
VASUNDHARA RASAYANS LIMITED

BOARD OF DIRECTORS

| | | |
|--------------------------------|---|---------------------|
| Prakash Chand Jain | - | Managing Director |
| Sunil Kumar Jain | - | Whole-time Director |
| Rajesh Pokerna | - | Whole-time Director |
| Sanjay Kumar Jain | - | Whole-time Director |
| Pravichandra Majumdar Popatlal | - | Director |
| Parag Ashok Sharma | - | Director |
| Rajiv Pritidas Kakodkar | - | Director |
| Rajesh Kumar Jain | - | Director |
| Kalpana Pokerna | - | Women Director |
| Seema Jain | - | Women Director |

STATUTORY COMMITTEES**AUDIT COMMITTEE**

| | | |
|--------------------------------|---|-------------------|
| Pravichandra Majumdar Popatlal | - | Member - Chairman |
| Rajiv Pritidas Kakodkar | - | Member |
| Prakash Chand Jain | - | Member |
| Kalpana Pokerna | - | Member |
| Seema Jain | - | Member |

NOMINATION & REMUNERATION COMMITTEE:

| | | |
|--------------------------------|---|-------------------|
| Pravichandra Majumdar Popatlal | - | Member - Chairman |
| Rajiv Pritidas Kakodkar | - | Member |
| Parag Ashok Sharma | - | Member |
| Kalpana Pokerna | - | Member |
| Seema Jain | - | Member |

STAKEHOLDERS RELATIONSHIP COMMITTEE:

| | | |
|-----------------|---|--------|
| Kalpana Pokerna | - | Member |
| Seema Jain | - | Member |

RISK MANAGEMENT COMMITTEE :

| | | |
|--------------------|---|--------|
| Prakash Chand Jain | - | Member |
| Sunil Kumar Jain | - | Member |
| Rajesh Pokerna | - | Member |

CHIEF FINANCIAL OFFICER

Sunil Kumar Jain

BANKERS

State Bank of India, Lakhmshi Nappu Road,
Dadar East, Mumbai-400 014.

AUDITORS

M/s. Agarwal Gupta Nokari & Rustagi Associates,
Chartered Accountants
12, Waterloo Street,

VASUNDHARA RASAYANS LIMITED

Kolkata– 700 069.
Phone no.: 033-22487696, 033-32962308
Fax no.: 033-30245549

INTERNAL AUDITOR

M/s.S.B.Kabra & Co.
Chartered Accountant
3-5-378/1, Metro Towers
Vithawadi,Narayanaguda
Hyderabad-500029.

COMPANY SECRETARY

Ms.Anubha Samariya

SECRETARIAL AUDITOR

M/s. Rakhi Agarwal & Associates
A-10, Janata Hsg. Society,
Opp. Pantaloons, Shyamlal Building,
Begumpet, Hyderabad -500 016

COMPLIANCE OFFICER

Shri. Prakash Chand Jain

REGISTRAR & TRANSFER AGENT:

CIL SECURITIES LIMITED
214, Raghavaratna Towers,
Chiragali Lane, Abids
Hyderabad,500001
Phone # +91-040-2320 2465
Email ID: advisors@cilsecurities.com
Website: www.cilsecurities.com

FACTORY

C-104, MIDC Industrial Area,
Mahad (Dist, Raigad),
Maharashtra.

REGISTERED OFFICE:

Shed no. 42, Phase II,
IDA, Mallapur,
Hyderabad – 500076
Phone no.: 040-23437617, 040-23437623
Fax no.: 040-23437627
Email: info@vasundhararasayans.in

VASUNDHARA RASAYANS LIMITED

NOTICE OF 28th ANNUAL GENERAL MEETING

NOTICE is hereby given that the **28th Annual General Meeting** of the members of **VASUNDHARA RASAYANS LIMITED** will be held on 11.30 A.M. on Saturday, 12th September, 2015 at Shed No.42, Phase II, IDA, Mallapur, Hyderabad – 500 076 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2015 and the Statement of Profit & Loss for the year ended 31st March, 2015 along with the Auditors' Report & Directors' Report thereon.
2. To declare Dividend for the year ended 31st March, 2015.
3. To appoint a Director in place of Shri Rajesh Kumar Jain who retires by rotation and being eligible offers himself for re-appointment.
4. To re-appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** in terms of the provisions of Sections 139-142 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014 as may be applicable and pursuant to the resolution of the members at the 27th Annual General Meeting, M/s. Agarwal Gupta Nokari & Rustagi Associates, Chartered Accountants (Firm Regn No: 310041E) of the Company to hold office for a period of 3 years from financial year 2014-2015 until financial year 2016-2017, on such remuneration as may be agreed upon by the Board of Directors and the Auditors in addition to reimbursement of all out of pocket expenses in connection with the audit of the accounts of the Company for the financial years.”

SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an **ORDINARY RESOLUTION:**

“**RESOLVED THAT** pursuant to the provisions of Section 149, 152, 161 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification (s) or re-enactment thereof) read with Schedule IV of the Companies Act, 2013 and Clause 49 of the Listing Agreement, **Smt. Kalpana Pokerna (DIN-07158413)** who was appointed as Additional Director w.e.f 30.03.2015 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director be and is hereby appointed as Director of the Company.

VASUNDHARA RASAYANS LIMITED

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, proper, expedient to give effect to the foregoing resolution.”

6. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an **ORDINARY RESOLUTION**:

“**RESOLVED THAT** pursuant to the provisions of Section 149, 152, 161 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification (s) or re-enactment thereof) read with Schedule IV of the Companies Act, 2013 and Clause 49 of the Listing Agreement, **Smt. Seema Jain (DIN-07158382)** who was appointed as Additional Director w.e.f 30.03.2015 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director be and is hereby appointed as Director of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, proper, expedient to give effect to the foregoing resolution.”

7. To consider and if thought fit, to pass with or without modification, the following Resolution as **SPECIAL RESOLUTION**:

“**RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the existing Articles of Association of the company be and is hereby replaced with the new set of Articles of Association and the said new Articles of Association be and is hereby approved and adopted as the Articles of Association of the company in place of, in substitution and to the entire exclusion of the existing Articles of Association of the company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution”.

REGISTERED OFFICE

Shed No.42, Phase II, IDA,
Mallapur, Hyderabad - 500 076,
Telangana State.

BY ORDER OF THE BOARD OF DIRECTORS

Sd/-
(PRAKASH CHAND JAIN)
MANAGING DIRECTOR

Sd/-
(RAJESH POKERNA)
WHOLE TIME DIRECTOR

Dated this 11th AUGUST, 2015

VASUNDHARA RASAYANS LIMITED

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE VALID AND EFFECTIVE, MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

Pursuant to provisions of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014 a person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights.

2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing such representative to attend and vote on their behalf at the Meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 05.09.2015 to 12.09.2015 (both days inclusive).
4. Dividend on shares @ 5 % as recommended by the Board of Directors, if declared by the Company at the meeting, will be paid subject to the provisions of Section 123 of the Companies Act, 2013 to those shareholders whose names appear on the Register of Members of the Company as on 04.09.2015 or to their mandates, to the extent eligible, and also to the beneficial owners of equity shares held in electronic form on the same date as per the details furnished by the Depositories for this purpose.
5. Explanatory Statement as required under section 102 of the companies in respect of special business is annexed hereto.
6. Members holding shares in electronic form are hereby informed that bank particulars registered against respective depository accounts will be used by the company for payment of dividend. The company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Particulars of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Company's RTA Viz, CIL Securities Ltd, Regd. Office: 214, Raghava Ratna Towers, Chiragali Lane, Hyderabad-500001 by enclosing a photocopy of blank cancelled cheque of your bank account.
7. M/s.CIL Securities Limited, Regd. Office: 214, Raghava Ratna Towers, Chirag Ali Lane, Hyderabad-500001, is the Share Transfer Agent (STA) of the Company. All communications in respect of share transfers and change in the address of members may be communicated to them

VASUNDHARA RASAYANS LIMITED

8. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to the Share Transfer Agent/Company.
9. Pursuant to Section 124 of the Companies Act, 2013, Dividend for the financial year ended 2009, 2010, 2011, 2012, 2013, 2014 which remain unclaimed for a period of seven years will be transferred to the Investor Education and Protection Fund Established by the Central Government. The members who have not en-cashed the Dividend Warrants so far the financial years ended 31.3.2009, 31.3.2010, 31.3.2011,31.3.2012, 31.3.2013, 31.03.2014 are requested to make their claim to the company at its Registered office. It may also be noted that once the Unclaimed Dividend is transferred to the Investor Education and Protection Fund, no claim lie in respect thereof.”
10. Electronically copy of the Annual Report for 2015 is being sent to all the members whose email ids are registered with the company/Depository participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2015 is being sent in the permitted mode.
11. Members may also note that the Notice of the 28th Annual General Meeting and Annual Report for 2015 will also be available on the Company’s website:www.vasundhararasayans.in in their download. The physical copies of the aforesaid documents will also be available at the Company’s Registered office in Hyderabad for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send request to the Company’s investor email id: info@vasundhararasayans.in.
12. All documents referred to in the accompanying Notice and Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10.00 am to 5.00 pm) on all working days except Sunday, up to and including the date of the Annual General Meeting of the Company.
13. Voting through electronic means:
In compliance with provisions of Sections 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rule 2014, the Company is pleased to provide members facility to exercise their right to vote at the 28th Annual General Meeting (AGM) by electronic means and the business may be transacted through e- Voting Services provided by Central Depository services (India) Limited (CDSL).
14. The Company has appointed Ms. Rakhi Agarwal, Practicing Company Secretary as scrutinizer for conducting the e-voting process for the Annual General Meeting in a fair and transparent manner.

VASUNDHARA RASAYANS LIMITED

**EXPLANATORY STATEMENT
PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ('the act')**

Item No. 5

The Board of Directors of the Company appointed Smt. Kalpana Pokerna as Additional Director of the Company with effect from 30.03.2015. In accordance with the provisions of Section 161 of Companies Act, 2013, Smt. Kalpana Pokerna shall hold office up to the date of the ensuing Annual General Meeting and is eligible to be appointed as a Women Director. Notice as required under Section 160 of the Companies Act, 2013 has been received from a member signifying their intention to propose her as candidate for the office of Director of the Company.

A brief profile of Smt.Kalpana Pokerna is annexed in the Annual Report.

The Board of Directors recommends the Ordinary Resolution for your approval.

Item No. 6

The Board of Directors of the Company appointed Smt. Seema Jain as Additional Director of the Company with effect from 30.03.2015. In accordance with the provisions of Section 161 of Companies Act, 2013, Smt. Seema Jain shall hold office up to the date of the ensuing Annual General Meeting and is eligible to be appointed as a Women Director. Notice as required under Section 160 of the Companies Act, 2013 has been received from a member signifying their intention to propose her as candidate for the office of Director of the Company.

A brief profile of Smt.Seema Jain is annexed in the Annual Report.

The Board of Directors recommends the Ordinary Resolution for your approval.

Item No. 7

The existing Articles of Association ("AoA") is based on the Companies Act,1956 and several regulations in the existing AoA contain reference to specific sections of the Companies Act,1956 and some articles in the existing AoA are no longer in conformity with the Act. With the enactment of the Companies Act, 2013 and substantive sections of the Act which deal with the general working of the Companies stand notified, several regulations in the existing AoA of the company require alteration and/or deletion.

Given this position it is considered expedient to wholly replace the existing AoA by a new set of Articles. The new set of AoA to be replaced in place of the existing AoA is based on Table F of Schedule I of the Companies Act, 2013 which sets out the model AoA for a company limited by shares and also carries forward certain provisions from the existing AoA suitably rephrased and which are not in conflict with the provisions of the Companies Act, 2013.

The proposed new draft of AoA is available for inspection to the shareholders at the registered office of the company on all working days (except Saturdays, Sundays and Public Holidays) between 11.00 A.M and 1.00 P.M till the date of the meeting.

The Board of Directors recommends the Special Resolution for your approval.

No Director or Key Managerial Personnel of the Company and/or their relatives are concerned or interested financially or otherwise in this item of business.

By Order of the Board
VASUNDHARA RASAYANS LIMITED

Sd/-

**PRAKASH CHAND JAIN
MANAGING DIRECTOR**

Place: Hyderabad

Date: 11.08.2015

=====**VASUNDHARA RASAYANS LIMITED**=====

In case of members receiving e-mail:

- (i) The voting period begins on Wednesday, 09.09.2015 at 10.a.m and ends on Friday, 11.09.2015 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off- date 04.09.2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Log on to the e-voting website www.evotingindia.com
- (iii) Click on "Shareholders" tab.
- (iv) Now, select the "**VASUNDHARA RASAYANS LIMITED**" from the drop down menu and click on "SUBMIT"
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

| For Members holding shares in Demat Form and Physical Form | |
|---|---|
| PAN* | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department(Applicable for both demat shareholders as well as physical shareholders)• Members who have not updated their PAN with the Company/DepositoryParticipant are requested to use the first two letters of their name and the8 digits of the sequence number in the PAN field.• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. |
| DOB# | Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format. |
| Dividend Bank Details# | Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field. |

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that

VASUNDHARA RASAYANS LIMITED

company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <VASUNDHARA RASAYANS LIMITED> on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xviii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Non-Individual Shareholders and Custodians
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on <Date and Time> and ends on <Date and Time>. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of <Record Date>, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

REGISTERED OFFICE

Shed No.42, Phase II, IDA, Mallapur,
Hyderabad - 500 076,
Telangana State.

BY ORDER OF THE BOARD OF DIRECTORS

Sd/-
(PRAKASH CHAND JAIN)
MANAGING DIRECTOR

Sd/-
(RAJESH POKERNA)
WHOLE TIME DIRECTOR

Dated this 11.08.2015

VASUNDHARA RASAYANS LIMITED
DIRECTORS' REPORT

To The Members of
Vasundhara Rasayans Limited

The Directors have pleasure in presenting the 28th Annual Report of your Company and the Audited financial statements for the financial year ended 31st March 2015 together with Auditors' Report thereon.

FINANCIAL RESULTS

The performance of the Company during the year has been as under:

| | CURRENT YEAR ENDED | PREVIOUS YEAR ENDED |
|---|---------------------------|----------------------------|
| | 31.03.2015 | 31.03.2014 |
| Turnover | 185308713 | 208586314 |
| Other Income | 3078753 | 1434240 |
| Profit/(Loss) before exceptional, items | 8801931 | 21376075 |
| Profit/(Loss) before Taxation | 8801931 | 21366400 |
| Net Profit after Taxation | 5836136 | 14087596 |

PERFORMANCE

During the year under review the turnover of the Company Rs.18.53 Crores in comparison to the previous year's figure at Rs.20.85 Crores.

The company has achieved net profit after tax which is reported at Rs. 58.36 lacs in comparison to profit of Rs.140.87 lacs in the previous year. The company has been trying hard to reduce the interest and other costs and to get more profits. In future after adopting all cost cutting measures and by improving its overall sales the company is hopeful of performing much better and improves its profitability accordingly.

DIVIDEND

Your Directors are pleased to recommend for approval of the members a dividend @5% (Rs. 0.50 Paise per equity share of face value of Rs. 10/- each) for the financial year 2014-15. The total cash outflow on account of dividend on equity shares for the financial year 2014-15 would aggregate Rs.19,14,463 (inclusive of tax thereon).

RESERVES

During the year the Company has transferred an amount of Rs.1,596 to General Reserves.

FIXED DEPOSITS

The Company has not accepted or invited any Deposits and consequently no deposit has matured / become due for re-payment as on 31st March 2015.

DIRECTORS

In terms of the provisions of Section 149 of Companies Act, 2013 and clause 49 of the Listing Agreement, Smt. Kalpana Pokerna and Smt. Seema Jain has been appointed as Additional Director of the Company in the category of Independent Woman Directors w.e.f 30.03.2015 based on the recommendation of Nomination and Remuneration Committee.

Pursuant to Section 161(1) of the Act, Smt. Kalpana Pokerna and Smt. Seema Jain holds office up to the date of forthcoming Annual General Meeting of the Company and is eligible for appointment as

VASUNDHARA RASAYANS LIMITED

Directors. The Board recommends their appointment and accordingly resolution seeking approval of the members for their appointments has been included in the Notice of forthcoming Annual General Meeting of the Company along with their brief profile.

Shri Rajesh Kumar Jain, Director of the Company will retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement. Further, there has been no change in the circumstances which may affect their status as independent director during the year.

The brief particulars of the Directors seeking appointment / re-appointment at this Annual General Meeting are being annexed to the Corporate Governance Report.

Pursuant to the provisions of Section 203 of the Act, the appointment of Shri Sunil Kumar Jain and Shri Rajesh Pokerna and Shri Sanjay Kumar Jain, Whole-time Directors, Shri. Sunil Kumar Jain Chief Financial Officer, Shri Prakash Chand Jain, Managing Director were formalized as the Key Managerial Personnel of the Company.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out performance evaluation taking into consideration of various aspects of the Board's functioning, composition of Board, and its Committees, execution, and performance of specific duties, obligations and governance. The Performance of evaluation of Independent Directors was completed. The Performance evaluation of Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with evaluation process.

REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy which lays down a framework in relation to selection, appointment and remuneration to Directors, Key Managerial Personnel and Senior Management of the Company. The Remuneration Policy is stated in the Corporate Governance Report.

MEETINGS

During the year 12(Twelve) Board Meetings and 4(Four) Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the meetings was within the period of 120 days as prescribed under the Companies Act, 2013 and Clause 49 of the Listing Agreement.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

RELATED PARTY TRANSACTIONS

All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. All Related Party Transactions are placed before the Audit Committee as also the Board for approval, where ever required. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseeable

VASUNDHARA RASAYANS LIMITED

and repetitive nature. A statement giving details of all related party transactions entered into pursuant to the omnibus approval so granted are placed before the Audit Committee and the Board of Directors on a quarterly basis. The Company has developed a Policy on Related Party Transactions for the purpose of identification and monitoring of such transactions. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website.

The particulars of contracts and arrangements with related parties referred to in sub-section (1) of section 188 is prepared in Form AOC-2 pursuant to clause (h) of the Companies (Accounts) Rules, 2014 and the same is annexed herewith as "Annexure-I" to this Report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURT

There are no significant and material orders passed by the Regulators/ Courts that would impact the going concern status of the Company and its future operations.

AUDITORS**Statutory Auditors**

Pursuant to the provisions of Section 139 of the Act and the rules framed there under, M/s. Agarwal Gupta Nokari & Rustagi Associates, Chartered Accountants (Firm Regn No: 310041E) of the Company to hold office for a period of 3 years from financial year 2014-2015 until financial year 2016-2017, on such remuneration as may be agreed upon by the Board of Directors and the Auditors in addition to reimbursement of all out of pocket expenses in connection with the audit of the accounts of the Company for the financial years.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Rakhi Agarwal & Associates, Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the Financial Year 2014-15. The Report of the Secretarial Audit Report is annexed herewith as "Annexure-II".

Internal Auditors

M/s. S.B. Kabra & Co., Chartered Accountants performs the duties of internal auditors of the Company and their report is reviewed by the Audit Committee from time to time.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review as stipulated under Clause 49 of the Listing Agreement with the stock exchanges, is presented in a separate section forms part of the Annual Report.

CORPORATE GOVERNANCE

The Company has implemented the procedures and adopted practices in conformity with the Code of Corporate Governance enunciated in Clause 49 of the Listing Agreement with the Stock Exchanges.

A separate report on corporate governance practices followed by the Company together with a Certificate from the Company's Auditors confirming compliances forms an integral part of this Report.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as "Annexure-III".

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

VASUNDHARA RASAYANS LIMITED

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company and its subsidiaries. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

RISK MANAGEMENT

The Board of the Company has formed a Risk Management Committee to frame, implement and monitor the risk management policy/plan for the Company and ensuring its effectiveness. The Risk Management Committee oversees the Risk Management process including risk identification, impact assessment, effective implementation of the mitigation plans and risk reporting. The Audit Committee has additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The development and implementation of risk management policy has been covered in the management discussion and analysis, which forms part of this report.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

In order to ensure that the activities of the Company and its employees are conducted in a fair and transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behaviour the company has adopted a vigil mechanism policy.

HUMAN RESOURCES

Many initiatives have been taken to support business through organizational efficiency, process change support and various employee engagement programmes which has helped the Organization achieve higher productivity levels. A significant effort has also been undertaken to develop leadership as well as technical/ functional capabilities in order to meet future talent requirement.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a) That in the preparation of the accounts for the financial year ended 31st March, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the State of Affairs of the Company at the end of the Financial Year and of the Profit or Loss of the Company for the year under review;
- c) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) That the Directors have prepared the accounts for the financial year ended 31st March 2015 on a 'going concern' basis;

VASUNDHARA RASAYANS LIMITED

- e) That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively; and
- f) That devised proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

PARTICULARS IN RESPECT OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and outgo required to be disclosed under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 are provided in the Annexure forming part of this Report.

DISCLOSURE AS PER SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed there under.

During the financial year 2014-15, the Company received no complaints on sexual harassment.

PARTICULARS OF EMPLOYEES

The Company has not employed any individual whose remuneration falls within the purview of the limits prescribed under the provisions of Section 197 of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

PARTICULARS OF REMUNERATION

Disclosures with respect to the remuneration of Directors and employees as required under Section 197(12) of Companies Act, 2013 and Rule 5 (1) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided as follows:

- (i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;

| Name of the Director | Ratio to Median Remuneration |
|-----------------------------|-------------------------------------|
| Sanjay Kumar Jain, WTD | 10:3 |
| Prakash Chand Jain, MD | 25:7 |
| Sunil Kumar Jain, CFO/WTD | 25:7 |
| Rajesh Pokerna , WTD | 26:3 |

- (ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;

| Name of Person | % increase in remuneration |
|-----------------------------------|-----------------------------------|
| Sanjay Kumar Jain, WTD | — |
| Prakash Chand Jain, MD | — |
| Sunil Kumar Jain, CFO/WTD | — |
| Rajesh Pokerna , WTD | — |
| Anubha Samariya Company Secretary | — |

- (iii) The percentage increase in the median remuneration of employees in the financial year – 10%

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- (iv) The number of permanent employees on the rolls of company – 46
- (v) The explanation on the relationship between average increase in remuneration and company performance;
On an average, employees received an increase of 10% The increase in remuneration is in line with the market trends.
- (vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the company;

| Particulars | Rs |
|---|-----------|
| Remuneration of Key Managerial Personnel (KMP) during financial year 2014-15 (aggregated) | 2568000 |
| Total Revenue | 185308713 |
| Remuneration (as % of Total Revenue) | 1.38% |

- (vii) variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year;

| Particulars | Unit | As at 31.03.2015 | As at 31.03.2014* |
|------------------------------|-------------|-------------------------|--------------------------|
| Closing rate of share at BSE | Rs. | 47.05 | |
| EPS (Consolidated) | Rs. | 1.84 | |
| Market Capitalization | Rs | 14,95,34,310 | |
| Price Earnings ratio | Ratio | 25.57 | |

**The Company is listed in BSE from 19th Day of September, 2014*

- (viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

The average increase in salaries of employees other than managerial personnel in 2014-15 was 10% Percentage increase in the managerial remuneration for the year was Nil

- (ix) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company;

| Name of Person | Remuneration (Rs) | Total Revenue (Rs) | Remuneration as % of Total Revenue |
|-----------------------------------|--------------------------|---------------------------|---|
| Sanjay Kumar Jain, WTD | 3,60,000 | 185308713 | 0.19% |
| Prakash Chand Jain, MD | 6,00,000 | 185308713 | 0.32% |
| Sunil Kumar Jain, CFO/WTD | 6,00,000 | 185308713 | 0.32% |
| Rajesh Pokerna , WTD | 9,00,000 | 185308713 | 0.48% |
| Anubha Samariya Company Secretary | 1,08,000 | 185308713 | 0.06% |

- (x) The key parameters for any variable component of remuneration availed by the directors - No.
- (xi) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year - Nil.

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(xii) Affirmation that the remuneration is as per the remuneration policy of the company - Yes.

Your Directors wish to place on record their appreciation to employees at all levels for their hard work, dedication and commitment. The enthusiasm and unstinting efforts of the employees have enabled the Company to remain at the forefront of the industry, despite increased competition from several existing and new players.

CAUTIONARY STATEMENT

Statements in the Board's Report and the Management Discussion & Analysis describing the Company's objectives, expectations or forecasts may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

ACKNOWLEDGEMENTS:

The Board desires to place on record its sincere appreciation for the support and co-operation that the Company received from the suppliers, customers, strategic partners, Bankers, Auditors, Registrar and Transfer Agents and all others associated with the Company. The Company has always looked upon them as partners in its progress and has happily shared with them rewards of growth. It will be the Company's endeavor to build and nurture strong links with trade based on mutuality, respect and co-operation with each other.

**For and on behalf of the Board of Directors
VASUNDHARA RASAYANS LIMITED**

Sd/-

Sd/-

Place: Hyderabad

PRAKASH CHAND JAIN

RAJESH POKERNA

Date: 15.07.2015

MANAGING DIRECTOR WHOLE TIME DIRECTOR

=====VASUNDHARA RASAYANS LIMITED=====

ANNEXURE TO THE DIRECTORS' REPORT

Information Under Section 134(3)(m) of The Companies Act, 2013,
Read with Rules 8(3) of the Companies (Accounts) Rules, 2014:

F O R M A

1. CONSERVATION OF ENERGY:

- (i) Energy Conservation measures :
(ii) Total energy consumption : N.A.

2. TECHNOLOGY ABSORPTION :

F O R M B

(Disclosure of particulars with respect to Technology Absorption)

A. Research and Development (R & D) :

1. Specific areas in which R & D is carried out by the Company : NIL
2. Benefits derived as a result of the above R & D : NIL
3. Future plan of action :
4. Expenditure on R & D :

B. Technology absorption, adaptation and innovation :

The Company is making all its efforts for improving productivity, product quality and reducing consumption of scarce raw materials and fuels.

3. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Activities relating to exports and initiatives taken to increase export products and services and export plans: NIL

Total Foreign Exchange used and earned:

- Used : Rs. Nil
Earned : Rs. 6,21,09,989

**For and on behalf of the Board of Directors
VASUNDHARA RASAYANS LIMITED**

Sd/-

**Place: Hyderabad
Date: 15.07.2015**

**PRAKASH CHAND JAIN
MANAGING DIRECTOR**

Sd/-

**RAJESH POKERNA
WHOLE TIME DIRECTOR**

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VASUNDHARA RASAYANS LIMITED
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ANNEXURE-I

FORM NO. AOC-2

*(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and
Rule 8(2) of the Companies (Accounts) Rules, 2014)*

1. Details of contracts or arrangements or transactions not at arm's length basis:
No transactions.

2. Details of material contracts or arrangement or transactions at arm's length basis:

| Sl.No. | (a) Name(s) of the related party and nature of relationship | (b) Nature of contracts/ arrangements/ transactions | (c) Duration of the contracts/ arrangements/ transactions | (d) Salient terms of the contracts or arrangements or Transactions including the value, if any: | (e) Date(s) of approval by the Board, if any: | (f) Amount paid as advances, if any: |
|--------|---|---|---|---|---|--------------------------------------|
| 1 | P & J Cretechem Private Limited Holding Company | Purchase of goods | 01.04.2014 to 31.03.2015 | Purchase of goods of 45,740/- | 19.04.2014 | — |
| 2 | P & J Cretechem Private Limited Holding Company | Sales of goods | 01.04.2014 to 31.03.2015 | Sales of goods of 23,29,888/- | 19.04.2014 | — |
| 3 | P & J Cretechem Private Limited Holding Company | Interests on Loans & Advances Taken | 01.04.2014 to 31.03.2015 | Interests on Loans & Advances Taken 27,37,193/- | of 19.04.2014 | — |
| 4 | P & J Cretechem Private Limited Holding Company | Unsecured Borrowings | 01.04.2014 to 31.03.2015 | Unsecured Borrowings of 2,47,69,000/- | 19.04.2014 | — |

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ANNEXURE II

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2015

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014.**

I. REGISTRATION & OTHER DETAILS:

| | |
|--|--|
| CIN | L24110TG1987PLC007242 |
| Registration Date | 05/03/1987 |
| Name of the Company | VASUNDHARA RASAYANS LIMITED |
| Category/Sub-category of the Company | Company Limited by Shares/ Indian Non-Government Company. |
| Address of the Registered office & contact details | Plot no. 42, Phase II, IDA, Mallapur, Hyderabad, Telangana-76.e-mail id:info@vasundhararasayans.in |
| Whether listed company | Listed |
| Name, Address & contact details of the Registrar & Transfer Agent, if any. | CIL Securities Limited 214, Raghava Ratan Towers, Chirag Ali Lane, Abids, Hyderabad – 500001. |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated) – Manufacturing of Bulk Drugs:

| S. No. | Name and Description of main products / services | NIC Code of the Product/service | % to total turnover of the company |
|--------|--|---------------------------------|------------------------------------|
| 1 | Dried Aluminum Hydroxide Gel | 28180000 | 26.95 |
| 2 | Magaldrate | - | 19.69 |
| 3 | Aluminum Hydroxide Pate | 27203 | 15.49 |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

| Name and address of the Company | CIN | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section |
|---------------------------------|-----------------------|--------------------------------|------------------|--------------------|
| P & J CRETECHEM PRIVATE LIMITED | U24222TG2002PTC040102 | Holding | 61.89 | 2(46) |

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III. VI. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year[As on 31-March-2014] | | | | No. of Shares held at the end of the year[As on 31-March-2015] | | | | % Change during the year |
|---|--|----------|---------|-------------------|--|----------|---------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/ HUF | | | | | | | | | |
| b) Central Govt | | | | | | | | | |
| c) State Govt(s) | | | | | | | | | |
| d) Bodies Corp. | 1879920 | — | 1879920 | 59.15 | 1969920 | — | 1969920 | 61.98 | 2.83 |
| e) Banks / FI | | | | | | | | | |
| f) Any other | | | | | | | | | |
| Total shareholding of Promoter (A) | 1879920 | — | 1879920 | 59.15 | 1969920 | — | 1969920 | 61.98 | 2.83 |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | | | | | | | | | |
| b) Banks / FI | | | | | | | | | |
| c) Central Govt | | | | | | | | | |
| d) State Govt(s) | | | | | | | | | |
| e) Venture Capital Funds | | | | | | | | | |
| f) Insurance Companies | | | | | | | | | |
| g) FIIs | | | | | | | | | |
| h) Foreign Venture Capital Funds | | | | | | | | | |
| i) Others (specify) | | | | | | | | | |

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| | | | | | | | | | |
|--|----------------|---------------|----------------|------------|----------------|---------------|----------------|------------|------------|
| Sub-total (B)(1) :- | | | | | | | | | |
| | | | | | | | | | |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 1300 | 122200 | 123500 | 3.89 | 88246 | 122200 | 210446 | 6.62 | 2.73 |
| ii) Overseas | | | | | | | | | |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh | 41400 | 395180 | 436580 | 13.74 | 45755 | 388080 | 433835 | 13.65 | (0.09) |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 553200 | 184500 | 737700 | 23.21 | 454280 | 104100 | 558380 | 17.57 | (5.64) |
| c) Others (specify) | | | | | | | | | |
| Non Resident Indians | 500 | — | 500 | 0.02 | 500 | — | 500 | 0.02 | — |
| Overseas Corporate Bodies | | | | | | | | | |
| Foreign Nationals | | | | | | | | | |
| Clearing Members | --- | — | --- | --- | 5119 | — | 5119 | 0.16 | 0.16 |
| Trusts | | | | | | | | | |
| Foreign Bodies - D R | | | | | | | | | |
| Sub-total (B)(2):- | 596400 | 701880 | 1298280 | 40.85 | 593900 | 614380 | 1208280 | 38.02 | — |
| Total Public Shareholding (B)=(B)(1)+ (B)(2) | 596400 | 701880 | 1298280 | 40.85 | 593900 | 614380 | 1208280 | 38.02 | — |
| C. Shares held by Custodian for GDRs & ADRs | | | | | | | | | |
| Grand Total (A+B+C) | 2563820 | 614380 | 3178200 | 100 | 2563820 | 614380 | 3178200 | 100 | --- |

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B) Shareholding of Promoter-

| S. No. | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in share holding during the year |
|--------|---------------------------------|---|-----------------------------|--------------------------------------|-------------------------------------|-----------------------|-------------------------------------|---|
| | | No. of Shares | % of total Shares | % of Shares | No. of Shares | % of total Shares | % of Shares | |
| | | | total Shares of the company | Pledged / encumbered to total shares | Shares | Shares of the company | Pledged/ encumbered to total shares | |
| 1 | P & J CRETECHEM PRIVATE LIMITED | 1879920 | 59.15 | — | 1969920 | 61.98 | — | 2.83 |

C) Change in Promoters' Shareholding (please specify, if there is no change)

| SN | Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|----|---|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | P & J CRETECHEM PRIVATE LIMITED | | | | |
| | At the beginning of the year | 1879920 | 59.15 | 1879920 | 59.15 |
| | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.): | 90000 | 2.83 | 90000 | 2.83 |
| | At the end of the year | 1969920 | 61.98 | 1969920 | 61.98 |

D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

| SN | For Each of the Top 10 Share Holders | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|----|---|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | PRASHANT SHRIMAL | | | | |
| | At the beginning of the year | 250000 | 7.87 | 250000 | 7.87 |
| | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer/bonus/ sweat equity etc): | (8920) | (0.28) | (8920) | (0.28) |
| | At the end of the year | 241080 | 7.59 | 241080 | 7.59 |

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| | | | | | |
|---|--|--------|------|--------|------|
| 2 | AJAY KUMAR JAIN | | | | |
| | At the beginning of the year | 118200 | 3.72 | 118200 | 3.72 |
| | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | — | — | — | — |
| | At the end of the year | 118200 | 3.72 | 118200 | 3.72 |
| 3 | PRADEEP KUMAR JAIN | | | | |
| | At the beginning of the year | 95000 | 2.99 | 95000 | 2.99 |
| | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | — | — | — | — |
| | At the end of the year | 95000 | 2.99 | 95000 | 2.99 |
| 4 | VINOD AGARWAL | | | | |
| | At the beginning of the year | 50000 | 1.57 | 50000 | 1.57 |
| | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | — | — | — | — |
| | At the end of the year | 50000 | 1.57 | 50000 | 1.57 |
| 5 | VIKAS KAMAL JAIN | | | | |
| | At the beginning of the year | 31100 | 0.98 | 31100 | 0.98 |
| | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | — | — | — | — |
| | At the end of the year | 31100 | 0.98 | 31100 | 0.98 |
| 6 | SOUNDCRAFT MARKETING PROJECT | | | | |
| | At the beginning of the year | 10200 | 0.32 | 10200 | 0.32 |
| | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | — | — | — | — |

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VASUNDHARA RASAYANS LIMITED
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| | | | | | |
|----|--|-------|------|-------|------|
| | At the end of the year | 10200 | 0.32 | 10200 | 0.32 |
| 7 | DEEPAK CHOWDHRY & CO | | | | |
| | At the beginning of the year | 5000 | 0.15 | 5000 | 0.15 |
| | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | — | — | — | — |
| | At the end of the year | 5000 | 0.15 | 5000 | 0.15 |
| 8 | MITESH S SHAH | | | | |
| | At the beginning of the year | 4000 | 0.12 | 4000 | 0.12 |
| | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | — | — | — | — |
| | At the end of the year | 4000 | 0.12 | 4000 | 0.12 |
| 9 | PRAMOD JASRAJ BHARAL | | | | |
| | At the beginning of the year | 3500 | 0.11 | 3500 | 0.11 |
| | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | — | — | — | — |
| | At the end of the year | 3500 | 0.11 | 3500 | 0.11 |
| 10 | PRADIP R JAVERI RASIKLAL JAVERI | | | | |
| | At the beginning of the year | 2100 | 0.07 | 2100 | 0.07 |
| | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | — | — | — | — |
| | At the end of the year | 2100 | 0.07 | 2100 | 0.07 |

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E) Shareholding of Directors and Key Managerial Personnel:

| SN | Shareholding of each Directors and each Key Managerial Personnel | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|----|---|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares No. of shares | % of total shares of the company |
| 1 | Prakash Chand Jain | | | | |
| | At the beginning of the year | 500 | 0.02 | 500 | 0.02 |
| | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): | — | — | — | — |
| | At the end of the year | 500 | 0.02 | 500 | 0.02 |

V) **INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 20873380 | 23500000 | — | 44373380 |
| ii) Interest due but not paid | | | | |
| iii) Interest accrued but not due | | | | |
| Total (i+ii+iii) | 20873380 | 23500000 | — | 44373380 |
| Change in Indebtedness during the financial year | | | | |
| * Addition | | 11391054 | — | |
| * Reduction | 14551 | | | |
| Net Change | 14551 | 11391054 | — | |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 20858829 | 34891054 | — | 55749883 |
| ii) Interest due but not paid | | | | |
| iii) Interest accrued but not due | | | | |
| Total (i+ii+iii) | 20858829 | 34891054 | — | 55749883 |

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VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

| SN. | Particulars of Remuneration | Name of MD/WTD/ Manager | | | | Total Amount |
|-----|---|--|---|--|---|--------------|
| | | Prakash Chand Jain Managing Director p.a | Rajesh Pokerna Whole Time Director p.a | Sanjay Kumar Jain Whole Time Director p.a | Sunil Kumar Jain Whole Time Director p.a | |
| 1 | Gross salary | 600000 | 900000 | 360000 | 600000 | 2460000 |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | — | — | — | — | |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | — | — | — | — | |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | — | — | — | — | |
| 2 | Stock Option | — | — | — | — | |
| 3 | Sweat Equity | — | — | — | — | |
| 4 | Commission- as % of profit- others, specify... | — | — | — | — | |
| 5 | Others, please specify | — | — | — | — | |
| | Total (A) | 600000 | 900000 | 360000 | 600000 | 2460000 |
| | Ceiling as per the Act | | | | | |

B. Remuneration to other directors:

| SN. | Particulars of Remuneration | Name of Directors | | | | Total Amount |
|-----|--|--|--|--|---|--------------|
| | | Rajesh Kumar Jain Independent Director | Pravin P.Majumdar Independent Director | Rajiv Paritidas Kakodkar Independent Director | Dr. Parag Ashok Sharma Independent Director | |
| 1 | Independent Directors | — | — | — | — | — |
| | Fee for attending board committee meetings | — | — | — | — | — |
| | Commission | — | — | — | — | — |
| | Others, please specify | — | — | — | — | — |
| | Total (1) | — | — | — | — | — |

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| | | | | | | |
|---|--|---|---|---|---|---|
| 2 | Other Non-Executive Directors | — | — | — | — | — |
| | Fee for attending board committee meetings | — | — | — | — | — |
| | Commission | — | — | — | — | — |
| | Others, please specify | — | — | — | — | — |
| | Total (2) | — | — | — | — | — |
| | Total (B)=(1+2) | — | — | — | — | — |
| | Total Managerial Remuneration | — | — | — | — | — |
| | Overall Ceiling as per the Act | — | — | — | — | — |

C. Remuneration Key Managerial Personnel other than MD/MANAGER/WTD

| SN | Particulars of Remuneration | Key Managerial Personnel | | Total |
|----|---|--|--|--------|
| | | Ms. Anubha Samariya Company Secretary | Su nil Kumar Jain Chief Financial Officer | |
| 1 | Gross salary | 108000 | 600000 | 708000 |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | — | — | — |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | — | — | — |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | — | — | — |
| 2 | Stock Option | — | — | — |
| 3 | Sweat Equity | — | — | — |
| 4 | Commission | — | — | — |
| | - as % of profit | — | — | — |
| | others, specify... | — | — | — |
| 5 | Others, please specify | — | — | — |
| | Total | 108000 | 600000 | 708000 |

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VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT/ COURT] | Appeal made, if any (give Details) |
|-------------------------------------|------------------------------|-------------------|---|------------------------------|------------------------------------|
| A. COMPANY | | | | | |
| Penalty | — | — | — | — | — |
| Punishment | — | — | — | — | — |
| Compounding | — | — | — | — | — |
| B. DIRECTORS | | | | | |
| Penalty | — | — | — | — | — |
| Punishment | — | — | — | — | — |
| Compounding | — | — | — | — | — |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | — | — | — | — | — |
| Punishment | — | — | — | — | — |
| Compounding | — | — | — | — | — |

VASUNDHARA RASAYANS LIMITED



RAKHI AGARWAL & ASSOCIATES
Company Secretaries

A-10, Janata Hsg. Society,
Shyamlal Building,
Opp: Pantaloons, Begumpet,
Hyderabad – 500 016.
Email: rakhiagarwal79@yahoo.com
Cell: +91 9246530679

ANNEXURE III

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members of
VASUNDHARA RASAYANS LIMITED.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **VASUNDHARA RASAYANS LIMITED** (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2015** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 (“Audit Period”) according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made there-under;
- ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there-under;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there-under;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there-under to the Extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

VASUNDHARA RASAYANS LIMITED

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- vi) The Listing Agreements entered into by the Company with Stock Exchange(s),

The Company's main business is into manufacturer and exporter of Antacids Therapeutic category of Active Pharm Ingredients. Accordingly, the Industry specific major Acts as applicable to the Company are complied.

I, further report that the Company has, in my opinion, complied with the provisions of Companies Act, 2013 and rules made there under, as notified by the Ministry of Corporate Affairs and the Memorandum and Articles of Association of the Company.

I further report that, during the period under review, provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company under the financial year under report:

- (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

I, further report that:

- (a) The Company has complied with the clauses of Equity Listing Agreements entered into with stock exchanges.
- (b) Secretarial Standards were not considered in the Audit, as the same were not notified during the period considered for Audit.

I, further report that:

VASUNDHARA RASAYANS LIMITED

- (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors except in respect of number of Independent Directors.
- (b) The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.
- (c) Adequate Notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least 7 days in advance.
- (d) There is adequate system for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting.
- (e) Majority decision is carried through and there were no instances of dissenting members in the Board of Directors.
- (f) It is also noted that the Company has an Internal Audit System to constantly monitor the process for efficient compliances.

I, further report that there exist adequate systems and processes in the Company that commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the year under report, the Company has not undertaken any event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

Place:Hyderabad

Date: 11.08.2015

**For RAKHI AGARWAL & ASSOCIATES
RAKHI AGARWAL**

**COMPANY SECRETARY
FCS NO.7047
CP NO.6270**

Note : This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

VASUNDHARA RASAYANS LIMITED

'ANNEXURE A'

To,
The Members of
VASUNDHARA RASAYANS LIMITED,

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Hyderabad

Date: 11.08.2015

**For RAKHI AGARWAL & ASSOCIATES
RAKHI AGARWAL**

**COMPANY SECRETARY
FCS NO.7047
CP NO.6270**

VASUNDHARA RASAYANS LIMITED

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Vasundhara Rasayans Limited to set the highest standards of Corporate Governance right from its inception benchmarked with the best class practices across the globe. Effective Corporate Governance is the manifestation of professional beliefs and values, which configures the organizational values, credo and actions of its employees. The aim of "Good Corporate Governance" is to ensure commitment of the board in managing the company in a transparent manner for maximizing long-term value of the company for its shareholders and all other partners. It integrates all the participants involved in a process, which is economic, and at the same time social.

Hence it harmonizes the need for a company to strike a balance at all times between the need to enhance shareholders' wealth whilst not in any way being detrimental to the interests of the other stakeholders in the company.

2. BOARD OF DIRECTORS:

a) Composition and Category of Directors:

In terms of compliance with the requirement of clause 49(I)(A) of Listing Agreement, the Company endeavour to have an optimum combination of Executive and Non-Executive Directors to maintain the independence of the Board and separate the functions of Governance and Management through Board and Committees. As on 31st March, 2015, the Board consist of the following:

- * 4 Executive Directors;
- * 6 Non-Executive Director out of which 4 Independent Directors .

b) Attendance of each director at the Board meetings and the last Annual General Meeting:

The particulars of attendance of Board Meetings and Annual General Meeting by Directors for the financial year ended 31.03.2015 has been set out here below:

| S. No | Name of Director | Category | Meetings attended | Attendance at last AGM on 27.09.2014 |
|--------------|--------------------------|---|--------------------------|---|
| 1 | Prakash Chand Jain | Managing Director | 12 | Yes |
| 2 | Sanjay Kumar Jain | Whole-Time Director | 7 | Yes |
| 3 | Sunil Kumar Jain* | Whole-Time Director and Chief Financial Officer | 12 | Yes |
| 4 | Rajesh Pokerna | Whole-Time Director | 12 | Yes |
| 5 | Rajesh Kumar Jain | Independent Director | — | — |
| 6 | Pravin P.Majumdar | Independent Director | 4 | Yes |
| 7 | Rajiv Paritidas Kakodkar | Independent Director | 4 | Yes |
| 8 | Dr. Parag Ashok Sharma | Independent Director | 3 | — |
| 9 | Kalpana Pokerna* | Women Director | 1 | — |
| 10 | Seema Jain* | Women Director | 1 | — |

**Smt. Kalpana Pokerna has been appointed as Women Director w.e.f 30.03.2015.*

**Smt. Seema Jain has been appointed as Women Director w.e.f 30.03.2015*

**Shri Sunil Kumar Jain has been appointed as Chief Financial Officer w.e.f 31.03.2015*

=====**VASUNDHARA RASAYANS LIMITED**=====

c) Number of other Directorships, Committee Membership(s) & Chairmanship(s):

| Sl. No. | Name of the Director | Other Directorships | Committee Membership | Committee Chairmanship |
|---------|--------------------------|---------------------|----------------------|------------------------|
| 1 | Prakash Chand Jain | 11 | — | — |
| 2 | Sanjay Kumar Jain | 8 | — | — |
| 3 | Sunil Kumar Jain* | 4 | — | — |
| 4 | Rajesh Pokerna | 2 | — | — |
| 5 | Rajesh Kumar Jain | 5 | — | — |
| 6 | Pravin P.Majmumdar | 0 | — | — |
| 7 | Rajiv Paritidas Kakodkar | 2 | — | — |
| 8 | Dr. Parag Ashok Sharma | 0 | — | — |
| 9 | Kalpana Pokerna* | 0 | — | — |
| 10 | Seema Jain* | 0 | — | — |

*Smt. Kalpana Pokerna has been appointed as Women Director w.e.f 30.03.2015.

*Smt. Seema Jain has been appointed as Women Director w.e.f 30.03.2015

*Shri Sunil Kumar Jain has been appointed as Chief Financial Officer w.e.f 31.03.2015

d) Number of Board Meetings held and the date on which held:

In terms of compliance with the requirement of clause 49(I) (C) of Listing Agreement, 12 (Twelve) Board Meetings were held during the financial year ended 31.03.2015. The maximum gap between any two Board Meetings was not more than 120 days at any time.

The dates on which the Board meetings were held are:

| | | | |
|------------|------------|------------|------------|
| 19.04.2014 | 22.04.2014 | 09.05.2014 | 13.08.2014 |
| 22.08.2014 | 27.09.2014 | 13.11.2014 | 05.02.2015 |
| 07.02.2015 | 17.03.2015 | 30.03.2015 | 31.03.2015 |

BOARD COMMITTEES:

Details of the Board Committees and other related information are provided hereunder:

3. AUDIT COMMITTEE:

(i) Brief description of terms of reference:

The terms of reference stipulated by the Board to the Audit Committee includes review of the following:

- * Management Discussion and Analysis of financial condition and results of operations;
- * Statement of significant related party transactions submitted by Management;
- * Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- * Internal Audit Reports relating to internal control weaknesses; and
- * The appointment, removal and terms of remuneration of the Chief Internal Auditor.
- * Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- * Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditor and the fixation of Audit fees.
- * Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
- * The annual financial statements before submission to the Board for approval, with particular reference to following with the Management:

VASUNDHARA RASAYANS LIMITED

- i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (3C) of Section 134 of the Companies Act, 2013
 - ii. Changes, if any, in accounting policies and practices and reasons for the same.
 - iii. Major accounting entries involving estimates based on the exercise of judgment by Management
 - iv. Significant adjustments made in the financial statements arising out of Audit findings
 - v. Compliance with listing and other legal requirements relating to financial statements
 - vi. Disclosure of any related party transactions
 - vii. Qualifications in the draft Audit Report.
- * Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval.
 - * Reviewing, with the Management, performance of Statutory and Internal Auditors, adequacy of the internal control systems.
 - * Reviewing the adequacy of internal audit function, if any, including the structure of the Internal Audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 - * Discussion with Internal Auditors any significant findings and follow up there on.
 - * Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
 - * Discussion with Statutory Auditors before the Audit commences, about the nature and scope of Audit as well as post-Audit discussion to ascertain any area of concern.
 - * To review the functioning of the Whistle Blower Mechanism.
 - * To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

(ii) Composition:

The Company's Audit Committee comprises of the following Directors all of whom are Non-Executive, the majority being Independent Directors:

| Sl.No | Name of Director | Designation |
|--------------|-------------------------------------|--------------------|
| 1 | Shri Pravichandra Majumdar Popatlal | Chairman |
| 2 | Shri Rajiv Pritidas Kakodkar | Member |
| 3 | Shri Parag Ashok Sharma | Member |
| 4 | Smt. Kalpana Pokerna* | Member |
| 5 | Smt. Seema Jain* | Member |

** Smt. Kalpana Pokerna has been appointed as Women Director w.e.f 30.03.2015.*

** Smt. Seema Jain has been appointed as Women Director w.e.f 30.03.2015*

The Company continued to derive immense benefit from the deliberation of the Audit Committee comprising of four Non-Executive Independent Directors and one Non-Executive Director. As Shri Pravichandra Majumdar Popatlal who is heading the Audit Committee as Chairman having rich experience and professional knowledge in Finance, Accounts and Company Law, the members always

VASUNDHARA RASAYANS LIMITED

added the value for the Company. Minutes of each Audit Committee are placed before the Board and discussed in the meeting.

(iii) Meeting and attendance during the year:

In terms of compliance with the requirement of clause 49(II)(B) of Listing Agreement, the Audit Committee met 4 (Four) times during the financial year under review, on 09.05.2014, 22.08.2014, 13.11.2014 and 30.03.2015 and the attendance of the members of the Audit Committee as recorded is as under:

| SI No | Name of the Director | No. of Meetings Attended |
|--------------|-------------------------------------|---------------------------------|
| 1 | Shri Pravichandra Majumdar Papatlal | 4 |
| 2 | Shri Rajiv Pritidas Kakodkar | 4 |
| 3 | Shri Parag Ashok Sharma | 3 |
| 4 | Smt. Kalpana Pokerna* | 1 |
| 5 | Smt. Seema Jain* | 1 |

* Smt. Kalpana Pokerna has been appointed as Women Director w.e.f 30.03.2015.

* Smt. Seema Jain has been appointed as Women Director w.e.f 30.03.2015

The Statutory Auditors and Internal Auditors of the Company have also attended the above meetings on invitation. The recommendations made by the Audit Committee from time to time have been followed by the Company. The Chairman of the Audit Committee has attended the Annual General Meeting to answer the queries raised by the Shareholders regarding Audit and Accounts.

4. NOMINATION & REMUNERATION COMMITTEE:

(i) Brief description of terms of reference:

During the year at a meeting of the Board of Directors of the Company held on 30th March, 2015 in compliance with the provisions of the Companies Act, 2013 and the listing agreement, the Board has renamed its "Remuneration Committee" as the "Nomination and Remuneration Committee". The brief terms of reference of the Nomination and Remuneration Committee, inter alia, include the following:

- a. Identifying and selection of persons for appointment as directors and senior management in accordance with the criteria laid down and to recommend to the Board their appointment.
- b. Formulate the criteria for determining qualifications, positive attributes and independence of a Director.
- c. Recommend/review remuneration of the Managing Director and Whole time Director(s) based on performance and defined assessment criteria.
- d. Recommend to the Board a policy for selection and appointment of Directors, Key Managerial Personnel and other senior management positions.
- e. Formulate and review criteria for evaluation of performance of the Board of Directors
- f. Devise a policy on Board diversity.
- g. Succession planning for the Board level and key management positions.
- h. Carry out any other function as mandated by the Board from time to time and/or enforced by any statutory notification/amendment.

VASUNDHARA RASAYANS LIMITED

(ii) Composition:

| Sl.No | Name of Director | Designation |
|--------------|-------------------------------------|--------------------|
| 1 | Shri Pravichandra Majumdar Popatlal | Chairman |
| 2 | Shri Rajiv Pritidas Kakodkar | Member |
| 3 | Shri Parag Ashok Sharma | Member |
| 4 | Smt. Kalpana Pokerna* | Member |
| 5 | Smt. Seema Jain* | Member |

* Smt. Kalpana Pokerna has been appointed as Women Director w.e.f 30.03.2015.

* Smt. Seema Jain has been appointed as Women Director w.e.f 30.03.2015

(iii) Attendance during the year:

The Remuneration Committee met 3 (Three) times, during the financial year under review, on 09.05.2014, 30.03.2015 and 31.03.2015. The attendance of the meeting by the members of the Committee as recorded is as under:

| S. No | Name of the Director | No. of Meetings Attended |
|--------------|-------------------------------------|---------------------------------|
| 1 | Shri Pravichandra Majumdar Popatlal | 3 |
| 2 | Shri Rajiv Pritidas Kakodkar | 3 |
| 3 | Shri Parag Ashok Sharma | 3 |
| 4 | Smt. Kalpana Pokerna* | 1 |
| 5 | Smt. Seema Jain* | 1 |

* Smt. Kalpana Pokerna has been appointed as Women Director w.e.f 30.03.2015.

* Smt. Seema Jain has been appointed as Women Director w.e.f 30.03.2015

REMUNERATION POLICY:

The nomination and remuneration committee has adopted a Nomination and Remuneration Policy which, inter alia, deals with the manner of selection of Board of Directors, KMP & other senior management and their remuneration. The extract of the same is as follows:

a) Remuneration to Executive Director and KMP:

Executive Directors and KMP are eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The Executive Director and KMP remuneration is determined based on levels of responsibility and scales prevailing in the industry. The executive directors are not paid sitting fee for any Board/Committee meetings attended by them.

b) Remuneration to Non-Executive Directors:

The Non- Executive / Independent Director may receive remuneration by way of sitting fees for attending meetings of Board or Committees thereof.

(i) Details of Remuneration of Non – Executive Directors:

The Company is not paying Sitting fees to all the Non-executive Directors.

(ii) Pecuniary relationship or transactions of Non-Executive Director:

VASUNDHARA RASAYANS LIMITED

The Non-Executive Independent Directors do not have any material pecuniary relationship or transactions with the Company, its promoters or its Management, which in the opinion of the Board may affect independence of judgment of such Directors.

(iii) Details of Remuneration to Executive Directors:

| Name of Director | (Amount in Rs.) | | | | |
|---------------------------|------------------|-------|------------|-------|------------------|
| | Salary | H R A | Commission | Perks | Total |
| Prakash Chand Jain,MD | 6,00,000 | — | — | — | 6,00,000 |
| Sanjay Kumar Jain, WTD | 3,60,000 | — | — | — | 3,60,000 |
| Sunil Kumar Jain, CFO/WTD | 6,00,000 | — | — | — | 6,00,000 |
| Rajesh Pokerna , WTD | 9,00,000 | — | — | — | 9,00,000 |
| TOTAL | 24,60,000 | — | — | — | 24,60,000 |

FAMILIARISATION PROGRAMMES FOR BOARD MEMBERS:

Your Company follows a structured orientation and familiarisation programme through various reports/codes/internal policies for all the Directors with a view to update them on the Company's policies and procedures on a regular basis. Periodic presentations are made at the Board Meetings on business and performance, long term strategy, initiatives and risks involved. The framework on familiarisation programme have been posted in the website of the Company.

CODE OF CONDUCT:

The Company has in place a comprehensive Code of Conduct applicable to all the employees and Non-executive Directors including Independent Directors. The Code is applicable to Non-executive Directors including Independent Directors to such extent as may be applicable to them depending on their roles and responsibilities. The Code gives guidance and support needed for ethical conduct of business and compliance of law. A copy of the Code has been posted on the Company's website.

INDEPENDENT DIRECTORS' MEETING:

During the year, meeting of Independent Directors was held to review the performance of the Board as a whole on parameters of effectiveness and to assess the quality, quantity and timeliness of flow of information between the management and the Board.

PERFORMANCE EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Board Committees. A structured questionnaire was prepared after circulating the draft forms, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

The Performance evaluation of the Chairman and Managing Director and the Non-Independent Directors was carried out by the Independent Directors. The Directors express their satisfaction with the evaluation process.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE:

(i) Brief description of terms of reference:

VASUNDHARA RASAYANS LIMITED

During the year at a meeting of the Board of Directors of the Company held on 30th March, 2015 in compliance with the provisions of the Companies Act, 2013 and the listing agreement, the Board has renamed its "Shareholders Grievance Committee" as the "Stakeholders Relationship Committee". The Stakeholders Relationship Committee constituted by the Board of Directors inter alia approves transfer of shares and redresses shareholders / investor's grievances and complaints regarding non-receipt of Dividends, Annual Reports, etc.

(ii) Composition:

| Sl.No. | Name of Director | Designation |
|--------|-------------------------|-------------|
| 1. | Shri Prakash Chand Jain | Chairman |
| 1. | Shri Sunil kumar Jain | Member |
| 2. | Shri Rajesh Pokerna | Member |
| 3. | Smt. Kalpana Pokerna | Member |
| 4. | Smt. Seema Jain | Member |

**Smt. Kalpana Pokerna has been appointed as Women Director w.e.f 30.03.2015.*

**Smt. Seema Jain has been appointed as Women Director w.e.f 30.03.2015*

Shri Prakash Chand Jain, Managing Director is acting as Compliance Officer of the Company.

The total number of complaints received and replied to the satisfaction of shareholder during the year was 0. There are no outstanding complaints as on 31.03.2015.

6. RISK MANAGEMENT COMMITTEE:

The Company has constituted a Risk Management Committee which has laid down procedures to inform the Board of Directors about the Risk Management and its minimization procedures. The Board of Directors review these procedures periodically.

7. GENERAL BODY MEETINGS:**i) Location and time for the last 3 years General Meetings were:**

| Year | Locations | Date | Time |
|-----------|--|------------|-----------|
| 2013-2014 | Shed No.42, Phase II, IDA, Mallapur, Hyderabad-500 076 | 27.09.2014 | 11:30 A.M |
| 2012-2013 | Shed No.42, Phase II, IDA, Mallapur, Hyderabad-500 076 | 28.09.2013 | 11:30 A.M |
| 2011-2012 | Shed No.42, Phase II, IDA, Mallapur, Hyderabad-500 076 | 28.09.2012 | 11:30 A.M |

ii. Whether any special resolutions passed in the previous 3 AGMs

2013-14: In the AGM held on 27th September, 2014 the company has passed no Special Resolutions

2012-13: In the AGM held on 28th September, 2013 the company has passed no Special Resolutions.

2011-12: In the AGM held on 28th September, 2012 the company has passed no Special Resolutions.

ii) Postal Ballot passed in last year i.e., 2014-15:

During the year 2014-15 your Company has not passed any resolution through Postal Ballots as per the provisions of Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014.

9. DISCLOSURES:

- (i) **Disclosures on materially significant related party transactions i.e., transactions of the company of material nature, with its promoter, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of company at large:**

Besides the transactions mentioned elsewhere in the Annual Report, there were no materially significant related party transactions during the year conflicting with the interest of the Company.

- (ii) **Details of non-compliance by the company, penalties, strictures imposed on the company by Stock Exchange, SEBI or any statutory authority, on any matter related to capital markets, during the last three years:**

NONE.

- (iii) **Whistle Blower policy:**

Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Company has formulated Whistle Blower Policy for vigil mechanism for Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee. The policy is available on the Company website, www.vasundhararasayans.in

- (iv) **Non Mandatory Requirements:**

Adoption of non-mandatory requirements of Clause 49 of the Listing Agreement is being reviewed by the Board from time to time.

10. MEANS OF COMMUNICATION:**i. Financial / Quarterly Results:**

The Company intimates un-audited as well as audited financial results to the Stock Exchanges, immediately after the Board meetings at which they are approved. The results of the Company are also published in at least one prominent national and one regional newspaper having wide circulation. Normally the results are published in Financial Express/Business Standard (English) and Surya(Telugu). The financial results are also displayed on the Company's website www.vasundhararasayans.in

ii. Newspapers wherein results normally published

The official news releases are published in Financial Express /Business Standard and Surya (Telugu) Newspapers, Detailed presentations made to institutional investors, financial analyst, etc. are displayed on the Company's website www.vasundhararasayans.in.

Website:

The website www.vasundhararasayans.in contains a separate dedicated section for the Company's "Investor Relations" where shareholders' information is available. The full Annual Report, shareholding pattern etc. is also available in the 'Investor Relations' sections on the website of the Company.

CEO/ CFO Certification

VASUNDHARA RASAYANS LIMITED

In line with the requirements of Clause 49 (V) of the Listing Agreement, Shri Sunil Kumar Jain, Whole Time Director/Chief Financial Officer have submitted a certificate to the Board, certifying inter-alia, that the Financial Statements and the Cash Flow Statement for the year ended March 31, 2015 were reviewed to the best of their knowledge and belief, that they do not contain any material untrue statement, do not omit any material facts, are not misleading statements, together present a true and fair view and are in compliance with the applicable laws and regulations. The certificate further confirms that the transactions entered into by the Company for establishing internal control, financial reporting, evaluation of the internal control systems and making of necessary disclosures to the Auditors and the Audit Committee have been complied with.

Unclaimed Dividend:

Pursuant to the provisions of Section 124 of the Companies Act, 2013, Dividends for the financial year ended 31st March, 2009 and thereafter, which remain unclaimed for a period of seven years, will be transferred to the Investor Education and Protection Fund established by the Central Government pursuant to Section 124 of the Companies Act, 2013, Information in respect of the due date for transfer of such unclaimed dividend to the said fund is given below:

| For the Financial Year | Date of Declaration | Due for transfer on |
|-------------------------------|----------------------------|----------------------------|
| 2008-09 | 30.09.2009 | 30.10.2016 |
| 2009-10 | 29.09.2010 | 29.10.2017 |
| 2010-11 | 30.09.2011 | 30.10.2018 |
| 2011-12 | 28.09.2012 | 28.10.2019 |
| 2012-13 | 28.09.2013 | 28.10.2020 |
| 2013-14 | 27.09.2014 | 27.10.2021 |

The members are advised to send all the unencashed dividend warrants pertaining to the above years to our RTA for revalidation or issuance of Demand Draft in lieu thereof and encash them before the due dates for transfer to the IEPF. It may also be noted that once the Unclaimed Dividend is transferred to the Investor Education and Protection Fund, no claim shall lie in respect thereof.

The Management Discussion and Analysis Report:

A Report of the Management Discussion and Analysis is attached as part of the Annual Report.

11. GENERAL SHAREHOLDER INFORMATION:

| | |
|--|--|
| Annual General Meeting | Date : 12 TH September, 2015 Time : 11:30 A.M Venue : Shed No.42, Phase II, IDA, Mallapur, Hyderabad-500 076 |
| Financial Calendar | 1 st April to 31 st March. |
| Date of Book Closure | 05.09.2015 to 12.09.2015 (both days inclusive) |
| Dividend Payment Date | 17.09.2015 |
| Listing on Stock Exchanges | BSE Ltd |
| Stock Code | 538634 |
| ISIN Number for NSDL & CDSL | INE406F01010 |

i. Registrar and Transfer Agents

Share Transfers & Communication regarding Share Certificates, Dividends & Change of Address may be sent to

VASUNDHARA RASAYANS LIMITED

M/s. CIL SECURITIES LIMITED

214, Raghava Ratna Tower, Chirag Ali Lane,
Hyderabad, Telangana-500 001.
Phone : +91-040-2320 2465
Email ID : advisors@cilsecurities.com
Website : www.cilsecurities.com

ii. Share Transfer System

The Transfer of shares in physical form is processed and completed by Registrar & Transfer Agents within a maximum period of 30 days from the date of receipt, provided all the documents are in order. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants. In compliance with the Listing Agreement with the Stock Exchanges, a Practicing Company Secretary carries out audit of the system of transfer and a certificate to that effect is issued.

iii. Reconciliation of share Capital Audit:

As stipulated by the SEBI, a qualified Practicing Company Secretary carries out the Share Capital Audit to reconcile the total admitted Capital with NSDL and CDSL and the total issued and listed capital. The Audit is carried out every quarter and the Report thereon is submitted to the Stock Exchanges and is also placed before the Board of Directors. The Report inter-alia confirms the total listed and paid up share capital of the Company is in agreement with the aggregate of the total dematerialised shares and those in the physical mode.

iv. Shareholding Pattern as on 31st March, 2015:

| Category | No. of. Shares | % Holding |
|-------------------------------|-----------------------|------------------|
| Promoters | — | — |
| Promoters Bodies Corporate | 1969920 | 61.98 |
| Resident Individuals | 992215 | 31.22 |
| Bodies Corporate | 210446 | 6.62 |
| Indian Financial Institutions | — | — |
| Non Resident Indians | 500 | 0.02 |
| Government | — | — |
| Trusts | — | — |
| Clearing Members | 5119 | 0.16 |
| Mutual Funds | — | — |
| Banks | — | — |
| HUF | — | — |
| Total | 3178200 | 100 |

v. Dematerialisation of Shares & Liquidity

The trading in Company's shares is permitted only on dematerialized form. In order to enable the shareholders to hold their shares in electronic form and to facilitate scrip-less trading, the Company has enlisted its shares with NSDL and CDSL.

vi. Plant Locations:

C-104, MIDC, Mahad, Raigad, Maharashtra - 402309

=====**VASUNDHARA RASAYANS LIMITED**=====

vii. Address for correspondence

| Sl. No. | Shareholders Correspondence for | Address |
|---------|--|--|
| 1. | Transfer/Dematerialization/Consolidation /Split of shares, Issue of Duplicate Share Certificates, Non-receipt of dividend / Bonus shares, etc., change of address of Members and Beneficial Owners and any other query relating to the shares of the Company | M/s. CIL SECURITIES LIMITED 214, Raghava Ratna Tower, Chirag Ali Lane, Hyderabad, Telangana-500 001. Phone : +91-040-2320 2465 Email ID : advisors@cilsecurities.com Website : www.cilsecurities.com |
| 2. | Investor Correspondence / Queries on Annual Report, Revalidation of Dividend Warrants, Sub-Division, Etc., | Shri Prakash Chand Jain Shed No. 42, Phase II, IDA, Mallapur, Hyderabad - 500 076. Phone : 040-23437617, 040-23437623 Fax : 040-23437627 Email : info@vasundhararasayans.in |

12. Depository Services:

For guidance on Depository Services, Shareholders may write to the Company or to the respective Depositories:

| | |
|--|---|
| National Securities Depository Ltd. Trade World, 4th Floor, Kamala Mills Compound, Lower Parel, Mumbai - 400 013 Tel : 091-022-24972964-70 Fax : 091-022-24972993 / 24976351 Email : info@nsdl.co.in | Central Depository Services (India) Ltd. Phiroze Jeejeebhoy Towers 17th Floor, Dalal Street, Mumbai - 400 023. Tel : 091-022-22723333/22723224 Fax : 091-022-22723199 Email : investors@cdslindia.com |
|--|---|

13. Company's Policy on prevention of insider trading:

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015, and in continuation with your Company's efforts to enhance the standards of corporate governance in the Company, and to strictly monitor and prevent insider trading within the company, your company has in place a Code of Conduct which is approved by the Board.

The Chief Financial Officer is acting as Compliance Officer for the said purpose. The code is applicable to all such employees, officers, Directors and Promoters of the Company who are expected to have access to the unpublished price sensitive information relating to the Company and the same is being implemented as a self-regulatory mechanism. The code has been circulated to all the members of the Board and Senior Management and others concerned the compliance of the same has been affirmed by them.

==== VASUNDHARA RASAYANS LIMITED ====

14. Particulars of Directors, who are retiring by rotation, seeking re-appointment at the forthcoming Annual General Meeting pursuant to Clause 49 of the Listing Agreement:-

| Name of Director | Shri Rajesh Kumar Jain | Smt. Kalpana Pokerna | Smt. Seema Jain |
|--|---|---|--|
| Expertise in specific functional areas | Having rich experience and professional knowledge in Finance, Accounts and Company Law, adding to the value for the Company | Her varied experience and exposure will immensely help the board and the company to take appropriate business decisions in competitive era. She is inducted as women director of the company and will also benefit from her experience to improve the environment of the factory with regard to women employees | She is inducted as director of the company and will also benefit from her experience to improve the environment of the factory with regard to women employees. |
| Date of Birth | 23-03-1964 | 09-03-1967 | 31-05-1970 |
| Qualification | B.Com., FCA | B.Com | Diployma in Homeopathy in Medical Science |
| List of Other Companies in which Directorship is held as on 31st March, 2015. | 5 | -- | -- |
| Chairman/Member of the Committees of the Board of other Companies in which he is a Director as on 31st March, 2015 | -- | -- | -- |

VASUNDHARA RASAYANS LIMITED

DECLARATION OF COMPLIANCE OF CODE OF CONDUCT

Pursuant to the Circular No. SEBI/CFD/DIL/CG/1/2004/12/10 dated 29th October 2004, it is hereby declared that the Company has obtained confirmation from all the Board Members and Senior Management Personnel of the Company for the compliance of the Code of Conduct of the Company for the year 2014-15.

**By Order of the Board
For VASUNDHARA RASAYANS LIMITED**

**Place: Hyderabad
Date: 11.08.2015**

**Sd/-
PRAKASH CHAND JAIN
MANAGING DIRECTOR/COMPLIANCE OFFICER**

VASUNDHARA RASAYANS LIMITED

AUDITORS' CERTIFICATE REGARDING CORPORATE GOVERNANCE

To
The Members of
Vasundhara Rasayans Limited

We have examined the compliance of conditions of Corporate Governance by **M/s Vasundhara Rasayans Limited** for the year ended 31st March 2015, as stipulated in Clause 49 of the Listing Agreement with BSE Limited.

The compliance of these conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an Audit nor an expression of opinion on the Financial Statements of the Company.

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

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

For Agarwal Gupta Nokari & Rustagi Associates
Chartered Accountants
(FRN- 310041E)

Date: 11.08.2015
Place: Kolkata

Sd/-
Bhal Chandra Khaitan
Partner
M. No. 017387

VASUNDHARA RASAYANS LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**INDUSTRY STRUCTURE & DEVELOPMENTS**

Pharmaceuticals and Generics

India is projected to be one of the fastest growing Pharmaceutical markets in the world. However, recent developments with respect to price controls (New Pharmaceutical Pricing Policy 2012), non-recognition of patents, compulsory licensing and lower GDP growth will serve to act as a dampener in the short and medium term and be to the long term detriment of the patient.

Increasing urbanization, rising life expectancy and sedentary lifestyles persists, resulting in a growing prevalence of lifestyle diseases such as cardiovascular ailments and diabetes. The gradual change in disease pattern from acute to chronic continues with the acute segment still playing a dominant role. Consequently, there is an increasing demand for products to treat these medical conditions.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE.

The Company is engaged primarily in the business of manufacture and export of Active Pharmaceutical Products for Antacid formulations and accordingly there are no separate reportable segments.

OUTLOOK

The year 2014-15 had been crucial for the pharmaceutical industries. The Global Economies witnessed a subdued growth with diverging growth paths across major economies. Hence, the Company is expecting to improve its performance and profitability in future.

OPPORTUNITIES

The Pharmaceutical industry in India is the world's third-largest in terms of volume and stands 14th in terms of value. Further, Indian pharmaceuticals industry is expected to grow by 19% . Indian is now among the top five pharmaceuticals emerging markets. There will be new drug launches, new drug filings and Phase II clinical trials throughout the year. On the back of increasing sales of generic medicines, continued growth in chronic therapies and a greater penetration in rural markets, the domestic pharmaceutical market is expected to register a strong double digit growth of 14-15 percent. Moreover the increasing population of the higher-income group in the country will open a potential market for multinational companies selling costly drugs..

THREATS & CONCERNS

Over the past decade, pharmaceuticals companies have entered a difficult period where shareholders, the market and the regulators have created significant pressures for change within the industry. The core issues of most of the drug companies are declining productivity of in-house R&D, patent expiration of number of block buster drugs, increasing legal and regulatory concerns and pricing issues. As a result, larger pharmaceutical companies are shifting to new business model with greater outsourcing of discovery services, clinical research and manufacturing.

Current global financial conditions and the threat of broad recession accelerated the timetable for implementing transformational changes in global organizations, as the industry confronts lower corporate stock prices and increasingly cost-averse customer. A leader of the largest global pharmaceutical companies recognizes the needs for transformational changes in their organizations, but will need to move swiftly to ensure sustained growth.

Transformations in the business model of larger pharmaceutical industry spell more opportunity for Indian pharmaceutical companies. Pharmaceutical production costs are almost 50 percent lower in India than in western nations, while overall R&D costs are about one-eighth and clinical trial expenses around One - tenth of western levels.

RISK MANAGEMENT

The Company has aligned its policy on risk assessment in line with global approach and risk assessment reports are reviewed on regular intervals. The Company has adopted a focused approach towards risk management. The Company's business critical software is operated on a server with regular maintenance and back-up of data and is connected to computer server operated by the Company. The system's parallel architecture overcomes failures and breakdowns. Reliable and permanently updated tools guard against virus attacks. Updated tools are regularly loaded to ensure a virus free environment.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Company has implemented a comprehensive system of internal controls and risk management systems for achieving operational efficiency, optimal utilisation of resources, credible financial reporting and compliance with local laws. These controls are regularly reviewed by both internal and external agencies for its efficiency and effectiveness. Management information and reporting system for key operational activities form part of overall control mechanism.

The Company has retained the services of independent firms of professionals to function as internal auditors and provide reports on various activities covering observations on adequacy of internal controls and their recommendations. Findings of internal audit reports and effectiveness of internal control measures are reviewed by top management and audit committee of the Board. During the year, internal audit team of Company performed audits of major operational areas of the Company and carried out elaborate checks and verification and shared their findings with top management for remediation of minor gaps wherever required.

FINANCIAL PERFORMANCE

The financial performance of the Company for the year under review is discussed in detail in the Directors Report.

CORPORATE SUSTAINABILITY AND SOCIAL RESPONSIBILITY

The Company constantly strives to meet and exceed expectations in terms of the quality of its business and services. The Company commits itself to ethical and sustainable operation and development of all business activities according to responsible care and its own code of conduct. Corporate Social Responsibility is an integral part of the Company's philosophy and participates in activities in the area of education and health.

COMPLIANCE

The Compliance function of the Company is responsible for independently ensuring that operating and business units comply with regulatory and internal guidelines. The Compliance Department of the Company is continued to play a pivotal role in ensuring implementation of compliance functions in accordance with the directives issued by regulators, the Company's Board of Directors and the Company's Compliance Policy. The Audit Committee of the Board reviews the performance of the Compliance Department and the status of compliance with regulatory/internal guidelines on a periodic basis.

New Instructions/Guidelines issued by the regulatory authorities were disseminated across the Company to ensure that the business and functional units operate within the boundaries set by regulators and that compliance risks are suitably monitored and mitigated in course of their activities and processes. New products and process launched during the year were subjected to scrutiny from the Compliance Standpoint and proposals of financial services were screened from risk control prospective. The Company has complied with all requirements of regulatory authorities. No penalties/strictures were imposed on the Company by stock exchanges or SEBI or any statutory authority on any matter related to capital market during the last three years.

**=====
VASUNDHARA RASAYANS LIMITED
=====**

**CEO/CFO CERTIFICATION TO THE BOARD
(Under Clause 49(V) of Listing Agreement)**

Date: 15.07.2015

I Certify that —

- a. I have reviewed the financial statements and the cash flow statement for the year 2014-15 and that to the best of our knowledge and belief:
 - * These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - * These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2014-15 which are fraudulent, illegal or violative of the Company's code of conduct;
- c. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of the internal control, if any, of which we are aware of and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee -
 - * Significant changes in internal control over the financial reporting during the year 2014-15;
 - * Significant changes in accounting policies during the year 2014-15 and that the same have been disclosed in the notes to the financial statements; and
 - * Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over the financial reporting.

**By Order of the Board
For VASUNDHARA RASAYANS LIMITED**

**Sd/-
SUNIL KUMAR JAIN
CHIEF FINANCIAL OFFICER**

VASUNDHARA RASAYANS LIMITED

INDEPENDENT AUDITOR'S REPORT**TO THE MEMBERS OF VASUNDHARA RASAYANS LIMITED*****Report on the Financial Statements***

We have audited the accompanying financial statements of VASUNDHARA RASAYANS LIMITED, ("the company") which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss for the year then ended, Cash Flow Statement and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 accordance with Accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibilities also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of assets of the Company and for preventing and detecting frauds and other irregularities; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and rules made thereunder.

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 whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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.

VASUNDHARA RASAYANS LIMITED

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:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date.
- c) in the case of the Cash Flow Statement, of its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act 2015, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 As required by section 143(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, and the 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 aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) on the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164(2) of the Companies Act, 2013.
 - f) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
 - (i) The Company does not have any pending litigations which would impact its financial position.

VASUNDHARA RASAYANS LIMITED

- (ii) The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
- (iii) there are no amounts that are due to be transferred to the Investor Education and Protection Fund by the Company.

For **AGARWAL GUPTA NOKARI &
RUSTAGI ASSOCIATES**
Chartered Accountants
Firm Reg. No-310041E

Bhal Chandra Khaitan
(Partner)
Membership No.017387

Place : Kolkata

Dated : 15th day of July 2015

VASUNDHARA RASAYANS LIMITED

The Annexure referred to in our Independent Audit Report to the members of VASUNDHARA RASAYANS LIMITED on the financial statement for the year ended 31st March, 2015, we report that :

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:

- (i) In respect of Fixed Assets :
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) As explained to us, all the 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 nature of its assets. No. material discrepancies were noticed on such physical verification.
- (ii) In respect of Inventories :
 - (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of company and the nature of its business.
 - (c) The company has maintained proper records of inventories. As per the information and explanation given to us no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has an adequate internal control system commensurate with its size 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.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of Clause (v) of paragraph 3 of the CARO 2015 are not applicable to the Company.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1)(d) of the Companies Act, 2013 and are of the opinion

VASUNDHARA RASAYANS LIMITED

that, prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.

- (vii) (a) According to the information and explanations given to us and records examined by us, the company is generally depositing with appropriate authorities undisputed statutory dues including provident fund, investors education and protection fund, employees' state insurance, income tax, sales tax, service tax, custom duty, excise duty, cess and other statutory dues wherever applicable. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at 31st March, 2015 for a period of more than six months from the date they became payable;
- (b) According to the records of the Company, there are no amounts that are due to be transferred to the investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- (viii) The Company has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the current and immediately preceding financial year.
- (ix) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the company has not defaulted in repayment of dues to any Financial Institution or Bank.
- (x) According to the information and explanations given to us, the company has not given any guarantee for loans taken, by its holding company, fellow subsidiaries, associates and others from bank or financial institution.
- (xi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xii) In our opinion and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **AGARWAL GUPTA NOKARI &
RUSTAGI ASSOCIATES**
Chartered Accountants
Firm Reg. No-310041E

Bhai Chandra Khaitan
(Partner)
Membership No. 017387
Place : Kolkata
Dated : 15th day of July, 2015

VASUNDHARA RASAYANS LIMITED

BALANCE SHEET AS AT 31st MARCH, 2015

| PARTICULARS | Note No. | AS AT 31.03.2015 Rs. | AS AT 31.03.2014 Rs. |
|------------------------------------|----------|----------------------------|----------------------------|
| EQUITY AND LIABILITIES | | | |
| Shareholders' funds | | | |
| (a) Share capital | 2 | 31,782,000 | 31,782,000 |
| (b) Reserves and surplus | 3 | 37,247,730 | 33,327,653 |
| | | 69,029,730 | 65,109,653 |
| Non-current liabilities | | | |
| (a) Long-term borrowings | 4 | 12,247,678 | 13,800,510 |
| (b) Deferred tax liabilities (Net) | 5 | 5,303,406 | 4,014,819 |
| (c) Other Long term liabilities | 6 | 47,975 | 47,975 |
| | | 17,599,059 | 17,863,304 |
| Current liabilities | | | |
| (a) Short-term borrowings | 7 | 43,502,205 | 30,572,870 |
| (b) Trade payables | 8 | 16,989,020 | 12,605,825 |
| (c) Other current liabilities | 9 | 5,182,158 | 5,672,462 |
| (d) Short-term provisions | 10 | 14,123,273 | 12,390,770 |
| | | 79,796,656 | 61,241,927 |
| TOTAL | | 166,425,445 | 144,214,884 |
| ASSETS | | | |
| Non-current assets | | | |
| (a) Fixed assets | 11 | 76,159,317 | 57,919,206 |
| (i) Tangible assets | | - | 3,125,000 |
| (ii) Capital Work in Progress | | - | 602,250 |
| (b) Long-term loans and advances | 12 | 602,250 | - |
| (c) Non - Current investments | 13 | 517,830 | - |
| | | 77,279,397 | 61,646,456 |
| Current assets | | | |
| (a) Current investments | 14 | 1,775,600 | 1,775,600 |
| (b) Inventories | 15 | 13,027,241 | 11,694,544 |
| (c) Trade receivables | 16 | 37,482,673 | 37,488,732 |
| (d) Cash and cash equivalents | 17 | 1,559,974 | 1,566,056 |
| (e) Short-term loans and advances | 18 | 34,316,594 | 29,482,219 |
| (f) Other current assets | 19 | 983,966 | 561,277 |
| | | 89,146,048 | 82,568,428 |
| TOTAL | | 166,425,445 | 144,214,884 |

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

1 to 40

As per our report of even date attached

FOR AGARWAL GUPTA NOKARI & RUSTAGI ASSOCIATES

Chartered Accountants.
Firm Reg. No.: 310041E

(Bhal Chandra Khaitan)

Partner
Membership No. :017387
12, Waterloo Street, Kolkata - 700 069
Dated this 15th day of July, 2015

1. Prakash Chand Jain
(Managing Director)

2. Rajesh Pokerna
(Whole Time Director)

==== VASUNDHARA RASAYANS LIMITED ====

Statement of Profit and loss for the year ended 31.03.2015

| Particulars | Note No. | As at 31st March,2015 | As at 31st March,2014 |
|---|----------|--------------------------|--------------------------|
| Income | | | |
| Revenue from operations | 20 | 185,308,713 | 208,586,314 |
| Other income | 21 | 3,078,753 | 1,434,240 |
| Total Revenue | | 188,387,466 | 210,020,553 |
| Expenses | | | |
| Cost of materials consumed | 22 | 105,740,257 | 110,176,549 |
| Changes in inventories of finished goods work-in-progress and Stock-in-Trade | 23 | (1,875,104) | (1,084,425) |
| Employee benefits expense | 24 | 23,099,629 | 21,376,703 |
| Finance costs | 25 | 4,925,550 | 5,935,872 |
| Depreciation and amortization expense | 26 | 4,969,859 | 9,202,074 |
| Other expenses | 27 | 42,725,344 | 43,037,705 |
| Total expenses | | 179,585,535 | 188,644,478 |
| Profit before exceptional items and tax | | 8,801,931 | 21,376,075 |
| Exceptional items | 28 | - | 9,675 |
| Profit before tax | | 8,801,931 | 21,366,400 |
| Tax expense: | 29 | | |
| (1) Current tax | | 1,677,208 | 7,998,280 |
| (2) Deferred tax Adjustment | | 1,288,587 | (719,476) |
| Profit for the period | | 5,836,136 | 14,087,596 |
| Earnings per equity share : | 30 | | |
| (1) Basic | | 1.84 | 4.43 |
| (2) Diluted | | 1.84 | 4.43 |

**SIGNIFICANT ACCOUNTING POLICIES AND
NOTES ON FINANCIAL STATEMENTS**

1 to 40

As per our report of even date attached

DIRECTORS

**FOR AGARWAL GUPTA NOKARI &
RUSTAGI ASSOCIATES**

Chartered Accountants.
Firm Reg. No.: 310041E

**1. Prakash Chand Jain
(Managing Director)**

(Bhal Chandra Khaitan)
Partner
Membership No. :017387
12, Waterloo Street, Kolkata - 700 069
Dated this 15th day of July, 2015

**2. Rajesh Pokerna
(Whole Time Director)**

==== VASUNDHARA RASAYANS LIMITED ====

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2015

| PARTICULARS | At at 31.03.2015 Rs. | | At at 31.03.2014 Rs. | |
|--|----------------------|---------------------|----------------------|--------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Net Profit Before Tax | | 8,801,931 | | 21,366,400 |
| ADJUSTMENT FOR: | | | | |
| Depreciation | 4,969,859 | | 9202074 | |
| Interest Received | (363,768) | | (100,730) | |
| Prior period Expenses Paid during the year. | - | | 9,675 | |
| Interest Paid | 4,925,550 | 9,531,641 | 5,935,872 | 15,046,891 |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | | 18,333,572 | | 36,413,291 |
| ADJUSTED FOR: | | | | |
| Trade And Other Receivable | 6,059 | | 9,567,733 | |
| Inventories | (1,332,697) | | (2,199,622) | |
| Loans & Advances | (2,172,038) | | 1,253,770 | |
| Trade Payables and others | 3,892,891 | 394,215 | (5,790,183) | 2,831,698 |
| CASH GENERATED FROM OPERATIONS | | 18,727,787 | | 39,244,989 |
| CASH FLOW BEFORE EXTRA ORDINARY ITEMS | | 18,727,787 | | 39,244,989 |
| Extra Ordinary Items | | | | |
| Expense Of earlier Years. | | - | | 9,675 |
| NET CASH FROM OPERATING ACTIVITIES BEFORE TAXES | | 18,727,787 | | 39,235,314 |
| Taxes Paid During The Year | 3,085,026 | (3,085,026) | (7,466,680) | (7,466,680) |
| NET CASH FROM OPERATING ACTIVITIES (A) | | 15,642,761 | | 31,768,634 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| Purchase Of Fixed Assets | (20,086,566) | | (4,948,242) | |
| Purchase Of Investments | (517,830) | | (288,000) | |
| Interest Received | 363,768 | | 100,730 | |
| | | (20,240,628) | | (5,135,512) |
| NET CASH USED IN INVESTING ACTIVITIES (B) | | (20,240,628) | | (5,135,512) |

==== VASUNDHARA RASAYANS LIMITED ====

| PARTICULARS | At at 31.03.2015 Rs. | | At at 31.03.2014 Rs. | |
|---|----------------------|------------------|----------------------|---------------------|
| C. CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| Repayment of Long Term Borrowings | (1,552,832) | | (8,730,886) | |
| Proceeds From/(Repayment of) Short Term Borrowings | 12,929,335 | | (12,279,837) | |
| Interest Paid | (4,925,550) | | (5,935,872) | |
| Dividend Paid | (1,859,168) | 4,591,785 | (1,853,030) | (28,799,625) |
| NET CASH USED IN FINANCING ACTIVITIES (C) | | 4,591,785 | | (28,799,625) |
| D. NET (DECREASE) IN CASH CASH EQUIVALENT (A+B+C) | | (6,082) | | (2,166,503) |
| NET INCREASED / (DECREASED) IN CASH AND CASH EQUIVALENTS | | | | |
| CASH AND CASH EQUIVALENTS AS AT 1-04-2014 | 1,566,056 | | 3,732,559 | |
| LESS: CASH AND CASH EQUIVALENTS AS AT 31-03-2015 | 1,559,974 | | 1,566,056 | |
| | | (6,082) | | (2,166,503) |

Note:-

- i) Figures in brackets represents cash outflow from respective activities.
- ii) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 on Cash Flow Statement notified under the Companies (Accounting Standard) Rules, 2006.
- iii) Previous year figures have been regrouped/rearranged wherever found necessary to make them comparable with those of the current year.

The Schedules Referred to above Form an integral Part of the Balance Sheet referred to in our report of even date.

DIRECTORS

FOR AGARWAL GUPTA NOKARI & RUSTAGI ASSOCIATES

Chartered Accountants.
Firm Reg. No.: 310041E

(Bhal Chandra Khaitan)

Partner
Membership No. :017387
12, Waterloo Street, Kolkata - 700 069
Dated this 15th day of July, 2015

1. Prakash Chand Jain
(Managing Director)

2. Rajesh Pokerna
(Whole Time Director)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31ST MARCH, 2015**

NOTE - 1

A) ACCOUNTING CONVENTION:

The Financial Statements have been prepared to comply with Generally Accepted Accounting Principles India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act 2013.

The financial statements are prepared on accrual basis under the historical cost convention method.

B) USE OF ESTIMATES:

The preparation of financial statements in conformity with Indian GAAP requires judgement, estimates and assumption to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

C) FIXED ASSETS:

Fixed Assets are stated at cost less accumulated depreciation. Cost of acquisition is inclusive of inward freight, taxes and other incidental expenses incurred to bring the assets to their working condition for intended use.

D) USE OF ESTIMATES:

The preparation of financial statements in conformity with the accounting standards requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of financial statements and the reported amount revenues and expenses during the reporting period. Difference between the actual result and the estimates are recognized in the period in which the result is known.

E) DEPRECIATION:

Depreciation is provided to the extent of depreciable value on the straight line method. Depreciation is provided on useful life of the asset as per prescribed in Schedule II of the Companies Act. 2013.

In respect of additions or extensions forming an intergral part of existing assets, depreciation is proforesaid over the residual life of the respective assets.

VASUNDHARA RASAYANS LIMITED

F) PURCHASES:

Purchase includes the materials issued for production which has also been shown under raw materials consumption.

G) REVENUE RECOGNITION:

Sale of goods and services are recognized on despatch of goods or when services are rendered.

H) INVENTORIES:

(1) Raw materials are valued at cost.

(2) Work in Progress is valued raw material cost and proportion of process cost.

(3) Finished goods are valued at lower of cost of sales exclusive of excise duty and net realisable value.

I) FOREIGN CURRENCY TRANSACTIONS:

(i) Foreign Currency Transactions are recorded at the exchange rate prevailing on the date of transaction with overseas clients.

(ii) Exchange difference arising on Foreign Currency Transactions are recognized as income or expenses in the period in which they arise.

h) EMPLOYEES BENEFITS:

I) Short term Employees Benefits :

The short term employee benefits are expected to be paid in exchange for the services rendered by the employees when the employees render services and are recognized as an expense during the same period these benefits include performance bonus and other incentives.

II) Defined Benefit Obligations :

The liability in respect of defined benefit plans and other post employment benefits is calculated using projected unit credit method and spread over the period during which the benefit is expected to be derived from the employees services.

Actuarial Gain or Loss in respect of post employment and other long term benefits are changed to the Profit and Loss Statement.

K) INCOME TAX:

Income Taxes are computed using the tax effect accounting method, where taxes are accrued in the same period the related revenue and expenses arises. A provision is made for income tax annually based on the tax liability computed after Considering tax allowance and exemptions.

VASUNDHARA RASAYANS LIMITED

The differences that result between the profit offered for income taxes and profit as per financial statements are identified and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount being considered. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on prevailing enacted or substantially enacted regulations. Deferred tax assets are recognised only if there is reasonable certainty that they will be realised and are reviewed for the appropriateness of their respective carrying value at each balance sheet date.

L) EARNINGS PER SHARE:

In determining earnings per share the company considers the net profit after tax and includes post tax effect of any extra ordinary items. The number of shares used in computing basic earning per share is the weighted average number of shares outstanding during the period. The company does not have any dilutive potential equity shares.

VASUNDHARA RASAYANS LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

NOTE 2

| Share Capital | As at 31st March,2015 Rs. | As at 31st March,2014 Rs. |
|--|--------------------------------------|--------------------------------------|
| Authorised 45,00,000 Equity Shares of Rs.10/- each | 45,000,000 | 45,000,000 |
| Issued, Subscribed & Paid up 31,78,200 Equity Shares of Rs.10/- each fully paid in cash | 31,782,000 | 31,782,000 |
| Total | 31,782,000 | 31,782,000 |

NOTE 2. 1

The reconciliation of the Number of Shares Outstanding and the amount of Share Capital.:

| Particulars | Equity Shares (31.03.2015) | | Equity Shares (31.03.2014) | |
|---|-----------------------------------|-------------------|-----------------------------------|---------------|
| | Number | Amount | Number | Amount |
| Shares outstanding at the beginning of the year | 3,178,200 | 31,782,000 | 3,178,200 | 31,782,000 |
| Shares Issued during the year | - | - | - | - |
| Shares outstanding at the end of the year | 3,178,200 | 31,782,000 | 3,178,200 | 31,782,000 |

NOTE 2. 2

All the equity shares carry equal rights and obligations including for dividend and with respect to voting.

NOTE 2. 3

| Share held by holding company | As at 31st March,2015 | | As at 31st March,2014 | |
|--------------------------------------|------------------------------|-------------------|------------------------------|------------|
| | Numbers | Rs. | Numbers | Rs. |
| P & J Cretechem Private Limited | 1,969,920 | 19,699,200 | 1,879,920 | 18,799,200 |

NOTE 2. 4

The details of Shareholders holding more than 5% shares:

| SR NO | Name of Shareholder | As at 31st March,2015 | | As at 31st March,2014 | |
|--------------|---------------------------------|-------------------------------|---------------------|-------------------------------|-------------------------|
| | | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| 1 | P & J Cretechem Private Limited | 1,969,920 | 61.98 | 1,879,920 | 59.15 |
| 2 | Prashant Shrimal | 241,080 | 7.59 | 250,000 | 7.87 |
| | TOTAL | | 69.57 | | 67.02 |

2.5 The Company has not issued any securities convertible into equity / preference shares.

2.6 During any of the last years from year ended 31st March, 2015

- a) No shares were allotted as fully paid up pursuant to contract(s) without payment being received in cash.
- b) No shares were allotted as fully paid up by way of bonus shares.
- c) No shares were bought back.

2.7 Each holder of equity shares is entitled to one vote per share.

=====VASUNDHARA RASAYANS LIMITED=====

NOTES ON FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH 2015

NOTE 3

| Reserves & Surplus | As at 31st March,2015 | As at 31st March,2014 |
|---|------------------------------|------------------------------|
| a. Capital Reserves | | |
| Balance as per last financial statement | 2,125,000 | 2,125,000 |
| Closing Balance (A) | 2,125,000 | 2,125,000 |
| b. Surplus in the statement of profit & loss | | |
| Balance as per last financial statement | 31,202,653 | 18,974,225 |
| Add: Profit for the year | 5,836,136 | 14,087,596 |
| Less : Adjustment in Fixed assets according to SCH-II of Companies Act 2015 | 1,596 | - |
| Less:Appropriations | | |
| Proposed final equity dividend (amount Rs.0.50 per shares) | 1,589,100 | 1,589,100 |
| (Previous year Rs. 0.50 per shares) | 325,363 | 270,068 |
| Tax on proposed equity dividend | | |
| Net surplus in the statement of profit and loss (B) | 35,122,730 | 31,202,653 |
| Total(A +B) | 37,247,730 | 33,327,653 |

NOTE 4

| Long Term Borrowings | As at 31st March,2015 | As at 31st March,2014 |
|-----------------------------|------------------------------|------------------------------|
| Secured | | |
| SBI - Term loan | 3,297,253 | 7,836,517 |
| SBI - Export Packing Credit | 8,950,425 | 5,963,993 |
| Total | 12,247,678 | 13,800,510 |

Nature of Security and terms of repayment for long term secured borrowing

NATURE OF SECURITY

Term loan amounting to Rs.32,97,253/- (March 31.03.2014 Rs.78,36,517/-) is secured by Exclusive and specific charge on the assets acquired under the loan for Land & Factory Shed, Plant & Machinery.

TERMS OF REPAYMENT

Repayable in 77 months Installments commencing from April,2010. Last Installment due in September,2016. Rate of Interest 13.25% p.a. at year end.

NOTE 5

(In Rupees)

| Deferred tax Liabilities | As at 31st March,2015 | As at 31st March,2014 |
|---------------------------------|------------------------------|------------------------------|
| Deferred tax liabilities (Net) | 5,303,406 | 4,014,819 |
| Total | 5,303,406 | 4,014,819 |

==== VASUNDHARA RASAYANS LIMITED ====

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

NOTE 6

(In Rupees)

| Other Non-current Liabilities | As at 31st March,2015 | As at 31st March,2014 |
|--------------------------------------|-----------------------|-----------------------|
| Deposit & Public Issue Refund | 47,975 | 47,975 |
| Total | 47,975 | 47,975 |

NOTE 7

(In Rupees)

| Short Term Borrowings | As at 31st March,2015 | As at 31st March,2014 |
|--|-----------------------|-----------------------|
| Secured | | |
| a) Working Capital Loans | | |
| SBI - Cash Credit | 8,611,151 | 7,072,870 |
| (A) | 8,611,151 | 7,072,870 |
| Unsecured | | |
| (a) Loans and advances from related parties | | |
| | 24,769,000 | 23,500,000 |
| (b) Other loans and advances | 10,122,054 | - |
| (B) | 34,891,054 | 23,500,000 |
| Total (A+B) | 43,502,205 | 30,572,870 |

NOTE 8

(In Rupees)

| Trade payable | As at 31st March,2015 | As at 31st March,2014 |
|----------------------|-----------------------|-----------------------|
| Sundry Creditors | 16,989,020 | 12,605,825 |
| Total | 16,989,020 | 12,605,825 |

NOTE 9

(In Rupees)

| Other Current Liabilities | As at 31st March,2015 | As at 31st March,2014 |
|----------------------------------|-----------------------|-----------------------|
| Liabilities for Expenses | 5,182,158 | 5,672,462 |
| Total | 5,182,158 | 5,672,462 |

==== VASUNDHARA RASAYANS LIMITED ====

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

NOTE 10

(In Rupees)

| Short Term Provisions | As at 31st March,2015 | As at 31st March,2014 |
|--|-----------------------|-----------------------|
| Proposed dividend on equity shares capital | 1,589,100 | 1,589,100 |
| Tax on proposed equity dividend | 325,363 | 270,068 |
| Provision for Workmen Compensation | 91,512 | 91,512 |
| Provision for taxation F.Y. (upto 2013-14) | 7,531,600 | 7,531,600 |
| Provision for taxation F.Y. (2012-13) | 2,908,490 | 2,908,490 |
| Provision for taxation F.Y. (2014-15) | 1,677,208 | - |
| Total | 14,123,273 | 12,390,770 |

NOTE 12

(In Rupees)

| Long Term Loans and Advances | As at 31st March,2015 | As at 31st March,2014 |
|-------------------------------------|-----------------------|-----------------------|
| Other loans and advances | | |
| Advance against Residential Flat | 602,250 | 602,250 |
| Total | 602,250 | 602,250 |

NOTE 13

(In Rupees)

| Non-Current Investments | As at 31st March,2015 | As at 31st March,2014 |
|---------------------------------------|-----------------------|-----------------------|
| Plan Assets - Gratuity (Net of PVDBO) | 517,830 | - |
| Total | 517,830 | - |

NOTE 14

(In Rupees)

| Current Investments | As at 31st March,2015 | As at 31st March,2014 |
|--|-----------------------|-----------------------|
| (a) Investments in Mutual Funds Reliance Mutual Fund (SIP) | 1,080,000 | 1,080,000 |
| (b) Investments in Shares MMA CEPT Co.Operative Society Ltd. (No. of Equity Shares 6956 @100/- each) | 695,600 | 695,600 |
| Total | 1,775,600 | 1,775,600 |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR 31ST MARCH 2015

NOTE - 11

| S. No. | FIXED ASSETS | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|----------|--|------------------------|--------------------------|---------------------------|--------------------|------------------------|--------------------------|---------------------------|-------------------|----------------------|----------------------|
| | | Value at the beginning | Addition during the year | Deduction during the year | Value at the end | Value at the beginning | Addition during the year | Deduction during the year | Value at the end | WDV as on 31.03.2015 | WDV as on 31.03.2014 |
| I | Tangible Assets | | | | | | | | | | |
| 1. | LAND | 676,446 | - | - | 676,446 | - | - | - | - | 676,446 | 676,446 |
| 2. | PLANT & MACHINERY | | | | | | | | | | |
| | [A] UNIT-1 PLANT & MACHINERY | 65,402,091 | 10,427,440 | - | 75,829,531 | 766,317 | - | - | 60,450,664 | 15,378,867 | 5,717,744 |
| | [B] UNIT-2 PLANT & MACHINERY | 32,281,496 | - | - | 32,281,496 | 2,072,566 | - | - | 11,381,693 | 20,899,803 | 22,972,369 |
| 3. | FACTORY BUILDINGS | | | | | | | | | | |
| | [A] UNIT-1 FACTORY BUILDING | 19,802,595 | 10,497,298 | - | 30,299,893 | 605,272 | - | - | 10,168,361 | 20,131,533 | 10,239,507 |
| | [B] UNIT-2 IBAP FACTORY BUILDING | 12,716,514 | - | - | 12,716,514 | 431,478 | - | - | 2,105,689 | 10,610,825 | 11,042,303 |
| | [C] VRL COLONY | 3,575,994 | 400,505 | - | 3,976,499 | 127,258 | - | - | 724,768 | 3,251,731 | 2,978,485 |
| 4. | LAB & FIRE FIGHTING EQUIPMENT | 445,692 | - | - | 445,692 | 45,274 | - | - | 381,252 | 64,440 | 109,714 |
| 5. | FURNITURE & FIXTURES | 924,135 | - | - | 924,135 | 16,353 | - | - | 800,428 | 123,707 | 140,060 |
| 6. | OFFICE EQUIPMENT | 1,381,526 | 196,999 | - | 1,578,525 | 86,386 | 1,596 | - | 1,327,043 | 251,482 | 142,465 |
| 7. | COMPUTER | 1,102,341 | - | - | 1,102,341 | - | - | - | 1,102,341 | - | - |
| 8. | ELECTRICAL INSTALLATION | | | | | | | | | | |
| | [A] UNIT-1 ELECTRICAL INSTALLATION | 2,434,186 | - | - | 2,434,186 | - | - | - | 2,434,186 | - | - |
| | [B] UNIT-2 ELECTRICAL INSTALLATION | 3,573,635 | - | - | 3,573,635 | 471,395 | - | - | 1,349,928 | 2,223,707 | 2,695,102 |
| 9. | TOOLS & EQUIPMENT | 54,264 | - | - | 54,264 | 34,803 | 3,473 | - | 38,276 | 15,988 | 19,461 |
| 10. | VEHICLES | 3,020,639 | 1,689,324 | - | 4,709,963 | 327,794 | - | - | 2,587,918 | 2,122,045 | 760,516 |
| 11. | FORK LIFT | 680,350 | - | - | 680,350 | 16,292 | - | - | 271,606 | 408,744 | 425,036 |
| | Total (I) | 148,071,904 | 23,211,566 | - | 171,283,470 | 4,969,859 | 1,596 | - | 95,124,153 | 76,159,317 | 57,919,206 |
| | (Previous Year) | 146,248,662 | 1,823,242 | - | 148,071,904 | 9,202,074 | - | - | 90,152,698 | 57,919,206 | - |

11.1 Pursuant to the enactment of the Companies Act 2013, the company has applied the estimated useful life as specified in Schedule II. Accordingly the unamortised carrying value is being depreciated/amortised over the revised / remaining useful lives.

=====VASUNDHARA RASAYANS LIMITED=====

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

NOTE 15

(In Rupees)

| Inventories | As at 31st March,2015 | As at 31st March,2014 |
|--|------------------------------|------------------------------|
| a. Raw Materials and components (Valued at Cost) | 5,674,959 | 7,495,645 |
| b. Work-in-progress (Valued at Estimated Cost) | 494,674 | 230,100 |
| c. Stock-in-trade. | 4,675,400 | 3,064,870 |
| d. Consumable Stores (Valued at Cost) | 1,185,451 | 165,774 |
| e. Packing Materials (Valued at Cost) | 996,757 | 738,155 |
| Total | 13,027,241 | 11,694,544 |

NOTE 16

| Trade Receivables | As at 31st March,2015 | As at 31st March,2014 |
|--|------------------------------|------------------------------|
| Unsecured, considered good | | |
| Outstanding for a period exceeding six month | - | - |
| Others | 37,482,673 | 37,488,732 |
| | 37,482,673 | 37,488,732 |

NOTE 17

| Cash and cash equivalents | As at 31st March,2015 | As at 31st March,2014 |
|---|------------------------------|------------------------------|
| a. Balances with Scheduled Banks * Current Accounts* | 1,395,168 | 1,352,064 |
| b. Cash in hand | 164,806 | 213,992 |
| Total | 1,559,974 | 1,566,056 |

* Balances with Banks includes Unclaimed Dividend of Rs. 1,76,080 (Previous Year Rs.1,76,080)

NOTE 18

| Short-term loans and advances | As at 31st March,2015 | As at 31st March,2014 |
|---|------------------------------|------------------------------|
| Others | | |
| Advance to Suppliers and Others | 2,868,091 | 3,821,592 |
| Advance to Staff | 319,880 | 466,815 |
| Deposits | 4,807,725 | 3,442,725 |
| Balance with Revenue Authorities | | |
| Balance with Sales Tax Authority | 5,136,926 | 6,173,243 |
| Balance with Excise Authority | 6,136,835 | 3,615,733 |
| Income Tax - (F. Y. 2014-15) | 2,818,736 | - |
| Income Tax - (F. Y. 2013-14) | 7,750,445 | 7,484,155 |
| Income Tax paid of previous years | 4,477,956 | 4,477,956 |
| Total | 34,316,594 | 29,482,219 |

==== VASUNDHARA RASAYANS LIMITED ====

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

NOTE 19

(In Rupees)

| Other Current Assets | As at 31st March,2015 | As at 31st March,2014 |
|-----------------------------|-----------------------|-----------------------|
| Prepaid Expenses | 614,210 | 317,297 |
| Interest on FD Receivable | 369,756 | 243,980 |
| Total | 983,966 | 561,277 |

NOTE 20

| Revenue from operation | For the year ended 31st March 2015 | For the year ended 31st March 2014 |
|---------------------------------|---------------------------------------|---------------------------------------|
| Sale of products | 184,813,710 | 198,828,053 |
| Income from sevicees - Job Work | 14,452,820 | 24,736,663 |
| | 199,266,530 | 223,564,716 |
| Less: Excise duty | 13,957,817 | 14,978,402 |
| Total | 185,308,713 | 208,586,114 |

NOTE 21

| Other Income | For the year ended 31st March 2015 | For the year ended 31st March 2015 |
|---|---------------------------------------|---------------------------------------|
| Duty Drawback | 575 | 857,050 |
| Interest Received (Gross) | 363,768 | 199,170 |
| Misc. Income | 1,200,520 | 378,020 |
| Foreign exchange Fluctuation Gain | 1,044,395 | - |
| Liability no longer required Written back | 469,495 | - |
| Total | 3,078,753 | 1,434,240 |

NOTE 22

| Particulars | For the year ended 31st March 2015 | For the year ended 31st March 2014 |
|---|---------------------------------------|---------------------------------------|
| COST OF MATERIALS CONSUMED | | |
| Inventory at the beginning of the year | 8,399,574 | 7,284,377 |
| Add: Purchases of Raw Material, Consumables, Packing Materials & Utilities during the year | 105,197,850 | 111,291,746 |
| | 113,597,424 | 118,576,123 |
| Less: Inventory at the end of the year | 7,857,167 | 8,399,574 |
| Cost of raw materials consumed | 105,740,257 | 110,176,549 |
| Details of raw materials consumed | | |
| Aluminium Chloride Solution | 1,374,317 | 14,613 |
| Aluminium Hydroxide | 31,567,001 | 19,099,586 |
| Aluminium Sulphate | 28,775 | 10,088 |
| Furnace Oil | 6,709,019 | 10,060,918 |
| Magnesium Hydroxide | 13,324,941 | 23,334,147 |
| Others | 31,942,375 | 37,251,195 |
| Soda Ash Light | 9,984,184 | 10,574,352 |
| Coal | 10,809,645 | 9,831,650 |
| | 105,740,257 | 110,176,549 |
| Details of raw materials inventory | | |
| Furnace Oil | 881,921 | 624,484 |
| Steam Coal | 176,595 | 71,322 |
| Soda Ash Light | 1,176,450 | 1,520,840 |
| Aluminium Hydroxide | 109,800 | 951 |
| Others | 5,512,401 | 6,181,978 |
| | 7,857,167 | 8,399,574 |

VASUNDHARA RASAYANS LIMITED

NOTE 23

(In Rupees)

| <u>Particulars</u> | For the year ended 31st March 2015 | For the year ended 31st March 2014 |
|--|---------------------------------------|---------------------------------------|
| CHANGES IN INVENTORIES FINISHED GOODS | | |
| At the beginning of the Period | 2,035,420 | 495,805 |
| At the end of the Period | 3,169,250 | 2,035,420 |
| | (1,133,830) | (1,539,615) |
| WORK-IN-PROGRESS | | |
| At the beginning of the Period | 230,100 | 524,540 |
| At the end of the Period | 494,674 | 230,100 |
| | (264,574) | 294,440 |
| FINISHED GOODS FOR FURTHER PROCESSING | | |
| At the beginning of the Period | 1,029,450 | 1,190,200 |
| At the end of the Period | 1,506,150 | 1,029,450 |
| | (476,700) | 160,750 |
| Total | (1,875,104) | (1,084,425) |
| Details of inventory | | |
| <u>Finished goods</u> | | |
| Dried Aluminium Hydroxide Gel | 1,180,375 | 1,286,300 |
| Magnesium Hydroxide | 58,500 | 402,750 |
| Aluminium Trihydrate | - | 162,000 |
| Aluminium Hydroxide Paste | 388,000 | 148,500 |
| Magnesium Tri Silicate | 313,125 | - |
| Others | 1,229,250 | 35,870 |
| | 3,169,250 | 2,035,420 |
| <u>Work-in-progress</u> | | |
| Dried Aluminium Hydroxide Gel | 39,000 | 34,000 |
| MgSo4 Soln. | 81,200 | 72,500 |
| Soda Soln. | 169,162 | 16,800 |
| Sodium Aluminate | 52,992 | 39,600 |
| Amonia Gas Process | 152,320 | 67,200 |
| | 494,674 | 230,100 |
| <u>Finished goods for further processing</u> | | |
| Dried Aluminium Hydroxide Gel | 1,184,800 | 311,500 |
| Aluminium Hydroxide (Amorph) | 201,600 | 437,750 |
| Megaldrate (First Stage) | - | - |
| Megaldate (Final Stage) | 45,000 | 154,450 |
| Others | 74,750 | 125,750 |
| | 1,506,150 | 1,029,450 |

NOTE 24

| Employee Benefits Expense | For the year ended 31st March 2015 | For the year ended 31st March 2014 |
|---|---------------------------------------|---------------------------------------|
| (a) Salaries, Wages and Bonus | 19,762,777 | 17,025,523 |
| (b) Contributions to EPF and Other Funds. | 690,668 | 1,010,223 |
| (c) Staff Welfare Expenses | 2,649,737 | 2,739,017 |
| (d) Gratuity and Workmen Compensation | (3,553) | 601,940 |
| Total | 23,099,629 | 21,376,703 |

==== VASUNDHARA RASAYANS LIMITED ====

NOTE 25

| <u>Interest</u> | For the year ended 31st March 2015 | For the year ended 31st March 2014 |
|-----------------|---------------------------------------|---------------------------------------|
| To Bank | 1,969,934 | 2,285,702 |
| To Others | 2,955,616 | 3,650,170 |
| Total | 4,925,550 | 5,935,872 |

NOTE 26

| <u>Depreciation & Amortization</u> | For the year ended 31st March, 2015 | For the year ended 31st March,2014 |
|--|--|---------------------------------------|
| Depriciation | 4,969,859 | 9,202,074 |
| Total | 4,969,859 | 9,202,074 |

Note 27

| <u>Other Expenses</u> | For the year ended 31st March 2015 | For the year ended 31st March 2014 |
|---|---------------------------------------|---------------------------------------|
| Manufacturing Expenses | | |
| Analytical/Testing/Processing Charges | 96,064 | 30,549 |
| Boiler Operation Charges | 1,257,111 | 980,413 |
| Carriage in Ward | 861,104 | 881,954 |
| Electricity Charges | 12,953,160 | 12,655,803 |
| Generator Maintenance | 882,617 | 421,422 |
| Packing & Forwarding Charges | 93,563 | 64,817 |
| Repairs and Maintenance of Factory Buildings | 1,558,053 | 1,213,365 |
| Repairs and Maintenance of Plant & Machinery | 1,562,028 | 1,027,694 |
| Repairs and Maintenance of Others | 2,142,710 | 2,294,646 |
| Waste Effluent Expenses | 31,274 | 182,515 |
| Water Charges | 5,077,256 | 5,378,420 |
| Total (A) | 26,514,941 | 25,131,598 |
| Administrative, selling and other expenses | | |
| Advertiesment Expenses | 20,220 | 26,720 |
| Agency Charges | 119,950 | 123,650 |
| AGM Expenses | 2,280 | 21,360 |
| Bank Charges | 401,439 | 467,578 |
| Bad Debts | 52,725 | 108,796 |
| Books, Subscriptions & Periodicals | 10,054 | 900 |
| Business Promotion Expenses | 95,880 | 641,648 |
| Carriage Outward | 493,753 | 713,125 |
| Certificate of Origin Expenses | 27,044 | 38,339 |
| Commission on Sales | 1,875,714 | 2,868,039 |
| Conveyance Expenses | 636,086 | 596,314 |
| Directors Remuneration | 2,460,000 | 2,160,000 |
| Discounts | 1,192,395 | 277,115 |
| Donation | 23,000 | 1,552,500 |
| Exchange Fluctuation | - | 103,638 |
| Filing Fees | 76,040 | 10,206 |

VASUNDHARA RASAYANS LIMITED

| | | |
|---|-------------------|-------------------|
| Fork Lift Maintenance | 52,077 | 75,082 |
| Fumigation/Pest Control Expenses | 34,600 | 38,005 |
| General Expenses | 71,173 | 37,204 |
| Guest Houses Maintenance | 35,451 | 96,018 |
| Insurance Expenses | 262,014 | 409,286 |
| Labour Welfare | 16,976 | 21,208 |
| LIC Charges | 15,363 | 18,619 |
| Listing and Registration Charges | 900,000 | 15,000 |
| Membership Fee | 29,500 | 44,500 |
| Ocean/Air Freight Charges | 3,253,187 | 3,128,092 |
| Office Maintenance | 71,879 | 131,829 |
| Other Charges for Export | 194,743 | 148,492 |
| Postage & Courier Charges | 294,680 | 224,761 |
| Printing & Stationery Expenses | 338,615 | 366,912 |
| Professional Charges | 542,427 | 401,895 |
| Rates & Taxes | 389,203 | 421,796 |
| Rent Paid | 415,506 | 397,124 |
| Telephone, Cellphone and Internet Expenses | 433,740 | 348,253 |
| Travelling Expenses | 568,225 | 995,375 |
| Vehicle Maintenance | 341,656 | 305,222 |
| VRL Colony Maintenance | 90,326 | 83,111 |
| Weighment, Hamali, Loading & Unloading Expenses | 206,567 | 331,602 |
| Remuneration to Auditors: | | |
| Audit Fee | 165,915 | 156,794 |
| Total (B) | 16,210,403 | 17,906,107 |
| Total(A+B) | 42,725,344 | 43,037,705 |

Note 28

| Exceptional Items | For the year ended 31st March 2015 | For the year ended 31st March 2014 |
|--------------------------|---|---|
| Prior Period Expenses | - | 9,675 |
| Total | - | 9,675 |

Note 29

| Tax Expense | For the year ended 31 March, 2015 | For the year ended 31 March 2014 |
|---------------------------------------|--|---|
| (a) Current Tax | | |
| Provision for Income Tax | 1,677,208 | 7,998,280 |
| Balance debited to P/L A/c | 1,677,208 | 7,998,280 |
| (b) Deferred Tax Liability Adjustment | 1,288,587 | - |

==== VASUNDHARA RASAYANS LIMITED ====

Note 30

| <u>Earning per share</u> | For the year ended 31st March 2015 | For the year ended 31st March 2014 |
|--|---------------------------------------|---------------------------------------|
| Numerator used for Calculating basic and diluted Earning Per Share - Profit After Taxation | 5,836,136 | 14,087,596 |
| Weighted average no. of Shares used as denominator for Calculating EPS. | 3,178,200 | 3,178,200 |
| Nominal Value Per Share | 10 | 10 |
| Basic and Diluted Earning Per Share | 1.84 | 4.43 |

| <u>Payment to Auditor as</u> | For the year ended 31st March 2015 | For the year ended 31st March 2014 |
|------------------------------|---------------------------------------|---------------------------------------|
| a. Statutory audit fee | 52,500 | 52,500 |
| b. Internal audit fee | 70,000 | 60,000 |
| c. Tax audit fee | 15,000 | 15,000 |
| d. Reimbursement of expenses | 28,415 | 29,294 |
| Total | 165,915 | 156,794 |

==== VASUNDHARA RASAYANS LIMITED ====

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

NOTE : 31 - AS Per AS- 18 Related Party Disclosures:

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

| STATUS | NAME OF THE RELATED PARTY |
|--|--|
| <i>Holding Company:</i> | <i>P & J Cretechem Pvt. Ltd.</i> |
| <i>Entities having Common Control (Others):</i> | <i>Taurus Chemicals Pvt.Ltd.</i> |
| <i>Key Managerial Personnel</i> | <i>Prakash Chand Jain Rajesh Pokerna Sunil Kumar Jain Sanjay kumar Jain</i> |
| <i>Relatives Of Key Managerial Person</i> | <i>Alka Devi Jain</i> |

ii) Transactions during the year with related parties :

| S.No | Nature of Transaction | Holding Company | Key Managerial Personnel | Relatives | Others | Total |
|---------------------------------------|--------------------------------------|-----------------|--------------------------|-----------|------------|------------|
| 1. | Purchase of Goods | 45,740 | - | - | - | 45,740 |
| | | - | - | - | 20,624 | 20,624 |
| 2. | Sale of goods | 2,329,888 | - | - | 18,010,521 | 20,340,409 |
| | | 2,238,543 | - | - | 20,034,888 | 22,273,431 |
| 3. | Remuneration | | 2,460,000 | | - | 2,460,000 |
| | | | 2,160,000 | | | 2,160,000 |
| 4. | Loan and advances taken | - | - | | - | - |
| | | 1,100,000 | | | - | 1,100,000 |
| 5. | Loan and advances taken Returned | - | - | - | - | - |
| | | 19,500,000 | | 850,000 | - | 20,350,000 |
| 6. | Interest On Loans and Advances Taken | 2,737,193 | - | - | | 2,737,193 |
| | | 3,619,430 | - | 30,740 | | 3,650,170 |
| Balance as at 31st March, 2015 | | | | | | - |
| 7. | Unsecured Borrowings | 24,769,000 | - | - | - | 24,769,000 |
| | | 23,500,000 | - | - | - | 23,500,000 |
| 8. | Trade Receivables | - | - | - | - | - |
| | | - | - | - | 3,395,980 | 3,395,980 |

Note :-

Figures in Italic represents Previous Year's amount.

**=====
VASUNDHARA RASAYANS LIMITED
=====**

Disclosure in Respect of Material Related Party Transaction during the year :-

| Particulars | Relationship | 2014-15 | 2013-14 |
|--|-----------------|------------|------------|
| 1. Purchase of Goods | | | |
| Taurus Chemicals Pvt.Ltd. | Others | - | 20,624 |
| P&J Cretechem Pvt. Ltd | Holding Company | 45,740 | - |
| 2.Sale of goods | | | |
| P&J Cretechem Pvt. Ltd | Holding Company | 2,329,888 | 2,238,543 |
| Taurus Chemicals Pvt.Ltd. | Others | 18,010,521 | 20.034,888 |
| 3. Remuneration | | | |
| Prakash Chand Jain | Key Managerial | 600,000 | 600,000 |
| Sunil Kumar Jain | Key Managerial | 600,000 | 600,000 |
| Rajesh Pokerna | Key Managerial | 900,000 | 600,000 |
| Sanjay Kumar Jain | Key Managerial | 360,000 | 360,000 |
| 4. Loan and advances taken. | | | |
| P&J Cretechem Pvt. Ltd | Holding Company | - | 11,000,000 |
| 5. Loan and advances taken Returned. | | | |
| Alka Devi Jain | Relative | - | 850,000 |
| P&J Cretechem Pvt. Ltd | Holding Company | - | 19,500,000 |
| 6. Interest on Loans & Advances Taken | | | |
| Alka Devi Jain | Relative | - | 30,740 |
| P&J Cretechem Pvt. Ltd | Holding Company | 2,737,193 | 3,619,430 |
| Balance as at 31st March, 2015 | | | |
| Unsecured Borrowings | | | |
| P&J Cretechem Pvt. Ltd | Holding Company | 24,769,000 | 23,500,000 |
| Trade Receivables | | | |
| Taurus Chemicals Pvt.Ltd. | Others | - | 3,395,980 |

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST MARCH, 2015**

32 Contingent liabilities provided for Rs. Nil. (Previous Year: Rs. Nil).

33 DEFERRED TAX LIABILITIES:

i) Deferred Tax Assets and Liabilities have been considered in Accordance with AS- 22, issued by the ICAI.

ii) Computation of Deferred Tax Liabilities (Net)

| | Upto 31.03.2014 | For the Current year | As on 31.03.2015 |
|---|--------------------|-------------------------|---------------------|
| DEFERRED TAX LIABILITIES | | | |
| a) Tax impact of difference between carrying amount of fixed assets in Financial statement and Income Tax | 4,014,819 | 1,288,587 | 5,303,406 |
| | 4,014,819 | 1,288,587 | 5,303,406 |

34 Retirement Benefit - Gratuity

The company has an unfunded defined contribution gratuity plan. Every employee who has completed 5 years or more of service is eligible for a gratuity on departure at 15 days salary (last drawn salary) per each completed year of service.

Consequent to the adoption of revised AS- 15 Employee Benefits issued under Companies (Accounting Standards) Amendment Rules 2008, the following disclosures have been made as required by the standard.

The following tables summaries the component of the net employee benefit expenses recognised in the profit and loss account, and the fund status and amount recognised in the balance sheet for the gratuity benefit plan.

34.1 Statement of Profit and Loss

Net Employee Benefit Expenses (recognized in employee cost)

| Particulars | 2014-15 | 2013-14 |
|---|------------------|----------------|
| Current Service Cost | 158,117 | 126,205 |
| Interest on defined benefit obligation | 194,951 | 137,891 |
| Expected return on plan assets | (114,758) | (177,422) |
| Net actuarial losses/(gains) recognized in the year | (241,863) | 515,266 |
| Total included in employee benefit expense | (3,553) | 601,940 |

=====VASUNDHARA RASAYANS LIMITED=====

34.2 Balance Sheet

Details of Provision for Gratuity as per Actuary Report

| Particulars | 2014-15 | 2013-12 |
|--|------------------|----------------|
| Liability at the end of the Year | 2,530,170 | 2,436,890 |
| Fair Value of plan assets at the end of the year | 3,048,000 | 2,243,446 |
| Difference | (517,830) | 193,444 |
| Unrecognised past service cost | - | - |
| Unrecognised transition liability | - | - |
| Amount in Balance Sheet | (517,830) | 193,444 |

34.3 Changes in the present value of the defined benefit obligation are as follows:

| Particulars | 2014-15 | 2013-14 |
|---|------------------|----------------|
| Liability at the beginning of the Year | 2,436,890 | 1,723,643 |
| Interest Cost | 194,951 | 137,891 |
| Current Service Cost | 158,117 | 126,205 |
| Past Service Cost (non vested benefit) | - | - |
| Past Service Cost (vested benefit) | - | - |
| Benefits paid | 145,030 | 66,115 |
| Actuarial (Gain)/Loss | (114,758) | 515,266 |
| Liability at the end of the Year | 2,530,170 | 2,436,890 |

34.4 Table Showing Fair Value of Plan Assets

| | 2014-15 | 2013-14 |
|--|------------------|----------------|
| Fair Value of Plan Assets at the beginning of the Year | 2,243,446 | 2,023,060 |
| Actual Return on Plan Assets | 241,863 | 177,422 |
| Contributions | 707,721 | 109,079 |
| Benefits paid | 145,030 | 66,115 |
| Fair Value of Plan Assets at the end of the Year | 3,048,000 | 2,243,446 |
| Funded Status | 517,830 | 193,444 |

34.5 Actuarial (Gain)/Loss Recognised

| | 2014-15 | 2013-14 |
|---|------------------|----------------|
| Actuarial (Gain)/Loss on obligations | (114,758) | 515,266 |
| Actuarial (Gain)/Loss for the year on plan assets | - | - |
| Net Actuarial (Gain)/Loss | (114,758) | 515,266 |

34.6 The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

| Particulars | 2014-15 |
|---------------------------------|----------------|
| Investments with insurer | 100% |

Principal actuarial assumptions as at the balance sheet date:

VASUNDHARA RASAYANS LIMITED

| Particulars | 2014-15 |
|--------------------------------|----------------|
| Discount Rate | 8% |
| Salary Escalation | 4% |
| Employee Attrition Rate | 2% |

34.7 The Company has also made provision for Liability related to their employees who are not covered under the above scheme. The balance of this Non-Funded Liability as on 31.03.2015 is Rs.9,05,865/- (Previous year Rs.9,05,865/-).

35 The Company's significant leasing arrangements are in respect of operating lease for premises (Residential for Directors & Employees, Guest House, Offices etc). The leasing arrangements, which are not non-cancelable, range between 11 months and 3 years generally or longer and are usually renewable by mutual consent between the parties. The amount of lease rent paid is debited to Rent Account.

36 **Reporting Segment (Geographical Segment):** *(Figures in Lakhs)*

| | Export | Domestic | Total |
|---|---------------|-----------------|-----------------|
| Sales | 621.10 | 1,087.45 | 1,708.55 |
| Less: Direct Expenses (Freight) | 35.68 | 11.24 | 46.92 |
| Less: Allocated Mfg. Exp (RM + Mfg. Exp.) | 480.78 | 841.76 | 1,322.54 |
| Add: Increase in Stock | - | 18.75 | 18.75 |
| Segment Result | | | 357.84 |
| Less: Unallocated Overheads (Employee Cost + Admn.Exp + Interest + Depreciation - Freight) | | | 445.14 |
| Add: Other Income | | | 175.3 |
| NET PROFIT BEFORE TAX | | | 88.00 |
| Less: Provision for Income Tax | | | 16.77 |
| Add: Reversal of Deferred Tax Liabilities | | | 12.88 |
| PROFIT FOR THE PERIOD | | | 58.35 |

**=====
VASUNDHARA RASAYANS LIMITED
=====**

37 Consumption of Raw Material

| Raw Material type | 2014-2015 | | 2013-2014 | |
|-------------------|-----------|--------------|-----------|--------------|
| | % | (Rs in lacs) | % | (Rs in lacs) |
| Imported | 2.08% | 21.98 | 3.60% | 39.70 |
| Indigeneous | 97.92% | 1062.07 | 96.40% | 1062.07 |
| | | 1057.4 | | 1101.77 |

38. Earning in foreign exchange during the year

| | 2014-2015 | 2013-2014 |
|-------------|------------|------------|
| | Rs | Rs |
| Export Sale | 62,109,989 | 74,075,918 |
| | 62,109,989 | 74,075,918 |

39 The Company has not received the required information from suppliers regarding their status under the Micro, Small and Medium Enterprise Development Act, 2006. Hence, disclosures if any, relating to amounts unpaid as at the year-end together with interest paid/payable as required under the said Act have not been made.

40 Previous Year's figures have been regrouped/ reclassified wherever necessary to correspond with current year's classification / disclosure.

The figures have been rounded off to nearest rupee.

Signature to Schedule 1 to 40

**FOR AGARWAL GUPTA NOKARI &
RUSTAGI ASSOCIATES**

Chartered Accountants.
Firm Reg. No.: 310041E

1.PRAKASH CHAND JAIN
Managing Director

Bhal Chandra Kaitan

Partner
Membership No. :017387
12, Waterloo Street, Kolkata - 700 069
Dated this 15thnd day of July,2015

2.RAJESH POKERNA
Whole Time Director

===== VASUNDHARA RASAYANS LIMITED =====

VASUNDHARA RASAYANS LIMITED

SHED NO,42, PHASE-II IDA, MALLAPUR, HYDERABAD-500 076

Form No. MGT - 11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies
(Management and Administration) Rules, 2014]

CIN : L24110TG1987PLC007242

Name of the company : VASUNDHARA RASAYANS LIMITED

Registered Office : SHED NO,42, PHASE-II IDA, MALLAPUR, HYDERABAD-500076

Name of the Member (s) :

Registered address :

E-mail Id :

Folio No./ Client Id & DP ID :



I/We, being the Member(s) of.....shares of the above named company, hereby appoint :

1. Name :

Address :

E-mail Id :

Signature :, or failing him

2. Name :

Address :

E-mail Id :

Signature :, or failing him

3. Name :

Address :

E-mail Id :

Signature :, or failing him

as my/our proxy to attend and vote (on a poll)for me/us and on my/our behalf at the 28th Annual General Meeting of the Company, to be held on Saturday, 12th Day of September, 2015 at 11.30 A.M. at SHED NO,42, PHASE-II IDA, MALLAPUR, HYDERABAD-500 076 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Nos.

1. Adoption of Accounts and Reports.
2. Re-Appointment of Director retiring by rotation.
3. Appointment of Statutory Auditors.
4. Declare 5% Dividend to shareholders.
5. Regularisation of appointment of Women Director Smt. Kalpana Pokerna.
6. Regularisation of appointment of Women Director Smt. Seema Jain.
7. Adoption of New Set of Articles of Association as per the provisions of Companies Act, 2015

Signed this _____ day of _____ 2015

Signature of shareholder / Proxy holder(s)

Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

==== VASUNDHARA RASAYANS LIMITED ====

ATTENDENCE SLIP

Attendance by

(Please tick the appropriate)

1.Member

2.Proxy

3. Authorised Representative

I hereby record my presence at the 28th Annual General Meeting of the Company being held on Saturday, 12th Day of September, 2015 at SHED NO,42, PHASE-II IDA, MALLAPUR, HYDERABAD-500 076

Name of Proxy (in BLOCK ETTERS): Shareholder's/Proxy's Signature:

MEMBERS ARE REQUESTED TO BRING THEIR COPIES OF THE ANNUAL REPORT WITH THEM TO THE ANNUAL GENERAL MEETING