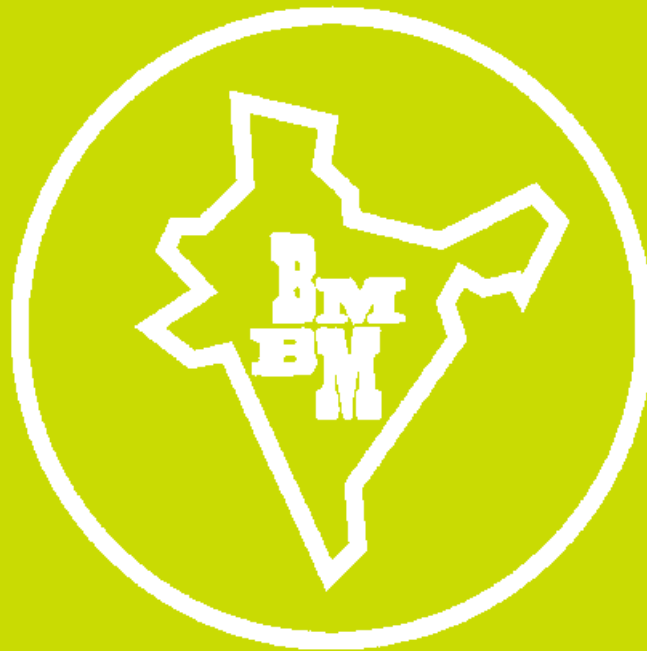

BORAX MORARJI LIMITED



FORTY EIGHTH ANNUAL REPORT

2011-2012

BORAX MORARJI LIMITED

DIRECTORS	L. N.GOCULDAS, Chairman B.L.GOCULDAS, Managing Director w.e.f.1 st April,2012 MITIKA L. GOCULDAS D.S.PAREKH (Alternate to Mitika L. Goculdas) upto 8 th December,2011 S.K.DIWANJI R.SANGHI S.V.JOSHI
CHIEF EXECUTIVE OFFICER	H.T.KAPADIA up to 31 st March, 2012
COMPANY SECRETARY	DILIP S. NAGLE
AUDITORS	K.S.AIYAR & CO
BANKERS	STATE BANK OF INDIA DENA BANK INDIAN OVERSEAS BANK
SOLICITORS	CRAWFORD BAYLEY&CO.
REGISTERED OFFICE	Prospect Chambers, 317/21, Dr.D.N.Road, Mumbai 400 001
WEBSITE	www.boraxmorarji.com
REGISTRAR & TRANSFER AGENTS	M/S LINK INTIME INDIA PVT. LTD. (formerly Intime Spectrum Registry Ltd.) C-13, Pannalal Silk Mills Compound, L.B.S.Marg, Bhandup(W) Mumbai 400 078 Tel.No. 022 - 25963838
WORKS	CHEMICAL DIVISION Mahatma Gandhi Road Ambarnath 421 501(Dist.Thane) Maharashtra Tel.No. 0251 2682271/72 WIND MILL FARMS 1. Thoseghar/Maloshi/Vankusawade Dist. Satara, Maharashtra 2. Nani Sindhodi Kutch, Gujarat

NOTICE

Notice is hereby given that the FORTY EIGHTH ANNUAL GENERAL MEETING of BORAX MORARJI LIMITED will be held at the Indian Merchants' Chamber Conference Hall (Walchand Hirachand Hall), IMC Marg, Mumbai 400 020 on Monday, the 24th September, 2012 at 11.30 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and the Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in the place of Mr. Ranjan Sanghi, who retires by rotation under Article 131 of the Articles of Association and, being eligible, offers himself for re-appointment.
3. To appoint a Director in the place of Ms. Mitika L. Goculdas, who retires by rotation under Article 131 of the Articles of Association and, being eligible, offers herself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:-
"RESOLVED THAT, the appointment of Mr. Bimal Lalitsingh Goculdas, as the Managing Director of the Company, subject to the provisions of Sections 198, 309, 316, 349 and Schedule XII and other applicable provisions, if any, of the Companies Act, 1956, for a period of 3 (three) years with effect from 1st April, 2012 made by the Board of Directors of the Company (hereinafter referred to as the "Board") vide its resolution passed at its meeting held on 2nd April, 2012 and the remuneration payable to Mr. Bimal Lalitsingh Goculdas pursuant to the aforesaid resolution as set out in the Explanatory Statement to this Notice be and is hereby approved."
"RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do such acts, deeds, matters and things as it may in its absolute discretion deem necessary, expedient and proper."

NOTES:

- (1) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- (2) An Explanatory Statement under Section 173(2) of the Companies Act, 1956 in respect of the Special Business under Item No.6 is hereto annexed.
- (3) The Register of Members and Share Transfer Books of the Company will be closed from Tuesday, 18th September, 2012 to Monday, 24th September, 2012 (both days inclusive)
- (4) Members holding shares in physical form are requested to notify the Registrars & Transfer Agents of the Company of any change in their address with Postal Pin Code Number quoting their Folio Numbers. Members holding shares in electronic form may inform their respective depository participants of change in address and bank account details.
- (5) As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are, therefore, requested to bring their copies of the Annual Report to the Meeting.
- (6) Members/Proxies should bring Attendance Slip duly completed for attending the Meeting.
- (7) Queries on accounts and operations of the Company, if any, may please be sent to the Company at least seven days in advance of the meeting so that the answers may be made readily available at the Meeting.
- (8) Members may please note that as per the Companies (Amendment) Act, 1999, dividend which remains unpaid/unclaimed over a period of 7 years has to be transferred to the Investor Education & Protection Fund constituted by the Central Government under Sec. 205A(I) and 205C of the Companies Act, 1956 and no payments shall be made in respect of such claims by the Fund. It may be noted that the unclaimed dividend for the financial year ended on 31st March, 2005 is due for transfer to the Investor Education & Protection Fund in October, 2012.
- (9) Shareholders who have not encashed the Dividend Warrant(s) for the financial years 2004-2005, 2005-2006, 2006-2007, 2007- 2008, 2008-2009, 2009-2010 and 2010-2011 are requested to write to the Registered Office of the Company without any delay.

By Order of the Board of Directors

(Dilip S. Nagle)
Company Secretary

Registered Office:

Prospect Chambers,
317-21 Dr. D.N. Road,
Mumbai 400 001

Date: 9th August, 2012.

ANNEXURE TO NOTICE

Explanatory Statement as required under Section 173(2) of the Companies Act, 1956.

Item No.5:-

At a meeting of Board of Directors held on 2nd April, 2012, the Board of Directors ("Board"), subject to the approval of the Shareholders by way of Special Resolution appointed Mr. Bimal L. Goculdas as the Managing Director of the Company for a period of 3 (three) years from 1st April, 2012.

The main terms of appointment, remuneration, perquisites, etc. of Mr. Bimal L. Goculdas as Managing Director which are subject to the approval of the Member of the Company are as under:

Terms:

The appointment shall be effective from 1st April, 2012, for a period of three years, subject to earlier terminated by either side by giving six months notice.

Remuneration and Perquisites

He shall not be eligible to receive any remuneration from the Company for the above period of appointment. However, he shall be eligible for such benefits as may be permissible and as may be decided by the Board of Directors of the Company, subject to the requisite approvals as may be necessary.

The monetary value of such benefits if any availed by him will be evaluated as per the Income-tax Rules and subject to the requisite taxation accordingly.

In the event of loss or inadequacy of profits in any year, such benefits, if any, will be paid in accordance with the Schedule XIII to the Companies Act, 1956 as amended from time to time.

The appointment and the availment of the above benefits, if any, will be subject to the provisions of Sections 198, 309 and 349 of the Companies Act, 1956 and subject to the consent of the shareholders of the Company.

By Order of the Board of Directors

(Dilip S. Nagle)
Company Secretary

Registered Office:

Prospect Chambers,
317-21 Dr. D.N. Road,
Mumbai 400 001

Date: 9th August, 2012.

THE LAST FIVE YEARS

		2007-08	2008-09	2009-10	2010-11	2011-12	
		₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	
1.	TURNOVER : (Excluding Excise Duty)						
	Domestic Sales	7374.21	6842.18	6555.22	6966.26	6923.15	
	Export Sales	545.36	478.44	324.07	326.57	675.95	
	Total Turnover	<u>7919.57</u>	<u>7320.62</u>	<u>6879.29</u>	<u>7292.83</u>	<u>7599.10</u>	
2.	PROFIT / (LOSS) :						
	For the year Before Tax	584.34	528.62	384.30	207.54	(384.24)	
	For the year After Tax	375.75	388.78	259.33	137.19	(298.76)	
3.	CAPITAL :						
	Equity Capital (Including Bonus & Rights Issue)	451.97	451.97	451.97	451.97	451.97	
4.	RESERVES & SURPLUS :						
	(Excluding Revaluation Reserves)						
	Capital Reserve	35.00	25.00	25.00	25.00	35.00	
	Share Premium Account	70.38#	70.38#	70.38#	70.38#	70.38#	
	General Reserve	616.79	666.79	696.79	711.79	711.79	
	Profit & Loss Account	76.99	234.21	330.35	373.74	74.98	
	Total Reserves & Surplus	<u>799.15</u>	<u>996.38</u>	<u>1122.52</u>	<u>1180.91</u>	<u>892.15</u>	
5.	DIVIDEND :						
	Amount On Equity Capital	₹ in Lakhs	158.19	158.19	112.99	67.80	0.00
	% of Equity Capital	%	35	35	25	15	-

After adjustment for diminution in value of investment in shares.

Directors' Report

(including Management Discussion and Analysis Report)

The Board of Directors presents the Forty Eighth Annual Report of the Company together with the Audited Statements of Account for the financial year ended 31st March, 2012.

	Rs. in lakhs	
	2011-12	2010-11
FINANCIAL RESULTS		
Turnover (Excluding Excise Duty)/ Income from operations	7726.92	7400.40
Gross profit/(loss)	(178.69)	408.33
Less : Depreciation	205.55	200.79
Profit/(Loss) before taxation	(384.24)	207.54
Provision for Taxation		
Current Tax	-	99.00
Deferred Tax	(85.48)	(28.65)
Profit/(Loss) after tax	(298.76)	137.19
Amount available for appropriation	74.98	467.54
Your Director have made the following appropriations:		
(i) Proposed Dividend	-	67.80
(ii) Corporate Dividend Tax	-	11.00
(iii) Transfer to General Reserve	-	15.00
(iv) Balance carried to Balance Sheet	74.98	373.74
	74.98	467.54
Turnover (excluding Excise Duty)/ Income from Operations:-		
Boron based products	7498.74	7113.58
Wind Mill Farm	127.82	107.57
Others	100.36	179.25
Total Turnover/Income from operations	7726.92	7400.40

DIVIDEND

In view of inadequate profit during the year, your Directors regret their inability to recommend any dividend.

MANAGEMENT DISCUSSION & ANALYSIS

(a) Overview of operations:

The financial year under review began on a positive note. However, the economy started witnessing a rise in inflationary trend during the second half of the year which together with tightening of the monetary policy and a widening trade deficit resulted in a slow-down in the overall demand scenario. Inflationary pressures continued unabated during the year with adverse impact on our overheads. Fuel price hikes and a steep depreciation in the Indian Rupee added to input costs. Power outages and sporadic non availability of our key raw materials added to input and conversion costs, were not compensated by selling price in highly competitive market.

Things have not improved during the current financial year also, as the rupee continues to weaken and declined continuously to a low of Rs 57/\$ and the movement in the rupee is unpredictable due to high volatility seen over the past four months.

As a result, during the year, your Company incurred loss before depreciation and taxes of Rs.178.69 lacs as against profit of Rs.408.33 lacs in the previous year. The impact on profit before and after tax was even more severe. This also put pressure on your Company's cashflow position and debt servicing ability.

The turnover, however, increased to Rs. 7726.92 lacs during the year as against Rs. 7400.40 lacs in the previous year.

During the year 2011-12, the performance of windmills at Satara, in the Maharashtra State and Kutch, in the state of Gujarat remained satisfactory generating wind energy to the tune of 2416457 kwh units as compared to 2138271 kwh units of wind energy generated during the previous year.

(b) Industry Structure, Development

CHEMICAL DIVISION:

The Company maintained its market leadership position and is well positioned to achieve growth in terms of volumes through better service levels and management of costs. Your Company has the reputation of providing quality products at reasonable prices.

Your Company's quality Management System has been continuously awarded certificate by Bureau of Veritas Quality International (BVQI) for ISO 9001:2008 for manufacture of boron and speciality boron products.

As mentioned in the last year Annual Report, Company has successfully developed and marketed a product "POTASSIUM TETRABORATE" which has good market potential in domestic as well as International market. Company has already started manufacturing this product at our Ambarnath Plant and proposes to manufacture it on large scale at its new expansion plan at Dahej during current financial year.

Your Company's R & D division is putting efforts in introduction of new products which would cater to the needs of local as well as overseas market.

WIND MILL FARM

The Company has two wind farm at Satara in the State of Maharashtra, consisting of 5 Nos. wind turbine generators having capacity of 1.252 MW and another 0.60 MW Capacity wind turbine generator at Kutch in State of Gujarat.

Units of electricity generated by the Wind Mill Farm at Satara are being used partly to meet electricity requirement at chemical division, Ambarnath in Maharashtra State and partly sold to the Maharashtra State Electricity Distribution Company Ltd. As regard Units generated at the Wind farm at Kutch are being sold to Gujarat Urja Vikas Nigam Limited under the power purchase agreement entered by Company with them.

(c) Outlook

The outlook of the Company in the medium to long term is growth oriented. The only constraint is high debt and less capacity utilization due to long term working capital shortage. The efforts are continued for infusion of long term fund in the system to take off the pressure of the debts.

The synergy of utilization of product mix of special quality boron products and efficiency in the manufacturing processes are the key factors to bring turnaround in the Company.

(d) Opportunity, threats, risks and concerns

The rising cost of import, especially in respect of boron products is a limiting factor as boron manufacturing is fully dependent on import of raw material. Procurement of quality raw material at competitive rates is a matter of concern which involves exchange risk. Moreover, the marginal difference in custom duty on imported raw materials and finished products is likely to affect the margins of the Company and may affect operations of your Company.

(e) Adequacy of internal controls

The Company has an established independent and adequate system of internal controls commensurate with nature of its business and size of its operation to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition, and those transactions are authorized, recorded and reported correctly. This system also complies with the suggestions of the Statutory Auditors of the Company, if any, from time to time. The internal control systems are supplemented by regular reviews by the management of the Company.

(f) Human Resource Development

The Company undertakes periodic review of its HR policies and encourages the best performance at all times. The Company also provides regular training to its workforce which allows employees to keep themselves abreast of the changing environment as well as develop new skills.

(g) Cautionary Statement

Certain statements in the "Management Discussion and Analysis Section" may be forward looking and are stated as required by applicable laws and regulations. Many factors may affect the actual results, which could be different from what the Directors envisage in terms of the future performance and outlook. The Company cannot guarantee the accuracy of assumptions and perceived performance of the Company in future. Therefore, it is cautioned that the actual results may materially differ from those implied in the report.

(h) Insurance

The Company's all fixed assets, plant & machineries and stocks are adequately insured.

POLLUTION & SAFETY

Stringent controls and strict monitoring of liquid effluents are carried out regularly to restrict pollution to the minimum and keep it within the limits prescribed by the statutory authorities

SUBSIDIARY COMPANY

Borax Morarji (Europe) GmbH is a 100% wholly owned subsidiary Company in Germany. Primarily it takes care of complying with the German Regulations for exports of Specialty boron products to Germany and Europe.

In terms of exemption granted by the Ministry of Corporate Affairs vide its Oder No.2/2011 dated 8th February, 2011. Balance Sheet of Borax Morarji (Europe) GmbH, Germany is not attached to the account of the Company. However, the annual accounts of the subsidiary are available for inspection at the office of the Company and the related detailed information will be made available to the Shareholders when asked for.

CONSOLIDATION OF ACCOUNTS

In pursuance of the mandatory compliance of the Accounting Standard 21, as issued by the Institute of Chartered Accountants of India, the Company has presented Consolidated Financial Statements for the year under Report, consolidating its Accounts with the Accounts of its Wholly Owned Subsidiary Company, viz., Borax Morarji (Europe) GmbH, Germany. A separate Report of the Statutory Auditors on the Consolidated Financial Statements also forms part of the same.

FIXED DEPOSITS

Out of deposits maturing during the year, a total amount of Rs.4,60,000/- remained unclaimed as on 31st March, 2012 of which Rs.1,05,000/- has since been renewed / repaid. Necessary follow-up is being made with the remaining deposit holders.

DIRECTORS

Mr. D.S. Parekh, Alternate Director to Ms. Mitika L. Goculdas resigned w.e.f. 9th December, 2011 on personal grounds after a long association with the company for more than two decades. The Directors place on record their appreciation and gratitude for the valuable advice, guidance, assistance and support given by him during his association with the Company.

In accordance with the provisions of the Companies Act, 1956 and Article 131 of the Articles of Association of the Company Mr. Ranjan Sanghi and Ms. Mitika L. Goculdas retire by rotation at the ensuing Annual General Meeting of the Company, and being eligible, offer themselves for re-appointment.

MANAGEMENT

Mr. H.T. Kapadia, retired in March 2012 from his position as Chief Executive Officer & Manager, on completion of his contractual term after more than a decades of association with the Company. The Board would like to place on record its appreciation for the services rendered by Mr. H.T. Kapadia

in various capacities till his retirement. Mr. Bimal L. Goculdas, is appointed as Managing Director, effective 1st April 2012 for a period of 3 (three) years subject to the approval of Members in the ensuing Annual General Meeting. Mr. Bimal L. Goculdas is associated with the company for more than twelve years and has rich experience in the industry.

DAHEJ PROJECT

The capex plans undertaken by the Company at Dahej are under various stages of implementation and are expected to be commissioned in the phased manner during second half of current financial year 2012-13. Upon completion, this projects would significantly strengthen cost base, logistic advantage and good work environment which in turn would enhance profitability and competitiveness. The Company has already incurred an amount of Rs.1130.00 lacs on this Proeject which have been met through borrowing from Promoters and unsecured loans.

Observations of the Auditors in their Report to the Members

With regards to the observation of the Auditors in their report to the Members of the Audited Accounts for the year ended 31st March, 2012 :

Sr.No. 4(f)(i) Rs.64.73 lacs is receivable from the insurer viz., New India Assurance Company Limited. For this recovery, the Company has filed a complaint with the State Consumer Redressal Commission (SCRC), Mumbai and the Commission has passed an interim order in favour of the Company for Rs..6.93 lacs which Company has withdrawn on furnishing Bank Guarantee. Case is pending before SCRC for the final hearing. The Management is hopeful of a favourable decision, therefore, no provision in this regard considered necessary.

4(f)(ii) In respect of Rs.14.22 lacs receivable from State Trading Corporation of India Ltd.(STC), the STC has filed an appeal in Delhi High Court against the order passed, in favour of the Company by Tis Hazari court, New Delhi which is pending, management is hopeful of favourable decision in company's favour hence no provision in this regard considered necessary.

4(f)(iii) As regards Rs.28.00 lacs deposited by the Company in the Court in respect of certain issues raised by Customs Authorities related to DEPB License against which Company has preferred an appeal, which is pending before CESTAT, therefore no provision has been made.

Sr. No.4 (g) regarding the amount of Rs.22.26 lacs overdue for more than one year, the Management is hopeful of arriving at amicable settlement with the party.

Sr. No.4 (h) regarding Rs. 47.67 lacs expenses incurred on Proposed Right Issue which has not taken place till date, the Management has decided to defer the schedule of the Right Issue, due to present economic scenario. The Management will review the situation and will decide about Right Issue at appropriate time.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, (hereinafter referred to as the "Act") your Directors confirm that:-

- (i) in the preparation of the Annual Accounts, all applicable accounting standards have been followed and there was no material departure from the accounting standards;
- (ii) they had 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 at 31st March, 2012 and of the Profit / (Loss) of the Company for the year ended 31st March, 2012.
- (iii) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company for preventing and detecting fraud and other irregularities;
- (iv) they had prepared the Annual Accounts on a going concern basis.

AUDITORS

Messrs K.S. Aiyar & Co., Chartered Accountants and Statutory Auditors of the Company, retire at the forthcoming Annual General Meeting and are eligible for re-appointment. They have, under Sec. 224(1) of the Companies Act, 1956, furnished Certificate of their eligibility for re-appointment.

COST AUDITOR

To comply with the directive of the Government of India, Department of Company Law Affairs, Cost Audit Branch, New Delhi, the Board of Directors appointed Mr. S. S. Dongare as the Cost Auditor on a remuneration of Rs.35,000/- for the accounting year ending 31st March, 2013 for the audit of the cost accounts in respect of Boric Acid.

PARTICULARS OF EMPLOYEES

During the year ended 31st March, 2012, there was no employee within the purview of Sec. 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As per Sec. 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, the relevant data pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo are set out in Annexure to this Report.

CORPORATE GOVERNANCE

The Company has complied with the provisions of Corporate Governance under the Listing Agreement with the Stock Exchange for the year 2011-12. A separate report on Corporate Governance is sent herewith as part of the Annual Report along with the Auditors' Certificate on compliance.

ACKNOWLEDGMENTS

The Directors are thankful to all the shareholders, various Government Departments, Banks, Customers and Employees for their valuable co-operation and assistance during the year.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 9th August, 2012.

L. N. Goculdas
(Chairman)

Annexure

ANNEXURE TO DIRECTORS' REPORT

Information under Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

I. Conservation of Energy

- | | |
|--|---|
| (a) Energy Conservation Measures taken | Installation of Frequency Converter to optimize power consumption at various rotation equipments. |
| (b) Addition investments and proposals, if any, being implemented for reduction of consumption of energy | Being studied. |
| (c) Impact of measures at (a) & (b) above for reduction of energy | Reduction in the cost of production |

FORM A

(Form for disclosure of particulars with respect to conservation of energy)

A. Power and Fuel Consumption

	Current Year (ended on 31-3-2012)	Previous Year (ended on 31-3-2011)
1. Electricity:		
(a) Purchased:		
Units/KWH	33,62,377	34,51,136
Total amount (Rs. Lakhs)	231.81	195.19
Rate/ Unit Rs.	6.89	5.66
(b) Own generation:		
(i) Through Diesel Generator:		
Units/KWH	2835	3869
Units per litre of Diesel Oil	2.70	2.70
Cost of Unit of Diesel Oil Rs./KWH	15.83	15.77
(ii) Through Wind Mill Farm:		
Units/KWH	24,16,457	21,38,271
2. Coal:		
Quantity (Tonnes) (Grade varies from A to D)	7479	6652.04
Total Cost (Rs. Lakhs)	394.11	303.84
Average rate (Rs./Tonne)	5270	4,568
3. Furnace Oil/ Diesel Oil/		
Quantity (litres)	1050	1438
Total amount (Rs. Lakhs)	0.45	0.58
Average rate (Rs./litre)	42.74	40.58

B. Consumption per unit of production:

	Current Year (ended 31-3-2012)			Previous Year (ended 31-3-2011)		
	Elec. Units (KWH)	Diesel/L.D.. Oil (litre)	Coal (MT)	Elec. Units (KWH)	Diesel/L.D.. Oil (litre)	Coal (MT)
Product:						
Borax	55	-	-	55	-	-
Boric Acid	260	-	-	245	-	-
Boric Acid SQ	450	-	-	450	-	-

II. Technology Absorption

FORM B

(See Rule 2)

(Form for disclosure of particulars with respect to Technology Absorption)

1. Specific area in which R & D carried out	<p>a) Commercial production of value added boron products (after successful trials at Laboratory & Pilot Plant levels) is being taken up as per the requirements of local/overseas markets.</p> <p>b) Manufacture of Speciality Boric Acid (extra pure) and boron based fire retardant for local/export markets.</p> <p>c) Use of boron as a micro-nutrient fertilizer in cash crops like Soyabean, Cotton, oil seeds, sugar cane, etc.</p>
2. Benefits derived as a result of the above	Since there is growth potential in both domestic and overseas markets, promotion of these products will be to the advantage of the Company.
3. Future Plan of Action	Developing new areas of application of value added boron products.
4. Expenditure on R & D	
(a) Capital	Rs. Nil
(b) Recurring	Rs. 1,52,707/-
(c) Total	Rs. 1,52,707/-
(d) Total R & D Expenditure as a percentage of total turnover	0.02%

Technology Absorption, Adaptation and Innovation

1. Efforts, in brief, made towards technology absorption and innovation After successful attainment of LPG as an alternative to LDO for Spray Drying Unit similar cost reducing measures are being studied.
2. Benefits derived as a result of the above efforts, e.g. product improvement cost reduction, product development, import substitution There will be cost saving with resultant reduction in the manufacturing cost.
3. In case of imported technology (imported during the last five years, reckoned from the beginning of the financial year), following information may be furnished Not Applicable
 - (a) Technology imported ---
 - (b) Year of import ---
 - (c) Has technology been fully absorbed? ---
 - (d) If not fully absorbed, areas where this has not taken place (reason and future plans of action) ---

III. Foreign Exchange Earning and outgo

The particulars of foreign exchange earned/utilized during the year are given on Page No.41, Item No.33 (II), (III) & (IV) under Notes to Accounts.

REPORT ON CORPORATE GOVERNANCE

In compliance with Clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited, Mumbai, the Company submits the report on the matters mentioned in the said Clause and practice followed by the Company.

I MANDATORY REQUIREMENTS

1. Company's philosophy on Code of Governance:-

Your Company believes that compliance of the cardinal principles of Corporate Governance, namely, transparency, integrity and accountability together with adherence to obligations under relevant laws and regulations is essential for a disciplined and continuous progress of an enterprise which aims at maximisation of Shareholder value. Accordingly, the Company is committed to adhere to all the requirements of the Corporate Governance.

Your Company has implemented the guidelines stipulated by SEBI under Clause 49 of the Listing Agreement.

The Report on Corporate Governance followed by the Company for the year ended 31st March, 2012 is as under:-

2. Board of Directors

(a) Composition of the Board (as on 31-03-2012):-

The Board of Directors as on 31st March, 2012 consisted of 6 Non-Executive Directors. Chairman of the Board is Non-Executive and also is a promoter of the Company. As per Clause 49 (as modified by SEBI Circular No. DVS/COMP/Cir-49/68/2008 dated 8th April 2008) of the Listing Agreement, where the Non-Executive Chairman is a promoter of the Company, at least one half of the Board of the Company shall consist of Independent Directors. The Board of Directors comprises of 3 Independent Directors as on 31st March, 2012.

The table below explains the detail:-

Sr No.	Name of the Director	Category of Directorship	No. of Board Meetings attended	Attendance at the last AGM held on 9 th September, 2011	No. of other Directorships held@	No. of Board Committees of other Companies in which Member/ Chairman*
1	Mr. L. N. Goculdas	Chairman Non- Executive, Promoter Group	6	Yes	1	1
2	Mr. S. K. Diwanji	Non- Executive, Independent	5	No	5	-
3	Mr. Ranjan Sanghi	Non- Executive, Independent	6	Yes	5	3/2
4	Mr. Bimal L. Goculdas \$	Non- Executive, Promoter Group	6	Yes	-	-
5	Mr. S.V. Joshi	Non- Executive, Independent	6	Yes	-	-
6	Ms. Mitika L Goculdas	Non- Executive, Promoter Group	6	Yes	-	-
	Mr. D. S. Parekh	Alternate Director +	-	No	-	-

@ Excludes Foreign Companies, Private Companies and Alternate Directorships

+ Ceased w. e. f. 9th December, 2011.

\$ Appointed as Managing Director w.e.f 1st April, 2012

* Includes membership/chairmanship of Audit Committee and the Shareholders' Grievance Committee only.

(b) Board Meetings

In accordance with the provisions of Clause 49 of the Listing Agreement the Board meets at least 4 times a year and the gap between two Board Meetings is not more than 4 months as per Clause 49 of the Listing Agreement

Six Board Meetings were held during the financial year 2011-12.

The dates on which the said meetings were held are as follows:-

5th April, 2011; 30th May, 2011; 23rd July, 2011; 9th September, 2011; 4th November, 2011 and 10th February, 2012.

(c) Details of Directors being re-appointed at the ensuing Annual General Meeting to be held on Monday, 24th September, 2012:-

Mr. Ranjan Sanghi:-

Mr. Ranjan Sanghi, aged 68 years, is a Commerce Graduate from Mumbai University. Mr. Sanghi is associated with automobile industry since over 30 years and he is a Director of Sah & Sanghi Group of Companies. He is currently managing the manufacturing, trading and investment operations of Sah & Sanghi & Sanghi Group of Companies/ Firms.

Mr. Sanghi is also the former President of the Western India Automobile Association of India.

Ms. Mitika L. Goculdas:-

Miss Mitika L.Goculdas, aged 40 years is MBA in Finance from Pennsylvania State University, USA. She worked for 8 years as Vice President with Merrill Lynch USA and Dubai. She has experience in finance, industry and international trade.

3. Audit Committee

Composition, Names of Members and Chairman:-

The Audit Committee comprises of three Non-Executive Directors, viz., Mr. S.K. Diwanji as Chairman, Mr. L. N. Goculdas and Mr. S.V. Joshi Members. Mr. S.V. Joshi is a Chartered Accountant by Profession. Mr. S.K. Diwanji is a Solicitor by profession. Mr. L. N. Goculdas is also well known Industrialist. All the Members of the Company are professionals and are also financially literate within the meaning of Clause 2 Explanation 1 of Clause 49 of the Listing Agreement.

Mr. Dilip S Nagle, Company Secretary, acts as the Secretary of the Committee.

Brief description of terms of reference

The terms of reference of the Audit committee are in line with the revised provisions of Clause 49 of the Listing Agreement. The broad terms of reference of the Audit Committee are to review with the Management and/or Internal Auditors and/or Statutory Auditors in the following areas:-

- (i) Overview of the Company's financial reporting process and financial information disclosures;
- (ii) Compliance with (1) Accounting Standards (2) Listing and other legal requirements concerning financial statements including applicable laws and regulations;
- (iii) Recommending the appointment and removal of internal, statutory and cost auditors and fixation of Audit Terms;
- (iv) Review with the Management:-
 - (a) the annual and quarterly financial statements before submission to the Board and
 - (b) the external and internal Audit Reports, the adequacy of internal control systems
 - (c) review of Management Discussion & Analysis of financial condition and results of operations
 - (d) review of related party transactions.

Meetings and Attendance during the financial year 2011-12

Four Meetings of the Audit Committee were held during the financial year 2011-12, viz., 30th May, 2011; 23rd July, 2011; 4th November, 2011 and 10th February, 2012.

All the members of the Committee were present at all the four Meetings. The Statutory Auditor attended all four meetings. Internal Auditors attended 3 meetings while the Cost Auditor could not any of the meetings. The Chairman of the Audit Committee, Mr. S. K. Diwanji was not present at the Annual General Meeting held on 9th September, 2011.

4. Remuneration Committee:-

As per the Listing Agreement, Remuneration Committee is not a mandatory requirement. However, in March, 2005, in compliance with the requirements of Schedule XIII of the Companies Act, 1956 for payment of annual salaries and perquisites to the Managing Director of the Company, a Remuneration Committee was constituted.

The Remuneration Committee presently consists of 3 Non-Executive Independent Directors, viz., Mr. S. K. Diwanji (Chairman), Mr. Ranjan Sanghi and Mr. S.V. Joshi, Members.

There were no meetings of the Remuneration Committee during the financial year 2011-12.

There has been no materially significant related party transaction, pecuniary relationships or transactions between the Company and its Directors for the year ended 31st March, 2012 that may have a potential conflict in the interest of the Company at large.

Details of remuneration paid to all the Directors during the year 2011-12 are as below:-

Sr. No.	Name of the Directors	Sitting Fees for Board & Committee Meetings (₹)	Remuneration (₹)	Total (₹)
1.	Mr. L. N. Goculdas, Chairman	1,00,000/-	-	1,00,000/-
2.	Mr. S. K. Diwanji	90,000/-	-	90,000/-
3.	Mr. Ranjan Sanghi	60,000/-	-	60,000/-
4.	Mr. B.L. Goculdas	60,000/-	-	60,000/-
5.	Mr. S.V. Joshi	1,00,000/-	-	1,00,000/-
6.	Ms. Mitika L. Goculdas	60,000/-	-	60,000/-
	Mr. D. S. Parekh (Alternate to Ms. M. L. Goculdas upto 9 th December, 2011)	-	-	-
7.	Mr. H. T. Kapadia, Chief Executive Officer	-	19,18,857/- *	19,18,857/- *

Salary (including HRA)	₹	13,80,000/-
Perquisites	₹	4,16,457/-
Contribution to Provident fund	₹	1,22,400/-
* Total	₹	19,18,857/-

Note : Mr. S. V. Joshi (Practising Chartered Accountant) is the proprietor of M/s. Sanjeev V. Joshi & Co., Chartered Accountants, who are the Statutory Auditors as well as retainer for taxation matters in respect of the proprietary / partnership / private limited companies of Promoter Director / Chairman of the Company. The Fees earned by the firm constitutes less than 30% of the total earnings. As per the legal opinion sought on the subject of independence of Mr. S.V. Joshi, M/s. Sanjeev V. Joshi & Co., do not have material association with the said proprietary / partnership / private limited companies of the Promoter / Director / Chairman of the Company.

Executive Director

Mr. Bimal L. Goculdas joined Company as Director 1st April, 2000. He is Chemical Engineer and has done M.S. in Chemical Engineering from University of Wyoming, U. S.A. He has experience in Indian and International business (on retirement of Mr. Haridas T. Kapadia on 31st March, 2012) the Board has appointed Mr. Bimal L. Goculdas as Managing Director of the Company for a period of 3 (three) years w.e.f. 1st April, 2012 on the terms and conditions as set out in the explanatory statement to the Notice of ensuing Annual General Meeting.

Chief Executive Officer & Manager

Mr. Haridas T. Kapadia was appointed as Chief Executive Officer & Manager for a period of 1(one) year from 1st April, 2011. He held office upto 31st March, 2012 and retired.

Non-Executive Directors

The Non-Executive Directors are paid, as approved by the members at the Annual General Meeting held on 21st September, 2005, sitting fees of ₹ 10,000/- for every Board / Committee Meeting attended by them (restricted by the Members of the Remuneration Committee by themselves to ₹ 5,000/- for each meeting of the Remuneration Committee).

The Non-Executive Directors held shares as under:-

Name of the Non-Executive Director	No. of shares (as on 31-3-2012)
Mr. L.N. Goculdas	329673
Mr. L. N. Goculdas executor to the estate of Late Shri R.M. Goculdas	197275
Mr. D.S. Parekh (Alternate to Ms. M. L. Goculdas upto 9 th Dec., 2011)	Nil
Mr. S.K. Diwanji	Nil
Mr. Ranjan Sanghi	Nil
Mr. B.L. Goculdas	22810
Mr. S.V. Joshi	516
Ms. Mitika L. Goculdas	Nil

5. Shareholders/Investors' Grievance Committee

The present Shareholders'/Investors' Grievance Committee comprises of three Directors, viz., Mr. L.N. Goculdas (Chairman), Mr. S.K. Diwanji and Mr. Ranjan Sanghi.

The Committee is vested with the requisite powers and authorities, which in addition to the Share transfer related matters, will specifically look into the redressal of Shareholders' and investors' complaints like transfer of Shares, non-receipt of Balance Sheet, non-receipt of declared dividends, etc.

In order to facilitate filing of complaints, if any, by the shareholders, the Company has its website, viz., www.boraxmorarji.com.

During the financial year 2011-12, there were no investor's complaints pending at the beginning of the year nor there were any complaints received during the year.

6. General Body Meetings

Details of the last 3 Annual General Meetings are as under:-

1. 47th Annual General Meeting 9th September, 2011 at 11.30 a.m.
Indian Merchants' Chamber Conference Hall (Walchand Hirachand Hall), IMC Marg, Churchgate, Mumbai 400 020
2. 46th Annual General Meeting 3rd September, 2010 at 11.30 a.m.
Indian Merchants' Chamber Conference Hall (Walchand Hirachand Hall), IMC Marg, Churchgate, Mumbai 400 020
3. 45th Annual General Meeting 2nd September, 2009 at 11.30 a.m.
Indian Merchants' Chamber Conference Hall (Walchand Hirachand Hall), IMC Marg, Churchgate, Mumbai 400 020

Special Resolutions was passed at the 47th Annual General Meetings are as follows:

- (a) Re-appointment of Mr. Haridas T. Kapadia as Chief Executive Officer & Manager for period of one year from 1st April, 2011;
- (b) Payment of Commission to the Non-Executive Directors of the Company for a period of 5(five) accounting years commencing from the financial year 1st April, 2011.
- (c) Members to empower the Board of Directors to borrow for the purpose of the Company's business, in excess of the paid-up Capital and free reserves upto a limit of ₹ 30,00,00,000/- excluding temporary loans obtained from the Bankers in the ordinary course of business.

A Special Resolution relating to the re-appointment of Chief Executive Officer & Manager was passed at the 46th Annual General Meetings.

During the year 2011-12 Special Resolution under Section 81, 81(1A) of the Companies Act, 1956 for issue of Shares on Rights Basis to existing Shareholder of the Company was passed by Postal Ballot.

7. Disclosures

(a) Related party transactions

The Company has not entered into any materially significant related party transactions with its Promoters, Directors or Management and their relatives, etc. that may have a potential conflict with the interest of the Company.

Transactions with the related parties are disclosed in Note no. 31 to the financial statements in the Annual Report.

The Audit Committee has reviewed the related party transactions as mandatorily required under Clause 49 of the Listing Agreement and found them to be not materially significant.

(b) Compliance by the Company

The Company has complied with the requirements of regulatory authorities on capital markets and no penalties / strictures have been imposed against it in the last three years.

The Company has adopted a Risk Management Policy.

(c) Insider Trading Policy

The Company has adopted a Share dealing code for the prevention of insider trading in the Shares of the Company. The Share dealing code, inter alia, prohibits purchase/sale of the Shares of the Company by employees while possession of unpublished price sensitive information in relation to the Company.

8. Means of Communication:-

a) Quarterly Results:

The Unaudited quarterly results are announced within 45 days from the end of the quarter and the audited annual results within 60 days from the end of the last quarter, as stipulated under Listing Agreement with the Bombay Stock Exchange.

b) Half yearly Report sent to each household of Shareholders: No

c) Newspaper wherein result normally published:

“Free Press Journal” (English) and “Nav Shakti” (Marathi, the regional language)

d) Any website, where displayed:

www.boraxmorarji.com and www.bseindia.com

e) Whether website also displays officials news release: No

f) Whether presentations made to institutional investor or to the analysts: No

g) Management Discussion & Analysis Report:

The Report of the Directors, forming part of the Annual Report includes “Management Discussion & Analysis Report”.

9. General Shareholder Information

(i) 48th Annual General Meeting

Date & Time 24th September, 2012 at 11.30 a.m.

Venue Indian Merchants’ Chamber Conference Hall (Walchand Hirachand Hall), IMC Marg, Churchgate, Mumbai 400 020.

Financial calendar for the year 2012-13 (tentative)

June 30, 2012 By end of July, 2012.

September 30, 2012 By mid of November, 2012.

December 31, 2012 By mid of February, 2013.

March 31, 2013 By end of April/May 2013.

(ii) Book Closure 18th September, 2012 to 24th September, 2012 (both days inclusive)

(iii) Listing on Stock Exchange The Equity Shares of the Company are listed on the Bombay Stock Exchange Limited and the listing fee for the years 2011-12 and 2012-13 have been paid to the Stock Exchange.

(v) Stock Code 506315, Bombay Stock Exchange Limited (BSE)

Demat ISIN No INE658B01015

vi) Stock Market Data (for face value of ₹ 10/- per Share)

Month	High (₹)	Low (₹)	No. of Shares	No. of Trades	Total Turnover (₹)
Apr-11	52.50	44.50	18948	455	935416
May-11	51.50	45.00	8403	195	398439
Jun-11	49.80	41.10	26611	293	1177643
Jul-11	48.85	41.50	13425	288	586067
Aug-11	44.90	35.30	33146	290	1360023
Sep-11	42.50	35.00	10867	175	414077
Oct-11	37.90	33.95	4822	111	170245
Nov-11	38.25	30.75	10140	105	350826
Dec-11	33.90	30.45	5186	93	165852
Jan-12	34.50	30.55	10703	109	344429
Feb-12	40.45	31.15	42924	350	1529524
Mar-12	35.50	30.10	17238	233	549309

(vii) Registrars and Transfer Agents
 LINK INTIME INDIA PVT. LTD. [formerly Intime Spectrum Registry Ltd.]
 (Unit: Borax Morarji Limited)
 C-13 Pannalal Silk Mills Compound
 L.B.S. Marg, Bhandup (West),
 Mumbai 400 078 (Tel. No.25963838)
 Email Id: rnt.helpdesk@linkintime.co.in

Share Transfer System

Applications for transfer of shares held in physical form are received at the office of the Registrars & Share Transfer Agents of the Company. All valid transfers are processed and effected within 20 days from the date of receipt.

Shares held in dematerialized form are electronically traded by the Depository Participants and the Registrars & Share Transfer Agents of the Company periodically from the Depository Participants get details of beneficiary holdings so as to enable them to update their records and to send all corporate communications, dividend warrants, etc.

Physical Shares received for dematerialization are processed and completed within a period of 21 days from the date of receipt provided they are in order in every respect. Bad deliveries are immediately returned to the Depository Participants under advice to the shareholders.

(viii) Shareholding Pattern and Distribution of Shareholding

(a) Shareholding pattern as on 31st March, 2012

Category	No. of shares held	% of shareholding
Promoters [including NRI Promoter(s) & Promoter Group]	2860165	63.28
Mutual Funds and UTI	1210	0.03
Banks, Financial Institutions, Insurance Companies	33483	0.74
Trust	33804	0.75
Private Bodies Corporate	101667	2.25
Indian Public	1436593	31.78
NRI and NRN	52776	1.17
Total	4519698	100.00

(b) Distribution of Shareholding as on 31st March, 2012.

Group of Shares	Shareholders	% age	Shares	% age
1 ----- 500	3287	85.84	447308	9.90
501 ----- 1000	286	7.47	222792	4.93
1001 ----- 2000	142	3.71	208387	4.61
2001 ----- 3000	44	1.15	112976	2.50
3001 ----- 4000	9	0.24	31170	0.69
4001 ----- 5000	8	0.21	36652	0.81
5001 ----- 10000	22	0.57	154042	3.41
10001 ----- *****	31	0.81	3306371	73.15
Total	3829	100.00	4519698	100.00

(ix) Dematerialization of shares and liquidity

As on 31st March, 2012, out of 4519698 Equity Shares of the Company, Equity Shares representing 95.41% have been dematerialized by Shareholders.

The total number of Shareholders of the Company are 3829.

The Company has not issued any GDRs, ADRs, Warrants or any Convertible Instruments, the conversion of which will have an impact on the Equity Shares of the Company.

(x) Plant locations

The Company's plants are located at:

- | | |
|---|---|
| (1) Mahatma Gandhi Road,
Ambarnath 421 501
Dist. Thane, Maharashtra | (2) Thosghar/Maloshi/Vankusawade,
Dist. Satara,
Maharashtra |
| (3) Nani Sindhodi,
Kutch, Gujarat | |

(xi) Company's address for correspondence:

Company Secretary,
Borax Morarji Limited,
Mahatma Gandhi Road,
Ambarnath 421 501 Dist. Thane, Maharashtra
Tel.: (0251) 2682271/72 Fax (0251) 2682943
Email: investorcare@boraxmorarji.com

10. Code of Conduct

As required by Clause 49 I (D) of the Listing Agreement, the Company has formulated a Code of Conduct for all Directors and Senior Management of the Company and the same was adopted by the Board at its meeting held on 30th January, 2006. The Code is also available on the Company's official website, viz., www.boraxmorarji.com. All the Directors and Senior Management Personnel have affirmed compliance with the said Code of Conduct for the year ended 31st March, 2012.

11. Managing Director / General Manager – Finance Certification

The Company, with effect from the financial year ending 31st March, 2006 is duly placing a certificate to the Board from the Managing Director / General Manager – Finance in accordance with the provisions of Clause 49 (V) of the Listing Agreement. The aforesaid certificate duly signed by the Managing Director / General Manager – Finance in respect of the financial year ended 31st March, 2012 has been placed before the Board in the meeting held on 30th May, 2012.

II. NON-MANDATORY REQUIREMENTS**Chairman's Office**

The Chairman, Mr. L. N. Goculdas, has his office in Mumbai, and, therefore, has not sought maintenance of the Chairman's Office at the Registered Office premises of the Company.

Remuneration Committee

Details are given under the heading "Remuneration Committee"

Shareholders' rights

The half yearly financial results, after they are taken on record by the Board of Directors, are forthwith sent to Bombay Stock Exchange Limited. The results, in the prescribed proforma, are published in the following newspapers, viz., Nav Shakti & Free Press.

Therefore, the results are not separately circulated to all shareholders.

Audit Qualifications

During the year under review, there were three audit qualifications in the Company's financial statements which have been explained in detail in the Notes to Accounts.

Whistle Blower Policy

The Company at present does not have any Whistle Blower Policy

Declaration by the Managing Director under Clause 49 of the Listing Agreement regarding adherence to the Code of Conduct

In accordance with Clause 49 Sub-clause 1(D) of the Listing Agreement with the Bombay Stock Exchange Limited, I hereby confirm that all the Directors and the Senior Management Personnel of the Company have affirmed compliance to the Code of Conduct for the financial year ended 31st March, 2012.

For Borax Morarji Limited

Place: Mumbai
Date: 9th August, 2012.

Bimal L. Goculdas
(Managing Director)

AUDITORS' CERTIFICATE ON CORPORATION GOVERNANCE

To the Members of Borax Morarji Limited

We have examined the compliance of conditions of Corporate Governance by Borax Morarji Limited for the year ended 31st March, 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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 K. S. Aiyar & Co.,
Chartered Accountants

Rajesh Joshi
Partner
Membership No.38526

Mumbai, 9th August, 2012

AUDITORS' REPORT

To,

The Members of Borax Morarji Limited

Report on the accounts for the year ended on 31st March, 2012 in compliance with Section 227(2) of the Companies Act, 1956

1. We have audited the attached Balance Sheet of **Borax Morarji Ltd.**, as at 31st March, 2012, and also the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes 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 accounts;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 to the extent applicable;
 - (e) On the basis of written representations received from the Directors, as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the Directors of the Company are disqualified as on 31st March, 2012 from being appointed as a Director, in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - (f) *Long Term Loans and Advances include amounts of ₹ 64.73 Lacs on account of insurance claim disputed by New India Assurance Co. Ltd in respect of loss of stock in Chemical Division due to flood during June, 2002 (Refer Note No.14(c)(i)), ₹ 14.22 lacs receivable from State Trading Corporation of India Ltd. STC (Refer Note 14 (c)(ii)) which is disputed by the part and ₹ 28.00 Lacs deposited against disputed Custom Duty levied by Collector of Customs (Refer Note No 29(2)(a)(iv)). Though the Company is hopeful of recovery of these amounts we are not certain of the quantum of settlements of the receivables.*
 - (g) *No provision has been made against overdue debtors for more than two years amounting to ₹ 22.26 Lacs (Net). Management is of the opinion that it is fully recoverable.*
 - (h) *Short Term Loans and Advances include ₹ 47.67 Lacs (Refer Note 19 (b)(i)) on account of expenses towards Proposed Right Issue which has not taken place till date. In our opinion the amount needs to be charged off as expenses to Statement of Profit & Loss.*
 - (i) *Subject to paras (f),(g)&(h) above ,the net impact of which on the Statement of Profit and Loss and on the Reserves is unascertained, in our opinion and to the best of our information and according to the explanations given to us, the said accounts read with notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:*
 - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - (ii) In the case of the Statement of Profit and Loss, of the Loss of the Company for the year ended on that date and
 - (iii) In the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

For K. S. Aiyar & Co.
Chartered Accountants
FRN: 100186W

Rajesh Joshi
Partner
Membership No.38526

Place: Mumbai
Date: 30th May, 2012

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our Report of even date on the Accounts for the year ended on 31st March, 2012 of Borax Morarji Limited)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets
- (b) A substantial portion of the fixed assets have been physically verified by the management during the year in our opinion the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The Fixed assets disposed off during the year were not substantial. According to the information and explanation given to us; we are of the opinion that the disposal off the fixed assets has not affected the going concern status of the company.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the explanations given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and properly dealt with in the books of account.
- (iii) (a) The Company has not granted any loans, secured or unsecured to the Companies, firms and other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Therefore, sub clause (b), (c) and (d) of paragraph 3 are not applicable.
- (e) The Company has taken unsecured loan from one Company, firms and other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved in the current year amounted to ₹ 530 Lacs and the balance at the end of the year is ₹ 530 Lacs.
- (f) The loans taken by the Company are interest free and no terms of repayment have been stipulated. In our opinion, the rates of interest and other terms and conditions of loans taken by the Company are not prima facie prejudicial to the interest of the Company.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business, with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, no major weaknesses have been noticed in the internal controls.
- (v) (a) In our opinion and according to the information and explanations given to us, the particulars of transactions that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, these transactions have been made at prices which are reasonable having regards to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. As informed to us, no order has been passed by the Company Law Board, National Law Tribunal or Reserve Bank of India or any other court or any other tribunal.
- (vii) In our opinion and according to the explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the company pursuant to the order made by the Central Government for the maintenance of cost records in respect of Boric Acid under Section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that *prima facie* the prescribed accounts and records have been made and maintained. We have however, not made a detailed examination with a view to determine whether they are accurate.
- (ix) (a) According to the records of the Company and based on our Audit Procedures and according to the information and explanation given to us, the Company is regular in depositing Provident Fund, Investor Education Protection Fund, Employees' State Insurance, Income - Tax, Wealth Tax, Service Tax, Custom Duty, Excise - Duty, Cess and other material statutory dues applicable to it during the year with appropriate authorities *except in case of undisputed Sales Tax Dues of ₹.30.48 Lacs which have remained outstanding as at 31st March, 2012 for a period of more than six months from the date it became payable.*
- (b) According to the records of the Company, there are no dues of Sales Tax, Income-Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty and Cess which have not been deposited on account of any dispute except in the case of the following:

(₹. in Lacs)

Name of Statute / Nature of dues	Period to which the amount relates	Forum where dispute is pending	Amount involved
Excise Duty	2003-04 to 2005-06	Customs, Excise and Service Tax Appellate Tribunal	12.65
Customs Duty	2007-08	Assistant Commissioner of Customs	18.22
Customs Duty	2002-03	Collector of Customs	16.60
Excise Duty	2006-07 to 2010-11	Central Excise & Appellate Tribunal	246.56

- (x) The Company does not have any accumulated losses at the end of the financial year and has incurred cash losses during the financial year covered by our audit but no such cash loss in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to any financial institution and banks. The Company has not issued any Debentures.

- (xii) Based on our examination of documents and records and information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of Shares, Debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in Shares, Securities, Debentures and other investments. Accordingly the provisions of Clause 4 (xiv) of the Order are not applicable to the Company.
- (xv) According to the information given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) In our opinion, the term loans have been applied for the purpose for which they were raised.
- (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 the no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of Shares to parties and Companies during the year covered in the Register maintained under Section 301 of the Companies Act 1956.
- (xix) The Company has not issued any Debentures during the financial year and therefore the question of creating security in respect thereof does not arise.
- (xx) The Company has not raised money by public issue during the year.
- (xxi) Based on the audit procedures performed and according to the information and explanations given and representations made by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For K. S. Aiyar & Co.
Chartered Accountants
FRN: 100186W

Rajesh Joshi
Partner
Membership No.38526

Place: Mumbai
Date: 30th May, 2012

Standalone Balance Sheet as at 31st March 2012

Particulars	Note No	As at 31.03.2012 ₹ in Lacs	As at 31.03.2011 ₹ in Lacs
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	451.97	451.97
Reserves and Surplus	3	965.37	1254.55
		1417.34	1706.52
Non-Current Liabilities			
Long-Term Borrowings	4	1243.63	1164.66
Deferred Tax Liabilities (Net)	5	154.58	240.05
Other Long-term Liabilities	6	73.02	49.42
Long-Term Provisions	7	18.89	18.91
		1490.12	1473.04
Current Liabilities			
Short-Term Borrowings	8	2063.56	1370.79
Trade Payable	9	1186.95	1168.33
Other Current Liabilities	10	687.83	578.63
Short-Term Provisions	11	0.20	114.21
		3938.54	3231.96
	TOTAL	6846.00	6411.52
ASSETS			
Non-Current Assets			
Fixed Assets	12		
- Tangible Assets		2012.75	2016.11
- Intangible Assets		6.62	5.49
- Capital Work-in-Progress		657.52	233.64
		2676.89	2255.24
Non-Current Investments	13	41.24	41.24
Long-Term Loans and Advances	14	170.88	156.25
		212.12	197.49
Current Assets			
Current Investments	15	1.04	0.96
Inventories	16	2109.45	2989.93
Trade Receivable	17	1359.35	590.85
Cash and Bank Balances	18	185.38	137.67
Short-Term Loans and Advances	19	301.77	239.38
		3956.99	3958.79
	TOTAL	6846.00	6411.52
Significant Accounting Policies & Notes to Accounts	1 to 35		

For K.S.Aiyar & Co.
Chartered Accountants
Registration No. 100186W

Rajesh Joshi
Partner
Membership No. 38526
Mumbai, 30th May, 2012

L.N.Goculdas
S.K.Diwanji
R.Sanghi
S.V.Joshi
Mitika L. Goculdas

B.L. Goculdas
D.S. Nagle
S.R. Mohite
Mumbai, 30th May, 2012

Chairman
Director
Director
Director
Director
Managing Director
Company Secretary
General Manager-Finance

Standalone Profit & Loss Account for the year ended 31st March 2012

Particulars	Note No	Current Year 2011-12 ₹ in Lacs	Previous Year 2010-11 ₹ in Lacs
INCOME			
Revenue from Operations	20	7726.92	7400.40
Other Income	21	27.83	10.70
Total Revenue		7754.75	7411.10
Expenses			
Cost of Raw Materials Consumed	22	5269.26	5298.69
Cost of Traded goods sold	23	382.13	27.20
(Increased)/Decreased in Inventories of finished goods and work in progress	24	157.68	(284.58)
Employee Benefits Expense	25	385.94	427.20
Financial Costs	26	284.42	211.19
Depreciation and amortization Expense		205.55	200.79
Other Expenses	27	1454.01	1323.08
Total Operating Expenses		8138.99	7203.57
Profit Before Exceptional & Extraordinary Items & Tax		(384.24)	207.53
Profit Before Extraordinary Items & Tax		(384.24)	207.53
Profit Before Tax		(384.24)	207.53
Tax Expense:			
- Current Tax		-	99.00
- Deferred Tax		(85.48)	(28.65)
		(85.48)	70.35
Profit / (Loss) for the year		(298.76)	137.18
Earnings per equity share:	28		
Basic & Diluted		(6.61)	3.04

For K.S.Aiyar & Co.
Chartered Accountants
Registration No. 100186W

Rajesh Joshi
Partner
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Mumbai, 30th May, 2012

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Mumbai, 30th May, 2012

Chairman
Director
Director
Director
Director
Managing Director
Company Secretary
General Manager-Finance

Standalone Cashflow Statement for year ended 31st March, 2012

	Year Ended 31st March,2012		Year Ended 31st March 2011	
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit / (Loss) Before Tax and Extraordinary Items:		(384.24)		207.54
Adjustments for :				
(a) Add :				
Depreciation	205.55		200.79	
Interest Charged	355.97		237.79	
Loss on Assets Sold/Discarded	-		0.15	
		561.52		438.73
		177.28		646.27
(b) Deduct				
Interest Income	(15.27)		(4.00)	
Surplus on Sale of Assets / Investment	(8.89)		-	
Dividend Received	(0.31)		(0.21)	
		(24.47)		(4.21)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		152.81		642.06
ADJUSTMENTS FOR :				
Add:				
a) Decrease in Trade & Other Receivables	-		241.27	
b) Decrease in Inventories	880.47		-	
c) Increase in Trade Payables	21.07		-	
		901.54		241.27
		1,054.35		883.33
Deduct:				
a) Increase in Trade & Other Receivables	(829.60)		-	
b) Increase in Inventories	-		(293.49)	
c) Decrease in Trade Payables	-		(14.00)	
		(829.60)		(307.49)
CASH INFLOW/(OUTFLOW) FROM OPERATIONS		224.75		575.84
Deduct:				
Direct Taxes Paid (Net)		(51.77)		(72.25)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES-(A)		172.98		503.59

	Year Ended 31st March,2012		Year Ended 31st March 2011	
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Outflow :				
a) Purchase of Fixed Assets	(628.30)		(341.17)	
b) Purchase of Investments	(0.07)		-	
		(628.37)		(341.17)
Add: Inflow:				
a) Sale of Fixed Assets	9.57		0.04	
b) Interest Received	15.91		4.80	
c) Dividend and Income from units	0.31		0.21	
		25.79		5.05
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES-(B)		(602.58)		(336.12)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Inflow :				
a) Proceeds from Long/Short Term Borrowings		1,035.49		285.14
Deduct : Outflow :				
a) Repayment of Long/Short Term Borrowings	(127.29)		(153.04)	
b) Accured interest paid	(3.84)		-	
c) Dividend Paid	(66.99)		(111.98)	
d) Dividend Tax Paid	(11.00)		(18.77)	
e) Interest Paid	(349.06)		(233.16)	
		(558.18)		(516.95)
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES-(C)		477.31		(231.81)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		47.71		(64.34)
Add: Cash and Cash equivalents at the beginning of the Year		137.67		202.01
Cash and Cash equivalents at the Close of the Year		185.38		137.67
Notes:				
Previous year's figures have been regrouped wherever necessary.				

For K.S.Aiyar & Co.
Chartered Accountants
Registration No. 100186W

Rajesh Joshi
Partner
Membership No. 38526
Mumbai, 30th May, 2012

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S.K.Diwanji
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D.S. Nagle
S.R. Mohite

Mumbai, 30th May, 2012

Chairman
Director
Director
Director
Director
Managing Director
Company Secretary
General Manager-Finance

Significant Accounting Policies and Notes to Accounts

Note 1. Significant Accounting Policies

(a) System of Accounting :

- (i) The Company adopts the accrual concept in the preparation of its accounts except in the case of insignificant items and also in respect of significant uncertainties.
- (ii) Assets and Liabilities are recorded at historical cost to the company except for assets which were revalued. These costs are not adjusted to reflect the changing value of purchasing power of money.
- (iii) During the year ended 31st March, 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

(b) Fixed Assets :

- i) Fixed Assets are carried at historical cost less depreciation (except freehold land), impairment losses and specific grants received, if any. (except for assets which have been revalued). Any other attributable costs (including interest) for bringing the assets to its working condition for its intended use are capitalized.
- ii) Substantial expenditure on System Software Development is treated as intangible asset.
- iii) Treatment of Expenditure during the construction period :

The expenditure incurred during the period of construction (including cost of trial runs) is debited to the capital work-in-progress and on completion the costs are allocated to the respective fixed assets.

(c) Investments :

Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of investments. Current investments are stated at cost or fair value whichever is lower. Cost is determined on a weighted average basis.

(d) Inventories :

Inventories are valued at cost or net realisable value; whichever is lower. Further the cost is determined on following basis:

- i) Raw material : Imported and indigenous raw material on weighted average basis for Chemical Division and on FIFO basis for Other Divisions.
- ii) Stores & Spares and packing material : At weighted average cost.
- iii) Material-in-process : The cost includes direct costs and appropriate overheads.
- (iv) Finished goods : Cost includes direct cost, related overheads and excise duty.
- (v) By Product : Estimated Net Realisable Value.

(e) Revenue Recognition:

- i) Domestic Sales are accounted on despatch of products and are stated net of returns.
- ii) Export Sales in foreign currency are accounted at the exchange rate prevailing on the date of Bill of Lading.
- iii) Sales are inclusive of services, excise duty, duty drawback but exclude sales tax/VAT.
- iv) Other income including interest is accounted on accrual basis.
- v) Dividend Income is accounted when the right to receive is established.
- vi) Insurance Claims are recognized on the basis of claims preferred with Insurance Company after careful evaluation.

(f) Borrowing Cost:

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying assets are capitalized. Other borrowings cost are expensed out.

(g) Leases:

Lease rentals in respect of assets acquired under operating lease are charged to Profit and Loss.

(h) Earning per Share:

Earning per Share calculated by dividing net profit /loss for the period is attributable to equity shareholder (after deducting preference dividend and attributable taxes) by the weighted average number of Equity Shares outstanding during the period.

(i) Foreign Currency Transactions :

- i) Foreign currency transactions are accounted at the rate prevailing on the date of the transaction. Monetary items denominated in foreign currency are translated at the exchange rate prevailing on the last day of the accounting period. In respect of items covered by forward exchange contracts the premium or discount arising at the inception of such a forward exchange contract is amortised as expense or income over the life of the contract. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognized as income or expense for the period.
- ii) Gain or loss arising out of translation/conversion is taken credit for or charged to the Profit and Loss Account, except in cases where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

(j) Depreciation :

- i) Depreciation on Fixed Assets is provided on Straight Line Method except for Chemical Division where it is provided on Written Down Value method for all assets other than Plant & Machinery added after 1st April 1987 which are provided on Straight Line Method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956
- ii) Depreciation calculated in (i) above for Chemical Division includes additional charge of Depreciation, on account of revaluation of certain Fixed Assets as at 31st March 1986. However, the difference between the depreciation on revalued book value of Fixed Assets and the original cost is withdrawn from the Revaluation Reserve and credited to the Profit and Loss Account.
- iii) Intangible asset are amortised over a period of ten years.
- iv) Cost of leasehold land is amortised over the lease period.

(k) Impairment of assets:

The carrying cost of assets is reviewed at each Balance Sheet date for any indication of impairment based on internal/ external factors. An impairment loss is recognised whenever the carrying amount of assets exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value at the weighted average cost of capital.

Post impairment depreciation is provided on the revised carrying value of the assets over its remaining useful life.

(l) Employee Benefits:

- i) Defined Contribution Plan: Company's contributions paid/payable during the year to Provident Fund, Employee's Superannuation Fund, Gratuity, ESIC and Labour Welfare Fund are recognised in the Profit and Loss Account. There are no other obligations other than the contribution payable to the respective trusts.
- ii) Defined Benefit Plan: Company's liabilities towards gratuity and leave encashment are determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past services are recognised on a straight line basis over the average period until the amended benefits become vested. Actuarial gain and losses are recognised immediately in the statement of Profit and Loss as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government bonds where the currency and terms of the Government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

(m) Taxation:

- (i) Income tax expense comprises current tax and deferred tax charge or credit. The deferred tax charged or credit is recognised using prevailing enacted or substantively enacted tax rates. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future. Deferred tax assets/liabilities are reviewed as at each Balance Sheet date based on developments during the year and available case laws, to reassess realisation/liabilities.
- (ii) Deferred tax in respect of timing differences which reverse after tax holiday period, are recognised in the year in which the timing differences originate.

(n) Contingencies / Provisions:

Provision is recognised when the Company has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation; in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate of the expenditure required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. A contingent liability is disclosed, unless the possibility of an outflow of resources embodying the economic benefit is remote. Contingent assets are neither recognized nor disclosed in the financial statements.

NOTES FORMING PART OF ACCOUNTS

Note 2 SHARE CAPITAL

	As at 31.03.2012 ₹ in Lacs	As at 31.03.2011 ₹ in Lacs
Authorised Capital		
17000000 Equity Shares of ₹.10/- each	1700.00	1700.00
3000000 Redeemable Preference Shares of ₹ 10/- each	300.00	300.00
	2000.00	2000.00
Issued, Subscribed and Paid-up:		
Equity Share Capital		
4519698 Equity Shares of ₹ 10/- each (Previous year 4519698 Equity Shares of ₹ 10/- each)	451.97	451.97
a Reconciliation of the shares outstanding at the beginning and at the end of the reporting period		
Equity Shares :		
Number of Shares outstanding at the beginning of the year :	Qty 4519698 Value (in Lacs) 451.97	4519698 451.97
Add: Further issue during the period		
Bonus shares	Qty - Value (in Lacs) -	- -
Issued and allotted	Qty - Value (in Lacs) -	- -
Number of Shares outstanding at the end of the year:	Qty 4519698 Value (in Lacs) 451.97	4519698 451.97
b Terms/rights attached to shares:		

The Company has only one class of equity shares having a per of value of ₹ 10/- per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

c Shareholding of more than 5%:

	Name of the Shareholder	As at 31.03.2012		As at 31.03.2011	
		% held	No. of shares	% held	No. of shares
1	M/s. Jasraj Trading Company	40.97	1851915	40.97	1851915
2	Smt. Bharati L. Goculdas	7.41	335050	7.41	335050
3	Shri. Laxmikumar N.Goculdas	7.29	329673	-	-
4	Late Shri. Ranchoddas M.Goculdas	-	-	8.16	369017

Note 3 Reserves and Surplus

	As at 31.03.2012 ₹ in Lacs	As at 31.03.2011 ₹ in Lacs
(a) Capital Reserve	35.00	25.00
(b) Securities Premium Account		
Balance as per last Account	70.38	70.38
Add: Additions during the year	-	-
	70.38	70.38

NOTES FORMING PART OF ACCOUNTS

	As at 31.03.2012 ₹ in Lacs	As at 31.03.2011 ₹ in Lacs
(c) Revaluation Reserves (Refer Note No.12 (2))	73.65	74.11
Balance as per last Account	0.43	0.46
Less: Amount Transferred to Profit & Loss	<u>73.22</u>	<u>73.64</u>
(d) General Reserve		
Balance as per last Account	711.79	696.79
Add: Transferred from Statement of Profit and Loss	-	15.00
	<u>711.79</u>	<u>711.79</u>
(e) Surplus as per Statement of Profit and Loss		
Balance brought forward	373.74	330.36
Add: Profit / (Loss) for the year	(298.76)	137.18
	<u>74.98</u>	<u>467.53</u>
Less: Transferred to General Reserve	-	15.00
Less: Proposed Dividend	-	67.80
Less: Tax on Proposed Dividend	-	11.00
	<u>74.98</u>	<u>373.74</u>
	<u>965.37</u>	<u>1254.55</u>

Note 3 (a)**Capital Reserves**

Capital Reserve represents capital subsidy of ₹ 15 lacs and ₹ 20 lacs received from State Industrial Promotion Corporation of Tamil Nadu Ltd. and Maharashtra Energy Development Agency respectively.

Note 4**Long Term Borrowings**

	Non - Current Liabilities		Current Maturities	
	31.03.2012 ₹ in Lacs	31.03.2011 ₹ in Lacs	31.03.2012 ₹ in Lacs	31.03.2011 ₹ in Lacs
I. Secured				
Term Loans :				
From other parties:				
(a) Indian Renewable Energy Development Agency	-	-	-	3.65
(b) Kotak Mahindra Prime Ltd.	-	0.52	0.52	5.37
Secured Total	<u>-</u>	<u>0.52</u>	<u>0.52</u>	<u>9.02</u>
II. Unsecured				
(a) Fixed Deposits	284.86	391.00	256.76	137.91
(b) Deferred Payment credit/ leasehold land at Dahej	-	94.61	-	23.65
(c) Loan from Related parties	530.00	200.00	-	-
(d) Interest Free Sales Tax Loan from MEDA	428.77	478.52	80.23	30.48
Unsecured Total	<u>1243.63</u>	<u>1164.13</u>	<u>336.99</u>	<u>192.04</u>
TOTAL	<u>1243.63</u>	<u>1164.65</u>	<u>337.51</u>	<u>201.06</u>

4.1 Additional Information to Secured/Unsecured Long Term Borrowings:

The long term portion of term loans are shown under long term borrowings and the current maturities of the long term borrowings are shown under the current liabilities as per the disclosure requirements of the Revised Schedule VI.

NOTES FORMING PART OF ACCOUNTS

4.2 Details of Securities and Terms of repayment

I. Secured

Term Loans :

(a) Indian Renewable Energy Development Agency (IREDA)

The loans are secured by mortgage of immovable properties & hypothecation of movable properties of the Company situated at Village Thoseghar (Project No.908 & 1009), Village Maloshi (Project No.1136) and Village Vankusawade (Project No.1324), all situated in Satara District in the State of Maharashtra. The Loan for Project No.1324 at Vankusawade, is further secured by the mortgage/charge created on the immovable properties, hypothecation of movable properties at Village Thoseghar (Project No. 908 & 1009) and Village Maloshi (Project No.1136). The loan has been repaid on paying final installment of ₹ 3.65 lacs on 21st June 2011.

(b) Hire Purchase Loans

Secured by hypothecation on respective vehicle. Rate of interest @ 10.53% . The loan installment is 36 months and the period of maturity w.r.t. balance sheet date is two months.

II. Unsecured Loan:

(a) Fixed Deposits:

Interest on Fixed Deposit for one year is @ 9.50% & for three years @ 10.50% (Additional @ 0.5% interest will be paid on deposits accepted from shareholders of the Company.)

(b) Deferred payment Credit/leasehold land:

The loan of ₹ 118.26 lacs is @ 13% interest p.a. and is repayable in 4 equal quarterly installments of ₹ 4.73 lacs each. The loan has been fully repaid during the current year.

(c) Loan from Related parties:

The loan taken from Related parties as interest free loan and repayable after two years from the date of received.

(d) Interest Free Sales Tax Loan from MEDA:

Loan Amount (₹ in lacs)	Installment Amount (₹ in lacs)	Number of outstanding yearly equal Installments	Period of maturity from Balance Sheet date (years)
17.12	3.42	2	2
67.64	13.53	3	3
67.64	13.53	4	4
96.35	19.27	5	5
82.10	16.42	5	6
95.96	19.19	5	7
45.15	9.03	5	8
28.71	5.74	5	9
28.71	5.74	5	10

4.3 The details of overdue debts as on 31.03.2012 are as follows:

Name of the Bank	Principal Amount
Interest Free Sales Tax Loan from MEDA	₹ 30.48 Lacs

Note 5

Deferred Tax Liabilities (Net)

Deferred Tax liability for the period ended 31st March, 2012 has been provided on the estimated tax computation for the year. Major components of deferred tax assets and liabilities arising on account of timing differences are:

	As at 31.03.2012 ₹ in Lacs	As at 31.03.2011 ₹ in Lacs
Deferred Tax Liability		
Depreciation	273.66	251.38
Deferred Tax Asset		
Others	119.08	11.33
	154.58	240.05

NOTES FORMING PART OF ACCOUNTS

Note 6

Other Long Term Liabilities

	As at 31.03.2012 ₹ in Lacs	As at 31.03.2011 ₹ in Lacs
a) Due to Employees	7.22	7.22
b) Deposit from Distributors	65.80	42.20
	<u>73.02</u>	<u>49.42</u>

Note 7

Long Term Provisions

Provision for employee benefits (Refer Note No.32)	<u>18.89</u>	<u>18.91</u>
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Note 8

Short Term Borrowings

I. Secured

Loans repayable on demand

From Banks Rupee Loan: Cash Credit	1114.56	892.79
------------------------------------	---------	--------

II. Unsecured

Loans repayable on demand

From Others :

(a) Inter Corporate Deposits	349.00	378.00
------------------------------	--------	--------

(b) Corporate Loan from HDFC Ltd.	600.00	100.00
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	<u>2063.56</u>	<u>1370.79</u>
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Secured

Cash Credit (Note 8 (I))

Cash Credit including Export Packing Credit (Secured by hypothecation of stock-in-trade, stores and book debts). Further secured, by way of second charge by a simple registered mortgage on the land of Chemical Division at Ambarnath in the state of Maharashtra.

Unsecured:

Corporate loan from HDFC Ltd (Note 8(II) (b))

Corporate loan from HDFC Ltd. @15.75% interest, repayable in a single installment at the end of next year.

Note 9

Trade payable

Trade Payable	<u>1186.95</u>	<u>1168.33</u>
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Note -1) There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 30 days at the Balance Sheet date, computed on unit wise basis. Further, no interest has been paid or is payable to any Micro, Small and Medium Enterprise on the Balance Sheet date. The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

Note- 2) Derivative Instruments & Unhedged Foreign Currency Exposure

Derivative outstanding as at Balance Sheet date

	31.03.2012		31.03.2011	
	US\$ in Lacs	₹ in Lacs	US\$ in Lacs	₹ in Lacs
Forward Contract to Buy US \$	6.08	313.92	5.67	254.39

NOTES FORMING PART OF ACCOUNTS

Note 10 Other Current Liabilities

	As at 31-03-2012 ₹ in Lacs	As at 31-03-2011 ₹ in Lacs
1) Current maturities of long term borrowings (refer note 4)	337.51	201.06
2) Advances from Supplier	60.52	160.13
3) <u>Others</u>		
a) Interest Accrued & due	-	3.84
b) Interest Accrued but not due	8.69	1.78
c) Unpaid Dividends	10.24	9.43
d) Unpaid Matured Fixed Deposits	4.60	6.53
e) Unclaimed interest on FD	2.36	1.85
f) Other Payables	177.77	162.36
g) Statutory Dues payable	86.14	25.75
h) Unamortised Exchange Difference	-	5.90
	687.83	578.63

Note 11 - Short Term provisions

a) Provision for employee benefits(Refer Note No.32)	0.20	0.20
b) <u>Others</u>		
(i) Proposed Dividend	-	67.80
(ii) Tax on Proposed Dividend	-	11.00
(iii) Provision fo Tax (Net)	-	35.21
	0.20	114.21

Note 12
Fixed Assets Schedule

₹ lacs

Particulars	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK			
	As at 01-04-2011	Additions	Deductions	As at 31-03-2012	Upto 01-04-2011	For the Year	Deductions	Upto 31-03-2012	As at 31-03-2012	As at 31-03-2011
Tangible Assets (At Cost):										
Freehold Land (Book Value)	122.28	3.56	-	125.84	-	-	-	-	125.84	122.28
Leasehold Land	291.88	101.26	-	393.14	12.44	3.59	-	16.03	377.11	279.44
Buildings Road etc.	589.91	6.98	-	596.89	218.19	35.90	-	254.09	342.80	371.72
Plant & Machinery	2653.62	87.18	10.02	2730.78	1459.70	153.63	9.34	1603.99	1126.79	1193.92
Furniture and Fixtures	39.72	-	-	39.72	32.35	1.30	-	33.65	6.07	7.37
Vehicles	71.09	-	-	71.09	46.74	6.19	-	52.93	18.16	24.35
Office Equipments	13.06	0.49	-	13.55	5.90	0.77	-	6.67	6.88	7.16
Computers	48.25	2.14	-	50.39	38.37	2.92	-	41.29	9.10	9.88
Total Tangible Assets:	3829.81	201.61	10.02	4021.40	1813.69	204.30	9.34	2008.65	2012.75	2016.11
Previous Year	3563.60	266.41	-	3829.81	1614.06	199.64	0.01	1813.70	-	-
Intangible Assets (At Cost):										
Software [#]	16.15	2.80	-	18.95	10.66	1.67	-	12.33	6.62	5.49
Total Intangible Assets	16.15	2.80	-	18.95	10.66	1.67	-	12.33	6.62	5.49
Previous Year	16.15	0.00	0.00	16.15	9.05	1.62	0.00	10.66	5.49	7.10
Total Fixed Assets	3845.96	204.41	10.02	4040.35	1824.35	205.97	9.34	2020.98	2019.37	2021.60
Less Transferred to project WIP and allocated										
Depreciation as per profit and loss account										
Previous Year	3579.75	266.41	0.20	3845.96	1623.11	201.26	0.01	1824.36	-	2021.60
Less Transferred to project WIP in previous year										
Depreciation as per Statement of Profit and Loss in previous year										
Capital Work In Progress - Items Awaiting Completion or Commissioning										
Intangible Asset Under Development										
Total									657.52	233.64
									2676.89	2255.24

Note No.1 : As on 31.03.2012

Revalued
As at
31.3.1986
₹ lacs
Amount added on Revaluation
(A) Free hold Land & Development Expenses 67.87
(B) Buildings 48.45
(C) Plant & Machinery 86.58
202.90

@ Note No.2:
Includes Depreciation of ₹ 0.42 lacs (Previous Year ₹ 0.46 lacs)- on Buildings and ₹ 0.01 lacs (Previous Year ₹ 0.01 lacs) on Plant & Machinery aggregating ₹ 0.43 lacs(Previous Year ₹ 0.47 lacs) on Revalued Assets has been transferred from Revaluation Reserve to Profit and Loss Account refer Schedule 'B'.

#Note No. 3
Includes vehicles purchased against hire purchase loan outstanding at the end of the year ₹ 0.52 lacs (Previous Year ₹ 5.89 lacs)

#Note No. 4
Estimated amount of contracts remaining to be executed on capital account of ₹ 304.08 lacs (Previous Year ₹ 29.77 lacs)

NOTES FORMING PART OF ACCOUNTS

**Note 13 -
Non Current Investments (at cost unless otherwise specified)**

	As at 31.03.2012		As at 31.03.2011	
	Unquoted ₹ in Lacs	Quoted ₹ in Lacs	Unquoted ₹ in Lacs	Quoted ₹ in Lacs
I. Non Trade Investment				
In Equity instruments:				
In subsidiary Company outside India				
500 Fully Paid up Equity Shares of Borax Morarji (Europe) GmBH of 50 each (100% Subsidiary)	16.77		16.77	
II. Other Investments:				
(a) 70 Fully Paid up Equity Shares of The Bombay Dyeing & Mfg Co.Ltd., of ₹.10 each.		0.00*		0.00*
(b) 2,34,196 Fully Paid up Equity Shares of The Dharamsi Morarji Chemical Co.Ltd. of ₹.10 each.		23.42		23.42
(c) 2500 Fully Paid up Equity Shares of HDFC Bank Ltd of ₹. 2 each.		0.05		0.05
(d) 2,000 Fully Paid up Equity Shares of Dombivali Nagari Sahakari Bank Ltd., of ₹.50 each	1.00		1.00	
	<u>17.77</u>	<u>23.47</u>	<u>17.77</u>	<u>23.47</u>
		<u>41.24</u>		<u>41.24</u>

Details:

	As at 31.03.2012		As at 31.03.2011	
	Cost ₹ in Lacs	Market Value ₹ in Lacs	Cost ₹ in Lacs	Market Value ₹ in Lacs
1. Aggregate of Investments:				
(i) Quoted Investments	23.47	30.97	23.47	36.47
(ii) Unquoted Investments	17.77	-	17.77	-
	<u>41.24</u>	<u>30.97</u>	<u>41.24</u>	<u>36.47</u>

Note: * represents amount less than ₹ 1000/-

Note: 2(b):

Company's long term investment in Dharamsi Morarji Chemical Co. Ltd.(DMCC) Represented by 2,34,196 fully paid up equity shares is considered at face value after making provision for diminution of ₹ 152.06 lacs in the year 2007-08). Taking into account, intrinsic business value of the DMCC and its business synergies to the Company no further diminution in value is considered necessary,

Note 14

Long Term Loans and Advances

	As at 31.03.2012		As at 31.03.2011	
	₹ in Lacs		₹ in Lacs	
Unsecured, Considered Good				
a) Security and Other Deposits		43.84		46.11
b) Other Loans and Advances		122.71		104.71
c) Prepaid Expenses		4.33		5.43
		<u>170.88</u>		<u>156.25</u>

Note 14(b)

other loans and advance includes

- (i) Insurance claim of ₹ 64.73 lacs being non-settlement of the Company's claim by the The New India Assurance Company Limited (NIACL), in respect of loss of stock in the Chemical Division due to flood during June 2002. The Consumer Disputes Redressal Commission, Maharashtra State, Mumbai, wherein the Company had filed the complaint, vide its interim order dated 14th November 2008 while allowing the interim relief, directed NIACL to deposit a sum of ₹ 6.93 lacs with the Commission, which the Company has withdrawn upon furnishing necessary bank guarantee. The Commission's notice for final hearing of this matter is awaited.

NOTES FORMING PART OF ACCOUNTS

(ii) An amount ₹ 14.22 lacs receivable from the State Trading Corporation of India Ltd.(STC), New Delhi, on account of rate difference and dispatch money earned. The Tis Hazari Court, Delhi, wherein the Company filed suit against STC for recovery of this amount, has upheld Company's claim alongwith interest @ 6% per annum from the date of filing of the suit. STC has preferred further appeal in the Delhi High Court which is yet to be decided;

(iii) An Amount of ₹ 37.84 lacs (Previous Year ₹ 19.84 lacs) paid to Gratuity Trust.

Note 15

Current Investments

	As at 31.03.2012		As at 31.03.2011	
	Unquoted ₹ in Lacs	Quoted ₹ in Lacs	Unquoted ₹ in Lacs	Quoted ₹ in Lacs
I. Non Trade Investment				
Other Investments				
7849 Units of Unit Trust of India (Previous year 7471units)	1.04	-	0.96	-
	<u>1.04</u>	<u>-</u>	<u>0.96</u>	<u>-</u>

Note 16

Inventories

	As at 31.03.2012 ₹ in Lacs	As at 31.03.2011 ₹ in Lacs
(As technically valued and certified by the Management)		
a) Raw Materials	714.78	1600.76
b) Raw Material in transit	204.97	72.16
c) Work In Progress:	217.33	210.34
d) Finished Goods	791.54	965.08
e) Stores & Spares	158.00	115.51
f) Packing Material	22.83	26.08
	<u>2109.45</u>	<u>2989.93</u>

Note 17

Trade Receivables

	As at 31.03.2012 ₹ in Lacs	As at 31.03.2011 ₹ in Lacs
Due Over six months		
Secured, Considered Good	16.60	18.70
Unsecured, Considered Good	215.51	164.85
Others		
Secured, Considered Good	11.96	14.46
Unsecured, Considered Good	1115.28	392.84
	<u>1359.35</u>	<u>590.85</u>

Note 18

Cash and Bank Balances

	As at 31.03.2012 ₹ in Lacs	As at 31.03.2011 ₹ in Lacs
a) Cash and Cash Equivalents		
1) Balances with Bank		
Current Accounts in Indian Rupees	36.15	5.92
2) Cash on Hand	1.74	2.75
(b) Other Bank Balances		
1) Margin Money deposits	134.41	116.06
2) Balances with Bank for Unpaid Dividend	13.08	12.94
	<u>185.38</u>	<u>137.67</u>

NOTES FORMING PART OF ACCOUNTS

Note 19

Short Term Loans & Advances

	As at 31.03.2012 ₹ in Lacs	As at 31.03.2011 ₹ in Lacs
Unsecured, Considered Good		
a) Loans & Advances to Related Parties	-	0.33
b) Others		
i) Advances Recoverable in cash or in kind or for value to be received	184.19	156.98
ii) Advance Payment of Taxes net of provision	16.56	-
iii) Outstanding Receipts- Others	74.47	64.07
iv) Due from forex dealer	2.17	-
c) Prepaid Expenses	8.59	10.33
d) Loans and Advances to Employees	15.79	7.67
	<u>301.77</u>	<u>239.38</u>

Note 19(b)(i)

An amount of ₹. 47.67 lacs on account of expenses towards proposed Right Issue expenses. The same will be charged off against Securities Premium as and when the issue is actually made.

Note 20

Revenue from operations

	2011-12 ₹ in Lacs	2010-11 ₹ in Lacs
a) Sale of products	8225.52	7955.97
Less: Excise Duty	626.42	663.14
	<u>7599.10</u>	<u>7292.83</u>
b) Other Operating Revenue		
Income from Wind Farm	127.82	107.57
	<u>7726.92</u>	<u>7400.40</u>

Note 21

OTHER INCOME

	2011-12 ₹ in Lacs	2010-11 ₹ in Lacs
a) Interest Income	15.28	4.00
b) Miscellaneous Income	1.73	4.38
c) Sundry Creditors Credit Balance written back	-	2.32
d) Other Non Operating Income		
i) Provision for expenses no Longer Required	1.93	-
ii) Profit / (Loss) on Sale of Assets	8.89	-
	<u>27.83</u>	<u>10.70</u>

Note: 21(b) Miscellaneous Income Includes:

Dividend from Non-Trade Investments ₹.0.30 lacs(Previous year ₹.0.21 lacs)

Note 22

COST OF RAW MATERIAL CONSUMED

	2011-12 ₹ in Lacs	2010-11 ₹ in Lacs
Stock at the beginning of the year	1672.92	1730.70
Add: Purchases	4516.09	5240.91
	<u>6189.01</u>	<u>6971.61</u>
Less: Stock at the end of the year	919.75	1672.92
Cost of Raw Materials Consumed	<u>5269.26</u>	<u>5298.69</u>

NOTES FORMING PART OF ACCOUNTS

Note 23

COST OF TRADED GOODS SOLD

	2011-12 ₹ in Lacs	2010-11 ₹ in Lacs
Stock at the beginning of the year	0.00	0.00
Add: Purchases	382.13	27.20
	<u>382.13</u>	<u>27.20</u>
Less: Stock at the end of the year	0.00	0.00
Cost of Traded Goods Sold	<u><u>382.13</u></u>	<u><u>27.20</u></u>

Note 24

(Increased)/Decreased Inventories of finished goods and work in progress

	2011-12 ₹ in Lacs	2010-11 ₹ in Lacs
a) (Increased)/Decreased in inventories of Goods Manufactured and Material in Process		
Stock as at beginning of the year	1175.42	860.74
Stock as at end of the year	1008.87	1175.42
	<u>166.55</u>	<u>(314.68)</u>
b) Increased/(Decreased) on account of inclusion of Excise Duty on Finished stock	(8.87)	30.10
	<u><u>157.68</u></u>	<u><u>(284.58)</u></u>

Note 25

EMPLOYEE BENEFIT EXPENSES

	2011-12 ₹ in Lacs	2010-11 ₹ in Lacs
a) Salaries and Wages	310.16	331.37
b) Contribution to Provident and other funds	39.12	54.51
c) Staff Welfare Expenses	36.66	41.31
	<u><u>385.94</u></u>	<u><u>427.20</u></u>

Note 26

FINANCE COST

	2011-12 ₹ in Lacs	2010-11 ₹ in Lacs
a) Interest Expense		
(i) On Cash Credit Accounts	132.77	105.63
b) Other Borrowing costs		
(i) Interest on Other Borrowings	166.77	78.51
(ii) Interest on Fixed Deposits	56.43	53.65
(iii) Finance Charges to Bankers	17.05	14.21
	<u>373.02</u>	<u>252.01</u>
Less: Interest Capitalised *	88.60	40.81
	<u><u>284.42</u></u>	<u><u>211.19</u></u>

* The Company has capitalised interest of ₹ 88.60 lacs paid on acquisition of certain qualifying assets relating to Dahej Project in terms of Accounting Standard AS-16

Note 27

OTHER EXPENSES

	2011-12 ₹ in Lacs	2010-11 ₹ in Lacs
I. Manufacturing Expenses		
(a) Stores, Spares and Packing Material Consumed	98.78	114.01
(b) Electricity Power, Fuel and Water	685.74	550.89
(c) Repairs to Machinery	114.13	108.03
(d) Repairs to Building	21.67	39.96
(e) Other Repairs	15.15	21.44
(f) Production Expenses	124.91	100.96
(g) Other Factory Expenses	34.36	30.25
	<u><u>1094.74</u></u>	<u><u>965.53</u></u>

NOTES FORMING PART OF ACCOUNTS

	2011-12 ₹ in Lacs	2010-11 ₹ in Lacs
II. Administrative Expenses		
(a) Stationery, Postage, Telephone & Advertisement	24.85	25.54
(b) Rent, Rate & Taxes	4.26	5.28
(c) Insurance	9.38	8.88
(d) Professional Charges	41.31	39.94
(e) Directors' Fees & Commission	4.70	7.29
(f) Loss on Fixed Assets Discarded/sold	-	0.15
(g) Travelling & Motor Car Expenses	30.54	52.84
(h) Freight & Forwarding	60.80	63.67
(i) Commission & Discount	55.64	61.77
(j) Exchange Loss (Net)	89.60	47.34
(k) Bad debts/ Sundry Advances written off	0.33	8.38
(l) General & Administrative Expenses	37.86	36.47
	<u>359.27</u>	<u>357.55</u>
Total of Other Expenses	<u>1454.01</u>	<u>1323.08</u>

Note 27 (ii)(d) Professional Charges includes Auditors remuneration

	2011-12 ₹ in Lacs	2010-11 ₹ in Lacs
- Audit Fees	4.27	4.19
- Tax Audit Fees	0.84	0.83
- For Reviews and Certification Work	3.50	3.67
- Reimbursement of Out of Pocket Expenses	0.13	0.28
	<u>8.74</u>	<u>8.97</u>

Note 28

**EARNING PER SHARE
Basis and Diluted EPS**

		2011-12 ₹ in Lacs	2010-11 ₹ in Lacs
A. Profit / (Loss) computation for diluted Earnings Per Share of ₹ 1/-each			
Net Profit / (Loss) as per Statement of Profit & Loss available for Equity shareholders	₹ in Lacs	(298.76)	137.18
B. Weighted average number of Equity Shares for EPS computation	(Nos.)	4519698	4519698
Basis and Diluted EPS (before and after Extraordinary Items)	₹ in Lacs	(6.61)	3.04

	Year Ended 31.03.2012 ₹ in Lacs	Year Ended 31.03.2011 ₹ in Lacs
29 Contingent Liabilities not provided for:		
(1) Bank Guarantees Outstanding	27.80	29.03
(2) Claims against the Company not acknowledged as debt:		
(a) Tax Demands under appeal:		
i) Excise Duty demanded by Commissioner of Central Excise	12.65	12.65
ii) Custom Duty demanded by Assistant Commissioner of Customs	18.22	18.22
iii) Custom Duty levied by Collector of Customs *	44.60	44.60
*(The Company has preferred an appeal with CESTAT against the above demand in respect of validity of DEPB licenses. The Company has also deposited an amount of ₹ 28 lacs shown as recoverable "Long Term Loans & Advances" & has furnished bank guarantee for the balance of demand.)		
iv) Excise Duty demanded by Commissioner of Central Excise, Thane-I**	272.31	-
** (The Company has preferred an appeal with CESTAT against the above demand and unconditional stay on the demand has also been granted by the CESTAT.)		
(b) Others	7.69	7.69
(c) Some of the retrenched employees of Export Oriented Unit (EOU) of the erstwhile Timber Division have not accepted the retrenchment compensation offered by the company on the closure of the unit and matter is in the court. The amount as offered by the company has been duly provided for and as per legal opinion the possibility of any further liability is remote. The additional liability if any is presently not ascertainable.		

NOTES FORMING PART OF ACCOUNTS

30 Segment Reporting

- (i) The Company has disclosed Business Segment as the primary segment. Segments have been identified taking into account the nature of the products, the differing risks and returns, the organisation structure and internal reporting system.
- (ii) The company 's operations predominantly relate to manufacture of Boron Based Chemicals and Wind Power Generation.
- (iii) The Company caters mainly to the need of domestic market. The export turnover is not significant in the context of total turnover. As such, there are no reportable geographical segments.
- (iv) Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis.
- (v) The expenses , which are not directly attributable to the business segment, are shown as unallocated corporate cost. Assets and Liabilities that cannot be allocated between the segments are shown as a part of unallocated corporate assets and liabilities respectively.
- (vi) Inter Segment transfer pricing policy is at ex-work price.

Particulars	Chemical	Wind Mill Farm	Unallocated	Total
	2011-12 2010-11	2011-12 2010-11	2011-12 2010-11	2011-12 2010-11
REVENUE				
External Sales				
Domestic Sales (Including excise duty)	7549.57	127.82	-	7677.39
	7629.40	107.57	-	7736.97
Less:- Excise duty on sale	626.42	0.00	-	626.42
	663.14	0.00	-	663.14
Domestic Sales (Excluding excise duty)	6923.15	127.82	-	7050.97
	6966.26	107.57	-	7073.83
Export Sales	675.95			675.95
	326.57			326.57
Total Sales	7599.10	127.82	-	7726.92
	7292.83	107.57	-	7400.40
Miscellaneous Revenue	10.31	1.93	-	12.24
	5.56	0.93	-	6.49
Total Segment Revenue	7609.41	129.75	-	7739.16
	7298.39	108.50	-	7406.89
RESULT(Profit before Interest and Corporate Expenses)				
Segment Result	(98.14)	34.88		(63.26)
	456.25	12.52		468.77
Unallocated Corporate Expenses			(52.14)	(52.14)
			(54.25)	(54.25)
Operating Profit (After Corporate Expenses)				(115.40)
				414.52
Finance Cost				(284.42)
				(211.19)
Interest Income				15.27
				4.00
Dividends received				0.31
				0.21
Income Taxes:-				
Current Tax				0.00
				(99.00)
Deferred Tax (Assets) /Liabilities				(85.48)
				(28.65)
NET PROFIT/(LOSS)				(298.76)
				137.19

NOTES FORMING PART OF ACCOUNTS

Particulars	Chemical	Wind Mill Farm	Unallocated	Total
	2011-12 <i>2010-11</i>	2011-12 <i>2010-11</i>	2011-12 <i>2010-11</i>	2011-12 <i>2010-11</i>
OTHER INFORMATION				
Segmental Assets	6219.34	567.28	-	6786.62
	<i>5783.41</i>	<i>568.73</i>	-	<i>6352.14</i>
unallocated corporate assets			0.53	0.53
			<i>0.61</i>	<i>0.61</i>
Total Assets				6787.15
				<i>6352.75</i>
Segmental Liabilities	1627.00	2.39	-	1629.39
	<i>1613.35</i>	<i>1.08</i>	-	<i>1614.43</i>
Unallocated Corporate Liabilities			-	0.00
			<i>114.00</i>	<i>114.00</i>
Total Liabilities				1629.39
				<i>1728.43</i>
Capital Expenditure	628.29	0.00	-	628.29
	<i>341.17</i>	<i>0.00</i>		<i>341.17</i>
Depreciation	153.87	51.58	0.10	205.55
	<i>149.31</i>	<i>51.44</i>	<i>0.03</i>	<i>200.78</i>
Non-cash expenses other than depreciation				
Bad debts/Sundry receivable written off				0.00
				<i>8.38</i>
Total Assets excludes				
Investments				42.28
				<i>42.20</i>
Advance Tax (Net of Provision)				16.56
				<i>0.00</i>
Total liabilities excludes				
Secured Loans				1115.08
				<i>902.32</i>
Unsecured Loans				2529.62
				<i>1838.02</i>
Deferred Tax Liabilities				154.58
				<i>240.05</i>

(Figures in italics denote previous year figures)

31 Related Party disclosures for year ended 31st March, 2012

(1) Relationships:

- | | | |
|--|---|---|
| a) Subsidiary Company | : | Borax Morarji (Europe) GMBH |
| b) Companies where Control Exists | : | The Dharamsi Morarji Chemical Co.Ltd. |
| | : | L.P.Gas Equipment Pvt. Ltd. |
| | : | Kosan Industries Pvt. Ltd. |
| | : | Phoenix Distributors Pvt. Ltd. |
| | : | The Natural Gas Co.Pvt. Ltd. |
| | : | Jasraj Trading Company |
| | : | Bombay Foods Pvt. Ltd. |
| | : | L.P.Gas Transport & Bottling Co.Pvt. Ltd. |
| | : | Gocul Gas Pvt.Ltd. |
| | : | Autogas Conversion (India) Pvt. Ltd. |
| | : | B.S.and Services Pvt. Ltd. |
| | : | Falcon Chemical LLC |
| c) Key Management Personnel | : | Mr.H.T.Kapadia, Chief Executive Officer (C E O) |
| | : | Mr. L.N.Goculdas,Chairman |
| d) Relatives of Key Management Personnel & their enterprises where transactions have taken place | : | Mrs. Kanta H. Kapadia (Wife of C E O) |

NOTES FORMING PART OF ACCOUNTS

	Related Party as per (a) & (b)		Related Party as per (c) & (d)	
	2011-12 ₹ in Lacs	2010-11 ₹ in Lacs	2011-12 ₹ in Lacs	2010-11 ₹ in Lacs
1. Transactions with companies referred in 1(b) above				
Purchase/Sale of goods (Finished or unfinished):	-	-	-	-
a) Purchase of goods	124.35	61.74	-	-
b) Sale of goods	18.94	0.06	-	-
Purchase/Sale of Fixed Assets	16.67	-	-	-
Rendering or receiving of services	17.22	17.41	-	-
Finance (including loans & Equity contribution in cash or in kind):				
Inter Corporate Deposit Received	60.00	-	-	-
Outstandings at the end of the year	265.58	37.82	-	-
2. Transactions with key managerial personnel/relatives referred to in 1(c) and 1(d) above				
Interest paid / payable	-	-	0.81	0.87
Fixed Deposits received	-	-	7.09	8.09
Loan from Directors Received	-	-	270.00	100.00
Loan from Directors Repaid	-	-	-	100.00
Sitting Fees Paid to Directors	-	-	1.00	1.00
Commission to Directors	-	-	-	0.87
Remuneration to C E O	-	-	19.19	24.01
Outstandings at the end of the year	-	-	370.00	100.00

Note - Related party relationship is as identified by the Company and relied upon by the Auditors.

32 Employee Defined Benefits:-

The Company has made provision for following benefit plans as per Accounting Standard 15 (Revised) on the basis of Actuarial valuation at the end of the year.

	2011-12		2010-11	
	Gratuity ₹ in Lacs	Leave Encashment ₹ in Lacs	Gratuity ₹ in Lacs	Leave Encashment ₹ in Lacs
I Expense recognised in the Statement of Profit & Loss Account for year ended 31st March, 2012				
1 Current Service cost	12.21	2.94	11.21	2.82
2 Interest Cost	6.67	1.50	6.80	1.15
3 Employee Contributions	-	-	-	-
4 Expected return on plan assets	(8.98)	-	8.95	-
5 Actuarial (Gains) / Losses	(5.31)	(3.83)	5.91	1.19
6 Past service cost	-	-	-	-
7 Settlement cost	-	-	-	-
8 Total expense	4.59	0.61	32.87	5.17
II Net Asset/(Liability) recognised in the Balance Sheet as at				
1 Present value of Defined Benefit Obligation as at March 31, 2012	84.40	19.09	96.15	19.11
2 Fair value of plan assets as at March 31, 2012	117.65	-	115.99	-
3 Funded status [Surplus/(Deficit)]	33.25	(19.09)	19.84	(19.11)
4 Net asset/(liability) as at March 31, 2012	33.25	(19.09)	19.84	(19.11)
III Change in Obligation during the year ended March 31, 2012				
1 Present value of Defined Benefit Obligation at the beginning of the year	96.15	19.11	97.77	14.92
2 Current Service cost	12.21	2.94	11.21	2.82
3 Interest Cost	6.67	1.50	6.80	1.15
4 Settlement cost	-	-	-	-
5 Past service cost	-	-	-	-

NOTES FORMING PART OF ACCOUNTS

	2011-12		2010-11	
	Gratuity ₹ in Lacs	Leave Encashment ₹ in Lacs	Gratuity ₹ in Lacs	Leave Encashment ₹ in Lacs
6 Employee Contributions	-	-	-	-
7 Actuarial (Gains) / Losses	(5.13)	(3.83)	5.98	1.19
8 Benefits Payments	(25.50)	(0.63)	(25.61)	(0.98)
9 Present value of Defined Benefit Obligation at the end of the year	84.40	19.09	96.15	19.11
IV Change in Assets during year ended March 31, 2012				
1 Plan assets at the beginning of the year	115.99	-	116.81	-
2 Settlements	-	-	-	-
3 Expected return on plan assets	8.98	-	9.03	-
4 Contributions by employers	18.00	0.63	15.76	0.98
5 Actual benefits paid	(25.50)	(0.63)	(25.61)	(0.98)
6 Actuarial gains /(losses)	0.19	-	0.08	-
7 Plan assets at the end of the year	117.65	-	115.99	-
8 Actual return on plan assets	9.17	-	9.03	-
V Actuarial Assumptions:				
1 Discount Rate	8%	8%	8%	8%
2 Expected rate of return on plan assets	8%		8%	
3 Mortality Rate	LIC (1994-96)	LIC (1994-96)	LIC (1994-96)	LIC (1994-96)
	Non Current (Note No.7)		Current (Note No.11)	
	31.3.2012	31.03.2011	31.3.2012	31.03.2011
Leave Encashment	18.89	18.91	0.20	0.20
33 Additional information				
	Year Ended 31st March 2012		Year Ended 31st March 2011	
	₹ in Lacs	%	₹ in Lacs	%
(I) Value of Raw Materials, Stores, spares and components consumed				
(i) Raw Materials:				
Imported	4713.85	89.46	4800.79	90.60
Indigenous	555.41	10.54	497.90	9.40
	<u>5269.26</u>	<u>100.00</u>	<u>5298.69</u>	<u>100.00</u>
(II) Value of Imports calculated on CIF basis:				
(i) Raw Materials	3372.45		3884.74	
(III) Expenditure in Foreign Currency on account of :				
(i) Foreign Tours	1.94		10.13	
(ii) Others	16.93		12.71	
(IV) Earnings in Foreign Currency in respect of:				
Exports of Goods calculated on FOB basis	658.34		303.90	

34 Figures in brackets are in respect of previous year.

35 Previous Year's figures have been regrouped and recast where necessary.

For K.S.Aiyar & Co.
Chartered Accountants
Registration No. 100186W

Rajesh Joshi
Partner
Membership No. 38526

L.N.Goculdas
S.K.Diwanji
R.Sanghi
S.V.Joshi
Mitika L. Goculdas
B.L. Goculdas
D.S. Nagle
S.R. Mohite

Chairman
Director
Director
Director
Director
Managing Director
Company Secretary
General Manager-Finance

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To,
The Board of Directors,
Borax Morarji Ltd.

1. We have examined the attached Consolidated Balance Sheet of **Borax Morarji Ltd.**, & its wholly owned Subsidiary (collectively referred to as "the Group") as at March 31, 2012. The Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended.
2. These financial statements are the responsibility of the management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements notified pursuant to the companies (Accounting Standards) Rules, 2006, (as amended) to the extent applicable and on the basis of the separate un-audited financial statements of the wholly owned subsidiary company included in the Consolidated Financial Statements.
4. The un-audited financial statements of the Wholly Owned Subsidiary as adjusted for any significant transactions till the year end reflect total assets and liabilities of ₹ 18.13 Lacs (₹ 0.65 Lacs) and ₹ 16.25 Lacs (₹ 1.38 Lacs) respectively and total revenues and expenses of ₹ 196.60 Lacs (₹ 112.21 Lacs) and ₹ 194.51 Lacs (₹ 111.11 Lacs) respectively for the year then ended. The impact of these on the Consolidated Account is not material.
5. *Long Term Loans and Advances include amounts of ₹ 64.73 Lacs on account of insurance claim disputed by New India Assurance Co. Ltd in respect of loss of stock in chemical division due to flood during June 2002 (Refer Note No. 14(c)(i)), ₹ 14.22 lacs receivable from State Trading Corporation of India Ltd. STC (Refer Note No. 14 (c)(ii)) which is disputed by the party and ₹ 28.00 Lacs deposited against disputed custom duty levied by collector of customs (Refer Note No. 29(2)(a)(iv)). Though the Company is hopeful of recovery of these amounts we are not certain of the quantum of settlements of the claims.*
6. *No provision has been made against overdue debtors for more than two years amounting to ₹ 22.26 Lacs.(Net). Management is of the opinion that it is fully recoverable.*
7. *Short Term Loans and Advances include ₹ 47.67 Lacs (Refer Note 19 (b)(i)) on account of expenses towards Proposed Right Issue which has not taken place till date. In our opinion the amount needs to be charged off as expenses to Statement of Profit & Loss.*
8. *Subject to (5),(6), (7) above, the net impact of which on the Statement of profit and loss and on the Reserves is unascertained and on the basis of the information and explanations given to us we are of the opinion that:*
 - a) The Consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of the Group as at 31st March, 2012;
 - b) The Consolidated Statement of Profit and Loss gives a true and fair view of the consolidated Loss of the Group for the year ended 31st March, 2012; and
 - c) In the case of the Consolidated Cash Flow Statement, of the consolidated cash flow of the Group for the year then ended.

For K. S. Aiyar & Co.
Chartered Accountants
FRN: 100186W

Place: Mumbai
Date: 30th May, 2012

Rajesh Joshi
Partner
Membership No. 38526

Consolidated Balance Sheet as at 31st March 2012

Particulars	Note No	As at 31.03.2012 ₹ in Lacs	As at 31.03.2011 ₹ in Lacs
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	451.97	451.97
Reserves and Surplus	3	967.25	1,253.82
		<u>1419.22</u>	<u>1705.79</u>
Non-Current Liabilities			
Long-Term Borrowings	4	1243.63	1164.66
Deferred Tax Liabilities (Net)	5	154.58	240.05
Other Long-Term Liabilities	6	73.02	49.42
Long-Term Provisions	7	18.89	18.91
		<u>1490.12</u>	<u>1473.04</u>
Current Liabilities Current Liabilities			
Short-Term Borrowings	8	2063.56	1370.79
Trade Payable	9	1202.23	1168.44
Other Current Liabilities	10	688.80	579.84
Short-Term Provisions	11	0.20	114.27
		<u>3954.79</u>	<u>3233.34</u>
		<u>6864.13</u>	<u>6412.17</u>
ASSETS			
Non-Current Assets			
Fixed Assets	12		
- Tangible Assets		2012.75	2016.32
- Intangible Assets		13.49	12.46
- Capital Work-in-Progress		657.52	233.64
		<u>2683.76</u>	<u>2262.42</u>
Non-Current Investments	13	24.47	24.47
Long-Term Loans and Advances	14	170.88	156.25
		<u>195.35</u>	<u>180.72</u>
Current assets			
Current Investments	15	1.04	0.96
Inventories	16	2124.68	2,989.93
Trade Receivable	17	1359.35	590.85
Cash and Bank Balances	18	198.56	148.07
Short-Term Loans and Advances	19	301.39	239.22
		<u>3985.02</u>	<u>3969.03</u>
		<u>6864.13</u>	<u>6412.17</u>
TOTAL			
Significant Accounting Policies & Notes to Accounts		1 to 33	

For K.S.Aiyar & Co.
Chartered Accountants
Registration No. 100186W

Rajesh Joshi
Partner
Membership No. 38526
Mumbai, 30th May, 2012

L.N.Goculdas
S.K.Diwanji
R.Sanghi
S.V.Joshi
Mitika L. Goculdas
B.L. Goculdas
D.S. Nagle
S.R. Mohite

Mumbai, 30th May, 2012

Chairman
Director
Director
Director
Managing Director
Company Secretary
General Manager-Finance

Consolidated Statement of Profit & Loss for the year ended 31st March 2012

Particulars	Note No	Current Year 2011-12 ₹ in Lacs	Previous Year 2010-11 ₹ in Lacs
INCOME			
Revenue from Operations	20	7923.51	7512.61
Other Income	21	27.84	10.70
Total Revenue		7951.35	7523.31
Expenses			
Cost of Raw Materials Consumed	22	5269.26	5298.69
Cost of Traded goods sold	23	572.69	135.60
(Increased)/Decreased in Inventories of finished goods and work in progress	24	157.67	(284.58)
Employee Benefits Expense	25	385.94	427.20
Financial Costs	26	284.42	211.19
Depreciation and amortization Expense		206.40	201.19
Other Expenses	27	1457.12	1325.39
Total Operating Expenses		8333.50	7314.68
Profit Before Exceptional & Extraordinary Items & Tax		(382.15)	208.63
Profit Before Extraordinary Items & Tax		(382.15)	208.63
Profit Before Tax		(382.15)	208.63
Tax Expense:			
- Current Tax		0.69	99.06
- Deferred Tax		(85.48)	(28.65)
		(84.79)	70.41
Profit / (Loss) for the year		(297.36)	138.22
Earnings per equity share:	28		
Basic & Diluted		(6.58)	3.06

For K.S.Aiyar & Co.
Chartered Accountants
Registration No. 100186W

Rajesh Joshi
Partner
Membership No. 38526
Mumbai, 30th May, 2012

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Mumbai, 30th May, 2012

Chairman
Director
Director
Director
Director
Managing Director
Company Secretary
General Manager-Finance

Consolidated Cashflow Statement for year ended 31st March, 2012

	Year Ended 31st March, 2012		Year Ended 31st March 2011	
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit / (Loss) Before Tax and Extraordinary Items:		(382.15)		208.63
Adjustments for :				
(a) Add Backs :				
Depreciation	206.40		201.18	
Interest Charged	355.97		237.79	
Loss on Assets Sold/Discarded	-		0.15	
		<u>562.37</u>		<u>439.12</u>
		180.22		647.76
(b) Deduct				
Surplus on Sale of Assets / Investment	(8.89)		-	
Interest Income	(15.27)		(4.00)	
Dividend Received	(0.31)		(0.21)	
		<u>(24.47)</u>		<u>(4.21)</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		155.75		643.55
ADJUSTMENTS FOR :				
Add:				
(a) Decrease in Trade & Other Receivables	-		411.98	
(b) Decrease in Inventories	865.25		-	
(c) Increase in Trade Payables	35.90		-	
		<u>901.15</u>		<u>411.98</u>
		1,056.90		1,055.53
Deduct:				
(a) Increase in Trade & Other Receivables	(829.87)		-	
(b) Increase in Inventories	-		(293.49)	
(c) Decrease in Trade Payables	-		(184.65)	
		<u>(829.87)</u>		<u>(478.14)</u>
CASH INFLOW/(OUTFLOW) FROM OPERATIONS		227.03		577.39
Deduct:				
Direct Taxes Paid (Net)		<u>(52.53)</u>		<u>(72.24)</u>
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES-(A)		174.50		505.15
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Outflow :				
(a) Purchase of Fixed Assets	(627.06)		(347.18)	
(b) Purchase of Investments	(0.07)		-	
		<u>(627.13)</u>		<u>(347.18)</u>
Add: Inflow:				
(a) Sale of Fixed Assets	9.57		0.04	
(b) Interest Received	15.91		4.80	
(c) Dividend and Income from units	0.31		0.21	
		<u>25.79</u>		<u>5.05</u>
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES-(B)		(601.34)		(342.13)

	Year Ended 31st March,2012		Year Ended 31st March 2011	
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
C. CASH FLOW FROM FINANCING ACTIVITIES				
Inflow :				
a) Proceeds from Long/Short Term Borrowings		1035.49		285.14
Deduct : Outflow :				
a) Repayment of Long/Short Term Borrowings	(127.28)		(153.04)	
b) Accrued Interest paid	(3.84)		-	
c) Dividend Paid	(66.99)		(111.98)	
d) Dividend Tax Paid	(11.00)		(18.77)	
e) Interest Paid	(349.05)		(233.15)	
		<u>(558.16)</u>		<u>(516.94)</u>
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES-(C)		<u>477.33</u>		<u>(231.80)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		50.49		(68.78)
Add: Cash and Cash equivalents at the beginning of the Year		<u>148.07</u>		<u>216.85</u>
Cash and Cash equivalents at the Close of the Year		<u><u>198.56</u></u>		<u><u>148.07</u></u>
Notes:				
Previous year's figures have been regrouped wherever necessary.				

For K.S.Aiyar & Co.
Chartered Accountants
Registration No. 100186W

Rajesh Joshi
Partner
Membership No. 38526
Mumbai, 30th May, 2012

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Mumbai, 30th May, 2012

Chairman
Director
Director
Director
Director
Managing Director
Company Secretary
General Manager-Finance

Significant Accounting Policies and Notes to Accounts-Consolidated

Note 1 Significant Accounting Policies:

(i) System of Accounting :

- (a) The Company adopts the accrual concept in the preparation of its Accounts, except in case of insignificant items and also in respect significant uncertainties.
- (b) Assets and Liabilities are recorded at historical cost to the Company except for assets which are revalued. These costs are not adjusted to reflect the changing value of purchasing power of money.
- (c) During the year ended 31st March 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

(ii) Principles of Consolidation:

- (a) The consolidated financial statements relate to Borax Morarji Ltd. ('The Company') and its wholly owned subsidiary, the details of which are as under:

Name of the Entity: Borax Morarji (Europe) GMBH

Financial year ended on: 31st December 2011

Extent of holding: 100%

Country of Incorporation: Germany.

- (b) The unaudited financial statements as on 31st December, 2011 of the wholly owned subsidiary company have been compiled by a Chartered Accountancy Firm based in Germany. The subsidiary company being a small joint stock company under German Law, there is no obligation of audit based on the size criteria.

There are no significant transactions in the Subsidiary company during period 1st January 2012 to 31st March 2012. Therefore, no adjustments have been made in the consolidated financial statements.

- (c) The financial statements of the company and its subsidiary have been combined on a line-by-line basis by adding together the books values of like items of assets, liabilities, incomes and expenses after fully eliminating intra group balances and intra group transactions resulting in unrealized profits or losses.
- (d) The Consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible in the same manner as the company's separate financial statements.
- (e) Financial statements of the foreign subsidiary being non- integral foreign operation, have been converted in Indian Rupees at the following exchange rates:
 - i) Revenues and Expenses: At the average exchange rate prevailing during the period.
 - ii) All Assets and Liabilities are converted at the exchange rate prevailing at the end of the year.

Any exchange difference arising on consolidation is recognized in the Foreign Currency Translation Reserve.

(iii) Other Significant Accounting Policies:

These are set out in the notes to accounts under 'Significant Accounting Policies' as given in the Company's separate financial statements.

(iv) Segment Reporting:

- (a) Revenue and expenses have been identified to segments on the basis of the relationship to the operating activities of the segment. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been included under 'Un-allocated' segment.
- (b) Inter Segment transfer pricing policy is at ex-work price.

NOTES FORMING PART OF ACCOUNTS

Note 2
SHARE CAPITAL

	As at 31.03.2012 ₹ in Lacs	As at 31.03.2011 ₹ in Lacs
Authorised Capital		
17000000 Equity Shares of ₹.10/- each	1700.00	1700.00
3000000 Redeemable Preference Shares of ₹ 10/- each	300.00	300.00
	<u>2000.00</u>	<u>2000.00</u>
Issued, Subscribed and Paid-up:		
Equity Share Capital		
4519698 Equity Shares of ₹ 10/- each (Previous year 4519698 Equity Shares of ₹10/- each)	<u>451.97</u>	<u>451.97</u>

a Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	As at 31.03.2012	As at 31.03.2011
Equity Shares :		
Number of Shares outstanding at the beginning of the year :		
Qty	4519698	4519698
Value (in Lacs)	451.97	451.97
Add: Further issue during the period		
Bonus Shares	Qty	-
	Value (in Lacs)	-
Issued and allotted	Qty	-
	Value (in Lacs)	-
Number of Shares outstanding at the End of the year:	Qty	4519698
	Value (in Lacs)	451.97

b Terms/rights attached to shares:

The Company has only one class of Equity Shares having a per of value of ₹ 10/- per Share. Each holder of Equity Share is entitled to one vote per Share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholder.

c Shareholding of more than 5%:

Name of the Shareholder	As at 31.03.2012		As at 31.03.2011	
	% held	No. of Shares	% held	No. of Shares
1 M/s. Jasraj Trading Company	40.97	1851915	40.97	1851915
2 Smt. Bharati L. Goculdas	7.41	335050	7.41	335050
3 Shri. Laxmikumar N.Goculdas	7.29	329673	-	-
4 Late Shri. Ranchoddas M.Goculdas	-	-	8.16	369017

Note 3

Reserves and Surplus

	As at 31.03.2012 ₹ in Lacs	As at 31.03.2011 ₹ in Lacs
(a) Capital Reserve	35.00	25.00
(b) Securities Premium Account		
Balance as per last Account	70.38	70.38
Add: Additions during the year	-	-
	<u>70.38</u>	<u>70.38</u>
(c) Revaluation Reserves(Refer Note No.12 (2))		
Balance as per last Account	73.65	74.11
Less: Amount Transferred to Profit & Loss	0.43	0.47
	<u>73.22</u>	<u>73.65</u>
(d) General Reserve		
Balance as per last Account	711.79	696.79
Add: Transferred from Statement of Profit and Loss	-	15.00
	<u>711.79</u>	<u>711.79</u>
(e) Foreign Currency Translation Reserves		
Balance as per last Account	(0.84)	(1.64)
Add/ Less : Amount debited during the year	1.22	0.80
	<u>0.38</u>	<u>(0.84)</u>

	As at 31.03.2012 ₹ in Lacs	As at 31.03.2011 ₹ in Lacs
(f) Surplus as per Statement of Profit and Loss		
Balance brought forward	373.84	329.42
Add: Profit / (Loss) for the year	(297.36)	138.22
	<u>76.48</u>	<u>467.64</u>
Less: Transferred to General Reserve	-	15.00
Less: Proposed Dividend	-	67.80
Less: Tax on Proposed Dividend	-	11.00
	<u>76.48</u>	<u>373.84</u>
	<u>967.25</u>	<u>1253.82</u>

Note 3 (a)

Capital Reserves

Capital Reserve represents capital subsidy of ₹ 15 lacs and ₹ 20 lacs received from State Industrial Promotion Corporation of Tamil Nadu Ltd. and Maharashtra Energy Development Agency respectively.

Note 4

Long Term Borrowings

	Non - Current Liabilities		Current Maturities	
	31.03.2012 ₹ in Lacs	31.03.2011 ₹ in Lacs	31.03.2012 ₹ in Lacs	31.03.2011 ₹ in Lacs
I. Secured				
Term Loans :				
From other parties:				
(a) Indian Renewable Energy Development Agency	-	-	-	3.65
(b) Kotak Mahindra Prime Ltd.	-	0.52	0.52	5.37
Secured Total	-	0.52	0.52	9.02
II. Unsecured				
(a) Fixed Deposits	284.86	391.00	256.76	137.91
(b) Deferred Payment credit/ leasehold land at Dahej	-	94.61	-	23.65
(c) Loan from Related Parties	530.00	200.00	-	-
(d) Interest Free Sales Tax Loan from MEDA	428.77	478.52	80.23	30.48
Unsecured Total	<u>1243.63</u>	<u>1164.13</u>	<u>336.99</u>	<u>192.04</u>
TOTAL	<u>1243.63</u>	<u>1164.65</u>	<u>337.51</u>	<u>201.06</u>

4.1 Additional Information to Secured/Unsecured Long Term Borrowings:

The long term portion of term loans are shown under long term borrowings and the current maturities of the long term borrowings are shown under the current liabilities as per the disclosure requirements of the Revised Schedule VI.

4.2 Details of Securities and Terms of repayment

I. Secured

Term Loans :

(a) Indian Renewable Energy Development Agency (IREDA)

The loans are secured by mortgage of immovable properties & hypothecation of movable properties of the Company situated at Village Thosegar (Project No.908 & 1009), Village Maloshi (Project No.1136) and Village Vankusawade (Project No.1324), all situated in Satara District in the State of Maharashtra. The Loan for Project No.1324 at Vankusawade, is further secured by the mortgage/charge created on the immovable properties, hypothecation of movable properties at Village Thosegar (Project No. 908 & 1009) and Village Maloshi (Project No.1136). The loan has been repaid on paying final installment of ₹ 3.65 lacs on 21st June 2011.

(b) Hire Purchase Loans

Secured by hypothecation on respective vehicle. Rate of interest @ 10.53% . The loan installment is 36 months and the period of maturity w.r.t. balance sheet date is two months.

II. Unsecured Loan:

(a) Fixed Deposits:

Interest on Fixed Deposit for one year is @ 9.50% & for three years @ 10.50% (Additional @ 0.5% interest will be paid on deposits accepted from shareholders of the Company.)

(b) Deferred payment Credit/leasehold land:

The loan of ₹ 118.26 lacs is @ 13% interest p.a. and is repayable in 4 equal quarterly installments of ₹ 4.73 lacs each .The loan has been fully repaid during the current year.

(c) Loan from Related parties:

The loan taken from Related parties as interest free loan and repayable after two years from the date of received.

(d) Interest Free Sales Tax Loan from MEDA:

Loan Amount (₹ in lacs)	Installment Amount (₹ in lacs)	Number of outstanding yearly equal Installments	Period of maturity from balancesheet date (years)
17.12	3.42	2	2
67.64	13.53	3	3
67.64	13.53	4	4
96.35	19.27	5	5
82.10	16.42	5	6
95.96	19.19	5	7
45.15	9.03	5	8
28.71	5.74	5	9
28.71	5.74	5	10

4.3 The details of overdue debts as on 31.03.2012 are as follows:

Name of the Bank	Principal Amount
Interest Free Sales Tax Loan from MEDA	30.48 Lacs

Note 5

Deferred Tax Liabilities (Net)

Deferred Tax liability for the period ended 31st March, 2012 has been provided on the estimated tax computation for the year.

Major components of deferred tax assets and liabilities arising on account of timing differences are:

	As at 31.03.2012 ₹ in Lacs	As at 31.03.2011 ₹ in Lacs
Deferred Tax Liability		
Depreciation	273.66	251.38
Deferred Tax Asset		
Others	119.08	11.33
	<u>154.58</u>	<u>240.05</u>

Note 6

Other Long Term Liabilities

	As at 31.03.2012 ₹ in Lacs	As at 31.03.2011 ₹ in Lacs
a) Due to Employees	7.22	7.22
b) Deposit from Distributors	65.80	42.20
	<u>73.02</u>	<u>49.42</u>

Note 7

Long Term Provisions

	As at 31.03.2012 ₹ in Lacs	As at 31.03.2011 ₹ in Lacs
Provision for employee benefits	18.89	18.91

Note 8

Short Term Borrowings

	As at 31.03.2012 ₹ in Lacs	As at 31.03.2011 ₹ in Lacs
I. Secured		
Loans repayable on demand		
From Banks Rupee Loan: Cash Credit	1114.56	892.79
II. Unsecured		
Loans repayable on demand		
From Others :		
(a) Inter Corporate Deposits	349.00	378.00
(b) Corporate Loan from HDFC Ltd.	600.00	100.00
	<u>2063.56</u>	<u>1370.79</u>

Secured

Cash Credit (Note 8 (I))

Cash Credit including Export Packing Credit (Secured by hypothecation of stock-in-trade, stores and book debts). Further secured, by way of second charge by a simple registered mortgage on the land of Chemical Division at Ambarnath in the state of Maharashtra.

Unsecured:

Corporate loan from HDFC Ltd(Note 8(II) (b))

Corporate loan from HDFC Ltd. @ 15.75% interest, repayable in a single installment at the end of next year.

Note 9

Trade payable

	As at 31-03-2012 ₹ in Lacs	As at 31-03-2011 ₹ in Lacs
Trade Payable	1202.23	1168.44

Note -1) There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 30 days at the Balance Sheet date, computed on unit wise basis. Further, no interest has been paid or is payable to any Micro, Small and Medium Enterprise on the Balance Sheet date. The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

Note- 2) Derivative Instruments & Unhedged Foreign Currency Exposure

Derivative outstanding as at Balance Sheet date

	31.03.2012		31.03.2011	
	US\$ in Lacs	₹ in Lacs	US\$ in Lacs	₹ in Lacs
Forward Contract to Buy US \$	6.08	313.92	5.67	254.39

Note 10

Other Current Liabilities

	As at 31-03-2012 ₹ in Lacs	As at 31-03-2011 ₹ in Lacs
1) Current maturities of long term borrowings (refer note 4)	337.51	201.06
2) Advances from Supplier	60.52	160.13
3) <u>Others</u>		
a) Interest Accrued & due	-	3.84
b) Interest Accrued but not due	8.69	1.78
c) Unpaid Dividends	10.24	9.43
d) Unpaid Matured Fixed Deposits	4.60	6.53
e) Unclaimed interest on FD	2.36	1.85
f) Other Payables	178.74	163.57
g) Statutory Dues payable	86.14	25.75
h) Unamortised Exchange Difference	-	5.90
	688.80	579.84

Note 11

Short Term provisions

	As at 31.03.2012 ₹ in Lacs	As at 31.03.2011 ₹ in Lacs
a) Provision for employee benefits	0.20	0.20
b) Others		
(i) Proposed Dividend	-	67.80
(ii) Tax on Proposed Dividend	-	11.00
(iii) Provision fo Tax (Net)	-	35.27
	0.20	114.27

Note 12

Fixed Assets Schedule

₹ lacs

Particulars	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK			
	As at 01-04-2011	Additions	Deductions	As at 31-03-2012	Upto 01-04-2011	For the Year	Deductions	Upto 31-03-2012	As at 31-03-2012	As at 31-03-2011
Tangible Assets (At Cost):										
Freehold Land (Book Value)	122.28	3.56	-	125.84	-	-	-	-	125.84	122.28
Leasehold Land	291.88	101.26	-	393.14	12.44	3.59	-	16.03	377.11	279.44
Buildings Road etc.	589.91	6.98	-	596.89	218.19	35.90	-	254.09	342.80	371.72
Plant & Machinery	2654.37	87.23	10.02	2731.58	1460.25	153.88	9.34	1604.79	1126.79	1194.12
Furniture and Fixtures	39.72	-	-	39.72	32.35	1.30	-	33.65	6.07	7.37
Vehicles	71.09	-	-	71.09	46.74	6.19	-	52.93	18.16	24.35
Office Equipments	13.06	0.49	-	13.55	5.90	0.77	-	6.67	6.88	7.16
Computers	48.25	2.14	-	50.39	38.37	2.92	-	41.29	9.10	9.88
Total Tangible Assets:	3830.56	201.66	10.02	4022.20	1814.24	204.55	9.34	2009.45	2012.75	2016.32
Previous Year	3564.26	273.22	0.21	3837.27	1614.44	200.03	0.01	1814.46	-	-
Intangible Assets (At Cost):										
Software #	23.36	3.30	-	26.66	10.90	2.27	-	13.17	13.49	12.46
Total Intangible Assets	23.36	3.30	-	26.66	10.90	2.27	-	13.17	13.49	12.46
Previous Year	16.64	0.00	0.00	16.64	9.05	1.62	0.00	10.67	-	-
Total Fixed Assets	3853.92	204.96	10.02	4048.86	1825.14	206.82	9.34	2022.62	2026.24	2028.78
Less Transferred to project WIP and allocated										
Depreciation as per profit and loss account						206.82				
Previous Year	3580.90	273.22	0.20	3853.92	1623.49	201.62	0.01	1825.14	-	-
Less Transferred to project WIP in previous year						0.00				
Depreciation as per Statement of Profit and Loss in previous year						210.58				
Capital Work in Progress - Items Awaiting Completion or Commissioning									657.52	233.64
Intangible Asset Under Development										
Total									2683.76	2262.42

Note No. 1 : As on 31.03.2012

Revalued

As at

31.3.1986

₹ lacs

67.87

48.45

86.58

202.90

Includes Depreciation of ₹ 0.42 lacs (Previous Year ₹ 0.46 lacs)- on Buildings and ₹ 0.01 lacs (Previous Year ₹ 0.01 lacs) on Plant & Machinery aggregating ₹ 0.43 lacs (Previous Year ₹ 0.47 lacs) on Revalued Assets has been transferred from Revaluation Reserve to Profit and Loss Account refer Schedule 'B'.

Includes vehicles purchased against hire purchase loan outstanding at the end of the year ₹ 0.52 lacs (Previous Year ₹ 5.89 lacs)

Estimated amount of contracts remaining to be executed on capital account of ₹ 304.08 lacs (Prev. Year ₹ 29.77 lacs)

Note 13

Non Current Investments (at cost unless otherwise specified)

I. Non Trade Investment	As at 31.03.2012		As at 31.03.2011	
	Unquoted ₹ in Lacs	Quoted ₹ in Lacs	Unquoted ₹ in Lacs	Quoted ₹ in Lacs
1 Other Investments:				
(a) 70 Fully Paid up Equity Shares of The Bombay Dyeing & Mfg Co.Ltd., of ₹.10 each.		0.00*		0.00*
(b) 2,34,196 Fully Paid up Equity Shares of The Dharamsi Morarji Chemical Co.Ltd. of ₹.10 each.		23.42		23.42
(c) 2500 Fully Paid up Equity Shares of HDFC Bank Ltd of ₹. 2 each.		0.05		0.05
(d) 2,000 Fully Paid up Equity Shares of Dombivali Nagari Sahakari Bank Ltd., of ₹.50 each	1.00		1.00	
	<u>1.00</u>	<u>23.47</u>	<u>1.00</u>	<u>23.47</u>
		<u>24.47</u>		<u>24.47</u>

Details:

1. Aggregate of Investments:	Cost ₹ in Lacs	Market Value ₹ in Lacs	Cost ₹ in Lacs	Market Value ₹ in Lacs
(i) Quoted Investments	23.47	30.97	23.47	36.47
(ii) Unquoted Investments	1.00	-	1.00	-
	<u>24.47</u>	<u>30.97</u>	<u>24.47</u>	<u>36.47</u>

Note: * represents amount less than ₹ 1000

Note: 2(b):

Company's long term investment in The Dharamsi Morarji Chemical Co. Ltd.(DMCC) represented by 2,34,196 fully paid up Equity Shares is considered at face value after making provision for diminution of ₹ 152.06 lacs in the year 2007-08). Taking into account, intrinsic business value of the DMCC and its business synergies to the Company no further diminution in value is considered necessary,

Note 14

Long Term Loans and Advances

	As at 31.03.2012 ₹ in Lacs	As at 31.03.2011 ₹ in Lacs
Unsecured, Considered Good		
a) Security and Other Deposits	43.84	46.11
b) Other Loans and Advances	122.71	104.71
c) Prepaid Expenses	4.33	5.43
	<u>170.88</u>	<u>156.25</u>

Note 14 (b) other loans and advance includes

- (i) Insurance claim of ₹ 64.73 lacs being non-settlement of the Company's claim by the The New India Assurance Company Limited (NIACL), in respect of loss of stock in the Chemical Division due to flood during June 2002. The Consumer Disputes Redressal Commission, Maharashtra State, Mumbai, wherein the Company had filed the complaint, vide its interim order dated 14th November 2008 while allowing the interim relief, directed NIACL to deposit a sum of ₹.6.93 lacs with the Commission, which the Company has withdrawn upon furnishing necessary bank guarantee . The Commission's notice for final hearing of this matter is awaited.
- (ii) An amount ₹ 14,22 lacs receivable from the State Trading Corporation of India Ltd.(STC), New Delhi, on account of rate difference and dispatch money earned. The Tis Hazari Court, New Delhi, wherein the Company filed suit against STC for recovery of this amount, has upheld Company's claim alongwith interest @ 6% per annum from the date of filing of the suit. STC has preferred further appeal in the Delhi High Court which is yet to be decided;
- (iii) An amount of ₹ 37.84 lacs (Previous Year ₹ 19.84 lacs) paid to Gratuity Trust.

Note 15

Current Investments

I. Non Trade Investment	As at 31.03.2012		As at 31.03.2011	
	Unquoted ₹ in Lacs	Quoted ₹ in Lacs	Unquoted ₹ in Lacs	Quoted ₹ in Lacs
Other Investments				
7849 Units of Unit Trust of India (Previous year 7471 units)	1.04	-	0.96	-
	<u>1.04</u>	<u>-</u>	<u>0.96</u>	<u>-</u>

**Note 16
Inventories**

	As at 31.03.2012 ₹ in Lacs	As at 31.03.2011 ₹ in Lacs
(As technically valued and certified by the Management)		
a) Raw Materials	714.78	1600.76
b) Raw Material in transit	204.97	72.16
c) Work In Progress:	217.33	210.34
d) Finished Goods	806.77	965.08
e) Stores & Spares	158.00	115.51
f) Packing Material	22.83	26.08
	<u>2124.68</u>	<u>2989.93</u>

**Note 17
Trade Receivables**

	As at 31.03.2012 ₹ in Lacs	As at 31.03.2011 ₹ in Lacs
Due Over six months		
Secured, Considered Good	16.60	18.70
Unsecured, Considered Good	215.51	164.85
Others		
Secured, Considered Good	11.96	14.46
Unsecured, Considered Good	1115.28	392.84
	<u>1359.35</u>	<u>590.85</u>

**Note 18 -
Cash and Bank Balances**

	As at 31.03.2012 ₹ in Lacs	As at 31.03.2011 ₹ in Lacs
a) Cash and Cash Equivalents		
1) Balances with Banks		
Current Accounts in Indian Rupees	49.33	16.32
2) Cash on Hand	1.74	2.75
(b) Other Bank Balance		
1) Margin Money deposits	134.41	116.06
2) Balances with Bank for Unpaid Dividend	13.08	12.94
	<u>198.56</u>	<u>148.07</u>

**Note 19
Short Term Loans & Advances**

	As at 31.03.2012 ₹ in Lacs	As at 31.03.2011 ₹ in Lacs
Unsecured, Considered Good		
a) Others		
i) Advances Recoverable in cash or in kind or for value to be received	184.30	157.15
ii) Advance Payment of Taxes net of provision	16.06	-
iii) Outstanding Receipts- Others	74.47	64.07
iv) Due from forex dealer	2.17	-
b) Prepaid Expenses	8.59	10.33
c) Loans and Advances to Employees	15.79	7.67
	<u>301.39</u>	<u>239.22</u>

Note 19(a) (i)

An amount of ₹ 47.67 lacs on account of expenses towards proposed Right Issue expenses. The same will be charged off against Securities Premium as and when the issue is actually made.

Note 20

Revenue from operations

	2011-12	2010-11
	₹ in Lacs	₹ in Lacs
a) Sale of products	8422.11	8068.18
Less: Excise Duty	626.42	663.14
	7795.69	7405.04
b) Other Operating Revenue		
Income from Wind Farm	127.82	107.57
	7923.51	7512.61

Note 21

OTHER INCOME

	2011-12	2010-11
	₹ in Lacs	₹ in Lacs
a) Interest Income	15.28	4.00
b) Miscellaneous Income	1.74	4.38
c) Sundry Creditors Credit Balance written back	-	2.32
d) Other Non Operating Income		
i) Provision for expenses no Longer Required	1.93	-
ii) Profit / (Loss) on Sale of Assets	8.89	-
	27.84	10.70

Note: 21(b) Miscellaneous Income Includes:

Dividend from Non-Trade Investments ₹.0.30 lacs(Previous year ₹.0.21 lacs)

Note 22

COST OF RAW MATERIAL CONSUMED

	2011-12	2010-11
	₹ in Lacs	₹ in Lacs
Stock at the beginning of the year	1672.92	1730.70
Add: Purchases	4516.09	5240.91
	6189.01	6971.61
Less: Stock at the end of the year	919.75	1672.92
Cost of Raw Materials Consumed	5269.26	5298.69

Note 23

COST OF TRADED GOODS SOLD

	2011-12	2010-11
	₹ in Lacs	₹ in Lacs
Stock at the beginning of the year	0.00	0.00
Add: Purchases	572.69	135.60
	572.69	135.60
Less: Stock at the end of the year	0.00	0.00
Cost of Traded Goods Sold	572.69	135.60

Note 24

(Increased)/Decreased Inventories of finished goods and work - in - progress

	2011-12	2010-11
	₹ in Lacs	₹ in Lacs
a) (Increased)/Decreased in inventories of Goods Manufactured and Material in Process		
Stock as at beginning of the year	1175.42	860.74
Stock as at end of the year	1008.88	1175.42
	166.54	(314.68)
b) Increased/(Decreased) on account of inclusion of Excise Duty on Finished goods stock	(8.87)	30.10
	157.67	(284.58)

Note 25

EMPLOYEE BENEFIT EXPENSES

	2011-12	2010-11
	₹ in Lacs	₹ in Lacs
a) Salaries and Wages	310.16	331.37
b) Contribution to Provident and other funds	39.12	54.51
c) Staff Welfare Expenses	36.66	41.31
	385.94	427.20

Note 26
FINANCE COST

	2011-12 ₹ in Lacs	2010-11 ₹ in Lacs
a) Interest Expense		
(i) On Cash Credit Accounts	132.77	105.63
b) Other Borrowing costs		
(i) Interest on Other Borrowings	166.77	78.51
(ii) Interest on Fixed Deposits	56.43	53.65
(iii) Finance Charges to Bankers	17.05	14.21
	<u>373.02</u>	<u>252.01</u>
Less: Interest Capitalised *	88.60	40.81
	<u>284.42</u>	<u>211.19</u>

* The Company has capitalised interest of ₹ 88.60 lacs paid on acquisition of certain qualifying assets relating to Dahej Project in terms of Accounting Standard AS-16

Note 27
OTHER EXPENSES

	2011-12 ₹ in Lacs	2010-11 ₹ in Lacs
I. Manufacturing Expenses		
(a) Stores, Spares and Packing Material Consumed	98.78	114.01
(b) Electricity Power, Fuel and Water	685.74	550.89
(c) Repairs to Machinery	114.13	108.03
(d) Repairs to Building	21.67	39.96
(e) Other Repairs	15.24	21.44
(f) Production Expenses	124.91	100.96
(g) Other Factory Expenses	34.36	30.25
	<u>1094.83</u>	<u>965.53</u>
II. Administrative Expenses		
(a) Stationery, Postage, Telephone & Advertisement	24.85	25.54
(b) Rent, Rate & Taxes	5.06	6.00
(c) Insurance	9.38	8.88
(d) Professional Charges	42.20	40.71
(e) Directors' Fees & Commission	4.70	7.29
(f) Loss on Fixed Assets Discarded/sold	-	0.15
(g) Travelling & Motor Car Expenses	30.54	52.84
(h) Freight & Forwarding	60.80	63.67
(i) Commission & Discount	56.09	61.77
(j) Exchange Loss (Net)	89.60	47.34
(k) Bad debts/ Sundry Advances written off	0.33	8.38
(l) General & Administrative Expenses	38.74	37.29
	<u>362.29</u>	<u>359.86</u>
	<u>1457.12</u>	<u>1325.39</u>

Note 27 (ii)(d) Professional Charges includes Auditors remuneration

	2011-12 ₹ in Lacs	2010-11 ₹ in Lacs
- Audit Fees	4.27	4.19
- Tax Audit Fees	0.84	0.83
- For Reviews and Certification Work	3.50	3.67
- Reimbursement of Out of Pocket Expenses	0.13	0.28
	<u>8.74</u>	<u>8.97</u>

**Note 28
EARNING PER SHARE**

		2011-12 ₹ in Lacs	2010-11 ₹ in Lacs
Basis and Diluted EPS			
A. Profit / (Loss) computation for diluted Earnings Per Share of ₹ 1/-each			
Net Profit / (Loss) as per Statement of Profit & Loss available for			
Equity Shareholders	₹ in Lacs	(297.36)	138.22
B. Weighted average number of Equity Shares for			
EPS computation	(Nos.)	4519698	4519698
Basis and Diluted EPS (before and after Extraordinary Items)	₹ in Lacs	(6.58)	3.06

**Note 29
Contingent Liabilities not provided for:**

	Year Ended 31.03.2012 ₹ in Lacs	Year Ended 31.03.2011 ₹ in Lacs
(1) Bank Guarantees Outstanding	27.80	29.03
(2) Claims against the Company not acknowledged as debt:		
(a) Tax Demands under appeal:		
i) Excise Duty demanded by Commissioner of Central Excise,	12.65	12.65
ii) Custom Duty demanded by Assistant Commissioner of Customs	18.22	18.22
iii) Custom Duty levied by Collector of Customs *	44.60	44.60
* (The Company has preferred an appeal with CESTAT against the above demand in respect of validity of DEPB licenses. The Company has also deposited an amount of ₹ 28 lacs shown as recoverable "Long Term Loans & Advances" & has furnished bank guarantee for the balance of demand.)		
iv) Excise Duty demanded by Commissioner of Central Excise, Thane-I**	272.31	-
** (The Company has preferred an appeal with CESTAT against the above demand and unconditional stay on the demand has also been granted by the CESTAT.)		
(b) Others	7.69	7.69
(c) Some of the retrenched employees of Export Oriented Unit (EOU) of the erstwhile Timber Division have not accepted the retrenchment compensation offered by the company on the closure of the unit and matter is in the court. The amount as offered by the company has been duly provided for and as per legal opinion the possibility of any further liability is remote. The additional liability if any is presently not ascertainable.		

30 Segment Reporting

- (i) The Company has disclosed Business Segment as the primary segment. Segments have been identified taking into account the nature of the products, the differing risks and returns, the organisation structure and internal reporting system.
- (ii) The company 's operations predominantly relate to manufacture of Boron Based Chemicals and Wind Power Generation.
- (iii) The Company caters mainly to the need of domestic market. The export turnover is not significant in the context of total turnover. As such, there are no reportable geographical segments.
- (iv) Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis.\
- (v) The expenses , which are not directly attributable to the business segment, are shown as unallocated corporate cost. Assets and Liabilities that cannot be allocated between the segments are shown as a part of unallocated corporate assets and liabilities respectively.
- (vi) Inter Segment transfer pricing policy is at ex-work price.

₹ in Lacs

Particulars	Chemical 2011-12 2010-11	Wind Mill Farm 2011-12 2010-11	Unallocated 2011-12 2010-11	Total 2011-12 2010-11
REVENUE				
External Sales				
Domestic Sales (Including excise duty)	7746.16	127.82		7873.98
	7741.61	107.57		7849.18
Less:- Excise duty on sale	626.42	0.00		626.42
	663.14	0.00		663.14
Domestic Sales (Excluding excise duty)	7119.74	127.82		7247.56
	7078.47	107.57		7186.04
Export Sales	675.95			675.95
	326.57			326.57
Total Sales	7795.69	127.82	0.00	7923.51
	7405.04	107.57	0.00	7512.61
Miscellaneous Revenue	10.33	1.93	0.00	12.26
	5.56	0.93		6.49
Total Segment Revenue	7806.02	129.75	0.00	7935.77
	7410.60	108.50	0.00	7519.10
RESULT(Profit before Interest and Corporate Expenses)				
Segment Result	(96.04)	34.88		(61.16)
	457.34	12.52		469.86
Unallocated Corporate Expenses			(52.15)	(52.15)
			(54.25)	(54.25)
Operating Profit (After Corporate Expenses)				(113.31)
				415.61
Finance Cost				(284.42)
				(211.19)
Interest Income				15.28
				4.00
Dividends received				0.30
				0.21
Income Taxes:-				
Current Tax				(0.69)
				(99.06)
Deferred Tax (Assets) /Liabilities				(85.48)
				(28.65)
NET PROFIT/(LOSS)				(297.36)
				138.22

₹ in Lacs

Particulars	Chemical 2011-12 <i>2010-11</i>	Wind Mill Farm 2011-12 <i>2010-11</i>	Unallocated 2011-12 <i>2010-11</i>	Total 2011-12 <i>2010-11</i>
OTHER INFORMATION				
Segmental Assets	6254.75	567.28	-	6822.03
	<i>5801.33</i>	<i>568.73</i>	-	<i>6370.06</i>
Unallocated corporate assets			0.53	0.53
			<i>0.61</i>	<i>0.61</i>
Total Assets				6822.56
				<i>6370.67</i>
Segmental Liabilities	1643.75	2.39	-	1646.14
	<i>1614.73</i>	<i>1.08</i>	-	<i>1615.81</i>
Unallocated Corporate Liabilities			-	0.00
			<i>114.00</i>	<i>114.00</i>
Total Liabilities				1646.14
				<i>1729.81</i>
Capital Expenditure	628.83	0.00	-	628.83
	<i>347.98</i>	<i>0.00</i>	-	<i>347.98</i>
Depreciation	154.72	51.58	0.10	206.40
	<i>149.71</i>	<i>51.44</i>	<i>0.03</i>	<i>201.18</i>
Non-cash expenses other than depreciation				
Bad debts/Sundry receivable written off				0.00
				<i>8.38</i>
Total Assets excludes				
Investments				25.51
				<i>25.44</i>
Advance Tax (Net of Provision)				16.06
				<i>0.00</i>
Total liabilities excludes				
Secured Loans				1115.08
				<i>902.32</i>
Unsecured Loans				2529.62
				<i>1838.02</i>
Deferred Tax Liabilities				154.58
				<i>240.05</i>
<i>(Figures in italics denote previous year figures)</i>				

31 Related Party disclosures for year ended 31st March, 2012

(1) Relationships:

- | | |
|--|---|
| a) Companies where Control Exists | : The Dharamsi Morarji Chemical Co.Ltd. |
| | : L.P.Gas Equipment Pvt. Ltd. |
| | : Kosan Industries Pvt. Ltd. |
| | : Phoenix Distributors Pvt. Ltd. |
| | : The Natural Gas Co.Pvt. Ltd. |
| | : Jasraj Trading Company |
| | : Bombay Foods Pvt. Ltd. |
| | : L.P.Gas Transport & Bottling Co. Pvt. Ltd. |
| | : Gocul Gas Pvt.Ltd. |
| | : Autogas Conversion (India) Pvt.Ltd. |
| | : B.S.and Services Pvt. Ltd. |
| | : Falcon Chemical LLC |
| b) Key Management Personnel | : Mr.H.T.Kapadia, Chief Executive Officer (C E O) |
| | : Mr. L.N.Goculdas,Chairman |
| c) Relatives of Key Management Personnel & their enterprises where transactions have taken place | : Mrs. Kanta H. Kapadia (Wife of C E O) |

	Related Party as per (a)		Related Party as per (b) & (c)	
	2011-12 ₹ in Lacs	2010-11 ₹ in Lacs	2011-12 ₹ in Lacs	2010-11 ₹ in Lacs
1. Transactions with companies referred in 1(a) above				
Purchase/Sale of goods (Finished or unfinished):				
a) Purchase of goods	124.35	61.74	-	-
b) Sale of goods	18.94	0.06	-	-
Purchase/Sale of Fixed Assets	16.67	-	-	-
Rendering or receiving of services	17.22	17.41	-	-
Finance (including loans & Equity contribution in cash or in kind):				
Inter Corporate Deposit Received	60.00	-	-	-
Interest Received / Receivable	-	-	-	-
Outstandings at the end of the year	265.58	37.82	-	-
2. Transactions with key managerial personnel/relatives referred to in 1(c) and 1(d)above	-	-	-	-
Interest paid / payable	-	-	0.81	0.87
Fixed Deposits received	-	-	7.09	8.09
Loan from Directors Received	-	-	270.00	100.00
Loan from Directors Repaid	-	-	-	100.00
Sitting Fees Paid to Directors	-	-	1.00	1.00
Commission to Directors	-	-	-	0.87
Remuneration to C E O	-	-	19.19	24.01
Outstandings at the end of the year	-	-	370.00	100.00

Note: Related party relationship is as identified by the Company and relied upon by the Auditors.

For K.S.Aiyar & Co.
Chartered Accountants
Registration No. 100186W

Rajesh Joshi
Partner
Membership No. 38526
Mumbai, 30th May, 2012

L.N.Goculdas	<i>Chairman</i>
S.K.Diwanji	<i>Director</i>
R.Sanghi	<i>Director</i>
S.V.Joshi	<i>Director</i>
Mitika L. Goculdas	<i>Director</i>
B.L. Goculdas	<i>Managing Director</i>
D.S. Nagle	<i>Company Secretary</i>
S.R. Mohite	<i>General Manager-Finance</i>

Mumbai, 30th May, 2012

STATEMENT REGARDING SUBSIDIARY COMPANIES PURSUANT TO SECTION 212(1)(e) OF THE COMPANIES ACT, 1956

Name of the Subsidiary Company	Financial Year of the Subsidiary Company Ended on	Extent of Holding Company's Interest	The Net aggregate amount of the Subsidiary Company Profit/(Loss) so far as it concerns the members of Borax Morarji Limited. (Amount in Rupees)				Material changes, if any, between the end of the financial year of the Subsidiary Company and the Holding Company.
			Not dealt with in the Holding Company's Account		Dealt with in the Holding Company's Account		
			For the Financial year of the Subsidiary	For the previous Financial year since they became Subsidiary	For the Financial year of the Subsidiary	For the previous Financial year since they became Subsidiary	
Borax Morarji (Europe)GmbH	31st Dec. 2011	100%	1.39	1.04	NIL	NIL	NIL

Particulars required under section 212 of the Companies Act, 1956 in respect of subsidiaries

	As At 31st,December 2011 ₹ in Lacs	As At 31st,December 2010 ₹ in Lacs
a) Capital	16.94	15.86
b) Reserves	1.69	1.66
c) Total Assets	35.39	17.74
d) Total Liabilities	35.39	17.74
e) Details of Investments	-	-
f) Turnover	196.60	112.21
g) Profit before Tax	2.09	1.09
h) Provision for Tax	0.69	0.59
i) Profit after Tax	1.39	1.03
j) Proposed Dividend	-	-

Notes:

- (a) Assets & Liabilities are translated of closing rates @ ₹ 67.77/-. Revenue & Expenses are translated at average rates @ ₹ 66.24/- during the year.
- (b) The Ministry of Corporate Affairs, Government of India vide its General Circular No. 2/2011 No. 51/12/2007-CL-III dated February 08, 2011 read with General Circular No.3/2011 dated February 21,2011 issued under section 212(8) of the Companies Act, 1956 has granted general exemption to Companies from attaching the Balance Sheet and Profit and Loss Account of its Subsidiaries under Section 212(1) of the Companies Act, 1956 and clarified that this exemption is applicable for accounts prepared on or after March 31, 2012.

For K.S.Aiyar & Co.
Chartered Accountants
Registration No. 100186W

Rajesh Joshi
Partner
Membership No. 38526
Mumbai, 30th May, 2012

L.N.Goculdas	<i>Chairman</i>
S.K.Diwanji	<i>Director</i>
R.Sanghi	<i>Director</i>
S.V.Joshi	<i>Director</i>
Mitika L. Goculdas	<i>Director</i>
B.L. Goculdas	<i>Managing Director</i>
D.S. Nagle	<i>Company Secretary</i>
S.R. Mohite	<i>General Manager-Finance</i>

Mumbai, 30th May, 2012

BORAX MORARJI LIMITED

Registered Office:

PROSPECT CHAMBERS, 317/21, DR.D.N ROAD, MUMBAI - 400 001.

Reg. Folio / Client I.D. No.

No. of Shares held.....

FORM OF PROXY

I/We

of being a member/members

of the above - named Company hereby appoint

..... of

or failing him..... of

as my / our proxy to vote for me / us on my / our behalf at the Forty Eighth Annual General Meeting of the Company to be held on Monday, 24th September, 2012 and at any adjournment thereof.

Signed this day of 2012

Signature



BORAX MORARJI LIMITED

Registered Office:

PROSPECT CHAMBERS, 317/21, DR.D.N ROAD, MUMBAI - 400 001.

ATTENDANCE SLIP

Please complete this Attendance Slip and hand it over at the entrance of the Meeting Hall.

Reg. Folio/Client I.D. No

NAME OF THE SHAREHOLDER / PROXY*

ADDRESS

No. of shares held:

I hereby record my presence at the Forty Eighth Annual General Meeting of the Company on Monday, 24th September, 2012 at 11.30 a.m at Indian Merchants' Chamber Conference Hall, (Walchand Hirachand Hall) IMC Marg, Churchgate, Mumbai - 400 020.

SIGNATURE OF THE SHAREHOLDER / PROXY*

*Strike out whichever is not applicable.

BOOK - POST

If undelivered please return to:

BORAX MORARJI LIMITED

Prospect Chambers,
317/21, Dr. D. N. Road,
Mumbai 400 001.