

BOOK - POST

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Dr. Sabharwal's Manufacturing Labs Ltd.
Registered Office :
26/19 East Patel Nagar,
New Delhi - 110 008

Dr. Sabharwal's Mfg. Labs. Ltd.

29th.ANNUAL REPORT FOR THE YEAR 2012-2013

All products have CE marking & GMP. Awarded thrice for excellence in exports through Ministry of Commerce.



Dr. Sabharwal's Mfg. Labs. Ltd.

Regd. Office : 26/19 East Patel Nagar, New Delhi - 110 008 India

Tel. / Fax : +91-11-25881731

Email : drsmpl@gmail.com sales@drsabharwal.com Website: drsabharwal.com

ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall

Name of the attending Member(s)

(IN BLOCK LETTERS).....

Name of Proxy (IN BLOCK LETTERS).....

(To be filled in if the Proxy attends instead of the Member)

No. of Shares held.....

I hereby record my presence at the 29th ANNUAL GENERAL MEETING at the Regd. Office of the Company at 26/19 East Patel Nagar, New Delhi - 110 008 at 10.30 A.M. on Wednesday 28th September, 2013.

For Office use

Member's/Proxy's Signature
(To be signed at the time of handing over this slip)

FORM OF PROXY

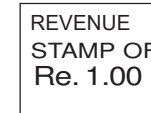
DR. SABHARWAL'S MANUFACTURING LABS LIMITED
Regd. Office. 26/19 EAST PATEL NAGAR,
NEW DELHI - 110 008

I/We.....of
.....being a
member(s) of the above named Company hereby appoint.....
.....of.....or failing
him.....
of.....

as my / our proxy to vote for me/us and on my/our behalf at the 29th Annual General Meeting of the Company to be held at 10.30 A.M. on Wednesday 28th September, 2013, and at any adjournment thereof.

Folio Number

Date.....



- Note : 1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself / herself.
2. A proxy need not be a member.
3. This form (Proxies) duly completed should be deposited at the registered office of the company at least 48 hours before the time of the meeting.

**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2012**

	31-03-2013		31-03-2012	
	Amount		Amount	
	Rs.	P	Rs.	P
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Loss/Profit before Tax & extra ordinary items	7175272.54		3762881.57	
Adjustment for -				
i) Depreciation	923654.77		941547.16	
ii) Interest Paid	—		—	
iii)(Profit) loss on Sales of Fixed Assets	—		—	
iv) (Profit) Loss from Investment	—		—	
v) Dividend received from mutual fund	(2200.00)		(2200.00)	
vi) Differred Tax Credit	—		—	
Operating Profit before Working Capital Changes	8096727.31		4702228.73	
Adjusted for -				
Trade and Other Receivables	(5268762.06)		3242907.93	
Inventories	(448843.99)		(111879.28)	
Other Loans & Advances	863608.36		15740062.16	
Trade Payables	3257344.02		(3103145.79)	
Cash generated from operations activities	4772856.92		20470173.75	
Interest Paid	—		—	
Direct Taxes Paid	—		—	
Cash Flow before Extra Ordinary Items	4772856.92		20470173.75	
Sale of Fixed Assets	—		—	
Net Cash Flow from Operating activities	4772856.92		20470173.75	
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(129275.00)		(824315.00)	
Dividend received from Mutual Fund	2200.00		2200.00	
Net Cash Used in Investing Activities.	(127075.00)		(822115.00)	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Re-payment of Loan	—		—	
Dividend Paid	(800000.00)		—	
Dividend Tax Paid	(129780.00)		—	
Net Cash used in financing activities	(929780.00)		—	
Net Increase (Decrease) in Cash and Cash Equivalents (A - B - C)	3716001.92		19648058.75	
Cash & Cash Equivalents as at 31st. March 2012 (Opening Balance)	25465965.64		5817906.89	
Cash & Cash Equivalents as at 31st March 2013 (Closing Balance)	29181967.56		25465965.64	

Note : Figures in Brackets represent cash outflow

Sd/-

Dr. A.R. Sabharwal
Managing Director

Sd/-

MRS. A. SABHARWAL
Director.

AUDITORS' CERTIFICATE

We have examined the above Cash Flow Statement of Dr. Sabharwal's Mfg. Labs Ltd. for the year ended 31st March, 2012. The statement has been prepared by the Company in accordance with the requirements of Listing Agreement Clause 32 with Stock Exchanges and is based on and in agreement with corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of Aug 21,2012 to the Members of the Company.

Place : New Delhi
Dated : 28th May 2013.

A.KAY MEHRA & CO.
Chartered Accountants
Sd/-
(A.KAY.MEHRA)Partner
(M. No. 9963)
Firm Reg. No. 050004C

Dr. Sabharwal's Manufacturing Labs Limited**Board of Directors**

Dr. A.R. Sabharwal
MBBS, DMRE, LLB.
Chairman-Cum-Managing Director

Mrs. Anjana Sabharwal
B.A., B.T.
Director Administration & Sales

Dr. Prem Nath.
MBBS.

Auditors
M/s A.Kay Mehra & Co.
114(Basement) Mall Road
Kingsway Comp.
New Delhi - 110 009

Bankers
Punjab National Bank
Pandu Nagar, Kanpur - 208 005

Registered Office
26/19 East Patel Nagar
New Delhi - 110 008

Works
Bhawanipur, G.T. Road,
Mandhana,
Kanpur - 209 217

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NOTICE

NOTICE is hereby given that the 29th Annual General Meeting of Dr. Sabharwal's Manufacturing Labs Ltd. will be held on Monday 30th September, 2013 at 10.30 A.M. at the registered office of the Company at 26/19 East Patel Nagar, New Delhi - 110 008 to transact the following business :

- To receive, consider and adopt the Balance Sheet as at 31st March, 2013 and Profit and Loss Account for the year ended as on that date together with the Reports of the Board of Directors and Auditor's thereon.
- Dividend :- Your Directors are recommending a Dividend @ 15% i.e. Rs. 1.50 per share subject to approval in the ensuing Annual General Meeting.
- To appoint a Director in place of Dr. Prem Nath who retires by rotation and being eligible offers his self for re-appointment.
- To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

Place : New Delhi
Dated : 01.09.2013

By Order of the Board
Sd/-
Dr. A.R.SABHARWAL
Managing Director

NOTES:

- A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself / herself and the proxy need not to be a member. Proxy form duly completed and signed should be deposited at the registered office of the Company atleast 48 hours before the commencement of the meeting.
- The Register of members and Share Transfer Books of the Company will remain closed from 20th September, 2013 to 30th September, 2013 both days inclusive.
- Members are requested to inform the change, if any, in their registered addresses to the Company at Company's Registered Office at 26/19 East Patel Nagar, New Delhi - 110 008.
- Member/Proxy should bring the attendance slip duly filled in for attending the meeting.
- Members are requested to inform their e-mail addresses so that in compliance with the Govt's "Go Green initiatives" the balance sheets and all other notices/ communications may be sent to members through e-mail.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1. Registration Details :

Registration No. State Code (Refer Code List)

Balance Sheet Date

II. Capital raised during the year (Amount in Rs. Thousand)

Public Issue

Bonus Issue

Right Issue

Private Placement

III. Position of Mobilisation and Development of Funds (Amount in Rs. Thousands)

Total Liabilities

Source of Funds
Paid-up-Capital

Secured Loans

Application of Funds
Net Fixed Assets

Net Current Assets

Net Current Liabilities

Total Assets
* Net of current liabilities and provisions.

Reserves & Surplus

Unsecured Loans

Investment

Deferred Tax Liability(Net)

Misc. Expenditure

Total Expenditure

Profit/Loss after Tax

IV. Performance of Company (Amount in Rs. Thousands)

Turnover

Profit/Loss before Tax

Earning per Share in Rs. (Please Tick Appropriate box + for Profit - for Loss) **Dividend Rate %**

Product : ADHESIVE TAPE USP

Description

Item Code No. (ITC Code)

Item Code No.

Product : PLASTER OF PARIS BANDAGE B.P.
Description

21. Value of Imports (Calculated on CIF basis)				
Particular			2012-2013	2011-2012
Raw Material			2839543.04	NIL
Capital Goods			NIL	NIL
Material for Trading Goods			NIL	NIL
Document Sales			NIL	NIL
Total			2839543.04	NIL
22. Previous Year's figures have been re-grouped/re-arranged wherever necessary to render them comparable with the current year's figures.				
23. Figures have been rounded off to the nearest rupee.				
24. Consumption of Raw Material				
Particulars	2012-2013 in %	2011-12 in %	2012-2013	2011-2012
Indigenous	87.42%	100%	19739597.50	28052946.29
Imported	12.58%	NIL	2839543.04	NIL
TOTAL			22579140.54	28052946.29
25. Consumption of Packing Material				
Particulars	2012-2013 in %	2011-12 in %	2012-2013	2011-2012
Indigenous	100%	100%	2915223.20	3238632.89
Imported	nil	NIL	NIL	NIL
Total			2915223.20	3238632.89

Place : New Delhi
Date : 28th May 2013

FOR A. KAY. MEHRA & CO.
Chartered Accountants
Sd/-
A. Kay. Mehra
Partner. (M.No.9963)
Firm Registration No. 050004C

DIRECTORS' REPORT

TO, THE SHARE HOLDERS :

Your Directors have pleasure in presenting the 29th Annual Report of the Company for the year ended 31st March, 2013.

WORKING RESULTS :

The comparative results for the year and those of previous year are summarised below :

	<u>2012-2013</u>	<u>2011-2012</u>
1. Operating Profit/Loss before Interest & Depreciation.	8098927.31	4704428.73
2. Less : Interest	—	—
3. Profit/Loss before Depreciation	8098927.31	4704428.73
4. Less Depreciation	923654.77	941547.16
5. Profit/Loss after Depreciation and Interest	7175272.54	3762881.57
6. Add : Provision for Deferred Tax Liability	680778.88	139483.33
7. Less : Provision for Taxation	(310000.00)	1350000.00
8. Net profit/Loss after Taxation	4756051.42	2552364.90
9. Adjustment relating to previous year & Taxation	—	—
10. Loss/ Profit available for appropriation	—	—
11. Transfer to General Reserve	237800.00	—
12. Less Dividend	120000.00	800000.00
13. Less Dividend Tax	194670.00	129780.00
14. Balance Carried over	3123581.42	1622584.90

DIVIDEND : Your Directors are recommending a Dividend @ 15% i.e. 1.50 per share subject to approval in the ensuing Annual General Meeting.

PERFORMANCE: During the year under report despite stiff competition in the domestic as well as overseas market, the sales of your Company have increased marginally to Rs.568.43 lacs as against Rs. 563.13 lacs during the previous years. However, the Company has been able to earn a Net profit of Rs.71.75 lacs as against Rs. 37.62 lacs during the previous year after changing intervention Depreciation.

FUTURE PROSPECTS :

Your Directors are happy to announce that the Company after getting ISO 9001 :2008, 13485 Certificate is maintaining the spirit of total quality management and is earning more by reducing rejections and failures. We hope to have more business and growth for the time to come.

DIRECTORS : Dr. Prem Nath Director retires by Rotation at this Annual General Meeting and being eligible offers himself for reappointment.

DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956 on the Directors' Responsibility Statement, it is hereby confirmed:

- ☛ That in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanations relating to material departures;
- ☛ That the Directors selected such accounting Policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the Profit or Loss of the Company for that period.

☛ That the Directors took proper and sufficient care to maintain adequate accounting records in accordance with the provisions of this Act, to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

☛ That the directors prepared the annual accounts on a going concern basis.

AUDITORS : M/s A.Kay Mehra & Co., Chartered Accountants, retire at this Annual General meeting and being eligible offer themselves for re-appointment.

Compliance certificate: Provision to Sec. 383A of the Companies Act. 1956, Compliance certificate obtained from a practicing company secretary is enclosed.

PARTICULARS OF DISCLOSURES UNDER SECTION 217 OF THE COMPANIES ACT, 1956;

Information required under Section 217(2A) and 217(1)(e) of the Companies Act, 1956, are given in Annexure.

Statement pursuant to section 217(2A) of the companies Act. 1956.

Read with the companies (particulars of employees) Rule, 1975

Name, Qualification & Age in years.	Designation	Nature of duties	Remuneration Received	Experience	Date of commencement of Employment	Last Employment
Dr. A.R. Sabharwal MBBS, DMRE LLB, 77 Years	Managing Director	Managerial & Administrative	Rs. 24,00,000.00	27 Years.	25.02.91	Self Employed as medical practitioner
Smt. A. Sabharwal B.A. B.T. 69 Years	Director Admn. & Sales	Managerial & Sales	Rs. 12,00,000.00	27 Years.	1.10.94	NIL

INDUSTRIAL RELATIONS:

Directors are pleased to record their deep appreciation for the efforts put in and co-operation extended by the employees at each level. A spirit of team work and cordial relations existed throughout the year.

ACKNOWLEDGEMENT:

Your Directors wish to place on record their sincere appreciation for the continued support and accommodation extended by its bankers viz Punjab National Bank through out the year.

Place : New Delhi
Dated : 01.09.2013

On behalf of the Board of Directors
Sd/-
Dr. A.R. SABHARWAL
(Chairman)

ANNEXURE TO THE DIRECTORS' REPORT:

(Additional information given in terms of Notification No. GSR-1029 of 31.12.88 issued by the Department of Company Affairs)

CONSERVATION OF ENERGY:

Our plant is not a big user of energy. The total cost of electricity generated during 2012-2013 is Rs. 14.09 lacs on which we achieved a turnover of Rs. 568.43 Lacs. The percentage of cost of energy in relation to turnover therefore comes to 2.50 % only.

a) Energy Conservation measures taken:

We have 30 KVA, 45 KVA, 125 KVA and 160 KVA Gensets at our works, which are running satisfactory. The generators are periodically serviced and tuned and critical components replaced for efficiency.

The baby boiler is automatic energy saver. It automatically cuts off when steam pressure becomes sufficient. Thus it is very efficient energy saver. The boiler is descaled every 6 months.

b) We are ISO 9001:2008,13485 Company. All our devices are latest with energy saving equipment. There is no further requirement of any energy saving device. Such as all the electric motors are with shunt.

8. Excise duty payable on finished goods/Scrap Stock lying in stock at factory amounting to Rs. 711426/- (Prev. Year Rs. 553438/-) has been included in the value of the closing stock after creating suitable provision for liability.
9. Profit/Loss on Sales and Impairment of fixed assets account includes Rs. NIL(Prev. Year- Rs. NIL) towards loss on impairment of assets.
10. In the opinion of the Board, the Current Assets, Loans and Advances are stated at a value, considered realisable in the ordinary course of business.
11. The Company's operations predominantly comprises of only one segment- Surgical Dressing, therefore segment reporting does not apply.
12. **Deferred Tax**
Deferred Tax assets and liabilities are being offset as they relate to taxes on income levied by the same governing laws. Breakup of deferred tax assets / liabilities and reconciliation of current year deferred tax credit/charge.

Particulars	Current Year Credit/(Charge)	Deferred Tax Asset/ (Liability) as on 31/3/2012
Deferred Tax Liability	9,15,341.76	9,86,862.25
Deferred Tax Assets	10,17,390.23	4,08,131.84
Total	1,02,048.47	5,78,730.41

Note: The Company has recognised the Deferred Tax Charge of Rs. 6,80,778.88(Prev. Year Deferred Tax Charge Rs. 139483.33) during the year and debited to Profit & Loss Account.

13. Earning per Share

Particular	2012-13	2011-12
Net profit after taxes for the year	47,56,051.42	25,52,364.90
Number of Equity Shares	800000	800000
Basic and Diluted EArning per shares	5.95	3.19
Face Value per Share	10	10

14. The disclosure required under Accounting Standard 15-"Employee Benefits" notified in the Companies(Accounting Standards) Rules 2006, are given below:

Defined Contribution Plan

Contribution to defined contribution plan, recognised are charged off for the year are as under:

particular	2012-2013	2011-12
Employer's Contribution to Provident fund	183098	181648
Employer's Contribution to ESI	74961	66321

15. Taxation provisions for current year and previous year tax adjustments includes interest thereon

16. The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amounts unpaid as at the year end together with interest paid/payable under this Act have not been given.

17. Raw Material and Components Consumed

Name of Raw Material	2012-2013	2011-2012
Fabric	17441825.00	19204696.88
Organic Solvant	3119358.00	4802664.40
Others (None of which individually accounts)	2017957.54	4045585.01
TOTAL	22579140.54	28052946.29

18. Particular of Total Sales

Particular	2012-2013	2011-2012
Indigenous	35777141.76	34335333.83
Export	22136644.73	22537626.30
Total	57913786.49	56872960.13

19. Earning in Foreign Currency

Export Goods	2012-2013	2011-2012
Direct Export	19113730.33	19026228.60
Indirect Export	3022914.40	3511397.70
Total	22136644.73	22537626.30

20. Expenditure in Foreign Currency

Particulars	2012-2013	2011-2012
Licence & Fees	283338.17	294756.51
Traveling Expenses	574010.00	542286.00
Commission on Sales	1031826.00	1447641.00
Sales Promotion	223068.16	74961.00
Total	2112242.33	2359644.51

23. Notes of Accounts

1 Contingent Liabilities & Commitments

1.1 Contingent Liabilities

Sl. No.	Particulars	2012-2013	2011-12
i)	Disputed Sales Tax (appeals pending)	NIL	NIL
ii)	Disputed Income Tax (Appeals pending)	NIL	NIL
iii)	Bank guarantee	NIL	NIL
iv)	Labour Cases	Nil	NIL
i)	In respect of Bank Guarantee	Rs. NIL	(Previous year Rs. NIL)
ii)	Against pending sales tax cases	Rs. NIL	(Previous year Rs. NIL)

1.2 Commitments :- NIL

- The company has provided depreciation on all Fixed Assets on Straight Line Method in accordance with the provisions of Section 205(2) (b) and section 350 of the Companies Act, 1956 as ammended by the Companies (Ammended) Act, 1988 at the rates precribed in Schedule XIV of the said Act. And the revised vide notification G.S.r. 756 (E) dated 16/12/1993 of Department of Company affairs, Government of India and on prorata basis on additions during the year.
- Fixed Deposits with State Bank of India, Sarvodaya Nagar Kanpur to Rs. 35,00,000/- (Prev. Year Rs. 2500000/-) are pledged with SBI as Margin on Bank Guarantee, Letter of Credit and Foreign Bills Purchased by them.
- Fixed Deposit with PNB Pandu Nagar Kanpur amounting to Rs. 1300000/- (previous Year Rs. 1300000/-) are pledged with PNB Pandu Nagar, as margin on Bank Guarantee.
- Related Party Disclosure:-**
Pursuant to Accounting Standard 18 (AS-18). The Company has indentified all related parties and details of transactions are given below :-
1- Relationship"-
a) Key management personal and their relatives Dr. Ajit Rai Sabharwal, Mrs. Anjana Sabharwal.
b) Other Related Parties:-
Ajit Rai Sabharwal HUF, Dr. Sabharwal's Medicals Pvt. Ltd., Dr. Sabharwal's Wound Care

Key Managerial Personnel

S. No.	Name of Key Personnel	Designation	Nature of Transaction	Amount (Rs.)	Previous Year
1	Dr. Ajit Rai Sabharwal	Managing Director	Remuneration	24,00,000.00	24,00,000.00
2	Mrs. Anjana Sabharwal	Director	Remuneration	12,00,000.00	12,00,000.00
3	Ajit Rai Sabharwal HUF	Associates	Rent	528000.00	528000.00
4	Dr. Ajit Rai Sabharwal	Managing Director	Rent	360000.00	360000.00
5	Mrs. Anjana Sabharwal	Director	Rent	312000.00	312000.00
6	Dr. SMPL	Associates	Sales	6969893.00	4932315.00
			Purchase	1650752.00	1466973.00
7	Dr. SWC	Associate	Sale	1755566.00	2236489.00
			Purchase	6192563.00	2549825.00

6. Remuneration to Chairman & Managing Director, Dy. Managing Director and Whole Time Director

Sl.No.	Amount (Rs.)	Previous Year
1	Managing Director	24,00,000.00
2.	Director	12,00,000.00

- Income/(Loss) on difference in exchange rates on account of foreign currency transactions relating to Export Sales amounting to Rs. 49766.00(Previous Year (Rs. 246648/-) has been grouped with Export Sale.

- Impact of the measures at a) & b) above for reduction of energy consumption and consequent impact on the cost of production.

Our energy conservation efforts as described in a) above have kept the cost of production fairly low.

- Total energy consumption and energy consumption per unit of production are shown in Form "A" annexed hereto.

TECHNOLOGY UPGRADATION

Efforts made in technology upgradation as per Form "B" is annexed hereto.

FOREIGN EXCHANGE EARNINGS AND OUTGO :

Information on Foreign Exchange Earnings and outgo is given hereunder. Efforts are being made to explore possibility of increasing export within the purview of the present policy.

Total Foreign Exchange used	Rs.	NIL
Total Foreign Exchange earned	Rs.	19113730.33

ANNEXURE - A

COMPLIANCE CERTIFICATE

Company No. 55-137444 A. Capital: Rs.150 lacs

COMPLIANCE CERTIFICATE

To,
The Members,
M/s Dr. Sabharwal's Manufacturing Labs Limited,
26/19, East Patel Nagar,
New Delhi

We have examined the registers, records, books and papers of M/s Dr. Sabharwal's Manufacturing Labs Limited. (The company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under and also the provisions contained in the Memorandum and articles of Association of the company for the financial year ended on 31.3.2013 (financial year). In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we report that in respect of the aforesaid financial year:

- The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per provisions of the Act and the rules made there under and all entries therein have been duly recorded.
- The company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Company Law Board or other Authorities under the Act and the rules made there under.
- The company being a public limited company, comments are not required..
- The Board of Directors duly met six times during the year in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including circular resolutions passed in the Minute Book maintained for the purpose.
- The company has closed its Register of Members from 28.9.2012 to 29.9.2012 and complied with the provisions of the Act..
- The Annual General Meeting for the financial year ended on 31st March, 2012 was held on 29.9.2012 after giving due notice to the members of the company and the resolutions passed thereat were

duly recorded in the Minutes Book maintained for the purpose.

7. No Extra ordinary General Meeting was held during the financial year.
8. As per the information provided the company has not advanced any loans to its directors or persons or firms or companies referred to under section 295 of the Act.
9. As per the information provided the company has not entered into any contracts falling within the purview of section 297 of the Act.
10. The company has made necessary enteries in the register maintained under section 301 of the Act.
11. As per the information provided, there was no instance falling within the purview of section 314 of the Act, hence the company has not obtained any approvals from the Board of Directors, members or Central Government, as the case may be.
12. The company has not issued any duplicate share certificates during the financial year.
13. The company has:
 - (i) there was no allotment of shares during the year.
 - (ii) as per information provided, since there was no amounts in unpaid dividend account, application money due for refunds, matured deposits, matured debentures and interest accrued thereon which have remained unclaimed or unpaid for a period of seven years no amount has been transferred to Investor Education and Protection fund.
 - (iii) posted dividend warrants to all members within a period of 30 days from the date of declaration .
 - (iv) deposited the amount of dividend in a separate bank account within prescribed time.
 - (v) Duly complied with the requirements of section 217 of the act.
14. The Board of directors of the company is duly constituted. and there was no appointment of additional directors, alternate directors and directors to fill casual vacancies during the year under scrutiny.
15. The appointment of Managing Director/ whole time director during the year under scrutiny was duly made..
16. As per the information provided the company has not appointed any sole selling agents during the financial year.
17. As per the information provided, the company was not required to obtain any approvals of the Central Govt./Company Law Board/Regional Director /Registrar of Companies and/or such authorities prescribed under the various provisions of the Act during the financial year.
18. The directors have disclosed their interest in other firms /companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The company has not issued any shares during the financial year..
20. The company has not bought back any shares during the financial year.
21. There was no redemption of preference shares/debentures during the financial year.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, right shares and bonus shares pending registration of transfer of shares.
- 23 As per the explanations furnished the company has not invited any deposits falling within the purview of section 58A of the Companies Act, 1956.
24. The amount borrowed by the company is within the borrowing limits of the company.
25. As per the information provided the company has not made any loan or advances or given guarantees or provided securities to other bodies corporate and consequently no enteries have been made in the register kept for the purpose..
26. The company has not altered the provisions of the memorandum with respect to situation of the

NOTES OF ACCOUNTS

22- Significant Accounting Policies :

1. **SYSTEM OF ACCOUNTING** : Unless otherwise stated hereunder the financial accounts of the Company have been drawn up on historical cost convention and on accrual basis.
2. **USE OF ESTIMATES** : The preparation of financial statement requires management to make certain estimates and assumption that affect the amounts reported in the financial statements and notes thereto. Differences between actual results and estimates are recognised in the period in which they are materialised.
3. **SALES** : Sales are net of taxes and sales returns but inclusive of excise duty and exchange rates fluctualations.
4. **FIXED ASSETS** : Fixed assets are capitalised at cost of acquisition and subsequent improvements thereto including taxes, duties etc other than Cenvat credit wherever applicable. Freight & other incidental expenses related to acquisition and installation are added to cost. In case of write-up due to revaluation are shown at such higher amount.
5. **DEPRECIATION** : Depreciation on all assets has been charged by written down value method in accordance with the rates and manner specified in Schedule XIV to the Companies Act. 1956.
In respect of revalued assets, the incremental depreciation attributable to the Revaluation is transferred to Revaluation Reserve.
6. **INVENTORIES** : Inventories have been valued as follows :-

Raw Materials	- At Cost *	Packing Material	- At Cost *
Finished Goods	- At lower of the cost and net realisable value**	Trading Goods	- At Cost*
Work in Progress	- At Cost*		

*The cost has been arrived at by using 'FIFO' method.
** The cost of finished goods has been determined by considering standard conversion cost.
7. **Impairment of Assets** : the Company determines whether there is any indication of impairment of the carrying amount of the company's assets. The recoverable amount of such assets are estimated, if any indication exists, and impairment losses recognised wherever the carrying amount of the assets exceeds its recoverable amount.
8. **Employees' Benefits** : Company's contribution to Provident Fund and ESI fund are charged to profit & loss account. Provision for Gratuity and Leave Encashment benefits, in respect of employees governed by Indian rules and regulations is made on the basis of actuarial valuation as at the end of the year in conformity with the Accounting standard-15 (Revised) issued by the Insitute of Chartered Accountants of India and the provision for leave encashment (including long term leave) Contribution to Employee Group Gratuity Trust for the current yea are charged to Profit & Loss Account and for the past years are adjusted in the Provision for Gratuity a/c.
9. **FOREIGN CURRENCY TRANSACTIONS** : Transactions in foreign currency are accounted for at the exchange rates prevailing at the date of transaction. Gains and losses resulting from the settlement of such. Transactions and from the translation of monetary assets and liabilities denominated in foreign currency are recognised in the profit and loss account. Exchange differences arising on account of monetary liabilities related to fixed assets are adjusted in the cost of assets. Bank Guarantee in Foreign currency are Duty Entitlement Credit on Export Sales under DEPB (Duty Entitlement Pass Book Scheme) is being accounted for the year of actual credit claimed and received.
11. **RESEARCH & DEVELOPMENT** : Revenue expenditure pertaining to research and development is charged to revenue in the year in which it is incurred. Capital Expenditure is treated as forming part of Fixed Assets.
12. **GOVERNMENT GRANTS** : i) Revenue grants are accounted for in Profit & Loss Account.
ii) Capital grants other than relating to specific fixed assets are credited to Capital Reserve.
14. **MISCELLANEOUS EXPENDITURE** : Public Issue Expense, Deferred Revenue Expenses & other expenses on intangible assets are recognised & amortised as per the Accounting Standard no. 26 on intangible Assets issued by the Institute of Chartered Accountants of India.
15. **BORROWING COST** : Interest and other costs in connection with borrowing of funds to the extent related / attributed to the acquisition/construction of qualifying fixed assets are capitalised upto the date when such assets are ready for its intended use and other borrowing cost are charged to Profit and Loss Account.
15. **PROVISION FOR DEFERRED AND CURRENT TAX**
Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred Tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax assets is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in future.

NOTE NO. 21 : EMPLOYEES REMUNERATION & BENEFITS

	As on 31-03-13 Amount		As on 31-03-12 Amount	
	Rs.	P.	Rs.	P.
WAGES, SALARIES AND ALLOWANCES (Including Administration Charges)	26,85,215.00	—	28,02,522.00	—
Directors Remuneration	36,00,000.00	—	36,00,000.00	—
Bonus	1,94,682.00	—	2,29,940.00	—
Gratuity	19,66,288.00	—	2,97,141.00	—
Staff & labour Welfare	1,03,571.00	—	1,15,172.80	—
Earn Leave Encashment	39,909.00	—	54,673.00	—
TOTAL	85,89,666.00	—	70,99,448.80	—

NOTE NO. 22 : OTHER EXPENSES

Repair & Maintenance - Building	3,00,517.00	—	5,46,612.00	—
Repair & Maintenance - Plant & machinery	4,36,391.00	—	3,23,643.00	—
Power and Fuel	14,08,550.80	—	17,52,312.02	—
Standardisation Expenses	10,000.00	—	18,800.00	—
Octroi	—	—	2,812.00	—
Consumable Store	—	—	1,34,763.00	—
Laboratory Expenses	3034.00	—	10,724.00	—
Factory Exps.	78596.00	—	—	—
News Paper, Books & Periodicals	6980.00	—	17,799.00	—
Traveling & conveyance	5,74,010.00	—	5,42,286.00	—
Running & Maintenance of Vehicle	2,04,069.75	—	2,09,905.00	—
Rent	12,00,000.00	—	12,00,000.00	—
Printing & Stationery	96,554.75	—	1,93,084.61	—
Postage , Telephone & Courier Charges	2,68,486.07	—	73,224.00	—
Bank & Financial Charges	5,47,737.75	—	3,64,253.04	—
Legal & Professional Charges	2,52,436.00	—	2,93,624.00	—
Payment to Auditors				
i) As Audit Fee	15,000.00	18,000.00		
ii) Vat Tax Audit Fee	10,000.00	12,500.00		
iii) Out of Pocket Expenses	3090.00	2,575.00		
Repairs & maintenance Others	1,94,629.00	—	61,720.75	—
Licence Fees & Taxes etc.	2,83,338.17	—	2,94,756.51	—
Insurance	35,993.00	—	37,050.00	—
Miscellaneous Expenses	1,92,833.89	—	3,95,083.2	—
Charity & Donation	2100.00	—	7,930.00	—
Gaurd & Security	1,63,334.00	—	1,47,867.00	—
Internal Audit Fees	—	—	32,500.00	—
Tender Fees	33,572.00	—	59,238.00	—
Computer Expenenses	46,631.00	—	11,579.00	—
Exhibition Expenses	1,01,124.00	—	2,89,420.00	—
Sales Promotion Expenses	2,23,068.16	—	74,961.00	—
Forwarding Expenses	7,15,334.00	—	8,54,330.52	—
Advertisement & Publicity	2,03,001.00	—	33,927.00	—
Commission on Sales	10,31,826.00	—	14,47,641.00	—
Rebate and Discount	—	—	2,82,666.74	—
Difference in Exchange	—	—	2,46,648.00	—
Incentive on Sales	4789.00	—	2,469.00	—
Inspection Charges	—	—	550.00	—
Bad Debts & Balance Round Off	4,71,658.36	—	21,10,041.29	—
TOTAL	1,21,07,295.68	—	1,21,07,295.68	—

- company's registered office from one state to another during the year under scrutiny.
27. The company has not altered the provisions of the Memorandum with respect to the objects of the company during the year under scrutiny.
 28. The company has not altered the provisions of the Memorandum with respect to name of the company during the year under scrutiny.
 29. The company has not altered the provisions of the Memorandum with respect to share capital of the company during the year under scrutiny.
 30. The company has not altered its articles of association during the financial year.
 31. As per the information provided, there was no prosecution initiated against or show cause notices received by the company during the financial year. for offences under the Act.
 32. As per the information provided, the company has not received any money as security from its employees during the financial year.
 33. The company has not constituted any provident fund for its employees pursuant to section 418 of the Act.

Place: Kanpur
Date: 1.8.2013

Sd/-
(S.K.Garg)
Company Secretary
C.P. No. 2169

ANNEXURE - A

- Registers as maintained by the company
1. Register of Members U/S 150
 2. Register of Directors/M.Directors etc. U/S 303
 3. Register of Directors shareholding U/S 307
 - 4...Books of Accounts U/S 209
 5. Minutes Books U/s 193
 6. Register of Contracts etc. U/s 301
 7. Share Transfer register U/s 108 8.
 8. Register of Charges U/s 143

ANNEXURE - B

- Forms and Returns filed by the company with ROC
1. Balance sheet under section 220
 2. Annual Return under section 159
 3. Secretarial Compliance Certificate under section 383A
 4. Form no. 32 under section 303(2)
 5. Form no. 25C under section 198/sch XIII

FORM - A

Form for disclosure of particulars with respect to conservation of energy :

A. POWER AND FUEL CONSUMPTION :

a) Electricity purchased :			
Unit.....		136213	
Total Amount	Rs.	9,53,495.00	
Rate/Unit.....	Rs.	7.00	
b) Through own Diesel Generator :			
Unit.....		52.854	
Unit per Ltr. of Diesel Oil Units.....	Rs.	3.89	
Cost/Unit.....	Rs.	8.99	
c) Through steam turbine/generator Unit			
Unit per Ltr. of fuel oil/gas Cost Unit			
1)Coal (specify quality and where used)		N.A.	
.....Quantity (tonnes)			
.....Average rate			
2)Furnace Oil.....		N.A.	
.....Quality K. Ltrs.			
.....Total amount			
.....Average rate			
3)Other/internal generation (Please give details)....		N.A.	
.....Quality			
Total Cost			
Rate/Unit.			

B. Total consumption per unit of Product	Standard (if any)	Gen.Set.
Product -Adhesive Tape & POP Bandages	--	Rs. 2.00 / Sq. Meter

FORM - B

RESEARCH & DEVELOPMENT (R & D) :

1. Specific Area in which R & D Carried out by the Co.	Microporous non-woven Adhesive Tape.
2. Benefits derived as result of the above R & D	We have developed some import substitute items.
3. Future Plan of action	By strengthening R & D wing, we hope to start the above product very soon.
4. Expenditure on R & D	
a) Capital	NIL
b) Recurring	NIL
c) Total	NIL
d) Total R & D Expenditure as percentage of Total Turnover.	NIL

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :

1. We have an efficient Quality Control System at our plant which helps to reduce waste. Our R & D efforts have developed technology for coating non-woven Microporous Adhesive Tape.
2. The superb quality of our products have enhanced their acceptability in the market. The Company is enjoying a premium on prices.
3. We do not have any imported technology.

NOTE NO. 16 : OTHER INCOME

INTEREST RECEIVED			
(i) On Fixed Deposit with Banks	19,52,263.39	9,65,086.21	
(ii) From Parties	—	8,18,671.00	
(iii) Intt. On income Tax refund	—	17,512.00	
(iv) Misc. Income	—	1,101.00	
(v) Income Tax Refund	—	—	
(vi) MDA Grant Subsidy	—	2,50,000.00	
(vii) Duty Draw Back Received	2,06,412.00	2,63,671.00	
(viii) Dividend Received from Mutul Fund/Shares	2,200.00	2,200.00	
(viii) Difference in Exchange	49766.40	—	
(i) Bad Debts Recovered	—	56,683.00	
(i) Discount Received & Rebate	140427.75	—	23,74,924.21
		23,51,069.54	

NOTE NO. 17 : RAW MATERIAL CONSUMED

Opening Stock		50,98,970.85	45,43,560.23
Add Purchase During the Year	2,12,54,629.90	2,76,77,123.83	
Add Expenses there on	11,43,168.00	13,315.50	
	2,23,97,797.44	2,76,90,439.33	
Add Freight & Cartage	902901.00	9,17,917.58	2,86,08,356.91
		2,83,99,669.84	33,15,197.14
Less Closing Stock		58,20,529.30	50,98,970.85
RAW MATERIAL CONSUMED		2,25,79,140.54	2,80,52,946.29

NOTE NO. 18 PACKING MATERIAL CONSUMED

Opening Stock		5,93,937.90	10,47,052.44
Add Purchase during the year	27,93,874.74	27,59,383.85	
Add Purchase Consumable Store	67,615.00	26,134.50	
		34,55,427.64	27,85,518.35
Less Closing Stock		5,40,204.44	5,93,937.90
PACKING MATERIAL CONSUMED		29,15,223.00	32,38,632.89

NOTE NO. 19 : PURCHASE FOR TRADING

Purchase Goods for Export	2,35,691.56	1,65,312.08	
Purchase of Goods (Trading)	74,38,058.09	33,30,357.65	34,95,669.73
TOTAL		76,73,749.65	34,95,669.73

NOTE NO. 20 INCREASE (DECREASE) IN FINISHED GOODS

Opening Stock			
Finished Goods	3,46,693.00	1,78,707.60	
Semi Finished Stock in Process	4,200.00	5,975.20	
Trading (Microporous Surgical Tape)	—	3,88,693.00	3,79,109.80
Closing Stock			
Finished Goods	1,69,712.00	3,46,693.00	
Semi Finished Stock in Process	—	—	
Trading (Microporous Surgical Tape)	—	1,69,712.00	42,000.00
Increase (Decrease) in Finished Goods		2,18,981.00	(9,583.20)

NOTE NO. - 09 : NON CORRENT INVESTMENT INVESTMENT

	As on 31-03-13 Amount Rs. P.	As on 31-03-12 Amount Rs. P.
(i) 100 Equity Share of Punjab National Bank	3100.00	3100.00
TOTAL	3100.00	3100.00

NOTE NO. - 10 : LONG TERM LOAN AND ADVANCES

(i) Security Deposit	24,35,376.09	34,74,637.09
TOTAL	24,35,376.09	34,74,637.09

NOTE NO. - 11 : INVENTORY

(As per Inventory taken, valued and certified by Management)

(i) Raw Material	58,20,529.30	50,98,970.85	
(ii) Packing Material	5,40,204.44	5,93,937.90	
(iii) Finished Goods Manufactured	16,97,212.00	3,46,693.00	
(iv) Trading Goods	—	—	
(v) Semi Finished & Stock In process	—	42,000.00	60,81,601.75
	65,30,445.74		60,81,601.75
	65,30,445.74		60,81,601.75

NOTE NO. - 12 : TRADE RECEIVABLES

(Unsecured, Unconfirmed and considered good)

(i) Debts outstanding for a period exceeding six months	—	2,32,281.59	
(ii) Others	98,28,869.35	43,27,825.70	45,60,107.29
	98,28,869.35		45,60,107.29

NOTE NO. - 13 : CASH AND CASH EQUIVALENTS

(i) Cash-in hand as per Cash Book	31,240.07	1,899.07	
(ii) With Scheduled Bank is			
a. Current Account	6,39,417.95	11,64,694.23	
b. Fixed Deposit Account	2,68,95,139.32	2,33,51,341.00	
(iii) Interest Accrued on Fixed Deposite	16,16,170.22	948031.34	2,54,65,965.64
TOTAL	2,91,81,967.56		2,54,65,965.64

NOTE NO. 14 : SHORT TERMS LOAN AND ADVANCES

(i) Advances recoverable in cash or in kind or for value to be received	1,95,230.00	2,03,102.00
(ii) Prepaid Expenses	—	—
(iii) Advance Tax	23,75,270.00	11,77,324.00
(iv) Advance from Parties	7,92,562.36	79,767.00
TOTAL	33,63,062.36	14,60,193.00

NOTE NO. 15 : RAVENUE FROM OPERATION

(i) Export Sales Direct	1,91,13,730.33	1,90,26,228.60
(ii) Export Sales Indirect	30,22,914.40	35,11,397.70
(iii) Ex-Up Sales	2,14,36,866.06	2,30,97,356.35
(iv) EX-UP Trading Sale	48,84,886.57	11,85,638.67
(v) UP Sales	78,99,715.53	66,87,854.56
(vi) UP Sales Trading	19,76,488.52	29,92,418.00
(vii) Sale of DEPB	87,184.48	3,72,066.25
TOTAL	5,79,13,786.49	5,68,72,960.13
Less : Sales Return	3,59,057.84	5,607.00
Less : Excise Duty	7,11,425.79	5,53,438.42
18	5,68,43,302.86	5,63,13,914.71

INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS OF

DR. SABHARWAL'S MANUFACTURING LABS. LIMITED.

Report on the Financial Statements

We have audited the accompanying financial statements of **DR. SABHARWAL'S MANUFACTURING LABS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2013, the Statement of Profit and Loss A/C for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' 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 the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

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

- in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") 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:

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except in the case of Company's Foreign Branches where we have relied on the report of the Branch Auditors;
- The Balance Sheet and Statement of Profit and Loss a/c dealt with by this Report are in agreement with the books of account;
- In our opinion, the Balance and Statement of Profit and Loss a/c comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act;

(e) On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

Sd/-

Place : New Delhi
Date : 28th May 2013

FOR A. KAY. MEHRA & CO.
Chartered Accountants
Sd/-

A. Kay. Mehra
Partner. (M.No.9963)
Firm Registration No. 050004C

ANNEXURE TO THE AUDITOR'S REPORT

The Annexure referred to in our Report of even date to the members of DR. SABHARWAL'S MANUFACTURING LABS. LIMITED ('the company') for the year ended 31st March, 2013.

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

1. In respect of its Fixed Assets
 - a) The Company is under process of compilation of fixed assets register to show full particulars including quantitative details and situation of its fixed assets.
 - b) The fixed assets of the company have been physically verified during the year by the management and no material discrepancies between the book records, so maintained and the physical verification have been noticed.
 - c) In our opinion, a substantial part of fixed assets have not been disposed off during the year.
2. In respect of its Inventories
As explained to us, there is no stock of raw material, semi finished goods or finished goods with the company. Hence this clause is not applicable.
3. In respect of Loans, Secured or Unsecured, granted or taken by the company to/from companies, firms, and other parties covered in the register maintained u/s 301 of the Companies Act, 1956.
 - a) The Company has not granted any secured or unsecured loans to any parties covered in the register maintained u/s 301 of Companies Act, 1956.
 - b) The Company has not taken any loan, secured or unsecured from companies, firms or other parties covered in the register u/s 301 of the Companies Act, 1956)
4. In our opinion, and according to the information and explanation given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business for the fixed assets and for the sale of goods and service. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in the aforesaid internal control system.
5. In respect of transactions covered u/s 301 of the Companies Act, 1956
 - a) In our opinion and according to the information and explanations given to us, the transactions that need to be entered into the Register maintained under Section 301 of the Companies Act, 1956 have been so entered.
 - b) In our opinion and according to the information and explanations given to us, the transaction of services made in pursuance of contracts or arrangements entered in the Register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rupees five Lacs in respect of any party, during the year have been made at prices which are reasonable having regard to the prevailing market prices for such goods, materials or services or the prices at which the transactions for similar goods or services have been made with other parties.
6. The company has not accepted any deposits from public within the meaning of Section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public is not applicable to the company.
7. The company has self-supporting internal audit system commensurate with its size and the nature of its business.
8. As explained to us the Central Government has not prescribed for maintenance of cost records under section 209(i)(d) of the Companies Act, 1956 for any of the products of the company.
9. In respect of Statutory Dues:
 - a) The Company is by and large regular in depositing with appropriate authorities statutory dues including Provident Fund, Investor Education & Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Cess and other material statutory dues applicable to it.
 - b) However, there is no undisputed statutory demand pending for more than six months.
10. As per accounts verified by us, Company do not have any accumulated losses at the end of the current financial year. The Company has not incurred any cash loss during the current financial year There were no cash losses in the financial year immediately preceding the current financial year.
11. According to the information and explanations given to us the company has not taken any loan from any financial institution or bank and it has not issued any debentures, therefore this clause is not applicable to the company.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The company is not a Chit Fund, Nidhi or mutual benefit Society, Hence the requirements of clause 4(xii) of the order is not applicable to the Company.
14. As the company is not dealing or trading in shares, securities, debentures and other investments, the provision of paragraph IV (xiv) of the Companies (Auditor's Report) Order, 2003 does not apply.
15. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
16. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised.
17. According to the information and explanations given to us, no funds raised on short-term basis have been used for long-term investment or vice versa.
18. According to the information and explanations given to us the company has made no preferential allotment of shares to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
19. The company has not issued any debentures. Hence the requirements of clause 4(xix) of the order are not applicable to the Company.
20. As explained to us, the company has not raised any funds by way of public issue during the year. Sd/-
21. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

Place: New Delhi

Date : 28th May 2013

FOR A. KAY. MEHRA & CO.

Chartered Accountants

Sd/-

A. Kay. Mehra

Partner.(M.No.9963)

Firm Registration No. 050004C

BALANCE SHEET AS AT 31ST MARCH, 2013

	As on 31-03-13 Amount		As on 31-03-12 Amount	
	Rs.	P.	Rs.	P.
NOTE NO. 04 : LONG TERM PROVISION				
(i) Gratuity Payable	32,92,525.00		13,20,815.00	
TOTAL	32,92,525.00		13,20,815.00	
NOTE NO. 05 : TRADE PAYABLES				
TRADE PAYABLE				
(i) A Payable shall be classified as a trade payable if it is in respect of the amount due on account of goods or services entered in the normal course of business	32,12,306.30		10,59,941.77	
(ii) Advance from Customer	9,71,957.00		12,14,230.80	
TOTAL	41,84,263.30		22,74,172.57	
NOTE NO. 06 : OTHER CURRENT LIABILITIES				
(v) Other Payable	5,29,358.10		11,51,045.62	
(vi) Duties and Taxes	—		2,769.19	
TOTAL	5,29,358.10		11,53,814.81	
NOTE NO. - 07 : SHORT TERMS PROVISION				
(i) Provision for Income Tax	44,50,000.00		13,50,000.00	
(ii) Proposed Dividend on Equity of Shares	12,00,000.00		8,00,000.00	
(iii) Tax on Dividend	1,94,670.00		1,29,780.00	
TOTAL	58,44,670.00		22,79,780.00	

	NOTES NO.	31-03-13 Amount		31-03-12 Amount	
		Rs.	P.	Rs.	P.
I- EQUITY AND LIABILITIES					
1. Shareholders Funds					
(a) Share Capital	1	8,000,000.00		8,000,000.00	
(b) Reserve and Surplus	2	3,78,06,595.77		3,44,45,214.45	
2. Non - Current Liabilities					
(a) Deferred Tax Liabilities (Net)	3	—		5,78,730.41	
(b) Long Term Provision	4	32,92,525.00		13,20,815.00	
3- Current Liabilities					
(a) Trade Payables	5	41,84,363.30		22,74,172.57	
(b) Other Current Liabilities	6	5,29,358.10		11,53,814.81	
(d) Short Term Provision	7	58,44,670.00		22,79,780.00	
TOTAL		5,96,57,412.17		5,00,52,527.14	
II- ASSETS					
1- Non - Current Assets					
(a) Fixed Assets	8				
(i) Tangible Assets		82,12,542.60		90,06,922.37	
(b) Non -Current Investment	9	3,100.00		3,100.00	
(c) Long Term Loan & Advances	10	24,35,376.09		34,74,637.09	
2- Current Assets					
(a) Inventories	11	65,30,445.74		60,81,061.75	
(b) Trade Receivable	12	98,28,869.35		45,60,107.29	
(c) Cash and CAsh Equivalents	13	2,91,81,967.56		2,54,65,965.64	
(d) Short Term Loan & Advances	14	33,63,062.00		14,60,193.00	
(e) Deferred Tax Assets (Net)		1,02,048.47		—	
TOTAL		5,96,57,412.17		5,00,52,527.14	

Notes to the Account forms an internal part of the Balance Sheet.

AUDITOR'S REPORT : AS PER OUR REPORT OF EVEN DATE ATTACHED.

For, A. KAY. MEHRA & COMPANY
CHARTERED ACCOUNTANTS

For Dr. Sabharwal's Manufacturing Labs Limited

PLACE : NEW DELHI
DATED : 28th May 2013

Sd/-
(A.KAY. MEHRA)
PARTNER
(M. No. 9963)
Firm Reg. No. 050004C

Sd/-
(Dr. A.R. SABHARWAL)
MANAGING DIRECTOR

Sd/-
(MRS. A. SABHARWAL)
DIRECTOR.

**PROFIT & LOSS ACCOUNT 31ST MARCH, 2013**

	NOTE NO.	31-03-13		31-03-12	
		Amount Rs.	P.	Amount Rs.	P.
INCOME					
REVENUE FROM OPERATIONS	15	5,68,43,302.86		5,63,13,914.71	
Other Income	16	23,51,069.50	5,91,94,372.40	23,74,924.21	5,86,88,838.92
EXPENDITURE					
Raw Material Consumed	17	2,25,79,140.54		2,80,52,946.29	
Packing Material Consumed	18	29,15,223.20		32,38,632.89	
Purchases for Trading & Return	19	76,73,749.65		34,95,669.73	
(Increase)/Decrease in Stock of					
Finished/Semi Finished Goods	20	2,18,981.00		(9,583.20)	
Employees Remuneration & Benefits	21	85,86,966.00		70,99,448.80	
Financial Cost	22	—		—	
Depreciation on Fixed Assets		9,23,654.77		9,41,547.16	
Other Expenses	23	91,18,684.70	5,20,19,099.86	1,21,07,295.68	5,49,25,957.35
Profit Before Exceptional & Extraordinary Item & Taxation		71,75,272.54		37,62,881.57	
Less : Exceptional Item		—		—	
Profit Before Extraordinary Item & Taxation		71,75,272.54		37,62,881.57	
Less Extraordinary Item		—		—	
Profit Before Taxation		71,75,272.54		37,62,881.57	
Less : Tax Expenses		(31,00,000.00)		(13,50,000.00)	
Add/Less Adjusted on a/c Deferred Tax Liability		6,80,778.88		1,39,483.33	
Profit After Taxation		47,56,051.42		25,52,364.90	
Less :- Proposed Dividend on Equity Share		12,00,000.00		8,00,000.00	
Less :- Dividend Distribution tax on proposed Dividend		1,94,670.00		1,29,780.00	
Transfer to General Reserve		2,37,800.00		—	
Surplus Transferred to Balance Sheet		31,23,581.42		16,22,584.90	
Earning per Share in Rs. Face Value Rs. 10.00		5.95		3.19	

Notes to the accounts form an Internal Part of the Balance Sheet.

AUDITOR'S REPORT : AS PER OUR REPORT OF EVEN DATE ATTACHED.

For, A. KAY. MEHRA & COMPANY
CHARTERED ACCOUNTANTS

Sd/-

PLACE : NEW DELHI
DATED : 28th May 2013(A.KAY. MEHRA)
PARTNER
(M. No. 9963)

Firm Reg. No. 050004C)

For Dr. Sabharwal's Manufacturing Labs Limited

Sd/-

(Dr. A.R. SABHARWAL)
MANAGING DIRECTOR

Sd/-

(MRS. A. SABHARWAL)
DIRECTOR.**Dr. Sabharwal's Mfg. Labs. Ltd.**

	As on 31-03-13 Amount Rs. P.		As on 31-03-12 Amount Rs. P.	
	Rs.	P.	Rs.	P.
NOTE NO. 01 : SHARE CAPITAL				
AUTHORISED CAPITAL				
15,00,000 Equity Shares of Rs. 10/- each	15,00,000.00		15,00,000.00	
ISSUED, SUBSCRIBED & PAID UP CAPITAL				
8,00,000 Equity Shares of Rs. 10/- each Fully Paid up	8,00,000.00		8,00,000.00	
TOTAL	8,00,000.00		8,00,000.00	
(I) RECONCILIATION OF NO. OF EQ. SHARE AND AMT. OUTSTANDING				
(i) Shares Outstanding at April 1, 2012	8,00,000.00	8,00,000.00	8,00,000.00	8,00,000.00
(ii) Share Issued during the year-Split	—	—	—	—
(iii) Share issued during the year-Bonus	—	—	—	—
(iv) share Outstanding at March 31, 2013	8,00,000.00	8,00,000.00	8,00,000.00	8,00,000.00
TOTAL	8,00,000.00		8,00,000.00	
(II) THE COMPANY HAS ONE CLASS OF EQUITY SHARE HAVING A PER VALUE OF RS. 10 PER SHARE. EACH SHARE HOLDER IS ELIGIBLE FOR ONE VOTE PER SHARE HELD AND SUCH DIVIDEND AS PROPOSED BY THE BOARD OF DIRECTORS, SUBJECT TO THE APPROVAL OF THE SHARE HOLDERS IN THE ENSUING ANNUAL GENERAL MEETING.				
(III) DETAILS OF SHAREHOLDERS MORE THAN 5% SHARE IN THE COMPANY				
Particulars	No. of Shres	% of Holding	No. of Share	% of Holding
(i) Dr. Ajit Rai Sabharwal	2,29,480	28.69	229480	28.69
(ii) Anjana Sabharwal	25662	32.08	256620	32.08
(iii) Manish Sabharwal	42,300	5.29	42,300	5.29
NOTE NO. 02 : RESERVES & SURPLUS				
A RESERVES				
(I) CAPITAL RSERVES				
(a) CENTRAL INVESTMENT SUBSIDY				
Balance as per Last Balance Sheet		18,40,000.00		18,40,000.00
(b) GENERATOR SET SUBSIDY :				
Balance as per Last Balance Sheet		1,58,400.00		1,58,400.00
(c) Forfeited Shares		45,500.00		45,500.00
(ii) OTHER RESERVE				
(a) GENERAL RESERVE :				
Balance as per Last Balance Sheet	2,54,61,265.48			2,54,61,265.48
Add:the year	2,37,800.00	2,56,99,065.48		
(b) SURPLUS :				
Balance at the beginning of the year	69,40,048.87		53,17,463.97	
Profit for the Year	31,23,581.42	1,00,63,630.29	16,22,584.90	69,40,048.87
Balance at the end of the year	—	—	—	53,17,463.97
TOTAL	3,78,06,595.77		3,44,45,214.35	
NOTE NO. : 03 : DEFERRED TAX LIABILITIES				
(i) Deferred Tax Liabilities (NET)	—		5,78,730.41	
TOTAL	—		5,78,730.41	