

a. List of Subsidiaries

Zyden Gentec Hong Kong Limited

b. Enterprises having same Key Management Personnel and/or their relatives as the reporting enterprise:

Deepak Healthcare Private Limited
 Sharda Advisory Services Private Limited
 Ultimate Money Makers(India) Private Limited

c. Key Management Personnel

Shri Vinod Kumar Gupta, Chairman/Managing Director
 Shri Venkata Kameshwararao Varanasi, Executive Director (retired w.e.f. 13.08.2013)
 Niranjana Kumar Agrawal, Director
 Manish Jatia, Whole Time Director (w.e.f. 26.03.2014)

Related Party Transactions
a. Enterprises having same Key Management Personnel and/or their relatives as the reporting enterprise
Loans given and repayment thereof
Deepak Healthcare Private Limited

| | 2013-14 | 2012-13 |
|-----------------------------|------------------|------------------|
| Opening Balance | 9,384,897 | 8,752,236 |
| Loans given | 3,023,000 | 2,989,000 |
| Repayment received | 3,868,400 | 3,290,039 |
| Interest accrued/(reversed) | (933,700) | 933,700 |
| Closing Balance | 7,605,797 | 9,384,897 |

Ultimate Money Makers(India) Private Limited

| | 2013-14 | 2012-13 |
|-----------------------------|------------------|------------------|
| Opening Balance | 2,001,167 | 330,000 |
| Loans given | 1,530,000 | 2,740,000 |
| Repayment received | - | 1,203,036 |
| Interest accrued/(reversed) | (134,203) | 134,203 |
| Closing Balance | 3,396,964 | 2,001,167 |

Loans taken and repayment thereof
Sharda Advisory Services Private Limited

| | 2013-14 | 2012-13 |
|-----------------------------|----------------|----------------|
| Opening Balance | - | 1,600,000 |
| Loans taken | - | - |
| Repayment made | - | 1,600,000 |
| Interest accrued/(reversed) | - | - |
| Closing Balance | - | - |

Other transactions

| | 2013-14 | 2012-13 |
|--|----------------|----------------|
| Car Rent paid to Deepak Healthcare Private Limited | 96,000 | 96,000 |

b. Key Managerial Personnel

Loans taken and repayment thereof

Vinod S Gupta

| | | |
|-----------------------------|------------------|------------------|
| Opening Balance | 3,442,707 | 2,106,292 |
| Loans taken | 14,952,162 | 1,962,915 |
| Repayment made | 13,128,300 | 626,500 |
| Interest accrued/(reversed) | - | - |
| Closing Balance | 5,266,569 | 3,442,707 |

Niranjan Kumar Agarwal

| | | |
|-----------------|----------------|----------------|
| Opening Balance | 500,000 | 500,000 |
| Closing Balance | 500,000 | 500,000 |

Other transactions

| | | |
|----------------------------|--------|--------|
| Rent to Sh. Vinod S. Gupta | 60,000 | 60,000 |
|----------------------------|--------|--------|

28.0 Other Explanatory Information

- a) Company has not provided interest on term loans and other facilities taken from Punjab National Bank, Kota from the date amounts were recalled by the bank. All the bank accounts have been declared NPA by the Bank. Management has initiated the process of settlement with Bank and accordingly has not provided any liability towards interest including penal interest expense as Company is hopeful that no liability other than that recorded in the books of accounts would arise
- b) Company has not paid interest on cash credit account with State Bank of Hyderabad since August, 2011 and has asked the bank for one time settlement waiving interest and some part of principal amount of loan. Management is hopeful of favourable decision and as such sees no further liability and accordingly has not provided any liability towards interest including penal interest expense. Similar position is in case of SIDBI term loan.
- c) Major Component of deferred tax liability is depreciation. In view of brought forward losses & depreciation as well as current year's losses, deferred tax liability has not been recognized considering absence of virtual certainty.

d) Previous year figures have been rearranged, recasted and regrouped wherever considered necessary

e) Sundry debtors, loans and advances are subject to confirmation

f) In the opinion of Board, all the fixed assets and current assets, loans and advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated

g) Foreign exchange earning and outgo

| | 31.03.2014 | 31.03.2013 |
|---|------------|-------------|
| Earnings | | |
| FOB Value of exports(including deemed exports)(Accrual Basis) | 2725383.00 | 29167208.00 |
| Outgo | | |
| CIF Value of imports-raw material(on accrual basis) | - | 4190421.00 |
| Foreign Travelling | - | 49862.00 |

h) Particulars in respect of raw material consumed

| | 31.03.2014 | 31.03.2013 |
|----------------------------|---------------|---------------|
| Chemicals and solvents | | |
| Imported | - | 4,569,307.00 |
| % to the total consumption | - | 8.53 |
| Indigenous | 19,696,098.55 | 48,969,809.00 |
| % to the total consumption | 100.00 | 91.47 |
| Total Consumption | 19,696,098.55 | 53,539,116.00 |

i) Utilisation of Proceeds of fresh issue of Equity shares:

| | 31.03.2014 | 31.03.2013 |
|--|------------|------------|
| Utilised for the purpose mentioned in the terms of issue | 27,769,895 | 9,500,000 |
| Balance to be utilised | 47,642,105 | 65,912,000 |

j) Considering the fact that Hyderabad unit was not in operation during the year, no depreciation is provided on building, plant and machinery and all other fixed assets installed at Hyderabad unit

k) Unhedged foreign currency exposure:

| | | |
|-----------------------------------|----------|-------------|
| Sundry Creditors (import) payable | 31600USD | Rs. 1716828 |
|-----------------------------------|----------|-------------|

As per our report of even date
For Rajvanshi & Associates
Chartered Accountants

For & on behalf of the Board of Directors

Sd/-
Vikas Rajvanshi
(Partner)
Membership No. : 073670
Firm Regn. No. : 005069C

Sd/-
Vinod Kumar Gupta
(Chairman)
DIN No:- 00193202

sd/-
Manish Jatia
(Whole Time Director)
DIN No:- 00483354

Date: 30th May 2014
Place: Jaipur

Sd/-
G.P. Nagar
(Chief Financial Officer)



Note-4 PARTICULARS OF DEPRECIATION ALLOWABLE AS PER COMPANIES ACT 1956 FOR THE YEAR 2013-14

| S.NO | FIXED ASSETS | RATE OF DEP. | GROSS BLOCK | | | | DEPRECIATION BLOCK | | | | NET BLOCK | | |
|------|-------------------------|--------------|------------------|-----------------|-----------------|------------------|--------------------|--------------|------------|-------------|------------------|------------------|------------|
| | | | OPENING BAL | ADDITION | DELETION | NET BAL | OPENING | DURING | TRANSFER / | TOTAL AS AT | AS AT 01.04.2013 | AS AT 31.03.2014 | |
| | | | AS AT 01.04.2013 | DURING THE YEAR | DURING THE YEAR | AS AT 31.03.2014 | AS AT 01.04.2013 | FOR THE YEAR | DEDUCTION | 31.03.2014 | | | |
| I | TANGIBLE FIXED ASSETS | | | | | | | | | | | | |
| 1 | Freehold Land | 0.00% | 3,678,920 | 0 | 0 | 3,678,920 | 0 | 0 | 0 | 0 | 0 | 3,678,920 | 3,678,920 |
| 2 | Leasehold Land | 0.00% | 5,227,257 | 0 | 0 | 5,227,257 | 0 | 0 | 0 | 0 | 0 | 5,227,257 | 5,227,257 |
| 3 | Building | 3.34% | 25,428,616 | 0.00 | 0 | 25,428,616 | 2,525,606 | 6,224,700 | 0 | 3,148,076 | 22,903,010 | 2,280,540 | 2,280,540 |
| 4 | Plant and Machinery | 4.75% | 62,846,707 | 0 | 0 | 62,846,707 | 10,744,168 | 1,694,385 | 0 | 12,438,553 | 52,102,539 | 50,408,154 | 50,408,154 |
| 5 | Office Equipment | 4.75% | 188,293 | 4,550 | 0 | 192,843 | 54,371 | 9,790 | 0 | 64,161 | 133,922 | 128,682 | 128,682 |
| 6 | Computer & Accessories | 16.21% | 1,144,856 | 0 | 0 | 1,144,856 | 1,083,011 | 61,845 | 0 | 1,144,856 | 61,845 | 0 | 0 |
| 7 | Furniture & Fixtures | 6.33% | 498,924 | 0 | 0 | 498,924 | 171,965 | 2,988 | 0 | 174,953 | 326,959 | 323,971 | 323,971 |
| 8 | Vehicles | 9.50% | 1,483,921 | 0 | 599,715 | 884,206 | 634,994 | 84,000 | 308,252 | 410,742 | 848,927 | 473,464 | 473,464 |
| | Sub Total | | 100,497,494 | 4,550 | 599,715 | 99,902,329 | 15,214,115 | 2,475,478 | 308,252 | 17,381,341 | 85,283,379 | 82,500,989 | 82,500,989 |
| I | INTANGIBLE FIXED ASSETS | | | | | | | | | | | | |
| 1 | Software | 40.00% | 31,095 | 0 | 0 | 31,095 | 31,094 | 0 | 0 | 31,094 | 1 | 1 | 1 |
| | Sub Total | | 31,095 | 0 | 0 | 31,095 | 31,094 | 0 | 0 | 31,094 | 1 | 1 | 1 |
| | Total | | 100,528,589 | 4,550 | 599,715 | 99,933,424 | 15,245,209 | 2,475,478 | 308,252 | 17,412,435 | 85,283,380 | 82,500,989 | 82,500,989 |



NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE PERIOD 01-APR-2013 TO 31-MAR-2014

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

I. Basis of preparation of Financial Statement

(a). Basis of Accounting & preparation:

The financial statements are prepared on the accounting principles of a going concern. The Company follows accrual method of accounting and the financial statements have been prepared in accordance with the historical cost conventions excepting revalued assets which are in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956. Accounting Policies not specifically referred to otherwise are consistent and in consonance with the applicable accounting standards prescribed by the Companies (Accounting Standards) Rules, 2006 to the extent applicable. All expenses and income to the extent ascertainable with reasonable certainty are accounted for on accrual basis.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

(b) Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses for that year.

Although these estimates are based upon management's best knowledge of current events and actions, accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to accounts to the financial statements.

II. Valuation of Inventory

Stock in trade is valued at lower of cost and net realizable value.

III. Tangible Assets

Fixed assets are stated at cost, net of accumulated depreciation. The cost comprises purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Subsequent expenditure is added to book value only if it increases the future benefits from the existing asset.

IV. Depreciation

Depreciation on fixed assets is calculated on the straight line basis using the rates prescribed in Schedule XIV to the Companies Act, 1956. Assets costing upto Rs.5000/- are written off on pro-rata basis in the year of acquisition.

V. Investments

The Investment is stated at cost as per AS-13.

VI. Taxes on Income

Provision for income tax is made on the basis of prevailing laws and rates applicable for the relevant assessment year. Deferred taxation is recognised for all the timing differences



subject to the consideration of prudence and virtual certainty in respect of deferred tax assets in accordance with the accounting standard 22 "Accounting for taxation of income" issued by the Institute of Chartered Accountants of India.

VII. Revenue Recognition

Sales Value is inclusive of Excise Duty but exclusive of VAT. Sale is recognised on removal of goods from factory.

VIII. Contingent Liabilities

As informed by Management the bank guarantee given by the Company in respect of :-

- | | |
|--|-----|
| (i) A Company in which some of the Directors are interested. | NIL |
| (ii) To any supplier/party | NIL |

A contingent liability in regard with ESI demand of Rs. 210000/- for ESI department for Hyderabad unit is pending with Company.

IX. Employee Benefits

a) PF and ESI are paid as per provisions of relevant statutes with the authorities of respective state and are charged to statement of Profit and Loss in the year to which it relates.

b) Gratuity being defined contribution is accounted for on accrual basis in accordance with the Payment of Gratuity Act, 1972

c) Accumulated leaves being short term compensated leaves are provided for in the year of becoming due.

X. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period as Per AS 20.

XI. Government Grants

Government grants are accounted for on its becoming reasonably certain that the ultimate collection will be made.

XII. Foreign Currency Transaction

Transactions in foreign currency are recorded using the exchange rates on the date of accruing of the transaction. Balances in the form of current assets and current liabilities outstanding on the date of Balance Sheet are converted at the appropriate exchange rate as on the date of balance sheet. Exchange difference arising out of fluctuation in exchange rate is accounted for on realisation comparing the same with initial transaction amount or converted amount on the date of Balance Sheet comparing original amount as the case may be.

As per our report of even date
For Rajvanshi & Associates
Chartered Accountants

For & on behalf of the Board of Directors

Sd/-
Vikas Rajvanshi
(Partner)
Membership No. : 073670
Firm Regn. No. : 005069C

Sd/-
Vinod Kumar Gupta
Chairman
DIN No:- 00193202

Sd/-
Manish Jatia
Whole Time Director
DIN No:- 00483354

Date: 30th May 2014
Place: Jaipur

Sd/-
G.P. Nagar
(Chief Financial Officer)



ZYDEN GENTEC LIMITED

20th Annual Report, 2013-14

Cash Flow Statement For the Period 01 April 2013 to 31st March 2014

(Amount in `)

| PARTICULARS | As on 31 March, 2014 | As on 31 March, 2013 |
|---|----------------------|----------------------|
| (A) NET CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit before tax | (2,649,945) | (7,307,912) |
| Adjustments to reconcile profit before tax to net cash flows | | |
| Depreciation of current year(including impairment) | 2,475,478 | 2,589,549 |
| Loss on sale of fixed asset | 136,463 | 8,751 |
| Provision for short term employee benefits | - | 189,053 |
| FCTR | 10,403 | |
| Interest Income | 13,259,892 | 9,359,973 |
| Finance Cost | 341,974 | 3,915,309 |
| Operating Profit before working capital change | (12,945,519) | (9,965,223) |
| Movements in working capital: | | |
| Increase/(decrease) in trade payables | 5,480,664 | (766,595) |
| Increase/(decrease) in other current liabilities | (4,569,663) | 42,527,531 |
| Decrease/(increase) in trade receivable | 76,031 | (8,221,414) |
| Decrease/(increase) in inventories | 5,741,624 | 12,592,138 |
| Decrease/(increase) in short term loans & advances | 7,362,252 | 373,159 |
| Decrease/(increase) in long term loans & advances | (48,178) | 373,486 |
| Decrease/(increase) in other long term asset | 1,496,535 | - |
| Misc r/off | - | 4 |
| Cash generate from/(used in) operating activities | 2,593,746 | 36,913,086 |
| Direct taxes paid | - | - |
| NET CASH FLOW FROM OPERATING ACTIVITIES | 2,593,746 | 36,913,086 |
| (B) CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets | (4,550) | (395,423) |
| Capital Investment Subsidy | - | 1,500,000 |
| Sale of Fixed Assets | 155,000 | 15,000 |
| Loan to body corporates and others(net of repayment) | - | (5,605,728) |
| Investment in subsidiary | - | (70,250) |
| Advance to Subsidiary | - | (113,501) |
| Bank deposits including interest accrued | - | (1,196,000) |
| Interest Received | 13,259,892 | 9,359,973 |
| NET CASH FLOW FROM INVESTING ACTIVITIES | 13,410,342 | 3,494,071 |
| (C) NET CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from Short term Borrowings(net of repayments) | (16,547,634) | 6,910,512 |
| Proceeds from long term Borrowings(net of repayments) | - | (43,258,999) |
| Finance Cost | (341,974) | (3,915,309) |
| NET CASH FLOW FROM FINANCING ACTIVITIES | (16,889,607) | (40,263,796) |
| Increase in cash & Bank Balances (A+B+C) | (885,520) | 143,361 |
| Add: Opening cash & Bank Balances | 1,214,593 | 1,071,232 |
| Closing cash & Bank Balances | 329,073 | 1,214,593 |

As per our report of even date
For Rajvanshi & Associates
Chartered Accountants

For & on behalf of the Board of Directors

Sd/-
Vikas Rajvanshi
Partner
Membership No. : 073670
Firm Regn. No. : 005069C

Sd/-
Vinod Kumar Gupta
Chairman
DIN No:- 00193202

Sd/-
Manish Jatia
Whole Time Director
DIN No:- 00483354

Sd/-
G.P. Nagar
Chief Financial Officer

Date:30th May, 2014
Place : Jaipur



Independent Auditor's Report

To The Members of Zyden Gentec Limited

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of **Zyden Gentec Limited and its subsidiary Zyden Gentec Hong kong Limited** which comprise the Balance Sheet as at 31 March 2014, 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated 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") read with the general circular 15/2013 dated 13th September,2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated 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 and based on the consideration of the reports of the other auditors on the financial statements of the subsidiary as noted below, the financial statements give the information required by the Companies Act, 1956 in the manner so required and;

1. The interest expense of Rs. 28,28,653/- have been reversed during the year and further not providing the interest payable in respect of Term loans and other facilities taken by the company which have been recalled by the banks and other financial institutions due to defaults by the company.



2. The Provision for Gratuity and Leave Encashment has not been provided by the Company. Subject to above, the financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.

- a) In the case of consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) In the case of consolidated Statement of Profit & Loss, of the loss of the Company for the year ended on that date and
- c) In the case of consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of the matter

We draw your attention to the following paras stated in Note No. 27 – other explanatory information:

1. Point No. (c) regarding not recognizing Deferred tax liability considering absence of virtual certainty.
2. Point No. (j) regarding not providing depreciation in respect of building, plant and Machinery and all other fixed assets installed at Hyderabad unit due to its being not in operation. However, our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003, 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 Consolidated Balance Sheet, Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion the Consolidated Balance Sheet, Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement comply with the Accounting Standards referred to in sub-Section (3C) of Section 211 of the Companies Act, 1956 read with the general circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013, and ;
 - e. On the basis written representations received from the directors as on 31 March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014, from being appointed as a director in terms of clause (g) of sub-Section (1) of Section 274 of the Companies Act, 1956.

For Rajvanshi & Associates
Chartered Accountants
Firm Regn. No. : 005069C

Sd/-

Vikas Rajvanshi
Partner
Membership No.: 073670
Place: Jaipur
Date: 30th May 2014



ZYDEN GENTEC LIMITED

20th Annual Report, 2013-14

CONSOLIDATED BALANCE - SHEET AS ON 31st MARCH 2014

(Amount in `)

| PARTICULARS | NOTES | AS AT 31-Mar-2014 | AS AT 31-Mar-2013 |
|--------------------------------|-------|--------------------|--------------------|
| EQUITY AND LIABILITIES | | | |
| SHARE HOLDERS FUNDS | | | |
| Share Capital | 1 | 111,124,000 | 111,124,000 |
| Reserves & Surplus | 2 | 13,689,410 | 16,245,419 |
| | | 124,813,410 | 127,369,419 |
| Non-current liabilities | | | |
| Long-term borrowings | 3 | - | - |
| Long-term provisions | 4 | 877,771 | 877,771 |
| | | 877,771 | 877,771 |
| Current liabilities | | | |
| Short-term borrowings | 5 | 54,121,321 | 70,668,955 |
| Trade Payables | 6 | 82,801,585 | 74,040,866 |
| Other current liabilities | 7 | 50,664,151 | 55,191,493 |
| | | 187,587,057 | 199,901,314 |
| TOTAL | | 313,278,238 | 328,148,504 |
| ASSETS | | | |
| Non-current assets | | | |
| Fixed assets | | | |
| Tangible assets | 8 | 82,520,988 | 85,283,379 |
| Intangible Assets | | 1 | 1 |
| Long-term loans and advances | 9 | 1,260,280 | 1,212,102 |
| Other non current assets | 10 | 181,174 | 1,677,709 |
| | | 83,962,443 | 88,173,191 |
| Current assets | | | |
| Inventories | 11 | 6,923,089 | 12,664,713 |
| Trade Receivables | 12 | 115,657,737 | 112,317,456 |
| Cash and Cash Equivalents | 13 | 329,081 | 1,214,600 |
| Short-term loans and advances | 14 | 106,405,889 | 113,778,544 |
| | | 229,315,795 | 239,975,313 |
| TOTAL | | 313,278,238 | 328,148,504 |

Significant Accounting Policies and Notes to Financial Statements

A
1-27

As per our report of even date
For Rajvanshi & Associates
Chartered Accountants

For & on behalf of the Board of Directors

Sd/-
Vikas Rajvanshi

Sd/-
Vinod Kumar Gupta
Chairman

Sd/-
Manish Jatia
Whole Time Director

Partner
Membership No. : 073670
Firm Regn. No. : 005069C
Date: 30th May 2014
Place : Jaipur

Sd/-
G.P. Nagar
Chief Financial Officer



ZYDEN GENTEC LIMITED

20th Annual Report, 2013-14

Consolidated Statement of Profit & Loss for the year ended 31-March-2014

(Amount in `)

| Particulars | Notes | Year ended on 31- March 2014 | Year ended on 31- March 2013 |
|---|-------|---------------------------------|---------------------------------|
| Income | | | |
| Revenue from operation(Gross) | 15 | 18,300,755 | 83,056,598 |
| Less: Excise Duty | | (2,407,320) | (7,568,471) |
| Revenue from operation(Net) | | 15,893,435 | 75,488,127 |
| Revenue from operation- Traded goods | | - | 65,355,017 |
| Other Income | 16 | 13,259,892 | 9,359,973 |
| TOTAL (I) | | 29,153,327 | 150,203,117 |
| Expenses | | | |
| Cost of Material consumed | 17 | 19,696,099 | 53,539,116 |
| Purchase of traded goods | | - | 64,046,279 |
| Direct Expenses | 18 | 2,099,373 | 7,778,803 |
| Change in Inventories of Finished Goods/ WIP | 19 | 872,863 | 12,563,398 |
| Employee benefit expense | 20 | 3,566,405 | 7,647,288 |
| Finance cost | 21 | 341,974 | 3,975,847 |
| Depreciation and amortization expense | 8 | 2,475,478 | 2,589,549 |
| Other Expense | 22 | 2,791,835 | 4,278,861 |
| Total (II) | | 31,844,025 | 156,419,141 |
| Loss Before Exceptional, Extraordinary Items & Tax(I-II) | | (2,690,699) | (6,216,024) |
| Less: Exceptional Items | | - | - |
| Loss Before Extraordinary Items & Tax | | (2,690,699) | (6,216,024) |
| Less: Extraordinary Items | | - | - |
| Loss Before Tax | | (2,690,699) | (6,216,024) |
| Less: Tax expense | | - | - |
| Current Tax | | - | - |
| Deferred Tax | | - | - |
| Loss for the period | | (2,690,699) | (6,216,024) |
| Basic/ Diluted | 23 | (0.24) | (0.56) |

Significant Accounting Policies and Notes to Financial Statements

A
1-27

As per our report of even date
For Rajvanshi & Associates
Chartered Accountants

For & on behalf of the Board of Directors

Sd/-

Vikas Rajvanshi

Partner

Membership No. : 073670

Firm Regn. No. : 005069C

Date: 30th May 2014

Place : Jaipur

Sd/-

Vinod Kumar Gupta

Chairman

Sd/-

Manish Jatia

Whole Time Director

Sd/-

G.P. Nagar

Chief Financial Officer

CONSOLIDATED NOTES TO ACCOUNTS

| Note No. | Particulars | (Amount in `) | |
|---|---|------------------------------------|------------------------------------|
| | | As at 31 March, 2014 | As at 31 March, 2013 |
| 1.0 Share Capital | | | |
| | Authorised Share Capital | | |
| | 1,50,00,000 Equity shares of Rs.10/- | 150,000,000 | 150,000,000 |
| | Issued, Subscribed & Paid up Capital | | |
| | 1,11,12,400 Equity shares of Rs. 10/- | 111,124,000 | 111,124,000 |
| | | 111,124,000 | 111,124,000 |
| 1.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period | | | |
| | Equity shares | As at 31 March, 2014 | As at 31 March, 2013 |
| | | No. of shares | No. of shares |
| | At the beginning of the period | 11,112,400 | 11,112,400 |
| | Issued during the year | - | - |
| | Equity Shares at the end of the year | 11,112,400 | 11,112,400* |
| | *(Consequent upon consolidation in Equity shares of Rs.10/-each) | | |
| 1.2 Terms/Rights attached to Equity Shares | | | |
| | The Company has only one class of equity shares having a face value of Rs.10/- per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividends proposed by the Board of Directors is subject to approval of shareholders in the annual general meeting. In the event of liquidation of the company, the Equity shareholders will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. | | |
| 1.3 Details of shareholders holding more than 5% shares in the company: | | | |
| | Equity shares of ` 10/- each fully paid | As at 31 March, 2014 | As at 31 March, 2013 |
| | | No. of share / % of holding | No. of share / % of holding |
| | Brijmohan Sagarmal Capital Services Private Limited | 1295000 (11.65%) | |
| | Associated Stock Broking Pvt Limited | 810265 (7.29%) | |
| | Padmesh Deodatta Gupta | 654394 (5.89%) | 1500000 (13.50%) |
| | Vinod S Gupta | | 683900 (6.15%) |
| | Sharda Advisory Services Private Limited | | 750000 (6.75%) |
| | Govinddas Govardhandas Daga | | 1000000 (9.00%) |
| | Sudha Devi Govinddas Daga | | 740000 (6.66%) |
| | Gordhandas Narsingdas Daga (HUF) | | 550000 (4.99%) |
| | As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares. During the year 2012-13, company consolidated its Equity shares from Rs.1/- to Rs.10/- each. Fractional shares arising out of this consolidation were given to a director to hold and sell the same in the market in trust on behalf of the company. Total fractional shares arising out of above exercise were consolidated into 147 shares of Rs.10/- each and were sold. Sale proceed of Rs.6804.39/- (Net of expenses), is lying in the bank account of director. | | |
| 2.0 Reserves and Surplus | | As at 31 March, 2014 | As at 31 March, 2013 |
| | Capital Reserve | | |
| | Amount forfeited on non exercise of option of conversion by the allottees of convertible Bonds | | |
| | Opening Balance | 12,130,000 | 9,705,000.00 |
| | Add: Amount forfeited during the year | - | 2,425,000.00 |
| | Closing Balance | 12,130,000 | 12,130,000 |
| | Capital Investment Subsidy | | |
| | Opening Balance | 1,500,000 | - |
| | Add: Received during the year | - | 1,500,000 |
| | Closing Balance | 1,500,000 | 1,500,000 |
| | Securities Premium Account | | |
| | Opening Balance | 43,312,000 | 43,312,000 |
| | Add: Received during the year | - | - |
| | Closing Balance | 43,312,000 | 43,312,000 |
| | General Reserve | | |
| | Opening Balance | 6,048,744 | 6,048,744.00 |
| | Add: Amount transferred from Surplus in statement of Profit & Loss | - | - |
| | Closing Balance | 6,048,744 | 6,048,744 |
| | Foreign Currency Monetary Translation Difference Account | 10,403 | |
| | Foreign Fluctuation Reserve | | |
| | During the year on conversion at year end of figures from HKD to Indian Rupee of foreign subsidiary | 122,911 | (1,376) |
| | | 122,911 | (1,376) |
| | (Deficit)/ Surplus in the statement of Profit and Loss | | |
| | Balance as per Last Financial Statements | (46,743,949) | (40,527,925) |
| | (Loss)/Profit for the Year | (2,690,699) | (6,216,024) |
| | Net (Deficit)/Surplus | (49,434,648) | (46,743,949) |
| | Total Reserves and Surplus | 13,689,410 | 16,245,419 |
| 3.0 Long Term Borrowings | | As at 31 March, 2014 | As at 31 March, 2013 |
| 3.1 Current Maturities of Long Term Debt(Refer Note.7) | | | |
| | Secured | | |
| | Term loans | | |
| | Punjab National Bank Limited | | |
| | 1. Against hypothecation of plant and machinery, Equitable mortgage of factory land and building at Kota, second charge on factory land and building, plant and machinery, equipments and current assets of Company's Hyderabad Unit; personal guarantee of some of directors & their specific immovable properties, corporate guarantee of other bodies corporate and their specific immovable properties. Repayable in 28 quarterly instalments of Rs.8lacs to 21.25 lacs from 1.4.2013 carrying interest @15.5% p.a. | 27,383,846 | 28,787,066 |



| | | |
|--|-------------------|-------------------|
| 2. Against hypothecation of plant and machinery, Equitable mortgage of factory land and building at Kota, second charge on factory land and building, plant and machinery, equipments and current assets of Company's Hyderabad Unit, personal guarantee of some of directors and their specific immovable properties, corporate guarantee of other bodies corporate and their specific immovable properties. Repayable in 20 quarterly instalments of Rs.2.2 lacs from 1.10.2011 carrying interest @15% p.a. | 3,304,645 | 3,549,256 |
| 3. Working capital term loan against hypothecation of all stocks and book debts, hypothecation of plant and machinery, Equitable mortgage of factory land and building at Kota, second charge on factory land and building, plant and machinery, equipments and current assets of Company's Hyderabad Unit, personal guarantee of some of directors and their specific immovable properties, corporate guarantee of other bodies corporate and their specific immovable properties. Repayable in 72 monthly instalments of Rs.100417/- to 178417/- from 1.4.2013 carrying interest @15.5% p.a. | 10,000,000 | 10,063,800 |
| 4. Term loan facility against hypothecation of stock and book debts and plant and machinery present and future, repayable in 12 monthly instalments of Rs.194000/- commencing from October 2012. | - | 2,194,837 |
| 5. Against hypothecation of Vehicle-Winger, repayable in 33 equated monthly instalments of Rs. 16900/- w.e.f. 1.4.2011 carrying interest @12%p.a. | 268,826 | 282,596 |
| Term loan from SIDBI | 3,243,920 | 3,243,920 |
| 1. Against hypothecation of all movable assets except book debts and personal guarantee of some of directors repayable in 50 monthly instalments of Rs 100000/- carrying interest @ 11% p.a. Monthly rests. | | |
| 2. Against hypothecation of DG Sets and personal guarantee of some of directors repayable in 54 monthly instalments of Rs. 14230/-after a moratorium period of six months from the date of disbursement carrying interest@ 11% p.a. at monthly rests.(After adjustment of subsidy, instalment amount is 11800/-) | | |
| All the accounts have become NPA. All loans have been recalled by the Bank /secured Creditor. As Loans have been recalled these are included in current maturities under current liabilities. | | |
| | 44,201,237 | 48,121,475 |

4.0 Long Term Provisions

Provision for Employee Benefits
-Gratuity & Leave Encashment

| As at 31 March, 2014 | As at 31 March, 2013 |
|----------------------|----------------------|
| 877,771 | 877,771 |
| 877,771 | 877,771 |

| 5.0 Short Term Borrowing | <u>As at 31 March, 2014</u> | <u>As at 31 March, 2013</u> |
|--|-----------------------------|-----------------------------|
| Secured | | |
| Cash Credits from Banks | | |
| Punjab National Bank | | |
| -Cash credit facility against hypothecation of all stocks and book debts and hypothecation of plant and machinery, Equitable mortgage of factory land and building at Kota, second charge on factory land and building, plant and machinery ,equipments and current assets of Company's Hyderabad Unit, personal guarantee of some of directors and their specific immovable properties, corporate guarantee of other bodies corporate and their specific immovable properties .Repayable on demand carrying interest ranging from 14.5% to 15% p.a. | 8,290,610 | 26,652,880 |
| - Letter of credit facility -Usance period not exceeding 90 days Security as mentioned above in cash credit facility LC of Rs. 1265456/- Devolved on 04/09/2012 and Balance on 12/10/2012 | 1,699,811 | 1,709,036 |
| State Bank of Hyderabad Against first charge on current assets of Hyderabad Unit of the Company, Equitable mortgage of factory land and building at bollaram,1st charge on plant and machinery and equipments at bollaram unit, second charge on fixed assets of kota unit, personal guarantee of two directors. | 38,364,332 | 38,364,332 |
| All the accounts have become NPA. All loans have been recalled by the Bank /secured Creditor. | | |
| Unsecured | | |
| From Related Parties | | |
| From directors repayable on demand, interest free | 5,766,568 | 3,942,707 |
| | 54,121,321 | 70,668,955 |
| 6.0 Trade Payables | <u>As at 31 March, 2014</u> | <u>As at 31 March, 2013</u> |
| Trade Payables* | 82,801,585 | 74,040,866 |
| | 82,801,585 | 74,040,866 |
| *The company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures regarding: (a) Amount due and outstanding to suppliers as at the end of accounting year. (b) Interest paid during the year (c) Interest payable at the end of accounting year (d) Interest accrued and unpaid at the end of the accounting year, have not been given. The company is making efforts to get the confirmations from the suppliers as regards their status under the act. | | |
| 7.0 Other Current Liabilities | <u>As at 31 March, 2014</u> | <u>As at 31 March, 2013</u> |
| Reddy Pharmaceuticals(Advance Received against factory Sale of Hyderabad | 2,100,000 | - |
| Current Maturities of Long Term Debts (Refer Note 3.1) | 44,201,237 | 48,121,475 |
| Govt Departments(TDS, VAT and Service Tax Payable) | 1,340,627 | 1,700,002 |
| Bonus and EPF Payable | 663,345 | 599,686 |
| Expenses and other Payables | 2,358,943 | 4,770,330 |
| | 50,664,151 | 55,191,493 |
| 9.0 Long Term Loans & Advances | <u>As at 31 March, 2014</u> | <u>As at 31 March, 2013</u> |
| 9.1 Security Deposit Security Deposits with govt. departments/others | 1,178,492 | 1,125,532 |
| Total (A) | 1,178,492 | 1,125,532 |
| 9.2 Other Loans and Advances ITDS/FBT refundable/adjustable | 81,788 | 86,570 |
| Total (B) | 81,788 | 86,570 |
| Total (A+B) | 1,260,280 | 1,212,102 |
| 10.0 Other Non Current Assets | <u>As at 31 March, 2014</u> | <u>As at 31 March, 2013</u> |
| Other Bank Balances(Unsecured, considered good) | 121,201 | 1,621,201 |
| Interest accrued on FDR | 59,973 | 56,508 |
| | 181,174 | 1,677,709 |
| 11.0 Inventories At cost or net realisable value which ever is lower | <u>As at 31 March, 2014</u> | <u>As at 31 March, 2013</u> |
| Raw Material | 2,381,897 | 7,210,629 |
| Work in Progress | - | 1,477,494 |
| Finished goods | 4,311,222 | 3,706,591 |
| Stores ,spares and consumable/packing material | 229,969 | 269,999 |
| (Note:- Drug Control Administration had seized material worth Rs. 20 lacs(approx) which is reduced from inventory) | 6,923,089 | 12,664,713 |

| | As at 31 March, 2014 | As at 31 March, 2013 |
|--|----------------------|----------------------|
| 12.0 Trade Receivable | | |
| 12.1 Outstanding for a period exceeding six months from the date they are due for payment | | |
| Unsecured & Considered Good | 46,275,141 | 34,349,107 |
| Total (A) | 46,275,141 | 34,349,107 |
| 12.2 Other Trade Receivables | | |
| Unsecured & Considered Good | 69,382,596 | 77,968,349 |
| Total (B) | 69,382,596 | 77,968,349 |
| Total (A+B) | 115,657,737 | 112,317,456 |
| 13.0 Cash & Cash Equivalents | | |
| Bank balances | | |
| -Current Accounts | 23,804 | 114,017 |
| Cash in Hand | 305,277 | 1,100,583 |
| | 329,081 | 1,214,600 |
| 14.0 Short Term Loans & Advances | | |
| | As at 31 March, 2014 | As at 31 March, 2013 |
| 14.2 Loans and Advances to Related Parties | | |
| Unsecured & Considered Good | 11,002,762 | 11,386,064 |
| Total (A) | 11,002,762 | 11,386,064 |
| 14.3 Loans and Advances recoverable in cash or in kind | | |
| Unsecured & Considered Good | 20,000 | 459,558 |
| Total (B) | 20,000 | 459,558 |
| 14.4 Other Loans and Advances | | |
| Unsecured & Considered Good | | |
| Loans and advances to body corporates and others | 80,079,933 | 97,762,399 |
| Balances with Statutory/Government Authorities | 3,824,127 | 4,087,031 |
| Interest accrued but not due | 19,068 | 19,068 |
| Prepaid Expenses | - | 64,424 |
| Interest Receivable | 11,460,000 | - |
| Total (C) | 95,383,127 | 101,932,922 |
| Total (A+B+C) | 106,405,889 | 113,778,544 |
| 15.0 Revenue from operation(Net) | | |
| | 2013-14 | 2012-13 |
| Sale of Products | 18,325,096 | 81,272,956 |
| Job Work | - | 1,226,000 |
| Other Operating Revenue | (24,341) | 557,642 |
| Less: Excise Duty | (2,407,320) | (7,568,471) |
| | 15,893,435 | 75,488,127 |
| Details of Products sold | | |
| Drug Intermediates | 18,325,096 | 81,272,956 |
| | 18,325,096 | 81,272,956 |
| Details of Other operating revenue | | |
| Unspent liabilities /sundry balances written back(Net) | 8,500 | 108,867 |
| Exchange gain/(loss) | (32,841) | 145,793 |
| Others | - | 302,982 |
| | (24,341) | 557,642 |
| 16.0 Other Income | | |
| | 2013-14 | 2012-13 |
| Interest on FDR | 11,972 | 139,795 |
| Interest on current loans and advances | 11,487,169 | 9,220,178 |
| Interest reversed on NPA and other Accounts | 1,760,750 | - |
| | 13,259,892 | 9,359,973 |
| 17.0 Cost of Material consumed | | |
| | 2013-14 | 2012-13 |
| Opening Stock | 7,210,629 | 7,402,082 |
| Add: Purchases | 14,683,377 | 52,122,660 |
| Custom duty | - | 346,247 |
| Carriage Inward and import clearing expenses | 183,990 | 878,756 |
| | 22,077,996 | 60,749,745 |
| Less: Closing Stock | 2,381,897 | 7,210,629 |
| | 19,696,099 | 53,539,116 |
| 18.0 Direct Expenses | | |
| | 2013-14 | 2012-13 |
| Power and Fuel | 1,679,373 | 6,067,456 |
| Repair & Maintenance Expenses | | |
| -Machinery | 141,335 | 389,956 |
| -Building | 22,007 | 78,625 |
| Consumption of stores and spares/packing material | 256,658 | 1,242,766 |
| | 2,099,373 | 7,778,803 |

| | 2013-14 | 2012-13 |
|--|-----------------------------|-----------------------------|
| 19.0 Change in Inventories of Finished Goods/ WIP Inventory at the end of year | | |
| - Finished goods | 4,311,222 | 3,706,591 |
| - Work in progress | - | 1,477,494 |
| Total (A) | 4,311,222 | 5,184,085 |
| Inventory at the beginning of year | | |
| - Finished goods | 3,706,591 | 7,837,147 |
| - Work in progress | 1,477,494 | 9,910,336 |
| Total (B) | 5,184,085 | 17,747,483 |
| Net Change in Inventories of Finished Goods/ WIP | 872,863 | 12,563,398 |
| 20.0 Employee Benefit Expenses | 2013-14 | 2012-13 |
| Salaries & Wages | 3,486,358 | 7,142,522 |
| Gratuity to staff | - | 118,095 |
| Contribution to Provident and Other funds | - | 169,629 |
| Staff Welfare | 80,047 | 217,042 |
| | 3,566,405 | 7,647,288 |
| 21.0 Finance Cost | 2013-14 | 2012-13 |
| Bank Charges | 341,974 | 60,538 |
| Interest Expenses | - | 3,705,785 |
| Other Borrowing Cost | - | 209,524 |
| | 341,974 | 3,975,847 |
| 22.0 Other Expenses | 2013-14 | 2012-13 |
| Communication Costs | 195,871 | 339,387 |
| Freight & Forwarding | 32,575 | 728,004 |
| C&F Expenses (Export) | 116,627 | - |
| Insurance Charges | 74,023 | 126,194 |
| Legal & Professional Expenses | 575,699 | 516,584 |
| Loss on Sale of Fixed Assets | 136,463 | 8,751 |
| Misc Expenses | 185,272 | 311,444 |
| Payment to auditor | | |
| -Statutory & Tax Audit Fees | 88,940 | 84,938 |
| -Income Tax matters | - | - |
| -Company Law matters | 26,000 | - |
| -Other Services | - | - |
| Printing & Stationery | 77,656 | 105,718 |
| Rent | 316,800 | 564,191 |
| Tour & Travelling Expenses | 485,584 | 664,288 |
| Vehicle Maintenance | 480,326 | 829,362 |
| | 2,791,835 | 4,278,861 |
| 23.0 Earnings Per Share (EPS) | 2013-14 | 2012-13 |
| Net Profit after tax attributable to Equity Shareholders (a) | (2,690,699) | (6,216,024) |
| Weighted Average number of equity Shares outstanding during the year (b) | 11,112,400 | 11,112,400 |
| Basic Earnings per share (a/b) | (0.24) | (0.56) |
| Weighted Average number of equity shares in computing Diluted EPS (c) | 11,112,400 | 11,112,400 |
| Diluted Earnings per Share (a/c) | (0.24) | (0.56) |
| Face Value per equity Share | 10.00 | 10.00 |
| 24.0 Contingent Liabilities | As at 31 March, 2014 | As at 31 March, 2013 |
| ESI demand for ESI department for Hyderabad unit | 210,000 | 210,000 |
| 25.0 Segment Reporting | | |
| The company is a one-segment company of manufacturing of Drug Intermediaries. Hence, no further disclosures are required under AS-17, other than those already provided in the financial statements. | | |
| 26.0 Related Party Disclosure | | |
| (Disclosure as required by Accounting Standard (AS) 18 Related Party Disclosures) | | |
| a. List of Subsidiaries | | |
| Zyden Gentec Hong Kong Limited | | |
| b. Enterprises having same Key Management Personnel and/or their relatives as the reporting enterprise: | | |
| Deepak Helathcare Private Limited | | |
| Sharda Advisory Services Private Limited | | |
| Ultimate Money Makers(India) Private Limited | | |
| c. Key Management Personnel | | |
| Shri Vinod Kumar Gupta, Chairman/Managing Director | | |
| Shri Venkata Kameshwararao Varanasi, Executive Director (retired w.e.f. 13.08.2013) | | |
| Niranjan Kumar Agrawal, Director | | |
| Manish Jatia, Whole Time Director (w.e.f. 26.03.2014) | | |
| Related Party Transactions | | |
| | 2013-14 | 2012-13 |
| a. Enterprises having same Key Management Personnel and/or their relatives as the reporting enterprise | | |
| Loans given and repayment thereof | | |
| Deepak Healthcare Private Limited | | |
| Opening Balance | 9,384,897 | 8,752,236 |
| Loans given | 3,023,000 | 2,989,000 |
| Repayment received | 3,868,400 | 3,290,039 |
| Interest accrued/(reversed) | (933,700) | 933,700 |
| Closing Balance | 7,605,797 | 9,384,897 |
| Ultimate Money Makers(India) Private Limited | | |
| Opening Balance | 2,001,167 | 330,000 |
| Loans given | 1,530,000 | 2,740,000 |
| Repayment received | - | 1,203,036 |
| Interest accrued/(reversed) | (134,203) | 134,203 |
| Closing Balance | 3,396,964 | 2,001,167 |
| Loans taken and repayment thereof | | |
| Sharda Advisory Services Private Limited | | |
| Opening Balance | - | 1,600,000 |
| Loans taken | - | - |
| Repayment made | - | 1,600,000 |
| Interest accrued/(reversed) | - | - |
| Closing Balance | - | - |
| Other transactions | | |
| Car Rent paid to Deepak Healthcare Private Limited | 96,000 | 96,000 |

b. Key Managerial Personnel
Loans taken and repayment thereof
Vinod S Gupta

| | | |
|-----------------------------|------------------|------------------|
| Opening Balance | 3,442,707 | 2,106,292 |
| Loans taken | 14,952,162 | 1,962,915 |
| Repayment made | 13,128,300 | 626,500 |
| Interest accrued/(reversed) | - | - |
| Closing Balance | 5,266,569 | 3,442,707 |

Niranjan Kumar Agarwal

| | | |
|-----------------|----------------|----------------|
| Opening Balance | 500,000 | 500,000 |
| Closing Balance | 500,000 | 500,000 |

Other transactions

| | | |
|-------------------------|--------|--------|
| Rent to Sh. Vinod Gupta | 60,000 | 60,000 |
|-------------------------|--------|--------|

27.0 Other Explanatory Information

- a) Company has not provided interest on term loans and other facilities taken from Punjab National Bank, Kota from the date amounts were recalled by the bank. All the bank accounts have been declared NPA by the Bank. Management has initiated the process of settlement with Bank and accordingly has not provided any liability towards interest including penal interest expense as Company is hopeful that no liability other than that recorded in the books of accounts would arise.
- b) Company has not paid interest on cash credit account with State Bank of Hyderabad since August, 2011 and has asked the bank for one time settlement waiving interest and some part of principal amount of loan. Management is hopeful of favourable decision and as such sees no further liability and accordingly has not provided any liability towards interest including penal interest expense. Similar position is in case of SIDBI term loan.
- c) Major Component of deferred tax liability is depreciation. In view of brought forward losses & depreciation as well as current year's losses, deferred tax liability has not been recognized considering absence of virtual certainty.
- d) Previous year figures have been rearranged, recasted and regrouped wherever considered necessary
- e) Sundry debtors, loans and advances are subject to confirmation
- f) In the opinion of Board, all the fixed assets and current assets, loans and advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated
- g) **Foreign exchange earning and outgo**
- | | 31.03.2014 | 31.03.2013 |
|---|-------------------|-------------------|
| Earnings | | |
| FOB Value of exports(including deemed exports){Accrual Basis} | 2725383 | 29167208 |
| Outgo | - | 4190421 |
| CIF Value of imports-raw material(on accrual basis) | - | 49,862.00 |
| Foreign Travelling | - | - |
- h) **Particulars in respect of raw material consumed**
- | | 31.03.2014 | 31.03.2013 |
|----------------------------|-------------------|-------------------|
| Chemicals and solvents | | |
| Imported | - | 4,569,307.00 |
| % to the total consumption | - | 8.53 |
| Indigenous | 19,696,098.55 | 48,969,809.00 |
| % to the total consumption | 100.00 | 91.47 |
| Total Consumption | 19,696,098.55 | 53,539,116.00 |
- i) **Utilisation of Proceeds of fresh issue of Equity shares:**
- | | 31.03.2014 | 31.03.2013 |
|--|-------------------|-------------------|
| Utilised for the purpose mentioned in the terms of issue | 27,769,895 | 9,500,000 |
| Balance to be utilised | 47,642,105 | 65,912,000 |
- j) Considering the fact that Hyderabad unit was not in operation during the year, no depreciation is provided on building, plant and
- k) **Unhedged foreign currency exposure:**
- | | | |
|-----------------------------------|-----------|-------------|
| Sundry Creditors (import) payable | 31600 USD | Rs. 1716828 |
|-----------------------------------|-----------|-------------|

As per our report of even date
For Rajvanshi & Associates
Chartered Accountants

For & on behalf of the Board of Directors

Sd/-
Vikas Rajvanshi
(Partner)
Membership No. : 073670
Firm Regn. No. : 005069C

Sd/-
Vinod Kumar Gupta
(Chairman)
DIN No:- 00193202

Sd/-
Manish Jatia
(Whole Time Director)
DIN No:- 00483354

Date: 30th May 2014
Place: Jaipur

Sd/-
G.P. Nagar
(Chief Financial Officer)



Note-3 PARTICULARS OF DEPRECIATION ALLOWABLE AS PER COMPANIES ACT 1956 FOR THE YEAR 2013-14

| S.NO | FIXED ASSETS | RATE OF DEP. | GROSS BLOCK | | | DEPRECIATION BLOCK | | | NET BLOCK | | (Amount in `) | | |
|------|---------------------------|--------------|------------------------------|--------------------------|----------|--------------------------|--------------------------|---------------------|---------------------|------------------------|---------------|------------------|------------------|
| | | | OPENING BAL AS AT 01.04.2013 | ADDITION DURING THE YEAR | DELETION | NET BAL AS AT 31.03.2014 | OPENING AS AT 01.04.2013 | DURING FOR THE YEAR | TRANSFER/ DEDUCTION | TOTAL AS AT 31.03.2014 | | AS AT 01.04.2013 | AS AT 31.03.2014 |
| | | | | | | | | | | | | | |
| I | TANGIBLE FIXED ASSETS | | | | | | | | | | | | |
| | 1) Freehold Land | 0.00% | 3,678,920 | 0 | 0 | 3,678,920 | 0 | 0 | 0 | 0 | 3,678,920 | 3,678,920 | |
| | 2) Leasehold Land | 0.00% | 5,227,257 | 0 | 0 | 5,227,257 | 0 | 0 | 0 | 0 | 5,227,257 | 5,227,257 | |
| | 3) Building | 3.34% | 25,428,616 | 0.00 | 0 | 25,428,616 | 2,525,606 | 622,470 | 0 | 3,148,076 | 22,903,010 | 22,280,540 | |
| | 4) Plant and Machinery | 4.75% | 62,846,707 | 0 | 0 | 62,846,707 | 10,744,168 | 1,694,385 | 0 | 12,438,553 | 52,102,539 | 50,408,154 | |
| | 5) Office Equipment | 4.75% | 188,293 | 4,550 | 0 | 192,843 | 54,371 | 9,790 | 0 | 64,161 | 133,922 | 128,682 | |
| | 6) Computer & Accessories | 16.21% | 1,144,856 | 0 | 0 | 1,144,856 | 1,083,011 | 61,845 | 0 | 1,144,856 | 61,845 | 0 | |
| | 7) Furniture & Fixtures | 6.33% | 498,924 | 0 | 0 | 498,924 | 171,965 | 2,988 | 0 | 174,953 | 326,959 | 323,971 | |
| | 8) Vehicles | 9.50% | 1,483,921 | 0 | 599,715 | 884,206 | 634,994 | 84,000 | 308,252 | 410,742 | 849,927 | 473,464 | |
| | Sub Total | | 100,497,494 | 4,550 | 599,715 | 99,902,329 | 15,214,115 | 2,475,478 | 308,252 | 17,381,341 | 85,283,379 | 82,520,988 | |
| | | | | | | | | | | | | | |
| I | INTANGIBLE FIXED ASSETS | | | | | | | | | | | | |
| | 1) Software | 40.00% | 31,095 | 0 | 0 | 31,095 | 31,094 | 0 | 0 | 31,094 | 1 | 1 | |
| | Sub Total | | 31,095 | 0 | 0 | 31,095 | 31,094 | 0 | 0 | 31,094 | 1 | 1 | |
| | Total | | 100,528,589 | 4,550 | 599,715 | 99,933,424 | 15,245,209 | 2,475,478 | 308,252 | 17,412,435 | 85,283,380 | 82,520,989 | |



CONSOLIDATED NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT FOR THE PERIOD

01-APR-2013 TO 31-MAR-2014

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

I. Basis of preparation of Financial Statement

(a). Basis of Accounting & preparation:

The financial statements are prepared on the accounting principles of a going concern. The Company follows accrual method of accounting and the financial statements have been prepared in accordance with the historical cost conventions excepting revalued assets which are in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956. Accounting Policies not specifically referred to otherwise are consistent and in consonance with the applicable accounting standards prescribed by the Companies (Accounting Standards) Rules, 2006 to the extent applicable. All expenses and income to the extent ascertainable with reasonable certainty are accounted for on accrual basis.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

(b) Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses for that year.

Although these estimates are based upon management's best knowledge of current events and actions, accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to accounts to the financial statements.

II. Consolidation of Financial Statements

A) In respect of foreign subsidiary, being non integral foreign operation, revenue items are consolidated at the average rate prevailing during the period. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the exchange fluctuation reserve.

B) Further consolidation has been done on line by line basis by adding together the book values arrived at as mentioned above of like items of assets, liabilities, income and expenses after fully eliminating intra group balances and unrealised profits/losses on intra group transactions.



- C) The consolidated financial statements include results of subsidiary as per following details:

| Name | Country of Incorporation | % shareholding | Consolidated as |
|--------------------------------|--------------------------|----------------|-------------------------|
| Zyden Gentec Hong Kong Limited | Hong Kong | 100 | Wholly owned subsidiary |

- D) The financial statement of the subsidiary are for the period from 01/04/2013 to 31/03/2014

III. Valuation of Inventory

Stock in trade is valued at lower of cost and net realizable value.

IV. Tangible Assets

Fixed assets are stated at cost, net of accumulated depreciation. The cost comprises purchase price , borrowing costs if Capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Subsequent expenditure is added to book value only if it increases the future benefits from the existing asset.

V. Depreciation

Depreciation on fixed assets is calculated on the straight line basis using the rates prescribed in Schedule XIV to the Companies Act,1956.Assets costing upto Rs.5000/- are written off on pro-rata basis in the year of acquisition.

VI. Investments

The Investment is stated at cost as per AS13.

VII. Taxes on Income

Provision for income tax is made on the basis of prevailing laws and rates applicable for the relevant assessment year. Deferred taxation is recognized for all the timing differences subject to the consideration of prudence and virtual certainty in respect of deferred tax assets in accordance with the accounting standard 22 " Accounting for taxation of income" issued by the Institute of Chartered Accountants of India.

VIII. Revenue Recognition

Sales Value is inclusive of Excise Duty but exclusive of VAT. Sale is recognized on removal of goods from factory

IX. Contingent Liabilities

As informed by Management the bank guarantee given by the Company in respect of :-

- | | |
|--|-----|
| (i) A Company in which some of the Directors are interested. | NIL |
| (ii) To any supplier/party | NIL |

A contingent liability in regard with ESI demand of Rs. 210000/- for ESI department for Hyderabad unit is pending with Company.



X. Employee Benefits

- a) PF and ESI are paid as per provisions of relevant statutes with the authorities of respective state and are charged to statement of Profit and Loss in the year to which it relates.
- b) Gratuity being defined contribution is accounted for on accrual basis in accordance with the Payment of Gratuity Act, 1972
- c) Accumulated leaves being short term compensated leaves are provided for in the year of becoming due.

XI. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period as Per AS 20.

XII. Government Grants

Government grants are accounted for on its becoming reasonably certain that the ultimate collection will be made.

XIII. Foreign Currency Transaction

Transactions in foreign currency are recorded using the exchange rates on the date of accruing of the transaction. Balances in the form of current assets and current liabilities outstanding on the date of Balance Sheet are converted at the appropriate exchange rate as on the date of balance sheet. Exchange difference arising out of fluctuation in exchange rate is accounted for on realisation comparing the same with initial transaction amount or converted amount on the date of Balance Sheet comparing original amount as the case may be.

As per our report of even date

For Rajvanshi & Associates

Chartered Accountants

For & on behalf of the Board of Directors

Sd/-

Vikas Rajvanshi

(Partner)

Membership No. : 073670

Firm Regn. No. : 005069C

Sd/-

Vinod Kumar Gupta

Chairman

DIN No:- 00193202

Sd/-

Manish Jatia

Whole Time Director

DIN No:- 00483354

Date: 30th May 2014

Place: Jaipur

Sd/-

G.P. Nagar

(Chief Financial Officer)

Cash Flow Statement For the Period 01 April 2013 to 31st March 2014

(Amount in `)

| PARTICULARS | As on 31 March, 2014 | As on 31 March, 2013 |
|---|-----------------------------|-----------------------------|
| (A) NET CASH FLOW FROM OPERATING ACTIVITES | | |
| Net Profit before tax | (2,690,699) | (7,307,912) |
| Adjustments to reconcile profit before tax to net cash flows | | |
| Depreciation of current year(including impairment) | 2,475,478 | 2,589,549 |
| Loss on sale of fixed asset | 136,463 | 8,751 |
| FCTR | 10,403 | - |
| Foreign Currency Reserve | 124,287 | - |
| Provision for short term employee benefits | - | 189,053 |
| Interest Income | 13,259,892 | 9,359,973 |
| Finance Cost | 341,974 | 3,915,309 |
| Operating Profit before working capital change | (12,861,986) | (9,965,223) |
| Movements in working capital: | | |
| Increase/(decrease) in trade payables | 8,760,719 | (766,595) |
| Increase/(decrease) in other current liabilities | (4,527,342) | 42,527,531 |
| Decrease/(increase) in trade receivable | (3,340,281) | (8,221,414) |
| Decrease/(increase) in inventories | 5,741,624 | 12,592,138 |
| Decrease/(increase) in short term loans & advances | 7,372,655 | 373,159 |
| Decrease/(increase) in long term loans & advances | (48,178) | 373,486 |
| Decrease/(increase) in other non current assets | 1,496,535 | - |
| Misc r/off | (8) | 4 |
| Cash generate from/(used in) operating activities | 2,593,739 | 36,913,086 |
| Direct taxes paid | - | - |
| NET CASH FLOW FROM OPERATING ACTIVITES | 2,593,739 | 36,913,086 |
| (B) CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets | (4,550) | (395,423) |
| Capital Investment Subsidy | - | 1,500,000 |
| Sale of Fixed Assets | 155,000 | 15,000 |
| Loan to body corporates and others(net of repayment) | - | (5,605,728) |
| Investment in subsidiary | - | (70,250) |
| Advance to Subsidiary | - | (113,501) |
| Bank deposits including interest accrued | - | (1,196,000) |
| Advance received for Factory sale at hyderabad | - | - |
| Interest Received | 13,259,892 | 9,359,973 |
| NET CASH FLOW FROM INVESTING ACTIVITES | 13,410,342 | 3,494,071 |
| (C) NET CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from Short term Borrowings(net of repayments) | (16,547,634) | 6,910,512 |
| Proceeds from long term Borrowings(net of repayments) | - | (43,258,999) |
| Finance Cost | (341,974) | (3,915,309) |
| NET CASH FLOW FROM FINANCING ACTIVITIES | (16,889,607) | (40,263,796) |
| Increase in cash & Bank Balances (A+B+C) | (885,527) | 143,361 |
| Add: Opening cash & Bank Balances | 1,214,600 | 1,071,232 |
| Closing cash & Bank Balances | 329,073 | 1,214,593 |

As per our report of even date
For Rajvanshi & Associates
Chartered Accountants

For & on behalf of the Board of Directors

Sd/-
Vikas Rajvanshi
Partner
Membership No. : 073670
Firm Regn. No. : 005069C
Date: 30th May 2014

Sd/-
Vinod Kumar Gupta
Chairman
DIN No:- 00193202

Sd/-
Manish Jatia
Whole Time Director
DIN No:- 00483354

Sd/-
G.P. Nagar
Chief Financial Officer

Statement Pursuant to Section 212 of Companies Act, 1956 relating to Subsidiary Companies

| S. No. | Stake Held | Name of Subsidiary Companies | Reporting Currency | Capital | Reserve & Surplus | Total Assets | Total liabilities | Investments | Total Revenue | Profit Before Taxation | Provision for taxation | Profit after taxation | Country |
|--------|------------|--------------------------------|--------------------|----------------|-------------------|---------------------|---------------------|-------------|---------------|------------------------|------------------------|-----------------------|-----------|
| 1 | 100.00% | Zyden Gentec Hong Kong Limited | HKD INR | 10000 77271 | 151030 1167024 | 8903045 68794719 | 8903045 68794719 | 0 0 | 0 0 | -5233 -40754 | 0 0 | -5233 -40754 | Hong Kong |

* Exchange Rates for the respective foreign currency are as under:

| | |
|---------------------------------------|------------|
| Reporting currency | HKD to INR |
| Exchange Rate as on 31.03.2014 | 7.7271 |
| Exchange Rate as on 31.03.2013 | 7.0008 |
| Average Exchange Rate during the year | 7.7879 |

As per our report of even date
For Rajvanshi & Associates
Chartered Accountants

For & on behalf of the Board of Directors

Sd/-
Vikas Rajvanshi
(Partner)
Membership No.
Firm Regn. No.

Date : 30.05.2014
Place : Jaipur

Sd/-
Vinod Kumar Gupta
(Chairman)
DIN No:- 00193202

Sd/-
Manish Jatia
(Director)
DIN No:- 00483354

Sd/-
G P Nagar
(Chief Financial Officer)




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FORM A

**ZYDEN
GENTEC
LIMITED**

Format of covering letter of the annual report to be filed with the stock exchanges

| | | |
|----|--|--|
| 1. | Name of the Company: | Zyden Gentec Limited |
| 2. | Annual Financial statements for the year ended | 31 st March 2014 |
| 3. | Type of Audit observation | Matter of Emphasis |
| 4. | Frequency of observation | Repetitive |
| 5. | To be Signed By- | |
| | CEO/ Managing Director |  |
| | Auditor of the company |  |
| | Auditor of the company |  |
| | Audit Committee Chairman | Niranjn Agrawal. |