

## NOTICE

**NOTICE IS HEREBY GIVEN THAT** the 63<sup>rd</sup> Annual General Meeting of the Members of the Company will be held on **Saturday, the 9<sup>th</sup> day of August, 2014 at 11.30 A.M.** at Pudumjee Hall, Mahratta Chamber of Commerce, Industries and Agriculture, Tilak Road, Pune 411 002 to transact the following business :

### ORDINARY BUSINESS:

1. To consider and adopt the Balance Sheet as at 31<sup>st</sup> March, 2014, the Statement of Profit and Loss for the year ended on that date and the Report of the Board of Directors and Auditors thereon.
2. To declare dividend on the Equity Shares of the Company for the year ended 31<sup>st</sup> March, 2014.
3. To appoint Auditors and to fix their remuneration.

### SPECIAL BUSINESS :

4. **To consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution:**

RESOLVED THAT pursuant to the provisions of section 152 (7) (a) of the Companies Act, 2013, Mr. Banshi S. Mehta, Director, holding DIN 00035019, who retires at this Annual General Meeting and who has expressed his desire not to be re-appointed as a director, be retired and not be re-appointed.

RESOLVED FURTHER THAT the resulting vacancy not be filled up at this Annual General Meeting or at any adjourned meeting.

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

**RESOLVED THAT** pursuant to Section 152 and other applicable provisions of the Companies Act, 2013 ('the Act'), Mr. K.L.Rathi, Non-Independent director, holding DIN 00018567, who was appointed as Director not liable to retirement by rotation under Section 255 of the erstwhile Companies Act, 1956, be and is hereby changed to Director liable to retirement by rotation to comply with the rotation policy of Non-Independent Directors as mandated under the Act and that consent be and is hereby accorded to change the status of appointment of Mr. K.L.Rathi, Non-Independent director from 'director not liable to retirement by rotation' to 'director liable to retirement by rotation'.

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

**RESOLVED THAT** pursuant to Section 152 and other applicable provisions of the Companies Act, 2013 ('the Act'), consent be and is hereby accorded to Mr. P. R. Rathi, Non-Independent director, holding DIN 00018577 who was appointed as Director not liable to retirement by rotation under Section 255 of the erstwhile Companies Act, 1956 to continue to act as director not liable to retirement by rotation under the Act.

7. **To consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution:**

**RESOLVED THAT** pursuant to Section 152 and other applicable provisions of the Companies Act, 2013 ('the Act'), Mr. R.B.Rathi, Non-Independent director, holding DIN 00018628 who was appointed as Director not liable to retirement by rotation under Section 255 of the erstwhile Companies Act, 1956, be and is hereby changed to Director liable to retirement by rotation to comply with the rotation policy of Non-Independent Directors as mandated under the Act and that consent be and is hereby accorded to change the status of appointment of Mr. R.B.Rathi, Non-Independent director from 'director not liable to retirement by rotation' to 'director liable to retirement by rotation'.

8. **To consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution:**

**RESOLVED THAT** pursuant to Section 152 and other applicable provisions of the Companies Act, 2013 ('the Act'), Mr. N.J.Rathi, Non-Independent director, holding DIN 00018597 who was appointed as Director not liable to

retirement by rotation under Section 255 of the erstwhile Companies Act, 1956, be and is hereby changed to Director liable to retirement by rotation to comply with the rotation policy of Non-Independent Directors as mandated under the Act and that consent be and is hereby accorded to change the status of appointment of Mr. N.J.Rathi, Non-Independent director from 'director not liable to retirement by rotation' to 'director liable to retirement by rotation'.

**9. To consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution:**

RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed there under, read with Schedule IV to the Act, Mr. P.P.Chhabria, Director holding DIN 00011439, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a period of 5 years effective from 9<sup>th</sup> August, 2014.

**10. To consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution:**

RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed there under, read with Schedule IV to the Act, Mr. D.N.Damania, Director holding DIN 00403834, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a period of 5 years effective from 9<sup>th</sup> August, 2014.

**11. To consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution:**

RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed there under, read with Schedule IV to the Act, Mr. S.N.Inamdar, Director holding DIN 00025180, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a period of 5 years effective from 9<sup>th</sup> August, 2014.

**12. To consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution:**

RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed there under, read with Schedule IV to the Act, Mr. S.Padmanabhan, Director holding DIN 00001207, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a further period of 5 years effective from 9<sup>th</sup> August, 2014.

**13. To consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution:**

RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed there under, read with Schedule IV to the Act, Mr. S.K.Asher, Director holding DIN 00008221, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a period of 5 years effective from 9<sup>th</sup> August, 2014.

**14. To consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution:**

RESOLVED THAT pursuant to the provisions of Sections 149, 152, 161 and other applicable provisions of the Companies Act, 2013, and the Rules framed there under, read with Schedule IV to the Act, Mrs. Rati F.Forbes, holding DIN 00137326, who was appointed as an Additional Director on 29<sup>th</sup> March, 2014 by the Board of Directors of the Company and who holds the office until the conclusion of this Annual General Meeting and who has also submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act, be and is hereby appointed as an Independent Director of the Company for a period of 5 years effective from 9<sup>th</sup> August, 2014.

**15. To consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution:**

RESOLVED THAT pursuant to the provisions of Sections 196 and 197, Schedule V and other applicable provisions of

the Companies Act, 2013, consent be and is hereby accorded to the appointment of Mr. R.B.Rathi, as Deputy Managing Director of the Company for the period of five years w.e.f. 1<sup>st</sup> April, 2014 on the terms and conditions as mentioned in the Letter of appointment copy of which is submitted to the meeting and signed by Mr. P.P. Chhabria, Director and Chairman of Nomination and Remuneration Committee for the purpose of identification.

RESOLVED FURTHER THAT the remuneration and perquisites within the limits as set out in the Letter of Appointment be paid and allowed to Mr. R.B.Rathi, Deputy Managing Director, for any Financial Year, notwithstanding any loss or inadequacy of profits, during such Financial Year subject to necessary compliance of the provisions of the Companies Act, 2013 and relevant rules thereunder (including any statutory modification or re-enactment thereof for the time being in force) or any amendments made thereto from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to alter or vary the terms of remuneration of Mr. R.B.Rathi, Deputy Managing Director as it may, at its discretion deem fit from time to time, so as not to exceed the limits specified in Schedule V of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) or any amendments made thereto from time to time.

RESOLVED FURTHER THAT the members do authorize the Board to take all actions and to do all such acts, matters, deeds and things as it may in its absolute discretion deem necessary, proper, desirable or expedient to implement the resolution and to file any forms, returns or other documents with Ministry of Corporate Affairs or other Statutory Authorities as may be necessary.

**16. To consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution:**

RESOLVED THAT pursuant to the provisions of Section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013, consent of the Company be and is hereby accorded to the Board of Directors for borrowing any sum or sums of moneys in Indian Rupees or Foreign currencies for and on behalf of the Company, from time to time from any one or more persons, Firms, Bodies Corporate, Bankers, Financial Institutions, or from others by way of advances, deposits, loans or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company's assets and properties, whether movable or immovable or stock-in process and debts situated at Roha and Mahad, Dist. Raigad and Ambadvet, Amralewadi Tal. Mulshi, Dist. Pune but excluding movable and immovable properties of the Company situated at 162, Wellesley Road, Pune 411 001, notwithstanding that the sum or sums of moneys so borrowed together with moneys, if any, already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid up capital of the Company and its free reserves, provided that the total amount upto which the monies may be borrowed shall not exceed in the aggregate Indian Rs. 500 Crores (Rupees Five Hundred Crores Only) at any point of time.

RESOLVED FURTHER that the Board of Directors be and is hereby authorized and empowered to arrange or settle the terms and conditions on which all such monies are to be borrowed from time to time as to interest, repayment, security or otherwise howsoever as it may think fit and to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required.

**17. To consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution:**

RESOLVED THAT pursuant to the provisions of Section 180 (1) (a) of the Companies Act, 2013, consent of the company be and is hereby accorded to the Board of Directors for mortgaging and or charging in such form and manner and on such terms and at such time(s) as the Board of Directors may deem fit, the whole or substantially the whole of the undertaking of the Company, all moveable and immoveable properties of the Company as also intangible properties (whether recorded in the books or not), both present and future where-so-ever situate and which presently includes moveable and immoveable properties situated at Roha and Mahad, Dist. Raigad and Ambadvet (Sutarwadi), Tal. Mulshi, Dist. Pune but excluding movable and immovable properties of the Company situated at 162, Wellesley Road, Pune 411 001 in favour of Financial / Investment Institution(s) / Bank(s) / Trustees to secure the borrowings and /or other credit facilities availed or proposed to be availed together with interest thereon and such other costs, charges, expenses and other moneys payable by the Company as per the terms and conditions of the said loan / facility agreement/s entered into or proposed to be entered into by the Company, upto a maximum limit not exceeding Rs. 500 Crores (Rupees Five Hundred Crores Only) at any point of time.

RESOLVED FURTHER that the Board of Directors be and is hereby authorized to finalize with the Lending Agencies / Trustees, the documents for creating the aforesaid mortgages, charges and/or hypothecations and to accept any modifications to, or to modify, alter or vary, the terms and conditions of the aforesaid documents and to do all such acts and things and to execute all such documents as may be necessary for giving effect to this Resolution.

**18. To consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution:**

RESOLVED THAT pursuant to the recommendation of the Audit Committee and the approval of the Independent Directors of the Company, consent be and is hereby accorded as mandated by revised Clause 49 of the Listing Agreement which is effective from 1<sup>st</sup> October 2014 to the entering of transactions with **Rathi Brothers Poona Limited** in which the Promoter Group Directors and Members of the Promoter Group are interested.

RESOLVED FURTHER THAT consent be and is hereby accorded to the Selling Agency Agreement entered into with Rathi Brothers Poona Limited, a true copy of which is submitted to this meeting.

RESOLVED FURTHER THAT the members while granting approval for the aforesaid related party transaction do mandate that the terms and conditions of the Selling Agency Agreement with Rathi Brothers Poona Limited are identical in nature as regards terms and conditions with other Selling Agents and such transactions are entered into on arm's length basis.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to amend/alter/modify the terms and conditions of the Selling Agency Agreement subject to the condition that all such changes shall equally apply across the board to all Selling Agents and shall comply with arm's length principles.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be required in this regard and to do all such matters as may be relevant for giving effect to the resolution.

**19. To consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution:**

RESOLVED THAT pursuant to the recommendation of the Audit Committee and the approval of the Independent Directors of the Company, consent be and is hereby accorded as mandated by revised Clause 49 of the Listing Agreement which is effective from 1<sup>st</sup> October 2014 to the entering of transactions with **Rathi Brothers Delhi Limited** in which the Promoter Group Directors and Members of the Promoter Group are interested.

RESOLVED FURTHER THAT consent be and is hereby accorded to the Selling Agency Agreement entered into with Rathi Brothers Delhi Limited, a true copy of which is submitted to this meeting.

RESOLVED FURTHER THAT the members while granting approval for the aforesaid related party transaction do mandate that the terms and conditions of the Selling Agency Agreement with Rathi Brothers Delhi Limited are identical in nature as regards terms and conditions with other Selling Agents and such transactions are entered into on arm's length basis.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to amend/alter/modify the terms and conditions of the Selling Agency Agreement subject to the condition that all such changes shall comply with arm's length principles.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be required in this regard and to do all such matters as may be relevant for giving effect to the resolution.

**20. To consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution:**

RESOLVED THAT pursuant to the recommendation of the Audit Committee and the approval of the Independent Directors of the Company, consent be and is hereby accorded as mandated by revised Clause 49 of the Listing Agreement which is effective from 1<sup>st</sup> October 2014 to the entering of transactions with **Rathi Brothers Calcutta Limited** in which the Promoter Group Directors and Members of the Promoter Group are interested.

RESOLVED FURTHER THAT consent be and is hereby accorded to the Selling Agency Agreement entered into with Rathi Brothers Calcutta Limited, a true copy of which is submitted to this meeting.

RESOLVED FURTHER THAT the members while granting approval for the aforesaid related party transaction do mandate that the terms and conditions of the Selling Agency Agreement with Rathi Brothers Calcutta Limited are identical in nature as regards terms and conditions with other Selling Agents and such transactions are entered into on arm's length basis.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to amend/alter/modify the terms and conditions of the Selling Agency Agreement subject to the condition that all such changes shall equally apply across the board to all Selling Agents and shall comply with arm's length principles.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be required in this regard and to do all such matters as may be relevant for giving effect to the resolution.

**21. To consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution:**

RESOLVED THAT pursuant to the recommendation of the Audit Committee and the approval of the Independent Directors of the Company, consent be and is hereby accorded as mandated by revised Clause 49 of the Listing Agreement which is effective from 1<sup>st</sup> October 2014 to the entering of transactions with **Rathi Brothers Madras Limited** in which the Promoter Group Directors and Members of the Promoter Group are interested.

RESOLVED FURTHER THAT consent be and is hereby accorded to the Selling Agency Agreement entered into with Rathi Brothers Madras Limited, a true copy of which is submitted to this meeting.

RESOLVED FURTHER THAT the members while granting approval for the aforesaid related party transaction do mandate that the terms and conditions of the Selling Agency Agreement with Rathi Brothers Madras Limited are identical in nature as regards terms and conditions with other Selling Agents and such transactions are entered into on arm's length basis.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to amend/alter/modify the terms and conditions of the Selling Agency Agreement subject to the condition that all such changes shall comply with arm's length principles.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be required in this regard and to do all such matters as may be relevant for giving effect to the resolution.

**NOTES :**

- (a) Mr.K.L.Rathi, Mr.R.B.Rathi, Mr.N.J.Rathi and Mr.P.R.Rathi Promoter Directors of the Company are being designated as rotational / non rotational Directors in accordance with Section 152 of the Companies Act, 2013. The equity shares held by the Promoter Group Directors in the Company is given below.

Name of the Director	No. of equity shares of Rs. 10/- each held	% to total share capital
Mr.K.L.Rathi	107,430	1.55
Mr.P.R.Rathi	382,345	5.52
Mr.R.B.Rathi	328,414	4.74
Mr.N.J.Rathi	241,765	3.49

- (b) Mr. P.P.Chhabria, Mr. D.N.Damania, Mr.S.N.Inamdar, Mr.S.Padmanabhan, Mr.S.K.Asher and Mrs.Rati F.Forbes, Directors are being appointed as Independent Directors for a period of 5 years w.e.f. 9<sup>th</sup> August, 2014 as per provisions of Sections 149(10) and 152 of the Companies Act, 2013. Except for Mr D.N.Damania, Director, who holds 93 equity shares of the Company, none of the other Directors hold any equity shares in the Company.

As required under Clause 49 of the Listing Agreement, the information / data to be provided for both Promoter Group Directors and Independent Directors is given below :

**Mr.K.L.Rathi-Chairman - Other Directorships :**

Sr. No.	Name of the Company	Board position held
1	RIECO Industries Limited	Director
2	Prescient Color Limited	Director
3	Laxminarayan Finance Private Limited	Director
4	Rathi Brothers Poona Limited	Director
5	Rathi Brothers Madras Limited	Director
6	Rathi Brothers Calcutta Limited	Director
7	Rathi Brothers Delhi Limited	Director
8	Rathi Mixers Private Limited	Director
9	Rathi Enterprises Private Limited	Director
10	Rathi Vessels and Systems Private Limited	Director

**Mr.K.L.Rathi-Chairman - Committee Positions held :**

Sr.No.	Name of the Company	Name of the Committee	Position held
1	Prescient Color Limited	Audit Committee	Member

**Mr. P.R.Rathi-Vice Chairman & Managing Director - Other Directorships :**

Sr. No.	Name of the Company	Board position held
1.	Prescient Color Limited	Director
2.	GPSK Capital Private Limited	Director
3.	Rathi Brothers Poona Limited	Director
4.	Rathi Brothers Calcutta Limited	Director
5.	Rathi Brothers Madras Limited	Director
6.	Rathi Brothers Delhi Limited	Director
7.	RIECO Industries Limited	Director
8.	Rathi Brothers Private Limited	Director
9.	PRR Finance Private Limited	Director
10.	Clean Science & Technology Private Limited	Director
11.	Rathi Mixers Private Limited	Director
12.	Rathi Enterprises Private Limited	Director
13.	Rathi Vessels and Systems Private Limited	Director
14.	Sanghvi Movers Limited	Director
15.	Bharat Business Channel Limited	Director
16.	Finolex Cables Limited	Director
17.	Sudarshan Europe B.V.	Director
18.	Sudarshan North America Inc.	Director



**Mr.P.R.Rathi-Vice Chairman & Managing Director - Committee Positions held :**

Sr.No.	Name of the Company	Name of the Committee	Position held
1	Sudarshan Chemical Industries Limited	Audit Committee Stakeholders' Relationship Committee	Member Member
2	Prescient Color Limited	Audit Committee Remuneration Committee	Chairman Chairman
3	Finolex Cables Limited	Remuneration Committee Audit Committee Share transfer cum Investors Grievance Committee	Chairman Member Member
4	Sanghvi Movers Limited	Audit Committee Remuneration Committee	Member Member

**Mr.R.B.Rathi-Dy.Managing Director - Other Directorships :**

Sr. No.	Name of the Company	Board position held
1	Prescient Color Limited	Director
2	Rathi Brothers Poona Limited	Director
3	Rathi Brothers Calcutta Limited	Director
4	Rathi Brothers Madras Limited	Director
5	Rathi Brothers Delhi Limited	Director
6	RIECO Industries Limited	Director
7	Rathi Enterprises Private Limited	Director
8	Rathi Vessels and Systems Private Limited	Director
9	Rathi Brothers Private Limited	Director
10	Balkrishna Rathi Finance Private Limited	Director
11	Sudarshan Europe B.V.	Managing Director
12	Sudarshan North America Inc.	Managing Director

**Mr. R.B.Rathi – Dy. Managing Director - Committee Positions held :**

Sr.No.	Name of the Company	Name of the Committee	Position held
1	Prescient Color Limited	Audit Committee Remuneration Committee	Member Member

**Mr.N.J.Rathi – Director - Other Directorships :**

Sr. No.	Name of the Company	Board position held
1	Prescient Color Limited	Director
2	Rathi Brothers Poona Limited	Director
3	Rathi Brothers Calcutta Limited	Director
4	Rathi Brothers Madras Limited	Director

Sr. No.	Name of the Company	Board position held
5	Rathi Brothers Delhi Limited	Director
6	RIECO Industries Limited	Director
7	Rathi Enterprises Private Limited	Director
8	Rathi Vessels and Systems Private Limited	Director
9	Rathi Brothers Private Limited	Director
10	NJR Finance Private Limited	Director
11	Crop Care Federation of India	Director

**Mr.N.J.Rathi, Director – Committee positions held :**

Sr.No.	Name of the Company	Name of the Committee	Position held
1	Prescient Color Limited	Audit Committee Remuneration Committee	Member Member
2	Sudarshan Chemical Industries Limited	Stakeholders' Relationship Committee	Member

**Mr.P.P.Chhabria – Director - Other Directorships :**

Sr. No.	Name of the Company	Board position held
1	Orbit Electricals Private Limited	Director
2	Finolex Cables Limited	Director (Advisor)
3	Atharva Agri Farms Private Limited	Director
4	Bela Agri Farms Private Limited	Director
5	Saffron Agri Farms Private Limited	Director
6	Prathamesh Agri Farms Private Limited	Director
7	Harkrishan Agri Farms Private Limited	Director
8	Orchid Agri Farms Private Limited	Director
9	Finolex Infrastructure Limited	Director

**Mr.P.P.Chhabria - Director - Committee positions held :**

Sr.No.	Name of the Company	Name of the Committee	Position held
1	Sudarshan Chemical Industries Limited	Stakeholders' Relationship Committee Selection Committee Nomination & Remuneration Committee Adhoc Committee	Chairman Chairman Chairman Chairman
2	Finolex Cables Limited	Share Transfer cum Investors' Grievances Committee	Chairman



**Mr. D.N.Damania - Director - Other directorships :**

Sr. No.	Name of the Company	Board position held
1	ThyssenKrupp India Private Limited	Chairman of the Advisory Council
2	ThyssenKrupp Industrial Solutions, India	Chief Executive Officer
3	ThyssenKrupp Industries India Private Limited	Director
4	Uhde India Private Limited	Director
5	Berco Undercarriages (India) Private Limited	Director
6	Sanghvi Movers Limited	Director
7	KSB Pumps Limited	Director
8	Finolex Industries Limited	Director

**Mr.D.N.Damania –Director - Committee positions held :**

Sr.No.	Name of the Company	Name of the Committee	Position held
1	KSB Pumps Limited	Audit Committee Share Transfer Committee	Member Member
2	Sudarshan Chemical Industries Limited	Audit Committee Nomination & Remuneration Committee Selection Committee	Member Member Member
3	Sanghvi Movers Limited	Audit Committee Remuneration Committee Shareholders' Grievance Committee	Member Member Member
4	Finolex Industries Limited	Investor Grievance Committee Audit Committee	Member Member
5	Symbiosis Institute of International Business	Advisory Committee	Chairman

**Mr. S.N.Inamdar- Director - Other Directorships**

Sr. No.	Name of the Company	Board position held
1	Kulkarni Power Tools Limited	Director
2	Finolex Industries Limited	Director
3	Kirloskar Brothers Limited	Director
4	Kirloskar Ferrous Industries Limited	Director
5	The Ugar Sugar works Limited	Director
6	Kirloskar Proprietary Limited	Director
7	Sakal Papers Private Limited	Director
8	Finolex Infrastructure Limited	Director
9	Kirloskar Industries Limited	Director
10	Apple Hospitals & Research Institute Limited	Director

**Mr.S.N.Inamdar-Director - Committee Positions held**

Sr.No.	Name of the Company	Name of the Committee	Position held
1	Kirloskar Brothers Limited	Audit Committee Nomination and Remuneration Committee	Chairman Member
2	Ugar Sugar Works Limited	Audit Committee Nomination and Remuneration Committee	Chairman Chairman
3	Kirloskar Ferrous Industries Limited	Audit Committee Nomination and Remuneration Committee	Chairman Chairman
4	Finolex Industries Limited	Audit Committee Nomination and Remuneration Committee Shareholders Grievance Committee	Chairman Chairman  Member
5	Sudarshan Chemical Industries Limited	Audit Committee Nomination and Remuneration Committee	Chairman Member
6	Kirloskar Industries Limited	Audit Committee	Member
7.	Sakal Papers Private Limited	Corporate Social Responsibility Committee	Member

**Mr. S.Padmanabhan-Director - Other Directorships**

Sr. No.	Name of the Company	Board position held
1	Desai Brothers Limited	Director
2	Premier Limited	Director
3	Rajkumar Forge Limited	Chairman
4	Force Motors Limited	Director
5	Sanghvi Movers Limited	Director
6	Aquapharm Chemicals Private Limited	Director

**Mr.S.Padmanabhan - Director - Committee Positions held**

Sr.No.	Name of the Company	Name of the Committee	Position held
1	Premier Limited	Audit Committee Remuneration Committee	Chairman Chairman
2	Sanghvi Movers Limited	Audit Committee Remuneration Committee	Member Member
3	Force Motors Limited	Audit Committee	Member

**Mr.S.K.Asher - Director - Other Directorships**

Sr. No.	Name of the Company	Board position held
1	Bajaj Allianz General Insurance Company Limited	Director
2	Bajaj Allianz Life Insurance Company Limited	Director
3	Finolex Cables Limited	Director
4	Kryfs Power Components Limited	Director
5	Repro India Limited	Director
6	Sharp India Limited	Director
7	Shree Renuka Sugar Limited	Director
8	Tribhovandas Bhimji Zaveri Limited	Director
9	Ashok Leyland Limited	Director
10	Balkrishna Industries Limited	Director
11	Sanghvi Movers Limited	Director
12	Innoventive Industries Limited	Director
13	Mandhana Industries Limited	Director
14	Finolex Industries Limited	Director
15	J.B.Chemicals and Pharmaceuticals Limited	Director
16	Pallzzio Hotels & Leisure Limited	Alternate Director

**Mr.S.K.Asher – Director - Committee Positions held :**

Sr.No.	Name of the Company	Name of the Committee	Position held
1	Finolex Cables Limited	Audit Committee Share Transfer and Investor Grievance Committee Remuneration Committee	Member Member Member
2	Repro India Limited	Remuneration Committee Audit Committee	Chairman Member
3	Shree Renuka Sugars Limited	Audit Committee Share Transfer and Investor Grievance Committee Remuneration Committee	Chairman Chairman Member
4	Sharp India Limited	Share Transfer and Investor Grievance Committee Audit Committee Remuneration Committee	Chairman Member Member
5	Ashok Leyland Limited	Shareholders and Investor Grievance Committee Audit Committee	Chairman Member
6	Mandhana Industries Limited	Audit Committee Remuneration Committee	Member Member
7	Tribhovandas Bhimji Zaveri Limited	Remuneration Committee	Member
8.	Finolex Industries Limited	Nomination & Remuneration Committee	Member
9.	Sudarshan Chemical Industries Limited	Audit Committee	Member

**Mrs. R.F.Forbes – Director - Other Directorships :**

Sr. No.	Name of the Company	Board position held
1	Automotive Stampings and Assemblies Limited	Director
2	Centre for Advancement of Philanthropy	Director
3	Forbes Marshall Private Limited	Director

**Mrs. R.F.Forbes – Committee Positions held :**

Sr.No.	Name of the Company	Name of the Committee	Position held
1	Automotive Stampings and Assemblies Limited	Shareholders Grievance and Compliance Committee	Chairperson
		Corporate Social Responsibility (CSR) Committee	Chairperson
		Audit Committee	Member
		Remuneration & Nomination Committee	Member

- (c) A MEMBER ENTITLED TO ATTEND AND VOTE AT A MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.THE PROXY FORM DULY COMPLETED MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

**(d) (a) Voting through electronic means :**

- (i) According to Section 108 of Companies Act, 2013, read with Rule 20 of Companies (Management and Administration) Rules, 2014 e-voting is mandatory for all listed Companies or Companies having Shareholders not less than one thousand. Further, Clause 35B of the Listing Agreement also makes it mandatory for companies to offer e-voting to the Members.
- (ii) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and the Listing Agreement, the Company is pleased to provide members the facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting platform provided by National Securities Depository Limited (NSDL).
- (iii) A member may exercise his vote at any general meeting by electronic means and Company may pass any resolution by electronic voting system in accordance with the Rule 20 of the Companies (Management and Administration) Rules, 2014.
- (iv) During the e-voting period, members of the Company, holding shares either in physical form or dematerialized form, as on the fixed date, may cast their vote electronically.
- (v) **The e-voting window shall remain open from Monday, 4<sup>th</sup> August, 2014 (from 9.00 a.m.) till Wednesday, 6<sup>th</sup> August, 2014 (upto 6.00 p.m.).**
- (vi) E-voting will be completed three days prior to the date of Annual General Meeting.

- (vii) The Board of Directors at their meeting held on 23<sup>rd</sup> May, 2014 have appointed M/s. Rajesh Karunakaran & Co. Practicing Company Secretary as the Scrutinizer for e-Voting to unblock the votes in favour or against, if any, and to report forthwith to the Chairman. The Scrutinizer will be responsible to conduct e-voting in a fair and transparent manner.
- (viii) Vote once casted by the member cannot be changed / altered.
- (b) The instructions for e-voting and other relevant information are as under :
  - (i) The Notice of the AGM of the Company *inter alia* indicating the process and manner of e-voting process and the Proxy Form is being dispatched to all the members. Initial logging ID and password is provided separately in the e-voting form.
  - (ii) NSDL shall also be sending the User-Id and Password, to those members whose shareholding is in the dematerialized format and whose email addresses are registered with the Depository Participant(s).
  - (iii) Launch internet browser by typing the following <https://www.evoting.nsdl.com/>
  - (iv) Click on Shareholder – Login
  - (v) Put user-Id and Password as initial password noted in step (ii) above. Click Login. If you are already registered with NSDL for e-voting, then you can use your existing User ID and Password for Login.
  - (vi) If you are logging in for the first time, password change menu appears. Change the password with new password of your choice with minimum 8 digits / characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - (vii) Home page of e-voting opens. Click on e-voting: Active Voting Cycles.
  - (viii) Select “EVEN” (E-Voting Event Number) of Sudarshan Chemical Industries Limited. For and EVEN, you can Login any number of times on e-voting platform of NSDL till you have voted on the resolution during the voting period.
  - (ix) Now you are ready for e-voting as Cast Vote page opens.
  - (x) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
  - (xi) Upon confirmation, the message “Vote cast successfully” will be displayed.
  - (xii) Once you have voted on the resolution, you will not be allowed to modify your vote.
  - (xiii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). You can also forward the documents at the Company’s e-mail ID i.e. [shares@sudarshan.com](mailto:shares@sudarshan.com).
  - (xiv) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL by e-mail at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
  - (xv) If you are already registered with NSDL for e-voting then you can use your existing user-Id and password for casting your vote.
  - (xvi) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

- (xvii) **The e-Voting period commences on Monday, 4<sup>th</sup> August, 2014 (from 9.00 a.m.) and ends on Wednesday, 6<sup>th</sup> August, 2014 (upto 6.00 p.m.).** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **4<sup>th</sup> July, 2014**, may cast their vote electronically. The e-Voting module shall also be disabled by NSDL for voting thereafter. Once the vote on a resolution is casted by the shareholder, the shareholder will not be allowed to change it subsequently.
  - (xviii) The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on, **4<sup>th</sup> July, 2014**.
  - (xix) Since the Company is required to provide facility to the members to exercise their right to vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on **4<sup>th</sup> July, 2014** and not casting their vote electronically, may cast their vote at the Annual General Meeting.
  - (xx) The Scrutinizer shall within a period of not exceeding three (3) working days from the conclusion of the e-Voting period unlock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, and send it forthwith to the Chairman of the Company.
  - (xxi) The Results shall be declared on or after the Annual General Meeting of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website **www.sudarshan.com** and on the website of NSDL within two(2) days of passing of the resolutions at the Annual General Meeting of the Company on 9<sup>th</sup> August, 2014 and communicated to the BSE &NSE Limited.
- (e) **The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 28<sup>th</sup> July, 2014 to Saturday, 9<sup>th</sup> August, 2014 (both days inclusive).**
- Pursuant to Section 205A(5) of the Companies Act, 1956 all unclaimed dividends for the Accounting Years ended upto 31<sup>st</sup> March, 2006 have been transferred to the Investor Education and Protection Fund of the Central Government, pursuant to Section 205C of the Companies Act, 1956. Unclaimed dividends, for subsequent years will also be transferred to the Investor Education and Protection Fund of the Central Government if they remain unclaimed for a period of seven years from the date they became due for payment.
- (f) Members who hold shares in the dematerialized form and want to change/correct the bank account details should send the same immediately to their concerned Depository Participant and not to the Company. Members are also requested to give the MICR Code of their bank to their Depository Participants. The Company, in case of such dematerialized of shares, will not entertain any direct request from such members for change of address, transposition of names, deletion of name of deceased joint holder and change in the bank account details. While making payment of dividend, Registrar is obliged to use only the data provided by the Depositories.
  - (g) As per RBI notification, with effect from October, 1, 2009, the remittance of money through ECS is replaced by National Electronic Clearing Services (NECS) and banks have been instructed to move to the NECS platform. In this regard, please note that, if the Members have not provided to the Corporation or their DP the new bank account number, if any, allotted to them, after implementation of Core Banking System (CBS), credit of dividend through NECS to their old bank account number, may be rejected or returned by the banking system.
  - (h) Members who hold shares in physical form and wish to avail of the Electronic Credit Services (ECS) facility for payment of dividend are requested to fill the attached form and send the same either to the Company / Link Intime India Private Limited (LIPL) for necessary processing. **The information required should reach the Company / LIPL invariably on or before 25<sup>th</sup> July, 2014 failing which physical dividend warrants will be issued to the Members for the year 2013-14.**
  - (i) Based on the records available with the Depositories, the Company has tied up with ICICI Bank Limited, Pune for payment of dividend for the Financial Year 2013-14.

- (j) Members who do not wish to avail of the NECS are requested to avail the facility of Dividend mandate to enable despatch of Dividend warrants directly to their bankers for credit of dividend to their accounts.
- (k) Members who wish to dematerialize the shares or seek any information regarding transfer of shares are requested to contact the Company's Registrar and Share Transfer Agents at the following address :

**Link Intime India Private Limited**

"Akshay Complex", Block No. 202, 2<sup>nd</sup> Floor,  
Near Ganesh Temple, Off Dhole Patil Road,  
Pune - 411 001  
Tel.No. 020 – 26160084, 020 – 26161629  
Telefax 020-26163503  
E-mail : [pune@linkintime.co.in](mailto:pune@linkintime.co.in)  
Website [www.linkintime.co.in](http://www.linkintime.co.in)

- (l) The Company has designated an e-mail address - [grievance.redressal@sudarshan.com](mailto:grievance.redressal@sudarshan.com) for timely action on investor complaints. Members are requested to forward their complaints, if any, at the designated e-mail address.
- (m) Members holding shares under different folios may approach the Company for consolidation of ledger folios under one folio.
- (n) Members are requested to notify immediately any change in their address / bank account details.
- (o) As part of the Green Initiative in Corporate Governance, the Ministry of Corporate Affairs (MCA), Government of India, through its Circular Nos. 17/2011 and 18/2011, dated April 21, 2011 and April 29, 2011 respectively, has allowed companies to send official documents to their Members electronically. In line with Circular issued by MCA, we are sending the Annual Report, i.e., Notice convening the Annual General Meeting, Financial Statements, Directors' Report, Auditors' Report, etc. for the year ended March 31, 2014, in electronic form, to the e-mail address registered by Members with us.

In case, if the Member has not registered his/her e-mail id with the Company, we once again request you to register the same so that we can send you Annual Report and other official documents electronically in the near future.

E-mail for Communication – [shares@sudarshan.com](mailto:shares@sudarshan.com)

Members are also informed that the full text of these reports shall be available in an easily navigable format on our website, [www.sudarshan.com](http://www.sudarshan.com). Notwithstanding the electronic communication, in case you wish to receive the reports mentioned above in physical form, please write to us at [shares@sudarshan.com](mailto:shares@sudarshan.com). Physical copies of the Annual Report will also be available at our Registered Office in Pune with our Secretarial Department for inspection during office hours up to the date of the Annual General Meeting.

- (p) Members / Proxies are requested to bring their copies of the Annual Report as extra copies of the Annual Report will not be made available at the time of the Annual General Meeting.
- (q) Members desirous of getting any information about the accounts of the Company are requested to address their queries to the Company Secretary of the Company. Such requests should be received at least seven days before the date of the meeting, so that the information required can be readily made available at the meeting, to the best extent possible.

By Order of the Board of Directors  
For SUDARSHAN CHEMICAL INDUSTRIES LIMITED

Pune, May 23, 2014

P.S.RAGHAVAN  
COMPANY SECRETARY



## Explanatory Statement pursuant to Section 102 of the Companies Act, 2013.

In conformity with the provisions of Section 102 of the Companies Act, 2013 the following Explanatory Statement sets out all material facts relating to the Special Business mentioned in the Notice and should be taken as forming part of the Notice.

### Item No. 4 of the Notice

Mr. Banshi S. Mehta, Independent Director will retire by rotation at the ensuing Annual General Meeting under the provisions of the erstwhile Companies Act, 1956. In terms of Section 149 of the Companies Act, 2013, he is eligible for appointment as an Independent Director. However, in view of limitations on Directorships in Listed Companies set out in the amended Clause 49 of the Listing Agreement by SEBI as also restrictions of number of Directorships in Public Limited Companies as mandated under section 165 of the Companies Act, 2013, Mr. Banshi S. Mehta has expressed his desire to step down from the Board and not to seek reappointment as Independent Director at the ensuing 63<sup>rd</sup> Annual General Meeting of the Company. The Company does not propose to fill the vacancy at the ensuing Annual General Meeting or at any adjournment thereof. Pursuant to provisions of Section 152 (7) (a) of the Companies Act, 2013, a resolution is proposed accordingly.

The Directors commend passing of the resolution set out at item No.4 of the Notice.

Except Mr. Banshi S. Mehta, no other director, key managerial personnel and relatives thereof are concerned or interested in this Resolution.

### Item Nos. 5 to 8 of the Notice :

The present composition of the Board of Directors of the Company consists of seven Independent Directors and four Non-Independent Directors representing the Promoter Group. The Non-Independent Directors comprising of Mr.K.L.Rathi, Mr.P.R.Rathi, Mr.R.B.Rathi and Mr.N.J.Rathi were appointed by members earlier as Directors not liable to retire by rotation in accordance with the provisions of Section 255 of the erstwhile Companies Act, 1956.

Section 152 of the Companies Act, 2013 ('the Act') which among others deals with composition of 'directors liable to retire by rotation' and 'directors not liable to retire by rotation' of the Board of Directors of a company states that out of the total strength of Directors, excluding Independent Directors, one third shall be Directors not liable to retire by rotation and two thirds shall be Directors liable to retire by rotation. Accordingly, out of the aforesaid four non-independent directors on the Board of Directors of the Company, three directors will be directors liable to retire by rotation and one director will be a director not liable to retire by rotation. As such, the Board has resolved that Mr. P. R. Rathi, Vice Chairman and Managing Director, who was appointed and designated as a Director not liable to retire by rotation by the members shall continue as a Director not liable to retire by rotation and Mr.K.L.Rathi, Mr.R.B.Rathi and Mr.N.J.Rathi who were earlier appointed by members as Directors not liable to retire by rotation shall be designated as directors liable to retire by rotation so that the composition of Board of directors of the Company shall be in line with the requirements of Section 152 of the Companies Act, 2013.

The profile of Mr.K.L.Rathi, Mr.P.R.Rathi, Mr.R.B.Rathi and Mr.N.J.Rathi, Directors is given below :

**Mr.K.L.Rathi**, Chairman, is B.Sc, B.Sc. (Tech) and M.A. (Chem) from Columbia University, USA and has been associated with the Company for more than four decades. Mr.K.L.Rathi is also the Chairman of Roha Manufacturers Association.

**Mr.P.R.Rathi**, Vice Chairman and Managing Director, is MS in Chemical Engineering from MIT, USA and MBA from Columbia University, USA and has been associated with the Company for more than three decades.

**Mr.R.B.Rathi**, Dy. Managing Director, is B.E. Mech. Engg. from MIT, Pune, B.S. Chem. Engg. from Ohio University, USA and M.B.A. from Pittsburgh University, USA. Mr. R.B.Rathi has been associated with the Company for the past two decades.

**Mr.N.J.Rathi**, Non-Executive Director, is M.Com from University of Pune and M.B.A. from USA.

Details of other Directorships and Committee positions held by aforesaid Promotor Group Directors in other companies is given separately in the Notice.

The Board of Directors recommend passing of the resolutions set out in item Nos. 5 to 8 of the Notice.

Mr. P.R. Rathi , Mr. R.B. Rathi and Mr. N.J. Rathi , Directors representing the Promoter Group individually hold more than 2% of the paid up equity capital of the Company. None of the other directors / Key Management Personnel and their relatives is interested or concerned in the passing of the resolutions.

**Item Nos. 9 to 13 of the Notice:**

Pursuant to Sections 149 and 152 of the Companies Act, 2013 it is mandatory for the Company to appoint Mr. P.P.Chhabria, Mr. D.N.Damania, Mr.S.N.Inamdar, Mr.S.Padmanabhan and Mr.S.K.Asher, Independent Directors for a period of 5 years i.e. from 9<sup>th</sup> August, 2014.

The Nomination and Remuneration Committee in their meeting held on 23<sup>rd</sup> May, 2014 has recommended the appointment of aforesaid Independent Directors for a period of 5 years from 9<sup>th</sup> August, 2014 .

Mr.P.P.Chhabria, Mr.D.N.Damania, Mr.S.N.Inamdar, Mr.S.Padmanabhan and Mr.S.K.Asher, Directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the Board, each of these directors fulfill the conditions specified in the Companies Act, 2013 and the Rules framed there under read with Schedule IV of the Act for their respective appointment as an Independent Director.

The profile of Mr.P.P.Chhabria, Mr.D.N.Damania, Mr.S.N.Inamdar, Mr.S.Padmanabhan and Mr.S.K.Asher, Independent Directors is given below :

**Mr.P.P.Chhabria**, is the original Promoter of Finolex companies coming under Finolex Group. Mr.P.P.Chhabria is also on the Board of several other Companies.

**Mr.D.N.Damania**, is B.E Mechanical Engineering from Pune University and a renowned technocrat. Mr.D.N.Damania is also on the Board of several other Companies.

**Mr.S.N.Inamdar**, is a leading advocate and an expert in Income Tax matters. Mr.S.N.Inamdar is also on the Board of several other Companies.

**Mr.S.Padmanabhan**, is M.Sc. (Physics) from Delhi University and Bachelor of General Law from Mumbai University. Mr.S.Padmanabhan has a diploma in Development Economics from University of Cambridge, U.K. and a Diploma in Management Accounting from Bajaj Institute of Management, Mumbai. A former IAS Officer, Mr.S.Padmanabhan has wide experience in industrial projects, finance and administration. Mr.S.Padmanabhan is also on the Board of several other Companies.

**Mr.S.K.Asher**, is a Fellow member of the Institute of Chartered Accountants of India and Commerce & Law graduate from Bombay University. Mr. Sanjay Asher is senior partner of M/s. Crawford Bayley & Co., Mumbai and is also on the Board of several other Companies.

Details of other Directorships and Committee positions held by aforesaid Independent Directors in other companies is given separately in the Notice.

Notice under Section 160 of the Companies Act, 2013 along with a deposit of Rs. 1,00,000/- per Director has been received from a Member of the Company signifying his intention to propose the candidature of Mr.P.P.Chhabria, Mr.D.N.Damania, Mr.S.N.Inamdar, Mr.S.Padmanabhan and Mr.S.K.Asher, to the Office of the Director.

The Board of Directors recommend the resolutions for approval by the members.

The terms and conditions of appointment of the above Directors shall be open for inspection by the Members at the Registered Office of the Company between 10.30 am to 12.30 p.m. on any working day prior to the meeting. These documents will also be available for inspection at the venue of the Annual General Meeting.

Except the aforesaid Independent Directors, none of the other directors/Key Management Personnel and their relatives is interested or concerned in the passing of the resolutions.

### Item No. 14 of the Notice :

Section 149 of the Companies Act, 2013 and Rule 3 of the Companies (Appointment & Qualification of Directors) Rules, 2014 mandates the appointment of a Woman Director on the Board of Directors of a listed entity. In view of this, the Board of Directors in its meeting held on 29<sup>th</sup> March, 2014, have co-opted Mrs.Rati F.Forbes as an additional Director with Independent status. Mrs.Rati F.Forbes holds the Office until the conclusion of the ensuing Annual General Meeting.

Mrs.Rati F.Forbes graduated with Psychology and Sociology from Bombay University and has done further special courses on Women in Leadership, Human Resources and Organizational Behaviour and Social Entrepreneurship and Philanthropy from IIM, Ahmedabad and Stanford University. Earlier this year, she completed the Masters from Cambridge, U.K. in Sustainability Management and Leadership.

Mrs.Rati F.Forbes has been a Director at Forbes Marshall Private Limited since 1999 and has been involved in overseeing the Human Resources function till 2012. During this time, Forbes Marshall Private Limited was thrice selected one of India's Top 25 Great Places to Work, most recently bagging 11<sup>th</sup> rank in 2011 and 5<sup>th</sup> rank in 2012. Mrs.Rati F.Forbes has been involved in the activities of Foundation arm of Forbes Marshall Private Limited and focuses much of her time on the social initiatives the Company has developed and supported over the last three decades.

Mrs.Rati F.Forbes is also on the Board of other companies viz. Centre for Advancement of Philanthropy, Automotive Stampings and Assemblies Ltd. and Forbes Marshall Private Limited. Notice under Section 160 of the Companies Act, 2013 along with a deposit of Rs.1,00,000/- has been received from a Member of the Company signifying his intention to propose the candidature of Mrs.Rati F.Forbes to the office of the Director.

Mrs. Rati F.Forbes has given a declaration to the Board that she meets the criteria of independence as provided under Section 149(6) of the Act and in the opinion of the Board, Mrs. Rati F.Forbes fulfills the conditions specified in the Act and the Rules read with Schedule IV framed there under for appointment as an Independent Director.

The Nomination and Remuneration Committee in their meeting held on 23<sup>rd</sup> May, 2014 has recommended the appointment of Mrs. Rati F.Forbes, Independent Director for a period of 5 years from 9<sup>th</sup> August 2014.

The Board of Directors recommend the resolution for approval by the members.

The terms and conditions of appointment of Mrs.Rati F.Forbes shall be open for inspection by the Members at the Registered Office of the Company between 10.30 am to 12.30 p.m. on any working day prior to the meeting. This document will also be available for inspection at the venue of the Annual General Meeting.

Except for Mrs.Rati F.Forbes, none of the other directors / Key Management Personnel and their relatives is interested or concerned in the passing of the resolution.

### Item No. 15 of the Notice :

Mr.R.B.Rathi, Director joined the Board of Directors of the Company on 23<sup>rd</sup> May, 2008 and is presently heading the operations of the Pigment Division which has grown substantially in the last couple of years.

Consequent to the onerous responsibilities shouldered by Mr.R.B.Rathi, Director, the Board of Directors in its meeting held on 29<sup>th</sup> March, 2014 has appointed Mr.R.B.Rathi, as Deputy Managing Director of the Company for a period of 5 years w.e.f. 1<sup>st</sup> April, 2014.

Abstract of the remuneration payable to Mr. R.B.Rathi, Deputy Managing Director w.e.f. 1<sup>st</sup> April, 2014 is as under :-

1. Basic Salary : Rs. 6,23,989/- p.m.
2. Annual Commission payable : As may be decided by the Board of Directors
3. Annual Increment payable : 20% of remuneration (Due on 1<sup>st</sup> April each year)

**Common Perquisites applicable to Executive Directors :**

House Rent Allowance / Rent free accommodation, Free Housing, Furniture, Medical Allowance / Medical Reimbursement, Allowances for utilities such as Gas, Electricity, Water, Leave Travel Allowance, Fees of Clubs, Personal Accident Insurance premium, Hospitalization, Provision for car with driver, Fuel Reimbursement, Car Maintenance, Telephone, Mobile, Fax, Computer, Watchman, Domestic servant, Gardner, Incentive scheme (Performance Linked Variable Allowance- PLVA), Ex-gratia, Canteen, compensation for loss of office computed in accordance with Section 202 of the Companies Act, 2013, Provident Fund, Superannuation, Pension, Gratuity, Leave Encashment, Retirement benefits, Severance compensation and other perquisites as per the rules of the Company.

The Board of Directors consider the aforesaid remuneration as fair, reasonable and commensurate with the onerous duties and responsibilities of Mr.R.B.Rathi, Deputy Managing Director. Letter of Appointment dated 29<sup>th</sup> March, 2014 and terms of remuneration payable to Mr.R.B.Rathi, Deputy Managing Director along with copy of rules of the Company is available for inspection at the Registered Office of the Company between 10.30 am to 12.30 p.m. on any working day prior to the meeting. This document will also be available for inspection at the venue of the Annual General Meeting.

The appointment and remuneration payable to Mr.R.B.Rathi, Deputy Managing Director is subject to the approval of the Members. Resolution at Item No. 15 is accordingly placed for the approval of the members. Mr.R.B.Rathi, Director representing the Promoter Group individually holds more than 2% of the paid up equity capital of the Company.

Except for Mr.R.B.Rathi, Deputy Managing Director , none of the other directors / Key Management Personnel and their relatives is interested or concerned in the passing of the resolution.

**Item No. 16 of the Notice :**

From time to time, Company is required to borrow from Banks and various Financial Institutions for catering to the needs of its working capital and various expansion activities.

In the 60<sup>th</sup> Annual General Meeting held on 12<sup>th</sup> August, 2011, Members have approved the limit of Rs. 500 Crores upto which Company is authorized to borrow from time to time by passing the resolution under the earlier Companies Act, 1956. However, with the notification of Section 180 of the Companies Act, 2013 , it is necessary for the Company to obtain a fresh consent from the members.

Accordingly, fresh resolution is being proposed seeking approval of members under Section 180(1) ( c ) of the Companies Act, 2013 authorizing the Board of Directors of the Company to borrow in excess of its paid up capital and free reserves, however, subject to the condition that the total amount upto which the monies may be borrowed shall not exceed in the aggregate of Indian Rs. 500 Crores (Rupees Five Hundred Crores Only) at any point of time.

The Board of Directors of the Company in its meeting held on 29<sup>th</sup> March, 2014 have approved the above proposal. The Directors recommend the Special Resolution for approval of the Members.

None of the directors / Key Management Personnel and their relatives is interested or concerned in the passing of the resolution.

**Item No. 17 of the Notice :**

As per loan covenants, credit facilities / term loans are required to be secured by way of mortgage over an immovable property of the Company situated at Roha and Mahad, Dist. Raigad and Ambadvet, Dist. Pune, in favour of Banks and Financial Institutions or any other property which may be acquired by the Company from time to time save and except movable and immovable properties lying at the present Registered Office of the Company at 162 Wellesley Road Pune - 411001.

In the 60<sup>th</sup> Annual General Meeting held on 12<sup>th</sup> August, 2011, Members have approved the limit of Rs. 500 Crores upto which Company is authorized to borrow and create the charge in favour of such Banks and Financial Institutions from time to time by passing the resolution under the earlier Companies Act, 1956. However, with the notification of Section 180 of the Companies Act, 2013 , it is necessary for the Company to obtain a fresh consent from the members.

Accordingly, fresh resolution has been proposed seeking approval of members under Section 180 (1) (a) of the Companies Act, 2013 authorizing the Board of Directors of the Company to create the charge / mortgage in favour of such Banks and Financial Institutions however, subject to the condition that the total amount which such charges created / to be created shall not exceed Rs. 500 Crores (Rupees Five Hundred Crores Only) at any point of time.

The Board of Directors of the Company in its meeting held on 29<sup>th</sup> March, 2014 have approved the above proposal. The Directors recommend the Special Resolution for approval of the Members.

None of the directors / Key Management Personnel and their relatives is interested or concerned in the passing of the resolution.

### **Item Nos. 18 to 21 of the Notice :**

Revised Clause 49 of the Listing Agreement notified by SEBI which is effective from 1<sup>st</sup> October 2014 provides that transaction/s with related party shall be considered material if the transaction / transactions to be entered into individually or taken together with previous transactions during a Financial Year, exceeds five percent of the annual turnover or twenty percent of the net worth of the company as per the last audited financial statements of the company, whichever is higher. It also states that all Related Party Transactions shall require prior approval of the Audit Committee and all material Related Party Transactions shall require approval of the shareholders through Special Resolution.

It is estimated that transactions entered into with Rath Brothers Poona Limited, Rath Brothers Delhi Limited, Rath Brothers Calcutta Limited and Rath Brothers Madras Limited up to now and to be entered into in the remaining period of the Financial Year 2014-15 will exceed / is likely to exceed five percent of the annual turnover based on the Audited Results of Financial Year 2013-14. This trend is expected to continue in the coming years also.

Unlike the provisions of the Companies Act, 2013 which exempts all related party contracts which are entered into in the ordinary course of business and qualifying to be called an arm's length transaction from the ambit of approval of the Board / shareholders, revised Clause 49 of the Listing Agreement mandates obtaining prior approval of the shareholders in respect of all material related party contracts irrespective of the fact that whether it is transacted in the ordinary course of business and qualifies to be called an arm's length transaction.

The Audit Committee and the Independent Board of Directors have approved the entering into of transactions with Rath Brothers Poona Limited, Rath Brothers Delhi Limited, Rath Brothers Calcutta Limited and Rath Brothers Madras Limited in terms of Selling Agency Agreements entered into by the Company effective from 1<sup>st</sup> October 2014.

The Selling Agency Agreements entered into with Rath Brothers Poona Limited, Rath Brothers Delhi Limited, Rath Brothers Calcutta Limited and Rath Brothers Madras Limited detail the nature of services rendered by them to the Company. The services rendered by Rath Brothers Poona Limited, Rath Brothers Delhi Limited, Rath Brothers Calcutta Limited and Rath Brothers Madras Limited are absolutely critical for the Company considering the technicalities involved and the complex nature of the Pigment Products and not the least the long association with the Company. The terms and conditions and commission paid to Rath Brothers Poona Limited, Rath Brothers Delhi Limited, Rath Brothers Calcutta Limited and Rath Brothers Madras Limited for rendering Agency services are the same when compared to the terms and conditions and commission paid to other Selling Agents and qualifies to be called as transactions entered into on arm's length basis.

A true copy of the Selling Agency Agreements entered into with Rath Brothers Poona Limited, Rath Brothers Delhi Limited, Rath Brothers Calcutta Limited and Rath Brothers Madras Limited detailing the nature of services rendered by them to the Company is available for inspection at the Registered Office of the Company between 10.30 am to 12.30 p.m. on any working day prior to the meeting. These documents will also be available for inspection at the venue of the Annual General Meeting.

The Promoter Group Members and Directors will not participate in the discussions and shall abstain from voting on the Special Resolutions as listed under Serial Nos. 18 to 21 of the Notice as they are interested. The Promoter Group hold among themselves 36,61,626 equity shares of Rs. 10/- each aggregating to 52.89% of the paid up equity capital of the Company.

The Independent Directors of the Company recommend the Special Resolutions for approval by the Members.

None of the other directors / key management personnel and their relatives is interested or concerned in the passing of the resolutions.

By Order of the Board of Directors  
For SUDARSHAN CHEMICAL INDUSTRIES LIMITED

Pune, May 23, 2014

P.S.RAGHAVAN  
COMPANY SECRETARY

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## SUDARSHAN CHEMICAL INDUSTRIES LIMITED

Regd. Office / Global Head Office : 162 Wellesley Road, Pune 411 001

Dear Member,

**Subject : Registration of e-mail address**

This is to inform you that The Ministry of Corporate Affairs vide its circular Nos. 17/2011 and 18/2011 dated 21.04.2011 and 29.04.2011, respectively has as a part of Green Initiative, permitted the companies to serve the documents viz. annual reports, notices of general meetings / postal ballot, other documents etc. to the members through electronic mode. In this regard please see Note No. (O) forming part of the Notice of the Annual General Meeting dated 23<sup>rd</sup> May, 2014.

In order to support this "Green Initiative", we are pleased to serve the above referred documents to you through electronic mode. This will also ensure prompt receipt of communication and avoid loss in postal transit.

We therefore request you to register your e-mail address and / or changes therein from time to time with the Company's e-mail id **shares@sudarshan.com** or with NSDL / CDSL.

Notwithstanding the electronic mode of communication, in case you require physical copies of annual reports and other documents you may send an email at **shares@sudarshan.com** by quoting the name of first / sole shareholder, Folio no / DP ID and Client ID. On receipt of this e-mail, the above documents will be posted to you free of cost.

We request your whole hearted support to this "Green Initiative" by opting for electronic mode of communication for its successful implementation.

Yours faithfully,

For Sudarshan Chemical Industries Limited

sd/-

P.S.Raghavan  
Company SecretaryPlace : Pune  
Date : 23<sup>rd</sup> May, 2014

## REGISTRATION OF E – MAIL ADDRESS FORM

(In terms of circular Nos.17/2011 and 18/2011 dated 21.04.2011 and 29.04.2011 respectively issued by Ministry of Corporate Affairs, New Delhi)

Link Intime India Private Limited

**Unit : Sudarshan Chemical Industries Limited**

Akshay Complex, Block No. 202, 2<sup>nd</sup> Floor,  
Off Dhole Patil Road,  
Near Ganesh Temple,  
Pune 411001

I / we shareholder (s) of Sudarshan Chemical Industries Limited hereby accord my / our approval to receive documents viz annual reports, notices of general meetings / postal ballot, other documents etc. in electronic mode.

I / we request you to note my / our latest email address, as mentioned below. If there is any change in the E–mail address, I / we will promptly communicate the same to you. I / we attach the self attested copy of PAN Card / Passport towards identification proof for the purpose of verification.

Folio No / DP ID and Client ID	
Name of first / sole share holder	
Name of joint share holder(s) if any	
Registered Address	
E-mail address (to be registered)	

Place:

Date :

\_\_\_\_\_  
(Signature of shareholder)

## SUDARSHAN CHEMICAL INDUSTRIES LIMITED

Regd. Office / Global Head Office : 162 Wellesley Road, Pune 411 001

## ECS Mandate Form for payment of Dividend

(In case of physical holding - send to our Registrar and Transfer Agent  
In case of demat holding - send to your Depository Participant)

I/We request you to arrange for payment of my/our dividend through ECS facility or credit the same to my/our account as per details given below :

1. First / Sole Shareholder's Name										
2. If shares not Dematerialised - Registered Folio No.										
3. If shares Dematerialised - DPID No. and Client ID No.										
4. * Particulars of Bank Account										
a. Bank Name										
b. Branch Name										
c. Address of the Branch										
d. 9 - digit MICR code number of the Bank and Branch as appearing on the MICR Cheque issued by the Bank.	<table border="1"> <tr> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> </table>									
e. Account type	Savings ( )      Current ( )									
f. Account Number as appearing on the Cheque Book										

Please attach a cancelled photocopy of cheque issued by the Bank for verification of the above details.

I/We hereby declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incomplete or incorrect information or for any other reason, I/We would not hold the Company responsible. In case of ECS facility not being available for any reason, the account details provided above may be incorporated in the payment instrument and sent to my/our Bankers at the address provided above and to be considered as a mandate by me/us. This instruction will hold good for payment of dividend for subsequent years also unless revoked by me/us in writing.

**Yours faithfully,**

Name and signature of First/Sole Shareholder

Place :

Date :

Note : \* In case if you have already submitted the above information kindly ignore this communication.



## SUDARSHAN CHEMICAL INDUSTRIES LIMITED

Regd. Office / Global Head Office : 162 Wellesley Road, Pune 411 001

Dear Member,

As you may be aware, in the past some dividend warrants mailed by Companies to their members' residential addresses have been fraudulently encashed by unscrupulous persons.

In order to give you better service and also to safeguard your interest, you are requested to inform us your Bank Account details, if not already informed, to be printed on all future dividend warrants to be mailed to you at your address registered with the Company. You are requested to fill in the coupon below (signature should match with your signature on record) and mail the same to the Company at the earliest.

The dividend warrant, printed with your name, bank, branch name and account number, will be mailed to your residential address, as usual, or directly to your bank, if instructed by you.

Thank you.

Yours truly,

P. S. RAGHAVAN  
Company Secretary

## Notes :

Incorporation of Bank Account details in Dividend Warrants shall be without any liability whatsoever on the part of the Company.

You are also requested to intimate any error or change in your name and/or address as given on the envelope of this communication.

----- (Tear here) -----

Company Secretary  
Sudarshan Chemical Industries Limited  
162 Wellesley Road, Pune 411 001

Name : \_\_\_\_\_

Address : \_\_\_\_\_

Dear Sir,

Ref : Folio No.

I/We refer to your recent communication. As desired, I/We give my/our Bank Account details to be printed on my/our Dividend Warrant(s):

Name of first named member \_\_\_\_\_  
(Capital letters)

Current/Saving Account No. \_\_\_\_\_

Name of Bank \_\_\_\_\_

Branch at \_\_\_\_\_

Address of Bank \_\_\_\_\_

Date \_\_\_\_\_

Signature \_\_\_\_\_



## SUDARSHAN CHEMICAL INDUSTRIES LIMITED

Regd. Office / Global Head Office : 162 Wellesley Road, Pune 411 001

**STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO THE PROVISIONS OF SECTION 217(2A) OF COMPANIES ACT, 1956 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2014.**

Sr. No.	Name & Age (Years)	Designation	Total Remuneration Rs.	Qualification and Experience (Years)	Date of Commencement of Service	Last employment held before joining the Company
1	Mr. K. L. Rath (75)	Chairman*	9,221,178	B.Sc, B.Sc.(Tech) M.A. (Chem) (Columbia) (50)	01-01-1964	–
2	Mr. P. R. Rath (61)	Vice Chairman and Managing Director	16,647,688	M.S.(M.I.T.) M.B.A. (Columbia) (38)	01-04-1976	–
3	Mr. R. B. Rath (45)	Director	14,768,954	B.E.Mech.Engg. MIT, Pune B.S.Chem.Engg. Ohio University, USA M.B.A., Pittsburgh University, USA (22)	01-10-1992	–
4	Mr. A. Vij (44)	Chief Operating Officer – Pigment Division	6,409,363	B.E. Chemical, Punjab University (24)	08-12-2005	Jubilant Organosys Limited, Gajraula

\* Executive Chairman upto 26<sup>th</sup> October, 2013.

## NOTES :

1. The gross remuneration as above, includes Salary, Company's contribution to Provident Fund and Superannuation Scheme, Leave Travel Allowance, Medical, House Rent Allowance etc. and value of perquisites in respect of car facility, which is calculated in accordance with the provisions of the Income tax Act, 1961, and the rules made there under.
2. The conditions of employment are contractual.
3. Other terms and conditions are as per the rules of the Company.





## SUDARSHAN CHEMICAL INDUSTRIES LIMITED

Regd. Office / Global Head Office : 162 Wellesley Road, Pune 411 001

## PROXY FORM

*[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of  
the Companies (Management and Administration) Rules, 2014]*  
CIN : L24119PN1951PLC008409

Name of the Member(s) :

Registered Address :

E-Mail ID :

Folio No./Client ID :

DP ID :

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

1. Name : \_\_\_\_\_

Address : \_\_\_\_\_

E-mail ID : \_\_\_\_\_

Signature : \_\_\_\_\_ or failing him

2. Name : \_\_\_\_\_

Address : \_\_\_\_\_

E-mail ID : \_\_\_\_\_

Signature : \_\_\_\_\_ or failing him

3. Name : \_\_\_\_\_

Address : \_\_\_\_\_

E-mail ID : \_\_\_\_\_

Signature : \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 63<sup>rd</sup> Annual General Meeting of the Company, to be held on Saturday, the 9<sup>th</sup> day of August, 2014 at 11.30 A.M. at Pudumjee Hall, Mahratta Chamber of Commerce, Industries and Agriculture, Tilak Road, Pune 411 002 and at any adjournment thereof in respect of such resolutions as are indicated below.

Sr. No.	Resolutions	Vote (Optional see Note 3)*		
		For	Against	Abstain
	<b>ORDINARY BUSINESS</b>			
1	Approval of Financial Statements of the Company for the year ended 31 <sup>st</sup> March, 2014.			
2	Approval for declaration of dividend for the year ended 31 <sup>st</sup> March, 2014.			
3	Appointment of Auditors for FY 2014-15 and fixing their remuneration.			

Sr. No.	Resolutions	Vote (Optional see Note 3)*		
		For	Against	Abstain
	<b>SPECIAL BUSINESS</b>			
4	Retirement of Mr.B.S.Mehta, Director from the Board of the Company and non filling of the vacancy arising thereon.			
5	Appointment of Mr.K.L.Rathi, Director liable to retire by rotation.			
6	Appointment of Mr.P.R.Rathi, Director not liable to retire by rotation.			
7	Appointment of Mr.R.B.Rathi, Director liable to retire by rotation.			
8	Appointment of Mr.N.J.Rathi, Director liable to retire by rotation.			
9	Appointment of Mr.P.P.Chhabria, as an Independent Director of the Company for a period of 5 years.			
10	Appointment of Mr.D.N.Damania, as an Independent Director of the Company for a period of 5 years.			
11	Appointment of Mr.S.N.Inamdar, as an Independent Director of the Company for a period of 5 years.			
12	Appointment of Mr.S.Padmanabhan, as an Independent Director of the Company for a period of 5 years.			
13	Appointment of Mr.S.K.Asher, as an Independent Director of the Company for a period of 5 years.			
14	Appointment of Mrs.Rati F. Forbes, as an Independent Director of the Company for a period of 5 years.			
15	Appointment of Mr.R.B.Rathi, as Deputy Managing Director for a period of 5 years w.e.f. 1 <sup>st</sup> April, 2014 and remuneration payable to him thereon.			
16	Authority for borrowing monies in excess of paid up capital and free reserves of the Company but not exceeding to Rs.500 Crores.			
17	Authority for creation of charges / mortgages etc on the properties of the Company situated at Roha, Mahad, Dist. Raigad , Ambadvet, Amrlevadi, Tal. Mulshi, Dist.Pune for an amount not exceeding Rs.500 Crores.			
18	Approval for transactions entered into by the Company with Rathi Brothers Poona Limited in which the Promoter Group Directors and Members of the Promoter Group are interested.			
19	Approval for transactions entered into by the Company with Rathi Brothers Delhi Limited in which the Promoter Group Directors and Members of the Promoter Group are interested.			
20	Approval for transactions entered into by the Company with Rathi Brothers Calcutta Limited in which the Promoter Group Directors and Members of the Promoter Group are interested.			
21	Approval for transactions entered into by the Company with Rathi Brothers Madras Limited in which the Promoter Group Directors and Members of the Promoter Group are interested.			

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014

Signature of Shareholder

Signature of Proxy holder

Note :

1. This form of proxy in order to effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the resolutions, explanatory statement and notes, please refer to Notice of the 63<sup>rd</sup> Annual General Meeting.
3. \*It is optional to indicate your preference. If you leave the 'For', 'Against' or 'Abstain' column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

Affix
Rs. 1/-
Revenue
Stamp

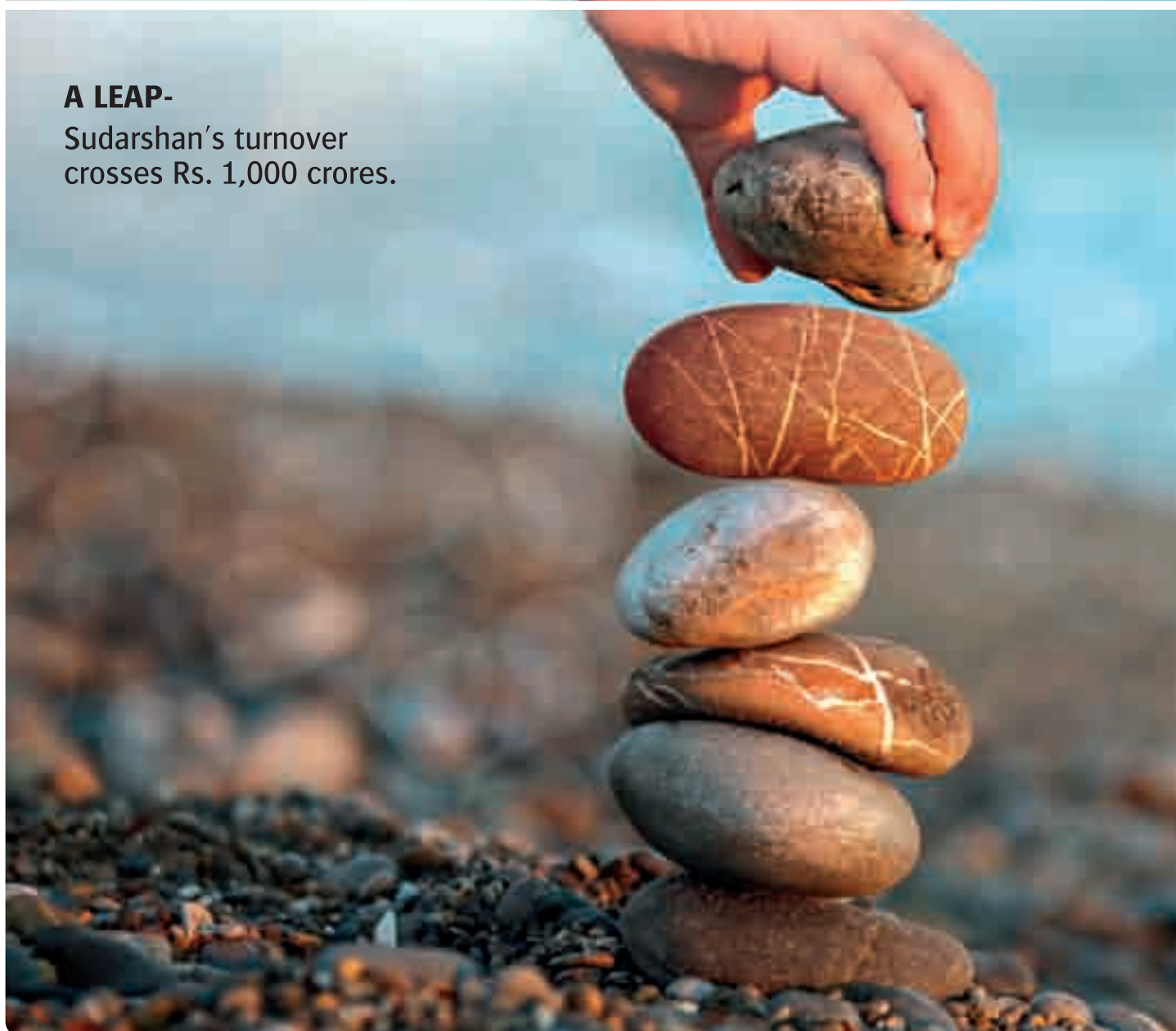
63<sup>rd</sup>

2013-2014

# annual report

**A LEAP-**

Sudarshan's turnover  
crosses Rs. 1,000 crores.



**SUDARSHAN**



# SUDARSHAN



## Global HR Excellence Award for Organization with Innovative HR Practices

Our HR practices are not just appreciated internally but have also got recognition in the International forum.

We won the “Global HR Excellence Award for Organization with Innovative HR Practices” for our Induction & On boarding process at the World HRD Congress – 2014 on 16th February 2014 at Hotel Taj Lands End, Mumbai .

We were the only winners from the Chemical Industry.

## BOARD OF DIRECTORS

Mr. K. L. Rathi	Chairman (Executive Chairman upto 26 <sup>th</sup> October, 2013)
Mr. P. R. Rathi	Vice Chairman and Managing Director
Mr. R. B. Rathi	Dy. Managing Director (w.e.f. 1 <sup>st</sup> April, 2014)
Mr. B. S. Mehta	Non-Executive, Independent Director
Mr. S. N. Inamdar	Non-Executive, Independent Director
Mr. P. P. Chhabria	Non-Executive, Independent Director
Mr. D. N. Damania	Non-Executive, Independent Director
Mr. S. Padmanabhan	Non-Executive, Independent Director
Mr. S. K. Asher	Non-Executive, Independent Director
Mr. N. J. Rathi	Non-Executive Director
Mrs. R. F. Forbes	Non-Executive, Independent Director (w.e.f. 29 <sup>th</sup> March, 2014)

## COMPANY SECRETARY

Mr. P. S. Raghavan

## BANKERS

Bank of Maharashtra  
State Bank of India  
Bank of Baroda  
ICICI Bank Limited  
HDFC Bank Limited  
HSBC Limited  
Export - Import Bank of India

## AUDITORS

B. K. Khare & Company  
Chartered Accountants,  
Mumbai.

## REGISTERED OFFICE / GLOBAL HEAD OFFICE

162 Wellesley Road,  
Pune 411 001, Maharashtra (India)  
Phone : +91 020 26058888  
Fax : +91 020 26058222  
CIN : L24119PN1951PLC008409

## FACTORIES

Roha : 46 MIDC Estate, Dhatav, Roha 402 116,  
Dist. Raigad, Maharashtra (India)  
Mahad : Plot No. A-19/1+2, MIDC Estate,  
Mahad 402 301, Dist. Raigad,  
Maharashtra (India)

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## FINANCIALS AT A GLANCE

Rs. in Lacs

Financial Highlights	2013 - 2014	2012 - 2013	2011 - 2012	2010 - 2011	2009 - 2010
Income from Operations (Excluding Excise)	102,665	78,525	74,423	70,712	56,797
Profit Before Tax	5,483	2,505	5,018	7,919	6,579
Profit After Tax	3,442	2,106	3,615	5,581	4,591
Equity Share Capital	692	692	692	692	692
Net Worth	25,352	23,125	22,032	19,423	14,847
Net Fixed Assets (including CWIP)	32,202	33,068	23,389	16,413	9,769

Key Financial Ratios	2013 - 2014	2012 - 2013	2011 - 2012	2010 - 2011	2009 - 2010
Current Ratio	1.27	1.28	1.41	1.57	1.55
Debt Equity Ratio	1.31	1.47	1.04	0.80	0.72
PBDIT (% to Net Sales)	12.50	10.42	12.00	14.81	15.61
PAT (% to Net Sales)	3.37	2.70	4.90	7.97	8.13
Return (PBIT) on Capital Employed %	13.48	8.36	13.86	19.85	28.67
Dividend (Per Share) (Rs.)	15.00	12.50	12.50	12.50	12.50
Earnings Per Share (Rs.)	49.72	30.41	52.22	80.62	66.32

**DIRECTORS' REPORT TO THE SHAREHOLDERS : 2013 - 2014**

Your Directors are pleased to present the 63<sup>rd</sup> Annual Report together with the Audited Financial Statements for the year ended on 31<sup>st</sup> March, 2014.

**1. FINANCIAL HIGHLIGHTS :**

Particulars	2013-2014 (Rupees in millions)	2012-2013 (Rupees in millions)
Total Revenue	10313.79	7968.04
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	1277.76	812.66
Less : Interest / Finance Cost	375.97	311.79
Less : Provision for Taxation	204.10	39.95
Less : Depreciation	353.51	250.37
Profit after Tax	344.18	210.55
Add : Surplus in the Statement of Profit and Loss as per last Balance Sheet	561.98	482.67
<b>Net Profit available for appropriation</b>	<b>906.16</b>	<b>693.22</b>
<b>Appropriations</b>		
(1) Dividend proposed @ Rs. 15.00 per share on the face value of Rs. 10.00 (150%) (previous year dividend paid @ 125%)	103.84	86.53
(2) Tax on Dividend	17.65	14.71
(3) General Reserve	60.00	30.00
<b>Total</b>	<b>181.49</b>	<b>131.24</b>
Balance to be carried forward	724.67	561.98

**2. THE YEAR IN RETROSPECT :****(A) SALES :**

The Financial Year 2013 - 14 turned out to be a good year for your Company. For the first time Sales have crossed Rs. 10000 Million in the year under review, notwithstanding the challenging macro economic conditions and negative business sentiments prevalent throughout the year, both in the domestic and international market and across the Industry. The impressive performance is the result of sustained drive and team work of the organization as a whole.

Total Revenue from operations for the year ended 31<sup>st</sup> March, 2014 aggregated to Rs. 10314 million as against Rs. 7968 million achieved during the previous year thereby recording a good growth of around 29%. Profit after tax for the year ended 31<sup>st</sup> March, 2014 was Rs. 344 million as against Rs. 211 million earned during the previous year. Margins could have higher but for the increase in interest costs, input costs and forex loss all of which had to be absorbed by the Company.

Pigment revenue rose from Rs. 6967 million in the previous year to Rs. 9167 million in the year under review thereby recording an excellent growth of 32%. Profits for the Pigment Division for the year under review amounted to Rs. 1058 million as compared to Rs. 772 million of the previous year.

Agro revenue for the year ended 31<sup>st</sup> March, 2014 amounted to Rs. 1100 million as against Rs. 886 million achieved during the previous year thereby recording a growth of 24%. Profits for the Agro Division for the year under review amounted to Rs. 77 million as compared to Rs. 45 million of the previous year.

**(B) EXPORTS :**

The Company's subsidiaries in The Netherlands and North America continue to record improved performance in terms of revenue. The natural mica based pearlescent business for cosmetics, sold under the brand Prestige and Flonac C, has been well integrated in the Cosmetic Pigment Products Portfolio and has yielded good results.

In view of the increasing opportunities in the overseas markets the Company has also taken steps in the staffing of manpower in The Netherlands and North America for addressing the requirements of the overseas markets. The Company also has set up an efficient sales and distribution network in core overseas markets. All these measures are expected to give a boost to exports and contribute to consolidation in the export market.

Revenue from pigment exports for the year ended 31<sup>st</sup> March, 2014 amounted to Rs. 4380 million as against Rs. 3005 million for the previous year thereby registering an excellent growth of 46% over the previous year.

**3. DIVIDEND :**

Considering the excellent performance of the Company the Directors recommend, subject to approval of the members, dividend of Rs. 15.00 per share on a face value of Rs. 10.00 (150%) for the year ended 31<sup>st</sup> March, 2014. The total outgo on account of dividend @ 150% and dividend distribution tax will be Rs. 121.49 million for the year under review.

**4. DIRECTORS :**

Mr.B.S.Mehta, Director and Chairman of Audit Committee, has informed his decision to step down from the Board of Directors of the Company and hence does not offer himself for reappointment at the 63<sup>rd</sup> Annual General Meeting. The Board places on record its appreciation of the ready advice and guidance offered by Mr.B.S.Mehta during his tenure as Director.

As per Section 152 of the Companies Act, 2013, Independent Directors are not liable to retire by rotation and accordingly have been appointed for a term of 5 years. The Non Independent Directors of the Company representing the Promoter Group are liable to retire by rotation in accordance with Section 152 of the Companies Act, 2013.

The Board has resolved that Mr.P.R.Rathi, Vice Chairman and Managing Director shall not be liable to retire by rotation and Mr.K.L.Rathi, Chairman, Mr.N.J.Rathi, Non-Executive Director and Mr.R.B.Rathi, Dy. Managing Director shall be liable to retire by rotation.

The Board recommends the above appointments / changes for the consideration of the Members.

Mrs.R.F.Forbes has joined the Board w.e.f. 29<sup>th</sup> March, 2014 as an Independent Director and holds the office upto the date of this Annual General Meeting. Members are requested to consider appointing her as an Independent Director for a period of 5 years.

**5. DIRECTORS' RESPONSIBILITY STATEMENT :**

In accordance with the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to the Directors' Responsibility Statement, it is hereby confirmed that :

- (i) in the preparation of accounts for the Financial Year ended 31<sup>st</sup> March, 2014, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of Financial Year and of the Statement of Profit and Loss of the Company for the year under review;
- (iii) 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;
- (iv) the Directors have prepared the Annual Accounts for the year under review on a going concern basis.

### 6. SUBSIDIARY COMPANIES :

During the year under review, the Company's overseas subsidiaries have shown improved performance in sales. However, profits continue to be under pressure. With continued focus on market penetration, the subsidiaries are expected to record better performance.

The other Indian Wholly Owned Subsidiary, Prescient Color Ltd., has recorded good financial performance with good growth in Sales and Profit. The present scenario looks encouraging with indications of Prescient Color Limited recording better performance in the current year.

### 7. EXEMPTION UNDER SECTION 212 (8) OF THE COMPANIES ACT, 1956 :

Government of India, Ministry of Corporate Affairs, New Delhi vide Press Note No. 3/2011 dated 8.2.2011, has exempted and directed all Companies under Section 212 of the Companies Act, 1956 with regard to not attaching the Balance Sheet and Statement of Profit and Loss of the Subsidiary company with the Annual Report of the Holding Company, subject to fulfillment of certain terms and conditions. The Company complies with all the terms and conditions.

The Annual Accounts of the aforesaid Subsidiary Companies for the year ended 31<sup>st</sup> March, 2014 will be made available to any shareholder of the Company on request and will also be available for inspection at the Registered Office of the Company during working hours till the date of the Annual General Meeting. The Annual Accounts of the aforesaid subsidiary companies and the related detailed information will also be made available to the investors seeking such information at any point of time.

### 8. CONSOLIDATED FINANCIAL STATEMENTS :

In accordance with the requirements of Accounting Standard - 21, the Consolidated Financial Statements of the Company and its subsidiaries are annexed and forms part of the Annual Report.

### 9. CORPORATE GOVERNANCE :

Your Company has always aimed for the strengthening and further improvement in the standards of Corporate Governance keeping in mind the requirements and meeting the aspirations of various stakeholders. The Board is pleased to inform that the Company has complied with the mandatory requirements of the Corporate Governance as detailed in Clause 49 of the Listing Agreement.

A separate statement on Management Discussion and Analysis and Corporate Governance is enclosed as a part of the Annual Report along with the certificate of the Statutory Auditors, B.K. Khare & Co., Chartered Accountants, Mumbai confirming compliance of the code of Corporate Governance.

### 10. COST AUDIT :

The Board of Directors in pursuance of an order under Section 233B of the Companies Act, 1956 issued by the Central Government, has appointed M/s. Parkhi Limaye & Co., Cost Accountants, Pune as cost auditors to audit the cost accounts maintained by the Company in respect of Pigments and Insecticides for the year under review.

### 11. COMPANIES ( DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS ) RULES, 1988 :

Information in accordance with Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given in the annexure and forms part of this report.

### 12. INDUSTRIAL RELATIONS :

Industrial relations continue to remain cordial at Roha and Mahad plants and at R & D Laboratory situated at Ambedvet, Amrlevadi, Tal. Mulshi, Dist. Pune. The Board records its appreciation of the commitment and support of employees at all levels.

Details of employees drawing remuneration of Rs. 0.5 million per month or Rs. 6.0 million per annum are given in the annexure and they form part of this report.

**13. HUMAN RESOURCES :**

Sudarshan is committed to its mission of 'Creating an exciting and vibrant performance driven work culture'. In line with the Company's vision of "Soaring Global", various strategic initiatives were carried out during the Financial Year 2013 - 14 viz.

- Technical competency building programs under the brand name of 'SUDA Tech' for enhancing the technical competency of the organization as a whole. Separate modules for different levels and functions have been created for this purpose.
- Initiation of a 'Development centre' for a systematic, detailed and scientific method for assessing and developing the potential of employees for taking up bigger and challenging roles.
- 'SUDHA', the 'Corporate Sustainability' Initiative of the Company was taken to its next level of operational excellence and got recognition of its effort by winning an award at the World HRD Congress.
- Promotion of spiritually fulfilling life for its employees, by tying up with the 'Art of Living Foundation' which has organized a series of programs for creating spiritual awareness.
- Good Job Done cards were distributed to employees to inculcate the culture of appreciation. Your Company believes in long-term employee engagement and as such an Employee Engagement Survey was conducted popularly known as "SUR".
- Further improvements in the Performance Management System for strengthening the "Appreciative Conversations" which has helped to assess the individual performances and build a vibrant work culture.
- Campus hiring from management and engineering schools have helped in infusing young blood in the organization and building a long-term managerial and leadership talent pipeline.
- The Company continues to put great emphasis on the Six Sigma process to identify further opportunities of cost saving and process improvements.
- Channels of communication were also improved as a part of employee engagement building. A 'SUDA Connect', employee communication meet was organized for all employees for sharing the Company's performance and future plans of the organization.

**14. FIXED DEPOSITS :**

The Company's earlier Fixed Deposit Scheme had a very good response from the general public as well as shareholders. The Board of Directors thank the investing public and the shareholders for their support and look forward to continued patronage in future.

During the year under review, the Company accepted deposits amounting to Rs. 277.26 million. The total amount of deposits as on 31<sup>st</sup> March, 2014 stood at Rs. 554.11 million.

In respect of deposits accepted, deposits amounting to Rs. 1.02 million from 13 Depositors, which fell due for repayment, but which remained unclaimed before 31<sup>st</sup> March, 2014 have been repaid as on date of this report.

**15. AUDITORS :**

B.K. Khare & Co., Statutory Auditors of the Company are due to retire at the ensuing Annual General Meeting. Members are requested to consider reappointing them and to authorise the Board of Directors to fix their remuneration.

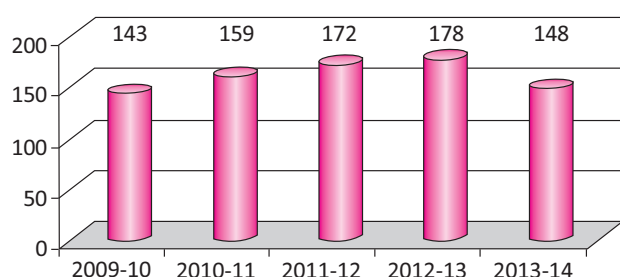
**16. ENVIRONMENT, HEALTH, SAFETY (EHS) AND POLLUTION :**

The Company is committed to ensuring that there is a positive impact of operations on our community and that the operations must serve as a model for others at places we operate. The Company is committed to continuous progress towards the vision of no accidents, injuries or harm to the environment, a fact which is reflected in the Environment, Health and Safety (EHS) performance. Being committed to integrating EHS into everything which is done and every decision made, this year number of initiatives have been taken up to further enhance the Company's performance. Emphasis has been laid on upgrading the infrastructure to achieve EHS Goals. Occupational Health

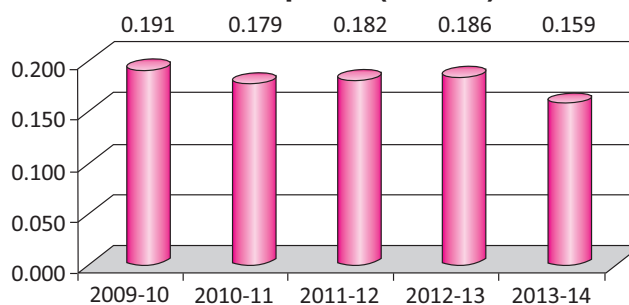
Program has also been upgraded. Process Safety Risk Management training is also being given more focus. This has given us very good results in terms of productivity at all levels.

Your Company has consolidated and strengthened its Environmental standards and practices. Steps have been taken to reduce emissions by Technological up-grades and monitoring of all Pollution Control Equipment. Modifications to the EHS programme have been introduced to become more efficient in water and energy consumption. Our Solvents are recycled and hazardous waste generated has reduced. Some of our achievements are shown below :

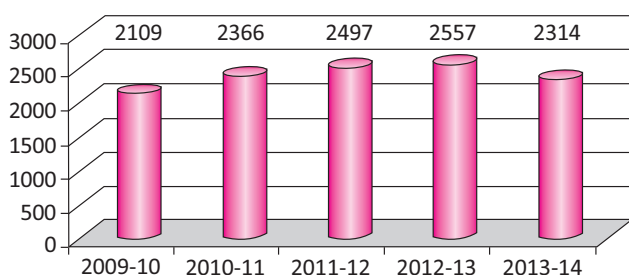
## Water Consumption (M<sup>3</sup>/MT)



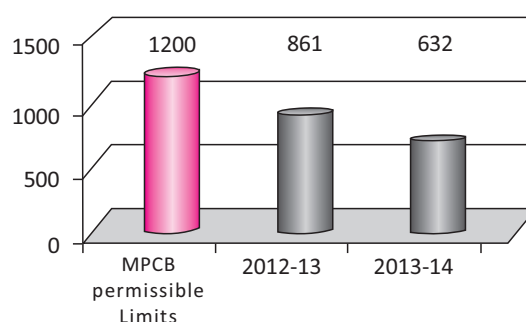
## HW Disposal (MT/MT)



## Power Consumption (KWH/MT)



## SO<sub>2</sub> Emissions in Air Kg / D



The initiatives and the results achieved have been well recognized and appreciated by all Government agencies and Regulatory bodies.

**17. CORPORATE SOCIAL RESPONSIBILITY :**

As a responsible corporate citizen, the Company under the aegis of 'SUDHA' continues its efforts to meet the Environmental, Health and Safety expectations of our neighbours. Tree plantation, waste management (vermiculture), self employment development, emergency preparedness and response plan and environment control initiatives continue to occupy an integral place in the overall objective to make the neighbourhood and the community a better place to live.

'SUDHA' is mainly driven by women power within the Company to reach out to women, children and the under privileged sections of the society. This initiative has been in operation for the past two years or so. The SUDHA movement has helped the Company in supporting community development, activities such as village meetings, social functions, making of paper bags and cloth stitching by women residing at nearby villages in Roha, construction of bus shelters, providing of drinking water facilities etc.

Your Company has formed a CSR Committee of the Board of Directors w.e.f. 29<sup>th</sup> March, 2014 in accordance with Section 135 of the Companies Act, 2013 and the relevant Rules thereof to implement and monitor the CSR activities of the Company.

**18. RESEARCH AND DEVELOPMENT**

The Company recognizes the need to have well equipped R&D Facilities to meet customer requirements and developing cutting edge products. Members are aware that the Company has spruced up its R&D facilities at Ambedvet, Amralewadi, Tal. Mulshi, Dist. Pune and Roha, Dist. Raigad. The Company has spent approx. Rs. 98.45 million, during the year under review, on research and development. The Ministry of Science and Technology, New Delhi, on behalf of Government of India vide letter dated 2<sup>nd</sup> April, 2012 has recognized our said in house R&D facilities for a further period of 4 years i.e. upto 31<sup>st</sup> March, 2016.

**19. RECOGNITION :**

The Board is pleased to announce that the Company has received the following awards :

1. Dyestuffs Manufacturers' Association of India (DMAI) award for the Financial Year 2013 - 2014 for -
  - a) Excellent performance in pollution control for Large Scale Unit
  - b) Excellent performance in Safety and Hazards control (Second Award for Large Scale Unit)
  - c) Excellent performance in exports of Pigments (Award for Large Scale Unit)

Above awards signify our commitment towards Environment, Health, Safety and significant contribution in exports.

2. World Women in Leadership Award in Corporate Social Responsibility (CSR) awarded to Mrs. Rachna R. Rathi wife of Mr.R.B.Rathi, Dy. Managing Director towards her contribution in several projects in CSR in society around us and in SUDHA (Sudarshan's Holistic Aspiration).
3. "Global HR Excellence Award for Organization with Innovative HR Practices" for Induction and on boarding process at the World HRD Congress – 2014 for having aligned our HR practices as per Global Standards.
4. "Global CSR Excellence & Leadership Award for Women Empowerment" at the World CSR Congress – 2014 for commitment to Corporate Sustainability by SUDHA Team towards sustainable livelihood initiatives to empower women and help them to rise in their lives.

**20. OUTLOOK FOR THE FUTURE :**

The Financial Year 2014 - 15 is expected to be another challenging year. Indications are that the global economy will grow as compared to the previous Financial Year.

The domestic demand for Pigments continues to be good. However, the rising input costs on account of inflationary conditions coupled with the adverse foreign currency may not augur well for the Company. The demand for export of pigments also continues to be good. The Company's overseas subsidiaries in The Netherlands and North America are fully geared up and will play a major role in achieving quantum growth.

The Company aims to closely associate with its Customers and increase operational and technical excellence, while pruning the costs. Research and Development will play a bigger role in improving the competitiveness through innovations.

Agro Chemicals Division is also expected to do well. However much depends on the monsoon which has played truant in the past.

Barring any unforeseen circumstances, the current year's prospects look to be good.

### **21. APPRECIATION :**

Your Directors place on record their gratitude to Bank of Maharashtra, State Bank of India, Bank of Baroda, ICICI Bank Limited, HDFC Bank Limited, HSBC Limited and Export Import Bank of India for their co-operation and assistance. Your Directors are also grateful to the shareholders, fixed deposit holders, customers, suppliers, business associates, employees and other stakeholders of the Company for their continued co-operation and support.

For and on behalf of the Board of Directors  
For SUDARSHAN CHEMICAL INDUSTRIES LIMITED

Pune : 23<sup>rd</sup> May, 2014

K.L.RATHI  
CHAIRMAN



## ANNEXURE TO DIRECTORS' REPORT : 2013 - 2014

## FORM A – DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

## A. Power and Fuel Consumption :

Particulars	2013 - 2014	2012 - 2013
1. Electricity		
(a) Purchased		
Units ('000 KWH)	54,089	45,303
Total amount (Rs. in million )	386	342
Rate per unit (Rs.)	7.13	7.56
(b) Own Generation		
Units ('000KWH)	2,317	226
Units per litre of diesel oil	3.50	3.50
Cost per unit (Rs.)	1.71	13.78
2. (a) Furnace Oil		
Quantity (Tonnes)	332	387
Total amount (Rs. in million )	13.4	15.6
Average Rate (Rs. / Ton)	40,386	40,271
(b) LDO		
Quantity (K. Litres)	58	33
Total amount (Rs. in million )	3.6	2.0
Average Rate (Rs. / K.L.)	62,564	60,151
(c) Coal		
Quantity (Tonnes)	34,754	29,450
Total amount (Rs. in million)	181.5	165.1
Average Rate (Rs. / Ton)	5,222	5,606
(d) HSD		
Quantity (K. Litres)	79	91
Total amount (Rs. in million)	4.5	4.4
Average Rate (Rs. / K.L.)	57,526	48,224
(e) LPG		
Quantity (Tonnes)	25	24
Total amount (Rs. in million)	1.7	1.6
Average Rate (Rs. / Ton)	69,332	67,633

### B. Consumption per unit of Production :

The Company's products comprise a wide range of diverse pigments, pesticides and intermediates. The product mix varies each year and the production process involves several operations in different plants. It is therefore not feasible to apportion the cost and consumption per unit of production.

### FORM B – DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION :

#### RESEARCH & DEVELOPMENT (R & D)

##### 1. Specific areas in which R & D has been carried out are :

- (a) New grades of Pigments – Development and Introduction
- (b) High Performance Pigments and Effect Pigments – Development of Pigments for Automotive paint application
- (c) Existing Pigments – Improvement in quality, productivity and cost reduction to meet the customer's changing requirements
- (d) New grades of Effects Pigments for cosmetic application
- (e) Cost Reduction by process improvement and cycle time reduction
- (f) Cost reduction in the present pesticides manufacturing

##### 2. Benefits derived as a result of the above R&D :

- (a) Improvement in product quality and productivity
- (b) Increase in capacities of existing products to meet the growing demand
- (c) Cost competitive products to meet the Chinese competition
- (d) Generation of additional business through New Products
- (e) Reduction in waste generated and energy input

##### 3. Future plan of action :

- (a) Continuous development of new products and High Performance Pigments
- (b) Continuous improvement in quality, productivity and cost reduction in existing products by following Six Sigma / Lean methodology
- (c) Reduction in waste generated and energy input

##### 4. Expenditure on R&D for 2013 - 2014 :

(a) Capital	:	Rs. 2.26 million
(b) Recurring	:	Rs. 96.19 million
(c) Total	:	Rs. 98.45 million

##### 5. Foreign Exchange Earnings and Outgo for 2013 - 2014 :

(a) Total Foreign Exchange Earned	:	Rs. 4402.24 million
(b) Total Foreign Exchange Used	:	Rs. 2186.85 million
(c) Net Foreign Exchange Earned	:	Rs. 2215.39 million

For and on behalf of the Board of Directors  
For SUDARSHAN CHEMICAL INDUSTRIES LIMITED

Pune : 23<sup>rd</sup> May, 2014

K.L.RATHI  
CHAIRMAN

## MANAGEMENT DISCUSSION AND ANALYSIS 2013-14

### Overview

The Global economic environment during the year 2013 - 14 continued to be under stress in the background of recession in Europe, slow growth in the United States, and in most emerging market economies. The Euro-zone crisis continues to affect key economies in Central and Eastern Europe. On the other hand turmoil in the Middle East is causing serious economic risks – both there and elsewhere, contributing to high oil prices, constraining global growth.

The Indian Economy though reasonably insulated from Global downturn continues to battle rising input costs, adverse foreign exchange situation, high current account deficit and tight credit conditions all of which have affected growth.

### Business of the Company

The Company is a globally renowned player in the Pigment Industry and manufactures a wide range of Organic and Inorganic Pigments, Effect Pigments, Agro Chemicals and other products, with facilities at Roha and Mahad, Dist. Raigad, Maharashtra. The Company has also set up an ultra modern R&D Facility at Ambedvet, Amravaladi, Tal. Mulshi, Dist. Pune, India.

### Financial and Operational Performance

The business environment has been extremely challenging given the recessionary economic conditions leading to slowdown in global economic growth.

Profits were affected on account of high inflation, higher input costs, tightening credit market conditions etc. In spite of these adverse market conditions, the Company has done exceedingly well in terms of sales. Of the total sales revenue of 10225 Million achieved during the year, export of contribute 43%.

The Company's overseas subsidiaries viz. Sudarshan Europe B.V., Sudarshan North America, Inc., step-down subsidiary of Sudarshan India and Indian Subsidiary, Prescient Color Limited have posted improved results in the year under review as can be seen from the Company's Consolidated Financial Results. The operations of the Company's Representative Office have also been revamped to focus on furthering its interests in the Asia Pacific region.

The certification of ISO 9001 and ISO 14001 and OHSAS –ISO 18001 from BVQI is a testimony to the Company's commitment towards quality, safety and sustainable environment friendly approach. The Roha and Mahad factories of the Company have received British Five Star Rating which is a testimony to strenuous efforts taken by the Company to achieve operational excellence in Environment, Health and Safety. The Company has also well established R & D laboratories recognized by Department of Scientific & Industrial Research (DSIR). Also, our Labs are ISO 17025:2001 certified by the National Accreditation Board for Testing and Calibration Laboratories (NABL), Government of India and has received recognition for a further period of 4 years i.e upto 31<sup>st</sup> March, 2016.

### Segmental Overview

In accordance with Accounting Standard - 17, the Company has two reportable business segments, i.e. Pigments and Agro Chemicals.

The Pigment business of the Company mainly comprises of manufacturing of High Performance Pigments and Commodity Pigments apart from customized pigments for niche segments catering to domestic and international customers and also the manufacture of Effect Pigments for cosmetics, coating applications etc.

The Agro Chemical business of the Company consists primarily of products which are generic in nature.

### Segment I – Pigments

#### 1. Industry Structure and Developments

The Pigment Industry worldwide is one of the dominant industries with a collective revenue of over USD 5 billion. The growth of the Pigment Industry has more or less moved in tandem with the growth of Global economy. Growth in per capita income leading to growth in per capita spending fuels demand for Pigments ranging from paints to plastics to polymer, ink to cosmetics and more, encompassing every sphere of life.

The Company is one of the largest domestic manufacturers of Pigments in India with a 35% market share. The Pigment Division manufactures a wide range of Organic, Inorganic and Effect Pigments catering to domestic and export markets and mainly catering to paint, inks, plastics, cosmetics, fashion accessories and automobiles as the user industries. The Company's Pigments are exported to most of the discerning markets in Europe, America and Asia. The manufacturing activity is carried out at Roha and Mahad factories with R&D facilities at Ambadvet, Amralewadi, Tal. Mulshi, Dist. Pune.

There is an excess capacity for the manufacture of commodity pigments worldwide. This results in intense price competition in the commodity segments market. The China factor also continues to affect the Pigment industry.

### 2. Opportunities and Threats

There exist opportunities for growth in the Pigment Industry considering the low per capita income spending as compared to the developed economies. The Indian Paint industry in particular has undergone sophistication in the last couple of years in terms of high end product range and technological competence. This along with growing domestic housing needs hold promise for varied Pigment applications. Automotive paints and personal care segment on the back of increasing disposable income of a growing middle class provides opportunity for growth. Inks and Plastics market also holds lot of promise as the Paper and Printing Industry is poised to record growth.

Pigment manufacturers in the developed countries, owing to high manufacturing costs and stringent environment control regulations are shifting their manufacturing bases to developing countries. This provides an opportunity to Indian manufacturers to implement world class manufacturing practices.

The Pigment Industry has to address the issues of REACH Compliance and also issues relating to clean and green environment apart from the competitive pressure from China and other developed markets.

Escalation of crude oil prices responsible for spiralling and cascading price of inputs and the volatility of the Rupee vis-a-vis the US Dollar is a matter of concern and needs to be tackled if the Indian Pigment Industry has to remain competitive. Another matter of concern is the gestation period involved in evaluation and acceptability of the Company's Products by overseas customers, and the costs associated with it, since many times proposals do not get converted into firm orders.

### 3. Performance

The Pigment Division increased its revenue in the year 2013 - 14 to Rs. 9167 million from Rs. 6967 million in 2012 - 13, recording an excellent increase of around 32% over the previous year. Sales from exports for the year under review amounted to Rs. 4380 million as against Rs. 3005 million achieved during the previous year recording an excellent growth of around 46%.

### 4. Outlook

The Company's globalization plans and its strong base in the Indian Market provides a great opportunity for growth. Also the Company's strategy of focusing on High Performance Pigments and specialized Azo Pigments provides a great future.

The Indian Pigment Industry has evolved from a basic Pigment producer to that of a knowledge intensive industry catering to requirement of colorants for all segments. The domestic demand for Pigments offers many opportunities to the Company to improve its market share. Many new High Performance and Effect Pigments are also being launched for cosmetic and coating markets. The Company's strategy of setting up sales offices to cater to European and North American Customers and also a Representative Office in China is expected to give a push to Pigment exports as the Company is better equipped to understand and comply with their preferences.

As a result of the slow down in Western markets, end consumers of Pigment Products are on the look out for alternative suppliers to meet their varied requirements. Sudarshan with a wide range of High Performance Pigments and also Effect Pigments is ideally placed to meet their requirements.

As a consequence of all these actions, the Company expects better results during the current year.

## 5. Risks and Concerns

Volatility of the Rupee vis-a-vis the US Dollar, rise in crude oil prices in India and its cascading effect on other inputs is a matter of grave concern as it negates the key advantage of competitive pricing. There is also a great deal of uncertainty regarding pricing and availability of key intermediates from China.

Compliance of REACH regulations is an ongoing, time consuming and an expensive proposition making penetration of the Company's Pigments in the European market a challenging task.

The Company is operating in a segment dominated by multinational companies with cutting edge technologies in Pigment manufacturing. This provides an opportunity as well as an operating risk. The Company has a risk management policy in place to assess and minimize business risk, to ensure protection of the environment and enable discharging its legal requirements concerning emission, waste water and waste disposal. As a part of its Global Policy, the relevant EHS parameters are analyzed to minimize risk associated with protection of environment, safety of operations and health of people at work vis-a-vis regulatory requirements and Sudarshan risk management guidelines. The Company is in full compliance with legal requirements concerning emission, waste water and waste disposal and accords top priority to work place safety at all its manufacturing sites.

## Segment II – Agro Chemicals

### 1. Industry Structure and Developments

As India continues to grow its economy in a greater way, the agriculture sector must also keep pace in improving its infrastructure, efficiency and productivity in a sustainable manner and contribute to the food security of over a billion people. Weather fluctuations continue to affect agriculture sector significantly. Favourable monsoon has in general helped to improve the agriculture sector's production prospects. Excess rainfall towards the end of the monsoon season in some of the areas led to crop damage. The unseasonal rainfall and hailstorms in many parts of the country in February / March, 2014 has damaged the standing Rabi crop which has resulted in a decline in overall crop production.

The Agro Chemical Industry has also seen a change in the product mix owing to a change in the crop pattern and also due to a change in the pattern of pest formation. The average per hectare consumption of agrochemicals in India is comparatively lower than consumption in USA, Japan and other developed countries. This augurs well for the Agro Chemical Industry. Rapid growth in acreage of Bt Cotton hybrids resulting in improvement in yield of cotton crop is opening new opportunities for more consumption of pesticides for the control of sucking pests and plant growth nutrients.

India being a tropical country, the consumption pattern of pesticides is tilted towards insecticides, accounting for around 58-60% of the crop protection chemical market. It is followed by herbicides and fungicides at 20% and 18% respectively.

The Crop Protection Industry witnessed growing uncertainties owing to variations in the monsoon spread in some parts of the country, change in climatic conditions, fluctuation in end product prices due to variable raw material costs and also unavailability of key raw materials from China. The Industry also witnessed a further slide in the demand for conventional pesticide products.

### 2. Opportunities and Threats

Rising costs and uncertainty in availability of some key raw materials continues to be a challenge. The exchange rate fluctuations also impact the raw material prices. Genetically modified seeds which have enhanced self-immunity from natural adversaries pose a threat to the Agro Chemical business.

Large areas exist in India for agricultural cultivation. We are the 7<sup>th</sup> largest country geographically and a large area is under crop cultivation. The Indian Agro Chemical Industry has potential for growth considering the cost advantage we enjoy as compared to developed countries and also considering the fact that usage of Insecticides in India on acreage basis as compared to developed countries is comparatively low. The need of the Industry is to invest in new products considering the change in crop pattern and pest formation. However the costs associated with the development and introduction of new molecules are a deterrent to domestic agro chemical companies with low technology base and limited area of operations. The number of pesticides imported from China is also increasing.

### 3. Performance

During the year under review, the Agro Division achieved a turnover of Rs. 1100 million as against Rs. 886 million made in the previous year thereby recording a growth of around 24%. Notwithstanding the adverse business environment, the Agro Division has managed to earn reasonable profits for the year under review. The Company expects to improve performance by concentrating more on the sale of Technical and Bulk pesticides.

The Agro Chemical Industry is more than ever subjected to the vagaries of the monsoon and could impact sale of Agrochemicals. The Company is mainly into the generic segment which faces cut throat competition from other unorganized and organized players in the Agro Chemical Industry. This may lead to stagnation in revenues and profits.

### 4. Outlook

The Company expects to improve the performance by laying more emphasis on Technical and Bulk as well as Brand business. Notwithstanding availability constraints of key raw materials and difficult market conditions, the current year should end on a positive note.

### 5. Risks and concerns

Increasing number of Indian Companies are registering Chinese material in India. Any change in the Chinese supply position will adversely affect Indian Agro Chemical Industry. The below expectation of a normal monsoon coupled with various uncertainties is also a matter of concern as it impacts the overall crop pattern and resultant pest formation.

### Internal Controls Systems

The Company has an internal control system commensurate with the size and nature of business. The Company is committed to ensuring a comprehensive internal control structure to ensure across the board operational efficiency and compliance with applicable laws besides ensuring that all its assets are adequately safeguarded and protected. All internal control systems are regularly reviewed to ensure efficacy and suitability to changing requirements and regulations. The Company has retained the services of independent firms of professionals to conduct internal audits and provide reports on the adequacy or otherwise of internal control systems. All these reports and observations are regularly reviewed by the top management and also by the Audit Committee of the Board and gaps if any are addressed by rectifying systems and policies.

The Company has established a risk management policy to maintain the highest standards of environment, safety and health and also in other functional and operational areas which are strictly adhered to.

### Human Resource Development

The Company continued its efforts to face the challenging business environment by upgrading the capability of its Human Resources through various initiatives in development and training of employees at all levels. For more details refer to the Director's Report. As on 31<sup>st</sup> March, 2014 a total of 1071 persons were employed by the Company.

### CAUTIONARY STATEMENT

*Statement made in this report describing the Company's objectives, projections, estimates, explanations may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand / supply and price conditions in the domestic and overseas markets in which the Company operates, changes in Government regulations, tax laws and other statutes and incidental factors.*

## REPORT ON CORPORATE GOVERNANCE

### I. Company's Philosophy on Code of Corporate Governance :

The Company's philosophy on Corporate Governance envisages attainment of transparency and accountability in all spheres including its dealings with employees, shareholders, customers, vendors, lenders and others. Thus, Corporate Governance is a reflection of our culture, policies, our relationship with stakeholders and our commitment to values. The Company believes that the systems and the actions enhance the performance and increase stakeholders' value.

The Corporate Governance Philosophy of the Company has been further strengthened with the adoption of the Code of Conduct and among others the Code for Prevention of Insider Trading. The Company, through its Board and committees, endeavours to maintain high standards of Corporate Governance for the benefit of its stakeholders.

Compliance with the requirements of Clause 49 of the Listing Agreement relating to Corporate Governance are set out below :

### II. Board of Directors :

#### II.1. Composition :

The Board of Directors comprises of following Members / Key individuals as detailed below :

Sr.No.	Category of Directors	Name of the Director
1.	Promoters (Nominees of Promoter Group)	1. Mr.K.L.Rathi – Chairman 2. Mr.P.R.Rathi – Vice Chairman and Managing Director 3. Mr.R.B.Rathi – Executive Director (Appointed as Dy. Managing Director w.e.f. 1 <sup>st</sup> April, 2014) 4. Mr.N.J.Rathi – Non Executive Director
2.	Non-Promoter (Independent)	1. Mr.B.S.Mehta 2. Mr.S.N.Inamdar 3. Mr.P.P.Chhabria 4. Mr.D.N.Damania 5. Mr.S.Padmanabhan 6. Mr.S.K.Asher 7. Mrs.R.F.Forbes (w.e.f. 29 <sup>th</sup> March, 2014)

#### Notes :

- None of the Non-Promoter Directors of the Company had any material pecuniary relationship or transactions with the Company, its Promoters, its Management during the Financial Year 2013 - 2014 which, in the judgment of the Board may affect independence of judgment of the Directors.
- The Directors mentioned at Serial No. 2 above fall within the expression of "Independent Directors" as mentioned in Clause 49 (I) (A) (iii) of the Listing Agreement.
- The present composition of the Board is in compliance with Clause 49 (I) (A) of the Listing Agreement.

### Profile of Promoter Directors :

1. **Mr.K.L.Rathi**, Chairman, is B.Sc, B.Sc. (Tech) and M.A. (Chem) from Columbia University, USA and has been associated with the Company for more than four decades. Mr.K.L.Rathi is also the Chairman of Roha Manufacturers Association.
2. **Mr.P.R.Rathi**, Vice Chairman and Managing Director, is MS in Chemical Engineering from MIT, USA and MBA from Columbia University, USA and has been associated with the Company for more than three decades.
3. **Mr.R.B.Rathi**, Dy. Managing Director, is B.E. Mech. Engg. from MIT, Pune, B.S. Chem. Engg. from Ohio University, USA and M.B.A. from Pittsburgh University, USA. Mr. R.B.Rathi has been associated with the Company for the past two decades.
4. **Mr.N.J.Rathi**, Non-Executive Director, is M.Com from University of Pune and M.B.A. from USA.

### Profile of Non-Executive Independent Directors :

1. **Mr.B.S.Mehta**, is a Fellow Member of the Institute of Chartered Accountants of India. Mr. B.S.Mehta is Senior Partner of M/s. Bansi S. Mehta & Co., a firm of Chartered Accountants. Mr. B.S.Mehta is also on the Board of several other Companies.
2. **Mr.S.N.Inamdar**, is a leading advocate and an expert in Income Tax matters. Mr. S.N.Inamdar is also on the Board of several other Companies.
3. **Mr.P.P.Chhabria**, is the original Promoter of Finolex companies coming under Finolex Group. Mr.P.P.Chhabria is also on the Board of several other Companies.
4. **Mr.D.N.Damania**, is B.E Mechanical Engineering from Pune University and a renowned technocrat. Mr.D.N.Damania is also on the Board of several other Companies.
5. **Mr.S.Padmanabhan**, is M.Sc. (Physics) from Delhi University and Bachelor of General Law from Mumbai University. Mr. S.Padmanabhan has a diploma in Development Economics from University of Cambridge, U.K. and a Diploma in Management Accounting from Bajaj Institute of Management, Mumbai. A former IAS Officer, Mr.S.Padmanabhan has wide experience in industrial projects, finance and administration. Mr.S.Padmanabhan is also on the Board of several other Companies.
6. **Mr.S.K.Asher**, is a Fellow member of the Institute of Chartered Accountants of India and Commerce & Law graduate from Bombay University. Mr. Sanjay Asher is senior partner of M/s. Crawford Bayley & Co., Mumbai and is also on the Board of several other Companies.
7. **Mrs.R.F.Forbes**, is a Graduate in Psychology and Sociology from Bombay University and has further done special courses on Women in Leadership, Human Resources and Organisational Behaviour and Social Entrepreneurship and Philanthropy from IIM Ahmedabad and Stanford University. She is also on the Board of other companies including Forbes Marshall Private Ltd. (since 1999).



## II.2. Meetings and Attendance :

During the Financial Year 2013-2014, six meetings of the Board of Directors were held on 30<sup>th</sup> May, 2013, 9<sup>th</sup> August, 2013, 20<sup>th</sup> September, 2013, 26<sup>th</sup> October, 2013, 7<sup>th</sup> February, 2014 and 29<sup>th</sup> March, 2014.

Details regarding attendance of the Directors at the Board Meetings held during the Financial Year 2013 - 2014 and at the last Annual General Meeting held on 20<sup>th</sup> September, 2013 are given below :

Sr. No.	Name of the Director	Designation	Status	No. of Board Meetings attended	Attendance at the last AGM
1.	Mr.K.L.Rathi	Chairman *	Non-Executive*	6	Yes
2.	Mr.P.R.Rathi	Vice Chairman and Managing Director	Executive	6	Yes
3.	Mr.N.J.Rathi	Director	Non-Executive	6	Yes
4.	Mr.R.B.Rathi	Dy. Managing Director	Executive	5	Yes
5.	Mr.B.S.Mehta	Director	Non-Executive	5	Yes
6.	Mr.S.N.Inamdar	Director	Non-Executive	4	Yes
7.	Mr.P.P.Chhabria	Director	Non-Executive	3	No
8.	Mr.D.N.Damania	Director	Non-Executive	5	Yes
9.	Mr.S.Padmanabhan	Director	Non-Executive	4	Yes
10.	Mr.S.K.Asher	Director	Non-Executive	4	No
11.	Mrs.R.F.Forbes**	Director	Non-Executive	—	NA

\* Executive Chairman upto 26<sup>th</sup> October, 2013.

\*\* Co-opted on 29<sup>th</sup> March, 2014.

## II.3. Details of Directorship(s) and Committee Membership(s) in Companies :

(No. of companies)

Name of the Director	Directorship *	Committee Membership **
Mr.K.L.Rathi	11	1
Mr.P.R.Rathi	19	9
Mr.N.J.Rathi	11	3
Mr.R.B.Rathi	13	2
Mr.B.S.Mehta	16	19
Mr.S.N.Inamdar	11	12
Mr.P.P.Chhabria	10	4
Mr.D.N.Damania	12	10
Mr.S.Padmanabhan	7	5
Mr.S.K.Asher	52	17
Mrs.R.F.Forbes	4	4

\* (Includes Directorships held in Private Companies, Section 25 Companies, Body Corporate incorporated outside India and Alternate Directorships)

\*\* (Includes Chairmanship / Membership of Remuneration / Compensation Committees which is non-mandatory under Clause 49 of the Listing Agreement)

None of the Directors is a member in more than 10 committees or acting as Chairman of more than five committees across all companies in which he is a Director. The necessary disclosures regarding Committee positions have been made by the Directors.

### III. Delegation of Authority and Responsibilities :

The Company has established a system of Delegation of Authority to define the limits of authority delegated to specified positions of responsibility within the Company and to establish the obligations that are to be performed by individuals. The approval of commitments and responsibilities outlined in this system are approved by the Managing Director and noted by the Board of Directors.

The Working Directors of the Company have delegated responsibilities coupled with necessary authorities to Officials of the Company so as to designate them as "Responsible Persons" and to vest in them the Authority and Responsibility to ensure that all statutory compliances as applicable are complied. The Board periodically reviews compliance report in relation to all laws applicable to the Company.

### IV. Information placed before the Board of Directors :

The information as required under Annexure IA to Clause 49 of the Listing Agreement is made available to the Board in every meeting.

### V. Audit Committee :

The Company has constituted a qualified Audit Committee complying with Clause II (A) of Clause 49 of the Listing Agreement.

The Audit Committee comprises of the following Directors :

Name of the Members	Category	No. of Meetings attended during the year 2013 - 2014
Mr.B.S.Mehta, Chairman	Independent, Non-Executive Director	5
Mr.S.N.Inamdar, Member	Independent, Non-Executive Director	4
Mr.D.N.Damania, Member	Independent, Non-Executive Director	4
Mr.P.R.Rathi, Member	Non-Independent, Executive Director	5

During the Financial Year 2013 - 2014, five meetings of the Audit Committee were held on 23<sup>rd</sup> May, 2013, 9<sup>th</sup> August, 2013, 20<sup>th</sup> September, 2013, 26<sup>th</sup> October, 2013, and 7<sup>th</sup> February, 2014.

Mr.P.S.Raghavan, Company Secretary is Secretary to the Audit Committee.

Mr.B.S.Mehta, Chairman of the Audit Committee was present at the previous Annual General Meeting held on 20<sup>th</sup> September, 2013.

The brief terms of reference of the Audit Committee include :

- Review of the Company's financial reporting process and financial statements.
- Review of accounting and financial policies and practices.
- Review of internal control and internal audit systems.
- Pre-audit and Post-audit discussions with external auditors on nature and scope of audit and areas of concern, if any, respectively.
- Appointment / Reappointment of Statutory Auditors, Internal Auditors, Cost Auditors and recommending remuneration.
- Reviewing the Company's financial and risk management policies.
- Review of Financial Statements, Investments made in Wholly Owned Subsidiary Companies i.e. Prescient Color Limited– Unlisted Indian Company, Sudarshan Europe B.V. – A Private Limited Company incorporated in The Netherlands and Sudarshan North America, Inc., – A Private Limited Company incorporated in the State of Delaware, USA (Wholly Owned Subsidiary of Sudarshan Europe B.V. and step down subsidiary of Sudarshan Chemical Industries Limited, Pune, India).

**VI. Remuneration Committee :**

The Remuneration Committee of the Board comprises of following Directors :

Name of the Members	Category	No. of Meetings attended during the year 2013 - 2014
Mr.P.P.Chhabria, Chairman	Independent, Non-Executive Director	2
Mr.S.N.Inamdar, Member	Independent, Non-Executive Director	1
Mr.D.N.Damania, Member	Independent, Non-Executive Director	2

During the Financial Year 2013 - 2014, two meetings of the Remuneration Committee were held on 7<sup>th</sup> February, 2014 and 29<sup>th</sup> March, 2014.

**Terms of Reference :**

- To appraise the performance of Managing and Executive Directors and
- To determine and recommend to the Board, commission, compensation payable to Managing and Executive Directors.

**Criteria for payments to Executive Directors :**

The remuneration of the Executive Directors is recommended by the Remuneration Committee based on criteria such as industry benchmarks, the Company's performance vis-à-vis the industry, responsibilities shouldered, performance / track record, macroeconomic review on remuneration packages of Heads of other organizations and further decided by the Board of Directors. The Company pays remuneration by way of salary, perquisites and allowances (fixed component), Performance Linked Variable Allowance and / or commission (variable components) to its Executive Directors.

**Criteria for payments to Non-Executive Directors :**

The Board of Directors has set up mandatory and non-mandatory committees for discharging various functions with Non-Executive Directors being member of such committees. Such Directors attending Board and Committee meetings are remunerated by payment of sitting fees.

The Schedule of sitting fees presently being paid are as follows :

Sr. No.	Particulars	Sitting fees per meeting Amount (Rs.)
1.	Board of Directors	20,000
2.	Audit Committee	20,000
3.	Shareholders' / Investors' Grievance Committee	20,000
4.	Remuneration Committee	20,000
5.	Selection Committee	20,000
6.	Finance Committee	20,000
7.	Adhoc Committee (for specific purposes)	20,000
8.	Issue of Share Certificates / Duplicate Share Certificates	5,000

**No. of shares held by Non-Executive Directors as on 31<sup>st</sup> March, 2014 :**

Sr. No.	Name of the Non-Executive Director	No. of shares of Rs. 10 each
1.	Mr.K.L.Rathi	107,430
2.	Mr.N.J.Rathi	241,765
3.	Mr.D.N.Damania	93

**Remuneration to Executive Directors for the year ended 31<sup>st</sup> March, 2014 :**

(Amount in Rs.)

Particulars	Mr. K.L.Rathi Executive Chairman (Remuneration paid up to 26 <sup>th</sup> October, 2013)	Mr. P.R.Rathi Vice Chairman and Managing Director	Mr. R.B.Rathi Director
Salary and Other allowances	4,827,598	8,835,888	7,688,556
Contribution to Provident Fund and Other Funds	914,166	1,879,200	1,280,772
Other Perquisites	279,414	432,600	299,626
Commission	3,200,000	5,500,000	5,500,000
<b>Total</b>	<b>9,221,178</b>	<b>16,647,688</b>	<b>14,768,954</b>

**Remuneration to Non-Executive Directors for the year ended 31<sup>st</sup> March, 2014 :**

(Amount in Rs.)

Name of the Director	Sitting Fees	Others (Professional Fees)	Total
Mr.K.L.Rathi	40,000	—	40,000
Mr.B.S.Mehta	200,000	—	200,000
Mr.S.N.Inamdar	215,000	650,000	865,000
Mr.P.P.Chhabria	120,000	—	120,000
Mr.D.N.Damania	220,000	—	220,000
Mr.S.Padmanabhan	80,000	—	80,000
Mr.S.K.Asher	80,000	—	80,000
Mr.N.J.Rathi	140,000	—	140,000
Mrs.R.F.Forbes	—	—	—
<b>Total</b>	<b>1,095,000</b>	<b>650,000</b>	<b>1,745,000</b>

In addition to sitting fees, Mr.S.N.Inamdar was also paid fees for rendering professional services. However these are not material in nature.

**VII. Selection Committee :**

The Selection Committee of the Board consists of following members :

Name of the Members	Category	Remarks
Mr.P.P.Chhabria, Chairman	Independent, Non-Executive Director	During the Financial Year 2013 - 2014, no meeting of the Selection Committee was held.
Mr.S.N.Inamdar, Member	Independent, Non-Executive Director	
Mr.D.N.Damania, Member	Independent, Non-Executive Director	
Mr.K.L.Rathi, Member	Chairman	
Mr.P.R.Rathi, Member	Vice Chairman and Managing Director	
Mr.V.Desai, Outside Member	Consultant, HRD	

**Terms of Reference :**

To propose and / or to review and recommend appropriate remuneration payable to relatives of directors proposing to or holding office or place of profit under the Company.

**VIII. Shareholders' / Investors' Grievance Committee :**

The Shareholders' / Investors' Grievance Committee comprises of the following Directors :

Name of the Members	Category	No. of Meetings attended during the year 2013 - 2014
Mr.P.P.Chhabria, Chairman	Independent, Non-Executive Director	1
Mr.P.R.Rathi, Member	Vice Chairman and Managing Director	1
Mr.N.J.Rathi, Member	Non-Executive Director	1

**Terms of Reference :**

To redress investors' complaints and requests such as share transfers, dematerialization of shares, non-receipt of annual reports, interest / dividend payments, issue of duplicate share certificates, transmission (with and without legal representation) of shares and other miscellaneous complaints.

During the Financial Year 2013 - 2014, one meeting of the Shareholders' / Investors' Grievance Committee was held on 7<sup>th</sup> February, 2014. All the members of this Committee attended the meeting.

Based on the report received from the Company's Registrars, no complaint was received from SEBI and Stock Exchange(s).

**Name, designation and address of Compliance Officer :**

Mr.P.S.Raghavan, Company Secretary  
Sudarshan Chemical Industries Limited  
162 Wellesley Road, Pune 411 001  
Maharashtra, India

**IX. Other Committees constituted by the Company :**

- 1. Finance Committee :** The scope of the Committee is to approve raising of short-term finance within the overall limits set up by the Board.

Mr.P.R.Rathi, Mr.K.L.Rathi, Mr.N.J.Rathi and Mr.S.N.Inamdar, Directors constitute members of the Committee.

- 2. Share Transfer Committee :** The scope is to approve / reject the transfers based on the report of the Company's Registrar and Transfer Agents, M/s. Link Intime India Private Limited.

Mr.K.L.Rathi, Mr.P.R.Rathi and Mr.N.J.Rathi, Directors constitute members of the Committee.

Meetings are held at convenient intervals to ensure transfer and dispatch of share certificates within the stipulated deadline prescribed by the stock exchanges.

- 3. Issue of Share Certificates / Duplicate Share Certificates Committee :** The scope of the Committee is to approve issue of duplicate share certificates arising out of split / consolidation and loss of share certificates.

Mr.K.L.Rathi, Mr.N.J.Rathi and Mr.S.N.Inamdar, Directors constitute members of the committee.

Meetings are held at convenient intervals to ensure issue and dispatch of share certificates within the stipulated deadline prescribed by the stock exchanges.

- 4. Adhoc Committee :** The scope of this Committee is to recommend to the Board regarding the development of the Sangam Land situated at 162 Wellesley Road, Pune 411 001. The Members of the Committee are Mr.P.P.Chhabria, Mr.S.N.Inamdar and Mr.S.K.Asher. Mr.P.P.Chhabria is acting as Chairman of the Committee.

During the Financial Year 2013 - 14, no meeting of this Committee was held.

**X. Risk Management :**

Risk Management is a practice with processes, methods and tools for managing risks. The Company believes that successful risk management is one in which risks are continuously identified, analysed and monitored on a regular basis. Mr. Vivek Garg, General Manager – Engg., Roha Plant is entrusted with the responsibility of risk management. The necessary reporting is being made to the Audit Committee and Board of Directors.

**XI. General Body Meeting :**

Details of last three Annual General Meetings are given below :

Financial Year	Date	Venue	No. of Directors present
2012 - 2013	20-09-2013	Mahratta Chamber of Commerce, Industries And Agriculture, Tilak Road, Pune	8
2011 - 2012	10-08-2012	Mahratta Chamber of Commerce, Industries And Agriculture, Tilak Road, Pune	9
2010 - 2011	12-08-2011	Mahratta Chamber of Commerce, Industries And Agriculture, Tilak Road, Pune	10

**XII.A. Details of Special Resolutions passed at the previous three Annual General Meetings :**

Date of AGM	Details of Special Resolution(s) passed	Remarks
20-09-2013	Nil	Nil
10-08-2012	Nil	Nil
12-08-2011	For obtaining the consent of the shareholders for payment of remuneration to Mr. Anuj N. Rathi, relative of Mr.N.J.Rathi, Director and Mr. Rahul P. Rathi, relative of Mr.P.R.Rathi, Managing Director w.e.f. 1 <sup>st</sup> August, 2011 under Section 314(1-B) of the Companies Act, 1956 read with Director's Relatives (Office or Place of Profit) Rules, 2011.	Passed by three fourth's majority

**XII.B. Details of Special Resolutions passed at the previous Extra-Ordinary General Meeting :**

Date of EOGM	Details of Special Resolution(s) passed	Remarks
29-03-2014	For obtaining the consents of the shareholders for re-appointment of Mr.P.R.Rathi as Vice Chairman & Managing Director for the period of five years, w.e.f. 1 <sup>st</sup> April, 2014 and for revision in the remuneration payable to him thereon and revision in remuneration payable to Mr.R.B.Rathi, Executive Director w.e.f. 1 <sup>st</sup> April, 2014	Passed by three fourth's majority

**XIII. Disclosures :**

During the year under review, there were no material significant transactions entered into by the Company with its Promoters, Directors or the Management or relatives etc. that may have a potential conflict with the interest of the Company.

There were no instances of non-compliance or penalty, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets, during the last three years.

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement with the Stock Exchanges.

The Company does not have any material non-listed Indian Subsidiary Company and hence, it is not required to have an Independent Director of the Company on the Board of such Subsidiary Company. The Audit Committee also reviews presentation made on significant issues in audit, internal control, risk management, etc. relating to subsidiaries.

The minutes of the Board Meetings of Wholly Owned Subsidiary Companies i.e. Prescient Color Limited, Sudarshan Europe B.V. and Sudarshan North America Inc., Wholly Owned Subsidiary of Sudarshan Europe B.V. and first level step down subsidiary of Sudarshan, India were tabled before the Board at respective Board Meetings and noted.

Except for the constitution of Remuneration Committee, other non-mandatory requirements under Clause 49 of the Listing Agreement have not been adopted.

**Secretarial Audit :** M/s. Rajesh Karunakaran & Co., Company Secretaries, Pune have been entrusted with the task of carrying out Secretarial Audit to reconcile the total admitted capital with NSDL e-Governance Infrastructure Limited (NSDL) and Central Depository Services Limited (CDSL) and the total issued and listed capital. The audit report submitted every quarter to the Board of Directors confirms that the total issued / paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

#### **XIV. Means of Communication :**

The Quarterly, Half-Yearly, Nine Monthly (Unaudited) and Yearly Consolidated Audited financial results of the Company are announced / published within the prescribed time period stipulated under the Listing Agreement. These financial results are ordinarily published in The Financial Express – English Newspaper and The Loksatta – Marathi Newspaper, both Pune Editions and The Economic Times - Pune and Mumbai Editions - English Newspaper, The Maharashtra Times - Pune Edition – Marathi Newspaper).

The Company also displays all unaudited / audited financial results, any major announcements, decisions, Press releases or significant developments on its website: [www.sudarshan.com](http://www.sudarshan.com).

In terms of SEBI Circular the Company has designated an e-mail address - [grievance.redressal@sudarshan.com](mailto:grievance.redressal@sudarshan.com) for enabling investors to post their grievances and to enable timely action on investor grievances, if any. Members are requested to forward their grievances, if any, at the designated e-mail address.

#### **XV. Shareholders' Information :**

Shareholders' information is separately provided in the Annual Report.

#### **XVI. Code of Conduct :**

The Board has laid down a Code of Conduct for all Board Members and Senior Management consisting of members of the Corporate Executive Committee and other Employees / Executives of the Company. The Code of Conduct is posted on the Company's website.

All the Board members and Senior Management personnel have affirmed compliance to the Code of Conduct of the Company for the period 1<sup>st</sup> April, 2013 to 31<sup>st</sup> March, 2014. The declaration dated 15<sup>th</sup> May, 2014 received from Mr.P.R.Rathi, Vice Chairman and Managing Director in this regard is given below :

"I hereby declare that all Board Members of the Company and Senior Management personnel have affirmed compliance with the Code of Conduct for the period from 1<sup>st</sup> April, 2013 to 31<sup>st</sup> March, 2014."

For and on behalf of the Board of Directors  
For SUDARSHAN CHEMICAL INDUSTRIES LIMITED

Pune : 23<sup>rd</sup> May, 2014

K.L.RATHI  
CHAIRMAN

## AUDITORS' CERTIFICATE

To,

The Members of  
Sudarshan Chemical Industries Limited  
162 Wellesley Road  
Pune 411001

We have examined the compliance of conditions of Corporate Governance by Sudarshan Chemical Industries Limited for the year ended 31<sup>st</sup> March, 2014 as stipulated in Clause 49 of the Listing Agreement of the Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance. 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 :

We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreement.

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

For B. K. Khare & Co.  
Chartered Accountants  
Firm Registration No. 105102W

Prasad Paranjape  
Partner  
Membership No. – 047296

Pune : 23<sup>rd</sup> May, 2014



## SHAREHOLDERS' INFORMATION

### 1. Annual General Meeting :

<b>Day and Date</b>	Saturday, 9 <sup>th</sup> August, 2014
<b>Time</b>	11.30 A.M.
<b>Venue</b>	Pudumjee Hall, Mahratta Chamber of Commerce, Industries And Agriculture, Tilak Road, Pune 411 002

### 2. Financial Calendar (Tentative) :

April - 2014 to March - 2015

Sr. No.	Particulars of Meetings	Date
1.	Audited Financial Results for the year ended 31 <sup>st</sup> March, 2014	23 <sup>rd</sup> May, 2014
2.	Unaudited Quarterly Results for the Quarter ended 30 <sup>th</sup> June, 2014.	9 <sup>th</sup> August, 2014
3.	63 <sup>rd</sup> Annual General Meeting	9 <sup>th</sup> August, 2014
4.	Unaudited Quarterly Results for the Quarter ended 30 <sup>th</sup> September, 2014.	14 <sup>th</sup> November, 2014
5.	Unaudited Quarterly Results for the Quarter ended 31 <sup>st</sup> December, 2014.	13 <sup>th</sup> February, 2015
6.	Unaudited Quarterly Results for the Quarter ended on 31 <sup>st</sup> March, 2015 / Audited Annual Results for the year ended on 31 <sup>st</sup> March, 2015.	22 <sup>nd</sup> May, 2015

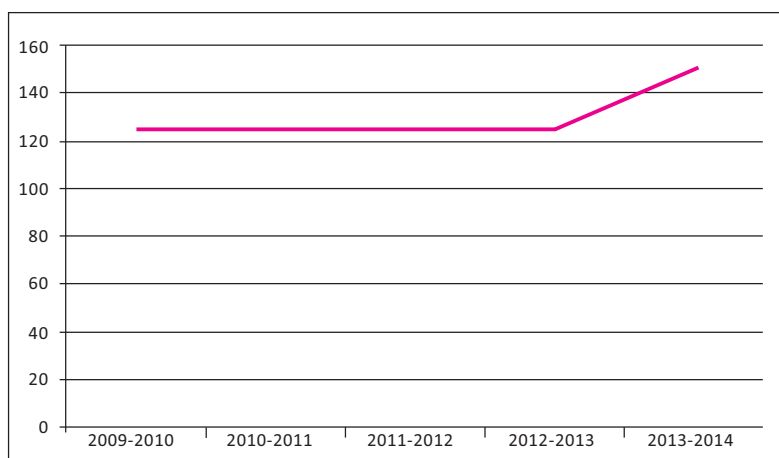
### 3. Date of Book Closure :

Monday, 28<sup>th</sup> July, 2014 to Saturday, 9<sup>th</sup> August, 2014 (both days inclusive).

### 4. Dividend Payment Date :

The Board of Directors at its meeting held on 23<sup>rd</sup> May, 2014 have recommended dividend of Rs. 15.00 per equity share (150%) on a face value of Rs. 10.00 for the year Financial Year ended 31<sup>st</sup> March, 2014 subject to the approval of the shareholders in the Annual General Meeting. The dividend, if approved by the shareholders at the Annual General Meeting, will be paid on or before 8<sup>th</sup> September, 2014 to those members whose names appear on the Register of Members of the Company / beneficial owners as on 9<sup>th</sup> August, 2014.

### 5. Dividend Trend for past five years :



% of Dividend paid by the Company during past five years is shown above.

## 6. Listing on Stock Exchanges and Stock Code :

Name	Code
Bombay Stock Exchange Limited	506655
The National Stock Exchange of India Limited	Sudarschem

The International Security Identification Number (ISIN) for Company's equity shares registered with NSDL and CDSL is INE659A01015.

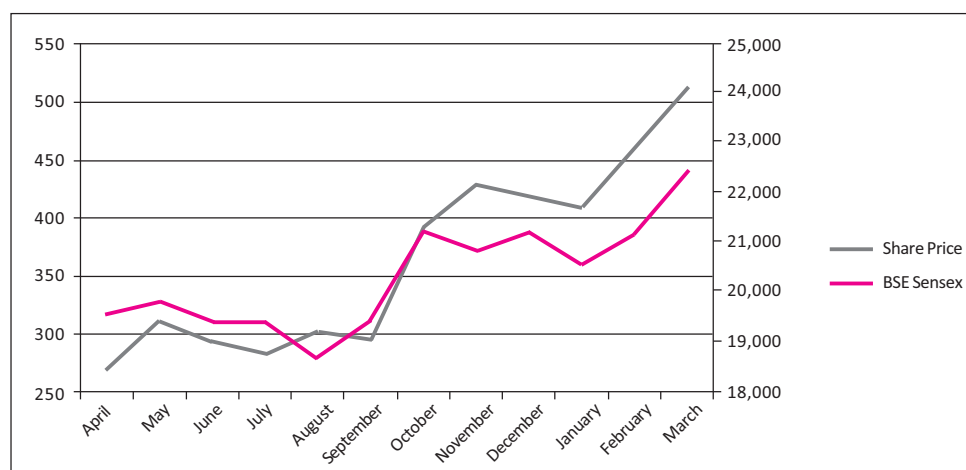
The Company has paid the Annual Listing fees in respect of Bombay Stock Exchange Limited and The National Stock Exchange of India Limited for the Financial Year 2014 - 2015. The Company has also paid the Annual Custodial fees to NSDL and CDSL for the Financial Year 2014 - 2015.

## 7. Stock Prices :

	Bombay Stock Exchange Limited		National Stock Exchange of India Limited	
Month	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April - 2013	336.90	256.00	325.00	293.10
May - 2013	315.00	258.10	Not Traded Due to Illiquid Scrip	Not Traded Due to Illiquid Scrip
June - 2013	323.40	281.50	- do -	- do -
July - 2013	324.00	281.00	- do -	- do -
August - 2013	308.90	275.05	- do -	- do -
September - 2013	310.00	285.10	- do -	- do -
October - 2013	390.10	292.50	- do -	- do -
November - 2013	425.00	377.00	- do -	- do -
December - 2013	439.00	385.00	- do -	- do -
January - 2014	436.75	397.00	431.05	404.90
February - 2014	474.00	401.00	472.50	401.00
March - 2014	514.75	441.00	514.90	455.00

(Source: BSE and NSE - Websites)

Comparison of Sudarshan share price with BSE Sensex - April - 2013 to March - 2014 :



**8. Registrar and Transfer Agents :**

Link Intime India Private Limited, Pune is acting as Company's Registrar and Transfer Agents to take care of all share related work including giving electronic credit of dematerialized shares of the Company. All share related matters are handled under the supervision of Mr.P.S.Raghavan, Company Secretary, who is also the Compliance Officer under the Listing Agreement.

**9. Share Transfer System :**

The Board has constituted a Share Transfer Committee for expeditious transfer of shares. The shares lodged with the Company and complete in all respects are usually transferred within a period of three weeks from the date of lodgment.

**10. Distribution of shareholding :****(As on 31<sup>st</sup> March, 2014)**

No. of equity shares held	No. of shareholders	% of shareholders	No. of shares	% of shareholding
<b>1 – 3000</b>	9,185	98.82	1,125,322	16.25
<b>3001 – 5000</b>	21	0.22	79,634	1.15
<b>5001 &amp; Above</b>	89	0.96	5,717,769	82.60
<b>Total</b>	<b>9,295</b>	<b>100.00</b>	<b>6,922,725</b>	<b>100.00</b>

**11. Shareholding pattern :****(As on 31<sup>st</sup> March, 2014)**

Category	No. of shares held	% to total paid up share capital
Rathi Promoter Group	3,661,626	52.89
Foreign Companies / NRI's / Foreign Individuals	565,033	8.16
FII's / Financial Institutions / Banks / Insurance Companies / Mutual Funds / UTI	36,158	0.52
Corporate Bodies	54,334	0.78
Non Promoter Directors / Resident Individuals	2,605,574	37.65
<b>Total</b>	<b>6,922,725</b>	<b>100.00</b>

**12. Dematerialization of Shares and Liquidity :**

The Company's shares are presently traded on the BSE and NSE in dematerialized form.

100% Promoters holding is now held in dematerialized form.

As on 31<sup>st</sup> March, 2014, 86.83 % of the total shareholding in the Company is held in dematerialized form which includes the promoters shareholding of 52.89%.

**13. Outstanding GDRs / ADRs / Warrants and other Convertible instruments, conversion dates and likely impact on equity:**

Not applicable as not issued.

**14. Plant locations :**

Location	Address
Roha	46 MIDC Estate, Dhataw, Roha 402 116, Dist Raigad
Mahad	Plot No. A-19/1+2, MIDC Estate, Mahad 402 301, Dist. Raigad
Ambadvet	R & D Laboratory, Ambadvet, Amrlevadi, Tal. Mulshi, Dist. Pune

**15. Address for Correspondence :**

(1) The Company Secretary  
Sudarshan Chemical Industries Limited,  
162 Wellesley Road,  
Pune 411 001  
Tel No. 020 - 26058888  
Email: [grievance.redressal@sudarshan.com](mailto:grievance.redressal@sudarshan.com)

(2) Link Intime India Private Limited  
"Akshay Complex"  
Block No. 202, 2<sup>nd</sup> Floor  
Off Dhole Patil Road  
Near Ganesh Temple  
Pune 411 001  
Tel.No. 020 - 26160084, 020 - 26161629  
Telefax 020 - 26163503  
E-mail : [pune@linkintime.co.in](mailto:pune@linkintime.co.in)

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**Disclosure under Regulation 10(1)(a)(ii) of the Securities and Exchange Board of India (Substantial Acquisition of shares and Takeovers) Regulations, 2011 :**

**Persons named as Promoters in the shareholding pattern filed by the Company pursuant to Clause No. 35 of the Listing Agreement.**

1) Mrs. Kusum Ramwilas Rathi 2) Mr. Pradeep Ramwilas Rathi 3) Mrs. Subhadra Pradeep Rathi 4) Mr. Rahul Pradeep Rathi 5) Mr. Balkrishna Jagannath Rathi (HUF) 6) Mrs. Kusum Balkrishna Rathi 7) Mr. Ajay Balkrishna Rathi 8) Mr. Ajay Balkrishna Rathi (HUF) 9) Mr. Ajay Balkrishna Rathi, Trustee of Manan Rathi Trust 10) Mrs. Nisha Ajay Rathi 11) Mr. Rajesh Balkrishna Rathi 12) Mr. Rajesh Balkrishna Rathi (HUF) 13) Mr. Rajesh Balkrishna Rathi, Trustee of Shri. Balkrishna Rathi Family Trust 14) Mr. Rajesh Balkrishna Rathi, Trustee of Sow Rachana Rathi Family Trust 15) Mrs. Rachana Rajesh Rathi 16) Mr. Kishor Laxminarayan Rathi 17) Mrs. Aruna Kishor Rathi 18) Mr. Rohit Kishor Rathi 19) Mr. Narayandas Jagannath Rathi 20) Mr. Anuj Narayandas Rathi 21) Mr. Anuj Narayandas Rathi (HUF) 22) Mrs. Archana Anuj Rathi 23) Balkrishna Rathi Finance Private Limited 24) Laxminarayan Finance Private Limited 25) NJR Finance Private Limited.

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## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF SUDARSHAN CHEMICAL INDUSTRIES LIMITED

#### Report on the Financial Statements

1. We have audited the accompanying Financial Statements of **Sudarshan Chemical Industries Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2014, and the Statement of Profit and Loss and the 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

2. 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 notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

3. 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.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the Financial Statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2014;
  - (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on 31<sup>st</sup> March, 2014; and
  - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on 31<sup>st</sup> March, 2014.

#### Report on Other Legal and Regulatory Requirements

7. 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 (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.

8. 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, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts;
- d. in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report, comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
- e. on the basis of written representations received from the directors as on 31<sup>st</sup> March, 2014, and taken on record by the Board of Directors, none of the Directors is disqualified as on 31<sup>st</sup> March, 2014, from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For B. K. Khare & Co.  
Chartered Accountants  
Firm Registration No. 105102W

Prasad Paranjape  
Partner  
Membership No. – 047296

Pune : 23<sup>rd</sup> May, 2014

## ANNEXURE TO THE AUDITORS' REPORT

### ANNEXURE REFERRED TO IN PARAGRAPH 7 OF OUR REPORT OF EVEN DATE :

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification, which in our opinion, is reasonable having regard to the size of the operations of the Company and nature of its fixed assets.
- (c) During the year, the Company has not disposed of any substantial or major part of fixed assets.
- ii. (a) As explained to us, the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory 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 according to the information and explanations given to us and on the basis of our examination of the records of inventory, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to the book records were not material and have been properly dealt with in the books of accounts.
- iii. 1 (a) According to the information and explanations given to us, the Company has granted unsecured loans to two wholly owned subsidiaries covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 751,423,107 and the year-end balance of loan granted to such companies is Rs. 63,718,242.
- (b) According to the information and explanations given to us, in our opinion, the rate of interest and other terms and conditions of above unsecured loans granted by the Company are not prima facie, prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us, the company to whom loans and advances in the nature of loan have been given is repaying the principal amount as stipulated and is also regular in payment of interest.
- (d) There is no overdue amount of loan granted to the companies listed in the register maintained under Section 301 of the Companies Act, 1956.
- 2 (a) According to the information and explanations given to us, the Company has taken unsecured loans and fixed deposits from 12 parties covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 49,490,000 and the year-end balance of loan taken from such parties is Rs. 126,400,000.
- (b) According to the information and explanations given to us, in our opinion, the rate of interest and other terms and conditions of the above unsecured loans taken by the Company are not prima facie, prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us, the Company is regular in repayment of principal and interest.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets, and with regard to the sale of goods and services. During the course of our audit, no continuing failure to correct major weakness has been noticed in the internal controls.
- v. In respect of transactions entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956,
  - (a) Based on audit procedures applied by us, to the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the contracts or arrangements that needed to be entered into the register maintained under Section 301 have been so entered.

- (b) According to the information and explanations given to us, transactions of purchase of goods and services exceeding the value of Rs. 5 lacs during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Rules framed thereunder in respect of the deposits accepted from the public.
- vii. In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.
- viii. We have broadly reviewed the books of accounts maintained by the Company pursuant to the Order made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956, in respect of Pesticides and Pigments and are of the opinion that prima facie the prescribed accounts and records have been maintained. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete.
- ix. (a) According to the records of the Company and information and explanations given to us, the Company has generally been regular in depositing 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 and other statutory dues with the appropriate authorities during the year.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty, Excise Duty, Cess and other undisputed statutory dues were outstanding, at the year-end or for a period of more than six months from the date they became payable.
- (c) According to the records of the Company and information and explanation given to us, details of dues of Excise Duty, Sales Tax and Income Tax which have not been deposited on account of any dispute are given below :

Name of the Statute	Nature of Dues	Amount (Rs.)	Financial Years to which it pertains	Forum where the dispute is pending
The Central Excise Act, 1944	Excise Duty	6,827,374	2004 - 05 to 2013 - 14	Assistant Commissioner of Central Excise
The Central Excise Act, 1944	Excise Duty	4,264,193	2004 - 05 to 2011 - 12	Custom, Excise and Service Tax Appellate Tribunal
The Central Excise Act, 1944	Excise Duty	72,949	2012 - 13 and 2013 - 14	Supt. Of Central Excise
Maharashtra VAT Act, 2002	VAT	8,907,535	2006 - 07 to 2009 - 10	Joint Commissioner Of Sales Tax (Appeal - 01)
Tamil Nadu VAT Act, 2006	VAT	623,691	2003 - 04	Assistant Commissioner, Commercial Tax Department, Coimbatore
Andhra Pradesh VAT Act, 2005	VAT	826,015	2007 - 08	Assistant Commissioner, Commercial Tax Department (LTU)
Karnataka VAT Act, 2003	VAT	76,959	2008 - 09	The Commercial Tax Inspector, Commercial Tax Check Post
<b>TOTAL</b>		<b>21,598,716</b>		



- x. The Company does not have accumulated losses as at the end of the financial year and the Company has not incurred cash loss during current and in the immediately preceding financial year.
- xi. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institutions and banks.
- xii. According to the information and explanations given to us and based on the documents and records produced 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.
- xiii. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended), are not applicable to the Company.
- xv. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions, except for the corporate guarantee issued on behalf of its wholly owned subsidiary Sudarshan Europe B.V amounting to EURO 3 Million and terms and conditions thereof are not prejudicial to the interest of the company.
- xvi. Based on the information and explanation given to us by the management, term loans availed by the Company were, prima facie, applied by the Company during the year for the purpose for which loans were obtained.
- xvii. According to Cash Flow Statement as on the Balance Sheet date and records examined by us and according to the information and explanations given to us, on overall basis, we report that no funds raised on short-term basis have, prima facie, been used during the year for long-term investment.
- xviii. The Company has not made any preferential allotment to parties and companies covered under register maintained under Section 301 of the Companies Act, 1956, during the year and the question of whether the price at which the shares have been issued is prejudicial to the interest of the Company does not arise.
- xix. The Company has not issued any debentures and hence the question of creation of any securities does not arise.
- xx. The Company has not raised money by any public issue during the year and hence the question of disclosure and verification of end use of such money does not arise.
- xxi. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Financial Statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For B. K. Khare & Co.  
Chartered Accountants  
Firm Registration No. 105102W

Prasad Paranjape  
Partner  
Membership No. – 047296

Pune : 23<sup>rd</sup> May, 2014

## BALANCE SHEET AS AT 31ST MARCH, 2014

Particulars	Note No.	As at 31-03-2014 Rs.	As at 31-03-2013 Rs.
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	1	69,227,250	69,227,250
(b) Reserves and Surplus	2	2,964,394,151	2,741,705,109
		<u>3,033,621,401</u>	<u>2,810,932,359</u>
<b>(2) Non-current Liabilities</b>			
(a) Long-term borrowings	3	1,768,647,057	2,103,899,000
(b) Deferred tax liabilities (Net)	4	348,158,093	252,261,161
(c) Other long-term liabilities	5	27,793,708	27,811,160
(d) Long-term provisions	6	54,708,024	52,871,082
		<u>2,199,306,882</u>	<u>2,436,842,403</u>
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	7	1,469,851,666	1,443,165,901
(b) Trade payables	8	1,077,143,598	1,017,263,505
(c) Other current liabilities	9	1,093,991,396	882,487,108
(d) Short-term provisions	10	167,509,611	145,069,617
		<u>3,808,496,271</u>	<u>3,487,986,131</u>
<b>Total ...</b>		<u><u>9,041,424,554</u></u>	<u><u>8,735,760,893</u></u>
<b>II. ASSETS</b>			
<b>(1) Non-current Assets</b>			
(a) Fixed assets			
(i) Tangible assets	11	3,030,558,283	2,959,989,919
(ii) Intangible assets	12	126,762,925	120,943,902
(iii) Capital work-in-progress		62,871,647	225,878,876
(b) Non-current investments	13	292,762,112	251,839,612
(c) Long-term loans and advances	14	202,567,097	210,069,401
(d) Other non-current assets	15	2,500,000	3,000,000
		<u>3,718,022,064</u>	<u>3,771,721,710</u>
<b>(2) Current Assets</b>			
(a) Inventories	16	2,113,438,730	1,858,572,266
(b) Trade receivables	17	2,645,502,948	1,995,930,740
(c) Cash and cash equivalents	18	121,305,176	217,040,015
(d) Short-term loans and advances	19	158,644,692	644,334,600
(e) Other current assets	20	284,510,944	248,161,562
		<u>5,323,402,490</u>	<u>4,964,039,183</u>
<b>Total ...</b>		<u><u>9,041,424,554</u></u>	<u><u>8,735,760,893</u></u>
See accompanying Notes to The Financial Statements	29		

The accompanying notes form an integral part of The Financial Statements.

As per our report of even date.

For and on behalf of the Board of Directors

For B.K.KHARE & Co.  
Chartered Accountants  
Firm Regn. No.:105102W

K.L.RATHI  
Chairman

P.R.RATHI  
Vice-Chairman &  
Managing Director

PRASAD PARANJPE  
Partner  
Membership No.:047296

R.B.RATHI  
Deputy  
Managing Director

N.J.RATHI  
Director

P.S.RAGHAVAN  
Company Secretary

Pune : 23<sup>rd</sup> May, 2014

Pune : 23<sup>rd</sup> May, 2014

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	Note No.	Current Year Rs.	Previous Year Rs.
I. Revenue from operations	21	11,037,434,065	8,471,688,910
Less : Excise duty		770,932,129	619,149,981
		10,266,501,936	7,852,538,929
II. Other Income	22	47,283,831	115,504,449
III. Total Revenue (I +II)		10,313,785,767	7,968,043,378
IV. Expenses :			
Cost of materials consumed	23	5,710,391,115	4,520,131,390
Cost of goods traded	24	313,382,734	298,575,030
Changes in inventories of finished goods and work-in-progress	25	51,847,736	(323,554,175)
Employee benefit expense	26	644,559,015	602,042,306
Finance costs	27	375,966,364	311,790,206
Depreciation and amortization expense	11, 12	353,515,197	250,372,367
Other expenses	28	2,315,848,997	2,058,185,246
Total Expenses		9,765,511,158	7,717,542,370
V. Profit / (Loss) before exceptional, extraordinary items and tax (III - IV)		548,274,609	250,501,008
VI. Exceptional Items		-	-
VII. Profit / (Loss) before extraordinary items and tax (V - VI)		548,274,609	250,501,008
VIII. Extraordinary Items		-	-
IX. Profit / (Loss) before tax (VII - VIII)		548,274,609	250,501,008
X. Tax expense :			
(1) Current Tax		116,300,000	48,000,000
(2) MAT Credit (Entitlement) / Utilised (Net)		(8,100,000)	(48,000,000)
(3) Deferred Tax		95,896,932	39,950,992
XI. Profit / (Loss) for the period from continuing operations		344,177,677	210,550,016
XII. Profit / (Loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit / (Loss) from discontinuing operations (after tax) (XII - XIII)		-	-
XV. Profit / (Loss) for the period (XI + XIV)		344,177,677	210,550,016
XVI. Earnings per equity share, Basic and Diluted (Rs. Per Equity Share of Rs. 10 each (Previous Year : Rs. 10 each)) (Ref. Note No. 22 of Note No. 29)		49.72	30.41
See accompanying Notes to The Financial Statements	29		

The accompanying notes form an integral part of The Financial Statements.

As per our report of even date.

For and on behalf of the Board of Directors

For B.K.KHARE & Co.  
Chartered Accountants  
Firm Regn. No.:105102W

K.L.RATHI  
Chairman

P.R.RATHI  
Vice-Chairman &  
Managing Director

PRASAD PARANJAPÉ  
Partner  
Membership No.:047296

R.B.RATHI  
Deputy  
Managing Director

N.J.RATHI  
Director

P.S.RAGHAVAN  
Company Secretary

Pune : 23<sup>rd</sup> May, 2014

Pune : 23<sup>rd</sup> May, 2014

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	March 31, 2014 Rs.	March 31, 2013 Rs.
<b>A. Cash flows from operating activities :</b>		
Profit / (Loss) before tax from operations	548,274,609	250,501,008
<b>Non-cash adjustment to reconcile profit before tax to net cash flows :</b>		
Depreciation / amortization	353,515,197	250,372,367
Loss / (Profit) on sale or write off of fixed assets	13,233,742	1,481,219
Provision for decline in the value of long-term investment written back	-	(205,000)
Unrealized foreign exchange Loss / (Gain)	9,767,802	(15,099,665)
Provision for doubtful debt	(464,773)	893,702
Provision for doubtful advances	3,000,000	-
Bad Debts written-off	2,767,885	2,308,486
Interest expense	375,966,364	311,790,206
Interest income	(16,217,399)	(54,409,912)
<b>Operating profit before working capital changes</b>	<b>1,289,843,427</b>	<b>747,632,411</b>
<b>Movements in working capital :</b>		
Increase / (decrease) in trade payables	65,984,365	54,787,924
Increase / (decrease) in long-term provisions	1,836,942	3,061,805
Increase / (decrease) in short-term provisions	2,191,892	4,896,449
Increase / (decrease) in other current liabilities	46,363,536	6,809,026
Increase / (decrease) in other long-term liabilities	(17,452)	40,700
Decrease / (increase) in trade receivables	(658,735,717)	(142,569,456)
Decrease / (increase) in inventories	(254,866,464)	(289,449,070)
Decrease / (increase) in long-term loans and advances	(3,264,381)	102,872,061
Decrease / (increase) in short-term loans and advances	485,689,908	(243,766,581)
Decrease / (increase) in other current assets	(37,196,476)	(60,401,537)
Decrease / (increase) in other non-current assets	500,000	2,500,000
<b>Cash generated from / (used in) operations</b>	<b>938,329,580</b>	<b>186,413,732</b>
Direct taxes paid	(110,000,000)	(60,500,000)
<b>Net cash flows from operating activities (A)</b>	<b>828,329,580</b>	<b>125,913,732</b>
<b>B. Cash flows from investing activities :</b>		
Purchase of fixed assets, including intangible assets and CWIP	(274,968,023)	(1,201,427,466)
Proceeds from sale of fixed assets	5,031,407	1,846,096
Redemption of non-current investments	1,000,000	135,303
Investment in Subsidiaries	(41,922,500)	-
Decrease / (increase) in bank deposits (Margin Money) (Net)	17,996,944	(3,983,206)
(Original maturity of more than three months)		
Interest received	17,064,493	53,004,474
<b>Net cash flows used in investing activities (B)</b>	<b>(275,797,679)</b>	<b>(1,150,424,799)</b>
<b>C. Cash flows from financing activities :</b>		
Proceeds from long-term borrowings	446,575,183	1,375,902,500
Repayment of long-term borrowings	(624,774,377)	(464,934,000)
Dividend and Dividend Tax Paid	(101,240,533)	(100,572,053)
Proceeds from short-term borrowings (Net)	25,650,765	396,197,568
Interest paid	(376,480,834)	(307,361,450)
<b>Net cash flows from / (used in) financing activities (C)</b>	<b>(630,269,796)</b>	<b>899,232,565</b>
<b>Net increase / (decrease) in cash and cash equivalents (A + B + C)</b>	<b>(77,737,895)</b>	<b>(125,278,502)</b>
Cash and cash equivalents at the beginning of the year	179,887,764	305,166,266
<b>Cash and cash equivalents at the end of the year</b>	<b>102,149,869</b>	<b>179,887,764</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	2,025,576	2,386,602
With banks :		
On current account	97,118,611	174,135,974
On deposit account	-	1,389,018
Unpaid dividend accounts*	3,005,129	1,960,668
Lien account	553	15,502
<b>Total cash and cash equivalents (Ref. Note No. 18 and Note No. 1 (xv) of Note No. 29)</b>	<b>102,149,869</b>	<b>179,887,764</b>

## Notes :

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard-3 on Cash Flow Statements issued by ICAI.
- Previous year's figures have been regrouped wherever necessary to conform to the current year's classification.

\* The Company can utilise these balances only towards settlement of the respective unpaid dividend.

As per our report of even date.

For and on behalf of the Board of Directors

For B.K.KHARE & Co.  
Chartered Accountants  
Firm Regn. No.:105102W

K.L.RATHI  
Chairman

P.R.RATHI  
Vice-Chairman &  
Managing Director

PRASAD PARANJPE  
Partner  
Membership No.:047296

R.B.RATHI  
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Director

P.S.RAGHAVAN  
Company Secretary

Pune : 23<sup>rd</sup> May, 2014

Pune : 23<sup>rd</sup> May, 2014

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2014 Rs.	As at 31-03-2013 Rs.
	<b>SHAREHOLDERS' FUNDS :</b>		
<b>1</b>	<b>SHARE CAPITAL</b>		
	<b>Equity Share Capital :</b>		
	<b>AUTHORISED :</b>		
	8,000,000 (Previous Year : 8,000,000)	<b>80,000,000</b>	<b>80,000,000</b>
	Equity Shares of Rs. 10 each.		
	<b>ISSUED :</b>		
	* 6,922,775 (Previous Year : 6,922,775)	<b>69,227,750</b>	<b>69,227,750</b>
	Equity Shares of Rs. 10 each.		
	<b>SUBSCRIBED AND PAID-UP :</b>		
	6,922,725 (Previous Year : 6,922,725)	<b>69,227,250</b>	<b>69,227,250</b>
	Equity Shares of Rs. 10 each fully paid-up.		
	* Allotment of 50 Rights Equity Shares of Rs. 10 each is kept in abeyance, matter being sub-judice.		
	<b>(a) Reconciliation of the shares outstanding at the beginning and at the end of the year :</b>		
	At the beginning of the year	<b>6,922,725</b>	<b>69,227,250</b>
	Add : Allotted during the year	-	-
	Less : Shares bought back during the year	-	-
	Outstanding at the end of the year	<b>6,922,725</b>	<b>69,227,250</b>
	<b>(b) Terms / Rights attached to equity shares :</b>		
	The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.		
	During the Financial Year ended 31 <sup>st</sup> March, 2014, the amount of per share proposed dividend recognised as distribution to the equity shareholders is Rs. 15.00 (Previous Year : Rs. 12.50).		
	In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.		
	<b>(c) Shares held by holding / ultimate holding company and / or their subsidiaries / associates :</b>		
	The Company does not have any holding or ultimate holding company.		
	<b>(d) Details of shareholders holding more than 5% shares in the company :</b>		
		<b>No.</b>	<b>%</b>
	Mr. Pradeep R. Rath	<b>382,345</b>	<b>5.52</b>
	Mr. Rahul P. Rath	<b>475,454</b>	<b>6.87</b>
	Mr. Anuj N. Rath	<b>382,762</b>	<b>5.53</b>
	DIC Corporation, Japan	<b>557,989</b>	<b>8.06</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2014 Rs.		As at 31-03-2013 Rs.	
<b>2</b>	<b>RESERVES AND SURPLUS</b>				
	<b>(a) CAPITAL RESERVE</b>				
	Balance at the beginning of the year	5,044,100		5,044,100	
	Additions during the year	-		-	
	Less: Deduction during the year	-		-	
	Balance at the end of the year	<u>5,044,100</u>	<u>5,044,100</u>	<u>5,044,100</u>	5,044,100
	<b>(b) SECURITIES PREMIUM ACCOUNT</b>				
	Balance at the beginning of the year	132,115,000		132,115,000	
	Additions during the year	-		-	
	Less: Deduction during the year	-		-	
	Balance at the end of the year	<u>132,115,000</u>	<u>132,115,000</u>	<u>132,115,000</u>	132,115,000
	<b>(c) REVALUATION RESERVE</b>				
	<i>Ref. Note No. 4 of Note No. 29</i>				
	Balance at the beginning of the year	498,450,000		498,450,000	
	Additions during the year	-		-	
	Less: Deduction during the year	-		-	
	Balance at the end of the year	<u>498,450,000</u>	<u>498,450,000</u>	<u>498,450,000</u>	498,450,000
	<b>(d) GENERAL RESERVE</b>				
	Balance at the beginning of the year	1,544,115,720		1,514,115,720	
	Add : Amounts transferred from Profit and Loss Account (Surplus)	60,000,000		30,000,000	
	Less: Deduction during the year	-		-	
	Balance at the end of the year	<u>1,604,115,720</u>	<u>1,604,115,720</u>	<u>1,544,115,720</u>	1,544,115,720
	<b>(e) PROFIT AND LOSS ACCOUNT (SURPLUS)</b>				
	Surplus at the beginning of the year	561,980,289		482,670,806	
	Add : Profit After Tax for the year	344,177,677		210,550,016	
	Less: Appropriations				
	Proposed Equity Dividend	103,840,875		86,534,063	
	Tax on Proposed Equity Dividend	17,647,760		14,706,470	
	Amount transferred to General Reserve	60,000,000		30,000,000	
		<u>724,669,331</u>	<u>724,669,331</u>	<u>561,980,289</u>	561,980,289
	Total ...		<u><u>2,964,394,151</u></u>		<u><u>2,741,705,109</u></u>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2014 Rs.	As at 31-03-2013 Rs.
	<b>NON-CURRENT LIABILITIES :</b>		
<b>3</b>	<b>LONG-TERM BORROWINGS</b>		
	<b>(a) SECURED LOAN FROM BANKS :</b>		
	HDFC Bank Limited	128,000,000	224,000,000
	<i>Ref. Note Nos. i) and x) below</i>		
	Export - Import Bank of India (EXIM Bank)	94,652,268	206,460,000
	<i>Ref. Note Nos. ii), iii), viii) and x) below</i>		
	Bank of Maharashtra	729,659,789	991,149,000
	<i>Ref. Note Nos. iv) to vii) and x) below</i>		
	State Bank of India	200,000,000	200,000,000
	<i>Ref. Note Nos. ix) and x) below</i>		
		<b>1,152,312,057</b>	<b>1,621,609,000</b>
	<b>(b) UNSECURED LOAN FROM OTHERS :</b>		
	<b>Loans and Advances from Related Parties :</b>		
	i) Intercompany Deposits	103,835,000	175,610,000
	<i>Ref. Note No. xi) below</i>		
	ii) Fixed Deposits		
	1) From Public	-	5,600,000
	2) From Shareholders	10,080,000	10,880,000
	<i>Ref. Note No. xii) below and Note No. 8 of Note No. 29</i>		
	<b>Loans and Advances from Others :</b>		
	i) Intercompany Deposits	8,510,000	26,900,000
	<i>Ref. Note No. xi) below</i>		
	ii) Fixed Deposits		
	1) From Public	453,105,000	239,190,000
	2) From Shareholders	40,805,000	24,110,000
	<i>Ref. Note No. xii) below and Note No. 8 of Note No. 29</i>		
		<b>616,335,000</b>	<b>482,290,000</b>
	<b>Total ...</b>	<b>1,768,647,057</b>	<b>2,103,899,000</b>

- i) Term Loan from HDFC Bank Limited of Rs. 36 Crores (outstanding Rs. 128,000,000 (P.Y. Rs. 224,000,000)) was taken in Financial Year 2011-12 and carries interest @ 10.70% p.a. The loan is repayable in 45 monthly instalments of Rs. 80 Lacs each from November 2012.
- ii) Term Loan from EXIM Bank of Rs. 15 Crores (outstanding Rs. Nil (P.Y. Rs. 20,000,000)) was taken in Financial Year 2008-09 and carries interest @ 11.20% p.a. The loan is repayable in 60 monthly instalments of Rs. 25 Lacs each from December 2009.
- iii) Term Loan from EXIM Bank of Rs. 36 Crores (outstanding Rs. 60,000,000 (P.Y. Rs. 150,000,000)) was taken in parts till March 31, 2012 and carries interest @ 11.30% p.a. The loan is repayable in 48 monthly instalments of Rs. 75 Lacs each from February 2012.
- iv) Term Loan from Bank of Maharashtra of Rs. 35 Crores (outstanding Rs. 79,848,771 (P.Y. Rs. 167,500,000)) was taken in Financial Year 2010-11 and carries interest @ 10.50% p.a. The loan is repayable in 46 monthly instalments of Rs. 73 Lacs each from March 2012 and 1 instalment is of Rs. 69 Lacs.
- v) Term Loan from Bank of Maharashtra of Rs. 42 Crores (outstanding Rs. 251,866,043 (P.Y. Rs. 336,000,000)) was taken in parts till March 31, 2012 and carries interest @ 10.70% p.a. The loan is repayable in 20 quarterly instalments of Rs. 210 Lacs each from May 2013.
- vi) Term Loan from Bank of Maharashtra of Rs. 16.85 Crores (outstanding Rs. 117,944,975 (P.Y. Rs. 151,649,000)) was taken in Financial Year 2012-13 and carries interest @ 10.50% p.a. The loan is repayable in 60 monthly instalments of Rs. 28.08 Lacs each from October 2013.
- vii) Term Loan from Bank of Maharashtra of Rs. 42 Crores (outstanding Rs. 280,000,000 (P.Y. Rs. 336,000,000)) was taken in Financial Year 2012-13 and carries interest @ 10.25% p.a. The loan is repayable in 48 monthly instalments of Rs. 87.50 Lacs each from May 2013.
- viii) Term Loan from EXIM Bank of USD 1 Million (outstanding Rs. 34,652,268 (P.Y. Rs. 36,460,000)) was taken in parts till March 31, 2014 and carries interest @ LIBOR + 475 b.p.s. p.a. The loan is repayable in 12 quarterly instalments of USD 0.83 Lacs each from March 2014.
- ix) Corporate Term Loan from SBI of Rs. 30 Crores (outstanding Rs. 200,000,000 (P.Y. Rs. 200,000,000)) was taken in parts till March 31, 2014 and carries interest @ 10.80% p.a. The loan is repayable in 8 quarterly instalments of Rs. 250 Lacs each from June 2014.
- x) **Nature of Security :** The Term Loans from Export Import Bank of India (EXIM Bank), Bank of Maharashtra (BOM) and HDFC Bank Limited are secured by First Pari Passu charge by way of hypothecation of all movable fixed assets and further secured by way of mortgage on all immovable fixed assets of the Company situated at Roha, Mahad, Dist. Raigad and at Ambadvet, Amravaladi, Dist. Pune. The Term Loan of EXIM Bank of Rs. 15 Crores is also secured by a charge on the Company's current assets, both present and future. The Foreign Currency Term Loan of USD 1.00 Million (Rs. 5.50 Crores approx.) from Export Import Bank of India (EXIM Bank) is secured by a First Pari Passu charge on the entire fixed assets of the Company. Also the said Foreign Currency Term Loan is to be secured by a mortgage charge on the immovable properties of the Company situated at Roha, Mahad, Dist. Raigad and Ambadvet, Amravaladi, Dist. Pune. The Corporate Loan of Rs. 30 Crores from State Bank of India, Pune (SBI) is secured by a First Pari Passu charge on the movable fixed assets and current assets of the Company. Also the said Corporate Loan is to be secured by a mortgage charge on the immovable properties of the Company situated at Roha, Mahad, Dist. Raigad and Ambadvet, Amravaladi, Dist. Pune.
- xi) Intercompany Deposits are generally accepted for period of 3 years. Rate of Interest varies from 10 - 11.50% p.a.
- xii) Fixed Deposits are generally accepted for period of 1 - 3 years. Rate of Interest varies from 9 - 11.50% p.a.
- xiii) Above Loans exclude those maturing within 12 months (Ref. Note No. 9 (a))

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2014 Rs.	As at 31-03-2013 Rs.
<b>4</b>	<b>DEFERRED TAX LIABILITIES (NET)</b>		
	Deferred Tax Liabilities :		
	Depreciation	368,362,634	314,315,845
		<u>368,362,634</u>	<u>314,315,845</u>
	Deferred Tax Assets :		
	Expenditure accrued, allowable on actual payment	20,204,541	22,996,562
	Unabsorbed Depreciation	-	39,058,122
		<u>20,204,541</u>	<u>62,054,684</u>
	Deferred Tax Liabilities (Net) Total ...	<u>348,158,093</u>	<u>252,261,161</u>
	<i>Ref. Note No. 1 (xii) of Note No. 29</i>		
<b>5</b>	<b>OTHER LONG-TERM LIABILITIES</b>		
	Security Deposits	27,793,708	27,811,160
	Total ...	<u>27,793,708</u>	<u>27,811,160</u>
<b>6</b>	<b>LONG-TERM PROVISIONS</b>		
	<b>PROVISION FOR EMPLOYEE BENEFITS :</b>		
	Pension	54,708,024	52,871,082
	<i>Ref. Note No. 1 (xi) and Note No. 5 (A) 2 (a) of Note No. 29</i>		
	<i>For Current maturity Ref. Note No. 9 (d)</i>		
	Total ...	<u>54,708,024</u>	<u>52,871,082</u>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2014 Rs.	As at 31-03-2013 Rs.
<b>CURRENT LIABILITIES :</b>			
<b>7</b>	<b>SHORT-TERM BORROWINGS</b>		
	<b>LOANS REPAYABLE ON DEMAND :</b>		
	<b>FROM BANKS -</b>		
	<b>(a) SECURED LOANS :</b>		
	Working Capital Borrowings Ref. Note Nos. i) to xi) below	<b>977,351,666</b>	698,712,776
	<b>(b) UNSECURED LOANS :</b>		
	Short-Term Loans Ref. Note Nos. xii) to xix) below	<b>492,500,000</b>	744,453,125
	<b>Total ...</b>	<b>1,469,851,666</b>	<b>1,443,165,901</b>

- i) Working Capital Loan (Cash Credit) Rs. 266,263,384 (P.Y. Rs. 119,245,994) from Bank of Maharashtra carries interest @ 11.25% p.a.
- ii) Working Capital Loan (Cash Credit) Rs. 434,035,188 (P.Y. Rs. 165,709,098) from State Bank of India carries interest @ 10.90% p.a.
- iii) Working Capital Loan (Cash Credit) Rs. 4,088,703 (Debit) (P.Y. Rs. 2,835,514) from Bank of Baroda carries interest @ 11.25% p.a.
- iv) Working Capital Loan (Cash Credit) Rs. 10,723,487 (P.Y. Rs. 29,706,495) from HDFC Bank Limited carries interest @ 13.00% p.a.
- v) Working Capital Loan (Cash Credit) Rs. 103,459,971 (P.Y. Rs. 53,425,326) from ICICI Bank Limited carries interest @ 11.50 % p.a.
- vi) Working Capital Loan (PCFC) Rs. Nil (P.Y. Rs. 54,690,000) from Bank of Maharashtra carries interest @ LIBOR + 250 b.p.s. p.a. The Loan is repayable within 180 days from the date of borrowing.
- vii) Working Capital Loan (PCFC) Rs. 90,660,000 (P.Y. Rs. Nil) from State Bank of India carries interest @ LIBOR + 180 b.p.s. p.a. The Loan is repayable within 90 days from the date of borrowing.
- viii) Working Capital Loan (EPC) Rs. 76,298,339 (P.Y. Rs. Nil) from HSBC Limited carries interest @ 10.10% p.a. The Loan is repayable within 180 days from the date of borrowing.
- ix) Working Capital Loan (Packing Credit (Post-shipment)) Rs. Nil (P.Y. Rs. 156,686,472) from Bank of Maharashtra carries interest @ 10.25% p.a. The Loan is repayable within 90 days from the date of borrowing.
- x) Working Capital Loan (Packing Credit (Post-shipment)) Rs. Nil (P.Y. Rs. 116,413,877) from State Bank of India carries interest @ 9.70 % p.a. The Loan is repayable within 90 days from the date of borrowing.
- xi) **Nature of Security :** Working Capital Borrowings from Bank of Maharashtra led Consortium Banks consisting of Bank of Maharashtra, State Bank of India, Bank of Baroda, ICICI Bank Limited, HDFC Bank Limited and The Hong Kong and Shanghai Banking Corporation Limited are secured by hypothecation of stock-in-trade, book debts and receivables. These are further secured by second charge on the immovable properties of the Company situated at Roha, Mahad, Dist. Raigad and Ambadvet, Amralewadi, Dist. Pune by creation of a joint registered mortgage.
- xii) Short-Term Loan Rs. Nil (P.Y. Rs. 140,000,000) from State Bank of India carries interest @ 10.50% p.a. The Loan is repayable within 90 days from the date of borrowing.
- xiii) Short-Term Loan Rs. 250,000,000 (P.Y. Rs. 300,000,000) from Bank of Maharashtra carries interest @ 10.50% p.a. The Loan is repayable within 90 days from the date of borrowing.
- xiv) Short-Term Loan Rs. 82,500,000 (P.Y. Rs. Nil) from HSBC Limited carries interest @ 10.15% p.a. The Loan is repayable within 90 days from the date of borrowing.
- xv) Short-Term Loan Rs. 80,000,000 (P.Y. Rs. Nil) from Bank of Baroda carries interest @ 10.50% p.a. The Loan is repayable within 90 days from the date of borrowing.
- xvi) Short-Term Loan Rs. 80,000,000 (P.Y. Rs. Nil) from HDFC Bank Limited carries interest @ 10.30% p.a. The Loan is repayable within 90 days from the date of borrowing.
- xvii) Buyer's Credit Loan Rs. Nil (P.Y. Rs. 205,062,913) from HSBC Limited carries interest @ LIBOR + 195 / 205 & 235 b.p.s. p.a. The Loan is repayable within 180 days from the date of borrowing.
- xviii) Buyer's Credit Loan Rs. Nil (P.Y. Rs. 43,194,378) from Citibank N.A. carries interest @ LIBOR + 175 b.p.s. p.a. The Loan is repayable within 180 days from the date of borrowing.
- xix) Buyer's Credit Loan Rs. Nil (P.Y. Rs. 56,195,834) from ICICI Bank Limited carries interest @ LIBOR + 170 b.p.s. p.a. The Loan is repayable within 180 days from the date of borrowing.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2014 Rs.	As at 31-03-2013 Rs.
<b>8</b>	<b>TRADE PAYABLES</b>		
(a)	Other than acceptances <i>Ref. Note No. 6 of Note No. 29</i>	980,851,437	974,048,399
(b)	Acceptances	94,062,025	41,610,766
(c)	Others		
	Trade Payables - For Capital Goods <i>Ref. Note No. 6 of Note No. 29</i>	2,230,136	1,604,340
	Total ...	<u>1,077,143,598</u>	<u>1,017,263,505</u>
<b>9</b>	<b>OTHER CURRENT LIABILITIES</b>		
(a)	Current maturities of long-term debt : <i>For Non-current maturity Ref. Note No. 3</i>		
	- Secured Loans from Banks :		
	HDFC Bank Limited	96,000,000	96,000,000
	Export - Import Bank of India (EXIM Bank)	130,146,666	124,557,500
	Bank of Maharashtra	310,302,000	283,598,000
	State Bank of India <i>For security &amp; other terms Ref. Note Nos. i) to x) of Note No. 3</i>	100,000,000	-
	- Unsecured Loans :		
	Loans and Advances from Related Parties :		
i)	Intercompany Deposits <i>Ref. Note No. xi) of Note No. 3</i>	4,475,000	450,000
ii)	Fixed Deposits		
	1) From Public	5,600,000	370,000
	2) From Shareholders <i>Ref. Note No. xii) of Note No. 3 &amp; Note No. 8 of Note No. 29</i>	10,880,000	5,370,000
	Loans and Advances from Others :		
i)	Intercompany Deposits <i>Ref. Note No. xi) of Note No. 3</i>	15,000,000	610,000
ii)	Fixed Deposits		
	1) From Public	33,130,000	30,705,000
	2) From Shareholders <i>Ref. Note No. xii) of Note No. 3 &amp; Note No. 8 of Note No. 29</i>	505,000	2,820,000
(b)	Interest accrued but not due on borrowings :	500,544	1,015,014
(c)	Liability towards Investor Education and Protection Fund : (Under Section 205 C of the Companies Act, 1956)		
	Unclaimed Dividend	3,005,129	1,960,668
	Unclaimed Matured Fixed Deposits <i>Ref. Note No. 8 of Note No. 29</i>	1,015,000	145,000
(d)	Current maturities of employee benefits :		
	Pension <i>Ref. Note No. 1 (xi) &amp; Note No. 5 (A) 2 (a) of Note No. 29</i> <i>For Non-current maturity Ref. Note No. 6</i>	4,927,576	3,582,234
(e)	Other payables :		
	Statutory Dues	27,104,878	23,621,685
	Other Liabilities	351,399,603	307,682,007
	Total ...	<u>1,093,991,396</u>	<u>882,487,108</u>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2014 Rs.	As at 31-03-2013 Rs.
<b>10</b>	<b>SHORT-TERM PROVISIONS</b>		
	<b>(a) PROVISION FOR EMPLOYEE BENEFITS :</b>		
	Short-Term Compensated Absences <i>Ref. Note No. 1 (xi) of Note No. 29</i>	<b>46,020,976</b>	43,829,084
	<b>(b) OTHERS :</b>		
	i) Proposed Equity Dividend	<b>103,840,875</b>	86,534,063
	ii) Tax on Proposed Equity Dividend	<b>17,647,760</b>	14,706,470
	Total ...	<b>167,509,611</b>	145,069,617

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## NON-CURRENT ASSETS :

## FIXED ASSETS

Note No.	Description	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		Balance As on 01-04-2013 Rs.	Additions Rs.	Deductions Rs.	Balance As on 31-03-2014 Rs.	For the Year Rs.	Deductions Rs.	Balance As on 31-03-2014 Rs.	Balance As on 31-03-2013 Rs.
11	<b>TANGIBLE ASSETS :</b> <i>Ref. Note No. 24 of Note No. 29</i>								
	FREEHOLD LAND	29,673,288 (29,673,288)	- (-)	- (-)	29,673,288 (29,673,288)	- (-)	- (-)	29,673,288 (29,673,288)	29,673,288 (29,673,288)
	LEASEHOLD LAND	12,740,447 (12,740,447)	- (-)	- (-)	12,740,447 (12,740,447)	145,999 (145,999)	- (-)	10,566,044 (10,712,043)	10,712,043 (10,858,042)
	BUILDINGS	553,921,494 (454,514,566)	116,877,978 (99,406,928)	- (-)	670,799,472 (553,921,494)	17,648,313 (12,956,676)	- (-)	496,736,969 (397,507,304)	397,507,304 (311,057,052)
	PLANT & MACHINERY	4,368,700,981 (3,359,411,347)	275,881,545 (1,015,525,065)	193,081,194 (6,235,431)	4,451,501,332 (4,368,700,981)	288,932,295 (194,242,104)	180,146,957 (5,714,208)	2,295,275,739 (2,321,260,726)	2,321,260,726 (1,500,498,988)
	VEHICLES	45,273,380 (45,616,147)	15,671,994 (4,024,840)	9,493,410 (4,367,607)	51,451,964 (45,273,380)	4,269,317 (4,074,396)	4,326,115 (1,783,331)	34,188,270 (27,952,888)	27,952,888 (30,586,720)
	FURNITURE & FIXTURES	39,918,458 (39,708,330)	958,678 (468,141)	216,710 (258,013)	40,660,426 (39,918,458)	2,363,931 (2,353,523)	66,844 (36,198)	20,430,896 (21,986,015)	21,986,015 (24,093,212)
	OFFICE EQUIPMENTS	12,607,243 (12,118,595)	2,554,045 (488,648)	52,500 (-)	15,108,788 (12,607,243)	5,909,546 (5,358,794)	44,521 (-)	8,622,445 (6,697,697)	6,697,697 (6,759,801)
	<b>FIXED ASSETS - R&amp;D</b>								
	BUILDINGS	97,268,968 (96,510,888)	- (758,080)	- (-)	97,268,968 (97,268,968)	3,290,042 (3,265,912)	- (-)	79,980,227 (83,270,269)	83,270,269 (85,778,101)
	PLANT & MACHINERY	130,078,027 (110,773,695)	2,259,472 (19,304,332)	22,822 (-)	132,314,677 (130,078,027)	7,863,143 (6,762,710)	17,050 (-)	53,469,077 (59,078,520)	59,078,520 (46,536,898)
	FURNITURE & FIXTURES	6,050,964 (6,050,964)	- (-)	- (-)	6,050,964 (6,050,964)	235,841 (3,859,237)	- (-)	1,615,328 (1,851,169)	1,851,169 (2,191,727)
	<b>Sub-Total</b>	5,296,233,250 (4,167,118,267)	414,203,712 (1,139,976,034)	202,866,636 (10,861,051)	5,507,570,326 (5,296,233,250)	325,370,199 (224,692,630)	184,601,487 (7,533,737)	3,030,558,283 (2,477,012,043)	2,959,989,919 (2,336,243,331)
12	<b>INTANGIBLE ASSETS :</b> <i>Ref. Note No. 25 of Note No. 29</i>								
	COMPUTER SOFTWARES	34,271,941 (21,702,367)	9,526,943 (12,569,574)	- (-)	43,798,884 (34,271,941)	4,355,806 (3,213,016)	- (-)	33,410,938 (28,239,801)	28,239,801 (18,883,243)
	TECHNICAL KNOW-HOW	140,963,677 (139,117,676)	1,631,470 (1,846,001)	- (-)	142,595,147 (140,963,677)	22,722,497 (22,393,667)	- (-)	62,919,614 (84,010,641)	84,010,641 (104,558,307)
	REGISTRATIONS	8,766,514 (-)	22,805,608 (8,766,514)	- (-)	31,572,122 (8,766,514)	1,066,695 (73,054)	- (-)	30,432,373 (8,693,460)	8,693,460 (-)
	<b>Sub-Total</b>	184,002,132 (160,820,043)	33,964,021 (23,182,089)	- (-)	217,966,153 (184,002,132)	28,144,998 (25,679,737)	- (-)	126,762,925 (63,058,230)	120,943,902 (3,080,933,821)
	<b>TOTAL</b>	5,480,235,382 (4,327,938,310)	448,167,733 (1,163,158,123)	202,866,636 (10,861,051)	5,725,536,479 (5,480,235,382)	353,515,197 (250,372,367)	184,601,487 (7,533,737)	3,157,321,208 (2,399,301,561)	3,080,933,821 (2,399,301,561)

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2014 Rs.	As at 31-03-2013 Rs.
<b>13</b>	<b>NON-CURRENT INVESTMENTS</b>		
	<b>Long-Term and Non-Trade Investments</b>		
	<b>(a) Investments in Equity Instruments (unquoted) :</b>		
	<b>Investments in Subsidiaries :</b>		
	6,000,000 (Previous Year : 6,000,000) Equity shares of Rs. 10 each fully paid-up in Prescient Color Limited.	60,000,000	60,000,000
	28,100 (Previous Year : 23,100) Equity shares of Euro 100 each fully paid-up in Sudarshan Europe B.V.	190,897,415	148,974,915
	<b>(b) Investments in Preference Shares (unquoted) :</b>		
	<b>Investments in Subsidiaries :</b>		
	390,000 (Previous Year : 400,000) 10% Non-cumulative, redeemable and with a right of call and put option, Preference shares of Rs. 100 each fully paid-up in Prescient Color Limited.	39,000,000	40,000,000
		<u>289,897,415</u>	<u>248,974,915</u>
	<b>(c) Investments in Mutual Funds (quoted) :</b>		
	Aggregate amount of quoted investments and market value thereof :		
	202,715.67 (Previous Year : 202,715.67) Units of Rs. 10 each in UTI Gilt Advantage-LTP-Dividend Payout Fund.	2,864,697	2,864,697
	[Market Value Rs. 3,148,255 (Previous Year : Rs. 3,057,175)]		
		<u>2,864,697</u>	<u>2,864,697</u>
	Aggregate amount of quoted investments	2,864,697	2,864,697
	Aggregate amount of unquoted investments	289,897,415	248,974,915
	<b>Total ...</b>	<u><b>292,762,112</b></u>	<u><b>251,839,612</b></u>
		<u><b>292,762,112</b></u>	<u><b>251,839,612</b></u>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2014 Rs.	As at 31-03-2013 Rs.
<b>14</b>	<b>LONG-TERM LOANS AND ADVANCES</b>		
	<b>Unsecured (Considered Good unless stated otherwise) :</b>		
	(a) Capital Advances	35,016,529	47,583,214
	Considered doubtful	3,000,000	-
	Less : Provision for doubtful advances	3,000,000	-
		-	-
		<u>35,016,529</u>	<u>47,583,214</u>
	(b) Security Deposits :		
	Deposit with Government etc.	21,651,845	16,636,935
	Tender Deposit	919,800	847,562
	Deposit with Others	5,077,532	4,897,910
	(c) Other Loans and Advances :		
	Loan to Employees	320,600	302,450
	(d) MAT Credit Entitlement	103,100,000	95,000,000
		<u>166,086,306</u>	<u>165,268,071</u>
	(e) Income Tax Paid	1,108,902,136	1,220,401,330
	Less : Provision for Tax	1,072,421,345	1,175,600,000
	Income Tax Paid (Net)	36,480,791	44,801,330
	Total ...	<u>202,567,097</u>	<u>210,069,401</u>
<b>15</b>	<b>OTHER NON-CURRENT ASSETS</b>		
	Margin Money with Banks with maturity of more than 12 months <i>Ref. Note No. 18</i>	2,500,000	3,000,000
	Total ...	<u>2,500,000</u>	<u>3,000,000</u>
	<b>CURRENT ASSETS :</b>		
<b>16</b>	<b>INVENTORIES</b>		
	(a) Raw Materials	402,671,141	296,994,608
	Goods in Transit	202,102,732	-
	(b) Work-in-progress	226,176,744	340,919,441
	(c) Finished Goods	651,359,645	581,545,166
	Goods in Transit	4,011,133	10,930,651
	(d) Stores and Spares	77,074,489	96,190,567
	(e) Trading Goods	39,529,629	22,407,933
	(f) Packing Materials	12,063,217	11,133,900
	(g) Leasehold Rights	498,450,000	498,450,000
	<i>For Leasehold Rights Ref. Note No. 4 of Note No. 29</i> <i>For breakup of Inventories Ref. Note No. 12 of Note No. 29</i>		
	Total ...	<u>2,113,438,730</u>	<u>1,858,572,266</u>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2014 Rs.	As at 31-03-2013 Rs.
<b>17</b>	<b>TRADE RECEIVABLES</b>		
	Unsecured :		
	(a) Outstanding for a period exceeding six months from the due date (Considered good)	59,221,636	66,529,001
	Considered doubtful	3,124,883	3,589,656
	Less : Provision for doubtful debt	3,124,883	3,589,656
		-	-
	(b) Others (Considered good)	2,586,281,312	1,929,401,739
	Total ...	2,645,502,948	1,995,930,740
<b>18</b>	<b>CASH AND CASH EQUIVALENTS</b>		
	(a) Cash and Cash Equivalents		
	i) Cash on hand	2,025,576	2,386,602
	ii) In Current Accounts	97,118,611	174,135,974
	iii) Other Bank Balances (Original maturity between 3 - 12 months)		
	- Lien Account	553	15,502
	- Dividend Account	3,005,129	1,960,668
	- On Deposit Account	-	1,389,018
		102,149,869	179,887,764
	(b) Other Bank Balances (Original maturity More than 3 months)		
	i) Lien Account	16,155,307	14,838,919
	ii) Balances with banks to the extent held as margin money		
	- With remaining maturity less than 12 months	3,000,000	22,313,332
	- With remaining maturity more than 12 months	2,500,000	3,000,000
	Less : Amount disclosed under non-current assets Ref. Note. No. 15	2,500,000	3,000,000
		121,305,176	217,040,015
<b>19</b>	<b>SHORT-TERM LOANS AND ADVANCES</b>		
	Unsecured and considered good :		
	Loans and Advances to Related Parties	63,718,242	557,969,050
	Others:		
	Housing Loan to Employees	117,325	252,800
	Advances recoverable in cash or in kind or for value to be received	41,377,591	37,126,540
	Deposit with Excise, Customs etc.	53,431,534	48,986,210
	Total ...	158,644,692	644,334,600
<b>20</b>	<b>OTHER CURRENT ASSETS</b>		
	Export Incentives Receivable	28,253,037	9,495,351
	Service Tax Receivable	14,036,861	13,084,476
	VAT Refund Receivable	194,527,037	172,136,352
	Prepaid Expenses	14,838,063	15,085,860
	Contribution to Gratuity Fund (Advance) Ref. Note No. 5 (A) 1 (c) of Note No. 29	19,312,474	8,919,762
	Others	13,543,472	29,439,761
	Total ...	284,510,944	248,161,562

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	Particulars	Current Year Rs.	Previous Year Rs.
<b>21</b>	<b>REVENUE FROM OPERATIONS</b>		
	(a) Sale of products	10,995,899,471	8,421,239,589
	Less: Excise duty	770,932,129	619,149,981
	<i>Ref. Note. No. 13 of Note No. 29</i>	10,224,967,342	7,802,089,608
	(b) Services rendered	415,674	395,442
	(c) Other operating revenues		
	Export Incentives (Net)	23,204,628	23,858,270
	Miscellaneous Operating Income (Net of Excise Duty)	17,914,292	26,195,609
		41,118,920	50,053,879
	Total ...	10,266,501,936	7,852,538,929
<b>22</b>	<b>OTHER INCOME</b>		
	(a) Interest Income		
	Interest earned on :		
	Bank Deposits	3,811,972	4,348,528
	Others	12,405,427	50,061,384
	<i>[T.D.S. Rs. 1,130,738 (Previous Year : Rs. 2,153,717)]</i>		
	(b) Other Non-Operating Income :		
	Miscellaneous Income	30,601,659	7,598,422
	Provision for diminution in the value of Long-term investments written back	-	205,000
	Provision for doubtful debts written back	464,773	496,055
	Foreign Exchange Difference (Net)	-	52,795,060
	Total ...	47,283,831	115,504,449



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	Particulars	Current Year Rs.	Previous Year Rs.
<b>23</b>	<b>COST OF MATERIALS CONSUMED</b>		
	Opening Stock	296,994,608	338,613,983
	Add : Purchases	6,018,170,380	4,478,512,015
		<u>6,315,164,988</u>	<u>4,817,125,998</u>
	Less: Closing Stock	604,773,873	296,994,608
	Total ...	<u>5,710,391,115</u>	<u>4,520,131,390</u>
	<i>Ref. Note No. 14 of Note No. 29</i>		
<b>24</b>	<b>COST OF GOODS TRADED</b>		
	Opening Stock	22,407,933	30,236,455
	Add : Purchases	330,504,430	290,746,508
		<u>352,912,363</u>	<u>320,982,963</u>
	Less : Closing Stock	39,529,629	22,407,933
	Total ...	<u>313,382,734</u>	<u>298,575,030</u>
<b>25</b>	<b>CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS</b>		
	Stocks at Commencement :		
	Finished Products	592,475,817	399,940,426
	Work-in-progress (Semi-finished Products)	340,919,441	209,900,657
		<u>933,395,258</u>	<u>609,841,083</u>
	Less :		
	Stocks at Close :		
	Finished Products	655,370,778	592,475,817
	Work-in-progress (Semi-finished Products)	226,176,744	340,919,441
		<u>881,547,522</u>	<u>933,395,258</u>
	Total ...	<u>51,847,736</u>	<u>(323,554,175)</u>
	<i>Ref. Note No. 12 of Note No. 29</i>		
<b>26</b>	<b>EMPLOYEE BENEFIT EXPENSE</b>		
	Salaries and Wages :		
	Other Than Research and Development	540,791,570	482,121,756
	For Research and Development <i>(Ref. Note No. 9 of Note No. 29)</i>	51,011,702	51,190,261
	Contribution to Provident and Other Funds	30,911,257	25,988,470
	Staff Welfare Expenses	14,472,680	10,850,940
	Gratuity <i>(Ref. Note No. 5 (A) 1 (d) of Note No. 29)</i>	607,288	21,120,977
	Pension <i>(Ref. Note No. 5 (A) 2 (b) of Note No. 29)</i>	6,764,518	10,769,902
	Total ...	<u>644,559,015</u>	<u>602,042,306</u>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	Particulars	Current Year Rs.	Previous Year Rs.
<b>27</b>	<b>FINANCE COSTS</b>		
	(a) Interest expenses	350,165,953	290,335,511
	(b) Other borrowing costs (Includes Bank charges for Bank Guarantee, Loan Processing etc.)	2,955,432	3,376,945
	(c) Foreign Exchange difference to the extent considered as borrowing cost	22,844,979	18,077,750
	Total ...	375,966,364	311,790,206
<b>28</b>	<b>OTHER EXPENSES</b>		
	Consumption of Stores and Spare parts <i>Ref. Note No. 16 of Note No. 29</i>	185,360,282	170,978,991
	Consumption of Packing Material	124,410,366	107,832,940
	Power and Fuel	591,767,526	548,075,437
	Water Charges	91,134,493	79,129,944
	Rent	8,757,158	8,312,002
	Repairs to Buildings	51,870,795	49,169,228
	Repairs to Plant and Machinery	103,370,994	81,184,257
	Repairs to Others	5,302,905	6,261,956
	Insurance	14,806,605	15,054,584
	Rates and Taxes (excluding taxes on income)	10,314,464	6,284,982
	Advertisement	7,200,280	9,867,121
	Auditors' Remuneration ( <i>Ref. Note No. 7 of Note No. 29</i> )	1,383,220	1,658,490
	Bad Debts Written Off	2,767,885	2,308,485
	Provision for Doubtful Debts	-	1,389,757
	Provision for Doubtful Advances	3,000,000	-
	Bank Charges	15,404,358	13,194,167
	Export Market Development Expenses :		
	Commission on Exports	26,327,637	20,068,101
	Travelling, Postage, Forwarding, etc.	92,393,503	105,347,500
	Commission to Selling Agents	202,340,230	164,263,922
	Directors' Sitting Fees	1,274,220	1,117,306
	Discounts (Other Than Trade Discounts)	112,011,470	89,526,523
	Foreign Exchange Difference (Net)	22,868,562	-
	ERP / Computer related expenses	12,614,180	9,050,687
	Freight and Octroi	14,035,989	7,566,521
	General Expenses ( <i>Ref. Note No. 26 of Note No. 29</i> )	51,799,101	32,825,809
	Legal, Professional and Consultancy Charges	115,429,156	117,778,557
	Licence Fees	2,153,734	2,767,991
	Loss on Sale / Disposal of Fixed Assets (Net)	13,233,742	1,481,219
	Printing, Stationery and Communication Expenses	19,998,509	19,763,049
	Sales Tax Surcharge / Turnover Tax	8,347,241	2,894,360
	Selling and Distribution Expenses	55,459,301	41,082,923
	Research and Development Expenses ( <i>Ref. Note No. 9 of Note No. 29</i> ) :		
	Stores, Spares and Consumables etc.	18,554,920	22,011,251
	Other Expenses	26,624,248	35,031,046
	Travelling and Conveyance	31,343,118	29,467,169
	Labour Charges	220,940,645	190,696,525
	Other Manufacturing Expenses	51,248,160	64,742,446
	Total ...	2,315,848,997	2,058,185,246

## NOTE NO. 29 : NOTES TO THE FINANCIAL STATEMENTS

### 1. Significant Accounting Policies :

#### (i) Basis of Preparation :

The Financial Statements are prepared in accordance with the Generally Accepted Accounting Principles (GAAP) in India under the historical cost convention on an accrual basis, and are in conformity with mandatory accounting standards, as prescribed by the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 1956 read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of the Companies Act, 2013 and guidelines issued by the Securities and Exchange Board of India (SEBI).

The accounting policies have been consistently applied by the Company during the period and are consistent with those used in the previous year.

#### (ii) Use of Estimates :

The preparation of Financial Statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

#### (iii) Fixed Assets :

- (a) Fixed Assets are stated at cost of acquisition along with attributable costs, including related borrowing costs, for bringing the assets to its working condition for its intended use, less accumulated depreciation.
- (b) Borrowing costs that are directly attributable to the acquisition or production of a qualifying asset are capitalized as part of the cost of that asset. Other borrowing costs are recognized an expense in the period in which they are incurred.

#### (iv) Depreciation :

- (a) Depreciation on Fixed Assets is provided on Straight Line Method on prorata basis, at the rates and in the manner prescribed by Schedule XIV to the Companies Act, 1956. Leasehold land is amortised over the lease period.
- (b) The intangible assets are amortised over their useful economic life. Computer software, Technical know-how and Other registrations are amortised over 10 years, 3 to 5 years and 10 years respectively.

#### (v) Impairment of Assets :

The carrying amounts of Cash Generating Units / Assets are reviewed at the Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount is estimated as the higher of net selling price and value in use. Impairment loss is recognized wherever carrying amount exceeds recoverable amount.

#### (vi) Investments :

Long-term Investments are carried at cost including related expenses, provision for diminution being made, if necessary, to recognize a decline, other than temporary, in the value thereof.

Current investments are valued at lower of cost and fair value.

#### (vii) Inventories :

Inventories are valued at lower of Cost and Net Realisable Value.

- (a) Raw Materials, Packing Materials, Stores and Consumables are valued at Weighted Average Cost.

- (b) The cost of Finished Goods and Work-in-progress (Semi-finished Goods) is ascertained by Weighted Average of Cost of Raw Material and standard rate of conversion and other related costs for bringing the inventory to the present location and condition.
- (c) Provision is made for obsolete and non-moving items.
- (d) Leasehold Rights are valued at conversion value.

**(viii) Research and Development :**

Research and Development expenditure of a capital nature is added to Fixed Assets and depreciation is provided thereon. All other expenditure on Research and Development is charged to the Statement of Profit and Loss in the year of incurrence.

**(ix) Foreign Currency Transactions :**

- (a) Transactions in foreign currencies are recorded at the exchange rates prevailing as on the date of the transaction. Monetary items are translated at the year-end rate. The difference between the rate prevailing as on the date of the transaction and as on the date of settlement and also on translation of monetary items, at the end of the year, is recognised as income or expense, as the case may be.
- (b) In respect of forward exchange contracts, the difference between the forward rate and the exchange rate at the inception of the contract is recognised as income or expense over the period of the contract. Losses on cancellation of forward exchange contracts are recognised as expense.

**(x) Revenue Recognition :**

Sale of goods is recognised on dispatches to customers, which coincides with the transfer of significant risks and rewards associated with ownership, inclusive of excise duty and net of trade discount.

Dividend income is accounted for when the right to receive is established.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

**(xi) Employee Benefits :**

- (a) Defined Contribution Plan :

Contributions are made to approved Superannuation and Provident Fund.

- (b) Defined Benefit Plan :

The Company's liability towards Gratuity is determined using the Projected Unit Credit Method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past service Gratuity liability is computed with reference to the service put in by each employee till the date of valuation and also the Projected Terminal Salary at the time of exit. Actuarial Gains and Losses are recognized immediately in the Statement of Profit and Loss as income or expense, as the case may be. Obligation is measured as the Present Value of estimated future cash flows using a discount rate that is determined by reference to market yields as on the Balance Sheet date on Government Bonds where the currency and Government Bonds are consistent with the currency and estimated term of Defined Benefit Obligation.

- (c) Non-Contributory Pension Scheme :

The Company has a pension scheme for their Executives, Directors, Presidents and Senior Vice-Presidents.

The Company meets the pension cost from the Company's revenue. The liability is provided for on the basis of an independent actuarial valuation using Projected Unit Credit Method.

- (d) Short-Term Compensated Absences (Leave Encashment) :

Liability on account of Short-Term Compensated Absences (Leave Encashment) is provided on actuals.

**(xii) Taxation :**

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences 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. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax assets can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss shown as "MAT Credit Entitlement". The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

**(xiii) Provisions and Contingent Liabilities :**

- (a) A provision is recognized when the Company has a present obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.
- (b) A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably.

**(xiv) Earnings Per Share :**

Basic Earnings per Share are calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of equity shares outstanding during the period.

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.

**(xv) Cash and Cash Equivalents :**

Cash and cash equivalents for the purposes of the Cash Flow Statement comprise of cash at bank, cash in hand and short-term investments with an original maturity of three months or less.

**(xvi) Segment Reporting :**

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

- (i) Pigments
- (ii) Agro Chemicals

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

- 1 Allocation of common costs -  
Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.
- 2 Unallocated items -  
Unallocated items include general corporate income and expense items which are not allocated to any business segment. Assets and liabilities which relate to the Company as a whole but are not allocable to segments on a reasonable basis, have been included under "Unallocable Assets / Liabilities".
- 3 Segment accounting policies -  
The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the Financial Statements of the Company as a whole.

2. Estimated amount of contracts remaining to be executed on capital account – **Rs. 5,900,395** (Previous Year : Rs. 6,521,024).

**3. Contingent liabilities not provided for :**

- (A) Excise Duty – **Rs. 7,183,604** (Previous Year : Rs. 8,488,600).
- (B) Corporate Guarantee issued on behalf of the wholly owned subsidiary company Sudarshan Europe B.V. – **Euro 3,000,000** (Previous Year : Euro Nil).
- (C) Corporate Guarantee issued on behalf of Sudarshan North America, Inc., wholly owned subsidiary company of Sudarshan Europe B.V. – **USD 3,000,000** (Previous Year : USD 3,000,000).
- (D) Income Tax – **Rs. 30,388,050** (Previous Year : Rs. 28,862,580).
- (E) VAT – **Rs. 11,861,000** (Previous Year : Rs. 6,177,091).

4. During the Financial Year 2010-11, the Company has converted the Leasehold Rights of the Company in respect of land situated at Final Plot No. 90, Sangamwadi, corresponding 'House No. 162', Wellesley Road, Pune 411 001 into stock-in-trade and valued the same for a sum of Rs. 49.85 crores and accordingly created a revaluation reserve.

5. The following disclosures are made in accordance with Accounting Standard – 15 (Revised) :

(A) Pertaining to Defined Benefit Plans :

1 Gratuity

Particulars	As at 31 <sup>st</sup> March, 2014 Rs.	As at 31 <sup>st</sup> March, 2013 Rs.
<b>(a) Present value of the defined benefit obligation :</b>		
Obligations at period beginning	141,936,812	128,751,390
Service cost	7,156,205	7,767,080
Acquisition adjustment	—	—
Interest cost	10,466,057	10,109,472
Past service cost	—	—
Curtailment cost / (credit)	—	—
Settlement cost / (credit)	—	—
Actuarial (gain) / loss	(4,589,769)	14,941,729
Benefits paid	(28,603,948)	(19,632,859)
Obligations at period end	126,365,357	141,936,812
<b>(b) Fair value of plan assets :</b>		
Plans assets at period beginning, at fair value	150,856,574	136,940,239
Expected return on plan assets	12,784,914	12,424,478
Acquisition adjustment	—	—
Actuarial gain / (loss)	(359,709)	(727,174)
Contributions	11,000,000	21,132,581
Benefits paid	(28,603,948)	(18,913,550)
Plans assets at period end, at fair value	145,677,831	150,856,574
Actual returns on plan assets	12,425,205	11,697,304
<b>(c) Assets and liabilities recognized in the Balance Sheet :</b>		
Fair value of the plan assets at the end of the year	145,677,831	150,856,574
Present value of the defined benefit obligations at the end of the period	126,365,357	141,936,812
Asset / (liability) recognized in the Balance Sheet	19,312,474	8,919,762
<b>(d) Expense recognized in the Statement of Profit and Loss :</b>		
Current service cost	7,156,205	7,767,080
Past service cost	—	—
Interest cost	10,466,057	10,109,472
Expected return on plan assets	(12,784,914)	(12,424,478)
Curtailment cost / (credit)	—	—
Settlement cost / (credit)	—	—
Actuarial (gain) / loss	(4,230,060)	15,668,903
Net gratuity cost	607,288	21,120,977
<b>(e) Investment details of the plan assets* :</b>		
Government of India Securities	0.00%	0.00%
High quality Corporate Bonds	0.00%	0.00%
Equity shares of listed companies	0.00%	0.00%
Property	0.00%	0.00%
Special deposit scheme	0.00%	0.00%
Funds managed by Insurer	100.00%	100.00%
Others	0.00%	0.00%
* Plan assets are invested in the debt instruments prescribed by IRDA.		

Particulars	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>(f) Summary of Actuarial Assumptions :</b>		
Discount Rate	9.20%	8.20%
Rate of return on plan assets	9.00%	9.00%
Rate of increase in Compensation levels	7.00%	7.00%
Expected Average remaining working lives of employees (Years)	14.35	14.60
The estimates of future salary increase, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.		
<b>(g) Experience adjustment * :</b>	<b>As at 31<sup>st</sup> March, 2014 Rs.</b>	<b>As at 31<sup>st</sup> March, 2013 Rs.</b>
On plan liability (loss) / gain	(6,223,441)	(12,072,291)
On plan asset (loss) / gain	(359,709)	(727,174)
Present value of benefit obligation	126,365,357	141,936,812
Fair value of plan assets	145,677,831	150,856,574
Surplus / (deficit)	19,312,474	8,919,762
* Data as per actuary is available only for current year and previous three years.		
<b>2 Pension</b>		
<b>Particulars</b>	<b>Current Year Rs.</b>	<b>Previous Year Rs.</b>
<b>(a) Reconciliation of PBO :</b>		
Projected Benefit Obligation at beginning of the year	56,453,316	48,254,384
Current service cost	233,777	515,858
Interest cost	4,391,679	3,778,146
Contributions by plan participation	—	—
Actuarial (gain) / loss due to change in assumptions	2,139,062	6,475,898
Benefits paid	(3,582,234)	(2,570,970)
Past service cost	—	—
Amalgamations	—	—
Curtailments	—	—
Settlements	—	—
Projected Benefit Obligation at end of the year	59,635,600	56,453,316
Includes Current maturity Rs. 4,927,576 (Previous Year : Rs. 3,582,234)		
<b>(b) Statement of Profit and Loss</b>		
Current service cost	233,777	515,858
Interest cost	4,391,679	3,778,146
Expected return on plan asset	—	—
Net actuarial (gain) / loss to be recognised in the year	2,139,062	6,475,898
Past service cost	—	—
Effect of Curtailments	—	—
(Income)/Expense recognised in the Statement of Profit and Loss	6,764,518	10,769,902
<b>(B) Pertaining to Defined Contribution Plans :</b>		
<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2014 Rs.</b>	<b>As at 31<sup>st</sup> March, 2013 Rs.</b>
<b>(a) Expected contribution to the fund in the next year :</b>		
Gratuity	24,859,390	23,233,075
Superannuation	4,226,288	3,949,802
Provident fund	29,564,723	27,630,582
<b>(b) Defined contribution plans :</b>		
Provident fund paid to the authorities	28,550,887	25,118,711



**6. Trade Payables (Creditors) :**

- (A) Outstanding to creditors other than Micro, Small and Medium Enterprise : **Rs. 1,077,143,598** (Previous Year : Rs. 1,017,263,505) (Interest Paid / Payable is **Rs. Nil** (Previous Year : Rs. Nil)).
- (B) Outstanding to Micro, Small and Medium Enterprise : **Rs. Nil** (Previous Year : Rs. Nil).

The identification of suppliers under "Micro, Small and Medium Enterprises Development Act, 2006" was done on the basis of the information to the extent provided by the suppliers to the Company. Total outstanding dues of Micro and Small Enterprises, which were outstanding for more than stipulated period, are given below :

	31-03-2014	31-03-2013
	Rs.	Rs.
(a) Principal amount due	Nil	Nil
(b) Interest paid under MSMED Act, 2006	Nil	Nil
(c) Interest due	448,614	385,310
(d) Interest accrued and due	Nil	Nil
(e) Interest due and payable till actual payment	448,614	385,310

**7. Auditors' Remuneration :**

	Current Year	Previous Year
	Rs.	Rs.
(a) Audit Fees	600,000	540,000
(b) Tax Audit Fees	180,000	180,000
(c) Other Services –		
Certification and Limited Review	460,000	795,000
Stock Verification	120,000	120,000
(d) Reimbursement of Expenses	23,220	23,490
Total ...	1,383,220	1,658,490

**8. Fixed Deposits :**

(Accepted under Section 58A of the Companies Act, 1956)

	31-03-2014	31-03-2013
	Rs.	Rs.
(a) Fixed Deposits with Maturity less than 12 months	50,115,000	39,265,000
(b) Fixed Deposits with Maturity more than 12 months	503,990,000	279,780,000
(c) Unclaimed Matured Fixed Deposits	1,015,000	145,000
Total ...	555,120,000	319,190,000

**9. Research and Development Expenditure :**

This includes expenditure incurred by the Company on in-house research and development in respect of eligible facilities at Roha and Pune, approved by the Department of Scientific & Industrial Research, Ministry of Science and Technology.

Ref. Note No. 26 and Note No. 28

	31-03-2014	31-03-2013
	Rs.	Rs.
(a) Revenue Expenditure		
Roha Unit	20,846,108	21,130,074
Pune Unit	75,344,762	87,102,484
Total ...	96,190,870	108,232,558
(b) Capital Expenditure		
Roha Unit	1,567,128	6,811,782
Pune Unit	692,344	13,250,630
Total ...	2,259,472	20,062,412

## 10. Segment Reporting :

Particulars	Year Ended 31-03-2014 Rs.	Year Ended 31-03-2013 Rs.
<b>(A) Primary Segment Information :</b>		
<b>1 Segment Revenue</b>		
(a) Pigments	9,166,828,163	6,966,826,487
(b) Agro Chemicals	1,099,673,773	885,712,442
Total ...	10,266,501,936	7,852,538,929
Less : Inter-segment revenue	—	—
<b>Net Sales / Income from Operations</b>	<b>10,266,501,936</b>	<b>7,852,538,929</b>
<b>2 Segment Results</b>		
Profit / (Loss) before tax		
(a) Pigments	1,057,721,726	772,394,917
(b) Agro Chemicals	77,334,224	45,309,895
Total ...	1,135,055,950	817,704,812
Less : i. Finance Cost	375,966,364	311,790,206
ii. Other Unallocable Expenditure (Net of Unallocable Income)	210,814,977	255,413,598
<b>Profit Before Tax</b>	<b>548,274,609</b>	<b>250,501,008</b>
Less : Tax Expense	204,096,932	39,950,992
<b>Profit After Tax</b>	<b>344,177,677</b>	<b>210,550,016</b>
<b>3 Other information</b>		
Segment assets (*)		
(a) Pigments	6,701,748,456	6,564,092,238
(b) Agro Chemicals	311,944,305	255,697,955
(c) Unallocated	1,529,281,793	1,417,520,700
Total ...	8,542,974,554	8,237,310,893
Segment liabilities		
(a) Pigments	1,138,102,643	1,125,717,033
(b) Agro Chemicals	193,316,274	197,687,802
(c) Unallocated	354,880,048	229,805,978
Total ...	1,686,298,965	1,553,210,813
(*) Does not include leasehold rights at Pune, treated as stock-in-trade.		
<b>4 Capital Expenditure</b>		
(a) Pigments	66,544,100	1,157,598,923
(b) Agro Chemicals	4,785,124	—
(c) Unallocated	213,831,280	63,971,520
Total ...	285,160,504	1,221,570,443
<b>5 Depreciation</b>		
(a) Pigments	283,335,458	186,164,128
(b) Agro Chemicals	5,276,178	5,538,564
(c) Unallocated	64,903,561	58,669,675
Total ...	353,515,197	250,372,367

Particulars	Year Ended 31-03-2014 Rs.	Year Ended 31-03-2013 Rs.
<b>(B) Secondary Segment Disclosures :</b>		
<b>1 Revenue from External Customers</b>		
(a) Indigenous	5,848,308,066	4,813,830,194
(b) Exports (including export incentives)	4,418,193,870	3,038,708,735
Total...	10,266,501,936	7,852,538,929
<b>2 Carrying amount of Assets</b>		
(a) In India	7,523,513,893	7,225,070,060
(b) Outside India	1,517,910,661	1,510,690,833
Total...	9,041,424,554	8,735,760,893
<b>3 Capital Expenditure</b>		
(a) In India	285,160,504	1,221,570,443
(b) Outside India	—	—
Total...	285,160,504	1,221,570,443

#### 11. Related Party Disclosures :

List of Related Parties and description of relationship :

- (a) Key Management Personnel : Mr. K.L.Rathi (Retired on 26<sup>th</sup> October, 2013)  
Mr. P.R.Rathi  
Mr. R.B.Rathi  
Mr. A.V.Vij
- (b) Relatives of Key Management Personnel : Mrs. R.R.Rathi – Wife of Mr. R.B.Rathi  
Mr. R.P.Rathi – Son of Mr. P.R.Rathi  
Mrs. K.B.Rathi – Mother of Mr. R.B.Rathi  
Mrs. K.R.Rathi – Mother of Mr. P.R.Rathi  
Ms. S.R.Rathi – Daughter of Mr. R.B.Rathi  
Mr. A.B.Rathi – Brother of Mr. R.B.Rathi  
Mrs. A.K.Rathi – Wife of Mr. K.L.Rathi  
Mrs. S.P.Rathi – Wife of Mr. P.R.Rathi  
Mrs. R.R.Agarwal – Daughter of Mr. P.R.Rathi
- (c) Subsidiary Companies : Prescient Color Limited  
Sudarshan Europe B.V.  
Sudarshan North America, Inc. (Step-down subsidiary of Sudarshan, India)
- (d) Entities in which Key Management Personnel and / or their relatives exercise significant influence (SKMP) : Rathi Brothers Poona Limited  
Rathi Brothers Madras Limited  
Rathi Brothers Calcutta Limited  
Rathi Brothers Delhi Limited  
Manan Rathi Trust  
Balkrishna Rathi Finance Private Limited  
PRR Finance Private Limited  
Laxminarayan Finance Private Limited  
Marathwada Chemical Industries Private Limited  
RIECO Industries Limited  
Rathi Vessels & Systems Private Limited

**Transactions with Related Parties :**

Nature of transactions	2013 - 14				2012 - 13			
	Key Management Personnel	Relatives of Key Management Personnel	Subsidiary Companies	SKMP*	Key Management Personnel	Relatives of Key Management Personnel	Subsidiary Companies	SKMP*
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>● Salary, Pension, Reimbursement of expenses etc. :</b>								
Mr. K.L.Rathi	9,221,178	—	—	—	9,682,162	—	—	—
Mr. P.R.Rathi	16,647,688	—	—	—	10,885,235	—	—	—
Mr. R.B.Rathi	14,768,954	—	—	—	7,476,942	—	—	—
Ms. Christine Gehres	—	—	—	—	19,357,004	—	—	—
Mr. A.V.Vij	6,409,363	—	—	—	6,094,724	—	—	—
Mr. R.P.Rathi	—	2,483,158	—	—	—	2,153,742	—	—
Mrs. K.B.Rathi	—	1,127,357	—	—	—	1,024,870	—	—
<b>● Interest paid / payable :</b>								
Mr. P.R.Rathi	55,082	—	—	—	140,000	—	—	—
Mr. K.L.Rathi	619,581	—	—	—	476,212	—	—	—
Mrs. K.R.Rathi	—	160,000	—	—	—	326,564	—	—
Mr. R.P.Rathi	—	311,855	—	—	—	266,654	—	—
Mrs. A.K.Rathi	—	269,015	—	—	—	208,708	—	—
Mrs. S.P.Rathi	—	241,148	—	—	—	486,408	—	—
Mrs. R.R.Agarwal	—	350,000	—	—	—	260,461	—	—
Manan Rathi Trust	—	—	—	345,000	—	—	—	312,705
Rathi Brothers Poona Ltd.	—	—	—	878,251	—	—	—	731,524
Rathi Brothers Madras Ltd.	—	—	—	439,089	—	—	—	436,725
Rathi Brothers Calcutta Ltd.	—	—	—	55,999	—	—	—	71,268
Rathi Brothers Delhi Ltd.	—	—	—	1,309,726	—	—	—	1,120,519
Balkrishna Rathi Finance Pvt. Ltd.	—	—	—	5,175,097	—	—	—	3,222,629
PRR Finance Pvt. Ltd.	—	—	—	5,579,204	—	—	—	5,753,840
Laxminarayan Finance Pvt. Ltd.	—	—	—	1,043,956	—	—	—	1,133,928
Others	—	—	—	607,111	—	67,500	—	683,803
<b>● Acceptance of Deposits :</b>								
Mr. K.L.Rathi	2,500,000	—	—	—	3,500,000	—	—	—
Mrs. A.K.Rathi	—	2,500,000	—	—	—	400,000	—	—
Mr. R.P.Rathi	—	2,400,000	—	—	—	500,000	—	—
Mrs. S.P.Rathi	—	—	—	—	—	1,900,000	—	—
Rathi Brothers Poona Ltd.	—	—	—	15,550,000	—	—	—	15,750,000
Rathi Brothers Madras Ltd.	—	—	—	2,950,000	—	—	—	3,400,000
Rathi Brothers Delhi Ltd.	—	—	—	10,750,000	—	—	—	10,000,000
Balkrishna Rathi Finance Pvt. Ltd.	—	—	—	8,000,000	—	—	—	34,300,000
Others	—	—	—	4,840,000	—	5,100,000	—	43,655,000
<b>● Repayments of Deposits :</b>								
Mr. P.R.Rathi	1,400,000	—	—	—	—	—	—	—
Mr. K.L.Rathi	1,170,000	—	—	—	3,500,000	—	—	—
Mrs. S.P.Rathi	—	1,300,000	—	—	—	6,290,000	—	—
Mr. R.P.Rathi	—	2,400,000	—	—	—	420,000	—	—
Rathi Brothers Poona Ltd.	—	—	—	23,550,000	—	—	—	13,150,000
Rathi Brothers Delhi Ltd.	—	—	—	15,350,000	—	—	—	6,350,000
Laxminarayan Finance Pvt. Ltd.	—	—	—	13,000,000	—	—	—	5,200,000
PRR Finance Pvt. Ltd.	—	—	—	34,400,000	—	—	—	1,100,000
Balkrishna Rathi Finance Pvt. Ltd.	—	—	—	13,000,000	—	—	—	—
Others	—	—	—	8,360,000	—	14,290,000	—	9,235,000
<b>● Sale of Fixed Asset:</b>								
Mr. K.L.Rathi	22,222	—	—	—	—	—	—	—
Mr. P.R.Rathi	17,850	—	—	—	—	—	—	—
Prescient Color Ltd.	—	—	1,543,269	—	—	—	—	—
<b>● Sale of Chemicals :</b>								
Sudarshan Europe B.V.	—	—	1,207,301,993	—	—	—	854,874,883	—
Prescient Color Ltd.	—	—	10,378,175	—	—	—	10,965,613	—
Sudarshan North America, Inc.	—	—	335,806,062	—	—	—	248,039,330	—
Marathwada Chemical Inds. Pvt.Ltd.	—	—	—	1,154,983	—	—	—	1,648,961
<b>● Purchase of Goods :</b>								
Sudarshan Europe B. V.	—	—	2,880,886	—	—	—	6,269,143	—
RIECO Industries Ltd.	—	—	—	3,811,816	—	—	—	25,482,812
Marathwada Chemical Inds. Pvt.Ltd.	—	—	—	10,476,937	—	—	—	11,832,193
<b>● Car lease rent received :</b>								
Prescient Color Ltd.	—	—	231,000	—	—	—	252,000	—

Nature of transactions	2013 - 14				2012 - 13			
	Key Management Personnel	Relatives of Key Management Personnel	Subsidiary Companies	SKMP*	Key Management Personnel	Relatives of Key Management Personnel	Subsidiary Companies	SKMP*
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
● <b>Subscription to Share Capital :</b> Sudarshan Europe B.V.	—	—	41,922,500	—	—	—	—	—
● <b>Proceeds from Redemption of Preference Share Capital :</b> Prescient Color Ltd.	—	—	1,000,000	—	—	—	—	—
● <b>Unsecured Loans given :</b> Sudarshan Europe B.V.	—	—	46,225,582	—	—	—	374,207,728	—
Prescient Color Ltd.	—	—	364,000,000	—	—	—	123,937,158	—
● <b>Unsecured Loans repayments received :</b> Sudarshan Europe B.V.	—	—	491,126,390	—	—	—	154,556,234	—
Prescient Color Ltd.	—	—	413,350,000	—	—	—	214,087,158	—
● <b>Interest received / accrued :</b> Sudarshan Europe B.V.	—	—	7,247,548	—	—	—	31,823,289	—
Prescient Color Ltd.	—	—	2,237,105	—	—	—	11,083,828	—
● <b>Commission on Sales :</b> Rathi Brothers Calcutta Ltd.	—	—	—	4,885,988	—	—	—	4,840,043
Rathi Brothers Delhi Ltd.	—	—	—	20,786,402	—	—	—	16,608,618
Rathi Brothers Madras Ltd.	—	—	—	6,051,117	—	—	—	6,812,854
Rathi Brothers Poona Ltd.	—	—	—	34,892,464	—	—	—	29,530,779
● <b>Management Consultancy fees received :</b> Prescient Color Ltd.	—	—	408,000	—	—	—	393,400	—
● <b>Rent received :</b> Prescient Color Ltd.	—	—	336,312	—	—	—	336,312	—
RIECO Industries Ltd.	—	—	—	1,186,920	—	—	—	1,186,920
Rathi Vessels & Systems Private Ltd.	—	—	—	726,276	—	—	—	726,276
Rathi Brothers Poona Ltd.	—	—	—	319,620	—	—	—	319,620
● <b>Corporate Guarantee issued :</b> Sudarshan North America Inc.	—	—	—	—	—	—	1.5 Mn USD	—
Sudarshan Europe B.V.	—	—	3 Mn EUR	—	—	—	—	—
● <b>Reimbursement of Expenses :</b> Sudarshan Europe B.V.	—	—	2,697,860	—	—	—	196,630	—
Prescient Color Ltd.	—	—	82,697	—	—	—	236,737	—
Sudarshan North America, Inc.	—	—	(2,190,464)	—	—	—	(17,924,452)	—
● <b>Balance outstanding at year end :</b>								
- <b>Customer / Vendor Account</b> Prescient Color Ltd.	—	—	2,731,205	—	—	—	1,742,512	—
Sudarshan Europe B.V.	—	—	437,218,620	—	—	—	257,737,279	—
Sudarshan North America, Inc.	—	—	116,860,654	—	—	—	(2,585,357)	—
RIECO Industries Ltd.	—	—	—	2,325,756	—	—	—	1,096,348
Rathi Vessels & Systems Private Ltd.	—	—	—	1,468,846	—	—	—	734,423
Marathwada Chemical Inds. Pvt.Ltd.	—	—	—	(1,433,107)	—	—	—	(560,406)
- <b>Loan given</b> Prescient Color Ltd.	—	—	—	—	—	—	49,350,000	—
Sudarshan Europe B.V.	—	—	63,718,242	—	—	—	508,619,050	—
- <b>Corporate guarantee</b> Sudarshan North America Inc.	—	—	3 Mn USD	—	—	—	3 Mn USD	—
Sudarshan Europe B.V.	—	—	3 Mn EUR	—	—	—	—	—
- <b>Deposits</b> Mr. K.L.Rathi	2,500,000	—	—	—	—	—	—	—
Mrs. A.K.Rathi	—	2,500,000	—	—	—	—	—	—
Mr. R.P.Rathi	—	2,400,000	—	—	—	—	—	—
Smriti Trust	—	—	—	960,000	—	—	—	—
Tanvi Trust	—	—	—	1,220,000	—	—	—	—
PRR Finance Pvt. Ltd.	—	—	—	74,400,000	—	—	—	40,000,000
Balkrishna Rathi Finance Pvt. Ltd.	—	—	—	53,000,000	—	—	—	48,000,000
Others	—	—	—	46,275,000	—	—	—	18,825,000
- <b>Salary and Commission</b> Mr. K.L.Rathi	7,166,631	—	—	—	3,966,631	—	—	—
Mr. P.R.Rathi	9,947,445	—	—	—	4,447,445	—	—	—
Mr. R.B.Rathi	8,537,674	—	—	—	3,037,674	—	—	—

\* Entities in which Key Management Personnel and / or their relatives exercise significant influence

12. Inventories (At Cost or Net Realisable Value) :

	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
	Value Rs.	Value Rs.
<b>(a) Finished Products :</b>		
(i) Inorganic Pigments	157,326,048	156,915,293
(ii) Organic Pigments	428,345,813	393,663,913
(iii) Intermediates	3,194,802	65,391
(iv) Pesticides (100%)	66,504,115	41,831,220
Total...	655,370,778	592,475,817
<b>(b) Semi-finished Products (Work-in-progress) :</b>		
(i) Inorganic Pigments	61,528,935	82,357,888
(ii) Organic Pigments	156,997,287	242,102,642
(iii) Intermediates	1,946,456	12,869,174
(iv) Pesticides (100%)	5,704,066	3,589,737
Total...	226,176,744	340,919,441

13. Sales (Net of Excise Duty) :

	Current Year Rs.	Previous Year Rs.
(i) Inorganic Pigments	2,357,701,791	1,816,615,627
(ii) Organic Pigments	6,767,720,110	5,083,253,706
(iii) Intermediates	—	16,342,863
(iv) Pesticides (100%)	679,001,167	506,394,833
(v) Trading Sales	420,544,274	379,482,579
Total...	10,224,967,342	7,802,089,608

14. Raw Materials Consumed :

	Current Year Rs.	Previous Year Rs.
(i) Litharge and Lead Metal	324,627,591	207,411,124
(ii) Sodium Bichromate	96,182,431	86,965,079
(iii) Organo Phosphorous Intermediates	133,999,800	112,343,407
(iv) C P C Blue	102,119,170	62,902,833
(v) C Acid	96,239,451	52,079,203
(vi) Others	4,957,222,672	3,998,429,744
Total...	5,710,391,115	4,520,131,390

15. Value of Imported and Indigenous Raw Materials consumed during the year :

	Rs.	% to Total Consumption
(a) Value of Imported Raw Materials including duty, handling, clearance charges etc.	1,510,991,989 (1,106,996,506)	26% (25%)
(b) Value of Indigenous Raw Materials	4,199,399,126 (3,413,134,884)	74% (75%)
Total...	5,710,391,115 (4,520,131,390)	100% (100%)

**16. Value of Imported and Indigenous Stores, Spares and Components consumed during the year :**

	Rs.	% to Total Consumption
(a) Value of Imported Stores, Spares and Components including duty, handling, clearance charges etc.	12,402,619 (84,425,213)	7% (49%)
(b) Value of Indigenous Stores, Spares and Components	172,957,663 (86,553,778)	93% (51%)
Total...	185,360,282 (170,978,991)	100% (100%)

**17. Expenditure / Payments in Foreign Currencies on Account of :**

	Current Year Rs.	Previous Year Rs.
(a) Commission	21,904,094	6,878,741
(b) Foreign Travel	10,526,310	12,690,612
(c) Interest	4,349,568	1,556,056
(d) Legal and Professional Charges	66,931,325	76,632,657
(e) Others	28,238,648	44,547,937
Total...	131,949,945	142,306,003

**18. C.I.F. Value of Imports :**

	Current Year Rs.	Previous Year Rs.
(a) Raw Materials (including through Canalising Agencies)	2,033,985,501	1,316,967,163
(b) Stores and Components	13,729,689	74,831,052
(c) Capital Goods	210,496	76,228,772
Total...	2,047,925,686	1,468,026,987

**19. Remittances during the year in foreign currencies on account of dividend to non-resident shareholders were as follows :**

	Current Year	Previous Year
Number of Shareholders	1	1
Number of Equity Shares (Shares of Rs. 10 each)	557,989	557,989
Amount remitted for the year (Rs.)	6,974,863	6,974,863
The above information pertains to a non-resident shareholder to whom direct remittance has been made by the Company.		

**20. Earnings in Foreign Exchange :**

	Current Year Rs.	Previous Year Rs.
(a) Export of goods on F.O.B. Basis (inclusive of exports of Export House)	4,394,989,243	3,014,850,465
(b) Others	7,247,548	31,823,289
Total...	4,402,236,791	3,046,673,754

**21. Hedged / Un-hedged Foreign Exposure :**

The following currency transactions remain outstanding :

**(A) Un-hedged Exposure**

Nature	Currency	As at 31-03-2014 Rs.	As at 31-03-2013 Rs.
Export Receivables	EURO	30,618,221	113,745,663
Export Receivables	USD	778,896,106	486,795,252
Export Receivables	GBP	—	3,067,752
Import Payables	USD	203,633,355	99,263,104
Import Payables	EURO	805,041	—
Packing Credit (Pre-shipment)	USD	90,660,000	54,765,000
Post-shipment Export Finance	EURO	—	80,374,270
Post-shipment Export Finance	USD	—	192,728,716
EXIM Bank Term Loan	USD	54,798,933	40,601,250
Buyer's Credit	USD	—	304,453,125
Loan to Sudarshan Europe B.V.	USD	41,657,000	18,182,500
Loan to Sudarshan Europe B.V.	EURO	22,061,265	345,525,923

**(B) Hedged Exposure (Forward Exchange Contracts)**

Nature	Currency	As at 31-03-2014 Rs.	As at 31-03-2013 Rs.
Export Receivables	EURO	387,774,399	279,745,803
Export Receivables	USD	69,311,702	92,646,937

**22. Earnings per Share (EPS) :**

Sr. No.	Particulars	31-03-2014	31-03-2013
(A)	Net Profit / Amount attributable to equity shareholders (Rs.)	344,177,677	210,550,016
(B)	Weighted average no. of shares	6,922,725	6,922,725
(C)	Earnings per share basic and diluted (Rs.)	49.72	30.41
(D)	Face value per equity share (Rs.)	10	10

**23. Managerial Remuneration :**

	Mr. K.L.Rathi Chairman	Mr. P.R. Rathi Vice Chairman and Managing Director	Mr. R.B.Rathi Deputy Managing Director
Salary and Other Allowances	4,827,598 (7,560,000)	8,835,888 (8,400,000)	7,688,556 (5,628,000)
Contribution to Provident Fund and Other Funds	914,166 (1,458,000)	1,879,200 (1,620,000)	1,280,772 (1,085,400)
Other Perquisites	279,414 (664,162)	432,600 (865,235)	299,626 (763,542)
Commission	3,200,000 (—)	5,500,000 (—)	5,500,000 (—)
Total...	9,221,178 (9,682,162)	16,647,688 (10,885,235)	14,768,954 (7,476,942)

(Amount in Rs.)



**24. Expenses Capitalized during the year are as below :**

	Current Year Rs.	Previous Year Rs.
(A) Trial Run Expenses		
I. RM Consumption	—	56,457,014
II. Utilities and other related expenses	—	19,450,828
(B) Employee Cost	<b>2,003,270</b>	3,004,323
(C) Borrowing Cost	<b>3,995,790</b>	38,184,551
Total...	<b>5,999,060</b>	117,096,716

**25. Intangibles – disclosure as per AS - 26 :**

Asset	Remaining amortization	Carrying amount Rs.
Computer Software	<b>7 years</b> (8 years)	<b>33,410,938</b> (28,239,801)
Technical Know-how	<b>3 years</b> (4 years)	<b>62,919,614</b> (84,010,641)
Registrations	<b>8 years</b> (9 years)	<b>30,432,373</b> (8,693,460)
Total...		<b>126,762,925</b> (120,943,902)

**26. General expenses include donation to Political Party (Nationalist Congress Party) Rs. 2,500,000**  
(Previous Year : Rs. Nil)**27. The Company has reclassified previous year's figures to conform to this year's classification.**

The figures in brackets are those in respect of previous year.

As per our report of even date.

For B.K.KHARE & Co.  
Chartered Accountants  
Firm Regn. No.:105102W

PRASAD PARANJPE  
Partner  
Membership No.:047296

Pune : 23<sup>rd</sup> May, 2014

For and on behalf of the Board of Directors

K.L.RATHI  
Chairman

R.B.RATHI  
Deputy  
Managing Director

Pune : 23<sup>rd</sup> May, 2014

P.R.RATHI  
Vice-Chairman &  
Managing Director

N.J.RATHI  
Director

P.S.RAGHAVAN  
Company Secretary

Statement pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Companies

1	Name of the subsidiary company	Prescient Color Limited	Sudarshan Europe B.V.	Sudarshan North America, Inc.
2	Financial Year of the subsidiary	01-04-2013 to 31-03-2014	01-04-2013 to 31-03-2014	01-04-2013 to 31-03-2014
3	(a) No. of shares held in subsidiary company as at 31 <sup>st</sup> March, 2014:			
	- Equity	6,000,000 shares of Rs. 10 each	28,100 shares of EURO 100 each (Equivalent to Rs. 190,897,415)	50,005 shares of US\$ 0.01 each (Equivalent to Rs. 97,858,688)
	- Preference	390,000 shares of Rs. 100 each	Nil	Nil
	(b) Extent of holding	100%	100%	100%
4	The net aggregate profits less losses of subsidiary company as far as it concerns the members of the holding company :			
	(i) Not dealt with in the holding company's accounts :			
	(a) Of the subsidiary for the year 2013-14	Rs. 37,527,321 Profit	Rs. 1,860,682 Loss	Rs. 789,315 Loss
	(b) For the previous financial years since it became the holding company's subsidiary	Rs. 20,257,383 Loss	Rs. 77,229,509 Loss	Rs. 66,413,532 Loss
	(ii) Dealt with in the holding company's accounts :			
	(a) Of the subsidiary for the year 2013-14	Nil	Nil	Nil
	(b) For the previous financial years since it became the holding company's subsidiary	Nil	Nil	Nil
5	Change in the interest of the holding company between the end of the financial year of the subsidiary and the end of the holding company's financial year :	Not applicable	Not applicable	Not applicable
6	Material changes between the end of the financial year of the subsidiary and the end of the holding company's financial year in respect of the subsidiary's :			
	(i) Fixed assets	Not applicable	Not applicable	Not applicable
	(ii) Investments	Not applicable	Not applicable	Not applicable
	(iii) Moneys lent by the subsidiary	Not applicable	Not applicable	Not applicable
	(iv) Moneys borrowed by the subsidiary	Not applicable	Not applicable	Not applicable
7	Financial details :			
	(a) Capital	Rs. 99,000,000	Rs. 190,897,415	Rs. 97,858,688
	(b) Reserves	Rs. 17,269,938	Nil	Nil
	(c) Total assets	Rs. 351,055,099	Rs. 828,016,999	Rs. 174,231,585
	(d) Total liabilities	Rs. 351,055,099	Rs. 828,016,999	Rs. 174,231,585
	(e) Investments	Nil	Rs. 97,858,688	Nil
	(f) Turnover	Rs. 699,883,155	Rs. 1,395,789,865	Rs. 477,153,203
	(g) Profit / (Loss) before taxation	Rs. 37,527,321	Rs. (1,860,682)	Rs. (789,315)
	(h) Provision for taxation	Nil	Nil	Nil
	(i) Profit / (Loss) after taxation	Rs. 37,527,321	Rs. (1,860,682)	Rs. (789,315)
	(j) Proposed dividend	Nil	Nil	Nil

For and on behalf of the Board of Directors

K.L.RATHI  
Chairman

P.R.RATHI  
Vice Chairman & Managing Director

R.B.RATHI  
Deputy Managing Director

N.J.RATHI  
Director

P.S.RAGHAVAN  
Company Secretary

Pune : 23<sup>rd</sup> May, 2014

## INDEPENDENT AUDITORS' REPORT FOR CONSOLIDATION

### TO THE BOARD OF DIRECTORS OF SUDARSHAN CHEMICAL INDUSTRIES LIMITED

We have audited the accompanying Consolidated Financial Statements of **Sudarshan Chemical Industries Limited** ("the Company") and its subsidiaries (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2014, and the Consolidated Statement of Profit and Loss and the 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 Consolidated 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 Company in accordance with accounting principles generally accepted in India. 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.

#### Auditors' 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 auditors' judgement, 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 presentation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the 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 the reports of other auditors on the financial statements of the subsidiaries, the Consolidated Financial Statements 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 31<sup>st</sup> March, 2014;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit 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 all the subsidiaries whose Financial Statements reflect total assets (net) of Rs. 1,353,303,683 as at 31<sup>st</sup> March, 2014, total revenues of Rs. 2,500,566,079 and net cash flows amounting to Rs. (194,898,021) for the year then ended.

The Financial Statements referred to above have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion insofar as it relates to these Financial Statements, is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of this matter.

For B. K. Khare & Co.  
Chartered Accountants  
Firm Registration No. 105102W

Prasad Paranjape  
Partner  
Membership No. – 047296

Pune : 23<sup>rd</sup> May, 2014

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014

Particulars	Note No.	As at 31-03-2014 Rs.	As at 31-03-2013 Rs.
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	1	69,227,250	69,227,250
(b) Reserves and Surplus	2	2,640,679,569	2,473,314,398
		<u>2,709,906,819</u>	<u>2,542,541,648</u>
<b>(2) Non-current Liabilities</b>			
(a) Long-term borrowings	3	1,830,817,720	2,154,957,399
(b) Deferred tax liabilities (Net)	4	348,158,093	252,261,161
(c) Other long-term liabilities	5	27,793,708	27,811,160
(d) Long-term provisions	6	54,708,024	52,871,082
		<u>2,261,477,545</u>	<u>2,487,900,802</u>
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	7	1,858,194,021	1,657,474,629
(b) Trade payables	8	1,132,991,971	1,037,561,479
(c) Other current liabilities	9	1,151,941,347	929,862,274
(d) Short-term provisions	10	171,304,565	147,977,381
		<u>4,314,431,904</u>	<u>3,772,875,763</u>
<b>Total ...</b>		<u><b>9,285,816,268</b></u>	<u><b>8,803,318,213</b></u>
<b>II. ASSETS</b>			
<b>(1) Non-current Assets</b>			
(a) Fixed assets			
(i) Tangible assets	11	3,145,897,201	3,068,184,215
(ii) Intangible assets	12	126,762,925	120,943,902
(iii) Capital work-in-progress		67,147,122	226,745,331
(b) Non-current investments	13	2,864,697	2,864,697
(c) Long-term loans and advances	14	225,880,759	214,199,834
(d) Other non-current assets	15	2,500,000	3,000,000
		<u>3,571,052,704</u>	<u>3,635,937,979</u>
<b>(2) Current Assets</b>			
(a) Inventories	16	2,583,111,312	2,276,381,877
(b) Trade receivables	17	2,583,259,297	2,101,278,448
(c) Cash and cash equivalents	18	153,040,337	443,673,200
(d) Short-term loans and advances	19	106,672,320	97,853,177
(e) Other current assets	20	288,680,298	248,193,532
		<u>5,714,763,564</u>	<u>5,167,380,234</u>
<b>Total ...</b>		<u><b>9,285,816,268</b></u>	<u><b>8,803,318,213</b></u>
See accompanying Notes to The Consolidated Financial Statements	29		

The accompanying notes form an integral part of The Consolidated Financial Statements.

As per our report of even date.

For and on behalf of the Board of Directors

For B.K.KHARE & Co.  
Chartered Accountants  
Firm Regn. No.:105102W

K.L.RATHI  
Chairman

P.R.RATHI  
Vice-Chairman &  
Managing Director

PRASAD PARANJPE  
Partner  
Membership No.:047296

R.B.RATHI  
Deputy  
Managing Director

N.J.RATHI  
Director

P.S.RAGHAVAN  
Company Secretary

Pune : 23<sup>rd</sup> May, 2014

Pune : 23<sup>rd</sup> May, 2014

## STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	Note No.	Current Year Rs.	Previous Year Rs.
I. Revenue from operations	21	12,032,564,635	9,411,519,089
Less : Excise duty		846,260,584	682,608,289
		11,186,304,051	8,728,910,800
II. Other Income	22	37,830,265	72,819,928
III. Total Revenue (I +II)		11,224,134,316	8,801,730,728
IV. Expenses :			
Cost of materials consumed	23	6,122,238,360	4,866,409,366
Cost of goods traded	24	424,319,378	417,442,305
Changes in inventories of finished goods and work-in-progress	25	(9,803,495)	(341,069,146)
Employee benefit expense	26	796,466,274	740,019,066
Finance costs	27	406,545,820	326,801,849
Depreciation and amortization expense	11, 12	367,641,745	263,568,788
Other expenses	28	2,562,153,658	2,268,477,854
Total Expenses		10,669,561,740	8,541,650,082
V. Profit / (Loss) before exceptional, extraordinary items and tax (III - IV)		554,572,576	260,080,646
VI. Exceptional Items		-	-
VII. Profit / (Loss) before extraordinary items and tax (V - VI)		554,572,576	260,080,646
VIII. Extraordinary Items		-	-
IX. Profit / (Loss) before tax (VII - VIII)		554,572,576	260,080,646
X. Tax expense :			
(1) Current Tax		124,000,000	50,950,000
(2) MAT Credit (Entitlement) / Utilised (Net)		(15,800,000)	(50,950,000)
(3) Deferred Tax		95,896,932	39,950,992
XI. Profit / (Loss) for the period from continuing operations		350,475,644	220,129,654
XII. Profit / (Loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit / (Loss) from discontinuing operations (after tax) (XII - XIII)		-	-
XV. Profit / (Loss) for the period (XI + XIV)		350,475,644	220,129,654
XVI. Earnings per equity share, Basic and Diluted (Rs. Per Equity Share of Rs. 10 each (Previous Year : Rs. 10 each)) (Ref. Note No. 12 of Note No. 29)		50.63	31.80
See accompanying Notes to The Consolidated Financial Statements	29		

The accompanying notes form an integral part of The Consolidated Financial Statements.

As per our report of even date.

For and on behalf of the Board of Directors

For B.K.KHARE & Co.  
Chartered Accountants  
Firm Regn. No.:105102W

K.L.RATHI  
Chairman

P.R.RATHI  
Vice-Chairman &  
Managing Director

PRASAD PARANJPE  
Partner  
Membership No.:047296

R.B.RATHI  
Deputy  
Managing Director

N.J.RATHI  
Director

P.S.RAGHAVAN  
Company Secretary

Pune : 23<sup>rd</sup> May, 2014

Pune : 23<sup>rd</sup> May, 2014

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	March 31, 2014 Rs.	March 31, 2013 Rs.
<b>A. Cash flows from operating activities :</b>		
Profit / (Loss) before tax from operations	554,572,576	260,080,646
<b>Non-cash adjustment to reconcile profit before tax to net cash flows :</b>		
Depreciation / amortization	367,641,745	263,568,787
Loss / (Profit) on sale or write off of fixed assets	13,233,742	1,481,219
Provision for decline in the value of long-term investment written back	-	(205,000)
Unrealized foreign exchange Loss / (Gain)	(51,854,036)	(32,430,968)
Provision for doubtful debt	441,007	893,702
Provision for doubtful advances	3,000,000	-
Bad Debts written-off	2,767,885	2,308,486
Interest expense	406,545,820	326,801,849
Interest income	(6,842,645)	(11,809,349)
<b>Operating profit before working capital changes</b>	<b>1,289,506,094</b>	<b>810,689,372</b>
<b>Movements in working capital :</b>		
Increase / (decrease) in trade payables	101,534,764	(35,851,799)
Increase / (decrease) in long-term provisions	1,836,942	3,675,243
Increase / (decrease) in short-term provisions	3,079,082	5,335,941
Increase / (decrease) in other current liabilities	56,937,150	64,937,335
Increase / (decrease) in other long-term liabilities	(17,452)	40,700
Decrease / (increase) in trade receivables	(492,050,138)	(152,804,237)
Decrease / (increase) in inventories	(306,729,435)	(313,281,873)
Decrease / (increase) in long-term loans and advances	(3,305,980)	(36,823,025)
Decrease / (increase) in short-term loans and advances	(8,819,143)	29,752,751
Decrease / (increase) in other current assets	(41,333,860)	(60,230,690)
Decrease / (increase) in other non-current assets	500,000	2,500,000
<b>Cash generated from / (used in) operations</b>	<b>601,138,024</b>	<b>317,939,718</b>
Direct taxes paid	(117,970,000)	(63,425,000)
<b>Net cash flows from operating activities (A)</b>	<b>483,168,024</b>	<b>254,514,718</b>
<b>B. Cash flows from investing activities :</b>		
Purchase of fixed assets, including intangible assets and CWIP	(309,276,573)	(1,206,881,041)
Proceeds from sale of fixed assets	3,488,137	1,846,095
Redemption of non-current investments	-	135,303
Decrease / (increase) in bank deposits (Margin Money) (Net) (Original maturity of more than three months)	17,574,331	(3,983,204)
Interest received	7,689,739	10,403,911
<b>Net cash flows used in investing activities (B)</b>	<b>(280,524,366)</b>	<b>(1,198,478,936)</b>
<b>C. Cash flows from financing activities :</b>		
Proceeds from long-term borrowings	457,618,755	1,386,365,945
Repayment of long-term borrowings	(624,774,377)	(464,934,000)
Dividend and Dividend Tax Paid	(101,240,533)	(100,572,053)
Proceeds from short-term borrowings (Net)	199,684,392	512,889,607
Interest paid	(406,990,427)	(322,373,093)
<b>Net cash flows from / (used in) financing activities (C)</b>	<b>(475,702,190)</b>	<b>1,011,376,406</b>
<b>Net increase / (decrease) in cash and cash equivalents (A + B + C)</b>	<b>(273,058,532)</b>	<b>67,412,188</b>
Cash and cash equivalents at the beginning of the year	406,520,949	339,108,761
<b>Cash and cash equivalents at the end of the year</b>	<b>133,462,417</b>	<b>406,520,949</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	2,079,499	2,545,915
With banks :		
On current account	128,153,236	400,208,319
On deposit account	224,000	1,790,545
Unpaid dividend accounts*	3,005,129	1,960,668
Lien account	553	15,502
<b>Total cash and cash equivalents (Ref. Note No. 18 and Note No. 1 (xv) of Note No. 29)</b>	<b>133,462,417</b>	<b>406,520,949</b>

## Notes :

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard-3 on Cash Flow Statements issued by ICAI.
  - Previous year's figures have been regrouped wherever necessary to conform to the current year's classification.
- \* The Company can utilise these balances only towards settlement of the respective unpaid dividend.

As per our report of even date.

For B.K.KHARE & Co.  
Chartered Accountants  
Firm Regn. No.:105102W

PRASAD PARANJPE  
Partner  
Membership No.:047296

Pune : 23<sup>rd</sup> May, 2014

For and on behalf of the Board of Directors

K.L.RATHI  
Chairman

R.B.RATHI  
Deputy  
Managing Director

Pune : 23<sup>rd</sup> May, 2014

P.R.RATHI  
Vice-Chairman &  
Managing Director

N.J.RATHI  
Director

P.S.RAGHAVAN  
Company Secretary

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2014 Rs.	As at 31-03-2013 Rs.
	<b>SHAREHOLDERS' FUNDS :</b>		
<b>1</b>	<b>SHARE CAPITAL</b>		
	<b>Equity Share Capital :</b>		
	<b>AUTHORISED :</b>		
	8,000,000 (Previous Year : 8,000,000)	<u>80,000,000</u>	<u>80,000,000</u>
	Equity Shares of Rs. 10 each.		
	<b>ISSUED :</b>		
	* 6,922,775 (Previous Year : 6,922,775)	<u>69,227,750</u>	<u>69,227,750</u>
	Equity Shares of Rs. 10 each.		
	<b>SUBSCRIBED AND PAID-UP :</b>		
	6,922,725 (Previous Year : 6,922,725)	<u>69,227,250</u>	<u>69,227,250</u>
	Equity Shares of Rs. 10 each fully paid-up.		
	* Allotment of 50 Rights Equity Shares of Rs. 10 each is kept in abeyance, matter being sub-judice.		
	<b>(a) Reconciliation of the shares outstanding at the beginning and at the end of the year :</b>		
	At the beginning of the year	<b>No.                  Rs.</b>	<b>No.                  Rs.</b>
		<b>6,922,725      69,227,250</b>	<b>6,922,725      69,227,250</b>
	Add : Allotted during the year	-                  -	-                  -
	Less : Shares bought back during the year	-                  -	-                  -
	Outstanding at the end of the year	<b>6,922,725      69,227,250</b>	<b>6,922,725      69,227,250</b>
	<b>(b) Terms / Rights attached to equity shares :</b>		
	The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.		
	During the Financial Year ended 31 <sup>st</sup> March, 2014, the amount of per share proposed dividend recognised as distribution to the equity shareholders is Rs. 15.00 (Previous Year : Rs. 12.50).		
	In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.		
	<b>(c) Shares held by holding / ultimate holding company and / or their subsidiaries / associates :</b>		
	The Company does not have any holding or ultimate holding company.		
	<b>(d) Details of shareholders holding more than 5% shares in the company :</b>		
		<b>No.                  %</b>	<b>No.                  %</b>
	Mr. Pradeep R. Rath	<b>382,345                  5.52</b>	<b>382,345                  5.52</b>
	Mr. Rahul P. Rath	<b>475,454                  6.87</b>	<b>475,454                  6.87</b>
	Mr. Anuj N. Rath	<b>382,762                  5.53</b>	<b>377,762                  5.46</b>
	DIC Corporation, Japan	<b>557,989                  8.06</b>	<b>557,989                  8.06</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2014 Rs.		As at 31-03-2013 Rs.	
<b>2</b>	<b>RESERVES AND SURPLUS</b>				
	<b>(a) CAPITAL RESERVE</b>				
	Balance at the beginning of the year	5,044,100		5,044,100	
	Additions during the year	-		-	
	Less : Deduction during the year	-		-	
	Balance at the end of the year	<u>5,044,100</u>	<u>5,044,100</u>	<u>5,044,100</u>	<u>5,044,100</u>
	<b>(b) SECURITIES PREMIUM ACCOUNT</b>				
	Balance at the beginning of the year	132,115,000		132,115,000	
	Additions during the year	-		-	
	Less : Deduction during the year	-		-	
	Balance at the end of the year	<u>132,115,000</u>	<u>132,115,000</u>	<u>132,115,000</u>	<u>132,115,000</u>
	<b>(c) REVALUATION RESERVE</b>				
	<i>Ref. Note No. 6 of Note No. 29</i>				
	Balance at the beginning of the year	498,450,000		498,450,000	
	Additions during the year	-		-	
	Less : Deduction during the year	-		-	
	Balance at the end of the year	<u>498,450,000</u>	<u>498,450,000</u>	<u>498,450,000</u>	<u>498,450,000</u>
	<b>(d) GENERAL RESERVE</b>				
	Balance at the beginning of the year	1,544,115,720		1,514,115,720	
	Add : Amounts transferred from Profit and Loss Account (Surplus)	60,000,000		30,000,000	
	Less : Deduction during the year	-		-	
	Balance at the end of the year	<u>1,604,115,720</u>	<u>1,604,115,720</u>	<u>1,544,115,720</u>	<u>1,544,115,720</u>
	<b>(e) FOREIGN CURRENCY TRANSLATION RESERVE</b>				
	Balance at the beginning of the year	(38,648,533)		(26,192,499)	
	Additions during the year	(61,621,838)		(12,456,034)	
	Less : Deduction during the year	-		-	
	Balance at the end of the year	<u>(100,270,371)</u>	<u>(100,270,371)</u>	<u>(38,648,533)</u>	<u>(38,648,533)</u>
	<b>(f) PROFIT AND LOSS ACCOUNT (SURPLUS)</b>				
	Surplus at the beginning of the year	332,238,111		243,348,990	
	Add : Profit After Tax for the year	350,475,644		220,129,654	
	Less : Appropriations				
	Proposed Equity Dividend	103,840,875		86,534,063	
	Tax on Proposed Equity Dividend	17,647,760		14,706,470	
	Amount transferred to General Reserve	60,000,000		30,000,000	
		<u>501,225,120</u>	<u>501,225,120</u>	<u>332,238,111</u>	<u>332,238,111</u>
	Total ...		<u>2,640,679,569</u>		<u>2,473,314,398</u>



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2014 Rs.	As at 31-03-2013 Rs.
	<b>NON-CURRENT LIABILITIES :</b>		
<b>3</b>	<b>LONG-TERM BORROWINGS</b>		
	<b>(a) SECURED LOAN FROM BANKS :</b>		
	HDFC Bank Limited <i>Ref. Note Nos. i) and xiv) below</i>	128,000,000	224,000,000
	Export - Import Bank of India (EXIM Bank) <i>Ref. Note Nos. ii), iii), viii) and xiv) below</i>	94,652,268	206,460,000
	Bank of Maharashtra <i>Ref. Note Nos. iv) to vii), xi) to xiv) below</i>	791,830,452	1,042,090,018
	State Bank of India <i>Ref. Note Nos. ix) and xiv) below</i>	200,000,000	200,000,000
	Kotak Mahindra Prime Limited <i>Ref. Note Nos. x), xiv) and xv) below</i>	-	117,381
		<b>1,214,482,720</b>	<b>1,672,667,399</b>
	<b>(b) UNSECURED LOAN FROM OTHERS :</b>		
	<b>Loans and Advances from Related Parties :</b>		
	i) Intercompany Deposits <i>Ref. Note No. xvi) below</i>	103,835,000	175,610,000
	ii) Fixed Deposits		
	1) From Public	-	5,600,000
	2) From Shareholders <i>Ref. Note No. xvii) below and Note No. 9 of Note No. 29</i>	10,080,000	10,880,000
	<b>Loans and Advances from Others :</b>		
	i) Intercompany Deposits <i>Ref. Note No. xvi) below</i>	8,510,000	26,900,000
	ii) Fixed Deposits		
	1) From Public	453,105,000	239,190,000
	2) From Shareholders <i>Ref. Note No. xvii) below and Note No. 9 of Note No. 29</i>	40,805,000	24,110,000
		<b>616,335,000</b>	<b>482,290,000</b>
	<b>Total ...</b>	<b>1,830,817,720</b>	<b>2,154,957,399</b>

- i) Term Loan from HDFC Bank Limited of Rs. 36 Crores (outstanding Rs. 128,000,000 (P.Y. Rs. 224,000,000)) was taken in Financial Year 2011-12 and carries interest @ 10.70% p.a. The loan is repayable in 45 monthly instalments of Rs. 80 Lacs each from November 2012.
- ii) Term Loan from EXIM Bank of Rs. 15 Crores (outstanding Rs. Nil (P.Y. Rs. 20,000,000)) was taken in Financial Year 2008-09 and carries interest @ 11.20% p.a. The loan is repayable in 60 monthly instalments of Rs. 25 Lacs each from December 2009.
- iii) Term Loan from EXIM Bank of Rs. 36 Crores (outstanding Rs. 60,000,000 (P.Y. Rs. 150,000,000)) was taken in parts till March 31, 2012 and carries interest @ 11.30% p.a. The loan is repayable in 48 monthly instalments of Rs. 75 Lacs each from February 2012.
- iv) Term Loan from Bank of Maharashtra of Rs. 35 Crores (outstanding Rs. 79,848,771 (P.Y. Rs. 167,500,000)) was taken in Financial Year 2010-11 and carries interest @ 10.50% p.a. The loan is repayable in 46 monthly instalments of Rs. 73 Lacs each from March 2012 and 1 instalment is of Rs. 69 Lacs.
- v) Term Loan from Bank of Maharashtra of Rs. 42 Crores (outstanding Rs. 251,866,043 (P.Y. Rs. 336,000,000)) was taken in parts till March 31, 2012 and carries interest @ 10.70% p.a. The loan is repayable in 20 quarterly instalments of Rs. 210 Lacs each from May 2013.
- vi) Term Loan from Bank of Maharashtra of Rs. 16.85 Crores (outstanding Rs. 117,944,975 (P.Y. Rs. 151,649,000)) was taken in Financial Year 2012-13 and carries interest @ 10.50% p.a. The loan is repayable in 60 monthly instalments of Rs. 28.08 Lacs each from October 2013.
- vii) Term Loan from Bank of Maharashtra of Rs. 42 Crores (outstanding Rs. 280,000,000 (P.Y. Rs. 336,000,000)) was taken in Financial Year 2012-13 and carries interest @ 10.25% p.a. The loan is repayable in 48 monthly instalments of Rs. 87.50 Lacs each from May 2013.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- viii) Term Loan from EXIM Bank of USD 1 Million (outstanding Rs. 34,652,268 (P.Y. Rs. 36,460,000)) was taken in parts till March 31, 2014 and carries interest @ LIBOR + 475 b.p.s. p.a. The loan is repayable in 12 quarterly instalments of USD 0.83 Lacs each from March 2014.
- ix) Corporate Term Loan from SBI of Rs. 30 Crores (outstanding Rs. 200,000,000 (P.Y. Rs. 200,000,000)) was taken in parts till March 31, 2014 and carries interest @ 10.80% p.a. The loan is repayable in 8 quarterly instalments of Rs. 250 Lacs each from June 2014.
- x) Term Loan from Kotak Mahindra Prime Limited of Rs. 8.09 Lacs (outstanding Rs. Nil (P.Y. Rs. 117,381)) was taken in Financial Year 2009-10 and carries interest @ 9.96% p.a. The loan is repayable in 59 monthly installments of Rs. 0.17 Lacs each from December 2009.
- xi) Term Loan from Bank of Maharashtra of Rs. 6.16 Crores (outstanding Rs. 40,110,614 (P.Y. Rs. 49,013,940)) was taken in Financial Year 2012-13 and carries interest @ 12.75% p.a. The loan is repayable in 84 monthly installments of Rs. 7.34 Lacs each from October 2012.
- xii) Term Loan from Bank of Maharashtra of Rs. 66 lacs (outstanding Rs. 4,446,534 (P.Y. Rs. 1,927,078)) was taken in parts till March 31, 2014 and carries interest @ 12.75% p.a. The loan is repayable in 84 monthly installments of Rs. 0.79 Lacs each from December 2012.
- xiii) Term Loan from Bank of Maharashtra of Rs. 10 Crores (outstanding Rs. 17,613,515 (P.Y. Rs. Nil)) was partly taken in Financial Year 2013-14 and carries interest @ 12.75% p.a. The loan is repayable in 84 monthly installments of Rs. 16.67 Lacs each from February 2016.
- xiv) **Nature of Security :** The Term Loans from Export Import Bank of India (EXIM Bank), Bank of Maharashtra (BOM) and HDFC Bank Limited are secured by First Pari Passu charge by way of hypothecation of all movable fixed assets and further secured by way of mortgage on all immovable fixed assets of the Company situated at Roha, Mahad, Dist. Raigad and at Ambadvet, Amrablevadi, Dist. Pune. The Term Loan of EXIM Bank of Rs. 15 Crores is also secured by a charge on the Company's current assets, both present and future. The Foreign Currency Term Loan of USD 1.00 Million (Rs. 5.50 Crores approx.) from Export Import Bank of India (EXIM Bank) is secured by a First Pari Passu charge on the entire fixed assets of the Company. Also the said Foreign Currency Term Loan is to be secured by a mortgage charge on the immovable properties of the Company situated at Roha, Mahad, Dist. Raigad and Ambadvet, Amrablevadi, Dist. Pune. The Corporate Loan of Rs. 30 Crores from State Bank of India, Pune (SBI) is secured by a First Pari Passu charge on the movable fixed assets and current assets of the Company. Also the said Corporate Loan is to be secured by a mortgage charge on the immovable properties of the Company situated at Roha, Mahad, Dist. Raigad and Ambadvet, Amrablevadi, Dist. Pune.
- xv) The Loan from Kotak Mahindra Prime Limited is secured by hypothecation of vehicle procured out of the said loan.
- xvi) Intercompany Deposits are generally accepted for period of 3 years. Rate of Interest varies from 10 - 11.50% p.a.
- xvii) Fixed Deposits are generally accepted for period of 1 - 3 years. Rate of Interest varies from 9 - 11.50% p.a.
- xviii) Above Loans exclude those maturing within 12 months (Ref. Note No. 9 (a))

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2014 Rs.	As at 31-03-2013 Rs.
<b>4</b>	<b>DEFERRED TAX LIABILITIES (NET)</b>		
	Deferred Tax Liabilities :		
	Depreciation	<u>368,362,634</u>	<u>314,315,845</u>
		<u>368,362,634</u>	<u>314,315,845</u>
	Deferred Tax Assets :		
	Expenditure accrued, allowable on actual payment	<u>20,204,541</u>	<u>22,996,562</u>
	Unabsorbed Depreciation	<u>-</u>	<u>39,058,122</u>
		<u>20,204,541</u>	<u>62,054,684</u>
	Deferred Tax Liabilities (Net) Ref. Note No. 1 (xii) of Note No. 29	<u><u>348,158,093</u></u>	<u><u>252,261,161</u></u>
	Total ...		
<b>5</b>	<b>OTHER LONG-TERM LIABILITIES</b>		
	Security Deposits	<u>27,793,708</u>	<u>27,811,160</u>
	Total ...	<u><u>27,793,708</u></u>	<u><u>27,811,160</u></u>
<b>6</b>	<b>LONG-TERM PROVISIONS</b>		
	<b>PROVISION FOR EMPLOYEE BENEFITS :</b>		
	Pension Ref. Note No. 1 (xi) and Note No. 7 (A) 2 (a) of Note No. 29 For Current maturity Ref. Note No. 9 (d)	<u>54,708,024</u>	<u>52,871,082</u>
	Total ...	<u><u>54,708,024</u></u>	<u><u>52,871,082</u></u>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2014 Rs.	As at 31-03-2013 Rs.
	<b>CURRENT LIABILITIES :</b>		
<b>7</b>	<b>SHORT-TERM BORROWINGS</b>		
	<b>LOANS REPAYABLE ON DEMAND :</b>		
	<b>FROM BANKS -</b>		
	<b>(a) SECURED LOANS :</b>		
	Working Capital Borrowings Ref. Note Nos. i) to xii), xix), xxiii) and xxiv) below	1,120,804,021	913,021,504
	<b>(b) UNSECURED LOANS :</b>		
	Short-Term Loans Ref. Note Nos. xiii) to xviii), xx) to xxii) below	737,390,000	744,453,125
	<b>Total ...</b>	<b>1,858,194,021</b>	<b>1,657,474,629</b>
i)	Working Capital Loan (Cash Credit) Rs. 266,263,384 (P.Y. Rs. 119,245,994) from Bank of Maharashtra carries interest @ 11.25% p.a.		
ii)	Working Capital Loan (Cash Credit) Rs. 86,382,278 (P.Y. Rs. 52,364,860) from Bank of Maharashtra carries interest @ 12.75% p.a.		
iii)	Working Capital Loan (Cash Credit) Rs. 434,035,188 (P.Y. Rs. 165,709,098) from State Bank of India carries interest @ 10.90% p.a.		
iv)	Working Capital Loan (Cash Credit) Rs. 4,088,703 (Debit) (P.Y. Rs. 2,835,514) from Bank of Baroda carries interest @ 11.25% p.a.		
v)	Working Capital Loan (Cash Credit) Rs. 10,723,487 (P.Y. Rs. 29,706,495) from HDFC Bank Limited carries interest @ 13.00% p.a.		
vi)	Working Capital Loan (Cash Credit) Rs. 103,459,971 (P.Y. Rs. 53,425,326) from ICICI Bank Limited carries interest @ 11.50 % p.a.		
vii)	Working Capital Loan (PCFC) Rs. Nil (P.Y. Rs. 54,690,000) from Bank of Maharashtra carries interest @ LIBOR + 250 b.p.s. p.a. The Loan is repayable within 180 days from the date of borrowing.		
viii)	Working Capital Loan (PCFC) Rs. 90,660,000 (P.Y. Rs. Nil) from State Bank of India carries interest @ LIBOR + 180 b.p.s. p.a. The Loan is repayable within 90 days from the date of borrowing.		
ix)	Working Capital Loan (EPC) Rs. 76,298,339 (P.Y. Rs. Nil) from HSBC Limited carries interest @ 10.10% p.a. The Loan is repayable within 180 days from the date of borrowing.		
x)	Working Capital Loan (Packing Credit (Post-shipment)) Rs. Nil (P.Y. Rs. 156,686,472) from Bank of Maharashtra carries interest @ 10.25% p.a. The Loan is repayable within 90 days from the date of borrowing.		
xi)	Working Capital Loan (Packing Credit (Post-shipment)) Rs. Nil (P.Y. Rs. 116,413,877) from State Bank of India carries interest @ 9.70 % p.a. The Loan is repayable within 90 days from the date of borrowing.		
xii)	<b>Nature of Security :</b> Working Capital Borrowings from Bank of Maharashtra led Consortium Banks consisting of Bank of Maharashtra, State Bank of India, Bank of Baroda, ICICI Bank Limited, HDFC Bank Limited and The Hong Kong and Shanghai Banking Corporation Limited are secured by hypothecation of stock-in-trade, book debts and receivables. These are further secured by second charge on the immovable properties of the Company situated at Roha, Mahad, Dist. Raigad and Ambadvet, Amralewadi, Dist. Pune by creation of a joint registered mortgage.		
xiii)	Short-Term Loan Rs. Nil (P.Y. Rs. 140,000,000) from State Bank of India carries interest @ 10.50% p.a. The Loan is repayable within 90 days from the date of borrowing.		
xiv)	Short-Term Loan Rs. 250,000,000 (P.Y. Rs. 300,000,000) from Bank of Maharashtra carries interest @ 10.50% p.a. The Loan is repayable within 90 days from the date of borrowing.		
xv)	Short-Term Loan Rs. 82,500,000 (P.Y. Rs. Nil) from HSBC Limited carries interest @ 10.15% p.a. The Loan is repayable within 90 days from the date of borrowing.		
xvi)	Short-Term Loan Rs. 80,000,000 (P.Y. Rs. Nil) from Bank of Baroda carries interest @ 10.50% p.a. The Loan is repayable within 90 days from the date of borrowing.		
xvii)	Short-Term Loan Rs. 80,000,000 (P.Y. Rs. Nil) from HDFC Bank Limited carries interest @ 10.30% p.a. The Loan is repayable within 90 days from the date of borrowing.		
xviii)	Short-Term Loan Rs. 244,890,000 (P.Y. Rs. Nil) from HSBC Limited carries interest @ 3.62% p.a. The Loan is repayable within 90 days from the date of borrowing.		
xix)	Short-Term Loan Rs. 10,000,000 (P.Y. Rs. Nil) from Bank of Maharashtra carries interest @ 12.75 % p.a. The Loan is repayable within 90 days from the date of borrowing.		
xx)	Buyer's Credit Loan Rs. Nil (P.Y. Rs. 205,062,913) from HSBC Limited carries interest @ LIBOR + 195 / 205 & 235 b.p.s. p.a. The Loan is repayable within 180 days from the date of borrowing.		
xxi)	Buyer's Credit Loan Rs. Nil (P.Y. Rs. 43,194,378) from Citibank N.A. carries interest @ LIBOR + 175 b.p.s. p.a. The Loan is repayable within 180 days from the date of borrowing.		
xxii)	Buyer's Credit Loan Rs. Nil (P.Y. Rs. 56,195,834) from ICICI Bank Limited carries interest @ LIBOR + 170 b.p.s. p.a. The Loan is repayable within 180 days from the date of borrowing.		
xxiii)	Buyer's Credit Loan Rs. 47,070,077 (P.Y. Rs. 161,943,868) from EXIM Bank carries interest @ LIBOR+500 b.p.s. p.a. The loan is repayable within 180 days from the date of borrowing.		
xxiv)	Buyer's Credit Loan from EXIM Bank is secured by corporate guarantee issued by Sudarshan Chemical Industries Ltd.		

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2014 Rs.	As at 31-03-2013 Rs.
<b>8</b>	<b>TRADE PAYABLES</b>		
(a)	Other than acceptances	1,036,699,810	994,346,373
(b)	Acceptances	94,062,025	41,610,766
(c)	Others		
	Trade Payables - For Capital Goods	2,230,136	1,604,340
	Total ...	<u>1,132,991,971</u>	<u>1,037,561,479</u>
<b>9</b>	<b>OTHER CURRENT LIABILITIES</b>		
(a)	Current maturities of long-term debt : <i>For Non-current maturity Ref. Note No. 3</i>		
-	Secured Loans from Banks :		
	HDFC Bank Limited	96,000,000	96,000,000
	Export - Import Bank of India (EXIM Bank)	130,146,666	124,557,500
	Bank of Maharashtra	320,058,000	293,354,000
	State Bank of India	100,000,000	-
	Kotak Mahindra Prime Limited	117,381	186,073
	<i>For security &amp; other terms Ref. Note Nos. i) to xv) of Note No. 3</i>		
-	Unsecured Loans :		
	Loans and Advances from Related Parties :		
i)	Intercompany Deposits <i>Ref. Note No. xvi) of Note No. 3</i>	4,475,000	450,000
ii)	Fixed Deposits		
1)	From Public	5,600,000	370,000
2)	From Shareholders <i>Ref. Note No. xvii) of Note No. 3 &amp; Note No. 9 of Note No. 29</i>	10,880,000	5,370,000
	Loans and Advances from Others :		
i)	Intercompany Deposits <i>Ref. Note No. xvi) of Note No. 3</i>	15,000,000	610,000
ii)	Fixed Deposits		
1)	From Public	33,130,000	30,705,000
2)	From Shareholders <i>Ref. Note No. xvii) of Note No. 3 &amp; Note No. 9 of Note No. 29</i>	505,000	2,820,000
(b)	Interest accrued but not due on borrowings :	570,407	1,015,014
(c)	Liability towards Investor Education and Protection Fund : (Under Section 205 C of the Companies Act, 1956)		
	Unclaimed Dividend	3,005,129	1,960,668
	Unclaimed Matured Fixed Deposits <i>Ref. Note No. 9 of Note No. 29</i>	1,015,000	145,000
(d)	Current maturities of employee benefits :		
	Pension <i>Ref. Note No. 1 (xi) &amp; Note No. 7 (A) 2 (a) of Note No. 29</i> <i>For Non-current maturity Ref. Note No. 6</i>	4,927,576	3,582,234
(e)	Other payables :		
	Statutory Dues	31,019,948	23,621,684
	Other Liabilities	395,491,240	345,115,101
	Total ...	<u>1,151,941,347</u>	<u>929,862,274</u>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2014 Rs.	As at 31-03-2013 Rs.
<b>10</b>	<b>SHORT-TERM PROVISIONS</b>		
<b>(a)</b>	<b>PROVISION FOR EMPLOYEE BENEFITS :</b>		
	Short-Term Compensated Absences <i>Ref. Note No. 1 (xi) of Note No. 29</i>	<b>49,815,930</b>	46,736,848
<b>(b)</b>	<b>OTHERS :</b>		
	i) Proposed Equity Dividend	<b>103,840,875</b>	86,534,063
	ii) Tax on Proposed Equity Dividend	<b>17,647,760</b>	14,706,470
	Total ...	<b>171,304,565</b>	147,977,381

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## NON-CURRENT ASSETS :

## FIXED ASSETS

Note No.	Description	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		Balance As on 01-04-2013 Rs.	Additions Rs.	Deductions Rs.	Balance As on 31-03-2014 Rs.	For the Year Rs.	Deductions Rs.	Balance As on 31-03-2014 Rs.	Balance As on 31-03-2013 Rs.
11	<b>TANGIBLE ASSETS :</b> <i>Ref. Note No. 14 of Note No. 29</i>								
	FREEHOLD LAND	49,555,932 (49,555,932)	- (-)	- (-)	49,555,932 (49,555,932)	- (-)	- (-)	49,555,932 (49,555,932)	49,555,932 (49,555,932)
	LEASEHOLD LAND	12,740,447 (12,740,447)	- (-)	- (-)	12,740,447 (12,740,447)	145,999 (145,999)	- (-)	10,566,044 (10,712,043)	10,712,043 (10,858,042)
	BUILDINGS	578,701,681 (477,682,326)	118,018,875 (101,019,355)	- (-)	696,720,556 (578,701,681)	18,508,171 (13,671,451)	- (-)	518,390,358 (418,879,654)	418,879,654 (331,531,750)
	PLANT & MACHINERY	4,467,015,250 (3,454,389,002)	280,272,181 (1,018,861,679)	193,081,194 (6,235,431)	4,554,206,237 (4,467,015,250)	299,475,077 (204,295,083)	180,146,957 (5,714,208)	2,338,555,662 (2,370,692,795)	2,370,692,795 (1,556,647,422)
	VEHICLES	46,227,063 (46,569,830)	15,671,994 (4,024,840)	7,244,700 (4,367,607)	54,654,357 (46,227,063)	4,372,369 (4,164,996)	3,620,675 (1,783,331)	36,279,343 (28,603,743)	28,603,743 (31,328,175)
	FURNITURE & FIXTURES	41,516,794 (40,629,137)	2,313,482 (1,145,670)	216,710 (258,013)	43,613,566 (41,516,794)	2,511,493 (2,428,049)	66,844 (36,198)	22,996,232 (23,344,109)	23,344,109 (24,848,303)
	OFFICE EQUIPMENTS	13,438,428 (12,713,895)	2,811,130 (724,533)	52,500 (-)	16,197,058 (13,438,428)	665,355 (579,389)	44,521 (-)	9,540,681 (7,402,885)	7,402,885 (7,257,741)
	<b>FIXED ASSETS - R&amp;D</b>								
	BUILDINGS	97,268,967 (96,510,887)	- (758,080)	- (-)	97,268,967 (97,268,967)	3,290,042 (3,265,912)	- (-)	79,980,225 (83,270,267)	83,270,267 (85,778,099)
	PLANT & MACHINERY	152,166,405 (131,475,350)	14,809,115 (20,691,055)	22,822 (-)	166,952,698 (152,166,405)	10,286,653 (8,994,150)	17,050 (-)	78,315,547 (73,798,857)	73,798,857 (62,101,952)
	FURNITURE & FIXTURES	6,127,192 (6,050,964)	34,835 (76,228)	- (-)	6,162,027 (6,127,192)	241,588 (344,022)	- (-)	1,717,177 (1,923,930)	1,923,930 (2,191,724)
<b>Sub-Total</b>		5,464,758,159 (4,328,317,770)	433,931,612 (1,147,301,440)	200,617,926 (10,861,051)	5,698,071,845 (5,464,758,159)	339,496,747 (237,889,051)	183,896,047 (7,533,737)	3,145,897,201 (2,396,573,944)	3,068,184,215
12	<b>INTANGIBLE ASSETS :</b> <i>Ref. Note No. 15 of Note No. 29</i>								
	COMPUTER SOFTWARES	34,271,941 (21,702,367)	9,526,943 (12,569,574)	- (-)	43,798,884 (34,271,941)	4,355,806 (3,213,016)	- (-)	33,410,938 (28,239,801)	28,239,801 (18,883,243)
	TECHNICAL KNOW-HOW	140,963,677 (139,117,676)	1,631,470 (1,846,001)	- (-)	142,595,147 (140,963,677)	22,722,497 (22,393,667)	- (-)	62,919,614 (84,010,641)	84,010,641 (104,558,307)
	REGISTRATIONS	8,766,514 (-)	22,805,608 (8,766,514)	- (-)	31,572,122 (8,766,514)	1,066,695 (73,054)	- (-)	30,432,373 (8,693,460)	8,693,460 (-)
	<b>Sub-Total</b>	184,002,132 (160,820,043)	33,964,021 (23,182,089)	- (-)	217,966,153 (184,002,132)	28,144,998 (25,679,737)	- (-)	126,762,925 (63,058,230)	120,943,902
<b>TOTAL</b>		5,648,760,291 (4,489,137,813)	467,895,633 (1,170,483,529)	200,617,926 (10,861,051)	5,916,037,998 (5,648,760,291)	367,641,745 (263,568,788)	183,896,047 (7,533,737)	3,272,660,126 (2,459,632,174)	3,189,128,117

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2014 Rs.	As at 31-03-2013 Rs.
<b>13</b>	<b>NON-CURRENT INVESTMENTS</b>		
	<b>Long-Term and Non-Trade Investments</b>		
	<b>Investments in Mutual Funds (quoted) :</b>		
	Aggregate amount of quoted investments and market value thereof :		
	202,715.67 (Previous Year : 202,715.67) Units of Rs. 10 each in UTI Gilt Advantage-LTP-Dividend Payout Fund.	<b>2,864,697</b>	2,864,697
	[Market Value Rs. 3,148,255 (Previous Year : Rs. 3,057,175)]		
	Aggregate amount of quoted investments	<b>2,864,697</b>	2,864,697
	Total ...	<b>2,864,697</b>	2,864,697
<b>14</b>	<b>LONG-TERM LOANS AND ADVANCES</b>		
	<b>Unsecured (Considered Good unless stated otherwise) :</b>		
	(a) Capital Advances	<b>46,188,159</b>	47,583,214
	Considered doubtful	<b>3,000,000</b>	-
	Less : Provision for doubtful advances	<b>3,000,000</b>	-
		<b>-</b>	-
		<b>46,188,159</b>	47,583,214
	(b) Security Deposits :		
	Deposit with Government etc.	<b>21,869,550</b>	16,854,639
	Tender Deposit	<b>919,800</b>	847,562
	Deposit with Others	<b>5,639,716</b>	5,135,206
	(c) Other Loans and Advances :		
	Loan to Employees	<b>320,600</b>	302,450
	(d) MAT Credit Entitlement	<b>113,750,000</b>	97,950,000
		<b>188,687,825</b>	168,673,071
	(e) Income Tax Paid	<b>1,120,388,289</b>	1,224,376,763
	Less : Provision for Tax	<b>1,083,195,355</b>	1,178,850,000
	Income Tax Paid (Net)	<b>37,192,934</b>	45,526,763
	Total ...	<b>225,880,759</b>	214,199,834
<b>15</b>	<b>OTHER NON-CURRENT ASSETS</b>		
	Margin Money with Banks with maturity of more than 12 months	<b>2,500,000</b>	3,000,000
	Ref. Note No. 18		
	Total ...	<b>2,500,000</b>	3,000,000



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2014 Rs.	As at 31-03-2013 Rs.
	<b>CURRENT ASSETS :</b>		
<b>16</b>	<b>INVENTORIES</b>		
	(a) Raw Materials	389,550,498	300,173,769
	Goods in Transit	207,607,072	823,336
	(b) Work-in-progress	226,732,195	340,919,441
	(c) Finished Goods	884,558,719	879,298,182
	Goods in Transit	239,110,821	120,380,617
	(d) Stores and Spares	84,211,372	102,794,699
	(e) Trading Goods	39,529,629	22,407,933
	(f) Packing Materials	13,361,006	11,133,900
	(g) Leasehold Rights	498,450,000	498,450,000
	<i>For Leasehold Rights Ref. Note No. 6 of Note No. 29</i>		
	Total ...	<u>2,583,111,312</u>	<u>2,276,381,877</u>
<b>17</b>	<b>TRADE RECEIVABLES</b>		
	<b>Unsecured :</b>		
	(a) Outstanding for a period exceeding six months from the due date (Considered good)	66,960,211	77,445,466
	Considered doubtful	4,030,663	3,589,656
	Less : Provision for doubtful debt	<u>4,030,663</u>	<u>3,589,656</u>
		-	-
	(b) Others (Considered good)	2,516,299,086	2,023,832,982
	Considered doubtful	91,383	-
	Less : Provision for doubtful debt	<u>91,383</u>	<u>-</u>
		-	-
	Total ...	<u>2,583,259,297</u>	<u>2,101,278,448</u>
<b>18</b>	<b>CASH AND CASH EQUIVALENTS</b>		
	(a) Cash and Cash Equivalents		
	i) Cash on hand	2,079,499	2,545,915
	ii) In Current Accounts	128,153,236	400,208,319
	iii) Other Bank Balances		
	(Original maturity between 3 - 12 months)		
	- Lien Account	553	15,502
	- Dividend Account	3,005,129	1,960,668
	- On Deposit Account	<u>224,000</u>	<u>1,790,545</u>
		133,462,417	406,520,949
	(b) Other Bank Balances		
	(Original maturity More than 3 months)		
	i) Lien Account	16,577,920	14,838,919
	ii) Balances with banks to the extent held as margin money		
	- With remaining maturity less than 12 months	3,000,000	22,313,332
	- With remaining maturity more than 12 months	2,500,000	3,000,000
	Less : Amount disclosed under non-current assets	<u>2,500,000</u>	<u>3,000,000</u>
	<i>Ref. Note. No. 15</i>		
		<u>153,040,337</u>	<u>443,673,200</u>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2014 Rs.	As at 31-03-2013 Rs.
<b>19</b>	<b>SHORT-TERM LOANS AND ADVANCES</b>		
	Unsecured and considered good :		
	Others:		
	Housing Loan to Employees	117,325	308,600
	Advances recoverable in cash or in kind or for value to be received	50,501,780	46,564,059
	Deposit with Excise, Customs etc.	56,053,215	50,980,518
	Total ...	<u>106,672,320</u>	<u>97,853,177</u>
<b>20</b>	<b>OTHER CURRENT ASSETS</b>		
	Export Incentives Receivable	28,253,037	9,495,350
	Service Tax Receivable	14,036,861	13,084,476
	VAT Refund Receivable	195,743,574	172,136,352
	Prepaid Expenses	20,197,711	24,005,622
	Contribution to Gratuity Fund (Advance) <i>Ref. Note No. 7 (A) 1 (c) of Note No. 29</i>	16,905,643	6,701,745
	Others	13,543,472	22,769,987
	Total ...	<u>288,680,298</u>	<u>248,193,532</u>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No.	Particulars	Current Year Rs.	Previous Year Rs.
<b>21</b>	<b>REVENUE FROM OPERATIONS</b>		
	(a) Sale of products	<b>11,986,137,410</b>	9,356,985,390
	Less: Excise duty	<b>846,260,584</b>	682,608,289
		<b>11,139,876,826</b>	8,674,377,101
	(b) Services rendered	<b>5,308,305</b>	4,479,820
	(c) Other operating revenues		
	Export Incentives (Net)	<b>23,204,628</b>	23,858,270
	Miscellaneous Operating Income (Net of Excise Duty)	<b>17,914,292</b>	26,195,609
		<b>41,118,920</b>	50,053,879
	Total ...	<b>11,186,304,051</b>	8,728,910,800
<b>22</b>	<b>OTHER INCOME</b>		
	(a) Interest Income		
	Interest earned on :		
	Bank Deposits	<b>3,837,865</b>	4,348,528
	Others	<b>3,004,780</b>	7,460,821
	<i>[T.D.S. Rs. 1,130,738</i>		
	<i>(Previous Year : Rs. 2,153,717)]</i>		
	(b) Other Non-Operating Income :		
	Miscellaneous Income	<b>30,522,847</b>	7,350,033
	Provision for diminution in the value of Long-term investments written back	-	205,000
	Provision for doubtful debts written back	<b>464,773</b>	496,055
	Foreign Exchange Difference (Net)	-	52,959,491
	Total ...	<b>37,830,265</b>	72,819,928

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No.	Particulars	Current Year Rs.	Previous Year Rs.
<b>23</b>	<b>COST OF MATERIALS CONSUMED</b>		
	Opening Stock	300,997,105	337,914,117
	Add : Purchases	6,418,398,825	4,829,492,354
		<u>6,719,395,930</u>	<u>5,167,406,471</u>
	Less : Closing Stock	597,157,570	300,997,105
	Total ...	<u>6,122,238,360</u>	<u>4,866,409,366</u>
<b>24</b>	<b>COST OF GOODS TRADED</b>		
	Opening Stock	22,407,933	30,236,455
	Add : Purchases	441,441,074	409,613,783
		<u>463,849,007</u>	<u>439,850,238</u>
	Less : Closing Stock	39,529,629	22,407,933
	Total ...	<u>424,319,378</u>	<u>417,442,305</u>
<b>25</b>	<b>CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS</b>		
	Stocks at Commencement :		
	Finished Products	999,678,799	788,896,803
	Work-in-progress (Semi-finished Products)	340,919,441	210,632,291
		<u>1,340,598,240</u>	<u>999,529,094</u>
	Less:		
	Stocks at Close :		
	Finished Products	1,123,669,540	999,678,799
	Work-in-progress (Semi-finished Products)	226,732,195	340,919,441
		<u>1,350,401,735</u>	<u>1,340,598,240</u>
	Total ...	<u>(9,803,495)</u>	<u>(341,069,146)</u>
<b>26</b>	<b>EMPLOYEE BENEFIT EXPENSE</b>		
	Salaries and Wages :		
	Other Than Research and Development	662,996,282	600,103,445
	For Research and Development	51,011,702	51,190,260
	Contribution to Provident and Other Funds	51,257,564	43,188,946
	Staff Welfare Expenses	23,238,163	12,975,823
	Gratuity (Ref. Note No. 7 (A) 1 (d) of Note No. 29)	1,198,045	21,790,690
	Pension (Ref. Note No. 7 (A) 2 (b) of Note No. 29)	6,764,518	10,769,902
	Total ...	<u>796,466,274</u>	<u>740,019,066</u>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No.	Particulars	Current Year Rs.	Previous Year Rs.
<b>27</b>	<b>FINANCE COSTS</b>		
	(a) Interest expenses	380,172,373	305,347,154
	(b) Other borrowing costs (Includes Bank charges for Bank Guarantee, Loan Processing etc.)	3,528,468	3,376,945
	(c) Foreign Exchange difference to the extent considered as borrowing cost	22,844,979	18,077,750
	Total ...	406,545,820	326,801,849
<b>28</b>	<b>OTHER EXPENSES</b>		
	Consumption of Stores and Spare parts	186,332,135	171,739,451
	Consumption of Packing Material	125,708,732	108,641,367
	Power and Fuel	604,994,018	561,482,408
	Water Charges	91,337,017	79,351,858
	Rent	15,620,556	13,661,909
	Repairs to Buildings	52,059,699	49,240,076
	Repairs to Plant and Machinery	108,036,993	85,161,684
	Repairs to Others	6,720,733	8,921,137
	Insurance	17,102,813	17,251,317
	Rates and Taxes (excluding taxes on income)	10,622,519	7,730,676
	Advertisement	9,300,909	16,274,062
	Auditors' Remuneration (Ref. Note No. 8 of Note No. 29)	2,291,801	2,217,770
	Bad Debts Written Off	2,767,885	2,308,485
	Provision for Doubtful Debts	997,163	1,389,757
	Provision for Doubtful Advances	3,000,000	-
	Bank Charges	22,148,544	16,513,913
	Export Market Development Expenses :		
	Commission on Exports	26,327,637	20,068,101
	Travelling, Postage, Forwarding, etc.	93,011,291	105,507,614
	Commission to Selling Agents	206,684,881	168,107,796
	Directors' Sitting Fees	1,274,220	1,117,306
	Discounts (Other Than Trade Discounts)	114,496,408	94,928,287
	Foreign Exchange Difference (Net)	28,408,437	-
	ERP / Computer related expenses	12,614,180	9,050,687
	Freight and Octroi	30,910,130	64,071,578
	General Expenses (Ref. Note No. 16 of Note No. 29)	59,361,109	35,925,964
	Legal, Professional and Consultancy Charges	140,557,837	142,026,709
	Licence Fees	2,607,816	2,785,991
	Loss on Sale / Disposal of Fixed Assets (Net)	13,233,742	1,481,219
	Printing, Stationery and Communication Expenses	24,191,069	24,162,938
	Sales Tax Surcharge / Turnover Tax	8,839,782	2,973,035
	Selling and Distribution Expenses	103,114,993	43,127,940
	Research and Development Expenses :		
	Stores, Spares and Consumables etc.	18,554,920	22,011,251
	Other Expenses	50,635,665	56,329,824
	Travelling and Conveyance	59,808,098	52,916,674
	Royalty	25,230,500	15,731,055
	Labour Charges	220,940,645	190,696,525
	Other Manufacturing Expenses	62,308,781	73,571,490
	Total ...	2,562,153,658	2,268,477,854

## NOTE NO. 29 : NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. Significant Accounting Policies :

#### (i) Basis of Preparation :

The Consolidated Financial Statements are prepared in accordance with the Generally Accepted Accounting Principles (GAAP) in India under the historical cost convention on an accrual basis, and are in conformity with mandatory accounting standards, as prescribed by the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 1956 read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of the Companies Act, 2013 and guidelines issued by the Securities and Exchange Board of India (SEBI).

The accounting policies have been consistently applied by the Company during the period and are consistent with those used in the previous year.

#### (ii) Use of Estimates :

The preparation of the Consolidated Financial Statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

#### (iii) Fixed Assets :

- (a) Fixed Assets are stated at cost of acquisition along with attributable costs, including related borrowing costs, for bringing the assets to its working condition for its intended use, less accumulated depreciation.
- (b) Borrowing costs that are directly attributable to the acquisition or production of a qualifying asset are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

#### (iv) Depreciation :

- (a) Depreciation on Fixed Assets is provided on Straight Line Method on prorata basis, at the rates and in the manner prescribed by Schedule XIV to the Companies Act, 1956. Leasehold land is amortised over the lease period.
- (b) The intangible assets are amortised over their useful economic life. Computer software, Technical know-how and Other registrations are amortised over 10 years, 3 to 5 years and 10 years respectively.

#### (v) Impairment of Assets :

The carrying amounts of Cash Generating Units / Assets are reviewed at the Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount is estimated as the higher of net selling price and value in use. Impairment loss is recognized wherever carrying amount exceeds recoverable amount.

#### (vi) Investments :

Long-term Investments are carried at cost including related expenses, provision for diminution being made, if necessary, to recognize a decline, other than temporary, in the value thereof.

Current investments are valued at lower of cost and fair value.

#### (vii) Inventories :

Inventories are valued at lower of Cost and Net Realisable Value.

- (a) Raw Materials, Packing Materials, Stores and Consumables are valued at Weighted Average Cost.

- (b) The cost of Finished Goods and Work-in-progress (Semi-finished Goods) is ascertained by Weighted Average of Cost of Raw Material and standard rate of conversion and other related costs for bringing the inventory to the present location and condition.
- (c) Provision is made for obsolete and non-moving items.
- (d) Leasehold Rights are valued at conversion value.

**(viii) Research and Development :**

Research and Development expenditure of a capital nature is added to Fixed Assets and depreciation is provided thereon. All other expenditure on Research and Development is charged to the Statement of Profit and Loss in the year of incurrence.

**(ix) Foreign Currency Transactions :**

- (a) Transactions in foreign currencies are recorded at the exchange rates prevailing as on the date of the transaction. Monetary items are translated at the year-end rate. The difference between the rate prevailing as on the date of the transaction and as on the date of settlement and also on translation of monetary items, at the end of the year, is recognised as income or expense, as the case may be.
- (b) In respect of forward exchange contracts, the difference between the forward rate and the exchange rate at the inception of the contract is recognised as income or expense over the period of the contract. Losses on cancellation of forward exchange contracts are recognised as expense.

**(x) Revenue Recognition :**

Sale of goods is recognised on dispatches to customers, which coincides with the transfer of significant risks and rewards associated with ownership, inclusive of excise duty and net of trade discount.

Dividend income is accounted for when the right to receive is established.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

**(xi) Employee Benefits :**

- (a) Defined Contribution Plan :

Contributions are made to approved Superannuation and Provident Fund.

- (b) Defined Benefit Plan :

The Company's liability towards Gratuity is determined using the Projected Unit Credit Method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past service Gratuity liability is computed with reference to the service put in by each employee till the date of valuation and also the Projected Terminal Salary at the time of exit. Actuarial Gains and Losses are recognized immediately in the Statement of Profit and Loss as income or expense, as the case may be. Obligation is measured as the Present Value of estimated future cash flows using a discount rate that is determined by reference to market yields as on the Balance Sheet date on Government Bonds where the currency and Government Bonds are consistent with the currency and estimated term of Defined Benefit Obligation.

- (c) Non-Contributory Pension Scheme :

The Company has a pension scheme for their Executives, Directors, Presidents and Senior Vice-Presidents.

The Company meets the pension cost from the Company's revenue. The liability is provided for on the basis of an independent actuarial valuation using Projected Unit Credit Method.

- (d) Short-Term Compensated Absences (Leave Encashment) :

Liability on account of Short-Term Compensated Absences (Leave Encashment) is provided on actuals.

**(xii) Taxation :**

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences 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. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax assets can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss shown as "MAT Credit Entitlement". The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

**(xiii) Provisions and Contingent Liabilities :**

- (a) A provision is recognized when the Company has a present obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.
- (b) A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably.

**(xiv) Earnings Per Share :**

Basic Earnings per Share are calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of equity shares outstanding during the period.

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.



**(xv) Cash and Cash Equivalents :**

Cash and cash equivalents for the purposes of the Cash Flow Statement comprise of cash at bank, cash in hand and short-term investments with an original maturity of three months or less.

**(xvi) Segment Reporting :**

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

- (i) Pigments
- (ii) Agro Chemicals

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

- 1 Allocation of common costs -  
Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.
- 2 Unallocated items -  
Unallocated items include general corporate income and expense items which are not allocated to any business segment. Assets and liabilities which relate to the Company as a whole but are not allocable to segments on a reasonable basis, have been included under "Unallocable Assets / Liabilities".
- 3 Segment accounting policies -  
The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the Consolidated Financial Statements of the Company as a whole.

**2. Principles of Consolidation :**

- (A) The Consolidated Financial Statements are based on the audited Financial Statements of the Subsidiaries.
- (B) The Financial Statements of the Holding Company and Subsidiaries have been combined to the extent possible on a line by line basis by adding together like items of assets, liabilities, income and expenses. All significant intra-group balances and transactions have been eliminated on consolidation.
- (C) The Consolidated Financial Statements have been prepared using uniform accounting policies for the transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Parent Company's Financial Statements.

(D) Name of the subsidiaries	Ownership in % either directly or through subsidiaries		Country of Incorporation
	2013-14	2012-13	
Prescient Color Limited	100 %	100 %	India
Sudarshan Europe B.V.	100 %	100 %	The Netherlands
Sudarshan North America, Inc. (Subsidiary of Sudarshan Europe B.V.)	100 %	100 %	The United States of America

3. Estimated amount of contracts remaining to be executed on capital account – **Rs. 17,587,188** (Previous Year : Rs. 6,521,024).
4. The Foreign Subsidiary Company accounts have been prepared in conformity with the Companies Act, 1956 and Generally Accepted Accounting Principles in India, as applicable, and considered accordingly for the purpose of consolidation of accounts.

5. **Contingent liabilities not provided for :**

- (A) Excise Duty – **Rs. 7,183,604** (Previous Year : Rs. 8,488,600).  
 (B) Income Tax – **Rs. 30,388,050** (Previous Year : Rs. 28,862,580).  
 (C) VAT – **Rs. 11,861,000** (Previous Year : Rs. 6,177,091).

6. During the Financial Year 2010-11, the Company has converted the Leasehold Rights of the Company in respect of land situated at Final Plot No. 90, Sangamwadi, corresponding 'House No. 162', Wellesley Road, Pune 411 001 into stock-in-trade and valued the same for a sum of Rs. 49.85 crores and accordingly created a revaluation reserve.

7. **The following disclosures are made in accordance with Accounting Standard – 15 (Revised) :**

(A) **Pertaining to Defined Benefit Plans :**

1 **Gratuity**

Particulars	As at 31 <sup>st</sup> March, 2014 Rs.	As at 31 <sup>st</sup> March, 2013 Rs.
<b>(a) Present value of the defined benefit obligation :</b>		
Obligations at period beginning	144,498,452	130,617,863
Service cost	7,716,057	8,322,688
Acquisition adjustment	–	–
Interest cost	10,661,992	10,268,122
Past service cost	–	–
Curtailment cost / (credit)	–	–
Settlement cost / (credit)	–	–
Actuarial (gain) / loss	(4,731,604)	14,922,638
Benefits paid	(29,005,891)	(19,632,859)
Obligations at period end	129,139,006	144,498,452
<b>(b) Fair value of plan assets :</b>		
Plans assets at period beginning, at fair value	151,200,197	137,258,408
Expected return on plan assets	12,815,840	12,453,113
Acquisition adjustment	–	–
Actuarial gain / (loss)	(367,440)	(730,355)
Contributions	11,000,000	21,132,581
Benefits paid	(28,603,948)	(18,913,550)
Plans assets at period end, at fair value	146,044,649	151,200,197
Actual returns on plan assets	12,448,400	11,722,758
<b>(c) Assets and liabilities recognized in the Balance Sheet :</b>		
Fair value of the plan assets at the end of the year	146,044,649	151,200,197
Present value of the defined benefit obligations at the end of the period	129,139,006	144,498,452
Asset / (liability) recognized in the Balance Sheet	16,905,643	6,701,745
<b>(d) Expense recognized in the Statement of Profit and Loss :</b>		
Current service cost	7,716,057	8,322,688
Past service cost	–	–
Interest cost	10,661,992	10,268,122
Expected return on plan assets	(12,815,840)	(12,453,113)
Curtailment cost / (credit)	–	–
Settlement cost / (credit)	–	–
Actuarial (gain) / loss	(4,364,164)	15,652,993
Net gratuity cost	1,198,045	21,790,690

Particulars		As at 31 <sup>st</sup> March, 2014 Rs.	As at 31 <sup>st</sup> March, 2013 Rs.	
<b>(e) Investment details of the plan assets* :</b>				
Government of India Securities		0.00%	0.00%	
High quality Corporate Bonds		0.00%	0.00%	
Equity shares of listed companies		0.00%	0.00%	
Property		0.00%	0.00%	
Special deposit scheme		0.00%	0.00%	
Funds managed by Insurer		100.00%	100.00%	
Others		0.00%	0.00%	
* Plan assets are invested in the debt instruments prescribed by IRDA.				
<b>(f) Summary of Actuarial Assumptions :</b>				
Discount Rate		9.20%	8.20%	
Rate of return on plan assets		9.00%	9.00%	
Rate of increase in Compensation levels		7.00%	7.00%	
Expected Average remaining working lives of employees (Years)		14.35	14.60	
The estimates of future salary increase, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.				
<b>(g) Experience adjustment * :</b>	<b>As at 31<sup>st</sup> March, 2014 Rs.</b>	As at 31 <sup>st</sup> March, 2013 Rs.	As at 31 <sup>st</sup> March, 2012 Rs.	As at 31 <sup>st</sup> March, 2011 Rs.
On plan liability (loss) / gain	(6,481,377)	(11,980,388)	(4,478,379)	—
On plan asset (loss) / gain	(367,440)	(730,355)	(24,680)	—
Present value of benefit obligation	129,139,006	144,498,452	130,617,863	126,180,498
Fair value of plan assets	146,044,649	151,200,197	137,258,408	127,316,156
Surplus / (deficit)	16,905,643	6,701,745	6,640,545	1,135,658
* Data as per actuary is available only for current year and previous three years.				

**2 Pension**

Particulars	Current Year Rs.	Previous Year Rs.
<b>(a) Reconciliation of PBO :</b>		
Projected Benefit Obligation at beginning of the year	56,453,316	48,254,384
Current service cost	233,777	515,858
Interest cost	4,391,679	3,778,146
Contributions by plan participation	—	—
Actuarial (gain) / loss due to change in assumptions	2,139,062	6,475,898
Benefits paid	(3,582,234)	(2,570,970)
Past service cost	—	—
Amalgamations	—	—
Curtailements	—	—
Settlements	—	—
Projected Benefit Obligation at end of the year	59,635,600	56,453,316
Includes Current maturity Rs. 4,927,576 (Previous Year : Rs. 3,582,234)		
<b>(b) Statement of Profit and Loss</b>		
Current service cost	233,777	515,858
Interest cost	4,391,679	3,778,146
Expected return on plan asset	—	—
Net actuarial (gain) / loss to be recognised in the year	2,139,062	6,475,898
Past service cost	—	—
Effect of Curtailements	—	—
(Income)/Expense recognised in the Statement of Profit and Loss	6,764,518	10,769,902

(B) Pertaining to Defined Contribution Plans :

Particulars	As at 31 <sup>st</sup> March, 2014 Rs.	As at 31 <sup>st</sup> March, 2013 Rs.
(a) Expected contribution to the fund in the next year :		
Gratuity	25,232,234	23,581,527
Superannuation	4,642,304	4,338,602
Provident fund	32,127,260	30,025,476
(b) Defined contribution plans :		
Provident fund paid to the authorities	30,945,781	27,122,218

8. Auditors' Remuneration :

	Current Year Rs.	Previous Year Rs.
(a) Audit Fees	1,358,581	999,280
(b) Tax Audit Fees	255,000	230,000
(c) Other Services –		
Certification and Limited Review	535,000	845,000
Stock Verification	120,000	120,000
(d) Reimbursement of Expenses	23,220	23,490
Total ...	2,291,801	2,217,770

9. Fixed Deposits :

(Accepted under Section 58A of the Companies Act, 1956)

	31-03-2014 Rs.	31-03-2013 Rs.
(a) Fixed Deposits with Maturity less than 12 months	50,115,000	39,265,000
(b) Fixed Deposits with Maturity more than 12 months	503,990,000	279,780,000
(c) Unclaimed Matured Fixed Deposits	1,015,000	145,000
Total ...	555,120,000	319,190,000

10. Segment Reporting :

Particulars	Year Ended 31-03-2014 Rs.	Year Ended 31-03-2013 Rs.
(A) Primary Segment Information :		
1 Segment Revenue		
(a) Pigments	10,086,630,278	7,843,198,358
(b) Agro Chemicals	1,099,673,773	885,712,442
Total ...	11,186,304,051	8,728,910,800
Less : Inter-segment revenue	–	–
Net Sales / Income from Operations	11,186,304,051	8,728,910,800
2 Segment Results		
Profit / (Loss) before tax		
(a) Pigments	1,094,599,149	796,986,198
(b) Agro Chemicals	77,334,224	45,309,895
Total ...	1,171,933,373	842,296,093
Less : i. Finance Cost	406,545,820	326,801,849
ii. Other Unallocable Expenditure (Net of Unallocable Income)	210,814,977	255,413,598
Profit Before Tax	554,572,576	260,080,646
Less : Tax Expense	204,096,932	39,950,992
Profit After Tax	350,475,644	220,129,654

Particulars	Year Ended 31-03-2014 Rs.	Year Ended 31-03-2013 Rs.
<b>3 Other information</b>		
Segment assets (*)		
(a) Pigments	7,236,037,590	6,876,701,795
(b) Agro Chemicals	311,944,305	255,697,955
(c) Unallocated	1,239,384,373	1,172,468,463
Total ...	8,787,366,268	8,304,868,213
Segment liabilities		
(a) Pigments	1,255,553,857	1,066,557,053
(b) Agro Chemicals	193,316,274	197,687,802
(c) Unallocated	354,880,048	283,078,657
Total ...	1,803,750,179	1,547,323,512
(*) Does not include leasehold rights at Pune, treated as stock-in-trade.		
<b>4 Capital Expenditure</b>		
(a) Pigments	89,681,020	1,164,446,038
(b) Agro Chemicals	4,785,124	—
(c) Unallocated	213,831,280	63,971,520
Total...	308,297,424	1,228,417,558
<b>5 Depreciation</b>		
(a) Pigments	297,462,006	199,360,549
(b) Agro Chemicals	5,276,178	5,538,564
(c) Unallocated	64,903,561	58,669,675
Total...	367,641,745	263,568,788
<b>(B) Secondary Segment Disclosures :</b>		
<b>1 Revenue from External Customers</b>		
(a) Indigenous	8,302,933,559	6,796,614,361
(b) Exports (including export incentives)	2,883,370,492	1,932,296,439
Total...	11,186,304,051	8,728,910,800
<b>2 Carrying amount of Assets</b>		
(a) In India	8,022,529,828	7,950,217,899
(b) Outside India	1,263,286,440	853,100,314
Total...	9,285,816,268	8,803,318,213

# 11. Related Party Disclosures :

List of Related Parties and description of relationship :

- (a) Key Management Personnel : Mr. K.L.Rathi (Retired on 26<sup>th</sup> October, 2013)  
Mr. P.R.Rathi  
Mr. R.B.Rathi  
Mr. A.V.Vij
- (b) Relatives of Key Management Personnel : Mrs. R.R.Rathi – Wife of Mr. R.B.Rathi  
Mr. R.P.Rathi – Son of Mr. P.R.Rathi  
Mrs. K.B.Rathi – Mother of Mr. R.B.Rathi  
Mrs. K.R.Rathi – Mother of Mr. P.R.Rathi  
Ms. S.R.Rathi – Daughter of Mr. R.B.Rathi  
Mr. A.B.Rathi – Brother of Mr. R.B.Rathi  
Mrs. A.K.Rathi – Wife of Mr. K.L.Rathi  
Mrs. S.P.Rathi – Wife of Mr. P.R.Rathi  
Mrs. R.R.Agarwal – Daughter of Mr. P.R.Rathi
- (c) Entities in which Key Management Personnel and / or their relatives exercise significant influence (SKMP) :  
Rathi Brothers Poona Limited  
Rathi Brothers Madras Limited  
Rathi Brothers Calcutta Limited  
Rathi Brothers Delhi Limited  
Manan Rathi Trust  
Balkrishna Rathi Finance Private Limited  
PRR Finance Private Limited  
Laxminarayan Finance Private Limited  
Marathwada Chemical Industries Private Limited  
RIECO Industries Limited  
Rathi Vessels & Systems Private Limited

## Transactions with Related Parties :

Nature of transactions	2013 - 2014			2012 - 2013		
	Key Management Personnel	Relatives of Key Management Personnel	SKMP*	Key Management Personnel	Relatives of Key Management Personnel	SKMP*
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
● Salary, Pension, Reimbursement of expenses etc. :						
Mr. K.L.Rathi	9,221,178	–	–	9,682,162	–	–
Mr. P.R.Rathi	16,647,688	–	–	10,885,235	–	–
Mr. R.B.Rathi	14,768,954	–	–	7,476,942	–	–
Ms. Christine Gehres	–	–	–	19,357,004	–	–
Mr. A.V.Vij	6,409,363	–	–	6,094,724	–	–
Mr. R.P.Rathi	–	2,483,158	–	–	2,153,742	–
Mrs. K.B.Rathi	–	1,127,357	–	–	1,024,870	–
● Interest paid / payable :						
Mr. P.R.Rathi	55,082	–	–	140,000	–	–
Mr. K.L.Rathi	619,581	–	–	476,212	–	–
Mrs. K.R.Rathi	–	160,000	–	–	326,564	–
Mr. R.P.Rathi	–	311,855	–	–	266,654	–
Mrs. A.K.Rathi	–	269,015	–	–	208,708	–
Mrs. S.P.Rathi	–	241,148	–	–	486,408	–
Mrs. R.R.Agarwal	–	350,000	–	–	260,461	–
Manan Rathi Trust	–	–	345,000	–	–	312,705
Rathi Brothers Poona Ltd.	–	–	878,251	–	–	731,524
Rathi Brothers Madras Ltd.	–	–	439,089	–	–	436,725
Rathi Brothers Calcutta Ltd..	–	–	55,999	–	–	71,268
Rathi Brothers Delhi Ltd.	–	–	1,309,726	–	–	1,120,519
Balkrishna Rathi Finance Pvt. Ltd.	–	–	5,175,097	–	–	3,222,629
PRR Finance Pvt. Ltd.	–	–	5,579,204	–	–	5,753,840
Laxminarayan Finance Pvt. Ltd.	–	–	1,043,956	–	–	1,133,928
Others	–	–	607,111	–	67,500	683,803

Nature of transactions	2013 - 2014			2012 - 2013		
	Key Management Personnel	Relatives of Key Management Personnel	SKMP*	Key Management Personnel	Relatives of Key Management Personnel	SKMP*
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>● Acceptance of Deposits :</b>						
Mr. K.L.Rathi	2,500,000	—	—	3,500,000	—	—
Mrs. A.K.Rathi	—	2,500,000	—	—	400,000	—
Mr. R.P.Rathi	—	2,400,000	—	—	500,000	—
Mrs. S.P.Rathi	—	—	—	—	1,900,000	—
Rathi Brothers Poona Ltd.	—	—	15,550,000	—	—	15,750,000
Rathi Brothers Madras Ltd.	—	—	2,950,000	—	—	3,400,000
Rathi Brothers Delhi Ltd.	—	—	10,750,000	—	—	10,000,000
Balkrishna Rathi Finance Pvt. Ltd.	—	—	8,000,000	—	—	34,300,000
Others	—	—	4,840,000	—	5,100,000	43,655,000
<b>● Repayments of Deposits :</b>						
Mr. P.R.Rathi	1,400,000	—	—	—	—	—
Mr. K.L.Rathi	1,170,000	—	—	3,500,000	—	—
Mrs. S.P.Rathi	—	1,300,000	—	—	6,290,000	—
Mr. R.P.Rathi	—	2,400,000	—	—	420,000	—
Rathi Brothers Poona Ltd.	—	—	23,550,000	—	—	13,150,000
Rathi Brothers Delhi Ltd.	—	—	15,350,000	—	—	6,350,000
Laxminarayan Finance Pvt. Ltd.	—	—	13,000,000	—	—	5,200,000
PRR Finance Pvt. Ltd.	—	—	34,400,000	—	—	1,100,000
Balkrishna Rathi Finance Pvt. Ltd.	—	—	13,000,000	—	—	—
Others	—	—	8,360,000	—	14,290,000	9,235,000
<b>● Sale of Fixed Asset:</b>						
Mr. K.L.Rathi	22,222	—	—	—	—	—
Mr. P.R.Rathi	17,850	—	—	—	—	—
<b>● Sale of Chemicals :</b>						
Marathwada Chemical Inds. Pvt.Ltd.	—	—	1,154,983	—	—	1,648,961
<b>● Purchase of Goods :</b>						
RIECO Industries Ltd.	—	—	3,811,816	—	—	25,482,812
Marathwada Chemical Inds. Pvt.Ltd.	—	—	10,476,937	—	—	11,832,193
<b>● Commission on Sales :</b>						
Rathi Brothers Calcutta Ltd.	—	—	4,885,988	—	—	4,840,043
Rathi Brothers Delhi Ltd.	—	—	20,786,402	—	—	16,608,618
Rathi Brothers Madras Ltd.	—	—	6,051,117	—	—	6,812,854
Rathi Brothers Poona Ltd.	—	—	34,892,464	—	—	29,530,779
<b>● Rent received :</b>						
RIECO Industries Ltd.	—	—	1,186,920	—	—	1,186,920
Rathi Vessels & Systems Private Ltd.	—	—	726,276	—	—	726,276
Rathi Brothers Poona Ltd.	—	—	319,620	—	—	319,620
<b>● Balance outstanding at year end :</b>						
- <b>Customer / Vendor Account</b>						
RIECO Industries Ltd.	—	—	2,325,756	—	—	1,096,348
Rathi Vessels & Systems Private Ltd.	—	—	1,468,846	—	—	734,423
Marathwada Chemical Inds. Pvt.Ltd.	—	—	(1,433,107)	—	—	(560,406)
- <b>Deposits</b>						
Mr. K.L.Rathi	2,500,000	—	—	—	—	—
Mrs. A.K.Rathi	—	2,500,000	—	—	—	—
Mr. R.P.Rathi	—	2,400,000	—	—	—	—
Smriti Trust	—	—	960,000	—	—	—
Tanvi Trust	—	—	1,220,000	—	—	—
PRR Finance Pvt. Ltd.	—	—	74,400,000	—	—	40,000,000
Balkrishna Rathi Finance Pvt. Ltd.	—	—	53,000,000	—	—	48,000,000
Others	—	—	46,275,000	—	—	18,825,000
- <b>Salary and Commission</b>						
Mr. K.L.Rathi	7,166,631	—	—	3,966,631	—	—
Mr. P.R.Rathi	9,947,445	—	—	4,447,445	—	—
Mr. R.B.Rathi	8,537,674	—	—	3,037,674	—	—

\* Entities in which Key Management Personnel and / or their relatives exercise significant influence

12. Earnings per Share (EPS) :

Sr. No.	Particulars	31-03-2014	31-03-2013
(A)	Net Profit / Amount attributable to equity shareholders (Rs.)	350,475,644	220,129,654
(B)	Weighted average no. of shares	6,922,725	6,922,725
(C)	Earnings per share basic and diluted (Rs.)	50.63	31.80
(D)	Face value per equity share (Rs.)	10	10

13. Managerial Remuneration :

	Mr. K.L.Rathi Chairman	Mr. P.R. Rathi Vice Chairman and Managing Director	(Amount in Rs.) Mr. R.B.Rathi Deputy Managing Director
Salary and Other Allowances	4,827,598 (7,560,000)	8,835,888 (8,400,000)	7,688,556 (5,628,000)
Contribution to Provident Fund and Other Funds	914,166 (1,458,000)	1,879,200 (1,620,000)	1,280,772 (1,085,400)
Other Perquisites	279,414 (664,162)	432,600 (865,235)	299,626 (763,542)
Commission	3,200,000 (-)	5,500,000 (-)	5,500,000 (-)
Total...	9,221,178 (9,682,162)	16,647,688 (10,885,235)	14,768,954 (7,476,942)

14. Expenses Capitalized during the year are as below :

	Current Year Rs.	Previous Year Rs.
(A) Trial Run Expenses		
I. RM Consumption	-	56,457,014
II. Utilities and other related expenses	-	19,450,828
(B) Employee Cost	2,003,270	3,004,323
(C) Borrowing Cost	4,789,150	38,184,551
Total...	6,792,420	117,096,716



**15. Intangibles – disclosure as per AS - 26 :**

Asset	Remaining amortization	Carrying amount Rs.
Computer Software	<b>7 years</b> (8 years)	<b>33,410,938</b> (28,239,801)
Technical Know-how	<b>3 years</b> (4 years)	<b>62,919,614</b> (84,010,641)
Registrations	<b>8 years</b> (9 years)	<b>30,432,373</b> (8,693,460)
Total...		<b>126,762,925</b> (120,943,902)

**16. General expenses include donation to Political Party (Nationalist Congress Party) Rs. 2,500,000**  
(Previous Year : Rs. Nil)**17. The Company has reclassified previous year's figures to conform to this year's classification.**

The figures in brackets are those in respect of previous year.

As per our report of even date.

For B.K.KHARE & Co.  
Chartered Accountants  
Firm Regn. No.:105102W

PRASAD PARANJPE  
Partner  
Membership No.:047296

Pune : 23<sup>rd</sup> May, 2014

For and on behalf of the Board of Directors

K.L.RATHI  
Chairman

R.B.RATHI  
Deputy  
Managing Director

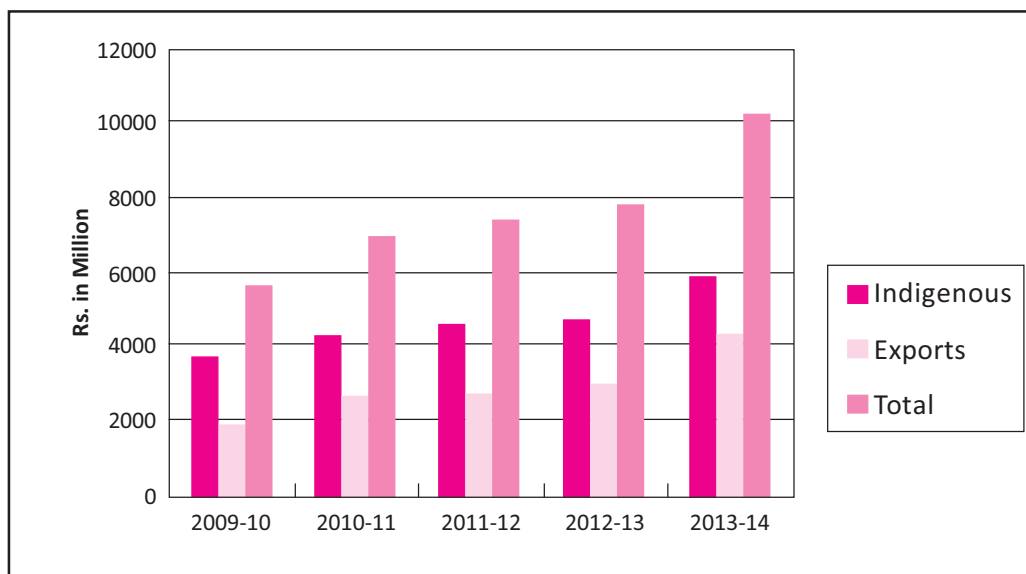
Pune : 23<sup>rd</sup> May, 2014

P.R.RATHI  
Vice-Chairman &  
Managing Director

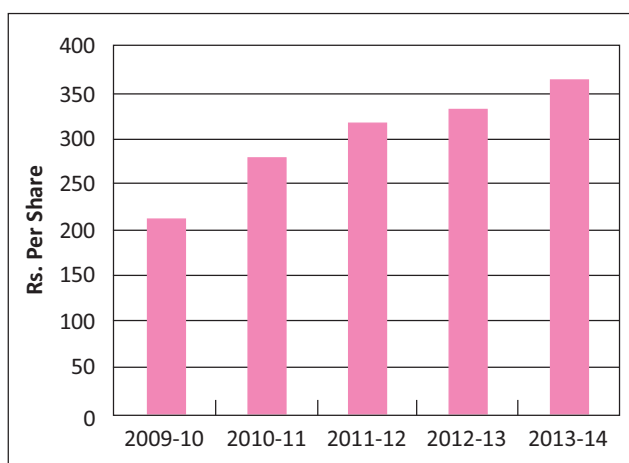
N.J.RATHI  
Director

P.S.RAGHAVAN  
Company Secretary

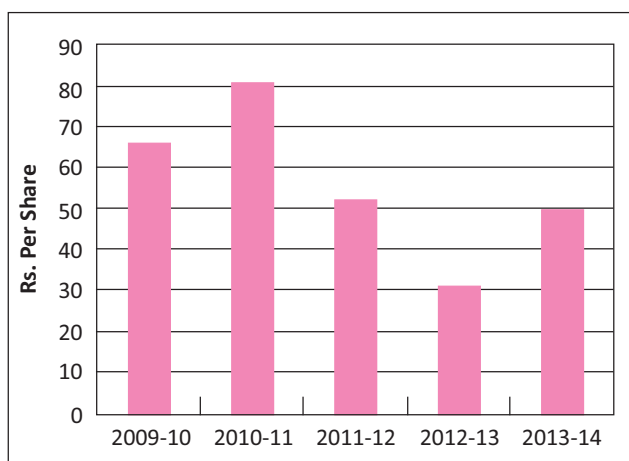
## SALES



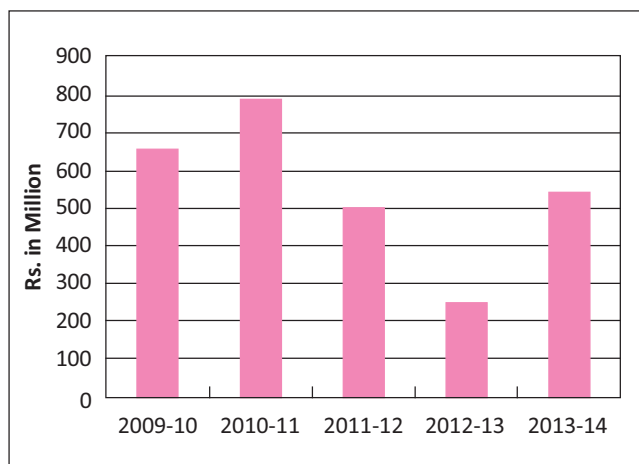
## BOOK VALUE



## EARNINGS PER SHARE



### PROFIT BEFORE TAX



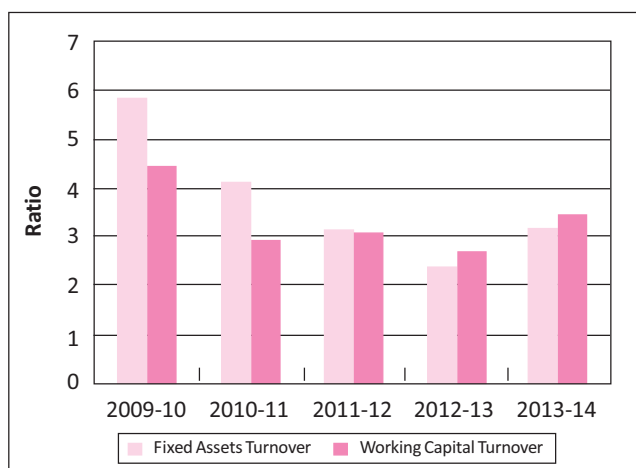
### RETURN ON NET WORTH



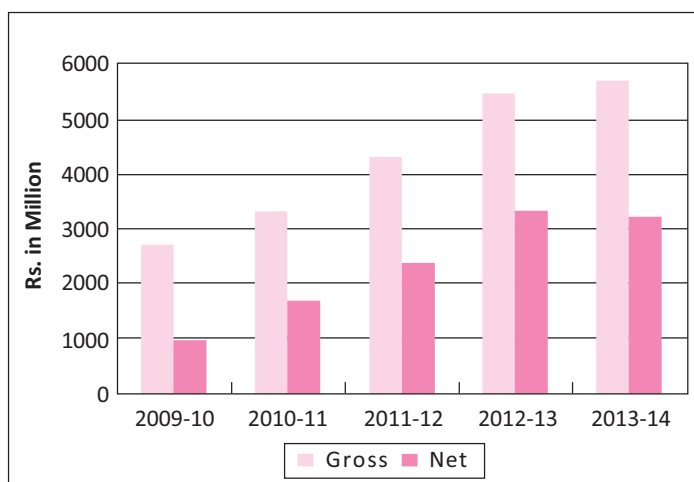
### DEBT - EQUITY



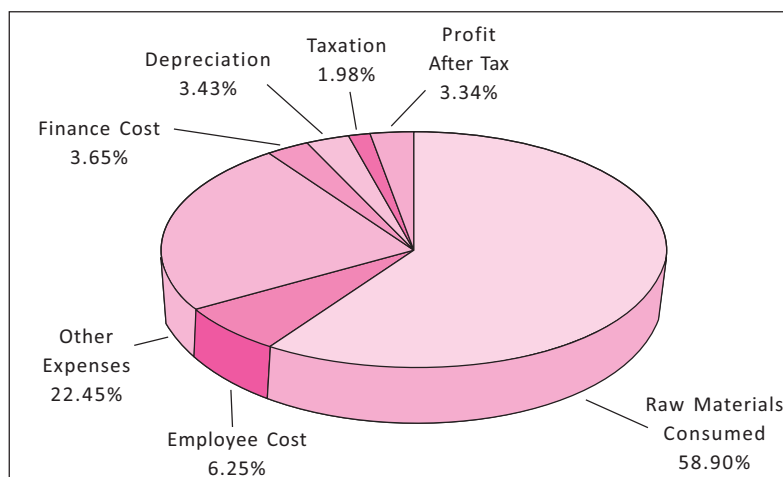
### FIXED ASSETS TURNOVER & WORKING CAPITAL TURNOVER



### FIXED ASSETS



### DISTRIBUTION OF REVENUE for the year ended 31<sup>st</sup> March, 2014



[illegible]

## Notes

[illegible]

## Global CSR Excellence & Leadership Award for Women Empowerment



The efforts of our CS team have been recognized in an international forum & we have won "Global CSR Excellence & Leadership Award for Women Empowerment" at the World CSR Congress – 2014 on 18th February 2014 at Hotel Taj Lands End, Mumbai.





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