

BODAL CHEMICALS LTD.



**Annual Accounts
2010-2011**



Bodal Chemicals Ltd
(Govt. Of India Recognized Export House)

AUDITOR'S 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.

PLACE : AHMEDABAD
DATE : 30/05/2011



FOR MAYANK SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS
(Firm Registration No. 106109W)

meeshab
(M.S.SHAH)
PARTNER
Mem. No. 44093

ANNEXURE TO THE AUDITOR'S 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
 - a) 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.)	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961.	Income Tax	19,474.00	A.Y. 1999-2000	Income Tax Appellate Tribunal
	Income Tax	142,133.00	A.Y. 2004-2005	Assessing Officer
	Income Tax	6,156,854.00	A.Y. 2007-2008	Income Tax Appellate Tribunal
	Income Tax	2,965,210.00	A.Y. 2008-2009	Commissioner of Income Tax (Appeals)



Central Excise Act, 1944.	Penalty	150,000.00	A.Y. 2009-2010	CESTAT, Ahmedabad
	Service Tax Duty	1,205,965.00	A.Y. 2006-2007 to A. Y. 2010-2011	The Commisioner (Appeals), Central Excise - Ahmedabad
	Duty	118,445.00	A. Y. 2010-2011	CESTAT, Ahmedabad
	Penalty	10,000.00	A. Y. 2010-2011	The Deputy Comm. Of Central Excise, Ahmedabad
	Service Tax	2,321,043.00	2005-2006 to 2007-2008	The Commisioner (Appeals), Central Excise - Ahmedabad
	Service Tax and Penalty	5,918,495.00	2005-2006 to 2007-2008	CESTAT, Ahmedabad
Customs Act, 1962.	Duty, Penalty, Interest & Fine	1,010,915.00	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.

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
(M.S. SHAH)
PARTNER
Mem. No. 44093

PLACE : AHMEDABAD

DATE : 30/05/2011

BODAL CHEMICALS LTD.
BALANCE SHEET AS AT 31ST MARCH, 2011

PARTICULARS	SCHEDULE	As at 31st March, 2011 Amount (Rs.)	As at 31st March, 2010 Amount (Rs.)
SOURCES OF FUNDS			
Shareholders' Funds :			
Share Capital	1	199,023,020	199,023,020
Convertible Equity Share Warrants	2	106,312,500	Nil
Reserves and Surpluses	3	481,046,354	375,930,396
Deffered Grant	4	3,292,824	3,820,739
Loan Funds :			
Secured Loans	5	2,563,751,978	2,514,172,065
Unsecured Loans	6	325,359,470	124,721,763
Deferred Tax Liabilities (Net)		189,276,008	112,631,662
TOTAL		3,868,062,154	3,330,299,645
APPLICATION OF FUNDS			
Fixed Assets :			
Gross Block	7	3,327,975,583	2,343,909,720
Less : Depreciation		615,090,246	477,757,477
Net Block		2,712,885,337	1,866,152,243
Capital Work In Progress		5,947,412	476,527,598
		2,718,832,749	2,342,679,841
Investments	8	23,993,038	6,835,020
Foreign Currency Monetary Item Difference Account (Net of Amortisation)		53,633	Nil
Current Assets, Loans & Advances :			
Inventories	9	893,046,979	526,715,697
Debtors		1,246,160,689	1,038,186,253
Cash & Bank Balances		49,573,396	44,940,400
Loans & Advances		544,143,140	504,528,995
		2,732,924,204	2,114,371,345
Less : Current Liabilities & Provisions			
Current Liabilities	10	1,496,473,060	1,052,812,298
Provisions		112,549,228	83,128,820
		1,609,022,288	1,135,941,118
Net Current Assets		1,123,901,916	978,430,227
Miscellaneous Expenditure (To the extent not written off or Adjusted)	11	1,280,818	2,354,557
TOTAL		3,868,062,154	3,330,299,645
Notes to the Accounts	21		

As Per Our Report of even date attached

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

M.S. Shah
(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
(Suresh J. Patel)
Chairman & Managing Director

Ramesh P. Patel
(Ramesh P. Patel)
Executive Director

Place : Ahmedabad
Date : 30.05.2011

Chirag G. Shah
(Chirag G. Shah)
Company Secretary

BODAL CHEMICALS LTD.
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2011

PARTICULARS	SCHEDULE	Current year Amount (Rs.)	Previous Year Amount (Rs.)
INCOME			
Sales	12	5,582,462,431	4,675,449,986
Goods Burnt Due to Fire		Nil	7,944,774
Other Income	13	141,784,782	182,614,724
TOTAL		5,724,247,213	4,866,009,484
EXPENDITURE			
Material Consumed and Stock Variation	14	3,770,447,102	3,226,525,010
Manufacturing Expenses	15	672,074,963	593,893,890
Administrative & General Expenses	16	108,713,055	74,040,581
Payment to Employees	17	279,334,924	211,182,815
Selling & Distribution Expenses	18	276,662,947	231,902,339
Financial Charges	19	226,301,905	201,887,667
Depreciation and Amortisation	20	137,989,662	121,252,612
Misc. Expenditure Written Off		1,073,739	1,222,737
TOTAL		5,472,598,297	4,661,907,651
Profit / (Loss) Before Taxes		251,648,916	204,101,833
Provision For Taxation			
Current		50,095,655	20,467,690
Deferred Tax (Asset) / Liability		76,644,346	69,417,235
		126,740,001	89,884,925
Less : MAT Credit Entitlement		(50,031,361)	(20,419,882)
		76,708,640	69,465,043
Profit / (Loss) After Taxes		174,940,276	134,636,790
Balance Brought Forward		94,545,087	30,833,552
Prior Period Items		(138,928)	5,778,661
Short Tax Provision for earlier years		(7,231,817)	(42,785)
Amount Available For Appropriation		262,114,618	171,206,218
Appropriation :			
Interim Dividend on Equity Shares		Nil	35,824,144
Proposed Final Dividend on Equity Shares		53,736,215	17,912,072
Provision for Dividend Tax		8,717,358	8,924,915
Transfer to General Reserve		17,500,000	14,000,000
Balance Carried to Balance Sheet		182,161,045	94,545,087
		262,114,618	171,206,218
Basic Earning per Share		1.68	1.41
Diluted Earning per Share		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

mshah
(M.S. Shah)
Partner
Membership No. 44093
Place : Ahmedabad
Date : 30.05.2011



R.P. Patel
(Ramesh P. Patel)
Executive Director
Place : Ahmedabad
Date : 30.05.2011

Chirag G. Shah
(Chirag G. Shah)
Company Secretary

BODAL CHEMICALS LTD.
SCHEDULES FORMING PART OF THE BALANCE SHEET

PARTICULARS	As at 31st March, 2011 Amount (Rs.)	As at 31st March, 2010 Amount (Rs.)
SCHEDULE 1 : SHARE CAPITAL		
Authorised Share Capital		
15,00,00,000 Equity Shares of Rs.2/- each	300,000,000	300,000,000
(P.Y. 3,00,00,000 Equity Shares of Rs. 10/- each)		
40,00,000 (P.Y. 40,00,000) Preference Share of Rs. 10/- each	40,000,000	40,000,000
	340,000,000	340,000,000
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)	199,023,020	199,023,020
[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	199,023,020	199,023,020
SCHEDULE 2 : CONVERTIBLE EQUITY SHARE WARRANTS		
67,50,000 (P.Y. Nil) optionally convertible equity share warrants of Rs. 63/- each	425,250,000	Nil
	425,250,000	Nil
67,50,000 (P.Y. Nil) optionally convertible equity share warrants of Rs. 63/- each Paid up Rs. 15.75	106,312,500	Nil
TOTAL	106,312,500	Nil
SCHEDULE 3 : RESERVES & SURPLUSES		
Investment Allowance Reserve - Utilised Account		
Balance as per last Balance Sheet	477,527	477,527
Share Premium		
Balance as per last Balance Sheet	120,319,860	120,319,860
Capital Reserves		
Capital Redemption Reserve Fund	35,900	35,900
Balance as per last Balance Sheet	39,671,460	39,671,460
(The company had created said reserve due to redemption of Preference Shares at par.)		
General Reserve :		
Balance as per last Balance Sheet	120,880,562	106,880,562
Add: Transfer from Profit and Loss Account	17,500,000	14,000,000
	138,380,562	120,880,562
Profit & Loss Account	182,161,045	94,545,087
TOTAL	481,046,354	375,930,396



BODAL CHEMICALS LTD.

SCHEDULES FORMING PART OF THE BALANCE SHEET

PARTICULARS	As at 31st March, 2011 Amount (Rs.)	As at 31st March, 2010 Amount (Rs.)
SCHEDULE 4 : DEFERRED GRANT		
Grant From World Bank :	3,820,739	10,000,000
Less : Transfer to current year's Profit & Loss Account	(527,915)	(527,915)
Less : Transfer to prior period items account	-	(5,651,346)
TOTAL	3,292,824	3,820,739
SCHEDULE 5 : SECURED LOANS		
From Banks		
Term loan	1,375,125,084	1,365,625,812
Cash Credit Facility	400,577,361	191,366,372
Packing Credit Facility	296,863,463	246,438,827
Bills Discounting Facility	425,346,556	497,992,896
Buyers Credit Facility	65,839,514	212,748,158
TOTAL	2,563,751,978	2,514,172,065
(1) Term loan includes Vehicle Loans of Rs. 14,886,389/- (P.Y. Rs. 12,894,929/-) 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, Varodara 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	51,255,000
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	97,914
Public Deposits	99,989,000	Nil
Trade Deposits	10,078,134	Nil
Loan From Members	55,500,000	27,500,000
Loans From Corporates	159,792,336	45,863,349
TOTAL	325,359,470	124,721,763



SCHEDULES FORMING PART OF THE BALANCE SHEET
SCHEDULE 7 : FIXED ASSETS

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	38,690,339	5,940,886	Nil	44,531,327	Nil	Nil	Nil	44,531,327	38,690,339	
Factory Building	480,427,039	221,366,878	Nil	701,793,917	27,562,996	19,985,354	Nil	47,928,350	452,464,043	
Office Building	11,258,425	4,226,719	Nil	15,485,144	870,834	228,496	Nil	1,097,330	10,387,591	
Plant & Machinery	1,578,097,856	717,462,536	465,412	2,296,115,082	319,589,439	106,396,150	88,157	425,997,431	1,870,117,651	
Furniture & Fixture	34,530,967	8,728,034	Nil	43,258,991	5,278,225	2,441,079	Nil	7,719,304	35,537,687	
Office Equipment	10,946,213	4,646,495	22,000	15,574,708	3,953,312	1,213,697	3,373	6,163,636	10,411,072	
Vehicles	36,969,158	8,459,969	1,788,907	43,670,220	9,265,848	3,822,312	565,393	12,622,797	31,147,423	
E.T.P.	29,682,386	6,842,912	Nil	36,525,298	4,941,046	1,689,111	Nil	6,630,157	29,895,141	
Laboratory equipments	13,611,004	4,690,530	Nil	18,301,534	1,879,223	742,169	Nil	2,621,392	15,680,142	
INTANGIBLE ASSETS										
Goodwill	104,680,098	Nil	Nil	104,680,098	103,361,106	659,496	Nil	104,020,604	659,494	1,318,990
Computer Software	514,245	727,219	Nil	1,241,464	205,447	206,903	Nil	412,350	829,114	308,798
Licence	3,900,000	3,260,000	Nil	6,750,000	350,000	621,507	Nil	971,507	5,778,493	3,150,000
Website	Nil	44,800	Nil	44,800	Nil	5,388	Nil	5,388	39,412	Nil
Total	2,343,909,720	986,342,182	2,276,319	3,327,975,583	477,757,477	137,889,862	656,093	616,090,246	2,712,885,337	1,866,152,243
Previous Year	1,464,879,058	879,188,558	157,896	2,343,909,720	356,545,210	121,252,612	40,346	477,757,477	1,866,152,243	1,108,333,848
Capital Work in Progress									5,947,412	476,527,598
TOTAL FIXED ASSETS									2,718,832,749	2,342,679,841



BODAL CHEMICALS LTD.
SCHEDULES FORMING PART OF THE BALANCE SHEET

PARTICULARS	As at 31st March, 2011 Amount (Rs.)	As at 31st March, 2010 Amount (Rs.)
SCHEDULE 8 : INVESTMENTS		
LONG TERM INVESTMENTS		
TRADE INVESTMENTS		
<u>Quoted</u>		
100 (P.Y. 100) Equity Shares of Beta Nephthol Ltd. Of Rs. 10/- Each Fully Paid Up	3,465	3,465
50000 (P.Y. 50000) Equity Shares of Dynamic Industries Ltd. Of Rs. 10/- Each Fully Paid Up	5,204,770	5,204,770
	5,208,235	5,208,235
Less : Provision for dimunition in Investments	3,465	3,465
TOTAL	5,204,770	5,204,770
<u>Unquoted</u>		
250 (P.Y.250) Equity Shares of Green Environment Services Co-op.Soc. Ltd. of Rs. 100/- each Fully Paid Up	25,000	25,000
112350 (P.Y. 112350) Equity Shares of Bharuch Enviro Infrastructure Ltd of Rs. 10/- each Fully Paid Up	1,123,500	1,123,500
100 (P.Y.100) Equity Shares of Guj.Ind. Waste Mng. Co. Ltd. of Rs. 10/- Each Fully Paid Up	1,000	1,000
2902 (P.Y.2902) Equity Shares of The Bhagoyday Co-op. Bank Ltd. of Rs. 100/- Each Fully Paid Up	290,200	290,200
10200 (P.Y.10200) Equity Shares of Panoli Enviro Technology Ltd. of Rs. 10/- Each Fully Paid Up	102,000	102,000
3542 (P.Y.3542) Equity Shares of Makarpura Ind.Est.Co.Op.Bank Ltd. of Rs. 25/- Each Fully Paid Up	88,550	88,550
TOTAL	1,630,250	1,630,250
SUBSIDIARY COMPANY		
<u>Unquoted</u>		
1700000 (P.Y. Nil) Equity Shares of Bodal Agrotech Ltd. of Rs. 10/- Each Fully Paid Up	17,000,000	Nil
Share Application money in Bodal Agrotech Ltd.	158,018	Nil
TOTAL	17,158,018	-
TOTAL LONG TERM INVESTMENTS	23,993,038	6,835,020
TOTAL	23,993,038	6,835,020
Aggregate of Quoted Investments:		
At Book value	5,204,770	5,204,770
At Market Price	475,000	627,500
Aggregate of Unquoted Investments:	18,788,268	1,630,250



BODAL CHEMICALS LTD.
SCHEDULES FORMING PART OF THE BALANCE SHEET

PARTICULARS	As at 31st March, 2011 Amount (Rs.)	As at 31st March, 2010 Amount (Rs.)
SCHEDULE 9 : CURRENT ASSETS, LOANS & ADVANCES		
Inventories		
Raw Materials (inclusive of Goods In Transit of Rs. 17,364,784/-) (P.Y. Rs. 12,569,686/-)	286,053,003	195,031,275
Finished Goods	214,208,371	129,414,152
Work In Process	342,501,209	174,989,199
Packing Materials (inclusive of Goods In Transit of Rs. 240,872/-) (P.Y.Rs. 6,148/-)	13,664,811	8,337,428
Stock of Fuel	8,704,773	1,991,123
Stores Materials	27,914,812	16,952,520
TOTAL(A)	893,046,979	526,715,697
Debtors (Unsecured & Considered Good)		
More than Six Months	40,865,643	25,227,918
Others	1,205,295,046	1,012,958,335
TOTAL(B)	1,246,160,689	1,038,186,253
Cash & Bank Balances		
Cash on hand	5,697,499	4,861,627
Balance with Scheduled Banks		
In Current Accounts	3,907,850	1,651,828
In Deposit Accounts	39,968,047	38,426,945
TOTAL(C)	49,573,396	44,940,400
Loans & Advances (Unsecured & Considered Good)		
Advance Receivable in cash or kind	76,171,153	76,399,371
Balance with Statutory Authorities	301,521,834	299,240,455
Advance Taxes Paid	42,359,950	33,050,689
MAT Credit Entitlement	70,451,243	20,419,882
Deposits	7,303,963	27,084,366
Export Benefit Receivable	46,334,997	48,334,232
TOTAL(D)	544,143,140	504,528,995
TOTAL(A+B+C+D)	2,732,924,204	2,114,371,345



BODAL CHEMICALS LTD.
SCHEDULES FORMING PART OF THE BALANCE SHEET

PARTICULARS	As at 31st March, 2011 Amount (Rs.)	As at 31st March, 2010 Amount (Rs.)
SCHEDULE 10 : CURRENT LIABILITIES & PROVISIONS		
<u>Current Liabilities</u>		
Sundry Creditors	1,392,902,920	1,030,703,440
Unclaimed Dividends	1,739,182	1,156,694
Statutory Liabilities	28,835,812	20,645,060
Advance received from Customers	72,995,146	307,104
TOTAL(A)	1,496,473,060	1,052,812,298
<u>Provisions</u>		
Provision for Taxes	50,095,655	20,467,690
Provision for Interim Dividend	Nil	35,824,143
Proposed Final Dividend	53,736,215	17,912,072
Tax on Dividend	8,717,358	8,924,915
TOTAL(B)	112,549,228	83,128,820
TOTAL(A+B)	1,609,022,288	1,135,941,118
SCHEDULE 11 : MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Deferred Revenue Expenses	2,354,557	3,577,294
Less : Transferred to P & L Account	1,073,739	1,222,737
TOTAL	1,280,818	2,354,557



BODAL CHEMICALS LTD.

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

PARTICULARS	Current year Amount (Rs.)	Previous year Amount (Rs.)
SCHEDULE 12 : SALES		
Gross Sales	6,216,791,813	5,125,707,645
Less : Excise Duty	472,043,011	331,696,189
Value Added Tax	162,286,371	118,561,470
TOTAL	5,582,462,431	4,675,449,986
SCHEDULE 13 : OTHER INCOME		
Interest Income	3,860,911	2,855,098
Scrap Sales	4,130,097	5,505,276
Export Benefits	126,269,547	118,083,814
Exchange Rate Difference (Net)	6,293,797	55,336,329
Goods Sent as samples	322,016	Nil
Other Income	908,414	834,207
TOTAL	141,784,782	182,614,724
SCHEDULE 14 : MATERIAL CONSUMED AND STOCK VARIATION		
RAW MATERIAL CONSUMPTION		
Opening Stock	195,031,275	166,902,229
Add. Purchases during the year	3,915,259,748	3,348,272,556
	4,110,291,023	3,515,174,785
Less : Closing Stock	286,053,003	195,031,275
TOTAL RAW MATERIAL CONSUMED	3,824,238,020	3,320,143,510
COST OF MATERIAL TRADED		
Opening Stock	Nil	Nil
Add. Purchases during the year	190,158,712	3,466,624
	190,158,712	3,466,624
Less : Closing Stock	Nil	Nil
TOTAL COST OF MATERIAL TRADED	190,158,712	3,466,624
STOCK VARIATION		
Closing Stock Finished Goods	214,208,371	129,414,152
Closing Stock Work In Process	342,501,209	174,989,199
TOTAL (A)	556,709,580	304,403,351
Less : Opening Stock Finished Goods	129,414,152	109,926,086
Opening Stock Work In Process	174,989,199	93,088,068
TOTAL (B)	304,403,351	203,014,154
TOTAL (A) - (B)	252,306,229	101,389,197
Add / (Less) : Variation in Excise Duty on Closing and Opening Stock of Finished Goods	(8,356,599)	(4,304,073)
STOCK VARIATION	243,949,630	97,085,124
TOTAL.....	3,770,447,102	3,226,525,010



BODAL CHEMICALS LTD.
SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

PARTICULARS	Current year Amount (Rs.)	Previous year Amount (Rs.)
SCHEDULE 15 : MANUFACTURING EXPENSES		
Power & Fuel Consumption	513,988,153	446,607,270
Stores Consumption	34,820,301	44,222,014
Repairs to		
Machinery	59,355,177	51,720,538
Building	2,367,325	3,988,265
Others	1,506,945	1,463,877
Pollution Control Expenses	48,776,497	33,972,298
Other Manufacturing Expenses	11,260,565	11,919,628
TOTAL	672,074,963	593,893,890
SCHEDULE 16 : ADMINISTRATIVE & GENERAL EXPENSES		
Payment to Auditors	1,118,676	750,000
Director Remuneration & Commission Expenses	9,500,000	7,150,000
Directors' Sitting fees	315,000	Nil
Listing fees	83,750	45,910
Insurance Expenses	2,931,727	2,688,867
Rent & Tax	5,589,178	1,338,144
Legal & Professional Fees	18,407,706	7,406,367
Loss on Disposal of Assets (Net)	548,172	Nil
Loss Due To Fire	Nil	1,370,468
Postage & Telephone Expenses	5,944,248	4,360,864
Provision for diminution in investments	Nil	3,465
Premium / Discount on Forward Contracts	6,721,703	9,014,878
Travelling & Conveyance Expenses	6,350,073	3,540,327
Vehicle Maintenance	9,479,008	10,020,907
Business Development Expenses	9,171,173	5,037,585
Miscellaneous Expenses	32,552,641	21,312,799
TOTAL	108,713,055	74,040,581
SCHEDULE 17 : PAYMENT TO EMPLOYEES		
Salary, Wages & Bonus	263,670,812	197,605,816
Contribution to Provident & Other Funds	14,213,469	12,195,384
Staff Welfare Expenses	1,450,643	1,381,615
TOTAL	279,334,924	211,182,815
SCHEDULE 18 : SELLING & DISTRIBUTION EXPENSES		
Packing Material Consumption	67,713,208	58,077,009
Clearing & Forwarding Charges	58,009,169	50,579,877
Sales Commission	81,038,804	82,724,668
Outward Freight Expenses	53,404,557	33,237,749
Bad Debts Written off	226,708	Nil
Other Selling and Distribution expenses	16,270,501	7,283,036
TOTAL	276,662,947	231,902,339
SCHEDULE 19 : FINANCIAL CHARGES		
Bank Charges	20,269,505	20,468,211
Bank Interest	190,055,657	169,792,406
Brokerage and Other Charges	20,700	Nil
Other Interest Expenses	15,956,043	11,627,050
TOTAL	226,301,905	201,837,667
SCHEDULE 20 : DEPRECIATION AND AMORTISATION		
Depreciation	136,496,360	97,863,747
Amortisation of Intangible Assets	1,493,291	21,383,370
TOTAL	137,989,662	121,252,117



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.



BODAL CHEMICALS LTD.

SCHEDULES FORMING PART OF ACCOUNTS AS AT 31ST MARCH 2011

Continued.....

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 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



BODAL CHEMICALS LTD.

SCHEDULES FORMING PART OF ACCOUNTS AS AT 31ST MARCH 2011

Continued.....

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 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 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.



BODAL CHEMICALS LTD.
SCHEDULES FORMING PART OF ACCOUNTS AS AT 31ST MARCH 2011

Continued.....

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:

Nature of Liabilities	Amount (Rs.)	
	2010-11	2009-10
a. Disputed matters in appeals/contested in respect of:		
I) Income Tax	9,283,671/-	6,318,461/-
II) Excise Department	9,725,948/-	2,294,072/-
III) Custom Department	1,010,915/-	1,010,915/-
b. Bonds/Undertakings given by the Company under Concessional duty/ exemption to Customs/Excise Authorities(Net of redemption applied for)	Nil	63,274/-
c. Letter of credit	69,085,159/-	55,017,535/-
d. Estimated amount of Contracts, remaining to be executed on capital account (net of advances)	4,289,480/-	85,190,922/-
e. Bank Guarantee	26,074,178/-	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.10,63,12,500/- for allotment of warrants from allottees.



BODAL CHEMICALS LTD.

SCHEDULES FORMING PART OF ACCOUNTS AS AT 31ST MARCH 2011

Continued.....

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. 6,435,417/-, 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 (Amount in Rs.)	2009-10 (Amount in Rs.)
a) Salaries	5,400,000/-	3,600,000/-
b) HRA	600,000/-	1,050,000/-
c) Commission	3,500,000/-	2,500,000/-
Total	9,500,000/-	7,150,000/-



BODAL CHEMICALS LTD.
SCHEDULES FORMING PART OF ACCOUNTS AS AT 31ST MARCH 2011

Continued.....

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

Particulars	2010-11 (Amount in Rs.)
Profit Before Tax	251,648,916
Add: Managerial Remuneration (Including Commission)	9,500,000
Loss on Disposal of Assets	548,172
Loss on cancellation of Forward Contracts	16,479
	<u>261,713,567</u>
Commission Eligible @ 2%	5,234,271
Commission Restricted to	3,500,000

8) Auditors Remuneration

	2010-11	2009-10
I) As statutory Auditor	Rs. 600,000/-	Rs. 600,000/-
II) Other Services	Rs. 518,676/-	Rs. 150,000/-

9) Related Party Disclosure

a. Names of related parties and nature of relationship

I. Key Management Personnel

1. Shri Suresh J. Patel	Chairman & Managing Director
2. Shri Bhavin S. Patel	Executive Director
3. Shri Ankit S. Patel	Executive Director
4. Shri Ramesh P. Patel	Executive Director

II. Enterprise under significant influence of key management personnel

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

III. Wholly-owned Subsidiary Company

- (i) Bodal Agrotech Ltd.

IV. Fellow Subsidiary Company

- (i) Sun Agri genetics Pvt. Ltd.

b) Transactions with related parties

Nature of Transactions	Amount (Rs.)		
	Key Management Personnel	Enterprise under significant influence of key management personnel	Wholly-owned Subsidiary
Remuneration	9,500,000	Nil	Nil
Loan Taken	9,000,000	Nil	Nil
Loan Repaid	9,097,914	Nil	Nil
Purchases of Materials	NIL	17,595,958	Nil
Rent Paid	NIL	120,000	Nil
Commission Paid	Nil	191,245	Nil
Sales	NIL	33,319,515	Nil
Payable / (Receivable) at year end	Nil	31,695,984	(158,018)



BODAL CHEMICALS LTD.

SCHEDULES FORMING PART OF ACCOUNTS AS AT 31ST MARCH 2011

Continued.....

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:

	Amount (Rs.)	
	2010-11	2009-10
a) Primary Segment		
The company has only one segment i.e., "Dyes, Dyes Intermediates and Basic Chemicals".		
b) Secondary Segment (By Geographical segment)		
Sales and Operating Income:-		
India	3,203,145,528	2,349,038,072
Outside India	2,379,316,903	2,326,411,914
Total	5,582,462,431	4,675,449,986

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 :

Nature of Timing Difference	Deferred Tax (Liability) / Asset as at 01/04/2010	For the year	Amount (Rs.)
			Deferred Tax (Liability) / Asset as at 31/03/2011
Deferred Tax Assets			
Carry Forward Business Loss	77,205,750	10,425,611	87,631,361
Deferred Tax Liabilities			
Depreciation	(191,943,309)	(86,133,805)	(278,077,114)
Retirement Benefits	(156,490)	(111,651)	(268,141)
Unpaid Bonus & Leave Encashment	2,262,387	(824,501)	1,437,886
Total	(112,631,662)	(76,644,346)	(189,276,008)

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.



BODAL CHEMICALS LTD.

SCHEDULES FORMING PART OF ACCOUNTS AS AT 31ST MARCH 2011

Continued.....

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	As on 31/03/2010
1 Assumptions		
Discount Rate	8%	8%
Salary Escalation	7%	7%
2 Table showing changes in present value of obligations	As on 31/03/2011	As on 31/03/2010
Present value of obligations as at beginning of year	3158851	1803587
Interest cost	252707	144286
Current Service Cost	1669395	1196211
Benefits Paid	(67789)	(30311)
Actuarial (gain)/Loss on obligations	439662	45078
Present value of obligations as at end of year	5452826	3158851
3 Table showing changes in the fair value of plan assets	As on 31/03/2011	As on 31/03/2010
Fair value of plan assets at beginning of year	5255923	3301733
Expected return on plan assets	537684	355916
Contributions	2822650	1628587
Benefits paid	(67789)	(30311)
Actuarial Gain / (Loss) on Plan assets	Nil	Nil
Fair value of plan assets at the end of year	8548468	5255923
4 Table showing fair value of plan assets	As on 31/03/2011	As on 31/03/2010
Fair value of plan assets at beginning of year	5255923	3301731
Actual return on plan assets	537684	355916
Contributions	2822650	1628587



BODAL CHEMICALS LTD.
SCHEDULES FORMING PART OF ACCOUNTS AS AT 31ST MARCH 2011

Continued.....

Benefits Paid	(67789)	(30311)
Fair value of plan assets at the end of year	8548468	5255923
Funded status	3095642	2097092
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	As on 31/03/2011	As on 31/03/2010
Actuarial gain/(Loss) for the year -Obligation	(439662)	(45078)
Actuarial (gain)/Loss for the year - plan assets	Nil	Nil
Total (gain)/Loss for the year	439662	45078
Actuarial (gain)/Loss recognized in the year	439662	45078
6 The amounts to be recognized in the balance sheet and statements of profit and loss	As on 31/03/2011	As on 31/03/2010
Present value of obligations as at the end of year	5452826	3158851
Fair value of plan assets as at the end of the year	8548468	5255923
Funded status	3095642	2097072
Net Asset/(liability) recognized in balance sheet	(3095642)	(2097072)
7 Expenses Recognised in statement of Profit & loss	As on 31/03/2011	As on 31/03/2010
Current Service cost	1669395	1196211
Interest Cost	252707	144286
Expected return on plan assets	537684	355916
Net Actuarial (gain)/Loss recognised in the year	439662	45078
Expenses recognised in statement of Profit & loss	1824080	1029659



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	9,945,007.00
Employer's contribution to E.S.I.	2,224,241.00

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.

	Amount (Rs.)	
	2010-11	2009-10
Profit attributable after Prior period items	167,569,531	140,372,666
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	Foreign Currency Value (In Rs.)
Forward Contract	USD	Sell	600,000	26,790,000
Forward Contract	USD	Buy	30,642,441	1,368,185,007

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



BODAL CHEMICALS LTD.
SCHEDULES FORMING PART OF ACCOUNTS AS AT 31ST MARCH 2011

Continued.....

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

Particulars	Currency	Foreign Currency Value	Foreign Currency Value (In Rs.)
Debtors	EURO	€ 120,188	7,600,689
Debtors	USD	\$ 465,059	20,764,876
Creditors for Foreign Commission	EURO	€ 43,183	2,730,893
Creditors for Foreign Commission	USD	\$ 805,290	35,956,199
Trade Deposit	USD	\$ 200,000	8,930,000
Packing Credit Loans	USD	\$ 4,185,474	186,881,414

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. 51,255,000/- 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.



BODAL CHEMICALS LTD.

SCHEDULES FORMING PART OF ACCOUNTS AS AT 31ST MARCH 2011

Continued.....

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 : ('000 omitted)

[Value in '000 Rs.]

	Raw Materials	31/03/2011		31/03/2010	
		Qty. Kg.	Value	Qty. Kg.	Value
1	Aniline Oil	2,623	181,650	2,903	167,968
2	Chloro	14,438	118,667	25,156	165,831
3	Ethylene Oxide	3,091	216,207	3,123	184,983
4	Caustic Soda Lye	18,363	129,944	16,556	124,128
5	Thionyl Chloride	6,255	133,156	6,229	84,632
6	Acetanilide	3,458	231,365	2,786	175,083
7	Beta Nephthol	618	79,005	1,013	113,214
8	Caustic Soda Flakes	8,998	158,278	8,714	174,698
9	P.N.C.B.	3,116	161,554	1,343	59,667
10	H. Acid	856	185,491	654	130,505
11	Para Nitro Aniline	550	43,582	1,444	94,321
12	Napthelene	6,088	372,484	4,991	277,257
13	Sulpher	24,959	227,714	40	199
14	Others		1,585,141		1,567,658
	Total		3,824,238		3,320,144

(II) PACKING MATERIAL : ('000 omitted)

Rs. 67,713

Rs. 58,077

[B] COMPOSITION OF RAW MATERIALS CONSUMPTION ('000 omitted)

Raw Materials	31/03/2011		31/03/2010	
	Value Rs.	Percentage	Value Rs.	Percentage
Imported	Rs. 479,173	12.53%	Rs. 380,084	11.45%
Indigenous	3,345,065	87.47%	2,940,060	88.55%
TOTAL	3,824,238	100.00%	3,320,144	100.00%



BODAL CHEMICALS LTD.

SCHEDULES FORMING PART OF ACCOUNTS AS AT 31ST MARCH 2011

Continued.....

[C] **TURNOVER ('000 omitted)**

(Figures for Previous year are given in brackets)

(I) **DETAILS OF MANUFACTURING TURNOVER**

Mfg. GOODS SALES	OPENING STOCK		PRODUCTION	SALES		CAPTIVE CONSUMPTION	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	14 (48)	1,916 (4,912)	10,866 (12,968)	8,349 (8,880)	1,030,044 (991,003)	2,510 (4,122)	21 (14)	3,315 (1,916)
Acetanilide	223 (149)	14,215 (7,885)	3,329 (3,947)	Nil (Nil)	Nil (Nil)	3,443 (3,873)	109 (223)	9,870 (14,215)
D.A.S.A.	15 (111)	2,889 (16,604)	2,891 (2,608)	2,411 (2,141)	430,330 (320,448)	482 (563)	13 (15)	2,923 (2,889)
F.C. Acid	4 (20)	710 (2,904)	712 (709)	640 (622)	132,187 (101,341)	74 (103)	2 (4)	332 (710)
Gamma Acid	2 (5)	582 (1,367)	1,325 (1,225)	1,176 (989)	352,433 (252,249)	138 (239)	13 (2)	4,315 (582)
H.Acid	32 (17)	5,101 (2,638)	3,952 (4,730)	2,547 (3,102)	433,174 (495,600)	1,423 (1,613)	14 (32)	2,280 (5,101)
6Nitro	Nil (13)	Nil (1,995)	450 (726)	183 (348)	33,141 (56,392)	252 (391)	15 (Nil)	2,607 (Nil)
Beta Napthol	8 (Nil)	1,222 (Ni)	2,468 (1,065)	1,361 (11)	179,123 (1,445)	1,103 (1,046)	12 (8)	1,828 (1,222)
S.P.V.S.	20 (28)	2,346 (2,657)	1,061 (1,300)	858 (1,135)	97,943 (126,892)	173 (173)	50 (20)	6,096 (2,346)
Para Nitro Aniline	22 (Nil)	1,867 (Ni)	1,896 (443)	219 (36)	19,174 (5,713)	1,686 (385)	13 (22)	1,313 (1,867)
Reactive /Acid Dyes	585 (287)	88,221 (45,474)	14,065 (13,087)	11,867 (11,157)	1,871,104 (1,622,240)	2,077 (1,632)	706 (585)	139,072 (88,221)
Others intermediates	52 (179)	6,920 (23,084)	89,609 (13,487)	47,865 (2,201)	607,496 (497,043)	38,448 (11,413)	3,348 (52)	29,194 (6,920)
Others		3,425 (406)			7,729 (21,083)		Nil (Nil)	11,063 (3,425)
TOTAL		129,414 (109,926)			5,193,878 (4,491,449)			214,208 (129,414)



BODAL CHEMICALS LTD.
SCHEDULES FORMING PART OF ACCOUNTS AS AT 31ST MARCH 2011

Continued.....

	31/03/2011	31/03/2010
[F] VALUE OF IMPORTS ON CIF BASIS	Rs. 445,639,060/-	Rs. 389,022,396/-
[G] EARNING IN FOREIGN CURRENCY		
F.O.B. Value of Exports	Rs. 2,339,081,323/-	Rs. 2,273,797,323/-
[H] EXPENDITURE IN FOREIGN CURRENCY		
Travelling	Rs. 1,439,793/-	Rs. 581,838/-
Commission	Rs. 51,377,999/-	Rs. 60,880,754/-
Business Development Expense	Rs. 3,354,783/-	Rs. 2,477,021/-
Membership Fee	Rs. 4,257/-	Rs. 4,341/-
Export Damage Claim	Rs. 498,433/-	Nil
Warehousing Charges	Rs. 223,879/-	Nil
Bank Charges	Rs. 3,496,696/-	Rs. 116,606/-
Interest Expense	Rs. 51,165,611/-	Rs. 32,505,744/-
Cash Discount	Rs. 1,299,742/-	Nil

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



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

PARTICULARS	Year Ended 31/03/2011 Amount (Rs.)	Year Ended 31/03/2010 Amount (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (loss) before Tax and Extra ordinary items	251,648,916	204,101,833
Adjustment for		
Add :Depreciation	136,496,368	99,863,742
Amortisation of Goodwill	1,493,294	21,388,870
Interest	226,301,905	201,887,667
Miscellaneous Expenditure w/o	1,073,739	1,222,737
Loss on Sale of Assets	548,172	Nil
Prior Period Item	Nil	127,315
Less :Interest/Dividend/Rent received	3,860,911	3,111,388
Profit on sale of Investments	Nil	45,159
Profit on sale of Fixed Assets	Nil	3,309
Grant Income	527,915	527,915
Foreign Currency Monetary Reserve	53,633	Nil
Prior Period Item	138,928	Nil
Operating profit before Working Capital Changes	612,981,007	524,904,393
Adjustment for :		
Add :(Increase) / Decrease in Inventories	(366,331,282)	(140,322,729)
(Increase) / Decrease In Trade Receivables	(207,974,436)	(263,304,775)
(Increase) / Decrease in Loans & Advances	18,192,681	(102,608,512)
Less :Increase / (Decrease) in Trade Payables	460,578,282	161,631,400
Cash generated from Operations	517,446,252	180,299,777
Less : Freing Benefit Tax Paid	Nil	1,494,330
Direct Taxes Paid	37,008,768	4,457,121
Net Cash from Operating Activities (A)	480,437,484	174,348,326
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(986,342,182)	(879,188,558)
Decrease/(Increase) in Capital Work in Progress	454,613,974	144,433,744
Sale of Fixed Assets	1,071,254	120,860
Interest/Dividend/Rent received	3,860,911	3,111,388
Sale of Investment	Nil	377,808
Purchase of investment	(17,158,018)	(53,535)
Net Cash used in Investing Activities (B)	(543,954,061)	(731,198,293)
C CASH FLOW FROM FINANCING ACTIVITIES		
Increase / (Decrease) in Long Term Borrowings	210,136,979	569,988,823
Increase / (Decrease) in Short Term Borrowings	40,080,641	207,640,514
Convertible Share Warrants	106,312,500	Nil
Interest Paid	(226,301,905)	(201,887,657)
Dividend Paid	(62,078,642)	(93,443)
Net Cash received from Financing Activities (C)	68,149,573	575,648,227
NET INCREASE/(DECREASE) IN CASH & EQUIVALENTS	4,632,996	18,798,260
CASH & CASH EQUIVALENTS- OPENING BALANCE	44,940,400	26,142,140
CASH & CASH EQUIVALENTS- CLOSING BALANCE	49,573,396	44,940,400

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 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

BODAL CHEMICALS LTD.
SCHEDULES FORMING PART OF ACCOUNTS AS AT 31ST MARCH 2011

Continued.....

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 (Amount Rs in Thousands)**

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 (Amount Rs in Thousands)**

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.

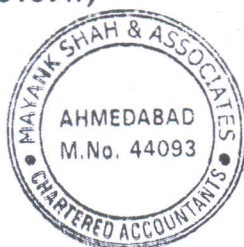
As per our report of even date attached

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

meechah
(M.S. Shah)

Partner

Membership No. 44093



Place : Ahmedabad

Date : 30.05.2011

For and on behalf of the Board

Suresh J. Patel
(Suresh J. Patel)

Chairman & Managing Director

Ramesh P. Patel
(Ramesh P. Patel)

Executive Director

Place : Ahmedabad

Date : 30.05.2011

Chirag G. Shah
(Chirag G. Shah)

Company Secretary