



ANNUAL REPORT

OF

GARODIA CHEMICALS LIMITED

FOR THE YEAR

2010 - 2011

NOTICE

NOTICE IS HEREBY GIVEN THAT ANNUAL GENERAL MEETING OF THE MEMBERS OF GARODIA CHEMICALS LIMITED WILL BE HELD ON FRIDAY, 30TH SEPTEMBER, 2011 AT 11:00 A.M AT 149/156, GARODIA SHOPPING CENTRE, GARODIA NAGAR, GHATKOPAR (EAST), MUMBAI - 400077 TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2011, the Profit And Loss Account for the year ended on that date and the Report of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Kunal Naik, who retires by rotation and, being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Brian Fernandes, who retires by rotation and, being eligible offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration and in this regard to consider and, if thought fit to pass with or without modification(s), the following resolution as Ordinary Resolution:

“RESOLVED THAT M/s Milind Mehta & Co., Chartered Accountants, be and is hereby re-appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as may be fixed by the Board of Directors of the Company”.

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PORXIES TO ATTEND AND VOTE ON A POLL ONLY, INSTEAD OF HIMSELF AND A PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.**
2. Members/proxies should bring duly filled attendance slip sent herewith to attend the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain close from Friday 23rd September, 2011 to Friday 30th September 2011 (both days inclusive).
4. Members holding shares in physical form are requested to notify the change, if any, in their address and blank mandate details to the Registrar and Share Transfer Agent, Link Intime India Pvt Ltd, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai 400078.
5. Members are requested to bring their copy of the Annual Report to the Annual General Meeting.
6. Members seeking any information on the Accounts are requested to write to the Company, which should reach the Company at least one week before the date of the Annual General Meeting so as to enable the Management to keep the information ready. Replies will be provided only at the Annual General Meeting.

Date: 2nd September, 2011

Place : Mumbai

By order of the Board of Directors

Sd/-

Nishant Garodia

Director

DIRECTORS REPORT

The Members of Garodia Chemicals Ltd.

Your Directors have pleasure in presenting their Annual Report along with Audited accounts for the year ended 31st March, 2011.

1. PERFORMANCE:-

PARTICULARS	2010-11	2009-10
Gross Income	3,07,800.00	0.00
Total Expenditure	20,88,161.00	14,65,320.00
Loss for the year	-17,80,361.00	-14,65,320.00
Add- B/ F Losses	15,50,68,132.00	15,36,02,812.00
Loss carried to Balance sheet	15,68,48,493.00	15,50,68,132.00

2. DIVIDEND:

In view of losses, your Directors do not recommend any dividend.

3. PERFORMANCE DURING THE CURRENT YEAR:

In view of heavy losses accrued over the years & the Company's activities have come to a stand still.

4. DEPOSIT FROM PUBLIC:

The Company has not accepted any deposits from the members of the public as defined in section 58A of the Company's Act 1956.

5. PARTICULARS OF EMPLOYEES:

Provisions of section 217 (2A) of the Companies Act 1956 read with companies (Particulars of Employees) Rules 1975 are not attracted in respect of any employees of the Company.

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

Considering Nature of business of your Company no comment is made on the energy consumption and technology absorption.

7. FOREIGN EXCHANGE EARNINGS AND OUTGO

There was no Foreign Currency earning & expenditure during the year.

8. DIRECTORS RESPONSIBILITY STATEMENT:

Directors hereby confirm that:

- 1) In preparation of annual accounts applicable Accounting Standards had been followed with proper explanation relating to material departures
- 2) That the directors 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 at the end of the financial year and of the profit or loss of the company for that period;
- 3) That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- 4) That the directors had prepared the annual accounts on a going concern basis.

9. DIRECTORS:

There is no change in Board of Directors of Company.

10. REPLY TO QUALIFICATIONS IN AUDITORS REPORT:

With respect to Auditors qualification in their report dated 8th September, 2006, explanation given by directors is as follows:

Point No.4(a), 4(b) and 4(d)

The documents got misplaced due to some reasons. However the Company has made an application to receive Duplicate documents.

Point No.4(e)

None of the directors of the Company are disqualified under Section 274(1)(g) of the Companies Act, 1956.

Point No.4(f)

The documents got misplaced due to some reasons. However the Company has made an application to receive Duplicate documents. The management is in process of obtaining confirmations.

10. AUDITORS:

M/s. Milind Mehta & Co., Chartered Accountants retire at the conclusion of the ensuing Annual General Meeting and being eligible offers themselves for the re-appointment. The Board of Directors recommends the re-appointment of M/s. Milind Mehta & Co. as Statutory Auditors of the Company.

11. ACKNOWLEDGMENT:

The Directors take this opportunity to thank shareholders, bankers and auditors for their support & co- operation to the Company. The directors wish to place on record their appreciation for dedication of employees of Company.

Place: Mumbai.

Date: 2nd September, 2011

For and On Behalf of Board of Directors

Sd/-
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE & DEVELOPMENTS:

Garodia Chemicals Limited is the manufacturer of chemicals. The Company has heavy accumulated losses due to hefty competition from China Market and has also suspended the manufacturing activities. Because of which your company could not do any thing, but to wait for the market and other conditions to revive.

OPPORTUNITIES & THREATS:

Due to the heavy competition and hefty losses, the Company has stopped its manufacturing activities and closed its plant as well. The Company has made a loan application with Central Bank of India but the bank has refused the same. The company is now waiting for an opportunity to make good all the losses and restart its manufacturing activities.

SEGMENT REPORTING:

This reporting does not apply to the company since your Company has revenues/losses coming from only one segment.

OUTLOOK:

The management of the Company is planning to come out of this situation.

RISKS AND CONCERNS:

All the promises which management is making, depends on the strength of the shareholders and the confidence, which they have bestowed on the management.

As on date there are many complaints received by us from the shareholders, but the Company is in the process of complying with the compliances and are confident of solving all the problems of non compliances with all the Governmental Authorities in near future along with the shareholders of the Company.

INTERNAL CONTROL SYSTEM & ADEQUACY:

Considering the sales volume of your Company, there is no system developed for internal audit for your company at this juncture.

DISCUSSION ON FINANCIAL PERFORMANCE:

The company had incurred huge losses and financial liabilities, however is confident to come out of all the problems and will try to restart its manufacturing activities in near future.

HUMAN RESOURCES / INDUSTRIAL RELATIONS:

The relation between the employees and the Company remained cordial through out the year.

CAUTIONARY STATEMENT:

Details given hereinabove relating to various activities and future plans may be “forward-looking statements” within the meaning of applicable laws and regulations. Actual performance may differ substantially or materially from those expressed or implied. The Company may need to change plans or other projections due to changes in Govt. policies, tax laws and other incidental factors.

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY

The Company believes in adopting the Best Global Practices in the area of Corporate Governance and follows the principles of full transparency and accountability, thereby protecting the interest of all the stakeholders.

The Board considers itself a Trustee of all Shareholders & acknowledges its responsibilities to the Shareholders for creating & safeguarding Shareholder's Wealth. During the year under review, the Board continued its pursuit of achieving these objectives through the adoption and monitoring of corporate strategies, prudent business plans, monitoring of major risks of the Company's business and ensuring that the Company pursues policies and procedures to satisfy its legal & ethical responsibilities.

2. BOARD OF DIRECTORS

The Board of Directors provides strategic direction & thrust to the operation of the Company. The Board has a Non – Executive Chairman & three other Directors. Out of these, two members are independent directors. Normally the meetings of the Board are held at Mumbai, dates of which are decided in advance. The members of the Board have access to all information and record of the Company. Senior officials are invited to attend the meetings and provide clarification as and when required.

During the financial year, 5 Board meetings were held on April 28, 2010, July 28, 2010, September 3, 2010, October 28, 2010 and January 27, 2011.

The details of constitution of Board of Directors as on March 31, 2011 are as under:

Name of the Director	Category	No. of Board Meeting Attended	Attendance at Last AGM	No. of Directorship in other public limited Companies	Committee positions in other Companies*	
					Chairman	Member
Mr. Mahesh Garodia <i>Chairman</i>	Non-Executive & Non-Independent Director	5	Yes	Nil	Nil	Nil
Mr. Nishant Garodia	Executive Director	5	Yes	Nil	Nil	Nil
Mr. Kunal Naik	Non-Executive & Independent Director	5	Yes	Nil	Nil	Nil
Mr. Brian Fernandes	Non-Executive & Independent Director	5	Yes	Nil	Nil	Nil

* Only Audit Committee and Shareholders'/Investors' Grievance Committee positions are considered.

RESPONSIBILITIES OF THE BOARD

The Board reviews periodically the performance of the Company, action taken on recovery of overdues and quarterly compliance of Corporate Governance and listing requirements.

During the year, the Board of Directors of the Company have approved and laid down a code of conduct applicable for all the Board Members and the Employees of the Company. Further all Board Members and the Employees of the Company have affirmed their adherence to the code.

3. AUDIT COMMITTEE

During the financial year, 5 Audit Committee meetings were held on April 28, 2010, July 28, 2010, September 3, 2010, October 28, 2010 and January 27, 2011.

Constitution of Audit Committee & related information

Name of the Director	Category	No. of Meetings attended during the financial year ended 31 st March, 2011
Mr. Kunal Naik <i>Chairman</i>	Non Executive & Independent Director	5
Mr. Nishant Garodia	Executive Director	5
Mr. Brian Fernandes	Non Executive & Independent Director	5

The role, powers and functions of the Audit Committee are as per Section 292A of the Companies Act, 1956 and guidelines stated in the revised Clause 49 of the Listing Agreement.

4. REMUNERATION COMMITTEE

The company has not yet constituted Remuneration Committee. This will be constituted on need basis.

5. REMUNERATION OF DIRECTORS

None of the Non-Executive as well as Executive Director has been paid any sitting fees, remuneration or compensation during the financial year.

6. SHAREHOLDERS / INVESTOR GRIEVANCES COMMITTEE

The Board has constituted an Investor grievance committee consisting of Mr. Kunal Naik as Chairman and Mr. Nishant Garodia. The Committee looks into grievances of the investors of the Company.

Investor Grievance Committee meeting was not held during the financial year.

7. GENERAL BODY MEETINGS

AGM for the Financial Year	Location of holding AGM	Date and Time of AGM
2009 – 2010	Registered Office	30 th September, 2010 at 11.00 a. m.
2008 – 2009	Registered Office	30 th September, 2009 at 11.00 a. m.
2007 – 2008	Registered Office	30 th September, 2008 at 11.00 a. m.

8. DISCLOSURES

- There are no materially significant transactions made by the Company with its Promoters, Directors or Management, their subsidiaries or relatives etc. that may have a potential conflict with the interest of the Company at large. The Register of Contracts containing transactions in which Directors are interested is placed before the Board regularly for its approval.
- During last three years, no penalties were imposed on the Company. However, there were little non-compliance by the Company and strictures were imposed on the company by Stock Exchange or SEBI on the matters related to capital markets, during the last three years.
- The Company has been providing the Chairman of the Company with the resources required to implement his role.

- The Company has a Code of Conduct for its employees. The Board members and Senior Management personnel of the Company affirm that they have complied with this code.
- The Company has suspended its manufacturing activities and closed down its plant.

9. MEANS OF COMMUNICATION

The Company has approved the quarterly, half-yearly and annual results but failed to publish the same in the news papers.

10. GENERAL SHAREHOLDER INFORMATION

AGM date, time and venue	30 th September, 2011 at 11:00 a.m. at 149/156, Garodia Shopping Centre, Garodia Nagar, Ghatkopar (East), Mumbai 400 077.
Financial Year	1 st April to 31 st March
Date of Book closure	23 rd September till 30 th September 2011 (both days inclusive).
Dividend Payment Date	No Dividend declared
Listing on Stock Exchanges	Bombay Stock Exchange (BSE)
Stock Code	530161 on BSE
Market Price Data	Equity shares are suspended from trading on BSE.
Registrar and Transfer Agents	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078 Tel No.(022) 2596 3838 Fax No.(022) 2594 6969

SHARE TRANSFER SYSTEM:

In order to expedite the process of share transfer, the Board has delegated the power of transfer of shares to Mr. Nishant Garodia who considers and approves transfers every fifteen days.

DISTRIBUTION OF SHAREHOLDING

The distribution of shareholding as on March 31, 2011 was as under:

Nominal value of Shareholding	No. of Shareholders	% of Shareholders	Share Amount	% of Share Amount
Upto 500	7,138	92.0201	10,504,000	14.5885
501 to 1000	291	3.7515	2,516,000	3.4943
1001 to 2000	118	1.5212	1,890,000	2.6249
2001 to 3000	89	1.1474	2,247,000	3.1207
3001 to 4000	18	0.2320	654,000	0.9083
4001 to 5000	27	0.3481	1,335,000	1.8541
5001 to 10000	31	0.3996	2,435,000	3.3819
10001 and above	45	0.5801	50,421,000	70.0272
Total:	7757	100.00	72,002,000	100.00

SHAREHOLDING PATTERN AS ON MARCH 31, 2011

Category	No. of shares held	Percentage of shareholding
A. Promoters' Holding		
1. Promoters		
-- Indian Promoters	3532000	49.05
--- Foreign Promoters	-	-
2. Person acting in Concert	-	-
Sub - Total	3532000	49.05
B. Non – Promoters' Holding		
3. Institutional Investors		
a. Mutual Funds and UTI	-	-
b. Banks, Financial Institutions, Companies (Central/State Govt. Institutions/Non-Govt. Institutions)	952700	13.23
c. FII's	-	-
Sub - Total	952700	13.23
4. Others		
a. Private Corporate Bodies	188600	2.62
b. Indian Public	1882400	26.15
c. NRIs/NRRs/ OCBs	644500	8.95
d. Any Other	-	-
Sub – Total	2715500	37.72
Grand Total	7200200	100.00

DEMATERIALIZATION OF SHARES AND LIQUIDITY

The Company is yet to provide dematerialization facility to its shareholders.

Outstanding GDR/ADR/Warrants or any Convertible Instruments, conversion dates and likely impact on equity.

Not Applicable

Plant locations: Not Applicable

Address for Correspondence

Mr. Nishant Garodia
149/156, Garodia Shopping Centre,
Garodia Nagar, Ghatkopar (East),
Mumbai 400 077
Tel No.67983683
Fax No.66716149
Email: investorsrelation@gchem.co.in

11. NON - MANDATORY REQUIREMENTS

The Board

The Chairman has not sought any reimbursement of expenses incurred for maintenance of his office or performance of his duties. The Board ensures before appointment of Independent Directors that they have the requisite qualifications and experience that would be of use to the Company and would enable them to contribute effectively to the Company in their capacity as Independent Directors.

Shareholders' Rights

The quarterly, half-yearly and annual financial results are not published in the newspapers. In view of this, the Company does not send the financial results to the shareholders separately.

Training and Evaluation

The training of Board members and evaluation of performance of Non-Executive Directors as envisaged under Clause 49 of the listing agreement will be considered as and when such need arises.

Whistle Blower Policy

The Company has not yet adopted whistle blower policy mechanism. This would be evaluated and adopted on need basis.

Declaration

I hereby declare that the Directors and Senior Management Personnel including all functional heads of the Company have affirmed compliance with the Code of Conduct, as applicable to them, for the year ended March 31, 2011.

Place: Mumbai

Date: September 2, 2011

Nishant Garodia
Director

Certificate on compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement

To the Members of
Garodia Chemicals Limited

We have examined the compliance of conditions of Corporate Governance by Garodia Chemicals Limited for the year ended March 31, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.

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

In our opinion and to the best of my information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We 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.

Makarand M. Joshi
Practicing Company Secretary
Membership No.: FCS 5533
C.P. No.: 3662

Place : Mumbai

Date :September 2, 2011

AUDITORS' REPORT

The Members of Garodia Chemicals Ltd.,

- 1) We have audited the attached Balance-Sheet of **Garodia Chemicals Ltd.** as at 31st March, 2011, the Profit & Loss Account and also 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 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 also 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 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 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 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 except nondisclosure of information and inadequate documents in respect of investments as stated in Note No.13 of Schedule 15;
 - (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 except short provision of interest expense on loans and borrowings taken from Central Bank of India and Aashka Holdings Pvt. Ltd.(Originally borrowed from IDBI) as stated in Note No.10 & 11 of Schedule 15 ;
 - (c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account ;
 - (d) In our opinion, the Balance Sheet and Profit and Loss Account 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 except AS-2 valuation of inventories.
 - (e) In absence of adequate information, we are unable to state whether any of the directors is disqualified as on 31st March, 2011 from being appointed as director of the Company in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - (f) Attention is also invited to the following notes in Schedule 15 :
 - i) Note No.2, relating to transfer of rights of IDBI to Aashka Holdings Pvt. Ltd ;
 - ii) Note No.8, non-maintenance of proper records relating to Fixed Assets and no physical verification of fixed assets :

- iii) Note No.10, relating to shortfall of Rs.2,54,15,443/- in provision made for interest payable to Central Bank of India ;
 - iv) Note No.11 shortfall of Rs.9,47,86,684/- in provision made for interest payable to Aashka Holdings Pvt. Ltd, (Originally borrowed from IDBI);
 - v) Note No.13, inadequate documents in respect of investments ;
 - vi) Note No.14, relating to non provision for unrealizable value of inventories of Rs.39,33,400/- ;
 - vii) Not No.15, unconfirmed debtors and creditors balances and non provision of debts considered doubtful ;
 - viii) Note No.16, relating to inadequate documents in respect of advances and deposits ;
 - ix) Note No.19, regarding assumption of going concern. However, under the facts and in the circumstances, we are unable to express our opinion on the same.
- (g) Subject to what is stated in para 4(a), 4(b), 4(d) & 4(f) above, in our opinion and to the best of our information and according to the explanations given to us, the said accounts read with other 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, 2011 ;
 - ii) In case of the Profit and Loss Account, of the Loss for the year ended on that date.
 - iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

**For MILIND MEHTA & CO,
CHARTERED ACCOUNTANTS,
(Registration No.129664W)**

**(MILIND K MEHTA)
PROPRIETOR
MEMBERSHIP NO.47739**

**PLACE OF SIGNATURE : MUMBAI
DATE : 2nd September, 2011.**

Annexure

REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

- i) a) The Company has not maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) As per the information and explanation given to us, these fixed assets have not been physically verified by the management. In view of the same, we do not offer any comment on any material discrepancy which may be noticed on physical verification.
 - c) As per the information and explanation given to us, Company has not disposed off substantial part of fixed assets during the year.
- ii) (a) As per the information and explanations given to us, no physical verification of inventories has been conducted by the management.
 - (b) As per the information and explanation given to us, the inventories as reflected in Schedule 7 have no realizable value, the proper procedure of physical verification of inventories has not been followed by the management.
 - (c) As per the information and explanation given to us, the company is not Maintaining any records of inventories and hence, no further comments are Offered on the material discrepancy.
- iii) (a) to (d) The company has not granted loans to companies, firms or other parties covered in register maintained u/s. 301 of the Companies Act, 1956. Hence, sub-clauses (iii) (a), (iii) (b) and (iii) (d) are not applicable to the Company.
 - (e) The company has taken unsecured loans from one company, two directors and two other parties covered in the register maintained u/s. 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.1,22,73,737/- Such loans are interest free loans.
 - (f) In our opinion the terms and conditions on which loans have been taken are not prejudicial to the interest of the company.
 - (g) There is no stipulation for repayment of loans and hence, we do not offer further comments thereon.
- iv) The Company has not made any transactions relating to purchase of inventories, fixed assets and sale of goods and services during the year under reference. Hence, clause 4(iv) of the order is not applicable to the company.
- v) (a) According to the information and explanations given to us, the company has not entered in any contract and arrangement that need to be entered into the register maintained u/s. 301 of the Companies Act, 1956 during the year under reference. Hence, clause 4(v) (a) of the order is not applicable to the company.
 - (b) As per the information and explanations given to us, the company has not made any transactions in pursuance of contracts or arrangements entered in the register maintained u/s. 301 of the Companies Act, 1956 exceeding the valued of Rs.5 lakhs in respect of any party during the year and hence the clause 4(v) (b) of the Order is not applicable to the company.

- vi) The Company has not accepted and deposits from the public. Therefore, the clause 4(vi) of the Order is not applicable to the company.
- vii) As per the information and explanations given to us, the Company has suspended its manufacturing activities and in view of the same, the company does not have Internal audit system commensurate with the size and nature of its business.
- viii) In view of the suspension of the manufacturing operations, the cost records and accounts prescribed by the Central Governments. u/s. 209(1) (d) of the Companies Act, 1956 have not been made and maintained by the company.
- ix) (a) In view of the suspension of the manufacturing operations for last number of years, according to the records of the Company, the Company is no liable to make any deposits of statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurances, Income-Tax, Sales-Tax, Wealth – Tax, Service-Tax, Customs Duty, Excise Duty, Cess and other statutory dues with appropriate whichever is applicable.

(b) According to the information and explanations given to us, there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at 31st March, 2011 for a period more than six months from the ate they became payable.
- x) According to the information and explanations given to us, the accumulated losses as at 31st March, 2011 are exceeding the net worth of the company and it has incurred cash losses during the year covered by our audit and in the immediately preceding financial year.
- xi) As per the information and explanations given to us, the company has defaulted in repayment of dues to the financial institutions / banks. Attention is drawn to Not No. 9 & 10 of Schedule 15.
- xii) The Company has not granted 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 benefit mutual fund / society. Therefore, the clause 4(xiii) of the Order is not applicable to the company.
- xiv) In our opinion, the Company is not dealing in our trading in shares, securities, debentures & other investments. Accordingly, the clause 4 (xiv) of the Order is not applicable to the company.
- xv) As per the information and explanations given to us, the company has not given guarantees for loans taken by others from banks or financial institutions. Therefore, the clause 4(xv) of the Order is not applicable to the company.
- xvi) As per the information and explanations given to us, the company has not raised any short term funds during the year. Therefore, the clause 4 (xvii) of the Order is not applicable to the company.
- xvii) According to the information and explanations given to us, the company has not made preference share allotment of shares to parties and companies covered in the register maintained u/s. 301 of the Act.

xviii) According to the information and explanations given to us, during the period covered under audit the company has not issued debentures. Hence, the clause 4(xix) of the Order is not applicable to the company. According to the information and explanations given to us, the company has not raised money by public issues. Hence, the clause 4(xix) of the Order is not applicable to the company.

xix) According to the information and explanations given to us, the company has not raised money by public issues. Hence, the clause 4(xx) of the Order is not applicable to the company.

xx) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year covered by our audit report.

**For MILIND MEHTA & CO,
CHARTERED ACCOUNTANTS,
(Registration No. 129664W)**

Sd/-

**(MILIND K. MEHTA)
PROPRIETOR
MEMBERSHIP NO.47739**

**PLACE: MUMBAI
DATE: 2nd September, 2011**

CEO/CFO CERTIFICATE

To,
The Board of Directors,
Garodia Chemicals Limited
Mumbai

We have reviewed financial statements and the cash flow statement for the year ending on March 31, 2011 and that to the best of our knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of their knowledge and belief, no transactions entered into by the company during the year ending on March 31, 2011 which are fraudulent, illegal or violative of the company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken necessary steps to rectify these deficiencies.
5. We have indicated to the auditors and the Audit committee that
 - (i) there are no significant changes in internal control over financial reporting during the year ending on March 31, 2011;
 - (ii) there are no significant changes in accounting policies during the year ending on March 31, 2011 and that the same have been disclosed in the notes to the financial statements; and
 - (iii) there have been no instances of significant fraud and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Sd/-
Nishant Garodia
Director

2nd September, 2011
Mumbai

GARODIA CHEMICALS LTD.

BALANCE SHEET AS AT 31ST MARCH, 2011

	SCHEDULE NO	AS AT 31.3.2011 RS.	AS AT 31.3.2010 RS.
<u>SOURCES OF FUNDS:</u>			
<u>1. SHAREHOLDERS FUNDS:</u>			
SHARE CAPITAL	1	72002000	72002000
<u>2. LOAN FUNDS :</u>			
a. SECURED LOANS	2	99341965	99341965
b. UNSECURED LOANS	3	14252863	13867663
Total:		<u>185596828</u>	<u>185211628</u>
<u>APPLICATION OF FUNDS:</u>			
<u>1. FIXED ASSETS</u>			
a. GROSS BLOCK	4	113348169	113348169
b. LESS: ACCUMULATED DEPRECIATION		93811303	92565897
c. NET BLOCK		<u>19536866</u>	<u>20782272</u>
d. CAPITAL WORK IN PROGRESS	5	11400	11400
		<u>19548266</u>	<u>20793672</u>
2. INVESTMENTS	6	155000	155000
<u>3. CURRENT ASSETS, LOANS & ADVANCES:</u>			
a) INVENTORIES	7	3933400	3933400
b) SUNDRY DEBTORS	8	1654229	1654229
c) CASH & BANK BALANCES	9	49020	72360
d) LOANS & ADVANCES	10	8474281	8554881
		<u>14110930</u>	<u>14214870</u>
<u>LESS :CURRENT LIABILITIES & PROVISIONS:</u>			
CURRENT LIABILITIES	11	5065862	5020046
		<u>5065862</u>	<u>5020046</u>
NET CURRENT ASSETS		<u>9045068</u>	<u>9194824</u>
4.PROFIT & LOSS ACCOUNT		<u>156848493</u>	<u>155068132</u>
Total:		<u>185596828</u>	<u>185211628</u>

SIGNIFICNT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

15

AS PER OUR REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD
OF DIRECTORS

FOR MILIND MEHTA & CO.
CHARTERED ACCOUNTS
(FIRM REGISTRATION NO.129664W)

CHAIRMAN & WHOLETIME
DIRECTOR

(MILIND K. MEHTA)
PROPRIETOR

MEMBERSHIP NO. 47739

PLACE: MUMBAI

MANAGING DIRECTOR

DATED: 2nd September, 2011

GARODIA CHEMICALS LTD.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

	SCHEDULE NO.	FOR THE YEAR ENDED	
		31.3.2011 Rs.	31.3.2010 Rs.
INCOME :			
SALES		307800	0
OTHER INCOME		0	0
TOTAL		307800	0
EXPENDITURE :			
INCREASE / DECREASE IN STOCKS	12	0	0
COST OF GOODS TRADED	13	283500	0
MANUFACTURING, ADMINISTRATIVE, SELLING DISTRIBUTION EXPENSES	14	559255	219914
DEPRECIATION		1245406	1245406
TOTAL		2088161	1465320
		-1780361	1465320
(-) LOSS/PROFIT FOR THE YEAR		-1780361	-1465320
BALANCE OF LOSS BROUGHT FORWARD		155068132	153602812
BALANCE OF LOSS CARRIED TO BALANCE SHEET		156848493	155068132

**SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS
AS PER OUR REPORT OF EVEN DATE**

**FOR MILIND MEHTA & CO.
CHARTERED ACCOUNTANTS
(FIRM REGISTRATION NO.129664W)**

**(MILIND K. MEHTA)
PROPRIETOR
MEMBERSHIP NO. 47739
PLACE: MUMBAI
DATED: 2nd September, 2011**

15
**FOR AND ON BEHALF OF THE BOARD
OF DIRECTORS**

**CHAIRMAN & WHOLETIME
DIRECTOR**

MANAGING DIRECTOR

GARODIA CHEMICALS LTD.

**SCHEDULES 1 TO 12 & 14 ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST MARCH 2011**

SCHEDULE 1:

SHARE CAPITAL

	AS AT	
	31.3.2011	31.3.2010
	RS.	RS.
AUTHORISED CAPITAL:		
1,00,00,000 EQUITY SHARES OF RS. 10/- EACH	100000000	100000000
ISSUED & SUBSCRIBED CAPITAL:		
72,00,200 EQUITY SHARES OF 10/- EACH FULLY PAID - UP	72002000	72002000
TOTAL	72002000	72002000

SCHEDULE 2: SECURED LOANS:

TERM LOAN FROM IDBI NOW TRANSFERRED TO AASKHA HOLDINGS P. LTD.	28800000	28800000
WORKING CAPITAL FACILITIES FROM CENTRAL BANK OF INDIA	9969610	9969610
OVERDRAFT WITH CENTRAL BANK OF INDIA	396000	396000
BILL DISCOUNTING FACILITIES FROM CENTRAL BANK OF INDIA	2384356	2384356
INTEREST ACCURED & DUE		
i) TO I.D.B.I. NOW PAYABLE TO AASKHA HOLDING PVT LTD.	51606114	51606114
ii) CENTRAL BANK OF INDIA	6185885	6185885
TOTAL	99341965	99341965

NOTE:

1. The term loan taken from IDBI and now transferred to Aaskha Holdings Pvt. Ltd. is secured by hypothecation & first legal mortgage charge of immovable & movable properties.

2. The Working capital facility & Bill discounting facility with Central Bank of India are secured against hypothecation of movable properties such as RM, WIP, FG & Company's current & future book debts, receivables & mortgage by way of second charges created on the immovable properties & guaranteed by Chairman & Managing Director.

SCHEDULE 3: UNSECURED LOANS

FROM DIRECTORS	12273737	11888537
FROM OTHERS	1979126	1979126
	14252863	13867663

SCHEDULE 5: CAPITAL WORK IN PROGRESS:

CAPITAL ADVANCE	11400	11400
TOTAL	11400	11400

SCHEDULE - 4 FIXED ASSETS :

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK (RS.)	
	AS ON 01.04.2010	ADDITIONS	UP TO 31.3.2011	UP TO 31.3.2010	FOR THE YEAR	UP TO 31.3.2011	AS ON 31.03.2011	AS ON 31.03.2010
FREE HOLD LAND	1091831	0	1091831	0	0	0	1091831	1091831
BUILDING	35378535	0	35378535	15831454	1175462	17006916	18371619	19547081
PLANT & MACHINERY	75351438	0	75351438	75351438	0	75351438	0	0
OFFICE EQUIPMENT	203870	0	203870	171267	5283	176550	27320	32603
FURNITURE & FIXTURE	1021495	0	1021495	910738	64661	975399	46096	110757
VEHICLES	301000	0	301000	301000		301000	0	0
TOTAL	113348169	0	113348169	92565897	1245406	93811303	19536866	20782272
PREVIOUS YEAR	113348169		113348169	91320491	1245406	92565897	20782272	

GARODIA CHEMICALS LTD.

	AS AT	
	31.3.2011	31.3.2010
	Rs.	Rs.
<u>SCHEDULE 6: INVESTMENTS:</u>		
(IN SHARES INCLUDING SHARE APPLICATION MONEY)		
SHYAM INVESTMENT & TRADE (P) LTD.		
	155000	155000
TOTAL	155000	155000
<u>SCHEDULE 7: INVENTORIES:</u> (AS VALUED & CERTIFIED BY THE MANAGEMENT)		
RAW MATERIALS	365704	365704
WORK IN PROCESS	2067970	2067970
FINISHED GOODS	1499726	1499726
TOTAL	3933400	3933400
<u>SCHEDULE 8: SUNDRY DEBTORS:</u>		
1. DEBTS OUTSTANDING FOR A PERIOD EXCEEDING SIX MONTHS		
- UNSECURED & CONSIDERED GOOD	1654229	1654229
- UNSECURED & CONSIDERED DOUBTFUL	706768	2360997
	2360997	2360997
LESS : PROVISION FOR DOUBTFUL DEBTS	706768	706768
TOTAL	1654229	1654229
<u>SCHEDULE 9: CASH & BANK BALANCES:</u>		
1. CASH ON HAND (AS CERTIFIED BY THE MANAGEMENT)	5796	60796
2. BANK BALANCES - a. WITH SCHEDULED BANKS INDIAN OVERSEAS BANK	2294	2350
b. WITH OTHER BANKS		
I. IN CURRENT ACCOUNTS WITH - MOGAVEERA CO-OP BANK LTD.	3159	3279
THE SHAMRAO VITHAL CO-OP BANK LTD	37771	5935
MAXIMUM OUTSTANDING AT ANY TIME DURING THE YEAR ;		
I) MOGAVEERA CO-OP BANK LTD., Rs.3,159 /- (PREVIOUS YEAR Rs 3279/-)		
II) THE SHAMRAO VITHAL CO-OP BANK LTD. Rs.2,51,525 /- (PREVIOUS YEAR Rs. 1,72,798/-)		
III) THE INDIAN OVERSEAS BANK Rs.2,294/- (PREVIOUS YEAR Rs. 2350)		
<u>SCHEDULE - 10: LOANS & ADVANCES:</u>		
<u>(UNSECURED, CONSIDERED GOOD EXCEPT STATED OTHERWISE)</u>		
ADVANCES RECEIVABLE IN CASH OR KIND OR FOR VALUE TO BE RECEIVED		
CONSIDERED GOOD	2108491	
CONSIDERED DOUBTFUL	438780	2547271
MODVAT CREDIT RECEIVABLE (INPUT)	3437	3437
MODVAT CREDIT RECEIVABLE (CAPITAL GOODS)	998380	998380
PAYMENT OF TAX INCLUDING TAX DEDUCTED AT SOURCE	38973	38973
DEPOSITS	5325000	5325000
	8913061	8993661
LESS : PROVISION FOR DOUBTFUL ADVANCES	438780	438780
	8474281	8554881
<u>SCHEDULE 11: CURRENT LIABILITIES</u>		
LIABILITIES: SUNDRY CREDITORS	3661893	3616077
OTHER LIABILITIES	1402126	1402126
OVERDRAFT FROM CENTRAL BANK OF INDIA	1843	1843
	5065862	5020046

GARODIA CHEMICALS LTD.

**SCHEDULES 12 TO 14 ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS A/C.
FOR THE YEAR ENDED 31ST MARCH, 2011**

	YEAR ENDED ON	
	31.3.2011	31.3.2010
	Rs.	Rs.
<u>SCHEDULE 12: DECREASE/(INCREASE) IN STOCKS OF FINISHED GOODS AND WORK - IN-PROGRESS</u>		
<u>OPENING STOCK</u>		
FINISHED GOODS	1499726	1499726
WORK-IN-PROCESS	2067970	2067970
	<u>3567696</u>	<u>3567696</u>
<u>LESS: CLOSING STOCK</u>		
FINISHED GOODS	1499726	1499726
WORK-IN-PROCESS	2067970	2067970
	<u>3567696</u>	<u>3567696</u>
	<u>0</u>	<u>0</u>
<u>SCHEDULE 13:</u>		
<u>COST OF TRADED GOODS</u>		
PURCHASES	283500	0
	<u>283500</u>	<u>0</u>
<u>SCHEDULE 14:</u>		
<u>MANUFACTURING, ADMINISTRATIVE, SELLING AND DISTRIBUTION EXPENSES</u>		
PAYMENT TO AUDITORS	5000	5515
BANK CHARGES	960	733
CONSULTATION FEES	493295	67506
SALARY	60000	0
MIDC - TAX (Patalganga)	0	146160
	<u>559255</u>	<u>219914</u>

GARODIA CHEMICALS LTD.

SCHEDULE 15: SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS:

I) SIGNIFICANT ACCOUNTING POLICIES:

A) BASIS OF ACCOUNTING:

- i) The Company follows the accrual system of accounting except gratuity and leave encashment benefits to employees.
- ii) The financial statements are based on historical cost convention.

B) FIXED ASSETS:

- i) Fixed Assets are stated at cost less accumulated depreciation.
- ii)

Capitalisation of construction period expenses :

Direct expenses as well as clearly identifiable indirect expenses, incurred on project during the period of construction are capitalised proportionately to respective assets.

C) DEPRECIATION :

Depreciation is provided on the fixed assets at the rates and in the manner specified in schedule XIV to the Companies Act, 1956 on straight line method.

D) INVENTORIES:

Inventories are valued at lower of the cost and net realisable value. The cost has been determined as under:

- i) Raw Materials - at cost-(FIFO basis.)
- ii) Finished Products and Stock-in-process - at Raw Material cost adding proportionate 'conversion cost.
- iii) Traded goods at cost-(FIFO basis).

E) INVESTMENTS:

Investments are stated at cost.

F) SALES:

Sales comprise of value of sale of goods excluding Sales tax but including excise duty.

G) FOREIGN CURRENCY TRANSACTIONS :

- i) Foreign currency transactions are recorded at the exchange rate prevailing at the time of transactions.
- ii) Current assets and Current liabilities are converted at the prevailing year end rate.
- iii) Exchange Fluctuation on account of acquisition of Fixed Assets is adjusted to carrying cost of Fixed Assets. Other fluctuation difference is adjusted In the profit and loss account.

H) Provision for Taxation :

- 1) Provision for tax is made on both current and deferred taxed. Current tax is provided on the taxable income using the applicable tax rates and tax laws. Deferred tax liabilities arising on account of timing difference and which are capable of reversals in subsequent period are provided using tax rates and tax laws tha have been enacted or subsequently enacted.
- 2) As per the agreement for Assignment of Debt executed on 13th July, 2007 between IDBI (Assignor) and Aaskha Holding Pvt Ltd (Assignee). IDBI has transferred it's rights of the amount receivable from the company to the assignee, Consequently the amount payable as per Books of Accounts of the company to the IDBI, have been transferred in the name of the assignee i.e. Aaskha Holdings Pvt Ltd.

3) Contingent liabilities not provided for in respect of :

- I) Expenses in dispute Rs.62,730/- (Previous year Rs.62,730/-)
II) Uncalled amount on Investment in Shares Rs.625000/-
-(Previous year Rs.625000/-)

- 4) Estimated amount of contracts remaining to be executed on Capital account and not provided for (Excluding Advances)Rs. 11.25 Lakhs. (Previous Year RS.11.25 lacs)

5) Payments to Auditors:

(including Service Tax)

	Current year Rs.	Previous year Rs.
for Audit fees	5000	5515
Total	5000	5515

6) Foreign Currency Transactions:

The Company has not incurred any expenses involving foreign exchange transaction.

- 7) Additional information pursuant to Notification No. GSR/12 dated. 22.2.99 relating to SSI undertakings has not been furnished as the same is not readily ascertainable.
- 8) The manufacturing activities have been suspended by the company and the plant is closed, In view of the same the Plant and Machinery, Office Equipments, furniture and Fixture have not been physically verified. The relevant records are yet to be maintained. in the accounts and hence not included in the valuation of inventory of such products.
- 9) The company is accounting liability for excise duty on finished products as and when these are cleared as per consistent practice as also considering the accepted practice of the Excise Authorities. The liability in respect of finished products lying in stock at the close of the year which is estimated at Rs.239556/- (Previous Year Rs. 239556) has not been provided in the for accounts and hence not included in the valuation of inventory of such products.
- 10) In view of heavy accumulated losses and suspension of the manufacturing activities No provision has been made for the interest payable on different credit facilities granted by Central Bank of India reflected in schedule -2 secured loan against hypothecation of stocks and book debts. The estimated amount of interest Rs.2,54,15,443/- payable till 31st March 2011 (previous year Rs.2,15,81,759/-) 'The balances of loans and interest payable to Central Bank of India are subject are subject to confirmation.
- 11) In view of heavy accumulated losses and suspension of the manufacturing activities no provision has been made for the interest payable on term loan facilities granted by IDBI and now taken over by Aaskha Holdings Pvt Ltd as reflected in Schedule - 2 secured Loans. The estimated amount of interest payable till 31st March, 2011 works out to Rs.9,47,86,684/- (previous year Rs.5,91,66,562/-) The company is persuing the matter for waiver of interest. The balances of loans and interest payable are subject to confirmation.
- 12) The Unsecured loans from directors and from others as reflected in schedule 3, are free of interest and hence, no provision is required to be made for the interest The same are 'subject to confirmation.
- 13) Investments of Rs.155000/- (in Previous year Rs. 1,55,000/-) as reflected in schedule 6 are not supported by adequate documents and in respect of which adequate information is not available and hence required particulars have not been stated.
- 14) Inventories as reflected in schedule - 7 have no realisable value and no provision has been made for the same In view of the same no physical verification of the inventories has been carried out.

- 15) Balances of Sundry Debtors and Creditors are subject to Confirmations, major part of debtors are considered doubtful and have not been quantified and have not been provided for.
- 16) Advances and Deposits as reflected in Schedule 10 are subject to adequate documents and confirmations.
- 17) Cash on hand of Rs.5796/- as reflected in schedule - 9 is certified as correct by the managing director.
- 18) In view of the losses, no provision has been made for Income Tax.
- 19) Financial statements have been prepared in accordance with the fundamental accounting assumption that the company is a going concern.
- 20) Additional information pursuant to the provision of paragraph 3 & 4C of part II of schedule VI to the Companies Act, 1956. (As certified by the management).

	<u>Current Year</u>	<u>Previous Year</u>						
	TONNES	TONNES						
A) a)Capacity and Production	N.A.	N.A.						
Licensed capacity								
<u>Installed capacity</u>								
P.N.A. & Derivaties	382	382						
Anthraquinones & Derivaties	180	180						
<u>Actual Production</u>								
P.N.A. & Derivaties	0	0						
Anthraquinones & Derivaties								
* Installed capacity as certified by the management.								
B) <u>TURNOVER</u> <u>CURRENT YEAR</u>								
	<u>CURRENT YEAR</u>	<u>PREVIOUS YEAR</u>						
	QTY.	QTY.						
	KG/LTRS	KG/LTRS						
	VALUE	VALUE						
	RS.	RS.						
<u>Class of Goods</u>								
<u>i)Traded Goods</u>								
Toluene	5400	-						
TOTAL	5400	NIL						
<u>ii)Manufactured Goods</u>								
P.N.A. & Derivaties								
Anthraquinones & Derivaties								
TOTAL	NIL	NIL						
C) <u>Details of opening and closing stock of Manufactured Goods</u>								
Class of Goods	<u>Current Year</u>				<u>Previous Year</u>			
	<u>Op. Stock</u>		<u>Closing Stock</u>		<u>Op. Stock</u>		<u>Closing Stock</u>	
	Qty	Value	Qty	Value	Qty	Value	Qty	Value
	Kgs	Rs	Kgs	Rs	Kgs	Rs	Kgs	Rs
1) PNA & Derivatives	8664	1460036	8664	1460036	8664	1460036	8664	1460036
2)Anthraquinones & Derivaties	179	39690	179	39690	179	39690	179	39690
	8843	1499726	8843	1499726	8843	1499726	8843	1499726
D) <u>Purchase of goods :</u>	NIL							
<u>Raw Materials Consumed :</u>	NIL(Previous Year :NIL)							

21) Additional information as required under Part IV to the companies Act, 1956.

Balance sheet abstract and Company's General Business profile

I) **Registration details** :

Registration No. : 70321 State Code : 11

Balance Sheet Date : March 31, 2011

II) **Capital Raised during the year (Rs. In Thousand)**

SOURCES OF FUNDS

APPLICATIONS OF FUNDS

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III) **Position of mobilisation and deployment of funds (Rs. In Thousand)**

Total Liabilities	185597	Total Assets	185597
-------------------	--------	--------------	--------

Sources of Funds:

Application of Funds:

Paid up Capital	72002	Net Fixed Assets	19548
Reserve & Surplus	-	Investments	155
Secured Loans	99342	Net Current Assets	9045
Unsecured Loans	14253	Accumulated Losses	156848

IV) **Performance of Company (Rs. In Thousand)**

Turnover (including other income)	308	Total Expenditure	2088
Profit before tax	-1780	Profit after tax	-1780
Earning per share Rs.	NIL	Dividend Rate (%)	NIL

V) **Generic names of the Principal Products of the Company:** (As per monetary terms).

PRODUCTION DESCRIPTION

ITEM CODE NO.

1) P.N.A. & Derivatives	N.A.
2) Anthraquinones & Derivatives	N.A.

22) Figures of the previous year have been regrantd or rearranged wherever necessary.

AS PER OUR REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD
OF DIRECTORS

FOR MILIND MEHTA & CO.
CHARTERED ACCOUNTS
(FIRM REGISTRATION NO.129664W)

(MILIND K. MEHTA)
PROPRIETOR

CHAIRMAN & WHOLETIME
DIRECTOR

MEMBERSHIP NO. 47739
PLACE: MUMBAI
DATED: 2nd September, 2011

MANAGING DIRECTOR

Garodia Chemicals Ltd.

Cash Flow Statement for the year ended on 31st March, 2011.

	<u>2010-11</u>	<u>2009-10</u>
A. Cash Flow from Operating Activities		
a. Net loss before tax and exceptional items	-1780361	-1465320
<u>Adjustment for :</u>		
Depreciation	1245406	1245406
b. <u>Adjustment for :</u>		
Current liabilities	45816	12133
Net cash from operating activities	<u>-489139</u>	<u>-207781</u>
B. Cash Flow from Investing Activities		
Loans and advances	<u>80600</u>	<u>-80600</u>
C. Cash Flow from Financing Activities		
Proceeds from borrowings	<u>385200</u>	<u>291500</u>
Net decrease in Cash and Cash equivalent	-23339	3119
Cash and cash equivalent at the beginning of the year	72360	69241
Cash and cash equivalent at the end of the year	49020	72360

AS PER OUR REPORT OF EVEN DATE

FOR MILIND MEHTA & CO.
CHARTERED ACCOUNTS
(FIRM REGISTRATION NO.129664W)

(MILIND K. MEHTA)
PROPRIETOR
MEMBERSHIP NO. 47739

PLACE: MUMBAI
DATED: 2nd September, 2011

FOR AND ON BEHALF OF THE BOARD
OF DIRECTORS

CHAIRMAN & WHOLETIME
DIRECTOR

MANAGING DIRECTOR

GARODIA CHEMICALS LIMITED



Regd. Office: 149/156, Garodia Shopping Centre, Garodia Nagar, Ghatkopar (East), Mumbai - 400077

ATTENDANCE SLIP

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

Registered Folio No.	
No. of shares	

I/ We hereby record my/ our presence at the Annual General Meeting of the Company on Friday, September 30, 2011 at 11.00 a.m. at 149/156, Garodia Shopping Centre, Garodia Nagar, Ghatkopar (East), Mumbai - 400077.

Name/s of the Shareholder (in Block Letters)	
Name of the Proxy (in Block Letters)	
Signature of the shareholder/ proxy	

NOTE: Members/ Proxies are requested to bring the attendance slip with them.

GARODIA CHEMICALS LIMITED



Regd. Office: 149/156, Garodia Shopping Centre, Garodia Nagar, Ghatkopar (East), Mumbai - 400077

PROXY

Registered Folio No.	
No. of shares	

I/ We _____ of _____ being a member / members of Garodia Chemicals Limited, hereby appoint _____ of _____ or failing him _____ of _____ as my / our proxy to attend and vote for me / us on my / our behalf at the Annual General Meeting of the Company to be held on Friday, September 30, 2011 at 11.00 a.m. at 149/156, Garodia Shopping Centre, Garodia Nagar, Ghatkopar (East), Mumbai - 400077 and at any adjournment thereof.

Signed this _____ day of _____ 2011.

Affix
Revenue
Stamp

NOTE: THE PROXY IN ORDER TO BE EFFECTIVE, SHOULD BE DULY STAMPED, COMPLETED AND SIGNED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.