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COLOURS, INTEGRATION, INNOVATION



28th ANNUAL REPORT  
**2013-2014**

## MESSAGE FROM THE CHAIR



Dear Shareholders,

I welcome you all and it gives me enormous pleasure to address you in our 28th Annual General Meeting.

I am highly delighted to inform you that your company is back in the profit after two exceptional and unfortunate years. Your continued conviction, encouragement and support to the company are what give us energy, enthusiasm, self-assurance and motivation to try hard for the betterment.

In recent times, the whole Chemicals industry is witnessing electrifying era like never before and the industry has discovered itself in a sweet spot given proven technical capabilities developed over a decades of manufacturing experience. The industry had recovered in the country and in same time china has slow down the production of chemicals product due to pollution related affair and it has created wide fortune for the chemicals industry in India.

As I look forward, the business opportunities are expanding as never before. The major user of dyes in India are textiles, papers, plastics, and foodstuffs. Textile being the largest end-user of dyestuff in India followed by leather together consuming majority of the domestic production. With the textile sector being driven by steady domestic demand and strong export demand textile sector is likely to remain the largest consumer of the dyestuffs.

Earlier Indian dye industry faced hazard of low-priced imports from China. However, in current time demand has moved to India due to stronger Yuan vis-à-vis Indian Rupee, technological and awareness advancement of Indian Industry in the area of environment compared to china, substantial reduction in export incentive and electricity subsidy at China, cheaper labor etc. All these have compact competitiveness of Chinese exports and will seems to sustain in future.

Furthermore India and China are the major supplier at globe level. Both countries are now strict in following the implementation of various environment and pollution norms and provide environment safety and this has lead the players to either exit or reduce the size of operations by many small units in India and forced shutdown of many dye intermediate units in China. This has resulted in restricted supply of dyestuffs in domestic market and the same has benefited large and integrated domestic players like Bodal Chem and that resulted in increase in sales volume and improved realization in the financial year and also will remain in the coming years.

Current Financial year 2014-15:

The current year started equally promisingly in the industry. The company has performed well during the first quarter of the current financial year 2014-15 and results of the First quarter which was declared on 30-07-2014, shows that the growth phase has continued. The year on year growth for June quarter of current year compared to June quarter of previous year, are as under:

- Total Revenue from the operations increase from Rs.178.87 Crore to Rs.381.10 Crore – increase by 113.06%
- EBIDTA jumps from Rs.16.89 Crore to Rs. 93.91 Crore – increase by 456.01%
- Net profit increase from Rs.1.86 crore to Rs.52.01 crore – increase by 2696.24%
- Cash Profit increase from Rs.6.82 crore to Rs.59.32 crore – increase by 769.79%
- EPS for the quarter is Rs.4.77.

The Company expects to book a turnover for the financial year 2014-15 in range of 1150 to 1350 crores and net profit in the range of Rs. 115 to 135 crores.

During the year 2014-15, your company has made repayment of its total outstanding CDR (Corporate Debt Restructuring) debt i.e. Rs.11,700.98 lacs towards its WCTL (Working Capital Term Loan) and FITL (Funded Interest Term Loan) taken from the banker of the company i.e. Union Bank of India and Bank of India. This repayments has resulted overall reduction in secured debts and Finance cost of the company.

Due to this repayment company becomes eligible and has approached its bankers i.e. Union Bank of India and Bank of India to take it out of the implemented CDR package

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

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

Warm regards,

Yours sincerely,

**Suresh J. Patel**

*Chairman & Managing Director*

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

## NOTICE

Notice is hereby given that the 28<sup>th</sup> Annual General Meeting of the Members of **BODAL CHEMICALS LTD.** will be held on **Monday, the 22<sup>nd</sup> September, 2014 at 11.00 A.M.** at ATMA Auditorium, Opp. Old RBI Office, Ashram Road, Ahmedabad -380 009, to transact the following business :

### ORDINARY BUSINESS:

1. a. To receive, consider and adopt the Audited Financial Statement of the Company for the Financial Year ended on 31st March, 2014 and the reports of the Board of Directors' and Auditors' thereon; and  
b. the audited consolidated financial statement of the Company for the financial year ended March 31, 2014.
2. To appoint a Director in place of **Mr. Ankit S. Patel (Holding Din: 02173231)**, who retires by rotation and being eligible offers himself for reappointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**.  
"**RESOLVED THAT** the M/s. Mayank Shah & Associates, Chartered Accountants(Firm Registration No.: 106109W), Ahmedabad, the retiring Auditors of the Company be and are hereby reappointed as an Auditors of the Company to hold office till conclusion of the next Annual General Meeting of the Company and the Board of Directors of the Company be and is hereby authorised to fix their remuneration for the said period".

### SPECIAL BUSINESS:

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

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and clause 49 of the listing agreement, **Mr. Surendra N. Shah (DIN: 00160401)**, non-executive director of the Company who retires by rotation at the Annual General Meeting and in respect of whom Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 21<sup>st</sup> September, 2019, not liable to retire by rotation."

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

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and clause 49 of the listing agreement, **Mr. Sunil K. Mehta (DIN: 01736527)**, non-executive director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 21<sup>st</sup> September, 2019, not liable to retire by rotation."

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

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and clause 49 of the listing agreement, **Mr. Bipin R. Patel (DIN: 01186974)**, non-executive director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 21<sup>st</sup> September, 2019, not liable to retire by rotation."

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

"**RESOLVED THAT** in supersession of an earlier resolution passed in the 21st Annual General Meeting(AGM) of the Company held on 29th September, 2007 and pursuant to Section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013, (including any amendment thereto or re-enactment thereof), the consent of the Members, in the terms of the aforesaid section of the Companies Act, be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof), for borrowing from time to time, any sum or sums of monies as it may deem proper for the purpose of Company business which, together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate of the paidup capital of the Company and its free reserves, provided that the total amount so borrowed by the Board shall not at any time exceed the limit of Rs.1,000 crores(Rupees One Thousand crores).

**RESOLVED FURTHER THAT** the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds and things, to execute all such documents, instruments as may be required in its absolute discretion pursuant to the above Resolution."

- 8. To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:**
- “RESOLVED THAT** in supersession of an earlier resolution passed in the 21st Annual General Meeting (AGM) of the Company held on 29th September, 2007 and pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, (including any amendment thereto or re-enactment thereof), the consent of the Members, in the terms of the aforesaid section of the Companies Act, be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof) to create such charges and / or mortgages and / or hypothecations in addition to the existing charges and / or mortgages and / or hypothecations created by the Company, on such movable and immovable properties of the company wheresoever situate, both present and future, and in such manner as the Board may deem fit, to secure up to Rs.1,000 Crores (Rupees One Thousand crores).
- RESOLVED FURTHER THAT** the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds and things, to execute all such documents, instruments as may be required in its absolute discretion pursuant to the above Resolution.”
- 9. To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:**
- “RESOLVED THAT** in accordance with provisions of Sections 196, 197, 203 and any other applicable provisions and rules made under of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force), read with schedule V thereof and on recommendation of Nomination and Remuneration committee and as agreed, by the Board of Directors (hereinafter referred to as the Board, which term shall unless repugnant to the context by the Board in this behalf), approval of the company be and is hereby accorded to revise the terms of remuneration of Basic Salary of Mr. Suresh J. Patel (DIN: 00007400), Chairman and Managing Director of the Company, from Rs.3,00,000/- p.m. to Rs.6,00,000/- p.m., with effect from 1st April, 2014, for the remaining period of his tenure i.e. upto 12th May, 2015 and with no alteration in other terms of his appointment, as approved earlier.
- RESOLVED FURTHER THAT** the Board of Directors or a Committee thereof of the Board be and is hereby authorized to take such steps as may be necessary for obtaining necessary approvals - statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this Resolution.”
- 10. To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:-**
- “RESOLVED THAT** in accordance with provisions of Sections 196, 197, 203 and any other applicable provisions and rules made under of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force), read with schedule V thereof and on recommendation of Nomination and Remuneration committee and as agreed, by the Board of Directors (hereinafter referred to as the Board, which term shall unless repugnant to the context by the Board in this behalf), approval of the company be and is hereby accorded to revise the terms of remuneration of Basic Salary of Mr. Bhavin S. Patel (DIN: 00030464), Executive Director of the Company, from Rs. 1,00,000/- p.m. to Rs. 4,00,000/- p.m. and payment of commission up to 1.5% of the net profits of the Company, with effect from 1st April, 2014, for the remaining period of his tenure i.e. upto 12th May, 2015 and with no alteration in other terms of his appointment, as approved earlier.
- RESOLVED FURTHER THAT** the Board of Directors or a Committee thereof of the Board be and is hereby authorized to take such steps as may be necessary for obtaining necessary approvals - statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this Resolution.”
- 11. To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:-**
- “RESOLVED THAT** in accordance with provisions of Sections 196, 197, 203 and any other applicable provisions and rules made under of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force), read with schedule V thereof and on recommendation of Nomination and Remuneration committee and as agreed, by the Board of Directors (hereinafter referred to as the Board, which term shall unless repugnant to the context by the Board in this behalf), approval of the company be and is hereby accorded to revise the terms of remuneration of Basic Salary of Mr. Ankit S. Patel (DIN: 02173231), Executive Director of the Company, from Rs.1,00,000/- p.m. to Rs. 4,00,000/- p.m. and payment of commission up to 1.5% of the net profits of the Company, with effect from 1st April, 2014, for the remaining period of his tenure i.e. upto 23rd May, 2016 and with no alteration in other terms of his appointment, as approved earlier.
- RESOLVED FURTHER THAT** the Board of Directors or a Committee thereof of the Board be and is hereby authorized to take such steps as may be necessary for obtaining necessary approvals - statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this Resolution.”

By Order of Board of Directors  
**For, Bodal Chemicals Limited**

Place : Ahmedabad  
Date : 30<sup>th</sup> July, 2014

**Ashutosh B. Bhatt**  
Company Secretary



**NOTES :**

1. A member entitled to attend and vote at the Annual General Meeting of the company may appoint a proxy to attend and vote on a poll on his behalf and proxy need not to be member of the Company. The instrument appointing a proxy must be deposited with the company at its registered office not less than 48 hours before the time for holding the meeting.  
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.
2. Corporate members intending to send their authorized representative to attend meeting are requested to send the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the annual general meeting.
3. The Statement pursuant to Section 102 (1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.
4. Members are requested to bring their attendance slip along with their copy of annual report to the meeting.
5. Members who hold shares in dematerialized form are requested to write their client id and DP Id numbers and those who hold shares in physical form are requested to write their folio number in the Attendance Slip for attending the Meeting.
6. The Register of Members and Share Transfer Book of the company will be closed from **Saturday, the 13<sup>th</sup> September, 2014 to Monday, the 22<sup>nd</sup> September, 2014** (both days inclusive) for the purpose of Annual General Meeting.
7. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company or contact our Registrar and Transfer Agent i.e. Sharepro Services (India) Pvt Ltd.
8. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, the Company has transferred the unpaid or unclaimed dividends for the "financial years 2005-06 (Final Dividend) and 2006-07(Interim Dividend), from time to time on due dates, to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 30<sup>th</sup> September, 2013 (date of last Annual General Meeting) on the website of the Company ([www.bodal.com](http://www.bodal.com)), as also on the website of the Ministry of Corporate Affairs.
9. Members wishing to claim their unclaimed dividend of 2006-07 (Final Dividend), 2007-08 (Interim as well as Final Dividend), 2009-10 (Interim as well as Final Dividend) and 2010-11 (Final Dividend), are requested to correspond with said Registrar and Transfer Agent (RTA) or Secretarial Department at the Registered office of the Company.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company or contact our Registrar and Transfer Agent i.e. Sharepro Services (India) Pvt Ltd.
11. Members are requested to contact our Registrar and Transfer Agent for any query related to shares, dividend and other inquiry at following address.  
Unit : Bodal Chemicals Ltd.  
Sharepro Services (India) Pvt Ltd.  
(Ahmedabad Branch)  
416-420, 4<sup>th</sup> Floor, Devnandan Mall, Opp. Sanyas Ashram, Ellisbridge, AHMEDABAD-380006.  
Tel Nos.079 26582381 to 84, Fax No 079 26582385, Email [sharepro@shareproservices.com](mailto:sharepro@shareproservices.com)  
Contact Person: Ms. Bharti Parikh
  - Please Quote folio no. / DP ID & CL ID for any communication for your shareholding.
  - Bring the copy of Annual Report at the meeting.
12. The Company's equity shares are presently listed and traded at Bombay Stock Exchanges Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) The Company has paid the listing fees to BSE and NSE for the financial year 2014-15.
13. The details of Directors seeking appointment / re-appointment in the Annual General Meeting to be held on 22<sup>nd</sup> September, 2014 are covered in the Corporate Governance Report forming part of annual report.
14. **Any member desiring any clarification/explanation in respect of the information given in this annual report is requested to submit query to the company at least 7 days in advance before the meeting so as to enable the management to keep information ready.**
15. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.

16. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
17. Members may also note that the Notice of the 28th AGM and the Annual Report 2013-14 will be available on the Company's website, [www.bodal.com](http://www.bodal.com). The physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at [secretarial@bodal.com](mailto:secretarial@bodal.com).
18. Members who have not registered their e-mail addresses so far are requested to register their email address so that they can receive the Annual Report and other communication from the Company electronically.

By Order of Board of Directors  
**For, Bodal Chemicals Limited**

Place : Ahmedabad  
Date : 30<sup>th</sup> July, 2014

**Ashutosh B. Bhatt**  
*Company Secretary*

#### **EXPLANATORY STATEMENT** **Pursuant to Section 102 of the Companies Act, 2013**

##### **Item No. 4, 5 & 6 :**

Mr. Surendra N. Shah, Mr. Sunil K. Mehta and Mr. Bipin R. Patel are Independent Directors of the Company and have held the positions as such for more than 5 (five) years in the Company.

Mr. Surendra N. Shah has joined Board of Directors in the year 2006; Mr. Sunil K. Mehta and Mr. Bipin R. Patel have joined Board of Directors in the year 2007.

Mr. Surendra N. Shah and Mr. Sunil K. Mehta are qualified Chartered accountants and having the wide experience in Accounts, Audit and Financial Management. Mr. Bipin R. Patel is graduate in B.A. and LL.B. and having wide experience in the chemical industry.

Mr. Surendra N. Shah, Mr. Sunil K. Mehta and Mr. Bipin R. Patel are directors whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act 2013, Mr. Surendra N. Shah, Mr. Sunil K. Mehta and Mr. Bipin R. Patel, being eligible and offering themselves for appointment, is proposed to be appointed as an Independent Director for 5 (five) consecutive years for a term up to 21<sup>st</sup> September, 2019 and not liable to retire by rotation. A notice has been received from the members along with the deposit of requisite amount under section 160 of the Act, proposing Mr. Surendra N. Shah, Mr. Sunil K. Mehta and Mr. Bipin R. Patel as a candidate for the office of Director of the Company.

Mr. Surendra N. Shah, Mr. Sunil K. Mehta and Mr. Bipin R. Patel are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has also received declarations from Mr. Surendra N. Shah, Mr. Sunil K. Mehta and Mr. Bipin R. Patel that they meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and rules made thereunder.

In the opinion of the Board, Mr. Surendra N. Shah, Mr. Sunil K. Mehta and Mr. Bipin R. Patel fulfil the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement. Mr. Surendra N. Shah, Mr. Sunil K. Mehta and Mr. Bipin R. Patel are independent of the management.

Brief resume of Mr. Surendra N. Shah, Mr. Sunil K. Mehta and Mr. Bipin R. Patel, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Except Mr. Surendra N. Shah, Mr. Sunil K. Mehta and Mr. Bipin R. Patel, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4, 5 and 6. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

The Board commends the Ordinary Resolutions set out at Item Nos. 4, 5 and 6 of the Notice for approval by the shareholders.

##### **Item No. 7 & 8 :**

As per the provision of Section 180(1)(c) of the Companies Act, 2013, the Board of Directors of the Company cannot, except with the permission of the members, borrow monies in excess of the aggregate of the paid-up share capital of the Company and its free reserves.

As per the resolution passed by the Shareholders of the Company in the 21st Annual General Meeting held on 29th September, 2007, the Board of Directors of the Company were authorised to borrow money and to created charge/ mortgage/ hypothecation upto a limit not exceeding Rs. 500 Crores (Rupees Five Hundred Crores Only). The increasing business operations and future growth plans of the Company would necessitate enhancing of the borrowing limits. A resolution for enhancing the limits is

proposed, by authorizing the Board of Directors to borrow further funds amounting, in aggregate to a sum of not more than Rs. 1000 Crores (Rupees One Thousand Crore Only).

The borrowings of the Company are, in general, required to be secured by suitable mortgage/ charge/hypothecation on all or any other movable and/ or immovable properties of the Company in such form, manner and ranking as may be determined by Board of Directors of the Company, from time to time, in consultation with the lender(s), hence it is necessary to pass a resolution under Section 180(1)(a) of the Companies Act, 2013, for creation of charges/ mortgages/hypothecations on Company's assets for an amount not exceeding the limit of Rs. 1000 Crores (Rupees One Thousand Crore Only).

Your Directors recommend the resolution no. 7 & 8 to be passed as a Special Resolution.

None of the Directors, Key Managerial Personnel or their relatives are interested in resolution no. 7 & 8 of the accompanying notice.

**Item No. 9, 10 & 11 :**

Mr. Suresh J. Patel had been re-appointed as Chairman and managing Director and Mr. Bhavin S. Patel had been appointed as Executive Director of the company by the Board of Directors, on the recommendation of the Remuneration Committee, at their meeting held on 14th May, 2012 for the period of Three (3) years with effect from 13th May, 2012 at such remuneration and terms & conditions of appointment as agreed by Board of Directors and subsequently approved by members at Annual General Meeting held on 28th September, 2012.

Mr. Suresh J. Patel and Mr. Bhavin S. Patel have been giving their valuable services as a Chairman and Managing Director and Executive Director of the company since 13th May, 2006 respectively. Mr. Suresh J. Patel has been re-appointed as a Chairman and Managing Director and Mr. Bhavin S. Patel has been appointed as an Executive Director on 13th May, 2012 without any increase in managerial remuneration. The Board of Directors, on recommendation of nomination and remuneration committee, revised the remuneration terms of Mr. Suresh J. Patel, Chairman & Managing Director and Mr. Bhavin S. Patel, Executive Director, after considering various factors like their responsibilities to the company, growth and expansion projects of the company and Industry scenario.

Mr. Ankit S. Patel had been re-appointed as Executive Director of the company by the Board of Directors, on the recommendation of the Remuneration Committee, at their meeting held on 11th February, 2013 for the period of Three (3) years with effect from 28th May, 2013 at such remuneration and terms & conditions of appointment as agreed by Board of Directors and subsequently approved by members at Extra Ordinary General Meeting held on 23rd March, 2013.

Mr. Ankit S. Patel has been giving his valuable services as an Executive Director of the company since 24th May, 2008. Mr. Ankit S. Patel has been re-appointed as an Executive Director on 24th May, 2012 without any increase in managerial remuneration. The Board of Directors, on recommendation of nomination and remuneration committee, revise the remuneration terms of Mr. Ankit S. Patel, Executive Director, after considering various factors like his responsibilities to the company, growth and expansion projects of the company and Industry scenario.

The revised basic salary and commission payable with effect from 1st April, 2014 for the remaining period of his tenure for the below mentioned managerial personnel, subject to the revision by the Nomination and Remuneration Committee from time to time, is as follows:

1. Mr. Suresh J. Patel : Rs.6,00,000/- per month.
2. Mr. Bhavin S. Patel : Rs.4,00,000/- per month and commission upto 1.5% of net profit.
3. Mr. Ankit S. Patel : Rs.4,00,000/- per month and commission upto 1.5% of net profit.

Further, other terms of their appointment and remuneration remains unaltered, as approved earlier by the members, as stated above.

Mr. Suresh J. Patel is founder promoter of the company. He has very wide and rich experience in the chemical industry specifically in manufacturing of Dyes and Dyes Intermediates. He is instrumental in the strategic decision-making and production of high quality Dyes and Dyes Intermediates. He has ability to stay ahead of competition and offered maximum price advantage to Customers. It is in the interest of the company to avail his valuable services for the further growth and conduction of affairs and business of the company. The company can increase and revise the terms of the remuneration for the remaining tenure of his service with effect from 01st April, 2014 as set out in resolution no.9 of the accompanying notice.

Mr. Bhavin S. Patel is part of promoter group of the company and he is giving his valuable service to the company since 2006. He is elder son of Mr. Suresh J. Patel, promoter of the company. He is young and dynamic personality, who contributed significantly in development of dyestuff business of the company. The company can increase and revise the terms of the remuneration for the remaining tenure of his service with effect from 01st April, 2014 as set out in resolution no.10 of the accompanying notice.

Mr. Ankit S. Patel is part of promoter group of the company and he is giving his valuable services in the company since 2008. He is younger son of Mr. Suresh J. Patel, promoter of the company. He is young and dynamic personality, who contributed significantly in development of business of the company. The company can increase and revise the terms of the remuneration for the remaining tenure of his service with effect from 01st April, 2014 as set out in resolution no.11 of the accompanying notice.

Your Directors recommend the resolution no. 9, 10 & 11 to be passed as a Special Resolution.

None of the Directors and Key managerial personnel or their relative other than Mr. Suresh J. Patel, himself and Mr. Bhavin S. Patel and Mr. Ankit S. Patel, relatives of him, are interested in the resolution of Item No.9.



None of the Directors and Key managerial personnel or their relative other than Mr. Bhavin S. Patel, himself and Mr. Suresh J. Patel and Mr. Ankit S. Patel, relatives of him, are interested in the resolution of Item No.10.

None of the Directors and Key managerial personnel or their relative other than Mr. Ankit S. Patel, himself and Mr. Suresh J. Patel and Mr. Bhavin S. Patel, relatives of him, are interested in the resolution of Item No.11.

The approval of members is required for revision of terms of remuneration. Your Directors, therefore, recommend special resolutions for approval of the members.

#### **THE STATEMENT CONTAINING ADDITIONAL INFORMATION AS REQUIRED IN SCHEDULE V OF THE ACT.**

##### **I. General Information:**

###### **(1) Nature of industry**

The Company is well-known in the field of manufacturing Dyestuffs, Dyes Intermediates and other Chemicals falling under the broad category of Chemicals. Dyestuff is further used in Textile, Leather and Paper Industry. The Company has total 8 separate units having manufacturing facilities located in Gujarat.

###### **(2) Date or expected date of commencement of commercial production**

The Company was incorporated on 24th September, 1986 as private limited company and the Company had commenced its business.

###### **(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.**

Not applicable

###### **(4) Financial performance based on given indicators**

**(Rs. In Lacs)**

	FY 2013-14		FY 2012-13		FY 2011-12	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Gross revenue	96320.41	96322.48	52772.55	53349.43	60482.72	61520.12
Profit Before Tax	4708.36	4659.32	(3086.15)	(3306.42)	(3865.98)	(4081.22)
Profit For the period	3065.33	3016.28	(2112.27)	(2332.54)	(2831.61)	(2978.44)

It may be noticed from the above table that the standalone and consolidated performance was affected due to the globally slowdown of economy and global recession for the previous years i.e 2012-2013 and 2011-2012. However, the performance of the company for the financial year 2013-2014 has improved significantly due to most of the global economies having recovered from a slowdown.

###### **(5) Foreign investments or collaborators, if any.**

The Company has not entered into any material foreign collaboration and no direct capital investment has been made in the Company.

##### **II. Information about the appointee:**

###### **(1) Background details**

of Mr. Suresh J. Patel, Mr. Bhavin S. Patel and Mr. Ankit S. Patel is given in the Brief Resume above.

###### **(2) Past remuneration (last two years): (In lacs)**

	Mr. Suresh J. Patel		Mr. Bhavin S. Patel		Mr. Ankit S. Patel	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Salary	36.00	36.00	12.00	12.00	12.00	12.00
HRA	12.00	12.00	6.00	6.00	6.00	6.00

###### **(3) Job profile and his suitability**

Mr. Suresh J. Patel has been leading the BCL since 2006. He is one of the founder promoters of the Company and is associates with the Company since inception, he has through foresight and visionary approach, coupled with sound understanding of the Chemicals industries & its related issues, has led the company to the path of growth.

Mr. Bhavin S. Patel is giving his valuable service to the company since 2006. He is Part of promoter group of the company. He is young and dynamic personality, who contributed significantly in development of dyestuff business of the company domestic as well as globally.

Mr. Ankit S. Patel is giving his valuable service to the company since 2008. He is Part of promoter group of the company. He is young and dynamic personality, who contributed significantly in development of the business of the company.

**(4) Remuneration proposed**

Details of Remuneration proposed is as given in the statement pursuant to section 102.

**(5) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):**

Taking into consideration the size of the Company, the profile of the Chairman & Managing Director and other two Executive Directors and the responsibilities shouldered by them and the industry benchmarks, the remuneration drawn by them is much below the line, compared to remuneration packages paid to similar senior level person in other Companies.

Details of Annual remuneration package in different companies of similar line of business for similar post/ person:

Sr.No.	Name of the Company	Position	Annual Remuneration package (Rs. In lacs)
1.	Tata Chemicals Ltd	Managing Director	346.51
2.	Tata Chemicals Ltd	Executive Director	261.28
3.	Meghmani Organics Ltd.	Managing Director	48.00
4.	Atul Ltd.	Managing Director	152.50

**(6) Pecuniary relationship(s) directly or indirectly with the Company, Co-relationship with the managerial personnel, if any:**

Besides the remuneration paid to all three persons, they do not have any pecuniary relationship with the Company other than what has been mentioned under related party transactions in annual report 2013-2014.

Further, all three persons are also holding equity shares in the Company.

**III. Other information:**

**(1) Reasons of loss or inadequate profits**

The company's performance has adversely impacted due to external headwinds like uncertainty in global market, higher inflation and volatility in crude prices, fluctuation in currency and high interest rate and many more. Hence, company have inadequate profit during the previous year.

**(2) Steps taken or proposed to be taken for improvement**

Company is making all efforts to cope up with the challenges and situation of Chemical industry through continuous cost cutting at all levels of operations while ensuring that efficiency and operations are not been hampered.

The Company is also taking steps for the process improvements, imparting training to the workforce on the continued basis, developing and improved customer services to mitigate the growing cost pressure. The Company has put its customers above everything and has striven to offer maximum values to its customers through price advantage, quality of goods, delivery of goods in time. In this way company has confidence and ability to outperform in the Dyestuff industry.

**(3) Expected increase in productivity and profits in measurable terms.**

With the aforesaid step, The Company has recouped its entire loss of previous years i.e 2012-13 and 2011-12 and also performed well during the current financial year. Its Company's ability to reduce the cost and on the same time get better margin together with purchasing efficiencies and also improvement in manufacturing yield and control over the expenses helped in increasing profitability of the company.

**iv. Disclosures:**

The information and disclosures of the remuneration package of the managerial personnel have been mentioned in the resolutions and explanatory statement as stated above. Further, the existing remuneration terms and conditions of them are also disclosed under Corporate Governance Report in Annual Report 2013-2014.

By Order of Board of Directors  
**For, Bodal Chemicals Limited**

Place : Ahmedabad  
 Date : 30<sup>th</sup> July, 2014

**Ashutosh B. Bhatt**  
 Company Secretary

**BODAL CHEMICALS LIMITED**  
**CIN : L24110GJ1986PLC009003**

**Regd. Office : Plot No.123-124,Phase-1,GIDC,Vatva,Ahmedabad-382 445**

### VOTING THROUGH ELECTRONIC MEANS

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, and Clause 35B of the Listing Agreement with the Stock Exchanges, the Company is pleased to provide members facility to exercise their right to vote at the 28<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business as detailed in the Notice may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL). The Company had fixed **Friday, the 22<sup>nd</sup> August, 2014 as the record date (cut-off Date)** for determining voting rights of shareholders entitled to participating in the e-voting process.

In this regard, your Demat Account/Folio Number has been enrolled by the Company for your participation in e-Voting on all the resolutions placed by the Company on E-Voting system.

The e-voting facility will be available during the following period:

<b>Commencement of E-Voting</b>	<b>From 9.00 a.m. (IST) on Monday, 15th September, 2014</b>
<b>End of E-Voting</b>	<b>Up to 6.00 p.m.(IST) on Wednesday, 17th September, 2014</b>

During this period, members of the Company may cast their vote electronically. The E-Voting module shall be disabled for voting thereafter. Once the vote(s) on a resolution is cast by the member, the members shall not be allowed to change it subsequently.

**The voting rights of the Members shall be in proportion to their shares of the paid up equity share capital of the Company as on Friday, 22<sup>nd</sup> August, 2014.**

**Also note that you can opt for only one mode of voting i.e., either through e-Voting or physical ballot form. If you opt for e-Voting, then you should not vote through ballot form and vice versa. However, in case you cast your vote(s) through e-Voting and ballot form, then voting done through e-Voting shall prevail and voting done through ballot form will be treated as invalid.**

**The instructions for members for voting electronically (both for physical holders as well as demat holders) are as under:-**

- (i) Open your web browser during the voting period and Log on to the e-voting website **www.evotingindia.com**
- (ii) Click on "Shareholders" tab to cast your vote(s).
- (iii) Now Enter your User ID
  - a. For account holders in CDSL: 16 digits beneficiary ID,
  - b. For account holders in NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to **www.evotingindia.com** and voted on an earlier voting of any company, then your existing login id and password is to be used.
- (vi) If you are a first time user, follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.</li> <li>• In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</li> </ul>
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter <b>the number of shares held by you as on the cut off date</b> (record date) i.e. August 22, 2014 in the <b>Dividend Bank details field</b> .

- (vii) After entering these details appropriately, click on “SUBMIT” tab.
- (viii) Members holding shares in physical form will then reach directly to the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login, password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN of the Company i.e. “140816005” for the relevant “**BODAL CHEMICALS LIMITED**” to vote.
- (xi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

#### **Other General Instructions :**

- (A) **The voting period begins on September 15, 2014 (9.00 a.m.) and ends on September 17, 2014 (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 (record date) of August 22, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- (B) The voting rights of shareholders shall be in proportion to their shares of the Paid up Equity Share Capital of the Company.
- (C) Mr. Tapan Shah, Practising Company Secretary (Membership No.: FCS 4476; CP No: 2839) (Address: 816 – 818, Anand Mangal – 3, Opp. Core House, Nr. Doctor House, Ellisbridge, Ahmedabad – 380 006, Gujarat, India) has been appointed as the Scrutinizer to scrutinize the e-Voting process.
- (D) The Results shall be declared on the date of AGM of the Company. The Results declared along with the Scrutinizer’s Report shall be placed on the Company’s website [www.bodal.com](http://www.bodal.com) and on the website of CDSL [www.cdslindia.com](http://www.cdslindia.com) within two days of the passing of the resolutions at the AGM of the Company and communicated to the BSE Limited and NSE Limited, where the shares of the Company are listed.
- (E) The resolutions shall be deemed to be passed on the date of the Annual General Meeting, subject to receipt of sufficient votes.
- (F) For Members holding shares in physical form, the password and default number can be used only for e-Voting on the resolutions given in the notice.
- (G) **Institutional Shareholders** (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporate, link their account which they wish to vote on and then cast their vote. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). They should also upload a scanned copy of the Board Resolution / Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the vote.
- (H) 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 communication(s) regarding CDSL e-Voting system in future. The same may be used in case the Member forgets the password and the same needs to be reset.
- (I) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

#### **Contact Details**

<b>Company</b>	: Regd. Office: Plot No.123-124,Phase-I, GIDC,Vatva, Ahmedabad-382 445 CIN : L24110GJ1986PLC009003 Email : <a href="mailto:secretarial@bodal.com">secretarial@bodal.com</a> , Website : <a href="http://www.bodal.com">www.bodal.com</a>
<b>Registrar and Transfer Agent</b>	: M/s. Sharepro Services (India) Pvt. Ltd. 416-420, 4th Floor, Devnandan Mall,Opp. Sanyas Ashram, Ellisbridge, Ahmedabad-380 006 Phone – 079-26582381 to 84 Fax no. 079-26582385 E-mail: <a href="mailto:sharepro@shareproservices.com">sharepro@shareproservices.com</a>
<b>e-Voting Agency</b>	: Central Depository Services (India) Limited E-mail ID: <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a>
<b>Scrutinizer</b>	: Mr. Tapan Shah, Practicing Company Secretary E-mail ID: <a href="mailto:scrutinizer@tapanshah.in">scrutinizer@tapanshah.in</a>

## DIRECTORS' REPORT

To,  
The Members,

Your Directors hereby present the 28<sup>th</sup> ANNUAL REPORT of the Company along with the Audited Accounts for the Financial Year ended 31<sup>st</sup> March, 2014.

### FINANCIAL RESULT (Standalone)

Particulars	(Rs. In Lacs)	
	31-03-2014	31-03-2013
Total Income from Operations	95949.70	52383.41
Profit before Interest, depreciation & amortization and taxation	19271.19	2475.63
Less : Depreciation/Amortization of Goodwill	2525.43	1642.82
Less : Interest/Finance cost	4663.82	3918.96
Less : Exceptional Item	7373.58	0.00
Less : Tax Expense	1643.03	(973.88)
(Loss) / Profit after Taxation	3065.33	(2112.27)
EPS-face value of Rs. 2/- each-(in Rs.)	2.81	(1.94)

### PERFORMANCE OF THE COMPANY

#### The Year under Review-2013-14

The financial year 2013-2014 is the marvelous year for the company and it has posted excellent and outstanding performance has been as compared to earlier years. Your directors are proud to present the historical performance of the company for the year. During the year under review, your company has achieved another historical milestone by reaching Total Income from the operations of Rs. 959.49 crores. This is the highest ever Total Income from Operations of the company for any single financial year in the history. The achievement indicates itself that your company is committed towards the expansion of market share in domestic market as well as in overseas market. The major highlights of financial performance of the company for the financial year 2013-14, are as follows :

- ➔ Total Income from operations increased from Rs.523.83 crore to Rs.959.49 crore- Increase by 83.17%.
- ➔ Cash profit for the year stood at Rs. 131.50 crore and EBIDTA increased from Rs.24.75 crore to Rs.192.71 crore.
- ➔ Profit before tax stood at Rs.47.08 crore for the year.
- ➔ Net profit stood at Rs.30.65 crore compared to net loss of Rs.21.12 crore of previous year.

The Company has recouped its entire loss of previous year and also performed well during the current financial year. Its Company's ability to reduce the cost and at the same time get better margin together with purchasing efficiencies and also improvement in manufacturing yield and control over the expenses helped in increasing profitability of the company.

#### Current Year-2014-15

During the current financial year 2014-15, your management is aiming the total income from operations of more than Rs.1200 crore and at the same time management is convinced that the company will deliver another fabulous and marvelous financial year as the year started equally promisingly. The company has declared its result for the first quarter of current financial year i.e. 2014-15 on 30-07-2014. The year on year growth for June quarter of current year compared to June quarter of previous year, are as under and it shows that the growth has continued.

- Total Revenue from the operations increased from Rs.178.87 Crore to Rs.385.28 Crore – increase by 113.06%
- EBIDTA increased from Rs.16.89 Crore to Rs. 93.91 Crore – increase by 456.01%
- Net profit increased from Rs.1.86 crore to Rs.52.01 crore – increase by 2696.24%
- Cash Profit increased from Rs.6.82 crore to Rs.59.32 crore – increase by 769.79%
- EPS for the quarter is Rs. 4.77.

Your Directors are confident that the company will achieve continuous growth in the overseas market during the year by exploring newer international markets. The market share of the Company in domestic market has also been increased and company is also taking steps for the further expansion in the domestic market for its products. Your management has innovative



approach and focus on cost management and it has made your company much more competitive compared to other players in the same industry. Your company is confident that profit and profit margin of the company will increase in current financial year without compromise of quality of products and customer services.

The Broad area of operation for Bodal group i.e. Bodal Chemicals Ltd. (BCL), and its wholly owned subsidiary company i.e. Bodal Agrotech Ltd. (BAL);

### **Bodal Chem (BCL)**

Bodal Chemicals Ltd. is one of the leading manufacturer and exporter in the Dyes and Dye Intermediates industry. Its core business is manufacturing of Dyestuffs, Dyes Intermediates and other Chemicals falling under the broad category of Chemicals. It has a unique and integrated product line covering forward and backward integration to dye intermediates.

Company's final product i.e. Destuff is further used in Textile, Leather and Paper Industry. The Company has total 8 separate units having manufacturing facilities located in Gujarat. Due to Forward and Backward – both Integration from dye Intermediates division, we use about 60% of our own raw materials when we produce intermediates and we use about 80% of our own raw materials when we produce dyestuffs. This is our Strength. Out of the total sales about 42% is export and balance is domestic. Your company is listed on Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE).

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

#### **Dyes**

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

#### **Dye Intermediates**

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

#### **Other/Basic Chemicals**

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

#### **Bodal Agro (BAL)**

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

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

#### **Sun Agrigenetics (SAPL)**

Bodal Agrotech Ltd. had sold some of its holding from Sun Agrigenetics Pvt. Ltd. and due to this transfer of holding; Sun Agrigenetics Pvt. Ltd. is no more subsidiary of Bodal Agrotech Ltd. and fellow subsidiary of Bodal Chemicals Ltd as on 31-03-2014. So, SAPL is only the associate company of the Bodal Agrotech Ltd.

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

#### **Compliance of Section 212 of the Companies Act, 1956.**

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

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

#### **ALLOTMENT OF 9% NON CUMULATIVE REDEEMABLE PREFERENCE SHARES**

The Board of Directors has allotted 35,00,000, 30,00,000 and 30,00,000 9% Non Cumulative Redeemable Preference shares at a face value of Rs.10/- each as per the requirement of approved Corporate Debt Restructuring (CDR) package to the non

promoter entity on 30<sup>th</sup> September, 2013, 31<sup>st</sup> December, 2013 and 31<sup>st</sup> March, 2014 respectively under terms approved by shareholders vide EGM dtd. 23<sup>rd</sup> March, 2013.

#### **PAID UP SHARE CAPITAL**

Consequent upon the allotment of 9% Non Cumulative Redeemable Preference Shares, the paid up share capital of the company has been increased to Rs.46,82,14,740/-, Comprising of Rs.21,82,14,740/- divided into 10,91,07,370 Equity Shares of Rs.2/- each fully paid and Rs. 25,00,00,000/- divided into 2,50,00,000 9% Non Cumulative Redeemable Preference Shares of Rs.10/- each fully paid.

#### **DIVIDEND**

To comply with the conditions of Corporate Debt Restructuring (CDR), the directors have not recommended any dividend for the year ended 31st March, 2014 (Due to losses last year also there was no dividend payout by the Company).

#### **TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND:**

Pursuant to the provisions of the section 205A(5) and 205C of the Companies Act, 1956 and corresponding section 124 of the Companies Act, 2013 which mandates that companies to transfer dividend that has been remain unclaimed for a period of seven years, from the unpaid dividend account to the Investor Education and Protection Fund. The company has duly complied the above provisions by transferring the amount of unclaimed or unpaid dividend to the Investor Education and Protection Fund within the due dates.

Pursuant to the provisions of the Investor Education and Protection Fund (uploading of information regarding unpaid and unclaimed amounts lying with the Company as on 30th September, 2013 (date of last Annual General Meeting) on the website of the Company ([www.bodal.com](http://www.bodal.com)) as also on the Ministry of Corporate Affairs website.

#### **LISTING OF SECURITIES**

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

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

The company has already paid listing fee to both the Stock Exchanges for the financial year 2014-2015.

#### **PUBLIC DEPOSITS**

During the period under review, the Company has accepted deposits from Shareholders and Public within the prescribed limits. As on March 31, 2014, deposits from Public and Shareholders stood at Rs.41.43 lacs. The Company has stopped accepting new deposits and as per the new Act, all the deposits are being repaid on maturity dates. There were no deposits, which were claimed and remained unpaid by the Company as on March 31, 2014.

#### **DIRECTORS**

Mr. Ankit S. Patel(DIN: 02173231), retires by rotation at the ensuing Annual General Meeting. He, being eligible, offer himself for re-appointment. Details of Director seeking re-appointment as required under Clause 49(VI) of the Listing Agreements are provided in the Notice forming part of this Annual Report. His re-appointment is appropriate and in the best interest of the Company.

Impending notification of Section 149 and other applicable provisions of the Companies Act, 2013, your directors are seeking appointment of Mr. Surendra N. Shah, Mr. Sunil K. Mehta and Mr. Bipin R. Patel, as Independent Directors for five consecutive years for a term upto 21<sup>st</sup> September, 2019.

None of the Directors of the Company is disqualified for being appointed as Director as specified in Section 164 (2) of the Companies Act, 2013.

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

#### **CHANGE IN LEGISLATION GOVERNING COMPANIES IN INDIA**

During the year under review, the provisions of the new Companies Act have been made effective replacing the Companies Act of 1956 vintage by the induction of the Companies Act, 2013. The Government has notified 287 sections out of total 470 sections which covers all the material provisions of the new Companies Act,2013.

However, as clarified by the Ministry of Corporate Affairs, the provisions of Companies Act, 1956 would remain applicable in respect of financial accounts, auditor's report and directors' report thereon for the financial year ended on 31<sup>st</sup> March, 2014.

#### **CHANGE IN NOMENCLATURE OF COMMITTEES AND ENHANCED THEIR SCOPE**

Pursuant to the introduction of the Companies Act, 2013 and the rules thereunder the Nomenclature of the Shareholders Grievance Committee has been changed to "Security holders' Grievances Committee" and the nomenclature of Remuneration Committee has been changed to "Nomination and Remuneration Committee".

The scope of terms of reference/scope for Audit Committee has been enhanced in line with the provisions of Section 177 of the Companies Act, 2013 with additional scope on vigil mechanism, safeguards against victimization of persons who use such mechanism, direct access to chairman of audit committee in appropriate or exceptional cases etc.

#### **VIGIL MECHANISM**

The provisions of section 177 (9) and (10) of the Companies Act, 2013 mandates every listed company to establish vigil mechanism for directors and employees to report genuine concern in such manner as may be prescribed. The provisions of the said policy, provided for adequate safeguards against the victimization of persons who use such mechanism and make provisions for direct access to the chairman of the Audit Committee in appropriate or exceptional cases.

The Board of Directors of the Company have at their meeting held on 28<sup>th</sup> May, 2014, approved whistle blower policy to be in line with the provisions of Companies Act, 2013 read with the listing agreement.

Any director or employee of the company, who observes any Unethical Behaviour or Improper Practices or Wrongful Conduct and/or financial or non financial malpractices or non-compliance with legal requirements concerning the company, is free to report to the specified officer in the mode as provided in the policy.

#### **CORPORATE SOCIAL RESPONSIBILITY**

The Company is contributing to sustainable development by its economic activities combined with the fulfillment of its social responsibilities relating to the education, health, safety and environment aspects.

As per the Companies Act, 2013 all the Companies having net worth of Rs. 500 Crores or more, or turnover of Rs. 1000 Crores or more or a net profit of Rs. 5 Crores or more during any financial year will be required to constitute a Corporate Social Responsibility Committee of the Board of Directors comprising three or more director, at least one of whom will be an independent director.

Aligning with the guidelines, your Company has constituted a Corporate Social Responsibility Committee comprising of Mr. Suresh J. Patel, Chairman, Mr. Ankit S. Patel, Executive Director and Mr. Surendra N. Shah, Independent Director of the Company. The CSR Committee is responsible for formulating and recommending to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the Corporate Social Responsibility Policy and recommending the amount to be spent on CSR activities.

#### **INSURANCE**

The Company's assets are adequately insured.

#### **AUDITORS & AUDITORS' REPORT**

Your Directors recommend re-appointment of Auditors M/s. Mayank Shah & Associates, Chartered Accountants, Ahmedabad for the financial year 2014-15. The Company has received a certificate from the auditors stating that their appointment, if made, will be within the limit specified under section 224 (1B) of the Companies Act, 1956.

Auditor's comments on your Company's accounts for the year ended March 31, 2014 are self explanatory in nature and do not require any explanation as per provisions of section 217(3) of the Companies Act, 1956.

#### **INDUSTRIAL RELATIONS**

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

#### **ENVIRONMENT PROTECTION**

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

#### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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

#### **CORPORATE GOVERNANCE**

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

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

## CONSOLIDATED FINANCIALS

The consolidated Total Income from operation of Rs.959.52 crore and Net profit after minority interest of Rs.30.16 crore for the group for the financial year 2013-14 compared to consolidated Total Income from operation of Rs. 529.59 crore and Net loss after minority interest of Rs.23.24 crore for the group for the previous financial year 2012-13.

Consolidated financial result includes financial result of Bodal Agrotech Ltd., the wholly owned subsidiary of Bodal Chemicals Ltd.

## COST AUDITOR

The Company has appointed M/s Kiran J. Mehta & Co., Cost Accountant, Ahmedabad to audit the cost accounts related to the company's product Dye Intermediates and dyes for the year 2013-2014. The Company has received a written certificate stating that their re-appointment, if made, would be within the prescribed limits under Section 141 of the Companies Act, 2013. The Cost Audit report for the Financial Year 2013-14 has been filed within the prescribed time limits.

## INTERNAL AUDIT

M/s. Rashmin R. Patel & Co., Chartered Accountants, Ahmedabad is internal auditors of the company. Internal auditors are appointed by the Board of Directors of the Company on a yearly basis, based on the recommendation of the Audit Committee. The Internal Auditor reports their findings on the internal audit of the company, to the Audit Committee on a quarterly basis. The scope of internal audit is approved by the Audit Committee.

## SECRETARIAL AUDIT

As a good governance practice and as provided under the provisions of Companies Act, 2013, the Company needs yearly secretarial audit report from a practicing company secretary. The Company has appointed Mr. Tapan Shah, practicing company secretary to conduct Secretarial Audit for the current financial year.

## DIRECTORS' RESPONSIBILITY STATEMENT

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

1. That in the preparation of the accounts for the financial year ended 31<sup>st</sup> March, 2014, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
2. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for that period;
3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. That the Directors have prepared the accounts for the financial year ended 31<sup>st</sup> March, 2014 on a 'going concern' basis.

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

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

## PARTICULARS OF EMPLOYEES

The information required under section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rule, 1975 as amendment, the names and other particulars of employees are not applicable to Company, as no employees drawing remuneration of Rs.60,00,000 or more per annum employed throughout the year or Rs. 5,00,000 or more per month employed a part of the year.

## ACKNOWLEDGEMENT

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

For and on behalf of the Board

Date : 30-07-2014  
Place : Ahmedabad

**SURESH J. PATEL**  
*Chairman & Managing Director*  
(DIN: 00007400)

## ANNEXURE TO THE DIRECTORS' REPORT

### CONSERVATION OF ENERGY:

#### Energy Conservation measures taken:

Reducing the HP of Motors where possible

Improvement in low insulation.

Periodic desertion of Boiler

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

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

#### Impact of above:

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

#### Total Energy consumption per unit of production

	2013-14	2012-13
(i) Total consumption of Electric (Units)	521.47 lacs	322.20 lacs
Total Amount (Rs.)	2103.66 lacs	2229.62 lacs
Unit/Average Rate	Unit/ Rs. 4.03	Unit/ Rs. 6.92
(ii) Fuel		
Quantity	Kgs.255.35 lacs	Kgs.226.87 lacs
	Ltr.0.34 lacs	Ltr.0.28 lacs
	Scm 0.22 lacs	Scm 3.92 lacs
Total Amount (Rs.)	2338.54 lacs	2002.43 lacs
Unit /Average Rate	Kgs/ Rs. 9.04	Kgs/ Rs. 7.93
	Ltr/ Rs. 59.06	Ltr/ Rs. 48.08
	Scm/Rs. 52.07	Scm/Rs. 48.49

### RESEARCH & DEVELOPMENT (R & D)

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

#### Future Plans of Action

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

#### Expenditure on R & D:

	(Rs. In Lacs)	
	2013-2014	2012-2013
(a) Capital	Nil	Nil
(b) Recurring	Nil	Nil



**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

(a) Efforts in brief:

I. Company in order to fully utilize its multidimensional manufacturing capacity is always at the forefront to make the best use of its technical capability for better success.

II. Continuous endeavor to improve Product Quality & Process Yields.

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

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

(c) Details relating to imported technology: Nil

**FOREIGN EXCHANGE EARNING AND OUTGO**

(Rs. In lacs)

Particulars	2013-14	2012-13
<b>(a) Foreign Exchange Inflow</b>		
(i) Foreign Exchange Earning F.O.B. Value of Export	32657.64	19216.16
<b>(b) Foreign Exchange outgo</b>		
(i) Value of imported Raw materials calculated on CIF basis.	6454.54	1813.40
(ii) Foreign Traveling Expenditure	5.20	3.82
(iii) Export Sales Commission	366.69	200.31
(iv) Business Development Expenses	2.34	4.17
(vii) Interest	109.09	275.61
(viii) Bank Charges	56.48	42.99
(ix) Export Damage Claim	3.25	11.68
(x) Warehousing Charges	Nil	Nil
(xi) Cash Discount	4.12	14.22

## MANAGEMENT DISCUSSION AND ANALYSIS

### INDUSTRY OVERVIEW-DYES AND DYE INTERMEDIATES

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

The Indian Dyestuff industry based on chemical and comprises mainly three sub divisions as key constituents, namely, dyestuffs, pigments and intermediates along with other ranges of dyes such as disperse, reactive, vat and leather dyes. Both dyestuffs and pigments are critical inputs to several industries such as Textile, Paper and Packaging, Leather, Food, Polymer, Coating, printing ink etc. Dyes are soluble and essentially used in textile industry. Pigments, on other hand, are insoluble and are important imputes to the products such as paints.

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

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

The main drivers for Dyes are Reactive Blacks, Acid Blacks, Reactive Blues, Reactive yellows and Reactive reds. The main drivers for Dye Intermediates are Vinyl Sulphone, H Acid, F C Acid, 6 Nitro, DASA and Gamma Acid.

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

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

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

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

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

### FINANCIAL PERFORMANCE AND OUTLOOK

The Financial year 2013-2014 is remarkable year for the Dyes and Dye Intermediates industries in the history. The Demand in the overseas marker as well as in the domestic market is higher than the supply of the product and due to this gap of Demand and supply, the margin of the profit has been increased. Further, Company's considerable area of its business is overseas market and

to control over the fluctuation of the Foreign exchange, the company has started booking the foreign exchange immediately on booking of order and not keeping the foreign exchange open applicable to both area i.e. Export and Import

Bodal Chem has achieved outstanding and fabulous Total Income from operation of Rs.959.49 crore for the financial year 2013-14 compared to Rs. 523.83 crore for the financial year 2012-13. EBIDTA of Rs.192.70 crore for the year 2013-14 compared to Rs.24.75 crore in 2012-13. Financial charges (Interest) of Rs.46.64 crore for the year 2013-14 compared to Rs.39.19 crore for the previous year. Depreciation and Amortization Rs.25.25 crore for the 2013-14 compared to Rs.16.43 crore for the previous year.

Bodal Chem has achieved Cash profit of Rs. 131.50 crore for the Financial year 2013-14 and Net profit of Rs.30.65 crore for the year 2013-14 compared to Net loss of Rs.21.12 crore in 2012-13.

The Cash EPS is Rs.12.05 and EPS before the exceptional items is Rs.9.57 and after the exceptional items is Rs.2.81 for the financial year 2013-14.

### **RISK AND CONCERNS / CHALLENGES**

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

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

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

### **INTERNAL CONTROL FRAMEWORK**

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

### **ENVIRONMENT**

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

### **DISCLAIMER CLAUSE**

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

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

## REPORT ON CORPORATE GOVERNANCE

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

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

(a) Transparency:

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

(b) Disclosures:

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

(c) Accountability:

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

(d) Compliances:

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

(e) Ethical conduct:

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

(f) Stakeholders' interest:

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

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

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

The Company has fully complied with the requirements of Clause 49 of the Listing Agreement. This report sets out the compliance status of the Company during the financial year 2013-14 with respect to the conditions of corporate governance.

### Board of Directors :

#### a. Composition of Board

The Company's board consists of 6 Directors as on 31<sup>st</sup> March, 2014. Out of 6 Directors, 3 Directors are independent directors. The Chairman of the Board is an Executive Director. The composition of the Board of Directors is in compliance with the Clause 49 of the Listing Agreement.

#### Details of Board of Directors are as under:

	Name of Director	Designation
1.	Mr. Suresh J. Patel (Din:00007400)	Chairman & Managing Director
2.	Mr. Bhavin S. Patel (Din:00030464)	Executive Director
3.	Mr. Ankit S. Patel (Din:02173231)	Executive Director
4.	Mr. Surendra N. Shah (Din:00160401)	Director (Independent)
5.	Mr. Bipin R. Patel (Din:01186974)	Director (Independent)
6.	Mr. Sunil K. Mehta (Din:01736527)	Director (Independent)

#### b. Meeting of Board of Directors

Seven Meetings were held during the financial year 2013-14. The dates which Board Meeting were held viz; 30-05-2013, 14-08-2013, 30-09-2013, 14-11-2013, 31-12-2013, 12-02-2014 and 31-03-2014. Time gap between any two Board Meeting was less than 4 months. The 27<sup>th</sup> Annual General Meeting was held on 30-09-2013.

**c. Directors' attendance and Directorship held**

The table below provides the composition of the Board, their attendance at Board meetings (01-04-2013 to 31-03-2014) & AGM (30-09-2013) and number of other directorships, chairmanships/ memberships of other companies.

Name of the Director with Designation	Category	No. of other Directorship held in public companies in India**	No. of other Board committees of which Member / Chairman**	Board meeting attended	Attendance at the last AGM	No. of Equity Shares held on 31.03.14 & % holding
Suresh J. Patel Chairman and Managing Director (Din:00007400)	Promoter Executive	1	None	6	Yes	3,33,45,151 30.56%
Bhavin S. Patel Executive Director (Din:00030464)	Promoter Executive	Nil	None	5	Yes	78,10,050 7.16%
Ankit S. Patel Executive Director (Din:02173231)	Promoter Executive	1	None	6	Yes	37,86,550 3.47%
Surendra N. Shah Independent Director (Din:00160401)	Independent Non-Executive	1	None	5	Yes	75,347 0.07%
Bipin R. Patel Independent Director (Din:01186974)	Independent Non-Executive	2^	None	7	Yes	4,075 0.01%
Sunil K. Mehta Independent Director (Din:01736527)	Independent Non-Executive	Nil	None	7	No	4,00,000 0.37%

**Notes:**

- (1) \*\*This number excludes the directorships/committee memberships held in private companies, a company registered under Section 25 of Companies Act 1956/ under Section 8 of the Companies Act, 2013 and also of the Company.
- (2) ^Mr. Bipin R. Patel is appointed as Additional Director of Mayur Dyechem Intermediates Ltd. w.e.f. 01-01-2014. The said numbers includes other directorships held in public companies in India.
- (3) As required by the Companies Act, 1956 and Clause 49 of Listing Agreement, none of the directors hold directorships in more than 15 public companies, memberships of board committees (audit /remuneration/investors grievance committees) in excess of 10 and chairmanships of board committees as aforesaid in excess of 5.

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

**d. Code of Conduct**

The Board has laid down the code of conduct for all Board Members and senior managerial personnel of the Company. All Board Members and senior managerial personnel have affirmed compliance with the code of conduct for the year ended on 31<sup>st</sup> March, 2014. A declaration to this effect duly signed by CEO of the Company is attached herewith and forms a part of Corporate Governance Report.



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

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

<b>Name of the Director</b>	<b>Mr. Ankit S. Patel</b>	<b>Mr. Surendra N. Shah</b>
DIN	02173231	00160401
Date of Birth	01-11-1982	02-01-1960
Date of Appointment	24-05-2008	13-05-2006
Qualification	Bachelor in Economics, MBA(Finance)	B.Com, LL.B, FCA., D.I.S.A.(ICAI)
Name of the Companies in which he is a Director other than Bodal Chemicals Ltd.	Bodal Agrotech Ltd. Sun Agrigenetics Pvt. Ltd.	1) Bodal Agrotech Ltd. 2) Miller Iron Pvt. Ltd. 3) Inshightrics Software Pvt. Ltd.
Specific Functional Areas/Experience	He has been giving his valuable services as Executive Director of the company. He has contributed significantly in development of Sulphuric Acid Plant of the company. He is young and dynamic Personality.	He is Chartered Accountant. He has more than 27 years experience in Chartered Accountant profession. He has sound knowledge of Accounting, Finance and Taxation matters.
**Chairmanship / Membership of Committee(s) of Director of the Company	Member in Share Transfer committee.	Chairmanship of Three Committees
Chairman/Member of the Committee (s) of Board of Directors of other Public Limited Companies in which he is a Director	Nil	Nil
Shareholding in the company as on 30-07-14 & percentage of paid up capital	3786550 (3.47%)	75,347(0.08%)

<b>Name of the Director</b>	<b>Mr. Bipin R. Patel</b>	<b>Mr. Sunil K. Mehta</b>
Date of Birth	01-03-1945	23-12-1960
Date of Appointment	14-08-2007	14-08-2007
Qualification	B.A., LL.B.	B.Com, M.Com, LL.B, FCA.,
Name of the Companies in which he is a Director other than Bodal Chemicals Ltd.	Jay Chemicals Industries Ltd Ami Pigment Pvt. Ltd Confederation Indian Clubs* Mayur DyeChem Intermediates Ltd.	Nil
Specific Functional Areas/Experience	He is an industrialist for more than 36 years standing in chemical industry and has held/is holding offices in several Industry Association and such other bodies.	He is Chartered Accountant. He has more than 25 years experience in Chartered Accountant profession. He has sound knowledge of Accounting, Finance and Taxation matters.
**Chairmanship / Membership of Committee(s) of Director of the Company	Membership of all three committees	Membership of one Committee
Chairman/Member of the Committee (s) of Board of Directors of other Public Limited Companies in which he is a Director	Nil	Nil
Shareholding in the company as on 30-07-14 & percentage of paid up capital	4075 (0.01%)	4,00,000 (0.40%)

\* This number of Companies also includes the Directorship Held in a Company registered U/s 25 of Companies Act, 1956/8 of Companies Act, 2013.

\*\* Audit Committee, Nomination and Remuneration Committee and Security holders' Grievances Committee.

## COMMITTEE OF THE BOARD

### Audit Committee

Audit committee of the Company is functioning with the requirement of section 292A of the Companies Act, 1956/ section 177 of the Companies Act, 2013 and the listing agreement. The members of Audit Committee are mentioned as below. During the year, four meetings were held on 30-05-2013, 14-08-2013, 14-11-2013 and 12-02-2014 which were attended by the following members of the Audit Committee. The Chairman of the Audit Committee had attended last Annual General Meeting held on 30<sup>th</sup> September, 2013.

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

Name of Member	Designation	Category	No. of meeting attended
Mr. Surendra N. Shah	Chairman	Non-Executive Independent Director	3
Mr. Bipin R. Patel	Member	Non-Executive Independent Director	4
Mr. Bhavin S. Patel	Member	Executive Director	3

### Broad Terms of Reference

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

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

The Board of Directors of the Company at their meeting held on 28<sup>th</sup> May, 2014, expanded the scope of Audit Committee by additional scope in respect of vigil mechanism in line with section 177 of the Companies Act, 2013 read with the provisions of the listing agreement.

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

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

### Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Board has been constituted mainly to determine and recommend to the Board, the Company's policies on remuneration packages for executive and non-executive directors. The members of Nomination and Remuneration Committee are mentioned as below. No meeting was held during the financial year.

Composition:

Sr. No	Name of Member	Designation	Category
1	Mr. Surendra N. Shah	Chairman	Non-Executive Independent Director
2	Mr. Bipin R. Patel	Member	Non-Executive Independent Director
3	Mr. Sunil K. Mehta	Member	Non-Executive Independent Director

The committee will meet as and when required. The Committee interalia devise/recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees apart from the functions/roll as per the provisions of law and listing agreement.

The Board of Directors of the Company at their meeting held on 28<sup>th</sup> May, 2014, expanded the scope of Remuneration Committee in line with applicable provisions under the Companies Act, 2013 read with the provisions of the listing agreement. The name of the Remuneration Committee was changed to 'Nomination and Remuneration Committee' in line with the new Act.

**The details of remuneration paid to directors are provided below for the financial year 2013-14.**

### Remuneration paid to Directors

Name of Director	Age	Designation	Remuneration (including perquisites) paid Rs.	Sitting Fees paid Rs.	Commission paid Rs.	Total Remuneration Rs.
Suresh J. Patel	58	Chairman & Managing Director	48,00,000	Nil	90,00,000	1,38,00,000
Bhavin S. Patel	33	Executive Director	18,00,000	Nil	Nil	18,00,000
Ankit S. Patel	31	Executive Director	18,00,000	Nil	Nil	18,00,000
Surendra N. Shah	54	Non-Executive Independent Director	Nil	75,000	Nil	75,000
Bipin R. Patel	69	Non-Executive Independent Director	Nil	1,05,000	Nil	1,05,000
Sunil K. Mehta	53	Non-Executive Independent Director	Nil	1,05,000	Nil	1,05,000
<b>Total</b>			<b>84,00,000</b>	<b>2,85,000</b>	<b>90,00,000</b>	<b>1,76,85,000</b>

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

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

### Security holders' Grievances Committee

**Terms of Reference:** In order to give the appropriate level of focus to shareholders and investors related matters a Shareholders'/ Investors' Grievance Committee was formed. The committee focuses primarily on strengthening investor relations and ensuring the rapid resolution of any shareholder's or investor's concerns. The members of Shareholders' Grievance Committee are mentioned as below. During the year, four meetings were held on 30-05-2013, 14-08-2013, 14-11-2013 and 12-02-2014.

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

Name of Member	Designation	Category	No. of meeting attended
Mr. Surendra N. Shah	Chairman	Non-Executive Independent Director	3
Mr. Bipin R. Patel	Member	Non-Executive Independent Director	4
Mr. Bhavin S. Patel	Member	Executive Director	3

#### Notes:

Mr. Ashutosh B. Bhatt, Company Secretary is acting as Compliance Officer.

The Board of Directors of the Company at their meeting held on 28th May, 2014, expanded the scope of Shareholders' Grievances Committee in line with applicable provisions under the Companies Act, 2013 read with the provisions of the listing agreement. The name of the Shareholders' Grievances Committee was changed to 'Security Holders' Grievances Committee' in line with the new Act.

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

#### Details of Shareholders'/Investors' Complaints

Sharepro Services (India) Pvt. Ltd. (RTA) and the Company, and SCORES, the official website of SEBI have received shareholders'/ investors complaints and resolved by the company / the RTA in consultation with the Company for the year 2013-14, the details are as follows :

Sr. No.	Nature of Complaints	Opening Balance 01-04-2013	Received during the year	Redressed/ attended	Pending on 31-03-2014
1	Non receipt of share certificates after transfer etc.	Nil	Nil	Nil	Nil
2	Non receipt of Dividend Warrants	Nil	Nil	Nil	Nil
3	Query regarding demate credit	Nil	Nil	Nil	Nil
4	Non receipt of duplicate share certificates after issue	Nil	Nil	Nil	Nil
5	Other	Nil	Nil	Nil	Nil
	<b>Total</b>	Nil	Nil	Nil	Nil

#### Corporate Social Responsibility (CSR) Committee :

The Board of Directors of the Company have, as required by the provisions of section 135 of the Companies Act, 2013, constituted Corporate Social Responsibility Committee consisting of three directors viz.

Mr. Suresh J. Patel (Chairman and Managing Director) – Chairman

Mr. Ankit S. Patel (Executive Director) – Member

Mr. Surendra N. Shah (Independent Director) – Member

The Committee will meet as and when required. The Committee will interalia devise/recommend to the Board, a CSR policy which shall indicate activities, projects or programs, to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.

#### SUBSIDIARY COMPANIES:

Bodal Agrotech Ltd. is the wholly owned subsidiary of the company as on 31-03-2014. Bodal Agrotech Ltd. is non - material non-listed subsidiary Company. The Audit Committee reviews the financial statements, particularly, the investments made by subsidiary Company. Minutes of the said subsidiary Company are being placed before the Board for its review. The Board also reviews the accounts of the said Subsidiary Company on regular basis.

#### OTHER COMPLIANCES:

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

For details, about related parties transactions, see Note No. 35 of Notes on Accounts of balance sheet of the Company.

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

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

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

During the year, the Company has raised Rs. 950 Lacs by making allotment of 95,00,000 9% Non Cumulative Redeemable Preference shares at a face value of Rs.10/- each as per the requirement of approved Corporate Debt Restructuring (CDR) package to the non promoter entities.

#### SHAREHOLDERS' INFORMATION

- Registered Office** : Plot No. 123 & 124, Phase-I, G.I.D.C., Vatva, Ahmedabad-382 445.
- Date, time, venue of Annual General Meeting** : The 28<sup>th</sup> Annual General Meeting of the members of the company is scheduled to be held on Monday, the 22<sup>nd</sup> September, 2014 at 11.00 A.M. at ATMA Auditorium, Opp. Old RBI Office, Ashram Road, Ahmedabad- 380 009. All the members are invited to attend the meeting.  
The Members / Proxies who intend to attend the meeting are requested to bring the Attendance slip sent herewith duly filled to the meeting.
- Financial calendar** : Financial year 2013-14 (April 1, 2013 to March 31, 2014)  
Results were announced on  
14<sup>th</sup> August, 2013 - First quarter (Un-audited)  
14<sup>th</sup> November, 2013 - Second quarter (Un-audited)  
12<sup>th</sup> February, 2014 - Third quarter (Un-audited)  
28<sup>th</sup> May, 2014 - Annual (Audited)  
Tentative Financial Calendar for the financial year 2014-15.  
Results will be announced on  
30<sup>th</sup> July, 2014 - First quarter  
Last week of October, 2014 - Second quarter and half year ended  
Last week of January, 2015 - Third quarter  
Last week of May, 2015 - Fourth quarter and annual (audited)
- Book closures dates** : From Saturday, the 13<sup>th</sup> September, 2014 to Monday, the 22<sup>nd</sup> September, 2014 (both days inclusive) for the purpose of Annual General Meeting of the company.
- Annual General Meeting** : 22-09-2014 at 11.00 A.M.
- Details of Securities** : **Types of security** : **Equity Shares**  
No. of paid up shares : 10,91,07,370 equity shares of Rs. 2/- each fully paid  
Market lot of shares : 1 equity share
- Stock code** : The Company's Equity shares are listed and traded on the Bombay Stock Exchange Ltd (BSE) and National Stock Exchange of India Ltd. (NSE).  
**Type of Securities**      **Code no.**                      **ISIN (Demat Code)**  
Equity Shares              BSE Code :524370              INE338D01028  
NSE Code :BODALCHEM
- Types of security** : **9% Non Cumulative Redeemable Preference Shares**  
No. of paid up shares : 2,50,00,000, 9% Non Cumulative Preference Shares of Rs. 10/- each fully paid.  
The Preference shares were allotted by the Board of Directors in their meeting held on 30<sup>th</sup> March, 2013, 30<sup>th</sup> September, 2013, 31<sup>st</sup> December, 2013 and 31<sup>st</sup> March, 2014 respectively in more than one tranches.
- Listing** : The Company's equity shares are listed on the Bombay Stock Exchange Ltd. (BSE) and National Stock Exchanges of India Ltd. (NSE).The Company has paid listing fees to Bombay Stock Exchange and National Stock Exchange for financial year 2014-2015.

Stock Data : Monthly equity share price data on BSE and NSE for the financial year 2013-14, are as under.

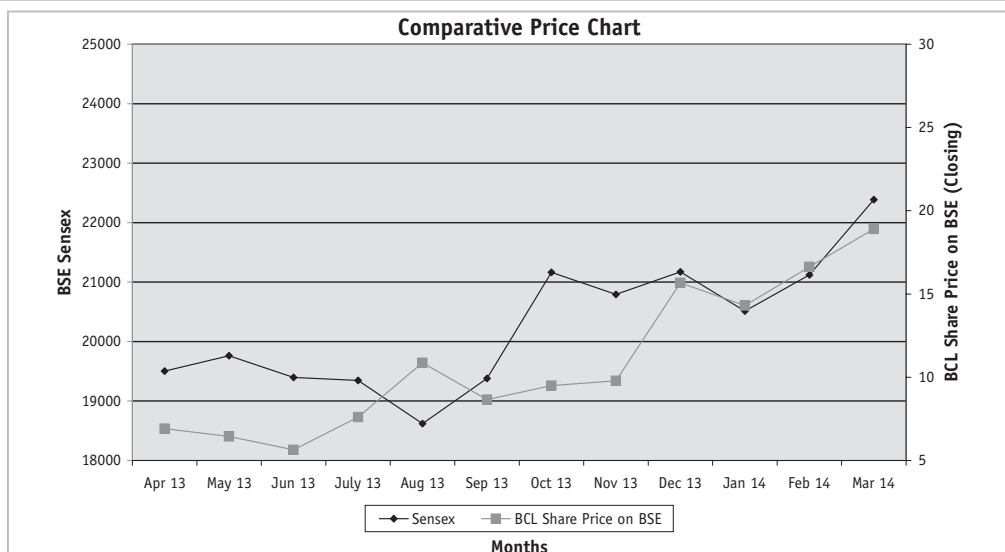
**NSE :**

Month	High Rs.	Low Rs.	Close Price Rs.	Volumes (No. of Shares)
April'13	6.90	5.35	6.90	32017
May'13	7.55	6.10	6.10	7878
June'13	6.70	5.75	6.25	12278
July'13	6.30	5.30	6.10	7060
August '13*				
September '13*				
October '13*				
November '13*				
December '13*				
January '14	17.20	13.90	14.00	26494
February '14	17.15	13.20	16.85	127517
March '14	20.70	14.30	18.90	443390

\* During the period from August 2013 to December 2013 Script put on periodic call auction by the designated stock exchanges and data of the trading of the shares of the company has not been available from NSE.

**BSE :**

Month	High Rs.	Low Rs.	Close Price Rs.	Volumes (No. of Shares)
April'13	6.91	5.27	6.91	3,90,773
May'13	7.54	5.75	6.44	1,45,617
June'13	6.74	5.26	5.64	77,685
July'13	7.99	4.35	7.60	1,14,073
August '13	11.15	6.70	10.87	3,69,458
September '13	14.50	7.85	8.66	3,47,452
October '13	9.92	8.20	9.50	3,48,690
November '13	14.99	9.30	9.79	13,88,984
December '13	17.00	9.31	15.67	11,23,248
January '14	17.40	13.85	14.30	4,87,979
February '14	17.53	13.51	16.63	5,15,731
March '14	20.00	14.40	18.90	14,25,869



### General Body Meetings

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

AGM/EGM	Date	Time	Venue	No. of special Resolutions passed
2010-11 AGM	29-9-2011	10.30 A.M	ATMA, Auditorium, Opp. Old RBI Office, Ashram Road, Ahmedabad-380 009.	—
2011-12 AGM	28-09-2012	04.00 P.M.	ATMA, Auditorium, Opp. Old RBI Office, Ashram Road, Ahmedabad-380 009.	3
EGM	23-03-2013	11.00 A.M.	ATMA, Auditorium, Opp. Old RBI Office, Ashram Road, Ahmedabad-380 009.	2
2012-13 AGM	30-09-2013	5.00 P.M.	ATMA, Auditorium, Opp. Old RBI Office, Ashram Road, Ahmedabad-380 009.	—

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

### Postal Ballot

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

### Shares held in physical and dematerialized form

#### Equity Shares

As on 31st March, 2014, 10,73,32,835 equity shares (98.38%) were held in dematerialized form and balance 17,74,535 equity shares (1.62%) were held in physical form. 10,91,07,370 equity shares of the Company are listed on Bombay Stock Exchange Ltd. and National Stock Exchange of India Limited. Investors can exercise dematerialization through a recognized Depository Participant (DP) who is connected to NSDL or CDSL.

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

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

### Bank Mandate for Dividend

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

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

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

Sr. No.	Financial Year	Date of Declaration	Due for Transfer on
1.	2006-07(Final)	29-09-2007	04-11-2014
2.	2007-08(Interim)	09-04-2008	15-05-2015
3.	2007-08(Final)	30-09-2008	05-11-2015
4.	2009-10(Interim)	28-04-2010	03-06-2017
5.	2009-10(Final)	30-09-2010	05-11-2017
6.	2010-11(Final)	29-09-2011	04-11-2018

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



**Distribution of Shareholding as on 31-03-2014**
**According to number of Equity Shares**

No. of Ordinary Shares held	No. of Shareholders	% of Shareholders	Total Shares	% of Total
1-500	8969	77.31	1383689	1.27
501-1000	1051	9.06	920288	0.84
1001-2000	571	4.92	920742	0.85
2001-3000	289	2.49	742342	0.68
3001-4000	126	1.09	456643	0.42
4001-5000	129	1.11	605240	0.55
5001-10000	177	1.53	1317673	1.21
10001-20000	124	1.07	1854148	1.70
Above 20000	166	1.43	100906605	92.48
<b>Total</b>	<b>11602</b>	<b>100.00</b>	<b>109107370</b>	<b>100.00</b>

**Shareholding pattern for equity shares of the Company as on 31-3-2014**

Description	No. of members		No. of equity shares of Rs.2/- each	
	Nos.	%	Nos.	%
Promoters & Promoters Group				
Individuals	10	0.086	65643760	60.16
Foreign citizen/NRIs	5	0.043	13262306	12.16
<b>Total</b>	<b>15</b>	<b>0.129</b>	<b>78906066</b>	<b>72.32</b>
Indian Public-Individuals	10901	93.950	18245576	16.72
Foreign Institutional Investors (FII)	2	0.017	2905530	2.66
Mutual Fund, Nationalized Bank, Financial Institution and Co-operative Banks	4	0.034	39000	0.04
Domestic Companies	162	1.396	8040243	7.37
Non Resident Individuals	465	4.008	131712	0.12
Any others (Independent Directors & their Relatives)	9	0.078	517105	0.47
Clearing Members	44	0.379	322138	0.30
<b>Total</b>	<b>11602</b>	<b>100.000</b>	<b>109107370</b>	<b>100.00</b>

**Outstanding GDRs / ADRs /Warrants/any other Convertible Instruments**

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

**Plant Locations:**

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

**Nomination Facility**

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

**PAN requirement for Transfer of Shares in Physical Form**

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

**Change in Shareholders details**

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

**Investors Communication**

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

Unit: Bodal Chemicals Ltd.

Sharepro Services (India) Pvt Ltd.

(Ahmedabad Branch)

416-420, 4<sup>th</sup> Floor, Devnandan Mall, Opp. Sanyas Ashram, Ellisbridge, Ahmedabad-380006. Gujarat, India.

Tel Nos.079 26582381 to 84 Fax No. 079 26582385 Email sharepro.ahmedabad@shareproservices.com

Contact Person: Ms. Bharti Parikh

**Means of Communication**

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

**Reconciliation of Share Capital Audit**

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

**Declaration under Code of Conduct**

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

Date : 30-07-2014

Place : Ahmedabad

**Suresh J. Patel**

*Chief Executive Officer,*

*Chairman & Managing Director*

(DIN : 00007400)

**AUDITORS' CERTIFICATE ON REPORT ON CORPORATE GOVERNANCE**

To

**The Members of  
Bodal Chemicals Limited**

We have examined the compliance of conditions of Corporate Governance by **BODAL CHEMICALS LIMITED** ("the Company") for the year ended March 31, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India. The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

**For Mayank Shah & Associates**

*Chartered Accountants*

(Firm Registration No. 106109W)

Place : Ahmedabad

Date : May 28, 2014

**(M.S.Shah)**

*Partner*

Mem. No. 44093

## **CERTIFICATION BY CEO & CFO OF THE COMPANY**

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

1. We have reviewed the Balance Sheet, Profit & Loss Account, its schedule and notes to accounts and cash flow statement for the year ended 31<sup>st</sup> March, 2014 and that to the best of our knowledge and belief :
  - (a) these statement do not contain any materially untrue statement or omit any material facts or contain statements that might be misleading ;
  - (b) these statement together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- 2 We also certify, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- 3 We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- 4 We have indicated to the auditors and the Audit Committee :-
  - (a) significant changes in internal control over financial reporting during the year ;
  - (b) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements ; and
  - (c) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Date : 30-07-2014  
Place : Ahmedabad

**Suresh J. Patel**  
Chief Executive Officer  
Chairman & Managing Director

**Mayur B. Padhya**  
Chief Financial Officer

## INDEPENDENT AUDITOR'S REPORT

To the Members of Bodal Chemicals Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of Bodal Chemicals Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 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.

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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.

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

### Opinion

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013; and
  - e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

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

Ahmedabad  
May 28, 2014

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

## ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

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

1. In respect of its fixed assets :
  - a) The company has maintained proper records showing full particulars including quantitative details and situation of the fixed assets.
  - b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
  - c) Fixed assets disposed off during the year were not substantial and therefore do not affect the going concern assumption.
2. In respect of its inventories :
  - a) The inventory, except good-in-transit and stocks lying with the third parties, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with the third parties at the year end, written confirmations have been obtained.
  - b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
  - c) The Company has maintained proper records of inventory. The discrepancies noticed on verification between physical stocks and book records were not material.
3. In respect of the loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under section 301 of Companies Act, 1956 :
  - a) The Company has given interest free loan to its subsidiary. In respect of the said loan, the maximum amount outstanding at any time during the year was Rs. 493.40 lacs and the year-end balance is Rs. 473.71 lacs
  - b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of the loans given by the Company, are not *prima facie* prejudicial to the interest of the Company.
  - c) The principal amounts are repayable on demand, while the loan is interest free, both at the discretion of the Company.
  - d) In respect of the said loans and interest thereon, there are no overdue amounts.
  - e) The Company had taken unsecured loan from the 1 (One) party listed in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 0.50 lacs & the year end balance of loan is Rs. 0.50 lacs.
  - f) In our opinion the rate of interest and other terms and conditions of such loans are not *prima facie* prejudicial to the interest of the Company.
  - g) In our opinion and according to the information and explanation given to us, repayment of the principal amount is as stipulated and payments of interest, wherever applicable, have been regular.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for sale of goods. The activities of the Company do not include rendering of services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
5.
  - a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
  - b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal on the Company.
7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Act and are of the opinion that *prima facie*, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

9. a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Investor Education and Protection Fund, Income Tax, Sales Tax/ Value Added Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Investor Education and Protection Fund, Income Tax, Sales Tax/ Value Added Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and other material statutory dues were in arrears as at 31st March, 2014 for a period of more than six months from the date they became payable.
- c) According to the information and explanations given to us, the following dues have not been deposited by the Company on account of disputes.

Name of the Statute	Nature of the Dues	Amount under dispute not yet deposited (Rs. in lacs)	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961.	Income Tax	27.11	A.Y. 2006-07	Commissioner of Income Tax (Appeals)
	Income Tax	200.27	A.Y. 2007-08	Commissioner of Income Tax (Appeals)
	Income Tax	123.66	A.Y. 2008-09	Commissioner of Income Tax (Appeals)
	Income Tax	54.02	A.Y. 2010-11	Commissioner of Income Tax (Appeals)
Central Excise Act, 1944.	Excise Duty & Penalty	1.58	F.Y. 2011-12	Customs, Excise & Service Tax Appellate Tribunal
	Excise Duty & Penalty	12.08	F.Y. 2006-07 to F.Y.2010-11	Customs, Excise & Service Tax Appellate Tribunal
	Excise Duty & Penalty	59.18	F.Y. 2005-06 to F.Y.2007-08	Customs, Excise & Service Tax Appellate Tribunal
	Excise Duty & Penalty	23.21	F.Y. 2005-06 to F.Y.2007-08	Customs, Excise & Service Tax Appellate Tribunal
	Excise Duty & Penalty	0.62	F.Y. 2011-12	Commissioner of Central Excise (Appeals)
	Excise Duty & Penalty	54.63	F.Y. 2013-14	Customs, Excise & Service Tax Appellate Tribunal
	Excise Duty & Penalty	26.32	F.Y. 2013-14	Commissioner of Central Excise (Appeals)
Service Tax	Service Tax & Penalty	3.86	F.Y. 2011-12	Customs, Excise & Service Tax Appellate Tribunal
				Commissioner of Central Excise (Appeals)
Customs Act, 1962.	Duty, Penalty, Interest & Fine	11.71	F.Y. 2007-08	Customs, Excise & Service Tax Appellate Tribunal



10. The Company has accumulated losses at the end of financial year which is not in excess of fifty percent of its net worth. It has not incurred cash losses during the Current financial year; however the company incurred cash losses in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a bank. Further, in our opinion and according to information and explanations given to us, the Company did not have any amount outstanding to financial institutions or debenture holders.
12. According to the information and explanation given to us the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. As the provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company, the provisions of Clause (xiii) of paragraph 4 of the Order is not applicable to the Company.
14. In our opinion and according to the information and explanations given to us, the Company is not dealing in shares, securities and debentures. Therefore, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution. Therefore, the provisions of clause 4(xv) of the Order are not applicable to the Company.
16. In our opinion and according to the information and explanations given to us, the term loans taken by the company have been applied for the purpose for which they were raised.
17. According to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we are of the opinion that funds raised on short-term basis have not been used for long-term investment.
18. The Company has not made any preferential allotment of shares to companies / firms / parties covered in the register maintained under Section 301 of the Act during the year.
19. The Company did not have any outstanding debentures during the year.
20. During the year covered by our report, the Company has not raised any money by way of public issue.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

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

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

Ahmedabad  
May 28, 2014

## BALANCE SHEET AS AT 31ST MARCH, 2014

[Rs. in Lacs]

PARTICULARS	NOTES	As at 31st March, 2014	As at 31st March, 2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds :</b>			
Share Capital	2	4,682.15	3,732.15
Reserves and Surplus	3	4,709.93	1,644.60
<b>Deferred Grant</b>	4	7.40	22.37
<b>Non-Current Liabilities</b>			
Long-term borrowings	5	21,584.88	24,574.80
Deferred Tax Liability (Net)	6	64.84	Nil
<b>Current Liabilities</b>			
Short-term borrowings	7	12,737.08	9,019.05
Trade Payables	8	11,216.10	6,813.00
Other Current Liabilities	9	4,705.37	1,344.00
Short Term Provisions	10	24.97	17.70
<b>Total</b>		<b>59,732.72</b>	<b>47,167.67</b>
<b>ASSETS</b>			
<b>Non - Current Assets :</b>			
Fixed Assets	11		
Tangible Assets		16,743.25	26,399.68
Intangible Assets		84.36	83.44
Capital work-in-progress		844.94	17.65
Non-Current Investments	12	187.86	190.95
Deferred Tax Assets (Net)	13	Nil	121.16
Long Term Loans and Advances	14	2,100.54	618.37
Other Non-current assets	15	74.67	792.04
<b>Current Assets</b>			
Inventories	16	12,212.93	6,169.01
Trade Receivables	17	22,630.63	8,835.89
Cash and Bank Balances	18	341.58	377.45
Short - Term Loans & Advances	19	4,207.38	3,547.01
Other Current Assets	20	304.58	15.02
<b>Total</b>		<b>59,732.72</b>	<b>47,167.67</b>

Significant Accounting Policies  
Notes are an integral part of the financial statements

1

As per our report of even date attached

For and on behalf of the Board

**For, Mayank Shah & Associates**
*Chartered Accountants*

(Firm Registration No. 106109W)

**(M.S. Shah)**
*Partner*

Membership No. 44093

Ahmedabad

May 28, 2014

**(Suresh J. Patel)**
*Chairman & Managing Director*
**(Mayur B. Padhya)**
*Chief Financial Officer*

Ahmedabad

May 28, 2014

**(Bhavin S. Patel)**
*Executive Director*
**(Ashutosh B. Bhatt)**
*Company Secretary*

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

[Rs. in Lacs]

PARTICULARS	NOTES	Year 2013-2014	Year 2012-2013
<b>INCOME</b>			
Revenue from operations	21	95,949.70	52,383.41
Other Income	22	370.71	389.14
<b>Total Revenue</b>		<b>96,320.41</b>	<b>52,772.55</b>
<b>EXPENDITURE</b>			
Cost of materials consumed	23	62,157.46	33,726.68
Purchases of Stock-in Trade	24	2,378.30	1,650.21
Changes in Inventories	25	(2,793.69)	1,598.47
Employee Benefits Expenses	26	3,803.01	3,169.58
Finance Costs	27	4,663.82	3,918.96
Depreciation and Amortisation expense	28	2,525.43	1,642.82
Other Expenses	29	11,504.14	10,151.98
<b>Total Expenses</b>		<b>84,238.47</b>	<b>55,858.70</b>
<b>Profit / (Loss) Before Exceptional Items and Taxes</b>		<b>12,081.94</b>	<b>(3,086.15)</b>
Exceptional Items	30	7,373.58	Nil
<b>Profit / (Loss) Before Taxes</b>		<b>4,708.36</b>	<b>(3,086.15)</b>
<b>Tax Expenses</b>			
Current Tax		1,399.39	Nil
Deferred Tax		186.00	(979.55)
Taxes of earlier years		57.64	5.67
		1,643.03	(973.88)
<b>Profit / (Loss) for the Year</b>		<b>3,065.33</b>	<b>(2,112.27)</b>
Earnings per equity share (Face value of Rs.2)	37		
Basic and diluted before Exceptional Item		9.57	(1.94)
Basic and diluted after Exceptional Item		2.81	(1.94)

Significant Accounting Policies

1

Notes are an integral part of the financial statements

As per our report of even date attached

For and on behalf of the Board

**For, Mayank Shah & Associates**
*Chartered Accountants*

(Firm Registration No. 106109W)

**(M.S. Shah)**
*Partner*

Membership No. 44093

Ahmedabad

May 28, 2014

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Ahmedabad

May 28, 2014

**(Bhavin S. Patel)**
*Executive Director*
**(Ashutosh B. Bhatt)**
*Company Secretary*

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

[Rs. in Lacs]

Particulars	Year 2013-2014	Year 2012-2013
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit / (loss) before Tax and after exceptional items	4,708.36	(3,086.15)
Adjustment for		
Depreciation and Amortisation	2,525.43	1,642.82
Finance Cost	4,663.82	3,918.96
Amortisation of Preliminary Expenses	Nil	6.40
Exceptional Item (Refer Note 30)	7,373.58	Nil
Loss on Sale of Assets (Net)	11.46	0.88
Interest/Dividend/Rent received	(127.12)	(100.48)
Grant recognised	(14.97)	(5.28)
Operating Profit before Working Capital Changes	19,140.56	2,377.15
Adjustment for :		
(Increase) / Decrease in Trade Receivables	(13,794.75)	6,389.00
(Increase) / Decrease in Inventories	(6,043.91)	1,486.07
(Increase) / Decrease in Other Receivables	(336.45)	610.60
Increase / (Decrease) in Trade Payables	7,772.71	(9,465.04)
Cash generated from Operations	6,738.16	1,397.78
Direct Taxes Paid (Net of Refund)	1,553.40	6.45
<b>Net Cash from Operating Activities (A)</b>	<b>5,184.76</b>	<b>1,391.33</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets including Capital Work in Progress and capital advances	(1,820.28)	(379.52)
Sale of Fixed Assets	23.61	17.87
Loans to Subsidiary	(473.22)	Nil
Repayment of Loans to Subsidiary	Nil	(274.64)
Interest/Dividend/Rent received	127.12	100.49
Sale of Investment	3.09	Nil
Purchase of investment	Nil	(0.20)
<b>Net Cash used in Investing Activities (B)</b>	<b>(2,139.68)</b>	<b>(536.00)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase / (Decrease) in Long Term Borrowings	(2,989.92)	11,242.70
Increase / (Decrease) in Short Term Borrowings	3,718.03	(9,841.60)
Increase in Preference Share Capital	950.00	1,550.00
Finance Cost	(4,663.82)	(3,918.96)
Unclaimed Dividend Paid	(1.88)	(0.09)
<b>Net Cash received from Financing Activities (C)</b>	<b>(2,987.59)</b>	<b>(967.95)</b>
<b>NET INCREASE/(DECREASE) IN CASH &amp; EQUIVALENTS</b>	<b>57.49</b>	<b>(112.62)</b>
Cash & Cash Equivalents at the beginning of the year	37.76	150.38
Cash & Cash Equivalents at the end of the year	<b>95.25</b>	<b>37.76</b>

As per our report of even date attached

For and on behalf of the Board

**For, Mayank Shah & Associates**
*Chartered Accountants*

(Firm Registration No. 106109W)

**(M.S. Shah)**
*Partner*

Membership No. 44093

Ahmedabad

May 28, 2014

**(Suresh J. Patel)**
*Chairman & Managing Director*
**(Mayur B. Padhya)**
*Chief Financial Officer*

Ahmedabad

May 28, 2014

**(Bhavin S. Patel)**
*Executive Director*
**(Ashutosh B. Bhatt)**
*Company Secretary*

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

### 1 Significant Accounting Policies :

#### 1.1 Basis of Preparation of Financial Statements

##### a) Basis of Accounting

The financial statements of the Company are prepared under the historical cost convention as a going concern on accrual basis and to comply in all material aspects with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, the relevant provisions of the Companies Act, 1956 ("the Act") which as per clarification issued by the Ministry of Corporate Affairs continue to apply under Section 133 of the Companies Act, 2013 (which has superseded Section 211(3C) of the Act w.e.f 12th September 2013) and other accounting principles generally accepted in India, to the extent applicable.

##### b) Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and liabilities. The estimates and assumptions used in the accompanying financial statements are based upon management evaluation of the relevant facts and circumstances as on the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any revisions to accounting estimates are recognised prospectively in current and future periods.

##### c) Current / Non Current Classification

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI of the Companies Act, 1956. Based on the nature of products and services and their realization in cash and cash equivalents. The Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of asset and liabilities.

##### d) Change In Accounting Policy

During the year under review, the Company had retrospectively changed its method of providing depreciation on its tangible fixed assets from Straight Line Method (SLM) to Written down Value Method (WDV) at the rates prescribed in schedule XIV of Companies Act, 1956. This change results in more appropriate preparation and presentation of financial statement of the Company. In compliance with Accounting Standard (AS 6) issued by the Institute of Chartered Accountants of India, depreciation has been recomputed from the date of acquisition of the fixed assets at the WDV rates applicable to those years on such fixed assets.

Accordingly, depreciation has been recalculated under WDV method for the period from the date on which the assets were put to use after its acquisition. Depreciation relating to earlier years upto 31st March, 2013 of Rs. 7373.58 lacs has been recognised as Exceptional items at the year ended 31st March, 2014.

Due to this change in method of providing depreciation, amount of Depreciation has been increased from Rs. 1665.57 lacs to Rs. 2525.43 lacs for the year ended 31<sup>st</sup> March, 2014.

#### 1.2 Fixed Assets and Depreciation / Amortization

##### a) Tangible Fixed Assets

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

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

##### b) Intangible Assets

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

Costs incurred on acquisition of intangible assets are capitalized and amortized on a straight-line basis over their technically assessed useful lives, as mentioned below :

<u>Intangible Assets</u>	<u>Estimated Useful Lives (Years)</u>
Software	5
License	10
Website	5

c) Capital Work in Progress & Capital Advances

Cost of Assets not ready for intended use, as on the balance sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as Long Term Loans & Advances.

d) Impairment

At each balance sheet date, the management reviews the carrying amounts of its assets included in each cash generating unit to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.

Reversal of impairment loss is recognised as income in the statement of profit and loss.

### 1.3 Investments

Investments are classified into current and long-term investments. Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. However, that part of long term investments which are expected to be realized within twelve months from Balance Sheet date is also presented under "Current Assets" under "Current portion of long term investments" in consonance with the current / non-current classification of revised Schedule VI to the Companies Act, 1956.

Current investments are stated at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments.

Long-term investments are stated at cost. A provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is recognised in the Statement of Profit and Loss.

### 1.4 Inventories

Inventories which comprise raw materials, work-in-progress; finished goods, stock-in-trade, and stores and spares are carried at the lower of cost and net realizable value. Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on First-in-First-out (FIFO) basis. In the case of manufactured inventories and work in progress, cost includes direct material and labour cost and a proportion of manufacturing overheads. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The net realizable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realizable value. The comparison of cost and net realizable value is made on class of item. Excise duty is included in the value of Finished Products. Materials-in-transit are valued at cost-to-date.

### 1.5 Transactions in Foreign Currency:

a) Initial recognition:

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the statement of profit and loss.

b) Measurement of foreign currency items at the Balance Sheet date:

Foreign currency monetary items of the Company are restated at the closing exchange rates. Non-monetary items are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising out of these translations are recognized in the Statement of Profit and Loss.

c) Forward exchange contracts:

The Company enters into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The Company does not enter into any derivative instruments for trading or speculative purposes.

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/income over the life of the contract. Exchange differences on such contracts are recognized in the Statement of Profit and Loss in the period in which the exchange rates change. Any Profit or Loss arising on



cancellation or renewal of such forward exchange contract is also recognized as income or expense for the period.

#### 1.6 Revenue Recognition

Revenue from sale of goods is recognised on transfer of all significant risks and rewards of ownership to the buyer. The amount recognised as sale is exclusive of sales tax/VAT and is net of returns & discounts. Sales are stated gross of excise duty as well as net of excise duty; excise duty being the amount included in the amount of gross turnover. The excise duty related to the difference between the closing stock and opening stock is recognised separately as part of changes in inventories of finished goods, work in progress and stock in trade.

Export Incentives are recognised when the right to receive credit as per the terms of Incentives is established in respect of the exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Processing income is recognized on accrual basis as per the contractual arrangements.

Dividend income is recognised when the right to receive payment is established.

Interest income is recognised on the time proportion basis.

#### 1.7 Employee Benefits

##### a) Short Term Employees Benefit

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus, short term compensated absences, ex-gratia, etc. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

##### b) Post Employment Benefit

###### Defined Contribution Plans :

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme and Employees' State Insurance Corporation (ESIC) which are a defined contribution plan. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

###### Defined Benefit Plans :

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The calculation of the Company's obligation under the plan is performed annually by a qualified actuary using the projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the Balance sheet date.

The Company recognizes all actuarial gains and losses arising from defined benefit plans immediately in the Statement of Profit and Loss. All expenses related to defined benefit plans are recognised in employee benefits expense in the Statement of Profit and Loss. The Company recognizes gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

The Company has funded its gratuity liability with Life Insurance Corporation of India (LIC) and Star Union Dai-ichi under the Group Gratuity Cash Accumulation Plan and SUD Life Group Gratuity Scheme respectively.

##### c) Compensated Absences

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

#### 1.8 Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### 1.9 Provisions and Contingencies

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

A contingent liability exists when there is a possible but not probable obligation or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

### 1.10 Taxes on Income

Income tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year).

Provision for current tax is based on the results for the year ended 31st March, in accordance with the provisions of the Income Tax Act, 1961.

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realized in future, however when there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realized.

Minimum Alternative Tax (MAT) under the provisions of the Income Tax Act, 1961 is recognized as current tax. The credit available under the said act in respect of MAT is recognized as an asset only when there is certainty that the company will pay income tax in future periods and MAT credit can be carried forward to set-off against the normal tax liability. MAT credit recognized as an asset is reviewed at each Balance sheet date and written down to the extent the aforesaid certainty no longer exists.

### 1.11 Governments Grants/Subsidy

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

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

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

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

### 1.12 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders after deducting preference dividends and attributable taxes by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earning 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, if any.

### 1.13 Cash and Cash Equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amount of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

### 1.14 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

(Rs. in Lacs)

PARTICULARS	As at 31st March, 2014	As at 31st March, 2013
<b>2. SHARE CAPITAL</b>		
<b>Authorised Share Capital</b>		
12,00,00,000 (P.Y. 12,00,00,000) Equity Shares of Rs.2/- each	2,400.00	2,400.00
2,50,00,000 (P.Y. 2,50,00,000) Preference Share of Rs. 10/- each	2,500.00	2,500.00
	<b>4,900.00</b>	<b>4,900.00</b>
<b>Issued, Subscribed &amp; Paid up Share Capital</b>		
10,91,07,370 Equity Shares of Rs. 2/- each (P. Y. 10,91,07,370 Equity Shares of Rs. 2/- each)	2,182.15	2,182.15
2,50,00,000 (P.Y. 1,55,00,000) Pref. Shares of Rs. 10/- each	2,500.00	1,550.00
<b>Total</b>	<b>4,682.15</b>	<b>3,732.15</b>

### 2.1 Reconciliation of the number of Shares

	As at 31st March, 2014 No. of Shares	As at 31st March, 2013 No. of Shares
<b>Equity Shares</b>		
Opening balance	109,107,370	109,107,370
Issued during the Year	Nil	Nil
Closing balance	<b>109,107,370</b>	<b>109,107,370</b>
<b>Preference Shares</b>		
Opening balance	15,500,000	Nil
Issued during the Year	9,500,000	15,500,000
Closing balance	<b>25,000,000</b>	<b>15,500,000</b>

### 2.2 Rights, preferences and restrictions attached to shares

#### Equity shares

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

#### Preference shares

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

### 2.3 Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of Shareholder	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares	% held	No. of Shares	% held
<b>Equity Shares :</b>				
Shri Suresh J. Patel	3,33,45,151	30.57	3,33,45,151	30.57
Shri Bhavin S. Patel	78,10,050	7.16	78,10,050	7.16
Shri Jayanti D. Patel	74,72,845	6.85	74,72,845	6.85
Shri Ramesh P. Patel	66,35,299	6.08	66,35,299	6.08
<b>Preference shares :</b>				
Mayur Dyechem Intermediates Ltd.	95,00,000	38.00	Nil	N.A.
Shri Shaunak S. Parikh	30,00,000	12.00	30,00,000	19.35
H & H Exports (Guj.) Pvt. Ltd.	20,00,000	8.00	20,00,000	12.90
Shri Ashok G. Bansal	20,00,000	8.00	20,00,000	12.90
Shri Karna A. Surti	15,00,000	6.00	15,00,000	9.68
Shri Suresh J. Patel	11,50,000	4.60	11,50,000	7.42
Shri Vasudev M. Shah	11,00,000	4.40	11,00,000	7.10
Centenary Polytex Pvt. Ltd.	10,00,000	4.00	10,00,000	6.45

(Rs. in Lacs)

PARTICULARS	As at 31st March, 2014	As at 31st March, 2013
<b>3. RESERVES &amp; SURPLUS</b>		
<b>Capital Reserves</b>		
At the commencement and at the end of the year	761.22	761.22
<b>Capital Redemption Reserve Fund</b>		
At the commencement and at the end of the year	396.71	396.71
<b>Securities Premium Account</b>		
At the commencement and at the end of the year (Premium on issue of Equity Shares)	2,220.36	2,220.36
<b>Investment Allowance Reserve - Utilised Account</b>		
At the commencement of the year	4.77	4.77
Less : Transferred to General Reserve	4.77	Nil
At the end of the year	Nil	4.77
<b>General Reserve</b>		
At the commencement of the year	1,383.81	1,383.81
Add : Transferred from Investment Allowance Reserve - Utilised Account	4.77	Nil
At the end of the year	1,388.58	1,383.81
<b>Deficit in the Statement of Profit and Loss</b>		
At the commencement of the year	(3,122.27)	(1,010.00)
Add / (Less) : Surplus / (deficit) during the year	3,065.33	(2,112.27)
At the end of the year	(56.94)	(3,122.27)
<b>Total</b>	<b>4,709.93</b>	<b>1,644.60</b>
<b>4. DEFERRED GRANT</b>		
Grant From World Bank :	22.37	27.65
Less : Recognised for current year	(1.34)	(5.28)
Less : Additional recognition due to change in method of depreciation (Refer Note 33)	(13.63)	Nil
<b>Total</b>	<b>7.40</b>	<b>22.37</b>
<b>5. LONG TERM BORROWINGS</b>		
<b>Secured</b>		
Term loan from Banks	21,506.06	24,345.40
<b>Unsecured</b>		
Loan From Directors	0.50	0.50
Public Deposits	21.45	144.98
Trade Deposits	56.87	46.20
Loan From Members	Nil	37.72
<b>Total</b>	<b>21,584.88</b>	<b>24,574.80</b>
Current Maturities of Long Term Borrowings	*2843.70	*711.88

\*Amount disclosed under other current liabilities

#### 5.1 Nature of Security and terms of repayment for Long Term secured borrowings

- 5.1.1 Term loan amounting to Rs.1455.00 lacs (P.Y.:Rs.1494.38 lacs) is secured by 1st charge on immovable properties of the company situated at Plot No. 252,253,254 GIDC, Vatva and Plot No. 804 of Padra Unit and Hyp. of entire P&M and other equipment acquired through the term loan and repayable in 40 quarterly installments starting from April 2012. Last installment due in March, 2022. Rate of interest 16.50%. (P.Y.15.25%) p.a. at year end.

- 5.1.2 Term loan amounting to Rs.4491.10 lacs (P.Y.:Rs.4612.60 lacs) is secured by 1st charge on immovable properties of the company situated at Plot No. 804 & Block No. 800, 803/1, 797, 796, 795, 532, 555, 556, 560, 561/1 and 525, Village Dudhavada, Taluka Padra, Vadodara and Hyp. of entire P&M and other equipment acquired through the term loan and repayable in 40 quarterly installments starting from April, 2012. Last installment due in March, 2022. Rate of interest 15.50 % (P.Y. 15.50%) p.a. at year end.
- 5.1.3 Term loan amounting to Rs.4243.75 lacs (P.Y.:Rs.4358.59 lacs) is secured by 1st charge on immovable properties of the company situated at Plot No. 804 & Block No. 800, 803/1, 797, 796, 795, 532, 555, 556, 560, 561/1 and 525, Village Dudhavada, Taluka Padra, Vadodara and Hyp. of entire P&M and other equipment acquired through the term loan and repayable in 40 quarterly installments starting from April, 2012. Last installment due in March, 2022. Rate of interest 15.00%. (P.Y. 15.00 %) p.a. at year end.
- 5.1.4 Working Capital Term loan amounting to Rs.374.42 lacs (P.Y.:Rs.384.50 lacs) is secured by 1st pari pasu charge on entire current assets of the company and Repayable in 40 quarterly installments starting from April, 2012. Last installment due in March, 2022. Rate of interest 15.75% (P.Y. 15.75%) p.a. at year end.
- 5.1.5 Working Capital Term loan amounting to Rs.2037.00 lacs (P.Y.:Rs.2090.38 lacs) is secured by 1st pari pasu charge on entire current assets of the company and repayable in 120 monthly installments starting from April, 2012. Last installment due in March, 2022. Rate of interest 16.00% (P.Y. 15.25%) p.a. at year end.
- 5.1.6 Working Capital Term loan amounting to Rs.3488.00 lacs (P.Y.:Rs.3578.00 lacs) is secured by 1st pari pasu charge on entire current assets of the company and repayable in 120 monthly installments starting from April, 2012. Last installment due in March, 2022. Rate of interest 10.25% (P.Y.: 10.25%) p.a. at year end.
- 5.1.7 Working Capital Term loan amounting to Rs.5735.61 lacs (P.Y.:Rs.5885.90 lacs) is secured by 1st pari pasu charge on entire current assets of the company and repayable in 120 monthly installments starting from April, 2012. Last installment due in March, 2022. Rate of interest 10.25% (P.Y.: 10.25%) p.a. at year end.
- 5.1.8 Funded Interest Term loan amounting to Rs.1000.47 lacs (P.Y.:Rs.1031.84 lacs) is secured by 1st pari pasu charge on entire current assets of the company and repayable in 72 monthly installments starting from April, 2013. Last installment due in March, 2019. Rate of interest 10.25% (P.Y.: 10.25%) p.a. at year end.
- 5.1.9 Funded Interest Term loan amounting to Rs.1476.90 lacs (P.Y.:Rs.1504.69 lacs) is secured by 1st pari pasu charge on entire current assets of the company and repayable in 72 monthly installments starting from April, 2013. Last installment due in March, 2019. Rate of interest 10.25% (P.Y.: 10.25%) p.a. at year end.
- 5.1.10 Vehicle loan amounting to Rs.27.53 lacs (P.Y.:Rs.73.17 lacs) is secured by Hire Purchase agreement for Vehicles and repayable in monthly installments. Interest rate from 9% to 10%.
- 5.2 Term Loans are collaterally further secured by equitable mortgage on Immovable property and Hyp. Of P&M of the company. It is further secured by personal guarantees of the Chairman and Managing Director, Executive directors and an ex-Executive Director. It is further secured by pledge of equity shares of the company held by the promoters and promoter group (excluding 3 NRIs and 1 resident Indian from promoter groups).

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

Rate of Interest	Maturity Profile	
	2014-15	2015-16
11.50%	7.18	Nil
11.75%	12.80	Nil
12.00%	Nil	21.45

- 5.4 Installments falling due in respect of all the above Loans upto 31/03/2015 have been grouped under "Current maturities of long-term debt".
- 5.5 The company has pre-paid Funded Interest Term Loan after the date of reporting and before the signing of these financial statements to the extent of Rs. 1680.00 lacs against the amount of Rs. 305.70 lacs repayable during Financial Year 2014-15 and hence, the amount of Rs. 1680.00 lacs has been shown under Current Maturities of Long Term Debt.

PARTICULARS	(Rs. in Lacs)	
	As at 31st March, 2014	As at 31st March, 2013
<b>6. DEFERRED TAX LIABILITIES (NET)</b>		
<b>Deferred Tax Liabilities</b>		
Difference between book depreciation and tax depreciation	906.60	Nil
Employee benefits	7.56	Nil
<b>Deferred Tax Assets</b>		
Expenditure covered by section 43B of Income Tax Act, 1961	(849.32)	Nil
<b>Total</b>	<b>64.84</b>	<b>Nil</b>

(Rs. in Lacs)

PARTICULARS	As at 31st March, 2014	As at 31st March, 2013
<b>7 SHORT TERM BORROWINGS</b>		
<b>Secured</b>		
Working Capital Loans from Banks	12,737.08	8,719.05
<b>Unsecured</b>		
Loans From Corporates	Nil	300.00
<b>Total</b>	<b>12,737.08</b>	<b>9,019.05</b>

7.1 Working Capital Loans from Banks are secured by Hyp. Of Inventories, Book Debts and bills drawn under letter of credit and collaterally secured by equitable mortgage on Immovable property and Hyp. Of P&M of the company and personal guarantees of the Chairman and Managing Director, Executive directors and an ex-executive Director. It is further secured by pledge of equity shares of the company held by the promoters and promoter group(excluding 3 NRIs and 1 resident indian from promoter groups).

(Rs. in Lacs)

PARTICULARS	As at 31st March, 2014	As at 31st March, 2013
<b>8 TRADE PAYABLES</b>		
For Goods	8,763.21	4,399.31
For Others	2,452.89	2,413.69
<b>Total</b>	<b>11,216.10</b>	<b>6,813.00</b>

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

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

(Rs. in Lacs)

PARTICULARS	As at 31st March, 2014	As at 31st March, 2013
<b>9 OTHER CURRENT LIABILITIES</b>		
Advance Received from Customers	137.43	268.47
Current Maturities of Long Term Debt	2,843.70	711.89
Creditors for Capital Goods	119.55	99.43
Other Current Liabilities (Note 9.1)	957.74	155.98
Unclaimed Dividends (Note 9.2)	20.44	22.31
Unclaimed Share Application Money (Note 9.2)	0.40	0.40
Statutory Liabilities (Note 9.3)	626.11	85.52
<b>Total</b>	<b>4,705.37</b>	<b>1,344.00</b>

9.1 Other Current Liabilities includes the compensatory interest of Rs. 822.21 lacs payable to the banks as per the CDR package and CDR Master circular 2012 according to which the company is liable to compensate the difference between the concessional rate of interest and normal rate of interest due to the improved performance of the company.

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

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

(Rs. in Lacs)

PARTICULARS	As at 31st March, 2014	As at 31st March, 2013
<b>10 SHORT TERM PROVISIONS</b>		
Provision for Employee Benefits	23.24	16.86
Provision for Wealth Tax	1.73	0.84
<b>Total</b>	<b>24.97</b>	<b>17.70</b>



Description	GROSS BLOCK		DEPRECIATION AND AMORTISATION				NET BLOCK	
	As At 01-04-13	Addition Deduction	As At 31-03-14	As At 01-04-13	Addition Deduction	As At 31-03-14	As At 31-03-14	As At 31-03-13
<b>TANGIBLE ASSETS :</b>								
Land	945.71	Nil	945.71	Nil	Nil	Nil	945.71	945.71
Factory Building	7,672.68	0.88	7,673.56	972.83	516.98	Nil	4,741.04	6,699.85
Office Building	155.57	Nil	155.57	16.04	5.93	Nil	112.76	139.53
Plant & Machinery	24,264.24	134.54	24,389.32	6,735.11	1,849.21	6.59	10,287.35	17,529.13
Furniture & Fixture	469.60	0.09	430.78	131.54	35.30	17.47	161.18	338.06
Office Equipment	180.84	23.52	203.74	83.07	18.00	0.62	70.04	97.77
Vehicles	422.26	101.96	478.15	185.03	41.95	35.31	180.29	237.23
Effluent Treatment Plant	372.85	Nil	372.85	105.33	28.26	Nil	157.29	267.52
Laboratory equipments	188.88	1.05	189.93	44.00	14.19	Nil	87.59	144.88
<b>TOTAL (A)</b>	<b>34,672.63</b>	<b>262.04</b>	<b>34,839.61</b>	<b>8,272.95</b>	<b>2,509.82</b>	<b>59.99</b>	<b>16,743.25</b>	<b>26,399.68</b>
<b>INTANGIBLE ASSETS :</b>								
Good will	1,046.80	Nil	1,046.80	1,046.80	Nil	Nil	Nil	Nil
Computer Software	24.45	16.52	40.97	13.30	5.25	Nil	22.42	11.15
Membership fees	101.73	Nil	101.73	29.98	10.17	Nil	61.58	71.74
Website	0.92	Nil	0.92	0.37	0.19	Nil	0.36	0.55
<b>TOTAL (B)</b>	<b>1,173.90</b>	<b>16.52</b>	<b>1,190.42</b>	<b>1,090.45</b>	<b>15.61</b>	<b>Nil</b>	<b>84.36</b>	<b>83.44</b>
<b>TOTAL (A+B)</b>	<b>35,846.53</b>	<b>278.56</b>	<b>36,030.03</b>	<b>9,363.40</b>	<b>2,525.43</b>	<b>59.99</b>	<b>16,827.61</b>	<b>26,483.12</b>
<b>PREVIOUS YEAR</b>	<b>35,382.93</b>	<b>492.33</b>	<b>35,846.53</b>	<b>7,730.57</b>	<b>1,642.82</b>	<b>9.97</b>	<b>26,483.12</b>	<b>27,652.37</b>
<b>Capital Work in Progress</b>							<b>844.94</b>	<b>17.65</b>
<b>TOTAL FIXED ASSETS</b>							<b>17,672.55</b>	<b>26,500.77</b>

PARTICULARS	(Rs. in Lacs)	
	As at 31st March, 2014	As at 31st March, 2013
<b>12 NON - CURRENT INVESTMENTS</b>		
<b>LONG TERM INVESTMENTS</b>		
<b>TRADE INVESTMENTS</b>		
Quoted		
100 (P.Y. 100) Equity Shares of Beta Nephthol Ltd. of Rs. 10/- Each Fully Paid Up	0.03	0.03
50,000 (P.Y. 50,000) Equity Shares of Dynamic Industries Ltd. of Rs. 10/- Each Fully Paid Up	52.05	52.05
	52.08	52.08
Less : Provision for diminution in Investments	47.63	47.63
<b>Total</b>	<b>4.45</b>	<b>4.45</b>
Unquoted		
250 (P.Y.250) Equity Shares of Green Environment Ser. Co-op.Soc. Ltd. of Rs. 100/- each Fully Paid Up	0.25	0.25
112,350 (P.Y. 112,350) Equity Shares of Bharuch Enviro Infrastructure Ltd of Rs. 10/-each Fully Paid Up	11.23	11.23
100 (P.Y.100) Equity Shares of Guj.Ind. Waste Mng. Co. Ltd. of Rs. 10/- Each Fully Paid Up	0.01	0.01
10 (P.Y.3,102) Equity Shares of The Bhagoydaya Co-op. Bank Ltd. of Rs. 100/- Each Fully Paid Up	0.01	3.10
10,200 (P.Y.10,200) Equity Shares of Panoli Enviro Technology Ltd. of Rs. 10/- Each Fully Paid Up	1.02	1.02
3,542 (P.Y.3,542) Equity Shares of Makarpura Ind.Est. Co-op. Bank Ltd. of Rs. 25/- Each Fully Paid Up	0.89	0.89
<b>TOTAL OF TRADE INVESTMENTS</b>	<b>13.41</b>	<b>16.50</b>
<b>OTHER NON CURRENT INVESTMENTS</b>		
Unquoted		
Investment in Subsidiary Company		
17,00,000 (P.Y. 17,00,000) Equity Shares of Bodal Agrotech Ltd. of Rs. 10/- Each Fully Paid Up	170.00	170.00
<b>Total of Other Non-Current Investments</b>	<b>170.00</b>	<b>170.00</b>
<b>Total of Non-Current Investments</b>	<b>187.86</b>	<b>190.95</b>
<b>Aggregate of Quoted Investments:</b>		
At Book value	4.45	4.45
At Market Price	10.36	4.25
<b>Aggregate of Unquoted Investments:</b>	<b>183.41</b>	<b>186.50</b>
<b>Aggregate provision for diminution in value of investments</b>	<b>47.63</b>	<b>47.63</b>
<b>13 DEFERRED TAX ASSETS (NET)</b>		
<b>Deferred Tax Liabilities</b>		
Difference between book depreciation and tax depreciation	Nil	(3,421.43)
<b>Deferred Tax Assets</b>		
Unabsorbed Depreciation / losses carried forward	Nil	2,713.26
Employee benefits	Nil	13.42
Expenditure covered by section 43B of Income Tax Act, 1961	Nil	815.91
<b>Total</b>	<b>Nil</b>	<b>121.16</b>

(Rs. in Lacs)

PARTICULARS	As at 31st March, 2014	As at 31st March, 2013
<b>14 LONG TERM LOANS &amp; ADVANCES</b> (Unsecured and Considered Good)		
Capital Advances	718.13	3.71
Security Deposits	54.73	55.48
Loans and Advances to Employees	42.34	20.68
Loans and Advances to Subsidiary Company	473.53	0.31
Balance With Statutory Authorities	192.89	227.90
Advance Income Tax (Net)	334.71	237.43
Others*	284.21	72.86
<b>Total</b>	<b>2,100.54</b>	<b>618.37</b>
* Others include Advance to others and Insurance Claim receivable.		
<b>15 OTHER NON-CURRENT ASSETS</b> (Unsecured and Considered Good)		
Bank Deposits with maturity after twelve months from the reporting date	74.67	77.66
MAT Credit Entitlement	Nil	704.51
Cash seized by the Income Tax Department	Nil	9.87
<b>Total</b>	<b>74.67</b>	<b>792.04</b>
<b>16 INVENTORIES</b> (Valued at the lower of cost and net realisable value)		
Raw Materials	4,495.08	1,873.20
Raw Materials in Transit	453.58	200.62
Finished Goods	2,449.14	412.58
Finished Goods in Transit	186.76	88.88
Stock In Process	4,312.48	3,167.94
Packing Materials	35.84	152.58
Packing Materials in Transit	Nil	1.44
Stock of Fuel	72.14	24.69
Stores and Spares	207.91	247.08
<b>Total</b>	<b>12,212.93</b>	<b>6,169.01</b>
<b>16.1 Details of Raw Materials</b>		
Sulphur	262.61	80.08
Napthelene	355.51	345.64
Ethylene Oxide	4.27	12.21
Acetanilide	Nil	15.04
H Acid	1,562.46	1.37
Caustic Soda Flakes	57.63	22.75
Others	2,252.60	1,396.11
	<b>4,495.08</b>	<b>1,873.20</b>
<b>16.2 Details of Finished Goods</b>		
Vinyl Sulphone	487.93	81.87
H Acid	1,231.17	10.45
Reactive / Acid Dyes	536.27	163.94
Others	193.77	156.32
	<b>2,449.14</b>	<b>412.58</b>

PARTICULARS	(Rs. in Lacs)	
	As at 31st March, 2014	As at 31st March, 2013
<b>17 TRADE RECEIVABLES</b>		
<b>Trade receivables outstanding for a period exceeding six months from the due date for payment</b>		
Unsecured & Considered Good	1,661.57	1,203.12
<b>Trade receivables outstanding for a period less than six months from the due date for payment</b>		
Unsecured & Considered Good	20,969.06	7,632.77
<b>Total</b>	<b>22,630.63</b>	<b>8,835.89</b>
<b>18 CASH AND BANK BALANCES</b>		
<b>Cash &amp; Cash Equivalents</b>		
Cash on hand	24.67	20.11
Balance with Banks in current accounts	70.58	17.65
	<b>95.25</b>	<b>37.76</b>
<b>Other Bank Balances</b>		
Term Deposits with maturity of more than three month but less than twelve months	225.49	316.98
Unclaimed Dividend Accounts	20.44	22.31
Unclaimed Share Application Account	0.40	0.40
	<b>246.33</b>	<b>339.69</b>
<b>Total</b>	<b>341.58</b>	<b>377.45</b>
<b>19 SHORT TERM LOANS &amp; ADVANCES</b> (Unsecured & considered good)		
Advance to Suppliers of Goods	582.99	588.64
Advance to Suppliers of Expenses	73.26	24.97
Balance with Statutory Authorities	2,696.55	2,040.40
Export Benefit Recivables	596.07	342.81
Staff Advances	72.04	17.54
Others *	186.47	532.65
<b>Total</b>	<b>4,207.38</b>	<b>3,547.01</b>
* Others include Advance to others, Tour Advances, Gratuity Planned Assets (Net), Income Receivables and Prepaid Expenses.		
<b>20 OTHER CURRENT ASSETS</b>		
Fair Value of Foreign Exchange Forward Contracts	304.58	Nil
Unamortised Premium on Forward Contracts	Nil	15.02
<b>Total</b>	<b>304.58</b>	<b>15.02</b>

PARTICULARS	(Rs. in Lacs)	
	2013-2014	2012-2013
<b>21 REVENUE FROM OPERATIONS</b>		
Sale of products	102,719.86	56,118.94
Less : Excise Duty	7,760.91	4,507.08
Sale of products (net)	<b>94,958.95</b>	<b>51,611.86</b>
Other Operating Income	990.75	771.55
<b>Total</b>	<b>95,949.70</b>	<b>52,383.41</b>
21.1 Details of Sales of Products		
Vinyl Sulphone	17,186.44	10,306.38
H Acid	12,630.86	4,355.51
Reactive / Acid Dyes Sales	29,581.90	17,369.77
Job Work Sales	Nil	23.19
Raw Materials Sales	8,039.98	1,343.03
Sale of Stock in Trade	2,402.06	1,789.65
Others	25,117.71	16,424.33
Total of Sale of Products (Net)	<b>94,958.95</b>	<b>51,611.86</b>
21.2 Other operating income includes export benefit, scrap sales, etc.		
<b>22 OTHER INCOME</b>		
Interest Income	125.04	98.45
Dividend Income	2.08	2.03
Grant Income	1.34	5.28
Premium / Discount on Forward Contracts	224.91	131.22
Other Income	17.34	152.16
<b>Total</b>	<b>370.71</b>	<b>389.14</b>
<b>23 COST OF MATERIALS CONSUMED</b>		
Opening Stock	2,073.82	1,984.51
Add. Purchases during the year	65,032.30	33,815.99
	<b>67,106.12</b>	<b>35,800.50</b>
Less : Closing Stock	4,948.66	2,073.82
<b>Total</b>	<b>62,157.46</b>	<b>33,726.68</b>
23.1 Major Raw Materials consumed		
Sulphur	2,864.93	4,166.71
Napthelene	7,164.69	3,639.03
Aniline Oil	3,894.37	3,360.11
H Acid	11,397.50	347.57
Caustic Soda Flakes	2,669.44	2,672.34
Ethylene Oxide	2,180.38	2,493.04
Acetanilide	495.99	1,301.11
Others	31,490.16	15,746.77
	<b>62,157.46</b>	<b>33,726.68</b>

## 23.2 Composition of Materials Consumed

(Rs. in Lacs)

	2013-2014		2012-2013	
Imported	6,565.05	10.56%	2,279.93	6.76%
Indigenous	55,592.41	89.44%	31,446.75	93.24%

(Rs. in Lacs)

PARTICULARS	2013-2014	2012-2013
<b>24 PURCHASE OF STOCK IN TRADE</b>		
Purchase of Stock in Trade	2,378.30	1,650.21
<b>Total</b>	<b>2,378.30</b>	<b>1,650.21</b>
<b>25 CHANGES IN INVENTORIES</b>		
Inventories at the end of the year		
Finished Goods	2,635.90	501.46
Stock In Process	4,312.48	3,167.94
<b>Total (A)</b>	<b>6,948.38</b>	<b>3,669.40</b>
Inventories at the beginning of the year		
Finished Goods	501.46	1,130.75
Stock In Process	3,167.94	4,195.42
Stock of Stock - in Trade	Nil	2.97
<b>Total (B)</b>	<b>3,669.40</b>	<b>5,329.14</b>
<b>Total (A) - (B)</b>	<b>3,278.98</b>	<b>(1,659.74)</b>
Add / (Less) : Variation in Excise Duty on Closing and Opening Stock of Finished Goods	(485.29)	61.27
<b>Total</b>	<b>2,793.69</b>	<b>(1,598.47)</b>
<b>26 EMPLOYEE BENEFIT EXPENSES</b>		
Salary, Wages & Bonus	3,512.45	2,887.39
Contribution to Provident & Other Funds	124.70	139.88
Staff Welfare Expenses	165.86	142.31
<b>Total</b>	<b>3,803.01</b>	<b>3,169.58</b>
<b>27 FINANCE COSTS</b>		
Bank Interest	4,391.51	3,407.29
Other Borrowing Cost	167.23	323.82
Other Interest Expenses	105.08	187.85
<b>Total</b>	<b>4,663.82</b>	<b>3,918.96</b>
<b>28 DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation	2,509.82	1,627.57
Amortisation of Intangible Assets	15.61	15.25
<b>Total</b>	<b>2,525.43</b>	<b>1,642.82</b>

		(Rs. in Lacs)	
PARTICULARS		2013-2014	2012-2013
<b>29 OTHER EXPENSES</b>			
<b>Manufacturing Expenses</b>			
Power & Fuel Consumption		4,442.20	4,232.05
Stores Consumption		640.54	532.89
Repairs to			
Machinery		1,506.90	758.70
Building		91.56	65.96
Pollution Control Expenses		483.26	480.96
Insurance Expenses		34.34	26.69
Other Manufacturing Expenses		379.27	229.46
<b>Administrative &amp; General Expenses</b>			
Insurance Expenses		14.40	12.56
Rent & Tax		30.86	49.03
Legal & Professional Fees		186.83	248.65
Loss on Disposal of Assets		11.46	0.88
Loss Due To Fire		0.85	Nil
Exchange Rate Difference (Net)		436.05	975.80
Miscellaneous Expenses		647.89	385.72
<b>Selling &amp; Distribution Expenses</b>			
Packing Material Consumption		845.23	524.05
Clearing & Forwarding Charges		545.12	578.14
Sales Commission		541.42	390.78
Outward Freight Expenses		388.77	421.71
Bad Debts Written off		23.28	Nil
Other Selling and Distribution expenses		253.91	237.95
<b>Total</b>		<b>11,504.14</b>	<b>10,151.98</b>

29.1 Legal & Professional Fees includes payment to auditors (excluding service tax) as below: (Rs. in Lacs)

	2013-14	2012-13
I) As Statutory Auditors	10.00	8.00
II) Other Services	5.00	3.55

29.2 Composition of Packing Materials Consumption (Rs. in Lacs)

	2013-14		2012-13	
Imported	4.72	0.56%	7.57	1.44%
Indigenous	840.51	99.44%	516.48	98.56%

		(Rs. in Lacs)	
PARTICULARS		2013-2014	2012-2013
<b>30 EXCEPTIONAL ITEMS</b>			
Depreciation due to change of method from SLM to WDV (Refer to Note 1.1(d))		7,373.58	Nil
<b>Total</b>		<b>7,373.58</b>	<b>Nil</b>



**31 Contingent Liabilities and Commitments (to the extent not provided for) (Rs. in Lacs)**

	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>(a) Contingent Liabilities</b>		
Disputed matters in appeals/contested in respectof:		
i. Income Tax	405.06	248.05
ii. Excise	183.75	112.47
iii. Service Tax	3.86	1.35
iv. Customs Department	11.71	11.71
<b>(b) Commitments</b>		
i. Letter of credit	812.58	780.94
ii. Bank Guarantee	432.29	367.01
iii. Estimated amount of Contracts remaining to be executed on capital account and not provided for, net of advances	683.51	0.41

(c) During the year the company has received Income Tax Assessment orders u/s 143(3) r.w.s. 153A dated 21.03.2014 for the F.Y. 2005-06 to F.Y. 2010-11 and Income Tax Assessment order u/s 143(3) r.w.s. 153B (1)(b) for the F.Y. 2011-12 dated 21.03.2014. The disputed demand including interest for all seven Assessment Years is Rs. 405.06 lacs. Based on the decisions of the Appellate authorities and the interpretations of other relevant provisions, the Company has been legally advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.

**32 Derivative Instruments and Unhedged Foreign Currency Exposure**

The company enters into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The company does not enter into any derivative instruments for trading or speculative purposes.

Category	Currency	Buy/sell	Foreign Currency Value (in Lacs)	Foreign Currency Value (Rs. in Lacs)
Forward Contract	USD	Sell	\$124.60	7,488.60

Details of unhedged foreign currency exposure as on 31/03/2014

Particulars	As at 31 <sup>st</sup> March, 2014		As at 31 <sup>st</sup> March, 2013	
	Amount (in Original Currency in Lacs)	Amount (Rs. In Lacs)	Amount (in Original Currency in Lacs)	Amount (Rs. In Lacs)
<b>Payable</b>				
USD	27.93	1,678.84	47.85	2,602.57
EURO	0.66	54.76	0.24	16.90
		<b>1,733.60</b>		<b>2,619.47</b>
<b>Receivable</b>				
USD	7.52	452.18	Nil	Nil
EURO	Nil	Nil	0.96	66.99
		<b>452.18</b>		<b>66.99</b>

**33 Grant from World Bank**

Grant from World Bank has been treated as deferred income which is recognized in the Statement of Profit & Loss for the period in the proportions in which depreciation on related assets is charged. During the year the company had retrospectively changed its method of providing depreciation on its tangible fixed assets as discussed in Note No.1.1(d) and accordingly income of Rs.13.63 lacs related to earlier years is transferred to prior period income accounts and income of Rs.1.34 lacs recognised during the current year.

### 34 Employees' Benefits

#### Defined Benefit Plan

##### Gratuity

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

The following table sets out the funded status of the gratuity plan and the amounts recognised in the company's financial statements based on actuarial valuations being carried out as at 31<sup>st</sup> March 2014.

	(Rs. in Lacs)	
	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>Change in present value of obligations</b>		
Present value of obligations as at beginning of year	104.34	75.90
Interest cost	8.35	6.07
Current Service Cost	26.13	26.00
Benefits Paid	(4.32)	(1.39)
Actuarial (gain)/Loss on obligations	(17.92)	(2.24)
Present value of obligations as at end of year	116.58	104.34
<b>Change in the fair value of plan assets</b>		
Fair value of plan assets at beginning of year	100.75	91.25
Expected return on plan assets	10.82	5.89
Employers Contributions	51.21	5.00
Benefits paid	(4.32)	(1.39)
Actuarial (gain)/Loss on plan assets	Nil	Nil
Fair value of plan assets at the end of year	158.46	100.75
<b>Net Gratuity Cost</b>		
Current Service cost	26.13	26.00
Interest Cost	8.35	6.07
Expected return on plan assets	(10.82)	(5.89)
Net Actuarial (gain)/Loss recognised in the year	(17.92)	(2.24)
Net Gratuity Cost	5.74	23.94
<b>Actual Return on Plan Assets</b>		
Expected return on plan assets	10.82	5.89
Actuarial Gain/(Loss) on plan assets	Nil	Nil
Actual return on plan assets	10.82	5.89
<b>Balance Sheet Reconciliation</b>		
Net Liability/(Asset), beginning of the year	3.59	(15.35)
Gratuity Cost as above	5.74	23.94
Employers Contribution	(51.21)	(5.00)
Amount recognised in the Balance Sheet-Current	(41.88)	3.59
<b>Category of Assets</b>		
Insurer Managed Funds (100%)	158.46	100.75
<b>Assumptions</b>		
Discount Rate	8%	8%
Salary Escalation	7%	7%

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

**Amount recognised in current year and previous four years** (Rs. in Lacs)

Particulars	As at 31 <sup>st</sup> March				
	2014	2013	2012	2011	2010
Defined Benefit Obligation	116.58	104.34	75.90	54.53	31.59
Fair Value of Plan Assets	158.46	100.75	91.25	85.48	52.56
(Surplus) / Deficit in the plan	(41.88)	3.59	(15.35)	(30.95)	(20.97)
Actuarial (gain) / loss on plan obligation	(17.92)	(2.24)	(5.25)	4.40	0.45
Actuarial (gain) / loss on plan assets	Nil	Nil	Nil	Nil	Nil

The expected contributions for Defined Benefit Plan for the next financial year will be in line with F.Y. 2013-14

**Defined Contribution Plan**

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

Particulars	(Rs. in Lacs)	
	2013-14	2012-13
Employer's contribution to Provident Fund	95.43	91.50
Employer's contribution to E.S.I.	20.79	21.89

**35 Related Party Disclosure**

**a) Names of related parties and nature of relationship**

**I. Key Management Personnel (KMP)**

1. Shri Suresh J. Patel Chairman & Managing Director
2. Shri Bhavin S. Patel Executive Director
3. Shri Ankit S. Patel Executive Director
4. Shri Ramesh P. Patel Key Managerial Personnel - Executive Director (till 01/10/2012)

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

- (i) Shanti Inorgo Chem (Guj.) Pvt. Ltd.
- (ii) Siskaa Chemicals Ltd. (Associate concern till 01/04/2013)

**III. Wholly-owned Subsidiary Company (WOS)**

- (i) Bodal Agrotech Ltd.

**IV. Associates**

- (i) Sun Agrigenetics Pvt. Ltd. (Fellow Subsidiary Company (FS) till 07/03/2014)

**b) Transactions with related parties** (Rs. in Lacs)

Related party disclosure	Relationship	2013-2014	2012-2013
<b>Remuneration</b>			
Shri Suresh J. Patel	KMP	48.00	48.00
Shri Bhavin S. Patel	KMP	18.00	18.00
Shri Ankit S. Patel	KMP	18.00	18.00
Shri Ramesh P. Patel	KMP	Nil	9.00
<b>Salary</b>			
Shri Ramesh P. Patel	KMP	59.40	9.00
<b>Loan Given</b>			
Bodal Agrotech Ltd.	WOS	493.81	Nil
<b>Loan Received Back</b>			
Bodal Agrotech Ltd.	WOS	20.59	Nil

(Rs. in Lacs)

Related party disclosure	Relationship	2013-2014	2012-2013
<b>Loan Taken</b>			
Shri Suresh J. Patel	KMP	Nil	400.00
<b>Loan Repaid</b>			
Shri Suresh J. Patel	KMP	Nil	399.50
Bodal Agrotech Ltd.	WOS	Nil	274.33
<b>Purchases of Materials</b>			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	56.65	172.09
Siskaa Chemicals Ltd.	Enterprise	627.24	4,603.08
<b>Purchases of Fixed Assets</b>			
Bodal Agrotech Ltd.	WOS	Nil	30.34
<b>Rent paid</b>			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	0.60	0.60
<b>Cash Discount Paid</b>			
Siskaa Chemicals Ltd.	Enterprise	8.53	9.12
<b>Commission Paid</b>			
Siskaa Chemicals Ltd.	Enterprise	0.50	1.09
Shri Suresh J. Patel	KMP	90.00	Nil
<b>Interest Paid</b>			
Bodal Agrotech Ltd.	WOS	Nil	15.77
<b>Freight on sales</b>			
Siskaa Chemicals Ltd.	Enterprise	3.52	Nil
<b>Sales of Materials</b>			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	12.83	115.12
Siskaa Chemicals Ltd.	Enterprise	4,776.17	4,074.29
Bodal Agrotech Ltd.	WOS	Nil	0.18
<b>Amounts Payable</b>			
Shri Suresh J. Patel	KMP	0.50	0.50
Siskaa Chemicals Ltd.	Enterprise	Nil	214.90
<b>Amounts Receivable</b>			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	440.01	34.08
Siskaa Chemicals Ltd.	Enterprise	1,956.23	Nil
Bodal Agrotech Ltd.	WOS	473.71	0.49

**Notes:-**

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

**36 Segment Reporting:****a) Primary Segment**

The company primarily deals in only one business segment i.e., "Dyes, Dyes Intermediates and Basic Chemicals".

**b) Secondary Segment (By Geographical segment)**

Two secondary segments have been identified based on the geographical locations of customers : domestic and export. Information about geographical segments are as below :

	(Rs. in Lacs)	
<b>Sales and Operating Income:-</b>	<b>2013-14</b>	<b>2012-13</b>
Domestic	62,464.67	32,507.00
Export	33,485.03	19,876.41
<b>Total</b>	<b>95,949.70</b>	<b>52,383.41</b>

Note : The company's tangible assets are located entirely in India.

**37 Earnings per Equity Share**
**(Rs. in Lacs)**

	2013-14	2012-13
Net Profit/(Loss) after Tax before exceptional items	10,438.91	(2,112.27)
Add / (Less) : Exceptional Items	(7,373.58)	Nil
Net Profit /(Loss) after Tax after exceptional items	3,065.33	(2,112.27)
Less : Dividend on Preference Shares	Nil	Nil
Amount available to Equity Shareholders	3065.33	(2,112.27)
Weighted average number of Equity Shares for basic EPS	109,107,370	109,107,370
Basic and Diluted Earnings per Share before exceptional items (in Rs.)	9.57	(1.94)
Basic and Diluted Earnings per Share after exceptional items (in Rs.)	2.81	(1.94)
Nominal Value per Share	2	2

**(Rs. in Lacs)**
**38 Value of Imports on CIF Basis**

	2013-14	2012-13
Raw Materials	6,454.54	1,813.40

**39 Earning in Foreign Currency**

	2013-14	2012-13
F.O.B. Value of Exports	32,657.64	19,216.16

**40 Expenditure in Foreign Currency**

	2013-14	2012-13
Travelling	5.20	3.82
Commission	366.69	200.31
Business Development Expense	2.34	4.17
Export Damage Claim	3.25	11.68
Bank Charges	56.49	42.99
Interest Expense	109.09	275.61
Cash Discount	4.12	14.22

**41** Previous year's figures have been rearranged and reclassified wherever necessary to correspond with the current year.

As per our report of even date attached

For and on behalf of the Board

**For, Mayank Shah & Associates**

*Chartered Accountants*

(Firm Registration No. 106109W)

**(M.S. Shah)**

*Partner*

Membership No. 44093

Ahmedabad

May 28, 2014

**(Suresh J. Patel)**

*Chairman & Managing Director*

**(Mayur B. Padhya)**

*Chief Financial Officer*

Ahmedabad

May 28, 2014

**(Bhavin S. Patel)**

*Executive Director*

**(Ashutosh B. Bhatt)**

*Company Secretary*

## **INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS**

To the Board of Directors of Bodal Chemicals Limited

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Bodal Chemicals Limited ("the Company") and its subsidiaries ("the Group") which comprise the Consolidated Balance Sheet as at March 31, 2014, and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Management is responsible for the preparation of these Consolidated financial statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance and Consolidated cash flows of the GROUP in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956("the Act") read with the General Circular 15/2013 dated 13th September, 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 Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, 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.

As stated in the other matters paragraph below, our opinion, in so far as it relates to the amounts and disclosures included in the respect of the subsidiary and associate not audited by us is based solely on the reports of such other auditors.

### **Opinion**

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

- a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 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 Matters**

1. We did not audit the financial statements of subsidiary company, whose financial statements reflect total assets (net) of Rs.241.60 lacs as at 31<sup>st</sup> March,2014,total revenues (net) of Rs.3.71 lacs and net cash outflows amounting to Rs. 3.93 Lacs for the year ended on that date as considered in the Consolidated Financial statements. These Financial Statements and other financial information have been audited by other auditor whose report have been furnished to us by the management, and our opinion, in so far as it relates to amounts and disclosures included in respect of subsidiary is based solely on the reports of the other auditors.
2. In respect of investment in associate where the Company indirectly through subsidiary holds more than 20% of equity, valued as per Audited Financial Statements of the subsidiary at Rs.48.50 Lacs, no adjustments have been made in the consolidated financial statements as at 31<sup>st</sup> March, 2014 as the financial statements of this associate were not available.

Our opinion is not qualified in respect of this matter.

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

Ahmedabad  
May 28, 2014

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

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

[Rs. in Lacs]

PARTICULARS	NOTES	As at 31st March, 2014	As at 31st March, 2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds :</b>			
Share Capital	3	4,682.15	3,732.15
Reserves and Surplus	4	4,299.75	1,283.47
<b>Deferred Grant</b>	5	7.40	22.37
<b>Non-Current Liabilities</b>			
Long-term borrowings	6	21,584.88	24,574.99
<b>Current Liabilities</b>			
Short-term borrowings	7	12,737.08	9,512.55
Trade Payables	8	11,216.25	6,818.00
Other Current Liabilities	9	4,713.29	1,352.12
Short Term Provisions	10	24.97	17.91
<b>Total</b>		<b>59,265.77</b>	<b>47,313.56</b>
<b>ASSETS</b>			
<b>Non - Current Assets :</b>			
Fixed Assets	11		
Tangible Assets		16,743.25	26,418.45
Intangible Assets		84.80	83.99
Biological Assets		Nil	7.28
Capital work-in-progress		852.27	24.98
Non-Current Investments	12	66.36	72.61
Deferred Tax Assets (Net)	13	6.44	192.44
Long Term Loans and Advances	14	1,733.80	724.94
Other Non-current assets	15	74.92	792.44
<b>Current Assets</b>			
Inventories	16	12,212.93	6,173.49
Trade Receivables	17	22,633.13	8,870.64
Cash and Bank Balances	18	343.46	384.75
Short - Term Loans & Advances	19	4,209.83	3,552.42
Other Current Assets	20	304.58	15.13
<b>Total</b>		<b>59,265.77</b>	<b>47,313.56</b>

Significant Accounting Policies  
Notes are an integral part of the financial statements

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As per our report of even date attached

For and on behalf of the Board

**For, Mayank Shah & Associates**
*Chartered Accountants*

(Firm Registration No. 106109W)

**(M.S. Shah)**
*Partner*

Membership No. 44093

Ahmedabad

May 28, 2014

**(Suresh J. Patel)**
*Chairman & Managing Director*
**(Mayur B. Padhya)**
*Chief Financial Officer*

Ahmedabad

May 28, 2014

**(Bhavin S. Patel)**
*Executive Director*
**(Ashutosh B. Bhatt)**
*Company Secretary*



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

[Rs. in Lacs]

PARTICULARS	NOTES	Year 2013-2014	Year 2012-2013
<b>INCOME</b>			
Revenue from operations	21	95,951.61	52,745.62
Other Income	22	370.87	390.21
<b>Total Revenue</b>		<b>96,322.48</b>	<b>53,135.83</b>
<b>EXPENDITURE</b>			
Cost of materials consumed	23	62,158.17	33,740.58
Purchases of Stock-in Trade	24	2,378.30	1,963.15
Changes in Inventories	25	(2,789.93)	1,656.80
Employee Benefits Expenses	26	3,803.67	3,198.67
Finance Costs	27	4,690.59	4,006.57
Depreciation and Amortisation expense	28	2,525.60	1,648.42
Other Expenses	29	11,523.18	10,210.62
<b>Total Expenses</b>		<b>84,289.58</b>	<b>56,424.81</b>
<b>Profit / (Loss) Before Exceptional Items and Taxes</b>		<b>12,032.90</b>	<b>(3,288.98)</b>
Exceptional Items	30	7,373.58	Nil
<b>Profit / (Loss) Before Taxes</b>		<b>4,659.32</b>	<b>(3,288.98)</b>
<b>Tax Expenses</b>			
Current Tax		1,399.39	Nil
Deferred Tax		186.00	(979.55)
Taxes of earlier years		57.65	5.67
		1,643.04	(973.88)
<b>Profit / (Loss) for the Year</b>		<b>3,016.28</b>	<b>(2,315.10)</b>
Earnings per equity share (Face value of Rs. 2)	38		
Basic and diluted before Exceptional Item		9.52	(2.12)
Basic and diluted after Exceptional Item		2.76	(2.12)
Significant Accounting Policies	2		
Notes are an integral part of the financial statements			

As per our report of even date attached

**For, Mayank Shah & Associates**
*Chartered Accountants*

(Firm Registration No. 106109W)

**(M.S. Shah)**
*Partner*

Membership No. 44093

Ahmedabad

May 28, 2014

For and on behalf of the Board

**(Suresh J. Patel)**
*Chairman & Managing Director*
**(Bhavin S. Patel)**
*Executive Director*
**(Mayur B. Padhya)**
*Chief Financial Officer*
**(Ashutosh B. Bhatt)**
*Company Secretary*

Ahmedabad

May 28, 2014

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

[Rs. in Lacs]

Particulars	Year 2013-2014	Year 2012-2013
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit / (loss) before Tax and after exceptional items	4,659.32	(3,288.98)
Adjustment for		
Depreciation and Amortisation	2,525.60	1,648.42
Finance Cost	4,690.59	4,022.33
Amortisation of Preliminary Expenses	Nil	6.40
Exceptional Item (Refer Note 30)	7,373.58	Nil
Loss on Sale of Assets (Net)	28.54	5.54
Loss on Sale of Investments (Net)	2.79	Nil
Interest/Dividend/Rent received	(127.17)	(100.94)
Grant recognised	(14.97)	(5.28)
Operating Profit before Working Capital Changes	19,138.28	2,287.49
Adjustment for :		
(Increase) / Decrease in Trade Receivables	(13,762.49)	6,438.29
(Increase) / Decrease in Inventories	(6,039.45)	1,544.96
(Increase) / Decrease in Other Receivables	(331.79)	636.92
Increase / (Decrease) in Trade Payables	7,767.49	(9,473.86)
Cash generated from Operations	6,772.04	1,433.80
Direct Taxes Paid (Net of Refund)	1,553.45	9.17
<b>Net Cash from Operating Activities (A)</b>	<b>5,218.59</b>	<b>1,424.63</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets including Capital Work in Progress and capital advances	(1,820.32)	(381.08)
Sale of Fixed Assets	32.52	52.04
Interest/Dividend/Rent received	127.17	100.94
Sale of Investment	3.47	Nil
Purchase of investment	Nil	(0.20)
<b>Net Cash used in Investing Activities (B)</b>	<b>(1,657.16)</b>	<b>(228.30)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase / (Decrease) in Long Term Borrowings	(2,989.92)	11,236.85
Increase / (Decrease) in Short Term Borrowings	3,224.53	(10,077.95)
Increase in Preference Share Capital	950.00	1,550.00
Finance Cost	(4,690.59)	(4,022.33)
Unclaimed Dividend Paid	(1.88)	(0.09)
<b>Net Cash received from Financing Activities (C)</b>	<b>(3,507.86)</b>	<b>(1,313.52)</b>
<b>NET INCREASE/(DECREASE) IN CASH &amp; EQUIVALENTS</b>	<b>53.57</b>	<b>(117.19)</b>
Cash & Cash Equivalents at the beginning of the year	43.56	160.75
Cash & Cash Equivalents at the end of the year	<b>97.13</b>	<b>43.56</b>

As per our report of even date attached

For and on behalf of the Board

**For, Mayank Shah & Associates**
*Chartered Accountants*

(Firm Registration No. 106109W)

**(M.S. Shah)**
*Partner*

Membership No. 44093

Ahmedabad

May 28, 2014

**(Suresh J. Patel)**
*Chairman & Managing Director*
**(Mayur B. Padhya)**
*Chief Financial Officer*

Ahmedabad

May 28, 2014

**(Bhavin S. Patel)**
*Executive Director*
**(Ashutosh B. Bhatt)**
*Company Secretary*

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

### 1 Principles of Consolidation

#### Basis of preparation of Consolidated Financial Statements

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

During the year the subsidiary company i.e. Bodal Agrotech Ltd. has sold 3,064 number of equity shares of its subsidiary company M/s. Sun Agrigenetics Pvt. Ltd. ("SAPL"). Accordingly, SAPL ceased to be fellow subsidiary of the company and becomes associate of the company.

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

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

In absence of financial statements as on reporting date for associate i.e. M/s. Sun Agrigenetics Pvt. Ltd. no adjustments has been made in the consolidated financial statements. This investment are carried at Rs. 48.50 Lacs in the financial statements.

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

Name of the Company	Relationship	Country of Incorporation	Percentage of Voting Power	
			31/03/2014	31/03/2013
Bodal Agrotech Limited	Subsidiary	India	100.00	100.00
Sun Agrigenetics Pvt. Ltd.	Associate	India	47.38	51.00

### 2 Significant Accounting Policies :

#### 2.1 Basis of Preparation of Financial Statements

##### a) Basis of Accounting

These financial statements are prepared under the historical cost convention as a going concern on accrual basis and to comply in all material aspects with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, the relevant provisions of the Companies Act, 1956 ("the Act") which as per clarification issued by the Ministry of Corporate Affairs continue to apply under Section 133 of the Companies Act, 2013 (which has superseded Section 211(3C) of the Act w.e.f 12th September 2013) and other accounting principles generally accepted in India, to the extent applicable.

##### b) Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and liabilities. The estimates and assumptions used in the accompanying financial statements are based upon management evaluation of the relevant facts and circumstances as on the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any revisions to accounting estimates are recognised prospectively in current and future periods.

##### c) Current / Non Current Classification

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI of the Companies Act, 1956. Based on the nature of products and services and their realization in cash and cash equivalents. The Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of asset and liabilities.

##### d) Change In Accounting Policy

During the year under review, the Holding Company had retrospectively changed its method of providing depreciation on its tangible fixed assets from Straight Line Method (SLM) to Written down Value Method (WDV) at the rates prescribed in schedule XIV of Companies Act, 1956. This change results in more appropriate preparation and presentation financial statement of the Company. In compliance with Accounting Standard (AS 6) issued by the Institute of Chartered Accountants of India, depreciation has been recomputed from the date of acquisition of the fixed assets at the WDV rates applicable to those years on such fixed assets.

Accordingly, depreciation has been recalculated under WDV method for the period from the date on which the assets were put to use after its acquisition. Depreciation relating to earlier years upto 31st March, 2013 of Rs. 7373.58 lacs has been recognised as Exceptional items at the year ended 31st March, 2014.

Due to this change in method of providing depreciation, amount of Depreciation has been increased from Rs. 1665.74 lacs to Rs. 2525.60 lacs for the year ended 31<sup>st</sup> March, 2014.

## 2.2 Fixed Assets and Depreciation / Amortization

### a) Tangible Fixed Assets

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

Depreciation on tangible fixed assets of the holding company is provided on written down value method on pro-rata basis at rates and in manner specified in Schedule XIV of the Companies Act, 1956.

### b) Intangible Assets

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

Costs incurred on acquisition of intangible assets are capitalized and amortized on a straight-line basis over their technically assessed useful lives, as mentioned below :

Intangible Assets	Estimated Useful Lives (Years)
Software	5
License	10
Website	5
Trademark	5

### c) Capital Work in Progress & Capital Advances

Cost of Assets not ready for intended use, as on the balance sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as Long Term Loans & Advances.

### d) Impairment

At each balance sheet date, the management reviews the carrying amounts of its assets included in each cash generating unit to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.

Reversal of impairment loss is recognised as income in the statement of profit and loss.

## 2.3 Investments

Investments are classified into current and long-term investments. Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. However, that part of long term investments which are expected to be realized within twelve months from Balance Sheet date is also presented under "Current Assets" under "Current portion of long term investments" in consonance with the current / non-current classification of revised Schedule VI to the Companies Act, 1956.

Current investments are stated at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments.

Long-term investments are stated at cost. A provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is recognised in the Statement of Profit and Loss.

## 2.4 Inventories

Inventories which comprise raw materials, work-in-progress; finished goods, stock-in-trade, and stores and spares are carried at the lower of cost and net realizable value. Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on First-in-First-out (FIFO) basis. In the case of manufactured inventories and work in progress, cost includes direct material and labour cost and a proportion of manufacturing overheads. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The net realizable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realizable value. The comparison of cost and net realizable value is made on class of item. Excise duty is included in the value of Finished Products. Materials-in-transit are valued at cost-to-date.

## 2.5 Transactions in Foreign Currency:

### a) Initial recognition:

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the statement of profit and loss.

### b) Measurement of foreign currency items at the Balance Sheet date:

Foreign currency monetary items of the Company are restated at the closing exchange rates. Non-monetary items are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising out of these translations are recognized in the Statement of Profit and Loss.

### c) Forward exchange contracts:

The Company enters into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The Company does not enter into any derivative instruments for trading or speculative purposes.

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/income over the life of the contract. Exchange differences on such contracts are recognized in the Statement of Profit and Loss in the period in which the exchange rates change. Any Profit or Loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or expense for the period.

## 2.6 Revenue Recognition

Revenue from sale of goods is recognised on transfer of all significant risks and rewards of ownership to the buyer. The amount recognised as sale is exclusive of sales tax/VAT and is net of returns & discounts. Sales are stated gross of excise duty as well as net of excise duty; excise duty being the amount included in the amount of gross turnover. The excise duty related to the difference between the closing stock and opening stock is recognised separately as part of changes in inventories of finished goods, work in progress and stock in trade.

Export Incentives are recognised when the right to receive credit as per the terms of Incentives is established in respect of the exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Processing income is recognized on accrual basis as per the contractual arrangements.

Dividend income is recognised when the right to receive payment is established.

Interest income is recognised on the time proportion basis.

## 2.7 Employee Benefits

### a) Short Term Employees Benefit

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus, short term compensated absences, ex-gratia, etc. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

### b) Post Employment Benefit

#### Defined Contribution Plans :

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme and Employees' State Insurance Corporation (ESIC) which are a defined contribution plan. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

#### Defined Benefit Plans :

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The calculation of the Company's obligation under the plan is performed annually by a qualified actuary using the projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the Balance sheet date.

The Company recognizes all actuarial gains and losses arising from defined benefit plans immediately in the Statement of Profit and Loss. All expenses related to defined benefit plans are recognised in employee benefits expense in the Statement of Profit and Loss. The Company recognizes gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

The Company has funded its gratuity liability with Life Insurance Corporation of India (LIC) and Star Union Dai-ichi under the Group Gratuity Cash Accumulation Plan and SUD Life Group Gratuity Scheme respectively.

c) **Compensated Absences**

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

**2.8 Borrowing Cost**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

**2.9 Provisions and Contingencies**

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

A contingent liability exists when there is a possible but not probable obligation or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

**2.10 Taxes on Income**

Income tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year).

Provision for current tax is based on the results for the year ended 31st March, in accordance with the provisions of the Income Tax Act, 1961.

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realized in future, however when there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realized.

Minimum Alternative Tax (MAT) under the provisions of the Income Tax Act, 1961 is recognized as current tax. The credit available under the said act in respect of MAT is recognized as an asset only when there is certainty that the company will pay income tax in future periods and MAT credit can be carried forward to set-off against the normal tax liability. MAT credit recognized as an asset is reviewed at each Balance sheet date and written down to the extent the aforesaid certainty no longer exists.

**2.11 Governments Grants/Subsidy**

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

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

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

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

**2.12 Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders after deducting preference dividends and attributable taxes by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earning 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, if any.

**2.13 Cash and Cash Equivalents**

The Company considers all highly liquid financial instruments, which are readily convertible into known amount of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

**2.14 Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.



(Rs. in Lacs)

PARTICULARS	As at 31st March, 2014	As at 31st March, 2013
<b>3. SHARE CAPITAL</b>		
<b>Authorised Share Capital</b>		
12,00,00,000 (P.Y. 12,00,00,000) Equity Shares of Rs.2/- each	2,400.00	2,400.00
2,50,00,000 (P.Y. 2,50,00,000) Preference Share of Rs. 10/- each	2,500.00	2,500.00
	<b>4,900.00</b>	<b>4,900.00</b>
<b>Issued, Subscribed &amp; Paid up Share Capital</b>		
10,91,07,370 Equity Shares of Rs. 2/- each (P. Y. 10,91,07,370 Equity Shares of Rs. 2/- each)	2,182.15	2,182.15
2,50,00,000 (P.Y. 1,55,00,000) Pref. Shares of Rs. 10/- each	2,500.00	1,550.00
<b>Total</b>	<b>4,682.15</b>	<b>3,732.15</b>

### 3.1 Reconciliation of the number of Shares

	As at 31st March, 2014 No. of Shares	As at 31st March, 2013 No. of Shares
<b>Equity Shares</b>		
Opening balance	109,107,370	109,107,370
Issued during the Year	Nil	Nil
Closing balance	<b>109,107,370</b>	<b>109,107,370</b>
<b>Preference Shares</b>		
Opening balance	15,500,000	Nil
Issued during the Year	9,500,000	15,500,000
Closing balance	<b>25,000,000</b>	<b>15,500,000</b>

### 3.2 Rights, preferences and restrictions attached to shares

#### Equity shares

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

#### Preference shares

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

### 3.3 Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of Shareholder	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares	% held	No. of Shares	% held
<b>Equity Shares :</b>				
Shri Suresh J. Patel	3,33,45,151	30.57	3,33,45,151	30.57
Shri Bhavin S. Patel	78,10,050	7.16	78,10,050	7.16
Shri Jayanti D. Patel	74,72,845	6.85	74,72,845	6.85
Shri Ramesh P. Patel	66,35,299	6.08	66,35,299	6.08
<b>Preference shares :</b>				
Mayur Dyechem Intermediates Ltd.	95,00,000	38.00	Nil	N.A.
Shri Shaunak S. Parikh	30,00,000	12.00	30,00,000	19.35
H & H Exports (Guj.) Pvt. Ltd.	20,00,000	8.00	20,00,000	12.90
Shri Ashok G. Bansal	20,00,000	8.00	20,00,000	12.90
Shri Karna A. Surti	15,00,000	6.00	15,00,000	9.68
Shri Suresh J. Patel	11,50,000	4.60	11,50,000	7.42
Shri Vasudev M. Shah	11,00,000	4.40	11,00,000	7.10
Centenary Polytex Pvt. Ltd.	10,00,000	4.00	10,00,000	6.45



PARTICULARS	(Rs. in Lacs)	
	As at 31st March, 2014	As at 31st March, 2013
<b>4. RESERVES &amp; SURPLUS</b>		
<b>Capital Reserves</b>		
At the commencement and at the end of the year	761.22	761.22
<b>Capital Redemption Reserve Fund</b>		
At the commencement and at the end of the year	396.71	396.71
<b>Securities Premium Account</b>		
At the commencement and at the end of the year (Premium on issue of Equity Shares)	2,220.36	2,220.36
<b>Investment Allowance Reserve - Utilised Account</b>		
At the commencement of the year	4.77	4.77
Less : Transferred to General Reserve	4.77	Nil
At the end of the year	Nil	4.77
<b>General Reserve</b>		
At the commencement of the year	1,383.81	1,383.81
Add : Transferred from Investment Allowance Reserve - Utilised Account	4.77	Nil
At the end of the year	1,388.58	1,383.81
<b>Deficit in the Statement of Profit and Loss</b>		
At the commencement of the year	(3,483.40)	(1,168.30)
Add / (Less) : Surplus / (deficit) during the year	3,016.28	(2,315.10)
At the end of the year	(467.12)	(3,483.40)
<b>Total</b>	<b>4,299.75</b>	<b>1,283.47</b>
<b>5. DEFERRED GRANT</b>		
Grant From World Bank :	22.37	27.65
Less : Recognised for current year	(1.34)	(5.28)
Less : Additional recognition due to change in method of depreciation (Refer Note 33)	(13.63)	Nil
<b>Total</b>	<b>7.40</b>	<b>22.37</b>
<b>6. LONG TERM BORROWINGS</b>		
<b>Secured</b>		
Term loan from Banks	21,506.06	24,345.39
<b>Unsecured</b>		
Loan From Directors	0.50	0.70
Public Deposits	21.45	144.98
Trade Deposits	56.87	46.20
Loan From Members	Nil	37.72
<b>Total</b>	<b>21,584.88</b>	<b>24,574.99</b>
Current Maturities of Long Term Borrowings	*2843.70	*711.88

\*Amount disclosed under other current liabilities

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

- 6.1.1 Term loan amounting to Rs.1455.00 lacs (P.Y.:Rs.1494.38 lacs) is secured by 1st charge on immovable properties of the company situated at Plot No. 252,253,254 GIDC, Vatva and Plot No. 804 of Padra Unit and Hyp. of entire P&M and other equipment acquired through the term loan and repayable in 40 quarterly installments starting from April 2012. Last installment due in March, 2022. Rate of interest 16.50%. (P.Y.15.25%) p.a. at year end.
- 6.1.2 Term loan amounting to Rs.4491.10 lacs (P.Y.:Rs.4612.60 lacs) is secured by 1st charge on immovable properties of the company situated at Plot No. 804 & Block No. 800, 803/1, 797, 796, 795, 532, 555, 556, 560, 561/1 and 525, Village Dudhavada, Taluka Padra, Vadodara and Hyp. of entire P&M and other equipment acquired through the term loan and repayable in 40 quarterly installments starting from April, 2012. Last installment due in March, 2022. Rate of interest 15.50 % (P.Y. 15.50%) p.a. at year end.
- 6.1.3. Term loan amounting to Rs.4243.75 lacs (P.Y.:Rs.4358.59 lacs) is secured by 1st charge on immovable properties of the company situated at Plot No. 804 & Block No. 800, 803/1, 797, 796, 795, 532, 555, 556, 560, 561/1 and 525, Village Dudhavada, Taluka Padra, Vadodara and Hyp. of entire P&M and other equipment acquired through the term loan and repayable in 40 quarterly installments starting from April, 2012. Last installment due in March, 2022. Rate of interest 15.00%. (P.Y. 15.00 %) p.a. at year end.
- 6.1.4 Working Capital Term loan amounting to Rs.374.42 lacs (P.Y.:Rs.384.50 lacs) is secured by 1st pari pasu charge on entire current assets of the company and Repayable in 40 quarterly installments starting from April, 2012. Last installment due in March, 2022. Rate of interest 15.75% (P.Y. 15.75%) p.a. at year end.
- 6.1.5. Working Capital Term loan amounting to Rs.2037.00 lacs (P.Y.:Rs.2090.38 lacs) is secured by 1st pari pasu charge on entire current assets of the company and repayable in 120 monthly installments starting from April, 2012. Last installment due in March, 2022. Rate of interest 16.00% (P.Y. 15.25%) p.a.at year end.
- 6.1.6 Working Capital Term loan amounting to Rs.3488.00 lacs (P.Y.:Rs.3578.00 lacs) is secured by 1st pari pasu charge on entire current assets of the company and repayable in 120 monthly installments starting from April, 2012. Last installment due in March, 2022. Rate of interest 10.25% (P.Y.: 10.25% )p.a. at year end.
- 6.1.7 Working Capital Term loan amounting to Rs.5735.61 lacs (P.Y.:Rs.5885.90 lacs) is secured by 1st pari pasu charge on entire current assets of the company and repayable in 120 monthly installments starting from April, 2012. Last installment due in March, 2022. Rate of interest 10.25% (P.Y.: 10.25%) p.a. at year end.
- 6.1.8 Funded Interest Term loan amounting to Rs.1000.47 lacs (P.Y.:Rs.1031.84 lacs) is secured by 1st pari pasu charge on entire current assets of the company and repayable in 72 monthly installments starting from April, 2013. Last installment due in March, 2019. Rate of interest 10.25% (P.Y.: 10.25% ) p.a. at year end.
- 6.1.9 Funded Interest Term loan amounting to Rs.1476.90 lacs (P.Y.:Rs.1504.69 lacs) is secured by 1st pari pasu charge on entire current assets of the company and repayable in 72 monthly installments starting from April, 2013. Last installment due in March, 2019. Rate of interest 10.25% (P.Y.: 10.25%) p.a. at year end.
- 6.1.10 Vehicle loan amounting to Rs.27.53 lacs (P.Y.:Rs.73.17 lacs) is secured by Hire Purchase agreement for Vehicles and repayable in monthly installments. Interest rate from 9% to 10%.

6.2 Term Loans are collaterally further secured by equitable mortgage on Immovable property and Hyp. Of P&M of the company. It is further secured by personal guarantees of the Chairman and Managing Director, Executive directors and an ex-Executive Director. It is further secured by pledge of equity shares of the company held by the promoters and promoter group(excluding 3 NRIs and 1 resident indian from promoter groups).

6.3 Maturity profile and Rate of interest of Public Deposit are as set out below

(Rs. In Lacs)

Rate of Interest	Maturity Profile	
	2014-15	2015-16
11.50%	7.18	Nil
11.75%	12.80	Nil
12.00%	Nil	21.45

6.4 Installments falling due in respect of all the above Loans upto 31/03/2015 have been grouped under "Current maturities of long-term debt".

6.5 The company has pre-paid Funded Interest Term Loan after the date of reporting and before the signing of these financial statements to the extent of Rs. 1680.00 lacs against the amount of Rs. 305.70 lacs repayable during Financial Year 2014-15 and hence, the amount of Rs. 1680.00 lacs has been shown under Current Maturities of Long Term Debt.

(Rs. in Lacs)

PARTICULARS	As at 31st March, 2014	As at 31st March, 2013
<b>7 SHORT TERM BORROWINGS</b>		
<b>Secured</b>		
Working Capital Loans from Banks	12,737.08	9,212.55
<b>Unsecured</b>		
Loans From Corporates	Nil	300.00
<b>Total</b>	<b>12,737.08</b>	<b>9,512.55</b>

7.1 Working Capital Loans from Banks are secured by Hyp. Of Inventories, Book Debts and bills drawn under letter of credit and collaterally secured by equitable mortgage on Immovable property and Hyp. Of P&M of the company and personal guarantees of the Chairman and Managing Director, Executive directors and an ex-executive Director. It is further secured by pledge of equity shares of the company held by the promoters and promoter group(excluding 3 NRIs and 1 resident indian from promoter groups).

(Rs. in Lacs)

PARTICULARS	As at 31st March, 2014	As at 31st March, 2013
<b>8 TRADE PAYABLES</b>		
For Goods	8,763.21	4,401.98
For Others	2,453.04	2,416.02
<b>Total</b>	<b>11,216.25</b>	<b>6,818.00</b>

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

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

(Rs. in Lacs)

PARTICULARS	As at 31st March, 2014	As at 31st March, 2013
<b>9 OTHER CURRENT LIABILITIES</b>		
Advance Received from Customers	137.43	268.48
Current Maturities of Long Term Debt	2,843.70	711.88
Creditors for Capital Goods	119.55	99.47
Other Current Liabilities (Note 9.1)	965.66	163.90
Unclaimed Dividends (Note 9.2)	20.44	22.31
Unclaimed Share Application Money (Note 9.2)	0.40	0.40
Statutory Liabilities (Note 9.3)	626.11	85.68
<b>Total</b>	<b>4,713.29</b>	<b>1,352.12</b>

9.1 Other Current Liabilities includes the compensatory interest of Rs. 822.21 lacs payable to the banks as per the CDR package and CDR Master circular 2012 according to which the company is liable to compensate the difference between the concessional rate of interest and normal rate of interest due to the improved performance of the company.

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

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

(Rs. in Lacs)

PARTICULARS	As at 31st March, 2014	As at 31st March, 2013
<b>10 SHORT TERM PROVISIONS</b>		
Provision for Employee Benefits	23.23	17.07
Provision for Wealth Tax	1.74	0.84
<b>Total</b>	<b>24.97</b>	<b>17.91</b>

11 <b>FIXED ASSETS</b>	<b>(Rs. in Lacs)</b>										
	Name of the Asset	GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET BLOCK	
		As At 01-04-13	Addition	Deduction	As At 31-03-14	As At 01-04-13	Addition	Deduction	Addl. Dep. on account of change in method	As At 31-03-14	As At 31-03-13
<b>TANGIBLE ASSETS :</b>											
Land	945.71	Nil	Nil	945.71	Nil	Nil	Nil	Nil	Nil	945.71	945.71
Factory Building	7,672.68	0.88	Nil	7,673.56	972.83	516.98	Nil	1,442.71	2,932.52	4,741.04	6,699.85
Office Building	155.57	Nil	Nil	155.57	16.04	5.93	Nil	20.84	42.81	112.76	139.53
Plant & Machinery	24,264.24	134.54	9.46	24,389.32	6,735.10	1,849.22	6.59	5,524.24	14,101.97	10,287.35	17,529.14
Gaushala Borwell	1.08	Nil	1.08	Nil	0.03	-	0.03	Nil	Nil	Nil	1.05
Building Shade	17.19	Nil	17.19	Nil	0.82	0.06	0.88	Nil	Nil	Nil	16.37
Furniture & Fixture	469.61	0.09	38.90	430.80	131.54	35.29	17.47	120.23	269.59	161.21	338.07
Office Equipment	181.42	23.52	1.21	203.73	83.11	18.00	0.66	33.25	133.70	70.03	98.31
Dies	0.99	Nil	0.99	Nil	0.17	Nil	0.17	Nil	Nil	Nil	0.82
Vehicles	422.25	101.96	46.07	478.14	185.04	41.95	35.32	106.19	297.86	180.28	237.21
E.T.P.	372.85	Nil	Nil	372.85	105.33	28.26	Nil	81.97	215.56	157.29	267.52
Laboratory equipments	188.88	1.05	Nil	189.93	44.01	14.19	Nil	44.15	102.35	87.58	144.87
<b>TOTAL (A)</b>	<b>34,692.47</b>	<b>262.04</b>	<b>114.90</b>	<b>34,839.61</b>	<b>8,274.02</b>	<b>2,509.88</b>	<b>61.12</b>	<b>7,373.58</b>	<b>18,096.36</b>	<b>16,743.25</b>	<b>26,418.45</b>
<b>INTANGIBLE ASSETS :</b>											
Good will	1,046.80	Nil	Nil	1,046.80	1,046.80	Nil	Nil	Nil	1,046.80	Nil	Nil
Computer Software	24.45	16.52	Nil	40.97	13.30	5.25	Nil	Nil	18.55	22.42	11.15
Membership Fees	101.73	Nil	Nil	101.73	29.99	10.17	Nil	Nil	40.16	61.57	71.74
Trade Mark	0.91	Nil	Nil	0.91	0.36	0.10	Nil	Nil	0.46	0.45	0.55
Website	0.92	Nil	Nil	0.92	0.37	0.19	Nil	Nil	0.56	0.36	0.55
<b>TOTAL (B)</b>	<b>1,174.81</b>	<b>16.52</b>	<b>Nil</b>	<b>1,191.33</b>	<b>1,090.82</b>	<b>15.71</b>	<b>Nil</b>	<b>Nil</b>	<b>1,106.53</b>	<b>84.80</b>	<b>83.99</b>
<b>BIOLOGICAL ASSETS :</b>											
Dairy Cows	10.95	Nil	10.95	Nil	3.67	Nil	3.67	Nil	Nil	Nil	7.28
<b>TOTAL (C)</b>	<b>10.95</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>3.67</b>	<b>Nil</b>	<b>3.67</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>7.28</b>
<b>TOTAL (A+B+C)</b>	<b>35,878.23</b>	<b>278.56</b>	<b>125.85</b>	<b>36,030.94</b>	<b>9,368.51</b>	<b>2,525.59</b>	<b>64.79</b>	<b>7,373.58</b>	<b>19,202.89</b>	<b>16,828.05</b>	<b>26,509.72</b>
Previous Year	35,457.40	493.69	72.86	35,878.23	7,735.37	1,648.41	15.27	Nil	9,368.51	26,509.72	27,720.35
Capital Work in Progress										<b>852.27</b>	<b>24.98</b>
<b>TOTAL FIXED ASSETS</b>										<b>17,680.32</b>	<b>26,534.70</b>

PARTICULARS	(Rs. in Lacs)	
	As at 31st March, 2014	As at 31st March, 2013
<b>12 NON - CURRENT INVESTMENTS</b>		
<b>LONG TERM INVESTMENTS</b>		
<b>TRADE INVESTMENTS</b>		
Quoted		
100 (P.Y. 100) Equity Shares of Beta Nephthol Ltd. of Rs. 10/- Each Fully Paid Up	0.03	0.03
50,000 (P.Y. 50,000) Equity Shares of Dynamic Industries Ltd. of Rs. 10/- Each Fully Paid Up	52.05	52.05
	52.08	52.08
Less : Provision for diminution in Investments	47.63	47.63
<b>Total</b>	<b>4.45</b>	<b>4.45</b>
Unquoted		
250 (P.Y.250) Equity Shares of Green Environment Ser. Co-op.Soc. Ltd. of Rs. 100/- each Fully Paid Up	0.25	0.25
112,350 (P.Y. 112,350) Equity Shares of Bharuch Enviro Infrastructure Ltd of Rs. 10/-each Fully Paid Up	11.23	11.23
100 (P.Y.100) Equity Shares of Guj.Ind. Waste Mng. Co. Ltd. of Rs. 10/- Each Fully Paid Up	0.01	0.01
10 (P.Y.3,322) Equity Shares of The Bhagoydaya Co-op. Bank Ltd. of Rs. 100/- Each Fully Paid Up	0.01	3.32
10,200 (P.Y.10,200) Equity Shares of Panoli Enviro Technology Ltd. of Rs. 10/- Each Fully Paid Up	1.02	1.02
3,542 (P.Y.3,542) Equity Shares of Makarpura Ind.Est. Co-op. Bank Ltd. of Rs. 25/- Each Fully Paid Up	0.89	0.89
<b>TOTAL OF TRADE INVESTMENTS</b>	<b>13.41</b>	<b>16.72</b>
<b>OTHER NON CURRENT INVESTMENTS</b>		
Unquoted		
Investment in Associate Concern		
40,100 (P.Y. 43,164) Equity Shares of Sun Agrigenetics Pvt. Ltd of Rs. 10/- each fully paid up	38.50	41.44
Share Application Money - Sun Agrigenetics Pvt.Ltd	10.00	10.00
<b>Total</b>	<b>48.50</b>	<b>51.44</b>
<b>Total of Non-Current Investments</b>	<b>66.36</b>	<b>72.61</b>
<b>Aggregate of Quoted Investments:</b>		
At Book value	4.45	4.45
At Market Price	10.36	4.25
<b>Aggregate of Unquoted Investments:</b>	<b>61.91</b>	<b>68.16</b>
<b>Aggregate provision for diminution in value of investments</b>	<b>47.63</b>	<b>47.63</b>
<b>13 DEFERRED TAX ASSETS (NET)</b>		
<b>Deferred Tax Liabilities</b>		
Difference between book depreciation and tax depreciation	(908.64)	(3,423.46)
Employee benefits	(7.56)	Nil
<b>Deferred Tax Assets</b>		
Unabsorbed Depreciation / losses carried forward	73.32	2,786.57
Employee benefits	Nil	13.42
Expenditure covered by section 43B of Income Tax Act, 1961	849.32	815.91
<b>Total</b>	<b>6.44</b>	<b>192.44</b>

PARTICULARS	(Rs. in Lacs)	
	As at 31st March, 2014	As at 31st March, 2013
<b>14 LONG TERM LOANS &amp; ADVANCES</b> (Unsecured and Considered Good)		
Capital Advances	718.13	3.71
Security Deposits	54.94	55.48
Loans and Advances to Employees	42.34	20.68
Loans and Advances to Associated Concern	Nil	105.09
Balance With Statutory Authorities	192.89	227.90
Advance Income Tax (Net)	334.70	237.43
Others*	390.80	74.65
<b>Total</b>	<b>1,733.80</b>	<b>724.94</b>
* Others include Advance to others and Insurance Claim receivable.		
<b>15 OTHER NON-CURRENT ASSETS</b> (Unsecured and Considered Good)		
Bank Deposits with maturity after twelve months from the reporting date	74.92	78.06
MAT Credit Entitlement	Nil	704.51
Cash seized by the Income Tax Department	Nil	9.87
<b>Total</b>	<b>74.92</b>	<b>792.44</b>
<b>16 INVENTORIES</b> (Valued at the lower of cost and net realisable value)		
Raw Materials	4,495.08	1,873.20
Raw Materials in Transit	453.58	200.61
Stock of Cattle Feed & Packing Materials	Nil	0.71
Finished Goods	2,449.14	412.58
Finished Goods in Transit	186.76	88.88
Stock in Trade	Nil	3.76
Stock In Process	4,312.49	3,167.95
Packing Materials	35.84	152.58
Packing Materials in Transit	Nil	1.44
Stock of Fuel	72.14	24.69
Stores and Spares	207.90	247.09
<b>Total</b>	<b>12,212.93</b>	<b>6,173.49</b>

(Rs. in Lacs)

PARTICULARS	As at 31st March, 2014	As at 31st March, 2013
<b>17 TRADE RECEIVABLES</b>		
<b>Trade receivables outstanding for a period exceeding six months from the due date for payment</b>		
Unsecured & Considered Good	1,664.07	1,212.48
<b>Trade receivables outstanding for a period less than six months from the due date for payment</b>		
Unsecured & Considered Good	20,969.06	7,658.16
<b>Total</b>	<b>22,633.13</b>	<b>8,870.64</b>
<b>18 CASH AND BANK BALANCES</b>		
<b>Cash &amp; Cash Equivalents</b>		
Cash on hand	24.77	21.37
Balance with Banks in current accounts	72.36	22.19
	<b>97.13</b>	<b>43.56</b>
<b>Other Bank Balances</b>		
Term Deposits with maturity of more than three month but less than twelve months	225.49	318.48
Unclaimed Dividend Accounts	20.44	22.31
Unclaimed Share Application Account	0.40	0.40
	<b>246.33</b>	<b>341.19</b>
<b>Total</b>	<b>343.46</b>	<b>384.75</b>
<b>19 SHORT TERM LOANS &amp; ADVANCES</b> (Unsecured & considered good)		
Advance to Suppliers of Goods	582.99	588.64
Advance to Suppliers of Expenses	73.26	24.97
Balance with Statutory Authorities	2,698.74	2,043.29
Export Benefit Receivables	596.07	342.81
Staff Advances	72.04	17.54
Others *	186.73	535.17
<b>Total</b>	<b>4,209.83</b>	<b>3,552.42</b>
* Others include Advance to others, Tour Advances, Gratuity Planned Assets (Net), Income Receivables and Prepaid Expenses .		
<b>20 OTHER CURRENT ASSETS</b>		
Fair Value of Foreign Exchange Forward Contracts	304.58	Nil
Unamortised Premium on Forward Contracts	Nil	15.02
Other Current Assets	Nil	0.11
<b>Total</b>	<b>304.58</b>	<b>15.13</b>



		(Rs. in Lacs)	
PARTICULARS	2013-2014	2012-2013	
<b>21 REVENUE FROM OPERATIONS</b>			
Sale of products	102,721.77	56,481.16	
Less : Excise Duty	7,760.91	4,507.09	
Sale of products (net)	<b>94,960.86</b>	<b>51,974.07</b>	
Other Operating Income	990.75	771.55	
<b>Total</b>	<b>95,951.61</b>	<b>52,745.62</b>	
21.1 Other operating income includes export benefit, scrap sales etc.			
<b>22 OTHER INCOME</b>			
Interest Income	125.17	98.92	
Dividend Income	2.11	2.03	
Grant Income	1.34	5.28	
Premium / Discount on Forward Contracts	224.91	131.22	
Other Income	17.34	152.76	
<b>Total</b>	<b>370.87</b>	<b>390.21</b>	
<b>23 COST OF MATERIALS CONSUMED</b>			
Opening Stock	2,074.53	1,984.91	
Add. Purchases during the year	65,032.30	33,830.20	
	<b>67,106.83</b>	<b>35,815.11</b>	
Less : Closing Stock	4,948.66	2,074.53	
<b>Total</b>	<b>62,158.17</b>	<b>33,740.58</b>	
<b>24 PURCHASE OF STOCK IN TRADE</b>			
Purchase of Stock in Trade	2,378.30	1,963.15	
<b>Total</b>	<b>2,378.30</b>	<b>1,963.15</b>	
<b>25 CHANGES IN INVENTORIES</b>			
Inventories at the end of the year			
Finished Goods	2,635.89	501.46	
Stock In Process	4,312.49	3,167.94	
Stock of Stock - in Trade	Nil	3.76	
<b>Total (A)</b>	<b>6,948.38</b>	<b>3,673.16</b>	
Inventories at the beginning of the year			
Finished Goods	501.46	1,130.75	
Stock In Process	3,167.94	4,195.42	
Stock of Stock - in Trade	3.76	65.06	
<b>Total (B)</b>	<b>3,673.16</b>	<b>5,391.23</b>	
<b>Total (A) - (B)</b>	<b>3,275.22</b>	<b>(1,718.07)</b>	
Add / (Less) : Variation in Excise Duty on Closing and Opening Stock of Finished Goods	(485.29)	61.27	
<b>Total</b>	<b>(2,789.93)</b>	<b>1,656.80</b>	

		(Rs. in Lacs)	
PARTICULARS	2013-2014	2012-2013	
<b>26 EMPLOYEE BENEFIT EXPENSES</b>			
Salary, Wages & Bonus	3,512.92	2,916.25	
Contribution to Provident & Other Funds	124.89	140.06	
Staff Welfare Expenses	165.86	142.36	
<b>Total</b>	<b>3,803.67</b>	<b>3,198.67</b>	
<b>27 FINANCE COSTS</b>			
Bank Interest	4,418.25	3,500.92	
Other Borrowing Cost	167.26	333.57	
Other Interest Expenses	105.08	172.08	
<b>Total</b>	<b>4,690.59</b>	<b>4,006.57</b>	
<b>28 DEPRECIATION AND AMORTISATION EXPENSES</b>			
Depreciation	2,509.89	1,631.32	
Amortisation of Intangible Assets	15.71	15.43	
Remeasurement of Biological Assets	Nil	1.67	
<b>Total</b>	<b>2,525.60</b>	<b>1,648.42</b>	
<b>29 OTHER EXPENSES</b>			
<b>Manufacturing Expenses</b>			
Power & Fuel Consumption	4,442.20	4,232.05	
Stores Consumption	640.54	532.89	
Repairs to			
Machinery	1,506.90	758.70	
Building	91.56	65.96	
Pollution Control Expenses	483.26	480.96	
Insurance Expenses	34.34	26.69	
Other Manufacturing Expenses	379.29	232.52	
<b>Administrative &amp; General Expenses</b>			
Insurance Expenses	14.75	14.18	
Rent & Tax	30.86	69.22	
Legal & Professional Fees	187.10	250.74	
Loss on Disposal of Assets	28.54	5.54	
Loss Due To Fire	0.84	Nil	
Exchange Rate Difference (Net)	436.05	975.80	
Miscellaneous Expenses	649.22	402.57	
<b>Selling &amp; Distribution Expenses</b>			
Packing Material Consumption	845.23	524.05	
Clearing & Forwarding Charges	545.12	578.14	
Sales Commission	541.42	390.77	
Outward Freight Expenses	388.77	421.71	
Bad Debts Written off	23.28	Nil	
Other Selling and Distribution expenses	253.91	248.13	
<b>Total</b>	<b>11,523.18</b>	<b>10,210.62</b>	
<b>30 EXCEPTIONAL ITEMS</b>			
Depreciation due to change of method from SLM to WDV (Refer to Note 2.1(d))	7,373.58	Nil	
<b>Total</b>	<b>7,373.58</b>	<b>Nil</b>	

**31 Contingent Liabilities and Commitments (to the extent not provided for) (Rs. In lacs)**

	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>(a) Contingent Liabilities</b>		
Disputed matters in appeals/contested in respect of:		
i. Income Tax	405.06	248.05
ii. Excise	183.75	112.47
iii. Service Tax	3.86	1.35
iv. Customs Department	11.71	11.71
<b>(b) Commitments</b>		
i. Letter of credit	812.58	780.94
ii. Bank Guarantee	432.29	367.01
iii. Estimated amount of Contracts remaining to be executed on capital account and not provided for, net of advances	683.51	0.41

(c) During the year the holding company has received Income Tax Assessment orders u/s 143(3) r.w.s. 153A dated 21.03.2014 for the F.Y. 2005-06 to F.Y. 2010-11 and Income Tax Assessment order u/s 143(3) r.w.s. 153B (1)(b) for the F.Y. 2011-12 dated 21.03.2014. The disputed demand including interest for all seven Assessment Years is Rs. 405.06 lacs. Based on the decisions of the Appellate authorities and the interpretations of other relevant provisions, the Company has been legally advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.

**32 Derivative Instruments and Unhedged Foreign Currency Exposure**

The holding company enters into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The company does not enter into any derivative instruments for trading or speculative purposes.

Category	Currency	Buy/sell	Foreign Currency Value (in lacs)	Foreign Currency Value (Rs. in lacs)
Forward Contract	USD	Sell	\$124.60	7,488.60

Details of unhedged foreign currency exposure as on 31/03/2014

Particulars	As at 31 <sup>st</sup> March, 2014		As at 31 <sup>st</sup> March, 2013	
	Amount (in Original Currency in Lacs)	Amount (Rs. In lacs)	Amount (in Original Currency in Lacs)	Amount (Rs. In lacs)
<b>Payable</b>				
USD	27.93	1678.84	47.85	2602.57
EURO	0.66	54.76	0.24	16.91
		<b>1733.60</b>		<b>2619.48</b>
<b>Receivable</b>				
USD	7.52	452.18	Nil	Nil
EURO	Nil	Nil	0.96	66.99
		<b>452.18</b>	<b>0.96</b>	<b>66.99</b>

**33 Grant from World Bank**

Grant from World Bank has been treated as deferred income which is recognized in the Statement of Profit & Loss for the period in the proportions in which depreciation on related assets is charged. During the year the holding company had retrospectively changed its method of providing depreciation on its tangible fixed assets as discussed in Note No.2.1(d) and accordingly income of Rs.13.63 lacs related to earlier years is transferred to prior period income accounts and income of Rs.1.34 lacs recognised during the current year.

34 During the financial year 2013-14, Bodal Agrotech Ltd (i.e. BAL) a subsidiary of the Company had sold part of its equity holding in Sun Agrigenetics Pvt Ltd. (i.e. SAPL) and accordingly SAPL cease to be fellow subsidiary of the Company and accordingly not been consolidated as per provisions of Accounting Standard 21, "Consolidated Financial Statements" notified in Companies (Accounting Standards) Rules, 2006.

### 35 Employees' Benefits

#### a) Defined Benefit Plan

##### Gratuity

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

The following table sets out the funded status of the gratuity plan and the amounts recognised in the company's financial statements based on actuarial valuations being carried out as at 31<sup>st</sup> March 2014.

	(Rs. In Lacs)	
	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>Change in present value of obligations</b>		
Present value of obligations as at beginning of year	104.34	75.90
Interest cost	8.35	6.07
Current Service Cost	26.13	26.00
Benefits Paid	(4.32)	(1.39)
Actuarial (gain)/Loss on obligations	(17.92)	(2.24)
Present value of obligations as at end of year	116.58	104.34
<b>Change in the fair value of plan assets</b>		
Fair value of plan assets at beginning of year	100.75	91.25
Expected return on plan assets	10.82	5.89
Employers Contributions	51.21	5.00
Benefits paid	(4.32)	(1.39)
Actuarial (gain)/Loss on plan assets	Nil	Nil
Fair value of plan assets at the end of year	158.46	100.75
<b>Net Gratuity Cost</b>		
Current Service cost	26.13	26.00
Interest Cost	8.35	6.07
Expected return on plan assets	(10.82)	(5.89)
Net Actuarial (gain)/Loss recognised in the year	(17.92)	(2.24)
Net Gratuity Cost	5.74	23.94
<b>Actual Return on Plan Assets</b>		
Expected return on plan assets	10.82	5.89
Actuarial Gain/(Loss) on plan assets	Nil	Nil
Actual return on plan assets	10.82	5.89
<b>Balance Sheet Reconciliation</b>		
Net Liability/(Asset), beginning of the year	3.59	(15.35)
Gratuity Cost as above	5.74	23.94
Employers Contribution	(51.21)	(5.00)
Amount recognised in the Balance Sheet-Current	(41.88)	3.59
<b>Category of Assets</b>		
Insurer Managed Funds (100%)	158.46	100.75
<b>Assumptions</b>		
Discount Rate	8%	8%
Salary Escalation	7%	7%

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

**Amount recognised in current year and previous four years (Rs. In Lacs)**

Particulars	As at 31 <sup>st</sup> March				
	2014	2013	2012	2011	2010
Defined Benefit Obligation	116.58	104.34	75.90	54.53	31.59
Fair Value of Plan Assets	158.46	100.75	91.25	85.48	52.56
(Surplus) / Deficit in the plan	(41.88)	3.59	(15.35)	(30.96)	(20.97)
Actuarial (gain) / loss on plan obligation	(17.92)	(2.24)	(5.26)	4.40	0.45
Actuarial (gain) / loss on plan assets	Nil	Nil	Nil	Nil	Nil

The expected contributions for Defined Benefit Plan for the next financial year will be in line with F.Y. 2013-14

**b) Defined Contribution Plan**

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

Particulars	(Rs. In Lacs)	
	2013-14	2012-13
Employer's contribution to Provident Fund	95.43	91.67
Employer's contribution to E.S.I.	20.79	21.89

**36 Related Party Disclosure**

**a) Names of related parties and nature of relationship**

**I. Key Management Personnel (KMP)**

1. Shri Suresh J. Patel Chairman & Managing Director
2. Shri Bhavin S. Patel Executive Director
3. Shri Ankit S. Patel Executive Director
4. Smt. Meenaben S. Patel Relative of Director
5. Shri Ramesh P. Patel Key Managerial Personnel Executive Director (till 01/10/2012)
6. Shri Prashant Bhatt Director
7. Smt. Daksha Bhatt Director
8. Ms. Sachi Bhatt Relative of Director

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

- (i) Shanti Inorgo Chem (Guj.) Pvt. Ltd.
- (ii) Siskaa Chemicals Ltd. (Associate concern till 01/04/2013)
- (iii) Sun agrigenetics Pvt. Ltd. (Associate concern)

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

Related party disclosure	Relationship	2013-2014	2012-2013
<b>Remuneration</b>			
Shri Suresh J. Patel	KMP	48.00	48.00
Shri Bhavin S. Patel	KMP	18.00	18.00
Shri Ankit S. Patel	KMP	18.00	18.00
Shri Ramesh P. Patel	KMP	Nil	9.00
Shri Prashant Bhatt	KMP	Not Available*	5.40
Smt. Daksha Bhatt	KMP	Not Available*	4.75
<b>Salary</b>			
Shri Ramesh P. Patel	KMP	59.40	9.00
Ms. Shachi Bhatt	ROD	Not Available*	1.92

(Rs. In lacs)

Related party disclosure	Relationship	2013-2014	2012-2013
<b>Loan Taken</b>			
Shri Suresh J. Patel	KMP	Nil	400.00
<b>Loan Repaid</b>			
Shri Suresh J. Patel	KMP	0.20	399.50
<b>Purchases of Materials</b>			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	56.65	172.09
Siskaa Chemicals Ltd.	Enterprise	627.24	4603.08
<b>Rent paid</b>			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	0.60	0.60
Smt. Meenaben S. Patel	KMP	Nil	0.12
<b>Cash Discount Paid</b>			
Siskaa Chemicals Ltd.	Enterprise	8.53	9.12
<b>Commission Paid</b>			
Siskaa Chemicals Ltd.	Enterprise	0.50	1.09
Shri Suresh J. Patel	KMP	90.00	Nil
<b>Freight on sales</b>			
Siskaa Chemicals Ltd.	Enterprise	3.52	Nil
<b>Sales of Materials</b>			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	12.83	115.12
Siskaa Chemicals Ltd.	Enterprise	4776.17	4074.29
<b>Amounts Payable</b>			
Shri Suresh J. Patel	KMP	0.50	0.70
Smt. Meenaben S. Patel	KMP	Nil	0.22
Siskaa Chemicals Ltd.	Enterprise	Nil	214.90
<b>Amounts Receivable</b>			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	440.01	34.08
Siskaa Chemicals Ltd.	Enterprise	1956.23	Nil

\* In absence of financial statements as on reporting date of associate i.e. M/s. Sun Agrigenetics Pvt. Ltd. Information about Related Party transactions if any, are not available and consequently not disclosed.

**Notes:-**

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

**37 Segment Reporting:**

**a) Primary Segment**

The company primarily deals in only one business segment i.e., "Dyes, Dyes Intermediates and Basic Chemicals" and it has no other primary reportable segments.

**b) Secondary Segment (By Geographical segment)**

Two secondary segments have been identified based on the geographical locations of customers : domestic and export. Information about geographical segments are as below :

	(Rs. In Lacs)	
<b>Sales and Operating Income:-</b>	<b>2013-14</b>	<b>2012-13</b>
Domestic	62466.58	32869.22
Export	33485.03	19876.41
<b>Total</b>	<b>95951.61</b>	<b>52745.63</b>

Note : The company's tangible assets are located entirely in India.

**38 Earnings per Equity Share**
**(Rs. In Lacs)**

	2013-14	2012-13
Net Profit/(Loss) after Tax before exceptional items	10389.86	(2315.10)
Add / (Less) : Exceptional Items	(7373.58)	Nil
Net Profit /(Loss) after Tax after exceptional items	3016.28	(2315.10)
Less : Dividend on Preference Shares	Nil	Nil
Amount available to Equity Shareholders	3016.28	(2315.10)
Weighted average number of Equity Shares for basic EPS	109,107,370	109,107,370
Basic and Diluted Earnings per Share before exceptional items (in Rs.)	9.52	(2.12)
Basic and Diluted Earnings per Share after exceptional items (in Rs.)	2.76	(2.12)
Nominal Value per Share (in Rs.)	2	2

**(Rs. In Lacs)**
**39 Value of Imports on CIF Basis**

	2013-14	2012-13
Raw Materials	6454.54	1813.40

**40 Earning in Foreign Currency**

F.O.B. Value of Exports	32657.64	19216.16
-------------------------	----------	----------

**41 Expenditure in Foreign Currency**

Travelling	5.20	3.82
Commission	366.69	200.31
Business Development Expense	2.34	4.17
Export Damage Claim	3.25	11.68
Bank Charges	56.49	42.99
Interest Expense	109.09	275.61
Cash Discount	4.12	14.22

**42** Previous year's figures have been rearranged and reclassified wherever necessary to correspond with the current year.

As per our report of even date attached

For and on behalf of the Board

**For, Mayank Shah & Associates**

*Chartered Accountants*

(Firm Registration No. 106109W)

**(M.S. Shah)**

*Partner*

Membership No. 44093

Ahmedabad

May 28, 2014

**(Suresh J. Patel)**

*Chairman & Managing Director*

**(Mayur B. Padhya)**

*Chief Financial Officer*

Ahmedabad

May 28, 2014

**(Bhavin S. Patel)**

*Executive Director*

**(Ashutosh B. Bhatt)**

*Company Secretary*



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

Sr. No.	Name of the Subsidiary Company	Bodal Agrotech Ltd.
1	Financial year of the subsidiary of the company for the year ended on	31.03.2014
2	Holding company's interest (a) number of shares fully Paid (b) extent of Holding	17,00,000 100%
		(Rs. in lacs)
3	Net aggregate amount of Loss of the subsidiary, so far as they concern members of BODAL CHEMICALS LTD for the financial year of the subsidiary (a) dealt with account of the holding company (b) not dealt with in the account of the holding company	-49.05 NIL
4	As the financial year of the subsidiary companies coincide with the financial year of the holding company Sec.212(5) of the Companies Act, 1956	N.A
5	Capital Share Application Money Reserve and Surplus Total Assets Total Liabilities Investment Total Income Loss before Tax Provision for Taxation(Deferred Tax Assets) Loss after Tax	170.00 NIL -410.17 241.60 241.60 48.50 3.71 -49.04 0.01 -49.05

**BODAL CHEMICALS LTD****CIN: L24110GJ1986PLC009003**

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

**ATTENDANCE SLIP**28<sup>th</sup> ANNUAL GENERAL MEETING – Monday, 22<sup>nd</sup> September, 2014 at 11.00 A.M.

Folio No./DP ID : \_\_\_\_\_ Client ID : \_\_\_\_\_

No. of shares held : \_\_\_\_\_

I certify that I am a registered equity shareholder / Proxy for the registered equity shareholder of the company. I hereby record my presence at the 28<sup>th</sup> Annual General Meeting of the Company, held at ATMA, Auditorium, Opp. Old RBI Office, Ashram Road, Ahmedabad-380 009, Gujarat, on Monday, 28<sup>th</sup> September, 2014 at 11.00 A.M.

Member's/Proxy's name in BLOCK letters

Member's/Proxy's Signature

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

**BODAL CHEMICALS LTD****CIN: L24110GJ1986PLC009003**

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

**Form No. MGT-11****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	: L24110GJ1986PLC009003
Name of the company	: <b>BODAL CHEMICALS LIMITED</b>
Registered office	: PLOT No. 123, 124, Phase-I, G.I.D.C., Vatva, Ahmedabad-382445
Name of the member (s)	:
Registered address	:
E-mail Id	:
Folio No/ Client Id	: _____ DP ID : _____

I/We, being the member (s) of \_\_\_\_\_ 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 \_\_\_\_\_ Signature \_\_\_\_\_

**[P.T.O.]**

----- ✂ ----- ✂ -----

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28th Annual general meeting of the company, to be held on the 22nd day of September, 2014 At 11.00 a.m. at Atma Auditorium, Opp. Old RBI, Ashram Road, Ahmedabad and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No.	Resolutions	Optional*	
		For	Against
1(a)	Adoption of Financial Statement for the year ended 31 March, 2014		
1(b)	Adoption of Consolidated Financial Statement for the year ended 31 March, 2014		
2	Re-appoint Mr. Ankit S. Patel, who retires by rotation		
3	Appointment of M/s. Mayank Shah & Associates, Chartered Accountants, Ahmedabad as Statutory Auditor		
4	Appointment of Mr.Surendra N. Shah as Independent Director		
5	Appointment of Mr. Sunil K. Mehta as Independent Director		
6	Appointment of Mr. Bipin R. Patel as Independent Director		
7	To Increase in borrowing power u/s 180(1)(c) of the Companies Act, 2013		
8	To Mortgage, Hypothecate and/ or charge all or any of the movable and or immovable properties of the Company u/s 180(1)(a) of the Companies Act, 2013		
9	To Revise the remuneration terms of Mr. Suresh J. Patel (DIN: 00007400), Chairman and Managing Director of the company		
10	To Revise the remuneration terms of Mr. Bhavin S. Patel (DIN: 00030464), Executive Director of the company		
11	To Revise the remuneration terms of Mr. Ankit S. Patel (DIN: 02173231), Executive Director of the company		

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

Signature of Shareholder : \_\_\_\_\_

Signature of Proxy Holder : \_\_\_\_\_

Affix Revune Stamp
--------------------------

**Note: This form of proxy in order to be 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.**

\* It is optional to put a "X" in the appropriate column against the Resolution indicated in the Box. If You leave the "For" and "Against" column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

Ballot Paper Sr. No. : \_\_\_\_\_

FORM No. MGT – 12

**POLLING PAPER**

*[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21 I1) (c) of the Companies (Management and Administration) Rules, 2014]*

Name of the Company : BODAL CHEMICALS LIMITED  
 Registered office : Plot NO.-123-124, Phase-1, G.I.D.C., Vatva, Ahmedabad-382445  
**POLLING/BALLOT PAPER SUBMITTED BY SHAREHOLDER AT 28TH ANNUAL GENERAL MEETING OF BODAL CHEMICALS LIMITED HELD ON MONDAY, 22ND DAY OF SEPTEMBER, 2014 AT 11.00 AM AT ATMA AUDITORIUM, OPP. OLD RBI OFFICE, ASHRAM ROAD, AHMEDABAD -380 009**

Sr No.	Particulars	Details
1.	Name of the First Named Shareholder/ jt. holder (in block letters)	
2.	Postal address	
3.	Registered folio No. / * Client ID No. (* Applicable to investors holding shares in dematerialized form)	
4.	Class of Share & No. of Shares	_____ Equity Shares of Rs.2/- each.

I hereby exercise my vote in respect of **Ordinary / Special resolutions** enumerated below by recording my assent or dissent to the said resolution in the following manner:

No	Item No.	No. of shares	I assent to the resolution	I dissent from the resolution
1.	a. To receive, consider and adopt the Audited Financial Statement of the Company for the Financial Year ended on 31st March, 2014 and the reports of the Board of Directors' and Auditors' thereon; and b. The audited consolidated financial statement of the Company for the financial year ended March 31, 2014.			
2.	To appoint Mr. Ankit S. Patel (DIN: 02173231), who retires by rotation and being eligible for reappointment.			
3.	To reappoint M/s. Mayank Shah & Associates, Chartered Accountants(Firm Registration No.: 106109W), as an Statutory Auditors of the Company.			
4.	To appoint Mr. Surendra N. Shah (DIN: 00160401), as an Independent Director of the Company			
5.	To appoint Mr. Sunil K. Mehta (DIN: 01736527), as an Independent Director of the Company			
6.	To appoint Mr. Bipin R. Patel (DIN: 01186974), as an Independent Director of the Company			
7.	To Increase in borrowing power u/s 180(1)(c) of the Companies Act, 2013			
8.	To Mortgage, Hypothecate and/ or charge all or any of the movable and or immovable properties of the Company u/s 180(1)(a) of the Companies Act, 2013			
9.	To Revise the remuneration terms of Mr. Suresh J. Patel (DIN: 00007400), Chairman and Managing Director of the company			
10.	To Revise the remuneration terms of Mr. Bhavin S. Patel (DIN: 00030464), Executive Director of the company			
11.	To Revise the remuneration terms of Mr. Ankit S. Patel (DIN: 02173231), Executive Director of the company			

Place : Ahmedabad  
 Date : 22/09/2014

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

 \_\_\_\_\_  
 Verified by Registrar (Signature with stamp)

 \_\_\_\_\_  
 Verified by Scrutinizer (Signature with stamp)



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

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

### CHIEF FINANCIAL OFFICER

Mayur B. Padhya

### COMPANY SECRETARY

Ashutosh B. Bhatt

### REGISTERED OFFICE

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

### CIN

L24110GJ1986PLC009003

### AUDITORS

#### Mayank Shah & Associates

*Chartered Accountants*

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

### BANKERS

Union Bank of India  
 Bank of India

### REGISTRAR & TRANSFER AGENTS

#### Sharepro Services (India) Pvt Ltd.

416-420, 4th Floor, Devnandan Mall,  
 Opp. Sanyas Ashram, Ellisbridge,  
 Ahmedabad-380006.

### AUDIT COMMITTEE

**Surendra N. Shah** *Chairman*  
**Bipin R. Patel** *Member*  
**Bhavin S. Patel** *Member*

### NOMINATION AND REMUNERATION COMMITTEE

**Surendra N. Shah** *Chairman*  
**Bipin R. Patel** *Member*  
**Sunil K. Mehta** *Member*

### SHAREHOLDERS' GRIEVANCES COMMITTEE

**Surendra N. Shah** *Chairman*  
**Bipin R. Patel** *Member*  
**Bhavin S. Patel** *Member*

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

**Suresh J. Patel** *Chairman*  
**Ankit S. Patel** *Member*  
**Surendra N. Shah** *Member*

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# Go Green!



## **Bodal Chemicals Ltd.**

CIN : L24110GJ1986PLC009003

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