



ANNUAL REPORT

OF

GARODIA CHEMICALS
LIMITED

FOR THE YEAR

2013-2014

ANNUAL GENERAL MEETING

NOTICE is hereby given that the Annual General Meeting of the Company will be held on Tuesday, 30th September, 2014 at 11.00 a.m. at the registered office of the Company at 149/156, Garodia Shopping Centre, Garodia Nagar, Ghatkopar (E), Mumbai - 400077 to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the audited financial statements for the year ended 31st March, 2014 including notes to financial statements together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Brian Fernandes (holding DIN: 03555956), who retires by rotation and, being eligible offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration and for that purpose to pass with or without modification(s) the following resolution, as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to provision of section 139 of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s. Milind K. Mehta & Co., Chartered Accountants (Registration No. 129664W), be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the next Annual General Meeting of the Company on such remuneration as may be determined by the Board of Directors in consultation with the Statutory Auditors of the Company.

Special Business:

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Kunal Naik (holding DIN: 02689478), Director of the Company, in respect of whom the Company has received notice in writing from a member under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office up to March 31, 2019.

RESOLVED FURTHER THAT the Board of Directors, be and are hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 Mr. Brian Fernandes (holding DIN: 03555956), Director of the Company, in respect of whom the Company has received notice in writing from a member under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for up to March 31, 2019.

RESOLVED FURTHER THAT the Board of Directors, be and are hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

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

“RESOLVED THAT pursuant to the provisions of Section 14 of the Companies Act, 2013 and the rules made thereunder, the existing Articles of Association of the Company be and is hereby replaced by new set of Articles of Association of the Company duly placed before the members initialed by the Chairman for the purpose of identification.

RESOLVED FURTHER THAT the Board or any of its duly constituted committee be and is hereby authorised to do all the act, deeds and things which are necessary for the aforesaid amendment in Articles of Association.”

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

“RESOLVED THAT pursuant to Section 180(1)(c) and all other enabling provisions of the Companies Act, 2013, or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force) and in terms of Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board”) for borrowing from time to time any sum or sums of moneys on such terms and conditions and with or without security as the Board of Directors may deem fit which, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate for the time being of the paid up capital of the company and its free reserves, that is to say reserves not set apart for any specific purpose, provided that the total amount of money/ moneys so borrowed shall not exceed Rs. 20 Crores (Rupees Twenty Crores Only).

RESOLVED FURTHER THAT the Board or any of its duly constituted committee be and is hereby authorised to do and perform all such acts, deeds and things and to take all steps as may be considered necessary, proper and expedient to carry on the purpose of this resolution.”

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

“RESOLVED THAT pursuant to the provisions of section 180(1)(a) and all other applicable provisions if any of the Companies Act, 2013 or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof) and in terms of Articles of Association of the Company, the consent of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter “the Board”) for mortgaging / charging all or any of the immovable and movable properties of the Company both present and future and the whole or substantially the whole of the undertaking or the undertakings of the Company on such terms and conditions, as may be agreed to between the Board and Lender(s) to secure the loans / borrowings obtained or as may be obtained, which may exceed the paid-up capital and free reserves in the ordinary course of business but not exceeding Rs. 20 Crores (Rupees Twenty Crores only) at any point of time.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board or any of its duly constituted committee be and is hereby authorized to do all such acts, deeds and things as it may in its absolute discretion may deem fit, necessary, proper or desirable

and to settle any question, difficulty, doubt that may arise in respect of the charge/mortgage aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

**By Order of the Board
For Garodia Chemicals Limited**

**Date: 14/08/2014
Place: Mumbai**

**Mahesh Garodia
Director
DIN: 01250816**

NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE THE MEMBER OF THE COMPANY. THE PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
- 2. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY. IN CASE A PROXY IS PROPOSED TO BE APPOINTED BY A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS, THEN SUCH PROXY SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER**
3. Corporate members intending to send their Authorised Representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf.
4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the meeting
5. Members/proxies should bring duly attendance slip sent herewith to attend the meeting.
6. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act"), in respect of the business under Item Nos. 4 to 8 of the Notice is annexed hereto. The relevant details as required for persons seeking Appointment/Re-appointment as Directors under Item no. 2, 4 and 5 of the Notice are also annexed
7. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 27th September, 2014 to Monday, 29th September, 2014, both days inclusive.
8. Members are requested to immediately intimate changes, if any, in their registered addresses along with Pincode number to the Company. Members holding shares in dematerialised mode are requested to intimate the same to their respective Depository Participants.
9. Members holding shares in physical form are requested to consider converting their holding to dematerialised form to eliminate risks associated with physical shares.
10. Members are requested to bring their copy of the Annual Report to the Annual General Meeting.
11. 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.

12. The Notice of the AGM along with the Annual Report 2013-14 are being sent by the permitted mode.
13. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during (3.00 pm to 5.00 pm) on all working days, upto and including the date of the Annual General Meeting of the Company.
14. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.
15. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.
16. **Voting through electronic means**

In compliance with the provisions of Section 108 of the Act and the Rules made thereunder, the Members are provided with the facility to cast their vote electronically, through the e-Voting Services provided by Central Depository Services (India) Limited (CDSL) on all resolutions set forth in this Notice.

The instructions for e-voting are as under:

The voting period begins on 24th September, 2014, 10.00 A.M. and ends on 26th September, 2014, 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 29th August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- a) The shareholders should log on to the e-voting website www.evotingindia.com.
- b) Click on Shareholders.
- c) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- d) Next enter the Image Verification as displayed and Click on Login.
- e) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- f) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits

	<p>of the sequence number in the PAN field.</p> <ul style="list-style-type: none"> In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.

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

- q) Note for Non-Individual Shareholders & Custodians:
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates and Custodians respectively.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- In terms of Clause 35B of the Listing Agreement, in order to enable its members, who do not have access to e-voting facility, to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, a Ballot Form is annexed. A member desiring to exercise vote by Ballot shall complete the enclosed Ballot Form with assent (for) or dissent (against) and send it to Ms Kumudini Parajape, Partner M/s. Makarand Joshi & Co., Scrutinizer, Address: 803-804, Ecstasy, Citi of Joy, JSD Road, Mulund (W). Mumbai - 400080 so as to reach her on or before 26th September, 2014 by 5.30 p.m. Any Ballot Form received after the said date shall be treated as if the reply from the Members has not been received.

Other Instructions

- (A) The voting rights of Members shall be in proportion to their share of the paid up share Capital of the Company as on 29th August, 2014
- (B) Ms. Kumudini Parajape, Partner, M/s. Makarand Joshi & Co., Practising Company Secretary, has been appointed as the Scrutinizer to scrutinize the e-voting process (including voting by Poll and the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com
- (D) The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period shall make a report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (E) Members who do not have access to e-voting facility may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the scrutinizer not later than 26th September, 2014. Ballot form received after this date will be treated as invalid.

Members can also download the Ballot Form from the link <https://www.evoting.cdsl.com> or seek duplicate Ballot Form from M/s. Link Intime (India) Private Limited, Registrar & Transfer Agents, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai- 400078.

- (F) A Member can opt for only one mode of voting i.e either through e-voting or by ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and ballot shall be treated as invalid.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4 and 5:

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Kunal Naik (holding DIN: 02689478) and Mr. Brian Fernandes (holding DIN: 03555956) are proposed to be appointed as an Independent Directors to hold office upto March 31, 2019. A notice pursuant to Section 160 of the Companies Act, 2013, has been received from a member proposing Mr. Kunal Naik and Mr. Brian Fernandes as a candidate for the office of Independent Directors of the Company.

In the opinion of the Board, the Independent Directors fulfils the conditions specified in the Section 149, 152 and Schedule IV of Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) for their appointment as an Independent Directors of the Company. Further, all the aforesaid Independent Directors have given a declaration to the Board of Directors' to the effect that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. Copy of the draft letter for appointment of Mr. Kunal Naik and Mr. Brian Fernandes as an Independent Directors setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturdays, between 11.00 a.m. and 1.00 p.m. up to the date of the Meeting.

The Board considers that continued association of these directors would be of immense benefit to the Company and it is desirable to continue to avail their services as an Independent Directors. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Kunal Naik and Mr. Brian Fernandes as an Independent Directors, for the approval by the shareholders of the Company.

None of the Directors, Key Managerial Personnel or their relatives are interested in passing of the aforesaid resolution except Mr. Kunal Naik and Mr. Brian Fernandes.

The Board recommends the resolution set forth in Item No 4 and 5 for approval of members.

Item No. 6:

It is hereby informed that majority of the sections of the Companies Act, 2013 have been notified. Pursuant to the notified provisions, the Articles of Association is required to be amended to align it with new provisions. It is therefore proposed to adopt new set of the Articles of Association of the Company in place of existing Articles of Association of the Company.

As per section 14 of the Companies Act, 2013 approval of members of the Company by Special Resolution is required. Therefore members are requested to pass the necessary special resolution as mentioned in the notice.

The copy of the Articles of Association of the Company is open for inspection of the shareholders at the registered office of the Company during working hours except on holidays.

None of the Directors or Key Managerial Personnel or their relatives, are interested or concerned in the resolution.

The Board recommends the resolution set forth in Item No 6 for approval of members.

Item No. 7 & 8

The Board of Directors of the Company is authorised to borrow upto a sum of Rs.20 Crores. (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) pursuant to Ordinary Resolution passed as required under section 293(1)(d) of Companies Act, 1956, in Extra Ordinary General Meeting held on July 14, 1994. However, as per section 180 of Companies Act, 2013, the Company needs to pass Special Resolution authorizing board to borrow upto a sum of Rs. 20 Crores (Rupees Twenty Crores Only) (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business). Accordingly, the consent of the Shareholders at the General Meeting is sought under Section 180 (1) (c) of the Companies Act, 2013 without changing the limits of borrowing by way of Special Resolution.

In terms of the Ordinary resolution passed pursuant to Section 293 (1) (a) of the Companies Act, 1956 by the shareholders at the General Meeting held on July 14, 1994 consent of the Members was secured for authorizing the Board of Directors to create mortgage and / or charge on the immovable and movable properties of the Company upto Rs. Rs.20 Crores (Rupees Twenty Crores Only). However, as per section 180 of Companies Act, 2013, the Company needs to pass Special Resolution authorizing board to create mortgage and / or charge on the immovable and movable properties of the Company. Accordingly, the consent of the Shareholders at the General Meeting is sought under Section 180 (1) (c) of the Companies Act, 2013 without changing the limits of borrowing by way of Special Resolution.

None of the Directors or Key Managerial Person of the Company or their relatives is deemed to be concerned or interested in the aforesaid Resolution.

The Board recommends the resolution set forth in Item No 7 and 8 for approval of members.

**By Order of the Board of Directors
For Garodia Chemicals Limited**

Date: 14/08/2014

Place: Mumbai

Mahesh Garodia

Director

DIN: 01250816

Details of Directors Seeking Appointment / Re-appointment at the Annual General Meeting

Name of the Director	Kunal Nalin Naik	Brian Fernandes
Date of Birth	20/01/1970	06/08/1972
Date of Appointment	14/07/1994	08/01/2000
Qualifications	Diploma in Electronic & Telecommunication	B.com
Expertise in specific functional area	Expertise in Electronic & Telecommunication filed	-
Other Directorships	Beehive Education Private Limited	-
Memberships/Chairmanships of Committees of other public companies (includes only Audit Committee and Shareholders/Investors Grievance Committee)	-	-
Number of shares held in the Company	0	0

DIRECTOR'S 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, 2014.

1. PERFORMANCE:-

PARTICULARS	2013-14	2012-13
Sales & Other Income	0.00	0.00
Less : Expenditure	17,79,181.00	1,609,205.00
Profit/(Loss) Before Extraordinary Items and Tax	(17,79,181.00)	(1,609,205.00)
Less : Extra ordinary items	0.00	0.00
Less : Provision for Taxation	0.00	0.00
Add/Less : Deferred Tax Liabilities	0.00	0.00
Loss for the year	(17,79,181.00)	(1,609,205.00)

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 public during the year under review.

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:

Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 has been attached as an Addendum to Directors Report.

7. FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

8. DIRECTORS RESPONSIBILITY STATEMENT:

The 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. MATERIAL CHANGES:

The Company has established demat connectivity with Central Depository Securities (India) Limited (CDSL) and the Company has been allotted with ISIN - INE236PO1010.

10. MANAGEMENT DISCUSSION AND ANALYSIS:

The Management Discussion and Analysis forms part of the Directors' Report is annexed hereto.

11. DIRECTORS:

Mr. Nishant Garodia has resigned from the directorship of the Company on 13th March, 2014. Pursuant to section 152 of the Companies Act, 2013, Mr. Brian Fernandes, who retires by rotation and being eligible for reappointment, offer himself for reappointment at the ensuing Annual General Meeting.

The above appointments/re-appointments forms part of the notice convening Annual General Meeting. The profile of these Directors as required under Clause 49 of the Listing Agreement entered with the Stock Exchange(s), are given in the notice convening Annual General Meeting.

12. AUDITORS:

M/s. M. K. MEHTA & CO., Chartered Accountants retire at the conclusion of the Ensuing General Meeting, are eligible for the re-appointment. You are requested to appoint the Auditors & fix their remuneration.

13. ACKNOWLEDGEMENT:

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.

For and On Behalf of Board of Directors

SD/-

Mahesh Garodia

Chairman

DIN: 01250816

Date: 30/05/2014

Place: Mumbai

Annexure to Director's Report

Particulars as required under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

Form A – Form for Disclosure of Particulars with respect to Conservation of Energy

A. Power & Fuel Consumption

1. Electricity:	31.03.2014	31.03.2013
a) Purchased Units		
Unit	NA	NA
Total Amount	NA	NA
Rate / unit	NA	NA
b) Own generation –		
(i) <i>Through Diesel Generator</i>	NA	NA

Unit	NA	NA
Units per ltr of diesel oil	NA	NA
Rate/ unit	NA	NA
<i>(ii) Through Steam turbine/generator</i>		
Units	NA	NA
Units per ltr of fuel oil/gas	NA	NA
Cost/ units		
2. Coal (specify quality and where used)		
Quantity (tonnes)	NA	NA
Total cost	NA	NA
Average rate	NA	NA
3. Furnace oil		
Quantity (k. ltrs.)	NA	NA
Total cost	NA	NA
Average rate	NA	NA
4. Others/internal generation (please give details)		
Quantity	NA	NA
Total cost	NA	NA
Rate/unit	NA	NA
B. Consumption per unit of production (Standards if any)	31.03.2014	31.03.2013
	1	2
Products (with details) unit	NA	NA
Electricity	NA	NA
Furnace oil	NA	NA

Coal (specify quality) NA NA

Others (specify) NA NA

Form B : Form for disclosure of particulars with respect to absorption

31.03.2014 31.03.2013

Research & development (R & D)

The Company has not carried out any Research and Development in 2012-13 and 2013-14, Hence this Section is Not Applicable.

1. Specific areas in which R & D carried out by the Company:

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

3. Future plan of Action

4. Expenditure on R & D:

a) Capital

b) Recurring

c) Total

d) Total R & D Expenditure as a percentage of Total turnover

NA

Technology, absorption, adaption and innovation

1. Efforts, in brief, made towards technology absorption, adaptation and innovation.

2. Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc.

3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished :

(a) Technology imported.

NA

NA

(b) Year of import.

(c) Has technology been fully absorbed

(d) If not fully absorbed, areas where this has not taken place,
reasons there for and future plans of action.

C. Foreign Exchange Earnings & Outgo	31.03.2014	31.03.2013
1. Foreign Exchange Earnings	Nil	Nil
2. Foreign Exchange Outgo	Nil	Nil
3. Activities relating to exports; initiatives taken to increase exports	Nil	Nil
4. Development of new markets for products & services & export plans	Nil	Nil

For and On Behalf of Board of Directors

SD/-
Mahesh Garodia
Chairman
DIN: 01250816

Addendum to Directors Report:

Dear Members,

With Reference to the captioned subject matter, Please find below the Clarifications to the qualifications mentioned in the Auditors' Report.

- 1) **Point 6.1, 6.2 & 6.3 in Auditors Report: Non - provision of Interest expenses on loans and borrowings taken from IDBI (now taken over by Aaskha Holdings Pvt Ltd) and Central Bank of India (now taken over by Phoenix Arc Pvt. Ltd.):**

Clarification: In view of the heavy accumulated losses and suspension of the manufacturing activities for the last almost 5 years, resulting in non-generation of the cash profit for the repayment of interest to the financial institution and the company is in the process of getting an legal opinion as to how to come out of the crisis being faced by the company as on date.

- 2) **Point (i) (a),(b) & (c) in Annexure to Auditors' Report: Maintenance of proper records showing full particulars including qualitative details and situation of Fixed Assets:**

Clarification: As the operation of the company is totally suspended and as all the staff working in the organization as left the company, resulting in the documents getting misplaced and hence could not properly maintain the desired report. We are taking full efforts for for recollecting the lost document which we feel will some more time.

- 3) **Outstanding payments to Financial Institutions / Banks as on 31st March, 2013:**

Clarification: In view of the accumulated losses and non-generation of the cash profit the company could not fund the payment to the financial institution and considering the present situation it will take some more time before the revival of the operation and in turn making payment to financial institution.

For and On Behalf of Board of Directors

**SD/-
Mahesh Garodia
Chairman
DIN: 01250816**

Date: 30/05/2014

Place: Mumbai

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 anything, 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.

There were many complaints received by us from the shareholders, but the Company has now complied with all the compliances and all complaints of shareholders were solved.

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.

For and On Behalf of Board of Directors

Sd/-

Mahesh Garodia

Chairman

DIN: 01250816

Date: 30/05/2014

Place: Mumbai

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 Executive Chairman & Two other Directors. Out of these, two Directors 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.

None of the Directors on the Board is Member of more than ten committees or Chairman of more than five committees across all the public companies in which he is a Director. Necessary disclosures regarding committee positions in other public companies as on March 31, 2014 have been made by the Directors.

During the financial year 6 (Six) Board meetings were held on 29th May, 2013, 14th August, 2013, 31st August, 2013, 14th November, 2013, 14th February, 2014 & 13th March, 2014.

The details of constitution of Board of Directors as on March 31, 2014 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>	Executive & Non-Independent Director	6	Yes	Nil	Nil	Nil
Mr. Kunal Naik	Non-Executive & Independent Director	6	Yes	Nil	Yes	Nil
Mr. Brian Fernandes	Non-Executive & Independent Director	6	Yes	Nil	Nil	Yes
**Mr. Nishant Garodia	Executive & Non-Independent Director	5	Yes	1	Nil	Nil

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

**Mr. Nishant Garodia ceased from the remuneration Board from 13th March, 2014

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, 4 (Four) Audit Committee meetings were held on 29th May, 2013, 14th August, 2013, 14th November, 2013, & 14th February, 2014.

Constitution of Audit Committee & related information

Name of the Director	Category	No. of Meetings attended during the financial year ended 31 st March, 2014
Mr. Kunal Naik <i>Chairman</i>	Non Executive & Independent Director	4
Mr. Brian Fernandes	Non Executive & Independent Director	4
Mr. Nishant Garodia**	Executive Director & Non-Independent Director	4
Mr. Mahesh Garodia*	Executive Director & Non-Independent Director	0

*Mr. Mahesh Garodia appointed as a Member in the Audit Committee with effect from 13th March, 2014

**Mr. Nishant Garodia ceased from the remuneration Board from 13th March, 2014.

Terms of Reference:

The terms of reference of the Audit Committee are as follows:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and their audit fees.
3. Approval of fees for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Directors' Report in terms of Section 217(2AA) of the Companies Act, 1956
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report
5. Reviewing, with management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with management, the performance of statutory and internal auditors and the adequacy of the internal control systems.
7. Reviewing the adequacy of the internal audit function including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors regarding any significant findings and any follow-up required.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
10. Discussion with statutory auditors before the audit commences about the nature and scope of the audit as well as post-audit discussion to determine any areas of concern.
11. To determine the reasons for any substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
12. To review the functioning of the Whistle Blower mechanism.
13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

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.

The Chairman of the Audit Committee Mr. Kunal Naik, was present at the Annual General Meeting, and replied to the shareholder's queries.

4. REMUNERATION COMMITTEE

The Company has not yet constituted Remuneration Committee and the Company is in process of constituting the same.

5. REMUNERATION OF DIRECTORS

None of the Non-Executive as well as Executive Directors have 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. Brian Fernandes. The Committee looks into grievances of the investors of the Company.

Complaints / request received from Shareholders during the period 1st April 2013 to 31st March 2014 and its status:

Opening Balance	Received during the year	Resolved during the year	Closing balance(*)
Nil	Nil	Nil	Nil

Name and designation of Compliance Officer:

Mr. Mahesh Garodia has been appointed as Compliance Officer and can be contacted on the following address:

149/156, Garodia Shopping Centre,
Garodia Nagar, Ghatkopar (East),
Mumbai 400 077
Tel No.67983683
Fax No.66716149

7. GENERAL BODY MEETINGS

AGM for the Financial Year	Location of holding AGM	Date and Time of AGM
2012 – 2013	Registered Office	30 th September. 2013 at 11.00 a.m.
2011 – 2012	Registered Office	29th September, 2012 at 11.00 a.m

2010 – 2011	Registered Office	30 th September, 2011 at 11.00 a. m.
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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 except the penalty levied by Bombay Stock Exchange (BSE) for revocation of suspension of trading of shares of the Company.
- 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 and same were published in the news papers.

10. GENERAL SHAREHOLDER INFORMATION

AGM date, time and venue	29 th September, 2014 at 11:00 a.m. at 149/156, Garodia Shopping Centre, Garodia Nagar, Ghatkopar (East), Mumbai 400 077. As required under Clause 49(IV)(G)(i) of the Listing Agreements entered into with the Stock Exchanges, particulars of Directors seeking appointment/re-appointment at the forthcoming AGM are given in the Annexure to the Notice of the AGM to be held on 29 th September, 2014
Financial Year	1 st April, 2013 to 31 st March, 2014
Date of Book closure	27 th September 2014 to 29 th September 2014 (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	43.35 (As on March 31, 2014)
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
Dematerialization of shares and liquidity	The Company has established demat connectivity with Central Depository Securities (India) Limited (CDSL) and the Company has been allotted with ISIN - INE236PO1010. The Company is in process of establishing connectivity with NSDL

SHARE TRANSFER SYSTEM:

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

DISTRIBUTION OF SHAREHOLDING

The distribution of shareholding as on March 31, 2014 was as under:

Nominal value of Shareholding	No. of Shareholders	% of Shareholders	Share Amount	% of Share Amount
Upto 5000	7,074	91.8701	10,438,000	14.4968
5001 to 10000	295	3.8312	2,542,000	3.5305
10001 to 20000	121	1.5714	1,926,000	2.6749
20001 to 30000	89	1.1558	2,247,000	3.1207
30001 to 40000	18	0.2338	658,000	0.9139
40001 to 50000	27	0.3506	1,335,000	1.8541
50001 to 100000	31	0.4026	2,435,000	3.3819
100001 and above	45	0.5845	50,421,000	70.0272
Total:	7,700	100.00	72,002,000	100.00

SHAREHOLDING PATTERN AS ON MARCH 31, 2014

Category	No. of shares held	Percentage of shareholding
A. Promoters' Holding		
1. Promoters		
-- Indian Promoters	36,34,400	50.48
--- Foreign Promoters	-	-
2. Person acting in Concert		
	-	-
Sub – Total	36,34,400	50.48

B. Non – Promoters’ Holding		
3. Institutional Investors		
a. Mutual Funds and UTI	-	-
b. Banks, Financial Institutions, Companies (Central/State Govt. Institutions/Non-Govt. Institutions)	952,700	13.23
c. FIIs	-	-
Sub – Total	952,700	13.23
4. Non – Institutions Investors		
a. Bodies Corporate	88,600	1.23
b. Individuals	1,790,800	24.87
c. NRIs/NRRs/ OCBs	644,500	8.95
d. Any Other (Directors & their Relatives & Friends)	89,200	1.24
Sub – Total	2,613,100	36.29
Grand Total	7,200,200	100

DEMATERIALIZATION OF SHARES AND LIQUIDITY

The Company has established demat connectivity with Central Depository Securities (India) Limited (CDSL) and the Company has been allotted with ISIN - INE236PO1010.

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. Mahesh Garodia
149/156, Garodia Shopping Centre,
Garodia Nagar, Ghatkopar (East),
Mumbai 400 077
Tel No.67983683
Fax No.66716149
Email: gclshares@gmail.com

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 at earliest.

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, 2014.

Place: Mumbai

Date: 14/08/2014

**SD/-
Mahesh Garodia
Director
DIN: 01250816**

CEO/CFO CERTIFICATION TO THE BOARD

**To,
The Board of Directors
Garodia Chemicals Ltd
Mumbai**

- a. I Certify that --
- a. I have reviewed the financial statements and the cash flow statement for the year 2013-14 and that to the best of our knowledge and belief:
 - b. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - c. These statements together present a true and fair view of the Company affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2013-14 which are fraudulent, illegal or violative of the Company code of conduct;
- c. I accept responsibility for establishing and maintaining internal controls and that I have evaluated the effectiveness of the internal control systems of the Company and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of the internal control, if any, of which I am aware of and the steps we have taken or propose to take to rectify these deficiencies.
- d. I have indicated to the Auditors and the Audit Committee –
- There are no significant changes in internal control over the financial reporting during the year 2013-14;
 - There are no significant changes in accounting policies during the year 2013-14; and that the same have been disclosed in the notes to the financial statements; and
 - There have been no instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over the financial reporting.

Date: 14/08/2014

Place: Mumbai

**Sd/-
Mahesh Garodia
Director
DIN: 01250816**

**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, 2014, 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.

**Place : Mumbai
Date : 14/08/2014**

**For Makarand M. Joshi & Co.
Company Secretaries
SD/-
Kumudini Paranjape
Partner
Membership No.: FCS 6667
C.P. No.: 6690**

INDEPENDENT AUDITORS' REPORT

**To the Members of
Garodia Chemicals Limited,**

Report on the Financial Statements:

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

Management’s Responsibility for the Financial Statements :

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

Auditor’s Responsibility:

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion:

6.1 Attention is drawn to Note No. 20 of Notes on Financial Statements which is reproduced :

In view of heavy accumulated losses and suspension of the manufacturing activities, no provision has been made for the estimated amount of interest of Rs.4,40,52,899/- payable till 31st March 2014 (previous year Rs. 3,69,54,833/-) on different credit facilities granted by Central Bank of India as reflected in Note No. 5 of Notes on Accounts, The balances of loans and interest payable to Central Bank of India are subject to confirmation.

6.2 Attention is drawn to Note No. 21 of Notes on Financial Statements which is reproduced :

In view of heavy accumulated losses and suspension of the manufacturing activities, no provision has been made for the estimated amount of interest payable till 31st March, 2014 of Rs.14,48,30,392/- (previous year Rs. 12,62,27,136/-) on term loan facilities granted by IDBI and now taken over by Aaskha Holdings Pvt Ltd as reflected in Note No. 4 of Notes on Financial Statements. The The company is pursuing the matter for waiver of interest. The balances of loans and interest payable are subject to confirmation.

6.3 The non-provision of interest of Rs. 18,88,83,291(4,40,52,899+14,48,30,392) referred to in para 6.1 and 6.2 above, the loss for the year is understated by Rs. .18,88,83,291/- and similarly the liability is understated by Rs. . 18,88,83,291/-.

6.4 Attention is drawn to Note No. 22 of Notes on Financial Statements which is reproduced :

The liabilities to Central Bank of India for the various credit facilities granted as shown in Note No. 5 of Notes on Financial Statements have been taken over by Phoenix Arc Pvt. Ltd. as per the agreement entered into by and between Central Bank of India and Phoenix Arc Pvt. Ltd. Phoenix Arc Pvt. Ltd. has served notice to company for recovery of dues of Rs.715.50 Lacs. The Company has disputed the agreement and has obtained a stay of recovery from DRT. Phoenix Arc Pvt. Ltd. has taken the symbolic possession of mortgaged premises i.e. 2nd charge on factory and 1st charge on 1000 sq. ft. of office premise. The matter is pending with DRT for final hearing and disposal.

In view of the above, the impact on the financial statements cannot be quantified.

6.5 Attention is drawn to Note No. 24 of Notes on Financial Statements which is reproduced :

Financial statements have been prepared in accordance with the fundamental accounting assumption that the company is a going concern.

The above being intention of the management for continuation of the business and the technicalities involved therein, we are unable to express any opinion on the above.

Opinion :

7 In our opinion and to the best of our information and according to the explanations given to us except for the effects of the matters described in para 6- the basis for Qualified Opinion paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

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

Report on Other Legal and Regulatory Requirements :

8 The Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

9 As required by section 227(3) of the Act, we report that:

- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 account;
- d. except for the effects/possible effects of the matters described in para 6- the basis for Qualified Opinion paragraph, in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Act;
- e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act;

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

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

PLACE OF SIGNATURE: MUMBAI.

DATE : 30th May, 2014

Annexure to the Independent Auditors' Report
(Referred to in Paragraph 8 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. Attention is drawn to note no. 18 of the Notes on Financial Statements.
 - (b) As per the information and explanations 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 explanations given to us, the Company has not disposed off substantial part of fixed assets during the year.

- (ii) (a)to(c) As per the information and explanations given to us, the company has made full provision for the diminution in the value of inventory. Hence no further comments are given in relation to the same.

- (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), (iii)(c) 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. 1,69,06,363/-. 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 value 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 any 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 govt. 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 not liable to make any deposits of statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth-tax, Service-tax, Customs Duty, Excise Duty, Cess and other statutory dues with appropriate authorities whichever is applicable.
 - (b) According to the information and explanations given to us, there are no disputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth-tax, Service-tax, Customs Duty, Excise Duty, Cess and other statutory dues which have remained outstanding as at 31st March, 2014;
- (x) According to the information and explanations given to us, the accumulated losses as at 31st March, 2014 are exceeding the net worth of the company and it has incurred cash losses during the year under reference 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 Note No. 20 and 21 of Notes on Financial Statements.
- (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 or 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 term loans during the year. Hence, the clause 4(xvi) of the Order is not applicable to the company.

- (xvii) The company has not used funds raised on short term basis for long term investment.
- (xviii) 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.
- (xix) According to the information and explanations given to us, during the year under reference, the company has not issued debentures. Hence, the clause 4(xix) of the Order is not applicable to the company.
- (xx) According to the information and explanations given to us, the company has not raised money by public issues during the year under reference. Hence, the clause 4(xx) of the Order is not applicable to the company.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year under reference.

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

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

PLACE OF SIGNATURE: MUMBAI.

DATE : 30th May, 2014.

Balance Sheet as at 31st March, 2014

Particulars	Note No.	As at 31/03/2014 Rs.	As at 31/03/2013 Rs.
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	2	72002000	72002000
(b) Reserves and Surplus	3	-174064423	-172285242
(2) Non-current liabilities			
Long-term borrowings	4	28800000	28800000
(3) Current liabilities			
(a) Short-term borrowings	5	31408172	30836672
(b) Trade payables	6	870252	870252
(c) Other current liabilities	7	61684311	61674028
TOTAL		20700312	21897710
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	8	15948539	17129282
(ii) Capital work-in-progress		11400	11400
(b) Non-current investments	9	0	0
(c) Long-term loans and advances	10	4616817	4616817
(2) Current assets			
(a) Inventories	11	0	0
(b) Trade receivables	12	0	0
(c) Cash and Bank Balances	13	123556	140211
(d) Other Current Assets		0	0
TOTAL		20700312	21897710

Significant Accounting policies 1**Accompanying Notes are an integral part of the Financial Statements**

AS PER OUR REPORT OF EVEN DATE

FOR M.K. MEHTA & CO.

CHARTERED ACCOUNTANTS
REGISTRATION NO.: 129664W

(MILIND K. MEHTA)

PROPRIETOR

MEMBERSHIP NO. 47739

PLACE : MUMBAI

DATED : 30th May, 2014

FOR AND ON BEHALF OF THE
BOARD OF DIRECTORS

DIRECTOR

Mahesh

Garodia

DIN:01250816

DIRECTOR

Kunal Naik

DIN:02689478

Statement of Profit and Loss for the year ended 31st March, 2014

Particulars	Note No.	For the year	
		ended 31/03/2014 Rs.	ended 31/03/2013 Rs.
<u>I. Revenue from operations</u>			
Sale of Products (Gross)		0	0
III. Total Revenue (I + II)		0	0
IV. Expenses:			
1) Purchases of Stock-in-Trade		0	0
2) Changes in inventories of finished goods, work-in-process and Stock-in-Trade	14	0	0
3) Employee benefits expense	15	50000	35000
4) Finance costs	16	0	
5) Depreciation and amortization expense		1180743	1180743
6) Other expenses	17	548438	393462
Total expenses		1779181	1609205
V. Loss before Exceptional and Extra ordinary items and tax (III-IV)		-1779181	-1609205
VI. Profit before extra ordinary items and tax		-1779181	-1609205
VII. Extra ordinary items	18		
VIII. Loss before tax (VI - VII)		-1779181	-1609205
IX. Tax expense:			
(1) Current tax :		0	0
(2) Deferred tax		0	0
		-1779181	-1609205
X. Loss for the period from continuing operation		0	0
XI. Loss from discontinuing operations		-1779181	-1609205
XII. Tax expense of discontinuing operations		0	0
XIII. Loss from discontinuing operations(After tax)		-1779181	-1609205
XIV. Loss for the period		-1779181	-1609205
XV. Earnings per equity share:			
1) Basic		-0.25	-0.22
2) Diluted		-0.25	-0.22

Significant Accounting policies

1

**Accompanying Notes are an integral part of the
Financial Statements**

**FOR M.K. MEHTA & CO.
CHARTERED ACCOUNTANTS
REGISTRATION NO.: 129664W**

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

**(MILIND K. MEHTA)
PROPRIETOR**

**DIRECTOR DIRECTOR
Mahesh
Garodia Kunal Naik
DIN : 01250816 DIN : 02689478**

**MEMBERSHIP NO. 47739
PLACE : MUMBAI
DATED : 30th May, 2014**

Cash flow statement for the year ended 31st March, 2014.

Particulars	Note No.	For the year ended 31/03/2014	For the year ended 31/03/2013
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before extra ordinary items and tax		-1779181	-1609205
Less : Fees paid to BSE considered as extra ordinary items			
Profit after Fees paid to BSE and before tax		-1779181	-1609205
Add : Adjustments for :			
Depreciation expense		1180743	1180743
Interest expenses		839	
Changes in working capital :			
Decrease in TDS receivables		0	0
Increase in Trade Payables		0	4598
Decrease in Tax deducted at source		0	-1100
Decrease in other liabilities		283	-236290
Cash generated from operations		-597316	-661254
Less :- Income taxes paid		0	0
Net Cash from Operating Activities		-597316	-661254
CASH FLOW FROM INVESTING ACTIVITIES			
		0	0
		0	0
CASH FLOW FROM FINANCING ACTIVITIES			
Unsecured Loans received during the year		571500	717000
		571500	717000
Net Increase in Cash & Cash equivalents		-25816	55746
Cash & Cash equivalents at the beginning of the year		140211	84465
Cash & Cash equivalents at the end of the year	13	123556	140211

Notes:

- i **Cash flow statement has been prepared under the indirect method as setout in Accounting Standard-3**
- ii **Figures of the previous year have been regrouped/recasted wherever necessary**

**FOR M.K. MEHTA & CO.
CHARTERED ACCOUNTANTS
REGISTRATION NO.: 129664W**

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

**(MILIND K. MEHTA)
PROPRIETOR**

MEMBERSHIP NO. 47739

PLACE : MUMBAI

**DIRECTOR DIRECTOR
Mahesh Kunal Naik
Garodia DIN : 02689478
DIN : 01250816**

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1) SIGNIFICANT ACCOUNTING POLICIES:

a) Basis of Accounting:

The Company follows the accrual system of accounting except gratuity and leave encashment

- i) 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:

e) Investments :

Investments are stated at cost.

f) Revenue Recognition:

- i) Revenue from sale of goods and steam is recognized when the substantial risk and rewards of ownership are transferred to the buyer under the terms of the contract.
- ii) Interest income is accrued at applicable rate.
- iii) Other items of income are accounted as and when right to receive arises.

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 :

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 that have been enacted or subsequently enacted.

	As at 31/03/2014	As at 31/03/2013
	Rs.	Rs.
2 Share capital		
<u>Authorised :</u>		
1,00,00,000 Equity Shares of Rs.10/- each (Previous year 1,00,00,000 Equity Shares of Rs. 10/- each)	100000000	100000000
<u>Issued, Subscribed and Paid up :</u>		
7200200 Equity Shares of Rs. 10/- each fully paid-up	72002000	72002000
TOTAL	72002000	72002000

Details of shareholders holding more than 5% shares as on the Balance Sheet date.

Sr. No.	Name of the shareholder	No. of shares held	
		As at 31/03/2014	As at 31/03/2013
1	Mahesh G. Garodia	1250000	1250000
2	Nishant M. Garodia	1250000	1250000
3	SICOM Ltd.	750000	750000
4	Garodia Sons Pvt. Ltd.	611100	611100

	31/03/2014	31/03/2013
	Rs.	Rs.
3 Reserves and Surplus		
<u>Surplus i.e. balance in the statement of profit and loss</u>		
Balance as per last Balance Sheet	-172285242	-170676037
Add :- Balance in statement of profit & loss	-1779181	-1609205
TOTAL	-174064423	-172285242
	31/03/2014	31/03/2013
	Rs.	Rs.
4 Long Term Borrowings		
Term Loan From Aashka Holdings Pvt. Ltd.	28800000	28800000
(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.)		
TOTAL	28800000	28800000

	31/03/2014	31/03/2013
	Rs.	Rs.
5 Short Term Borrowings		
I) Loans repayable on demand from banks - Secured		
(a) Working Capital facilities from Central Bank of India (C.C. A/c)	9969610	9969610
(b) Overdraft with Central Bank of India (O.D. A/c)	396000	396000
(c) Overdraft with Central Bank of India	1843	1843
(d) Bill Discounting facilities from Central Bank of India	2384356	2384356
TOTAL (A)	12751809	12751809

The working capital facilities from the bank are secured against hypothecation of raw materials, finished products, book debts and personal guarantees of certain directors.

	31/03/2014	31/03/2013
	Rs.	Rs.
II) Loans repayable on demand from others - Unsecured		
(Free of Interest)		
(a) From related Parties	16797237	16334863
(b) From others	1859126	1750000
TOTAL (B)	18656363	18084863
Short Term Borrowings	31408172	30836672
Total (A) + (B)	31408172	30836672

	As at 31/03/2014	As at 31/03/2013
	Rs.	Rs.
6 Trade Payables		
Trade payables	870252	870252
TOTAL	870252	870252

Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006

The Micro, Small and Medium Enterprises as defined under the Micro, Small and Medium Enterprises Development Act 2006, have been identified on the basis of information available with the Company. There are no dues owing by the Company to The Micro, Small and Medium Enterprises at the year end (at the end of the previous year Nil)

	31/03/2014	31/03/2013
	Rs.	Rs.
7 Other Liabilities		
(a) Interest accrued and due on borrowings	57791999	57791999
(b) Creditors for capital expenditure	1402125	1402125
(c) Sundry Creditors for expenses	2489297	2479042
(d) Statutory dues payable	890	862
TOTAL	61684311	61674028

8 Tangible Fixed Assets

Sr. No.	Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
		As at 01/04/2013	Additions during the year	Sales/ Ded.n during the year	As at 3/31/2014	Upto 3/31/2013	Adjusted on w/back sale	Provided during the Year	Upto 3/31/2014	As At 3/31/2013
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	Free Hold Land	1091831			1091831		0		1091831	1091831
2	Building	35378535			35378535	19357838	1175460	20533298	14845237	16020697
3	Plant & Machinery	75351438			75351438	75351438		75351438	0	0
4	Office Equipment	203870			203870	187116	5283	192399	11471	16754
4	Furniture, Fixture	1021495			1021495	1021495		1021495	0	0
5	Vehicles	301000			301000	301000		301000	0	0
TOTAL:		113348169	0	0	113348169	96218887	0	97399630	15948539	17129282
PREVIOUS YEAR:		113348169			113348169	95038144		96218887		17129282

9 Non Current Investments - At cost		
(a) Investments in Equity Shares- fully paid up(Other than trade inves	155000	155000
(b) Quoted investment Aggregate Market Value Rs. NIL (Previous Year : Rs. NIL)		
	155000	155000
Less : Provision for Diminution in Value of investments	155000	155000
	TOTAL	0
		0
note :	In view of Diminution in value of investments, provision has been made of the full amount. In absense of any documents on the record, no additional information is given relating to the investments.	
	31/03/2014	31/03/2013
	Rs.	Rs.
10 Long Term Loans and Advances:		
Unsecured, considered good unless stated otherwise		
(a) Capital Advances (Considered Doubtful)	2547271	2547271
(b) Deposits (including Rs. 17,10,000/- Considered doubtful)	5325000	5325000
(c) Modvat Credit receivable (input)	3437	3437
(d) Modvat Credit receivable (Capital Goods)	998380	998380
	8874088	8874088
Less : Provision Made	4257271	4257271
	TOTAL	4616817
		4616817
	31/03/2014	31/03/2013
	Rs.	Rs.
11 Inventories		
(as taken, valued and certified by a director of the Company)		
(a) Raw Materials	365704	365704
(b) Works in Process	2067970	2067970
(c) Finished goods	1499726	1499726
	3933400	3933400
Less : Provision for loss in value of inventories	3933400	3933400
	TOTAL	0
		0
	31/03/2014	31/03/2013
	Rs.	Rs.
12 Trade Receivables		
Trade Receivables outstanding for a period exceeding six months (Unsecured & Considered Doubtful)	2360997	2360997
	2360997	2360997
Less : Provision made	2360997	2360997
	TOTAL	0
		0
	31/03/2014	31/03/2013
	Rs.	Rs.
13 Cash and Bank Balances :		
<u>Cash and cash equivalent</u> s		
(a) Cash on hand	97813	63646
(b) With Bank in Current Account	25743	76565
	TOTAL	123556
		140211

	31/03/2014	31/03/2013
	Rs.	Rs.
14 Changes in Inventory of Finished goods, work in progress and stock in trade.		
<u>(a) Manufactured goods (Chemicals):</u>		
Opening Stock	1499726	1499726
Closing Stock	1499726	1499726
TOTAL (a)	<u>0</u>	<u>0</u>
<u>b) Work in Process (Paper) :</u>		
Opening Stock	2067970	2067970
Closing Stock	2067970	2067970
TOTAL (b)	<u>0</u>	<u>0</u>
TOTAL (a+b)	<u><u>0</u></u>	<u><u>0</u></u>
	31/03/2014	31/03/2013
	Rs.	Rs.
15 Employee Benefits Expenses		
Salaries and wages	50000	35000
TOTAL	<u>50000</u>	<u>35000</u>
	31/03/2014	31/03/2013
	Rs.	Rs.
16 Other Expenses		
Bank charges	630	574
Interest on late payment of TDS	839	2097
Advertisement expenses	45537	88437
Legal and Professional fees	373123	470554
Fees to BSE Ltd.	31067	28090
Payments to Auditors :		
Audit Fees	10000	10000
Postage, Courier & Internet charges	30832	30000
Demate Charges	52810	
Sundry Expenses	3600	
TOTAL	<u>548438</u>	<u>629752</u>
Less: Credit Balances Written Back		<u>236290</u>
	<u>548438</u>	<u>393462</u>

- 17 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.
- 18 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.
- 19 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.2,39,556/- (Previous Year Rs. 2,39,556/-) has not been provided for in the accounts and hence, not included in the valuation of inventory of such products.
- 20 In view of heavy accumulated losses and suspension of the manufacturing activities no provision has been made for the estimated amount of interest of Rs.4,40,52,899/- payable till 31st March 2014 (previous year Rs. 3,69,54,833/-) on different credit facilities granted by Central Bank of India as reflected in Note No. 5 above. The balances of loans and interest payable to Central Bank of India are subject to confirmation.
- 21 In view of heavy accumulated losses and suspension of the manufacturing activities no provision has been made for the the estimated amount of interest payable till 31st March, 2014 to Rs.14,48,30,392/- (previous year Rs.12,62,27,136/) on term loan facilities granted by IDBI and now taken over by Aaskha Holdings Pvt Ltd as reflected in Note No. 4 above. The company is pursuing the matter for waiver of interest. The balances of loans and interest payable are subject to confirmation.
- 22 The liabilities to Central Bank of India for the various credit facilities granted as shown in Note No. 5 have been taken over by Phoenix Arc Pvt. Ltd. as per the agreement entered into by and between Central Bank of India and Phoenix Arc Pvt. Ltd. Phoenix Arc Pvt. Ltd. has served notice to company for recovery of dues of Rs.715.50 Lacs. The Company has disputed the agreement and has obtained stay of recovery from DRT. Phoenix Arc Pvt. Ltd. has taken the symbolic possession of mortgaged premises i.e. 2nd charge on factory and 1st charge on 1000 sq. ft. of office premise. The matter is pending with DRT for final hearing and disposal.
- 23 Contingent liabilities and commitments to the extent not provided for

Necessary disclosures have been made in Note No. 19 to 22
- 24 Financial statements have been prepared in accordance with the fundamental accounting assumption that the company is a going concern.
- 25 Figures of the previous year have been regrouped/recasted wherever necessary

Loans Repayable on demand from related parties :

Sr. No.	Name	Amount	Amount
		Rs. 3/31/2014	Rs. 3/31/2013
1	Shri Mahesh Garodia (Director)	15957909	15386409
2	Shri Nishant Garodia (Director)	719328	719328
3	Garodia Sons Pvt. Ltd.	0	109126
4	Gordhandas Garodia	100000	100000
5	P. G. Trust	20000	20000
Total		<u>16797237</u>	<u>16334863</u>

**FOR M.K. MEHTA & CO.
CHARTERED ACCOUNTANTS
REGISTRATION NO.: 129664W**

**(MILIND K. MEHTA)
PROPRIETOR**

**MEMBERSHIP NO. 47739
PLACE : MUMBAI
DATED : 30th May, 2014**

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

**DIRECTOR DIRECTOR
Mahesh
Garodia Kunal Naik
DIN : 01250816 DIN : 02689478**

Form No. MGT-11
PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

GARODIA CHEMICALS LIMITED
Regd. Office: 149/156, Garodia Shopping Centre, Garodia Nagar, Ghatkopar, Mumbai (East) - 400077
CIN: L99999MH1993PLC070321 Website: www.gchem.co.in

Name of the member (s):

Registered address:

E-mail Id:

Folio No/ Client Id:

DP ID:

I/We, being the member (s) of shares of the above named Bank, hereby appoint

1. Name:.....Address:.....

E-mail Id:Signature:....., or failing him

2. Name:.....Address:.....

E-mail Id:Signature:.....or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Monday, 29th September, 2014 at 11.00 a.m. at 149/156, Garodia Shopping Centre, Garodia Nagar, Ghatkopar, Mumbai (East), Mumbai -400077

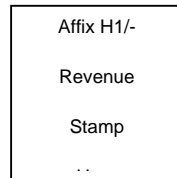
Signed this day of 2014.

Signature of shareholder

Signature of Proxy holder(s)

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A person can act as proxy on behalf of Members upto and not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company. Further, a Member holding more than ten percent, of the total share capital of the Bank carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.



GARODIA CHEMICALS LIMITED

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

ANNUAL GENERAL MEETING

Please fill this attendance slip and hand it over at the entrance of the venue of the meeting.

	Name and Address:	No. of Shares held:
*DP Id No. _____		
*Client Id No. _____		
Regd. Folio No. _____		

I hereby record my presence at the **Annual General Meeting** of Garodia Chemicals Limited on 29th September, 2014 at 11.00 a.m. at 149/156, Garodia Shopping Centre, Garodia Nagar, Ghatkopar, Mumbai (East), Mumbai -400077

*Applicable to members holding shares in electronic form

Signature of the Member / Proxy

GARODIA CHEMICALS LIMITED

Register Office: 149/156, Garodia Shopping Centre, Garodia Nagar, Ghatkopar (E), Mumbai -400077

[CIN No. L99999MH1993PLC070321][E-mail Id : gclshares@gmail.com]

[Tel. 022 -67983683]

BALLOT FORM

(To be returned to scrutinizer appointed by Garodia Chemicals Limited (“The Company”))

1. Name(s) of Member(s)
(including joint-holders, if any)
2. Registered Folio No. /
DPID No. / Client Id No.*
(*Applicable to Members holding shares
In dematerialized form)
3. Number of Shares Held:
4. I/We hereby exercise my/our vote in respect of the Ordinary Resolution(s) / Special Resolution(s) as specified in the Notice of Garodia Chemicals Limited dated 29th September, 2014 to be passed through Ballot for the business stated in the said Notice by conveying my/our assent or dissent to the said resolution in the relevant box below:

Item No.	Description	Type of resolution (Ordinary / Special)	I/We assent to the resolution (For)	I/We dissent to the resolution (For)
1.	Adoption of the audited Balance Sheet, and Statement Profit & loss for the year ended March 31, 2014 and the reports of the Board of Directors and Auditors thereon.	Ordinary		
2.	Appointment of Director in place of Mr. Brian Fernandes who retires by rotation and being eligible offers himself for re-appointment.	Ordinary		
3.	Appointment of Auditors and fixing of their remuneration.	Ordinary		
4.	Appointment of Mr. Kunal Naik as an Independent Director for the Company.	Ordinary		
5.	Appointment of Mr. Brian Fernandes as an Independent Director for the Company.	Ordinary		
6.	Adoption of New set of Article of Association	Special		
7.	Authorising the Board for fixing borrowing limits under Section 180 (1) (c)	Special		
8.	Authorising the Board for fixing borrowing limits under Section 180 (1) (a)	Special		

Place:

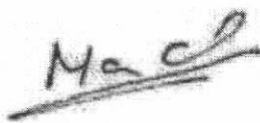

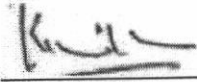
Date:

(Signature of Member / Beneficial Official Owner)

E mail: _____ **Tel No.** _____

Form B

Format of covering letter of the annual audit report to be filed with the stock exchange

1.	Name of the Company	Garodia Chemicals Limited
2.	Annual financial statement for the year ended	31 st March, 2014
3.	Type of Audit Qualification	Matter of Emphasis
4.	Frequency of Qualification	Appeared repetitive.
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report	Please refer to Note No 6.1, 6.2, 6.3 & 6.4 of Auditors Report and Note No: 20, 21 and 22 of Notes on Financial Statements; Note No (i)(a) of Annexure to Auditors Report and Note No: 20 & 21 Notes on Financial Statements. Please also refer Addendum to Directors Report for management response to the said qualifications.
6.	Additional Comments from the board/audit committee chair:	The Company is in process of reviving its operations
5.	To be signed by- <ul style="list-style-type: none"> • CEO/Managing Director • CFO • Auditor of the Company • Audit Committee Chairman 	 <hr/> Mahesh Garodia Director The Company has not appointed any CFO.  <hr/> For M/s M.K.Mehta & Co (Milind K. Mehta) Chartered Accountants  <hr/> Kunal Naik Chairman of Audit Committee

Date: 14/08/14