

HAFFKINE AJINTHA PHARMACEUTICALS LIMITED

HAFFKINE AJINTHA PHARMACEUTICALS LIMITED

(A SUBSIDIARY OF HAFFKINE BIO-PHARMACEUTICAL CORPN. LTD.)

(A Government of Maharashtra Undertaking)

THIRTY-SEVENTH ANNUAL REPORT

2013-2014

Haffkine Institute Compound,
Acharya Donde Marg,
Parel, Mumbai 400 012

HAFFKINE AJINTHA PHARMACEUTICALS LIMITED

(A SUBSIDIARY OF HAFFKINE BIO-PHARMACEUTICAL CORPN. LTD.)
(A Government of Maharashtra Undertaking)

BOARD OF DIRECTORS

MANAGING DIRECTOR

SMT. SEEMA VYAS

DIRECTOR

SHRI S. V. SHANKARVAR

AUDITORS

M/S. M. A. CHAVAN & CO.
CHARTERED ACCOUNTANTS, MUMBAI.

BANKERS

IDBI BANK LTD.

REGISTERED OFFICE

HAFFKINE INSTITUTE COMPOUND,
ACHARYA DONDE MARG,
PAREL, MUMBAI - 400012

FACTORY

PLOT NO. B - 4, M. I. D. C. AREA,
AJINTHA ROAD, MEHRUN,
JALGAON - 425 003.

HAFFKINE AJINTHA PHARMACEUTICALS LIMITED

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NOTICE **THIRTY SEVENTH ANNUAL GENERAL MEETING**

NOTICE is hereby given that the 37th Annual General Meeting of **HAFFKINE AJINTHA PHARMACEUTICALS LIMITED** will be held at the Registered office of the Company at Haffkine Institute Compound, Acharya Donde Marg, Parel, Mumbai 400 012 on Friday, the 10th June, 2016, at 11.30 a.m. to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March 2014 and the Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.

By Order of the Board of Directors

(SEEMA VYAS)
MANAGING DIRECTOR

Mumbai.

Dated : 10th June, 2016

REGISTERED OFFICE :
Haffkine Institute Compound,
Acharya Donde Marg,
Parel, Mumbai 400 012

NOTE : A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.

HAFFKINE AJINTHA PHARMACEUTICALS LIMITED

(A SUBSIDIARY OF HAFFKINE BIO-PHARMACEUTICAL CORPN. LTD.)
(A Government of Maharashtra Undertaking)

DIRECTORS' REPORT

To the Members of the

HAFFKINE AJINTHA PHARMACEUTICALS LIMITED

1. Your Directors have great pleasure in presenting the 37th ANNUAL REPORT, alongwith the audited Statement of Accounts of the Company for the year ended 31st March, 2014, Report of the Statutory Auditors thereon and the comments of the Comptroller and Auditor General of India under Section 619(4) of the Companies Act, 1956.

2. **CORPORATE PERFORMANCE AT A GLANCE**

During the year 2013-2014, the Company achieved a sales turnover of Rs. 421 Lakhs (previous year Rs. 493 lakhs) and as a result earned a net loss of Rs. 159 lakh as compared with the net loss of Rs. 163 lakh incurred during the previous year.

A brief Corporate performance of the Company during 2013-2014 in comparison with previous two years is furnished hereunder :-

(Rs. in Lakh)

	2011-2012	2012-2013	2013-2014
A. SALES	525	493	421
B. PROFIT / (LOSS) AFTER TAX AND PRIOR PERIOD ADJUSTMENT	(206)	(163)	(159)
C. NET WORTH	60	(103)	(262)

3. **PRODUCTION**

PRODUCT	2011-2012	2012-2013	2013-2014
A. TABLETS (LAKH NO.)	1457.98	1173.45	650.356
B. CAPSULES (LAKH NO.)	65.10	83.85	74.42
C. OINTMENT (KGS.)	2100.00	3949.80	3287.60
E. O.R.S. POWDER SACHETS (NO)	752000	767380	204300

4. EMPLOYEES' RELATIONS

The employer-employee relationship continued to be very cordial and satisfactory during the year.

5. PARTICULARS OF EMPLOYEES

The information pursuant to the requirements of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended from time to time, is Nil.

6. DIRECTORS

The term of the Board of the Holding Company expire on 1st June 2013. Hence, the Directors of the Company were upto 1st June 2013.

7. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Adequate measures are taken to restrict energy consumption by regularly monitoring the level of energy consumption and thereby improving the overall plant power factor. The information regarding conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 is given in **ANNEXURE-I** forming part of this report.

8. DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217 (2AA) of the Companies Act, 1956 your Directors confirm:

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) that they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- iii) that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) that they have prepared the annual accounts on a going concern basis.

9. AUDITORS

- 9.1 The Comptroller & Auditor General of India had appointed M/s. M.A. Chavan & Co., Chartered Accountants, as the Auditors of the Company for the year ended on 31st March, 2014.
- 9.2 The management replies to the observations made by the Statutory Auditors in their Report dated 29th February, 2014 and 4th May 2016 are attached herewith as **ANNEXURE-II** and are to be considered as forming part of this report.
- 9.3 The Comptroller and Auditor General of India has issued “**NO Comments**” under Section 619(4) of the Companies Act, 1956, on the Accounts of the Company for the year, which are attached herewith as **ANNEXURE - III**.

10. GRATITUDE AND ACKNOWLEDGMENT

- 10.1 The Directors express their thanks for the continued co-operation and assistance rendered by the Govt. of Maharashtra and United Western Bank Ltd., as well as the Company's valued customers and suppliers.
- 10.2 The Directors also express their sincere thanks to the high degree of dedication and perseverance displayed by the employees at various levels.

For and on behalf of the Board of Directors

SEEMA VYAS
Managing Director

Mumbai.
Dated : 10th June, 2016

REGISTERED OFFICE:
Haffkine Institute Compound
Acharya Donde Marg,
Parel, MUMBAI - 400 012.

ANNEXURE - I**ANNEXURE TO DIRECTORS' REPORT**

Information pursuant to Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988.

CONSERVATION OF ENERGY

- a) Energy conservation measures taken. : No Boilers are used in the Company. Capacitors are sufficient to maintain the Power factor above 0.97.
- b) Additional investment and proposals, : --
if any being implemented for reduction of consumption of energy.
- c) Impact of the measures at (a) and (b) : The existing arrangement under
above for reduction of energy (a) above has reduced the electrical
consumption on the cost of production. consumption.
- d) Total energy consumption per unit of : ---
production as per Form-A of the
Annexure in respect of industries
specified in Schedule thereto.

		<u>Current Year</u> <u>2013-2014</u>	<u>Previous Year</u> <u>2012-2013</u>
Electricity	Units (Lakh)	1.270	1.733
(Purchased)	Total Amt. (Rs. in Lakh)	11.638	15.243
	Cost/Unit (Rs.)	9.17	8.80
Furnace Oil	Qty. (K.Ltr.)	NIL	NIL

TECHNOLOGY ABSORPTION

- e) Efforts made in technology absorption : NIL NIL
as per Form-B of the Annexure.

FOREIGN EXCHANGE EARNINGS & OUTGO

- f) Activities relating to export initiative taken : NIL NIL
to increase Exports, development of new
export markets for products and services
and export plans. NIL NIL
- g) Total Foreign Exchange used & earned. :

For and on behalf of the Board of Directors

Mumbai.

Dated : 10th June, 2016

SEEMA VYAS
Managing Director

ANNEXURE - II

**Sub.: Audit of Accounts u/s 143(6) (a) of Companies Act 2013/619(4)
of the Companies Act, 1956 for the year 2013-14**

Sr. No.	Period	Pera No.	Description of Objection	Replay of the Company
1	2013-14	1	<p>(v) BALANCE SHEET</p> <p>Current Assets : Rs. 9, 52, 80,207/- Cash and Bank Balances : Rs. 7,13,687/- (Note: - 14)</p> <p>IDBI BankMehrun : Rs. 5, 83,178/-</p> <p>Jalgaon unit is having the current Account at IDBI bank Mehrun and its balances as on 31/03/2014 was negative balance of Rs. 583178. Company has shown his Cash and Bank Balance (Note 14) after considering the negative balance of Mehrun Bank Account. As per accounting practice negative balances of the current account should have been shown as Short Term Borrowing (Note 4) under the head Current Liabilities but it has not been disclosed properly and as a result cash and bank balances under the head current assets are understated and Short Term Borrowing under the head current liability are also understated by Rs. 583178/-</p>	<p>Jalgaon Unit is having Cash Credit Account at IDBI Bank ,Mehrun and its balance as on 31.3.2014 was negative balance of Rs. 583178=00. Company has shown Cash and Bank Balance (Note 14) but henceforth as per accounting practice it will be disclosed as Short Term Borrowing(Note 4)The para may please be consider and dropped</p>
1	2013-14	4	<p>(iv) BALANCE SHEET</p> <p>Current Assets : Rs. 9, 52, 80,207/- Trade Receivables (Note: - 13) : Rs. 7, 21, 49,279/-</p> <p>(The above includes an amount of Rs. 89, 98,794/- being the amount outstanding and receivable from customers for more than three years. Since the amount is outstanding for more than three years, a provision should have been made in accounts towards this amount. This has resulted in overstatement of Trade receivables and understatement of provisions by Rs.89, 98,794/-</p>	<p>These receivables are from Government Departments, Government Hospitals & Municipal Corporations. Follow up for these outstanding amount is done on timely basis and as these are Government concerns there are more chances of the amount will be recover. Hence it is not written off so far. So the para may please be consider and dropped.</p>

HAFFKINE AJINTHA PHARMACEUTICALS LIMITED

Sub.: Audit of Accounts u/s 143(6) (a) of Companies Act 2013/619(4) of the Companies Act, 1956 for the year 2013-14

Sr. No.	Period	Pera No.	Description of Objection	Replay of the Company
1	2013-14	9	<p>(I) BALANCE SHEET Current Liabilities :Rs.16,12,69,506/- Other Current Liabilities :Rs.82,24,799/- (Note: - 6)</p> <p>(a) The Gratuity Payable has covered under Group Gratuity scheme of Life Insurance Corporation of India (LIC). As per LIC's valuation report dated 8th August 2014 the shortfall in gratuity fund was Rs.80,50,031/- as on 31st March 2014.</p> <p>As there was shortfall in Gratuity fund as intimated by LIC, the Company should have made the provision towards Gratuity contribution. This has resulted in understatement of current liabilities by Rs.80,50,031/- and understatement of loss to that extent.</p>	<p>Employee Group Gratuity Scheme : The gratuity of the employee is paid through Life Insurance Corporation of India (LIC) (LIC Group Gratuity Trust). Based on the early data sent by the company LIC fixes the premium and informs the company. As per LIC's premium notice the company has always paid the premium amount regularly every year till April 2015 with an increase of 10% in premium amount.</p> <p>The letter regarding the shortfall of Rs.80,50,031=00 in the fund was received in sept.2014 and the Balance Sheet for the year 2013-14 was already finalized till then. Hence, the provision was not done in the Balance Sheet of F.Y. 2013-14.</p> <p>But based on the letter received from LIC we will do the needful provision while finalising the current Balance Sheet.</p>
1	2013-14	5	<p>III Comments on Disclosure (c) Significant Accounting Policies The Company carried out valuation of Work-in-Progress (W.I.P.) as per the actual cost incurred upto the stage of completion and as per net realizable value (total cost arrived at as per the rate fixed by GoM) and the lesser of the two is accounted. for as W.I.P. However the significant policy for inventories does not specifically state that W.I.P. is valued at lesser value of the two costs viz actual cost incurred and net realizable value. Thus the accounting policy is deficient to this extent</p>	<p>In the previous Significant Accounting policies It is mentioned in Inventories, but In the Financial year 2014-2015 we have mentioned it more specifically and the same will be followed henceforth. So the para may please be consider and dropped.</p>
2	2013-14	4	<p>(IV) General (a)(i) According to section 285 of Companies Act, 1956, every Company should hold minimum four Board Meetings each year. However the Company did not held any Board Meeting during 2013-14.</p>	<p>The Board Meeting was held on 26th March, 2015 and the Balance Sheet for the year ended 31st March, 2014 was approved in said meeting. Hence, the para may please be consider and dropped.</p>

ANNEXURE - III**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956, ON THE ACCOUNTS OF HAFFKINE AJINTHA PHARMACEUTICALS LIMITED, MUMBAI FOR THE YEAR ENDED 31 MARCH 2014.**

The preparation of financial statements of **Haffkine Ajintha Pharmaceuticals Limited, Mumbai** for the year ended **31st March 2014** in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This ***is stated to have been done by them vide their Audit Report dated 27 March 2015.***

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619(3) (b) of the Companies Act, 1956 of the Financial Statements of **Haffkine Ajintha Pharmaceutical Limited, Mumbai** for the year ended **31 March 2014**. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under Section 619(4) of the Companies Act, 1956 which have come to my attention and which in my view are necessary for enabling a better understanding of the Financial Statements and the related Audit Report:

COMMENTS ON FINANCIAL POSITION**A- Balance Sheet****B Assets****2 Current Assets****(d) Cash and cash equivalents (Note No.14): ₹ 7.14 lakh****Other Bank Balance****IDBI Mehrun : ₹ (-) 5.83 Lakh**

1. The above balance of Cash and Cash equivalents has been arrived at after including negative balance of ₹ 5.83 lakh in current account at IDBI, Mehrun. The same should have been shown as Short Term Borrowing (Schedule 14) under the head "Current Liability" being a negative balance.

This has resulted in understatement of Cash and Cash equivalents and Short Term Borrowing by ₹ 5.86 lakh.

COMMENT ON DISCLOSURE

2. As on March 2014, the Company had Trade Receivables (Note-13) worth ₹ 7.21 crore. This included ₹ 5.22 crore receivable from State Government / Government agencies which are outstanding for more than three years.

The Company should disclose its policy with regard to provisioning for receivables as good or bad.

3. The Company received a demand from LIC (August 2014) for payment of Rs. 80.50 lakh towards shortfall in Gratuity Fund for its employees, as on 31st March 2014.

The Company has neither provided for the same nor disclosed it in its Notes to Accounts.

For and on behalf of
The Comptroller and Auditor General of India

Place : Mumbai

Date : 29th Feb. 2016

(SANGITA CHOURE)
PRINCIPAL ACCOUNT GENERAL
(AUDIT-III)

HAFFKINE AJINTHA PHARMACEUTICALS LIMITED



प्रधान महालेखाकार (लेखापरीक्षा)-III, महाराष्ट्र यांचे कार्यालय
प्रधान महालेखाकार (लेखापरीक्षा)-III, महाराष्ट्र का कार्यालय
प्रतिष्ठा भवन, तल मंजिल,
101, महर्षि कर्वे मार्ग, मुंबई - 400 020.
OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL
(AUDIT) - III, MAHARASHTRA.
PRATISHTHA BHAVAN, GROUND FLOOR,
101, MAHARSHI KARVE MARG, MUMBAI - 400 020.

PAG (Audit) - III / CAW-I/Haffkine Ajintha / ML/35

To
The Managing Director,
Haffkine Ajintha Pharmaceuticals Limited Mumbai.

Sub: Accounts Audit under sec. 614(4) of Companies Act 1956 regarding deficiency noticed in Accounts Audit of Hafikine Ajinthatha Pharmaceuticals Limited, Mumbai for the year 2013-14.

Sir,

The Supplementary Audit under section 619(4) of the Companies Act, 1956 was recently undertaken by this office. The accounts audit highlighted some important issues which needs attention of Top Management

1. The Company carried out valuation of Work-in-Progress (W.LP.) as per the actual cost incurred up to the stage of completion and as per net realizable value (total cost arrived at as per the rate fixed by GoM) and the lesser of the two is accounted for as W.LP. However, the Significant Accounting Policy for inventories does not specifically state that W.I.P. is valued at lesser value of the two costs viz. actual cost incurred and or net realizable value. Thus the Accounting Policy is deficient to this extent.

In this connection it is advised that the Accounting Policy regarding valuation of inventory i.e. actual cost incurred or net realizable value may be disclosed appropriately.

2. (a) (i) According to section 285 of Companies Act, 1956, every Company should hold minimum four Board Meetings each year. However, the Company did not held any Board Meeting during 2013-14.

Action taken in this regard may please be intimated.

Yours faithfully,

Dupty Accountant General / ES

HAFFKINE AJINTHA PHARMACEUTICALS LIMITED

INDEPENDENT AUDITOR'S REPORT HAFFKINE AJINTHA PHARMACEUTICALS LIMITED

To the Members of
HAFFKINE AJINTHA PHARMACEUTICALS LIMITED.

Report on the Financial Statements

We have audited the accompanying financial statements of HAFFKINE AJINTHA PHARMACEUTICALS LIMITED, 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

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India: 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 Profit and Loss Account, of the loss for the year ended on that date.
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report of Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For M. A. Chavan & Co.
Chartered Accountants
FRN : 115164W

C.A. Madhukar A. Chavan
Partner
Membership No. 035846

Place : Thane
Date : 27 March 2015.

ANNEXURE REFERRED TO IN PARAGRAPH 1 OF THE AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF HAFFKINE AJINTHA PHARMACEUTICALS LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

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

1. (a) The company has maintained proper records up to 31/03/2008 showing full particulars including quantitative details and situation of its fixed assets.

(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
2. (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.

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

(c) In our opinion and on the basis of our examination of the records, the formal record of physical verification were not maintained. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Thus sub clauses (f) & (g) are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be

maintained under that section.

b) As per information & explanations given to us and in our opinion, the transaction entered into by the company with parties covered u/s 301 of the Act does not exceeds five lacs rupees in a financial year therefore requirement of reasonableness of transactions does not arises.

6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. As per information & explanation given by the management, maintenance of cost records has been prescribed by the Central Government under clause (d) of subsection (1) of section 209 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
9. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities.

(b) The particulars of disputed Statutory Dues are given in Notes to Accounts-No. 23
10. The Company having accumulated losses at the end of Financial Year are Rs. 1,56,57,493/- and Current Year Loss is Rs. 1,58,62,898/- and has incurred cash loss Rs. 1,14,10,554/- during the Financial year covered by our audit and in the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. According to information and explanations given to us, the Company is trading in Shares, Mutual funds & other Investments. Proper records & timely entries have been maintained in this regard & further investments specified are held in their own name.
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.

HAFFKINE AJINTHA PHARMACEUTICALS LIMITED

16. Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the year.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2013, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
19. The Company has no outstanding debentures during the period under audit.
20. The Company has not raised any money by public issue during the year.
21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

For M. A. Chavan & Co.
Chartered Accountants
FRN : 115164W

Place : Thane
Date : 27 March 2015.

C.A. Madhukar A. Chavan
Partner
Membership No. 035846

HAFFKINE AJINTHA PHARMACEUTICALS LIMITED

HAFFKINE AJINTHA PHARMACEUTICALS LIMITED BALANCE SHEET AS AT 31ST MARCH 2014

No.	Particulars	Note No.	As at 31 March, 2014	As at 31 March, 2013
No.			Rs.	Rs.
A	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	1	1,765,000	1,765,000
	(b) Reserves and surplus	2	(27,920,918)	(12,058,020)
			(26,155,918)	(10,293,020)
2	Non-current liabilities			
	(a) Long-term borrowings	3	--	--
			--	--
3	Current liabilities			
	(a) Short-term borrowings	4	108,255,073	108,225,073
	(b) Trade payables	5	34,677,467	15,842,800
	(c) Other current liabilities	6	8,224,799	7,600,505
	(d) Short-term provisions	7	10,142,167	10,033,555
			161,269,506	141,701,933
	TOTAL		135,113,588	131,408,913
B	ASSETS			
1	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	8	29,286,885	33,664,129
	(ii) Capital work-in-progress	8	-	-
	(b) Non-current investments	9		
	(c) Deferred tax assets (net)	10	365,749	754,942
	(d) Long-term loans and advances	11	10,180,747	10,064,975
			39,833,381	44,484,046
2	Current assets			
	(b) Inventories	12	11,852,426	6,989,086
	(c) Trade receivables	13	72,149,279	68,747,142
	(d) Cash and cash equivalents	14	713,687	2,728,201
	(e) Short-term loans and advances	15	10,564,815	8,460,438
	(f) Other current assets	16	--	--
			95,280,207	86,924,867
	TOTAL		135,113,588	131,408,913
	The significant accounting policies & notes to the financial statements form an integral part of the financial statements.			

As per our attached report of even date

For M. A. Chavan & Co.

Chartered Accountants

For and behalf of Board of Directors

C.A. Madhukar Chavan

Partner

Membership No. 35846

Thane

Date : 26 Mar, 2015

(Seema Vyas)
Managing Director

(S. V. Shankarwar)
Director

HAFFKINE AJINTHA PHARMACEUTICALS LIMITED

HAFFKINE AJINTHA PHARMACEUTICALS LIMITED Statement of Profit and Loss for the Year ended 31 March, 2014

No.	Particulars	Note No.	As at 31 March, 2014	As at 31 March, 2013
No.			Rs.	Rs.
1.	Revenue from operations (gross)	17	44,554,361	51,897,245
	Less: Excise duty		2,498,422	2,634,106
	Revenue from operations (net)		42,055,939	49,263,139
2	Other income	18	4,453,301	751,677
3.	Total revenue (1+2)		46,509,240	50,014,816
4.	Expenses			
	(a) Cost of materials consumed	19	32,939,840	29,906,143
	(b) purchase of finished goods	19(c)	341,549	4,827,038
	(c) Changes in inventories of finished goods, work-in-progress and stock-in- trade	19(d)	(4,150,003)	4,489,193
	(d) Employee benefits expense	20	24,258,329	15,379,043
	(e) Finance costs	21	13,644	16,393
	(g) Depreciation and amortisation expense	8	4,452,344	5,135,149
	(h) Other expenses	22	4,127,242	6,653,317
	Total expenses		61,982,945	66,406,276
5.	Profit before tax (3 - 4)		(15,473,705)	(16,391,460)
6.	Tax expense:			
	(a) Current tax expense for current year		--	-
	(c) Current tax expense relating to prior years		-	-
	(d) Net current tax expense		389,193	(97,073)
	(e) Deferred tax		389,193	(97,073)
7.	Profit after tax (5 - 6)		(15,862,898)	(16,294,387)
8.	No. of shares		17,650	17,650
	Earnings Der share (of -100/- each):			
	(a) Basic and Diluted		(899)	(923)
	The significant accounting policies & notes to the financial statements form an integral part of the financial statements.			

As per our attached report of even date

For M. A. Chavan & Co.

Chartered Accountants

For and behalf of Board of Directors

C.A. Madhukar Chavan

Partner

Membership No. 35846

Thane

Date : 26 Mar, 2015

(Seema Vyas)
Managing Director

(S. V. Shankarwar)
Director

HAFFKINE AJINTHA PHARMACEUTICALS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2014

Particulars	As at 31st March 2014 Rs.	As at 31st March 2013 Rs.
(A) CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX	-15,473,705	-16,391,460
ADJUSTMENT FOR		
Depreciation	4,452,344	5135149
Interest Paid	0	0
Interest/Dividend received	0	0
Prior year adjustment	0	0
Operating Profit before Working Capital charges	<u>4,452,344</u>	<u>5135149</u>
	(11,021,361)	(11256311)
ADJUSTMENTS FOR		
(Increase)/Decrease (In Trade and other receivables	(3,402,137)	38627318
(Increase)/Decrease (In Trade and other receivables in Inventories	(4,863,340)	8681760
(Increase)/Decrease (In Trade and other payables	<u>(2,220,149)</u>	<u>(1827364)</u>
	19,567,573	(40664750)
	9,081,947	4816964
CASH GENERATED FROM OPERATION		
Less : Interest paid (Net of received)	-	-
Tax paid (including TDS & FBT)	<u>0</u>	<u>0</u>
	(1,939,414)	(6439347)
Net Cash Inflow/(Outflow) from operations	(A)	

HAFFKINE AJINTHA PHARMACEUTICALS LIMITED

Particulars	As at 31st March 2012 Rs.	As at 31st March 2011 Rs.
(B) CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of Fixed Assets	(75100)	0
Additional in capital work in progress	0	(5500)
Sale of assets	0	0
Dividend received	0	0
Net Cash inflow/(outflow)	(75,100)	(5,500)
(C) CASH FLOW FROM FINANCIAL ACTIVITIES		
Issue of Shares	0	0
Process from Borrowings	0	0
Secured Loan	0	6,800,000
Unsecured Loan	0	
Net Cash Inflow(Outflow)	0	6,800,000
Cash and equivalents as at the end of the year	(2,014,514)	355,153
OPENING CASH BALANCE	2,728,201	2,373,048
CLOSING CASH BALANCE	713,687	2,728,201

As per our attached report of even date
For M. A. Chavan & Co.
Chartered Accountants

C.A. Madhukar Chavan
 Partner
 Membership No. 35846
 Thane
 Date : 26 Mar, 2015

For and behalf of Board of Directors

(Seema Vyas) (S. V. Shankarwar)
 Managing Director Director

HAFFKINE AJINTHA PHARMACEUTICALS LIMITED**(FORMALLY KNOWN AS AJINTHA PHARMACEUTICALS LIMITED)****SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS :****Schedule forming part of Balance Sheet and Profit and Loss Account for the year ended 31 st March 2014.****I] SIGNIFICANT ACCOUNTING POLICIES :****1) ACCOUNTING CONVENTION :**

The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principals as adopted consistently by the Company.

2) FIXED ASSETS AND DEPRECIATION :-

- (1) Fixed Assets are generally stated at cost of acquisition less accumulated depreciation. Cost of acquisition includes cost of purchase or construction including attributable interest and financial costs till such assets are put to use.
- (2) Depreciation for the year is calculated on written down value basis at the rates and in manner prescribed under Schedule XIV of the Companies Act, 1956 and Leased Asset is depreciated as per Leased Period.

3) INVENTORIES :

Inventories are valued on FIFO, basis as under :-

- a) Raw materials and packing materials are valued at Cost.
- b) Finished Goods are valued at lower of cost or Net Realisable Value.
- c) Work in Progress is valued at cost up to the proportionate stage of Completion or Net Realisable Value.
- d) Quality Control glassware in inventories are valued at 90% of the opening stock and purchase during the year.

4) SALES :

Sales is net off excise duty and recognized at the time of dispatch from factory premises and are net of returns, claims sales tax and discounts.

5) RECOGNITION OF INCOME AND EXPENDITURE :

Income and Expenditure are generally recognized on accrual basis as per Standard AS-9 issued by the Institute of Chartered Accountants of India, except Note No. 7.

6) EXCISE DUTY :

Excise duty has been accounted for on clearance of goods from factory premises.

7) RETIREMENTS BENEFITS :

Retirement benefits have been provided in terms of related acts and provisions. The Gratuity payable has been covered under Group Gratuity Scheme of L.I.C. Provision for Leave Salary is made based on the management estimation of the liability.

8) PROVISIONS FOR TAXATION :

- i) Provision for Taxation is made after considering various reliefs admissible under the Income Tax Act, 1961.
- ii) Deferred tax resulting from 'Timing difference' between book profit and taxable profit accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date.

9) BORROWING COSTS :-

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets, upto the date such assets are ready for intended use. All other borrowing costs are charged to revenue.

10) IMPAIRMENTS OF ASSETS

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belong is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the profit and loss account. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

11) Employee Retirement Benefit

The Company has taken a Group Gratuity Policy and the Gratuity payable is covered under the Group Gratuity Scheme of L.I.C.

12. Segment Reporting

The Company is principally engaged in the business of pharmaceutical. Accordingly there are no segments as per Accounting Standard 14 "Segmental Reporting" issued by the Institute of Chartered Accountants of India.

HAFFKINE AJINTHA PHARMACEUTICALS LIMITED

HAFFKINE AJINTHA PHARMACEUTICALS LIMITED NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at 31st March 2014 Rs.	As at 31st March 2013 Rs.
1 : SHARE CAPITAL		
(a) Authorised		
Equity Shares of Rs. 100/- Each	30,000	30,000
b) Issued, Subscribed & fully Paid up	3,000,000	3,000,000
Equity Shares of Rs. 100/- each Issued, Subscribed and fully called up and paid up (held by the holding Company HAFFKINE BIO-PHARMACEUTICAL CORPORATION LTD. MUMBAI.)	17,650	17,650
TOTAL	17,650	17,650
	1,765,000	1,765,000

Particulars	As at 31st March 2014 Rs.	As at 31st March 2013 Rs.
1 (a) Details of Share held by each shareholder holding more than 5% shares :		
HAFFKINE BIO-PHARMACEUTICAL CORPN LTD.	17650	17650
TOTAL	17650	100

Particulars	As at 31st March 2014 Rs.	As at 31st March 2013 Rs.
1 (b) The reconciliation of number of shares outstanding is set out below :		
Equity shares at the beginning of the year	17650	17650
Add : Shares issued	--	--
Less Shares Cancelled	--	--
Equity shares at the end of the year	17650	17650

HAFFKINE AJINTHA PHARMACEUTICALS LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at 31st March 2014 Rs.	As at 31st March 2013 Rs.
2 : Reserve and Surplus		
(a) Revaluation reserve		
Opening balance	--	--
Add : addition on revaluations during the year	--	--
Less Utilised for set off against depreciation		
Closing Balance		--
(b) General reserve		
Opening balance	3,599,473	3,599,473
Add : Transferred from surplus in Statement of Profit & Loss	--	--
Less : Utilised / transferred during the year for		
Closing Balance	3,599,473	3,599,473
(c) P/L A/c.		
Opening Balance	(15,657,493)	636,894
Add : Current years profit	(15,862,898)	(16,294,387)
Less : Utilised / transferred during the year for :	--	--
Closing Balance	(31,520,391)	(15,657,493)
TOTAL	(27,920,918)	(12,058,020)
3 : Long Term Borrowings		
(a) Term Loans	--	--
(b) Term Loans	--	--
Total	--	--

HAFFKINE AJINTHA PHARMACEUTICALS LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at 31st March 2014 Rs.	As at 31st March 2013 Rs.
4 : Short-term borrowings		
(a) Loans repayable on demand from banks (Secured)	NIL	NIL
(b) Loans and advances from related parties (unsecured) from Haffkine Bio-Pharma/ Corporation Ltd. (100% Holding Company)	108,225,073	108,225,073
Total	108,225,073	108,225,073

Particulars	As at 31st March 2014 Rs.	As at 31st March 2013 Rs.
5 : Trade Payables		
Acceptances	--	--
(i) Payables for goods	34,512,240	15,586,504
(ii) Payable for expenses	165,227	256,296
Total	34,677,467	15,842,800

(Above includes an amount of Rs. 96,56,509/- (Net) (P.Y. 79,07,626/-)
due from Haffkine Bio-Pharmaceutical Corpn. Limited

HAFFKINE AJINTHA PHARMACEUTICALS LIMITED NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at 31st March 2014 Rs.	As at 31st March 2013 Rs.
6 : Other Current liabilities		
(a) Current maturities of long term debt	--	--
(ii) Other payables		
1, Statutory dues :	201,787	124,425
Provision of Excise duty on Finished goods		
2, Provision for Leave Encashment	6,845,626	62,58,694
Other payables		
(i) Interest payable	942,911	942,911
(ii) Deposit from Distributors and others	234,475	274,475
TOTAL	8,224,799	7,600,505
Particulars	As at 31st March 2014 Rs.	As at 31st March 2013 Rs.
6(a) : Current maturities of long term debts details		
(b) Terms loans (form other parties(Secured)	--	--
TOTAL	--	--
Particulars	As at 31st March 2014 Rs.	As at 31st March 2013 Rs.
7 : Short - term provisions		
(a) Provision		
Provision for expenses:		
(i) Outstanding Expenses	5,397,167	5,288,555
(b) Provision for Tax:		
(i) Provision for Income Tax	4,635,000	4,635,000
(ii) Provision for Fringe Benefit Tax	110,000	110,000
TOTAL	10,142,167	10,033,555

HAFFKINE AJINTHA PHARMACEUTICALS LIMITED

HAFFKINE AJINTHA PHARMACEUTICALS LIMITED SCHEDULES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011

SCHEDULE 4 FIXED ASSET

SR. NO.	Particulars of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As on 1-4-2013	Additions During the Year	Deduction During the Year	As on 31-3-2014	Up to 31-3-2013	For the Year	Deduction	Total on 31-3-2014	As on 31-3-2014	As on 31-3-2013
1	Lease hold Land	75,114	—	--	75,114	28,485	791	--	29,276	45,838	46,629
2	Factory Building & Other	16,764,381	--	--	16,764,381	7,581,650	918,273	--	8,499,923	8,264,458	9,182,731
3	Office Building & Other	1,146,692	--	--	1,146,692	926,047	11,032	--	937,079	209,613	220,645
4	Plant & Machinery	37,474,977	--	--	37,474,977	17,269,365	2,810,601	--	20,079,966	17,395,011	20,205,612
5	Furniture & Fixture	2,951,839	--	--	2,951,839	1,671,507	231,740	--	1,903,247	1,048,592	1,280,332
6	Electrical Installation	2,538,154	--	--	2,538,154	1,391,861	159,449	--	1,551,310	986,844	1,146,293
7	A. C. & Ventilation	3,554,935	--	--	3,554,935	3,053,618	69,733	--	3,123,351	431,584	501,317
8	Transfer Equipment	49,075	--	--	49,075	42,021	981	--	43,002	6,073	7,054
9	Office Equipments	355,519	--	--	355,519	314,579	7,410	--	321,989	33,530	40,940
10	Storage Racks	437,777	--	--	437,777	300,006	24,937	--	324,943	112,834	137,771

HAFFKINE AJINTHA PHARMACEUTICALS LIMITED

HAFFKINE AJINTHA PHARMACEUTICALS LIMITED SCHEDULES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011

SCHEDULE 4 FIXED ASSET

		GROSS BLOCK					DEPRECIATION				NET BLOCK	
SR. NO.	Particulars of Assets	As on 1-4-2013	Additions During the Year	Deduction During the Year	As on 31-3-2014	Up to 31-3-2013	For the Year	Deduction	Total on 31-3-2014	As on 31-3-2014	As on 31-3-2013	
11	Weight Balances	367,779	--	--	367,779	224,930	19,870	--	244,800	122,979	142,849	
12	Vehicles (Cycles)	3,797	--	--	3,797	3,409	78	--	3,487	310	388	
13	Quality Control Equipment	2,094,493	--	--	2,094,493	1,824,348	37,577	--	1,861,925	232,568	270,145	
14	Water Coolers	88,040	--	--	88,040	80,541	1,043	--	81,584	6,456	7,499	
15	Cycle Stand	54,064	--	--	54,064	38,241	1,582	--	39,823	14,241	15,823	
16	Tools & Equipments	11,611	--	--	11,611	11,435	24	--	11,459	152	176	
17	Intercom System	104,016	--	--	104,016	96,571	1,408	--	97,979	6,037	7,445	
18	Motor Car	542,328	--	--	542,328	156,659	99,850	--	256,509	285,819	385,669	
19	Computers	1,604,688	75,100	--	1,679,788	1,539,877	55,964	-	1,595,841	83,947	64,811	
	TOTAL एकूण	70,219,279	75,100	--	70,294,379	36,555,150	4,452,344	--	41,007,494	29,286,885	33,664,129	
		70,213,779	5,500	--	70,219,279	31,420,001	5,135,149		36,555,150	33,664,129	38,793,778	

HAFFKINE AJINTHA PHARMACEUTICALS LIMITED NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at 31st March 2014 Rs.	As at 31st March 2013 Rs.
10 : Deferred Tax Asset (Net)		
(a) Deferred Tax Asset		
(i) On account of Depreciation	--	--
(ii) Others	214,655	1,962,516
(b) Deferred Tax Liabilities		
(i) On account of Depreciation	151,094	(1,207,574)
TOTAL	<u><u>365,749</u></u>	<u><u>754,942</u></u>

Particulars	As at 31st March 2014 Rs.	As at 31st March 2013 Rs.
11 : Long-term loans and advances (Unsecured, considered good)		
(a) Security deposits	820,299	820,299
(b) Advance income Tax		
(i) Current Year	--	--
(ii) Previous Year	5,263,515	5,263,515
(iii) Paid in for Appeal	2,995,217	2,995,217
(c) TDS deducted at source	661,009	545,237
(d) Advance fringe benefits tax	109,707	109,707
(e) Bombay Sales Tax Paid - Appeal	331,000	331,000
TOTAL	<u><u>10,180,747</u></u>	<u><u>10,064,975</u></u>

HAFFKINE AJINTHA PHARMACEUTICALS LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at 31st March 2014 Rs.	As at 31st March 2013 Rs.
12 : Inventories (All lower of cost and net realisable value)		
(a) Quality Control Glassware	199,244	221,382
(b) Raw Materials	3,540,611	2,743,559
(c) Packing Materials	1,339,865	1,401,442
(d) Finished Goods in Process	3,118,999	29,186
(e) Finished Goods	3,653,707	2,583,649
(f) Resale	--	9,868
Total	11,852,426	6,989,086

Particulars	As at 31st March 2014 Rs.	As at 31st March 2013 Rs.
13 : Trade Receivables (Unsecured, Considered good)		
(a) Trade receivables outstanding for a period exceeding six months from the date they were	39,830,907	50,130,049
(b) Other Trade Receivable	32,318,372	18,617,093
TOTAL	72,149,279	68,747,142

(above includes an amount of Rs. 370,38,220/- (Net) (P.Y. Rs. 43,043,610/-) due from Haffkine Bio-Pharmaceutical Corpn. Limited, holding Company)

HAFFKINE AJINTHA PHARMACEUTICALS LIMITED NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at 31st March 2014 Rs.	As at 31st March 2013 Rs.
14 : Cash and Bank Balances		
1. Cash & Cash Equivalents		
(a) Cash on hand	6,841	7,280
(b) Postage Stamps on Hand	279	279
2. Other Bank Balances		
(b) Balances with banks		
(i) In Current Accounts		
- IDBI Mehrun	(583,178)	(916,345)
- IDBI Dadar	297,957	549,141
- IDBI Dadar	3,070	3,070
- Canara Bank Jalgaon	92,999	92,999
- Canara Bank Parel	895,719	2,991,777
TOTAL	713,687	2,728,201
Particulars	As at 31st March 2014 Rs.	As at 31st March 2013 Rs.
15 : Short-term loans and advances (Unsecured, considered good)		
(1) Loans and advances to employee		
(a) Advance to staff	599,520	623,420
(b) Festival Advance	6,500	-
(2) Prepaid Expenses - Unsecured , Considered		
(a) Interest Receivable	--	--
(b) Prepaid Insurance	38,932	37,911
(3) Balance with government authorities		
(a) Balance with Excise Authorities	6,010,679	4,773,117
(b) Vat Receivable	3,909,184	3,025,990
TOTAL	10,564,815	8,460,438

HAFFKINE AJINTHA PHARMACEUTICALS LIMITED NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at 31st March 2014 Rs.	As at 31st March 2013 Rs.
16 : Other Current Assets (Unsecured, Considered good)		
(b) Capital advances	--	--
TOTAL	--	--
17: Revenue from Operations		
1. SALES OWN PRODUCTION		
(a) Sale of Products	45,489,923	46,544,258
Less : Excise duty service Tax Return	2,498,422	2,634,106
	935,746	93,124
	42,055,755	43,817,028
2. RESALE	184	5,446,111
TOTAL	42,055,939	49,263,139
18: Other Income		
(a) Interest income	--	--
(b) Excise duty on finished goods	--	--
(c) Miscellaneous Income	36,527	35,411
(d) Discount Deducted from Supplier	--	26,822
(e) Sundry Balance written back	3,257,463	689,444
(f) Other expenses write off	378,825	--
(g) Transport Charges recover	780,486	--
TOTAL	4,453,301	751,677

HAFFKINE AJINTHA PHARMACEUTICALS LIMITED NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at 31st March 2014 Rs.	As at 31st March 2013 Rs.
19 : Cost of Material Consumed		
RAW MATERIAL CONSUMED		
Opening Stock	2,743,559	7,059,102
Add : Purchase	31,665,090	22,639,980
	<u>34,408,649</u>	<u>29,699,082</u>
Less : Closing Stock	3,540,611	2,743,559
Less : Sale of raw Material	--	--
TOTAL	<u>30,868,038</u>	<u>26,955,523</u>
PACKING MATERIAL CONSUMED		
Opening Stock	1,401,442	1,253,867
Add : Purchase	1,988,087	3,073,596
	<u>3,389,529</u>	<u>4,327,463</u>
Less : Closing Stock	1,339,865	1,401,442
TOTAL	<u>2,049,664</u>	<u>2,926,021</u>
QUALITY CONTROL GLASSWARE		
Opening Stock	221,382	245,981
Add : Purchase	--	--
	<u>221,382</u>	<u>245,981</u>
Less : Closing Stock	199,244	221,382
TOTAL	<u>22,138</u>	<u>24,599</u>
TOTAL CONSUMPTION	<u>32,939,840</u>	<u>29,906,143</u>

HAFFKINE AJINTHA PHARMACEUTICALS LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

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HAFFKINE AJINTHA PHARMACEUTICALS LIMITED NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at 31st March 2014 Rs.	As at 31st March 2013 Rs.
19 (d) : (Increase) / Decrease in WIP / Finished Goods		
Inventories at the end of the year	3,653,707	2,583,649
Work-in-progress	3,118,999	29,186
Resale	--	9,868
TOTAL	6,772,706	2,622,703
Inventories at the beginning of the year		
Finished goods	2,583,649	702,342
Work-in-progress	29,186	6,185,616
Resale	9,868	223,938
	2,622,703	7,111,896
Net (Increase) / Decrease	(4,150,003)	4,489,193

Particulars	As at 31st March 2014 Rs.	As at 31st March 2013 Rs.
20 Employee benefits expense		
(a) Salaries and wages and bonus	19,059,556	9,788,491
(b) Directors Remuneration		
(c) Leave encashment and other funds	1,297,098	1,447,880
(d) Contributions to provident and other funds	1,833,571	1,932,670
(e) Contributions to gratuity funds	450,000	475,413
(f) ESIC Contribution	78,597	102,445
(g) Washing Charges	30,851	32,119
(h) Rent Staff Quarters	27,612	27,612
(i) Leave travel Assistance	760,458	369,488
(j) Stipend to Trainees	124,722	144,936
(k) Maharashtra Labour Welfare	3,228	4,140
(l) Education allowances	106,224	486,088
(m) Staff welfare expenses	231,623	338,132
(n) Medical Reimbursement	254,789	40,000
(o) Honorarium	--	189,629
Total	24,258,329	15,379,043

HAFFKINE AJINTHA PHARMACEUTICALS LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at 31st March 2014 Rs.	As at 31st March 2013 Rs.
21 : Finance Costs		
(a) Interest expenses on :		
(i) Borrowings	--	--
(ii) Other	--	--
(b) Bank Charges	13,644	16,393
TOTAL	<u><u>13,644</u></u>	<u><u>16,393</u></u>
	As at 31st March 2014 Rs.	As at 31st March 2013 Rs.
22. Other Expenses		
Payment to Auditor (as per 22a)	211,169	222,703
Miscellaneous expenses (As per 22 (b))	3,916,073	6,430,614
TOTAL	<u><u>4,127,242</u></u>	<u><u>6,653,317</u></u>
	As at 31st March 2014 Rs.	As at 31st March 2013 Rs.
23. Payment to Auditor		
(i) Payment to the auditors comprises (Net of service tax input Credit, Where applicable)	39,326	39,326
As auditors - statutory audit	36,517	28,090
For Tax Audit taxation matters	135,326	155,287
For other services	<u><u>211,169</u></u>	<u><u>222,703</u></u>
TOTAL		

HAFFKINE AJINTHA PHARMACEUTICALS LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at 31st March 2014 Rs.	As at 31st March 2013 Rs.
22 (b) : Miscellaneous Expenses		
Electricity Charges	793,509	1,603,201
Factory Expenses	125,290	162,457
Oil & Lubricants	18,845	12,530
Testing Charges	268,707	347,723
Quality Control Chemicals	60,661	69,494
Water Charges	141,377	147,549
Consumables Stores	192,834	179,139
Security Charges	304,119	425,734
Rent, Rates & Taxes	--	114,000
Advertisement Expenses	24,179	4,500
Books & Periodicals	620	--
Books & Periodicals	4,424	3,990
Building Tax	61,378	61,378
Conveyance Expenses	75,499	46,977
Directors Sitting Fees	--	2,500
Garden Expenses	4,958	23,961
Cartage	18,403	23,100
Insurance Premium	38,783	37,931
Legal & Professional Expenses	123,440	252,040
Computer Expenses	72,947	23,085
Post. Telegram Expenses	35,364	41,181
Professional Tax (Co.)	2,500	2,500
Printing & Stationary	106,709	215,395
Miscellaneous Expenses	129,923	131,197
Office Expenses	148,113	108,830

HAFFKINE AJINTHA PHARMACEUTICALS LIMITED

HAFFKINE AJINTHA PHARMACEUTICALS LIMITED SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2014

Particulars	As at 31st March 2014 Rs.	As at 31st March 2013 Rs.
Repairs & Maintenance		
1. Plant & Machinery	287,570	87,390
2. Building	--	-
3. Electricals & Others	122,310	277,806
4. A.C. Plant	6,752	52,894
5. Computer	27,120	59,503
6. Vehicle	2,984	--
Sundry Fees & Licence Fees	42,634	114,949
Travelling Expenses	67,036	151,505
Transport Outward	335,173	1,149,315
Telephone / Telex Charges	11,056	157,937
Computer Stationary	1,800	36,612
Rent for Machinery	--	21,006
Transport Inwards	41,325	94,615
Vehicle Insurance	21,997	--
Vehicle Expenses	16,357	13,665
Fuel	71,863	89,145
Advocate Fees	25,000	--
Penalty Charges	1,240	--
Donation	2,000	--
Interest	1,912	--
Excise duty on finished goods	77,362	83,880
TOTAL	<u>3,916,073</u>	<u>6,430,614</u>

23. Contingent liability not provided for :

Following disputed Income Tax dues, as under Income Tax Act, 1961, of Contingent nature have not been provided for :

(A) Income Tax :

Name of Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax	*13,63,323/-	A.Y.2007-08	Commissioner of Income Tax (Appeals)
Income Tax	97,653/-	A.Y.2006-07	Appeal has been upheld by Commissioner of Income Tax (Appeals) and referred to A.O. The order is awaited
Income Tax	14,06,593/-	A.Y.2005-06	Income Tax Appellate Tribunal has remitted the matter to A.O. and same is Pending.

* Out of the total demand of Rs. 30,26,723/- total advance of Rs. 16,63,400/- paid.

Name of Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Sales Tax	*22,00,772/-	F.Y.2004-05	Jt. Commissioner of Sales Tax, Mumbai

* Rs. 3,31,000/- has been paid as a part payment pending appeal.

24. OTHER INFORMATION

	31.03.2014	31.03.2013
d) C.I.F. Value of Imports	Nil	Nil
e) F.O.B. Value of Exports	Nil	Nil
f) Expenditure in Foreign Currency	Nil	Nil
g) Break up of Raw Material Consumed :		

	Amount (Rs.)	%	Amount (Rs.)	%
Indigenous	3,08,68,038	100.00	2,69,55,523	100.00
Imported	Nil	0.00	Nil	0.00
	<u>3,08,68,038</u>	<u>100.00</u>	<u>2,69,55,523</u>	<u>100.00</u>

h) Break up of Stores & Spares Consumed :

Indigenous	Nil	Nil	Nil	Nil
Imported	Nil	Nil	Nil	Nil
	<u>Nil</u>	<u>Nil</u>	<u>Nil</u>	<u>Nil</u>

25. Earning per Share :

No. of Equity Share	17,650	17,650
Face Value per share	100	100
Profit for the Year	(1,58,62,898)	(1,62,94,387)
Earning per share	(899)	(923)

26. Previous years figures have been re-grouped and or re-arranged wherever necessary.

27. As per Government Resolution (GR) of the State Government of Maharashtra there is 6th Pay Commission effect was given to 27 workers from December,2011 and effect of the 6th Pay Commission 28 Office Staff effect on 14th January,2013.

The provision as on 31st March,2013 was made towards 6th Pay Commission effect of Rs. 1,23,73,852/- out of which Rs.76,42,332/- pertaining to staff has been reversed during the year as no more payable by crediting to employees benefit by expenses.

The Management has to take decision as regards to 6th Pay Commission payment of Rs.47,31,520/-

The Government Resolution dated 14th January,2013 in para 2(4) has put a condition that 6th Pay Commission effect will be given out of own income and for this payment Government shall not give any financial help.

As per our attached report of even date

For M. A. Chavan & Co.
Chartered Accountants

C.A. Madhukar Chavan
Partner
Membership No. 35846
Thane
Date : 26 Mar, 2015

For and behalf of Board of Directors

(Seema Vyas)
Managing Director

(S. V. Shankarwar)
Director