

We believe in excellence



25TH ANNUAL REPORT 2010-2011



CORPORATE INFORMATION

BOARD OF DIRECTORS

Suresh J. Patel

Chairman & Managing Director

Bhavin S. Patel

Executive Director

Ankit S. Patel

Executive Director

Ramesh P. Patel

Executive Director

Surendra N. Shah

Independent Director

Sunil K. Mehta

Independent Director

Bipin R. Patel

Independent Director

Prakash B. Patel

Independent Director

COMPANY SECRETARY

Chirag G. Shah

REGISTERED OFFICE

Plot No.123 & 124, Phase-I, G.I.D.C. Estate,
Vatva, Ahmedabad-382 445.

AUDITORS

Mayank Shah & Associates.,

Chartered Accountants,

706-708-A, Mahakant, Opp. V.S. Hospital,
Ellisbridge, Ahmedabad-380 009

BANKER

Union Bank of India

Bank of India

REGISTRAR & TRANSFER AGENTS

Sharepro Services (India) Pvt Ltd.

416-420, 4th Floor, Devnandan Mall,

Opp. Sanyas Ashram, Ellisbridge,

Ahmedabad-380006.

AUDIT COMMITTEE

Surendra N. Shah *Chairman*

Bipin R. Patel *Member*

Prakash B. Patel *Member*

REMUNERATION COMMITTEE

Surendra N. Shah *Chairman*

Bipin R. Patel *Member*

Prakash B. Patel *Member*

SHAREHOLDERS' GRIEVANCES COMMITTEE

Surendra N. Shah *Chairman*

Bipin R. Patel *Member*

Prakash B. Patel *Member*



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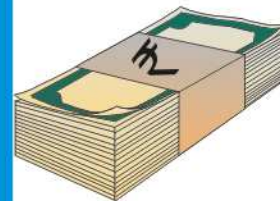
VISION

We have a vision...



*...of becoming a global influence in world
Dyes & Dyes Intermediates markets.*

...of creating values for our Stakeholders.



*...of commitment to Quality of Products &
Services for our customers.*

*...of promoting Green Earth, by endeavoring
to develop lesser and lesser polluting products.*



MESSAGE FROM THE CHAIR



Dear Shareholders,

It is my privilege to communicate with you at the end of another successful financial year, i.e.2010-11, with achievement of topline of Rs. 572.42 crore.

I am pleased to inform you that in the month of August, 2011, your company's equity shares are listed on National stock Exchange Ltd. (NSE) under the symbol of BODALCHEM. Now, your company's equity shares are listed and traded on prestigious stock exchanges of India i.e. BSE and NSE.

The world as well as the Indian economy showed resilience during the financial year 2010-11. There were and are several concerns on macro economic point of view like high interest rate, high inflation, shortage of liquidity etc.

In spite of this, your company has posted another excellent financial result for the financial year 2010-11.

- Turnover and other Receipt increased from Rs. 486.60 crore to 572.42 crore - increased by 17.64%
- EBIDTA jump from Rs. 52.71 crore to Rs. 61.58 crore - increased by 16.83%
- Net Profit increased from Rs. 13.46 crore to Rs.17.49 crore - increased by 29.94%.

The Board of Directors has recommended a dividend of Rs.0.54 i.e.27% per equity share of Rs.2/- each for the financial year 2010-11. The dividend will be paid to those shareholders whose names appear on Register of Members on 23rd September, 2011, on approval at the ensuing Annual General Meeting.

As you aware that financial year 2011-12, start with uncertainty and fear of double-dip recession in the world. However, your Company has performed very well during the first quarter i.e. April-June, of the current financial year i.e. 2011-12.

- Turnover and other Receipt increased from Rs. 130.56 crore to 161.89 crore - Increased by 24%
- EBIDTA jump from Rs. 15.16 crore to Rs. 19.25 crore - increased by 26.97%
- Net Profit increased from Rs. 4.93 crore to Rs.5.77 crore - increased by 17.04%

Bodal's management believes that we are challenging our teams to look beyond our existing standards and seek excellence in every aspect of business. Better ways to relate to our customers. Better ways to develop new markets and new products. Better ways of research and innovation. Better manufacturing technologies. Better ways to serve all our related communities.

There are ample opportunities in Agriculture business and its related technologies business. Hence, your company has entered into new area of business Agriculture and its related business through wholly owned subsidiary company namely Bodal Agrotech Ltd.(BAL)

This company has been incorporated in the month of August, 2010, as wholly owned subsidiary company. The company has commenced its business in the area of trading of vegetables, fruits, and foodgrains initially.

BAL is under process to set up Single Super Phosphate (SSP) plant with 3.5 lacs MTPA capacity. BAL expects that SSP plant will generate, yearly, Rs. 240 crore Turnover.

BAL has acquired 51% equity stake in Sun Agrigenetics Pvt. Ltd.(SAPL) during January, 2011. Hence, SAPL becomes subsidiary of BAL. SAPL is in business of production of tissue culture plants, Microbial bio-fertilizers, Genetic Improvement of crops, contract research etc.

The road ahead for financial year 2011-12 is not devoid of obstacles; some immediate ones being the high interest rate, which is putting pressure on margin, uncertainties prevailing in the global economy, which could have global repercussions on demand conditions. But your company has always risen above challenges; driven by its resilience, foresight and strategic direction and I am sure this year will be no different.

Success of any business can only be possible because of its employees and people who put in unrelenting efforts to rise to excellence. I would like to reiterate that your company's employees are its valuable asset and it is entirely due to their hard work, perseverance, commitment and dedication that your company has been able to deliver sustainable growth and value creation with passing every year.

I sincerely thank all our shareholders, customers, suppliers, banks, government and its agencies and all other agencies/persons, who are connected directly or indirectly with your company for their continued support and faith reposed in your company.

I would like to assure you that your company would continue to remain committed to deliver strong growth and enhance shareholders' and other stakeholders' values in every possible way we can.

Warm regards,

Yours sincerely,



Suresh J. Patel,
Chairman & M.D.

(This does not purport to be part of the proceedings at the meeting)

RECOGNITIONS



India's No.1 "Mr. Ramesh Patel - Executive Director, receiving award for Self Manufactured Direct Export of Dye Intermediates during the year 2009-10"



India's No.2 "Mr. Bhavin Patel - Executive Director, receiving award for Self Manufactured Direct Export of Dyes during the year 2009-10"

DIRECTORS' REPORT

To,
The Members

The Directors have great pleasure in presenting their 25th ANNUAL REPORT along with the Audited Accounts for the year ended 31st March, 2011.

FINANCIAL RESULT

Particulars	(Rs. In Lacs)	
	31-3-2011	31-3-2010
Turnover and other Receipt	57242.47	48660.09
Profit before depreciation and taxation	3896.39	3253.55
Less : Depreciation/Amortization of Goodwill	1379.90	1212.53
Profit before Taxation	2516.49	2041.02
Less : Provision for Taxation	767.09	694.65
Profit after Taxation	1749.40	1346.37
Balance available for appropriation	2621.15	1712.06
Dividend on Equity Shares (Including Tax)	624.53	626.61
Balance Transferred to Balance Sheet	1821.61	945.45
EPS-face value of Rs. 2/- each-(in Rs.)	1.68	1.41

DIVIDEND

Your company has a consistent dividend policy of balancing the dual objective of rewarding to shareholders through dividends and retaining profit for enhancement of net worth of your company for supporting future growth. Your Company has a consistent track record of moderate but steady increase in dividend declarations over its history.

Considering the said policy for dividend declaration, your Directors are pleased to recommend a dividend of 27% i.e. Rs.0.54 per equity share of Rs.2/- each for the financial year 2010-11. The total quantum of dividend, if approved by shareholders, will be Rs. 537.36 lacs, while Rs.87.17 lacs will be paid by the Company towards dividend tax. Dividend will be tax free in the hands of the shareholders. The Company had declared 27% dividend for the last year i.e.2009-10.

The dividend on equity shares, if approved by shareholders, will be paid to the members whose name appears on the Register of Members at the time of Book closure date.

BODAL'S BUSINESS

Your Group has not only engaged in Manufacturing of Dyestuffs, Dyes Intermediates and other Chemicals falling under the broad category of Chemicals but also business interest in the diverse areas of Agriculture i.e. trading of fruits , vegetables, food grains etc., retail store of vegetables and fruits for direct selling to customers, production of tissue culture plants, Microbial bio-fertilizers, Genetic Improvement of crops, contract research etc. Your Company has said business interest in the diverse areas of Agriculture through its Bodal Agrotech Ltd., the wholly owned subsidiary company and Sun Agrigenetics Pvt. Ltd. subsidiary of Bodal Agrotech Ltd.

Your company is identified "Bodal" as the group name. Bodal group includes Bodal Chemicals Ltd and its subsidiaries. The Company has applied for registration of logos including group logo "Bodal" to The Trade Marks Registry, Ahmedabad.

Bodal Chem is well-known in the field of manufacturing Dyestuffs, Dyes Intermediates and other Chemicals falling under the broad category of Chemicals. Dyestuff is further used in Textile, Leather and Paper Industry. Company has total 8 separate units having manufacturing facilities located in Gujarat. Due to Forward and Backward – both Integration from dye Intermediates division, we use about 60 % of our own raw materials when we produce intermediates and we use about 80% of our own raw materials when we produce dyestuffs. This is our Strength. Out of the total sales about 42% is export and balance is domestic.

The broader area of operation of your company is as under:

Dyes

Your Company is a leading manufacturer of Reactive, Acid and Direct Dyes. Bodal has more than 150 different products of Dyes to cater to Textile, Leather and Paper Industry.

Dye Intermediates

Bodal is amongst the leading manufacturers of Dye Intermediates globally. Your Company manufactures more than 25 Dyes Intermediates. These Dye Intermediates are directly sold as well as consumed captively for manufacturing different kinds of Dyes.

Other/Basic Chemicals

Bodal is also a manufacturer of Other Chemicals like Sulphuric Acid, CSA, Oleums, Beta Napthol, Acetanilide, Para Nitro Aniline etc. These Chemicals are used as key raw materials for production of Dye Intermediates, which is highly beneficial in terms of improving profitability of the company.

PERFORMANCE OF THE COMPANY

The Year Under Review-2010-11

Your company has successfully achieved several milestones in the past. The Company has achieved one more milestone, to cross Rs.500 crore Turnover for the financial year 2010-11. This milestone indicates itself that your Company is committed towards, expanding market share in domestic as well as overseas market, introduction of new products, higher capacity utilization, successfully implementing marketing strategies after reading market trends and creating and enhancing values for its stakeholders.

The performance of your Company, during the year, registered an impressive growth over the previous year. Turnover and other Receipt at Rs. 572.42 crore and Profit before tax at Rs. 25.16 crore during the year ended 31st March, 2011, represent an increase of 18% and 23% respectively, over the previous year. Profit after tax at Rs.17.49 crore was higher by 30% compared to the previous year. This substantial increase in profit after tax was mainly on account of higher capacity utilization, well-planned business initiatives, brand building of products and strong Corporate Strategies, several marketing initiatives undertaken including introduction of new products/brands etc.

Current Year-2011-12

In this current financial year-2011-12, the company is strongly taking initiatives for increasing profit margin without any compromise of quality of products and customer services. This is not easy task for the company.

However, your company is confident that profit and profit margin of the company will be increased through captive consumption of steam and power, which are generated from Turbine, part of Sulphuric Acid Plant, proper selection of products as per requirement of market, better inventory management, expanding market share, minimum marketing efforts for repeat orders, delivery of goods as per commitment, introduction of new techniques in manufacturing process etc.

Hence, your company will deliver another excellent financial performance for the current financial year i.e. 2011-12.

Your Company has performed well during the first quarter i.e. April-June, of the current financial year, despite there is prevailing uncertainty and fear of recession in the world.

- Turnover and other Receipt increased from Rs. 130.56 crore to 161.89 crore
- EBIDTA jump from Rs. 15.16 crore to Rs. 19.25 crore – increased by 26.97%
- Net Profit increased from Rs. 4.93 crore to Rs.5.77 crore— increased by 17.04%

COMMISSION OF SULPHURIC ACID PLANT

A 450 TPD Sulphuric Acid plant has been successfully commissioned at our Unit No. VII, Dudhwada, Ta. Padra, Dist. Vadodara, during July, 2010. Bodal has also manufacturing facility for production of Dyes and Dye Intermediates at the same location. Hence, the Company has a unique locational advantage, it helps in substantial saving of transportation cost, easy and timely availability of Acid for Dye Intermediates. This is our backward integration for securing and timely availabilities of raw materials and improve profit margin.

Turbine, part of our Sulphuric Acid Plant, which generates steam and power, has been successfully commissioned during the last week of December, 2010 and stabilized its working during current year. Power is used to run Sulphuric Acid Plant and Steam is used in Dyes and Dye Intermediates plants at our Unit -VII, Dudhwada, Ta. Padra, Dist. Vadodara, Gujarat. Hence, the considerable positive impact of the same on the profitability will start reflecting in the current financial year i.e. 2011-12 onwards due to reduction of fuel consumption cost.

SUBSIDIARY COMPANIES

Your Company has two Indian subsidiaries viz. Bodal Agrotech Ltd. (BAL) and Sun Agrigenetics Pvt. Ltd. (SAPL). BAL is a direct subsidiary and SAPL is a step down subsidiary of your Company.

As on date, BAL is a wholly owned subsidiary of your Company and BAL has 51% equity stake in SAPL and balance of 49% equity stake held by promoters of SAPL.

Bodal Agrotech Ltd.(BAL)

This company has been incorporated in the month of August, 2010, as wholly owned subsidiary company. The company has started its business in the area of trading of vegetables, fruits, and foodgrains initially. BAL has also acquired business of one retail store, in Ahmedabad, for direct selling of vegetables and fruits to retail customers and BAL also plans to open more retail stores, with same line of business, in the name of "Bodal Agro" in Ahmedabad city.

BAL plans to manufacture Single Super Phosphate (SSP)-Fertilizer with 3.5 lacs MTPA capacity near by our existing manufacturing facility of Sulphuric Acid, Dye Intermediates and Dyes, located at our Padra unit, Vadodara. During the year, BAL has applied to government authorities/agencies for licenses/approvals of SSP project. BAL is in process to complete formalities/approvals for setting up SSP Plant. The said formalities should be completed in short time. The construction work of SSP plant can be considered only thereafter. Once the construction work of SSP plant start, it will take a time of about 18 months for commencement of production.

SSP plant will use Sulphuric Acid as key raw material for producing SSP. Our 450TPD Sulphuric Acid plant has already been commenced.

Your Company is producing major Dye Intermediates like Vinyl Sulphone Ester, DASA, F C Acid in huge quantity which generates Spent Sulphuric Acid (Concentrate 25 to 30%) and the same will also be consumed as raw material in the SSP plant. It will directly save purification cost of about Rs. 1.00 Lac per day. So Spent Sulphuric Acid is available at free of cost as a part of raw material and there is also saving in purification cost.

The Company expects that SSP plant will generate, yearly, Rs. 240 crore Turnover.

BAL's business and its future plans are elaborated in Management Discussion and Analysis.

Sun Agrigenetics Pvt. Ltd. (SAPL)

BAL has acquired 51% equity stake in Sun Agrigenetics Pvt. Ltd.(SAPL) during January, 2011. Hence, SAPL becomes subsidiary of BAL.

SAPL is in business of production of tissue culture plants, Microbial bio-fertilizers, Genetic Improvement of crops, contract research etc.

SAPL's business and its future plans are being elaborated in Management Discussion and Analysis.

Information relating to performance/financials of the subsidiary companies are disclosed in the Consolidated Financial Statements. Statement pursuant to Section 212(1)(e) of the Companies Act, 1956 forms part of this Annual Report.

Compliance of Section 212 of the Companies Act, 1956.

In accordance with the general circular no. 2/2011 bearing reference no. 5/12/2007-CL-III, dtd.8th February, 2011, issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies.

In accordance with the requirement of Accounting Standards issued by The Institute of Chartered Accountants of India, the consolidated accounts of the company and its subsidiaries have been prepared and the same are annexed to this report.

CORPORATE ACTIONS

Subdivision (Stock Split) of equity shares

With a view to provide more liquidity and encourage active participation of the retail investors, your Company has subdivided equity shares from 1(one) equity share of the company of Rs. 10/- (Rupees Ten) each to 5(five) equity shares of Rs.2/- (Rupees Two) each.

Preferential Issue

The Board of Directors has allotted 67,50,000 (Sixty Seven Lacs and Fifty Thousand) warrants convertible into equivalent number of equity shares of Rs.10/- each at a price of Rs.63/- per share (including premium Rs.53/-per share) to Promoter Group/Non Promoters on 11th May, 2010, as per terms approved by shareholders vide EGM dtd. 28th April, 2010.

The Company has received Rs. 15.75 per warrant i.e. 25% of Rs. 63/-, aggregating Rs.10.63 crore for allotment of warrants from allottees and the said amount has been fully utilized for Long Term Working Capital/general corporate purposes.

The Company will receive balance amount i.e. Rs.47.25, aggregating Rs. 31.89 crore at the time of conversion of warrants into equity shares within 18 months from the date of allotment i.e. 11th May, 2010.

After considering subdivision/split, each warrant will be converted into 5 equity shares of face value of Rs. 2/- each on or before 10th November, 2011. At the time of conversion, issue price of equity shares will be adjusted accordingly.

Redemption of Debentures

The Company has approved and redeemed 1,02,510, 10% Unsecured Redeemable Non-Convertible Debentures of Rs.500/- each fully paid up at par during May, 2010.

PUBLIC DEPOSITS

During the period under review, the Company has accepted deposits from Shareholders and Public within the prescribed limits. As on March 31, 2011, deposits from Public and Shareholders stood at Rs. 15.55 crore. There were no deposits, which were claimed and remained unpaid by the Company as on March 31, 2011.

DIRECTORS

Mr. Sunil K. Mehta and Mr. Surendra N. Shah, retire by rotation at the Annual General Meeting. Being eligible, they offer themselves for re-appointment.

For the persual of shareholders, a brief resume of the above said directors, nature of the their expertise, their shareholding in the company and other required details are given in the section of Corporate Governance Report elsewhere in the Annual Report.

INSURANCE

The Company's assets are adequately insured.

AUDITORS & AUDITORS' REPORT

Your Directors recommend re-appointment of Auditors M/S. Mayank Shah & Associates. Chartered Accountants, Ahmedabad for the financial year 2011-12. The Company has received a certificate from the auditor stating that their appointment, if made, will be within the limit specified under section 224 (1B) of the Companies Act, 1956.

INDUSTRIAL RELATIONS

Industrial relations at all divisions of your Company have always been cordial and continue to be so, your Directors wish to place on record their appreciation for the co-operation received from employees at all levels.

ENVIRONMENT PROTECTION

Your Company has undertaken various environment friendly measures in its different units for promoting better environment. The Company has in place adequate pollution control equipments and all the equipments are in operation.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Your attention is drawn to the perception and business outlook of your management for your company for current year and for the industry in which it operates including its position and perceived trends in near future. The Management Discussion and Analysis Report as required under clause 49 of the Listing Agreement with the Stock Exchange is attached and forms part of this Directors' Report.

Corporate Governance

The Company has complied with all the mandatory requirements as specified under clause 49 of the Listing Agreement by SEBI. As required therein, a separate Report on Corporate Governance forms part of this Annual Report. The certificate from statutory Auditors of the Company regarding compliance of conditions of Corporate Governance is part of this report and is annexed hereto.

Details of various committees constituted by the Board of Directors are given in the Corporate Governance Report annexed and forms part of this report.

CONSOLIDATED FINANCIALS

The consolidated Total Income at Rs.573.86 crore and Net profit after minority interest at Rs.17.35 crore for the group for the financial year 2010-11.

Consolidated financial result includes financial result of Bodal Agrotech Ltd., the wholly owned subsidiary of Bodal Chemicals Ltd. and Sun Agrigenetics Pvt. Ltd., which is subsidiary of Bodal Agrotech Ltd. There was no subsidiary company in the previous year i.e. 2009-10.

Your Company is confident about rapid growth of BAL and activity expansion in SAPL.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956. with respect to Directors' Responsibility Statement, the directors hereby confirm;

1. That in the preparation of the accounts for the financial year ended 31st March, 2011, the applicable accounting standards have been followed along with proper explanation relating to material departures have been made from the same;
2. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956. for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. That the Directors have prepared the accounts for the financial year ended 31st March, 2011. on a 'going concern' basis.

CONSERVATION OF ENERGY, RESEARCH & DEVELOPMENT (R&D), TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

The information pursuant to section 217(1)(e) of the Companies Act, 1956 read with companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in the Annexure forming part of this report.

PARTICULARS OF EMPLOYEES

The particulars of employees as required under the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is annexed hereto and forms a part of the Directors' Report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the report and the Accounts are being sent to all shareholders of your Company excluding the aforesaid information. Any shareholder interested in obtaining such particulars may write to the "Company Secretary" at the Registered office of the Company.

ACKNOWLEDGEMENT

Your Directors place on record deep gratitude to the shareholders, banks, valued clients, suppliers and business associates for their continued support and confidence. Your Directors also place on record their appreciation of the dedication, commitment and contribution made by employees at all levels and look forward their continued support in future as well.

We also thank the Government of India, Government of Gujarat and all other Government agencies for their support during the year and look forward their continued support in the future.

For and on behalf of the Board

Date : 12-08-2011
Place : Ahmedabad

SURESH J. PATEL
Chairman & Managing Director

ANNEXURE TO THE DIRECTORS' REPORT

CONSERVATION OF ENERGY:

Energy Conservation measures taken:

Reducing the HP of Motors where possible

Improvement in low insulation.

Periodic desertion of Boiler

Additional Investment and Proposals, if any, being implemented for reduction of consumption of energy :

Installation of Turbine, part of Sulphuric Acid Plant, generates steam, which is used to run Dyes and Dye Intermediates Plant at our Padra unit.

Impact of above :

The adoption of energy conservation measures indicated above have consequent impact on cost of production of goods by way of reduction of fuel cost.

Total Energy consumption per unit of production

	2010-2011	2009-2010
(i) Total consumption of Electric (Units)	415.24 lacs	382.18 lacs
Total Amount (Rs.)	2449.52 lacs	2260.80 lacs
Unit/Average Rate	Unit/Rs. 5.90	Unit/Rs. 5.92
(ii) Fuel		
Quantity	Kgs.379.44 lacs	Kgs. 373.18 lacs
	Ltr. 0.13 lacs	Ltr. 0.23 lacs
	Scm 9.81 lacs	Scm 8.10 lacs
Total Amount (Rs.)	2690.36 lacs	2205.27 lacs
Unit /Average Rate	Kgs/Rs. 6.60	Kgs./Rs.5.54
	Ltr/Rs. 41.48	Ltr/Rs. 32.44
	Scm/Rs. 18.35	Scm/Rs. 16.20

RESEARCH & DEVELOPMENT (R & D)

The company has not incurred any expenditure related to Research & Development during the year.

Future Plans of Action:

The company will try its best to carry activities in the field of R & D for development of new products and improvements in the existing manufacturing process for better yield.

Expenditure on R & D:

	(Rs. In Lacs)	
	2010-2011	2009-2010
(a) Capital	Nil	Nil
(b) Recurring	Nil	Nil

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

(a) Efforts in brief:

- I. Company in order to fully utilize its multidimensional manufacturing capacity is always at the forefront to make the best use of its technical capability for better success.
- II. Continuous endeavour to improve Product Quality & Process Yields.

(b) Benefit derived as a result of the above effort:

The Company is able to market its value added products in Domestic as well as International Market.

(c) Details relating to imported technology: Nil

FOREIGN EXCHANGE EARNING AND OUTGO

(Rs. In lacs)

Partiuclars	2010-2011	2009-2010
(a) Foreign Exchange Inflow		
i) Foreign Exchange Earning F.O.B. Value of Export	23390.81	22737.97
ii) Commission	Nil	Nil
(b) Foreign Exchange outgo		
i) Value of imported Raw materials calculated on CIF basis.	4456.39	3890.22
ii) Foreign Traveling Expenditure	14.40	5.82
iii) Export Sales Commission	513.78	608.81
iv) Business Development Expenses	33.55	24.77
v) Membership Fees	0.04	0.04
vi) Advertisement	Nil	Nil
vii) Interest	511.66	325.06
viii) Bank Charges	34.97	1.17
ix) Export Damage Claim	4.98	Nil
x) Warehousing Charges	2.24	Nil
xi) Cash Discount	13.00	Nil

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW-DYES AND DYE INTERMEDIATES

Dyes and dye intermediates consist of basic dyes; azo acid and direct dyes; disperse dyes; fast color bases; reactive dyes; sulphur dyes; vat dyes; organic pigments; naphthols; and optical brighteners. Market demand for dye and dye intermediates is expected to grow at a Compounded Annual Growth Rate (CAGR) of 6% backed by strong demand from the textile, leather, and ink industries. The organized sector dominates, with 65% share of the total market, while the unorganized sector controls the remaining 35% of the market. However, owing to stringent environmental regulations and awareness among customers, the cost of operations for small, unorganized players is likely to increase, thereby shrinking their share in the industry. Exports of dyes are also expected to increase by 7% due to the shift of production bases from developed countries to India on account of stringent pollution control measures being adopted in those countries.

Dyestuff sector is one of the core chemical industries in India. It is also the second highest export segment in chemical industry. The Indian dyestuff industry is made up of about 1,000 small scale units and 50 large organized units, who produce around 1,30,000 tonnes of dyestuff. Maharashtra and Gujarat account for 90% of dyestuff production in India due to the availability of raw materials and dominance of textile industry in these regions. The major users of dyes in India are textiles, paper, plastics, printing ink and foodstuffs. The textiles sector consumes around 80% of the total production of dyes due to high demand for polyester and cotton, globally. Globally the dyestuffs industry has seen an impressive growth. Initially the industry's production bases were mostly in the West, but in the last few years, they have been shifting to the East.

The dye markets are mostly dominated by reactive and disperse dyes. The demand for reactive and disperse dyes is expected to grow in future as these two dyes are dominant in all the regions. Whereas demand for vat and other dyes is stagnant. In the Asian region, China, Korea and Taiwan are strong players in disperse dyes, while India leads in the production of reactive dyes due to an availability of intermediate - vinyl sulphone in the country.

The dyestuff industry has recently seen movement towards consolidation and as a result, organized players are now poised to take a lead in the global market. Small units that exist today still compete in the segments where price realization is lower and the competition severe. Large and organized players are gearing up for global competitiveness leveraging technology, product innovation and brand building. Increased focus is being laid on environmental friendliness and at the same time the industry is ensuring greater customer focus through technical services and marketing capabilities, in order to face global competition.

BODAL CHEMICAL'S POSITION IN DYES AND DYE INTERMEDIATES INDUSTRY

- Bodal is the only company in India having in-house manufacturing facility starting from Basic Chemicals to Wide range of Dye Intermediates to Dyestuffs.
- Fastest Growing Company in the Dyes and Dye Intermediates Industry.
- Bodal is one of the leading producers of Dye intermediates & Dyestuff in the world.
- Export to more than 35 Countries.
- Well reputed for Consistency, Reliability, Quality and Timely Delivery among Global Dyestuffs Market.
- Bodal has total 8 manufacturing Units at different locations in Gujarat, India
- Bodal has identified three Strategic Business Units
 - Dyes (more than 150 products)
 - Dye Intermediates (more than 25 products)
 - Basic & Other Chemicals (more than 10 products)
- Bodal produces more than 150 dyes suitable for Textile, Leather & Paper industries.
- Bodal also produces Basic chemicals like Beta Naphthol, Sulphuric Acid, Para Nitro Aniline & Acetanilide etc. for captive consumption as well as direct sale.

Bodal enjoys an abundant supply of basic/other chemicals for production of Dye Intermediates and Dye Intermediates for Dyes. Bodal has build up on technical services, marketing capabilities and production in bulk quantities to face competition from domestic as well as global. In this way, Bodal enjoys a position of one of the leader in Dyes and Dye Intermediates Industry.

Bodal Chemical's Nanotechnology based Dyes

During the year, Bodal Chemical has launched a unique brand of reactive dyes, called 'Bodactive', for the textile industry. Introduction of the Bodactive range heralds the launching of nano-technology for the first time.

These are the pure and superior quality dyes for textile industry. Bodactive BNC (Bodal Nano Chemistry) Technology is highly effective to gain reproducibility & level dyeing of cellulosic materials, provides latest generation of dyes with the features of high

solubility & outstanding high strength. Molecular structure of each product in this range has been designed according to the economic recipes and right-first time dyeing.

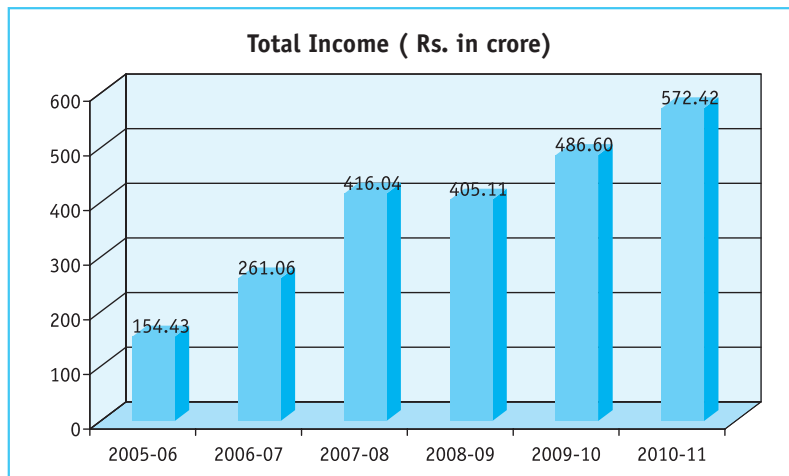
The Company has received good response for the same in domestic and international market.

FINANCIAL ANALYSIS AND REVIEW-2010-11

The financial statements have been prepared in compliance with the requirement of Companies Act, 1956 and prescribed Accounting standards. The financial performance of the company has improved at all parameters. Detailed analysis and review are as follows:

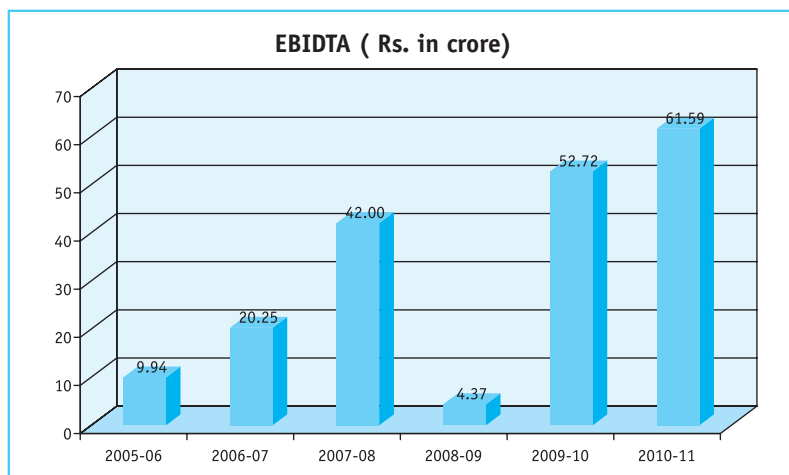
Total Income

Turnover and Other Income of the company grew by 18 % to Rs. 572.42 crore, in the year 2010-11 from Rs. 486.60 crore in the year 2009-10.



EBIDTA AND MARGIN

Earning before Interest, Depreciation, Taxes and Amortisation (EBIDTA) as a % of Total Sales has marginally decreased and stood at 11.03% for FY 2010-11 as compared to 11.30% during previous year. EBIDTA at Rs.61.59 crore compared to Rs.52.72 crore for the previous year.



Employee Costs

The manpower costs as a % of total income has gone up marginally from 4.34% in FY 2009-10 to 4.88% in the FY 2010-11, mainly due to increase in remuneration.

Selling & Distribution Expenses

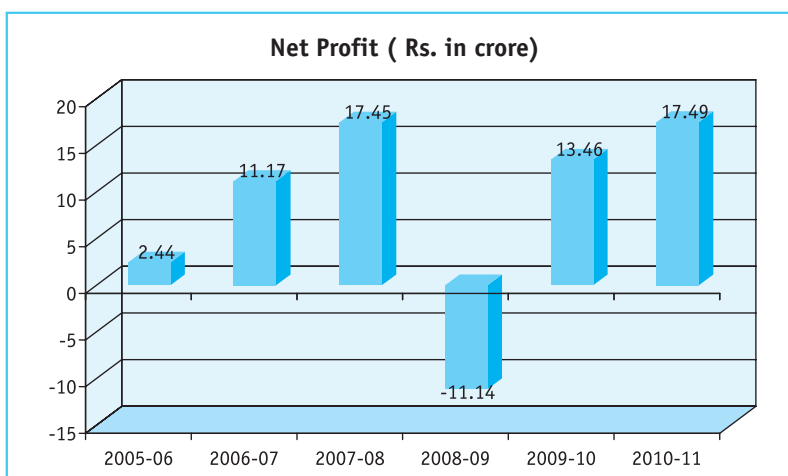
Selling & Distribution expenses as a % of total sales has decreased from 4.96% in FY 2009-10 to 4.95% in the FY 2010-11. There is negligible reduction in selling & distribution expenses despite of 19% increase in total sales of the company.

Interest & Finance charges

Interest and finance charges as a % of total income have decreased from 4.15% in FY 2009-10 to 3.95% in FY 2010-11. The Company has achieved reduction of 0.20 % in Interest & Financial charges by way of reduction of cost of capital, better working capital management, higher capacity utilization and higher realisation.

Net Profit

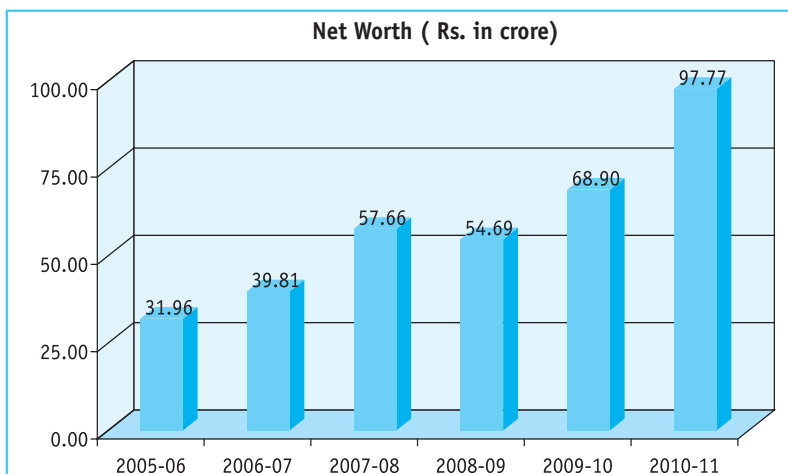
Net Profit as a % of total sales has increased from 2.87% in FY 2009-10 to 3.13% in the FY 2010-11. The Company has achieved increase of 0.26% in net profit margin by way of forward integration for higher realisation, backward integration for increase of profit margin, reduction of fuel cost, cost cutting measures without affecting quality of products, higher capacity utilization etc.



Note : Net loss in the year 2008-09 is due to exchange rate difference of Rs. 19.51 Crores on account of sharp foreign currency movement and global recession.

Net Worth

The net worth of the Company has increased from Rs. 68.90 crore as on March 31, 2010 to Rs. 97.77 crore as at March 31, 2011, i.e. an increase of 42% compared to previous year. The increase in amount of net worth is on account of internal accrual and allotment of convertible warrants on preferential basis to Promoter Group and Non Promoters.



OUTLOOK

Bodal chemical is committed to offer the most competitive prices with the overall parameters set by the general market conditions. Company's business stands on a sound platform due to forward and backward integration. It is also supported by a strong back-end in procurement, manufacturing, product development, IT and human resource management.

The Company continues to put relentless focus on developing high quality products to drive growth and also endeavour to reduce cost.

The Company is confident that profit and profit margin of the company will improve in the current year i.e. 2011-12, compared to financial year 2010-11, due to full positive impact of commission of Sulphuric Acid Plant and Turbine, which generates steam resulting reduction of fuel cost, higher capacity utilization, expand market shares, cost reduction without affecting quality of products, efforts for reduction of cost of capital etc.

SUBSIDIARY COMPANIES

During the year, your company has entered into new area of business "Agriculture and its related business through wholly owned subsidiary company.

Bodal Agrotech Ltd.(BAL)

This company has been incorporated in the month of August, 2010, as wholly owned subsidiary company. The company has started its business in the area of trading of vegetables, fruits, and foodgrains initially. BAL has also acquired business of one retail store, in Ahmedabad, for direct selling of vegetables and fruits to retail customers and BAL plans to open more retail stores, with same line of business, in the name of "Bodal Agro" in Ahmedabad city.

BAL is under process to set up Single Super Phosphate (SSP) plant with 3.5 lacs MTPA capacity.

SSP Project already discussed in the Directors' Report. The following major development took place in SSP industry.

Pursuant to the Nutrient-Based Subsidy (NBS) policy of the Government of India, BAL expects healthy growth in the demand for fertilizers, especially SSP, on the back of promotion of a more balanced nutrient consumption. The Single Super Phosphate fertilizer is a generic customized fertilizer containing sulphur, calcium & other micro nutrients besides phosphate.

We believe that the Nutrient Base Subsidy (NBS) will have a long term positive impact on Fertilizer Industry with free market mechanism encouraging more interaction between producers and farmers for efficient use of fertilizer for better agricultural output.

There are ample opportunities in Agriculture business and its related technologies business. BAL is exploring various business opportunities from Farm to direct customers. This line of business gives tremendous scope for business starting from farming/ contract farming, seeds and plants, cold storage, food and beverage business etc.

BAL has vision to become a leading player in the field of Agriculture business by way of complete chain from farm to customer.

Sun Agrigenetics Pvt. Ltd. (SAPL)

Bodal Agrotech Ltd. is new company in the Agriculture and its technological business. BAL has been exploring new business areas in Agriculture and its technologies through acquisition/takeover of any other related company and/or strategic investment in other company, for faster growth and establishment of image of the company in the said business. Hence, BAL has identified Vadodara based company namely Sun Agrigenetics Pvt. Ltd. This is perfect fit for our strategic investment strategy.

BAL has acquired 51% equity stake in Sun Agrigenetics Pvt. Ltd.(SAPL) during January, 2011. Hence, SAPL becomes subsidiary of BAL.

SAPL is in business of production of tissue culture plants, Microbial bio-fertilizers, Genetic Improvement of crops, contract research etc. SAPL has tissue culture laboratory with production capacity of 2 million plants p.a. Green House and Nursery complex spread over an area of 70,000 sq.ft. R&D centre recognized by Department of Science and Industrial Research (DSIR), Gov. of India, New Delhi. SAPL plans to expand its capacities and also launch new products through R&D.

We expect that these two companies will not contribute much in consolidated top line and bottom line for the financial year 2011-12 but it will contribute significantly for the financial year 2012-13.

ENVIRONMENT

The Chemical Industry is subject to various stringent regulatory requirements of environment & Pollution Control regulations being legislated by the Government from time to time, including safety and emission norms. The Company addresses these issues through advance planning and allocation of sufficient physical and human resources, effluent treatment facilities and process controls.

DISCLAIMER CLAUSE

This Directors' report, management discussion and analysis and any other part of this annual report may contain forward looking/growth envisaging statements, figures or charts etc and may refer to management/board's intention and set goals. The information in these documents may also contain data/statement and perception on future of the industry by management or as quoted from Industrial and other bodies or experts. All this information is merely giving an insight into the future of the industry and the company as perceived by the industrial & other bodies, experts and/or the management and the milestones towards which management shall strive to achieve. All such forward looking statements and information are subject to risks, uncertainties and assumptions and changes in this dynamic industrial, economical and political world in which we operate. These factors could cause actual results to differ materially from those contemplated by the relevant forward-looking statement & information.

This information, figures, statements and charts or any such material herein contained should not be construed as guarantee of achieving those goals/milestones etc by the management/company nor is there any guarantee inherent in these presents for any such event or industrial scenario actually happening as envisaged here. The management accepts no liability/obligation for any act of any person undertaken on the basis of such forward looking information etc herein contained.

REPORT ON CORPORATE GOVERNANCE

Your Company appreciates the noble idea of Corporate Governance and endeavour not only to abide by and comply with, the stipulated requirements related thereto, both in its word and spirit, but has also voluntarily contemplated to establish and maintain Good Corporate Governance standards and mechanism in conformity with the contemporary national and international practices on various relevant matters including prompt dissemination of information and expedient redressal of grievances of investors and public in general.

The policies and practices of Corporate Governance of the Company are inspired by following philosophy and principles and with a earnest attempt to accomplish the same:

(a) Transparency:

To maintain in all aspects, high standards of transparency, in our interactions and dealings.

(b) Disclosures:

To ensure timely dissemination of all price sensitive information and matters of importance to protect the interest of investors.

(c) Accountability:

To demonstrate highest levels of personal responsibility and continually affirm that employees are responsible to themselves for the pursuit of excellence.

(d) Compliances:

To comply with all the laws and regulations as applicable to the Company.

(e) Ethical conduct:

To conduct in an ethical manner, the affairs of the Company.

(f) Stakeholders' interest:

To promote the interests of all stakeholders including of customers, shareholders, employees, tenders, vendors, government and the community.

The Company's philosophy of Code of Corporate Governance is aimed at assisting the top management in the efficient conduct of its business and fulfilling its obligations towards the Government, its shareholders, employees and other stakeholders.

Your Board believes that Corporate Governance is a powerful medium of sub-serving the long-term interest of its stakeholders for the attainment of transparency, accountability and equity in all facets of its operations by enhancing and sustaining its corporate value through growth and innovation.

The Company has fully complied with the requirements of Clause 49 of the Listing Agreement. This report sets out the compliance status of the Company during the financial year 2010-11 with respect to the conditions of corporate governance.

Board of Directors :

a. Composition of Board

The Company's board consists of 8 Directors as on 31st March, 2011. Out of 8 Directors, 4 Directors are independent directors. The Chairman of the Board is an Executive Director. The composition of the Board of Directors is in compliance with the Clause 49 of the Listing Agreement.

b. Meeting of Board of Directors

Eight Board meetings were held during the financial year 2010-2011. The dates on which Board Meetings were held viz; 03-04-10, 28-04-10, 11-05-10, 29-05-10, 02-08-10, 13-11-10, 10-02-11 and 10-03-11. The time gap between any two Board Meetings was less than 4 months. The 24th Annual General Meeting was held on 30-9-10.

c. Directors' attendance and Directorship held

The table below provides the composition of the Board, their attendance at Board meetings (1-4-2010 to 31-3-2011) & AGM (30-9-2010) and number of other directorships, chairmanships/memberships of other companies.

Name of the Director with Designation	Category	No. of other Directorship held in public companies in India**	No. of other Board committees of which Member / Chairman**	Board meeting attended	Attendance at the last AGM	No. of Equity Shares held on 31.03.11 & % holding
Suresh J. Patel Chairman & Managing Director	Promoter Executive	1	None	8	Yes	3,35,59,730 33.72%
Bhavin S. Patel Executive Director	Promoter Executive	Nil	None	6	No	78,10,050 7.85%
Ramesh P. Patel Executive Director	Promoter Executive	Nil	None	8	Yes	70,52,800 7.09%
Ankit S. Patel Executive Director	Promoter Executive	1	None	6	No	Nil
Surendra N. Shah Independent Director	Independent Non-Executive	2	None	7	Yes	49,780 0.05%
Hardik M. Shah* Independent Director	Independent Non-Executive	Nil	None	Nil	N.A.	N.A.
Bipin R. Patel Independent Director	Independent Non-Executive	1	None	7	Yes	Nil
Sunil K. Mehta Independent Director	Independent Non-Executive	Nil	None	6	Yes	4,50,000 0.45%
Prakash B. Patel^ Independent Director	Independent Non-Executive	Nil	None	4	Yes	Nil

Notes:

- (1) * Mr. Hardik M. Shah has resigned as a Director of the Company w.e.f. 28-4-10.
- (2) ^ Mr. Prakash B. Patel has been appointed as a Director of the Company w.e.f. 28-4-10.
- (3) **This number excludes the directorships/committee memberships held in private companies, a company registered u/s 25 of Companies Act and also of the Company.
- (4) As required by the Companies Act, 1956 and Clause 49 of Listing Agreement, none of the directors hold directorships in more than 15 public companies, memberships of board committees (audit /remuneration/investors grievance committees) in excess of 10 and chairmanships of board committees as aforesaid in excess of 5.

None of the Non-executive Directors has any pecuniary relationship. Non-executive Directors have no transaction with the company. The details of sitting fees, commission and remuneration paid to each director appear later under the disclosure relating to Remuneration to Directors.

d. Code of Conduct

The Board has laid down the code of conduct for all Board Members and senior managerial personnel of the Company. All Board Members and senior managerial personnel have affirmed compliance with the code of conduct for the year ended on 31st March, 2011. A declaration to this effect duly signed by CEO of the Company is attached herewith and forms a part of Corporate Governance Report.

DETAILS OF DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT IN FORTH COMING ANNUAL GENERAL MEETING

The information as required by clause 49 (vi) of the Listing Agreement with the stock exchange in relation to appointment/reappointment of Directors of the Company are as follows :

Name of the Director	Mr. Sunil K. Mehta	Mr. Surendra N. Shah
Date of Birth	23-12-1960	02-01-1960
Date of Appointment	14-08-2007	13-05-2006
Qualification	B.Com, M.Com, LL.B, FCA.,	B.Com, LL.B, FCA., D.I.S.A.(ICAI)
Name of the Companies in which he is a Director other than Bodal Chemicals Ltd.	Nil	1) S.N. Shah Consultancies Pvt. Ltd. 2) Rashmi Stripes Pvt. Ltd. 3) Bodal Agrotech Ltd. 4) Miller Iron Pvt. Ltd. 5) Inshgtrics Software Pvt. Ltd. 6) Shree Mahavir Roll-Tech Ltd.
Specific Functional Areas	He is Chartered Accountant. He has more than 24 years experience in Chartered Accountant profession. He has sound knowledge of Accounting, Finance and Taxation matters.	He is Chartered Accountant. He has more than 27 years experience in Chartered Accountant profession. He has sound knowledge of Accounting, Finance and Taxation matters.
**Chairmanship / Membership of Committee(s) of Director of the Company	Nil	Chairmanship of Three Committees
Chairman/Member of the Committee (s) of Board of Directors of other Public Limited Companies in which he is a Director	Nil	Nil
Shareholding in the company as on 12-8-11 & percentage of paid up capital	4,00,000(0.40%)	75,347(0.08%)

** Audit Committee, Remuneration Committee and Shareholders' Grievances Committee.

COMMITTEE OF THE BOARD
Audit Committee

Audit committee of the Company is functioning with the requirement of section 292A of the Companies Act, 1956 and the listing agreement. The members of Audit Committee are mentioned as below. During the year, five meetings were held on 29-5-10, 2-8-10, 13-11-10, 10-2-11 and 10-3-11 were attended by the following members of the Audit Committee. The Chairman of the Audit Committee had attended last Annual General Meeting held on 30th September, 2010.

The composition of committee and particulars of attendance at the meeting are provided herein below :

Name of Member	Designation	Category/Status	No. of meeting attended
Mr. Surendra N. Shah	Chairman	Non-Executive Independent Director	5
Mr. Hardik M. Shah*	Member	Non-Executive Independent Director	N.A.
Mr. Bipin R. Patel	Member	Non-Executive Independent Director	5
Mr. Prakash B. Patel^	Member	Non-Executive Independent Director	3

Notes:

- (1) * Mr. Hardik M. Shah has resigned as a Member of the committee w.e.f. 28-4-10.
 (2) ^ Mr. Prakash B. Patel has been inducted as a Member of the committee w.e.f. 28-4-10.

Broad Terms of Reference

The broad terms of reference of the Committee as approved by the Board includes overseeing of the Company's financial reporting process, the appointment of statutory auditors and internal auditors, reviewing the quarterly and annual financial statements before submission to the Board for approval, compliance with listing and other legal requirements relating to financial statements, reviewing adequacy of the internal check and internal audit function, etc.

In addition to the above, the Committee shall have such functions/role/powers as may be specified in the Companies Act, Listing Agreement with stock exchange(s) or any other applicable law.

The Audit Committee has reviewed the Management Discussion and Analysis of financial condition and results of operations forming part of this Annual Report and other information as mentioned in Clause 49 (II)(E) of the Listing Agreement.

Mr. Chirag Shah, Company Secretary is acting as Secretary to the Audit Committee. Statutory Auditor was also invited, as and when required.

Remuneration Committee

The Remuneration Committee of the Board has been constituted mainly to determine and recommend to the Board, the Company's policies on remuneration packages for executive and non-executive directors. The members of Remuneration Committee are mentioned as below. During the year, one meeting was held on 28-4-2010.

Composition :

Name of Member	Designation	Category/Status	No. of meeting attended
Mr. Surendra N. Shah	Chairman	Non-Executive Independent Director	1
Mr. Hardik M. Shah*	Member	Non-Executive Independent Director	Nil
Mr. Bipin R. Patel	Member	Non-Executive Independent Director	1
Mr. Prakash B. Patel^	Member	Non-Executive Independent Director	N.A.

Notes:

- (1) * Mr. Hardik M. Shah has resigned as a Member of the committee w.e.f. 28-4-10.
 (2) ^ Mr. Prakash B. Patel has been inducted as a Member of the committee w.e.f. 28-4-10.

The details of remuneration paid to directors are provided below for the financial year 2010-11.

Name of Director	Age	Designation	Remuneration (including perquisites) paid Rs.	Sitting Fees paid Rs.	Commission paid Rs.	Total Remuneration Rs.
Suresh J. Patel	55	Chairman & Managing Director	36,00,000	Nil	35,00,000	71,00,000
Bhavin S. Patel	30	Executive Director	9,00,000	Nil	Nil	9,00,000
Ankit S. Patel	29	Executive Director	6,00,000	Nil	Nil	6,00,000
Ramesh P. Patel	54	Executive Director	9,00,000	Nil	Nil	9,00,000
Surendra N. Shah	51	Non-Executive Independent Director	Nil	90,000	Nil	90,000
Hardik M. Shah*	30	Non-Executive Independent Director	Nil	Nil	Nil	Nil
Bipin R. Patel	66	Non-Executive Independent Director	Nil	90,000	Nil	90,000
Sunil K. Mehta	51	Non-Executive Independent Director	Nil	75,000	Nil	75,000
Prakash B. Patel^	60	Non-Executive Independent Director	Nil	60,000	Nil	60,000
Total			60,00,000	3,15,000	35,00,000	98,15,000

* Mr. Hardik M. Shah has resigned as a Director of the Company w.e.f. 28-4-10.

^ Mr. Prakash B. Patel has been appointed as a Director of the Company w.e.f. 28-4-10.

There is no pecuniary relationship or transaction of the Company with any of the Non-Executive Directors.

The Company has paid sitting fees to non-executive directors and no stock option is available to the Directors.

Investors'/ Shareholders' Grievances Committee

Terms of Reference : In order to give the appropriate level of focus to shareholders and investors related matters a Shareholders'/ Investors' Grievance Committee was formed. The committee focuses primarily on strengthening investor relations and ensuring the rapid resolution of any shareholder's or investor's concerns. The members of Shareholders' Grievance Committee are mentioned as below. During the year, four meetings were held on 29-5-10, 2-8-10, 13-11-10 and 10-2-11.

Name of Member	Designation	Category/Status	No. of meeting attended
Mr. Surendra N. Shah	Chairman	Non-Executive Independent Director	4
Mr. Hardik M. Shah*	Member	Non-Executive Independent Director	N.A.
Mr. Bipin R. Patel	Member	Non-Executive Independent Director	4
Mr. Prakash B. Patel^	Member	Non-Executive Independent Director	3

Notes:

(1) * Mr. Hardik M. Shah has resigned as a Member of the committee w.e.f. 28-4-10.

(2) ^ Mr. Prakash B. Patel has been inducted as a Member of the committee w.e.f. 28-4-10.

Mr. Chirag G. Shah, Company Secretary is acting as Compliance Officer.

Other details, for shareholders, have been provided separately in this Annual Report as required under clause 49 of the Listing Agreement.

Details of Shareholders'/Investors' Complaints

Sharepro Services (India) Pvt. Ltd. (RTA) and the Company have received shareholders/investors complaints and resolved by the company / the RTA in consultation with the Company for the year 2010-11, the details are as follows :

Sr. No.	Nature of Complaints	Opening Balance 01-04-2010	Received during the year	Redressed/ attended	Pending on 31-03-2011
1	Non receipt of share certificates after transfer etc.	Nil	1	1	Nil
2	Non receipt of Dividend Warrants	Nil	2	2	Nil
3	Query regarding demate credit	Nil	3	3	Nil
4	* Non receipt of duplicate share certificates after issue	Nil	Nil	Nil	Nil
5	Other	Nil	3	3	Nil
	Total	Nil	9	9	Nil

* Request for issue of duplicate share certificates.

SUBSIDIARY COMPANIES :

Bodal Agrotech Ltd. is the wholly owned subsidiary of the company and Sun Agrigenetics Pvt. Ltd is subsidiary of Bodal Agrotech Ltd. as on 31-3-11. Both are non - material non-listed subsidiary Companies. The Audit Committee reviews the financial statements, particularly, the investments made by Subsidiary Company. Minutes of the said subsidiary Company are being placed before the Board for its review. The Board also reviews the accounts of the said Subsidiary Company on regular basis.

OTHER COMPLIANCES :

The Company has no materially significant related party transactions with its promoters, the directors or the management or their relatives etc., that may have potential conflict with the interest of the Company at large.

For details, about related parties transactions, see Note No. 9 of Notes on Accounts under Schedule 21 of balance sheet of the Company.

There were no instances of non-compliance or Penalties, imposed on the Company by the Stock Exchange/(s) or SEBI or any statutory authority, on any matter related to Capital Market, during the last three years.

In preparation of the financial statements, the Company has followed the Accounting Standards issued by ICAI. The significant accounting policies which are consistently applied have been set out in the Notes to the Accounts.

Business risk evaluation and management is an ongoing process within the Organization. During the period under review, a detailed exercise on the Business Risk Management was carried out covering all aspects of business operations.

The Company had appointed Mr. Suresh J. Patel, Chairman & Managing Director, as CEO and Mr. Ramesh P. Patel, Executive Director, as CFO of the Company. Certification from the both was placed as a part of good Corporate Governance practice in the Annual Accounts of FY 2010-11.

SHAREHOLDERS' INFORMATION

Registered Office : Plot No. 123 & 124, Phase-I, G.I.D.C., Vatva, Ahmedabad-382 445.

Date, time, venue of Annual General Meeting : The 25th Annual General Meeting of the members of the company is scheduled to be held on Thursday, the 29th day of September, 2011 at 10.30 a.m. at ATMA Auditorium, Opp. Old RBI Office, Ashram Road, Ahmedabad-380 009. All the members are invited to attend the meeting.

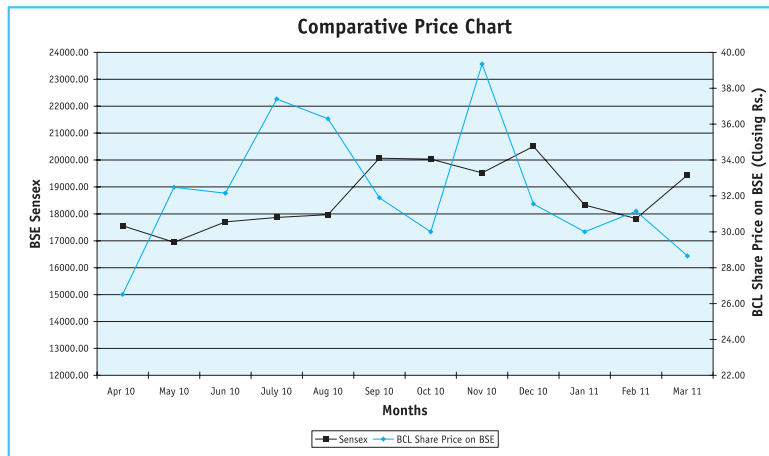
The Members / Proxies who intend to attend the meeting are requested to bring the Attendance slip sent herewith duly filled to the meeting.

Financial calendar	: Financial year 2010-11 (April 1, 2010 to March 31, 2011) Results were announced on 2nd August, 2010 - First quarter (Un-audited) 13th November, 2010 - Second quarter (Un-audited) 10th February, 2011 - Third quarter (Un-audited) 30th May , 2011 - Annual (Audited) Tentative Financial Calendar for the financial year 2011-12. Results will be announced on 12th August, 2011 - First quarter Last week of October 2011 - Second quarter and half year ended Last week of January 2012 - Third quarter Last week of May 2012 - Fourth quarter and annual (audited)						
Book closure dates	: From Saturday, the 24th September, 2011 to Thursday, the 29th September, 2011 (both days inclusive) for determining the entitlement of dividend for the financial year 2010-2011. (a) As beneficial Owners at the end of 23rd September, 2011 as per the list to be furnished by the Depositories in respect of the shares held in electronic form and (b) As members in the Register of Members of the company after giving effect to all valid share transfers in physical form which are lodged with the Company/Registrar & Share Transfer Agent on or before 23rd September, 2011.						
Dividend Payment Date	: On or after 3rd October, 2011, but before 20th October, 2011.						
Annual General Meeting	: 29-9-2011 at 10.30 a.m.						
Details of Securities	: Types of security : Equity Shares No. of paid up shares : 9,95,11,510 equity shares of Rs. 2/- each fully paid (as on 31-3-2011) Market lot of shares : 1 equity share						
Stock code	: The Company's Equity shares are listed and traded on the Bombay Stock Exchange Ltd. <table border="0" style="width: 100%;"> <thead> <tr> <th style="text-align: left;">Type of Securities</th> <th style="text-align: left;">Code no.</th> <th style="text-align: left;">ISIN (Demat Code)</th> </tr> </thead> <tbody> <tr> <td>Equity Shares</td> <td>524370</td> <td>INE338D01028</td> </tr> </tbody> </table>	Type of Securities	Code no.	ISIN (Demat Code)	Equity Shares	524370	INE338D01028
Type of Securities	Code no.	ISIN (Demat Code)					
Equity Shares	524370	INE338D01028					
Listing	: The Company's equity shares are listed on the Bombay Stock Exchange Ltd. The Company has paid listing fees to Bombay Stock Exchange for financial year 2011-2012.						

Stock Data : Monthly share price data on BSE for the financial year 2010-11, are as under.

Month	High Rs.	Low Rs.	Close Price Rs.	Volumes (No. of Shares)
April '10	135.20	75.00	132.55	2062175
May '10	185.00	132.75	162.40	2143039
*June '10	174.00	30.25	32.15	5929377
July '10	41.35	31.75	37.40	9054644
August '10	43.45	34.85	36.30	6585677
September '10	37.50	31.00	31.90	4837115
October '10	35.70	28.20	30.00	7190451
November '10	41.00	28.55	39.35	9631640
December '10	41.00	26.30	31.55	5997020
January '11	34.00	27.15	30.00	2449919
February '11	32.80	25.05	31.15	3035971
March '11	35.80	27.90	28.65	3263169

*Note: During June 2010, the existing equity share of Rs.10/- each was subdivided into 5 equity shares of Rs.2/- each. Hence, the above graph has been redrawn to give effect of subdivision from April 2010.



General Body Meetings

Details of the last three Annual General Meetings (AGM) or Extra Ordinary General Meetings (EGM) are as under :

AGM/EGM	Date	Time	Venue	No. of special Resolutions passed
2007-08AGM	30-9-2008	10.30 A.M.	ATMA, Auditorium, Opp. Old RBI Office, Ashram Road, Ahmedabad-380 009.	1
2008-09AGM	30-9-2009	5.30 P.M.	ATMA, Auditorium, Opp. Old RBI Office, Ashram Road, Ahmedabad-380 009.	4
EGM	28-4-2010	10.30 A.M.	ATMA, Auditorium, Opp. Old RBI Office, Ashram Road, Ahmedabad-380 009.	6
2009-10AGM	30-9-2010	10.30 A.M.	ATMA, Auditorium, Opp. Old RBI Office, Ashram Road, Ahmedabad-380 009.	—

At the AGM held on 30th September, 2008, special resolution was passed for appointment of Mr. Ankit S. Patel as Executive Director. At the AGM Held on 30th September, 2009, special resolutions were passed for re-appointment of Mr. Suresh J. Patel, Chairman & M.D., Re-appointment of Mr. Bhavin S. Patel and Mr. Ramesh P. Patel, as Executive Directors and approval for issue of securities u/s 81(1A) of Companies Act.

At the EGM held on 28th April, 2010, special resolutions were passed for preferential allotment to Promoter Group and non promoters, sub-division of equity shares and revision of remuneration of Mr. Suresh J. Patel, Mr. Bhavin S. Patel, Mr. Ankit S. Patel and Mr. Ramesh P. Patel.

The special resolutions indicated above were passed by show of hands.

Postal Ballot

The Company has not passed any resolution through postal ballot during the years under reference. None of the resolutions proposed for the ensuing Annual General Meeting need to be passed through Postal Ballot.

Shares held in physical and dematerialized form

As on 31st March, 2011, 9,74,79,455 equity shares (97.96%) were held in dematerialized form and balance 20,32,055 equity shares (2.04%) were held in physical form. Investors can exercise dematerialization through a recognized Depository Participant (DP) who is connected to NSDL or CDSL.

Those shareholders whose shares are held in physical form are requested to dematerialize the same at the earliest in their own interest. Thus, Investors can exercise dematerialization through a recognized Depository Participant (DP) who is connected to NSDL or CDSL.

The Demat security code (ISIN) for the equity shares of Rs. 2/- each is **INE – 338 D 01028**.

Bank Mandate for Dividend

As per SEBI Guidelines, companies are mandatory required to print bank account details of the shareholders on dividend warrants. Those member who have still not furnished their bank account details, are requested to furnish the same immediately either to their DP or to the Registrar of the Company.

Unclaimed Dividends to be transferred to the Investor Education and Protection Fund

The dividend for the following years remaining unclaimed for 7 years from the date of declaration are required to be transferred by the Company to Investor Education and Protection Fund and the various dates for transfer of such amount are as under :

Sr. No.	Financial Year	Date of Declaration	Due for Transfer on
1.	2005-06(Final)	30-09-2006	05-11-2013
2.	2006-07(Interim)	04-06-2007	10-07-2014
3.	2006-07(Final)	29-09-2007	04-11-2014
4.	2007-08(Interim)	09-04-2008	15-05-2015
5.	2007-08(Final)	30-09-2008	05-11-2015
6.	2009-10(Interim)	28-04-2010	03-06-2017
7.	2009-10(Final)	30-09-2010	05-11-2017

Members who have not encashed their Dividend Warrants or have not received the Dividend Warrants so far, these members are requested to seek issuance of duplicate Dividend Warrants. Otherwise, all above said unclaimed dividend to be transferred to Investor Education and Protection Fund on above said Due Dates.

Distribution of Shareholding as on 31-3-11

According to number of Equity Shares

No. of Ordinary Shares held	No. of Shareholders	% of Shareholders	Total Shares	% of Total
1-500	9135	79.32	1441721	1.45
501-1000	1009	8.76	884123	0.89
1001-2000	483	4.19	756178	0.76
2001-3000	287	2.49	738838	0.74
3001-4000	110	0.96	397849	0.40
4001-5000	132	1.15	614998	0.62
5001-10000	141	1.22	1044115	1.05
10001-Above	220	1.91	93633688	94.09
Total	11517	100.00	99511510	100.00

Shareholding pattern of the Company as on 31-3-2011

Description	No. of members		No. of equity shares of Rs.2/- each	
	Nos.	%	Nos.	%
Promoters & Promoters Group				
Individuals	8	0.07	62114900	62.42
Foreign citizen/NRIs	3	0.03	11609805	11.67
Total	11	0.10	73724705	74.09
Indian Public-Individuals	10845	94.16	14464453	14.53
Foreign Institutional Investors (FII)	1	0.01	4878189	4.90
Mutual Fund, Nationalized Bank , Financial Institution and Co-operative Banks	4	0.04	39000	0.04
Domestic Companies	163	1.41	5648796	5.68
Non Resident Individuals	472	4.10	82183	0.08
Any others (Independent Directors & Relatives of Directors)	10	0.09	538575	0.54
Clearing Members	11	0.09	135609	0.14
Total	11517	100.00	99511510	100.00

Outstanding GDRs / ADRs /Warrants/any other Convertible Instruments

The Company does not have any outstanding instruments of the captioned type except 3,37,50,000 convertible warrants (Face value of Rs.2/- each) into 3,37,50,000 Equity Shares of Rs. 2 each.(after considering subdivision/split effect.)

Plant Locations :

- Unit-I** Plot No. 110, Phase-II, G.I.D.C., Vatva, Ahmedabad-382 445.
- Unit-II** Plot No. 123&124 & C-1-B/111-114, Phase-I, G.I.D.C., Vatva, Ahmedabad-382 445.
- Unit-III** Plot No. 2102, Phase-III, G.I.D.C., Vatva, Ahmedabad-382 445.
- Unit-IV** Plot No. 252,253 & C-1/254, Phase-II, G.I.D.C., Vatva, Ahmedabad-382 445
- Unit-V** Plot No. 6002/2B, G.I.D.C., Ankleshwar, Dist. Bharuch, Gujarat.
- Unit VI** Plot No. 606-607, G.I.D.C., Panoli, Nr. Ankleshwar, Dist. Bharuch, Gujarat.
- Unit VII** Block No. 804, Village- Dudhwada, Ta. Padra, Dist. Vadodara, Gujarat.
- Unit VIII** Block No.106-108, Ekalbara Village, Ta.Padra, Dist. Vadodara, Gujarat.

Nomination facility

It is in the interest of the shareholders to appoint nominee for their investments in the Company. Those members who are holding shares in physical mode and has not appointed nominee or want to change the nomination, are requested to send us nomination form duly filled in and signed by all the joint holders.

PAN requirement for Transfer of Shares in Physical Form

The Securities & Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) for securities market transactions & off market/private transactions involving Transfer of Shares in Physical Form of Listed Companies. Therefore it shall be mandatory for the transferee(s) to furnish a copy of the PAN Card to the Company/Registrar & Share Transfer Agents for Registration of such transfers. Members/Investors are therefore requested to make note of the same & submit their PAN Card copy to the Company/ Registrar & Share Transfer Agents.

Change in Shareholders' details

In case you are holding your shares in dematerialized form (e.g. in electronic mode), communication regarding change in address, bank account details, change in nomination, dematerialization of your share certificates or other inquiries should be addressed to your DP where you have opened your Demat Account, quoting your client ID number. In case of physical holding of shares, any communication for change of any details should be addressed to our R&T agent M/s. Sharepro Services (India) Pvt Ltd. , at address mentioned below.

Investors' Communication

Share Transfers / Dematerialization or other queries relating to Shares of the Company should be addressed to our RTA :

Unit : Bodal Chemicals Ltd.
Sharepro Services (India) Pvt Ltd.
(Ahmedabad Branch)
416-420, 4th.Floor,Devnandan Mall, Opp. Sanyas Ashram, Ellisbridge, Ahmedabad-380006. Gujarat, India.
Tel Nos.079 26582381 to 84, Fax No 079 26582385, Email sharepro.ahmedabad@shareproservices.com
Contact Person : Mr. Nitin Joshi

Means of Communication

During the year, quarterly, half-yearly and annual financial results of the Company were submitted to the stock exchange(s) immediately after the conclusion of the Board meetings and were also published in newspapers like Economic Times (English & Gujarati edition), Mint, Business Line etc.

Reconciliation of Share Capital Audit

Reconciliation of Share Capital Audit of the company in terms of SEBI circular no. D&CC/FITTC/CIR-16/2002 dated December 31, 2002, reconciling the total shares held in both the depositories, viz. NSDL and CDSL and in physical form with the total issued / paid up capital of the company were placed before the Board of Directors every quarter and also submitted to the stock exchange(s) every quarter.

Persons constituting group coming within the definition of "group" for the purpose of Regulation 3(1)(e)(i) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, include the following :

Sr. No.	Name	Sr. No.	Name	Sr. No.	Name
1	Suresh J. Patel	8	Ramesh P. Patel	14	Jayanti D. Patel
2	Bhavin S. Patel	9	Meena S. Patel	15	Bansi M. Patel
3	Ankit S. Patel	10	Ramesh D. Patel	16	Rakesh R. Patel
4	Ankita B. Patel	11	Sajani A. Patel	17	Champa R. Patel
5	Shakuntala J. Patel	12	Ramesh P. Patel-HUF	18	Rushi R. Patel
6	Dipti R. Patel	13	Chintan R. Patel	19	Sunitaben R. Patel
7	Sangeeta B. Patel				

Declaration under Code of Conduct

As required under clause 49(ID) of the Listing Agreement, it is hereby affirmed that all the Board members and senior management personnel have complied with code of conduct of the company.

Suresh J. Patel

*Chief Executive Officer,
Chairman & Managing Director*

Date : 12-8-2011
Place : Ahmedabad

AUDITORS' CERTIFICATE ON REPORT ON CORPORATE GOVERNANCE

To

**The Members of
Bodal Chemicals Ltd.**

We have examined the compliance of conditions of Corporate Governance by **Bodal Chemicals Ltd.** (the Company), for the year ended March 31, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the certificate of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with conditions of Corporate Governance as stipulated in Clause 49 of the listing agreement.

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

For Mayank Shah & Associates
Chartered Accountants
(Firm Registration No. 106109W)

(M.S.Shah)
Partner

Mem. No. 44093

Place : Ahmedabad
Date : 12/08/2011

CERTIFICATION BY CEO & CFO OF THE COMPANY

We, Suresh J. Patel, Chief Executive Officer and Ramesh P. Patel, Chief Financial Officer of Bodal Chemicals Ltd., to the best of our knowledge and belief certify that ;

1. We have reviewed the Balance Sheet, Profit & Loss Account, its schedule and notes to accounts and cash flow statement for the year ended 31st March, 2011 and that to the best of our knowledge and belief :
 - (a) these statement do not contain any materially untrue statement or omit any material facts or contain statements that might be misleading ;
 - (b) these statement together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- 2 We also certify, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- 3 We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- 4 We have indicated to the auditors and the Audit Committee :-
 - (a) significant changes in internal control over financial reporting during the year ;
 - (b) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements ; and
 - (c) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Date : 12-8-2011
Place : Ahmedabad

Suresh J. Patel
Chief Executive Officer
Chairman & Managing Director

Ramesh P. Patel
Chief Financial Officer
Executive Director

AUDITORS' REPORT

To,
The Members of
Bodal Chemicals Ltd.

We have audited the attached Balance Sheet of **BODAL CHEMICALS LIMITED**, as at 31st March, 2011 and also the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditors' Report) Order, 2003 as amended by The Companies (Auditor's Report) Amendment Order, 2004 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
3. Further to our comments in the annexure referred to in paragraph 2 above, 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 it appears from our examination of those books;
 - C. The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account ;
 - D. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Sub-section 3 (c) of section 211 of the Companies Act, 1956 to the extent applicable.
 - E. On the basis of written representations received from the Directors, and taken on record by Board of Directors, we report that none of the Directors are disqualified as on 31st March, 2011 from being appointed as director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - F. In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the notes thereon, give the information required by the Companies Act, 1956 in manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - (i) In case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2011
 - (ii) In case of the Profit & Loss Account, of the profit for the year ended on that date and
 - (iii) In case of Cash Flow Statement, of the cash flows for the year ended on that date.

For Mayank Shah & Associates
Chartered Accountants
(Firm Registration No. 106109W)

(M.S.Shah)
Partner
Mem. No. 44093

Place : Ahmedabad
Date : 30/05/2011

ANNEXURE TO THE AUDITORS' REPORT

(Annexure referred to in paragraph 2 of our Auditors Report of even date on financial statements of Bodal Chemicals Ltd for the year ended on 31/03/2011)

On the basis of such checks as we considered appropriate and in terms of the information and explanations given to us, we state that:-

- 1 a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of information available.
b) According to the information and explanation given to us, the Company has formulated a regular program of verification by which all the assets of the company shall be verified in a phased manner, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. To the best of our knowledge, no material discrepancies were noticed on the verification conducted during the year as compared with the book records.
c) During the year the Company has not disposed off a substantial part of its fixed assets, so as to affect its going concern.
- 2 a) As explained to us, the inventory except stocks in transit has been physically verified during the year by the Management at reasonable interval during the year. In our opinion the frequency of verification is reasonable.
b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the company and the nature of the business.
c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of inventory, the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of account.
- 3 a) According to the information and explanation given to us, the company had not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act, and therefore, clause of rates of interest and other terms & conditions and repayment is not applicable to the company.
b) According to the information and explanations given to us, the Company had taken unsecured loan from the 1 (One) party listed in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 90.98 lacs & the year end balance of loans was Rs. Nil.
c) According to the information and explanation given to us, repayment of the principal amount is as stipulated and payments of interest, wherever applicable, have been regular.
d) In our opinion the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the Company.
- 4 In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to the purchase of inventories and fixed assets, and with regard to the sale of goods. In our opinion and according to information and explanation given to us, there is no continuing failure to correct major weakness of such internal control system.
- 5 a) On the basis of the audit procedure performed by us, and according to the information given to us, we are of the opinion that the transactions which were required to be entered in register maintained under Section 301 of Companies Act were entered.
b) In our opinion and according to the information and explanations given to us, the transactions were made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- 6 In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal on the Company.

- 7 The internal audit function is carried out by outside agency appointed by the management, the scope and coverage of which, in our opinion requires to be enlarged to be commensurate with the size and nature of its business.
- 8 We have broadly reviewed the books of accounts and records maintained by the company relating to the manufacturing of Chemical products comprising Dyes, Dyes Intermediates and Basic Chemicals where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under Section 209(1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made & maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- 9 a) According to the records of the company and information and explanations given to us, the company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Excise Duty, Custom Duty, Service Tax, Sales Tax, Cess, Investor Education and Protection Fund and any other material statutory dues as applicable to it, with the appropriate authorities during the year. As explained to us, no undisputed amounts payable were in arrears as at 31st March 2011 for a period of more than six months from the date they became payable.
- b) According to the information and explanation given to us, the Company had the following dues of Income Tax, Customs and Excise Duty which have not been deposited on account of any dispute.

Statement of Disputed Dues				
Name of the Statute	Nature of the Dues	Amount (Rs. in lacs)	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961.	Income Tax	0.19	A.Y. 1999-2000	Income Tax Appellate Tribunal
	Income Tax	1.42	A.Y. 2004-2005	Assessing Officer
	Income Tax	61.57	A.Y. 2007-2008	Income Tax Appellate Tribunal
	Income Tax	29.65	A.Y. 2008-2009	Commissioner of Income Tax (Appeals)
The Central Excise Act, 1944	Penalty	1.50	A.Y. 2009-2010	CESTAT, Ahmedabad
	Service Tax Duty	12.06	A.Y. 2006-2007 to A. Y. 2010-2011	The Commissioner (Appeals)- Central Excise – Ahmedabad
	Duty	1.18	A. Y. 2010-2011	CESTAT, Ahmedabad
	Penalty	0.10	A. Y. 2010-2011	The Deputy Comm. Of Central Excise, Ahmedabad
	Service Tax	23.21	2005-2006 to 2007-2008	The Commissioner (Appeals), Central Excise – Ahmedabad
	Service Tax and Penalty	59.18	2005-2006 to 2007-2008	CESTAT, Ahmedabad
Customs Act, 1962.	Duty, Penalty, Interest & Fine	10.11	A.Y.2007-2008	CESTAT, Additional West Zonal Bench, Ahmedabad.

10. The company has no accumulated losses at the end of the financial year. The company has not incurred any cash losses during current financial year. In the immediately preceding financial year, the Company had not incurred any cash loss.

11. According to the information and explanation given to us, the Company has not defaulted in repayment of dues to banks and financial institutions as at Balance sheet date.
12. According to the information and explanation given to us the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statue applicable to chit fund, nidhi, or any mutual fund / societies are not applicable to the company.
14. In our opinion and according to the information and explanation given to us, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. According to the information and explanation given to us the Company has not given guarantee for loans taken by others from banks or financial institutions.
16. To the best of our knowledge and belief and according to the information and explanations given to, in our opinion, the term loans raised during the year were prima facie been utilized for the purposes for which they were obtained.
17. According to the information and explanations given to us and on overall examination of the balance sheet and cash flow statement of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
18. According to the information and explanations given to us, during the period covered by our audit report, the Company has made preferential allotment of convertible equity share warrants to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
19. According to the information and explanations given to us, during the year covered by our report, the Company has not issued any secured debentures.
20. The Company has not raised any money by way of a public issue during the year.
21. During the course of our examination of the books of account and records of the company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor we have been informed of such case by the management.

For Mayank Shah & Associates
Chartered Accountants
(Firm Registration No. 106109W)

(M.S.Shah)
Partner
Mem. No. 44093

Place : Ahmedabad
Date : 30/05/2011

BALANCE SHEET AS AT 31ST MARCH, 2011

[Rs. in Lacs]			
Particulars	Schedule No.	As at 31-03-2011	As at 31-03-2010
SOURCES OF FUNDS			
Shareholders' Funds :			
Share Capital	1	1,990.23	1,990.23
Convertible Equity Share Warrants	2	1,063.13	Nil
Reserves and Surpluses	3	4,810.46	3,759.31
Deferred Grant	4	32.93	38.21
Loan Funds :			
Secured Loans	5	25,637.52	25,141.72
Unsecured Loans	6	3,253.59	1,247.21
Deferred Tax Liabilities (Net)		1,892.76	1,126.32
TOTAL		38,680.62	33,303.00
APPLICATION OF FUNDS			
Fixed Assets :			
Gross Block	7	33,279.76	23,439.10
Less : Depreciation		6,150.91	4,777.58
Net Block		27,128.85	18,661.52
Capital Work In Progress		59.47	4,765.28
		27,188.32	23,426.80
Investments	8	239.93	68.35
Foreign Currency Monetary Item Difference Account (Net of Amortisation)		0.54	Nil
Current Assets, Loans & Advances :			
Inventories	9	8,930.47	5,267.16
Debtors		12,461.61	10,381.86
Cash & Bank Balances		495.73	449.40
Loans & Advances		5,441.43	5,045.29
		27,329.24	21,143.71
Less : Current Liabilities & Provisions	10		
Current Liabilities		14,964.73	10,528.11
Provisions		1,125.49	831.29
		16,090.22	11,359.40
Net Current Assets			
Miscellaneous Expenditure (To the extent not written off or Adjusted)	11	12.81	23.54
TOTAL		38,680.62	33,303.00
Notes to the Accounts	21		
As per our report of even date attached		For and on behalf of the Board of Directors	
For Mayank Shah & Associates		(Suresh J. Patel)	
Chartered Accountants		Chairman & Managing Director	
(Firm Registration No. 106109W)			
(M.S. Shah)		(Ramesh P. Patel)	(Chirag G. Shah)
Partner		Executive Director	Company Secretary
Membership No. 44093			
Place : Ahmedabad		Place : Ahmedabad	
Date : 30.05.2011		Date : 30.05.2011	

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2011

[Rs. in Lacs]			
Particulars	Schedule No.	Current Year	Previous Year
INCOME			
Sales	12	55,824.62	46,754.50
Goods Burnt Due to Fire		Nil	79.45
Other Income	13	1,417.85	1,826.15
TOTAL		57,242.47	48,660.10
EXPENDITURE			
Material Consumed and Stock Variation	14	37,704.47	32,265.25
Manufacturing Expenses	15	6,720.75	5,938.94
Administrative & General Expenses	16	1,087.13	740.40
Payment to Employees	17	2,793.35	2,111.83
Selling & Distribution Expenses	18	2,766.63	2,319.02
Financial Charges	19	2,263.02	2,018.88
Depreciation and Amortisation	20	1,379.90	1,212.53
Misc. Expenditure Written Off		10.73	12.23
TOTAL		54,725.98	46,619.08
Profit Before Taxes		2,516.49	2,041.02
Provision For Taxation			
Current		500.96	204.68
Deferred Tax Liability		766.44	694.17
		1,267.40	898.85
Less : MAT Credit Entitlement		(500.31)	(204.20)
		767.09	694.65
Profit After Taxes		1,749.40	1,346.37
Balance Brought Forward		945.45	308.34
Prior Period Items		(1.39)	57.78
Short Tax Provision for earlier years		(72.31)	(0.43)
Amount Available For Appropriation		2,621.15	1,712.06
Appropriation :			
Interim Dividend on Equity Shares		Nil	358.24
Proposed Final Dividend on Equity Shares		537.36	179.12
Provision for Dividend Tax		87.18	89.25
Transfer to General Reserve		175.00	140.00
Balance Carried to Balance Sheet		1,821.61	945.45
		2,621.15	1,712.06
Basic Earning per Share of Face Value of Rs. 2/- each (in Rs.)		1.68	1.41
Diluted Earning per Share of Face Value of Rs. 2/- each (in Rs.)		1.42	1.41

Notes to the Accounts

21

As per our report of even date attached

For and on behalf of the Board of Directors

For **Mayank Shah & Associates**

Chartered Accountants

(Firm Registration No. 106109W)

(Suresh J. Patel)

Chairman & Managing Director

(M.S. Shah)

Partner

Membership No. 44093

(Ramesh P. Patel)

Executive Director

(Chirag G. Shah)

Company Secretary

Place : Ahmedabad

Date : 30.05.2011

Place : Ahmedabad

Date : 30.05.2011

SCHEDULES FORMING PART OF THE BALANCE SHEET

Particulars	[Rs. in Lacs]	
	As at 31-03-2011	As at 31-03-2010
SCHEDULE 1 : SHARE CAPITAL		
Authorised Share Capital		
15,00,00,000 Equity Shares of Rs.2/- each (P.Y. 3,00,00,000 Equity Shares of Rs. 10/- each)	3,000.00	3,000.00
40,00,000 (P.Y. 40,00,000) Preference Share of Rs. 10/- each	400.00	400.00
	3,400.00	3,400.00
Subscribed & Paid up Share Capital		
9,95,11,510 Equity Shares of Rs. 2/- each (P. Y. 1,99,02,302 Equity Shares of Rs. 10/- each)	1,990.23	1,990.23
[1] Equity shares of Rs. 10 each have been sub-divided into five equity shares of Rs. 2 each pursuant to the resolution passed by the shareholders at the Extra Ordinary Meeting on 28/04/2010		
[2] Out of which 15,00,000 Equity shares were allotted as fully paid Bonus Share by way of Capitalisation of reserves.		
[3] Out of which 3,52,63,520 Equity shares had been allotted as fully paid as per the scheme of amalgamation of Bodal Chemicals Pvt. Ltd. with the company on 13.05.2006)		
[4] Out of which 2,60,06,760 Equity shares had been allotted as fully paid on Right Issue)		
[5] Out of which 2,11,53,170 Equity shares had been allotted as fully paid on conversion of share warrants)		
[6] Out of which 3,38,060 Equity shares had been allotted as fully paid on amalgamation of Milestone Organics Ltd. with the company as per High Court Order)		
TOTAL	1,990.23	1,990.23
SCHEDULE 2 : CONVERTIBLE EQUITY SHARE WARRANTS		
67,50,000 (P.Y. Nil) optionally convertible equity share warrants of Rs. 63/- each	4,252.50	Nil
	4,252.50	Nil
67,50,000 (P.Y. Nil) optionally convertible equity share warrants of Rs. 63/- each Paid up Rs. 15.75	1,063.13	Nil
TOTAL	1,063.13	Nil
SCHEDULE 3 : RESERVES & SURPLUSES		
Investment Allowance Reserve - Utilised Account		
Balance as per last Balance Sheet	4.77	4.78
Share Premium		
Balance as per last Balance Sheet	1,203.20	1,203.20
Capital Reserves	0.36	0.36
Capital Redemption Reserve Fund		
Balance as per last Balance Sheet	396.71	396.71
(The company had created said reserve due to redemption of Preference Shares at par.)		
General Reserve :		
Balance as per last Balance Sheet	1,208.81	1,068.81
Add:Transfer from Profit and Loss Account	175.00	140.00
	1,383.81	1,208.81
Profit & Loss Account	1,821.61	945.45
TOTAL	4,810.46	3,759.31

Particulars	[Rs. in Lacs]	
	As at 31-03-2011	As at 31-03-2010
SCHEDULE 4 : DEFERRED GRANT		
Grant From World Bank :	38.21	100.00
Less : Transfer to current year's Profit & Loss Account	(5.28)	(5.28)
Less : Transfer to prior period items account	Nil	(56.51)
TOTAL	32.93	38.21
SCHEDULE 5 : SECURED LOANS		
From Banks		
Term loan	13,751.25	13,656.26
Cash Credit Facility	4,005.77	1,913.66
Packing Credit Facility	2,968.63	2,464.39
Bills Discounting Facility	4,253.47	4,979.93
Buyers Credit Facility	658.40	2,127.48
TOTAL	25,637.52	25,141.72
(1) Term loan includes Vehicle Loans of Rs. 148.86 lacs (P.Y. Rs. 128.95 lacs) which is Secured by Hire Purchase agreement for cars.		
(2) (a) Term loan excluding Vehicals loan is primarily secured by first charge on immovable properties of the company situated at Plot No. 252,253,254 GIDC, Vatva and Plot No. 804 & Block No. 800, 803/1, 797, 796, 795, 532, 555, 556, 560, 561/1 and 525, Village Dudhavada, Taluka Padra, Vadodara respectively and Hyp. Of entire P&M and other Equipment acquired through the term loan.		
(b) Cash Credit Facility and Packing Credit Facility are primarily secured by Hyp. Of Stock of Raw material, Work in Process, Finished Goods and Book Debts of the company.		
(c) Bills discounting facility is primarily secured by hyp. of bills drawn under L/c.		
(d) Term Loan, Cash Credit, Packing Credit and bill dicounting facility are collateraly further secured by equitable mortgage on Immovable property and Hyp. Of P&M of the company and personal guarantees of the Chairman and Managing Director and Executive directors.		
SCHEDULE 6 : UNSECURED LOANS		
Debentures	Nil	512.55
Nil (P.Y. 102510) 10% Unsecured Redeemable Non-convertible Debentures of Rs. 500 each fully paid up (Acquired under Amalgamation and redeemable on the expiry of five years from the date of allotement, with an option for the company for early redemption.)		
Loan From Directors	Nil	0.98
Public Deposits	999.89	Nil
Trade Deposits	100.78	Nil
Loan From Members	555.00	275.00
Loans From Corporates	1,597.92	458.68
TOTAL	3,253.59	1,247.21

SCHEDULE 7 : FIXED ASSETS

(Rs. in Lacs)

Name of the Asset	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At 01-04-10	Addition	Deduction	As At 31-03-11	As At 01-04-10	Addition	Deduction	As At 31-03-11	As At 31-03-11	As At 31-03-10
TANGIBLE ASSETS										
Land	386.90	58.41	Nil	445.31	Nil	Nil	Nil	Nil	445.31	386.90
Factory Building	4,804.27	2,213.69	Nil	7,017.96	279.64	199.65	Nil	479.29	6,538.67	4,524.63
Office Building	112.59	42.30	Nil	154.89	8.70	2.27	Nil	10.97	143.92	103.89
Plant & Machinery	15,790.97	7,174.83	4.65	22,961.15	3,196.90	1,063.96	0.88	4,259.98	18,701.17	12,594.07
Furniture & Fixture	345.31	87.26	Nil	432.57	52.79	24.41	Nil	77.20	355.37	292.52
Office Equipment	109.48	46.48	0.22	155.74	39.53	12.14	0.03	51.64	104.10	69.95
Vehicles	369.70	84.90	17.89	436.71	92.65	38.22	5.66	125.21	311.50	277.05
E.T.P.	296.83	68.43	Nil	365.26	49.41	16.89	Nil	66.30	298.96	247.42
Laboratory equipments	136.11	46.90	Nil	183.01	18.79	7.42	Nil	26.21	156.80	117.32
INTANGIBLE ASSETS										
Goodwill	1,046.80	Nil	Nil	1,046.80	1,033.61	6.60	Nil	1,040.21	6.59	13.19
Computer Software	5.14	7.27	Nil	12.41	2.06	2.07	Nil	4.13	8.28	3.08
Licence	35.00	32.50	Nil	67.50	3.50	6.22	Nil	9.72	57.78	31.50
Website	Nil	0.45	Nil	0.45	Nil	0.05	Nil	0.05	0.40	Nil
Total	23,439.10	9,863.42	22.76	33,279.76	4,777.58	1,379.90	6.57	6,150.91	27,128.85	18,661.52
Previous Year	14,648.79	8,791.89	1.58	23,439.10	3,565.45	1,212.53	0.40	4,777.58	18,661.52	11,083.34
Capital Work in Progress									59.47	4,765.28
TOTAL FIXED ASSETS									27,188.33	23,426.80

[Rs. in Lacs]

Particulars	As at 31-03-2011	As at 31-03-2010
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SCHEDULE 8 : INVESTMENTS
LONG TERM INVESTMENTS
TRADE INVESTMENTS
Quoted

100 (P.Y. 100) Equity Shares of Beta Nephthol Ltd. Of Rs. 10/- Each Fully Paid Up	0.03	0.03
50000 (P.Y. 50000) Equity Shares of Dynamic Industries Ltd. Of Rs. 10/- Each Fully Paid Up	52.05	52.05

	52.08	52.08
Less : Provision for diminution in Investments	0.03	0.03
TOTAL	52.05	52.05

Unquoted

250 (P.Y.250) Equity Shares of Green Environment Services Co-op.Soc. Ltd. of Rs. 100/- each Fully Paid Up	0.25	0.25
112350 (P.Y. 112350) Equity Shares of Bharuch Enviro Infrastructure Ltd of Rs. 10/- each Fully Paid Up	11.23	11.23
100 (P.Y.100) Equity Shares of Guj.Ind. Waste Mng. Co. Ltd. of Rs. 10/- Each Fully Paid Up	0.01	0.01
2902 (P.Y.2902) Equity Shares of The Bhagoyday Co-op. Bank Ltd. of Rs. 100/- Each Fully Paid Up	2.90	2.90
10200 (P.Y.10200) Equity Shares of Panoli Enviro Technology Ltd. of Rs. 10/- Each Fully Paid Up	1.02	1.02
3542 (P.Y.3542) Equity Shares of Makarpura Ind.Est.Co.Op.Bank Ltd. of Rs. 25/- Each Fully Paid Up	0.89	0.89

TOTAL	16.30	16.30
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Particulars	[Rs. in Lacs]	
	As at 31-03-2011	As at 31-03-2010
SUBSIDIARY COMPANY		
Unquoted 1700000 (P.Y. Nil) Equity Shares of Bodal Agrotech Ltd. of Rs. 10/- Each Fully Paid Up	170.00	Nil
Share Application money in Bodal Agrotech Ltd.	1.58	Nil
TOTAL	171.58	Nil
TOTAL	239.93	68.35
Aggregate of Quoted Investments:		
At Book value	52.05	52.05
At Market Price	4.75	6.28
Aggregate of Unquoted Investments:	187.88	16.30
SCHEDULE 9 : CURRENT ASSETS, LOANS & ADVANCES		
Inventories		
Raw Materials (inclusive of Goods In Transit of Rs. 173.65 lacs) (P.Y. Rs. 125.70 lacs)	2,860.53	1,950.31
Finished Goods	2,142.08	1,294.14
Work In Process	3,425.01	1,749.89
Packing Materials (inclusive of Goods In Transit of Rs. 2.41 lacs)(P.Y.Rs. 0.06 lacs)	136.65	83.37
Stock of Fuel	87.05	19.91
Stores Materials	279.15	169.54
TOTAL(A)	8,930.47	5,267.16
Debtors (Unsecured & Considered Good)		
More than Six Months	408.66	252.28
Others	12,052.95	10,129.58
TOTAL(B)	12,461.61	10,381.86
Cash & Bank Balances		
Cash on hand	56.97	48.61
Balance with Scheduled Banks		
In Current Accounts	39.08	16.52
In Deposit Accounts	399.68	384.27
TOTAL(C)	495.73	449.40
Loans & Advances (Unsecured & Considered Good)		
Advance Receivable in cash or kind	761.71	763.99
Balance with Statutory Authorities	3,015.22	2,992.41
Advance Taxes Paid	423.60	330.51
MAT Credit Entitlement	704.51	204.20
Deposits	73.04	270.84
Export Benefit Receivable	463.35	483.34
TOTAL (D)	5,441.43	5,045.29
TOTAL (A+B+C+D)	27,329.24	21,143.71

Particulars	[Rs. in Lacs]	
	As at 31-03-2011	As at 31-03-2010
SCHEDULE 10 : CURRENT LIABILITIES & PROVISIONS		
Current Liabilities		
Sundry Creditors	13,929.03	10,307.02
Unclaimed Dividends	17.39	11.57
Statutory Liabilities	288.36	206.45
Advance received from Customers	729.95	3.07
TOTAL (A)	14,964.73	10,528.11
Provisions		
Provision for Taxes	500.96	204.68
Provision for Interim Dividend	Nil	358.24
Proposed Final Dividend	537.36	179.12
Tax on Dividend	87.17	89.25
TOTAL (B)	1,125.49	831.29
TOTAL (A+B)	16,090.22	11,359.40
SCHEDULE 11 : MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)		
Deferred Revenue Expenses	23.54	35.77
Less : Transferred to P & L Account	10.73	12.23
TOTAL	12.81	23.54

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

Particulars	[Rs. in Lacs]	
	Current Year	Previous Year
SCHEDULE 12 : SALES		
Gross Sales	62,167.92	51,257.07
Less : Excise Duty	4,720.43	3,316.96
Value Added Tax	1,622.87	1,185.61
TOTAL	55,824.62	46,754.50
SCHEDULE 13 : OTHER INCOME		
Interest Income	38.61	28.55
Scrap Sales	41.30	55.05
Export Benefits	1,262.70	1,180.84
Exchange Rate Difference (Net)	62.94	553.36
Goods Sent as samples	3.22	Nil
Other Income	9.08	8.35
TOTAL	1,417.85	1,826.15
SCHEDULE 14 : MATERIAL CONSUMED AND STOCK VARIATION		
RAW MATERIAL CONSUMPTION		
Opening Stock	1,950.31	1,669.02
Add. Purchases during the year	39,152.60	33,482.72
	41,102.91	35,151.74
Less : Closing Stock	2,860.53	1,950.31
TOTAL RAW MATERIAL CONSUMED	38,242.38	33,201.43
COST OF MATERIAL TRADED		
Opening Stock	Nil	Nil
Add. Purchases during the year	1,901.59	34.67
	1,901.59	34.67
Less : Closing Stock	Nil	Nil
TOTAL COST OF MATERIAL TRADED	1,901.59	34.67
STOCK VARIATION		
Closing Stock Finished Goods	2,142.08	1,294.14
Closing Stock Work In Process	3,425.01	1,749.89
TOTAL (A)	5,567.09	3,044.03
Less : Opening Stock Finished Goods	1,294.14	1,099.26
Opening Stock Work In Process	1,749.89	930.88
TOTAL (B)	3,044.03	2,030.14
TOTAL (A) - (B)	2,523.06	1,013.89
Add / (Less) : Variation in Excise Duty on Closing and Opening Stock of Finished Goods	(83.56)	(43.04)
STOCK VARIATION	2,439.50	970.85
TOTAL.....	37,704.47	32,265.25

Particulars	[Rs. in Lacs]	
	Current Year	Previous Year
SCHEDULE 15 : MANUFACTURING EXPENSES		
Power & Fuel Consumption	5,139.88	4,466.07
Stores Consumption	348.20	442.22
Repairs to		
Machinery	593.55	517.21
Building	23.67	39.88
Others	15.07	14.64
Pollution Control Expenses	487.77	339.72
Other Manufacturing Expenses	112.61	119.20
TOTAL	6,720.75	5,938.94
SCHEDULE 16 : ADMINISTRATIVE & GENERAL EXPENSES		
Payment to Auditors	11.19	7.50
Director Remuneration & Commission Expenses	95.00	71.50
Directors' Sitting fees	3.15	Nil
Listing fees	0.84	0.46
Insurance Expenses	29.32	26.89
Rent & Tax	55.89	13.38
Legal & Professional Fees	184.08	74.06
Loss on Disposal of Assets (Net)	5.48	Nil
Loss Due To Fire	Nil	13.70
Postage & Telephone Expenses	59.44	43.61
Provision for diminution in investments	Nil	0.03
Premium / Discount on Forward Contracts	67.22	90.15
Travelling & Conveyance Expenses	63.50	35.40
Vehicle Maintenance	94.79	100.21
Business Development Expenses	91.71	50.38
Miscellaneous Expenses	325.52	213.13
TOTAL	1,087.13	740.40
SCHEDULE 17 : PAYMENT TO EMPLOYEES		
Salary, Wages & Bonus	2,636.71	1,976.06
Contribution to Provident & Other Funds	142.13	121.95
Staff Welfare Expenses	14.51	13.82
TOTAL	2,793.35	2,111.83

Particulars	[Rs. in Lacs]	
	Current Year	Previous Year
SCHEDULE 18 : SELLING & DISTRIBUTION EXPENSES		
Packing Material Consumption	677.13	580.77
Clearing & Forwarding Charges	580.09	505.80
Sales Commission	810.39	827.24
Outward Freight Expenses	534.05	332.38
Bad Debts Written off	2.27	Nil
Other Selling and Distribution expenses	162.70	72.83
TOTAL	2,766.63	2,319.02
SCHEDULE 19 : FINANCIAL CHARGES		
Bank Charges	202.69	204.68
Bank Interest	1,900.56	1,697.93
Brokerage and Other Charges	0.21	Nil
Other Interest Expenses	159.56	116.27
TOTAL	2,263.02	2,018.88
SCHEDULE 20 : DEPRECIATION AND AMORTISATION		
Depreciation	1,364.96	998.64
Amortisation of Intangible Assets	14.94	213.89
TOTAL	1,379.90	1,212.53

SCHEDULES FORMING PART OF ACCOUNTS AS AT 31ST MARCH, 2011

SCHEDULE 21: NOTES TO THE ACCOUNTS

A) Significant Accounting Policies:

a) Accounting Conventions

I) Basis of Preparation of Financial Statements

The financial statements of the Company are prepared under the historical cost convention on accrual basis of accounting in all material respects in accordance with the notified Accounting Standards by Companies (Accounting Standards) Rules 2006 (as amended) and the relevant Provisions of the Companies Act, 1956. The accounting policies have been consistently applied by the Company during the year.

II) Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

b) Fixed Assets

I) Tangible

Fixed Assets are stated at cost of acquisition/construction (net of modvat/cenvat/value added tax) less Accumulated Depreciation and impairment loss if any. Cost of acquisition includes non refundable taxes, duties, freight and other costs that are directly attributable to bringing assets to their working condition for their intended use. All costs, including financing costs till the asset is put to use and adjustments arising from exchange rate variations attributable to the fixed assets are capitalized.

II) Intangible

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to enterprise and the cost of the assets can be measured reliably. The intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortization and accumulated impairment loss, if any.

c) Depreciation / Amortization

I) Tangible

Depreciation on fixed assets is provided on straight line method on pro-rata basis at rates and in manner specified in Schedule XIV of the Companies Act, 1956.

II) Intangible

Goodwill arising due to Amalgamation is amortized over a period of five years. Software costs are amortized over a period of five years or according to the life cycle of software. Licence fees is amortized over a period of ten years. Website is amortized over a period of five years.

d) Capital Work-in-Progress

Projects under commissioning and other Capital Work-in-Progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

e) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. Current Investments are valued at Cost or Net realizable value whichever is lower. All other investments are classified as long term Investments. Long term investments are stated at cost of acquisition. Provision for diminution in value of long term investments is made, only if such decline is other than temporary.

f) Inventories

Finished goods (including for trade), work-in-process, semi-finished goods for trade, Raw materials, Stores, Spares, Fuel, Components, and Loose Tools are valued at cost or net realizable value whichever is lower. Materials-in-transit are valued at cost-to-date. Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition including excise duty payable on goods produced. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the Company. The cost formula used for determination of cost is 'First in First Out'.

g) Foreign Currency Transactions :

- (i) All Transactions in foreign currency, are recorded at the rates of exchange prevailing as at the date of the transactions.
- (ii) Monetary assets and liabilities in foreign currency, outstanding at the close of the year, are converted in Indian currency at the appropriate rates of exchange prevailing at the close of the year. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Profit and Loss account except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.
- (iii) In respect of forward exchange contracts entered into towards hedge of foreign currency risks, the difference between the forward rate and the exchange rate at the inception of the contract is recognized as income or expenditure over the life of the contract and the exchange difference arising on such contracts are recognized as income or expenditure along with the exchange differences on the underlying assets/liabilities except in case where they relate to the acquisition or construction of fixed assets, in which case, they are adjusted to the carrying cost of fixed assets. Profit or Loss on cancellations/renewals of forward contracts is accounted for during the year.

h) Derivative Instruments and Hedge Accounting

The company uses foreign exchange forward contracts and options to hedge its exposure to movements in foreign exchange rates. The use of these foreign exchange forward contracts and options reduces the risk or cost to the Company and the Company does not use the foreign exchange forward contracts or options for trading or speculation purposes.

Outstanding derivative contracts at the balance sheet date are marked to market. While anticipated losses on outstanding derivative contracts at the balance sheet date are provided for fully, anticipated gains on such contracts are ignored on grounds of prudence.

i) Revenue Recognition

I) Sales

The Company recognises sale of goods when the significant risks and rewards of ownership are transferred to the buyer, which is usually when the goods are dispatched to customers.

II) Export Benefits

- (i) Export Benefits on the import entitlements issued under the Duty Entitlement Pass Book Scheme, Focus Licence and Duty Free Replenishment Certificate Scheme are accounted for at the estimated realisable value on accrual basis.
- (ii) Import entitlement issued under Duty Drawback receivable is accounted for on accrual basis.
- (iii) Import entitlement issued under the Advance Authorization in the case of Actual User License receivable is accounted for on receipt basis.

III) Other Income

Other incomes are accounted on accrual basis.

j) Employee Benefits

1) Short Term Employees Benefit

Short Term Benefits are recognized as expenditure at the undiscounted value in the Profit and Loss Account of the year in which the related services as rendered.

2) Post Employment Benefit

- a. Defined Contribution Plans – Monthly contributions to the Provident Fund and E.S.I. which are defined contribution schemes are charged to Profit and Loss Account and deposited with the Provident Fund and E.S.I. Authorities on monthly basis.
- b. Defined Benefit Plans – Gratuity to Employees are covered under the Employees Group Gratuity Scheme and the premium is paid on the basis of their actuarial valuation using the Projected Unit Credit Method. Actuarial gain and losses arising on such valuation are recognized immediately in the Profit and Loss Account. Any shortfall in case of premature termination / resignation to the extent not reimbursed by LIC is being absorbed in the year of payment. The amount funded by the trust administered by the Company under the aforesaid policy is reduced from the gross obligation under the defined benefit plan, to recognize the obligation on net basis.

3) **Termination Benefit**

Termination Benefits are charged to Profit and Loss Account in the year of accrual.

k) Miscellaneous Expenditure

Deferred Expenditure is being written off over a period of five years.

l) Borrowing Cost

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

m) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

n) Taxes on Income

Tax expense for a year comprises of current tax and deferred tax.

Current tax are measured at the amount expected to be paid to the tax authorities, after taking into consideration, the applicable deductions and exemptions admissible under the provisions of the Income tax Act, 1961.

Deferred tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing difference of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. If there is unabsorbed depreciation or carry forward of losses under tax laws, deferred tax assets are recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay income tax higher than that computed under MAT, during the period that MAT is permitted to be set off under the Income Tax Act, 1961 (specified period). In the year, in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in the guidance note issued by the Institute of Chartered Accountants of India (ICAI), the said asset is created by way of a credit to the profit and loss account and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay income tax higher than MAT during the specified period.

o) Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. An impairment loss recognized in prior accounting periods is reversed if there has been change in the estimate of the recoverable amount.

p) Governments Grants/Subsidy

Government Grants is recognized when there is a reasonable assurance that the company will comply with the conditions attached to them and grants will be received.

Grants related to depreciable assets are treated as deferred income which is recognized in Profit & Loss Account over the period and in the proportions in which depreciation on related assets is charged.

Government Grants which is in the nature of promoters' contribution are credited to Capital Reserve.

When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.

B) Notes to Accounts :

1) Contingent Liabilities not provided in respect of:

(Rs. In Lacs)

Nature of Liabilities	2010-11	2009-10
a. Disputed matters in appeals/contested in respect of:		
I) Income Tax	92.84	63.18
II) Excise Department	97.26	22.94
III) Custom Department	10.11	10.11
b. Bonds/Undertakings given by the Company under Concessional duty/exemption to Customs/Excise Authorities(Net of redemption applied for)	Nil	0.63
c. Letter of credit	690.85	550.18
d. Estimated amount of Contracts, remaining to be executed on capital account (net of advances)	42.89	851.91
e. Bank Guarantee	260.74	Nil

- 2) A) In terms of approval of shareholders of the Company at the Extra Ordinary General Meeting held on April 28, 2010 and as per the applicable provisions of Securities and Exchange Board of India (ICDR) Regulations, 2009, the company has allotted 67,50,000 warrants on preferential basis on May 11, 2010, to promoters' group and non-promoters at Rs. 63/- each to be converted into equal number of equity shares of Rs. 10/- each at a premium of Rs. 53/- per share on exercise of the option of conversion by the warrant holders within 18 months from the date of the allotment of warrants i.e. May 11, 2010. As per terms and conditions of said issue, the company has received Rs. 15.75 per warrant i.e. 25% of Rs. 63/-, aggregating Rs.1063.13 lacs for allotment of warrants from allottees.

During the year, on 11-06-2010, the company has sub divided (stock split) one equity share of Rs. 10/- each into 5 equity shares of Rs.2/- each. Hence, after considering subdivision/split, each warrant of Rs. 63 will be converted into 5 equity shares of face value of Rs. 2/- each on or before 10th November, 2011. At the time of conversion, issue price of equity shares will be adjusted accordingly.

- B) Options outstanding as at the end of the year on un-issued share capital:

Particulars	Number of Equity Shares to be issued as fully paid	
	As at 31/03/2011	As at 31/03/2010
Optionally convertible warrants	33,750,000	Nil

- 3) The Company has exercised the option of implementing the Provisions of Paragraph 46 of Accounting Standard 11 "Accounting for the Effects of changes in Foreign Exchange Rates" prescribed by Companies (Accounting Standards) Amendment Rules, 2009 in the F.Y. 2008-09 and accordingly Company has capitalized foreign exchange loss of Rs. 407.60 lacs in the current year in respect of foreign currency loans, consequently, profit for the year is higher by the equivalent amount. Company had deducted the foreign exchange gain of Rs. 73.15 lacs in respect of foreign currency loans from the Fixed Assets during the previous year.

4) Grant from World Bank

Grant from World Bank have been treated as Deferred Income which is recognized in Profit & Loss Account for the period and in the proportions in which depreciation on related assets is charged.

5) Micro, Small, Medium Enterprises Development Act, 2006

There are no Micro, Small and Medium Enterprises to whom the company owes dues, which are outstanding for more than 45 days as at 31st March, 2011. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

- 6) Sundry debtors include Rs. 64.35 lacs, the recovery of which is doubtful. However, in the opinion of the management considering the recovery procedures the same are receivable and hence not considered doubtful and accordingly not provided for.

7) Remuneration to Directors

a) Remuneration to Managing Director / Executive Directors (Rs. In Lacs)

Particulars	2010-11	2009-10
a) Salaries	54.00	36.00
b) HRA	6.00	10.50
c) Commission	35.00	25.00
Total	95.00	71.50

b) Computation of net profit in accordance with Section 349 of the Companies Act, 1956 (Rs. in Lacs)

Particulars	2010-11
Profit Before Tax	2516.49
Add: Managerial Remuneration (Including Commission)	95.00
Loss on Disposal of Assets	5.48
Loss on cancellation of Forward Contracts	0.17
	2617.14
Commission Eligible @ 2%	52.34
Commission Restricted to	35.00

8) Auditors Remuneration (Rs. In Lacs)

Particulars	2010-11	2009-10
I) As statutory Auditor	6.00	6.00
II) Other Services	5.19	1.50

9) Related Party Disclosure

a. Names of related parties and nature of relationship

I. Key Management Personnel

- Shri Suresh J. Patel Chairman & Managing Director
- Shri Bhavin S. Patel Executive Director
- Shri Ankit S. Patel Executive Director
- Shri Ramesh P. Patel Executive Director

II. Enterprise under significant influence of key management personnel

- Shanti Inorgo Chem (Guj.) Pvt. Ltd.
- Siskaa Chemicals Ltd. (formerly known as Siskaa Chemicals Pvt. Ltd.)

III. Wholly-owned Subsidiary Company

- Bodal Agrotech Ltd.

IV. Fellow Subsidiary Company

- Sun Agrigenetics Pvt. Ltd.

b. Transactions with related parties [Rs. in lacs]

Nature of Transactions	Key Management Personnel	Enterprise under significant influence of key management personnel	Wholly-owned Subsidiary
Remuneration	95.00	Nil	Nil
Loan Taken	90.00	Nil	Nil
Loan Repaid	90.98	Nil	Nil
Purchases of Materials	NIL	175.96	Nil
Rent Paid	NIL	1.20	Nil
Commission Paid	Nil	1.91	Nil
Sales	NIL	333.20	Nil
Payable / (Receivable) at year end	Nil	316.96	(1.58)

Notes:-

- (i) No amounts pertaining to related parties have been provided for as doubtful debts. Also no amounts have been written off or written back during the year.

10) Segment Reporting:
a) Primary Segment

The company has only one segment i.e., "Dyes, Dyes Intermediates and Basic Chemicals".

b) Secondary Segment (By Geographical segment) (Rs. In Lacs)

	2010-11	2009-10
Sales and Operating Income:-		
India	320,31.45	234,90.38
Outside India	237,93.17	232,64.12
Total	558,24.62	467,54.50

In view of the interwoven/intermix nature of business and manufacturing facility, other segment information is not ascertainable.

11) Deferred Taxation

The significant component and classification of deferred tax assets and liabilities on account of timing differences are:

(Rs. In lacs)

Nature of Timing Difference	Deferred Tax (Liability) / Assets at 01/04/2010	For the year	Deferred Tax (Liability) / Asset as at 31/03/2011
Deferred Tax Assets			
Carry Forward Business Loss	772.06	104.26	876.32
Deferred Tax Liabilities			
Depreciation	(1919.43)	(861.34)	(2780.77)
Retirement Benefits	(1.57)	(1.11)	(2.68)
Unpaid Bonus & Leave Encashment	22.62	(8.25)	14.37
Total	(1126.32)	(766.44)	(1892.76)

12) Employees' Benefits

a) Defined Benefit Plan

Gratuity:

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an Insurance Company in the form of qualifying insurance policy.

The following table summaries the components of net benefit expenses recognized in the profit and loss account and the funded status and amounts recognized in the balance sheet for the gratuity benefit.

(Rs. In Lacs)

	As on 31/03/2011	As on 31/03/2010
1 Assumptions		
Discount Rate	8%	8%
Salary Escalation	7%	7%
2 Table showing changes in present value of obligations		
Present value of obligations as at beginning of year	31.59	18.04
Interest cost	2.53	1.44
Current Service Cost	16.69	11.96
Benefits Paid	(0.68)	(0.30)
Actuarial (gain)/Loss on obligations	4.40	0.45
Present value of obligations as at end of year	54.53	31.59
3 Table showing changes in the fair value of plan assets		
Fair value of plan assets at beginning of year	52.56	33.02
Expected return on plan assets	5.38	3.55
Contributions	28.23	16.29
Benefits paid	(0.68)	(0.30)
Actuarial Gain / (Loss) on Plan assets	Nil	Nil
Fair value of plan assets at the end of year	85.49	52.56
4 Table showing fair value of plan assets		
Fair value of plan assets at beginning of year	52.56	33.02
Actual return on plan assets	5.38	3.55
Contributions	28.23	16.29
Benefits Paid	(0.68)	(0.30)
Fair value of plan assets at the end of year	85.49	52.56
Funded status	30.96	20.97
Excess of Actual over estimated return on plan assets (Actual rate of return = Estimated rate of return as ARD falls on 31st March)	Nil	
5 Actuarial Gain/Loss recognized		
Actuarial gain/(Loss) for the year -Obligation	(4.40)	(0.45)
Actuarial (gain)/Loss for the year - plan assets	Nil	Nil
Total (gain)/Loss for the year	4.40	0.45
Actuarial (gain)/Loss recognized in the year	4.40	0.45

	(Rs. In Lacs)	
	As on 31/03/2011	As on 31/03/2010
6 The amounts to be recognized in the balance sheet and statements of profit and loss		
Present value of obligations as at the end of year	54.53	31.59
Fair value of plan assets as at the end of the year	85.48	52.56
Funded status	30.96	20.97
Net Asset/(liability) recognized in balance sheet	(30.96)	(20.97)
7 Expenses Recognised in statement of Profit & loss		
Current Service cost	16.69	11.96
Interest Cost	2.53	1.44
Expected return on plan assets	5.38	3.55
Net Actuarial (gain)/Loss recognised in the year	4.40	0.45
Expenses recognised in statement of Profit & loss	18.24	10.30

b) Defined Contribution Plan

The company has recognized the following amount in profit and loss account which is included under contribution to funds.

Particulars	Rs. in Lacs
Employer's contribution to Provident Fund	99.45
Employer's contribution to E.S.I.	22.24

Note:

(1) The estimated future salary increases take account of inflation, seniority, promotion and other retirement factors such as supply and demand in the employment markets.

13) Earnings per Equity Share

Basic and Diluted Earnings per equity share are recorded in accordance with Accounting Standard -20 "Earning per Share". Earning per Share is calculated by dividing the profit attributable to the Equity shareholders (after adjustment for deferred taxes) by the average number of equity shares outstanding during the period. The numbers used in calculating basic and diluted earnings per Equity Shares are stated below.

	Rs. in Lacs	
	2010-11	2009-10
Profit attributable after Prior period items	1675.70	1403.72
Weighted average number of Equity Shares for basic EPS	99,511,510	99,511,510
Weighted average number of Equity Shares for diluted EPS		
a) Existing No. of Equity Shares	99,511,510	99,511,510
b) Equity Shares proposed to be issued due to convertible equity share warrants.	18,227,880	Nil
c) Weighted average number of Equity Shares	117,739,390	99,511,510
Basic Earnings per Share after prior period items	1.68	1.41
Diluted Earnings per Share after prior period items	1.42	1.41
Nominal Value per Share	2	2

14) Foreign Currency Exposure

The company has entered in following forward exchange contracts that are outstanding as at 31st March, 2011 to hedge the foreign currency risks of firm commitments.

Category	Currency	Buy/sell	Foreign Currency Value (in lacs)	Foreign Currency Value (Rs. in lacs)
Forward Contract	USD	Sell	6.00	267.90
Forward Contract	USD	Buy	306.42	13681.85

All Derivative and Financial instruments acquired by the company are for Hedging purpose only.

Details of unhedged foreign currency exposure as on 31-03-2011.

Particulars	Currency	Foreign Currency Value (in Lacs)	Foreign Currency Value (Rs. in Lacs)
Debtors	EURO	€ 1.20	76.01
Debtors	USD	\$ 4.65	207.65
Creditors for Foreign Commission	EURO	€ 0.43	27.31
Creditors for Foreign Commission	USD	\$ 8.05	359.56
Trade Deposit	USD	\$ 2.00	89.30
Packing Credit Loans	USD	\$ 41.85	1868.81

- 15) The Board of Directors in its meeting held on April 3, 2010 has approved sub-division (share split) of existing equity shares of Rs. 10 each into 5 equity shares of Rs. 2 each, which was duly approved by the shareholders in Extra Ordinary General Meeting held on April 28, 2010.

16) Debenture

The Company has exercised early redemption of 10% Non Convertible Debentures of Rs. 512.55 lacs on 06/05/2010, which were due for redemption on or before 29/09/2011. As per written consent by the Debenture holder, he has agreed not to claim any interest up to 06/05/2010. Hence, no provision for interest on Debenture has been made for the year 2010 – 2011.

- 17) Additional information pursuant to the Provisions of para 3, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956:

[A] (I) RAW MATERIAL CONSUMPTION : (in Lacs)

Raw Materials	31/03/2011		31/03/2010	
	Qty. Kg.	Value	Qty. Kg.	Value
1 Aniline Oil	26.23	1,816.50	29.03	1,679.68
2 Chloro	144.38	1,186.67	251.56	1,658.31
3 Ethylene Oxide	30.91	2,162.07	31.23	1,849.83
4 Caustic Soda Lye	183.63	1,299.44	165.56	1,241.28
5 Thionyl Chloride	62.55	1,331.56	62.29	846.32
6 Acetanilide	34.58	2,313.65	27.86	1,750.83
7 Beta Nephthol	6.18	790.05	10.13	1,132.14
8 Caustic Soda Flakes	89.98	1,582.78	87.14	1,746.98
9 P.N.C.B.	31.16	1,615.54	13.43	596.67
10 H. Acid	8.56	1,854.91	6.54	1,305.05
11 Para Nitro Aniline	5.50	435.82	14.44	943.21
12 Napthelene	60.88	3,724.84	49.91	2,772.57
13 Sulpher	249.59	2,277.14	0.40	1.99
14 Others		15,851.41		15,676.57
Total		38,242.38		33,201.43

(Rs. in Lacs)

(II) PACKING MATERIAL :

Rs. 677.13

Rs. 580.77

[B] COMPOSITION OF RAW MATERIALS CONSUMPTION (Rs. in Lacs)

Raw Materials	31/03/2011		31/03/2010	
	Rs. In Lacs	Percentage	Rs. In Lacs	Percentage
Imported	4,791.73	12.53%	3,800.84	11.45%
Indigenous	33,450.65	87.47%	29,400.59	88.55%
TOTAL	38,242.38	100.00%	33,201.43	100.00%

[C] TURNOVER
 (Figures for Previous year are given in brackets)

(I) DETAILS OF MANUFACTURING TURNOVER (in Lacs)

Mfg. Goods Sales	Opening		Production		Sales Stock		Capitve Consum - ption		Closing Stock	
	Qty. Kg.	Gross Value Rs.	Qty. Kg.	Qty. Kg.	Gross Value Rs.	Qty. Kg.	Qty. Kg.	Gross Value Rs.		
Dyes and Dyes Intermediates										
Vinyl Sulphone	0.14 (0.48)	19.16 (49.12)	108.66 (129.68)	83.49 (88.80)	10,300.44 (9,910.03)	25.10 (41.22)	0.21 (0.14)	33.15 (19.16)		
Acetanilide	2.23 (1.49)	142.15 (78.85)	33.29 (39.47)	Nil Nil	Nil Nil	34.43 (38.73)	1.09 (2.23)	98.70 (142.15)		
D.A.S.A.	0.15 (1.11)	28.89 (166.04)	28.91 (26.08)	24.11 (21.41)	4,303.30 (3,204.48)	4.82 (5.63)	0.13 (0.15)	29.23 (28.89)		
F.C. Acid	0.04 (0.20)	7.10 (29.04)	7.12 (7.09)	6.40 (6.22)	1,321.87 (1,013.41)	0.74 (1.03)	0.02 (0.04)	3.32 (7.10)		
Gamma Acid	0.02 (0.05)	5.82 (13.67)	13.25 (12.25)	11.76 (9.89)	3,524.33 (2,522.49)	1.38 (2.39)	0.13 (0.02)	43.15 (5.82)		
H.Acid	0.32 (0.17)	51.01 (26.38)	39.52 (47.30)	25.47 (31.02)	4,331.74 (4,956.00)	14.23 (16.13)	0.14 (0.32)	22.80 (51.01)		
6Nitro	Nil (0.13)	Nil (19.95)	4.50 (7.26)	1.83 (3.48)	331.41 (563.92)	2.52 (3.91)	0.15 Nil	26.07 Nil		
Beta Naphthol	0.08 Nil	12.22 Nil	24.68 (10.65)	13.61 (0.11)	1,791.23 (14.45)	11.03 (10.46)	0.12 (0.08)	18.28 (12.22)		
S.P.V.S.	0.20 (0.28)	23.46 (26.57)	10.61 (13.00)	8.58 (11.35)	979.43 (1,268.92)	1.73 (1.73)	0.50 (0.20)	60.96 (23.46)		
Para Nitro Aniline	0.22 Nil	18.67 Nil	18.96 (4.43)	2.19 (0.36)	191.74 (57.13)	16.86 (3.85)	0.13 (0.22)	13.13 (18.67)		
Reactive /Acid Dyes	5.85 (2.87)	882.21 (454.74)	140.65 (130.87)	118.67 (111.57)	18,711.04 (16,222.40)	20.77 (16.32)	7.06 (5.85)	1,390.72 (882.21)		
Others intermediates	0.52 (1.79)	69.20 (230.84)	896.09 (134.87)	478.65 (22.01)	6,074.96 (4,970.43)	384.48 (114.13)	33.48 (0.52)	291.94 (69.20)		
Others		34.25 (4.06)			77.29 (210.83)		Nil Nil	110.63 (34.25)		
TOTAL		1,294.14 (1,099.26)			51,938.78 (44,914.49)			2,142.08 (1,294.14)		

(II) DETAILS OF FINISHED GOODS TRADED :-

(in lacs)

Item	OPENING STOCK		PURCHASE		SALES		CLOSING STOCK	
	Qty. Kg.	Gross Value Rs.	Qty. Kg.	Gross Value Rs.	Qty. Kg.	Gross Value Rs.	Qty. Kg.	Gross Value Rs.
Dyes and Dyes	NIL	NIL	24.21	1,901.59	24.21	2,271.33	NIL	NIL
Intermediates	NIL	NIL	(0.17)	(34.67)	(0.17)	(37.16)	NIL	NIL
TOTAL	NIL	NIL	24.21	1,901.59	24.21	2,271.33	NIL	NIL
	NIL	NIL	(0.17)	(34.67)	(0.17)	(37.16)	NIL	NIL

(III) DETAILS OF RAW MATERIAL TRADED :-

(in lacs)

ITEM	SALES Gross Value Rs.
Raw Material	1,609.73 (1,796.64)
TOTAL	1,609.73 (1,796.64)

[D] DETAILS OF JOB WORK CHARGES RECEIVED

(Figures for Previous year given in brackets)

(in lacs)

ITEM	JOBWORK	
	KGS	RS.
Dyes and Dyes Intermediates		
G. Salt	0.45 (NIL)	4.78 (NIL)
3:6:8 Trisulphonic Acid	NIL (0.06)	NIL (2.00)
Sulpho Tobias Acid	NIL (0.22)	NIL (3.06)
M.U.A.	NIL (0.04)	NIL (1.15)
Others	NIL NIL	NIL NIL
TOTAL	0.45 (0.32)	4.78 (6.21)

[E] LICENCED and INSTALLED CAPACITY

	31/03/2011	31/03/2010
A. Licenced Capacity	N.A	N.A
B. Installed Capacity		
	31/03/2011	31/03/2010
	(Figures in MT P.A)	(Figures in MT P.A)
Dyes and Dyes Intermediates	198,835	53,835
Product wise Break up		
Vinyl Sulphone	12,800	12,800
Reactive/Direct/Acid Dyes	17,000	17,000
Other Chemicals	8,400	8,400
Basic Chemicals#	145,000	Nil
Other Intermediates	15,635	15,635
TOTAL	198,835	53,835

145000 MT P.A Installed capacity of Basic Chemicals is operative from August 2010
As certified by the management and relied upon by the Auditors being a technical matter.

(Rs. in lacs)

	31/03/2011	31/03/2010
[F] VALUE OF IMPORTS ON CIF BASIS	Rs. 4456.39	Rs. 3890.22
[G] EARNING IN FOREIGN CURRENCY		
F.O.B. Value of Exports	Rs. 23390.81	Rs. 22737.97
[H] EXPENDITURE IN FOREIGN CURRENCY		
Travelling	Rs. 14.40	Rs. 5.82
Commission	Rs. 513.78	Rs. 608.81
Business Development Expense	Rs. 33.55	Rs. 24.77
Membership Fee	Rs. 0.04	Rs. 0.04
Export Damage Claim	Rs. 4.98	Nil
Warehousing Charges	Rs. 2.24	Nil
Bank Charges	Rs. 34.97	Rs. 1.17
Interest Expense	Rs. 511.66	Rs. 325.06
Cash Discount	Rs. 13.00	Nil

18) Previous year figures have been rearranged and reclassified wherever necessary.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

19) Balance sheet Abstract and Company's General Business Profile :

I. Registration Details

Registration No.	L 24110GJ 1986 PLC 009003	State Code	04
Balance Sheet Date	31/03/2011		

II. Capital Raised During the year (Amount Rs in Thousands)

Public Issue	Rs. Nil	Private Placement	Rs. Nil
Bonus Issue	Rs. Nil	Right Issue	Rs. Nil

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

Total Liabilities	3,868,062	Total Assets	3,868,062
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Sources of Funds

Paid up Capital	199,023	Secured Loans	2,563,752
Convertible Equity Share Warrants	106,313	Unsecured Loans	325,359
Reserve & Surplus	481,046	Deferred Tax Liability	189,276
Deferred Grant	3,293		

Application of funds

Net Fixed Assets	2,712,885	Foreign Currency Monetary Item Diff.	54
Capital Work In Progress	5,947	Net Current Assets	1,123,902
Investments	23,993	Misc. Expenditure	1,281

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

Turnover	5,724,247	Total Expenditure	5,472,598
Profit Before Tax	251,649	Profit After Tax	174,940
Profit Per Share (in Rs.)	1.68	Dividend rate %	27%

V. Generic Name of three Principal Products of the Company

Product Description (I.T.C. Code)	Item Code No.	Product Description (I.T.C. Code)	Item Code No.
Vinyl Sulphone	29041040	Reactive Dyes	32041600
Sulphuric Acid	28070010		

Signature to Schedule 1 To 21.

As per our report of even date attached

For **Mayank Shah & Associates**

Chartered Accountants

(Firm Registration No. 106109W)

(M.S. Shah)

Partner

Membership No. 44093

Place : Ahmedabad

Date : 30.05.2011

For and on behalf of the Board of Directors

(Suresh J. Patel)

Chairman & Managing Director

(Ramesh P. Patel)

Executive Director

Place : Ahmedabad

Date : 30.05.2011

(Chirag G. Shah)

Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2011

Particulars	[Rs. in Lacs]	
	Year Ended 31-03-2011	Year Ended 31-03-2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (loss) before Tax and Extra ordinary items	2,516.49	2,041.02
Adjustment for		
Add : Depreciation	1,364.96	998.64
Amortisation of Goodwill	14.94	213.89
Interest	2,263.02	2,018.88
Miscellaneous Expenditure w/o	10.73	12.23
Loss on Sale of Assets	5.48	Nil
Prior Period Item	Nil	1.27
Less : Interest/Dividend/Rent received	38.61	31.12
Profit on sale of Investments	Nil	0.45
Profit on sale of Fixed Assets	Nil	0.03
Grant Income	5.28	5.28
Foreign Currency Monetary Reserve	0.54	Nil
Prior Period Item	1.39	Nil
Operating profit before Working Capital Changes	6,129.80	5,249.05
Adjustment for :		
Add : (Increase) / Decrease in Inventories	(3,663.31)	(1,403.23)
(Increase) / Decrease in Trade Receivables	(2,079.74)	(2,633.05)
(Increase) / Decrease in Loans & Advances	181.93	(1,026.09)
Less : Increase / (Decrease) in Trade Payables	4,605.78	1,616.31
Cash generated from Operations	5,174.46	1,802.99
Less : Fringe Benefit Tax Paid	Nil	14.94
Direct Taxes Paid	370.09	44.57
Net Cash from Operating Activities (A)	4,804.37	1,743.48
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(9,863.42)	(8,791.89)
Decrease/(Increase) in Capital Work in Progress	4,546.14	1,444.34
Sale of Fixed Assets	10.71	1.21
Interest/Dividend/Rent received	38.61	31.12
Sale of Investment	Nil	3.78
Purchase of investment	(171.58)	(0.54)
Net Cash used in Investing Activities (B)	(5,439.54)	(7,311.98)
C CASH FLOW FROM FINANCING ACTIVITIES		
Increase / (Decrease) in Long Term Borrowings	2,101.37	5,699.89
Increase / (Decrease) in Short Term Borrowings	400.81	2,076.40
Convertible Share Warrants	1,063.13	Nil
Interest Paid	(2,263.02)	(2,018.88)
Dividend Paid	(620.79)	(0.93)
Net Cash received from Financing Activities (C)	681.50	5,756.48
NET INCREASE/(DECREASE) IN CASH & EQUIVALENTS	46.33	187.98
CASH & CASH EQUIVALENTS- OPENING BALANCE	449.40	261.42
CASH & CASH EQUIVALENTS- CLOSING BALANCE	495.73	449.40

Note : The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard AS - 3 on Cash Flow Statements issued by The Institute of Chartered Accountants of India.

As per our report of even date attached

For and on behalf of the Board of Directors

For **Mayank Shah & Associates**

(Suresh J. Patel)

Chartered Accountants

Chairman & Managing Director

(Firm Registration No. 106109W)

(M.S. Shah)

(Ramesh P. Patel)

(Chirag G. Shah)

Partner

Executive Director

Company Secretary

Membership No. 44093

Place : Ahmedabad

Place : Ahmedabad

Date : 30.05.2011

Date : 30.05.2011

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To,
The Board of Directors of Bodal Chemicals Ltd.

1. We have audited the attached Consolidated Balance Sheet of **BODAL CHEMICALS LIMITED** ("the Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group"), as at 31ST March, 2011 and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Group for the year ended on that date annexed thereto. These consolidated financial statements are the responsibility of the Company's management and have been prepared on the basis of the separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of the subsidiary companies, whose financial statements reflect total assets (net) of Rs. 515.64 lacs as at 31st March, 2011, total revenues (net) of Rs. 143.19 lacs and net cash inflows amounting to Rs. 1.51 lacs for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of this subsidiary is based solely on the reports of the other auditors.
4. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements) as notified under the Companies (Accounting Standards) Rules, 2006.
5. Based on our audit and on consideration of the separate audit reports on individual financial statements of the Company and its subsidiaries, and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. In the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2011
 - ii. In the case of the Consolidated Profit & Loss Account, of the profit of the Group for the year ended on that date and
 - iii. In the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For Mayank Shah & Associates
Chartered Accountants
(Firm Registration No. 106109W)

(M.S.Shah)
Partner
Mem. No. 44093

Place : Ahmedabad
Date : 30/05/2011

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011

(Rs. in Lacs)		
PARTICULARS	SCHEDULE	As at 31st March, 2011
SOURCES OF FUNDS		
Shareholders' Funds :		
Share Capital	1	1,990.23
Share Application Money		10.10
Convertible Equity Share Warrants	2	1,063.13
Reserves and Surpluses	3	4,796.02
Capital Reserve on Consolidation		15.27
Minority Interest		56.58
Deferred Grant	4	32.93
Loan Funds :		
Secured Loans	5	25,727.46
Unsecured Loans	6	3,304.61
Deferred Tax Liabilities (Net)		1,884.92
TOTAL		38,881.25
APPLICATION OF FUNDS		
Fixed Assets :		
Gross Block	7	33,434.38
Less : Depreciation		6,187.73
Net Block		27,246.65
Capital Work In Progress		59.47
		27,306.12
Investments	8	68.35
Foreign Currency Monetary Item Difference Account (Net of Amortisation)		0.54
Current Assets, Loans & Advances :		
Inventories	9	9,185.92
Debtors		12,533.35
Cash & Bank Balances		501.46
Loans & Advances		5,506.35
		27,727.08
Less : Current Liabilities & Provisions		
Current Liabilities	10	15,112.49
Provisions		1,125.49
		16,237.98
Net Current Assets		
		11,489.10
Miscellaneous Expenditure (To the extent not written off or Adjusted)	11	17.14
TOTAL		38,881.25
Notes to the Accounts	21	
As per our report of even date attached For Mayank Shah & Associates <i>Chartered Accountants</i> (Firm Registration No. 106109W) (M.S. Shah) <i>Partner</i> Membership No. 44093 Place : Ahmedabad Date : 30.05.2011	For and on behalf of the Board of Directors (Suresh J. Patel) <i>Chairman & Managing Director</i> (Ramesh P. Patel) <i>Executive Director</i> Place : Ahmedabad Date : 30.05.2011	(Chirag G. Shah) <i>Company Secretary</i>

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

(Rs. in Lacs)		
PARTICULARS	SCHEDULE	Current year
INCOME		
Sales	12	55,960.97
Other Income	13	1,424.62
TOTAL		57,385.59
EXPENDITURE		
Material Consumed and Stock Variation	14	37,738.84
Manufacturing Expenses	15	6,754.59
Administrative & General Expenses	16	1,118.49
Payment to Employees	17	2,814.55
Selling & Distribution Expenses	18	2,773.94
Financial Charges	19	2,275.25
Depreciation and Amortisation	20	1,385.20
Misc. Expenditure Written Off		11.61
TOTAL		54,872.47
Profit Before Taxes		2,513.12
Provision For Taxation		
Current		500.96
Deferred Tax (Asset) / Liability		758.60
		1,259.56
Less : MAT Credit Entitlement		(500.31)
		759.25
Profit After Taxes		1,753.87
Pre-acquisition Profit adjusted against Capital Reserve		(8.57)
Minority Interest		(10.34)
Profit After Taxes (After adjustment of Minority Interest)		1,734.96
Balance Brought Forward		945.45
Prior Period Items		(1.39)
Short Tax Provision for earlier years		(72.31)
Amount Available For Appropriation		2,606.71
Appropriation :		
Proposed Dividend on Equity Shares		537.36
Provision for Dividend Tax		87.18
Transfer to General Reserve		175.00
Balance Carried to Balance Sheet		1,807.17
		2,606.71
Basic Earning per Share		1.67
Diluted Earning per Share		1.41

Notes to the Accounts

21

As per our report of even date attached

For and on behalf of the Board of Directors

For **Mayank Shah & Associates**

(Suresh J. Patel)

Chartered Accountants

Chairman & Managing Director

(Firm Registration No. 106109W)

(M.S. Shah)

(Ramesh P. Patel)

(Chirag G. Shah)

Partner

Executive Director

Company Secretary

Membership No. 44093

Place : Ahmedabad

Place : Ahmedabad

Date : 30.05.2011

Date : 30.05.2011

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

(Rs. in Lacs)	
PARTICULARS	As at 31st March, 2011
SCHEDULE 1 : SHARE CAPITAL	
Authorised Share Capital	
15,00,00,000 Equity Shares of Rs.2/- each (P.Y. 3,00,00,000 Equity Shares of Rs. 10/- each)	3,000.00
40,00,000 (P.Y. 40,00,000) Preference Share of Rs. 10/- each	400.00
	3,400.00
Subscribed & Paid up Share Capital	
9,95,11,510 Equity Shares of Rs. 2/- each (P. Y. 1,99,02,302 Equity Shares of Rs. 10/- each)	1,990.23
[1] Equity shares of Rs. 10 each have been sub-divided into five equity shares of Rs. 2 each pursuant to the resolution passed by the shareholders at the Extra Ordinary Meeting on 28/04/2010	
[2] Out of which 15,00,000 Equity shares were allotted as fully paid Bonus Share by way of Capitalisation of reserves.	
[3] Out of which 3,52,63,520 Equity shares had been allotted as fully paid as per the scheme of amalgamation of Bodal Chemicals Pvt. Ltd. with the company on 13.05.2006)	
[4] Out of which 2,60,06,760 Equity shares had been allotted as fully paid on Right Issue)	
[5] Out of which 2,11,53,170 Equity shares had been allotted as fully paid on conversion of share warrants)	
[6] Out of which 3,38,060 Equity shares had been allotted as fully paid on amalgamation of Milestone Organics Ltd. with the company as per High Court Order)	
TOTAL	1,990.23
SCHEDULE 2 : CONVERTIBLE EQUITY SHARE WARRANTS	
Issued & Subscribed	
67,50,000 (P.Y. Nil) optionally convertible equity share warrants of Rs. 63/- each	4,252.50
TOTAL	4,252.50
Paid Up	
67,50,000 (P.Y. Nil) optionally convertible equity share warrants of Rs. 63/- each Paid up Rs. 15.75	1,063.13
TOTAL	1,063.13

PARTICULARS	(Rs. in Lacs) As at 31st March, 2011
SCHEDULE 3 : RESERVES & SURPLUSES	
Investment Allowance Reserve - Utilised Account	
Balance as per last Balance Sheet	4.77
Share Premium	
Balance as per last Balance Sheet	1,203.20
Capital Reserves	0.36
Capital Redemption Reserve Fund	
Balance as per last Balance Sheet	396.71
(The company had created said reserve due to redemption of Preference Shares at par.)	
General Reserve :	
Balance as per last Balance Sheet	1,208.81
Add: Transfer from Profit and Loss Account	175.00
	1,383.81
Profit & Loss Account	1,807.17
TOTAL	4,796.02
SCHEDULE 4 : DEFERRED GRANT	
Grant From World Bank :	38.21
Less : Transfer to current year's Profit & Loss Account	(5.28)
TOTAL	32.93
SCHEDULE 5 : SECURED LOANS	
From Banks	
Term loan	13,776.76
Cash Credit Facility	4,070.20
Packing Credit Facility	2,968.63
Bills Discounting Facility	4,253.47
Buyers Credit Facility	658.40
TOTAL	25,727.46
SCHEDULE 6 : UNSECURED LOANS	
Loan From Directors	9.19
Public Deposits	999.89
Trade Deposits	104.78
Loan From Members	564.82
Loans From Corporates	1,625.93
TOTAL	3,304.61

SCHEDULE 7 : FIXED ASSETS

(Rs. in Lacs)

Name of the Asset	GROSS BLOCK			DEPRECIATION					NET BLOCK
	As At 01-04-10	Addition	Deduction	As At 31-03-11	As At 01-04-10	Addition	Deduction	As At 31-03-11	As At 31-03-11
TANGIBLE ASSETS									
Land	386.90	58.41	Nil	445.31	Nil	Nil	Nil	Nil	445.31
Agricultural Land	2.50	Nil	Nil	2.50	Nil	Nil	Nil	Nil	2.50
Factory Building	4,804.27	2,213.69	Nil	7,017.96	279.63	199.65	Nil	479.28	6,538.68
Laboratory Building	35.36	Nil	Nil	35.36	6.50	0.58	Nil	7.08	28.28
Road & Storage at Site	2.62	0.25	Nil	2.87	0.37	0.12	Nil	0.49	2.38
Green House Site	27.06	8.00	Nil	35.06	9.51	1.48	Nil	10.99	24.07
Office Building	112.58	42.30	Nil	154.88	8.71	2.27	Nil	10.98	143.90
Plant & Machinery	15,830.97	7,176.89	4.65	23,003.21	3,208.63	1,065.91	0.88	4,273.66	18,729.55
Furniture & Fixture	348.95	87.26	Nil	436.21	54.26	24.64	Nil	78.90	357.31
Office Equipment	112.14	48.25	0.22	160.17	41.03	12.50	0.03	53.50	106.67
Vehicles	374.96	84.90	22.44	437.42	94.21	38.29	6.77	125.73	311.69
E.T.P.	296.83	68.43	Nil	365.26	49.41	16.89	Nil	66.30	298.96
Laboratory equipments	136.11	74.90	Nil	211.01	18.79	7.94	Nil	26.73	184.28
INTANGIBLE ASSETS									
Goodwill	1,046.80	Nil	Nil	1,046.80	1,033.61	6.59	Nil	1,040.20	6.60
Computer Software	5.14	7.27	Nil	12.41	2.05	2.07	Nil	4.12	8.29
Licence	35.00	32.50	Nil	67.50	3.50	6.22	Nil	9.72	57.78
Website	Nil	0.45	Nil	0.45	Nil	0.05	Nil	0.05	0.40
Total	23,558.19	9,903.50	27.31	33,434.38	4,810.21	1,385.20	7.68	6,187.73	27,246.65
Capital Work in Progress									59.47
TOTAL FIXED ASSETS									27,306.12

(Rs. in Lacs)

PARTICULARS

As at 31st March, 2011

SCHEDULE 8 : INVESTMENTS
LONG TERMS INVESTMENTS
TRADE INVESTMENTS
A Quoted

100 (P.Y. 100) Equity Shares of Beta Nephthol Ltd. Of Rs. 10/- Each Fully Paid Up	0.03
50000 (P.Y. 50000) Equity Shares of Dynamic Industries Ltd. Of Rs. 10/- Each Fully Paid Up	52.05

	52.08
Less : Provision for diminution in Investments	0.03

TOTAL	52.05
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PARTICULARS	(Rs. in Lacs) As at 31st March, 2011
SCHEDULE 8 : INVESTMENTS (Contd...)	
B Unquoted	
250 (P.Y.250) Equity Shares of Green Environment Services Co-op.Soc. Ltd. of Rs. 100/- each Fully Paid Up	0.25
112350 (P.Y. 112350) Equity Shares of Bharuch Enviro Infrastructure Ltd of Rs. 10/- each Fully Paid Up	11.23
100 (P.Y.100) Equity Shares of Guj.Ind. Waste Mng. Co. Ltd. of Rs. 10/- Each Fully Paid Up	0.01
2902 (P.Y.2902) Equity Shares of The Bhagoyday Co-op. Bank Ltd. of Rs. 100/- Each Fully Paid Up	2.90
10200 (P.Y.10200) Equity Shares of Panoli Enviro Technology Ltd. of Rs. 10/- Each Fully Paid Up	1.02
3542 (P.Y.3542) Equity Shares of Makarpura Ind.Est.Co.Op.Bank Ltd. of Rs. 25/- Each Fully Paid Up	0.89
TOTAL	16.30
TOTAL LONG TERM INVESTMENTS	68.35
TOTAL	68.35
Aggregate of Quoted Investments:	
At Book value	52.05
At Market Price	4.75
Aggregate of Unquoted Investments:	16.30
SCHEDULE 9 : CURRENT ASSETS, LOANS & ADVANCES	
A Inventories	
Raw Materials (inclusive of Goods In Transit of Rs. 173.65 Lacs)	2,872.35
Traded Goods	109.77
Crops of Tobacco & Drumsticks	0.50
Finished Goods	2,155.38
Work In Process	3,545.07
Packing Materials (inclusive of Goods In Transit of Rs. 2.41 Lacs)	136.65
Stock of Fuel	87.05
Stores Materials	279.15
TOTAL(A)	9,185.92
B Debtors(Unsecured & Considered Good)	
More than Six Months	428.15
Others	12,105.20
TOTAL(B)	12,533.35
C Cash & Bank Balances	
Cash on hand	62.52
Balance with Scheduled Banks	
In Current Accounts	39.11
In Deposit Accounts	399.83
TOTAL(C)	501.46

PARTICULARS	(Rs. in Lacs) As at 31st March, 2011
SCHEDULE 9 : CURRENT ASSETS, LOANS & ADVANCES (Contd...)	
D Loans & Advances (Unsecured & Considered Good)	
Advance Receivable in cash or kind	780.67
Balance with Statutory Authorities	3,015.22
Advance Taxes Paid	423.60
MAT Credit Entitlement	704.51
Deposits	119.00
Export Benefit Receivable	463.35
TOTAL(D)	5,506.35
TOTAL(A+B+C+D)	27,727.08
SCHEDULE 10 : CURRENT LIABILITIES & PROVISIONS	
A Current Liabilities	
Sundry Creditors	14,072.72
Unclaimed Dividends	17.39
Statutory Liabilities	289.09
Advance received from Customers	733.29
TOTAL(A)	15,112.49
B Provision	
Provision for Taxes	500.96
Proposed Dividend	537.36
Tax on Dividend	87.17
TOTAL(B)	1,125.49
TOTAL(A+B)	16,237.98
SCHEDULE 11 : MISC. EXPENDITURE (To the extent not written off or adjusted)	
Deferred Revenue Expenses	28.75
Less : Transferred to P & L Account	11.61
TOTAL	17.14

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

Particulars	[Rs. in Lacs]
Current Year	
SCHEDULE 12 : SALES	
Gross Sales	62,304.27
Less : Excise Duty	4,720.43
Value Added Tax	1,622.87
TOTAL	55,960.97
SCHEDULE 13 : OTHER INCOME	
Interest Income	38.61
Scrap Sales	41.30
Export Benefit	1,262.78
Exchange Rate Difference (Net)	62.87
Goods Sent as samples	3.22
Research & Development Subsidy	5.00
Interest Subsidy	0.73
BCIL - Training Income	1.03
Other Income	9.08
TOTAL	1,424.62
SCHEDULE 14 : MATERIAL CONSUMED AND STOCK VARIATION	
RAW MATERIAL CONSUMPTION	
Opening Stock	1,956.01
Add. Purchases during the year	39,241.87
	41,197.88
Less : Closing Stock	2,872.35
TOTAL RAW MATERIAL CONSUMED	38,325.53
COST OF MATERIAL TRADED	
Opening Stock	Nil
Add. Purchases during the year	2,013.07
	2,013.07
Less : Closing Stock	109.77
TOTAL COST OF MATERIAL TRADED	1,903.30
STOCK VARIATION	
Closing Stock Finished Goods	2,155.88
Closing Stock Work In Process	3,545.07
TOTAL (A)	5,700.95
Less : Opening Stock Finished Goods	1,377.51
Opening Stock Work In Process	1,749.89
TOTAL (B)	3,127.40
TOTAL (A) - (B)	2,573.55
Add / (Less) : Variation in Excise Duty on Closing and Opening Stock of Finished Goods	(83.56)
STOCK VARIATION	2,489.99
TOTAL.....	37,738.84

[Rs. in Lacs]

Particulars	Current Year
SCHEDULE 15 : MANUFACTURING EXPENSES	
Power & Fuel Consumption	5,139.88
Stores Consumption	348.20
Repairs to	
Machinery	605.55
Building	23.67
Others	15.07
Pollution Control Expenses	487.77
Other Manufacturing Expenses	134.45
TOTAL	6,754.59
SCHEDULE 16 : ADMINISTRATIVE & GENERAL EXPENSES	
Payment to Auditors	12.04
Director Remuneration & Commission Expenses	97.40
Directors' Sitting fees	3.15
Listing fees	0.84
Insurance Expenses	29.59
Rent & Tax	63.24
Legal & Professional Fees	188.50
Loss on Disposal of Assets (Net)	7.32
Postage & Telephone Expenses	60.87
Premium / Discount on Forward Contracts	67.22
Travelling & Conveyance Expenses	67.87
Vehicle Maintenance	97.43
Business Development Expenses	92.45
Miscellaneous Expenses	330.57
TOTAL	1,118.49
SCHEDULE 17 : PAYMENT TO EMPLOYEES	
Salary, Wages & Bonus	2,657.69
Contribution to Provident & Other Funds	142.13
Staff Welfare Expenses	14.73
TOTAL	2,814.55

[Rs. in Lacs]

Particulars	Current Year
SCHEDULE 18 : SELLING & DISTRIBUTION EXPENSES	
Packing Material Consumption	677.13
Clearing & Forwarding Charges	583.20
Sales Commission	811.55
Outward Freight Expenses	536.41
Bad Debts Written off	2.27
Other Selling and Distribution expenses	163.38
TOTAL	2,773.94
SCHEDULE 19 : FINANCIAL CHARGES	
Bank Charges	202.98
Bank Interest	1,912.26
Brokerage and Other Charges	0.21
Other Interest Expenses	159.80
TOTAL	2,275.25
SCHEDULE 20 : DEPRECIATION AND AMORTISATION	
Depreciation	1,370.27
Amortisation of Intangible Assets	14.93
TOTAL	1,385.20

SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS AS AT 31ST MARCH, 2011

SCHEDULE 21: NOTES TO THE ACCOUNTS

A) Background

Bodal Chemicals Limited ('The Company') along with its subsidiary Bodal Agrotech Ltd. and Fellow Subsidiary Sun Agrigenetics Pvt. Ltd. ('The Group' or 'Bodal Group') is engaged in the business of manufacturing and exports of Dyes, Dye Intermediates & Other Chemicals and trading of agricultural goods and production of tissue culture plants from mother culture and selling the same after hardening at its agricultural farm (nursery) and plugs from hybrid seeds at nursery for direct sales to farmers from nursery.

B) Principles of Consolidation

Basis of preparation of Consolidated Financial Statements

The Consolidated Financial Statements relate to The Bodal Chemicals Ltd. ('the Company') and its Subsidiaries. The Company and its Subsidiaries constitute 'the Group'. The Consolidated Financial Statements have been prepared on the following basis:

The financial statements of the Company and its Subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and unrealized profits or losses as per Accounting Standard 21 'Consolidated Financial Statements', as notified by the Companies (Accounting Standards) Rules, 2006.

The difference between the cost to the Company of its investment in Subsidiaries over its proportionate share in the equity of the subsidiary companies as at the date of acquisition of stake is recognized in the consolidated financial statements as Goodwill or Capital Reserve, as the case may be.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and events in similar circumstances and necessary adjustments required for deviations, if any to the extent possible, are made in the consolidated financial statements and are presented to the extent possible, in the same manner as the Company's standalone financial statements.

Minority interest in the net assets of subsidiaries consists of equity attributable to the minority shareholders at the date on which investments are made by the company in the subsidiary companies and share of minority interest in the net profit is adjusted against the income to arrive at the net income attributable to minority interest shareholders. Minority interest's share of net assets is presented separately in the balance sheet.

The list of Subsidiaries which are included in the consolidation with their respective country of incorporation and the Group's holding therein, is given below:-

Name of the Company	Relationship	Country of Incorporation	Percentage of Voting Power as on 31/03/2011
Bodal Agrotech Limited	Subsidiary	India	100.00
Sun Agrigenetics Pvt. Ltd.	Fellow Subsidiary	India	51.00

The financial statements of the entities used for the purpose of consolidation are drawn up to same reporting date as that of the Company

C) Significant Accounting Policies:

a) Accounting Conventions

I) Basis of Preparation of Financial Statements

The financial statements of the Group are prepared under the historical cost convention on accrual basis of accounting in all material respects in accordance with the notified Accounting Standards by Companies (Accounting Standards) Rules 2006 (as amended) and the relevant Provisions of the Companies Act, 1956. The accounting policies have been consistently applied by the Group during the year.

II) Use of Estimates

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

b) Fixed Assets

I) Tangible

Fixed Assets are stated at cost of acquisition/construction (net of modvat/cenvat/value added tax) less Accumulated Depreciation and impairment loss if any. Cost of acquisition includes non refundable taxes, duties, freight and other costs that are directly attributable to bringing assets to their working condition for their intended use. All costs, including financing costs till the asset is put to use and adjustments arising from exchange rate variations attributable to the fixed assets are capitalized.

II) Intangible

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to enterprise and the cost of the assets can be measured reliably. The intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortization and accumulated impairment loss, if any.

c) Depreciation / Amortization

I) Tangible

Depreciation on fixed assets is provided on straight line method on pro-rata basis at rates and in manner specified in Schedule XIV of the Companies Act, 1956.

II) Intangible

Goodwill arising due to Amalgamation is amortized over a period of five years. Software costs are amortised over a period of five years or according to the life cycle of software. Licence fees is amortized over a period of ten years. Website is amortized over a period of five years.

d) Capital Work-in-Progress

Projects under commissioning and other Capital Work-in-Progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

e) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. Current Investments are valued at Cost or Net realizable value whichever is lower. All other investments are classified as long term Investments. Long term investments are stated at cost of acquisition. Provision for diminution in value of long term investments is made, only if such decline is other than temporary.

f) Inventories

Finished goods (including for trade), work-in-process, semi-finished goods for trade, Raw materials, Stores, Spares, Fuel, Components, and Loose Tools are valued at cost or net realizable value whichever is lower. Materials-in-transit are valued at cost-to-date. Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition including excise duty payable on goods produced. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the Company. The cost formulae used for determination of cost is 'First in First Out'.

g) Foreign Currency Translations :

(i) All Transactions in foreign currency, are recorded at the rates of exchange prevailing as at the date of the transaction.

(ii) Monetary assets and liabilities in foreign currency, outstanding at the close of the year, are converted in Indian currency at the appropriate rates of exchange prevailing at the close of the year. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Profit and Loss account except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

(iii) In respect of forward exchange contracts entered into towards hedge of foreign currency risks, the difference between the forward rate and the exchange rate at the inception of the contract is recognized as income or expenditure over the life of the contract and the exchange difference arising on such contracts are recognized as income or expenditure along with the exchange differences on the underlying assets/liabilities except in case where they relate to the acquisition or construction of fixed assets, in which case, they are adjusted to the carrying cost of fixed assets. Profit or Loss on cancellations/renewals of forward contracts is accounted for during the year.

h) Derivative Instruments and Hedge Accounting

The Group uses foreign exchange forward contracts and options to hedge its exposure to movements in foreign exchange rates. The use of these foreign exchange forward contracts and options reduces the risk or cost to the Group and the Group does not use the foreign exchange forward contracts or options for trading or speculation purposes.

Outstanding derivative contracts at the balance sheet date are marked to market. While anticipated losses on outstanding derivative contracts at the balance sheet date are provided for fully, anticipated gains on such contracts are ignored on grounds of prudence.

i) Revenue Recognition

I) Sales

(i) The Group recognises sale of goods when the significant risks and rewards of ownership are transferred to the buyer, which is usually when the goods are dispatched to customers.

(ii) In Fellow Subsidiary, Income from Contracts for Development of Greenhouse, the revenue is recognized on completion of the development and handing over the green house to the vendor.

II) Export Benefits

(i) Export Benefits on the import entitlements issued under the Duty Entitlement Pass Book Scheme, Focus Licence and Duty Free Replenishment Certificate Scheme are accounted for at the estimated realisable value on accrual basis.

(ii) Import entitlement issued under Duty Drawback receivable is accounted for on accrual basis.

(iii) Import entitlement issued under the Advance Authorization in the case of Actual User License receivable is accounted for on receipt basis.

III) Other Income

Other incomes are accounted on accrual basis.

j) Employee Benefits

1) Short Term Employees Benefit

Short Term Benefits are recognized as expenditure at the undiscounted value in the Profit and Loss Account of the year in which the related services are rendered.

2) Post Employment Benefit

a. Defined Contribution Plans – Monthly contributions to the Provident Fund and E.S.I. which are defined contribution schemes are charged to Profit and Loss Account and deposited with the Provident Fund and E.S.I. Authorities on monthly basis.

b. Defined Benefit Plans – Gratuity to Employees are covered under the Employees Group Gratuity Scheme and the premium is paid on the basis of their actuarial valuation using the Projected Unit Credit Method. Actuarial gain and losses arising on such valuation are recognized immediately in the Profit and Loss Account. Any shortfall in case of premature termination / resignation to the extent not reimbursed by LIC is being absorbed in the year of payment. The amount funded by the trust administered by the Group under the aforesaid policy is reduced from the gross obligation under the defined benefit plan, to recognize the obligation on net basis. However, in case of Fellow Subsidiary, the Company has neither quantified nor made provision for estimated liability on account of gratuity & leave encashment. Same is accounted for actual payment basis only. However, in absence of adequate information, it is not possible to quantify the effect of this non provision on the profit / reserve of the company.

3) Termination Benefit

Termination Benefits are charged to Profit and Loss Account in the year of accrual.

k) Miscellaneous Expenditure

Deferred Expenditure is being written off over a period of five years.

l) Borrowing Cost

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

m) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

n) Taxes on Income

Tax expense for a year comprises of current tax and deferred tax.

Current tax are measured at the amount expected to be paid to the tax authorities, after taking into consideration, the applicable deductions and exemptions admissible under the provisions of the Income tax Act, 1961.

Deferred tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing difference of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. If there is unabsorbed depreciation or carry forward of losses under tax laws, deferred tax assets are recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay income tax higher than that computed under MAT, during the period that MAT is permitted to be set off under the Income Tax Act, 1961 (specified period). In the year, in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in the guidance note issued by the Institute of Chartered Accountants of India (ICAI), the said asset is created by way of a credit to the profit and loss account and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay income tax higher than MAT during the specified period.

o) Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. An impairment loss recognized in prior accounting periods is reversed if there has been change in the estimate of the recoverable amount.

p) Governments Grants/Subsidy

Government Grants is recognized when there is a reasonable assurance that the Group will comply with the conditions attached to them and grants will be received.

Grants related to depreciable assets are treated as deferred income which is recognized in Profit & Loss Account over the period and in the proportions in which depreciation on related assets is charged.

Government Grants which is in the nature of promoters contribution are credited to Capital Reserve.

When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.

q) Leases

Leases are classified as operating leases where the lessor effectively retains substantially all the risks and benefits of the ownership of the leased assets. Operating lease payments are recognized as an expense in the Profit & Loss account on accrual basis.

B) Notes to Accounts :

1) Contingent Liabilities not provided in respect of: (Rs. in Lacs)

Nature of Liabilities	2010-11
a. Disputed matters in appeals/contested in respect of:	
I) Income Tax	92.84
II) Excise Department	97.26
III) Custom Department	10.11
b. Letter of credit	690.85
c. Estimated amount of Contracts, remaining to be executed on capital account (net of advances)	42.89
d. Bank Guarantee	260.74

- 2) A) In terms of approval of shareholders of the Company at the Extra Ordinary General Meeting held on April 28, 2010 and as per the applicable provisions of Securities and Exchange Board of India (ICDR) Regulations, 2009, the company has allotted 67,50,000 warrants on preferential basis on May 11, 2010, to promoters' group and non-promoters at Rs. 63/- each to be converted into equal number of equity shares of Rs. 10/- each at a premium of Rs. 53/- per share on exercise of the option of conversion by the warrant holders within 18 months from the date of the allotment of warrants i.e. May 11, 2010. As per terms and conditions of said issue, the company has received Rs. 15.75 per warrant i.e. 25% of Rs. 63/-, aggregating Rs.1063.13 lacs for allotment of warrants from allottees.

During the year, on 11-06-2010, the company has sub divided (stock split) one equity share of Rs. 10/- each into 5 equity shares of Rs.2/- each. Hence, after considering subdivision/split, each warrant of Rs. 63 will be converted into 5 equity shares of face value of Rs. 2/- each on or before 10th November, 2011. At the time of conversion, issue price of equity shares will be adjusted accordingly.

- B) Options outstanding as at the end of the year on un-issued share capital:

Particulars	Number of Equity Shares to be issued as fully paid	
	As at 31/03/2011	As at 31/03/2010
Optionally convertible warrants	33,750,000	Nil

- 3) The Company has exercised the option of implementing the Provisions of Paragraph 46 of Accounting Standard 11 "Accounting for the Effects of changes in Foreign Exchange Rates" prescribed by Companies (Accounting Standards) Amendment Rules, 2009 in the F.Y. 2008-09 and accordingly Company has capitalized foreign exchange loss of Rs. 407.60 lacs in the current year in respect of foreign currency loans, consequently, profit for the year is higher by the equivalent amount. Company had deducted the foreign exchange gain of Rs. 73.15 lacs in respect of foreign currency loans from the Fixed Assets during the previous year.

4) Grant from World Bank

Grant from World Bank have been treated as Deferred Income which is recognized in Profit & Loss Account for the period and in the proportions in which depreciation on related assets is charged.

5) Micro, Small, Medium Enterprises Development Act, 2006

There are no Micro, Small and Medium Enterprises to whom the Group owes dues, which are outstanding for more than 45 days as at 31st March, 2011. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

- 6) Sundry debtors include Rs. 64.35 lacs, the recovery of which is doubtful. However, in the opinion of the management considering the recovery procedures the same are receivable and hence not considered doubtful and accordingly not provided for.

7) Remuneration to Directors

a) Remuneration to Managing Director / Executive Directors

Particulars	2010-11 (Rs. in Lacs)
a) Salaries	56.40
b) HRA	6.00
c) Commission	35.00
Total	97.40

Particulars	2010-11 (Rs. in Lacs)
Profit Before Tax	2516.49
Add: Managerial Remuneration (Including Commission)	95.00
Loss on Disposal of Assets	5.48
Loss on cancellation of Forward Contracts	0.17
	2617.14
Commission Eligible @ 2%	52.34
Commission Restricted to	35.00

8) Auditors Remuneration

Particulars	2010-11 (Rs. in Lacs)
I) As statutory Auditor	Rs. 6.70
II) Other Services	Rs. 5.34

9) Related Party Disclosure

a. Names of related parties and nature of relationship

I. Key Management Personnel

- Shri Suresh J. Patel Chairman & Managing Director
- Shri Bhavin S. Patel Executive Director
- Shri Ankit S. Patel Executive Director
- Shri Ramesh P. Patel Executive Director
- Shri Prashant Bhatt Director
- Smt. Daksha Bhatt Director

II. Enterprise under significant influence of key management personnel

- Shanti Inorgo Chem (Guj.) Pvt. Ltd.
- Siskaa Chemicals Ltd. (formerly known as Siskaa Chemicals Pvt. Ltd.)
- Greenbay Associates

b. Transactions with related parties **Amount (Rs. in lacs)**

Nature of Transactions	Key Management Personnel	Enterprise under significant influence of key management personnel
Remuneration	97.40	NIL
Loan Taken	90.20	3.10
Loan Repaid	90.98	NIL
Purchases of Materials	NIL	175.96
Purchase of Capital Goods	NIL	15.78
Rent Paid	NIL	1.20
Commission Paid	NIL	1.91
Sales	NIL	333.20
Payable / (Receivable) at year end	0.20	320.06

Notes:-

- (i) No amounts pertaining to related parties have been provided for as doubtful debts. Also no amounts have been written off or written back during the year.

10) Segment Reporting:

a) Primary Segment

The Group has only one reportable segment i.e., "Dyes and Dyes Intermediates and Basic Chemicals".

b) Secondary Segment (By Geographical segment)

	(Rs. in Lacs)
	2010-11
Sales and Operating Income:-	
India	32,163.22
Outside India	23,797.75
Total	55,960.97

In view of the interwoven/intermix nature of business and manufacturing facility, other segment information is not ascertainable.

11. Deferred Taxation

The significant component and classification of deferred tax assets and liabilities on account of timing differences are:

	(Rs. in Lacs)		
Nature of Timing Difference	Deferred Tax (Liability) / Asset as at 01/04/2010	For the year	Deferred Tax (Liability) / Asset as at 31/03/2011
Deferred Tax Assets			
Carry Forward Business Loss	772.06	112.23	884.29
Deferred Tax Liabilities			
Depreciation	(1919.43)	(861.48)	(2780.91)
Retirement Benefits	(1.56)	(1.12)	(2.68)
Unpaid Bonus & Leave Encashment	22.62	(8.24)	14.38
Total	(1126.31)	(758.61)	(1884.92)

12. Employees' Benefits

a) Defined Benefit Plan

Gratuity:

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an Insurance Company in the form of qualifying insurance policy.

The following table summaries the components of net benefit expenses recognized in the profit and loss account and the funded status and amounts recognized in the balance sheet for the gratuity benefit.

	As on 31/03/2011
1 Assumptions	
Discount Rate	8%
Salary Escalation	7%
2 Table showing changes in present value of obligations	
Present value of obligations as at beginning of year	31.59
Interest cost	2.53
Current Service Cost	16.69
Benefits Paid	(0.68)
Actuarial (gain)/Loss on obligations	4.40
Present value of obligations as at end of year	54.53
3 Table showing changes in the fair value of plan assets	
Fair value of plan assets at beginning of year	52.56
Expected return on plan assets	5.38
Contributions	28.23
Benefits paid	(0.68)
Actuarial Gain / (Loss) on Plan assets	Nil
Fair value of plan assets at the end of year	85.49
4 Table showing fair value of plan assets	
Fair value of plan assets at beginning of year	52.56
Actual return on plan assets	5.38
Contributions	28.23
Benefits Paid	(0.68)
Fair value of plan assets at the end of year	85.49
Funded status	30.96
Excess of Actual over estimated return on plan assets	Nil
(Actual rate of return = Estimated rate of return as ARD falls on 31st March)	
5 Actuarial Gain/Loss recognized	
Actuarial gain/(Loss) for the year -Obligation	(4.40)
Actuarial (gain)/Loss for the year - plan assets	Nil
Total (gain)/Loss for the year	4.40
Actuarial (gain)/Loss recognized in the year	4.40

As on 31/03/2011

6	The amounts to be recognized in the balance sheet and statements of profit and loss	
	Present value of obligations as at the end of year	54.53
	Fair value of plan assets as at the end of the year	85.48
	Funded status	30.96
	Net Asset/(liability) recognized in balance sheet	(30.96)
7	Expenses Recognised in statement of Profit & loss	
	Current Service cost	16.69
	Interest Cost	2.53
	Expected return on plan assets	5.38
	Net Actuarial (gain)/Loss recognised in the year	4.40
	Expenses recognised in statement of Profit & loss	18.24

b) Defined Contribution Plan

The company has recognized the following amount in profit and loss account which is included under contribution to funds.

Particulars	Amount in Rs.
Employer's contribution to Provident Fund	99.45
Employer's contribution to E.S.I.	22.24

Note: The estimated future salary increases take account of inflation, seniority, promotion and other retirement factors such as supply and demand in the employment markets.

13. Earnings per Equity Share

Basic and Diluted Earnings per equity share are recorded in accordance with Accounting Standard -20 "Earning per Share". Earning per Share is calculated by dividing the profit attributable to the Equity shareholders (after adjustment for deferred taxes) by the average number of equity shares outstanding during the period. The numbers used in calculating basic and diluted earnings per Equity Shares are stated below.

	Amount (Rs.)
	2010-11
Profit after tax after Minority Interest	1661.25
Weighted average number of Equity Shares for basic EPS	99,511,510
Weighted average number of Equity Shares for diluted EPS	
a) Existing No. of Equity Shares	99,511,510
b) Equity Shares proposed to be issued due to convertible equity share warrants.	18,227,880
c) Weighted average number of Equity Shares	117,739,390
Basic Earnings per Share after prior period items	1.67
Diluted Earnings per Share after prior period items	1.41
Nominal Value per Share	2

14. Foreign Currency Exposure

The company has entered in following forward exchange contracts that are outstanding as at 31st March, 2011 to hedge the foreign currency risks of firm commitments.

Category	Currency	Buy/sell	Foreign Currency Value (Rs. in lacs)	Foreign Currency Value (Rs. in lacs)
Forward Contract	USD	Sell	6.00	267.90
Forward Contract	USD	Buy	306.42	13681.85

All Derivative and Financial instruments acquired by the company are for Hedging purpose only.

Details of unhedged foreign currency exposure as on 31-03-2011.

Particulars	Currency	Foreign Currency Value (in Lacs)	Foreign Currency Value (Rs. in Lacs)
Debtors	EURO	€ 1.20	76.01
Debtors	USD	\$ 4.65	207.65
Creditors for Foreign Commission	EURO	€ 0.43	27.31
Creditors for Foreign Commission	USD	\$ 8.05	359.56
Trade Deposit	USD	\$ 2.00	89.30
Packing Credit Loans	USD	\$ 41.85	1868.81

15. The Board of Directors in its meeting held on April 3, 2010 has approved sub-division (share split) of existing equity shares of Rs. 10 each into 5 equity shares of Rs. 2 each, which was duly approved by the shareholders in Extra Ordinary General Meeting held on April 28, 2010.

16. Debenture

The Company has exercised early redemption of 10% Non Convertible Debentures of Rs. 512.55 lacs on 06/05/2010, which were due for redemption on or before 29/09/2011. As per written consent by the Debenture holder, he has agreed not to claim any interest up to 06/05/2010. Hence, no provision for interest on Debenture has been made for the year 2010 – 2011.

17. This being the first year that consolidated financial statements are presented for the group, hence comparative figures for the previous have not been furnished.

As per our report of even date attached

For **Mayank Shah & Associates**

Chartered Accountants

(Firm Registration No. 106109W)

(M.S. Shah)

Partner

Membership No. 44093

Place : Ahmedabad

Date : 30.05.2011

For and on behalf of the Board of Directors

(Suresh J. Patel)

Chairman & Managing Director

(Ramesh P. Patel)

Executive Director

Place : Ahmedabad

Date : 30.05.2011

(Chirag G. Shah)

Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2011

		(Rs. in Lacs)
PARTICULARS	Year Ended 31/03/2011	
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (loss) before Tax and Extra ordinary items		2,513.12
Adjustment for		
Add : Depreciation		1,370.27
Amortisation of Goodwill		14.93
Interest		2,275.25
Miscellaneous Expenditure w/o		11.61
Loss on Sale of Assets		7.32
Less : Interest/Dividend/Rent received		38.61
Grant Income		5.28
Foreign Currency Monetary Reserve		0.54
Prior Period Item		4.69
Operating profit before Working Capital Changes		6,143.38
Adjustment for :		
Add : (Increase) / Decrease in Inventories		(3,829.69)
(Increase) / Decrease in Trade Receivables		(2,089.53)
(Increase) / Decrease in Loans & Advances		133.85
Less : Increase / (Decrease) in Trade Payables		4,734.19
Cash generated from Operations		5,092.20
Less : Direct Taxes Paid		370.15
Net Cash from Operating Activities (A)		4,722.05
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets		(9,903.50)
Decrease/(Increase) in Capital Work in Progress		4,546.14
Increase / (Decrease) in Creditors for Capital Goods		(3.48)
Sale of Fixed Assets		12.31
Interest/Dividend/Rent received		38.61
Purchase of investment		(41.44)
Net Cash used in Investing Activities (B)		(5,351.36)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase / (Decrease) in Long Term Borrowings		2,108.47
Increase / (Decrease) in Short Term Borrowings		418.46
Convertible Share Warrants		1,063.13
Deferred Revenue expense paid		(4.37)
Share Application Money		(12.50)
Interest Paid		(2,275.25)
Dividend Paid		(620.79)
Net Cash received from Financing Activities (C)		677.15
NET INCREASE/(DECREASE) IN CASH & EQUIVALENTS		47.84
CASH & CASH EQUIVALENTS- OPENING BALANCE		453.62
CASH & CASH EQUIVALENTS- CLOSING BALANCE		501.46

Note : The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard AS - 3 on Cash Flow Statements issued by The Institute of Chartered Accountants of India.

As per our report of even date attached

For and on behalf of the Board of Directors

For **Mayank Shah & Associates**

Chartered Accountants

(Firm Registration No. 106109W)

(M.S. Shah)

Partner

Membership No. 44093

Place : Ahmedabad

Date : 30.05.2011

(Suresh J. Patel)

Chairman & Managing Director

(Ramesh P. Patel)

Executive Director

Place : Ahmedabad

Date : 30.05.2011

(Chirag G. Shah)

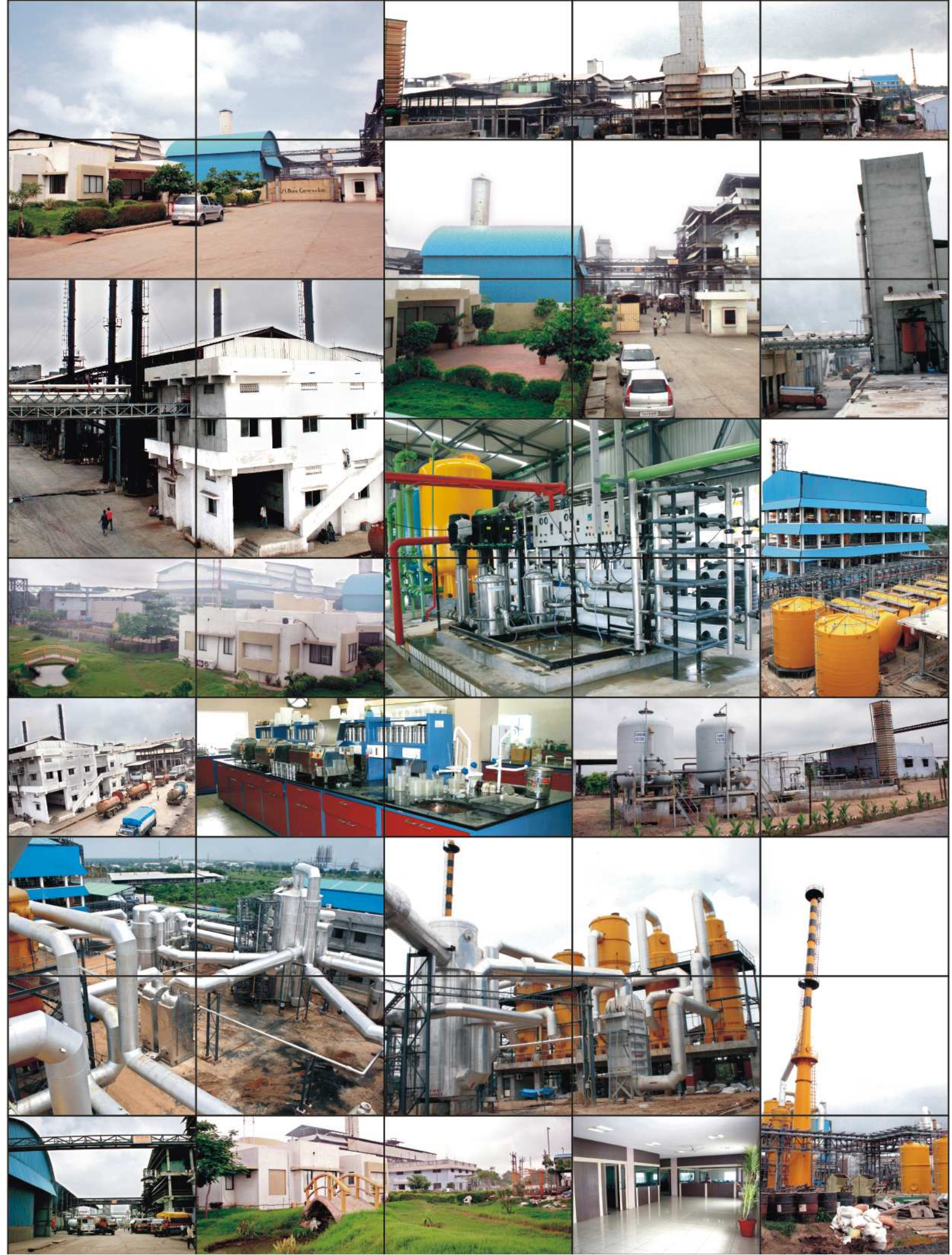
Company Secretary

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATED TO SUBSIDIARY COMPANIES

Sr.No.	Name of Subsidiary company	Bodal Agrotech Ltd.	Sun Agrigenetics Pvt. Ltd.
1	Financial year of the subsidiary Company ended on	31.03.2011	31.03.2011
2	Holding company's interest		
	(a) number of shares fully paid	17,00,000	43,164
	(b) extent of Holding	100%	51%
Rs. In Lacs			
3	Net aggregate amount of Profit/(Loss) of the Subsidiary, so far as they concern members of the BODAL CHEMICALS LTD for the financial year of the subsidiary		
	(a) dealt with in the account of the holding company	-16.62	9.07
	(b) not dealt with in the account of the holding company	NIL	8.72
4	As the financial year of the subsidiary companies coincide with the financial year of the holding company, Sec.212(5) of the Companies Act,1956.	N.A.	N.A.
5	Capital	170.00	8.46
	Share Application money	1.58	10.10
	Reserve & Surplus	NIL	107.02
	Debit Balance of Profit & Loss A/c	-16.62	NIL
	Total Assets	274.20	342.25
	Total Liabilities	122.75	217.50
	Preliminary Exps. To the extent not w/o	3.50	0.84
	Investments	41.44	NIL
	Total Income	4.67	189.01
	Profit Before Tax	-24.46	21.09
	Provision for Tax	7.83	NIL
	Profit After Tax	-16.62	17.79
	Dividend	NIL	NIL

Note :

- (1) Bodal Agrotech Ltd. has been incorporated as wholly owned subsidiary in the month of August, 2010.
- (2) Bodal Agrotech Ltd. has acquired 51% equity stake of Sun Agrigenetics Pvt. Ltd., during January, 2011.
- (3) There was no subsidiary company in the previous financial year i.e.2009-10.



Save the Earth. Plant a Tree!



Bodal Chemicals Ltd.

Plot No. 123-124, Phase-I, G.I.D.C., Vatva, Ahmedabad - 382 445. Gujarat, India.

GANAPATI, A'bad (079)26568111



BODAL CHEMICALS LIMITED

Regd. Office : Plot No. 123-124, Phase I, GIDC, Vatva, Ahmedabad - 382 445.

Notice

Notice is hereby given that the 25th Annual General Meeting of the Members of **BODAL CHEMICALS LTD.** will be held on **Thursday, the 29th September, 2011 at 10.30 A.M.** at ATMA, Auditorium, Opp. Old RBI Office, Ashram Road, Ahmedabad -380 009, to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 and the Profit and Loss Account of the Company for the year ended on that date and reports of the Board of Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. Sunil K. Mehta, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr. Surendra N. Shah, who retires by rotation and being eligible offers himself for reappointment.
5. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

By Order of Board of Directors
For Bodal Chemicals Limited

Place: Ahmedabad
Date : 12th August, 2011.

Chirag G. Shah
Company Secretary

NOTES :

1. A member entitled to attend and vote at the Annual General Meeting of the company may appoint a proxy to attend and vote on a poll on his behalf. Proxies in order to be effective must be received at the Registered office of the company not less than 48 hours before the commencement of the meeting.
2. The Register of Members and Share Transfer Book of the company will be closed from **Saturday, 24th September, 2011 to Thursday, 29th September, 2011 (both days inclusive)** for the purpose of Annual General Meeting and payment of dividend on equity shares for the year ended 31st March, 2011, if approved in the Annual General Meeting of the company to the shareholders whose name appear:-
 - (a) As beneficial Owners at the end of 23rd September, 2011 as per the list to be furnished by the Depositories in respect of the shares held in electronic form and
 - (b) As members in the Register of Members of the company after giving effect to all valid share transfers in physical form which are lodged with the Company/Registrar & Share Transfer Agent on or before 23rd September, 2011.
3. Members are requested to contact our Registrar and Transfer Agent for any query related to shares, dividend and other inquiry at following address.

Unit : Bodal Chemicals Ltd.
Sharepro Services (India) Pvt Ltd.
(Ahmedabad Branch)
416-420, 4th.Floor, Devnandan Mall, Opp.Sanyas Ashram, Ellisbridge, AHMEDABAD-380006.
Tel Nos.079 26582381 to 84, Fax No 079 26582385, Email sharepro@shareproservices.com

Contact Person : Mr.Nitin Joshi

- Please Quote folio no. / DP ID & CL. ID for any communication for your shareholding.
 - Bring the copy of Annual Report at the meeting.
4. The Company's equity shares are presently listed at Bombay Stock Exchanges Ltd. (BSE). The Company has paid the listing fees to Bombay Stock Exchange for the financial year 2011-12.

5. Members wishing to claim their unclaimed dividend of 2005-06, 2006-07 (Interim Dividend as well as Final), 2007-08 (Interim Dividend as well as Final) and 2009-10 (Interim Dividend as well as Final), are requested to correspond with said Registrar and Transfer Agent (RTA) or Secretarial Department at the Registered office of the Company.
6. The details of Directors seeking re-appointment in the Annual General Meeting to be held on 29th September, 2011 are covered in the Corporate Governance Report.
7. **Any member desiring any clarification/explanation in respect of the information given in this annual report is requested to submit query to the company at least 7 days in advance before the meeting so as to enable the management to keep information ready.**
8. The Ministry of Company Affairs (MCA) has taken the "Green Initiative in Corporate Governance" (Circular No. 17/2011 dated April, 2011 and Circular No. 18/2011 dated April 20,2011) alongwith paperless compliance by companies through electronic mode.

Keeping in view underlying theme and circular issued by MCA, we propose to send all documents to be sent to shareholders like General Meeting Notice including the AGM, Annual Report including Audited Financial Statements, Directors' Report, Auditors' Report etc. to our shareholder in electronic form, to the email address provided by them and made available to us by the Depositories.

Please also note that you will be entitled to be furnished free of cost, with a copy of the Annual Report of the Company and all other documents required by law to be attached thereto, upon receipt of a requisition from you, any time, as a member of the Company. Such a requisition may be sent to the Sharepro Services (India) Pvt Ltd., Registrar and Transfer Agent of the company at the address given above.

By Order of Board of Directors
For Bodal Chemicals Limited

Place: Ahmedabad
Date : 12th August, 2011.

Chirag G. Shah
Company Secretary

Attendance Slip / Proxy Form



BODAL CHEMICALS LIMITED

Regd. Office : Plot No. 123-124, Phase I, GIDC Vatva, Ahmedabad - 382 445.

ATTENDANCE SLIP

25th ANNUAL GENERAL MEETING -Thursday, 29th September, 2011 at 10.30 A.M.

Folio No./DP ID : _____

Client ID : _____

No. of Shares held : _____

I certify that I am a registered equity shareholder / Proxy for the registered equity shareholder of the company. I hereby record my presence at the 25th Annual General Meeting of the Company, held at ATMA, Auditorium, Opp. Old RBI Office, Ashram Road, Ahmedabad-380 009. Gujarat, on Thursday, 29th September, 2011 at 10.30 A.M.

Member's/Proxy's name in BLOCK letters

Member's/Proxy's Signature

Note : (Please fill in this Attendance slip and hand it over at the entrance of the meeting hall.)

----- **Tear Here** -----



BODAL CHEMICALS LIMITED

Regd. Office : Plot No. 123-124, Phase I, GIDC Vatva, Ahmedabad - 382 445.

PROXY FORM

25th ANNUAL GENERAL MEETING -Thursday, 29th September, 2011 at 10.30 A.M.

I/ We _____ of _____ of being a member/members of the above named Company hereby appoint _____ of _____ or failing him/her _____ of _____ in my/ our absence to attend and vote for me/us and on my/our behalf at the 25th Annual General Meeting of the Company to be held on 29th September, 2011. at 10.30 A.M. and any adjournment thereof.

Signature (s) _____

Affix 1
Rupee
Revenue
Stamp

Date : _____

LF No. / DP ID : _____

Client ID : _____

No of Shares held _____

Notes : The proxy form duly completed should be deposited at the Registered Office of the company before 48 hours of the meeting.