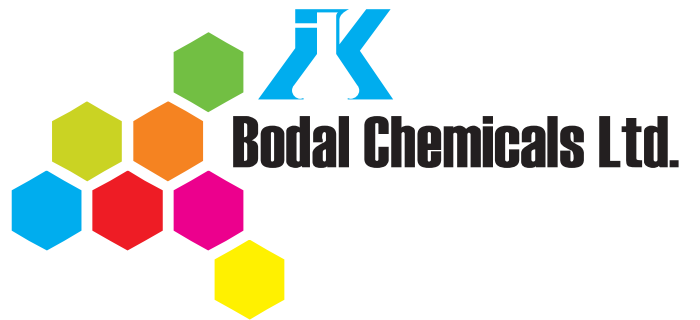


27 th ANNUAL REPORT

2012-2013



We believe in excellence

MESSAGE FROM THE CHAIR



Dear Members,

The Company as well as dyestuff industry in India have faced another tough and challenging financial year 2012-13. The industry has faced uncertainty in the market due to global economic recession including in India and financial meltdown in the world and the same resulted into the slow down in the industry across the India as well as world. Further, US Dollar went as high as Rs.61.50 i.e. highest percentage down in the value of the Indian Rupee in last 6 to 8 months, for the first time in the history of Indian rupee, resulted in heavy Losses for the dyes and dye intermediates industry in India.

Your company has faced several unprecedented adversities like uncertainty in global market leading to lower demand, higher inflation leading to higher inputs cost, volatility in crude prices, fluctuation in currencies and high interest rates and others. In fact, most of the adversities have been faced by dyes and dye Intermediates Industry. The recent downstream in the global market had affected India and particularly in Gujarat, the

dyestuff industry. Gujarat is known for the dyestuff hub in the India. Gujarat dyestuff industry exports more than 70% of total production and the situation had affected more than a thousand units in Gujarat.

Bodal Chemicals Limited had faced financial liquidity crunch during last two years due to losses and heavy capex in earlier years. Your Company, due to this condition, for the realignment of its entire debt, had approached Corporate Debt Restructuring (CDR) cell through company's lead banker i.e. Union Bank of India.

The scheme for the realignment of debt was approved by Corporate Debt Restructuring (CDR) cell through its CDR EG group in the month of December and after that approval of Debt restructuring scheme. Your Company has got new mouthful air to perform better in the current and coming years and so the performance of the company in the first quarter of the current financial year is satisfactorily improving.

In recent times, Bodal Chemicals Limited is focusing on improving the bottom-line and thereby creating wealth for its shareholders and strengthening its position in the dyestuff industry- Domestic as well as global level. The company wants to achieve this mainly by expanding its market shares in the domestic and export market particularly in the dyestuffs sector and also by diversified, forward integration and backward integration of its product line.

The problems faced by entire industry have moderated but effects of the same are still there. However, the business environment has been considerably stabilizing after the sudden impact in last few years. The company is taking steps of cost cutting at all levels of the operations while ensuring that efficiency and operations are not hampered. I expect that margins will also slowly improve in the coming years and company has been taking several measures to improve margin and to get maximum productivity. In this way, Bodal Chem has confidence and ability to set benchmarks on various parameters and outperform in the dyestuff industry and will generate more revenue during the current financial year.

So far as financial year 2012-13 is concerned, in spite of all adversities, your company has achieved decent total Income from operation of Rs.523.83 crore. However, same did not reflect in bottom line of the company. Many micro and macro economic factors have affected the company's performance and it has incurred net loss of Rs.21.12 crore for the financial year 2012-13.

However it really was hurricane rather than lasting phenomena and it has passed. The industry is at the moment bouncing back and recovery phase has already started in the industry.

Your Company has performed satisfactory in the first quarter of the current financial year 2013-14, as compared to the performance of Dyes, Dye Intermediates industry. The Company has posted profit of Rs.16.89 crore EBIDTA by achieving Total Income from operation of Rs.178.87 crore and your company has posted net profit of Rs.1.86 crore for the period of April to June, 2013. Result of the first quarter, April to June-2013, shows that the company is fundamentally strong enough and able to perform satisfactory in coming quarters of the financial year 2013-14 as well as in the upcoming financial years.

Success of any business can be possible if its employees and peoples who put in insistent efforts to rise to their excellence level. I would like to reiterate that your company's employees are its valuable assets and it is entirely due to their hard works, firmness, commitment and dedication that your company has been able to come out from the said gloom conditions and will able to deliver sustainable growth and value creation in coming years.

I wish to place on record my deep gratitude to all of you for your unstinted support towards our journey. Also I express my sincere gratitude to my team in Bodal Chem for their support and valuable guidance. I also like to thank the Union Bank of India and Bank of India for their support extended to the Company, particularly for smooth implementation of restructuring package under Corporate Debt Restructuring (CDR). I also take this opportunity to thank the Government of India and the State Government for their support and co-operation.

I would like to assure you that your company will strive to capitalize by remaining focus on operational excellence and to remain committed to deliver strong growth and enhance 'shareholders and other stakeholders' values in every possible ways.

Warm regards,

Yours sincerely,

Suresh J. Patel

Chairman & Managing Director

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

NOTICE

Notice is hereby given that the 27th Annual General Meeting of the Members of **BODAL CHEMICALS LTD.** will be held on **Monday, the 30th September, 2013 at 5.00 P.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, 2013 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 appoint a Director in place of Mr. Bipin R. Patel, who retires by rotation and being eligible offers himself for reappointment.
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 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 : 30th May, 2013

Ashutosh B. Bhatt
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. The instrument appointing a proxy must be deposited with the company at its registered office not less than 48 hours before the time for holding the meeting.
2. The Register of Members and Share Transfer Book of the company will be closed from Tuesday, the 24th September, 2013 to Monday, the 30th September, 2013 (both days inclusive) for the purpose of Annual General Meeting.
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: Ms. Bharti Parikh

- 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 and traded at Bombay Stock Exchanges Ltd. (BSE) and National Stock Exchange of India Ltd (NSE). The Company has paid the listing fees to BSE and NSE for the financial year 2013-14.
 5. Members wishing to claim their unclaimed dividend of 2005-06, 2006-07 (Interim as well as Final Dividend), 2007-08 (Interim as well as Final Dividend), 2009-10 (Interim as well as Final Dividend) and 2010-11, 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 30th September, 2013 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 Corporate Affairs has taken a "Green Initiative in the corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through which their concerned Depository Participants.

By Order of Board of Directors
For, Bodal Chemicals Limited

Place : Ahmedabad
Date : 30th May, 2013

Ashutosh B. Bhatt
Company Secretary

DIRECTORS' REPORT

To,
The Members,

Your Directors hereby present the 27th ANNUAL REPORT of the Company along with the Audited Accounts for the Financial Year ended 31st March, 2013.

BODAL'S BUSINESS

Bodal Chemicals Ltd. is one of the leading manufacturer and exporter in the Dyes and Dye Intermediates industry. It has a unique and integrated product line covering forward and backward integration to dye intermediates. Bodal group includes Bodal Chemicals Ltd and its subsidiaries i.e. Bodal Agrotech Ltd. (BAL) and Sun Agrigenetics Pvt. Ltd. (SAPL).

Bodal Chemicals Ltd's core business is manufacturing of Dyestuffs, Dyes Intermediates and other Chemicals falling under the broad category of Chemicals and new business through its subsidiaries is Agriculture and its related technologies.

FINANCIAL RESULT (Standalone)

Particulars	(Rs. In Lacs)	
	31-03-2013	31-03-2012
Total Income from Operations	52383.41	60334.62
Profit before Interest, depreciation & amortization and taxation	2475.63	610.17
Less : Depreciation/Amortization of Goodwill	1642.82	1600.38
Less : Interest/Finance cost	3918.96	3380.77
Add : Exceptional Item	0.00	505.00
Less : Tax Expense	(973.88)	(1034.37)
(Loss) / Profit after Taxation	(2112.27)	(2831.61)
EPS-face value of Rs. 2/- each-(in Rs.)	(1.94)	(2.74)

PERFORMANCE OF THE COMPANY

The Year under Review-2012-13

The Company has successfully achieved several milestones in the past. Total turnover of the Company is Rs.523.83 crore in the Financial Year 2012-13. The year under review has been another very tough year for the Dyes and Dyes Intermediates Industries which was passing through recessionary phase in the recent time. In same way, the company's performance has adversely impacted due to external headwinds like uncertainty in global market, higher inflation and volatility in crude prices, fluctuation in currency and high interest rate and many more. In spite of this, your company has achieved decent Turnover of Rs.523.83 crore during the year 2012-13. This indicates itself that the company's management has proved its ability to retain business, in fact added new customers, in tough times of industry.

However, achievement of decent turnover by the Company did not reflect in bottom line and the company has incurred net loss of Rs.21.12 crore for the financial year 2012-13.

Current Year-2013-14

The problems faced by the entire Chemicals Industry have become moderate. Your company is making all efforts to cope up with the said challenges and situation of Chemical industry through continuous cost cutting at all levels of operations while ensuring that efficiency and operations are not been hampered. The Company is also taking steps for the process improvements, imparting training to the workforce on the continued basis, developing and improved customer services to mitigate the growing cost pressure. In addition, Bodal has traditionally put its customers above everything and has striven to offer maximum values to its customers through price advantage, quality of goods, delivery of goods in time. In this way Bodal has confidence and ability to outperform in the Dyestuff industry in the current year.

Your Directors are hopeful of better performance of the Company in the current financial year 2013-14.

The Broad area of operation for Bodal group i.e. Bodal Chemicals Ltd. (BCL), and its subsidiary companies i.e. Bodal Agrotech Ltd. (BAL) and sun Agrigenetics Pvt. Ltd. (SAPL) are as under:

Bodal Chem (BCL)

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. The 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. Your company is listed on Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE).

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 Naphthol, 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.

Bodal Agro (BAL)

Your company has incorporated BAL as wholly owned subsidiary company in the year 2010 and had forayed into Agriculture and its technologies business through BAL.

By reviewing losses and comparatively small turnover, your company has, at present, discontinued all the activities of Bodal Agrotech Ltd. for the time being. This will also enable the management to concentrate more on the main company i.e. Bodal Chemicals Ltd.

Sun Agrigenetics (SAPL)

SAPL is fellow subsidiary of BCL. 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 launch new products through R&D.

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.

DIVIDEND

In view of the loss incurred by the company in the financial year 2012-13, the Directors regret their inability to recommend any dividend for the said financial year.

CORPORATE DEBT RESTRUCTURING (CDR)

The company has incurred heavy losses and has faced liquidity crunch during last two years. Hence, the company has approached, through its lead banker i.e. Union Bank of India, to the Corporate Debt Restructuring cell (CDR) for the suitable realignment of its entire debt.

The proposal for restructuring of debts of the company under Corporate Debt Restructuring (CDR) mechanism has been approved in the meeting of CDR Empowered Group (EG). The Company, with the help of its consortium bankers, has successfully implemented the approved scheme of restructuring during the year under review.

AUTHORISED SHARE CAPITAL

During the year under review, Company has reclassified its Authorised Share Capital between Equity Share Capital and Preference Share Capital and subsequently increased its Authorised Share Capital from Rs.34 Crore to Rs.49 Crore comprising of Rs.24 Crore divided into 12,00,00,000(Twelve Crore) Equity Shares of Rs.2/- (Rupees Two) each and Rs.25 Crore divided into 2,50,00,000 (Two Crore and Fifty lacs) Preference Shares of Rs.10/- (Rupees Ten) each, pursuant to the approval accorded by shareholders of the Company in the Extra Ordinary General Meeting held on 23rd March, 2013.

ALLOTMENT OF 9% NON CUMULATIVE REDEEMABLE PREFERENCE SHARES

The Board of Directors has allotted 1,55,00,000 9% Non Cumulative Redeemable Preference shares at a face value of Rs.10/- each per share as per requirement of approved Corporate debt restructuring package to the promoters/ promoter group, non

promoter including various authorities/ entities on 30th day of March, 2013, as per terms approved by shareholders vide EGM dtd. 23rd March, 2013.

PAID UP SHARE CAPITAL

Consequent upon the allotment of 9% Non Cumulative Redeemable Preference Shares, the paid up share capital of the company has been increased to Rs.37,32,14,740/-, Comprising of Rs.21,82,14,740/- divided into 10,91,07,370 Equity Shares of Rs.2/- each fully paid and Rs. 15,50,00,000/- divided into 1,55,00,000 9% Non Cumulative Redeemable Preference Shares of Rs.10/- each fully paid.

LISTING OF SECURITIES

10,91,07,370 equity shares of Rs.2/- each fully paid, are listed on the following Stock Exchanges:

1. The Bombay Stock Exchange Ltd. (BSE)
2. The National Stock Exchange of India Ltd. (NSE)

The company has already paid listing fee to both the Stock Exchanges for the financial year 2013-2014.

PUBLIC DEPOSITS

During the period under review, the Company has accepted deposits from Shareholders and Public within the prescribed limits. As on March 31, 2013, deposits from Public and Shareholders Stood at Rs.2.22 crore. There were no deposits, which were claimed and remained unpaid by the Company as on March 31, 2013.

DIRECTORS

Mr. Bipin R. Patel and Mr. Sunil K. Mehta, retires by rotation at the ensuing Annual General Meeting. They, being eligible, offer themselves for re-appointment.

For the perusal of shareholders, a brief resume of the above said directors, nature of his expertise, his 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 2013-14. The Company has received a certificate from the auditors stating that their appointment, if made, will be within the limit specified under section 224 (1B) of the Companies Act, 1956.

Auditor's comments on your Company's accounts for the year ended March 31, 2013 are self explanatory in nature and do not require any explanation as per provisions of section 217(3) 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 from operation of Rs.529.59 crore and Net Loss after minority interest of Rs.23.24 crore for the group for the financial year 2012-13 compared to consolidated Total Income from operation of Rs.613.71 crore and Net loss after minority interest of Rs.29.78 crore for the group for the previous financial year 2011-12.

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.

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, 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
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 loss 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, 2013 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 information required under section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rule, 1975 as amendment, the names and other particulars of employees are not applicable to Company, as no employees drawing remuneration of Rs.60,00,000 or more per annum employed throughout the year or Rs. 5,00,000 or more per month employed a part of the year.

ACKNOWLEDGEMENT

Your Directors take this opportunity to thank and place on record their appreciation for all the employees at all levels for their hard work and dedication during the year. Your Directors sincerely convey their appreciation to customers, shareholders, vendors, bankers, business associates, regulatory and government authorities for their consistent support.

For and on behalf of the Board

Date : 30-05-2013
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:

The company's Sulphuric acid plant generates steam, part of the same is used to run our Dyes and Dyes Intermediates plant and balance is used to generate power, by installation of turbine, to run Sulphuric Acid plant itself.

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

	2012-13	2011-12
(i) Total consumption of Electric (Units)	322.20 lacs	372.95 lacs
Total Amount (Rs.)	2229.62 lacs	2356.63 lacs
Unit/Average Rate	Unit/ Rs. 6.92	Unit/ Rs. 6.32
(ii) Fuel		
Quantity	Kgs.226.87 lacs	Kgs.270.90 lacs
	Ltr.0.28 lacs	Ltr.0.34 lacs
	Scm 3.92 lacs	Scm 7.81 lacs
Total Amount (Rs.)	2002.43 lacs	2377.81 lacs
Unit /Average Rate	Kgs/ Rs. 7.93	Kgs/ Rs. 7.86
	Ltr/ Rs. 48.08	Ltr/ Rs. 34.60
	Scm/Rs. 48.49	Scm/Rs. 30.68

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)	
	2012-2013	2011-2012
(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)

Partiuculars	2012-13	2011-12
(a) Foreign Exchange Inflow		
(i) Foreign Exchange Earning F.O.B. Value of Export	19216.16	22471.04
(b) Foreign Exchange outgo		
(i) Value of imported Raw materials calculated on CIF basis.	1813.40	3878.38
(ii) Foreign Traveling Expenditure	3.82	21.12
(iii) Export Sales Commission	200.31	519.82
(iv) Business Development Expenses	4.17	7.40
(v) Interest	275.61	552.43
(vi) Bank Charges	42.99	34.52
(vii) Export Damage Claim	11.68	5.07
(viii) Warehousing Charges	Nil	3.27
(ix) Cash Discount	14.22	21.57

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW-DYES AND DYE INTERMEDIATES

The Dyestuff industry in India is playing an important role for the development of economy of the country. Today, in India a self-sufficient dyestuff industry with a majority of its inputs manufactured locally to outfit to the needs of domestic textile industry by providing more than 90% requirement of the domestic textile industry for the raw materials.

The Indian Dyestuff industry based on chemical and comprises mainly three sub divisions as key constituents, namely, dyestuffs, pigments and intermediates along with other ranges of dyes such as disperse reactive, vats and leather dyes. Both dyestuffs and pigments are critical inputs to several industries such as Textile, Paper and Packaging, Leather, Food, Polymer, Coating, printing ink etc. Dyes are soluble and essentially used in textile industry. Pigments, on other hand, are insoluble and are important impurities to the products such as paints. The main end use segments for these products are textiles, paper and leather industries which together account for more than 85% of the total demand.

The Indian dye stuff industry is made up about 900 units in the small scale unit and about 50 large organized units, who produce 1,50,000 tones of dyestuff. Gujarat and Maharashtra account for 90% dyestuff production in India due to dominance of textile industry and easy availability of raw material in this region. The main drivers for consolidation are the stringent environmental norms and awareness among customers increasing the cost of operations for small-scale players.

The important Dyes are basic dyes, azo acid and direct dyes; disperse dyes, reactive dyes, sulphur dyes, vat dyes, organic pigments, naphthols and optical brighteners.

The main drivers for Dyes are Reactive Blacks, Acid Blacks, Reactive Blues, Reactive yellows and Reactive reds. The main drivers for Dye Intermediates are Xylidine, Vinyl Sulphone, Para Dichlorobenzene, Dichloroaniline and H-Acid.

There is huge potential of domestic demand due to low consumption of dyestuff, which leads to strong potential for Indian Dyestuff industry. The Indian Dyestuff industry is a potential powerhouse benefiting from comparative low labour cost, talented technical manpower, capabilities for research and development etc. However, Safety, Health and Environment protection issues have become the major issues for Indian Dyestuff Industry. The Indian dyestuff industry has also created very good impression in the Global Market by exporting the dyestuff products. The Indian Dyestuff industry is showing, with time, an upward trend in the export of dyes in last several years. India Dyestuff industry is exporting most of its production to the developed countries.

OVERVIEW OF BODAL CHEMICAL'S BUSINESS AND BODAL'S POSITION IN DYES AND DYE INTERMEDIATES INDUSTRY

The production of high quality dyes depends on use of high quality of intermediates, which are the basic and essential ingredients of Chemicals Industry. High quality of intermediates also facilitates the research, development and quality control of dyes.

- Bodal is the only company in India having in-house manufacturing facility starting from Basic Chemicals to Wide range of Dye Intermediates to Dyestuffs.
- 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, Padra Nitro Aniline & Acetanilide etc. for captive consumption as well as direct sale.

Bodal enjoy 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 enjoy a position of one of the leader in Dyes and Dye Intermediates Industry.

FINANCIAL PERFORMANCE AND OUTLOOK

Another toughest year in the history of Dyes and Dye Intermediates industry, where demand of the product was sluggish and uncertainty prevailing in the international market. In spite of this, the company has achieved decent Total Income from

operation of Rs.523.83 crore for the financial year 2012-13 compared to Rs.603.35 crore for the financial year 2011-12. EBIDTA of Rs.24.76 crore for the year 2012-13 compared to Rs.6.10 crore in 2011-12. Financial charges (Interest) of Rs.39.19 crore for the year 2012-13 compared to Rs.33.81 crore for the previous year. Depreciation and Amortization Rs.16.42 crore for the 2012-13 compared to Rs.16.00 crore for the previous year. Net Loss of Rs.21.12 crore for the year 2012-13 compared to Net loss of Rs.28.31 crore in 2011-12.

The company has been taking several measures to improve margin and to get maximum productivity. On that basis Company is confident that bottom line of it will improve in current as well as coming years.

RISK AND CONCERNS/ CHALLENGES

To sustain and grow in global market brings in uncertainties. Greater the uncertainties, higher the risk. The risk management function is integral to the company and its objectives includes ensuring that critical risk are identified continuously, monitored and managed effectively in order to protect the company's business.

However, the changes in the tax laws, Government policies and regulatory requirement might affect the company's business. Indian economy facing high inflation rate pressure leading to high interest rate, prices of inputs are expected to rise significantly. Increase in price of input materials could impact the company's profitability to the extent that the same are not absorbed by the market through price increase and / or could have a negative impact on the demand in the market. Currency risks mainly arise out of overseas operations and financing activities. Exchange rate fluctuation could significantly impact earnings because of earning in foreign currencies, expenditures in foreign currencies, borrowing in foreign currency. The company is operating in highly competitive market and also facing financial liquidity problem.

The management has already taken initiatives in advance for mitigating the above mentioned risk and concerns/challenges. The company has taken major initiatives like hedging of exposure in foreign currencies, strong marketing efforts, manufacturing customized products as per requirement of customers, focus on cost reduction through inventory management techniques, introduction of new products and manufacturing process without compromising quality of products and retain talented employees etc.

INTERNAL CONTROL FRAMEWORK

The company has implemented a comprehensive internal control system to ensure the compliances of various laws with objective to direct, monitor and measure its resources. Internal control commensurate to its size and nature of business operations are being effectively established. The internal control has been established by standardizing and documenting policies and procedures for all major process, to ensure the reliability of financial reporting, timely feedback on the achievement of operational and strategic goals and compliance with laws and regulations. The internal audit function monitors the effectiveness of controls and also provides an independent and objective assessment of overall governance processes in the company.

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 endeavor 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 practice of Corporate Governance of the Company are inspired by following philosophy and principles and with an 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, vendors, governments 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 interests 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 2012-13 with respect to the conditions of corporate governance.

Board of Directors :

a. Composition of Board

The Company's board consists of 6 Directors as on 31st March, 2013. Out of 6 Directors, 3 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.

Details of Board of Directors are as under:

	Name of Director	Designation
1.	Mr. Suresh J. Patel	Chairman and Managing Director
2.	Mr. Bhavin S. Patel	Executive Director
3.	Mr. Ankit S. Patel	Executive Director
4.	Mr. Surendra N. Shah	Director (Independent)
5.	Mr. Bipin R. Patel	Director (Independent)
6.	Mr. Sunil K. Mehta	Director (Independent)

b. Meeting of Board of Directors

Nine Board meetings were held during the financial year 2012-2013. The dates on which Board Meetings were held viz; 14-05-2012, 14-08-2012, 31-08-2012, 29-09-2012, 18-10-2012, 09-11-2012, 29-12-2012, 11-02-2013 and 30-03-2013. The time gap between any two Board Meetings was less than 4 months. The 26th Annual General Meeting was held on 28-09-2012.

c. Directors' attendance and Directorship held

The table below provides the composition of the Board, their attendance at Board meetings (01-04-2012 to 31-03-2013) & AGM (28-09-2012) 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 31.03.13 & % holding
Suresh J. Patel Chairman & Managing Director	Promoter Executive	1	None	7	Yes	3,33,45,151 30.56%
Bhavin S. Patel Executive Director	Promoter Executive	Nil	None	7	Yes	78,10,050 7.16%
Ramesh P. Patel* Executive Director	Promoter Executive	Nil	None	3	Yes	66,35,299 6.08%
Ankit S. Patel Executive Director	Promoter Executive	1	None	9	Yes	37,86,550 3.47%
Surendra N. Shah Independent Director	Independent Non-Executive	2^	None	8	Yes	75,347 0.07%
Bipin R. Patel Independent Director	Independent Non-Executive	1	None	9	Yes	4,075 0.01%
Sunil K. Mehta Independent Director	Independent Non-Executive	Nil	None	9	No	4,00,000 0.37%
Prakash B. Patel# Independent Director	Independent Non-Executive	Nil	None	7	No	Nil

Notes:

- (1) *Mr. Ramesh P. Patel has resigned as an Executive Director of the Company w.e.f. 02-10-2012.
- (2) #Mr. Prakash B. Patel has resigned as a Director of the Company w.e.f. 26-03-2013.
- (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) ^Mr. Surendra N. Shah has resigned as a Director of Shree Mahavir Roll-Tech Limited w.e.f. 10-09-2012. The said number includes directorship of said Company.
- (5) 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, 2013. 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. Bipin R. Patel	Mr. Sunil K. Mehta
Date of Birth	01-03-1945	23-12-1960
Date of Appointment	14-08-2007	14-08-2007
Qualification	B.A., LL.B.	B.Com, M.Com, LL.B, FCA.,
Name of the Companies in which he is a Director other than Bodal Chemicals Ltd.	Jay Chemicals Industries Ltd Ami Pigment Pvt. Ltd Confederation Indian Clubs*	Nil
Specific Functional Areas/Experience	He is an industrialist for more than 35 years standing in chemical industry and has held/is holding offices in several Industry Association and such other bodies.	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.
**Chairmanship / Membership of Committee(s) of Director of the Company	Membership of all three committees	Membership of one Committee
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 30-05-13 & percentage of paid up capital	4075 (0.01%)	4,00,000 (0.40%)

* This number of Companies also includes the directorships held in a company registered u/s 25 of Companies Act, 1956.

** 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, six meetings were held on 14-05-2012, 14-08-2012, 31-08-2012, 09-11-2012 11-02-2013 and 30-03-2013 which were attended by the following members of the Audit Committee. The Chairman of the Audit Committee had attended last Annual General Meeting held on 28th September, 2012.

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. Bipin R. Patel	Member	Non-Executive Independent Director	6
Mr. Prakash B. Patel*	Member	Non-Executive Independent Director	5
Mr. Bhavin S. Patel#	Member	Executive Director	N. A.

Notes:

- (1) * Mr. Prakash B. Patel has resigned as a Member of the committee w.e.f 26-03-2013.
- (2) # Mr. Bhavin S. Patel has been inducted as a Member of the committee w.e.f. 30-03-2013.

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. Ashutosh B. Bhatt is acting as Secretary to the Audit Committee.

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, two meetings were held on 14-05-2012 and 11-02-2013.

Composition :

Name of Member	Designation	Category/Status	No. of meeting attended
Mr. Surendra N. Shah	Chairman	Non-Executive Independent Director	2
Mr. Bipin R. Patel	Member	Non-Executive Independent Director	2
Mr. Prakash B. Patel*	Member	Non-Executive Independent Director	2
Mr. Sunil K. Mehta^	Member	Non-Executive Independent Director	N.A.

Notes :

- (1) * Mr. Prakash B. Patel has resigned as a Member of the committee w.e.f 26-03-2013
- (2) ^ Mr. Sunil K. Mehta has been inducted as a Member of the committee w.e.f. 30-03-2013

The details of remuneration paid to directors are provided below for the financial year 2012-13.

Remuneration paid to Directors

Name of Director	Age	Designation	Remuneration (including perquisites) paid Rs.	Sitting Fees paid Rs.	Commission paid Rs.	Total Remuneration Rs.
Suresh J. Patel	57	Chairman & Managing Director	48,00,000	Nil	Nil	48,00,000
Bhavin S. Patel	32	Executive Director	18,00,000	Nil	Nil	18,00,000
Ankit S. Patel	31	Executive Director	18,00,000	Nil	Nil	18,00,000
Ramesh P. Patel	56	Executive Director	9,00,000	Nil	Nil	9,00,000
Surendra N. Shah	53	Non-Executive Independent Director	Nil	1,20,000	Nil	1,20,000
Bipin R. Patel	68	Non-Executive Independent Director	Nil	1,35,000	Nil	1,35,000
Sunil K. Mehta	53	Non-Executive Independent Director	Nil	1,35,000	Nil	1,35,000
Prakash B. Patel	62	Non-Executive Independent Director	Nil	1,05,000	Nil	1,05,000
Total			93,00,000	4,95,000	Nil	97,95,000

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, five meetings were held on 14-05-2012, 14-08-2012, 31-08-2012, 09-11-2012 and 11-02-2013.

Name of Member	Designation	Category/Status	No. of meeting attended
Mr. Surendra N. Shah	Chairman	Non-Executive Independent Director	4
Mr. Bipin R. Patel	Member	Non-Executive Independent Director	5
Mr. Prakash B. Patel*	Member	Non-Executive Independent Director	5
Mr. Bhavin S. Patel#	Member	Executive Director	N. A.

Notes:

(1) * Mr. Prakash B. Patel has resigned as a Member of the committee w.e.f 26-03-2013.

(2) # Mr. Bhavin S. Patel has been inducted as a Member of the committee w.e.f. 30-03-2013.

Mr. Ashutosh B. Bhatt, 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, and SCORES, the official website of SEBI have received shareholders/ investors complaints and resolved by the company / the RTA in consultation with the Company for the year 2012-13, the details are as follows :

Sr. No.	Nature of Complaints	Opening Balance 01-04-2012	Received during the year	Redressed/ attended	Pending on 31-03-2013
1	Non receipt of share certificates after transfer etc.	1	Nil	1	Nil
2	Non receipt of Dividend Warrants	Nil	Nil	Nil	Nil
3	Query regarding demate credit	Nil	Nil	Nil	Nil
4	* Non receipt of duplicate share certificates after issue	Nil	Nil	Nil	Nil
5	Other	1	Nil	1	Nil
	Total	2	Nil	2	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 31-03-2013. 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 conflicts with the interests of the Company at large.

For details, about related parties transactions, see Note No. 36 of Notes on Accounts 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 Markets, 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, upto 02-10-1012 and Mr. Mayur B. Padhya, as CFO, of the Company w.e.f. 01-04-2013. Certification from the both was placed as a part of good Corporate Governance practice in the Annual Accounts of FY 2012-13.

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 27th Annual General Meeting of the members of the company is scheduled to be held on Monday, the 30th September, 2013 at 05.00 p.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 2012-13 (April 1, 2012 to March 31, 2013)
- Results were announced on
- | | | |
|---------------------------------|---|-----------------------------|
| 14 th August, 2012 | - | First quarter (Un-audited) |
| 09 th November, 2012 | - | Second quarter (Un-audited) |
| 11 th February, 2013 | - | Third quarter (Un-audited) |
| 30 th May, 2013 | - | Annual (Audited) |
- Tentative Financial Calendar for the financial year 2013-14.
- Results will be announced on
- | | | |
|----------------------------|---|-------------------------------------|
| Second week of August 2013 | - | First quarter |
| Last week of October 2013 | - | Second quarter and half year ended |
| Last week of January 2014 | - | Third quarter |
| Last week of May 2014 | - | Fourth quarter and annual (audited) |
- Book closures dates** : From Tuesday, the 24th September, 2013 to Monday, the 30th September, 2013 (both days inclusive) for the purpose of Annual General Meeting of the company.
- Annual General Meeting** : 30-09-2013 at 05.00 p.m.
- Details of Securities** :
- | | |
|--------------------------|---|
| Types of security | : Equity Shares |
| No. of paid up shares | : 10,91,07,370 equity shares of Rs. 2/- each fully paid |
| Market lot of shares | : 1 equity share |
- Stock code** : The Company's Equity shares are listed and traded on the Bombay Stock Exchange Ltd (BSE) and National Stock Exchange of India Ltd. (NSE).
- | Type of Securities | Code no. | ISIN (Demat Code) |
|---------------------------|---------------------|--------------------------|
| Equity Shares | BSE Code :524370 | INE338D01028 |
| | NSE Code :BODALCHEM | |
- | | |
|--------------------------|--|
| Types of security | : 9% Non Cumulative Redeemable Preference Shares |
| No. of paid up shares | : 1,55,00,000 9% Non Cumulative Preference Shares of Rs. 10/- each fully paid. |
- The preference shares were allotted by Board of Directors at their meeting held on 30th March, 2013 and said shares are not listed on any stock exchange.
- Listing** : The Company's equity shares are listed on the Bombay Stock Exchange Ltd. (BSE) and National Stock Exchanges of India Ltd. (NSE). The Company has paid listing fees to Bombay Stock Exchange and National Stock Exchange for financial year 2013-2014.

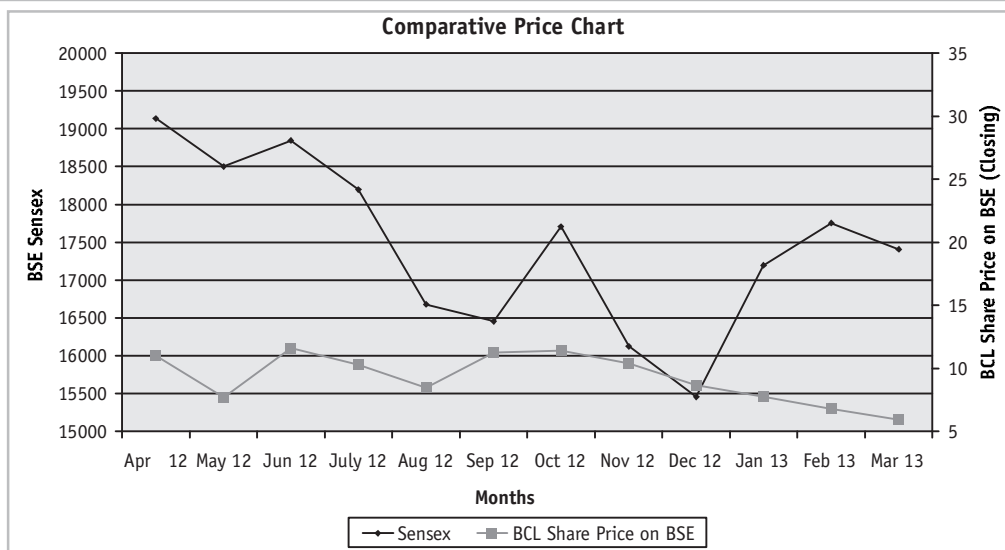
Stock Data : Monthly equity share price data on BSE and NSE for the financial year 2012-13, are as under.

NSE :

Month	High Rs.	Low Rs.	Close Price Rs.	Volumes (No. of Shares)
April '12	11.20	9.90	10.80	29506
May '12	10.80	7.45	8.00	32546
June '12	12.90	7.65	12.10	23929
July '12	13.20	11.30	11.80	10259
August '12	11.70	9.20	9.50	30813
September'12	11.10	7.80	11.10	17145
October '12	11.80	10.00	10.20	36838
November '12	11.00	9.25	9.95	23326
December '12	10.40	7.90	8.15	60769
January '13	11.20	7.60	7.90	55772
February '13	7.70	6.65	6.70	8591
March '13	9.35	5.95	6.00	17985

BSE :

Month	High Rs.	Low Rs.	Close Price Rs.	Volumes (No. of Shares)
April '12	11.10	10.15	10.99	172402
May '12	10.98	7.05	7.71	156209
June '12	14.55	7.60	11.59	190169
July '12	13.38	10.13	10.27	146387
August'12	10.78	8.20	8.43	42106
September'12	11.44	7.75	11.26	83072
October '12	12.23	9.55	11.40	183504
November '12	11.80	9.20	10.40	220993
December '12	10.39	8.10	8.66	388725
January '13	11.44	7.50	7.75	305910
February'13	8.00	6.50	6.77	71187
March '13	9.40	5.88	5.90	159840



General Body Meetings

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

AGM/EGM	Date	Time	Venue	No. of special Resolutions passed
2009-10 AGM	30-9-2010	10.30 A.M.	ATMA, Auditorium, Opp. Old RBI Office, Ashram Road, Ahmedabad-380 009.	—
2010-11 AGM	29-9-2011	10.30 A.M.	ATMA, Auditorium, Opp. Old RBI Office, Ashram Road, Ahmedabad-380 009.	—
2011-12 AGM	28-09-2012	04.00 P.M.	ATMA, Auditorium, Opp. Old RBI Office, Ashram Road, Ahmedabad-380 009.	3
EGM	23-03-2013	11.00 A.M.	ATMA, Auditorium, Opp. Old RBI Office, Ashram Road, Ahmedabad-380 009.	2

At the AGM held on 28th September, 2012, special resolutions were passed for re-appointment of Mr. Suresh J. Patel, Chairman and Managing Director, Re-appointment of Mr. Bhavin S. Patel and Mr. Ramesh P. Patel, as Executive Directors.

At the EGM held on 23rd March, 2013, special resolutions were passed for approval of issue, offer and allotment of 9% Non Cumulative Redeemable Preference Shares to Promoters/ Promoter Group, Non Promoters and other various entities/ authority and Re-appointment of Mr. Ankit S. Patel, as Executive Director.

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

Equity Shares

As on 31st March, 2013, 10,73,16,330 equity shares (98.36%) were held in dematerialized form and balance 17,91,040 equity shares (1.64%) were held in physical form. 10,91,07,370 equity shares of the Company are listed on Bombay Stock Exchange Ltd. and National Stock Exchange of India Limited. 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, it is mandatory for the companies 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
8.	2010-11(Final)	29-09-2011	04-11-2018

Members who have not encashed their Dividend Warrants or those who have not received the Dividend Warrants so far, 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 31-03-2013
According to number of Equity Shares

No. of Ordinary Shares held	No. of Shareholders	% of Shareholders	Total Shares	% of Total
1-500	9082	78.82	1413583	1.29
501-1000	1034	8.97	898780	0.82
1001-2000	530	4.60	836324	0.77
2001-3000	278	2.41	709840	0.65
3001-4000	116	1.01	422930	0.39
4001-5000	117	1.02	542938	0.50
5001-10000	146	1.27	1067400	0.98
10001-20000	95	0.82	1364291	1.25
Above 20000	125	1.08	101851284	93.35
Total	11523	100.00	109107370	100.00

Shareholding pattern of the Company as on 31-3-2013

Description	No. of members		No. of equity shares of Rs.2/- each	
	Nos.	%	Nos.	%
Promoters & Promoters Group				
Individuals	10	0.087	65643760	60.16
Foreign citizen/NRIs	5	0.043	13262306	12.16
Total	15	0.13	78906066	72.32
Indian Public-Individuals	10830	93.99	15721806	14.41
Foreign Institutional Investors (FII)	2	0.017	6519595	5.97
Mutual Fund, Nationalized Bank , Financial Institution and Co-operative Banks	4	0.035	39000	0.04
Domestic Companies	173	1.501	7257170	6.65
Non Resident Individuals	473	4.105	118204	0.11
Any others (Independent Directors & Relatives of Directors)	10	0.087	517105	0.47
Clearing Members	16	0.139	28424	0.03
Total	11523	100	109107370	100

Outstanding GDRs / ADRs /Warrants/any other Convertible Instruments

The Company does not have any outstanding instruments of the captioned type.

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 : Ms. Bharti Parikh

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 Committee meetings were also published in newspapers like Economic Times (English & Gujarati edition), Western Times (English & Gujarati edition) 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.

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.

Date : 30-05-2013

Place : Ahmedabad

Suresh J. Patel

Chief Executive Officer,

Chairman & Managing Director

AUDITORS' CERTIFICATE ON REPORT ON CORPORATE GOVERNANCE

To

**The Members of
Bodal Chemicals Limited**

We have examined the compliance of conditions of Corporate Governance by **BODAL CHEMICALS LIMITED** ("the Company") for the year ended March 31, 2013 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 the conditions of Corporate Governance as stipulated in Clause 49 of the listing agreement.

We further state that such compliances is 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)

Place : Ahmedabad

Date : 30/05/2013

(M.S.Shah)

Partner

Mem. No. 44093

CERTIFICATION BY CEO & CFO OF THE COMPANY

We, Suresh J. Patel, Chief Executive Officer and Mayur Padhya, 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, 2013 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 : 30-05-2013
Place : Ahmedabad

Suresh J. Patel
Chief Executive Officer
Chairman & Managing Director

Mayur B. Padhya
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

To the Members of Bodal Chemicals Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Bodal Chemicals Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by these report comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Act ;
 - e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

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

(M.S.Shah)
Partner

Place : Ahmedabad
Date : 30/05/2013

Mem. No. 44093

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" section of our report of even date)

1. In respect of the Company's fixed assets :
 - (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us, no fixed asset has been disposed during the year and therefore, in our opinion, not affected the going concern status of the Company.
2. In respect of Company's inventories
 - (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. In respect of the loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered under section 301 of Companies Act, 1956
 - a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b) and iii(c) of paragraph 4 of the Order are not applicable to the Company.
 - b) 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. 175.00 lacs & the year end balance of loans was Rs. 0.50 lacs.
 - 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 explanations given to us, there is an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, we have not observed any major weakness in such internal control system
5.
 - a) In our opinion and according to the information given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
 - b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lacs in respect of any party during the year have been 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. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. As per information & explanation given by the management, maintenance of cost records has been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act and we are of the opinion that *prima facie* the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete.

9. According to the information and explanations given to us, in respect of statutory dues:
- According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. As explained to us, no undisputed amounts payable were in arrears as at 31st March, 2013 for a period of more than six months from the date they become payable.
 - According to the information and explanation given to us and the records of the Company examined by us, the dues of Service Tax, Custom Duty, Excise Duty, Wealth tax, Sales Tax and the particulars of dues of Income Tax as at 31st March 2013 which has not been deposited on account of a dispute, are as follows :

Name of the Statute	Statement of Disputed Dues			
	Nature of the Dues	Amount under dispute not yet deposited (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	61.57	A.Y. 2007-2008	Income Tax Appellate Tribunal
	Income Tax	29.65	A.Y. 2008-2009	Commissioner of Income Tax (Appeals)
	Income Tax	87.91	A.Y. 2007-2008	Commissioner of Income Tax (Appeals)
	Penalty	0.59	A.Y. 2006-2007	Commissioner of Income Tax (Appeals)
	Income Tax	68.13	A.Y. 2007-2008	Commissioner of Income Tax (Appeals)
Central Excise Act, 1944.	Excise Duty & Penalty	1.58	2011-2012	Commr.C.Ex. Ahmedabad-I
	Excise Duty & Penalty	15.80	2011-2012	Pending at CESTAT
Service Tax (Finance Act 1994)	Service Tax	12.08	2006-2007 to 2010-2011	Pending at CESTAT
	Service Tax	1.35	2011-2012	CESTAT, Ahmedabad
	Service Tax and Penalty	59.18	2005-2006 to 2007-2008	CESTAT, Ahmedabad
	Service Tax	23.21	2005-2006 to 2007-2008	Pending at CESTAT
	Service Tax & Penalty	0.62	2011-2012	Pending at CESTAT
Customs Act, 1962.	Duty, Penalty, Interest & Fine	11.71	2007-2008	CESTAT, Additional West Zonal Bench, Ahmedabad.

- The Company's accumulated losses at the end of financial year are less than fifty percent of its net worth. It has incurred cash loss during the Current financial year and in the immediately preceding financial year.
- In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to Banks. Company has not raised any fund from financial institutions or debenture holders.
- 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.
- As the provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company, the provisions of Clause (xiii) of paragraph 4 of the Order is not applicable to the Company.

- 14 In our opinion and according to the information and explanations given to us, the Company is not dealing in shares, securities and debentures. Therefore, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution. Therefore, the provisions of clause 4(xv) of the Order are not applicable to the Company.
16. To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, the term loans raised during the year were *prima facie* been utilized for the purposes for which they were obtained.
17. In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have *prima facie* not been used during the year for long-term investment.
18. According to the information and explanations given to us, during the year covered by our audit, the Company has made preferential allotment of preference shares to parties covered in the register maintained under Section 301 of the Companies Act, 1956. In our opinion price at which shares are issued is not prejudicial to the interest of the company.
- 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 During the year covered by our report, the Company has not raised any money by way of public issue. Accordingly Provisions of Clause 4(XX) of the order are not applicable to the Company.
- 21 During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year nor have we been informed of nor such case by the Management.

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

Place : Ahmedabad
Date : 30/05/2013

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

BALANCE SHEET AS AT 31ST MARCH, 2013

[Rs. in Lacs]

PARTICULARS	NOTE	As at 31st March, 2013	As at 31st March, 2012
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds :			
(a) Share Capital	3	3,732.15	2,182.15
(b) Reserves and Surplus	4	1,644.60	3,756.87
(2) Deferred Grant	5	22.37	27.65
(3) Non-Current Liabilities			
(a) Long-term borrowings	6	24,574.80	13,332.10
(b) Deferred Tax Liability (Net)	7	Nil	858.39
(4) Current Liabilities			
(a) Short-term borrowings	8	9,019.05	18,860.65
(b) Trade Payables	9	6,813.00	11,840.05
(c) Other Current Liabilities	10	1,344.00	5,983.81
(d) Short Term Provisions	11	17.70	90.40
TOTAL		47,167.67	56,932.07
II. ASSETS			
(1) Non - Current Assets :			
(a) Fixed Assets	12		
(i) Tangible Assets		26,399.68	27,553.68
(ii) Intangible Assets		83.44	98.69
(iii) Capital work-in-progress		17.65	133.95
(b) Non-Current Investments	13	190.95	190.75
(c) Deferred Tax Assets (Net)	14	121.16	Nil
(d) Long Term Loans and Advances	15	618.37	671.41
(e) Other Non-current assets	16	792.04	732.91
(2) Current Assets			
(a) Inventories	17	6,169.01	7,655.09
(b) Trade Receivables	18	8,835.89	15,224.89
(c) Cash and Bank Balances	19	377.45	459.33
(d) Short - Term Loans & Advances	20	3,547.01	4,200.98
(e) Other Current Assets	21	15.02	10.39
TOTAL		47,167.67	56,932.07

Summary of Significant Accounting Policies 2
 The notes are an integral part of the financial statements

As per our report of even date attached

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

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

Place : Ahmedabad
 Date : 30.05.2013

For and on behalf of the Board of Directors

(Suresh J. Patel)
 Chairman & Managing Director

(Ankit S. Patel)
 Executive Director

(Ashutosh B. Bhatt)
 Company Secretary

Place : Ahmedabad
 Date : 30.05.2013

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

[Rs. in Lacs]

PARTICULARS	NOTE	31st March, 2013	31st March, 2012
INCOME			
I. Revenue from operations	22	52,383.41	60,334.62
II. Other Income	23	389.14	148.14
Total Revenue (I+II)		52,772.55	60,482.76
EXPENDITURE			
Cost of materials consumed	24	33,726.68	40,097.48
Purchases of Stock-in Trade	25	1,650.21	4,619.06
Changes in Inventories of Finished Goods, Stock in Process and stock in Trade	26	1,598.47	125.09
Employee Benefits Expenses	27	3,169.58	3,192.43
Finance Costs	28	3,918.96	3,380.77
Depreciation and Amortisation expense	29	1,642.82	1,600.38
Other Expenses	30	10,151.98	11,838.53
Total Expenses		55,858.70	64,853.74
(Loss) / Profit Before Exceptional Items and Taxes		(3,086.15)	(4,370.98)
Exceptional Items	31	Nil	505.00
(Loss) / Profit Before Taxes		(3,086.15)	(3,865.98)
Tax Expenses			
Current Tax		Nil	Nil
Deferred Tax		(979.55)	(1,034.37)
Taxes of earlier years		5.67	Nil
		(973.88)	(1,034.37)
(Loss) / Profit for the Year		(2,112.27)	(2,831.61)
Basic Earnings per Share of Face Value of Rs. 2/- each (in Rs.)		(1.94)	(2.74)
Diluted Earnings per Share of Face Value of Rs. 2/- each (in Rs.)		(1.94)	(2.74)

Summary of Significant Accounting Policies

2

The notes are an integral part of the financial statements

As per our report of even date attached

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

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

Place : Ahmedabad
Date : 30.05.2013

For and on behalf of the Board of Directors

(Suresh J. Patel)
Chairman & Managing Director

(Ankit S. Patel)
Executive Director

Place : Ahmedabad
Date : 30.05.2013

(Ashutosh B. Bhatt)
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2013

[Rs. in Lacs]

Particulars	Year Ended 31-03-2013	Year Ended 31-03-2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (loss) before Tax	(3,086.15)	(3,865.98)
Adjustment for		
Add : Depreciation and amortisation expense	1,642.82	1,600.38
Interest	3,918.96	3,380.77
Miscellaneous Expenditure w/o	6.40	6.40
Provision for Diminution in Investments	Nil	47.60
Foreign Currency Monetary Reserve	Nil	0.54
Loss on Sale of Assets	0.88	21.66
Less : Interest/Dividend/Rent received	100.48	74.85
Profit on sale of Intangible Assets	Nil	500.00
Grant Income	5.28	5.28
Operating profit before Working Capital Changes	2,377.15	611.24
Adjustment for :		
(Increase)/Decrease in Trade Receivables	6,389.00	(2,763.28)
(Increase)/Decrease in Inventories	1,486.07	1,275.38
(Increase)/Decrease in Loans & Advances, other current/non-current assets	731.43	(246.41)
Less : Increase/(Decrease) in Trade Payables	(9,739.68)	2,035.05
Cash generated from Operations	1,243.97	911.98
Direct Taxes Paid	6.45	313.17
Net Cash from Operating Activities (A)	1,237.52	598.81
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(492.32)	(2,171.77)
Decrease/(Increase) in Capital Work in Progress	116.30	(74.47)
Sale of Fixed Assets	17.87	526.20
Interest/Dividend/Rent received	100.48	74.85
Sale of Investment	Nil	1.58
Purchase of investment	(0.20)	Nil
Net Cash used in Investing Activities (B)	(257.87)	(1,643.61)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase / (Decrease) in Long Term Borrowings	11,242.70	(2,088.88)
Increase / (Decrease) in Short Term Borrowings	(9,841.60)	6,299.38
Equity Share Capital & Share Premium	Nil	145.95
Capital Reserve on account of forfeiture of share warrants	Nil	760.85
Preference Share Capital	1,550.00	Nil
Interest Paid	(3,918.96)	(3,380.77)
Dividend Paid	(0.09)	(619.52)
Net Cash received from Financing Activities (C)	(967.95)	1,117.01
NET INCREASE/(DECREASE) IN CASH & EQUIVALENTS	11.70	72.21
CASH & CASH EQUIVALENTS- OPENING BALANCE	150.38	78.17
CASH & CASH EQUIVALENTS- CLOSING BALANCE	162.08	150.38

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
 (Firm Registration No. 106109W)
 Chartered Accountants

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

Place : Ahmedabad
 Date : 30.05.2013

For and on behalf of the Board of Directors

(Suresh J. Patel)
 Chairman & Managing Director

(Ankit S. Patel)
 Executive Director

Place : Ahmedabad
 Date : 30.05.2013

(Ashutosh B. Bhatt)
 Company Secretary

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

1 Company Information:

Bodal Chemicals Limited (the 'Company') is a public limited company listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The company is engaged in manufacturing of Dyes, Dyes Intermediates and Basic Chemicals.

The Company has a wholly owned subsidiary Bodal Agrotech Ltd., which is in the business of trading of vegetables, fruits and food grains.

2 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.

The presentation of the accounts is based on the revised Schedule VI of the Companies Act, 1956. All assets and liabilities are classified in to current and non-current generally based on criteria of realization / settlement within twelve months period from the balance sheet date.

II) Use of Estimates

The preparation of the financial statements in conformity with Indian Generally Accepted Accounting Practices 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 recoverable taxes) 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 which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

e) 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.

f) 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.

g) 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'.

h) 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.
- (iv) Premium or discount on forward contract, that are not intended for trading or speculation purposes, are amortized over the life of such contract and is recognized as an expense or income.

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. Sales represents the invoice value of goods and services provided to third parties net of discounts, excise duty, sales tax / value added tax and adjustments arising on analysis variances.

II) Export Benefits

- (i) Export Benefits on the import entitlements issued under the Duty Entitlement Pass Book Scheme, Focus Licence, Duty Free Replenishment Certificate Scheme and Status Holder Incentive Scrip 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) Other Income

Other incomes except dividend income are accounted on accrual basis. Dividend Income is recognised when the right to receive the dividend is established.

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 insurance companies 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.

o) 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.

p) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year are adjusted for events such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding without a corresponding change in resources.

q) Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

r) Operating Cycle

Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle to be less than 12 months.

(Rs. in Lacs)

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
3. SHARE CAPITAL		
Authorised Share Capital		
12,00,00,000 Equity Shares of Rs.2/- each	2,400.00	3,000.00
(P.Y. 15,00,00,000 Equity Shares of Rs. 2/- each)		
2,50,00,000 (P.Y. 40,00,000) Preference Share of Rs. 10/- each	2,500.00	400.00
	4,900.00	3,400.00
Subscribed & Paid up Share Capital		
10,91,07,370 Equity Shares of Rs. 2/- each	2,182.15	2,182.15
(P. Y. 10,91,07,370 Equity Shares of Rs. 2/- each)		
1,55,00,000 Pref. Shares of Rs. 10/- each (P.Y. Nil)	1,550.00	Nil
TOTAL	3,732.15	2,182.15

3.1 Authorised Share Capital of Rs. 34 crore comprising of Rs. 30 crores divided into 15,00,00,000 Equity shares of Rs. 2/- each and Rs. 4 crore divided into 40,00,00,000 Preference Shares of Rs. 10/- each have been reclassified into 12,00,00,000 Equity Shares of Rs. 2/- each and 1,00,00,000 Preference Shares of Rs. 10/- each aggregating to Rs. 34 crore.

3.2 Authorised Share Capital of Rs. 34 crore comprising of Rs. 24 crores divided into 12,00,00,000 Equity shares of Rs. 2/- each and Rs. 10 crore divided into 1,00,00,000 Preference Shares of Rs. 10/- each have been increased to Rs. 49 crores divided into 12,00,00,000 Equity Shares of Rs. 2/- each and 2,50,00,000 Preference Shares of Rs. 10/- each aggregating to Rs. 49 crore.

3.3 Out of total shares outstanding 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.

3.4 The details of shareholders holding more than 5% Equity shares :

Name of Shareholder	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares	% held	No. of Shares	% held
Suresh J. Patel	3,33,45,151	30.57	3,33,45,151	30.57
Bhavin S. Patel	78,10,050	7.16	78,10,050	7.16
Ramesh P. Patel	66,35,299	6.08	66,35,299	6.08
Jayanti D. Patel	74,72,845	6.85	74,72,845	6.85

3.5 The details of shareholders holding more than 5% Preference shares :

Name of Shareholder	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares	% held	No. of Shares	% held
Shaunak S. Parikh	30,00,000	19.35	Nil	Nil
H & H Exports (Guj.) Pvt. Ltd.	20,00,000	12.90	Nil	Nil
Ashok G. Bansal	20,00,000	12.90	Nil	Nil
Karna A. Surti	15,00,000	9.68	Nil	Nil
Suresh J. Patel	11,50,000	7.42	Nil	Nil
Vasudev M. Shah	11,00,000	7.10	Nil	Nil
Centenary Polytex Pvt. Ltd.	10,00,000	6.45	Nil	Nil

3.6 The reconciliation of the number of shares outstanding is set out below :

Particulars	As at 31st March, 2013	As at 31st March, 2012
	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	109,107,370	99,511,510
Add : Shares issued on conversion of 19,19,172 share warrants	Nil	9,595,860
Equity Shares at the end of the year	109,107,370	109,107,370

3.7 The reconciliation of the number of Preference shares outstanding is set out below :

Particulars	As at 31st March, 2013 No. of Shares	As at 31st March, 2012 No. of Shares
Preference Shares at the beginning of the year	Nil	Nil
Add : Preference shares issued during the year	15,500,000	Nil
Preference Shares at the end of the year	15,500,000	Nil

3.8 The Company has only one class of equity shares having a par value of Rs. 2/- per share. Each shareholder is eligible for one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion of their shareholding.

3.9 The Company has only one class of non-convertible, non-cumulative redeemable preference shares having a par value of Rs. 10/- per share. Each shareholder shall have a right to attend general meeting of the company and vote on resolutions directly affecting their interest. In the event of liquidation, the preference shareholders shall be entitled to a preferential right of return of the amount paid up on the shares, but shall not have any further right or claim over the surplus asset of the company. The holder of these shares shall be entitled to receive dividend at fixed rate i.e. @ 9% on paid up value of shares subject to declaration of dividend by the company but do not have right to participate in surplus profit.

PARTICULARS	(Rs. in Lacs)	
	As at 31st March, 2013	As at 31st March, 2012
4. RESERVES & SURPLUS		
Investment Allowance Reserve - Utilised Account		
As per last Balance Sheet	4.77	4.77
Share Premium		
As per last Balance Sheet	2,220.36	1,203.20
Add : Share premium received on conversion of share warrants	Nil	1,017.16
	2,220.36	2,220.36
Capital Reserves		
As per last Balance Sheet	761.22	0.36
Add : On forfeiture of lapsed warrants	Nil	760.86
	761.22	761.22
Capital Redemption Reserve Fund		
As per last Balance Sheet (The company had created these reserve due to redemption of Preference Shares at par.)	396.71	396.71
General Reserve :		
As per last Balance Sheet	1,383.81	1,383.81
Profit & Loss Account		
As per last Balance Sheet	(1,010.00)	1,821.61
Add : (Loss) / Profit During the year	(2,112.27)	(2,831.61)
	(3,122.27)	(1,010.00)
TOTAL	1,644.60	3,756.87
5. DEFERRED GRANT		
Grant From World Bank :	27.65	32.93
Less : Transfer to current year's Profit & Loss Account	(5.28)	(5.28)
TOTAL	22.37	27.65

(Rs. in Lacs)

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
6. LONG TERM BORROWINGS		
Secured		
Term loan from Banks	24,345.40	13,014.50
Unsecured		
Loan From Directors	0.50	Nil
Public Deposits	144.98	239.42
Trade Deposits	46.20	40.46
Loan From Members	37.72	37.72
TOTAL	24,574.80	13,332.10

6.1 Nature of Security and terms of repayment for Long Term secured borrowings:

Nature of Security	Terms of Repayment
Term loan amounting to Rs.1494.38 lacs (March 31, 2012:Rs.1727.45 lacs)	
Secured by 1st charge on immovable properties of the company situated at Plot No. 252,253,254 GIDC, Vatva and Plot No. 804 of Padra Unit and Hyp. of entire P&M and other equipment acquired through the term loan.	Repayable in 40 quarterly installments starting from April 2012.Last installment due in March, 2022. Rate of interest 15.25%. p.a. at year end(Previous year LIBOR +5.00% p.a. at year end)
Term loan amounting to Rs.4612.60 lacs (March 31, 2012:Rs.4694.15 lacs)	
Secured by 1st charge on immovable properties of the company situated at Plot No. 804 & Block No. 800, 803/1, 797, 796, 795, 532, 555, 556, 560, 561/1 and 525, Village Dudhavada, Taluka Padra, Vadodara and Hyp. of entire P&M and other equipment acquired through the term loan.	Repayable in 40 quarterly installments starting from April, 2012.Last installment due in March, 2022. Rate of interest 15.50 % at year end (Previous year LIBOR + 4.50% at year end)
Term loan amounting to Rs.4358.59 lacs (March 31, 2012:Rs.4588.44 lacs)	
Secured by 1st charge on immovable properties of the company situated at Plot No. 804 & Block No. 800, 803/1, 797, 796, 795, 532, 555, 556, 560, 561/1 and 525, Village Dudhavada, Taluka Padra, Vadodara and Hyp. of entire P&M and other equipment acquired through the term loan.	Repayable in 40 quarterly installments starting from April, 2012.Last installment due in March, 2022. Rate of interest 15.00%. p.a. at year end(Previous year 14.75 % p.a.)
Working Capital Term loan amounting to Rs.384.50 lacs (March 31, 2012:Rs.402.02 lacs)	
Secured by 1st pari pasu charge on entire current assets of the company	Repayable in 40 quarterly installments starting from April, 2012.Last installment due in March, 2022. Rate of interest 15.75% p.a.as at year end. (Previous year 14.50% p.a.)
Working Capital Term loan amounting to Rs.2090.38 lacs (March 31, 2012:Rs.2100.00 lacs)	
Secured by 1st pari pasu charge on entire current assets of the company	Repayable in 120 monthly installments starting from April, 2012.Last installment due in March, 2022. Rate of interest 15.25% p.a.as at year end. (Previous year 15.00% p.a.)
Working Capital Term loan amounting to Rs.Nil (March 31, 2012:Rs.101.40 lacs)	
Secured by 1st pari pasu charge on entire current assets of the company	Already paid. Last installment paid in May, 2012. Rate of interest 14.90% p.a. (Previous year 14.90% p.a.)

Nature of Security	Terms of Repayment
Working Capital Term loan amounting to Rs.3578.00 lacs (March 31, 2012:Rs.Nil)	
Secured by 1st pari pasu charge on entire current assets of the company	Repayable in 120 monthly installments starting from April, 2012.Last installment due in March, 2022. Rate of interest 10.25% p.a.as at year end. (Previous year: Nil)
Working Capital Term loan amounting to Rs.5885.90 lacs (March 31, 2012:Rs.Nil)	
Secured by 1st pari pasu charge on entire current assets of the company	Repayable in 120 monthly installments starting from April, 2012.Last installment due in March, 2022. Rate of interest 10.25% p.a.as at year end. (Previous year: Nil)
Funded Interest Term loan amounting to Rs.1031.84 lacs (March 31, 2012:Rs.Nil)	
Secured by 1st pari pasu charge on entire current assets of the company	Repayable in 72 monthly installments starting from April, 2013.Last installment due in March, 2019. Rate of interest 10.25% p.a.as at year end. (Previous year: Nil)
Funded Interest Term loan amounting to Rs.1504.69 lacs (March 31, 2012:Rs.Nil)	
Secured by 1st pari pasu charge on entire current assets of the company	Repayable in 72 monthly installments starting from April, 2013.Last installment due in March, 2019. Rate of interest 10.25% p.a.as at year end. (Previous year: Nil)
Vehicle loan amounting to Rs.73.17 lacs (March 31, 2012:Rs.118.39 lacs)	
Secured by Hire Purchase agreement for Vehicles.	Repayable in monthly installments. Interest from 9% to 12%

6.2 Term Loans are collaterally further secured by equitable mortgage on Immovable property and Hyp. Of P&M of the company. It is further secured by personal guarantees of the Chairman and Managing Director, Executive directors and an ex-Executive Director. It is further secured by pledge of equity shares of the company held by the promoters (excluding 2 NRI promoters).

6.3 Maturity profile and Rate of interest of Public Deposit are as set out below (Rs. In Lacs)

Rate of Interest	Maturity Profile	
	2013-14	2014-15
9.00%	Nil	125.00
11.00%	1.30	Nil
11.25%	1.45	Nil
11.50%	7.80	7.18
11.75%	6.89	12.80
12.00%	Nil	25.79

6.4 Installments falling due in respect of all the above Loans upto 31/03/2014 have been grouped under "Current maturities of long-term debt".

6.5 CDR Empowered Group (CDR EG) vide their letter dated December 17, 2012 ('CDR Letter') approved the Company's financial restructuring package under the corporate debt restructuring mechanism (CDR) effective from April 1, 2012. As per the above mentioned restructuring package, Preference Share contribution received from promoters, relatives & friends, aggregating to Rs. 1550.00 lacs has been disclosed as Preference Share Capital. On approval of the CDR, various bank limits are restructured including repayment schedule for the same and accordingly, Rs. 2229.96 lacs related to previous year has been regrouped from "Current Maturities of Long Term Debt" to "Long Term Borrowings."

(Rs. in Lacs)

PARTICULARS	As at	As at
	31st March, 2013	31st March, 2012
7. DEFERRED TAX LIABILITY (NET)		
Deferred Tax Liability on account of Depreciation allowable	Nil	3,202.52
Deferred Tax Asset on account of Unabsorbed Depreciation & c/f loss	Nil	(2,309.25)
Employee Benefits	Nil	(34.88)
TOTAL	Nil	858.39

(Rs. in Lacs)

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
8. SHORT TERM BORROWINGS		
Secured		
Cash Credit Facility	1,826.57	5,726.45
Packing Credit Facility	3,486.01	4,515.21
Bills Discounting Facility	3,406.47	6,078.63
Buyers Credit Facility	Nil	2,281.22
Unsecured		
Loans From Corporates	300.00	250.00
Trade Deposits	Nil	9.14
TOTAL	9,019.05	18,860.65

8.1 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.

8.2 Bills discounting facility is primarily secured by hyp. of bills drawn under letter of credit.

8.3 Buyers' Credit facility is primarily secured by hyp. Of stocks received under letter of credit.

8.4 Cash Credit, Packing Credit, Bill Discounting and Buyers Credit facility are collaterally secured by equitable mortgage on Immovable property and Hyp. Of P&M of the company and personal guarantees of the Chairman and Managing Director, Executive directors and an ex-executive Director. It is further secured by pledge of equity shares of the company held by the promoters (excluding 2 NRI promoters).

(Rs. in Lacs)

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
9. TRADE PAYABLES		
For Goods	4,399.31	8,612.19
For Others	2,413.69	3,227.86
TOTAL	6,813.00	11,840.05

9.1 Other Trade payables represents amount payable to various parties for packing material, consumables and expenses.

9.2 The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to amount unpaid as at year end together with interest paid payable under this Act have not been given.

(Rs. in Lacs)

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
10. OTHER CURRENT LIABILITIES		
Advance Received from Customer	268.47	907.94
Current Maturities of Long Term Debt	711.89	1,356.39
Creditors for Capital Goods	99.43	341.44
Other Current Liabilities	155.98	3,184.09
Unclaimed Dividends *	22.31	22.40
Unclaimed Share Application Money *	0.40	0.41
Statutory Liabilities #	85.52	171.14
TOTAL	1,344.00	5,983.81

* There are no amounts due for payment to the Investor Education and Protection Fund Under Section 205C of the Companies Act, 1956 as at the year end.

Statutory liabilities represent amounts payable towards VAT, CST, Excise duty and TDS etc.

(Rs. in Lacs)

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
11. SHORT TERM PROVISIONS		
Provision for Employee Benefits	16.86	89.78
Provision for Wealth Tax	0.84	0.62
TOTAL	17.70	90.40

Name of the Asset	GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET BLOCK	
	As At	Addition	Deduction/ Adjustments	As At	As At	Addition	Deduction/ Adjustments	As At	As At	As At
	01-04-12			31-03-13	01-04-12			31-03-13	31-03-13	31-03-12
TANGIBLE ASSETS										
Land	945.71	Nil	Nil	945.71	Nil	Nil	Nil	Nil	945.71	945.71
Factory Building	7,580.69	91.99	Nil	7,672.68	721.39	251.44	Nil	972.83	6,699.85	6,859.30
Office Building	155.53	0.04	Nil	155.57	13.50	2.54	Nil	16.04	139.53	142.03
Plant & Machinery	23,944.99	342.63	23.38	24,264.24	5,480.47	1,260.75	6.11	6,735.11	17,529.13	18,464.52
Furniture & Fixture	445.92	23.68	Nil	469.60	104.02	27.52	Nil	131.54	338.06	341.90
Office Equipment	171.39	9.45	Nil	180.84	66.80	16.27	Nil	83.07	97.77	104.59
Vehicles	406.89	20.72	5.35	422.26	148.40	40.49	3.86	185.03	237.23	258.49
E.T.P.	371.07	1.78	Nil	372.85	85.70	19.63	Nil	105.33	267.52	285.37
Laboratory equipments	186.84	2.04	Nil	188.88	35.07	8.93	Nil	44.00	144.88	151.77
Total	34,209.03	492.33	28.73	34,672.63	6,655.35	1,627.57	9.97	8,272.95	26,399.68	27,553.68
Total - Previous Year	32,152.60	2,125.03	68.60	34,209.03	5,096.80	1,579.27	20.72	6,655.35	27,553.68	27,055.80
INTANGIBLE ASSETS										
Good will	1,046.80	Nil	Nil	1,046.80	1,046.81	Nil	Nil	1,046.81	Nil	Nil
Computer Software	24.45	-	Nil	24.45	8.41	4.89	Nil	13.30	11.15	16.04
Membership Fees	101.73	Nil	Nil	101.73	19.82	10.17	Nil	29.99	71.74	81.91
Website	0.92	Nil	Nil	0.92	0.18	0.19	Nil	0.37	0.55	0.74
Total	1,173.90	-	Nil	1,173.90	1,075.22	15.25	Nil	1,090.47	83.44	98.69
Total - Previous Year	1,127.16	46.74	Nil	1,173.90	1,054.11	21.11	Nil	1,075.22	98.69	73.05
Total	35,382.93	492.33	28.73	35,846.53	7,730.57	1,642.82	9.97	9,363.42	26,483.12	27,652.37
Previous Year	33,279.76	2,171.77	68.60	35,382.93	6,150.91	1,600.38	20.72	7,730.57	27,652.37	27,128.85
Capital Work in Progress									17.65	133.95
TOTAL FIXED ASSETS									26,500.77	27,786.32

12. FIXED ASSETS
(Rs. in Lacs)

PARTICULARS	(Rs. in Lacs)	
	As at 31st March, 2013	As at 31st March, 2012
13. NON - CURRENT INVESTMENTS		
LONG TERM INVESTMENTS		
TRADE INVESTMENTS		
A Quoted		
100 (P.Y. 100) Equity Shares of Beta Nephthol Ltd. of Rs. 10/- Each Fully Paid Up	0.03	0.03
50,000 (P.Y. 50,000) Equity Shares of Dynamic Industries Ltd. of Rs. 10/- Each Fully Paid Up	52.05	52.05
	52.08	52.08
Less : Provision for dimunition in Investments	47.63	47.63
TOTAL	4.45	4.45
B Unquoted		
1 250 (P.Y.250) Equity Shares of Green Environment Ser. Co-op.Soc. Ltd. of Rs. 100/- each Fully Paid Up	0.25	0.25
2 112,350 (P.Y. 112350) Equity Shares of Bharuch Enviro Infrastructure Ltd of Rs. 10/-each Fully Paid Up	11.23	11.23
3 100 (P.Y.100) Equity Shares of Guj.Ind. Waste Mng. Co. Ltd. of Rs. 10/- Each Fully Paid Up	0.01	0.01
4 3,102 (P.Y.2,902) Equity Shares of The Bhagoydaya Co-op. Bank Ltd. of Rs. 100/- Each Fully Paid Up	3.10	2.90
5 10,200 (P.Y.10,200) Equity Shares of Panoli Enviro Technology Ltd. of Rs. 10/- Each Fully Paid Up	1.02	1.02
6 3,542 (P.Y.3,542) Equity Shares of Makarpura Ind.Est. Co-op. Bank Ltd. of Rs. 25/- Each Fully Paid Up	0.89	0.89
TOTAL OF TRADE INVESTMENTS	16.50	16.30
OTHER NON CURRENT INVESTMENTS		
Unquoted		
Investment in Subsidiary Company		
17,00,000 (P.Y. 17,00,000) Equity Shares of Bodal Agrotech Ltd. of Rs. 10/- Each Fully Paid Up	170.00	170.00
TOTAL OF OTHER NON-CURRENT INVESTMENTS	170.00	170.00
TOTAL OF NON-CURRENT INVESTMENTS.....	190.95	190.75
Aggregate of Quoted Investments:		
At Book value	4.45	4.45
At Market Price	4.25	4.45
Aggregate of Unquoted Investments:	186.50	186.30
Aggregate provision for diminution in value of investments	47.63	47.63
14. DEFERRED TAX ASSETS (NET)		
Deferred Tax Liability on account of Depreciation allowable	(3,421.43)	Nil
Deferred Tax Asset on account of Unabsorbed Depreciation & c/f loss	2,713.26	Nil
Employee Benefits	13.42	Nil
Funded Interest Term Loan	815.91	Nil
TOTAL	121.16	Nil

(Rs. in Lacs)

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
15. LONG TERM LOANS & ADVANCES (Unsecured and Considered Good)		
Capital Advances	3.71	7.20
Security Deposits	55.48	68.97
Other Advances		
Balance With Statutory Authorities	227.90	219.20
Advance Income Tax (Net)	237.43	236.44
Staff Advances	20.68	46.75
Others*	73.17	92.85
TOTAL	618.37	671.41
* Others include Insurance Claim receivable.		
16. OTHER NON-CURRENT ASSETS		
MAT Credit Entitlement	704.51	704.51
Cash seized by the Income Tax Department	9.87	9.87
Term Deposits with maturity of more than twelve months	77.66	18.53
TOTAL	792.04	732.91
17. INVENTORIES		
Raw Materials	1,873.20	1,601.43
Raw Materials in Transit	200.62	383.08
Finished Goods	412.58	1,117.03
Finished Goods in Transit	88.88	13.72
Stock in Trade	Nil	2.98
Stock In Process	3,167.94	4,195.43
Packing Materials	152.58	113.72
Packing Materials in Transit	1.44	Nil
Stock of Fuel	24.69	31.79
Stores and Spares	247.08	195.91
TOTAL	6,169.01	7,655.09
17.1 Details of Raw materials		
Sulphur	80.08	33.47
Naphthelene	345.64	20.21
Ethylene Oxide	12.21	12.05
Acetanilide	15.04	27.69
Caustic Soda Flakes	22.75	21.08
Others	1,397.48	1,486.93
	1,873.20	1,601.43
17.2 Details of Finished Goods		
Vinyl Sulphone	81.87	62.83
Reactive / Acid Dyes	163.94	692.29
Others	166.77	361.91
	412.58	1,117.03

(Rs. in Lacs)

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
18. TRADE RECEIVABLES		
Trade receivables outstanding for a period exceeding six months from the due date for payment		
Unsecured & Considered Good	1,203.12	598.15
Trade receivables outstanding for a period less than six months from the due date for payment		
Unsecured & Considered Good	7,632.77	14,626.74
TOTAL	8,835.89	15,224.89
19. CASH AND BANK BALANCES		
Cash & Cash Equivalents		
Cash on hand	20.11	19.80
Balance with Banks	141.97	130.58
	162.08	150.38
Other Bank Balances		
Term Deposits with maturity of more than three month but less than twelve months	192.66	286.14
Unclaimed Dividend Accounts	22.31	22.40
Unclaimed Share Application Account	0.40	0.41
	215.37	308.95
TOTAL	377.45	459.33
20. SHORT TERM LOANS & ADVANCES		
(Unsecured & considered good unless otherwise stated)		
Advance Receivable in cash or kind		
Advance to Suppliers		
For Goods	588.64	580.48
For Expenses	24.97	36.07
Other Advances		
Balance with Statutory Authorities	2,040.40	2,518.89
Staff Advances	17.54	39.79
Others *	875.46	1,025.75
TOTAL	3,547.01	4,200.98
* Others include Export Benefit receivable, Advance to others, Tour Advances, Prepaid Expenses.		
21. OTHER CURRENT ASSETS		
Deferred Revenue Expenses	6.41	12.81
Less : Transferred to P & L Account	6.41	6.40
	Nil	6.41
Unamortised Premium on Forward Contracts	15.02	3.98
TOTAL	15.02	10.39

	(Rs. in Lacs)	
PARTICULARS	2012-2013	2011-2012
22. REVENUE FROM OPERATIONS		
Sale of products	56,118.94	63,900.07
Less : Excise Duty	4,507.08	4,593.72
Sale of products (net)	51,611.86	59,306.35
Other Operating Income	771.55	1,028.27
TOTAL	52,383.41	60,334.62
22.1 Details of Sales of Products (Rs. In Lacs)		
Sale of Manufactured Goods		
Vinyl Sulphone	10,306.38	9,355.26
Reactive / Acid Dyes Sales	17,369.77	19,788.05
Others	20,779.84	24,311.53
	48,455.99	53,454.84
Job Work Sales	23.19	21.35
Raw Materials Sales	1,343.03	1,095.67
Sale of Stock in Trade	1,789.65	4,734.49
Total of Sale of Products (Net)	51,611.86	59,306.35
22.2 Other operating income includes export benefit, scrap sales, etc.		
23. OTHER INCOME		
Interest Income	98.45	73.35
Dividend Income	2.03	1.50
Grant Income	5.28	5.28
Premium / Discount on Forward Contracts	131.22	55.93
Other Income	152.16	12.08
TOTAL	389.14	148.14
24. COST OF MATERIALS CONSUMED		
Opening Stock	1,984.51	2,860.53
Add. Purchases during the year	33,815.99	39,221.46
	35,800.50	42,081.99
Less : Closing Stock	2,073.82	1,984.51
TOTAL	33,726.68	40,097.48
24.1 Major Raw Materials consumed		
Sulphur	4,166.71	6,005.15
Naphthelene	3,639.03	3,735.28
Aniline Oil	3,360.11	2,095.86
Caustic Soda Flakes	2,672.34	2,272.65
Ethylene Oxide	2,493.04	2,571.09
Acetanilide	1,301.11	2,481.95
Others	16,094.34	20,935.50
	33,726.68	40,097.48

24.2 Composition of Materials Consumed
(Rs. in Lacs)

	2012-13		2011-12	
Imported	2,279.93	6.76%	4,637.09	11.56%
Indigenous	31,446.75	93.24%	35,460.39	88.44%

(Rs. in Lacs)

PARTICULARS	2012-2013	2011-2012
25. PURCHASE OF STOCK IN TRADE		
Purchase of Stock in Trade	1,650.21	4,619.06
TOTAL	1,650.21	4,619.06
26. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN PROCESS AND STOCK IN TRADE		
Closing Stock Finished Goods	501.46	1,130.75
Closing Stock In Process	3,167.94	4,195.42
Closing Stock of Stock - in Trade	Nil	2.97
TOTAL (A)	3,669.40	5,329.14
Less : Opening Stock Finished Goods	1,130.75	2,142.08
Opening Stock In Process	4,195.42	3,425.01
Opening Stock of Stock - in Trade	2.97	Nil
TOTAL (B)	5,329.14	5,567.09
TOTAL (A) - (B)	(1,659.74)	(237.95)
Add / (Less) : Variation in Excise Duty on Closing and Opening Stock of Finished Goods	61.27	112.86
TOTAL	(1,598.47)	(125.09)
27. EMPLOYEE BENEFIT EXPENSES		
Salary, Wages & Bonus	2,887.39	2,906.61
Contribution to Provident & Other Funds	139.88	139.09
Staff Welfare Expenses	142.31	146.73
TOTAL	3,169.58	3,192.43
28. FINANCE COSTS		
Bank Interest	3,407.29	2,806.85
Other Borrowing Cost	323.82	237.95
Other Interest Expenses	187.85	335.97
TOTAL	3,918.96	3,380.77
29. DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation	1,627.57	1,579.27
Amortisation of Intangible Assets	15.25	21.11
TOTAL	1,642.82	1,600.38

		(Rs. in Lacs)		
PARTICULARS		2012-2013	2011-2012	
30. OTHER EXPENSES				
Manufacturing Expenses				
Power & Fuel Consumption		4,232.05	4,734.45	
Stores Consumption		532.89	747.28	
Repairs to				
Machinery		758.70	815.65	
Building		65.96	44.25	
Pollution Control Expenses		480.96	611.91	
Insurance Expenses		26.69	26.26	
Other Manufacturing Expenses		229.46	270.90	
Administrative & General Expenses				
Insurance Expenses		12.56	9.93	
Rent & Tax		49.03	51.10	
Legal & Professional Fees		248.65	207.82	
Loss on Disposal of Assets		0.88	21.67	
Provision for diminution in investments		Nil	47.60	
Exchange Rate Difference (Net)		975.80	749.61	
Miscellaneous Expenses		385.72	468.83	
Selling & Distribution Expenses				
Packing Material Consumption		524.05	749.54	
Clearing & Forwarding Charges		578.14	544.38	
Sales Commission		390.78	735.89	
Outward Freight Expenses		421.71	602.16	
Bad Debts Written off		Nil	109.33	
Other Selling and Distribution expenses		237.95	289.97	
TOTAL		10,151.98	11,838.53	
30.1 Legal & Professional Fees includes payment to auditors (excluding service tax) as below:			(Rs. in Lacs)	
		2012-13	2011-12	
I) As Statutory Auditors		8.00	7.00	
II) Other Services		3.55	3.50	
30.2 Composition of Packing Materials Consumption			(Rs. in Lacs)	
		2012-13	2011-12	
Imported	7.57	1.44%	0.99	0.13%
Indigenous	516.48	98.56%	748.55	99.87%
31. EXCEPTIONAL ITEMS			(Rs. in Lacs)	
PARTICULARS		2012-2013	2011-2012	
Profit on Sales of Intangible Assets		Nil	500.00	
Reversal of Business Development Expenses		Nil	5.00	
TOTAL		Nil	505.00	

32. Contingent Liabilities not provided in respect of:
(Rs. In lacs)

Nature of Liabilities	2012-13	2011-12
a. Disputed matters in appeals/contested in respect of:		
I) Income Tax	248.05	248.05
II) Excise	17.38	20.21
III) Service Tax	96.44	96.67
IV) Customs Department	11.71	10.11
b. Letter of credit	780.94	264.15
c. Estimated amount of Contracts, remaining to be executed on capital account (net of advances)	0.41	3.54
d. Bank Guarantee	367.01	423.63

33 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 the company has capitalized foreign exchange loss of Rs. 81.08 lacs in the current year in respect of foreign currency loans, consequently, loss for the year is lower by the equivalent amount. Company had capitalised the foreign exchange loss of Rs. 1488.03 lacs in respect of foreign currency loans in the fixed assets upto the previous year.

34. Grant from World Bank

Grant from World Bank has been treated as deferred income which is recognized in Profit & Loss Account for the period in the proportions in which depreciation on related assets is charged.

35. Donations to Political Parties
(Rs. In lacs)

Particulars	2012-13	2011-12
Indian National Congress (Gujarat Pradesh Congress Committee)	Nil	7.00
Bharatiya Janata Party	Nil	2.00

36. Related Party Disclosure
a) Names of related parties and nature of relationship
I. Key Management Personnel (KMP)

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(till 01/10/2012)

II. Enterprise under significant influence of key management personnel (Enterprise)

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

III. Wholly-owned Subsidiary Company (WOS)

- (i) Bodal Agrotech Ltd.

IV. Fellow Subsidiary Company (FS)

- (i) Sun Agri genetics Pvt. Ltd.

b) Transactions with related parties		(Rs. In lacs)	
Related party disclosure	Relationship	for the year ended 31/03/2013	for the year ended 31/03/2012
Remuneration			
Shri Suresh J. Patel	KMP	48.00	48.00
Shri Bhavin S. Patel	KMP	18.00	18.00
Shri Ankit S. Patel	KMP	18.00	18.00
Shri Ramesh P. Patel	KMP	9.00	9.00
Salary			
Shri Ramesh P. Patel	KMP	9.00	Nil
Loan Given			
Bodal Agrotech Ltd.	WOS	Nil	653.36
Loan Taken			
Shri Suresh J. Patel	KMP	400.00	335.00
Shri Ankit S. Patel	KMP	Nil	322.83
Shri Ramesh P. Patel	KMP	Nil	35.38
Bodal Agrotech Ltd.	WOS	Nil	922.80
Loan Repaid			
Shri Suresh J. Patel	KMP	399.50	335.00
Shri Ankit S. Patel	KMP	Nil	322.83
Shri Ramesh P. Patel	KMP	Nil	35.38
Bodal Agrotech Ltd.	WOS	274.33	Nil
Purchases of Materials			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	172.09	163.84
Siskaa Chemicals Ltd.	Enterprise	4603.08	4663.31
Purchases of Fixed Assets			
Bodal Agrotech Ltd.	WOS	30.34	Nil
Rent paid			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	0.60	1.20
Cash Discount Paid			
Siskaa Chemicals Ltd.	Enterprise	9.12	Nil
Commission Paid			
Siskaa Chemicals Ltd.	Enterprise	1.09	2.18
Interest Paid			
Siskaa Chemicals Ltd.	Enterprise	Nil	0.36
Bodal Agrotech Ltd.	WOS	15.77	5.43
Freight Paid			
Siskaa Chemicals Ltd.	Enterprise	Nil	0.37
Sales of Materials			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	115.12	203.28
Siskaa Chemicals Ltd.	Enterprise	4074.29	3119.45
Bodal Agrotech Ltd.	WOS	0.18	Nil
Amounts Payable			
Suresh J. Patel	KMP	0.50	Nil
Siskaa Chemicals Ltd.	Enterprise	214.90	1111.46
Bodal Agrotech Ltd.	WOS	Nil	274.33
Amounts Receivable			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	34.08	221.41
Bodal Agrotech Ltd.	WOS	0.49	Nil

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.

37. Segment Reporting:
(Rs. In lacs)

	2012-13	2011-12
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	325,07.00	371,10.34
Outside India	198,76.41	232,24.28
Total	523,83.41	603,34.62

38. 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 LIC and Star Union Dai-ichi 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 31/03/2013	As on 31/03/2012
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	75.90	54.53
Interest cost	6.07	4.36
Current Service Cost	26.00	24.13
Benefits Paid	(1.39)	(1.87)
Actuarial (gain)/Loss on obligations	(2.24)	(5.25)
Present value of obligations as at end of year	104.34	75.90
3 Table showing changes in the fair value of plan assets		
Fair value of plan assets at beginning of year	91.25	85.49
Expected return on plan assets	5.89	7.63
Contributions	5.00	Nil
Benefits paid	(1.39)	(1.87)
Actuarial Gain / (Loss) on Plan assets	Nil	Nil
Fair value of plan assets at the end of year	100.75	91.25
4 Table showing fair value of plan assets		
Fair value of plan assets at beginning of year	91.25	85.49
Actual return on plan assets	5.89	7.63
Contributions	5.00	Nil
Benefits Paid	(1.39)	(1.87)
Fair value of plan assets at the end of year	100.75	91.25
Funded status	(3.59)	15.35
Excess of Actual over estimated return on plan assets (Actual rate of return = Estimated rate of return as ARD falls on 31st March)	Nil	Nil
5 Actuarial Gain/Loss recognized		
Actuarial gain/(Loss) for the year –Obligation	2.24	5.25
Actuarial (gain)/Loss for the year - plan assets	Nil	Nil
Total (gain)/Loss for the year	(2.24)	(5.25)
Actuarial (gain)/Loss recognized in the year	(2.24)	(5.25)

	(Rs. In lacs)	
	As on 31/03/2013	As on 31/03/2012
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	104.34	75.90
Fair value of plan assets as at the end of the year	100.75	91.25
Funded status	(3.59)	15.35
Net Asset/(liability) recognized in balance sheet	3.59	(15.35)
7 Expenses Recognised in statement of Profit & loss		
Current Service cost	26.00	24.13
Interest Cost	6.07	4.36
Expected return on plan assets	(5.89)	(7.63)
Net Actuarial (gain)/Loss recognised in the year	(2.24)	(5.25)
Expenses recognised in statement of Profit & loss	23.94	15.61

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	91.50
Employer's contribution to E.S.I.	21.89

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.

39. Earnings per Equity Share

Basic and Diluted Earnings per equity share are recorded in accordance with Accounting Standard -20 "Earnings per Share". Earnings per Share is calculated by dividing the (loss) / 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 earnings per Equity Shares are stated below.

	(Rs. In lacs)	
	2012-13	2011-12
Net (Loss) / Profit after Tax before exceptional items	(2112.27)	(3336.61)
Less : Exceptional Items	Nil	505.00
Net (Loss) / Profit after Tax after exceptional items	(2112.27)	(2831.61)
Less : Dividend on Preference Shares	Nil	N.A.
Net (Loss) / Profit after Tax	(2112.27)	(2831.61)
Weighted average number of Equity Shares for basic EPS		
a) Existing No. of Equity Shares	109,107,370	109,107,370
b) Weighted average number of Equity Shares	109,107,370	103,270,984
Basic and Diluted Earnings per Share before exceptional items (in Rs.)	(1.94)	(3.23)
Basic and Diluted Earnings per Share after exceptional items (in Rs.)	(1.94)	(2.74)
Nominal Value per Share (in Rs.)	2	2

40. Foreign Currency Exposure

The company has entered in following forward exchange contracts that are outstanding as at 31st March, 2013 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	40.07	2179.48
Forward Contract	USD	Buy	20.50	1114.88

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

Details of unhedged foreign currency exposure as on 31-03-2013.

Particulars	Currency	Foreign Currency Value (in Lacs)	Foreign Currency Value (Rs. in Lacs)
Debtors	EURO	€ 0.96	Rs. 66.99
Debtors	USD	\$ 2.41	Rs.131.03
Creditors for Foreign Commission	EURO	€ 0.24	Rs. 16.90
Creditors for Foreign Commission	USD	\$ 2.91	Rs. 158.31
Packing Credit Loans	USD	\$ 47.35	Rs. 2575.29

	(Rs. In lacs)	
	31/03/2013	31/03/2012
41. VALUE OF IMPORTS ON CIF BASIS	1813.40	3878.38
42. EARNING IN FOREIGN CURRENCY		
F.O.B. Value of Exports	19216.16	22471.04
43. EXPENDITURE IN FOREIGN CURRENCY		
Travelling	3.82	21.12
Commission	200.31	519.82
Business Development Expense	4.17	7.40
Export Damage Claim	11.68	5.07
Warehousing Charges	Nil	3.27
Bank Charges	42.99	34.52
Interest Expense	275.61	552.43
Cash Discount	14.22	21.57

- 44** On February 9 & 10, 2012 the Company, along with promoters and other related parties, were subject to Search, Survey and seizure operation by the income Tax department under section 132/133 of Income Tax Act 1961 ("the Act") The Company had during the year received notice u/s153A for filing return of income for six financial years preceding to financial year 2011-12 the year of search. The company had already filed return of income for the respective 6 years in response to notice u/s 153A.

The company has till date made disclosure of Rs.1081.23 lacs under section 132(4) of the Act of which Rs. 505 Lacs has been accepted by the company and said income were shown as "Exceptional Items" in statement of profit and loss for year ended 31-03-2012. Balance Rs. 576.23 lacs though covered under disclosure have not been accepted by the company. However the same has been shown as additional income in return of income filed for respective years to buy peace & to avoid litigation. There hasn't been any monetary tax implication of such income due to availability of additional unabsorbed depreciation arising out of order giving appeal effect of "Income Tax Appellate Tribunal" in favour of erstwhile amalgamated company "Milestone Organic Limited".

Due to above, necessary adjustments have also been made in the calculation of deferred tax. The deferred tax calculation has been made as on 31-03-2013 keeping in view the additional income offered by the company & additional unabsorbed depreciation available as mentioned above.

- 45** Previous year's figures have been rearranged and reclassified wherever necessary.

As per our report of even date attached

For and on behalf of the Board of Directors

For, Mayank Shah & Associates

(Firm Registration No. 106109W)

Chartered Accountants

(M.S. Shah)

Partner

Membership No. 44093

Place : Ahmedabad

Date : 30.05.2013

(Suresh J. Patel)

Chairman & Managing Director

(Ankit S. Patel)

Executive Director

Place : Ahmedabad

Date : 30.05.2013

(Ashutosh B. Bhatt)

Company Secretary

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To,
The Board of Directors of Bodal Chemicals Ltd.

Report on the Financial Statements

We have audited the accompanying financial statements of Bodal Chemicals Limited ("the Company") and its subsidiaries ("the Group") which comprise the Consolidated Balance Sheet as at March 31, 2013, and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of other auditors on financial statement of the fellow Subsidiary Company referred to below in the other Matter paragraph , the accompanying Consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;
- b) in the case of the Consolidated Statement of Profit and Loss, of the loss of the Group for the year ended on that date and
- c) In the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matter

We did not audit the financial statements of fellow subsidiary company, whose financial statement reflect total assets (net) of Rs.486.52 lacs as at 31st March,2013,total revenues (net) of Rs.213.60 lacs and net cash inflows amounting to Rs. 3.09 Lacs for the year ended on that date as considered in the Consolidated Financial statements. These Financial Statement and other financial information have been audited by other auditor whose report have been furnished to us by the management, and our opinion, in so far as it relates to amounts and disclosures included in respect of Fellow subsidiary is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

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

Place : Ahmedabad
Date : 30/05/2013

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

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013

[Rs. in Lacs]

PARTICULARS	NOTE	As at 31st March, 2013	As at 31st March, 2012
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds :			
(a) Share Capital	4	3,732.15	2,182.15
(b) Reserves and Surplus	5	1,286.87	3,610.87
(2) Minority Interest			
		43.08	51.62
(3) Deferred Grant			
	6	22.37	27.65
(4) Non-Current Liabilities			
(a) Long-term borrowings	7	24,677.44	13,413.06
(b) Deferred Tax Liability (Net)	8	Nil	787.11
(5) Current Liabilities			
(a) Short-term borrowings	9	9,659.72	19,695.62
(b) Trade Payables	10	6,842.30	11,890.41
(c) Other Current Liabilities	11	1,356.00	5,731.94
(d) Short Term Provisions	12	23.61	93.95
TOTAL		47,643.54	57,484.38
II. ASSETS			
(1) Non - Current Assets :			
(a) Fixed Assets	13		
(i) Tangible Assets		26,622.34	27,771.31
(ii) Intangible Assets		83.99	99.43
(iii) Biological Assets		7.28	8.95
(iv) Capital work-in-progress		24.98	165.90
(b) Non-Current Investments	14	21.17	20.97
(c) Deferred Tax Assets (Net)	15	192.44	Nil
(d) Long Term Loans and Advances	16	622.89	686.35
(e) Other Non-current assets	17	792.04	732.91
(2) Current Assets			
(a) Inventories	18	6,420.90	7,949.20
(b) Trade Receivables	19	8,893.35	15,342.04
(c) Cash and Bank Balances	20	392.67	490.93
(d) Short - Term Loans & Advances	21	3,554.36	4,205.88
(e) Other Current Assets	22	15.13	10.51
TOTAL		47,643.54	57,484.38

Summary of Significant Accounting Policies 3

The notes are an integral part of the financial statements

As per our report of even date attached

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

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

 Place : Ahmedabad
 Date : 30.05.2013

For and on behalf of the Board of Directors

(Suresh J. Patel)
 Chairman & Managing Director

(Ankit S. Patel)
 Executive Director

 Place : Ahmedabad
 Date : 30.05.2013

(Ashutosh B. Bhatt)
 Company Secretary

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

[Rs. in Lacs]

PARTICULARS	NOTE	31st March, 2013	31st March, 2012
INCOME			
I. Revenue from operations	23	52,958.92	61,370.60
II. Other Income	24	390.51	149.82
Total Revenue (I+II)		53,349.43	61,520.42
EXPENDITURE			
Cost of materials consumed	25	33,871.03	40,205.55
Purchases of Stock-in Trade	26	1,963.14	5,370.23
Changes in Inventories of Finished Goods, Stock in Process and stock in Trade	27	1,620.59	112.74
Employee Benefits Expenses	28	3,242.54	3,301.99
Finance Costs	29	4,037.17	3,464.61
Depreciation and Amortisation expense	30	1,657.42	1,610.35
Other Expenses	31	10,263.96	12,041.17
Total Expenses		56,655.85	66,106.64
(Loss) / Profit Before Exceptional Items and Taxes		(3,306.42)	(4,586.22)
Exceptional Items	32	Nil	505.00
(Loss) / Profit Before Taxes		(3,306.42)	(4,081.22)
Tax Expenses			
Current Tax		Nil	Nil
Deferred Tax		(979.55)	(1,097.82)
Taxes of earlier years		5.67	Nil
		(973.88)	(1,097.82)
Less : MAT Credit Entitlement		Nil	Nil
		(973.88)	(1,097.82)
(Loss) / Profit After Taxes		(2,332.54)	(2,983.40)
Less : Share in (loss)/profit of Minority Interest		(8.54)	(4.96)
(Loss) / Profit After Taxes (After adjustment of Minority Interest)		(2,324.00)	(2,978.44)
Basic Earnings per Share of Face Value of Rs. 2/- each (in Rs.)		(2.13)	(2.88)
Diluted Earnings per Share of Face Value of Rs. 2/- each (in Rs.)		(2.13)	(2.88)

Summary of Significant Accounting Policies

3

The notes are an integral part of the financial statements

As per our report of even date attached

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

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

 Place : Ahmedabad
 Date : 30.05.2013

For and on behalf of the Board of Directors

(Suresh J. Patel)
 Chairman & Managing Director

(Ankit S. Patel)
 Executive Director

 Place : Ahmedabad
 Date : 30.05.2013

(Ashutosh B. Bhatt)
 Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2013

[Rs. in Lacs]

Particulars	Year Ended 31-03-2013	Year Ended 31-03-2012
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (loss) before Tax	(3,306.42)	(4,081.22)
Adjustment for		
Add : Depreciation and amortisation expense	1,657.42	1,610.35
Interest	4,037.17	3,464.61
Miscellaneous Expenditure w/o	6.41	9.91
Provision for Diminution in Investments	Nil	47.60
Foreign Currency Monetary Reserve	Nil	0.54
Loss on Sale of Assets	5.54	21.67
Less : Interest/Dividend/Rent received	101.25	76.08
Profit on sale of Intangible Assets	Nil	500.00
Grant Income	5.28	5.28
Operating profit before Working Capital Changes	2,293.59	492.10
Adjustment for :		
(Increase) / Decrease in Trade Receivables	6,448.50	(2,808.68)
(Increase) / Decrease in Inventories	1,528.30	1,236.71
(Increase) / Decrease in Loans & Advances, other current / non-current assets	1,027.06	(491.29)
Less : Increase / (Decrease) in Trade Payables	(9,768.28)	1,963.50
Cash generated from Operations	1,529.17	392.34
Direct Taxes Paid	9.17	313.34
Net Cash from Operating Activities (A)	1,520.00	79.00
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(548.93)	(2,291.26)
Decrease/(Increase) in Capital Work in Progress	140.85	(106.42)
Sale of Fixed Assets	52.03	526.21
Interest/Dividend/Rent received	101.25	76.08
Purchase of investment	(0.20)	(0.22)
Net Cash used in Investing Activities (B)	(255.00)	(1,795.61)
C CASH FLOW FROM FINANCING ACTIVITIES		
Increase / (Decrease) in Long Term Borrowings	11,264.39	(2,077.36)
Increase / (Decrease) in Short Term Borrowings	(10,035.90)	7,062.83
Equity Share Capital & Share Premium	Nil	145.95
Share Application Money	Nil	(10.10)
Capital Reserve on account of forfeiture of share warrants	Nil	760.86
Preference Share Capital	1,550.00	Nil
Interest Paid	(4,037.17)	(3,464.61)
Dividend Paid	(0.09)	(619.53)
Net Cash received from Financing Activities (C)	(1,258.77)	1,798.04
NET INCREASE/(DECREASE) IN CASH & EQUIVALENTS	6.23	81.43
CASH & CASH EQUIVALENTS- OPENING BALANCE	165.16	83.73
CASH & CASH EQUIVALENTS- CLOSING BALANCE	171.39	165.16

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
(Firm Registration No. 106109W)
Chartered Accountants

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

Place : Ahmedabad
Date : 30.05.2013

For and on behalf of the Board of Directors

(Suresh J. Patel)
Chairman & Managing Director

(Ankit S. Patel)
Executive Director

Place : Ahmedabad
Date : 30.05.2013

(Ashutosh B. Bhatt)
Company Secretary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

1: Background:

Bodal Chemicals Limited ('The Company') along with its subsidiary Bodal Agrotech Ltd. and Fellow Subsidiary Sun Agregenetics 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.

2: 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	
			31/03/2013	31/03/2012
Bodal Agrotech Limited	Subsidiary	India	100.00	100.00
Sun Agrigenetics Pvt. Ltd.	Fellow Subsidiary	India	51.00	51.00

3: 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.

The presentation of the accounts is based on the revised Schedule VI of the Companies Act, 1956. All assets and liabilities are classified in to current and non-current generally based on criteria of realization / settlement within twelve months period from the balance sheet date.

II) Use of Estimates

The preparation of the financial statements in conformity with Indian Generally Accepted Accounting Practices 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 recoverable taxes) 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.

III) Biological Assets

Biological Assets initial recognition at a cost of acquisition and each balance sheet date at its fair value less estimated point-of-sale cost include commission, levies and transfer duties and taxes. Any new born cattle are measured at its fair value.

Any Gain or Loss arising on change in fair value less point of sales cost is included in Profit or Loss.

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.

III) Biological Assets

Re Measurement on biological asset is provided on change in fair value less point of sales cost.

d) Capital Work-in-Progress

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

e) 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.

f) 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.

g) 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'.

h) 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.
- (iv) Premium or discount on forward contract, that are not intended for trading or speculation purposes, are amortized over the life of such contract and is recognized as an expense or income.

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. Sales represents the invoice value of goods and services provided to third parties net of discounts, excise duty, sales tax / value added tax and adjustments arising on analysis variances.

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) Other Income

Other incomes except dividend income are accounted on accrual basis. Dividend Income is recognised when the right to receive the dividend is established.

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, if applicable 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 insurance companies 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).

o) 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.

p) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year are adjusted for events such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding without a corresponding change in resources

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

q) Segment Accounting

Segment accounting policies are in line with the accounting policies of the Company. In addition, the following specific accounting policies have been followed for segment reporting:

- (i) Segment revenue includes sales and other income directly identifiable with/ allocable to the segment.
- (ii) Expenses that are directly identifiable with/ allocable to segments are considered for determining the segment result. Expenses which relate to the Company as a whole and not allocable to segments are included under "Un-allocable Corporate Expenditure".
- (iii) Income which relates to the Company as a whole and not allocable to segments is included in "Un-allocable Corporate Income".
- (iv) Segment assets and liabilities include those directly identifiable with the respective segments. Un-allocable Corporate Assets and Liabilities represent the assets and liabilities that relate to the Company as whole and not allocable to any segment.

r) Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

s) Operating Cycle

Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle to be less than 12 months.

(Rs. in Lacs)

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
4. SHARE CAPITAL		
Authorised Share Capital		
12,00,00,000 Equity Shares of Rs.2/- each (P.Y. 15,00,00,000 Equity Shares of Rs. 2/- each)	2,400.00	3,000.00
2,50,00,000 (P.Y. 40,00,000) Preference Share of Rs. 10/- each	2,500.00	400.00
	4,900.00	3,400.00
Subscribed & Paid up Share Capital		
10,91,07,370 Equity Shares of Rs. 2/- each (P. Y. 10,91,07,370 Equity Shares of Rs. 2/- each)	2,182.15	2,182.15
1,55,00,000 Pref. Shares of Rs. 10/- each (P.Y. Nil)	1,550.00	Nil
TOTAL	3,732.15	2,182.15

4.1 Authorised Share Capital of Rs. 34 crore comprising of Rs. 30 crores divided into 15,00,00,000 Equity shares of Rs. 2/- each and Rs. 4 crore divided into 40,00,000 Preference Shares of Rs. 10/- each have been reclassified into 12,00,00,000 Equity Shares of Rs. 2/- each and 1,00,00,000 Preference Shares of Rs. 10/- each aggregating to Rs. 34 crore.

4.2 Authorised Share Capital of Rs. 34 crore comprising of Rs. 24 crores divided into 12,00,00,000 Equity shares of Rs. 2/- each and Rs. 10 crore divided into 1,00,00,000 Preference Shares of Rs. 10/- each have been increased to Rs. 49 crores divided into 12,00,00,000 Equity Shares of Rs. 2/- each and 2,50,00,000 Preference Shares of Rs. 10/- each aggregating to Rs. 49 crore.

4.3 Out of total shares outstanding 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.

4.4 The details of shareholders holding more than 5% shares :

Name of Shareholder	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares	% held	No. of Shares	% held
Suresh J. Patel	3,33,45,151	30.57	3,33,45,151	30.57
Bhavin S. Patel	78,10,050	7.16	78,10,050	7.16
Ramesh P. Patel	66,35,299	6.08	66,35,299	6.08
Jayanti D. Patel	74,72,845	6.85	74,72,845	6.85

4.5 The details of shareholders holding more than 5% Preference shares :

Name of Shareholder	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares	% held	No. of Shares	% held
Shaunak S. Parikh	30,00,000	19.35	Nil	Nil
H & H Exports (Guj.) Pvt. Ltd.	20,00,000	12.90	Nil	Nil
Ashok G. Bansal	20,00,000	12.90	Nil	Nil
Karna A. Surti	15,00,000	9.68	Nil	Nil
Suresh J. Patel	11,50,000	7.42	Nil	Nil
Vasudev M. Shah	11,00,000	7.10	Nil	Nil
Centenary Polytex Pvt. Ltd.	10,00,000	6.45	Nil	Nil

4.6 The reconciliation of the number of shares outstanding is set out below :

Particulars	As at 31st March, 2013	As at 31st March, 2012
	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	109,107,370	99,511,510
Add : Shares issued on conversion of 19,19,172 share warrants	Nil	9,595,860
Equity Shares at the end of the year	109,107,370	109,107,370

4.7 The reconciliation of the number of Preference shares outstanding is set out below :

Particulars	As at 31st March, 2013 No. of Shares	As at 31st March, 2012 No. of Shares
Preference Shares at the beginning of the year	Nil	Nil
Add : Preference shares issued during the year	15,500,000	Nil
Preference Shares at the end of the year	15,500,000	Nil

4.8 The Company has only one class of equity shares having a par value of Rs. 2/- per share. Each shareholder is eligible for one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion of their shareholding.

4.9 The Company has only one class of non-convertible, non-cumulative redeemable preference shares having a par value of Rs. 10/- per share. Each shareholder shall have a right to attend general meeting of the company and vote on resolutions directly affecting their interest. In the event of liquidation, the preference shareholders shall be entitled to a preferential right of return of the amount paid up on the shares, but shall not have any further right or claim over the surplus asset of the company. The holder of these shares shall be entitled to receive dividend at fixed rate i.e. @ 9% on paid up value of shares subject to declaration of dividend by the company but do not have right to participate in surplus profit.

(Rs. in Lacs)

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
5. RESERVES & SURPLUS		
Investment Allowance Reserve - Utilised Account		
As per last Balance Sheet	4.77	4.77
Share Premium		
As per last Balance Sheet	2,220.36	1,203.20
Add : Share premium received on conversion of share warrants	Nil	1,017.16
	2,220.36	2,220.36
Capital Reserves		
As per last Balance Sheet	761.22	0.36
Add : On forfeiture of lapsed warrants	Nil	760.86
	761.22	761.22
Capital Reserve on consolidation		
As per last Balance Sheet	15.27	15.27
Capital Redemption Reserve Fund		
As per last Balance Sheet (The company had created said reserve due to redemption of Preference Shares at par.)	396.71	396.71
General Reserve :		
As per last Balance Sheet	1,383.81	1,383.81
Profit & Loss Account		
As per last Balance Sheet	(1,171.27)	1,807.17
Add : (Loss) / Profit During the year	(2,324.00)	(2,978.44)
	(3,495.27)	(1,171.27)
TOTAL	1,286.87	3,610.87

(Rs. in Lacs)

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
6. DEFERRED GRANT		
Grant From World Bank :	27.65	32.93
Less : Transfer to current year's Profit & Loss Account	(5.28)	(5.28)
TOTAL	22.37	27.65
7. LONG TERM BORROWINGS		
Secured		
Term loan from Banks	24,392.36	13,048.52
Unsecured		
Loan From Directors	0.50	Nil
Public Deposits	144.98	239.42
Trade Deposits	46.20	40.46
Loan From Members	37.72	37.72
From Others	55.68	46.94
TOTAL	24,677.44	13,413.06

7.1 Nature of Security and terms of repayment for Long Term secured borrowings:

Nature of Security	Terms of Repayment
Term loan amounting to Rs.1494.38 lacs (March 31, 2012:Rs.1727.45 lacs)	
Secured by 1st charge on immovable properties of the company situated at Plot No. 252,253,254 GIDC, Vatva and Plot No. 804 of Padra Unit and Hyp. of entire P&M and other equipment acquired through the term loan.	Repayable in 40 quarterly installments starting from April 2012.Last installment due in March, 2022. Rate of interest 15.25%. p.a. at year end(Previous year LIBOR +5.00% p.a. at year end)
Term loan amounting to Rs.4612.60 lacs (March 31, 2012:Rs.4694.15 lacs)	
Secured by 1st charge on immovable properties of the company situated at Plot No. 804 & Block No. 800, 803/1, 797, 796, 795, 532, 555, 556, 560, 561/1 and 525, Village Dudhavada, Taluka Padra, Vadodara and Hyp. of entire P&M and other equipment acquired through the term loan.	Repayable in 40 quarterly installments starting from April, 2012.Last installment due in March, 2022. Rate of interest 15.50 % at year end (Previous year LIBOR + 4.50% at year end)
Term loan amounting to Rs.4358.59 lacs (March 31, 2012:Rs.4588.44 lacs)	
Secured by 1st charge on immovable properties of the company situated at Plot No. 804 & Block No. 800, 803/1, 797, 796, 795, 532, 555, 556, 560, 561/1 and 525, Village Dudhavada, Taluka Padra, Vadodara and Hyp. of entire P&M and other equipment acquired through the term loan.	Repayable in 40 quarterly installments starting from April, 2012.Last installment due in March, 2022. Rate of interest 15.00%. p.a. at year end(Previous year 14.75 % p.a.)
Working Capital Term loan amounting to Rs.384.50 lacs (March 31, 2012:Rs.402.02 lacs)	
Secured by 1st pari pasu charge on entire current assets of the company	Repayable in 40 quarterly installments starting from April, 2012.Last installment due in March, 2022. Rate of interest 15.75% p.a.as at year end. (Previous year 14.50% p.a.)
Working Capital Term loan amounting to Rs.2090.38 lacs (March 31, 2012:Rs.2100.00 lacs)	
Secured by 1st pari pasu charge on entire current assets of the company	Repayable in 120 monthly installments starting from April, 2012.Last installment due in March, 2022. Rate of interest 15.25% p.a.as at year end. (Previous year 15.00% p.a.)

Nature of Security	Terms of Repayment
Working Capital Term loan amounting to Rs.Nil (March 31, 2012:Rs.101.40 lacs)	
Secured by 1st pari pasu charge on entire current assets of the company	Already paid. Last installment paid in May, 2012. Rate of interest 14.90% p.a. (Previous year 14.90% p.a.)
Working Capital Term loan amounting to Rs.3578.00 lacs (March 31, 2012:Rs.Nil)	
Secured by 1st pari pasu charge on entire current assets of the company	Repayable in 120 monthly installments starting from April, 2012.Last installment due in March, 2022. Rate of interest 10.25% p.a.as at year end. (Previous year: Nil)
Working Capital Term loan amounting to Rs.5885.90 lacs (March 31, 2012:Rs.Nil)	
Secured by 1st pari pasu charge on entire current assets of the company	Repayable in 120 monthly installments starting from April, 2012.Last installment due in March, 2022. Rate of interest 10.25% p.a.as at year end. (Previous year: Nil)
Funded Interest Term loan amounting to Rs.1031.84 lacs (March 31, 2012:Rs.Nil)	
Secured by 1st pari pasu charge on entire current assets of the company	Repayable in 72 monthly installments starting from April, 2013.Last installment due in March, 2019. Rate of interest 10.25% p.a.as at year end. (Previous year: Nil)
Funded Interest Term loan amounting to Rs.1504.69 lacs (March 31, 2012:Rs.Nil)	
Secured by 1st pari pasu charge on entire current assets of the company	Repayable in 72 monthly installments starting from April, 2013.Last installment due in March, 2019. Rate of interest 10.25% p.a.as at year end. (Previous year: Nil)
Vehicle loan amounting to Rs.73.17 lacs (March 31, 2012:Rs.126.20 lacs)	
Secured by Hire Purchase agreement for Vehicles.	Repayable in monthly installments. Interest rate from 9% to 12%

7.2 Term Loans availed by the holding company are collaterally further secured by equitable mortgage on Immovable property and Hyp. Of P&M of the company. It is further secured by personal guarantees of the Chairman and Managing Director, Executive directors and an ex-Executive Director. It is further secured by pledge of equity shares of the company held by the promoters (excluding 2 NRI promoters).

7.3 Maturity profile and Rate of interest of Public Deposit are as set out below (Rs. In Lacs)

Rate of Interest	Maturity Profile	
	2013-14	2014-15
9.00%	Nil	125.00
11.00%	1.30	Nil
11.25%	1.45	Nil
11.50%	7.80	7.18
11.75%	6.89	12.80
12.00%	Nil	25.79

7.4 Installments falling due in respect of all the above Loans upto 31/03/2014 have been grouped under "Current maturities of long-term debt".

7.5 CDR Empowered Group (CDR EG) vide their letter dated December 17, 2012 ('CDR Letter') approved the Company's financial restructuring package under the corporate debt restructuring mechanism (CDR) effective from April 1, 2012. As per the above mentioned restructuring package, Preference Share contribution received from promoters, relatives & friends, aggregating to Rs. 155,000,000/- has been disclosed as Preference Share Capital. On approval of the CDR, various bank limits are restructured including repayment schedule for the same and accordingly, Rs. 222,995,737/- related to previous year has been regrouped from "Current Maturities of Long Term Debt" to "Long Term Borrowings."

(Rs. in Lacs)

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
8. DEFERRED TAX LIABILITY (NET)		
Deferred Tax Liability on account of Depreciation allowable	Nil	3,204.56
Deferred Tax Asset on account of Unabsorbed Depreciation & c/f loss	Nil	(2,382.57)
Employee Benefits	Nil	(34.88)
TOTAL	Nil	787.11
9. SHORT TERM BORROWINGS		
Secured		
Cash Credit Facility	1,969.88	6,561.43
Packing Credit Facility	3,486.01	4,515.21
Bills Discounting Facility	3,406.47	6,078.63
Overdraft against Fixed Deposits	3.86	Nil
Working Capital Demand Loan	493.50	Nil
Buyers Credit Facility	Nil	2,281.22
Unsecured		
Loans From Corporates	300.00	250.00
Trade Deposits	Nil	9.13
TOTAL	9,659.72	19,695.62

9.1 Cash Credit Facility and Packing Credit Facility of holding company are primarily secured by Hyp. Of Stock of Raw material, Work in Process, Finished Goods and Book Debts of the company.

9.2 Bills discounting facility of holding company is primarily secured by hyp. of bills drawn under letter of credit.

9.3 Buyers' Credit facility of holding company is primarily secured by hyp. Of stocks received under letter of credit.

9.4 Cash Credit, Packing Credit, Bill Discounting and Buyers Credit facility of holding company are collaterally 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, Executive directors and an ex-executive Director. It is further secured by pledge of equity shares of the company held by the promoters (excluding 2 NRI promoters).

9.5 Working Capital facilities of wholly owned subsidiary company is Primarily Secured by Hyp. of all stocks, receivables and entire current assets of subsidiary company and collaterally secured by pledge of Shares of Bodal Chemicals Ltd. in the name of Director. Further, it is secured by personnel guarantees of promoter Directors.

9.6 Cash Credit facilities of fellow subsidiary is secured against present & future stock and book debts on pari passu basis. Overdraft facility is secured against fixed deposit held in the name of the company.

(Rs. in Lacs)

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
10. TRADE PAYABLES		
For Goods	4,426.28	8,651.00
For Others	2,416.02	3,239.41
TOTAL	6,842.30	11,890.41

10.1 Other Trade payables represents amount payable to various parties for packing material, consumables and expenses.

10.2 The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to amount unpaid as at year end together with interest paid payable under this Act have not been given.

PARTICULARS	(Rs. in Lacs)	
	As at 31st March, 2013	As at 31st March, 2012
11. OTHER CURRENT LIABILITIES		
Advance Received from Customer	270.40	925.87
Current Maturities of Long Term Debt	711.88	1,358.36
Creditors for Capital Goods	99.47	341.54
Other Current Liabilities	163.90	2,910.26
Unclaimed Dividends *	22.31	22.40
Unclaimed Share Application Money *	0.40	0.41
Statutory Liabilities #	87.64	173.10
TOTAL	1,356.00	5,731.94

* There are no amounts due for payment to the Investor Education and Protection Fund Under Section 205C of the Companies Act, 1956 as at the year ended.

Statutory liabilities represent amounts payable towards VAT, CST, Excise duty and TDS etc.

PARTICULARS	(Rs. in Lacs)	
	As at 31st March, 2013	As at 31st March, 2012
12. SHORT TERM PROVISIONS		
Provision for Employee Benefits	22.25	93.33
Other Expenses payables	0.52	Nil
Provision for Wealth Tax	0.84	0.62
TOTAL	23.61	93.95

Name of the Asset	GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET BLOCK	
	As At	Addition	Deduction/ Adjustments	As At	As At	Addition	Deduction/ Adjustments	As At	As At	As At
	01-04-12	31-03-13	01-04-12	31-03-13	31-03-13	31-03-13	31-03-13	31-03-13	31-03-13	31-03-12
Tangible :										
Land and Land Development	945.71	Nil	Nil	945.71	Nil	Nil	Nil	Nil	945.71	945.71
Agricultural Land	2.50	Nil	Nil	2.50	Nil	Nil	Nil	Nil	2.50	2.50
Factory Building	7,580.69	91.99	Nil	7,672.68	721.38	251.44	Nil	972.82	6,699.86	6,859.31
Laboratory Building	37.50	0.42	Nil	37.92	7.56	0.49	Nil	8.05	29.87	29.94
Office Building	155.52	0.04	Nil	155.56	13.51	2.54	Nil	16.05	139.51	142.01
Road & Storage at Site	2.87	24.75	Nil	27.62	0.60	1.28	Nil	1.88	25.74	2.27
Green House Site	57.07	0.46	Nil	57.53	12.31	2.15	Nil	14.46	43.07	44.76
Plant & Machinery	24,006.06	365.20	23.38	24,347.88	5,495.75	1,263.58	6.11	6,753.22	17,594.66	18,510.31
Gaushala Borwell	1.08	Nil	Nil	1.08	0.01	0.02	Nil	0.03	1.05	1.07
Building Shade	16.62	0.56	Nil	17.18	0.25	0.57	Nil	0.82	16.36	16.37
Furniture & Fixture	470.19	23.68	19.21	474.66	106.29	28.73	1.43	133.59	341.07	363.90
Office Equipment	186.93	10.82	12.02	185.73	69.75	17.62	2.00	85.37	100.36	117.18
Dies	0.99	Nil	Nil	0.99	0.06	0.11	Nil	0.17	0.82	0.93
Vehicles	420.49	27.19	18.24	429.44	149.86	41.93	5.73	186.06	243.38	270.63
E.T.P.	371.07	1.78	Nil	372.85	85.70	19.63	Nil	105.33	267.52	285.37
Laboratory equipments	215.98	2.04	Nil	218.02	36.93	10.23	Nil	47.16	170.86	179.05
Total	34,471.27	548.93	72.85	34,947.35	6,699.96	1,640.32	15.27	8,325.01	26,622.34	27,771.31
Total - Previous Year	32,307.22	2,232.65	68.60	34,471.27	5,133.64	1,587.04	20.72	6,699.96	27,771.31	27,173.58
Intangible :										
Good will	1,046.80	Nil	Nil	1,046.80	1,046.80	Nil	Nil	1,046.80	Nil	Nil
Computer Software	24.45	-	Nil	24.45	8.41	4.89	Nil	13.30	11.15	16.04
Membership fees	101.73	Nil	Nil	101.73	19.82	10.17	Nil	29.99	71.74	81.91
Trade Mark	0.91	Nil	Nil	0.91	0.18	0.18	Nil	0.36	0.55	0.73
Website	0.92	Nil	Nil	0.92	0.18	0.19	Nil	0.37	0.55	0.74
Total	1,174.81	-	Nil	1,174.81	1,075.39	15.43	Nil	1,090.82	83.99	99.42
Total - Previous Year	1,127.16	47.65	Nil	1,174.81	1,054.09	21.29	Nil	1,075.38	99.43	73.07
Biological :										
Dairy Cows	10.95	Nil	Nil	10.95	2.00	1.67	Nil	3.67	7.28	8.95
Total	10.95	Nil	Nil	10.95	2.00	1.67	Nil	3.67	7.28	8.95
Previous Year	Nil	10.95	Nil	10.95	Nil	2.00	Nil	2.00	8.95	Nil
Total	35,657.03	548.93	Nil	36,133.11	7,777.35	1,657.42	15.27	9,419.50	26,713.61	27,879.68
Previous Year	33,434.38	2,291.25	68.60	35,657.03	6,187.73	1,610.33	20.72	7,777.34	27,879.69	27,246.65
Capital Work in Progress									24.98	165.90
TOTAL FIXED ASSETS									26,738.59	28,045.58

13. FIXED ASSETS

(Rs. in Lacs)

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
14. NON - CURRENT INVESTMENTS		
LONG TERM INVESTMENTS		
TRADE INVESTMENTS		
A Quoted		
100 (P.Y. 100) Equity Shares of Beta Nephthol Ltd. of Rs. 10/- Each Fully Paid Up	0.03	0.03
50,000 (P.Y. 50,000) Equity Shares of Dynamic Industries Ltd. of Rs. 10/- Each Fully Paid Up	52.05	52.05
	52.08	52.08
Less : Provision for dimunition in Investments	47.63	47.63
TOTAL	4.45	4.45
B Unquoted		
250 (P.Y.250) Equity Shares of Green Environment Ser. Co-op.Soc. Ltd. of Rs. 100/- each Fully Paid Up	0.25	0.25
112,350 (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
3,322 (P.Y.3,122) Equity Shares of The Bhagoydaya Co-op. Bank Ltd. of Rs. 100/- Each Fully Paid Up	3.32	3.12
10,200 (P.Y.10,200) Equity Shares of Panoli Enviro Technology Ltd. of Rs. 10/- Each Fully Paid Up	1.02	1.02
3,542 (P.Y.3,542) Equity Shares of Makarpura Ind.Est. Co-op. Bank Ltd. of Rs. 25/- Each Fully Paid Up	0.89	0.89
TOTAL.....	16.72	16.52
TOTAL OF TRADE INVESTMENTS.....	21.17	20.97
Aggregate of Quoted Investments:		
At Book value	4.45	4.45
At Market Price	4.25	4.45
Aggregate of Unquoted Investments:	16.72	16.52
Aggregate provision for diminution in value of investments	47.63	47.63
15. DEFERRED TAX ASSETS (NET)		
Deferred Tax Liability on account of Depreciation allowable	(3,423.46)	Nil
Deferred Tax Asset on account of Unabsorbed Depreciation & c/f loss	2,786.57	Nil
Employee Benefits	13.42	Nil
Funded Interest Term Loan	815.91	Nil
TOTAL	192.44	Nil

PARTICULARS	(Rs. in Lacs)	
	As at 31st March, 2013	As at 31st March, 2012
16. LONG TERM LOANS & ADVANCES (Unsecured and Considered Good)		
Capital Advances	3.71	7.20
Security Deposits	55.48	68.97
Other Advances		
Balance With Statutory Authorities	227.90	219.20
Advance Income Tax (Net)	237.43	236.44
Staff Advances	20.68	46.75
Others*	77.69	107.79
TOTAL	622.89	686.35
* Others include Advance to others and Insurance Claim receivable.		
17. OTHER NON-CURRENT ASSETS		
MAT Credit Entitlement	704.51	704.51
Cash seized by the Income Tax Department	9.87	9.87
Term Deposits with maturity of more than twelve months	77.66	18.53
TOTAL	792.04	732.91
18. INVENTORIES		
Raw Materials	1,890.50	1,638.29
Raw Materials in Transit	200.61	383.08
Stock of Cattle Feed & Packing Materials	0.71	1.28
Finished Goods	452.39	1,141.70
Finished Goods in Transit	88.88	13.71
Traded Goods	3.76	65.06
Stock In Process	3,358.25	4,364.66
Packing Materials	152.58	113.72
Packing Materials in Transit	1.44	Nil
Stock of Fuel	24.69	31.79
Stores and Spares	247.09	195.91
TOTAL	6,420.90	7,949.20
19. TRADE RECEIVABLES		
Trade receivables outstanding for a period exceeding six months from the due date for payment		
Unsecured & Considered Good	1,232.31	625.11
Trade receivables outstanding for a period less than six months from the due date for payment		
Unsecured & Considered Good	7,661.04	14,716.93
TOTAL	8,893.35	15,342.04

(Rs. in Lacs)

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
20. CASH AND BANK BALANCES		
Cash & Cash Equivalents		
Cash on hand	24.06	29.27
Balance with Banks	147.33	135.89
	171.39	165.16
Other Bank Balances		
Term Deposits with original maturity of more than three months but less than twelve months	198.57	302.97
Unclaimed Dividend Accounts	22.31	22.40
Unclaimed Share Application Account	0.40	0.40
	221.28	325.77
TOTAL	392.67	490.93
21. SHORT TERM LOANS & ADVANCES (Unsecured & considered good unless otherwise stated)		
Advance Receivable in cash or kind		
Advance to Suppliers		
For Goods	590.60	581.33
For Expenses	24.97	36.07
Other Advances		
Balance with Statutory Authorities	2,043.32	2,519.61
Staff Advances	17.54	39.79
Others*	877.93	1,029.08
TOTAL	3,554.36	4,205.88
* Others include Export Benefit receivable, Advance to others, Tour Advances and Prepaid Expenses.		
22. OTHER CURRENT ASSETS		
Deferred Revenue Expenses	6.41	12.81
Less : Transferred to P & L Account	6.41	6.40
	Nil	6.41
Unamortised Premium on Forward Contracts	15.02	3.98
Other Current Assets	0.11	0.12
TOTAL	15.13	10.51

PARTICULARS	(Rs. in Lacs)	
	2012-2013	2011-2012
23. REVENUE FROM OPERATIONS		
Sale of products	56,694.46	64,936.05
Less : Excise Duty	4,507.09	4,593.72
Sale of products (net)	52,187.37	60,342.33
Other Operating Income	771.55	1,028.27
TOTAL	52,958.92	61,370.60
24. OTHER INCOME		
Interest Income	99.22	74.58
Dividend Income	2.03	1.50
Grant Income	5.28	5.28
Premium / Discount on Forward Contracts	131.22	55.93
Other Income	152.76	12.53
TOTAL	390.51	149.82
25. COST OF MATERIALS CONSUMED		
RAW MATERIAL CONSUMPTION		
Opening Stock	2,021.76	2,872.35
Add. Purchases during the year	33,941.09	39,354.96
	35,962.85	42,227.31
Less : Closing Stock	2,091.82	2,021.76
TOTAL	33,871.03	40,205.55
26. PURCHASE OF STOCK IN TRADE		
Purchase of Stock in Trade	1,963.14	5,370.23
TOTAL	1,963.14	5,370.23
27. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN PROCESS AND STOCK IN TRADE		
Closing Stock Finished Goods	541.27	1,155.42
Closing Stock In Process	3,358.25	4,364.66
Closing Stock of Stock - in Trade	3.76	65.06
TOTAL (A)	3,903.28	5,585.14
Less : Opening Stock Finished Goods	1,155.42	2,155.89
Opening Stock In Process	4,364.66	3,545.07
Opening Stock of Stock - in Trade	65.06	109.77
TOTAL (B)	5,585.14	5,810.73
TOTAL (A) - (B)	(1,681.86)	(225.59)
Add / (Less) : Variation in Excise Duty on Closing and Opening Stock of Finished Goods	61.27	112.85
TOTAL	(1,620.59)	(112.74)

(Rs. in Lacs)

PARTICULARS	2012-2013	2011-2012
28. EMPLOYEE BENEFIT EXPENSES		
Salary, Wages & Bonus	2,957.81	3,014.16
Contribution to Provident & Other Funds	141.82	140.33
Staff Welfare Expenses	142.91	147.50
TOTAL	3,242.54	3,301.99
29. FINANCE COSTS		
Bank Interest	3,530.58	2,889.65
Other Borrowing Cost	334.51	244.43
Other Interest Expenses	172.08	330.53
TOTAL	4,037.17	3,464.61
30. DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation	1,640.32	1,587.06
Amortisation of Intangible Assets	15.43	21.29
Remeasurement of Biological Assets	1.67	2.00
TOTAL	1,657.42	1,610.35
31. OTHER EXPENSES		
Manufacturing Expenses		
Power & Fuel Consumption	4,232.05	4,734.45
Stores Consumption	532.88	747.28
Repairs to		
Machinery	758.70	815.65
Building	65.96	44.25
Pollution Control Expenses	480.96	611.91
Insurance Expenses	26.69	26.26
Other Manufacturing Expenses	232.52	289.74
Administrative & General Expenses		
Insurance Expenses	12.56	9.93
Rent & Tax	72.18	76.77
Legal & Professional Fees	252.60	219.90
Loss on Disposal of Assets	5.54	21.67
Provision for diminution in investments	Nil	47.60
Exchange Rate Difference (Net)	975.80	749.17
Miscellaneous Expenses	437.54	544.38
Selling & Distribution Expenses		
Packing Material Consumption	524.05	749.54
Clearing & Forwarding Charges	578.14	544.39
Sales Commission	390.77	735.89
Outward Freight Expenses	421.71	602.16
Bad Debts Written off	10.33	139.33
Other Selling and Distribution expenses	252.98	330.90
TOTAL	10,263.96	12,041.17

(Rs. in Lacs)

PARTICULARS	2012-2013	2011-2012
32. EXCEPTIONAL ITEMS		
Profit on Sales of Intangible Assets	Nil	500.00
Reversal of Business Development Expenses	Nil	5.00
TOTAL	Nil	505.00

33. Contingent Liabilities not provided in respect of:

(Rs. In lacs)

Nature of Liabilities	2012-13	2011-12
a. Disputed matters in appeals/contested in respect of:		
I) Income Tax	248.05	248.05
II) Excise	17.38	20.21
III) Service Tax	96.44	96.67
IV) Customs Department	11.71	10.11
b. Letter of credit	780.94	264.15
c. Estimated amount of Contracts, remaining to be executed on capital account (net of advances)	0.41	3.54
d. Bank Guarantee	367.01	423.63

34. The holding 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 the company has capitalized foreign exchange loss of Rs. 81.08 lacs in the current year in respect of foreign currency loans, consequently, loss for the year is lower by the equivalent amount. The holding company had capitalised the foreign exchange loss of Rs. 1488.03 lacs in respect of foreign currency loans in the fixed assets upto the previous year.

35. Grant from World Bank

Grant from World Bank has 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.

36. Donations to Political Parties

(Rs. In lacs)

Particulars	2012-13	2011-12
Indian National Congress (Gujarat Pradesh Congress Committee)	Nil	7.00
Bharatiya Janata Party	Nil	2.00

37. Related Party Disclosure**a) Names of related parties and nature of relationship****I. Key Management Personnel (KMP)**

- 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 (till 01/10/2012)
- Smt. Meenaben S. Patel Relative of Director
- Shri Prashant Bhatt Director
- Smt. Daksha Bhatt Director
- Ms. Sachi Bhatt Relative of Director

II. Enterprise under significant influence of key management personnel (Enterprise)

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

b) Transactions with related parties (Rs. In lacs)

Related party disclosure	Relationship	for the year ended 31/03/2013	for the year ended 31/03/2012
Remuneration			
Shri Suresh J. Patel	KMP	48.00	48.00
Shri Bhavin S. Patel	KMP	18.00	18.00
Shri Ankit S. Patel	KMP	18.00	18.00
Shri Ramesh P. Patel	KMP	9.00	9.00
Shri Prashant Bhatt	KMP	5.40	1.90
Smt. Daksha Bhatt	KMP	4.75	1.80
Loan Taken			
Shri Suresh J. Patel	KMP	400.00	335.00
Shri Ankit S. Patel	KMP	Nil	322.83
Shri Ramesh P. Patel	KMP	Nil	35.38
Loan Repaid			
Shri Suresh J. Patel	KMP	399.50	335.00
Shri Ankit S. Patel	KMP	Nil	322.83
Shri Ramesh P. Patel	KMP	Nil	35.38
Siskaa Chemicals Ltd.	Enterprise	Nil	3.10
Purchases of Materials			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	172.09	163.84
Siskaa Chemicals Ltd.	Enterprise	4603.08	4663.31
Purchases of Assets			
Greenbay Associates	Enterprise	Nil	6.00
Salary Paid			
Shri Ramesh P. Patel	KMP	9.00	Nil
Ms. Sachi Bhatt	KMP	1.92	1.92
Rent paid			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	0.60	1.20
Smt. Meenaben S. Patel	KMP	0.12	0.10
Cash Discount Paid			
Siskaa Chemicals Ltd.	Enterprise	9.12	Nil
Commission Paid			
Siskaa Chemicals Ltd.	Enterprise	1.09	2.18
Interest Paid			
Siskaa Chemicals Ltd.	Enterprise	Nil	0.36
Freight Paid			
Siskaa Chemicals Ltd.	Enterprise	Nil	0.37
Sales of Materials			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	115.12	203.28
Siskaa Chemicals Ltd.	Enterprise	4074.29	3119.45
Amounts Payable			
Siskaa Chemicals Ltd.	Enterprise	214.90	1111.46
Shri Suresh J. Patel	KMP	0.70	0.20
Smt. Meenaben S. Patel	KMP	0.22	0.10
Amounts Receivable			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	34.08	221.41

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.

38. Segment Reporting:
a) Information about Primary Business Segment
(Previous Year's figures are given in Italic format)
(Rs. In lacs)

Particulars	Dyes, Dyes Intermediates and Basic Chemicals	Others	Unallocated	Total
Revenue From Operations	52,383.41	575.51	-	52,958.92
	<i>60,334.62</i>	<i>1,035.98</i>	-	<i>61,370.60</i>
Total Segment Revenue	52,383.41	575.51	-	52,958.92
	<i>60,334.62</i>	<i>1,035.98</i>	-	<i>61,370.60</i>
Add : Other Income	-	-	390.51	390.51
	-	-	<i>149.82</i>	<i>149.82</i>
Total Revenue	52,383.41	575.51	390.51	53,349.43
	<i>60,334.62</i>	<i>1,035.98</i>	<i>149.82</i>	<i>61,520.42</i>
Segment Result	443.66	(103.42)	-	340.24
	<i>(1,143.35)</i>	<i>(128.08)</i>	-	<i>(1,271.43)</i>
Add : Other Income	-	-	390.51	390.51
	-	-	<i>149.82</i>	<i>149.82</i>
Less : Finance Cost	-	-	(4,037.17)	(4,037.17)
	-	-	<i>(3,464.61)</i>	<i>(3,464.61)</i>
(Loss) / Profit Before Exceptional Items and Taxes	443.66	(103.42)	(3,646.66)	(3,306.42)
	<i>(1,143.35)</i>	<i>(128.08)</i>	<i>(3,314.79)</i>	<i>(4,586.22)</i>
Exceptional Income	-	-	-	-
	<i>505.00</i>	-	-	<i>505.00</i>
(Loss) before Tax	443.66	(103.42)	(3,646.66)	(3,306.42)
	<i>(638.35)</i>	<i>(128.08)</i>	<i>(3,314.79)</i>	<i>(4,081.22)</i>
Provision for Taxation	-	-	(973.88)	(973.88)
	-	-	<i>(1,097.81)</i>	<i>(1,097.81)</i>
(Loss) / Profit after Tax before share of Minority Interest	443.66	(103.42)	(2,672.78)	(2,332.54)
	<i>(638.35)</i>	<i>(128.08)</i>	<i>(2,216.98)</i>	<i>(2,983.41)</i>
Share in (loss)/profit of Minority Interest	-	-	-	(8.54)
	-	-	-	<i>(4.96)</i>
(Loss) / Profit After Taxes (After adjustment of Minority Interest)	-	-	-	(2,324.00)
	-	-	-	<i>(2,978.44)</i>
Segment Assets	46,997.17	646.37	-	47,643.54
	<i>(56,762.08)</i>	<i>(722.30)</i>	-	<i>(57,484.38)</i>
Segment Liabilities	41,768.06	791.02	-	42,559.08
	50,965.41	646.68	-	51,612.09
Total Liabilities	41,768.06	791.02	-	42,559.08
	50,965.41	646.68	-	51,612.09
Capital Expenditure	492.31	56.62	-	548.93
	<i>(2,171.77)</i>	<i>(144.24)</i>	-	<i>(2,316.01)</i>
Depreciation & Amortization	1,642.82	14.60	-	1,657.42
	<i>(1,600.38)</i>	<i>(9.97)</i>	-	<i>(1,610.35)</i>
Non-Cash Expenditure other than depreciation and amortization	6.40	-	-	6.40
	<i>(6.40)</i>	<i>(1.90)</i>	-	<i>(8.30)</i>

Notes :

Business Segments

The Company has considered business segment as the primary segment for disclosure. The products included in each of the reported domestic business segments are as follows:

- 1) Dyes, Dyes Intermediates and Basic Chemicals
- 2) Others which include trading of fruits and vegetables, production of tissue culture plants etc.

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

	2012-13	2011-12
Sales and Operating Income:-		
India	33082.52	38135.84
Outside India	19876.40	23234.76
Total	52958.92	61370.60

39. Employees' Benefits
a) Defined Benefit Plan

Gratuity:

The holding 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 LIC and Star Union Dai-ichi in the form of qualifying insurance policy.

The following table summarizes 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 31/03/2013	As on 31/03/2012
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	75.90	54.53
Interest cost	6.07	4.36
Current Service Cost	26.00	24.13
Benefits Paid	(1.39)	(1.87)
Actuarial (gain)/Loss on obligations	(2.24)	(5.25)
Present value of obligations as at end of year	104.34	75.90
3 Table showing changes in the fair value of plan assets		
Fair value of plan assets at beginning of year	91.25	85.49
Expected return on plan assets	5.89	7.63
Contributions	5.00	Nil
Benefits paid	(1.39)	(1.87)
Actuarial Gain / (Loss) on Plan assets	Nil	Nil
Fair value of plan assets at the end of year	100.75	91.25

	(Rs. In lacs)	
	As on 31/03/2013	As on 31/03/2012
4 Table showing fair value of plan assets		
Fair value of plan assets at beginning of year	91.25	85.49
Actual return on plan assets	5.89	7.63
Contributions	5.00	Nil
Benefits Paid	(1.39)	(1.87)
Fair value of plan assets at the end of year	100.75	91.25
Funded status	(3.59)	15.35
Excess of Actual over estimated return on plan assets (Actual rate of return = Estimated rate of return as ARD falls on 31st March)	Nil	Nil
5 Actuarial Gain/Loss recognized		
Actuarial gain/(Loss) for the year –Obligation	2.24	5.25
Actuarial (gain)/Loss for the year - plan assets	Nil	Nil
Total (gain)/Loss for the year	(2.24)	(5.25)
Actuarial (gain)/Loss recognized in the year	(2.24)	(5.25)
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	104.34	75.90
Fair value of plan assets as at the end of the year	100.75	91.25
Funded status	(3.59)	15.35
Net Asset/(liability) recognized in balance sheet	3.59	(15.35)
7 Expenses Recognised in statement of Profit & loss		
Current Service cost	26.00	24.13
Interest Cost	6.07	4.36
Expected return on plan assets	(5.89)	(7.63)
Net Actuarial (gain)/Loss recognised in the year	(2.24)	(5.25)
Expenses recognised in statement of Profit & loss	23.94	15.61

b) Defined Contribution Plan

The Group 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	93.43
Employer's contribution to E.S.I.	21.89

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.

40. Earnings per Equity Share

Basic and Diluted Earnings per equity share are recorded in accordance with Accounting Standard -20 "Earnings per Share". Earnings per Share is calculated by dividing the (loss) / 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 earnings per Equity Shares are stated below.

	(Rs. In lacs)	
	2012-13	2011-12
Net (Loss) / Profit after Tax before exceptional items	(2324.00)	(3483.44)
Less : Exceptional Items	Nil	505.00
Net (Loss) / Profit after Tax after exceptional items	(2324.00)	(2978.44)
Less : Dividend on Preference Shares	Nil	N.A.
Net (Loss) / Profit after Tax	(2324.00)	(2978.44)
Weighted average number of Equity Shares for basic EPS		
a) Existing No. of Equity Shares	109,107,370	109,107,370
b) Weighted average number of Equity Shares	109,107,370	103,270,984
Basic and Diluted Earnings per Share before exceptional items (in Rs.)	(2.13)	(3.37)
Basic and Diluted Earnings per Share after exceptional items (in Rs.)	(2.13)	(2.88)
Nominal Value per Share (in Rs.)	2	2

41. Foreign Currency Exposure

The holding company has entered into following forward exchange contracts that are outstanding as at 31st March, 2013 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	40.07	2179.48
Forward Contract	USD	Buy	20.50	1114.88

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

Details of unhedged foreign currency exposure as on 31-03-2013.

Particulars	Currency	Foreign Currency Value (in Lacs)	Foreign Currency Value (Rs. in Lacs)
Debtors	EURO	€ 0.96	Rs. 66.99
Debtors	USD	\$ 2.41	Rs.131.03
Creditors for Foreign Commission	EURO	€ 0.24	Rs. 16.90
Creditors for Foreign Commission	USD	\$ 2.91	Rs. 158.31
Packing Credit Loans	USD	\$ 47.35	Rs. 2575.29

42. On February 9 & 10, 2012 the Company, along with promoters and other related parties, were subject to Search, Survey and seizure operation by the income Tax department under section 132/133 of Income Tax Act 1961 ("the Act") The Company had during the year received notice u/s153A for filing return of income for six financial years preceding to financial year 2011-12 the year of search. The company had already filed return of income for the respective 6 years in response to notice u/s 153A.

The company has till date made disclosure of Rs.1081.23 lacs under section 132(4) of the Act of which Rs. 505 Lacs has been accepted by the company and said income were shown as "Exceptional Items" in statement of profit and loss for year ended 31-03-2012. Balance Rs. 576.23 lacs though covered under disclosure have not been accepted by the company. However the same has been shown as additional income in return of income filed for respective years to buy peace & to avoid litigation. There hasn't been any monetary tax implication of such income due to availability of additional unabsorbed depreciation arising out of order giving appeal effect of "Income Tax Appellate Tribunal" in favour of erstwhile amalgamated company "Milestone Organic Limited".

Due to above, necessary adjustments have also been made in the calculation of deferred tax. The deferred tax calculation has been made as on 31-03-2013 keeping in view the additional income offered by the company & additional unabsorbed depreciation available as mentioned above.

43. Previous year's figures have been rearranged and reclassified wherever necessary.

As per our report of even date attached

For, Mayank Shah & Associates

(Firm Registration No. 106109W)

Chartered Accountants

(M.S. Shah)

Partner

Membership No. 44093

Place : Ahmedabad

Date : 30.05.2013

For and on behalf of the Board of Directors

(Suresh J. Patel)

Chairman & Managing Director

(Ankit S. Patel)

Executive Director

(Ashutosh B. Bhatt)

Company Secretary

Place : Ahmedabad

Date : 30.05.2013

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	31.03.2013	31.03.2013
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 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	-202.83	-8.90
	(b) not dealt with in the account of the holding company	NIL	-8.54
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	NIL	10.00
	Reserve & Surplus	-361.12	79.45
	Total Assets	316.38	486.52
	Total Liabilities	316.38	486.52
	Investments	51.66	NIL
	Total Income	379.05	213.61
	Loss Before Tax	-202.83	-17.44
	Provision for Tax (Deferred Tax Assets)	NIL	NIL
	Loss After Tax	-202.83	-17.44

BODAL CHEMICALS LIMITED

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

ATTENDANCE SLIP27th ANNUAL GENERAL MEETING -Monday, 30th September, 2013 at 5.00 P.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 27th Annual General Meeting of the Company, held at ATMA, Auditorium, Opp. Old RBI Office, Ashram Road, Ahmedabad-380 009. Gujarat, on Monday, 30th September, 2013 at 5.00 P.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 FORM27th ANNUAL GENERAL MEETING -Monday, 30th September, 2013 at 5.00 P.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 27th Annual General Meeting of the Company to be held on 30th September, 2013 at 5.00 P.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.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Suresh J. Patel	<i>Chairman & Managing Director</i>
Bhavin S. Patel	<i>Executive Director</i>
Ankit S. Patel	<i>Executive Director</i>
Surendra N. Shah	<i>Independent Director</i>
Bipin R. Patel	<i>Independent Director</i>
Sunil K. Mehta	<i>Independent Director</i>

COMPANY SECRETARY

Ashutosh B. Bhatt

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

BANKERS

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	<i>Chairman</i>
Bipin R. Patel	<i>Member</i>
Bhavin S. Patel	<i>Member</i>

REMUNERATION COMMITTEE

Surendra N. Shah	<i>Chairman</i>
Bipin R. Patel	<i>Member</i>
Sunil K. Mehta	<i>Member</i>

SHAREHOLDERS' GRIEVANCES COMMITTEE

Surendra N. Shah	<i>Chairman</i>
Bipin R. Patel	<i>Member</i>
Bhavin S. Patel	<i>Member</i>

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Go Green!



Bodal Chemicals Ltd.

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