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## PRATHISTA INDUSTRIES LIMITED

CIN : U29150TG1996PLC025278

**Board of Directors :** Dr. K V S S Sairam Chairman &  
Dr. V. Ramamurthy Managing Director  
Mr. V. Ramesh Director  
Mr. H. Amarendra Director  
Dr. Ashok Kumar Yadav Director  
Mr. M.L. Gupta Additional Director  
Dr. S. Raghuvardhan Reddy Additional Director

**Company Secretary :** B.Panduranga Rao

**Banks :** Andhra Bank  
R. P. Road  
SECUNDERABAD

**Institutions :** Technology Development Board  
Department of Science & Technology  
Government of India  
NEW DELHI

**Auditors :** M/s. P Murali & Co.  
Chartered Accountants  
6-3-655/2/3, I Floor, Somajiguda  
HYDERABAD – 500 082

**Cost Auditors :** M/s A S Rao & Co.  
Cost Accountants  
1-2-19/5, St. No. 2, Kakatiya Nagar  
Habsiguda, HYDERABAD- 500007

**Regd. Office :** 10-170/23, Bharathi Nagar,  
Temple Alwal, SECUNDERABAD – 500 010  
Telangana  
Ph.No.040- 27974989 Fax No. 040-27976650

**Factory :** Sy. No. 273-274, S.Lingotam (Vill)  
CHOUTUPPAL(M) – 508 252  
Nalgonda (Dist.)  
Telangana



## NOTICE

NOTICE is hereby given that the 18th Annual General Meeting of Prathista Industries Limited (CIN : U29150TG1996PLC025278) will be held on Tuesday, the 30th September, 2014 at 11.00 a.m. at the Registered Office of the Company at 10-170/23, Bharathi Nagar, Temple Alwal, secunderabad – 500 010 to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2014 and Profit and Loss Account for the year ended as on that date together with the reports of Auditors' and Directors' thereon.
2. To appoint a Director in place of Mr. V. Ramesh, Director (DIN 02261377), who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. H. Amarendra, Director (DIN 02184012), who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration and in connection therewith to pass the following resolution with or without modifications, as an Ordinary Resolution:

“RESOLVED that pursuant to section 139 and other applicable provisions of the Companies Act, 2013 and rules made there under and pursuant to the recommendations of the Audit Committee of the Board of Directors, M/s P. Murali & Co., Chartered Accounts, Hyderabad ( Firm Registration No 0072575), be and are hereby re-appointed as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of this Annual General Meeting ( Subject to ratification of the appointment by the members at every AGM held after this AGM) till the conclusion the 23rd Annual General Meeting of the company, at such remuneration as shall be fixed by the Board of Directors of the Company”.

### **SPECIAL BUSINESS:**

- 5 To consider and if thought fit to pass, with or without modification, the following Resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. M.L.Gupta (DIN 01906909), who was appointed as an Additional Director of the Company with effect from December 28, 2013 by the Board of Directors pursuant to Section 260 of the Companies Act, 1956 (corresponding relevant provisions under Section 161 of the Companies Act, 2013) as per the applicable provisions and who holds office upto the date of this Annual General Meeting pursuant to section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice from a member proposing his candidature for the office of Director under section 160 of the Companies Act, 2013, be and is hereby appointed as Director of the Company, liable to retire by rotation.”

- 6 To consider and if thought fit to pass, with or without modification, the following Resolution as an Ordinary Resolution:

“RESOLVED THAT Dr. Raghuvardhan Reddy,(DIN 01992206), who was appointed as an Additional Director of the Company with effect from January 23, 2014 by the Board of Directors pursuant to Section 260 of the Companies Act, 1956 (corresponding relevant provisions under



Section 161 of the Companies Act, 2013) as per the applicable provisions and who holds office upto the date of this Annual General Meeting pursuant to section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice from a member proposing his candidature for the office of Director under section 160 of the Companies Act, 2013, be and is hereby appointed as Director of the Company, liable to retire by rotation.

By Order of the Board

Place: Secunderabad  
Date: 06-09-2014

Sd/-  
**B. PANDURANGA RAO**  
COMPANY SECRETARY

Registered Office:  
10-170/23,  
Bharathi Nagar,  
Temple Alwal,  
SECUNDERABAD – 500 010

ICSI Membership No. A2759

**NOTES:**

1. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company.
2. The instrument of proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the time of the Meeting. A person can act as a proxy on behalf of members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or Member.
3. An Explanatory statement pursuant to section 102 of the Companies' Act, 2013, relating to the special Business to be transacted at the Meeting is annexed hereto.



## EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

### Item No. 5:

Mr M.L. Gupta was appointed as an Additional Director of the Company by the Board of Directors with effect from 28.12.2013, pursuant to Section 260 of the Companies Act, 1956 and Article 104 of the Articles of Association of the Company and holds office upto the date of the ensuing Annual General Meeting. Mr M.L. Gupta is a member of the Audit Committee of the Company. A Notice under Section 160 of the Companies Act, 2013 has been received from a member proposing the candidature of Mr M.L. Gupta as a Director liable to retire by rotation.

Mr. M.L. Gupta was a Director on the Board of Directors of the Company from 9.3.2007 and retired on 10.7.2012. Mr. M.L.Gupta (68 Years) is a Mechanical Engineer and also obtained P.G. Diploma in PPIM and M.B.A in Management (Marketing). He also obtained additional Qualifications and training in Technical Know – how pf spiral welded pipe plant and modern Oil Hydraulics, West Germany, Project Appraisal and Follow–up and integrated approach in knowledge & information, India.

Apart from the above, Mr. M.L. Gupta has also specialized in various fields like Technology Promotion & Commercialization, Project Formulation, Appraisal & Management, Industries Promotion & Entrepreneurship Development, co-ordination between promotional Institutions, Financial Institutions and Mechanical Maintenance & Oil Hydraulics.

Mr. M.L. Gupta has retired from services after serving various organizations in different capacities and has a total experience of about 36 years. He has retired from the Department of Science and Technology, Government of India, New Delhi after serving about 17years. Earlier, he worked with steel Authority of India Ltd, Rourkela, Aravali Ispat Ltd, Alwar, Rajashtan and Rajashtan Consultancy Organisation Ltd,

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to avail services of Mr. M.L. Gupta as a Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. M.L. Gupta as a Director as set out at Item No. 5 of the Notice, for the approval of the members of the Company.

Except Mr. M.L. Gupta none of the Directors and their relatives is concerned or interested in the Resolution.

### Item 6:

Dr. Raghuvardhan Reddy was appointed as an Additional Director of the Company by the Board of Directors with effect 23.01.2014, pursuant to Section 260 of the Companies Act, 1956 and Article 104 of the Articles of Association of the Company and holds office upto the date of the ensuing Annual General Meeting. Dr.Raghuvardhan Reddy is the Chairman of the Audit Committee of the Company. A Notice under Section 160 of the Companies Act, 2013 has been received from a member proposing the candidature of Dr. Raghuvardhan Reddy as a Director liable to retire by rotation.

Dr. Raghuvardhan Reddy was a Director on the Board of Directors of the Company earlier from 24.12.2007 and resigned on 01.01.2013. Dr.Raghuvardhan Reddy has obtained Ph.D in Agriculture from Indian Agriculture Research Institute, New Delhi in 1977. He retired as Vice-Chancellor of Acharya N.G. Ranga Agricultural University, Hyderabad, Andhra Pradesh. Earlier, he also has served many organizations under various capacities. Apart from the above, he also has research experience of above 17 years in agriculture field.



Dr Reddy also has received various awards viz., Jawaharlal Nehru Birth Centenary, Coromandel Gromor Scholarship, Hyderabad Farmers' Union Gold Medal, JSV Reddy Gold Medal and ICAR Senior Research Fellowship.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to avail services of Dr. Raghuvardhan Reddy as a Director. Accordingly, the Board recommends the resolution in relation to appointment of Dr. Raghuvardhan Reddy as a Director as set out at Item No. 6 of the Notice, for the approval of the members of the Company.

Except Dr. Raghuvardhan Reddy none of the Directors and their relatives is concerned or interested in the Resolution.

Place: Secunderabad

Date: 06-09-2014

Registered Office:

10-170/23,  
Bharathi Nagar,  
Temple Alwal,  
SECUNDERABAD – 500 010

By Order of the Board

Sd/-

**B. PANDURANGA RAO**  
COMPANY SECRETARY

ICSI Membership No. A2759



## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 18th Annual Report of the Company together with the Audited Accounts for the year ended 31st March 2014.

### Operations

(Rs. in lakhs)

	Particulars	2013-14	2012-13
a)	Sales & other income	<b>13082.94</b>	9931.18
b)	Operating Profit	<b>613.19</b>	448.91
c)	Interest	<b>153.72</b>	37.50
d)	Depreciation	<b>206.50</b>	200.74
e)	Provision for Tax	<b>58.41</b>	44.79
f)	Provision for Deferred Tax Liability (Asset)	<b>(35.59)</b>	(2.73)
g)	Prior Period Adjustments (Cr)	-	(0.28)
h)	Net Profit/ (Loss) after tax	<b>230.15</b>	181.82
j)	Balance brought forward	<b>1294.37</b>	1171.85
J)	Reversal of Last year proposed Dividend plus Dividend Tax.	<b>59.33</b>	0.00
k)	Profit available for appropriation	<b>1583.85</b>	1353.67
l)	Appropriations:		
	General Reserve	<b>0.00</b>	0.00
	Proposed Dividend (incl. Tax on Dividend)	<b>0.00</b>	59.32
m)	Balance carried to Balance Sheet	<b>1583.85</b>	1294.34

### Dividend

The Company has taken up major expansion program and the directors have decided to retain profits to partly meet reserves for ongoing expansion project and hence, no dividend is recommended for the financial year ended 31st March, 2014.

### Liquidation of Subsidiary Companies as they are not contributing to growth of our company

During the year under review, your company sold its entire equity shareholding held in the following Subsidiary companies:

- a) Tripura Bio-tech Limited (40,26,800 equity shares of Rs. 10/- each)
- b) Haryana Bio-Tech Limited (7,00,000 equity shares of Rs. 10/- each)



c) Biena Life Sciences Limited (1,00,000 equity shares of Rs. 10/- each)

Consequently, all the above companies ceased to be subsidiaries of the Company with effect from 28th December, 2013.

### **Business Developments**

Your Directors are pleased to inform the following developments during the year under review to all members regarding the performance of the Company.

Your company has cleared the loans to Technology Development Board to their satisfaction and obtained "No Dues Certificate" and also continuing its efforts to meet the financial obligations to Banks promptly while striving hard to strike between enhanced financial needs in-tune with Company progress with respect to enhanced sales and also for ongoing expansion (capital) project

Your Company's products continue to be listed in OMRI (Organic Material Review Institute) USA as crop fertilizers and soil supplements (Bio Calcium, Bio Magnesium, Bio Zinc, Bio Phos and Aishwarya) and crop protection (Neem and Push) as per USDA NOP standards.

Your company has successfully implemented the innovative organic pelletizing fertilizers project with financial assistance from Andhra Bank by way of fresh term Loan and implementing major project for commercialization of Calcium Lactate technology from 1500 kgs per day to 5000 kgs per day and your company is the only company has commercially viable and financially feasible fermentation technology which has been developed after years of Research from 500 liters fermentation scale to 15000 liters scale with matching downstream process to produce International quality standards Calcium Lactate, as bulk drug, useful for multi segments like Animal Health Care (AHC).

Your Company has been provided Good Manufacturing Practices (GMP) Certificate, No. 1014/M3B/2013 dated 10th May, 2013 as per the provisions of Schedule "M" of Drugs and Cosmetics Rules to manufacture the bulk drugs. This certificate has been issued by Drugs Control Administration, Government of Andhra Pradesh, Hyderabad.

### **Domestic Business**

The marketing department has been structured into various segments viz., Direct Marketing, Corporate Marketing, Pharma, Animal Health Care, and Exports, for its effective functioning.

### **Marketing activities**

During the financial year, along with the existing clients of Direct marketing team like M/s. Mangalore Chemical Fertilizers Limited (MCFL), Karnataka, Kovai Trading Company (KTC), Tamil Nadu, Nagarjuna Fertilizers Chemical Limited (NFCL), Hyderabad, Sidhatech Agrovet Pvt Ltd, Odisha, Rayleco Enviro Engineering, Karnataka, Cardamom Planters Marketing Cooperative Society Limited, Kerala, Southern Crops Pvt Limited Kerala, Zeal Corporation India (Pvt.) Ltd., Maharashtra, Sharma Fertilizers, MP, Kanha Enterprises, Maharashtra & other few cash and carry clients, your Company has also developed new clients

Direct marketing team introduced Bio Potash liquid product for the first time in Central Tobacco Board- Guntur with the brand name Bio Potash Tobacco Special in liquid form. Your Company supplied Sugarcane special products through M/s. Rayleco Enviro Engineering in different parts





of North Karnataka to sugarcane growers.

Direct marketing team supplied products through Rayleco and contributed revenue of Rs.60.20 lakh within 3 months exclusive in sugarcane belt. Your Company supplied products to Odisha State government for ATMA Project under central Govt schemes.

Direct Marketing Team introduced new client in state of Tamilnadu M/s. Velmurugan Fertilizers your Company's, who manufactures NPK Mixture fertilizers Product, are going to promote Company 100% organic products both liquids & granular product on their own brand name Vel products in Tamilnadu & Kerala States.

Direct Marketing Team proposed to expand business in Tobacco Board in Karnataka State also, expecting Authorization letter from board very soon to start the business.

Direct Marketing team proposing to recruit state heads in South Karnataka, MP, Maharashtra, Chattishgarh ( already recruited) to promote PIL brand channel sale as well as in Govt. tenders & Schemes.

### **Corporate Marketing**

During the financial year, along with the existing corporate clients like Deepak Fertilisers and Petrochemical Corporation Ltd (DFPCL), Shriram Fertilizer Corporation (SFC), Fungicide India Ltd(FIL), Sheel Biotech Limited, Dayal Fertilizers Limited, Patanjali Bio Research Foundation – Haridwar, Indo gulf etc., Prathista corporate team had developed new Major Indian corporates like Tata chemicals Limited (TCL), Jubilant Agri & Consumer Products Limited, Adani AgriFresh Limited and new companies like Narmada Bio pesticide Private Limited.

Your company has successfully developed few innovative products exclusively for TATA Chemicals Limited and commercialized the process and started commercial sales during the year and the products were greatly accepted by TATA Chemicals Limited marketing channels and are marketing the products under TATA PARAS FarmgroG - Granules & TATA PARAS Farmgro Liquid in entire India.

Your company has successfully developed another innovative secondary nutrients (Calcium, Magnesium, Sulphur and all other secondary nutrients based fertilizer in granule form) exclusively for DCM Shriram Group and being commercialized the process for trail marketing by SFC through their established marketing channels.

These successes will lead to enhanced sales from your corporate sales division in the coming financial year.

Corporate division contributed to government Liasoning works and received FCO – Bio-fertilizer Marketing permissions in the States of Punjab, Haryana, Uttar Pradesh, West Bengal, Maharashtra, Gujarat, Madhya Pradesh, and Rajasthan during FY 2013-14. This increased the sale of FCO listed products in these states.

### **Product Development**

Product development activities extension and technical activities support to the field and marketing staff were conducted continuously in the marketing territories of corporate clients like DFPCL, Tata chemicals Limited, Adani Agri Fresh etc. especially in the states of Maharashtra, Punjab, Haryana, Himachal Pradesh, Rajasthan, UP, Tamil Nadu & Karnataka, Product



development and extension activities were also conducted in direct marketing territories of Warangal, Nalgonda, Janagaon, Guntur, Bapatla, Prakasam, Coastal Andhra Pradesh, Telangana and Rayalaseema areas on various crops ranging from cereals, pulses, vegetables and orchards.

Product development team has also participated in various national and international seminars, agriculture expositions and trade-fairs and given presentations on company's organic agri-inputs and organic agriculture practices.

These Organic, Agriculture & Horti-exposition given good opportunity for all the old and new product development and marketing staff to improve their product knowledge and marketing skills and how to deal with various end users like farmers, dealers, students, entrepreneurs, scientific community, projects in agriculture & horticulture sectors. It gave a good exposure to know the range of agriculture products, organic, inorganic, irrigation, mechanization & engineering products, instruments in modern agriculture systems. Marketing links with organic farms and clients were developed after these expositions.

New products were developed with new formulations were introduced to corporate clients like TCL, DFPCL, SFC etc. FamgroG & Farmgro liquid products and their technical presentations provided to TCL team in various states, Mahadhan Natural Strong was also introduced to DFPCL as new product and conducted training programmes and workshops on new products.

Bio-efficacy paid up trials were conducted the supervision of Prof. N. SreeramaReddy, Director, at Director of Research, UAS, Raichur, Karnataka. Bio-efficacy trials were also conducted by Dr. J.C.Tarafdhar Scientist –CAZRI Jodhpur with encouraging results on Arid zone crops in comparison with nanofertilizers. On farm Field Demonstration were also conducted in domestic and international markets like Ar4Mangoes, Kurjibhairamji (KRG farm), kutch, Gujarat, Barbaron farm, Seychelles on crops like cereals, pulses, mango, banana, chilly, passion fruit and all vegetables. All These activities increased the pace of sales & marketing with quantitative and qualitative results in both domestic and international market.

### **Pharma**

Your Company is continuously developing new customers/clients for the sales of bulk drugs like Calcium Lactate, Calcium Gluconate, Calcium Lactate Gluconate.

In National Market, Your Company has been providing these products at very competitive prices and of Pharma grade quality which is giving a clean edge over existing suppliers available in the market.

Your Company is also providing need based formulations at economical prices and also planning to launch new specialized formulations to increase the sales.

### **International Business**

In International market, Your Company achieved sales of USD 586850 in the Financial Year of 2013-14. through export of Pharma products to Vietnam and to Ghana & other African countries via merchant exporters.

Your Company has been continuously increasing its Business Development activities in International Market with an increasing positive rate to spread the unique Prathista Eco-Friendly Technology all across the globe for the Eco Friendly environment.



### **Future outlook**

During the year, Your Company has introduced few new and innovative molecules for Agriculture and live stock segments and these developments will lead to enhanced sales in nearest future.

With the addition of new corporate clients and continuous focus on the development of direct marketing net work throughout India and successful completion of product registrations in various countries and focus to enhance sales of live stock products and Pharma products, the future potential for your company business is very large as the products are being accepted by all segments.

“Prathista Farmers Welfare Foundation” - a nonprofit organization started by your company, continued to render services to poor farmers.

### **Insurance**

All the assets of the Company are adequately insured.

### **Fixed Deposits**

Your Company has not accepted any fixed deposits and hence there are no unclaimed or overdue fixed deposits during the period.

### **Directors Responsibility Statement**

According to Section 217(2AA) of the Companies Act, 1956 your Directors state that:

- i) in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures.
- ii) Your Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the company at the end of the financial year and the profit or loss of the company for the year.
- iii) Your Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv) Annual Accounts have been prepared on a going concern basis.

### **Industrial Relations**

The Company's Industrial Relations continued to be cordial.

### **Conservation of Energy, Research and Development, Foreign Exchange:**

During the year, water audit of the company has been undertaken which resulted in recycling of approximately 1150 KL of water.

In one of the Boiler 352 numbers of boiler tubes have been replaced which resulted in the increase in boiler efficiency and significant saving of energy. In another boiler new duct has been installed which resulted in significant saving of fuel.

Installation of 36 watts CFL lamps in place of 160 watts mh lamps has been done in Calcium



lactate production section and also 23 watts CFL in place of 70 watts hpsv lamps which resulted in saving of electrical power @ 171 watts per hour.

### **Environmental audit**

Your company has been regularly doing the environmental audits and ensuring the compliance with the standard norms. Also these audits are being done on monthly basis by third party Global Enviro Labs, Amberpet, Hyderabad which is having accreditation from NABET. This lab regularly collecting the samples, analysing and submitting the reports. Ambient Air Quality data, Stack Monitoring Data, Ambient Noise Quality Data, Effluent Treatment Plant outlet water. We are pleased to share that these reports are also confirming the compliance with the standard norms as per the APPCB (Andhra Pradesh Pollution Control Boards).

### **Foreign Exchange Earnings and Outgo**

Earnings: Rs 44.95 lakh

Outgo: Rs 20.34 lakh

### **Other Information**

#### **Honors**

Your Directors are pleased to inform that your Company has been honored with the following awards:

- Technology Implementation Award from Assocham, Western region on 26.09.2013
- Best Agri Business Award 2013 from Franchise India on 16.12.2013
- Best SME in Domestic Outreach Award from Dun & Bradstreet on 25.11.2013
- SKOCH Achievers Award 2014 on 21.03.2014
- INDIAMART Leaders of Tomorrow Award – for Best Pharma Innovations. on 13th December 2013
- ICICI Lombard India Risk Manager Awards 2013 at Hotel Lalit on March 13, 2014
- Innovative Agri Business from Indian Association of Entrepreneurs & Service Providers

#### **Directors**

The Board of Directors comprises of seven Directors including Chairman and Managing Director, two whole-time Directors and four non-executive independent Directors.

Mr K. Phani Raj Kiran (DIN 06622925) was appointed as an Additional Director of the Company in the Board meeting held on 28-09-2013 and as a Whole Time Director of the Company in the Board meeting held on 28-12-2013. However, he resigned with effect from 06-03-2014. The Board places on record its deep appreciation for the services rendered by Mr Phani Raj Kiran during his tenure of his office as Director / whole-time Director.

Dr. N. Sreerama Reddy (DIN 01761000) Director of the Company has resigned from the Board of Directors of Company on 6th March, 2014 The Board places on record its deep appreciation for the services rendered by Dr. N. Sreerama Reddy during his tenure of his office as Director and as member of the Audit Committee.



Mr. V. Ramesh and Mr. H. Amarendra, Directors of the Company will retire by rotation and being eligible, offer themselves for re-appointment, which the Directors consider to be in the best interests of the Company and therefore recommend for the approval of the shareholders.

Mr. M. L. Gupta was appointed as Additional Director with effect from December, 28, 2013. Dr. Raghuvardhan Reddy was appointed as Additional Director with effect from January 23, 2014. As per the provisions of the Section 260 of the Companies Act, 1956 these Directors hold office only upto the date of the forthcoming Annual General Meeting of the Company. The Company has received notices under Section 160 of the Companies Act, 2013 in respect of the above persons, proposing their candidature for appointment as Directors of the company subject to retirement by rotation.

### **Audit Committee**

The Audit Committee presently comprises of Dr. S. Raghuvardhan Reddy (Chairman), Dr. Ashok Kumar Yadav and Mr. M.L Gupta, all being non executive independent directors and Mr Ramesh Whole time Director. Company secretary is the Secretary of the committee. The Head, Finance & Accounts department, internal auditors/ statutory auditors and other executives participate in the meetings by invitation. During the year, seven meetings of the committee were held. The committee reviewed financial statements, internal control systems, technical audits relating to process, energy, water, environment etc.

### **Auditors**

M/s. P. Murali & Co., Chartered Accountants (FRN No 0072575), the retiring Auditors of the Company being eligible, offer themselves for re-appointment as Auditors of the Company. M/s. P Murali & Co., Chartered Accountants have furnished a certificate of their eligibility under sections 139 and 141 of the Companies Act, 2013. The Member are requested to consider re-appointment of M/s P. Murali & Co., sa statutory Auditors of the Company to hold office for a period of five years from the conclusion of the firthcomming AGM till the conclusion of the 23rd AGM subject to ratification of their appointment at the subsequent AGMs

In pursuance of Sectio139 of the Companies Act, 2013, the above appointment shall be made by passing an Ordinary Resolution.

### **Cost Auditors**

Your company has appointed M/s A S Rao & Co, Cost Accountants, Hyderabad (FRN No 000326) as the cost Auditors under section 233B of the companies Act, 1956 to conduct audit of cost accounting records maintained by the Company relating to its products for the years ending on 31st March 2012, 31st March, 2013 and 31st March 2014.

The Company has received certificates from M/s A S Rao & Co, Cost Accountants, Hyderabad to the effect that their appointment for financial years 2011-12, 2012-13 and 2013-14 made, would be within the prescribed limits under Section 224 (1B) read with Section 233 B (2) of the Companies Act, 1956 and that they are not subject to disqualifications specified in Section 226 of the said Act. The Cost Auditors have further certified that they are independent firm of Cost Accountants and are at arm's length relationship with the Company.



The Cost Audit Report in respect of financial years 2011-12 due to be filed on 30th September, 2012 was filed on 13th September, 2013 and the Cost Audit Report in respect of financial year 2012-13 due to be filed on 30th September, 2013 was filed on 11th June, 2014.

The Cost Audit Report in respect of financial year ending 31st March, 2014 will be filed within the stipulated date i.e. 30th September, 2014.

**Particulars of Employees:**

None of the employees are covered by the provisions of Sec 217 (2A) of the Companies Act, 1956.

**Acknowledgements:**

The Directors wish to place on record their appreciation for the co-operation and assistance extended to the company by Andhra Bank, Technology Development Board, DSIR, World Bank & ICICI Bank Limited, Regional Research Labs (collaborators), DSIR, CSIR DBT & IARI Officials, eminent scientists / personalities, who visited company's R & D Center, various state owned Agricultural Universities and company's valued customers and corporate clients, marketing associates, & distributors, technical team, staff members, suppliers, Government recognizing agencies, APEDA recognized Organic Certification agencies, both State & Central Government officials, scientists from academic Institutes nationally & Internationally etc,. The Directors also wish to thank all the employees of the company for their active participation and their co-operation.

Place: SECUNDERABAD

Date: 06-09-2014

For and on behalf of the board  
**PRATHISTA INDUSTRIES LIMITED**  
Sd/-  
**K V S S SAIRAM**  
**CHAIRMAN & MANAGING DIRECTOR**  
DIN 00526725



## SECRETARIAL COMPLIANCE REPORT

**CIN NO** : U29150TG1996PLC025278  
**AUTHORISED CAPITAL** : Rs. 7,25,00,000/-  
**PAID UP CAPITAL** : Rs. 7,24,49,100/-



To  
The Members  
**Prathista Industries Limited**  
10-170/23, Bharathi Nagar  
Temple Alwal  
Secunderabad-500010, Telangana.

I have examined the registers, records, books and papers of PRATHISTA INDUSTRIES LIMITED as required to be maintained under the Companies Act, 1956 (the 'Act') and the Companies Act, 2013 (the '2013 Act') to the extent applicable and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March 2014. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents, I certify in respect of the aforesaid financial year that:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies within the time prescribed or with the requisite penalty if applicable under the Act and the rules made there under.
3. The Company being a Public Limited Company, comments are not required.
4. The Board of Directors duly met (6) Six times on 29.05.2013, 26.07.2013, 28.09.2013, 28.12.2013, 23.01.2014, 08.03.2014 in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company has not closed its Register of Members and or Debenture holders during the financial year.
6. The Annual General Meeting for the financial year ended on 31.03.2013 was held on 23.08.2013 after giving due notice to the members of the Company and the resolutions passed there at were duly recorded in Minutes Book maintained for the purpose.
7. One Extraordinary General Meeting was held during the financial year on 25.01.2014 for appointment of Mr. K. Phani Raj Kiran, as Whole Time Director.
8. The Company has not advanced any loans to its Directors or persons or firms or companies referred under Section 185 of the 2013 Act during the financial year under review.



9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company has made necessary entries in the register maintained under Section 301(3) of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government.
12. The Company has not issued any Duplicate Share Certificates during the financial year.
13. The Company has:
  - i) has required to deliver the Share Certificates as there was transfer/ of the securities during the Financial Year under review.
  - ii) Was not required to deposit any amount in a separate bank account as no dividend was declared during the Financial Year.
  - iii) was not required to post warrants to any member of the company as no dividend was declared during the Financial Year.
  - iv) was not required to transfer the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to investor education and protection fund.
  - v) has duly complied with the requirement of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted,
  - i) Dr. Ashok Kumar Yadav was appointed as a Director at the Annual General Meeting of the Company held on 23/08/2013;
  - ii) Mr. M.L.Gupta was appointed as an Additional Director at the Board Meeting of the Company held on 28/12/2013;
  - iii) Mr.K.Phani Raj Kiran was appointed as a Whole Time Director of the Company at the Board Meeting of the Company held on 28/12/2013. However, he resigned from his office of Director and Whole Time Director with effect from 06/03/2014.
  - iv) Mr.Raghu Vardhan Reddy Suravaram was appointed as an Additional Director at the Board meeting held on 23/01/2014.
  - v) Dr.N.Srirama Reddy, Director of the Company resigned with effect from 06/03/2014.
15. The Company has appointed Mr.K.Phani Raj Kiran was appointed as a Whole Time Director of the Company at the Board Meeting of the Company held on 28/12/2013. However, he resigned from his office of Director and Whole Time Director with effect from 06/03/2014.
16. The Company has not appointed any sole-selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/ or such other authorities as may be prescribed under the various provisions of the Act during the financial year.





18. The Directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares, during the year.
20. The Company has not bought back any shares during the financial year.
21. The Company has not issued any preference shares or debentures till date.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, right shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including unsecured loans falling within the purview of Section 58A during the financial year.
24. The borrowings made by the Company during the year under review is within the limits of section 293(1)(d) of the Act.
25. The Company has not given any loans or guarantees or securities to other bodies corporate.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the current year.
31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year.
32. The Company has not received any money as security from its employees during the financial year.
33. Pursuant to Section 418 of the Companies Act, 1956 the Company has constituted Provident Fund for its employees.

for **AGR Reddy & Co.**  
Company Secretaries

Sd/-  
**Manoj Kumar Koyalkar**  
C.P No.10004  
Membership No.19445

Hyderabad,  
Date: 30/08/2014



**ANNEXURE A**

**Registers as maintained by the Company**

<b>Sl. No.</b>	<b>Section Number</b>	<b>Name of the Register</b>
1.	143	Register of Charges
2.	150	Register of members
3.	193	Minutes of all meetings of Board of Directors
4.	193(1)	Minutes of all meetings of General Meetings
5.	301	Register of Contracts
6.	301(3)	Register of Contracts, Companies and Firms in which directors are interested
7.	303	Register of Directors, Managing Director, Manager and Secretary
8.	307	Register of Director shareholdings
9.	372A	Register of Investments
10.	-	Register of Share Transfers
11.	-	Register of Board Meeting Attendance
12.	-	Register of General Meeting Attendance

**ANNEXURE B**

**1. Forms and Returns as filed by the Company with the Registrar of Companies during the financial year ending on March 31, 2014.**

<b>SL.No.</b>	<b>From. No./ Return</b>	<b>Section</b>	<b>Description</b>	<b>Remarks</b>
1.	Form No.17	138	Satisfaction of charge on 18/04/2013	Filed on 24/04/2013 without late fee.
2.	Form No.17	138	Satisfaction of charge on 23/04/2013	Filed on 04/05/2013 without late fee.
3.	Form 8	137	Modification of charge on 11/06/2013	Filed on 14/06/2013 without late fee.
4.	Form No.8	135	Modification of charge on 14/08/2013	Filed on 20/08/2013 With late fee
5.	Form No.8	127	Creation of charge for Rs.80,000,000 on 26/07/2013	Filed on 20/08/2013 without late fee.
6.	Form No.17	138	Satisfaction of charge on 12/08/2013	Filed on 05/09/2013 without late fee.



7.	Form No.17	138	Satisfaction of charge on 03/10/2013	Filed on 05/10/2013 without late fee.
8.	Form 32	303(2)	Dr. Ashok Kumar Yadav was appointed as a Director on 23/08/2013	Filed on 20/09/2013 without late fee.
9.	Form 32	260	Mr.K.Phani Raj Kiran was appointed as additional Director of the Company on the Board meeting held on 28/09/2013	Filed on 10/10/2013 without late fee.
10.	Form 32	260	Mr. M.L.Gupta was appointed as an additional Director on 28/12/2013	Filed on 07/01/2014 without late fee.
11.	Form 32	296	Mr.K.Phani Raj Kiran was appointed as a Whole Time Director of the Company on the Board meeting held on 28/12/2013	Filed on 25/01/2014 without late fee.
12.	Form 25C	269(2)	Appointment of Mr.K,Phani Raj Kiran as Whole time Director.	Filed on 25/01/2014 without late fee.
13.	Form No.32	260	Mr.Raghu Vardhan Reddy Suravaram appointed as an Additional Director on 23/01/2014.	Filed on 30/01/2014 without late fee.
14.	Form 23	173(2)	Appointment of Mr.K,Phani Raj Kiran as Whole time Director.	Filed on 24/02/2014 without late fee.
15.	Form No 8	127	Creation of charge for Rs.230,000,000 on 10/03/2014	Filed on 13/03/2014 without late fee.
16.	Form 2	75(1)	Allotment of 5,00,000 equity shares of Rs 10 each on the board meeting held on 29/01/2013	Filed on 03/04/2013 with late fee.
17.	Form 32	303(2)	Resignation of Dr.L.Jalpathi Rao on the Board meeting held on 29/01/2013	Filed on 17/04/2013 with late fee.

1. Forms and Returns as filed by the Company with the Regional Director, Company Law Board, Central Government and other authorities, during the financial year ending on March 31, 2014.

NIL

for **AGR Reddy & Co.**  
Company Secretaries

Sd/-  
**Manoj Kumar Koyalkar**  
C.P No.10004  
Membership No.19445

Hyderabad,  
Date: 30/08/2014



## INDEPENDENT AUDITOR'S REPORT

To  
the Members  
of **PRATHISTA INDUSTRIES LIMITED**

### **Report on the Financial Statements:**

We have audited the accompanying financial statements of PRATHISTA INDUSTRIES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements:**

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards referred to in Sub-Section(3C)of Section 211 of the Companies Act,1956('the Act')read with the General circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act,2013.This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility:**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



**Opinion:**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements 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, 2014;
- (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash Flows for the year ended on that date

**Report on Other Legal and Regulatory Requirements:**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in Sub-Section(3C) of Section 211 of the Companies Act, 1956('the Act') read with the General circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
  - e) On the basis of written representations received from the directors as on March 31 st 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, st 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**For P.MURALI & CO.,  
CHARTERED ACCOUNTANTS  
FRN: 007257S**

**Sd/-  
P. MURALI MOHANA RAO  
PARTNER**

PLACE : Hyderabad  
DATE : 06-09-2014

Membership No. 023412



## **ANNEXURE TO THE AUDITORS' REPORT**

- I. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.  
(b) As explained to us, the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies between the book records and the physical inventory have been noticed on such verification.  
(c) The Company has not disposed off substantial part of the Fixed Assets during the year.
- II. (a) The Inventory has been physically verified during the year and in our opinion, the frequency of verifications is reasonable.  
(b) In our opinion, the procedures of the physical verification of inventory followed by the Management are reasonable and adequate in relation of the size of the Company and the nature of its business.  
(c) The Company is maintaining proper records of inventory and as explained to us, there was no material discrepancies noticed on such verification of stocks as compared to book records.
- III. (a) The Company has not granted any loans, secured or unsecured to Companies, Firms or other Parties covered in the register maintained U/s.301 of the Companies Act, 1956.  
(b) As the Company has not granted any loans, the clause of whether the rate of interest & other terms and conditions on which loans have been granted to parties listed in the register maintained under section 301 is prejudicial to the interest of company, is not applicable.  
(c) As no loans are granted by company, the clause of receipt of interest & principal amount from parties is not applicable to the company.  
(d) No loans have been granted to Companies, Firms & other parties listed in the register U/s.301 of the Companies Act, 1956, hence overdue amount of more than rupees one lakh does not arise and the clause is not applicable.  
(e) The Company has not taken any loans, secured or unsecured from Companies, Firms or other Parties covered in the register maintained U/s.301 of the Companies Act, 1956.  
(f) As the Company has not taken any loans, the clause of whether the rate of interest & other terms and conditions on which loans have been taken from parties listed in the register maintained under section 301 is prejudicial to the interest of company, is not applicable.  
(g) As no loans are taken by the company, the clause of repayment of interest & principal amount to parties, is not applicable to the company.
- IV. In our opinion and according to the information and explanations given to us, there are generally adequate internal control systems commensurate with the size of the company



and the nature of its business with regard to purchase of inventory and fixed assets and for sale of goods and services. There is no continuing failure by the company to correct any major weaknesses in internal control.

- V. (a) In our opinion and according to the information and explanations given to us, during the year, no contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered into by the Company.
- b) According to the information and explanations given to us, as no such contracts or arrangements made by the company, the applicability of the clause of charging the reasonable price having regards to the prevailing market prices at the relevant time does not arise.
- VI. The Company has not accepted any deposits from the public and hence the applicability of the clause of directives issued by the Reserve Bank of India and provisions of section 58A, 58AA or any other relevant provisions of the Act and the rules framed there under does not arise. As per information and explanations given to us no order from the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal has been received by the Company.
- VII. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- VIII. The Central Government has prescribed maintenance of Cost Records under Section 209 (1) (d) of the Companies Act, 1956, in respect of its products manufactured during the year. We are of the opinion that, prima facie, the prescribed accounts and records are properly prepared and maintained. We have not, however, carried out detailed examination of the same.
- IX. a) The Company is regular in depositing undisputed statutory dues including PF, ESI, Income Tax and any other statutory dues with the appropriate authorities and at the last of the financial year there were no amounts outstanding which were due for more than 6 months from the date they became payable.
- b) According to the information and explanations given to us, following are the disputed dues related to income tax which have not been deposited as at 31st March, 2014.
- X. The Company has been registered for a period of not less than 5 years, and the Company has no accumulated losses at the end of the financial year and the company has not incurred cash losses in this financial year and in the immediately preceding financial year.
- XI. In our opinion, the Company has not defaulted in repayment of dues to financial institutions or banks.
- XII. According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities and hence the applicability of the clause regarding maintenance of adequate documents in respect of loans does not arise.



- XIII. This clause is not applicable to this Company as the Company is not covered by the provisions of special statute applicable to Chit Fund in respect of Nidhi/Mutual Benefit Fund/Societies.
- XIV. According to the information and explanations given to us, the company is not dealing or trading in shares, securities, Debentures and other investments and hence the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order 2003, are not applicable to the Company.
- XV. According to the information and explanations given to us, the Company has not given guarantee for loans taken by others from Banks or Financial Institutions, and hence the applicability of this clause regarding terms and conditions which are prejudicial to the interest of the company does not arise.
- XVI. According to the information and explanations given to us, the term loans obtained by the Company were applied for the purpose for which such loans were obtained.
- XVII. According to the information and explanations and over all examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long term-investments.
- XVIII. According to the information and explanations given to us, the Company has not made any preferential allotment of Shares to parties and Companies covered in the Register maintained under section 301 of the Companies Act, 1956 and hence the applicability of the clause regarding the price at which shares have been issued and whether the same is prejudicial to the interest of the Company does not arise.
- XIX. According to the information and explanations given to us, the company does not have any debentures and hence the applicability of the clause regarding the creation of security or charge in respect of debentures issued does not arise.
- XX. According to information and explanations given to us, the company has not raised money by way of public issues during the year; hence the clause regarding the disclosure by the management on the end use of money raised by Public Issue is not applicable.
- XXI. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year under audit.

**For P.MURALI & CO.,  
CHARTERED ACCOUNTANTS  
FRN: 007257S**

**Sd/-  
P. MURALI MOHANA RAO  
PARTNER**

PLACE : Hyderabad  
DATE : 06-09-2014

Membership No. 023412



**PRATHISTA INDUSTRIES LIMITED**

10-170/23, Bharathi Nagar, Temple Alwal, Secunderabad, Andhra Pradesh - 500010

**BALANCE SHEET AS AT 31.03.2014**

Particulars	Note No.	As On 31.3.2014	As On 31.3.2013
<b>I EQUITY AND LIABILITIES</b>		<b>Rs.</b>	<b>Rs.</b>
<b>1 SHAREHOLDERS' FUNDS:</b>			
a. Share Capital	2	<b>72,449,100</b>	72,449,100
b. Reserves & Surplus	3	<b>235,536,530</b>	206,588,087
<b>2 Non-Current Liabilities</b>			
(a) Long-Term Borrowings	4	<b>293,062,354</b>	177,643,255
(b) Deferred Tax Liabilities (Net)	5	<b>12,175,541</b>	15,734,584
(c) Long Term Provisions	6	<b>13,384,761</b>	6,075,087
<b>(3) Current Liabilities</b>			
(a) Short-Term Borrowings	7	<b>69,645,339</b>	10,571,084
(b) Trade Payables	8	<b>285,813,163</b>	191,078,684
(c) Other Current Liabilities	9	<b>15,776,474</b>	22,621,407
(d) Short-Term Provisions	10	<b>6,308,169</b>	10,847,029
<b>Total</b>		<b><u>1,004,151,431</u></b>	<u>713,608,318</u>
<b>II.Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets & Intangible assets	11	<b>219,578,570</b>	233,543,621
(ii) Capital work in progress		<b>199,754,769</b>	38,414,700
(b) Non Current Investments	12	<b>64,611,000</b>	72,717,700
<b>(2) Current assets</b>			
(a) Inventories	13	<b>246,851,597</b>	205,927,397
(b) Trade receivables	14	<b>178,715,155</b>	69,423,082
(c) Cash and Bank Balances	15	<b>14,911,200</b>	2,417,344
(d) Short-Term Loans and Advances	16	<b>79,536,529</b>	91,014,927
(e) Other Current assets	17	<b>192,611</b>	149,547
<b>Total</b>		<b><u>1,004,151,431</u></b>	<u>713,608,318</u>

Summary of Significant Accounting Policies

For and on behalf of the Board

AS PER OUR REPORT OF EVEN DATE

FOR **P.MURALI & CO.,**  
FIRM REGN. NO: 007257S  
CHARTERED ACCOUNTANTSSd/-  
**P.MURALI MOHANA RAO**  
PARTNER  
M.NO. 023412Sd/-  
**KVSS SAIRAM**  
CHAIRMAN AND MANAGING DIRECTORSd/-  
**V. RAMESH**  
DIRECTORSd/-  
**B.PANDURANGA RAO**  
COMPANY SECRETARYPLACE : HYDERABAD  
DATE : 06.09.2014



**PRATHISTA INDUSTRIES LIMITED**

10-170/23, Bharathi Nagar, Temple Alwal, Secunderabad, Andhra Pradesh - 500010

**Statement of Profit or Loss for the year ended 31st March, 2014**

Particulars	Note No.	Year Ending 31.3.2014	Year Ending 31.3.2013
		Rs.	Rs.
<b>I. Revenue from Operations</b>	18	<b>1,307,313,810</b>	992,536,516
<b>II. Other Income</b>	19	<b>980,093</b>	581,702
<b>III. Total Revenue (I +II)</b>		<b><u>1,308,293,903</u></b>	<b><u>993,118,218</u></b>
<b>III. Expenses:</b>			
Cost of materials consumed	20	<b>1,023,134,762</b>	801,369,837
Increase in Inventory (Finished goods )	21	<b>(11,180,413)</b>	(29,855,432)
Employee Benefit expenses	22	<b>65,419,588</b>	53,963,957
Other Operating Expenses	23	<b>43,267,523</b>	28,045,596
Administrative and Selling Expenses	23	<b>71,650,308</b>	52,116,593
Net Expenditure on Scientific Research	25	<b>59,273,231</b>	45,696,384
Financial costs	26	<b>15,372,167</b>	3,749,653
Depreciation and amortization expense	11	<b>15,984,119</b>	15,412,223
<b>Total Expenses</b>		<b><u>1,282,921,285</u></b>	<b><u>970,498,811</u></b>
IV. Profit before Tax		<b>25,372,618</b>	22,619,407
V. Profit(Loss) on sale of Fixed Assets		<b>(75,942)</b>	(230,598)
VI. Profit Before Tax after Profit\Loss on sale of fixed assets		<b>25,296,676</b>	22,388,809
VII. Tax expense:			
(1) Current tax		<b>5,840,604</b>	4,479,497
(2) Deferred tax		<b>(3,559,043)</b>	(273,074)
VIII. Profit(Loss) for the periods(VII - V)		<b>23,015,115</b>	18,182,386
IX. Earning per equity share: (Refer Note No.33)			
(1) Basic		<b>3.18</b>	2.69
(2) Diluted		<b>3.18</b>	2.69

Summary of Significant Accounting Policies

For and on behalf of the Board

AS PER OUR REPORT OF EVEN DATE

FOR **P.MURALI & CO.**,  
FIRM REGN. NO: 007257S  
CHARTERED ACCOUNTANTS

Sd/-  
**P.MURALI MOHANA RAO**  
PARTNER  
M.NO. 023412

Sd/-  
**KVSS SAIRAM**  
CHAIRMAN AND MANAGING DIRECTOR

Sd/-  
**V.RAMESH**  
DIRECTOR  
Sd/-  
**B.PANDURANGA RAO**  
COMPANY SECRETARY

PLACE : HYDERABAD  
DATE : 28.09.2014

**PRATHISTA INDUSTRIES LIMITED**

10-170/23, Bharathi Nagar, Temple Alwal, Secunderabad, Andhra Pradesh - 500010

**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2014**

<b>Particulars</b>	<b>For the year ended on 31.03.2014</b>	<b>For the year ended on 31.03.2013</b>
<b>A) Cash Flow from Operating activities :</b>		
<b>Net Profit after Interest &amp; Depreciation but before Tax</b>	<b>25,372,618</b>	22,619,407
Depreciation	20,649,823	20,073,525
Interest paid	15,372,167	2,388,459
Interest received	(162,522)	(193,825)
Dividend Received	(6,710)	(6,050)
<b>Operating Profit before working capital changes</b>	<b>61,225,376</b>	44,881,516
<b>Adjustments for :</b>		
Short Term Borrowings	59,074,255	30,646
Short Term Provisions	(4,538,860)	(7,053,584)
Trade and Other Payables	94,734,479	50,012,017
Other payables	(6,844,933)	-
Inventories	(40,924,200)	(58,475,323)
Trade receivables	(109,292,073)	45,580,575
Loan and advances	11,478,398	(48,462,510)
Other Assets	(43,064)	10,419
<b>Cash generated from operations</b>	<b>64,869,378</b>	26,523,756
Less: Income Tax paid	5,840,604	-
<b>Cash generates from Operating activities (before &amp; after extraordinary items) " A "</b>	<b>59,028,774</b>	26,523,756

contd.



<b>B) Net Cash from Investing activities :</b>		
( Purchase ) / Sale of fixed assets	<b>(6,882,714)</b>	(7,107,856)
Capital Work in Progress	<b>(161,340,069)</b>	(18,711,923)
( Purchase ) / Sale of investments	<b>8,106,700</b>	(7,100,000)
Interest received	<b>162,522</b>	193,825
Dividend Received	<b>6710</b>	6050
Sale of Fixed Assets	<b>122,000</b>	1,573,103
Prior Period Adjustments	<b>-</b>	2,865
Long Term Provisions	<b>7,309,674</b>	(1,009,119)
<b>Net cash flow from Investing activities " B "</b>	<b>(152,515,177)</b>	<b>(32,153,055)</b>
<b>C) Cash Flow from Financing activities</b>		
Issue of Share Capital	<b>-</b>	5,000,000
Long Term Borrowings	<b>115,419,099</b>	6,426,432
Dividend and Dividend Distribution Tax Paid	<b>5,933,328</b>	(5,487,372)
Interest paid	<b>(15,372,167)</b>	(2,388,459)
<b>Net Cash flow from Financing activities " C "</b>	<b>105,980,260</b>	<b>3,550,601</b>
<b>D) Net ( Decrease ) / Increase in Cash and Cash Equivalents ( A + B + C )</b>	<b>12,493,857</b>	<b>(2,078,698)</b>
Cash and Cash Equivalents at the beginning	<b>2,417,344</b>	4,496,042
Cash and Cash Equivalents at the closing	<b>14,911,200</b>	2,417,344

Summary of Significant Accounting Policies

For and on behalf of the Board

AS PER OUR REPORT OF EVEN DATE

FOR **P.MURALI & CO.,**  
FIRM REGN. NO: 007257S  
CHARTERED ACCOUNTANTS

Sd/-  
**P.MURALI MOHANA RAO**  
PARTNER  
M.NO. 023412

Sd/-  
**KVSS SAIRAM**  
CHAIRMAN AND MANAGING DIRECTOR

Sd/-  
**V. RAMESH**  
DIRECTOR  
Sd/-  
**B.PANDURANGA RAO**  
COMPANY SECRETARY

PLACE : HYDERABAD  
DATE :06.09.2014



## **SIGNIFICANT ACCOUNTING POLICIES**

### **1.1 Preparation of financial statements**

The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956 as adopted consistently by the Company.

### **1.2 Method of Accounting**

The Company follows mercantile system of accounting and recognizes income and expenditure on accrual basis.

### **1.3 Cash Flow Statement**

The Company has prepared the Cash flow statement as per AS – 3.

### **1.4 Revenue Recognition**

Revenue from the sale of goods is recognized at the point of dispatch of materials to customers in accordance with the terms of sale. Sale is inclusive of Duties and Taxes.

### **1.5 Fixed Assets**

Fixed Assets are stated at cost of acquisition as reduced by accumulated depreciation. Apart from taxes (Excluding CENVAT) all costs including financial costs up to the date of commissioning and attributable to the fixed assets, freight and other incidental expenses related to the acquisition and installation of the respective fixed assets are capitalized.

Capital work-in-progress is stated at the amount expended (includes taxes and duties) up to the date of balance sheet and includes advances paid to suppliers and contractors on account of Capital works.

### **1.6 Borrowing costs**

Borrowing cost attributable to acquisition and construction of assets are capitalized as part of cost of such assets up to the date when such assets are ready for intended use.

Other borrowing costs are recognized as an expense in the period in which they are incurred.

### **1.7 Depreciation and Amortization**

Depreciation on Fixed Assets including on the additions is provided on Straight Line Method at the rates specified in the Schedule XIV to the Companies Act, 1956.

Preliminary expenses are amortized over a period of 10 years.

### **1.8 Foreign Exchange Transaction**

Realised Gains and loss in foreign exchange transactions are recognised in Profit & Loss Account.

Transactions on foreign currency are recorded at the rates of exchange prevailing on the date of



transaction. Current assets and liabilities denominated in foreign currency are translated at the rate of exchange as at Balance Sheet date.

### **1.9 Inventories**

Inventories are valued as under.

- i) Raw materials, Consumables, stores and spares - at cost.
- ii) Finished Goods and work-in-progress - at cost or net realizable value whichever is lower.
- iii) Scrap is valued at net realizable value.

### **1.10 Investments**

Long Term Investments including investment in subsidiaries are stated at cost. Provision for diminution other than temporary in the value of Long Term Investments is made in the accounts. Current investments are stated at cost or fair value whichever is lower.

### **1.11 Taxes on Income**

Provision for income tax is made for both current and deferred taxes. Provision for current income tax is made at current tax rates based on assessable income. Deferred income taxes are recognized for the future tax consequences attributable to timing differences using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized and carried forward only to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

### **1.12 Retirement Benefits**

Liability in respect of retirement benefits is provided and charged to the Profit & Loss Account as follows:

Gratuity – Liability in respect of Gratuity to employees is provided on the basis of calculation as per Payment of Gratuity Act, 1972.

Leave Encashment – Liability in respect of Leave Encashment is provided to employees.

Provident Fund – The company makes monthly contribution to the Employees Provident Fund and Pension Fund under the provisions of Employees Provident Fund and Miscellaneous Provisions Act, 1952.

### **1.13 Research and Development**

Capital expenditure on scientific research is included in the Schedule of Fixed Assets. Revenue expenditure relating to Research Phase is charged to Profit and Loss Account.

### **1.14 Earnings per share(EPS)**

The company reports its Earning per share (EPS) in accordance with Accounting standard – 20.



## Note No. 2

**SHARE CAPITAL**

Particulars	As On 31.03.2014	As On 31.03.2013
	Rs.	Rs.
<b>a) Equity Share Capital</b>		
(a) Authorised		
(No. of Shares 7,250,000 - Current Year)	<b>72,500,000</b>	
(No. of Shares 7,250,000 - Previous Year)		72,500,000
(b) Issued		
( No. of Shares : 7,244,910 - Current Year )	<b>72,449,100</b>	
( No. of Shares : 6,744,910 - Previous Year)		72,449,100
(c) Subscribed & Fully Paid Up		
( No. of Shares : 7,244,910 - Current Year )	<b>72,449,100</b>	
( No. of Shares : 6,744,910 - Previous Year)		72,449,100
(d) Subscribed & not fully paid up	-	-
(e) Par Value per share Rs. 10/-		
<b>Total Equity Share capital</b>	<b>72,449,100</b>	<b>72,449,100</b>
<b>b) A Reconciliation of the number of shares outstanding</b>		
<b>at the beginning and at the end of the reporting period:</b>		<b>No. of Shares</b>
<b>Equity Shares of Rs.10 each, Fully paid up</b>		
At the Beginning	<b>7,244,910</b>	6,744,910
Issued during the year - Bonus Issue		
Issued during the year - Cash Issue		500,000
Forfeited / Bought Back during the year		
At the end	<b>7,244,910</b>	<b>7,244,910</b>
<b>c) Details of Shareholder holding more than 5% shares of the company:</b>		<b>% of Share Holding</b>
KVSS Sairam - No. of Shares (C.Y) 4011050		
No. of Shares ( P.Y) 4011050	<b>55.36</b>	55.36
M.Pranitha - No. of Shares (C.Y) 735900		
No. of Shares (P. Y) 735900	<b>10.16</b>	10.16
K Vaishnavi - No. of Shares (C.Y) 1003375		
No. of Shares (P. Y) 335400	<b>13.84</b>	4.63



**Note No. 3**

**RESERVES AND SURPLUS**

Particulars	As On	As On
	31.03.2014	31.03.2013
	Rs.	Rs.
<b>1) RESERVES AND SURPLUS</b>		
a) Securities premium	<b>69,887,013</b>	69,887,013
b) General Reserve		
Opening Balance - General Reserve	<b>5,264,034</b>	5,264,034
Add: Transfer from Profit & Loss Account	-	-
	<b>5,264,034</b>	5,264,034
c) Surplus:		
Opening Balance - Profit and Loss Account	<b>129,437,040</b>	117,185,117
Add: Transfer from Profit & Loss Account	<b>23,015,115</b>	18,182,386
Add: Prior Period Adjustments	-	2,865
Less: Transfer to General Reserve	-	-
Less: Proposed Dividend	-	5,071,437
Less: Corporate Dividend Tax		861,891
Add:- Reversal of last year Proposed Dividend	<b>5,071,437</b>	
Add:- Reversal of last year Corporate Dividend Tax	<b>861,891</b>	
	<b>158,385,483</b>	129,437,040
d) Subsidy	<b>2,000,000</b>	2,000,000
iii) A Reserve specifically represented by earmarked investments	-	-
<b>Total Reserves and Surplus</b>	<b>235,536,530</b>	206,588,087

**Note No.4**

**LONG TERM BORROWINGS**

Particulars	As On	As On
	31.03.2014	31.03.2013
	Rs.	Rs.
<b>i) Long Term borrowings</b>		
<b>a) Term Loans</b>		
<b>Secured</b>		
(i) Soft loan from Technology Development Board (Secured by paripassu charge by way of hypothecation of movable properties of the company including movable machinery, spares for machinery, tools and accessories, present and future. The company has entered into an agreement with Technology Development Board on 29.11.2011 for rescheduling of the outstanding dues and fix the quarterly installment amount of Rs.15,56,000/-)	-	9,337,000





(ii) Interest Accrued and Due	-	7,321,431
(iii) Andhra Bank Term Loan I	<b>11,932,601</b>	15,015,031
(iv) Andhra Bank- New Loan	<b>34,472,296</b>	-
(Secured by paripassu charge in respect of all immovable properties of the company situated at factory premises .The Quarterly Installment amount fixed by Andhra Bank is Rs.6,83,333)	<b>46,404,897</b>	31,673,462
<b>Unsecured</b>		
(i) World Bank spread loan from ICICI Bank Ltd	<b>24,378,966</b>	24,378,966
(ii) Interest Accrued and Due	<b>1,708,697</b>	1,708,697
(iii) Magma Finance Limited	<b>3,994,162</b>	-
	<b>30,081,825</b>	26,087,663
<b>b) Vehicle Loans</b>		
HDFC Bank	<b>6,287,135</b>	4,604,840
(Secured by way of Hypothecation of an underlying Asset)		
<b>c) Loans and advances from related parties</b>		
Unsecured		
KVSS Sairam	<b>21,056,022</b>	20,617,442
<b>d) Deferred Payment Liabilities</b>		
Sales Tax Deferrment	<b>1,606,633</b>	1,645,641
<b>e) Creditors for capital expenditure</b>	<b>187,625,842</b>	93,014,207
<b>Total Long Term Borrowings</b>	<b>293,062,354</b>	177,643,255

**Note No. 5****DEFERRED TAX LIABILITY ( NET )**

Particulars	AS On	AS On
	3 1.03.2013	31.03.2012
	Rs.	Rs.
I) Opening Deferred tax Liability	<b>16,635,619</b>	16,635,619
Add:		
Deferred Tax Liability for the year ( Due to SLM and WDV Difference)	-	-
Deferred Tax Liability for the year (Due to Others )	-	-
<b>Gross Deferred tax Liability</b>	<b>16,635,619</b>	16,635,619
Opening Deferred tax Asset	<b>901,035</b>	627,961
Deferred Tax Asset for the year	<b>3,559,043</b>	273,074
<b>Gross Deferred Tax Asset</b>	<b>4,460,078</b>	901,035
<b>Deferred Tax Liability/ ( Asset ) - Net</b>	<b>12,175,541</b>	15,734,584

**Note No. 6****LONG TERM PROVISIONS**

Particulars	As On	As On
	31.03.2014	31.03.2013
	Rs.	Rs.
i) a) Provisions for employee benefits		
Provision for Gratuity	8,169,879	3,282,391
Provision for Leave Encashment	5,214,882	2,792,696
<b>Total Long Term Provisions</b>	<b>13,384,761</b>	<b>6,075,087</b>

**Note No. 7****SHORT TERM BORROWINGS.**

Particulars	As On	As On
	31.03.2014	31.03.2013
	Rs.	Rs.
i) Short term borrowings		
a) Cash Credits and Working Capital Demand		
Loan from Banks		
- Secured		
Cash credit taken from State Bank of India.	-	10,571,084
Cash credit taken from Andhra Bank	69,645,339	

**Notes:**

The company has taken Cash credit from State Bank of India, Nacharam industrial area branch, Hyderabad which is secured by hypothecation of Raw materials, Consumables, Semi Finished goods, Finished goods and Book debts of the Company.

<b>Total Short Term Borrowings</b>	<b>69,645,339</b>	<b>10,571,084</b>
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**Note No. 8****TRADE PAYABLES**

Particulars	As On	As On
	31.03.2014	31.03.2013
	Rs.	Rs.
1) a) Trade Payables	285,813,163	191,078,684
<b>Total Trade Payables</b>	<b>285,813,163</b>	<b>191,078,684</b>

**SCHEDULE No. 9  
OTHER CURRENT LIABILITES**

Particulars	As On	As On
	31.03.2014	31.03.2013
	Rs.	Rs.
a) Current maturities of long term debt		
(i) Andhra Bank Term Loan I	3,000,000	900,039
(ii) Andhra Bank Term Loan II	-	-
(iii) Technology Development Board	-	6,224,000
	<b>3,000,000</b>	<b>7,124,039</b>
b) Other Payables		
Creditors for Expenses	11,873,193	14,278,268
Outstanding Liabilities	13,281	339,100.00
Security Deposits	890,000	880,000
	<b>12,776,474</b>	<b>15,497,368</b>
<b>Total Other Current Liabilites</b>	<b>15,776,474</b>	<b>22,621,407</b>

**Note No. 10****SHORT TERM PROVISIONS**

Particulars	As On	As On
	31.03.2013	31.03.2012
	Rs.	Rs.
1) a) Provisions for employee benefits		
PF Payable	334,955	315,414
ESI Payable	132,610	118,790
	<b>467,565</b>	<b>434,204</b>
b) Others		
Provision for Income Tax (Net of Taxes) -Last Year due	-	-
Provision for Income Tax (for the period)	5,840,604	4,479,497
Provision for Dividend	-	5,071,437
Provision for Corporate Dividend Tax	-	861,891
	<b>5,840,604</b>	<b>10,412,825</b>
<b>Total Short Term Provisions</b>	<b>6,308,169</b>	<b>10,847,029</b>



**NOTE NO 11: TANGIBLE & INTANGIBLE ASSETS AS AT 31-03-2014**

Sl. No.	Particulars	Gross Block				Depreciation/Amortization				Net Block as on 31.03.2014	Net Block as on 31.03.2013	
		As on 01.04.2013	Additions during the Period	Deletions during the Period	As on 31.03.2014	Dep. As on 01.04.2013	Dep. For the year 2013-14	Reversal	Total Depreciation			
	<b>Tangible Fixed Assets:</b>											
1	Land	3,437,396	-	-	3,437,396			-				3,437,396
2	Buildings and Auxiliaries	42,827,619	-	-	42,827,619	9,754,578	1,430,442	-	11,185,020			31,642,599
3	Storage tanks	2,352,792	-	-	2,352,792	1,118,003	78,583	-	1,196,586			1,234,789
4	Plant and machinery	160,321,841	326,375	-	160,648,216	75,122,086	8,465,279	-	83,587,365			85,199,755
5	Electrical Installations	9,116,985	21,925	-	9,138,910	5,494,592	481,605	-	5,976,197			3,622,393
6	Laboratory Equipment	2,426,407	228,144	-	2,654,551	507,579	132,830	-	640,409			1,918,828
7	Computers	3,682,369	26,000	-	3,708,369	2,943,777	597,997	-	3,541,774			738,592
8	Office Equipment	4,473,322	720,125	-	5,193,447	1,145,069	309,574	-	1,454,643			3,328,253
9	Furniture and Fixtures	4,739,998	57,100	-	4,797,098	1,172,387	300,465	-	1,472,852			3,367,611
10	Vehicles	18,221,843	5,047,130	870,359	22,398,614	5,039,461	1,966,134	672,417	6,333,178			13,182,382
11	Other Miscellaneous Assets	41,917,709	353,540	-	42,271,249	24,206,140	2,221,208	-	26,427,348			17,711,569
	<b>R &amp; D Division</b>											
1	R & D Building	26,802,504	-	-	26,802,504	3,467,850	895,204	-	4,363,054			23,334,654
2	R & D Furniture and Fixtures	3,184,927	-	-	3,184,927	652,119	201,606	-	853,725			2,532,808
3	R & D Equipment	67,553,891	102,375	-	67,638,266	26,874,341	3,568,894	-	30,443,235			40,661,550
	<b>TOTAL</b>	<b>391,041,603</b>	<b>6,882,714</b>	<b>870,359</b>	<b>397,053,958</b>	<b>157,497,982</b>	<b>20,649,823</b>	<b>672,417</b>	<b>177,475,388</b>	<b>219,578,570</b>	<b>233,543,621</b>	
	Previous Year	386,853,912	7,107,856	2,920,165	391,041,603	138,540,921	20,073,525	1,116,464	157,497,982	233,543,623	248,312,991	



**Note No. 12**

**NON- CURRENT INVESTMENTS**

Particulars	AS On	AS On
	31.03.2014	31.03.2013
	Rs.	Rs.
<b>1) Non- Current Assets</b>		
1) Investment in Subsidiaries		
a) Equity Shares		
Tripura Biotech Limited - 100% holding	-	1,006,700
<b>2) Trade Investments</b>		
a) Investment in Equity Instrument		
<b>Quoted</b>		
Andhra Bank - 1100 Shares held	11,000	11,000
<b>Unquoted</b>		
Vaishnavi Biotech Ltd - 25,84,000 Shares held	64,600,000	64,600,000
Biena Life Sciences Private Limited - 10,000 Shares held	-	100,000
Haryana Biotech Ltd - 7,00,000 Shares held	-	7,000,000
	<b>64,611,000</b>	<b>72,717,700</b>
Less: Provision for Diminution in Investments	-	-
<b>Total Non - Current Investments</b>	<b>65,617,700</b>	<b>65,617,700</b>

Note: Long Term Investments are stated at cost. Current investments are stated at Lower of cost or Fair value

**Note No.13**

**INVENTORIES**

Valued at lower of Cost or Net Realisable Value

Particulars	As On	As On
	31.03.2014	31.03.2013
	Rs.	Rs.
a) Raw materials (Refer Note No.27)	13,715,007	17976370
b) Consumables, Stores and spares	618,191	278,797
c) Packing Material	102,224,034	68,558,278
d) Finished & Semi Finished Goods	130,294,365	119,113,952
<b>Total Inventories</b>	<b>246,851,597</b>	<b>205,927,397</b>



**Note No. 14**

**TRADE RECEIVABLES**

Particulars	As On	As On
	31.03.2014	31.03.2013
	Rs.	Rs.
1) <b>Outstanding for a period exceeding six months from the date they are due for payment</b>		
Unsecured, Considered Good	15,635,904	35,794,628
	<b>15,635,904</b>	<b>35,794,628</b>
<b>Other Receivables:</b>		
Unsecured, Considered Good	163,079,251	33,628,454
	<b>163,079,251</b>	<b>33,628,454</b>
<b>Total Trade Receivables</b>	<b>178,715,155</b>	<b>69,423,082</b>

**Note No. 15**

**CASH AND BANK BALANCES**

Particulars	AS On	AS On
	31.03.2014	31.03.2013
	Rs.	Rs.
1) Cash and cash equivalents :		
a) Balances with banks :		
1) On Current Account	14,752,572	543,519
2) Margin Money	-	1,365,274
3) Bank deposits with more than 12 months maturity	-	-
b) Cheques, Drafts on hand	-	-
c) Cash on hand	158,628	508,551
<b>Total Cash and Cash Equivalents</b>	<b>14,911,200</b>	<b>2,417,344</b>

**Note No. 16**

**LOANS AND ADVANCES ( CURRENT )**

Particulars	As On	As On
	31.03.2014	31.03.2013
	Rs.	Rs.
1) <b>Security Deposit</b>		
Secured, Considered Good	5,477,159	15,894,541
<b>Sub Total</b>	<b>5,477,159</b>	<b>15,894,541</b>



<b>II) Loans &amp; Advances to Related Party</b>		
<b>UnSecured, Considered Good</b>		
Vaishnavi Biotech Limited	<b>60,632,170</b>	60,632,170
Prathista International Inc - USA	-	1,717,128
Prathista International Africa Ltd	<b>12,771,088</b>	12,771,088
Haryana Bio Tech Limited		-
		<hr/>
<b>Sub Total</b>	<b>73,403,258</b>	<b>75,120,386</b>
<b>iii) Advances Recoverable in Cash or in kind</b>		
UnSecured, Considered Good	<b>656,112</b>	-
Advance for expenses		-
		<hr/>
<b>Sub Total</b>	<b>656,112</b>	<b>-</b>
		<hr/>
<b>Total Short Term Loans and Advances</b>	<b>79,536,529</b>	<b>91,014,927</b>

**Note No. 17****OTHER ASSETS (CURRENT)**

<b>Particulars</b>	<b>AS On 31.03.2014</b>	<b>AS On 31.03.2013</b>
	<b>Rs.</b>	<b>Rs.</b>
Interest Accrued on Deposit with APSEB	-	-
Cenvat Credit	<b>93,036</b>	-
PLA Deposit	<b>4,406</b>	13853
Others	<b>95,169</b>	135694
		<hr/>
<b>Total Other Assets</b>	<b>192,611</b>	<b>149,547</b>

**Note No. 18****REVENUE FROM OPERATIONS**

<b>Particulars</b>	<b>Year Ended 3 1.03.2014</b>	<b>Year Ended 31.03.2013</b>
	<b>Rs.</b>	<b>Rs.</b>
i) Revenue from operations		
(a) Sale of Products		
Exports	<b>36,062,322</b>	2,544,936
Domestic	<b>1,271,251,488</b>	989,991,580
		<hr/>
<b>Total Revenue from Operations</b>	<b>1,307,313,810</b>	<b>992,536,516</b>



**Note No. 19  
OTHER INCOME**

Particulars	Year Ended	Year Ended
	31.03.2014	31.03.2013
	Rs.	Rs.
1) (a) Interest income	162,522	193,825
(b) Dividend income	6,710	6,050
(c) Profit/(Loss) due to Forex Rate Fluctuations		28,123
(c) Other non-operating income(net of expenses directly attributed to such income)	810,861	353,704
<b>Total Revenue from Operations</b>	<b>980,093</b>	<b>581,702</b>

**Note No. 20**

**COST OF MATERIAL CONSUMED**

Particulars	Year Ended	Year Ended
	31.03.2014	31.03.2013
	Rs.	Rs.
1) Opening Raw material	86,772,055	58,145,537
Add : Purchases	1,052,919,939	829,996,355
	1,139,691,994	888,141,892
Less : Closing Raw material	116,557,232	86,772,055
<b>Total Cost of Raw material consumed</b>	<b>1,023,134,762</b>	<b>801,369,837</b>

**Note No. 21**

**CHANGE IN INVENTORIES**

Particulars	Year Ended	Year Ended
	31.03.2014	31.03.2013
	Rs.	Rs.
1) Finished Goods & WIP Inventories at the beginning of the year	119,113,952	89,258,520
Less : Inventories at the end of the period	130,294,365	119,113,952
<b>Change in Inventories</b>	<b>(11,180,413)</b>	<b>(29,855,432)</b>



**Note No. 22****EMPLOYEE BENEFIT EXPENSES**

Particulars	Year Ended	Year Ended
	31.03.2014	31.03.2013
	Rs.	Rs.
1) (a) Salaries & Wages	49,963,627	47,904,599
(b) Contribution to Provident & Other Funds	3,289,031	3,023,996
(c) Managerial Remuneration	3,926,256	2,096,092
(d) Leave encashment	2,477,727	107,914
(e) Gratuity	4,982,051	175,650
(f) Medical Expenses	42,042	80,651
(g) Bonus/Exgratia a/c	738,854	575,055
	<u>65,419,588</u>	<u>53,963,957</u>

**Note No. 23****OTHER OPERATING EXPENSES**

Particulars	Year Ended	Year Ended
	31.03.2014	31.03.2013
	Rs.	Rs.
1) (a) Consumption of Stores & Spares	-	-
(b) Power & Fuel	19,126,565	11,432,938
(c) Rent	5,114,500	5,305,650
(d) Repairs and maintenance	11,796,544	6,602,991
(e) Insurance	519,459	268,155
(f) Rates & Taxes (excluding Income Tax)	6,643,039	4,280,804
(g) Payment to Auditors:		
(i) As Auditor	56,180	56,180
ii) For Taxation Matters	-	8990
(h) Payment to Cost Auditors	11,236	89888
-Cost Auditors		
<b>Total Other Expenses</b>	<u>43,267,523</u>	<u>28,045,596</u>



Note No. 24

ADMINISTRATIVE AND SELLING EXPENSES

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
<b>ADMINISTRATIVE EXP:</b>	<b>Rs.</b>	<b>Rs.</b>
(a) Telephone, Postage and Others	2,387,140	2,101,082
(b) Conveyance	1,379,387	1,474,951
(c) Office Maintenance	1,191,916	960,511
(d) Printing & Stationery Expenses	1,382,793	2,417,864
(e) Security Charges	1,808,683	1,311,061
(f) Vehicle Maintenance	1,682,010	2,090,397
(g) Professional and Consultancy fee	1,992,669	2,680,803
(h) Donations	24,016	24,000
(i) Pooja expenses	348,021	50,342
(j) Staff welfare	597,043	430,055
(k) Internal audit fee	75,000	87,500
(l) Legal expenses	1,040,670	192,399
(m) Directors sitting fee	30,000	80,000
(n) General expenses	-	831,664
(o) Computer maintenance	596,232	400,434
(p) Income Tax & interest under IT Act	21,254	10,110
(q) Other Administrative expenses	3,141,002	2,108,894
® Interest on Income tax	1,207,925	-
Subtotal	18,905,761	17,252,067
<b>SELLING EXP:</b>		
(a) Business Promotion Expenses	10,692,896	1,969,192
(b) Travelling expenses	7,533,744	8,828,912
(c) Transportation charges	27,867,537	19,257,589
(d) Discount on sales	3,802,053	1,426,349
(e) Commission on sales	168,705	734,093
(f) Advertisement	574,791	803,334
(g) Loading and Unloading charges	1,356,007	1,425,194
(h) Service Tax	478,771	397,733
(i) Other selling expenses	270,043	270,043
Subtotal	52,744,547	34,864,526
Total Administrative Expenses	71,650,308	52,116,593

**Note No. 25****EXPENDITURE ON SCIENTIFIC RESEARCH**

<b>Particulars</b>	<b>Year Ended</b>	<b>Year Ended</b>
	<b>31. 03.2014</b>	<b>31.03.2013</b>
	<b>Rs.</b>	<b>Rs.</b>
1) (a) Purchase of R & D Equipment and Technology		
(b) Material Consumed (Refer Sub Note 1)	<b>430,432</b>	446,031
(c) Pilot Plant expenditure (Refer Sub Note 2)	<b>3,019,614</b>	3,066,781
(d) Administrative, Development and other	<b>51,157,481</b>	37,561,993
(e) Finance cost	-	-
(f) Depreciation on Research and Development assets	<b>4,665,704</b>	4,661,302
<b>Total Expenditure on Scientific Research</b>	<b>59,273,231</b>	45,736,107
Less: Sale of R & D Equipment and Technology	-	-
Less: Revenue from R & D activities in Crops	-	39,723.00
<b>Net Expenditure on Scientific Research</b>	<b>59,273,231</b>	45,696,384

**Note No. 26****FINANCE COST**

<b>Particulars</b>	<b>Year Ended</b>	<b>Year Ended</b>
	<b>31. 03.2014</b>	<b>31.03.2013</b>
	<b>Rs.</b>	<b>Rs.</b>
1) (a) Interest Expenses		
- Interest on Cash Credit	<b>8,710,340</b>	1,361,194
- Interest on Term Loans	<b>3,580,999</b>	1,447,668
- Loan processing Charges & Bank Charges	<b>3,080,828</b>	406,987
- Interest on Unsecured loans and Vehicle loans	-	533,804
(b) Other Borrowing costs	-	-
<b>Total Finance Cost</b>	<b>15,372,167</b>	3,749,653



**Prathista Industries Limited**

ANNEXURE TO NOTE NO.32

Particulars	Year ending 31.03.2014		Year ending 31.03.2013	
	Quantity in KL/MTs	Value Rs.in lakhs	Quantity in KL/MTs	Value Rs.in lakhs
<b>1.Capacity in KL/MTs :</b>				
<u>I) Installed Capacity :</u>				
a) Pharma & Food Section	----	----	3000.00	N.A
b) Veterinary & Poultry	----	----	15000.00	N.A
c) Agri Bio Technology Section	----	----	50000.00	N.A
<b>Restructured For Better Utilisation of Facilities as per Marketing strategies.</b>				
a) Pharma Section	600.00	----	----	----
b) Feed Supplements (Poultry & Live Stock)				
i) Powder	2400.00	----	----	----
ii) Liquid	5000.00	----	----	----
c) Agri Bio Technology Section				
i) Organic Liquid Nutrients	5000.00	----	----	----
ii) Organic Liquid Nutrients for Granulated Fertilisers	3000.00	----	----	----
iii) Organic Granulated Fertilisers.	9000.00	----	----	----
<b>2. Production in KL/MTs:</b>				
a) Pharma & Food Section				
i) Lactates	----		296.50	
ii) Gluconates	----		9.50	
b) Veterinary & Poultry Section				
- Cattle Feed	----		2986.71	
c) Agri Bio Technology Section				
-----	----		12823.75	
<b>Restructured items :-</b>				
a) Pharma Section	284.79		----	
b) Feed Supplements (Poultry & Live Stock)				
i) Powder	1945.50		----	
ii) Liquid	1297.02		----	
c) Agri Bio Technology Section				
i) Organic Liquid Nutrients	4073.48		----	
ii) Organic Liquid Nutrients for Granulated Fertilisers	1182.63		----	
iii) Organic Granulated Fertilisers.	7884.18		----	



<b>3. Turnover</b>				
a) Pharma & food Section				
i) Lactates	----	----	315.69	246.39
ii) Gluconates	----	----	9.52	11.37
b) Veterinary & Poultry Section				
- Manufactured	----	----	0.00	0.00
- Cattle Feed	----	----	2997.00	6317.43
c) Agri Bio Technology Section				
- Manufactured	----	----	11492.83	2350.00
<b>Restructured Items:-</b>				
a) Pharma Section	<b>278.99</b>	<b>274.44</b>	----	----
b) Feed Supplements (Poultry & Live Stock)				
i) Powder	<b>1955.13</b>	} <b>8985.35</b>	----	----
ii) Liquid	<b>1303.42</b>			
c) Agri Bio Technology Section				
i) Organic Liquid Nutrients	<b>3940.41</b>	} <b>3813.34</b>	----	----
ii) Organic Liquid Nutrients for Granulated Fertilisers	<b>1143.99</b>			
iii) Organic Granulated Fertilisers.	<b>7626.60</b>			
<b>4. Material Consumption:</b>				
Maize Gluten and Powder	<b>679.21</b>	<b>195.60</b>	1276.985	367.75
Hydrochloric Acid	<b>17.90</b>	<b>5.19</b>	136.84	39.68
Ammonium Hydroxide	<b>91.55</b>	<b>10.07</b>	254.83	28.03
Neem Seed	<b>530.01</b>	<b>52.84</b>	3781.058	376.96
Calcium Carbonate	<b>78.56</b>	<b>10.93</b>	182.35	25.37
Sugar	<b>300.23</b>	<b>87.84</b>	289.63	84.74
Granules	<b>652.00</b>	<b>29.34</b>	6222.87	280.03
DMH	<b>33.88</b>	<b>9.49</b>	318.65	89.25
Soya Powder/Flakes	<b>566.05</b>	<b>114.10</b>	524.48	105.72
Organic Manure Powder/Liquid	<b>544.16</b>	<b>380.25</b>	2672.42	1867.43
Cattle Feed	<b>3037.36</b>	<b>5302.81</b>	1927.25	3364.71
Activated Carbon	<b>33.50</b>	<b>26.80</b>	24.85	19.88
Sulphuric Acid	<b>114.54</b>	<b>17.10</b>	326.73	48.78
Others	<b>NA</b>	<b>3988.99</b>	NA	1315.36
<b>5. Opening &amp; Closing Stocks:</b>				
<b>I) Opening Stock:</b>				
a) Pharma & Food Section				
i) Lactates				
- Work-in-process	<b>0.00</b>	<b>0.00</b>	0.00	0.00
- Finished Goods	<b>3.47</b>	<b>0.99</b>	22.66	11.43
ii) Gluconates				
- Work-in-process	<b>0.00</b>	<b>0.00</b>	0.00	0.00
- Finished Goods	<b>0.31</b>	<b>0.62</b>	0.33	0.10
b) Veterinary & Poultry Section				
- Work in Process	<b>0.00</b>	<b>0.00</b>	0.00	0.00
- Finished Goods	<b>17.25</b>	<b>17.03</b>	27.54	43.24



c) Agri Bio Technology Section				
- Work-in-process	<b>0.00</b>	<b>0.00</b>	0.00	0.00
- Finished Goods	<b>4658.32</b>	<b>1172.5</b>	3327.40	837.82
<b>l) Closing Stock:</b>				
a) Pharma & Food Section				
i) Lactates				
- Work-in-process	----	----	0.00	0.00
- Finished Goods	----	----	3.47	0.99
ii) Gluconates				
- Work-in-process	----	----	0.00	0.00
- Finished Goods	----	----	0.31	0.62
b) Veterinary & Poultry Section				
- Work-in-process			0.00	0.00
- Finished Goods			17.25	17.03
c) Agri Bio Technology Section				
- Work-in-process	----	----	0.00	0.00
- Finished Goods	----	----	4658.32	1172.5
<b>Restructured Items:-</b>				
a) Pharma Section	<b>9.58</b>	<b>3.38</b>	----	----
b) Feed Supplements (Poultry & Live Stock)				
i) Powder	<b>0.72</b>	} <b>1.20</b>	----	----
ii) Liquid	<b>0.50</b>			
c) Agri Bio Technology Section				
i) Organic Liquid Nutrients	<b>1577.15</b>	} <b>1,298.36</b>	----	----
ii) Organic Liquid Nutrients for Granulated Fertilisers	<b>457.89</b>			
iii) Organic Granulated Fertilisers.	<b>3052.57</b>			

Note:-The Company has created flexibility in capacities of various segments to meet marketing requirements in production operations.

**NOTES TO FINANCIAL STATEMENTS****27. Share Capital :****28. Term Loans :**

Type of Loan	Name of Bank	Loan Outstanding as on 31/03/2014	Loan Outstanding as on 31/03/2013	Rate of Interest	Security Given	Repayment Terms
Term Loan	Technology board	-	16658431	13.25%	Hypothecation of movable assests	The account is closed.
Term Loan I	Andhra Bank	14932601	15015031	15.25%	Mortgage of Immovable Properties.	Quarterly Installments of Rs 704167/-
Term Loan II	Andhra Bank	34472296	-	14.5%	Mortgage of Immovable Properties.	The repayments starts from 15/04/ 2016 and Quarterely Instalement of Rs 5416666/-

**29. Working Capital Loans :**

Name of Bank	Type of Loan Facility	Loan Outstanding as on 31/03/2014	Loan Outstanding as on 31/03/2013	Working Capital Loan Limit	Rate of Interest	Security
State Bank of india	Cash Credit	-	10571084	16000000	16.57%	Hypothecation of raw material, Consumables, Finished goods and book debts
Andhra Bank	Cash Credit	69645339	-	70000000	14.25%	Hypothecation of raw material, Consumables, Finished goods and book Debts

**30. Capital Work In Progress :**

The Company has incurred expenditure for construction of Plant and Machinery which is yet to be put into use.



**31. Related Party Transactions:**

S.No.	Name of the Party	Nature of Relationship	Nature of Transaction	2013-2014 (Rs.)	2012-2013 (Rs.)
1.	K V S S Sairam	Managing Director	Remuneration	<b>1,406,256</b>	1,406,256
			Unsecured Loan taken by the company	<b>NIL</b>	NIL
2.	Vankineni Ramesh	Executive Director	Remuneration (From 12.12.2012 to 31.03.2013)	<b>12,60,000</b>	3,44,918
3.	H.Amarendra	Executive Director	Remuneration (From 12.12.2012 to 31.03.2013)	<b>12,60,000</b>	3,44,918
4.	Tripura Biotech Limited	Common Director interested	<b>Sales</b>	<b>NIL</b>	2,678,000
5.	Vaishnavi Biotech Limited	Common Director interested	Sales	<b>52,57,000</b>	38,377,952
			Purchases	<b>3,49,97,900</b>	52,281,140
6.	Haryana biotech Limited	Common Director interested	Advance given by the company	<b>79,960</b>	1,06,326
			Purchases	<b>NIL</b>	18,360,000
			Sales	<b>NIL</b>	NIL

**32. Additional information regarding Quantitative particulars under Part II of Schedule VI of the Companies Act, 1956:**

(Annexure Enclosed)

**33. Earning per Share (EPS)**

The Basic and Diluted EPS is Calculated as under:

Particulars	March 31 <sup>st</sup> 2014	March 31 <sup>st</sup> 2013
a) Profit after Tax during the year (Rs.)	<b>2,30,15,115</b>	18,182,386
<b>b) Earnings available to Equity Shareholders for Basic &amp; Diluted EPS(Rs.)</b>	<b>23015115</b>	18,182,386
c) Weighted average Number of Shares taken for computation of EPS		
- Basic	<b>7,244,910</b>	6,747,650
- Diluted	<b>7,244,910</b>	6,747,650
<b>d) Earnings per Share (b/a)</b>		
- Basic	<b>3.18</b>	2.69
- Diluted	<b>3.18</b>	2.69
<b>e) Nominal Value per Share</b>	<b>10</b>	10





**34. Segment Reporting :**

The Company is operating in one segment – therefore the Segment Reporting as required under Accounting standard -17 is not disclosed here separately.

	<b>Current year (Rs)</b>	Previous year (Rs)
35. Directors Remuneration	<b>3,926,256</b>	2,096,092

36. No confirmations were obtained from Debtors / Creditors for the balances receivable /payable as at the year end.

**37. Foreign Exchange Inflow/ Outflow**

	<b>Current year (Rs)</b>	Previous year (Rs)
Foreign Exchange Inflow towards Export of Goods	<b>4,494,912</b>	2,544,936
Foreign Exchange Outflow towards Travelling expenses	<b>20,33,850</b>	1,200,103

38. There are no dues to SSI Units outstanding for more than 30 days.

39. Previous year figures are regrouped/reclassified, wherever necessary

40. Figures are rounded off to the nearest rupee.

As per our report of even  
For **P. Murali & Co.,**  
Chartered Accountants  
Firm Regn No: 007257S

**P. Murali Mohana Rao**  
Partner

Membership No: 023412

Place: Hyderabad  
Date: 06/09/2014

For and on behalf of the Board

Sd/-  
**KVSS SAIRAM**  
Chairman and  
Managing Director

Sd/-  
**V. RAMESH**  
Director

Sd/-  
**B.Panduranga Rao**  
Company Secretary



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## **1.0 DSIR RECOGNITION**

The Prathista R&D centre is recognized by Department of Scientific and Industrial Research (DSIR), Govt. of India, letter Note/IV-RD/2146/2011 dated 29.04.2011 and it is valid till 31.03.2015.

The R&D center is established within manufacturing premises in separate independent block, having well furnished research laboratory area of 7000 SFT and 25000 SFT for state of the art pilot plant facilities. The pilot plant is dedicated to conduct experiments and generate validated data before commercialization of any new product for the company.

## **2.0 TECHNOLOGY DEVELOPMENT & COMMERCIALIZATION**

Company in house R&D center is well named for its Excellency in novelty in developing technology, process for manufacturing value added products by using alternative cost effective and renewable raw materials. In recent past year, we have developed a few Innovative products such as animal feed supplements, which have been successfully commercialized, and marketed by our corporate business partner and us. Few of them are commercialized are as below :

### **2.1 Bypass Fat Production by Using Different Calcium Source**

Bypass fat is meant for high milk-yielding dairy ruminants. It is a diet of highly intense energy feed. Our product is designed by changing the calcium source with an aim to improve the quality and reduce production time as well as the cost of the product.

### **2.2 Formulation of Mineral Mixture for Aqua Culture**

Minerals are required for the normal life processes, and all animals, including fish, need these elements. The minerals are responsible for skeletal formation, maintenance of colloidal systems, regulation of acid-base equilibrium and for biologically important compounds. Mineral deficiencies can cause biochemical, structural and functional pathologies. With an aim to supplement the minerals for aquaculture we have developed a mineral rich supplement and it was released as a commercial product.

### **2.3 Commercialization of Calcium Lactate-Gluconate**

The calcium mineral is a vital nutrient for poultry and cattle for good quality production of egg and milk. In order to increase the availability of the calcium in the living system, we have done research and developed calcium lactogluconate through fermentation technology. The process was initially developed in R&D laboratory scale, than the up scaling was conducted successfully.

### **2.4 Process Development of Export Quality Direct Tablet Compressing Grade Calcium Lactate**

Process has been developed in lab scale than the trail has been conducted in pilot plant, and now it has been commercialized and successfully marketed



### **3.0 ON GOING RESEARCH ACTIVITY**

#### **3.1 Mass Production of *P. indica***

*Piriformospora Indica* was discovered by Prof. (Dr.) Ajit Varma and his colleagues from Thar Deserts of Western India in 1992 from the root system of several xerophytic plants. Way back in 1997, the properties of the fungus were patented in Germany (European Patent Office, Muenchen, Germany. Patent No. 97121440.8–2105, Nov. 1998). This is very unique symbiotic fungus which not only promotes plant growth but also has multifunctional activities. Being laboratory cultivable Prathista R&D center has received the culture from Dr. Ajit Varma.

This mycorrhiza fungi has the natural ability to growth on various substrates, unlike common mycorrhiza fungi which cannot be cultivated axenically. The fungi has the capacity to increase the resistance of the plant against pathogens, it helps to tolerate the various stress .In addition to that it helps to immobilize and solubilize inorganic and organic phosphorus and nitrogen present in the soil. By considering above advantages over conventional mycorrhiza, Prathista R&D center continuing the research to formulate new product with *P.indica*.

#### **3.2 Production of Effective Microorganisms for Agricultural and Environmental Application**

Effective micro organisms (EM) consists of mixed cultures of beneficial and naturally occurring microorganisms that can be applied as an inoculums in increase the microbial diversity of the soil and the plants. and also it can be used as a natural sanitizer. Here we are aiming to design the product which will address all the aspects of plant needs by acting like a growth promoter, nutrition supplement and as bio controlling agent. The research is based on consortium of prominent microbes like Lactic Acid bacteria (LAB), Photosynthetic bacteria and yeast. Yeast decomposes organic matter by fermentation and produce the bioactive substances such as hormones and enzymes. LAB decomposes organic matter by fermentation and the barrier of lactic acid keeps harmful microbes away. Photosynthetic bacteriadecompose harmful gases such as ammonia and hydrogen sulfide and change them into odorless gases.

#### **3.3 Cultivation of Black Carrot for Anthocyanin Extraction**

Natural antioxidants and food colorants are of great importance for the food industry. Since synthetic food colors have been suspected of causing cancers, atherosclerosis, arthritis and other degenerative diseases due to their ability of generating harmful free radicals, use of such colorants in food products has been prohibited by the regulatory agencies. Naturally derived anthocyanin from Black carrot have therefore emerged as potential alternative to such harmful pigments. In pursuance of the license agreement with Zonal Technology Management & Business Planning and Development unit, IARI, PUSA, New Delhi for commercial exploitation of technology, Prathista R&D center has absorbed technologies for the extraction of anthocyanin from black carrot. And now we are growing black carrot in green house to evaluate the anthocyanin content in carrot. Moreover we are in a process to create the facilities for natural extraction of anthocyanin from black carrot.



#### **4.0 FILING OF PATENTS**

In this financial year we have filed two patents;

- 4.1 Joint patent has been filed between Amity University, Noida and Prathista Industries Limited, Secunderabad. This patent has been proposed to justify the application of Molasses as novel and new medium ingredient for mass fungal cultivation at industrial scale.
- 4.2 Another Joint patent has been filed between Amity University, Noida and Prathista Industries Limited, Secunderabad. This patent deals with the Novel combination of Rootonic with Bio Zinc to accelerate the seed germination and plant growth. Rootonic is the commercial name of product in which fungus Piriformospora indica ( P.indica) is mixed with carrier material.

#### **5.0 TECHNOLOGY ABSORBED FROM IARI, NEW DELHI**

Natural antioxidants and food colorants are of great importance for the food industry. Since synthetic food colors have been suspected of causing cancers, atherosclerosis, arthritis and other degenerative diseases due to their ability of generating harmful free radicals, use of such colorants in food products has been prohibited by the regulatory agencies. Naturally derived Anthocyanin from Black carrot, lycopene concentrate from tomato and carotenoids from red capsicum have therefore emerged as potential alternative to such harmful pigments.

Stevia, Botanically known as Stevia rebaudiana is the naturally occurring only plant having both sweetening and anti-diabetic property. It is suitable to diabetic patients as well as for obese persons intending to loss weight by avoiding sugar supplements in the diet. In pursuance of the license agreement with Zonal Technology Management & Business Planning and Development unit, IARI, PUSA, New Delhi for commercial exploitation of technology, Prathista R&D center has absorbed technologies on the above said nutraceuticals as listed below.

- Anthocyanin From Black Carrot
- Extraction Of Carotenoid From Red Capsicum
- Extraction Of Lycopene Concentrate From Tomato
- Extraction Of Steviol Glycosides From Stevia Leaves

#### **6.0 AGREEMENTS WITH ACADEMIA**

Under Industry – Institute interaction, Prathista R&D center signed Memorandum of Understanding (MOU) as below

An agreement has been signed on 24th September, 2013 between Amity University, Noida and Prathista Industries Limited, Secunderabad during 9th Foundation day Celebration of Amity Institute of Microbial Technology at Amity University, Noida, Uttar Pradesh.

An agreement has been signed between Dr. Lal Institute of Biotechnology, Jaipur and Prathista Industries Limited, Secunderabad

An agreement has been signed for Research collaboration between Prathista Industries Limited, India and President of Benguest State University (Dr. BEN D. LADILAD PhD, CESO III, univ.president@mail.bsu.edu.ph ), Bengust, Philippines on 17-1-2014



## 7.0 PARTICIPATION IN SEMINARS

Apart from research activity the research person from R&D participates in various National and International conferences symposiums and workshop to promote innovative technologies / products across the globe and to know about current trends.

Participated in National Seminar on “New Developments and Trends on Organic Farming”, organized by Bureau of Soils and Water Management, Department of Agriculture, SRDC Building, Visayas Avenue, Corner Elliptical Road, Diliman, Quezon City, Philippines on 10th January, 2014 as Resource speaker. This National Seminar was Organized under National Organic Agriculture Program.

Participated in “ Symposium on INANGLUPA MOVEMENT (Mother Land Soil Rejuvenation Program in Philippines) and 3G Bio-Organic Technology for Sustainable Agriculture” jointly Organized by Pampanga Agriculture College and ICRISAT at Pampanga Agriculture College, Magalang, Pampanga, Philippines on 10th January, 2014 as Resource speaker.

Participated in seminar organized at Root Crop Research Centre. Benguet State University (BSU), Bengust , Philippines on 17th January, 2014 as Resource speaker.

Participated in seminar on Organic Technology for sustainable Agriculture, organized at Tarlac College of Agriculture, Camiling, Tarlac, Philippines on 21st January, 2014 as Resource speaker.

- Mr. Sachin Singh, Asst. Manager R&D participated in National workshop innovation and technology transfer to industries: role of industries, organized by Babasahed Bhimrao Ambedkar University, Lucknow

## 8.0 STUDENT TRAINING

In addition to a major focus on Research and development, R&D center also encourage students industrial training program for the students from various institutions and universities.

Following students are trained in our R&D center during last financial year and the details are as below.

Mrs.Abinaya prakash, and Mrs. Mehala sundarajan B.Tech (Biotechnology) from Bannari Amman Institute of Technology (BIT), Coimbatore completed their study on “ Fermentative Production of Calcium Propionate”.

Mr.Sravan Kumar M.Tech (Biotechnology) from Acharya Nagarjuna University (ANU), Guntur completed his study on “Fermentative Production of Sodium Lactate”.

Mr.Sivaprasad and Mr.Venkateshwarlu M.sc (Biotechnology) from Adikavi Nanaya University, Rajmandary, A.P. were completed their industrial training.

Mr.Naveen, Mr.Laxman and CH.Vijay kumar B.Tech (Biotechnology) from Sri Indhu College of technology, Ibrahimpatnam completed their project on “Fermentative Production of Potassium Lactate”.

Mrs.Vasavi Reddy and Mrs. Shazia B.Tech(Biotechnology) from Sri Indhu college of



technology ,Ibrahimpattanamcompleted their project on "Bioconversion of Lignocelluloses Waste Into Bio Fuels"

**9.0 PRIME MINISTER'S FELLOWSHIP**

Public-Private-Partnership (PPP) for human resource capacity building for industrial R&D has been recognized as one of the main deliverables by a Sub-Committee of Prime Minister's Council on Trade & Industry. One of the recommendations that emerged from the private sector is to design, develop and implement a doctoral research scheme in PPP mode for enhancing trust level in academia, research outfits and industry.

Mr. Monoj Kumar Puniya, Room No. 234, Shishir hostelIndian Agriculture Research InstitutePusa Campus, New Delhi - 110012, has been awarded "Prime Minister's Fellowship for Doctoral Research", a joint initiative of CII and Science & Engineering Research Board (SERB). He will be working in our R&D Centre.

**10.0 PRATHISTA EMPLOYEES PURSUING THEIR Ph.D.**

Prathista R&D center has been recognized by few universities to strengthen interaction Industry and Academia, thus several Training & Research programs, Project work activities have been initiated for Post Graduation and Ph.D Students. Besides, on Partly Paper & Partly Research (PPPR) program by Shri Mata Vaishno Devi University, Jammu, five of our dedicated & qualified research personals are pursuing their Ph.D in Biotechnology. The details of their research topic is tabulated as below :

Sl. No	Name of the researcher	Regd. No	Topic of Research
1.	Elisha. P	09PHDSBT04	Soil carbon sequestration studies for green house gas reduction through organic agriculture practices by using microorganisms, organic acid and biomolecules.
2.	T. Jithendar	09PHDSBT05	Selectioin of high yielding microbial cultures for glucose oxidase enzyme with high activity.
3.	Ch. Pradeep Reddy	09PHDSBT06	Single batch bio-conversion of Lignocellulosic Biomass to Cellulosic Biofuel and Commercialisation
4.	Amit Kumar Pradhan	09PHDSBT07	Fermentative production of lactate based plant nutrients and its efficacy



5.	Venkatesham K.	09PHDSBT08	Fermentative production of lactic acid from mahua flower
----	----------------	------------	--

All the five employee are now about to submit their thesis and they have received one year extension to submit their thesis.

During the year number of distinguished visitors including foreign dignitaries visited the company facilities.

For and on behalf of the board  
**PRATHISTA INDUSTRIES LIMITED**

Sd/-

**K V S S SAIRAM**  
**CHAIRMAN & MANAGING DIRECTOR**  
DIN 00526725

Place: SECUNDERABAD

Date: 06-09-2014





**PROXY FORM**

**Prathista Industries Limited**

(CIN: U29150TG1996PLC025278)

Regd Office:

10-170/23, Bharathi Nagar, Temple Alwal,  
SECUNDERABAD – 500 010Telangana

Website: www.prathista.com

Tel.: +91 040- 27974989 Fax: +91 040-27976650

Name of the member(s)

Registered address

E-mail ID

Folio No

I/We being the member(s) of \_\_\_\_\_ shares of the above named company hereby appoint:

1) Name:.....Address.....  
Email ID.....Signature.....or failing him;

2) Name:.....Address.....  
Email ID.....Signature.....or failing him;

3) Name:.....Address.....  
Email 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 18th Annual General Meeting of the Company to be held on Tuesday, september 30, 2014 at 11.00 a.m. at 10-170/23, Bharathi Nagar, Temple Alwal, Secunderabad – 500 010 Telangana and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No 1: .....2:.....

3:.....

4: .....5:..... 6:.....

Signed this.....day of .....2014

Signature of shareholder

Affix Re1  
Revenue  
Stamp

Signature of Proxy holder(s)

Note: This form duly filled up, stamped and signed by the appointer or his attorney duly authorized in writing or if the appointer is a BodyCorporate, under the seal or signed by an attorney duly authorized by it shall be deposited at the Registered Office of the Company along with the power of Attorney, if any under which the Proxy Form is signed , not less than 48 hours before the time for holding the meeting.

**ATTENDANCE SLIP**

**Prathista Industries Limited**

(CIN: U29150TG1996PLC025278)

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SLIP DULY FILLED IN TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL

Regd Folio No:

No. of Shares held :

SHAREHOLDER'S NAME: Mr /Mrs/Miss.....  
(In Block Capitals)

IN CASE OF PROXY

NAME OF THE PROXY : Mr/ Mrs/Miss.....

I Certify that I am a Registered Shareholder / Proxy for the Registered Shareholder of the Company.

I hereby record my presence at the 18TH Annual General Meeting of the Company to be held on Tuesday, september 30, 2014 at 11.00 a.m. at 10-170/ 23, Bharathi Nagar, Temple Alwal, Secunderabad – 500 010 Telangana

Member's / Proxy's Signature

Notes: 1. Please bring this Attendance Slip when you are attending the Meeting.

2. Please do not bring with you any person who is not a member of the Company.