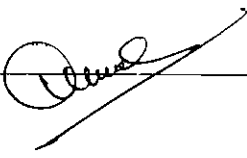




FORM B

**FORMAT OF COVERING LETTER OF THE ANNUAL AUDIT REPORT TO BE
FILED WITH THE STOCK EXCHANGE**

1.	Name of the Company	M/s. Vipul Dychem Limited-Standalone
2.	Annual financial statement for the year ended	31 st March, 2013
3.	Type of Audit Observation	<p>Qualified that:</p> <p>(i) Dividend Distribution Tax of Rs.1999.37 ('000) outstanding for more than six months.</p> <p>(ii) The Company has disputed the demand of Rs. 55 ('000) raised by the Income Tax Department in respect of assessment year 2002-03 and has made an appeal before the Income Tax Appellate Tribunal, Mumbai.</p>
4.	Frequency of Observation	Appearing since financial year 2008-2009
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	Refer Point (ix) of Annexure of Auditors' Report on page no. 24 and the management's response for the same can be referred in the point "Auditors" in Director's Report on page no. 7 of Annual Report of the Company.

Handwritten mark

6.	Additional comments from the board/audit committee chair:	-
7.	<p>To be Signed by -</p> <ul style="list-style-type: none"> • CEO & CFO • Auditor of the Company • Audit Committee Chairman 	<div style="text-align: center;">  Vipul P. Shah </div> <hr/> <div style="text-align: center;"> For J. A. Rajani & Co. Chartered Accountants FRN 108331W  P.J. Rajani Proprietor Membership no 116740 </div> <hr/> <div style="text-align: center;">  Prasannakumar B. Gawde </div>

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Annual Report



VIPUL DYECHEM LTD.

Infinite possibilities ●●●



*(Government of India Recognised Star Export House)
An ISO 9001 : 2008 Certified Company*



- Board of Directors** : Mr. Pravinchandra B. Shah Chairman
Mr. Vipul P. Shah Managing Director
Dr. S. N. Sahai Whole Time Director
Mr. Arvind J. Patel Director
Mr. Jagdeep Mehta Director
Mr. Prasannakumar B. Gawde Director
- Auditors** : M/s. J. A. Rajani & Co.
Chartered Accountants
Mumbai
- Banker** : Vijaya Bank
Mandvi Branch,
Mumbai
- Registered Office** : 102, Andheri Industrial Estate,
Off. Veera Desai Road,
Andheri (West),
Mumbai – 400053
Tel. No.: 022 – 66139999
Fax No.: 022 – 66139977 / 75
Email ID : info@vipuldyes.com
- Works** : Plot No. 11, Survey No. 35,
Diwan & Sons Industrial Estate,
Village – Aliyali, Palghar (West),
Dist. Thane - 401404

Plot No. A/14, MIDC,
A.M.P. Road, Ambarnath (West),
Dist. Thane - 421501
- Registrar & Share Transfer Agents** : Bigshare Services Private Limited
E-2/3, Ansa Industrial Estate,
Sakivihar Road, Saki Naka,
Andheri (East), Mumbai - 400072
Tel. No.: 022 – 40430294
Fax No.: 022 – 28475207
Email ID: shraddha@bigshareonline.com



NOTICE

Notice is hereby given that the next Annual General Meeting of the members of **VIPUL DYECEM LIMITED** will be held on Friday, the 27th day of September, 2013 at 3.30 p.m. at Hotel Karl Residency, 36, Lalubhai Park Road, Andheri (West), Mumbai – 400058 to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and the Statement of Profit & Loss for the year ended on that date and the Reports of the Board of Directors' and Auditors' thereon.
2. To declare dividend on Equity Shares for the financial year ended on 31st March, 2013.
3. To appoint a Director in place of Mr. Pravinchandra B. Shah, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Arvind J. Patel, who retires by rotation and being eligible, offers himself for re-appointment.
5. To re-appoint M/s. J. A. Rajani & Co., Chartered Accountants, Mumbai (having FRN:108331W) as Statutory Auditors of the Company to hold office from the conclusion of ensuing Annual General Meeting up to the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

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 198, 269, 309 and 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force), the re-appointment of Dr. S. N. Sahai as Whole Time Director of the Company for a further period of one year with effect from 1st April, 2013 till 31st March, 2014 on the following terms and conditions be and is hereby approved:
 1. Terms of re-appointment: w.e.f. 1st April, 2013 till 31st March, 2014.
 2. Remuneration payable:
 - (A) Salary: ₹ 42,500/- (Rupees Fourty Two Thousand Five Hundred only) per month.
 - (B) Perquisites: The Whole Time Director shall be entitled to the perquisites in accordance with the Company's policies, practices and procedures over and above the salary.
 - (C) The Company shall reimburse the expenses incurred by Whole Time Director for the purpose of the business of the Company in accordance with the Company's policies, practices and procedures.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year during the currency of tenure of service of Dr. S. N. Sahai as Whole Time Director, the payment of salary, perquisites and other allowances as approved by this resolution shall be payable as minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts and deeds as may be required to give effect to the above resolution.”

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:
“**RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force), the revision in remuneration payable to Mr. Vipul P. Shah, Managing Director of the Company w.e.f 1st October, 2012 for the remaining period of his tenure be and is hereby approved as follows:
 1. Remuneration payable:
 - (A) Salary: ₹ 2,50,000/- (Rupees Two Lakhs Fifty Thousand Only) per month.
 - (B) Perquisites:

The Managing Director shall be entitled to the following perquisites in accordance with the Company's policies, practices and procedures over and above the salary:

 - a) Company based accommodation or house rent allowance;
 - b) Education Allowance;
 - c) Chauffeur driven Company Car;
 - d) Reimbursement of medical benefit incurred for self and family;



- e) Leave travel allowance;
 - f) Company's contribution to Keyman Insurance Policy, Provident Fund; and
 - g) Superannuation Scheme, benefits of Gratuity, earned leave and encashment of leave as per rules of the Company.
2. Car for use on Company's business, telephone and other communication facilities at residence will not be considered as perquisites.
 3. The Company shall reimburse the Managing Director expenses incurred by him for the purpose of the business of the Company in accordance with the Company's policies, practices and procedures.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year during the currency of tenure of service of Mr. Vipul P. Shah as Managing Director, the payment of salary, perquisites and other allowances as approved by this resolution shall be payable as minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be required from time to time in this regard."

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force), the re-appointment of Mr. Vipul P. Shah as Managing Director of the Company for a further period of three years w.e.f 15th July, 2013 till 14th July, 2016 on the following terms and conditions be and is hereby approved:

1. Remuneration payable:
 - (A) Salary: ₹ 2,50,000/- (Rupees Two Lakhs Fifty Thousand Only) per month.
 - (B) Perquisites:

The Managing Director shall be entitled to the following perquisites in accordance with the Company's policies, practices and procedures over and above the salary:

 - a) Company based accommodation or house rent allowance;
 - b) Education Allowance;
 - c) Chauffeur driven Company Car;
 - d) Reimbursement of medical benefit incurred for self and family;
 - e) Leave travel allowance;
 - f) Company's contribution to Keyman Insurance Policy, Provident Fund; and
 - g) Superannuation Scheme, benefits of Gratuity, earned leave and encashment of leave as per rules of the Company.
2. Car for use on Company's business, telephone and other communication facilities at residence will not be considered as perquisites.
3. The Company shall reimburse the Managing Director expenses incurred by him for the purpose of the business of the Company in accordance with the Company's policies, practices and procedures.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year during the currency of tenure of service of Mr. Vipul P. Shah as Managing Director, the payment of salary, perquisites and other allowances as approved by this resolution shall be payable as minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be required from time to time in this regard."

By Order of the Board of Directors

Place : Mumbai
Date : 30th May, 2013

Pravinchandra B. Shah
Chairman

Registered Office:
102, Andheri Industrial Estate,
Off. Veera Desai Road,
Andheri (West),
Mumbai – 400 053

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF ON POLL ONLY. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. Member/Proxy should bring the attendance slip duly filled in for attending the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 25th September, 2013 to Friday, 27th September, 2013 (both days inclusive) for determining the names of members eligible for payment of dividend on Equity Shares, if approved by the shareholders at the ensuing Annual General Meeting.
4. The dividend on Equity Shares, if declared at the Meeting, will be credited / dispatched between 7th October, 2013 and 10th October, 2013 to those members whose names shall appear on the Company's Register of Members on 27th September, 2013; in respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as beneficial owners as on that date.
5. The Securities and Exchange Board of India (SEBI) and the Reserve Bank of India (RBI) have advised all listed Companies mandatorily to use the National Electronic Clearing Service (NECS) facility wherever possible for dividend payment to the shareholders. In view of this stipulation, the Company proposes to implement the NECS facility. Members who wish to avail the NECS facility may provide the Company with ECS mandate for crediting the future dividend payments directly to their respective bank accounts.
6. Shareholders are kindly requested to bring their copy of Annual Report to the meeting.
7. Members are requested to address all correspondences, including NECS mandates, etc. to the Registrar and Share Transfer Agents – Bigshare Services Private Limited, Unit : Vipul Dyechem Limited, E – 2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai – 400 072.
8. In terms of Sections 205A and 205C of the Companies Act, 1956, the amount of dividend remaining unclaimed or unpaid for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company is required to be transferred to the Investors' Education and Protection Fund (IEPF) established by the Central Government and no claims shall lie against the said fund or the Company for the amount of dividend so transferred to the fund. Shareholders who have not yet encashed their dividend warrant(s) for the financial year ended 31st March, 2006 or for any subsequent financial years are requested to make their claims to the Company.
9. Any member seeking information with regard to accounts of the Company is requested to write atleast 7 days before the meeting to enable the Company to keep the information ready.
10. Members holding shares in physical form are requested to notify immediately any change in their address or bank mandates to the Company / Registrar and Share Transfer Agents quoting their Folio Number immediately. Members holding shares in the electronic form may update such details with their respective Depository Participants.
11. Members are requested to bring their original photo ID (like PAN Card, Aadhar Card, Voting Card etc., having photo identity) while attending the meeting.

Brief resume of directors being re-appointed (in pursuance of Clause 49 of the Listing Agreement):

Mr. Vipul P. Shah, 47 years, is a Chemical Engineer having more than 25 years of experience in chemical dye stuff and pharmaceutical industry. He is also a Director in Jayapriya Chemical Industries Limited, Shri Ambika Naturals Private Limited and VIP Chem Private Limited. He is member of the Audit Committee and Shareholders'/Investors' Grievance Committee of the Company.

As on 31st March, 2013, he holds 726,100 Equity shares in the Company.

Dr. S. N. Sahai, 68 years, is Ph. D. in Technology process and having more than 33 years of experience in marketing and Techno commercial. He is Director in Jayapriya Chemical Industries Limited and member of Shareholders' / Investors' Grievance Committee of the Company.

As on 31st March, 2013, he does not hold any Equity shares in the Company.



Mr. Pravinchandra B. Shah, a promoter Director and Chairman of the Company, is a Science Graduate, having 46 years of experience in the Dyestuff and Chemical Business. He is also director in Vipchem Private Limited, Jayapriya Chemical Industries Limited, Standardcon Private Limited and Sudoku Commercial Services Private Limited. He is also Chairman of the Shareholders'/Investors' Grievance Committee of the Company.

As on 31st March, 2013, he holds 2,47,100 equity shares of the Company.

Mr. Arvind J. Patel is a science graduate having more than 46 years of experience in the line of business of the Company. He does not hold any equity share of the Company.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 6

As the tenure of Dr. S. N. Sahai, Whole time Director of the Company expired on 31st March, 2013. Considering his long association with the Company and vast experience and as recommend by Remuneration Committee the Board of Directors of the Company at their meeting held on 22nd March, 2013 re-appointed him for a further period of one year from 1st April, 2013 to 31st March, 2014 on the terms and conditions as detailed in the resolution as set out in item no. 6 of this notice, subject to approval of members of the Company.

Your Board of Directors recommends passing of the Ordinary Resolution as set out at Item No. 6 of the Notice.

Except Dr. S. N. Sahai, none of the other directors of the Company are concerned or interested in this resolution.

Item Nos. 7 & 8

Mr. Vipul P. Shah is promoter and is associated with the Company since more than two decades. Mr. Vipul P. Shah being Managing Director of the Company shoulders a huge responsibility. Considering his experience, knowledge and contribution made in the growth of the Company and as recommended by Remuneration Committee, the Board of Directors in their meeting held on 10th January, 2013, revised the remuneration payable to him for remaining period of his tenure w.e.f. 1st October, 2012 on the terms and conditions specified in Item No. 7 of the notice.

The terms of appointment of Mr. Vipul P. Shah is expiring on 14th July, 2013. Considering his experience, knowledge and contribution made in the growth of the Company and as recommended by the Remuneration Committee, the Board of Directors in their meeting held on 30th May, 2013 re-appointed him for a further period of three years w.e.f. 15th July, 2013 till 14th July, 2016 on the remuneration and terms and conditions as detailed in the resolution as set out in Item No. 8 of the Notice, subject to the approval of the members of the Company.

The details as required under proviso (iv) to Clause B of Part II of Schedule XIII to the Companies Act, 1956, are given below:

I. General Information		
(1)	Nature of industry	The Company is engaged in the business of manufacturing of Dye intermediates.
(2)	Date or expected date of commencement of commercial production	The Company is an existing Company and is in operation since 1972.
(3)	In case of new companies, expected date of commencement of activities as per project approved by the financial institutions appearing in the prospectus	N.A.
(4)	Financial performance based on given indicators	EPS : ₹ 1.15/Return on networth : 5.03%
(5)	Export performance and net foreign exchange collaborations	Export ₹ 3027.15 Lacs.
(6)	Foreign investments or collaborators, if any	Nil



II. Information about the appointee		
(1)	Background details	Mr. Vipul P. Shah aged 47 years is a chemical engineer having more than 25 years of experience in chemical dye stuff and pharmaceutical industry. He is associated with the Company from more than two decades. He is entrusted with overall management of the Company under the supervision of the Board of Directors of the Company.
(2)	Past Remuneration	₹ 1,50,000/- per month as Managing Director since 1 st October, 2011.
(3)	Recognition or awards	Under the guidance of Mr. Vipul P. Shah, the Company has received "FIRST AWARD" for the 'Outstanding Export Performance' under the Dyes, Dye Intermediates and Pigment Panel by Export Promotion Council - Chemexcil, Government of India on 6 th January, 2011.
(4)	Job profile and his suitability	He is actively involved in the business of the Company and manages day to day affairs. He provides his expertise in different areas of business of the Company. Taking into consideration his expertise, he is best suited for the responsibilities currently assigned to him by the Board of Directors.
(5)	Remuneration proposed	₹ 2,50,000/- p.m.
(6)	Comparative remuneration profile with respect to industry, size of Company, profile of the position and person	At par with the industry standards in which the Company operates.
(7)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Mr. Vipul P. Shah is son of Mr. Pravinchandra B. Shah, Chairman and Promoter of the Company.
III. Other information		
(1)	Reasons of loss or inadequate profits	Due to unfavorable market conditions the Company could not achieve high levels of profits.
(2)	Steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms	The Company hopes increase in revenue and profit margin in coming years.

Your Board of Directors recommends passing of the Special Resolutions as set out at Item Nos. 7 and 8 of the notice.

Except Mr. Pravinchandra B. Shah and Mr. Vipul P. Shah, none of the other directors of the Company are concerned or interested in these resolutions.

By Order of the Board of Directors

Place : Mumbai
Date : 30th May, 2013

Pravinchandra B. Shah
Chairman

Registered Office:
102, Andheri Industrial Estate,
Off. Veera Desai Road,
Andheri (West),
Mumbai – 400 053

**DIRECTORS' REPORT****Dear Members,**

Your Directors have pleasure in presenting herewith Annual Report together with the Audited Accounts of the Company for the financial year ended 31st March, 2013.

Financial highlights:

(₹ in Lacs)

Particulars	For the Year ended 31 st March, 2013	For the Year ended 31 st March, 2012
Total revenue	3429.71	2891.34
Less: Expenditure except Finance Cost and Depreciation	3259.77	2736.78
Profit before Finance Cost, Depreciation & Tax	169.94	154.56
Less: Finance Cost	48.00	46.59
Less: Depreciation	32.48	26.84
Profit before tax	89.46	81.13
Less: Provision for Tax	26.58	25.92
Profit after Tax	62.88	55.21
Balance brought forward from previous year	246.28	252.42
Profit available for appropriation	309.16	307.63
Tax Adjustments	2.01	10.44
Proposed Dividend	43.80	43.80
Tax on Dividend	8.11	7.12
Surplus carried to Balance Sheet	255.24	246.28

Operations:

The Company earned revenue from operations of ₹ 3424.83 Lacs during the year as compared to ₹ 2,885.35 Lacs during the previous year. The Profit before tax has been increased to ₹ 89.46 Lacs from ₹ 81.13 Lacs in the previous year. After considering the provision for taxation of ₹ 26.58 Lacs (previous year ₹ 25.92 Lacs), your Company could achieve a net profit of ₹ 62.88 Lacs during the year (previous year ₹ 55.21 Lacs).

Dividend:

Considering the financial performance of the Company, your Directors recommend the payment of dividend @ ₹ 0.80 (8%) [previous year ₹ 0.80 (8%)] for the financial year ended 31st March, 2013. The dividend on Equity shares, if approved by the members, would involve an outflow of ₹ 43.80 Lacs towards dividend and ₹ 8.11 Lacs towards dividend tax, resulting in a total outgo of ₹ 51.91 Lacs.

Public Deposits:

Your Company has not accepted/renewed any deposits from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956 and rules made thereunder during the year under review.

Directors:

During the year under review, Dr. S. N. Sahai was re-appointed as Whole Time Director of the Company for a period of 1 year from 1st April, 2013 to 31st March, 2014, subject to approval of the members. Further, Mr. Vipul P. Shah was re-appointed as Managing Director of the Company for a period of 3 years from 15th July, 2013 to 14th July, 2016 subject to approval of the members.

In accordance with the provisions of Section 256 of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Pravinchandra B. Shah and Mr. Arvind J. Patel, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment.



Your Directors recommend the re-appointment of Mr. Pravinchandra B. Shah and Mr. Arvind J. Patel as Directors, Dr. S. N. Sahai as Whole time Director and Mr. Vipul P. Shah as Managing Director of the Company.

Brief resume of the Directors proposed to be re-appointed as stipulated under Clause 49 of the Listing Agreement entered with BSE Limited is given in the Notice convening the Annual General Meeting.

Auditors:

- M/s J. A. Rajani & Co., Chartered Accountants, Mumbai (FRN:108331W), the Statutory Auditors of your Company hold the office till the conclusion of ensuing Annual General Meeting and are being eligible, have offered themselves for re-appointment. The Company has received a letter from them to the effect that they are willing to continue as Statutory Auditors and their re-appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

Your Directors recommend their re-appointment as Statutory Auditors of the Company to hold office from the conclusion of the ensuing Annual General Meeting upto the conclusion of next Annual General Meeting of the Company and to audit financial accounts of the Company for the financial year 2013-14.

Auditors' Report

With regard to observation made by the Auditors' in their report, your Directors would like to state that:

1. Regarding the non payment of dividend distribution tax of Rs. 19.99 Lacs, we state that the Company is in process of making payment of the same.
2. The Company has disputed the demand of Rs. 0.55 Lacs raised by the Income Tax Department in respect of Assessment Year 2002-03 and has made an appeal before the Income Tax Appellate Tribunal, Mumbai. The Company is hopeful of winning the appeal.

Directors' Responsibility Statement:

In accordance with the provisions of Section 217(2AA) of Companies Act, 1956, your Directors confirm that:

- a) in the preparation of the annual accounts, the applicable Accounting Standards have been followed and that no material departure have been made from the same;
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2013 and of the profits of the Company for the period ended on that date;
- c) they 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; and
- d) they have prepared the annual accounts on a "Going Concern" basis.

Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange:

As required under the provisions of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, particulars regarding conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo for the year under review are annexed to this report and marked as "Annexure A".

Subsidiary Company and Consolidated Financial Statements:

Shree Ambika Naturals Private Limited is a subsidiary of the Company which is engaged in the business of manufacturing and trading of natural Chemicals, Colours and Organic and Inorganic Dye stuff.

A statement containing brief financial details of the Company's subsidiary for the year ended 31st March, 2013 is annexed to this report and marked as "Annexure B".

The Ministry of Corporate Affairs vide its General Circular No: 2/2011 dated 8th February, 2011 have granted general exemption from attaching the Balance Sheet of subsidiary company with the holding Company's Balance Sheet, if the



holding company presents in its Annual Report the Consolidated Financial Statements duly audited by its Statutory Auditors. The Company is publishing Consolidated Financial Statements in the Annual Report, hence the Balance Sheet of subsidiary Company is not attached with the Company's Balance Sheet.

The annual accounts of the above referred subsidiary company and the related detailed information shall be made available to the shareholders of the Company and the subsidiary Company on request and will also be kept open for inspection at the Registered Office of the Company and of the subsidiary Company during the office hours on all working days and during the Annual General Meeting and also on the Company's website i.e. www.vipuldyes.com.

Corporate Governance:

Pursuant to Clause 49 of the Listing Agreement entered with the BSE limited, the following have been made part of the Annual Report and are attached to this report:

- Management Discussion and Analysis Report
- Corporate Governance Report
- Auditors' certificate regarding compliance of conditions of Corporate Governance

Particulars of Employees under Section 217(2A) of the Companies Act, 1956:

During the year under review, no employee was in receipt of remuneration exceeding the limit prescribed under the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, hence your directors have nothing to report in this regard.

Acknowledgement:

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the Financial Institutions, Banks, Government Authorities, Vendors and Shareholders and all others connected with the Company during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services of executives, staff and workers of the Company.

For and on behalf of the Board of Directors

Place: Mumbai
Date : 30th May, 2013

Pravinchandra B. Shah
Chairman

**“ANNEXURE A” TO THE DIRECTORS’ REPORT**

ADDITIONAL INFORMATION AS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF DIRECTOR’S REPORT FOR THE YEAR ENDED ON 31ST MARCH, 2013:

A. CONSERVATION OF ENERGY:

The Company is conscious about the energy conservation and has kept constant supervision so as to avoid any leakage, stripping, etc. The power meters are also regularly checked. However, the management, wherever possible, shall try to replace machinery which is found defective by upto date innovated machinery, even generating sets are provided and the Company started using diesel oil since last 8 years.

FORM – A

PARTICULARS	2012-2013	2011-2012
A. POWER AND FUEL CONSUMPTION:		
(i) ELECTRICITY		
(a) Purchased units (KWH)	3,52,076	2,03,231
(b) Total Amount (₹)	27,46,190	15,14,900
(c) Rate per unit (₹)	7.80	7.45
(ii) FUEL OIL (DIESEL)		
(a) Qty – units (LTR)	1,58,515	72,663
(b) Total Amount (₹)	68,46,933	27,13,982
(c) Average Rate (₹)	43.19	37.35
(iii) OTHERS / INTERNAL GENERATION	NIL	NIL
B. CONSUMPTION PER UNIT OF PRODUCTION:		
Products: Dye intermediates		
(i) Electricity (KWH/KG.)	0.73	0.66
(ii) Fuel Oil (LTRS./KG.)	0.33	0.24

B. TECHNOLOGY ABSORPTION AND ADAPTATION:

The Company has not acquired any foreign technology so far as the technical know-how is concerned. The technology for the Company’s activities is available easily in India. The question of absorption and adaptation does not arise.

C. RESEARCH AND DEVELOPMENT:

The Company has no separate division as such of carrying out Research and Development since the Company has been using so far the standardized methods of manufacturing Dyes and Chemicals. However, a small laboratory is in function for quality control. The Company has therefore not spent any expenditure on Research and Development during the year under review.

D. FOREIGN EXCHANGE INFLOW / OUTGO:**(₹ in 000’)**

Particulars	2012-2013	2011-2012
Foreign Exchange earned	3,02,715.34	2,62,514.44
Foreign Exchange used	4,507.40	2,657.77

**“ANNEXURE B” TO THE DIRECTORS’ REPORT**

Information as required under General Circular No. 2/2011 No. 51/12/2007-CL-III dated 8th February, 2011 issued by the Ministry of Corporate Affairs (MCA) relating to Subsidiary Company for the year ended 31st March, 2013 under Section 212 of the Companies Act, 1956:

(₹ in Lacs)

Particulars	Shree Ambika Naturals Private Limited
Share Capital	4.55
Reserves	(25.02)
Total Assets	89.09
Total Liabilities	109.56
Investments (Except in Subsidiary Companies)	-
Turnover	15.16
Profit/(Loss) before Taxation	(24.37)
Provision for Taxation	(6.60)
Profit/(Loss) after Taxation	(17.76)
Proposed dividend	-



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. Industrial Scenario:

Presently India, China, Korea, Taiwan and Indonesia are the main producers for the Dyestuffs and Pigments. The manufacturers of Europe and USA have almost shifted the production base to these Asian Countries. The main reason for this is the low cost of production and ample manpower within Asian Countries.

Dyestuff Industry is mainly depends on the Textile Industry and in fiscal 2012-13, Textile Ministry is confident to achieve the export target of USD 50 Billion inspite of slow down of demand and presently most of the Asian Countries are encouraging their textile business which used to be their core business once upon a time. Lots of incentives have been provided to the textile industries in India and other countries and presently all these textiles are being exported to Europe, USA and other Western Countries. So, definitely with the improved textile industry, Dyestuff Industry is bound to grow.

Dyestuff Industry has gone into a tremendous change during last ten years as manufacturing activities in European countries have been stopped due to the environmental & pollution problems. Today, the global market of dyestuffs, pigments and intermediates is around USD 40 Billion with dyestuffs and pigments market is approximately around USD 25 Billion and the intermediates is about USD 15 Billion. India's share in the global market is about 8 to 9%.

African Continent with a population of 1 Billion is growing at a fairly good growth (Say 8% P.A.) and India's Trade with Africa has reached nearly USD 46.5 billion. We are tapping this market by deputing our Technical cum Marketing team frequently to increase our market share.

Today India is the second largest producer of Dyestuff after China. Though the Chinese products are very cheap and economical, Indian products are always preferred because of the consistent quality and timely delivery. To this effect now in China also the cost of production is increasing and hence the price difference between Indian products and the Chinese products has reduced. So, definitely in the very near future the price difference between Indian products and the Chinese products will no longer exist.

China –to lose competitive advantage:

The biggest competition for our industry is from China. Presently Chinese pigments manufacturers are more economical because of economies of large scale. But following table will explain why China is going to lose its competitive advantage vis a vis India:-

Country	China	India
Subsidies	Chinese Govt. is gradually reducing the subsidies granted.	In India, for exports no subsidies exist. Duty drawback is only incentive available to Exporters which works out to just 1% and even if withdrawn will have insignificant impact.
Energy Cost	Energy cost which was almost zero earlier, is now becoming expensive.	Energy cost in India is at peak now. Govt. of India is taking number of initiatives to generate and supply uninterrupted power without any further increase in cost.
Labour Cost	Labour is getting more expensive in China.	Labour is still very cost effective. Besides normal 10% to 12% increase p.a. there is no further addition to cost.
Stringent pollution control norms	Earlier there were no specific norms to follow. But, nowadays every factory in China has to fulfil certain basic requirements in relation to pollution control.	In India, in general and specifically in the states of Maharashtra and Gujarat where there is concentration of Chemical Industries, there are already strict pollution control norms to be followed. In many industrial areas common effluent treatment plants have come up where effluent treatment is done at very nominal cost. Hence, no threat from Pollution Control norms.



Apart from these, if you are exporter manufacturer than the charges like Excise, Sales Tax does not form part of Cost of Sales. With the GST rollout in sight, further simplification of tax laws is expected.

Considering all the above factors in coming 2 to 3 years, Chinese prices of pigments will be at par with that of Indian manufacturers of pigments. Indian manufacturers have got a great opportunity on hand to capture the market presently controlled by Chinese, the process of which has already started. Two years back, it was almost impossible to export organic pigments out of India but slowly and steadily Indian organic pigments manufacturer have started creating market for their own products worldwide.

Domestic demand push :-

Indian GDP is expected to grow @ less than 5% for the fiscal 2013-2014. Indian government is planning to spend more than ₹ 1 trillion on infrastructure development in next 10 years. Therefore, there is a growth in all infrastructural related industries. New roads are being laid out, huge townships have been planned and constructed across India in 4 metros as well as tier 2 and other medium size cities. Demand for plastic is increasing day by day, Textile Industries are doing better, Indian exports of textiles especially home furnishing to Europe and USA are increasing. With all these end-user industries doing well, demand for pigments is going to increase manifold in the years to come. As a result, there is wide scope for growth of pigment in ink industry in India.

2. Outlook:

In view of the above circumstances, it is expected that the Dyestuff Industry will continue to grow once conditions improve.

3. Risk factors and threats:

Risk involved in economics and working of industries are greatly influenced by the various policies fabricated by the Central and State Governments. If the policies of any nature are framed with utmost transparencies and in frequent intervals, coupled with a definite all time performance on the part of management, growth and development of industries is certain. Flexibility on the managerial behaviour with flexibility on the needs of the customers is also taken as an important factor.

4. Utilization of the Products :

It is always dangerous if the products manufactured by the Company utilized only by a specific industry. In view of this, the management always tries to have multiple products having end use in multiple industries. Accordingly, the products manufactured by the Company have been utilized successfully in the following industries:

a) Textile Dyeing and Printing:

As mentioned above, with a growing textile industry, the management is sure to have substantial growth by utilization of the concerned products within the textile industry.

b) Paint and Printing Ink:

The Company is producing Pigments since last four years. Pigments are utilized widely for Paint and Printing Ink industries. With the increase of application related to printing such as Media, Newspapers, etc., there are huge possibilities for the sales of this product within the Printing Ink Industry and with the growing infrastructure, construction, automobile industry; the Paint Industry & Rubber Industry is also doing well, wherein the Company is selling its products.

5. Opportunities:

In recent times, we have increased the Customer Base. Besides exporting to developed countries, such as USA, EEC, JAPAN, we are exporting even to the remote places like Guatemala, Uruguay, and Vietnam. Exports to Latin American Countries such as Brazil, Argentina, Colombia, Chile and Peru have also increased. Profitability is much more in the exports to these countries compared to highly competitive European & other Far East Asian Market. The customer base has been very broadly increased so that the momentum can be continued.

Distributors' & Dealers' Network has been established in certain areas within India to develop the domestic sales. Agents have been appointed in Indore, New Delhi, Nagpur, Hyderabad etc. and slowly this network shall be expanded, The Company has also acquired an industrial land at Tarapur wherein the manufacturing activity of the Pigments shall be expanded by nearly four-fold.



Natural / Herbal Extracts:- Shree Ambika Naturals Private Limited a subsidiary of Vipul Dyechem Limited, with the intension of diversify from the traditional Dyes and Pigment Business and considering the growth in the food, Pharmaceuticals and Cosmetic Industries, has started producing successfully Herbal Extracts Phyto Chemicals and Natural colours at Ahmednagar (Maharashtra) and exported to developed market like USA, Europe & Latin America. This Company is only two years old. After initial teething problems, we have come out from this with improved quality of new products, which have a very good potential in International Market such as USA, Canada & European Union. So we anticipate substantial growth, with fairly good profit margin. We have added few New Products which will substantiate company's revenue during the current year.

This project is speeding in the right direction and during the current financial year we hope to achieve better growth as we have added some new products in this range.

6. Internal Control and its Adequacy:

Management Team available especially for the Company's production activities is so very highly experienced, that at every stage of production from availability of quality materials till the outcome of production as per ISO 9001:2008, they provide their expertise to such an extent that the Company's products have achieved their due importance in the local and international markets.

Systems of internal controls adopted by the management team is adequate to ensure that all the assets are guarded and protected against loss from unauthorized and unethical use of such assets. Whenever the assets are disposed off, the transaction cannot go without authorization.

7. Discussion on financial performance with respect to operational performance:

The Company earned revenue from operations of ₹ 3424.83 lacs during the year as compared to ₹ 2885.35 lacs during the previous year, The Profit before tax has been increased to ₹ 89.47 lacs from ₹ 81.13 lacs in the previous year. After considering the provision for taxation of ₹ 26.58 lacs (previous year ₹ 25.92 lacs), your Company could achieve a net profit of ₹ 62.89 lacs during the year (previous year ₹ 55.21 lacs)

8. Human Resource Management:

The Company provides necessary training to all its employees and equip them to manage critical business process to face the challenge of competitive global market. As on 31st March, 2013 the Company had total 27 (previous year 28 employees).

9. Cautionary Statement:

Any statement made in this Management Discussions and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be a forward-looking within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that might make the difference to the Company's operations include availability of materials and prices, cyclical demand and pricing in the Company's principal markets, changes in the Government regulations, taxation and commitments for market development in India and abroad.



REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance helps to serve corporate purposes by providing a framework within which stakeholders can pursue the objectives of the organization most effectively.

The Company's philosophy on Corporate Governance is aimed at strengthening the confidence of the shareholders in the Company and building a long term relationship of trust with them by maintaining transparency and periodical disclosures. The Company believes in maintaining high standards of quality and ethical conduct in its operations.

2. BOARD OF DIRECTORS

A) Composition

The Board of Directors provides strategic direction and thrust to the operations of the Company. The Board has a Non-Executive/Non-Independent Chairman and five other directors. Out of these, two directors are Executive Directors and three are Non – Executive/Independent Directors. The Company complies with the norms prescribed under Clause 49 of the Listing Agreement for constitution of Board of Directors.

B) Board Procedure

The agenda is prepared in consultation with the Chairman of the Board of Directors and the Chairmen of other Committees. The agenda for the meetings of the Board and its committees, together with the appropriate supporting documents are circulated well in advance of the meeting.

Matters discussed at Board meetings generally relate to Company's business operations, quarterly results of the Company, review of the reports of the Audit Committee and compliance with their recommendation, suggestion, non compliance of any regulatory, statutory or listing requirements etc.

C) Attendance at Meetings

During the year under review, the Board of Directors met 6 (six) times on 30th May, 2012, 14th August, 2012, 9th November, 2012, 10th January, 2013, 12th February, 2013 and 22nd March, 2013. As stipulated, the gap between two meetings did not exceed four calendar months.

Details of composition and category of Directors, their attendance at each Board meeting held during the financial year 2012-13 and at the last Annual General Meeting, their directorships in other Companies and membership / chairmanship in committees are as follows:

Director	Category	No. of Board Meetings Attended		Attendance at last AGM held on 28 th September, 2012	No. of directorship held in other public companies ¹	Committee Position in other companies	
		Held	Attended			Member	Chairman
Mr. Pravinchandra B. Shah	Promoter/ Chairman / Non Executive	6	6	Absent	1	-	-
Mr. Vipul P. Shah	Promoter/ Managing Director	6	5	Present (Chairman)	1	-	-
Dr. S. N. Sahai	Whole Time Director	6	5	Present	1	-	-
Mr. Arvind J. Patel	Non Executive / Independent Director	6	-	Absent	-	-	-
Mr. Jagdeep Mehta	Non Executive / Independent Director	6	5	Absent	-	-	-
Mr. Prasannakumar B. Gawde	Non Executive / Independent Director	6	6	Present	2	2	2

Note :

- Directorships in respect of private limited companies, Section 25 companies and foreign companies have not been included.



2. Position in Audit Committee and Shareholders'/Investors' Grievance Committee are considered for the purpose.
3. None of the directors hold directorships in more than 15 public limited companies, membership in more than 10 committees and chairmanship in more than 5 committees.

3. BOARD COMMITTEES

A) Audit Committee

The Committee comprises of two independent and one executive director having financial background and knowledge in the areas of business of the Company. The Committee comprises of Mr. Prassannakumar B. Gawde (Chairman of the Committee), Mr. Jagdeep Mehta and Mr. Vipul P. Shah.

During the year under review, 4 (four) meetings of the Audit Committee were held on 30th May, 2012, 14th August, 2012, 9th November, 2012 and 12th February, 2013.

The Composition of the committee and the number of meetings attended by each member during the year ended 31st March, 2013 is as under:

Name of the Member	Designation	No. of Meetings	
		Held	Attended
Mr. Prasannakumar B. Gawde	Chairman	4	4
Mr. Jagdeep Mehta	Member	4	3
Mr. Vipul P. Shah	Member	4	3

The terms of reference of the Committee are wide. The members have access to all the required information from the Company. The brief descriptions of terms of reference are as follows:

- ◆ Reviewing the performance of the Company as reflected in the financial statements, as also compliance with accounting policies and practices, regulatory requirements concerning the said financial statements.
- ◆ Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- ◆ Recommending the appointment/re-appointment/removal of Statutory Auditors, fixation of audit fees and also approval of payments for any other services.
- ◆ Review with management the quarterly/half yearly and annual financial statements with the primary focus on accounting policies and practices, compliances with accounting standards and with the stock exchange and legal requirements concerning the financial statements.
- ◆ Reviewing with management, Statutory and internal auditors adequacy of the internal control systems in the Company.
- ◆ Discussing with internal and Statutory Auditors of any significant findings and follow-up thereon and reviewing the reports furnished by them.
- ◆ Reviewing the Company's financial and risk management policies.

The Compliance Officer acted as Secretary of the Committee.

B) Shareholders' / Investors' Grievance Committee

During the year under review, the Shareholders'/Investors' Grievance Committee met 3 (three) times on 30th May, 2012, 14th August, 2012 and 12th February, 2013.

The Compliance Officer acted as secretary of the Shareholders'/Investors' Grievance Committee.

The composition of the committee and the number of meetings attended by each member during the year ended 31st March, 2013 is as under:

Name of Member	Designation	No. of Meetings	
		Held	Attended
Mr. Pravinchandra B. Shah	Chairman	3	3
Dr. S. N. Sahai	Member	3	3
Mr. Vipul P. Shah	Member	3	3



The Committee meets as and when required, to deal with the matters relating to transfer/ transmission of shares and monitors redressal of complaints from shareholders relating to transfer, non receipt of balance sheet, dematerialization of shares etc.

During the year, 6 complaints were received from the shareholders and all the complaints were replied/ resolved to the satisfaction of the shareholders as on 31st March, 2013 and no complaint was pending at the end of the year.

The Compliance Officer acted as Secretary of the Committee.

C) Remuneration Committee

During the year under review, the Remuneration Committee met 3(three) times on 30th May, 2012, 10th January, 2013 and 22nd March, 2013.

The composition of the committee and the number of meetings attended by each member during the year ended 31st March, 2013 is as under:

Name of Member	Designation	No. of Meetings	
		Held	Attended
Mr. Prasannakumar Gawde	Chairman	3	3
Mr. Arvind J. Patel	Member	3	-
Mr. Jagdeep Mehta	Member	3	3

The Compliance Officer acted as Secretary of the Committee.

The details of remuneration paid to the directors during the year ended 31st March, 2013 and their shareholding is as follows:

(Amount in ₹)

Name of the Directors	Salary & Perquisites	Performance Incentive/ Bonus	Commission	Sitting Fees	Total	No. of Shares held
Mr. Pravinchandra B. Shah	-	-	-	-	-	2,47,100
Mr. Vipul P. Shah	24,00,000	-	-	-	24,00,000	7,26,100
Dr. S. N. Sahai	4,50,000	-	-	-	4,50,000	-
Mr. Arvind J. Patel	-	-	-	-	-	-
Mr. Jagdeep Mehta	-	-	-	50,000	50,000	-
Mr. Prasannakumar Gawde	-	-	-	50,000	50,000	-

Presently the Company does not have any scheme to grant stock options either to the Whole-time directors or employees.

No remuneration/compensation is paid to non-executive directors.

Name and designation of Compliance officer:

Dr. S. N. Sahai – Whole time Director is Compliance Officer of the Company.

4. SUBSIDIARY COMPANY

As on 31st March, 2013, the Company has one subsidiary company i.e. 'Shree Ambika Naturals Private Limited' which does not fall under the norms prescribed in Clause 49 of the Listing Agreement for "Material non-listed Indian Subsidiaries".

5. GENERAL BODY MEETINGS

Details of location, date and time where last three Annual General Meetings were held are given below:

Financial Year	Date	Time	Venue
2011 – 12	28 th September, 2012	3.30 P.M.	Hotel Karl Residency, 36, Lalubhai Park Road, Andheri (West), Mumbai – 400 058.
2010 - 11	30 th September, 2011	3.30 P.M.	
2009 - 10	30 th September, 2010	9.30 A.M.	

**Special Resolutions passed in last 3 Annual / Extra Ordinary General Meetings:**

Date of AGM / EOGM	Particulars of Special Resolution
28 th September, 2012	Special Resolution was passed for revision in remuneration payable to Mr. Vipul Shah, Managing Director w.e.f. 1 st October, 2011 for the remaining period of his tenure.
30 th September, 2011	Special Resolution was passed for alteration of Articles of Association of the Company.
30 th September, 2010	No special resolution was passed.

During the year under review, no resolution was passed by means of Postal Ballot. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a Special Resolution through Postal Ballot.

6. DISCLOSURES**A) Related party transactions:**

None of the related party transactions was in conflict with the interests of the Company. Details on materially significant related party transactions are given in the appended financial statements under notes to the accounts.

B) Code of Conduct:

The Board of Directors has adopted a Code of Conduct for the Board of Directors and Senior Management Personnel of the Company. All Board members have affirmed their compliance with the Code of Conduct. A declaration by the Managing Director of the Company affirming the compliance of the same in respect of the financial year ended on 31st March, 2013 by the members of the Board, as applicable to them, is also annexed separately in this Annual Report.

C) Compliance by the Company

The Company has complied with the requirements of the Stock Exchanges, Securities and Exchange Board of India (SEBI) and other statutory authorities on all matters relating to capital market during the last three years. The Stock Exchanges, SEBI or any statutory authority on any matter relating to capital markets imposed no penalties or strictures on the Company.

D) Disclosure of Accounting Treatment

In the preparation of the financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent possible.

E) Disclosures of Risk Management

The Board discussed the risk assessment procedure and the same has been laid before the Board from time to time.

F) CEO / CFO Certification

A certification in the terms of Clause 49(v) of the Listing Agreement from Mr. Vipul P. Shah, Managing Director of the Company, in respect of financial year ended 31st March, 2013 was placed before the Board.

G) Review of Directors' Responsibility Statement

The Board in its report has confirmed that the annual accounts for the year ended 31st March, 2013 have been prepared as per applicable accounting standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

H) Whistler Blower Policy

The Company has not adopted any formal Whistler Blower Policy, however it takes cognizance of complaint made and suggestions given by the employees and whenever necessary, suitable corrective steps are taken for it. No employee was denied to access the audit committee for the same purpose.

**I) Details of compliance with mandatory requirements and adoption of the non mandatory requirements of this clause.**

The Company has complied with all the mandatory requirements of the Clause 49 of the Listing Agreement. The details of these compliances along with the non-mandatory requirements adopted by the Company have been given in the relevant sections of this report.

7. MEANS OF COMMUNICATION

- A) At present half yearly report on accounts is not being sent to each household of shareholders.
- B) The quarterly/half yearly and yearly results are published in Business Standard and Mahanayak.
- C) At present, the Company has not made presentation to Institutional Investors and Analysts.
- D) The Company has its own website www.vipuldyes.com.
- E) The Management Discussion and Analysis Report is given separately in this Annual Report.

8. GENERAL INFORMATION FOR SHAREHOLDERS**A) Annual General Meeting :**

Day : Friday
Date : 27th September, 2013
Time : 3.30 p.m.
Venue : Hotel Karl Residency,
36, Lalubhai Park Road,
Andheri (West),
Mumbai - 400 058

B) Financial Calendar: (2013-2014):

Result for the quarter ending 30th June, 2013 – by 14th August, 2013
Result for the quarter ending 30th September, 2013 – by 14th November, 2013
Result for the quarter ending 31st December, 2013 – by 14th February, 2014
Audited Result for the year ending 31st March, 2014 – by 30th May, 2014.

C) Date of Book Closure : Wednesday, 25th September, 2013 to Friday, 27th September, 2013
(both days inclusive)

D) Dividend Payment Date : Credit/ Dispatch between 7th October, 2013 and 10th October, 2013

E) Listing on Stock Exchanges : BSE Limited
The Ahmedabad Stock Exchange Limited*
The Delhi Stock Exchange Association*
* Applied for de-listing.

The Company has paid the necessary listing fees of the BSE Limited for the year 2013–2014.

F) Stock Code : BSE: 530627

G) ISIN for NSDL & CDSL : INE 834D01018

**H) Market Price Data and comparison with BSE Sensex:**

The monthly high and low quotations of shares traded on the BSE Limited and BSE Sensex during each month in last financial year are as follows:

Month	Company's Share price at BSE*		BSE Sensex*	
	High (₹)	Low (₹)	High	Low
April, 2012	16.60	14.00	17664.10	17010.16
May, 2012	16.60	13.50	17432.33	15809.71
June, 2012	14.94	12.76	17448.48	15748.98
July, 2012	15.40	13.42	17631.19	16598.48
August, 2012	16.44	13.20	17972.54	17026.97
September, 2012	15.75	12.91	18869.94	17250.80
October, 2012	16.50	12.75	19137.29	18393.42
November, 2012	16.45	13.30	19372.70	18255.69
December, 2012	15.35	13.26	19612.18	19149.03
January, 2013	15.49	12.82	20203.66	19508.93
February, 2013	15.85	12.12	19966.69	18793.97
March, 2013	15.30	11.01	19754.66	18568.43

* Source: www.bseindia.com

I) Share Transfer System :

All shares sent for transfer in physical form are registered by the Company's Registrar and Share Transfer Agents within a maximum period of 15 days of the lodgment, except in some cases, if documents, are found in order. Shares under objection are returned within two weeks. All requests for dematerialization of shares are promptly processed and confirmation is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CSDL) within 21 days.

J) Shareholding pattern as at 31st March, 2013:

Sr. No.	Category of Holders	No. of Shares held	% of Shares held
1.	Promoter and Promoter group	29,46,600	53.82
2.	Mutual Funds/UTI	71,100	1.30
3.	Banks/Financial Institutions/ Insurance Companies (Central/ State Govt. Institutions/ Non Govt. Institutions)	-	-
4.	Venture Capital Funds	-	-
5.	FII's	-	-
6.	Bodies Corporate	5,14,150	9.39
7.	Individuals < ₹ 1 Lac > ₹ 1 Lac	10,12,844 8,99,368	18.50 16.43
8.	Clearing Member	238	0.01
9.	NRI/OCBs	30,200	0.55
10.	Trust	-	-
11.	Foreign Corporate Bodies	-	-
	TOTAL	54,74,500	100.00

**K) The Distribution of Shareholding as on 31st March, 2013:**

Slab of Shares Holding (in ₹)		Share Holders	Percentage (%)	Amount (₹)	Percentage (%)
From	To				
1	5000	2589	87.32	4053640	7.40
5001	10000	157	5.29	1353190	2.47
10001	20000	75	2.53	1192650	2.18
20001	30000	37	1.25	966830	1.77
30001	40000	22	0.74	792390	1.45
40001	50000	15	0.51	697840	1.27
50001	100000	29	0.98	2141020	3.91
100001	and above	41	1.38	43547440	79.55
TOTAL		2965	100.00	54745000	100.00

L) Dematerialization of shares and liquidity:

As on 31st March, 2013 about 90.82% of the Company's Equity Shares have been dematerialized. The Equity Shares of the Company are actively traded on the BSE Limited, Mumbai.

M) Outstanding ADRS, GDRS, Warrants or any convertible instruments, conversion date and impact on Equity:

As on 31st March, 2013, the Company did not have any outstanding ADRs, GDRs, Warrants or any convertible instruments.

N) Registrar and Share Transfer Agents:

Bigshare Services Private Limited.
Unit - Vipul Dyechem Limited
E – 2/3, Ansa Industrial Estate,
Sakivihar Road, Saki Naka,
Andheri (East), Mumbai – 400 072
Tel. No. : 022 - 4043 0294
Fax No. : 022 - 2847 5207
Email ID: shraddha@bigshareonline.com

O) Plant Location:

Plot No. 11, Survey No. 35,
Diwan & Sons Industrial Estate,
Village Aliyali, Palghar (West),
Dist. Thane - 401 404

Plot No. A/14, MIDC,
A.M.P. Road, Ambarnath (West),
Dist. Thane - 421501

P) Address for Investor Correspondence:

For any assistance regarding dematerialization of shares, share transfers, transmissions, change of address, non-receipt of dividend or any address, non-receipt of dividend or any other query relating to shares, please write to:

Bigshare Services Private Limited
Unit - Vipul Dyechem Limited
E – 2/3, Ansa Industrial Estate,
Sakivihar Road, Saki Naka, Andheri (East),
Mumbai – 400 072
Tel No. : 022 - 4043 0294
Fax No. : 022 - 2847 5207
Email ID : shraddha@bigshareonline.com

Compliance Officer
Dr. S. N. Sahai
102, Andheri Industrial Estate,
Off. Veera Desai Road, Andheri (West),
Mumbai – 400 053
Tel No. : 022 - 66139999
Fax No.: 022 - 66139977 / 75
Email ID : info@vipuldyes.com



DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT

I, Vipul P. Shah, Managing Director of the Company, confirm that all the Directors and Key Managerial Personnel of the Company have affirmed compliance with the code of conduct during the year ended on 31st March, 2013.

For Vipul Dyechem Limited

Place : Mumbai
Date : 30th May, 2013

Vipul P Shah
Managing Director

CERTIFICATE OF COMPLIANCE FROM THE AUDITORS OF THE COMPANY

To the members of
VIPUL DYECEM LIMITED

We have examined the Compliance of the conditions of Corporate Governance by **VIPUL DYECEM LIMITED** for the year ended 31st March, 2013 as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges of India.

The compliance of conditions of Corporate Governance is the responsibility of management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company.

In our opinion and to the best of our information and explanations given to us and the representations made by management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Agreement. We state that in respect of Investors' Grievances received, generally no investor grievances are pending for a period exceeding one month against the Company as per records maintained by the Investors Grievance Committee.

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

For **M/s. J. A. Rajani & Co.**
Chartered Accountants
Firm Reg. No.: 108331W

P. J. Rajani
Proprietor
Membership No.: 116740

Place : Mumbai
Date : 30th May, 2013

**INDEPENDENT AUDITORS' REPORT**

To
The Members of
Vipul Dyechem Limited

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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 31st March, 2013;
- 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") 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 subsection (3C) of Section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors as on 31st March, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For J. A. Rajani & Co.
Chartered Accountants
Firm Reg. No. 108331W

Place : Mumbai
Date : 30th May, 2013

P. J. Rajani
Proprietor
Membership No. 116740



ANNEXURE REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE

The Annexure referred to in paragraph 1 of the our Report of even date to the members of Vipul Dyechem Limited on the financial statements of the Company for the year ended 31st March, 2013.

i) In respect of its Fixed Assets:

Proper records showing full particulars, including quantitative details and situation of fixed assets are maintained.

As explained to us some of the Fixed Assets were physically verified during the year by the management in accordance with a program of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. The reconciliation work with the available records is in progress and necessary entries will be passed in the accounts to give to material discrepancies, observed on such reconciliation.

In our opinion and according to the information and explanations given to us, the Company has not made any substantial disposal of Fixed Assets during the year.

ii) In respect of its Inventories:

As explained to us, major inventories were physically verified during the year by the management at reasonable intervals.

In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to size of the Company and the nature of its business.

In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

iii) According to the information and explanation given to us:

The Company has not granted loans, secured or unsecured to companies, firms or other parties covered in register maintained u/s 301 of the Companies Act 1956 during the year and year end balance is ₹ Nil.

The Company has not taken loan from companies, firms or other parties covered in register maintained u/s 301 of the Companies Act 1956.

The rate of interest and other terms and conditions of loans given and taken by the Company are prima facie not prejudicial to the interest of the Company as no interest charged or received on any loans taken or given.

Since no stipulation as to recovery of principal as well as payment of interest are made for loans granted and taken, we cannot offer any comments for regularities of payments or overdue amount ,if any.

iv) In our opinion and according to the information and explanation given to us the Company has internal control system commensurate with the size of the Company and the nature of its business with regards to purchase of inventories, fixed assets and with regards to the sale of the goods and services. During the course of our audit, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in internal controls system.

v) To the best of our knowledge and belief and according to the information and explanation given to us particulars of contracts or arrangements referred to in Section 301 that need to be entered in the register have been so entered.

In our opinion and according to the information and explanation given to us, the transaction made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 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 prevailing market prices at the relevant time.

vi) In our opinion and according to the information and explanation given to us, the Company has not accepted public deposits during the year within the meaning of Section 58A and 58AA. We have been informed that no order has been passed by the Company Law Board or National Company Law Board Tribunal or Reserve Bank of India or any other Tribunal in India.

vii) In our opinion, the Company has internal audit system, commensurate with the size and nature of its business.



- viii) We have broadly reviewed the books of accounts maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of Cost records under Section 209(1) (d) of the Companies Act 1956, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- ix) According to the record of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees' State Insurance, Income Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other statutory dues applicable to it with appropriate authorities except for serious delays in depositing tax deducted at source and service tax .
- According to the information and explanations given to us, there are no undisputed amount payable in respect of income tax, wealth tax, custom duty, excise duty and cess which were outstanding, at the end for the period of more than six months from the date they became payable except dividend distribution tax of ₹ 1999.37 ('000).
- According to the information and explanations given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute except for ₹ 55 ('000) *Income Tax in respect of Assessment 2002-03 which is Appeal with Income Tax Appellate Tribunal Mumbai.*
- x) The Company neither has accumulated losses at the end of the year, nor incurred cash losses during the financial year covered by our audit and the immediate preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the financial institution, bank or debenture holders.
- xii) According to information and explanation given to us Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) Clause (xiii) of the order is not applicable to the Company, as the Company is not chit fund Company or Nidhi / Mutual benefit fund / Society.
- xiv) The Company has, in our opinion, maintained proper records and contracts with respect to its investment where timely entries are made in the former. All investment at the end are generally held in the name of the Company.
- xv) According to information and explanation given to us the Company has not given guarantees for loan taken by others from banks or financial institutions.
- xvi) According to information and explanation given to us the Company has not taken term loan during the year.
- xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii) According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act 1956 at a price which is not prejudicial to the interest of the Company.
- xix) According to information and explanation given to us Debentures have not been issued by the Company during the year.
- xx) During the period, the Company has not raised money by public issue.
- xxi) According to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For J. A. Rajani & Co.
Chartered Accountants
Firm Reg. No. 108331W

P. J. Rajani
Proprietor
Membership No. 116740

Place: Mumbai
Date : 30th May, 2013

**BALANCE SHEET AS ON 31ST MARCH, 2013**

(₹ in '000)

	Note No.	As on 31 st March, 2013	As on 31 st March, 2012
I. EQUITY AND LIABILITIES			
(1) SHAREHOLDERS' FUNDS			
(a) Share Capital	3	54,745.00	54,745.00
(b) Reserves & surplus	4	70,289.47	69,394.01
		125,034.47	124,139.01
(2) NON-CURRENT LIABILITIES			
(a) Long-term borrowings	5	2,906.92	1,521.97
(b) Deferred tax liabilities (Net)	6	951.59	703.98
(c) Other Long term liabilities	7	354.57	1,534.02
(d) Long-term provisions	8	274.00	274.00
		4,487.08	4,033.97
(3) CURRENT LIABILITIES			
(a) Short-term borrowings	9	87,207.61	61,282.53
(b) Trade payables	10	96,721.65	54,526.17
(c) Other current liabilities	11	8,227.10	6,734.20
(d) Short-term provisions	12	7,561.46	7,692.79
		199,717.81	130,235.68
TOTAL		329,239.36	258,408.66
II. ASSETS			
(1) NON-CURRENT ASSETS			
(a) Fixed assets			
(i) Tangible assets	13	38,240.22	30,486.41
(ii) Capital work-in-progress		1,417.59	2,236.64
(b) Non-Current Investments	14	3,042.77	3,042.77
(c) Long-term loans and advances	15	64,392.83	57,103.86
(d) Other non-current assets	16	96.00	108.00
		107,189.41	92,977.68
(2) CURRENT ASSETS			
(a) Inventories	17	48,203.95	38,660.89
(b) Trade receivables	18	116,428.50	78,389.13
(c) Cash and Cash equivalents	19	13,855.11	6,803.30
(d) Short-term loans and advances	20	43,562.29	41,577.66
		222,049.95	165,430.98
TOTAL		329,239.36	258,408.66

See accompanying notes to the financial statements

In terms of our report attached.

For **J. A. Rajani & Co.**
Chartered Accountants
Firm Registration No.108331W

P. J. Rajani
Proprietor
Membership No.116740

Place : Mumbai
Date : 30th May, 2013

For and on behalf of the Board of Directors

Pravinchandra B. Shah
Chairman

Vipul P. Shah
Managing Director

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

(₹ in '000)

Particulars	Note No.	For Year Ended 31 st March, 2013	For Year Ended 31 st March, 2012
I. Revenue from operations	21	342,483.37	288,534.68
II. Other income	22	487.80	599.78
III. Total Revenue (I + II)		342,971.17	289,134.46
IV. Expenses:			
Cost of materials consumed	23(a)	77,617.95	26,447.86
Purchases of Stock-in-Trade	23(b)	187,995.98	208,060.30
Changes in Inventories of Stock-in-Trade	24	(8,866.95)	(3,847.31)
Employee benefits expense	25	9,568.99	6,155.97
Finance costs	26	4,799.81	4,658.82
Depreciation and amortization expense	27	3,247.70	2,672.29
Operating Expenses	28	29,831.84	11,688.74
Administrative, Selling and General expenses	29	29,829.31	25,184.73
Total Expenses		334,024.64	281,021.39
V. Profit before tax (III-IV)		8,946.52	8,113.06
VI. Tax expense:			
(1) Current tax		2,410.00	2,650.00
(2) Deferred tax		247.61	(57.52)
		2,657.61	2,592.48
VII. Profit for the period after tax (V-VI)		6,288.91	5,520.58
VIII. Earnings per equity share:	30		
(1) Basic		1.15	1.02
(2) Diluted		1.15	1.02

See accompanying notes to the financial statements

In terms of our report attached.

For **J. A. Rajani & Co.**
Chartered Accountants
Firm Registration No.108331W

P. J. Rajani
Proprietor
Membership No.116740

Place : Mumbai
Date : 30th May, 2013

For and on behalf of the Board of Directors

Pravinchandra B. Shah
Chairman

Vipul P. Shah
Managing Director

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

(₹ in '000)

Particulars	31 st March, 2013	31 st March, 2012
A. Cash Flow from Operating Activities:		
Profit Before Tax	8,946.52	8,113.06
Adjustments for:		
Depreciation and Amortisation	3,259.70	2,684.29
Interest Expenses (Net)	4,799.81	4,658.82
Dividend Income	(76.82)	(63.50)
Other Income	(410.99)	(536.28)
Bad Debts written off	52.38	102.73
Profit/Loss on sale of Fixed Assets	134.11	-
	<u>7,758.20</u>	<u>6,846.06</u>
Operating Profit Before Working Capital Changes	16,704.73	14,959.13
(Increase) / Decrease in Long-term and Short term loans and advances	(9,273.60)	(23,659.23)
(Increase) / Decrease in Other Current and Non-current assets	12.00	12.00
(Increase) / Decrease in Inventories	(9,543.06)	(3,673.13)
(Increase) / Decrease in Trade receivables	(37,989.02)	4,322.28
(Decrease) / Increase in Trade payables and liabilities	42,360.92	7,419.24
	<u>(14,432.76)</u>	<u>(15,578.84)</u>
Cash Generated from Operations	2,271.96	(619.71)
Direct Taxes Paid (including TDS) Net	(2,844.59)	(5,217.40)
Net Cash Flow from Operating Activities - A	<u>(572.63)</u>	<u>(5,837.11)</u>
B. Cash Flow from Investing Activities:		
Purchase of Tangible and Intangible Assets	(10,450.69)	(5,722.75)
Investments	-	(82.93)
Interest and Dividend Income	487.80	599.78
Net Cash used in Investing Activities - B	<u>(9,962.89)</u>	<u>(5,205.90)</u>
C. Cash Flow from Financing Activities:		
Increase in share Capital / Share Application Received	-	600.00
(Decrease) / Increase in Borrowings (net)	26,619.67	2,553.01
Dividend Paid (including tax on Distributed Profit) - Final	(4,232.53)	(4,271.80)
Interest Paid and Finance Cost	(4,799.81)	(4,658.82)
Net Cash from Financing Activities - C	<u>17,587.32</u>	<u>(5,777.61)</u>
Net Increase / (Decrease) in Cash and Cash Equivalents - A+B+C	<u>7,051.80</u>	<u>(16,820.62)</u>
Cash and Cash Equivalents as at the end of the year:		
- Cash & Balances in Current Accounts with Banks ##	4,310.77	3,578.14
- Deposits with Banks and Interest Accrued thereon **	9,544.33	3,225.16
	<u>13,855.11</u>	<u>6,803.30</u>
Less: Cash and Cash Equivalents as at the beginning of the year	6,803.30	23,623.92
Net Increase / (Decrease) in Cash and Cash Equivalents	<u>7,051.80</u>	<u>(16,820.62)</u>

Note: ## This includes ₹ 936.312 thousands balance in earmarked account (Prev.Yr. includes ₹ 789.278 thousands)

** This Includes ₹ Nil held in deposit for more than 12 months (Prev. Yr. ₹ 858.72)

Figures in bracket denote outflow of cash.

In terms of our report attached.

For J. A. Rajani & Co.
Chartered Accountants
Firm Registration No.108331W

P. J. Rajani
Proprietor
Membership No.116740

Place : Mumbai
Date : 30th May, 2013

For and on behalf of the Board of Directors

Pravinchandra B. Shah
Chairman

Vipul P. Shah
Managing Director

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013****1. Corporate Information**

The Company is mainly in the business of Dyes, Chemicals & Intermediates.

2. Significant Accounting Policies**a. System of Accounting:**

The Company follows mercantile system of accounting and recognises income and expenditure on an accrual basis except those with significant uncertainties. "The financial statement have been prepared on the basis of going concern, under historical cost convention, to comply in all material aspect with applicable accounting principles in India, the Accounting standards issued by the ICAI (except as other wise stated) and the relevant provision of Companies Act, 1956. Estimates and Assumptions used in the preparation of the financial statements are based upon management's evaluation of the relevant facts and circumstances as of the day of the Financial Statements, which may differ from the actual results at a subsequent date.

All assets and liabilities have been classified as current or non-current as per the operating cycle criteria set out in the Revised Schedule VI to the Companies Act, 1956.

b. Fixed Assets, Depreciation and Impairment Loss:

Fixed Assets are stated at cost net of accumulated depreciation. Cost includes expenses related to acquisition and financing cost on borrowing during construction period. Assets acquired on Hire Purchase are capitalised to the extent of Principal Value.

Depreciation on Fixed Assets has been provided on written down value basis and manner provided in schedule XIV of Companies Act 1956. Additions during the year are depreciated on pro-rata basis. Leasehold land is shown at cost and no write offs are made in respect thereof.

In case, the recoverable amount of fixed assets is lower than its carrying amount, a provision is made for the impairment loss.

c. Investments:

Long-term investments are stated at cost of acquisition less provision for diminution in value other than temporary, if any.

d. Prior Period Adjustments:

All items of Income/Expenditure pertaining to prior period (except those not exceeding Rupees One Thousand in each case which are accounted through respective revenue accounts) are accounted through Prior Period Adjustment account.

e. Inventories:

Raw Materials are valued at cost.

Finished Goods are valued at lower of cost or net realizable value.

Packing materials, stores and spares are charged to revenue account.

f. Revenue Recognition:

Export Sales are accounted on the date of Bill of Lading. Export benefits thereon are accounted on the basis of eligibility in the year of Export.

Sales includes Central Excise and other incidental charges.

Dividend from investments in the shares is accounted for on the basis of the date of declaration of dividend falling within the accounting year.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013****g. Deferred Revenue Expenditure:**

Shares Issue Expenses are amortised over a period of 10 years.

h. Retirement Benefits:

The Company has created an Employees' Group Gratuity Fund, which has taken a Group Gratuity cum Life Insurance Policy from the Life Insurance Corporation of India. Gratuity is provided on the basis of premium paid on the above policy as intimated by Life Insurance Corporation of India. The adequacy of the fund along with the provision is as per the actuarial valuation Provision for leave entitlement is accrued and provided for at the end of the financial year.

i. Bonus:

No provision is made in accounts for bonus payable to employees. The payment is recorded when actual disbursement is made.

j. Borrowing Cost:

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalized till the month in which the asset is ready to use as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which these are incurred.

k. Foreign Currency Transactions:

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. At the year-end monetary items denominated in foreign currencies are converted into rupee equivalent at the year-end exchange rates. All exchange differences arising on settlement and conversion on foreign currency transaction are dealt with in Statement of profit and loss, except in cases where they relate to acquisition of fixed assets, in which they are adjusted in the cost of corresponding assets.

l. Accounting for Tax on Income:

The provision for current tax has been made in accordance with the Income Tax Law prevailing for the relevant assessment year after considering various admissible relief's'. Deferred tax for the year is recognized, on timing differences being the difference between the taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax assets and liabilities are measured using the tax rates and tax rules that have been enacted or substantially enacted on the balance sheet date. Deferred tax assets are recognized and carried forward only if there is reasonable, virtual certainty of its realization.

m. Research & Development:

Revenue expenditure is charged to revenue under the natural heads of account in the year in which it is incurred. Fixed assets purchased for research and development are treated in the same way as any other Fixed Assets.

n. Expenditure During Construction and on New Projects:

In case of new Industrial units and substantial expansion of existing units, all pre-operating expenditure specifically for the project, incurred up to the date of installation, is capitalised and added pro rata to the cost of fixed assets.

o. Provisions, Contingent Liabilities and Contingent Assets:

A provision is made based on reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation. Contingent Liabilities, if material, are disclosed by way of notes to accounts. Contingent Assets are not recognised or disclosed in the financial statements.

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

		(₹ in '000)	
		31 st March, 2013	31 st March, 2012
3. Share Capital:			
3.1 Authorised :			
	60,00,000 (P. Y. 60,00,000) Equity Shares of ₹ 10 each	60,000.00	60,000.00
	TOTAL	60,000.00	60,000.00
3.2 Issued, Subscribed and fully Paid-up Shares:			
	54,74,500 (P. Y. 54,34,500) Equity Shares of ₹ 10 each fully paid up	54,745.00	54,745.00
	TOTAL	54,745.00	54,745.00

3.3 Reconciliation of the number of shares outstanding at the beginning and at the end of the year.

	Number of shares (Nos.)		Share Capital (₹ in '000)	
	31 st Mar, 2013	31 st Mar, 2012	31 st Mar, 2013	31 st Mar, 2012
Balance as at Beginning of the year	5,474,500	5,434,500	54,745.00	54,345.00
Issued During the year **	-	40,000	-	400.00
Balance as at end of the year	5,474,500	5,474,500	54,745.00	54,745.00

** Issued Equity Shares on conversion of even number of warrants issued on preferential basis .

3.4 Terms / rights attached to Equity Shares

- Fully paid equity shares, which have a par value of ₹ 10/-, carry one vote per share and carry a right to dividends.
- Dividends, if recommend by the Board of Directors need approvals from the Shareholders at the Annual General Meeting. The Board of Directors may also declare interim dividends if in their judgement the position of the Company justifies.
- During the year ended 31st March, 2013, the amount of per share dividend recognised as ₹ 0.80 (31st March, 2012 ₹ 0.80)
- In the event of winding up / liquidation of the Company, the holder of equity shares will be entitled to receive a residual interest in proportion to the number of shares held by them at that time in the assets of the Company after deducting all of liabilities of the Company.

3.5 List of shareholders who holds more than 5% of Equity Shares in the Company:

Name of the shareholders	31 st March, 2013		31 st March, 2012	
	(Nos.)	%	(Nos.)	%
Pravinchandra B. Shah (HUF)	472,550	8.63%	472,550	8.63%
Vipul P. Shah	726,100	13.26%	726,100	13.26%
Mihir V. Shah	960,600	17.55%	960,600	17.55%
TOTAL	2,159,250	39.44%	2,159,250	39.44%

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

	31 st March, 2013	(₹ in '000) 31 st March, 2012
4. Reserves and Surplus:		
Capital Reserve	6,277.70	6,277.70
Securities Premium Account	29,478.00	29,478.00
General Reserve	9,009.75	9,009.75
Profit and Loss Account	25,524.02	24,628.56
Total	<u>70,289.47</u>	<u>69,394.01</u>
4.1 Capital Reserve		
Add : Forfeiture of Application money of Unsubscribed Warrants Issued on preferential issue	-	5,425.00
Balance at end of year	<u>6,277.70</u>	<u>6,277.70</u>
4.2 Securities Premium Account		
Balance at beginning of year	29,478.00	29,078.00
Add: Premium received on equity shares on conversion warrants issued on preferential basis	-	400.00
Balance at end of year	<u>29,478.00</u>	<u>29,478.00</u>
4.3 General Reserve		
Balance at beginning of year	9,009.75	9,009.75
Add: Transferred from Profit and Loss Account	-	-
Balance at end of year	<u>9,009.75</u>	<u>9,009.75</u>
4.4 Profit and Loss Account		
Balance at beginning of year	24,628.56	25,242.31
Add: Profit after Tax for the year	6,288.91	5,520.59
Less: Appropriations:		
Tax Adjustments	(201.88)	(1,044.14)
Proposed Dividend - Final	(4,379.60)	(4,379.60)
Corporate Dividend Tax thereon	(811.98)	(710.59)
Balance at end of year	<u>25,524.02</u>	<u>24,628.56</u>

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

		(₹ in '000)	
		31 st March, 2013	31 st March, 2012
5. Long Term Borrowings:			
5.1 Secured Loans			
Loan from Bank		2,301	-
Loan from Others (Refer Note No. 11)		-	292.17
	Sub Total (A)	<u>2,300.94</u>	<u>292.17</u>
5.2 Unsecured Loans			
Loan from Bank (Refer Note No 11) **		-	121.26
Loan from Others (Refer Note No 11) **		605.98	1108.55
	Sub Total (B)	<u>605.98</u>	<u>1,229.81</u>
	Total (A) + (B)	<u>2,906.92</u>	<u>1,521.97</u>

** Personal Guarantee of Directors

Secured Loans from Banks

₹ 292 ('000) (Previous Year ₹ Nil ('000) secured by hypothecation of vehicles from Vijaya Bank Ltd. Equal monthly instalments over the period of loan by 28th February, 2016 and carry interest rate of 10.75 % p.a.

₹ 2009 ('000) (Previous Year ₹ Nil ('000) secured by hypothecation of vehicles from Axis Bank Ltd. Equal monthly instalments over the period of loan by 15th September, 2016 and carry interest rate of 9.75 % p.a.

Secured Loans from Others

₹ Nil ('000) (Previous Year ₹ 292 ('000) secured by hypothecation of vehicles from Tata Capital Ltd. Equal monthly instalments over the period of loan by 3rd September, 2013 and carry interest rate of 8 % p.a.

Unsecured Loans from Banks

Repayment of loan from Kotak Mahindra Bank Ltd. in monthly scheduled instalments by 1st April, 2013 and carry interest rate of 8.86 % p.a.

Unsecured Loans from Others

Repayment of loan from Magma Fincorp Ltd. in monthly scheduled instalments by 7th May, 2013 and carry interest rate of 7.31 % p.a.

Repayment of loan from Gujrat Industrial Development Ltd. in Quarterly Equal instalments by 30th September, 2015 and carry interest rate of 13.5 % p.a.

		(₹ in '000)	
		31 st March, 2013	31 st March, 2012
6. Deferred Tax Liability			
Major components of deferred tax are:			
Related to Fixed Assets		951.59	703.98
		<u>951.59</u>	<u>703.98</u>
7. Other Long-term Liabilities:			
Payables on purchase of Fixed Assets		304.57	1,484.02
Deposit from Dealers		50.00	50.00
	Total	<u>354.57</u>	<u>1,534.02</u>
8. Long-term provisions:			
		<u>274.00</u>	<u>274.00</u>
	Total	<u>274.00</u>	<u>274.00</u>
9. Short-term borrowings:			
Loans repayable on demand			
From banks			
Secured		87,207.61	61,282.53
	Total	<u>87,207.61</u>	<u>61,282.53</u>

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

The working capital facilities from Banks are secured by way of Hypothecation of Stock and Book Debts. The above loans also covered by following collateral securities as under:-

- i) EMDTD of land property & building with machinery/electricals installation situated at Survey no 35, Dewan & Sons Industrial Estate, Palghar
- ii) Land & Building along with machineries at Plot no.11, Diwan & Sons Industrial Estate, Palghar of M/s. Vip Chem Private Limited.
- iii) Land & Building at Plot no 10 & 16, Diwan & Sons Ind.Est., Palghar of Jayshree Chemicals.
- iv) Also covered in personal guarantee of 2 directors & corporate guarantees of Jayshree Chemicals & Vip Chem Private Limited.

		(₹ in '000)	
		31 st March, 2013	31 st March, 2012
10. Trade payables			
Sundry Creditors-other than micro and small enterprises		76,276.22	45,686.05
Acceptances		20,445.43	8,840.12
	Total	96,721.65	54,526.17
11. Other Current Liabilities:			
Current maturities of long-term secured loan (See Note 5.1)		872.43	551.01
Current maturities of long-term unsecured loan (See Note 5.2)		502.56	1,514.34
Advance from Customers		1,892.72	2,358.50
Unpaid Dividends		928.44	781.37
Duties & taxes		4,030.94	1,528.97
	Total	8,227.10	6,734.20
12. Short-term provisions:			
Provision for Tax		2,369.88	2,602.60
Proposed Dividend		4,379.60	4,379.60
Corporate Dividend Tax		811.98	710.59
	Total	7,561.46	7,692.79

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

13. Tangible Assets

(₹ in '000)

Particulars	Freehold Factory Land	Office Premises	Buildings	Plant and Machinery	Furniture and Fixtures	Vehicles	Computers	Office Equipments	Total
Cost or valuation									
At 1 st April, 2011	13,932.78	635.48	4,159.56	26,316.59	1,568.66	4,294.99	1,104.55	931.27	52,943.88
Additions	2,087.57	-	200.00	1,830.22	39.97	-	296.28	212.97	4,667.00
Disposals	-	-	-	-	-	-	-	-	-
At 31 st March, 2012	16,020.35	635.48	4,359.56	28,146.81	1,608.63	4,294.99	1,400.83	1,144.24	57,610.89
Disposals		-	-	-	-	(2,097.92)	-	-	(2,097.92)
At 31st March, 2013	16,020.35	635.48	4,359.56	34,734.01	1,629.63	6,883.09	1,692.46	1,760.68	67,715.25
Depreciation									
At 1 st April, 2011	-	74.56	3,139.65	17,160.82	800.88	1,788.84	837.15	650.29	24,452.19
Charge for the year	-	28.05	103.69	1,500.99	142.47	648.84	178.53	69.73	2,672.29
Disposals	-	-	-	-	-	-	-	-	-
At 31 st March, 2012	-	102.61	3,243.33	18,661.81	943.35	2,437.68	1,015.68	720.02	27,124.48
Charge for the year	-	26.64	111.62	1,839.23	121.37	827.24	192.52	129.07	3,247.70
Disposals	-	-	-	-	-	(897.14)	-	-	(897.14)
At 31st March, 2013	-	129.25	3,354.95	20,501.04	1,064.72	2,367.79	1,208.19	849.09	29,475.04
Net Block									
At 31st March, 2013	16,020.35	506.23	1,004.61	14,232.97	564.91	4,515.31	484.27	911.58	38,240.22
At 31 st March, 2012	16,020.35	532.87	1,116.23	9,485.00	665.28	1,857.30	385.15	424.23	30,486.41

Notes:

(1) Gross Block is at cost.

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

	(₹ in '000)	
	31 st March, 2013	31 st March, 2012
14. Non-current Investments: (Fully Paid Up, at Cost)		
Trade Investments:		
(a) Investments in Equity Instruments		
Investments in Equity Shares of Subsidiaries:		
Equity Shares of Shree Ambika Naturals Private Limited (Unquoted) 2550 (Prev.Yr. 2550) Equity Shares of ₹ 100 each.	255.00	255.00
(b) Investments in Government Securities :		
Government Securities (Unquoted) (Deposited with Government authorities)	1.00	1.00
Non-trade Investments:		
(a) Investments in Equity Instruments		
Equity Shares (Quoted)	2,746	2,746
Arvind Mills Ltd.(1000 (Prev.Yr. 1000) Equity shares Fully paid of ₹ 10 Each)	94.43	94.43
Bodal Chemicals Ltd.(2500 (Prev.Yr. 2500) Equity shares Fully paid of ₹ 2 Each)	85.35	85.35
Global Offshore Services Ltd.(8400 (Prev.Yr. 8400) Equity shares Fully paid of ₹ 10 Each)	146.71	146.71
Gujarat State Fertilizers & Chemicals Ltd.(895 (Prev.Yr. 179) Equity shares Fully paid of ₹ 2 Each)	7.01	7.01
Hotel Leela Ventures Ltd.(1000 (Prev.Yr. 1000) Equity shares Fully paid of ₹ 2 Each)	54.72	54.72
J S W Energy Ltd.(1250 (Prev.Yr. 1250) Equity shares Fully paid of ₹ 10 Each)	155.11	155.11
Kiri Industries Ltd.(500 (Prev.Yr. Nil) Equity shares Fully paid of ₹ 10 Each)	82.93	82.93
Mafatlal Industries Ltd.(346 (Prev.Yr. 346) Equity shares Fully paid of ₹ 10 Each)	165.93	165.93
Navin Flourine International Ltd.(346 (Prev.Yr. 346) Equity shares Fully paid of ₹ 10 Each)	76.95	76.95
NOCIL Ltd.(20,000 (Prev.20,000) Equity shares Fully paid of ₹ 10 Each)	1,014.70	1,014.70
Novartis India Ltd. (500 (Prev.Yr. 500) Equity shares Fully paid of ₹ 5 Each)	166.92	166.92
Pricol Ltd.(3000 (Prev.Yr. 3000) Equity shares Fully paid of ₹ 1 Each)	122.59	122.59
Petronet LNG Ltd.(3000 (Prev.Yr. 3000) Equity shares Fully paid of ₹ 10 Each)	176.47	176.47
Standard Industires Ltd.(9900 (Prev.Yr. 9900) Equity shares Fully paid of ₹ 5 Each)	344.30	344.30
Vijaya Bank Ltd.(1000 (Prev.Yr. 1000) Equity shares Fully paid of ₹ 10 Each) Equity Shares (Quoted)	52.17	52.17
	2,746.27	2,746.27
(b) Investments in Debentures:		
Debentures (Quoted)	40.50	40.50
Total	3,042.77	3,042.77

	Cost		Market Value	
	31 st March, 2013	31 st March, 2012	31 st March, 2013	31 st March, 2012
Aggregate value of Quoted Investments	2,746.27	2,746.27	2,051.74	2,551.76
Aggregate value of Unquoted Investments	296.50	296.50	-	-
Total	3,042.77	3,042.77	2,051.74	2,551.76

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

	(₹ in '000)	
	31 st March, 2013	31 st March, 2012
15. Long-term Loans and Advances: (Unsecured and considered good)		
Capital Advances-Related (Refer Note 47)	17,875.00	16,075.00
Capital Advances-Others	2,031.35	-
Deposits with Government Authorities and Others	33,133.78	33,133.78
Loans and advances to related parties		
- Subsidiaries (Refer Note 47)	9,944.53	6,486.90
- Related Parties (Refer Note 47)	108.18	108.18
Other loans and advances	1,300.00	1,300.00
Total	<u>64,392.83</u>	<u>57,103.86</u>
16. Other non-current assets:		
Unamortised Share Issue Expenses	96.00	108.00
Total	<u>96.00</u>	<u>108.00</u>
17. Inventories (At cost or net realisable value whichever is lower)		
(a) Raw materials	15,523.36	14,847.25
(b) Finished goods	18,171.40	9,354.40
(c) Stock-in-trade	14,509.20	14,459.24
Total	<u>48,203.95</u>	<u>38,660.89</u>
18. Trade receivables (Unsecured)		
Considered Good		
Overdue Trade Receivables	5,104.26	3,525.64
Trade Receivables	111,324.24	74,863.48
Total	<u>116,428.50</u>	<u>78,389.13</u>
19. Cash and Cash equivalents:		
Earmarked Balance		
Unpaid Dividend Account	936.31	789.28
Balances with Scheduled Bank:		
In Current Account	2,821.33	2,376.14
In Fixed deposit	9,544.33	3,225.16
In EEFC Account	6.73	12.92
Cash in Hand	546.40	399.80
Total	<u>13,855.10</u>	<u>6,803.30</u>
Notes:		
Fixed deposits with Banks includes:		
a) Fixed deposit with the banks with maturity period of more than 12 months.	-	858.72
b) Fixed deposits in Margin Account	9,456.33	3,225.16

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

	(₹ in '000)	
	31 st March, 2013	31 st March, 2012
20. Short-term Loans and Advances: (Unsecured and considered good)		
Loans and Advances to related parties (Refer Note 47)	3,762.90	9,107.41
Loans and Advances to Employees	191.00	14.00
Prepaid Expenses	141.79	165.73
Balance with Government Authorities		
Excise	7,652.37	3,472.26
MVAT Refund	4,974.13	1,524.42
Service Tax	2,493.54	1,010.71
Export Incentive	8,137.66	10,049.63
Advance to Suppliers	16,147.69	16,096.52
Others	61.21	136.98
Total	<u>43,562.29</u>	<u>41,577.66</u>
21. Revenue from Operations:		
Export sales	3,02,715.34	2,62,514.44
Local sales (Including Excise Duty)	32,778.53	17,265.70
Export incentives	9,119.97	9,759.67
Less:Excise Duty (Dyes and Chemicals)	<u>(2,130.47)</u>	<u>(1,005.12)</u>
Total	<u>3,42,483.37</u>	<u>2,88,534.68</u>
22. Other income:		
Interest on Deposit with Banks	410.99	536.28
Dividend on Current Investments (non-trade)	76.82	63.50
Total	<u>487.80</u>	<u>599.78</u>
23. a) Cost of materials consumed (Chemicals & Others):		
Opening Stock	14,847.25	15,021.43
Add: Purchases	78,294.07	26,273.68
Less: Closing Stock	<u>15,523.36</u>	<u>14,847.25</u>
Total	<u>77,617.95</u>	<u>26,447.86</u>
b) Purchases of Stock-in-Trade:		
Dyes and Chemicals	187,995.98	208,060.30
Total	<u>187,995.98</u>	<u>208,060.30</u>

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

		(₹ in '000)	
		31 st March, 2013	31 st March, 2012
24. Changes in Inventories of Stock-in-Trade:			
Inventories at the end of the year			
Dyes and Chemicals		32,680.59	23,813.64
	Sub-Total (A)	32,680.59	23,813.64
Inventories at the beginning of the year			
Dyes and Chemicals		23,813.64	19,966.33
	Sub-Total (B)	23,813.64	19,966.33
	(A) -(B)	(8,866.95)	(3,847.31)
25. Employees' benefits expense:			
Salaries, Wages, Bonus and Gratuity		9,224.66	5,918.54
Contribution to Provident Fund and other Funds		64.69	51.02
Employees' Welfare Expenses		279.64	186.41
	Total	9,568.99	6,155.97
26. Finance costs:			
Bank Interest		3,892.99	3,657.30
Bank Charges-Processing Fees		426.25	891.94
Other Interest		480.57	109.57
	Total	4,799.81	4,658.82
27. Depreciation and amortization expense:			
Depreciation (As per Note 13)		3,247.70	2,672.29
	Total	3,247.70	2,672.29
28. Operating Expenses:			
Stores and Spare parts consumed		1,665.44	512.45
Power and Fuel		11,650.11	5,298.31
Factory Rent		2,750.00	-
Labour & Transport		6,668.08	2,918.63
Repairs & Maintenance		3,346.64	1,746.43
Packing Material		3,751.57	1,212.92
	Total	29,831.84	11,688.74

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

	(₹ in '000)	
	31 st March, 2013	31 st March, 2012
29. Administrative, Selling and General expenses:		
Export Clearing, Freight & Forwarding	5,609.81	4,533.05
Professional & Legal Charges	2,883.94	1,802.23
Travelling Expenses	3,747.51	2,909.59
Insurance Charges	2,232.24	1,818.86
Rent, Rates & Electricity	1,997.58	1,533.42
Donation	371.00	369.05
Auditors Remuneration (Refer Note No. 32)	270.00	235.00
Exchange Gain /Loss	1,268.93	4,214.25
Commission	2,703.24	1,706.12
Loss on sales of assets	134.11	-
Miscellaneous/ Office Expenses	8,558.57	5,960.42
Bad Debts	52.38	102.73
Total	<u>29,829.31</u>	<u>25,184.73</u>
30. Earnings per share:		
The numerators and denominators used to calculate Earnings per Share:		
Nominal Value of Equity Share (₹)	10/-	10/-
Net Profit available for Equity shareholders (₹ in lacs) = (A)	6,288.91	5,520.59
Weighted Average number of shares outstanding during the year - (B)	5,474,500	5,438,664
Basic and Diluted Earnings per Share (₹) - (A) / (B)	1.15	1.02
31. Contingent Liabilities and Commitments:		
(i) Contingent Liabilities		
(a) Income tax matters not acknowledged as debt	54.00	54.00
(b) Dues raised by M.S.E.B which is protested by Company.	250.00	250.00
Total	<u>304.00</u>	<u>304.00</u>
(ii) Commitment		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	2,000.00	3,000.00
	<u>2,000.00</u>	<u>3,000.00</u>
32. Payments to Auditors for the year		
Auditors' Remuneration & Expenses (including Service Tax)		
(a) As Auditors	230.34	191.01
(b) For Tax Audit	117.98	73.03
(c) Certification and Other matters	65.08	129.63
(d) Taxation Matters	73.04	109.12
Total	<u>486.43</u>	<u>502.80</u>

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

- 33** The Sales Tax & Income-Tax Assessments are pending for earlier years. Liabilities in respect of such taxes could not be ascertained.
- 34** During the previous year, the Company has issued 40,000 (Prev. Yr. 8,50,000) Equity shares of ₹ 10 each issued at a price of ₹ 20/- (including premium of ₹ 10/- each) on conversion of Warrants issued on preferential basis.
- 35** Export benefits including Central Excise, Advance Licenses and Passbook of Duty Credit to be reconciled with the related evidences and Statements and necessary adjustment if required will be made after reconciliation. Export benefits receivable are valued and certified by the management. However the actual realisation of the same may significantly differ.
- 36** The Company has deposits of ₹ 74 lacs with the Pyrates Phosphates & Chemicals Limited (PPCL) which is overdue. However the Company has filed a suit with District Court and for the same District Court has given the ruling in favour of the Company by way of decree. The Company has now filed an application for the execution of the preferential claim for the decree against PPCL and as per the latest order given by the Honourable High Court, Patna, it has been decided that the claim may be considered upon liquidation / disposal of all the assets of PPCL. In view of that, the management has not made any provision for doubtful deposits.
- 37** Sundry Debtors, Creditors, Loan, Deposits and advances are subject to reconciliation and confirmation, necessary adjustment if required will be after reconciliation.
- 38** Some assets of which the Company is beneficial owner are pending for transfer in the name of the Company.
- 39** No provision has been made in the accounts for diminution in the value of quoted & unquoted investments by reason of these investments being Long Term Investment and the decline in their value being on account of temporary factors.
- 40** Bonus is accounted on cash basis, which is not in conformity with Accounting Standard (AS-15) (Revised 2005) on Employee Benefits as issued by the Institute of Chartered Accountant of India.
- 41** In the opinion of the Board of Directors to the best of knowledge and belief all the current assets, loans and advances have been stated at realisable value at least of an amount equal to the amount at which they are stated in Balance Sheet.
- 42** Unpaid Dividend accounts are subject to reconciliation.
- 43** The Company does not possess information as to which of its suppliers are Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to whom the Company owes any amount. However, the Company is regular in making payments to its suppliers and has not received any claim in respect of interest for delayed payment.
- 44** The outstanding forward exchange contract as on 31st March, 2013 entered into by the company was for USD 200.00 ('000) equivalent to ₹ 10854.00 ('000) (Prev. year USD 278.14 ('000) equivalent to ₹ 1387.04 ('000)).
- 45** The entire operations of the Company relate to only one segment viz. Dyes, Chemicals & Intermediates such, there is no separate reportable segment under Accounting Standard (AS-17) on Segment Reporting.
- 46** As stipulated in Accounting Standard (AS- 28) on Impairment of Assets issued by the Institute of Chartered Accountants of India, the Company has assessed potential generation of economic benefits from its business units and is of the view that Assets employed in continuing businesses are capable of generating adequate returns over their useful lives in the usual course of business, there is no indication to the contrary and accordingly management is of the view that no impairment provision is called for in these accounts.

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

47. Related Party Disclosures

As per the Accounting Standard (AS-18), issued by the Institute of Chartered Accountants of India (ICAI), the disclosure of transactions with the related parties as defined in the Accounting Standard are given below:

I List of Related Parties

- a) Subsidiary
Shree Ambika Naturals Private Limited
- b) Key Management Personal (KMP)
Mr. Vipul P. Shah
Dr. S. N. Sahai
Mr. Prasannakimar B. Gawde
Mr. Jagdeep Mehta
- c) Relatives of KMP
Mrs. Jaya P. Shah
Vipul P. Shah HUF
- d) Other Related Parties (Entities in which (KMP) or their relatives have significant influence)
M/s. Jayshree Chemicals
M/s. Ganesh Tiles & Marble Industries
M/s. Amar Trading Corporation
M/s. J.V.Dye Chem. Private Limited
M/s. VIP Chem Private Limited
M/s. Standardcon Private Limited

II Transaction with Related Parties & Outstanding Balance as on 31ST March, 2013

(₹ in '000)

Nature of transaction	Entities where control Exist	Key Management Personnel	Relatives of KMP	Entities where Significant Influence
Purchase /Services	799.75 (1,287.67)	- (-)	144.00 (144.00)	34,039.23 (69,775.72)
Sale/Services	- (401.88)	- (-)	- (-)	16,001.11 (10,663.21)
Advance /Loan Given (net)	4,257.38 (5,486.90)	- (-)	1,947.35 (16,075.00)	12,949.63 (29,653.31)
Mangerial Remuneration	- (-)	2,950.00 (1,942.00)	- (-)	- (-)
Balance Receivable	9,944.53 (6,486.90)	(30.67) (-123.54)	17,875.00 (16,071.65)	29,079.22 (34,166.30)

Note : Figures in brackets represent previous year's amount.

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

	31 st March, 2013 (₹ in '000)		31 st March, 2012 (₹ in '000)	
48. Imported and Indigenous raw material consumed:		%	%	
Imported	11,706.36	15	2,773	10
Indigenous	65,911.60	85	23,675	90
	<u>77,617.95</u>	<u>100</u>	<u>26,447.86</u>	<u>100</u>
49. Earning in Foreign Exchange:				
Export at F.O.B. Value:				
Dyes/Dyes Intermediates & Others	302,715.34		262,514.44	
	<u>302,715.34</u>		<u>262,514.44</u>	
50. Expenditure in Foreign Currency:				
Commission	2,178.03		1,447.21	
Traveling Expenses	1,645.88		1,210.56	
Other Expenses	683.50		0.00	
	<u>4,507.40</u>		<u>2,657.77</u>	
51. C.I.F. Value of imports:	25,775.71			
Raw Material & Finished Goods	-		24,079.63	
Capital goods			2,003.60	
	<u>25,775.71</u>		<u>26,083.23</u>	
52.	The Company has presented current financial statement as per Revised Schedule VI to the Companies Act, 1956. Consequently, previous year figures are regrouped / re classified to conform to figures of the current year presented as per Revised Schedule VI.			

In terms of our report attached.

For **J. A. Rajani & Co.**
Chartered Accountants
Firm Registration No.108331W

P. J. Rajani
Proprietor
Membership No.116740

Place : Mumbai
Date : 30th May, 2013

For and on behalf of the Board of Directors

Pravinchandra B. Shah
Chairman

Vipul P. Shah
Managing Director



CONSOLIDATED FINANCIAL STATEMENTS

**INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS**

To
The Board of Directors
Vipul Dyechem Limited

We have audited the attached consolidated financial statements of Vipul Dyechem Limited ("the Company"), and its subsidiaries, which comprise the Consolidated Balance Sheet as at 31st March, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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 Company as at 31st March, 2013;
- b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For J. A. Rajani & Co.
Chartered Accountants
Firm Reg. No. 108331W

P. J. Rajani
Proprietor
Membership No. 116740

Place: Mumbai
Date: 30th May, 2013

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013

(₹ in '000)

Sr. No.	Particulars	Note No.	As on 31 st March, 2013	As on 31 st March, 2012
I.	EQUITY AND LIABILITIES			
	(1) SHAREHOLDERS' FUNDS			
	(a) Share Capital	3	54,745.00	54,745.00
	(b) Reserves & surplus	4	68,866.18	68,966.24
			123,611.18	123,711.24
	Minority Interest		(880.16)	(99.36)
	(2) NON-CURRENT LIABILITIES			
	(a) Long-term borrowings	5	2,906.92	1,521.97
	(b) Deferred tax liabilities (Net)	6	4.80	417.61
	(c) Other Long term liabilities	7	354.57	1,721.95
	(d) Long-term provisions	8	274.00	274.00
			3,540.29	3,935.54
	(3) CURRENT LIABILITIES			
	(a) Short-term borrowings	9	88,490.30	62,430.08
	(b) Trade payables	10	97,358.52	55,154.67
	(c) Other current liabilities	11	8,266.73	6,810.66
	(d) Short-term provisions	12	7,561.46	7,692.79
			201,677.01	132,088.19
	TOTAL		327,948.32	259,635.61
II.	ASSETS			
	NON-CURRENT ASSETS			
	(1) (a) Fixed assets			
	(i) Tangible assets	13	42,352.78	35,126.82
	(ii) Capital work-in-progress		1,417.60	2,236.64
	(b) Non-Current Investments	14	2,787.77	2,787.77
	(c) Long-term loans and advances	15	54,490.99	50,659.64
	(d) Other non-current assets	16	96.00	108.00
			101,145.13	90,918.87
	CURRENT ASSETS			
	(2) (a) Inventories	17	49,478.67	39,266.85
	(b) Trade receivables	18	117,759.97	79,056.27
	(c) Cash and Cash equivalents	19	15,406.54	8,286.02
	(d) Short-term loans and advances	20	44,158.00	42,108.45
			226,803.19	168,717.59
	TOTAL		327,948.32	259,636.47

See accompanying notes to the financial statements

In terms of our report attached.

For **J. A. Rajani & Co.**
Chartered Accountants
Firm Registration No.108331W

P. J. Rajani
Proprietor
Membership No.116740

Place : Mumbai
Date : 30th May, 2013

For and on behalf of the Board of Directors

Pravinchandra B. Shah
Chairman

Vipul P. Shah
Managing Director


CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2013
(₹ in '000)

Sr. No.	Particulars	Note No.	For the Year Ended 31 st March, 2013	For the Year Ended 31 st March, 2012
I.	Revenue from operations	21	343,199.72	289,289.68
II.	Other income	22	614.62	647.92
III.	Total Revenue (I + II)		343,814.34	289,937.60
IV.	Expenses:			
	Cost of materials consumed	23(a)	78,335.22	27,711.20
	Purchases of Stock-in-Trade	23(b)	187,225.00	206,773.63
	Changes in Inventories of Stock-in-Trade	24	(9,649.47)	(4,178.87)
	Employee benefits expense	25	10,692.46	6,930.85
	Finance costs	26	4,935.33	4,706.74
	Depreciation	27	3,876.11	2,793.47
	Operating Expenses	28	31,318.43	12,762.63
	Administrative, Selling and General expenses	29	30,571.48	25,472.09
	Total expenses		337,304.56	282,971.76
V.	Profit before tax (III-IV)		6,509.78	6,965.84
VI.	Tax Expense:			
	(1) Current tax		2,410.00	2,650.00
	(2) Deferred tax		(412.81)	(354.63)
			1,997.19	2,295.37
VII.	Profit for the period after tax (V-VI)		4,512.59	4,670.48
	Share of Minority		780.80	373.28
VII.	Profit for the period after Share of Minority		5,293.39	5,043.75
VIII.	Earnings per equity share:	30		
	(1) Basic		0.97	0.93
	(2) Diluted		0.97	0.93

See accompanying notes to the financial statements

In terms of our report attached.

For **J. A. Rajani & Co.**
Chartered Accountants
Firm Registration No.108331W

P. J. Rajani
Proprietor
Membership No.116740

Place : Mumbai
Date : 30th May, 2013

For and on behalf of the Board of Directors

Pravinchandra B. Shah
Chairman

Vipul P. Shah
Managing Director

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

(₹ in '000)

Particulars	31 st March, 2013	31 st March, 2012
A. Cash Flow from Operating Activities:		
Profit Before Tax	6,509.78	6,966.82
Adjustments for:		
Depreciation and Amortisation	3,888.11	2,805.49
Interest Expenses (Net)	4,935.33	4,706.74
Dividend Income	(76.82)	(63.50)
Other Income	(537.80)	(584.42)
Bad Debts written off	52.38	102.73
Profit/Loss on sale of Fixed Assets	134.11	-
	<u>8,395.31</u>	<u>6,967.04</u>
Operating Profit Before Working Capital Changes	14,905.10	13,933.86
(Increase) / Decrease in Long-term and Short term loans and advances	(5,880.91)	(17,578.81)
(Increase) / Decrease in Other Current and Non-current assets	12.00	12.00
(Increase) / Decrease in Inventories	(10,211.82)	(4,202.04)
(Increase) / Decrease in Trade receivables	(38,653.35)	3,875.25
(Decrease) / Increase in Trade payables and liabilities	42,143.77	7,947.55
	<u>(12,590.30)</u>	<u>(9,946.05)</u>
Cash Generated from Operations	2,314.80	3,987.81
Direct Taxes Paid (including TDS) Net	(2,844.59)	(5,224.32)
Net Cash Flow from Operating Activities - A	<u>(529.80)</u>	<u>(1,236.51)</u>
B. Cash Flow from Investing Activities:		
Purchase of Tangible and Intangible Assets	(10,551.25)	(10,133.15)
Investments	-	(82.93)
Interest and Dividend Income	614.62	647.92
Net Cash used in Investing Activities - B	<u>(9,936.63)</u>	<u>(9,568.16)</u>
C. Cash Flow from Financing Activities:		
Increase in share Capital / Share Application Received	-	600.00
(Decrease) / Increase in Borrowings (net)	26,754.81	3,700.56
Dividend Paid (including tax on Distributed Profit) - Final	(4,232.53)	(4,271.80)
Interest Paid and Finance Cost	(4,935.33)	(4,706.74)
Net Cash from Financing Activities - C	<u>17,586.94</u>	<u>(4,677.98)</u>
Net Increase / (Decrease) in Cash and Cash Equivalents - (A+B+C)	<u>7,120.52</u>	<u>(15,482.65)</u>
Cash and Cash Equivalents as at the end of the year:		
- Cash & Balances in Current Accounts with Banks ##	4,406.86	3,719.56
- Deposits with Banks and Interest Accrued thereon **	10,999.68	4,566.47
	<u>15,406.54</u>	<u>8,286.02</u>
Less: Cash and Cash Equivalents as at the beginning of the year	8,286.02	23,768.68
Net Increase / (Decrease) in Cash and Cash Equivalents	<u>7,120.52</u>	<u>(15,482.66)</u>

Note: ## This includes ₹ 936.312 thousands balance in earmarked account (Prev.Yr. includes ₹ 789.278 thousands)

** This Includes ₹ Nil held in deposit for more than 12 months (Prev. Yr. ₹ 2158.72)

Figures in bracket denote outflow of cash.

In terms of our report attached.

For **J. A. Rajani & Co.**
Chartered Accountants
Firm Registration No.108331W

P. J. Rajani
Proprietor
Membership No.116740

Place : Mumbai
Date : 30th May, 2013

For and on behalf of the Board of Directors

Pravinchandra B. Shah
Chairman

Vipul P. Shah
Managing Director

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013****1. Corporate Information**

The Group is mainly in business of Dyes, Chemicals & Intermediates

2. Basis of Consolidation:

The consolidated financial statement relates to the Vipul Dyechem Limited the holding company and its subsidiary Shree Ambika Naturals Private Limited, together "the Group". The Financial Statements of the entities in the Group used in the consolidation are drawn up to the same reporting date as of the Company, i.e. 31st March, 2013. The consolidation of the financial statements of the Company with its subsidiary has been prepared in accordance with the requirements of Accounting Standard (AS) 21 "Consolidated Financial Statements". The excess of cost to the Company of its investments in the subsidiary companies over its share of the equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies were made, is recognized as 'goodwill', being an asset in the Consolidated Financial Statements. Where the share of the equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the Company, it is recognized as 'Capital Reserve' and shown under the head 'Reserves & Surplus'. Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments as stated above. The financial statement of the parent and its subsidiary are combined on a line-by-line basis and intra-group balances, intra-group transactions and unrealized profits or losses are fully eliminated in accordance with Accounting Standard (AS-21) "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.

Significant Accounting Policies**a. System of Accounting:**

The Company follows mercantile system of accounting and recognises income and expenditure on an accrual basis except those with significant uncertainties. The financial statement have been prepared on the basis of going concern, under historical cost convention, to comply in all material aspect with applicable accounting principles in India, the Accounting standards issued by the ICAI (except as other wise stated) and the relevant provision of Companies Act, 1956. Estimates and Assumptions used in the preparation of the financial statements are based upon management's evaluation of the relevant facts and circumstances as of the day of the Financial Statements, which may differ from the actual results at a subsequent date.

All assets and liabilities have been classified as current or non-current as per the operating cycle criteria set out in the Revised Schedule VI to the Companies Act, 1956.

b. Fixed Assets, Depreciation And Impairment Loss:

Fixed Assets are stated at cost net of accumulated depreciation. Cost includes expenses related to acquisition and financing cost on borrowing during construction period. Assets acquired on Hire purchase are capitalised to the extent of Principal Value.

Depreciation on Fixed Assets has been provided on written down value basis and manner provided in schedule XIV of Companies Act 1956. Additions during the Year are depreciated on pro-rata basis. Leasehold land is shown at cost and no write offs are made in respect thereof.

In case, the recoverable amount of fixed assets is lower than its carrying amount, a provision is made for the impairment loss.

c. Investments:

Long-term investments are stated at cost of acquisition less provision for diminution in value other than temporary, if any.

d. Prior Period Adjustments:

All items of Income/Expenditure pertaining to prior period (except those not exceeding Rupees One Thousand in each case which are accounted through respective revenue accounts) are accounted through Prior Period Adjustment account.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013****e. Inventories:**

Raw Materials are valued at cost.

Finished Goods are valued at lower of cost or net realizable value.

Packing materials, stores and spares are charged to revenue account.

f. Revenue Recognition:

Export Sales are accounted on the date of Bill of Lading. Export benefits thereon are accounted on the basis of eligibility in the year of Export.

Sales includes Central Excise and other incidental charges.

Dividend from investments in the shares is accounted for on the basis of the date of declaration of dividend falling within the accounting year.

g. Deferred Revenue Expenditure:

Shares Issue Expenses are amortised over a period of 10 years.

h. Retirement Benefits:

The Company has created an Employees' Group Gratuity Fund, which has taken a Group Gratuity cum Life Insurance Policy from the Life Insurance Corporation of India. Gratuity is provided on the basis of premium paid on the above policy as intimated by Life Insurance Corporation of India. The adequacy of the fund along with the provision is as per the actuarial valuation. Provision for leave entitlement is accrued and provided for at the end of the financial year.

i. Bonus:

No provision is made in accounts for bonus payable to employees. The payment is recorded when actual disbursement is made.

j. Borrowing Cost:

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalized till the month in which the asset is ready to use as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which these are incurred.

k. Foreign Currency Transactions:

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. At the year-end monetary items denominated in foreign currencies are converted into rupee equivalent at the year-end exchange rates. All exchange differences arising on settlement and conversion on foreign currency transaction are dealt with in Statement of Profit and Loss, except in cases where they relate to acquisition of fixed assets, in which they are adjusted in the cost of corresponding assets.

l. Accounting for Tax on Income:

The provision for current tax has been made in accordance with the Income Tax Law prevailing for the relevant assessment year after considering various admissible relief's. Deferred tax for the year is recognized, on timing differences being the difference between the taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax assets and liabilities are measured using the tax rates and tax rules that have been enacted or substantially enacted on the balance sheet date. Deferred tax assets are recognized and carried forward only if there is reasonable, virtual certainty of its realization.

m. Research & Development:

Revenue expenditure is charged to revenue under the natural heads of account in the year in which it is incurred. Fixed assets purchased for research and development are treated in the same way as any other Fixed Assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**n. Expenditure During Construction and on New Projects:**

In case of new Industrial units and substantial expansion of existing units, all pre- operating expenditure specifically for the project, incurred up to the date of installation, is capitalised and added pro rata to the cost of fixed assets.

o. Provisions, Contingent Liabilities and Contingent Assets:

A provision is made based on reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation. Contingent Liabilities, if material, are disclosed by way of notes to accounts. Contingent Assets are not recognised or disclosed in the financial statements.

		31 st March, 2013	(₹ in '000) 31 st March, 2012
3. Share Capital:			
3.1 Authorised :			
60,00,000 (P.Y. 60,00,000) Equity Shares of ₹ 10/- each		60,000.00	60,000.00
	TOTAL	<u>60,000.00</u>	<u>60,000.00</u>
3.2 Issued, Subscribed and Fully Paid-up Shares:			
54,74,500 (P.Y. 54,74,500) Equity Shares of ₹ 10/- each fully paid up		54,745.00	54,745.00
	TOTAL	<u>54,745.00</u>	<u>54,745.00</u>

3.3 Reconciliation of the number of shares outstanding at the beginning and at the end of the year.

	Number of shares (Nos)		Share Capital (₹ in '000)	
	31 st March, 2013	31 st March, 2012	31 st March, 2013	31 st March, 2012
Balance as at beginning of year	5,474,500	5,434,500	5,474,500	54,345.00
Issued During the Year **	-	40,000	-	400.00
Balance as at end of the year	<u>5,474,500</u>	<u>5,474,500</u>	<u>5,474,500</u>	<u>54,745.00</u>

** Issued Equity Shares on conversion of even no. of warrants issued on preferential basis.

3.4 Terms / rights attached to Equity Shares

- Fully paid equity shares, which have a par value of ₹ 10/-, carry one vote per share and carry a right to dividends.
- Dividends if recommend by the Board of Directors need approvals from the Shareholders at the Annual General Meeting. The Board of Directors may also declare interim dividends if in their judgement the position of the Company justifies.
- During the year ended 31st March, 2013, the amount of per share dividend recognised as ₹ 0.80 (31st March, 2012 ₹ 0.80)
- In the event of winding up / liquidation of the Company, the holder of equity shares will be entitled to receive a residual interest in proportion to the number of shares held by them at that time in the assets of the Company after deducting all of liabilities of the Company.

3.5 List of shareholders who holds more than 5% of equity shares in the Company:

Name of the shareholders	31 st March, 2013		31 st March, 2012	
	(Nos.)	%	(Nos.)	%
Pravinchandra B. Shah HUF	472,550	8.63%	472,550	8.63%
Vipul P. Shah	726,100	13.26%	726,100	13.26%
Mihir V. Shah	960,600	17.55%	960,600	17.55%
TOTAL	<u>2,159,250</u>	<u>39.44%</u>	<u>2,159,250</u>	<u>39.44%</u>

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

		(₹ in '000)	
		31 st March, 2013	31 st March, 2012
4. Reserves and Surplus:			
Capital Reserve		6,277.70	6,277.70
Securities Premium Account		29,478.00	29,478.00
Capital Reserve on Consolidation		48.20	48.20
General Reserve		9,009.75	9,009.75
Profit and Loss Account		24,052.52	24,152.59
	Total	<u>68,866.18</u>	<u>68,966.24</u>
4.1 Capital Reserve			
As per last Balance Sheet		6,277.70	852.70
Add : Forfeiture of Application money of Unsubscribed Warrants Issued on preferential issue		-	5,425.00
Balance at the end of the year		<u>6,277.70</u>	<u>6,277.70</u>
4.2 Securities Premium Account			
Balance at beginning of the year		29,478.00	29,078.00
Add: Premium received on Equity Shares on conversion warrants issued on preferential basis		-	400.00
Balance at the end of the year		<u>29,478.00</u>	<u>29,478.00</u>
4.3 General Reserve			
Balance at beginning of the year		9,009.75	9,009.75
Add: Transferred from Profit and Loss Account		-	-
Balance at the end of the year		<u>9,009.75</u>	<u>9,009.75</u>
4.4 Profit and Loss Account			
Balance at beginning of the year		24,152.59	25,243.17
Add: Profit after Tax for the year		5,293.39	5,043.75
Less: Appropriations:			
Tax Adjustments		(201.88)	(1,044.14)
Proposed Dividend - Final		(4,379.60)	(4,379.60)
Corporate Dividend Tax thereon		(811.98)	(710.59)
Balance at the end of the year		<u>24,052.52</u>	<u>24,152.59</u>

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

		(₹ in '000)	
		31 st March, 2013	31 st March, 2012
5. Long term borrowings:			
5.1 Secured Loans			
Loan from Bank		2,301	-
Loan from Others (Refer Note 11)		-	292.17
	Sub Total (A)	<u>2,300.94</u>	<u>292.17</u>
5.2 Unsecured Loans			
Loan from Bank (Refer Note 11) **		0.00	121.26
Loan from Others (Refer Note 11) **		605.98	1108.55
	Sub Total (B)	<u>605.98</u>	<u>1,229.81</u>
	Total (A) + (B)	<u>2,906.92</u>	<u>1,521.97</u>

** Personal Guarantee of Directors

Secured Loans from Others

₹ 292('000) (Previous Year ₹ Nil ('000) secured by hypothecation of vehicles from Vijaya Bank Ltd. Equal monthly instalments over the period of loan by 28th February ,2016 and carry interest rate of 10.75 % p.a.

₹ 2009('000) (Previous Year ₹.Nil ('000) secured by hypothecation of vehicles from Axis Bank Ltd. Equal monthly instalments over the period of loan by 15th September,2016 and carry interest rate of 9.75 % p.a.

Secured Loans from Others

₹ Nil ('000) (Previous Year ₹ 292('000) secured by hypothecation of vehicles from Tata Capital Ltd. Equal monthly instalments over the period of loan by 3rd September,2013 and carry interest rate of 8 % p.a.

Unsecured Loans from Banks

Repayment of loan from Kotak Mahindra Bank Ltd. in monthly scheduled instalments by 1st April,2013 and carry interest rate of 8.86 % p.a.

Unsecured Loans from Others

Repayment of loan from Magma Fincorp Ltd. in monthly scheduled instalments by 7th May,2013 and carry interest rate of 7.31 % p.a.

Repayment of loan from Gujrat Industrial Development Ltd. in Quarterly Equal instalments by 30th September, 2015 and carry interest rate of 13.5 % p.a.

		(₹ in '000)	
		31 st March, 2013	31 st March, 2012
6. Deferred Tax Liability:			
Major components of deferred tax are			
Related to Fixed Assets		1,188.43	845.51
Business Loss		(1,183.63)	(427.90)
	Total	<u>4.80</u>	<u>417.61</u>
7. Other Long-term Liabilities:			
Payables on purchase of Fixed Assets		304.57	1,671.95
Deposit from Dealers		50.00	50.00
	Total	<u>354.57</u>	<u>1,721.95</u>
8. Long-term provisions:			
Provision for Gratuity		274.00	274.00
	Total	<u>274.00</u>	<u>274.00</u>

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

		(₹ in '000)	
		31 st March, 2013	31 st March, 2012
9. Short-term borrowings:			
Loans repayable on demand			
From banks			
Secured**		88,490.30	62,430.08
Unsecured		-	
	Total	<u>88,490.30</u>	<u>62,430.08</u>

The working capital facilities from Banks are secured by way of Hypothication of Stock and Book Debts. The above loans also covered by following colateral securities as under:-

- i) EMDTD of land property & building with machinery/electricals installation situated at Survey no 35, Dewan & Sons Industrial Estate, Palghar.
- ii) Land & Building along with machineries at Plot no.11, Diwan & Sons Industrial Estate, Palghar of M/s. Vip Chem Private Limited.
- iii) Land & Building at Plot no 10 & 16, Diwan & Sons Ind.Est., Palghar of Jayshree Chemicals.
- iv) Also covered in personal guarantee of 2 directors & corporate guarantees of Jayshree Chemicals & Vip Chem Private Limited.

** Includes Overdraft against Fixed Deposit with bank by Subsidiary.

		(₹ in '000)	
		31 st March, 2013	31 st March, 2012
10. Trade payables :			
Sundry Creditors-other than micro and small enterprises		76,913.09	46,314.55
Acceptances		<u>20,445.43</u>	<u>8,840.12</u>
	Total	<u>97,358.52</u>	<u>55,154.67</u>
11. Other current liabilities:			
Current maturities of long-term secured loan (See Note 5.1)		872.43	551.01
Current maturities of long-term unsecured loan (See Note 5.2)		502.56	1,514.34
Advance from Customers		1,892.72	2,388.40
Unpaid Dividends		928.44	781.37
Duties & taxes		<u>4,070.57</u>	<u>1,575.53</u>
	Total	<u>8,266.73</u>	<u>6,810.65</u>
12. Short-term provisions:			
Provision for Tax		2,369.88	2,602.60
Proposed Dividend		4,379.60	4,379.60
Corporate Dividend Tax		811.98	710.59
	Total	<u>7,561.46</u>	<u>7,692.79</u>

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

13. Tangible Assets

(₹ in '000)

Particulars	Freehold Factory Land	Office Premises	Buildings	Plant and Machinery	Furniture and Fixtures	Vehicles	Computer	Office Equipments	Total
Cost or valuation									
At 1st April, 2011	13,953.28	635.48	4,188.74	26,451.65	1,568.66	4,295.02	1,104.55	931.27	53,128.66
Additions	2,087.57	-	610.72	6,018.04	39.97	-	296.28	212.97	9,265.54
Disposals	-	-	-	-	-	-	-	-	-
At 31st March, 2012	16,040.85	635.48	4,799.46	32,469.69	1,608.63	4,295.02	1,400.83	1,144.24	62,394.20
Additions	-	-	-	6,687.76	21.00	4,686.02	291.63	616.43	12,302.85
Disposals	-	-	-	-	-	(2,097.92)	-	-	(2,097.92)
At 31st March, 2013	16,040.85	635.48	4,799.46	39,157.45	1,629.63	6,883.13	1,692.46	1,760.68	72,599.13
Depreciation									
At 1st April, 2011	-	74.56	3,142.56	17,179.61	800.88	1,788.84	837.15	650.29	24,473.89
Charge for the year	-	28.05	132.35	1,593.50	142.49	648.84	178.53	69.73	2,793.49
Disposals	-	-	-	-	-	-	-	-	-
At 31st March 2012	-	102.61	3,274.91	18,773.11	943.37	2,437.68	1,015.68	720.02	27,267.38
Charge for the year	-	26.64	152.34	2,426.90	121.39	827.24	192.52	129.07	3,876.11
Disposals	-	-	-	-	-	(897.14)	-	-	(897.14)
At 31st March, 2013	-	129.25	3,427.25	21,200.01	1,064.76	2,367.79	1,208.19	849.09	30,246.35
At 31st March, 2013	16,040.85	506.23	1,372.21	17,957.44	564.87	4,515.34	484.27	911.58	42,352.78
At 31st March 2012	16,040.85	532.87	1,524.55	13,696.58	665.26	1,857.34	385.15	424.23	35,126.82

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

	31 st March, 2013	(₹ in '000) 31 st March, 2012
14. Non-current Investments: (Fully Paid Up, at Cost)		
Trade Investments:		
Investments in Equity Instruments		
Government Securities (Unquoted) (Deposited with Government authorities)	1.00	1.00
Non-trade Investments:		
(a) Investments in Equity Instruments		
Arvind Mills Ltd.(1000 (Prev.Yr. 1000) Equity shares Fully paid of ₹ 10 Each)	94.43	94.43
Bodal Chemicals Ltd.(2500 (Prev.Yr. 2500) Equity shares Fully paid of ₹ 2 Each)	85.35	85.35
Global Offshore Services Ltd.(8400 (Prev.Yr. 8400) Equity shares Fully paid of ₹ 10 Each)	146.71	146.71
Gujarat State Fertilizers & Chemicals Ltd.(895 (Prev.Yr. 179) Equity shares Fully paid of ₹ 2 Each)	7.01	7.01
Hotel Leela Ventures Ltd.(1000 (Prev.Yr. 1000) Equity shares Fully paid of ₹ 2 Each)	54.72	54.72
J S W Energy Ltd.(1250 (Prev.Yr. 1250) Equity shares Fully paid of ₹ 10 Each)	155.11	155.11
Kiri Industries Ltd.(500 (Prev.Yr. Nil) Equity shares Fully paid of ₹ 10 Each)	82.93	82.93
Mafatlal Industries Ltd.(346 (Prev.Yr. 346) Equity shares Fully paid of ₹ 10 Each)	165.93	165.93
Navin Flourine International Ltd.(346 (Prev.Yr. 346) Equity shares Fully paid of ₹ 10 Each)	76.95	76.95
NOCIL Ltd.(20,000 (Prev.20,000) Equity shares Fully paid of ₹ 10 Each)	1,014.70	1,014.70
Novartis India Ltd. (500 (Prev.Yr. 500) Equity shares Fully paid of ₹ 5 Each)	166.92	166.92
Pricol Ltd.(3000 (Prev.Yr. 3000) Equity shares Fully paid of ₹ 1 Each)	122.59	122.59
Petronet LNG Ltd.(3000 (Prev.Yr. 3000) Equity shares Fully paid of ₹ 10 Each)	176.47	176.47
Standard Industires Ltd.(9900 (Prev.Yr. 9900) Equity shares Fully paid of ₹ 5 Each)	344.30	344.30
Vijaya Bank Ltd.(1000 (Prev.Yr. 1000) Equity shares Fully paid of ₹ 10 Each)	52.17	52.17
Equity Shares (Quoted)	2,746.27	2,746.27
(b) Investments in Debentures:		
Debentures (Quoted)	40.50	40.50
Total	<u>2,787.77</u>	<u>2,704.84</u>

	Cost		Market Value	
	31 st March, 2013	31 st March, 2012	31 st March, 2013	31 st March, 2012
Aggregate value of Quoted Investments*	2,746.27	2,746.27	2,051.74	2,551.76
Aggregate value of Unquoted Investments	41.50	41.50	-	-
Total	<u>2,787.77</u>	<u>2,787.77</u>	<u>2,051.74</u>	<u>2,551.76</u>

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

		(₹ in '000)	
		31 st March, 2013	31 st March, 2012
15. Long-term Loans and Advances:			
	(Unsecured and considered good)		
	Capital Advances-Related (Refer Note 47)	17,875.00	16,075.00
	Capital Advances-Others	2,031.35	-
	Deposits with Government Authorities and Others	33,176.46	33,176.46
	Loans and advances to related parties		
	- Subsidiaries (Refer Note 47)	-	-
	- Related Parties (Refer Note 47)	108.18	108.18
	Other loans and advances	1,300.00	1,300.00
	Total	<u>54,490.99</u>	<u>50,659.64</u>
16. Other non-current assets:			
	Unamortised Share Issue Expenses	96.00	108.00
	Total	<u>96.00</u>	<u>108.00</u>
17. Inventories			
	(At cost or net realisable value whichever is lower)		
	(a) Raw materials	15,684.00	15,121.65
	(b) Finished goods	19,285.48	9,685.96
	(c) Stock-in-trade	14,509.20	14,459.24
	Total	<u>49,478.67</u>	<u>39,266.85</u>
18. Trade receivables (Unsecured)			
	Considered Good		
	Overdue Trade Receivables	6,433.19	3,525.64
	Trade Receivables	111,326.78	75,530.63
	Total	<u>117,759.97</u>	<u>79,056.27</u>
19. Cash and Cash equivalents:			
	Earmarked Balance		
	Unpaid Dividend Account	936.31	789.28
	Balances with Scheduled Bank:		
	In Current Account	2,876.63	2,490.47
	In Fixed deposit	10,999.68	4,566.47
	In EEFC Account	6.73	12.92
	Cash in Hand	587.19	426.88
	Total	<u>15,406.54</u>	<u>8,286.02</u>
	Notes:		
	Fixed deposits with Banks includes:		
	a) Fixed deposit with the banks with maturity period of more than 12 months.	-	2,158.72
	b) Fixed deposits in Margin Account	10,911.68	4,566.47

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

	31 st March, 2013	(₹ in '000) 31 st March, 2012
20. Short-term Loans and Advances: (Unsecured and considered good)		
Loans and Advances to Related parties (refer Note no 47)	3,762.80	9,107.41
Loans and Advances to Employees	201.00	31.50
Prepaid Expenses	191.79	170.73
Balance with Government Authorities		
Excise	7,652.27	3,472.26
MVAT Refund	5,415.32	1,925.79
Service Tax	2,493.44	1,010.71
Advance Tax	95.00	99.63
Advances recoverable in cash or kind or for value to be received		
Export Incentive	8,137.60	10,049.63
Advance to Suppliers	16,147.69	16,096.52
Others	61.11	144.27
Total	<u>44,158.01</u>	<u>42,108.45</u>
21. Revenue from Operations:		
Export sales	302,715.34	2,62,514.44
Local sales (Including Excise Duty)	33,494.88	18,020.70
Export incentives	9,119.97	9,759.67
Less:Excise Duty (Dyes and Chemicals)	(2,130.47)	(1,005.12)
Total	<u>343,199.72</u>	<u>2,89,289.68</u>
22. Other Income:		
Interest on Deposit with Banks	537.80	582.18
Dividend on Current Investments (non-trade)	76.82	63.50
Miscellaneous Receipts	-	2.24
Total	<u>614.62</u>	<u>647.92</u>
23. a) Cost of materials consumed (Chemicals & Others):		
Opening Stock	14,847.25	15,021.43
Add: Purchases	79,075.37	27,537.01
Less: Closing Stock	15,587.40	14,847.25
Total	<u>78,335.22</u>	<u>27,711.20</u>
b) Purchases of Stock-in-Trade:		
Dyes and Chemicals	187,225.00	206,773.63
Total	<u>187,225.00</u>	<u>206,772.63</u>

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

		(₹ in '000)	
		31 st March, 2013	31 st March, 2012
24. Changes in Inventories of Stock-in-Trade:			
Inventories at the end of the year			
Dyes and Chemicals		33,794.67	24,145.20
	Sub-Total (A)	33,794.67	24,145.20
Inventories at the beginning of the year			
Dyes and Chemicals		24,145.20	19,966.33
	Sub-Total (B)	24,145.20	19,966.33
	(A) -(B)	(9,649.47)	(4,178.87)
25. Employee benefits expense:			
Salaries, Wages, Bonus and Gratuity		10,269.92	6,650.67
Contribution to Provident Fund and Other Funds		64.69	51.02
Employees' Welfare Expenses		357.85	229.16
	Total	10,692.46	6,930.85
26. Finance costs:			
Bank Interest		4,028.13	3,704.86
Bank Charges-Processing Fees		426.25	891.94
Other Interest		480.95	109.94
	Total	4,935.33	4,706.74
27. Depreciation and Amortization expense:			
Depreciation (As per Note 13)		3,876.11	2,793.49
	Total	3,876.11	2,805.49
28. Operating Expenses:			
Stores and Spare Consumed		1,877.46	678.66
Power and Fuel		12,492.68	5,655.73
Factory Rent		2,750.00	-
Labour & Transport		6,894.22	3,363.90
Repairs & Maintenance		3,511.41	1,809.15
Packing Material		3,792.66	1,255.19
	Total	31,318.43	12,762.63

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

	31 st March, 2013	(₹ in '000) 31 st March, 2012
29. Administrative, Selling and General expenses:		
Export Clearing, Freight & Forwarding	5,609.81	4,533.05
Professional & Legal Charges	3,043.98	1,872.94
Travelling Expenses	3,936.67	2,982.14
Insurance Charges	2,273.69	1,861.97
Rent, Rates & Electricity	1,998.08	1,533.42
Donation	371.00	369.05
Auditors Remuneration (Refer Note No. 32)	286.85	246.24
Exchange Gain /Loss	1,268.93	4,214.25
Commission	2,703.24	1,706.12
Loss on sales of assets	134.11	-
Miscellaneous/ Office Expenses	8,892.73	6,050.18
Bad Debts	52.38	102.73
Total	<u>30,571.48</u>	<u>25,472.08</u>
30. Earnings per share:		
The numerators and denominators used to calculate earnings per share:		
Nominal Value of Equity Share (₹)	10/-	10/-
Net Profit available for Equity shareholders (₹ In lacs) = (A)	5,293.39	5,043.75
Weighted Average number of shares outstanding during the year - (B)	5,474,500	5,438,664
Basic and Diluted Earnings Per Share (₹) - (A) / (B)	0.97	0.93
31. Contingent Liabilities and Commitments:		
(i) Contingent Liabilities		
(a) Income tax matters not acknowledged as debt	54.00	54.00
(b) Dues raised by M.S.E.B which is protested by Company.	250.00	250.00
Total	<u>304.00</u>	<u>304.00</u>
(ii) Commitment		
Estimated amount of contracts remaining to be executed on capital account and not provided for	2,000.00	3,000.00
	<u>2,000.00</u>	<u>3,000.00</u>
32. Payments to Auditors for the year:		
Auditors' Remuneration & Expenses (including Service Tax)		
(a) As Auditors	230.34	191.01
(b) For Tax Audit	117.98	73.03
(c) Certification and Other matters	65.08	129.63
(d) Taxation Matters	73.04	109.12
Total	<u>486.43</u>	<u>502.80</u>

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

33. The Sales Tax & Income-Tax Assessments are pending for earlier years. Liabilities in respect of such taxes could not ascertained.
34. During the previous year, the Company has issued 40,000 (Prev.Yr. 8,50,000) Equity shares of ₹ 10 each issued at a price of ₹ 20/- (including premium of ₹ 10/- each) on conversion of Warrants issued on preferential basis.
35. Export benefits including Central Excise, Advance Licenses and Passbook of Duty Credit to be reconciled with the related evidences and Statements and necessary adjustment if required will be made after reconciliation. Export benefits receivable are valued and certified by the management. However the actual realisation of the same may significantly differ.
36. The Company has deposits of ₹ 74 lacs with the Pyrates Phosphates & Chemicals Ltd (PPCL) which is overdue. However the company has filed a suit with District Court and for the same District Court has given the ruling in favour of the Company by the way of decree. The Company has now filled an application for the execution of the preferential claim for the decree against PPCL and as per the latest order given by the Honourable High Court Patna, it has been decided that the claim may be considered upon liquidation / disposal of all the assets of PPCL. In view of that, the management has not made any provision for doubtful deposits.
37. Sundry Debtors, Creditors, Loan, Deposits and advances are subject to reconciliation and confirmation, necessary adjustment if required will be after reconciliation.
38. Some assets of which the company is beneficial owner are pending for transfer in the name of the company.
39. No provision has been made in the accounts for diminution in the value of quoted & unquoted investments by reason of these investments being Long Term Investment and the decline in their value being on account of temporary factors.
40. Bonus is accounted on cash basis which is not in conformity with Accounting Standard (AS-15) (Revised 2005) on Employee Benefits as issued by the Institute of Chartered Accountant of India.
41. In the opinion of the Board of Directors to the best of Knowledge and belief all the current assets, loans and advances have been stated at realisable value at least of an amount equal to the amount at which they are stated in Balance Sheet.
42. Unpaid Dividend accounts are subject to reconciliation.
43. The Company does not possess information as to which of its suppliers are Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to whom the Company owes any amount. However, the Company is regular in making payments to its suppliers and has not received any claim in respect of interest for delayed payment.
44. The outstanding forward exchange contract as on 31st March, 2013 entered into by the company was for USD 200.00 ('000) equivalent to ₹ 10854.00 ('000) (Prev. year USD 278.14 ('000) equivalent to ₹ 1387.04 ('000)).
45. The entire operations of the Company relate to only one segment viz. Dyes, Chemicals & Intermediates such, there is no separate reportable segment under Accounting Standard – (AS-17) on Segment Reporting.
46. As stipulated in Accounting Standard (AS-28) on Impairment of Assets issued by the Institute of Chartered Accountants Of India, the company has assessed potential generation of economic benefits from its business units and is of the view that Assets employed in continuing businesses are capable of generating adequate returns over their useful lives in the usual course of business, there is no indication to the contrary and accordingly management is of the view that no impairment provision is called for in these accounts.

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

47. Related Party Disclosures:

As per the Accounting Standard (AS-18), issued by the Institute of Chartered Accountants of India (ICAI), the disclosure of transactions with the related parties as defined in the Accounting Standard are given below:

I List of Related Parties

- a) Key Management Personal (KMP)
 - Mr. Vipul P. Shah
 - Mr. R. L. Rathod
 - Dr. S. N. Sahai
 - Mr. Prasannakumar Gawde
 - Mr. Jagdeep Mehta
- b) Relatives of KMP
 - Smt. Jaya P. Shah
 - Vipul P. Shah HUF
- c) Other Related Parties (Entities in which (KMP) or their relatives have significant influence)
 - M/s. Jayshree Chemicals
 - M/s. Ganesh Tiles & Marble Industries
 - M/s. Amar Trading Corporation
 - M/s. J.V.Dye Chem. Privated Limited
 - M/s. VIP Chem Privated Limited
 - M/s. Standardcon Privated Limited

II Transaction with Related Parties & Outstanding Balance as on 31st March, 2013

(₹ in '000)

Nature of transaction	Key Management Personnel	Relatives of KMP	Entities where significant influence
Purchase /Services	- (-)	144.00 (144.00)	34,046.59 (69,775.72)
Sale/Services	- (-)	- (-)	16,663.00 (11,418.21)
Advance /Loan Given (net)	- (-)	1,947.35 (16,075.00)	12,981.69 (28,323.21)
Mangerial Remuneration	3,100.00 (2,092.00)	- (-)	- (-)
Balance Receivable	(30.67) (-128.54)	17,875.00 (16,071.65)	30,403.07 (34,803.55)

Note : Figures in brackets represent previous year's amount.

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

	31 st March, 2013		(₹ in '000) 31 st March, 2012	
		%		%
48. Imported and Indigenous raw material consumed:				
Imported	11,706.36	15	2,773.00	10
Indigenous	66,628.86	85	24,938.20	90
	<u>78,335.22</u>	<u>100</u>	<u>27,711.20</u>	<u>100</u>
49. Earning in Foreign Exchange:				
Export at F.O.B. Value:				
Dyes/Dyes Intermediates & others	302,715.34		2,62,514.44	
	<u>302,715.34</u>		<u>2,62,514.44</u>	
50. Expenditure in Foreign Currency:				
Commission	2,178.03		1,447.21	
Travelling Expenses	1,645.88		1,210.56	
Other Expenses	683.50		-	
	<u>4,507.40</u>		<u>2,657.77</u>	
51. C.I.F. Value of Imports:				
Raw Material & Finished Goods	25,775.71		24,079.63	
Capital goods	-		2,003.60	
	<u>25,775.71</u>		<u>26,083.23</u>	
52.	The Company has presented current financial statement as per Revised Schedule VI to the Companies Act, 1956. Consequently, previous year figures are regrouped / re-classified to conform to figures of the current year presented as per Revised Schedule VI.			

In terms of our report attached.

For **J. A. Rajani & Co.**
Chartered Accountants
Firm Registration No.108331W

P. J. Rajani
Proprietor
Membership No.116740

Place : Mumbai
Date : 30th May, 2013

For and on behalf of the Board of Directors

Pravinchandra B. Shah
Chairman

Vipul P. Shah
Managing Director



VIPUL DYECHEM LIMITED

Registered Office : 102, Andheri Industrial Estate, Off Veera Desai Road, Andheri (West), Mumbai - 400 053

PROXY FORM

ANNUAL GENERAL MEETING - 27TH SEPTEMBER, 2013

Reg. Folio No. _____ No. of Shares _____

Client ID / DP ID _____

I/We, Mr./Mrs/Miss _____

of _____ in the district of _____

_____ being a member/members of **VIPUL DYECHEM LIMITED** hereby appoint

Mr./Mrs./Miss _____ of _____

in the district of _____ or failing _____ him/her

_____ of _____ as my/our proxy to vote for me/us,

on my/our behalf at the **ANNUAL GENERAL MEETING** of the Company, to be held on Friday, the 27th day of September, 2013 at 3.30 p.m. at Hotel Karl Residency, 36, Lalubhai Park Road, Andheri (West), Mumbai – 400058 or any adjournment thereof.

Affix
15 paise
Revenue
Stamp

Signed this _____ day _____ of _____ 2013

Signature of Member

Note : This proxy must be deposited at the Registered Office of the Company at 102, Andheri Industrial Estate, Off. Veera Desai Road, Andheri (W), Mumbai - 400 053, not less than 48 hours before the time of the meeting.

VIPUL DYECHEM LIMITED

Registered Office : 102, Andheri Industrial Estate, Off Veera Desai Road, Andheri (West), Mumbai - 400 053

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting venue)

ANNUAL GENERAL MEETING - 27TH SEPTEMBER, 2013

Reg. Folio No. _____ No. of Shares _____

Client ID / DP ID _____

I _____

(Name of the attending member / proxy) (IN BLOCK LETTERS) hereby record my presence at the **ANNUAL GENERAL MEETING** of the Company, to be held on Friday, the 27th day of September, 2013 at 3.30 p.m. Hotel Karl Residency, 36, Lalubhai Park Road, Andheri (West), Mumbai – 400058.

Member's / Proxy's Signature

Notes :

- Interested Joint Members may obtain Attendance Slips from the Registered Office of the Company.
- Members' / Joint Members' / Proxies are requested to bring the Attendance Slip with them. Duplicate slips will not be issued at the venue.

BOOK - POST



If undelivered please return to:

VIPUL DYECHEM LIMITED

102, Andheri Industrial Estate, Off Veera Desai Road, Andheri (W), Mumbai - 400053.