



BODAL CHEMICALS LTD.

(GOVT. OF INDIA RECOGNISED EXPORT HOUSE)

CIN : L24110GJ1986PLC009003

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By online upload

Sec/16-17/118

Date: 20-09-2016

To,
The General Manager,
Department of Corporate Services.
Bombay Stock Exchange Ltd.
1st Floor, New Trading Ring,
Rotunda Building, P. J. Tower,
Dalal Street, Fort
Mumbai-400 001
BSE CODE :524370

To,
The General Manager,
National Stock Exchange of India Ltd.,
Exchange Plaza,
Plot no. C/1, G Block,
Bandra-Kurla Complex
Bandra (E), Mumbai - 400 051
NSE Code :BODALCHEM

Dear Sir / Madam,

Sub: Copy of Annual Report.

Pursuant to the Regulation 34 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, we herewith submit Copy of the Annual Report for financial year 2015-16. The 30th Annual General Meeting (AGM) held on Tuesday, 20th September, 2016.

This is for your Record please.

Thanking You,
Yours Faithfully,

For, Bodal Chemicals Ltd.

Ashutosh B. Bhatt
Company Secretary

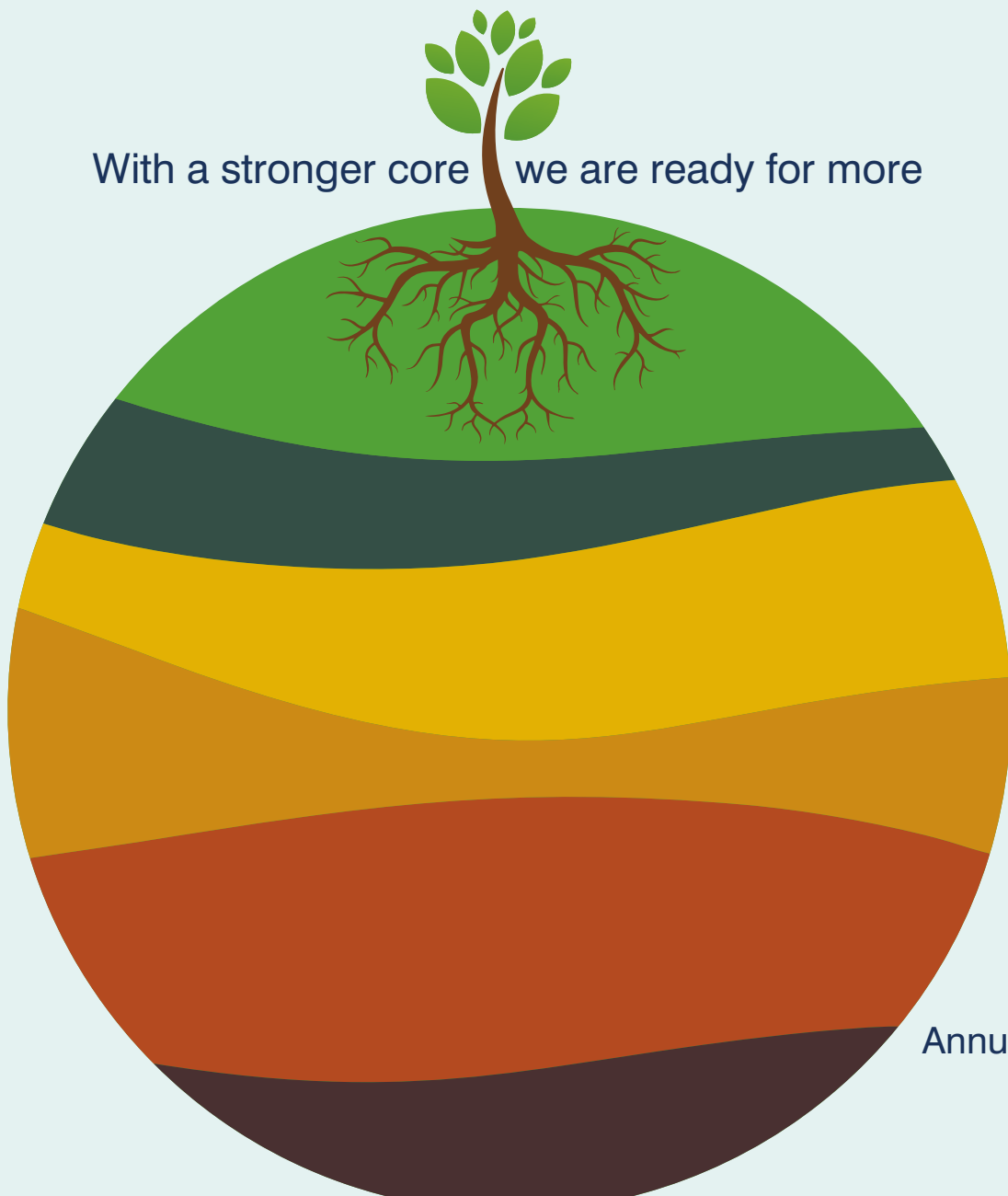


Encl.: a/a



Bodal Chemicals Ltd.
COLOURS. INTEGRATION. INNOVATION.

With a stronger core we are ready for more



Annual Report
2015-16



A tree with strong roots is one that is solidly anchored into the ground and is likely to have a sustained growth. In other words, roots can be called the 'Core' of a tree. Bodal Chemicals sowed the seeds of a great business three decades ago and through passion and perseverance, has built a strong Core for itself. However, Bodal Chemicals is yet to bear its best fruit and is yet to see its most rewarding years.

We are now
ready for more.



Bodal Chemicals Ltd.
COLOURS. INTEGRATION. INNOVATION.

Annual Report 2015-16

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Suresh J. Patel

Chairman & Managing Director

Mr. Bhavin S. Patel

Executive Director

Mr. Ankit S. Patel

Executive Director

Mr. Surendra N. Shah

Independent Director

Mr. Bipin R. Patel

Independent Director

Mr. Sunil K. Mehta

Independent Director

Mrs. Kajal Ritesh Soni

Independent Director

AUDIT COMMITTEE

Surendra N. Shah Chairman

Bipin R. Patel Member

Bhavin S. Patel Member

NOMINATION AND REMUNERATION COMMITTEE

Surendra N. Shah Chairman

Bipin R. Patel Member

Sunil K. Mehta Member

SHAREHOLDERS' GRIEVANCES COMMITTEE

Surendra N. Shah Chairman

Bipin R. Patel Member

Bhavin S. Patel Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Suresh J. Patel *Chairman*

Ankit S. Patel *Member*

Surendra N. Shah *Member*

CHIEF EXECUTIVE OFFICER

Mr. Suresh J. Patel

CHIEF FINANCIAL OFFICER

Mr. Mayur B. Padhya

COMPANY SECRETARY

Mr. Ashutosh B. Bhatt

REGISTERED ADDRESS

Plot No.123-124, Phase-I, G.I.D.C. Estate
Vatva, Ahmedabad - 382445

AUDITORS

Mayank Shah & Associates

Chartered Accountants

706-708-A, Mahakant, Opp. V. S. Hospital
Ellisbridge, Ahmedabad- 380006

BANKERS

Union Bank of India

Bank of India

TRANSFER AGENTS

Link Intime India Pvt. Ltd.

(Ahmedabad Branch)

Unit No 303, 3rd Floor, Shoppers Plaza V

Opp. Municipal Market

Behind Shoppers Plaza II

Off C G Road, Ahmedabad - 380009

#1

Manufacturer of Dye Intermediates in India;
One of the leading players globally

5%

Global Market Share

670 bps

EBITDA margin improvement between
Q4 FY2015 to Q4 FY2016

31%

Reduction in Net Debt since March 31, 2015

0.6x

Debt / Equity ratio as on March 31, 2016

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About Bodal Chemicals

One of the

World's Leading

manufacturers of Dye Intermediates and Dyestuff

India's Largest

manufacturer of Dye Intermediates

Most Integrated

Dyestuff player in India, thereby reducing logistics costs and enabling higher margins

Produces the

Widest Variety

of Dye Intermediates in India

Based in Gujarat, with an

Abundance of Raw Materials

Strong global reach;

Exports to over 35 Countries

Captive Power Plant

and steam generation reduces power cost

100% topline growth in 3-4 years helped by

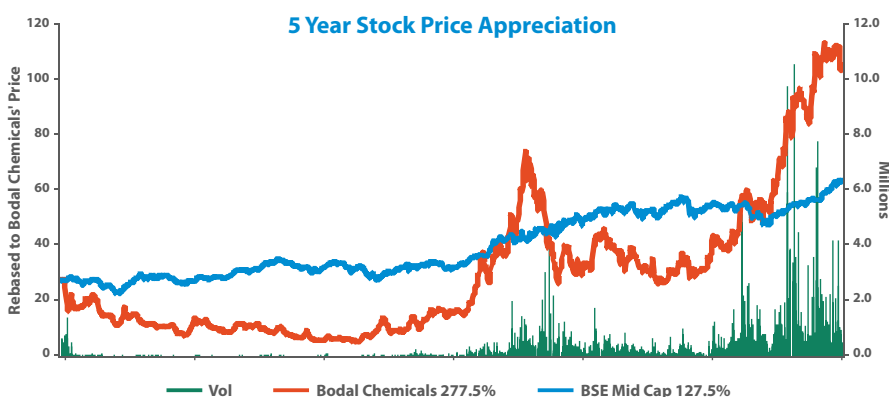
New Growth Initiatives

Total Debt to Equity of 0.6x represents a

Strong Leverage Profile

277.5%

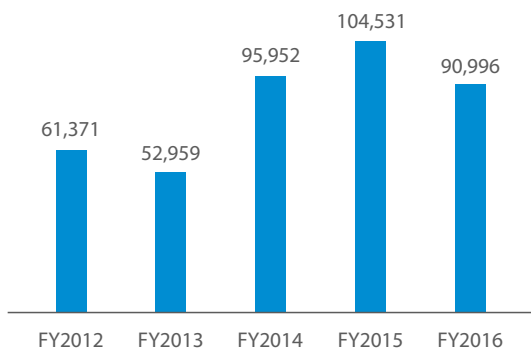
Absolute five year stock price return*



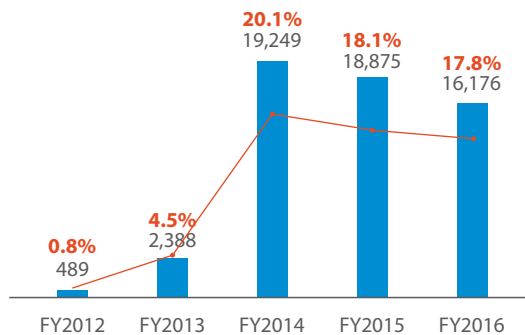
*As of 16th August, 2016; excludes dividends.

Financial Snapshot

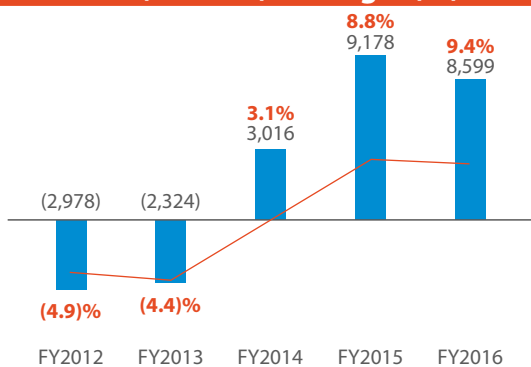
Revenue (Rs. Lacs)



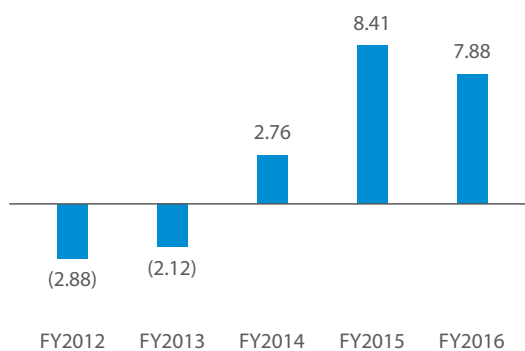
EBITDA (Rs. Lacs) & Margin (%)



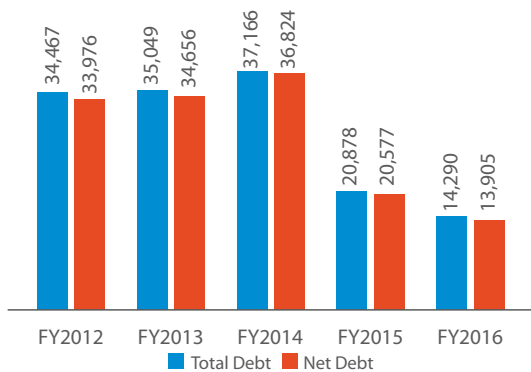
PAT (Rs. Lacs) & Margin (%)



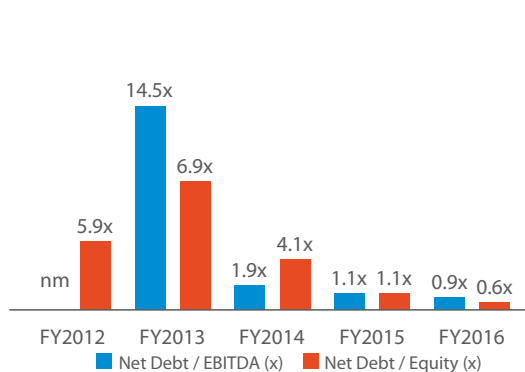
EPS (Rs.)



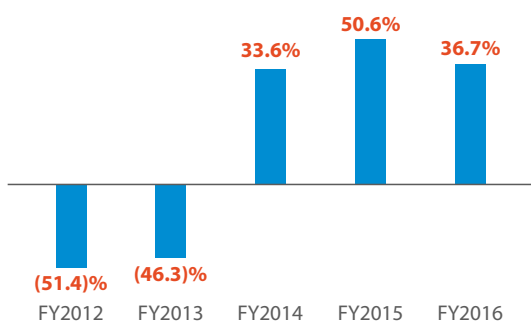
Total Debt & Net Debt (Rs. Lacs)



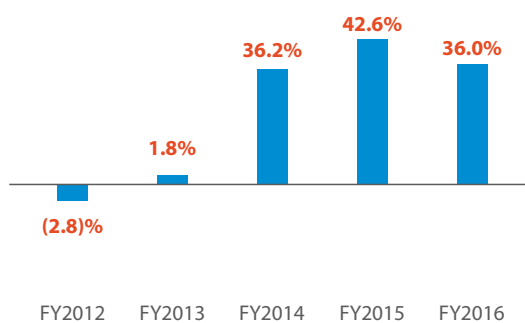
Net Debt / EBITDA and Net Debt / Equity



Return on Equity (%)



Return on Capital Employed (%)



Chairman's Message



The global Dyestuff industry is at a critical juncture today. Recently, after a leading company in China was shut down owing to environmental concerns, the world's focus shifted to the Indian manufacturers to fill the void created by the deficit in supply. This has presented a highly lucrative opportunity for Bodal Chemicals, which is well known as one of the leading Dyestuff manufacturers globally. Not only are we one of the lowest cost producers of Dyestuff owing to the level of integration in our manufacturing processes, but are also well acknowledged in the international market through the wide reach of our exports. With a sense of excitement and anticipation, we welcome this next level of growth.

Leaving aside the opportunity that lies ahead of us for a short while, I would like to share with all of you Bodal Chemicals'

operational and financial journey over the last few years and how that has contributed to further strengthening our core. The Company's Total Consolidated Income during financial year 2016 stood at Rs. 9,099.6 million whilst the EBITDA stood at Rs. 1,617.6 million translating into margins of 17.8%. The EBITDA represents a growth of close to seven times in 3 years. Furthermore, the return on equity has risen to 36.7% from a negative return three years back. With a Net Debt / EBITDA of 0.8x and a Debt / Equity of 0.6x, we have much more financial flexibility today, also reflected in our credit ratings. It has taken both perseverance and passion to get to where we are today and we are not stopping yet.

Yet, it is one thing to be great at what you do but totally another to keep pushing the boundaries. This time last year I shared with

*“ It has taken both
perseverance and passion
to get to where we are today
and we are not stopping yet.”*

you our venturing into Specialty Chemicals through Trion Chemicals. We have made significant progress on this initiative through the year and as promised, will be starting production in the second half of FY2017. During the latter part of the financial year, we also started commercial production of LABSA. The market feedback for the product has been absolutely encouraging so far and it gives us great confidence to enhance production of the same. A third high margin product we look forward to increasing production of is Liquid Dyestuff which is used in the paper industry for coloring paper. I expect these high growth initiatives to collectively put Bodal Chemicals on a new growth trajectory.

We owe our successes to our employees, financial institutions, vendors, customers and shareholders. As we move on to a higher

growth path, your continuing support and cooperation will be imperative. We strive to break new grounds and reach new heights, in our quest for excellence in business and innovation. In doing so, we will continue to create value for our stakeholders and make the workplace at Bodal Chemicals a much more fulfilling platform for all our employees.

Yours Sincerely

Suresh J. Patel

**Chief Executive Officer,
Chairman and Managing Director**

Directors' Report

Your Directors are pleased to present their 30th Annual Report on the business and operations of Bodal Chemicals Limited ("Bodal Chemicals" or the Company) together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2016.

FINANCIAL RESULTS

The Financial Results of the Company for the year ended 31st March, 2016, were as follows:

(Rs. in Lacs)

Particulars	Standalone		Consolidated	
	FY2016	FY2015	FY2016	FY2015
Income from Operations	89,685.15	103,580.48	89,697.93	103,580.48
Other operating Income	1,297.57	950.74	1,297.57	950.74
Total Income from Operations	90,982.72	104,531.22	90,995.50	104,531.22
Profit Before Interest, Depreciation & Taxation (EBITDA)	16,194.47	18,898.36	16,176.08	18,875.20
Less: Depreciation	2,577.82	2,224.79	2,579.05	2,225.05
Profit Before Interest & Taxation (EBIT)	13,616.65	16,673.57	13,597.03	16,650.15
Less: Finance Cost	1,219.93	2,727.53	1,219.93	2,727.53
Less/Add : Exceptional Item	(789.89)	0.00	(675.47)	0.00
Profit Before Tax (PBT)	13,186.61	13,946.04	13,052.57	13,922.62
Less: Tax Expenses	4,526.76	4,744.39	4,453.91	4,744.38
Profit After Tax (PAT)	8,659.85	9,201.65	8,598.66	9,178.24
Balance brought forward from previous year	9,133.64	(68.01)	8,700.05	(478.19)
Amount available for appropriation	17,793.49	9,133.64	17,298.71	8,700.05
Appropriations:				
Interim Dividend	654.64	-	654.64	-
Proposed Final Dividend	-	-	-	-
Dividend Distribution Tax	133.27	-	133.27	-
Capital Redemption Reserve	2,500.00	-	2,500.00	-
Balance carried to Balance Sheet	14,505.58	9,133.64	14,010.80	8,700.05

Notes: Previous year figures have been recast wherever necessary.

PERFORMANCE DISCUSSION

During the year under review, Total Income from Operations on a consolidated level declined 12.9% to Rs. 90,995.50 lacs compared to fiscal year 2015. This was mainly due to the effect of lower finished goods prices. Lower crude price for most of the year pushed raw material prices lower, thereby impacting realisations.

Consolidated EBITDA for the year was Rs. 16,176.08 lacs at 17.8% margin. This is compared to consolidated EBITDA of Rs. 18,875.20 lacs at 18.1% margin. However, realisation during the second half improved resulting in improvement in EBITDA margin from 16.5% in Q1 FY2016 to 21.6% in Q4 FY2016. Finance Cost during the year declined by 55.3% from Rs. 2,727.53 lacs to Rs. 1,219.93 lacs due to continued long term debt reduction. Profit after Tax (PAT) for the year was Rs. 8,598.66 lacs at 9.4% margin compared with Rs. 9,178.24 lacs in FY2015 at 8.8% margin. EPS for the year was Rs. 7.88 compared with Rs. 8.41 in FY2015.

CAPITAL STRUCTURE & LIQUIDITY

Share Capital

The Issued, Subscribed & Paid up Equity Share Capital of the Company as at 31st March, 2016 was Rs. 2,182.15 lacs divided into

1,091.07 lacs Equity shares, having face value of Rs. 2 each. This compares with Rs. 4,682.15 lacs as at 31st March, 2015.

In a meeting of Preference Shareholders held on 3rd August, 2015, the Preference Shareholders of the Company approved redemption of the 250 lacs, 9% Non-Convertible Redeemable Preference Shares of Rs. 10 each fully at par. Total amount of the Preference Share redemption was Rs. 2,500 lacs.

General Reserve

During the year under review, your Directors do not propose to transfer any amount to the General Reserve.

Term Loan and Working Capital

As of 31st March, 2016, Total Debt was Rs. 14,290.40 lacs, Cash and Cash Equivalents were Rs. 46.90 lacs resulting in Net Debt of Rs. 14,243.50 lacs (vs. Rs. 20,750.40 lacs as on 31st March, 2015). Total Debt consisted of Rs. 14,222.50 lacs of Working Capital loans and Rs. 67.90 lacs of Long Term loans, including Long Term loans maturing within 12 months of the balance sheet date. During the year, the Company repaid its long term debt resulting in significantly improved leverage position and reduced finance cost.

Directors' Report *(continued)*

Exit from the Corporate Debt Restructuring Mechanism

In September 2015, Bodal Chemicals announced its exit from the Corporate Debt Restructuring (CDR) mechanism. The Company is now allowed to declare dividends, borrow funds from banks and plan capital outlay for expansion and future growth. The Company's credit ratings will also be improved. Bodal Chemicals had entered into the CDR mechanism in December 2012 and has repaid all its CDR debt and other term loans out of the cash generated by the business.

CAPITAL MARKET RATINGS

Based on the recent developments at the Company as well as operational and financial performance, Credit Analysis & Research Ltd (CARE) has upgraded our credit ratings. For the Long Term Bank Facilities CARE has upgraded the rating from "CARE BBB+" to "CARE A-". CARE A- rating is considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.

CARE has upgraded the rating of "CARE A2" to "CARE A2+" assigned for the Short Term Facilities, which is considered to have a strong degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

DIVIDEND INFORMATION

During the fiscal year 2016, the Company has issued 2 (two) interim dividends of Rs. 0.20 per share (or 10% of face value Rs. 2) and Rs. 0.40 per share (or 20% of face value Rs. 2). This shall be treated as final dividend. The total dividend for the financial year, including the two interim dividends, amounts to Rs. 0.60 per equity share and will absorb Rs. 787.91 lacs, including Dividend Distribution Tax of Rs. 133.27 lacs.

TRANSFER OF AMOUNT TO INVESTOR EDUCATION & PROTECTION FUND (IEPF)

Section 124 of the Companies Act, 2013 mandates that companies transfer dividend that has been unclaimed for a period of seven years, from the unpaid dividend account to the Investor Education and Protection Fund (IEPF). Unclaimed dividend, which has been transferred to IEPF, has been disclosed in the Corporate Governance report forming part of Directors report

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 24th September, 2015 (date of last Annual General Meeting) on the Company's website www.bodal.com

CAPITAL EXPENDITURE

During financial year 2016, Bodal Chemicals incurred capital expenditure of Rs. 1,742.46 lacs on physical infrastructure. Over the last year, we have made investment in select capacity

expansion to make ourselves future ready. Production for our LABSA project has started at our wholly owned subsidiary Bodal Agrotech Limited. This will yield meaningful results in the next fiscal year.

SUBSIDIARIES, JOINT VENTURES & ASSOCIATES

Bodal Chemicals currently has one subsidiary. Pursuant to Section 129(3) of the Companies Act, 2013 and Accounting Standard-21 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company include the Financial Statements of its Subsidiaries and form part of this Annual Report. Statement containing the salient feature of the financial statement of the Company's subsidiaries, associate(s) and joint venture(s) is enclosed as Annexure 1 in form AOC-1 to this Annual Report. In terms of provisions of Section 136 of the Companies Act, 2013, the Company shall place separate audited accounts of the Subsidiary Companies on its website www.bodal.com

Bodal Agrotech Limited (BAL) is a wholly owned subsidiary of the Company. BAL started a new plant for the production of Linear Alkyl Benzene Sulphonic Acid (LABSA). The production at this plant started in March 2016. It is an anionic surfactant widely used in all ranges of domestic detergents powder, cake & dish wash cleaners. Total annual capacity for this plant is 18,000 MTPA. During the fiscal year 2016, BAL generated a turnover of Rs. 87.49 lacs. At an optimum capacity utilisation level, BAL is expected to generate total annual turnover of Rs. 100 Crore.

Trion Chemicals Private Limited (TCPL) In line with the Company's diversification strategy, Bodal Chemicals has made an investment of Rs. 15 Crore in TCPL, which is in the process of becoming a 42% owned associate of the Company. TCPL is engaged in the production of a compound which is a disinfectant, algicide and bactericide mainly for swimming pools. It is also used as a bleaching agent in the textile industry. TCPL is expected to start production in H2 FY2017. At optimum capacity utilisation levels, it is expected to generate an annual turnover of Rs. 225-250 Crore.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Details of the Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the account that form part of this Annual Report.

Public Deposits

The Company has not accepted any deposit during the year under review. There were no deposits remaining unpaid / unclaimed as at the end of the financial year 2016 and as such no amount of principal or interest was outstanding, as on the date of balance sheet.

LISTING OF SECURITIES

Bodal Chemicals has 10,91,07,370 equity shares of Rs. 2 each fully paid, are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The Company confirms that it has paid the

Directors' Report *(continued)*

Annual Listing Fees for the fiscal year 2017 to both the exchanges where the Company's equity shares are listed.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Directors' Appointment, Retirement and Resignation

As on date, Bodal Chemicals had 7 (Seven) Directors including 3 (Three) executive Directors and 4 (four) independent Directors.

Mr. Ankit S. Patel, Executive Director was appointed at Extra Ordinary General Meeting held on 11th February, 2013 for a period of three years w.e.f. 24th May, 2013, therefore their tenure was upto 23rd May, 2016. The Board of Directors of the Company has re-appointed him subject to approval of the members of the Company, as the Executive Director w.e.f. 24th May, 2016 for a further period of three years.

Mr. Ankit S. Patel retires by rotation at the ensuing Annual General Meeting. He, being eligible, offers himself for re-appointment. None of the Directors of the Company are disqualified from being appointed as Directors as specified under Section 164 of the Companies Act, 2013. Details of all the Directors have been covered in Corporate Governance Report which forms part of the Annual Report.

For the perusal of shareholders, a brief resume of the above all the Directors, nature of their expertise, their shareholding in the Company and other required details are given in the section of Corporate Governance Report forming part of the Directors' Report in the Annual Report.

Declaration by Independent Directors

The Company has received declaration from all Independent Directors that they meet the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013 and regulation 27(2) of the Securities and Exchange Board of India (Listing Obligation & Disclosure Requirements), 2015 (hereinafter referred as the "Listing Regulations"). The Company keeps a policy of transparency and arm's length while dealing with its Independent Directors. There were no pecuniary transactions entered into with the Independent Directors apart from sitting fees.

Diversity of the Board

Bodal Chemicals believes that building a diverse and inclusive culture is an integral part of the organisation's success. A diverse Board, among others, enhances the quality of decisions by utilising different skills, qualifications, professional experience and knowledge of the Board members necessary for achieving sustainable and balanced development. The Company has an optimum mix of executive and non-executive, independent directors and woman director. The Nomination and Remuneration Committee of the Company follows defined policy for identifying, screening, recruiting and recommending candidates for election as a Director on the Board. The Policy is available on the Company website www.bodal.com

Board Meetings

During the year under review, 6 (Six) meetings of the Board of Directors were held. Details of the composition of the Board and its Committees and of the Meetings held, attendance of the Directors at such Meetings and other relevant details are provided in the Corporate Governance Report.

Meeting of Independent Directors

The Independent Directors of the Company met separately on 10th March, 2016 without the presence of Non-Independent Directors and the members of management. In accordance with the Listing Agreement, following matters were, inter-alia, discussed in the meeting:

- Review the performance of Non-Independent Directors and the Board as a whole
- Review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors
- Assess the quality, quantity and timelines of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties

Board's Annual Evaluation

In terms of the requirements of the Companies Act, 2013, and the Listing Regulations, the Board carried out the annual performance evaluation of the Board as a whole, Board Committees and the Directors. The evaluation framework adopted by the Board is set out in the Corporate Governance Report.

Key Managerial Personnel (KMP)

During the financial year 2016, the Company has designated following personnel as KMPs as per the definition under Section 2(51) and Section 203 of the Act:

- Mr. Suresh J Patel, Chairman & Managing Director
- Mr. Bhavin S Patel, Executive Director
- Mr. Ankit S Patel, Executive Director
- Mr. Mayur B. Padhya, Chief Financial Officer
- Mr. Ashutosh B. Bhatt, Company Secretary

Remuneration of Directors and KMP

Pursuant to the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, disclosures pertaining to remuneration, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules is attached as Annexure 2 which forms part of this report.

Remuneration Policy

Bodal Chemical's remuneration policy is directed towards rewarding performance based on a periodic review of the

Directors' Report *(continued)*

achievements. The Company's remuneration policy also aims at attracting and retaining high calibre talent. The remuneration policy, therefore, is market-led and takes into account the competitive circumstance so as to attract and retain quality talent and leverage performance significantly. The Policy on remuneration of Directors, Key Managerial Personnel and other employees of the Company is explained in the Corporate Governance Report.

AUDITORS

Statutory Auditors

Your Directors recommended re-appointment of M/s. Mayank Shah & Associates, Chartered Accountants as statutory auditors of the Company for the financial year 2017. The Company has received a certificate from the auditors stating that their appointment, if made, will be within the limit specified under sections 139 and 141 of the Companies Act, 2013.

The report of the Statutory Auditors along with notes to Schedules is enclosed to this report. Auditor's comments on your Company's accounts for the year ended 31st March, 2016 are self-explanatory in nature and do not require any explanation as per provisions of section 134 of the Companies Act, 2013. The Auditor's Report does not contain any qualification, reservation or adverse remark.

Internal Auditors

M/s. Rashmin R. Patel & Co., Chartered Accountants is appointed as the Internal Auditors of the Company. The Internal Audit function is responsible for assisting the Audit Committee on an independent basis with a full status of the risk assessments and management. The Internal Auditor reports their findings on the internal audit of the Company, to the Audit Committee on a quarterly basis. The scope of internal audit is approved by the Audit Committee.

Cost Auditors

Pursuant to the section 148 of the Companies Act, 2013, the Central Government has prescribed cost audit related to the Company's product Dye Intermediates and dyes. Based on that and recommendation made by the Audit Committee, the Board of Directors have appointed M/s. Kiran J. Mehta & Co., Cost Accountants, Ahmedabad, as the Cost Auditor for the financial year 2017. The Company has received a written certificate stating that their re-appointment, if made, would be within the prescribed limits under section 141 of the Companies Act, 2013. The Cost Audit report for the financial year 2016 has been filed within the prescribed time limits. The Cost Auditor's Report does not contain any qualification, reservation or adverse remark.

Secretarial Auditors

Pursuant to the section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Bodal Chemicals has appointed Mr. Tapan Shah, practicing company secretary as a Secretarial Auditor to

conduct the Secretarial Audit of the Company for the financial year 2017.

The Secretarial Auditors have submitted their report, confirming compliance by the Company of all the provisions of the applicable corporate laws. The Report does not contain any qualification, reservation or adverse remark. The Secretarial Audit Report is annexed to this annual report.

MANAGEMENT DISCUSSION & ANALYSIS

Pursuant to Regulation 34 of the Listing Regulations, the Management Discussion and Analysis Report for the year under review, is presented in a separate section, forming part of the Annual Report.

CORPORATE GOVERNANCE

Bodal Chemicals is committed to ensuring the highest levels of ethical standards, professional integrity, corporate governance and regulatory compliance. The Company understands and respects its fiduciary duty to all stakeholders and strives to meet their expectations. The core principles of independence, accountability, responsibility, transparency, fair and timely disclosures serve as the basis of your Company's approach to corporate governance.

A separate section on Corporate Governance forming part of the Directors' Report and the certificate from the Practicing Chartered Accountants confirming compliance of the Corporate Governance norms as stipulated in the Listing Regulations is included in the Annual Report.

HUMAN RESOURCES & INDUSTRIAL RELATIONS

At Bodal Chemicals, human resource remains at the core of our strategy for sustainable growth. We realise that our ability to continue and sustain our growth and extraordinary success strongly depends on our ability to grow, nurture and retain this talent. The Company has over 1,200 employees spread across all its 9 manufacturing units. Your Company is focused on building a high performance culture with a growth mindset. Developing and strengthening capabilities for all employees in your Company has remained an ongoing priority.

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

MATERIAL CHANGES AND COMMITMENTS

There were no material changes and commitments affecting the financial position of the Company between the end of financial year and date of this report.

EXTRACT OF THE ANNUAL REPORT

In terms of provisions of sections 92, 134(3)(a) of the Companies Act, 2013 read with Rule 12 of Companies (Management and

Directors' Report *(continued)*

Administration) Rules, 2014, the extracts of Annual Return of the Company in form MGT-9 is annexed herewith as Annexure 3 to this Annual Report.

SAFETY & WELLBEING OF WOMEN AT WORKPLACE

Bodal Chemicals has taken various initiatives to ensure a safe and healthy workplace for its women employees. The Company has zero tolerance for sexual harassment at workplace and is fully compliant with the prevailing laws on the prevention of sexual harassment of women at workplace. As per the provisions of sections 21 and 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the report on the details of the number of cases filed under sexual harassment and their disposal is as under:

Number of cases pending as on the beginning of the financial year: NIL

Number of complaints filed during the year: NIL

Number of cases pending as on the end of the financial year: NIL

VIGIL MECHANISM AND WHISTLEBLOWER POLICY

The provisions of section 177 (9) and (10) of the Companies Act, 2013 mandates every listed company to establish vigil mechanism for directors and employees. Bodal Chemicals has adopted a Whistle Blower Policy, as part of vigil mechanism to provide appropriate avenues to all the employees of the Company to raise their concerns relating to fraud, malpractice or any other activity or event which is against the interest of the Company or society as a whole. Details of complaints received and the action taken are reviewed by the Audit Committee.

The functioning of the Whistle Blower mechanism is reviewed by the Audit Committee from time to time. None of the Company's personnel have been denied access to the Audit Committee. The Whistle Blower policy is available on the Company's website www.bodal.com

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

The details of energy conservation, technology absorption and foreign exchange earnings and outgo as required under Section 134(3) of the Companies Act, 2013, read with the Rule 8 of Companies (Accounts of Companies) Rules, 2014 is annexed as Annexure 4 to this report.

RISK MANAGEMENT & INTERNAL CONTROL

An organisation is subjected to a number of risks such as credit risk, industry risk, liquidity risk and operational risk. Management of risk has always been embedded in our corporate strategies and straddles across planning, execution and reporting processes and systems. Therefore, the Company has developed a Risk Management framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The business risk framework defines the risk management approach across the

enterprise at various levels including documentation and reporting. The Risk Management Policy is available on the Company website www.bodal.com

The Company deploys robust system of internal controls commensurate to the size of the Company and the complexities of its operations. These systems facilitate fair presentation of our financial results in a manner that is complete and reliable, ensure adherence to regulatory and statutory compliances, and safeguards investor interest by ensuring the highest level of governance and consistent communication with investors.

The Internal Auditors of the Company conduct financial, compliance and process improvement audits each year. The Audit Committee oversees the scope and evaluates the overall results of these audits, and members of that Committee regularly attend meetings of Board of Directors. The Audit Committee also reviews the adequacy and effectiveness of the internal control system, and invites functional Directors and senior management personnel to provide updates on operating effectiveness and controls, from time to time. A CEO and CFO Certificate, forming part of the Corporate Governance Report, confirms the existence and effectiveness of internal controls and reiterates their responsibilities to report deficiencies, if any, to the Audit Committee and rectify the same.

CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY

At Bodal Chemicals, we are committed to conducting our business responsibly and sustainably. Our CSR agenda includes supporting the socio-economic environment in which we operate. Our focus areas comprise education, employment generation, sanitation, healthcare and environment protection.

In compliance with the section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility policy) Rules, 2014, the Company has constituted a Corporate Social Responsibility (CSR) Committee and statutory disclosures with respect to the CSR Committee and an annual report on CSR Activities is set out as Annexure 5 and forms part of this report.

RELATED PARTY TRANSACTION

All the related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions entered into by the Company with the promoters, Directors, key managerial personnel or other designated persons which may have potential conflict of the interest of the Company at large.

All related party transactions are placed before the Audit Committee as also the Board for approval. The Company has developed a Related Party Transaction policy for the purpose of identification and monitoring of such transaction. The policy can be accessed on the Company website www.bodal.com. Particulars of contracts or arrangements with related parties referred to in section 188(1) of the Companies Act, 2013, is disclosed in form AOC-2 as Annexure 6.

Directors' Report *(continued)*

DIRECTOR RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Companies Act, 2013, the Directors, to the best of their knowledge and belief, confirm that:

- a) in the preparation of the annual accounts for the financial year ended 31st March, 2016, the applicable accounting standards had been followed, along with proper explanation relating to material departures;
- b) the Directors had selected such accounting policies and applied them consistently and made judgements 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 and loss of the Company for that period;
- c) 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;
- d) the Directors had prepared the annual accounts for the financial year ended 31st March, 2016, on a going concern basis;
- e) the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY CHANGE OF REGISTRAR AND SHARE TRANSFER AGENT (RTA)

SEBI vide its order no. WTM/RKA/MIRSD2/41/2016 dated 22nd March, 2016 has debarred Sharepro Services (India) Private Limited ("Sharepro") from accessing the capital market. The order also directs all the clients of Sharepro to carry out / switchover their activities related to registrar and share transfer agents, either in-house or through another RTA registered with SEBI.

The Board of Directors of the Company has appointed Link Intime India Private Limited as its new RTA in place of Sharepro. Shareholders are requested to send the documents / correspondence relating to the Company's securities and share transfer activity to the new RTA at the following address:

Link Intime India Private Limited,
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West),
Mumbai – 400078, Maharashtra

Ahmedabad Branch:

Link Intime India Private Limited,
Unit No 303, 3rd Floor, Shoppers Plaza V,
Opp. Municipal Market,
Behind Shoppers Plaza II, Off C G Road,
Ahmedabad - 380009.
Tel No: 079 - 2646 5179
Email: ahmedabad@linkintime.co.in

ACKNOWLEDGEMENTS

The Board of Directors would like to place on record their sincere appreciation to the Central & the State Governments, regulatory authorities such as SEBI, stock exchanges and registrars, for their guidance and co-operation. The Board would also like to thank the investors and bankers for their continued support during the year. We also take this opportunity to thank all our customers and vendors for their partnership with us.

Last but not the least, the Directors extend their appreciation to the employees for their continuing support and unstinting efforts in ensuring an excellent all-round operational performance.

For and on behalf of the Board of Directors

Suresh J. Patel

Chief Executive Officer,
Chairman & Managing Director
(DIN: 00007400)

Date : 3rd August 2016
Place: Ahmedabad

Annexure 1: Form AOCI

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

(Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013 read with rule 5 of Companies (Accounts) Rules, 2014)

(Rs. in Lacs)

Part "A": Subsidiaries													
Sr. No.	REPORTING PERIOD FOR THE SUBSIDIARY CONCERNED, IF DIFF FROM THE HOLDING COMPANIES REPORTING PERIOD	REPORTING CURRENCY & EXCHANGE RATE	Share Capital	Reserve And Surplus	Total Assets	Total Liabilities	Investment	Turnover	PBT	Provision For Taxation	PAT	Proposed Dividend	% Of Share Holding
1	Bodal Agrotech Limited	N.A.	170.00	(490.40)	1389.00	1389.00	NIL	87.50	(129.66)	72.85	(56.81)	—	100.00

For and on behalf of the Board of Directors

Suresh J. Patel

Chief Executive Officer,
Chairman & Managing Director
(DIN: 00007400)

Date : 3rd August 2016

Place: Ahmedabad

Annexure 2: Particulars of Employees

A. The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- A) The ratio of remuneration of each director to the median employee's remuneration for the financial year:
The information required pursuant to Section 197 read with Rule 5 (1) (i) of The Companies (Appointment and Remuneration) Rules, 2014 and amended thereof, in respect of ratio of remuneration of each director to the median remuneration of the employees of the Company for the Financial Year are as follows:

Sr. No.	Name	Ratio
1	Mr. Suresh J. Patel	62.99:1
2	Mr. Bhavin S. Patel	41.99:1
3	Mr. Ankit S. Patel	41.99:1

- B) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Sr. No.	Name	Designation	Percentage
1	Mr. Suresh J. Patel	CEO and Managing Director	Nil
2	Mr. Bhavin S. Patel	Executive Director	Nil
3	Mr. Ankit S. Patel	Executive Director	Nil
4	Mr. Mayur B. Padhya	Chief Financial Officer	(2.59)%
5	Mr. Ashutosh B. Bhatt	Company Secretary	13.41%

- a) The percentage increase in the median remuneration of employees in the financial year: 6.99%
b) The number of permanent employees on the rolls of the Company: 1,233 Employees as on 31st March, 2016
c) Average percentile increases in the salaries of the employees other than Managerial Personnel:
The Board of Directors of the Company affirmed that remuneration of all the Key Managerial Personnel of the Company are as per the Remuneration Policy of the Company.

B. Particulars of Employee in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- i. Employed throughout the Financial year with salary above Rs. 102 Lac p.a.

Name of Employee	Mr. Suresh J. Patel
Designation	Chairman and Managing Director
Remuneration	Rs. 108 Lacs
Nature of Employment	Permanent
Qualification	Bachelor in Science (B.Sc.)
Date of Commencement of Employment	01/06/2005
Age	60
Previous Employment	NA
% of Equity Shares held in the Company	30.56%

- ii. Employed part of the financial year with average salary above Rs.8.50 Lacs per month: NA
iii. Employee employed throughout financial year or part thereof, was in receipt of remuneration of in aggregate is in excess of that drawn by the Managing Director or Whole Time Director or Manager and holds by himself or along with his spouse and dependent children, not less than Two percent (2%) of the Equity Shares of the Company: NA
iv. The name of Top 10 (Ten) Employees in terms of remuneration:

Sr. No.	Name of Employee	Designation	Annual Remuneration (CTC)	Nature of Employment	Qualification	Date of Comment of Employment	Age	Last employment	% of Equity Share held by Employee	Whether employee is relative of any Director or Manager
1	Prasad Hari Pujari	Head SPD	4,757,436.00	On Roll	M.Chem. Engg.	11-Sep-08	53	Dharmashi Moraji Chemical Co. Limited	NIL	N.A.
2	V K Sasidharan	V.P (Tech)	4,212,996.00	On Roll	B.E. Metrology	01-Jul-09	66	Dharmashi Moraji Chemical Co. Limited	NIL	N.A.
3	Mayur Bachubhai Padhya	Chief Financial Officer	3,200,004.00	On Roll	CA, CMA, B. Com	01-Apr-13	45	Hi-Rel Electronics Pvt Ltd	0.18	N.A.
4	Anil PL. Dugaal	General Manager	2,015,880.00	On Roll	MBA	07-Sep-11	55	Meghmani Organics	NIL	N.A.
5	Amit Balmukund Acharya	General Manager	1,927,032.00	On Roll	MBA (HR & IR), LLB	17-Aug-15	37	Apothecon Pharmaceuticals Pvt Ltd	NIL	N.A.
6	Subrata Kumar Anandagopal Modak	G.M. Business Development	1,800,000.00	On Roll	B. Tech Textile (Specialization in Chemical Processing)	27-Apr-16	49	Colortex Industries Ltd	NIL	N.A.
7	Rakeshbhai Ravjibhai Patel	President Tech and Production	1,800,000.00	On Roll	BSC	01-Jun-07	52	NA	3.88	Brother-in-Law of Mr. Suresh J. Patel
8	Shashank Atulbhai Mehta	General Manager	1,676,400.00	On Roll	MBA	01-Mar-12	41	Rachana Global Exlavation LDA	0.01	N.A.
9	Vasant Sampatrao Barde	General Manager	1,553,856.00	On Roll	B. Tech	01-Apr-12	48	Eastern Neptha Chemicals Ltd	NIL	N.A.
10	Pankajbhai Ravjibhai Patel	V.P. Tech & Production	1,543,296.00	On Roll	MSC	01-Apr-13	59	New Shorrock Mills (Mafatla Group)	NIL	Brother-in-Law of Mr. Suresh J. Patel

Annexure 3: Form MGT 9

Extract of Annual Return For The Year Ended 31st March, 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration And Other Details:

- i) CIN : L24110GJ1986PLC009003
- ii) Registration Date : 24-09-1986 (DD-MM-YY)
- iii) Name of the Company : BODAL CHEMICALS LTD
- iv) Category / Sub-Category of the Company : Public Listed Company
- v) Address of the Registered office and contact details : Plot No.123 – 124, Phase-I, G.I.D.C., Vatva, Ahmedabad-382445
- vi) Whether listed company : Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : **M/s. Link Intime India Pvt Ltd.,**
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West), Mumbai 400 078

Ahmedabad Add : **M/s. Link Intime India Pvt Ltd.,**
Unit No 303, 3rd Floor, Shoppers Plaza V,
Opp. Municipal Market, Behind Shoppers Plaza II,
Off C G Road, Ahmedabad - 380009.
Email: ahmedabad@linkintime.co.in

II. Principal Business Activities Of The Company

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	H ACID	20119	18.95%
2	VINLY SULPHONE ESTER	20119	19.68%
3	ACID BLACK 210	20114	11.02%

III. Particulars of Holding, Subsidiary and Associate Companies

Sl. No.	Name and address of The Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	Bodal Agrotech Limited. Plot No.: 123-124, Phase-I, G.I.D.C., Vatva, Ahmedabad-382245	U01403GJ2010PLC062043	Wholly owned subsidiary	100%	2(87)(ii)

Annexure 3: Form MGT 9 *(continued)*

Extract of Annual Return For The Year Ended 31st March, 2016

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	Change during the year
A. Promoters									
(1) Indian									
g) Individual/ HUF	6,52,93,760	0	6,52,93,760	59.84	6,47,93,259	0	6,47,93,259	59.38	(0.46)
h) Central Govt	0	0	0	0	0	0	0	0	0
i) State Govt(s)	0	0	0	0	0	0	0	0	0
j) Bodies Corp.	0	0	0	0	0	0	0	0	0
k) Banks / FI	0	0	0	0	0	0	0	0	0
l) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-	6,52,93,760	0	6,52,93,760	59.84	6,47,93,259	0	6,47,93,259	59.38	(0.46)
(2) Foreign									
a) NRIs - Individuals	1,09,45,395	0	1,09,45,395	10.03	1,07,21,700	0	1,07,21,700	9.83	(0.20)
b) Other - Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	1,09,45,395	0	1,09,45,395	10.03	1,07,21,700	0	1,07,21,700	9.83	(0.20)
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	7,62,39,155	0	7,62,39,155	69.88	7,55,14,959	0	7,55,14,959	69.21	(0.66)
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	24,000	0	24,000	0.02	0	0	0	0	(0.02)
b) Banks / FI	11,000	0	11,000	0.01	1,32,563	0	1,32,563	0.12	0.11
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	4,000	4,000	0.01	0	4,000	4,000	0.01	–
g) FIs	0	0	0	0	1,79,264	0	1,79,264	0.16	0.16
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
l) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	35,000	4,000	39,000	0.04	3,11,827	4,000	3,15,827	0.29	0.25

(continued)

Annexure 3: Form MGT 9 (continued)

Extract of Annual Return For The Year Ended 31st March, 2016

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	1,03,37,846	1,28,090	1,04,95,936	9.59	79,60,908	1,28,090	80,88,998	7.41	(2.18)
ii) Overseas	0	0	0	0	80,890	0	80,890	0.07	0.07
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lac	1,40,04,776	15,44,505	1,55,49,281	14.25	1,55,15,029	14,85,765	1,70,00,794	15.58	1.33
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lac	56,16,158	0	56,16,158	5.15	61,64,042	0	61,64,042	5.65	0.50
c) Others (specify)									
i) Independent Directors and their relatives	5,17,105	0	5,17,105	0.47	3,99,685	0	3,99,685	0.37	(0.10)
ii) Clearing Members	2,61,867	0	2,61,867	0.24	7,42,700	0	7,42,700	0.68	0.44
iii) NRIs	4,07,203	11,665	4,18,868	0.38	7,72,830	11,645	7,84,475	0.72	0.34
iv) Trust	0	0	0	0	15,000	0	15,000	0.01	0.01
Sub-total (B)(2):- Total Public Shareholding (B)=(B)(1)+ (B)(2)	3,11,44,955	16,84,260	3,28,29,215	30.09	3,16,51,084	16,25,500	3,32,76,584	30.50	0.41
	3,11,79,955	16,88,260	3,28,68,215	30.12	3,19,62,911	16,29,500	3,35,92,411	30.79	0.66
C. Shares held by Custodian for GDRs & ADRs									
	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	10,74,19,110	16,88,260	10,91,07,370	100	10,74,80,650	16,29,500	10,91,07,370	100	0.00

Annexure 3: Form MGT 9 *(continued)***Extract of Annual Return For The Year Ended 31st March, 2016****(ii) Shareholding of Promoters**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Share	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mr. Suresh J. Patel	3,33,45,151	30.56	24.83	3,33,45,151	30.56	27.12	0.00
2	Mr. Bhavin S. Patel	78,10,050	7.16	7.16	94,59,549	8.67	4.87	1.51
3	Mr. Ankit S. Patel	37,86,550	3.47	1.55	65,36,550	5.99	1.55	2.52
4	Mr. Ramesh P. Patel	66,35,299	6.08	6.08	17,35,299	1.59	0.08	(4.49)
5	Mrs. Meena S. Patel	52,28,960	4.79	4.79	52,28,960	4.79	4.79	0.00
6	Mr. Ramesh D. Patel	49,36,960	4.52	0.00	49,36,960	4.52	0.00	0.00
7	Mr. Jayanti D. Patel	34,99,165	3.21	0.00	34,99,165	3.21	0.00	0.00
8	Mr. Bansi M. Patel	42,31,680	3.88	3.88	42,31,680	3.88	3.88	0.00
9	Mr. Rakesh R. Patel	42,31,680	3.88	3.88	42,31,680	3.88	3.88	0.00
10	Mrs. Shankutala J. Patel	25,09,270	2.30	0.00	22,85,575	2.09	0.00	0.21
11	Ramesh P. Patel-HUF	24,390	0.02	0.00	24,390	0.02	0.00	0.00
	Total	7,62,39,155	69.88	52.16	7,55,14,959	69.21	46.17	(0.66)

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Suresh J. Patel	THERE IS NO CHANGES IN HOLDING DURING THE YEAR			
2	Mrs. Meena S. Patel				
3	Mr. Ramesh D. Patel				
4	Mr. Jayanti D. Patel				
5	Mr. Bansi M. Patel				
6	Mr. Rakesh R. Patel				
7	Ramesh P. Patel-HUF				
8	Mr. Bhavin S. Patel				
	At the Beginning of the year	78,10,050	7.16		
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				ANNEXURE C
	At the end of the year	94,59,549	8.67		
9	Mr. Ankit S. Patel				
	At the Beginning of the year	37,86,550	3.47		
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				ANNEXURE D
	At the end of the year	65,36,550	5.99		

Annexure 3: Form MGT 9 (continued)

Extract of Annual Return For The Year Ended 31st March, 2016

10	Mr. Ramesh P. Patel			
	At the Beginning of the year	66,35,299	6.08	
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)			ANNEXURE E
	At the end of the year	17,35,299	1.59	
11	Mrs. Shankutala J. Patel			
	At the Beginning of the year	25,09,270	2.30	
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)			ANNEXURE F
	At the end of the year	22,85,575	2.09	

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (01-04-2015)		Shareholding at the end of the year (31-03-2016)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Samip Infracon Private Limited	46,34,920	4.25		
2	Karna Arvind Surti	3,92,280	0.36	6,06,000	0.55
3	Pravin Harikrishna Surti	2,07,119	0.19	6,98,200	0.64
4	Indira Arvind Surti	2,88,916	0.26	5,74,498	0.53
5	Mindset Technologies Pvt. Ltd.	5,59,270	0.51	2,00,000	0.18
6	Trade bulls Securities (P) Limited	5,05,240	0.46	4,18,995	0.38
7	Sujal R Patel	2,73,999	0.25	2,73,999	0.25
8	Shobha Golecha	2,35,000	0.22	NIL	
9	Snehal Bhupendra Shah	2,11,000	0.19	NIL	
10	Choice Equity Broking Pvt Ltd	2,02,500	0.19	3,815	0.00
11	Ravisha Financial Services Private Limited.	NIL		17,12,517	1.57
12	Krone Finstock Pvt Ltd	NIL		9,62,800	0.88
13	Monarch Networth Capital Limited	NIL		7,45,609	0.68
14	Keyur Dhanvantlal Gandhi	4,31,000	0.40	4,21,000	0.39
15	Unifi Financial Pvt Ltd	NIL		3,65,000	0.33

Annexure 3: Form MGT 9 *(continued)*

Extract of Annual Return For The Year Ended 31st March, 2016

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name with Designation	Shareholding at the beginning of the year (01-04-2015)		Shareholding at the end of the year (31-03-2016)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Mr. Suresh J. Patel Managing Director and Chairman	3,33,45,151	30.56	3,33,45,151	30.56
2	Mr. Bhavin S. Patel Executive Director	78,10,050	7.16	Annexure C	
3	Mr. Ankit S. Patel Executive Director	37,86,550	3.47	Annexure D	
4	Mr. Surendra N. Shah Independent Director	75,347	0.07	75,347	0.07
5	Mr. Sunil K. Mehta Independent Director	4,00,000	0.37	3,00,000	0.27
6	Mr. Bipin R. Patel Independent Director	4,075	0.00	4,075	0.00
7	Mrs. Kajal Ritesh Soni Independent Director	----	----	----	----
8	Mr. Mayur B. Padhya Chief Financial Officer	1,95,095	0.18	1,95,095	0.18
9	Mr. Ashutosh B. Bhatt – Company Secretary	----	----	----	----

(V) INDEBTEDNESS

In indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,08,10,69,909	-	66,97,680	2,08,77,67,589
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	6,18,46,543			6,18,46,543
Total (i+ii+iii)	2,14,29,16,452	-	66,97,680	2,14,96,14,132
Change in indebtedness during the financial year				
• Addition		2,61,14,110	7,45,063	2,68,59,173
• Reduction	74,63,95,344			74,63,95,344
Net Change	(74,63,95,344)	2,61,14,110	7,45,063	(71,95,36,171)
Indebtedness at the end of the financial year				
i) Principal Amount	1,39,61,34,293	2,61,14,110	67,91,330	1,42,90,39,733
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	3,86,815	-	6,51,413	10,38,228
Total (i+ii+iii)	1,39,65,21,108	2,61,14,110	74,42,743	1,43,00,77,961

Annexure 3: Form MGT 9 *(continued)*

Extract of Annual Return For The Year Ended 31st March, 2016

(vi) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Name of MD/CEO/WTD			Total Amount
		Mr. Suresh J. Patel	Mr. Bhavin S. Patel	Mr. Ankit S. Patel	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,08,00,000	72,00,000	72,36,646	2,52,36,646
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	10,27,020	2,35,826	1,88,291	14,51,137
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission - as % of profit - others, specify	0	0	2,04,63,354 0	2,04,63,354 0
5	Others, please specify	0	0	0	0
	Total (A)	1,18,27,020	74,35,826	2,78,88,291	4,71,51,137
	Ceiling as per the Act				13,64,22,362

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of MD/CEO/WTD				Total Amount
		Mr. Surendra N. Shah	Mr. Bipin R. Patel	Mr. Sunil K. Mehta	Mrs. Kajal Soni	
	Independent Directors					
	• Fee for attending board committee meetings	1,25,000	1,50,000	1,25,000	1,50,000	5,50,000
	• Commission	0	0	0	0	0
	• Others, please specify	0	0	0	0	0
	Total (1)	1,25,000	1,50,000	1,25,000	1,50,000	5,50,000
	4. Other Non-Executive Directors					
	• Fee for attending board committee meetings	0	0	0	0	0
	• Commission	0	0	0	0	0
	• Others, please specify	0	0	0	0	0
	Total (2)	0	0	0	0	0
	Total (B)=(1+2)	1,25,000	1,50,000	1,25,000	1,50,000	5,50,000
	Total Managerial Remuneration					4,76,64,491
	Overall Ceiling as per the Act					15,00,64,598

Annexure 3: Form MGT 9 *(continued)***Extract of Annual Return For The Year Ended 31st March, 2016****C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD**

Sr. No.	Particulars of Remuneration	CFO	Company Secretary	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-taxAct, 1961	22,27,503 72,000 0	4,22,235 0 0	26,49,738 72,000 0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission - as % of profit - others, specify...	0	0	0
5	Others, please specify	0	0	0
	Total	22,99,503	4,22,235	27,21,738

(vii) Penalties / Punishment/ Compounding of Offences: N.A.

There were no Penalties/Punishment/Compounding of Offence for breach of any section of Companies Act against the company or its Directors or other officer in default, if any, during the year.

Annexure 3: Form MGT 9 *(continued)*

Extract of Annual Return For The Year Ended 31st March, 2016

ANNEXURE C

Cumulative Shareholding of Mr. Bhavin Suresh Patel during the year

Ser. No.	Date of Purchase/Sale	No. of Share Purchase/ Sale	Cumulative share holding	% of total share of the Company
1	Opening Balance	78,10,050	78,10,050	7.16
2	03/02/2016	11,50,000	89,60,050	8.21
3	14/03/2016	4,99,499	94,59,549	8.67

ANNEXURE D

Cumulative Shareholding of Mr. Ankit Suresh Patel during the year

Ser. No.	Date of Purchase/Sale	No. of Share Purchase/ Sale	Cumulative share holding	% of total share of the Company
1	Opening Balance	37,86,550	37,86,550	3.47
2	17/11/2015	6,50,000	44,36,550	4.07
3	18/01/2016	2,00,000	46,36,550	4.25
4	25/01/2016	4,00,000	50,36,550	4.62
5	29/01/2016	4,00,000	54,36,550	4.98
6	01/02/2016	4,00,000	58,36,550	5.35
7	17/03/2016	7,00,000	65,36,550	5.99

ANNEXURE E

Cumulative Shareholding of Mr. Ramesh P. Patel during the year

Ser. No.	Date of Purchase/Sale	No. of Share Purchase/ Sale	Cumulative share holding	% of total share of the Company
1	Opening Balance	66,35,299	66,35,299	6.08
2	17/11/2015	(6,50,000)	59,85,299	5.49
3	22/12/2015	(5,00,000)	54,85,299	5.03
4	18/01/2016	(2,00,000)	52,85,299	4.84
5	25/01/2016	(4,00,000)	48,85,299	4.48
6	29/01/2016	(4,00,000)	44,85,299	4.11
7	01/02/2016	(4,00,000)	40,85,299	3.74
8	03/02/2016	(11,50,000)	29,35,299	2.69
9	14/03/2016	(5,00,000)	24,35,299	2.23
10	17/03/2016	(7,00,000)	17,35,299	1.59

ANNEXURE F

Cumulative Shareholding of Mrs. Shankutala J. Patel during the year

Ser. No.	Date of Purchase/Sale	No. of Share Purchase/ Sale	Cumulative share holding	% of total share of the Company
1	Opening Balance	25,09,270	25,09,270	2.30
2	29/04/2015	(81,000)	24,28,270	2.23
3	30/04/2015	(1,01,695)	23,26,575	2.13
4	04/05/2015	(41,000)	22,85,575	2.09

Annexure 4:

Conservation of Energy, Research & Development (R&D), Technology Absorption & Foreign Exchange Earnings & Outgo

Conservation of Energy:

Energy Conservation measures taken:

- Reducing the HP of Motors where possible
- Improvement in low insulation.
- Periodic desertion of Boiler

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

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

Impact of above:

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

Total Energy Consumption per unit of Production:

No.	Particulars	2015-16	2014-15
(i)	Total consumption of Electric (Units)	589.70 lacs	441.45 lacs
	Total Amount (Rs.)	2,647.60 lacs	2,125.69 lacs
	Unit/Average Rate	Unit/ Rs 4.49	Unit/ Rs. 4.82
(ii)	Fuel		
	Quantity	Kgs 298.98 lacs Ltr. 0.60 lacs MMBTU 0.05 lacs	Kgs. 320.37 lacs Ltr. 0.39 lacs Scm 1.95 lacs
	Total Amount (Rs.)	2,320.66 lacs	3,065.18 lacs
	Unit /Average Rate	Kgs/ - Rs. 7.50 Ltr/ - Rs. 51.47 MMBTU/- Rs. 969.50	Kgs/ Rs. 9.21 Ltr/ Rs. 56.99 Scm/Rs. 47.59

Research & Development (R & D):

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

Future Plans of Action

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

Expenditure on R & D:

	2015-2016	(Rs. in Lacs) 2014-2015
(a) Capital	Nil	Nil
(b) Recurring	Nil	Nil

Technology Absorption, Adaptation and Innovation

(a) Efforts in brief:

- I. Company in order to fully utilize its multidimensional manufacturing capacity is always at the forefront to make the best use of its technical capability for better success.
- II. Continuous endeavor to improve Product Quality & Process Yields.

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

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

(c) Details relating to imported technology: Nil

Annexure 4: (continued)

Conservation of Energy, Research & Development (R&D), Technology Absorption & Foreign Exchange Earnings & Outgo

Foreign Exchange Earnings and Outgo

(Rs. in Lacs)

	Particulars	2015-16	2014-15
(a)	Foreign Exchange Inflow		
(i)	Foreign Exchange Earning F.O.B. Value of Export	29,347.07	40,390.51
(b)	Foreign Exchange outgo		
(i)	Value of imported Raw materials calculated on CIF basis.	4,271.94	4,927.46
(ii)	Foreign Travelling Expenditure	19.25	18.84
(iii)	Export Sales Commission	403.94	763.21
(iv)	Business Development Expenses	4.79	11.50
(vii)	Interest	99.41	110.66
(viii)	Bank Charges	53.12	39.76
(ix)	Export Damage Claim	Nil	0.26
(x)	Warehousing Charges	Nil	Nil
(xi)	Cash Discount	2.70	13.77
(xii)	Repairs to machinery	6.55	Nil
(xi)	Other Selling Expense	5.37	Nil

Annexure 5

Annual Report on Corporate Social Responsibility (CSR) Activities :

A brief outline of the Company's CSR policy, including overview of projects or programs or activities proposed to be undertaken and a reference to the CSR policy and projects or programmes or activities.

The Company intends to make a positive difference to society and contribute its share towards the social cause of betterment of society and area in which companies operates. The Company aims to create educated, healthy, sustainable and culturally vibrant communities. We also contribute as a company to various charitable causes and we seek to participate in ways that touch people's lives in these communities.

In this regard, the Company has made policy which encompasses the Company's philosophy for delineating its responsibility as a Corporate Citizen for undertaking socially useful programmes for welfare & sustainable development of the community at large. Fact that policy is placed on website of the Company.

Areas of Interest :

1. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
2. Promoting education, employment enhancing vocation skills and the differently abled and livelihood enhancement projects.
3. Promoting gender equality, empowering women by setting up homes and hostels, setting up old age homes and orphanage house, day care centers and other facilities for senior citizens.
4. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil or air and water including contribution to the clean Ganga set-up by the Central Government for rejuvenation of river Ganga.
5. Promotion and protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art, setting up public libraries.
6. Measure for the benefit of armed forces veterans, war widows and their dependents.
7. Training to promote rural sports, nationally recognised sports, Paralympics sports and Olympic sports.
8. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the CG for socio-economic development and relief fund and welfare of the schedule castes, the scheduled Tribes, other backward classes, minorities and women.
[Contribution to any fund set up by CG means it doesn't include the fund set up by state govt. or any local govt.]
9. Contributions or funds provided to technology incubators located within academic institutions which are approved by the CG.
10. Rural development projects.
11. Slum area development.

1	The Composition of the CSR Committee	1. Mr. Suresh J. Patel 2. Mr. Ankit S. Patel 3. Mr. Surendra N. Shah
2	Average net profit of the Company for last three financial years	53,19,21,043
3	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	1,06,38,421
4	Carry forward unspent amount from last year	2,55,000
	Details of CSR spent during the financial year.	
	a. Total amount to be spent for the financial year	1,08,93,421
	b. Amount unspent, if any	NIL
	c. Excess amount spent	1,47,54,702



Annexure 5 (continued)

No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) local area (2) specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (Amt in Rs.)	Amount spent on the projects or programs sub-heads: (1) Direct expenditure on projects or programs (2) Overheads (Amt in Rs.)	Cumulative expenditure upto the reporting period (Amt in Rs.)	Amount spent: Direct or through implementing agency* (Amt in Rs.)
1	For Providing Stationary, note books, Fees Paid of Hostel on behalf of students and etc	Promotion of Education	Vadodara Kareli Piludhara Jambusar Bharuch Gujarat, India	2,44,972	2,44,972	2,44,972	2,44,972
2	Contribution to "SHRI ARVINDO INSTITUTE OF APPLIED SCIENTIFIC RESEARCH TRUST"	Promoting special Education and research work	Mumbai Maharashtra	74,00,000	74,00,000	74,00,000	74,00,000
3	To give feed to Animals	protection of flora and fauna, animal welfare	Rajula, Gujarat, Vadodara, Gujarat	7,601	7,601	7,601	7,601
4	To make contribution for sponsorship program in subject of "A GRAND PUBLIC AWARENESS & CULTURAL FESTIVAL" organized by Atomic Power Evolution Awareness Foundation (APEAF)	Promoting Education including Special Education	Jaipur, Delhi	1,00,000	1,00,000	1,00,000	1,00,000
5	Donation towards MUKHYAMANTRI SHREE SWACHHATANIDHI Vadodara	Livelihood Enhancement projects	Vadodara, Gujarat	65,000	65,000	65,000	65,000
6	Contribution to TULSI VALLABH NIDHI towards donation of RAM KATHA subject to Clean India	Livelihood Enhancement projects	Ahmedabad, Gujarat	7,50,000	7,50,000	7,50,000	7,50,000
7	Contribution to "SAMAST PATIDAR AAROGYA TRUST" towards Hospital Construction & Other facilities	Promoting preventive health care and sanitation	Surat,	1,50,00,000	1,50,00,000	1,50,00,000	1,50,00,000
8	Amount spent in form of Fees for residential training for mentally retarded child with multiple disability.	Promoting differently abled and livelihood enhancement	Dudhwada, Baroda Gandhinagar, Gujarat	1,62,000	1,62,000	1,62,000	1,62,000
9	Make contribution under Project of "Vatva Bane Vrundavan	Ensuring environmental sustainability	Vatva, Ahmedabad Gujarat	3,68,550	3,68,550	3,68,550	3,68,550
10	Contribution to O B S A Old Boys of Balachandi Sainik School Association & Others	Measures for reducing inequalities faced by socially and economically backward groups.	Ahmedabad, Gujarat	3,50,000	3,50,000	3,50,000	3,50,000
11	Contribution to VIVEKANANDDA YOGA ANUSANDHANA SAMSTHANA	Preventive health care	Hosur Bangalore	12,00,000	12,00,000	12,00,000	12,00,000
Total				2,56,48,123	2,56,48,123	2,56,48,123	2,56,48,123

A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company:

The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in conformance with CSR Objectives and Policy of the Company.

Annexure 6: Form No. AOC-2

Particulars of Contracts/arrangements made with related parties

(Pursuant to clause (h) of sub-section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

Forms for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

A. Details of contracts or arrangements transactions not at arm's length basis

There were no contracts or arrangements or transactions entered in to during the year ended on 31st March, 2016, which were not at arm's length basis.

B. Details of material contracts or arrangement or transactions at arm's length basis

Sr. No.	Particulars	Details	Details	Details	Details
1	Name(s) of the related party and nature of relationship	Shanti Inorgo chem (Guj.) Pvt. Ltd. Mr. Suresh J. Patel, chairman and managing Director is interested through his Brother who is Director and member in the Shanti Inorgo chem (Guj.) Pvt. Ltd.	Shanti Inorgo chem (Guj.) Pvt. Ltd. Mr. Suresh J. Patel, chairman and managing Director is interested through his Brother who is Director and member in the Shanti Inorgo chem (Guj.) Pvt. Ltd.	Shanti Inorgo chem (Guj.) Pvt. Ltd. Mr. Suresh J. Patel, chairman and managing Director is interested through his Brother who is Director and member in the Shanti Inorgo chem (Guj.) Pvt. Ltd.	Rudraksh Caterers Pvt. Ltd. Mr. Ankit S. Patel, Executive Director is interested in the capacity of Director and Member.
2	Nature of contracts/arrangements/transactions	Sale and purchase	Taking of factory premises on lease basis.	Charged interest on the amount provided as advance for supply of goods and services and company has not supplied in due time as agreed between both companies.	Availing Service for the Functions. and business development
3	Duration of the contracts /arrangements /transactions	Repetitive During the year	Repetitive During the year	Repetitive During the year	Repetitive During the year
4	Salient terms of the contracts or arrangements or transactions including the value, if any	Rs. 583.99 Lacs	Rs. 3.68 Lacs	Rs. 8.02 Lacs	Rs. 5.01 Lacs
5	Date(s) of approval by the Board	28th May, 2014	28th May, 2014	28th May, 2014	28th May, 2014
6	Amount paid as advances, if any :	--	--	Rs. 246.85 Lacs	--

For and on behalf of the Board

Suresh J. Patel

Chief Executive Officer,
Chairman & Managing Director
(DIN: 00007400)

Date : 3rd August 2016

Place: Ahmedabad

Management Discussion & Analysis

Macroeconomic Overview

In 2015, the global economic growth was adversely impacted by weak aggregate demand, falling commodity prices (in particular crude oil) and increasing financial market volatility in major economies. As a result, global GDP growth slowed down to 2.4% during the year. Global growth is predicted to remain sluggish as oil exporters in the developing world struggle to cope with lower energy prices. The benefit of cheaper oil prices for Europe, Japan and other oil importing nations, which has sustained their growth through 2015 and 2016, has failed to offset a slowdown in parts of Africa, Asia and South America that depend on selling energy to sustain their incomes. The World Bank forecasts world GDP growth of 2.4% and 2.8% respectively for 2016 and 2017. For the Emerging Market and Developing Economies, the GDP forecast stands at 3.5% and 4.4% for 2016 and 2017, respectively.

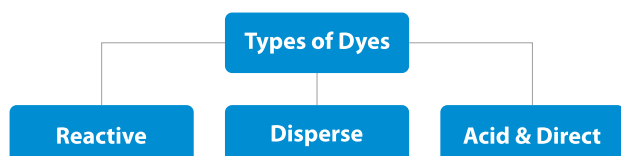
In the U.S., financial stress from low oil prices has led to a decline in capital expenditures in the energy sector. Furthermore, a strong U.S. dollar and weakening demand from emerging markets have contributed to stalling exports. In CY2015, the Chinese economy recorded a growth of 6.9% compared to 7.3% in the preceding year. Growth has slowed as the economy rebalances from manufacturing to services and as excess capacity continues to unwind.

The recession in Brazil will likely be deeper than previously anticipated with on-going political uncertainty and rising inflation. The contraction in Russia appeared to bottom out until the most recent fall in oil prices. India has been the only exception with growth projected to remain robust, although inadequate monsoon has had a negative impact in the short term and further progress is needed in implementing structural reforms to ensure that positive developments are sustained. The Indian economy has shown resilience in the face of global downturns, and has stood up as one of the fastest growing economies in the world to register a strong growth of 7.6% in FY2016 up from 7.2% in FY2015. The Indian economy has continued to consolidate the gains achieved in restoring macroeconomic stability.

Along with Brexit, other risks to world economic growth include political divisions within advanced economies, geopolitical tensions, terrorism, climate change and diseases including the outbreak of the Zika virus in Latin America.

Dyestuff Industry Overview

Colorants have an inherent element of value addition to a wide variety of products like textiles, leather, paper, food products, cosmetics, plastics, paints, inks and high-tech applications like optical data storage (CDs, DVDs), solar cells, medical diagnostics (CT Scan, angiography), security inks, lasers, photo dynamics etc. The colorant industry comprises two sub segments - dyes and pigments.



Globally, due to a greater use of polyester and cotton-based fabrics, there has been a shift towards reactive dyes used in cotton-based fabrics and disperse dyes used in polyester. The demand for reactive and disperse dyes is expected to grow fastest due to this continued increase in usage.

India accounts for approximately 16% of the world production of Dyestuff and Dye Intermediates, particularly for reactive, acid and direct dyes. The Indian Dyestuff industry is highly fragmented and characterised by a large number of players in the unorganized sector (about 95%). Gujarat and Maharashtra account for almost 85-90% of the total capacity in India, due to the presence of the textile industry and easy availability of raw material in this region.

The Indian dyes industry is expected to grow at over 10% owing to the shift in production from China to India after environmental concerns in China emerged in the last few years. Additionally, growth is expected to be driven by a boom in the consumer products industry in India, increasing scope for manufacturing for exports and high end user industry growth, especially textiles. Much of the Dyestuff exports cater to Europe, South East Asia and Taiwan.

The overall production capacity of Dyestuff is 200,000 tonnes per annum. With ever increasing standards of quality and reliability, Indian Dyestuff industry meets more than 95% of the domestic requirement, out of which the textile industry consumes nearly 60% and the remaining is shared by paper, leather and other consumer industries.

A key development in the industry (in late FY2016) was the shutdown of China's largest manufacturer, which had about 30% market share of the world Dye Intermediates market, owing to noncompliance in effluent treatment. This presents a great opportunity for large Indian Dye Intermediates manufacturers such as Bodal Chemicals.

Operational and Financial Performance

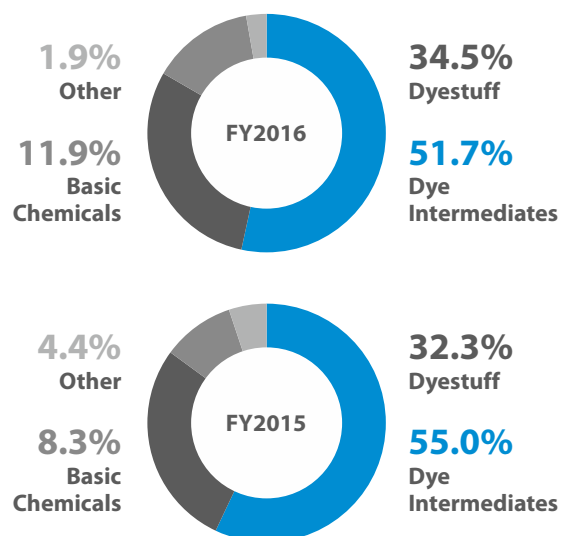
Bodal Chemicals is one of the leading producers of Dye Intermediates & Dyestuff in the world. The Company is also the biggest manufacturer of Dye Intermediates in India and produces the largest variety in the country. The Company reported strong volume growth and improved capacity utilisation leading to higher profitability during FY2016 which was otherwise quite challenging. The year was characterised by crude led lower raw material price scenario which impacted the overall realisation.

During the year, overall production volumes increased by 19.1% to 212,274 MT. Dyestuff volumes increased by a robust 41.5% to 12,764 MT, Dye Intermediates volumes increased by 5.5% to 21,759 MT and Basic Chemicals increased by 19.6% to 177,751 MT. Capacity utilisation for the Dyestuff segment increased from 53% in FY2015 to 75% in FY2016. Capacity utilisation for the Dye Intermediates segment increased from 69% in FY2015 to 72% in FY2016. Capacity utilisation for the Basic Chemicals segment improved from 78% to 93% over the same period.

Management Discussion & Analysis *(continued)*

Total Income from Operations on a consolidated level during FY2016 declined 12.9% to Rs. 90,995.50 lacs compared to fiscal year 2015. This was mainly due to the effect of lower finished goods prices. Lower crude price for most of the year pushed raw material prices lower, thereby impacting realizations.

Revenue Breakdown by Segment



Consolidated EBITDA for the year was Rs. 16,176.08 lacs at 17.8% margin. This is compared to consolidated EBITDA of Rs. 18,875.20 lacs at 18.1% margin. However, realisation during the second half improved resulting in improvement in EBITDA margin from 16.5% in Q1 FY2016 to 21.6% in Q4 FY2016. Finance Cost during the year declined by 55.3% from Rs. 2,727.53 lacs to Rs. 1,219.93 lacs due to continued long term debt reduction. Profit after Tax (PAT) for the year was Rs. 8,598.66 lacs at 9.4% margin compared with Rs. 9,178.24 lacs in FY2015 at 8.8% margin. EPS for the year was Rs. 7.88 compared with Rs. 8.41 in FY2015.

Dyestuff Segment

Bodal Chemicals produces about 150 variants of Dyestuff products in this segment. Some of the key products in the segment include Acid Black 210, Reactive Black BL/GR, Reactive Black B, Reactive Black 5 and Acid Black 194. The segment accounted for 34.5% of total revenues in FY2016 (vs. 32.3% in FY2015). During FY2016, segment revenue declined in absolute terms despite a strong volume increase due to subdued realisations. Fall in crude prices and resultant decline in raw material prices led to a decline in overall realisations.

Particulars	FY2016	FY2015	Change (%)
Revenue (Rs. Lacs)	30,980.74	33,480.38	(7.5)%
Production (MT)	12,764	9,021	41.5%
Capacity Utilization	75%	53%	

Dye Intermediates Segment

Bodal Chemicals produces over 25 variants of Dye Intermediates in this segment. Some of the key products in the segment include

Vinyl Sulphone Ester, H Acid, F C Acid, DASA, Gama Acid and 6 Nitro. The segment accounted for 51.7% of total revenues in FY2016 (vs. 55.0% in FY2015). Over 40% of the production of this segment is consumed in house. During FY2016, segment revenue declined despite volume increases due to subdued realisations. Fall in crude prices and resultant decline in raw material prices led to a decline in overall realisations.

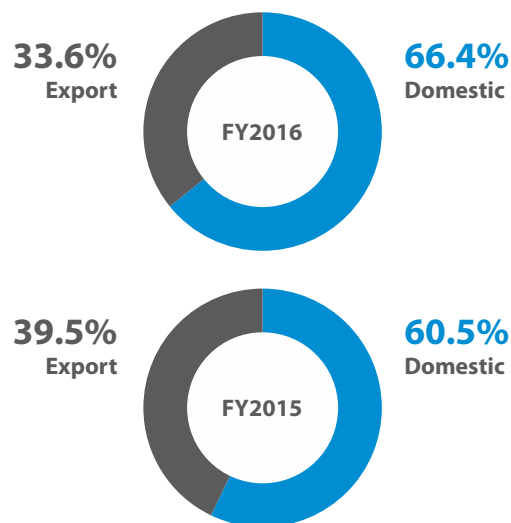
Particulars	FY2016	FY2015	Change (%)
Revenue (Rs. Lacs)	46,372.33	56,971.44	(18.6)%
Production (MT)	21,759	20,625	5.5%
Capacity Utilization	72%	69%	

Basic Chemicals & Others

Bodal Chemicals produces a range of chemicals which are used as raw materials for Dye Intermediates and Dyestuff. Some of the key products in the segment include Sulphuric Acid, Oleum, Sulphur Trioxide and Chlorosulphonic Acid. The segment accounted for 13.8% of total revenues in FY2016 (vs. 12.7% in FY2015). Over 45% of the production of this segment is consumed in house. During FY2016, segment revenue declined despite volume increases due to subdued realisations. Fall in crude prices and resultant decline in raw material prices led to a decline in overall realisations.

Particulars	FY2016	FY2015	Change (%)
Revenue (Rs. Lacs)	12,332.08	13,128.66	(6.1)%
Production (MT)	177,751	148,608	19.6%
Capacity Utilization	93%	78%	

Revenue Breakdown by Geography



Research & Development (R&D)

Product innovation and R&D continues to be an integral part of Bodal Chemicals' growth strategy and sustainability. Our R&D capabilities and products are in line with the leading industry standards. In the ever changing industry dynamics, companies need to be continuously innovating products and processes.

Management Discussion & Analysis

Bodal's research and development initiatives focus on strengthening existing products, creating differentiated offerings and developing innovative future-ready products. We are extremely conscious of the environment and hence make use of the latest technologies to keep effluent discharge to a minimum and reduce environmental impact. The Company continues to make increasing investments in R&D.

New Projects, Expansion Plan and Outlook

Dyestuff Capacity Expansion: In July 2016, the Board of Directors approved expansion of the Dyestuff capacity by another 24,000 MTPA over a period of 3-4 years. In the first phase of expansion, the Company will add 8,000 MTPA capacity over a period of 8-10 months which will take the total capacity to 25,000 MTPA. The first phase expansion will require a capital outlay of Rs. 28 Crore to be entirely funded by internal accruals. At optimum utilisation levels, the first phase expansion will add Rs. 145 Crore of annual Dyestuff revenue.

In addition to the Dyestuff capacity expansion and in line with the long term strategy, the Company has identified new opportunities which bring with them a new growth trajectory for Bodal Chemicals. The most important of these are three new high value products:

Trion Chemicals (TCPL): Bodal Chemicals has made an investment of Rs. 15 Crore in TCPL, which is in the process of becoming a 42% owned associate of the Company. TCPL is engaged in the production of a compound which is a disinfectant, algicide and bactericide mainly for swimming pools. It is also used as a bleaching agent in the textile industry. TCPL is expected to start production in H2 FY2017. At optimum capacity utilisation levels, it is expected to generate an annual turnover of Rs. 225-250 Crore.

Linear Alkyl Benzene Sulphonic Acid (LABSA) Project: Bodal Chemicals, through its wholly owned subsidiary Bodal Agrotech Limited (BAL), has started a new plant for the manufacture of LABSA. It is an anionic surfactant widely used in all ranges of domestic detergents powder, cake & dish wash cleaners. Total annual capacity for this plant is 18,000 MTPA. BAL started the production of LABSA in March 2016 and during fiscal year 2016, generated a turnover of Rs. 87.50 lacs. At an optimum capacity utilisation level, BAL is expected to generate total annual turnover of Rs. 100 Crore.

Liquid Dyestuff: The Company also manufactures Liquid Dyestuff which is primarily used in the paper industry. By FY2017, the Company expects to increase the capacity to about 500 MT per month and to further increase it to 1,000 MT / month in three years. At optimum capacity utilisation levels this segment is expected to generate total annual turnover of Rs. 100 Crore. We are currently exporting this product to Australia and South Africa. Given significant demand in European countries, we are targeting that region in the near term.

Other Expansions: During the year, Bodal Chemicals also received approval by the Expert Appraisal Committee of the Ministry of Environment, Forests and Climate Change for the expansion of Dyes and Dye Intermediates manufacturing capacity from 2,200 MTPM to 6,000 MTPM and also for a 5MW Cogeneration Power Plant.

Opportunities and Threats

Indian Chemical Industry is the 6th largest in the world and the 3rd largest in Asia. The industry is estimated to be worth \$108.4 billion and accounts for 3% of the global chemical industry. With 'Make in India' and other initiatives of the government, the Indian chemical industry is expected to grow at 11% per annum to reach \$224 billion by 2017. India accounts for approximately 16% of the world production of Dyestuff and Dye Intermediates, particularly for reactive, acid and direct dyes.

Under penetrated Indian Market: Compared to the developed economies and China, current penetration of speciality chemicals in Indian market is very low. Further, with a favourable demographic profile and growth of domestic consumption led by a burgeoning middle-class, demand of Dyes & Dyestuff is bound to increase.

High Performance & Innovative Products: Considerable efforts have been put in by industry and academia on a continuous basis to deliver colorants with green environment. The need for high performance products has been to a great extent crystallized. There is also a noticeable trend in the world market with regard to colour solution approach to counter commoditization with the advent of technological innovations. Further, development markets such as the US and Europe have also started preferring India as a reliable sourcing destination.

Capacity Closure in China: Shutdown of capacities in China due to the environmental issues presented a significant opportunity to the Company. This is likely to continue in the near term. Bodal Chemicals is strongly positioned to capitalise on this opportunity. Further, new capacities are unlikely to be added due to the stringent environmental norms.

Unorganised Players: Chemicals industry in India is highly unorganised and poses a serious threat to the organised market. However, there is an increased awareness towards quality and high performance products. This ensures that organised players are able to gain market share.

Competition from International Players: Given low per capita consumption of Dyes & Dyestuff products compared to other countries, many international manufacturers may try to penetrate the Indian market. However, Bodal Chemicals has a strong brand recall among its customers which provides us a competitive edge.

Risks and Concerns

Regulatory Environment: Chemicals industry in a highly regulated industry with stringent environment norms. Any change in policy by the government may have an adverse impact on the performance of the Company in the sector. However, Bodal Chemicals is an established company with decades of experience. We follow best in class process controls and systems, and hence we are always ready to adapt to any changes in the government regulations.

Increase in Raw Material Prices: Increase in price of input materials could impact the Company's profitability to the extent

Management Discussion & Analysis *(continued)*

that the same are not absorbed by the market through price increases and / or could have a negative impact on the demand in the market. The Company has a strong supply chain management system with focus on inventory management to mitigate impact of fluctuation in the raw material prices.

Foreign Exchange Variation: One third of the Company's revenues are derived from export sales. Hence, any fluctuation in the foreign exchange may have an adverse impact on the Company's financials. Bodal Chemicals has adopted appropriate hedging policies to mitigate such risks.

cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance. Bodal Chemicals undertakes no obligation to publicly revise any forward looking statements to reflect future / likely events or circumstances.

Safety, Health & Environment (SHE)

At Bodal Chemicals, we are focused on the accomplishment of our SHE goal of no harm to the environment, zero risk to employees and no incidents resulting in a negative community impact. The Board provides valuable direction and guidance to the management to ensure that safety and sustainability implications are properly addressed in all new strategic initiatives. The Company always believes that its social responsibility and commitment to a healthier world reflects its character. More information on our SHE initiatives can be accessed on our website www.bodal.com

Supply Chain Management

The Company manufactures about 200 products which are sold across 35 countries. This has necessitated a comprehensive supply chain network. Bodal Chemicals continues to invest in supply chain optimisation initiatives and capability building of trade partners and the sales force. Ongoing monitoring and updates across all the manufacturing facilities have helped in enhancing responsiveness. Use of technology solutions and predictive analytics for more accurate data capture and informed decision making remains the key to an efficient supply chain management system.

Information Technology

Information Technology continues to support business operations and drive competitive advantages for your Company. Over the years, Bodal Chemicals has implemented a comprehensive ERP system which helps the Company to enhance the supply chain and make the sourcing and supply forecasts more accurate. IT system and infrastructure is being continuously monitored and enhanced with any required upgrades.

Cautionary Statement

Statements in the Directors' Report, Management Discussion and Analysis or elsewhere in this Annual Report contain "forward looking statements" including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Bodal Chemicals' future business developments and economic performance. While these forward looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could

Certification by CEO & CFO of the Company

In terms of regulation 17(8) of SEBI (LODR) Regulations, 2015, We, Suresh J. Patel, Chief Executive Officer and Mayur B. Padhya, Chief Financial Officer of Bodal Chemicals Ltd., to the best of our knowledge and belief hereby certify that;

1. We have reviewed the Financial Statements and cash flow statement for the year ended 31st March, 2016 and that to the best of our knowledge and belief:
 - (a) these statement do not contain any materially untrue statement or omit any material facts or contain statements that might be misleading;
 - (b) these statement together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- 2 We also certify, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- 3 We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- 4 We have indicated to the Auditors and the Audit Committee:
 - (a) significant changes in internal control over financial reporting during the year;
 - (b) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (c) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Suresh J. Patel
Chief Executive Officer
Chairman & Managing Director
Bodal Chemicals Ltd.

Mayur B. Padhya
Chief Financial Officer
Bodal Chemicals Ltd.

Date: 3rd August, 2016

Report on Corporate Governance

Pursuant to Regulation 34 read with Schedule V and Regulation 17 to 27 and 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance is as follows:

FINANCIAL RESULTS

The Financial Results of the Company for the year ended 31st March, 2016, were as follows:

COMPANY PHILOSOPHY ON CORPORATE GOVERNANCE:

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

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

- (a) **Transparency:** To maintain in all aspects, high standards of transparency, in our interactions and dealings.
- (b) **Disclosures:** To ensure timely dissemination of all price sensitive information and matters of importance to protect the interest of investors.
- (c) **Accountability:** To demonstrate highest levels of personal responsibility and continually affirm that employees are responsible to themselves for the pursuit of excellence.
- (d) **Compliances:** To comply with all the laws and regulations as applicable to the Company.
- (e) **Ethical conduct:** To conduct in an ethical manner, the affairs of the Company.
- (f) **Stakeholders' interest:** To promote the interests of all stakeholders including of customers, shareholders, employees, vendors, governments and the community.

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

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

The Company has fully complied with the requirements of the Listing Agreement as well the regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This report sets out the compliance status of the Company during

the financial year 2015-16 with respect to the conditions of corporate governance.

BOARD OF DIRECTORS:

a. Composition of Board

The Company's board consists of 7 Directors as on 31st March, 2016. Out of 7 Directors, 4 Directors are independent directors and from 4 Independent Directors there is 1 women director in the company. The Chairman of the Board is an Executive Director. The composition of the Board of Directors has the ideal composition with more than half the directors being non-executive directors.

The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors as prescribed under regulation 17 (1). The Constitution of the Board as on March 31, 2016:

Promoter Director	Executive Director (Promoter Group)	Independent Director
Mr. Suresh J. Patel (Din:00007400) Promoter Chairman & Managing Director	Mr. Bhavin S. Patel (Din:00030464) (Promoter Group) Mr. Ankit S. Patel (Din:02173231) (Promoter Group)	Mr. Surendra N. Shah (Din:00160401) Mr. Bipin R. Patel (Din:01186974) Mr. Sunil K. Mehta (Din:01736527) Mrs. Kajal R. Soni (Din: 06926972)

b. Attendance record of Board meetings:

During the year under review, 6 (Six) Board meeting were held on 30.05.2015, 09.07.2015, 12.08.2015, 04.11.2015, 12.02.2016 and 10.03.2016. The Board members are given appropriate documents and information in advance of each board meeting. The Last AGM was held on 24.09.2015. The time gap between two Board meetings was less than 120 days.

The attendance record of all directors on the Board and the last AGM and the number of Companies / Committees where he / she is a Director / Member/chairman as under:

Report on Corporate Governance *(continued)*

Name of Director	No. of Board Meeting Attended	Attendance at Last AGM	No. of Other Directorship**	No. of membership / Chairmanship in other companies' committees**
Mr. Suresh J. Patel	6	Yes	1	None
Mr. Bhavin S. Patel	6	Yes	NIL	None
Mr. Ankit S. Patel	5	Yes	1	None
Mr. Surendra N. Shah	5	Yes	1	None
Mr. Bipin R. Patel	6	Yes	1	None
Mr. Sunil K. Mehta	5	Yes	NIL	None
Mrs. Kajal R. Soni	6	Yes	NIL	None

Notes:

- (1) **This number excludes the directorships/committee memberships held in private companies, a company registered under Section 25 of Companies Act 1956/ under Section 8 of the Companies Act, 2013 and also of the Company. Committee includes Audit Committee and Stakeholders' Grievance Committee as per Regulation 18 and 20 of SEBI (LODR) Regulations, 2015.
- (2) The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board business. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which is confirmed in the subsequent Board meeting. The Chairman & Managing Director is assisted by the Executive Director/Senior Managerial Personnel in overseeing the functional matters of the Company.

The Board has constituted Six Standing Committees, namely Audit Committee, Share Transfer Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Management Committee. The Board constitutes additional functional committees, from time to time, depending on the business needs.

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

C. Details of Holdings of Executive and Non-Executive Directors as on 31.03.2016:

Sr. No.	Name and designation	Status/Category	No. of Share Held as on 31.03.2016	% holding as on 31.03.2016
1	Mr. Suresh J. Patel Chairman & M. D.	Promoter/ Executive Director	3,33,45,151	30.56%
2	Mr. Bhavin S. Patel Executive Director	Promoter group/ Executive Director	94,59,549	8.67%
3	Mr. Ankit S. Patel Executive Director	Promoter group/ Executive Director	65,36,550	5.99%
4	Mr. Surendra N. Shah Independent Director	Independent Director/ Non-Executive Director	75,347	0.07%
5	Mr. Bipin R. Patel Independent Director	Independent Director/ Non-Executive Director	4,075	0.01%
6	Mr. Sunil K. Mehta Independent Director	Independent Director/ Non-Executive Director	3,00,000	0.27%
7	Mrs. Kajal R. Soni Independent Director	Independent Director/ Non-Executive Director	NIL	NIL

Report on Corporate Governance *(continued)*

CODE OF CONDUCT

The Company has adopted a Code of Conduct for Directors and Senior Management of the Company, as required by Clause 49 of the Listing Agreement / Regulation 17(5) of the SEBI LODR. The Company has received confirmation from the Directors and Senior Management regarding compliance with the code for the year ended March 31, 2016. A declaration to this effect duly signed by CEO of the Company is attached herewith and forms a part of Corporate Governance Report. The code has been displayed on the Company's website.

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

The information as required by Regulation 36(3) of the SEBI (LODR) regulation, 2015 with the stock exchange in relation to appointment/reappointment of Directors of the Company are as follows:

Name of the Director	Mr. Ankit S. Patel
DIN	02173231
Date of Birth	01-11-1982
Date of Appointment	24-05-2008
Qualification	Bachelor in Economics, MBA(Finance)
Name of the Companies in which he is a Director other than Bodal Chemicals Ltd.*	1. Bodal Agrotech Limited 2. Rudraksh Caterers Private Limited
Specific Functional Areas/Experience	He has been giving his valuable services as Executive Director of the Company. He has contributed significantly in development of Sulphuric Acid Plant of the company. He is young and dynamic personality.
Chairmanship / Membership of Committee(s) of Director of the Company**	Nil
Chairman/Member of the Committee (s) of Board of Directors of other Public Limited Companies in which he is a Director	Nil
Shareholding in the company as on 31-03-2016 & percentage of paid up capital	65,36,550 (5.99%)

*this number of companies also includes the Directorship held in a Pvt. Ltd Company and Company registered u/s 25 of Companies Act, 1956 / u/s 8 of Companies Act, 2013.

**Audit Committee, Nomination and Remuneration Committee and Securities Holders' Grievances Committee.

COMMITTEE OF THE BOARD

Audit Committee

The Audit Committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit Committee of the Company consist three directors. All the directors have good knowledge of finance, accounts as well as company law. The Chairman of the Committee is Mr. Surendra N. Shah. The other members of the committee are Mr. Bipin R. Patel Non Executive Independent Director & Mr. Bhavin S. Patel Executive Director.

- Brief description of terms of reference:**

The terms of reference of the Audit Committee covering the matters specified under Clause 49 of the Listing Agreement / Regulation 18 read with Part C of Schedule II to the SEBI LODR and Section 177 of the Companies Act, 2013. The terms of reference for the Audit Committee are broadly as under:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending the appointment, remuneration and terms of appointment of auditors of the Company.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management the annual financial statements and the auditor's report thereon, before submission to the board for approval, with particular reference to:
 - Matters required to be included in Director's Responsibility Statement included in Board's report;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries based on exercise of judgment by management;
 - Significant adjustments made in the financial

Report on Corporate Governance *(continued)*

- statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related party transactions;
 - Qualifications in the draft audit report;
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
 6. Reviewing, with the management, statement of uses and application of funds raised through an issue, statement of funds utilised for other purposes and report of monitoring agency.
 7. Review and monitor the auditors' independence and performance, and effectiveness of audit process.
 8. Approval or any subsequent modification of transactions of the Company with related parties.
 9. Scrutiny of inter-corporate loans and investments.
 10. Valuation of undertakings or assets of the Company, wherever it is necessary.
 11. Evaluation of internal financial controls and risk management systems.
 12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
 13. Reviewing the adequacy of internal audit function, if any, 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.
 14. Discussion with internal auditors of any significant findings and follow up thereon.
 15. 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.
 16. Discussion with statutory auditors before the audit commences about nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
 18. To review the functioning of the Whistle-Blower mechanism.
 19. Approval of appointment of Chief Financial Officer.
 20. To review report submitted by Monitoring Agency informing material deviations in the utilization of issue proceeds and to make necessary recommendations to the Board, if, when and where applicable.
 21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

During the year under review, the Committee met 05 times on 30.05.2015, 12.08.2015, 04.11.2015, 11.02.2016 and 10.03.2016. Attendance of the members at the meetings was as follows:

Name of the Member	Designation	No. of meetings attended
Mr. Surendra N. Shah	Chairman	5
Mr. Bipin R. Patel	Member	5
Mr. Bhavin S. Patel	Member	5

The Audit Committee has reviewed the Management Discussion and Analysis of financial condition and results of operations forming part of this Annual Report and other information.

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

The following business was conducted during the year.

- Review of quarterly financial statements.
- Review of internal control systems with reference to the audits conducted by the internal auditors.
- Review of annual financial statements for the year 2015-16.
- Review of related party disclosures by the Directors.
- Review of Business performance of the Company.

During the year Audit Committee on their meeting held on 10.03.2016 recommended to Board proposed scheme of amalgamation between Bodal Chemicals Limited (Holding Company) and Bodal Agrotech Limited (Wholly Owned Subsidiary of BCL) by considering many factors and the Board approved the said proposed scheme of amalgamation of Bodal Agrotech Limited with Bodal Chemicals Limited in their meeting held on 10.03.2016 subject to requisite approvals of the Securities and Exchange Board of India ("SEBI"), stock exchanges where the securities of the Company are listed, shareholders and/or creditors of the Company, in each case as may be required under applicable laws, and subject to the approval of the High Court of Judicature of Gujarat at Ahmedabad ("Court") and other regulatory authorities as may be required, with effect from 01st April, 2016. Company has already granted approval from BSE and NSE for amalgamation of Bodal Agrotech Limited with Bodal Chemicals Limited.

During the period under review, the Board has accepted all the recommendations of the Audit Committee.

Nomination and Remuneration Committee

The Nomination & Remuneration committee comprise of three directors, viz, Mr. Surendra N. Shah as Chairman and Mr. Sunil K. Mehta and Mr. Bipin R. Patel as other members. All the members of Nomination and Remuneration Committee are Non-Executive Independent Directors.

The Nomination & Remuneration Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria

Report on Corporate Governance *(continued)*

lay down. Recommended to the Board their appointment and removal and shall carry out evaluation of every director performance.

The Committee had been consulted to review and approve the annual salaries, commission, service agreement and other employment conditions for the executive directors. The remuneration policy is in consonance with the existing industry practice.

The terms of reference of the Committee are in line with the requirements of the Companies Act, 2013 and Clause 49 of the Listing Agreement / Regulation 19 read with Part D of Schedule II to the SEBI LODR.

Terms of Reference

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees
- Formulation of criteria for evaluation of performance of independent directors and the board
- Devising a policy on Board diversity
- Identifying persons who are qualified to become directors and who may be appointed in senior

management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal

- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors

During the year under review, the Committee meeting held on 30.05.2015, 01(One) time and all members present at the meeting. Attendance of the members at the meetings was as follows:

Name of the Member	Designation	No. of meetings attended
Mr. Surendra N. Shah	Chairman	1
Mr. Bipin R. Patel	Member	1
Mr. Sunil K. Mehta	Member	1

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

The details of remuneration paid to directors are provided below for the financial year 2015-16.

Remuneration paid to Directors

Name of Director	Age	Designation	Remuneration paid Rs.	Sitting Fees paid Rs.	Commission paid Rs.	Total Remuneration paid Rs.
Mr. Suresh J. Patel	60	Chairman & Managing Director	1,08,00,000	Nil	Nil	1,08,00,000
Mr. Bhavin S. Patel	35	Executive Director	72,00,000	Nil	Nil	72,00,000
Mr. Ankit S. Patel	33	Executive Director	72,36,646	Nil	2,04,63,354	2,77,00,000
Mr. Surendra N. Shah	56	Non-Executive Independent Director	Nil	1,25,000	Nil	1,25,000
Mr. Bipin R. Patel	71	Non-Executive Independent Director	Nil	1,50,000	Nil	1,50,000
Mr. Sunil K. Mehta	55	Non-Executive Independent Director	Nil	1,25,000	Nil	1,25,000
Mrs. Kajal R. Soni	31	Non-Executive Independent Director	Nil	Nil	Nil	1,50,000
Total			2,52,36,646	5,50,000	2,04,63,354	4,62,50,000

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

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

No remuneration or Commission paid to the Non-Executive Directors apart from Setting fees for attending the meeting of Board of Directors.

Report on Corporate Governance *(continued)*

Policy Relating to Remuneration of Directors, KMP & Senior Management Personnel:

- To ensure that the level and components of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMP and other employees of the quality required to run the Company successfully.
- No director/KMP/ other employee is involved in deciding his or her own remuneration.
- It is to be ensured that relationship of remuneration to the performance is clear & meets appropriate performance benchmarks which are unambiguously laid down and communicated.
- Improved performance should be rewarded by increase in remuneration and suitable authority for value addition in future.
- Remuneration packages should strike a balance between fixed and incentive pay, where applicable, reflecting short and long term performance objectives appropriate to the Company's working and goals.

Following criteria are also to be considered:

- Responsibilities and duties;
- Time & efforts devoted;
- Value addition;
- Profitability of the Company & growth of its business;
- Analyzing each and every position and skills for fixing the remuneration yardstick;
- Standards for certain functions where there is a scarcity of qualified resources.
- Ensuring tax efficient remuneration structures.
- Ensuring that remuneration structure is simple and that the cost to the Company (CTC) is not shown inflated and the effective take home remuneration is not low.
- Other criteria as may be applicable.
- Consistent application of remuneration parameters across the organisation.
- Provisions of law with regard making payment of remuneration, as may be applicable, are complied.
- Whenever, there is any deviation from the Policy, the justification / reasons should also be indicated / disclosed adequately.

Security holders' Grievances Committee/ Stakeholders Relationship Committee

Security holders' Grievances Committee comprise of three directors, viz, Mr. Surendra N. Shah Non executive Independent Director, Chairman and Mr. Bhavin S. Patel & Mr. Bipin R. Patel as other members.

• Terms of Reference:

In order to give the appropriate level of focus to shareholders and investors related matters a Shareholders'/ Investors' Grievance Committee was formed. The committee focuses primarily on strengthening investor relations and ensuring the rapid resolution of any shareholder's or investor's concerns.

During the year, four meetings were held on 30.05.2015, 12.08.2015, 04.11.2015, 11.02.2016

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

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

Notes:

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

There are 1 (one) complaints pending with the Company as on March 31, 2016.

The Company has also adopted code of internal procedures and code for prevention of insider trading in the shares of the Company, pursuant to Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended. The Board has designated Company Secretary as the Compliance Officer of the Company.

Details of Shareholders'/Investors' Complaints

Sharepro Services (India) Pvt. Ltd. (RTA) and the Company, and SCORES, the official website of SEBI have received shareholders'/investors complaints and resolved by the company / the RTA in consultation with the Company for the year 2015-16, the details are as follows:

Sr. No.	Designation	Opening Balance 01-04-2015	Received during the year	Redressed/ attended	Pending as on 31-03-2016
1	Non receipt of share certificates after transfer etc.	Nil	Nil	Nil	Nil
2	Non receipt of Dividend Warrants	Nil	5	4	1
3	Query regarding demat credit	Nil	Nil	Nil	Nil
4	Non receipt of duplicate share certificates after issue	Nil	Nil	Nil	Nil
5	Other	Nil	Nil	Nil	Nil
Total		Nil	5	4	1

Report on Corporate Governance *(continued)*

SHARE TRANSFER COMMITTEE

The members of Share Transfer Committee are as below:

- I. Mr. Suresh J. Patel
- II. Mr. Ankit S. Patel
- III. Mr. Bhavin S. Patel

The role, terms of reference, the authority and powers of the Share Transfer Committee are in conformity with the provisions of the Companies Act, 2013.

SEPARATE MEETINGS OF INDEPENDENT DIRECTORS

As required by Clause 49 of Listing Agreement / SEBI LODR, 2015 one meeting of the Independent Directors held during the year. All Four Independent Directors attended the same. The Independent Directors discussed / review the matters specified in Clause 49 of the Listing Agreement/Regulation 25 of SEBI LODR.

DIRECTORS' INDUCTION AND FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The company has made familiarization programme for the Independent Directors. The Company has been giving information and update about the work and progress of company from time to time to provide detailed understanding of any specific project, activity or process of the Company.

Corporate Social Responsibility (CSR) Committee:

The Board of Directors of the Company have, as required by the provisions of section 135 of the Companies Act, 2013, constituted Corporate Social Responsibility Committee consisting of three directors viz. During the year, two meeting were held on 30-05-2015 and 31-03-2016.

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

Sr. No.	Name of Member	Designation	Category	No. of meeting attended
1	Mr. Suresh J. Patel	Chairman & Managing Director	Chairman	2
2	Mr. Ankit S. Patel	Executive Director	Member	1
3	Mr. Surendra N. Shah	Independent Director	Member	2

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

GENERAL BODY MEETINGS:

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

Year	Date	Time	Venue	Special Resolution passed
EGM	23.03.2013	11.00 A.M.	ATMA, Auditorium, Opp. Old RBI Office, Ashram Road, Ahmedabad - 380009	2
2012-13 AGM	30.09.2013	5.00 P.M.	ATMA, Auditorium, Opp. Old RBI Office, Ashram Road, Ahmedabad - 380009	--
2013-14 AGM	22.09.2014	11.00 A.M.	ATMA, Auditorium, Opp. Old RBI Office, Ashram Road, Ahmedabad - 380009	5
Preference Shareholder Meeting	03.08.2015	3.00 P.M.	Plot No. 123-124, Phase-1, G.I.D.C., Vatva, Ahmedabad - 382 445	1
2014-15 AGM	24.09.2015	11.00 A.M.	ATMA, Auditorium, Opp. Old RBI Office, Ashram Road, Ahmedabad - 380009	2

The special resolutions indicated above were passed by show of hands till 2012-13 and then after passed by Postal Ballot and E- Voting.

The management provides such information and training either at the meeting of Board of Directors or otherwise. For the new Directors at the time of appointment,

- A brief introduction about the Company and its main subsidiary and Organizational structure is made. Inductee has been provided latest Annual Report, Code of Conduct applicable to Directors / employees of the Company, the 'Bodal Chemicals Ltd Code of Conduct for Prevention of Insider Trading and Bodal Chemicals Ltd Code of Corporate Disclosure Practices', of the Company.
- A detailed Appointment Letter incorporating the role, duties and responsibilities, remuneration and performance evaluation process, Code of Conduct and obligations on disclosures, is issued for the acceptance of the Independent Directors.
- The inductee has been introduced with the Key managerial personnel of the company. A visit to the Company's Plants is arranged.

The Familiarisation Programme for Independent Directors can be accessed on the Company's

Report on Corporate Governance *(continued)*

SUBSIDIARY COMPANIES:

Bodal Agrotech Ltd. is the wholly owned subsidiary of the company as on 31-03-2016. Bodal Agrotech Ltd. is non - material non-listed subsidiary Company. The Audit Committee reviews the financial statements, particularly, the investments made by subsidiary Company. Minutes of the said subsidiary Company are being placed before the Board for its review.

The Board reviews the accounts of the said Subsidiary Company on regular basis.

The Board approve the scheme of amalgamation of Bodal Agrotech Limited with Bodal Chemicals limited in their meeting held on 10.03.2016 subject to requisite approvals of the Securities and Exchange Board of India ("SEBI"), stock exchanges where the securities of the Company are listed, shareholders and/or creditors of the Company, in each case as may be required under applicable laws, and subject to the approval of the High Court of Judicature of Gujarat at Ahmedabad ("Court") and other regulatory authorities as may be required, with effect from 01st April, 2016.

OTHER COMPLIANCES:

Basis of related party transactions

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

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

Compliance by the Company

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

Disclosure of Accounting Treatment

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

Risk management

- Business risk evaluation and management is an ongoing process within the Organization. During the period under review, a detailed exercise on the Business Risk Management was carried out covering all aspects of business operations.
- During the year, the Company had redeemed 2,50,00,000, 9% Non-Cumulative Redeemable Preference Shares of Rs.10/- each fully paid up aggregating Rs. 25,00,00,000/-

(Rupees Twenty Five Crores Only) at par out of the accumulated profit available as on 31st March, 2015 (Profit & Loss A/c-Credit Balance) and the equivalent amount transferred to capital redemption reserve fund.

Whistle Blower Policy

- The Company encourages an open door policy (called Whistle Blower Policy) where employees have access to the Head of the business /function. In terms of Company's Code of Conduct, any instance of non-adherence to the code / any other observed unethical behavior are to be brought to the attention of the immediate reporting authority, who is required to report the same to the Compliance Officer of the Company or in exceptional circumstances to the Chairman of the Audit Committee.

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

As required by the provisions of SEBI (PIT) Regulations, 2015, the Company has adopted a Code of Conduct for prevention of Insider Trading. Company Secretary of the Company is the Compliance Officer. The Code of Conduct is applicable to all Directors and such identified employees of the Company as well as who are expected to have access to unpublished price sensitive information relating to the Company.

Report on Corporate Governance *(continued)*

Shareholders' Information

1	Registered Office	Plot No. 123 & 124, Phase-I, G.I.D.C., Vatva, Ahmedabad-382 445.
2	Annual General Meeting date, Time and Venue	Tuesday, the 20th September, 2016 at 11.30 A.M. at ATMA Auditorium, Opp. Old RBI Office, Ashram Road, Ahmedabad - 380 009.
3	Financial Year	2015-2016 (consisting of 12 months) 01/04/2015 to 31/03/2016
4	Date of Book Closure	Saturday, 17th September, 2016 to Tuesday, the 20th September, 2016 (Both days inclusive)
5	Listing on Stock Exchange	BSE LTD Bombay Stock Exchange Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001
		National Stock Exchange of India Limited (NSE) Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex Bandra (E), Mumbai 400 051.
6	Stock Codes	BSE Scrip Code: 524370 NSE Scrip Code: BODALCHEM Demat ISIN: INE338D01028 CIN: L24110GJ1986PLC009003
7	Types of security	Equity Shares
	No. of paid up shares	10,91,07,370 equity shares of Rs. 2/- each fully paid
	Market lot of shares	1 Equity Share
8	Registrar & Share Transfer Agent	M/s. Link Intime India Pvt Ltd., Ahmedabad Branch: Unit No 303, 3rd Floor, Shoppers Plaza V, Opp. Municipal Market, Behind Shoppers Plaza II, Off C G Road, Ahmedabad - 380009. Tel No: 079 - 2646 5179 • ahmedabad@linkintime.co.in
9	Compliance Officer / Company Secretary	Mr. Ashutosh B. Bhatt Plot No. 123 & 124, Phase-I, G.I.D.C., Vatva, Ahmedabad-382 445 Phone No: 079 25835437 • Fax No: 079 25836052, 25892988
10	Depository System	Currently 98.51% of the Company share capital is held in dematerialized form. For any assistance in converting physical shares in electronic form, investor may approach Link Intime India Pvt Ltd or Mr. Ashutosh B. Bhatt, Company Secretary & Compliance officer
11	Bank details for Electronic Shareholding	Members are requested to notify their Depository Participant (DP) about the changes in bank details. Members are requested to furnish complete details of their bank account, including the MICR codes of their bank.
12	Furnish copies of Permanent Account Number (PAN)	The members are requested to furnish their PAN which will help us to strengthen compliance with KYC norms and provisions of prevention of Money Laundering Act, 2002 For transfer of shares in physical form, SEBI has made it mandatory to the transferee to submit a copy of PAN card to the Company.
13	Investor complaint to be addressed to	Link Intime India Pvt Ltd or Mr. Ashutosh B. Bhatt, Company Secretary & Compliance officer
14	E-mail ID of Grievance Redressal Division	secretarial@bodal.com
15	Payment of Listing Fees	Annual listing fee for the year 2016-17 has been paid by the Company to BSE & NSE
16	Payment of Depository Fees	Annual custody / Issuer fee for the year 2016-17 has been paid by the Company to CDSL & NSDL.
17	Outstanding Warrants GDRs/ADRs, and Convertible Bonds, Conversion date and likely impact on equity	Not Applicable

Report on Corporate Governance *(continued)*

18	Plant Locations	<p>Unit-I Plot No. 110, Phase-II, G.I.D.C., Vatva, Ahmedabad-382 445.</p> <p>Unit-II Plot No. 123&124 & C-1-B/111-114, Phase-I, G.I.D.C., Vatva, Ahmedabad-382 445.</p> <p>Unit-III Plot No. 2102, Phase-III, G.I.D.C., Vatva, Ahmedabad-382 445.</p> <p>Unit-IV Plot No. 252,253 & C-1/254, Phase-II, G.I.D.C., Vatva, Ahmedabad-382 445</p> <p>Unit-V Plot No. 6002/2B, G.I.D.C., Ankleshwar, Dist. Bharuch, Gujarat.</p> <p>Unit VI Plot No. 606-607, G.I.D.C., Panoli, Nr. Ankleshwar, Dist. Bharuch, Gujarat.</p> <p>Unit VII Block No. 804, Village- Dudhwada, Ta. Padra, Dist. Vadodara, Gujarat.</p> <p>Unit VIII Block No.106-108, Ekalbara Village, Ta. Padra, Dist. Vadodara, Gujarat.</p> <p>Unit IX Block No. 598/A, Piludra Village, Ta. Jambusar, Dist. Baruch, Gujarat.</p>
19	Nomination Facility	It is in the interest of the shareholders to appoint nominee for their investments in the Company. Those members who are holding shares in physical mode and has not appointed nominee or want to change the nomination, are requested to send us nomination form duly filled in and signed by all the joint holders.
20	Change in Shareholders details / Investors Communication	<p>In case you are holding your shares in dematerialized form (e.g. in electronic mode), communication regarding change in address, bank account details, change in nomination, dematerialization of your share certificates or other inquiries should be addressed to your DP where you have opened your Demat Account, quoting your client ID number. In case of physical holding of shares, any communication for change of any details should be addressed to our R&T agent M/s. Link Intime India Pvt Ltd., at address mentioned below.</p> <p>Ahmedabad Branch:</p> <p>Unit No 303, 3rd Floor, Shoppers Plaza V, Opp. Municipal Market, Behind Shoppers Plaza II, Off C G Road, Ahmedabad - 380009. Tel No: 079 - 2646 5179 • ahmedabad@linkintime.co.in</p>

Presentation made to institutional investors or to the analysts is available on the website **www.bodal.com**

Financial year 2015-16 (April 1, 2015 to March 31, 2016)

Results were announced on

12th August, 2015	- First quarter (Un-audited)
04th November, 2015	- Second quarter (Un-audited)
12th February, 2016	- Third quarter (Un-audited)
26th May, 2016	- Annual (Audited)

Information for the whole financial year 2016-17. (Quarterly meeting wise)-

Tentative Financial Calendar for the financial year 2016-17.

Results will be announced on

03rd August, 2016	- First quarter
Last week of October, 2016	- Second quarter and half year ended
Last week of January, 2017	- Third quarter
Last week of May, 2017	- Fourth quarter and annual (audited)

Report on Corporate Governance *(continued)*

Stock Data: Monthly equity share price data on BSE and NSE for the financial year 2015-16, are as under.

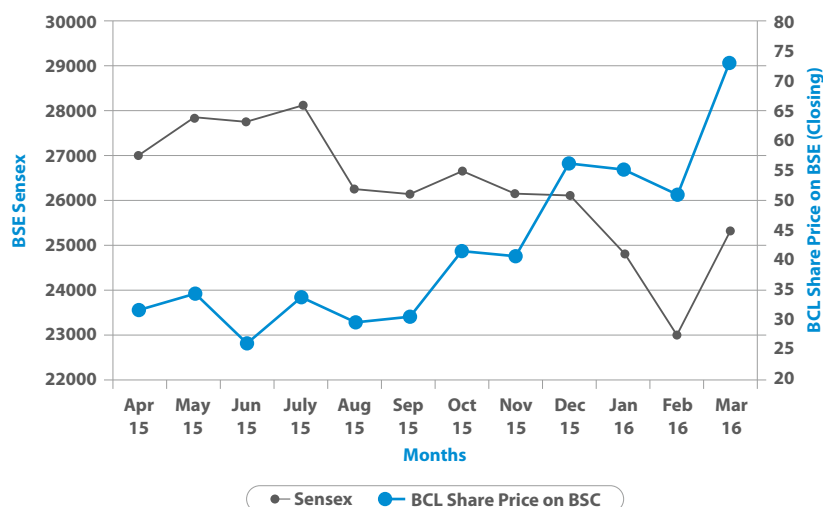
NSE:

Month	High Rs.	Low Rs.	Close Rs.	Volumes (No. of Shares)
April'15	40.00	30.90	31.45	26,69,581
May'15	35.35	28.50	34.35	20,99,060
June'15	33.50	25.10	26.20	19,40,679
July'15	34.40	26.20	33.35	28,09,925
August '15	38.05	26.80	30.20	43,84,660
September '15	32.00	27.00	30.80	10,07,256
October '15	44.20	30.15	41.55	54,19,365
November '15	42.95	35.10	40.60	48,48,582
December '15	59.25	39.20	56.40	1,90,45,218
January '16	62.00	44.75	55.35	1,32,78,600
February '16	57.90	46.30	51.45	68,87,986
March '16	75.00	51.50	73.35	1,36,66,362

BSE:

Month	High Rs.	Low Rs.	Close Rs.	Volumes (No. of Shares)
April'15	39.90	31.00	31.75	16,65,662
May'15	35.50	28.50	34.65	10,71,932
June'15	33.40	25.30	26.25	9,24,841
July'15	34.50	26.05	33.55	13,83,787
August '15	38.10	26.20	30.00	25,26,790
September '15	32.00	27.10	30.70	6,90,392
October '15	44.00	30.60	41.60	29,15,381
November '15	42.90	35.10	40.65	21,17,500
December '15	59.00	39.30	56.15	78,81,990
January '16	62.10	44.65	55.25	67,96,071
February '16	57.90	46.50	51.10	42,83,693
March '16	75.00	51.60	73.25	58,58,099

Comparative Price Chart



Report on Corporate Governance *(continued)*

Shares held in physical and dematerialized form

Equity Shares

Dematerialization of Shares and liquidity: Company's Paid-up capital has been dematerialized up to 31.03.2016 as per the following details. The Company's Equity Shares are actively traded shares on the Indian Stock Exchanges.

Particular	No. of Shares	% of share capital
NSDL	4,23,53,696	38.82
CDSL	6,51,24,174	59.69
Physical	16,29,500	1.49
Total	10,91,07,370	100

Note: Equity shares of the Company are listed on Bombay Stock Exchange Ltd. And National Stock Exchange of India Limited. Investors can exercise dematerialization through a recognized Depository Participant (DP) who is connected to NSDL or CDSL.

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

The Demat security code (ISIN) for the equity shares of Rs. 2/- each is

INE – 338 D 01028.

Bank Mandate for Dividend

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

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

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

Sr. No.	Financial Year	Financial Year	Financial Year
1	2009-10(Interim)	28-04-2010	03-06-2017
2	2009-10(Final)	30-09-2010	05-11-2017
3	2010-11(Final)	29-09-2011	04-11-2018
4	2015-16(Interim)	12-08-2015	19-10-2022
5	2015-16(2nd Interim)	10-03-2016	17-05-2023

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

Distribution of Shareholding as on 31-03-2016

According to number of Equity Shares

Financial Year	Financial Year	Financial Year	Financial Year	Financial Year
1-500	13197	73.25	21,62,702	1.98
501-1000	1792	9.95	15,61,117	1.43
1001-2000	992	5.51	15,89,951	1.46
2001-3000	532	2.95	13,58,857	1.25
3001-4000	252	1.40	9,13,988	0.84
4001-5000	305	1.69	14,41,637	1.32
5001-10000	475	2.64	35,72,304	3.27
10001-20000	242	1.34	34,67,066	3.18
Above 20000	229	1.27	9,30,39,748	85.27
Total	18016	100.00	10,91,07,370	100.00

Report on Corporate Governance *(continued)*

Shareholding pattern for equity shares of the Company as on 31-03-2016

Description	No. of Members		No. of equity shares of Rs.2/- each fully paid.	
	Nos.	%	Nos.	%
Promoters & Promoters Group				
Individuals	8	0.04	6,47,93,259	59.38
Foreign citizen/NRIs	3	0.02	1,07,21,700	9.83
Total	11	0.06	7,55,14,959	69.21
Indian Public-Individuals				
Foreign Institutional Investors (FII)	5	0.03	1,79,264	0.16
Mutual Fund, Nationalized Bank, Financial Institution and Co-operative Banks	6	0.03	1,32,563	0.12
Insurance companies	1	0.01	4,000	0.00
Bodies Corporate	1304	7.24	1,01,11,748	9.27
Individual Shareholders holding nominal value Upto Rs. 2 Lac	16671	92.53	1,88,60,679	17.30
Individual Shareholders holding nominal value greater than Rs. 2 Lac	18	0.10	43,04,157	3.94
Non Resident Individuals	NIL	NIL	NIL	NIL
Total	18016	100.00	10,91,07,370	100.00

Means of Communication

Effective communication of information is an essential component of Corporate Governance. It is a process of sharing information, ideas, thoughts, opinions and plans to all stakeholders which promotes management – shareholder relations. The Company regularly interacts with shareholders through multiple channels of communication such as results announcement, annual reports, media releases, earning Presentation and Company's website and through green initiatives.

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

CEO and CFO Certification

The Chairman and Managing Director and Chief Financial Officer of the Company give annual Compliance Certificate in accordance with Regulation 17(8) read with Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / Clause 49 of Listing Agreement with the Stock Exchange(s). The annual Compliance Certificate given by Chairman and Managing Director and Chief Financial Officer is published in Annual Report.

Certificate on Compliance with Code of Conduct

In accordance with Regulation 17(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / Clause 49 of Listing Agreement with the Stock Exchange(s), the Board members and senior management personnel of the Company have confirmed compliance with the Code of conduct for the financial year ended March 31, 2016.

Reconciliation of Share Capital Audit

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

Change of Registrar and Share Transfer Agent (RTA)

SEBI vide its Order No. WTM/RKA/MIRSD2/41/2016 dated 22nd March, 2016 ("the Order") has debarred Sharepro Services (India) Private Limited ("Sharepro") from accessing the Capital Market. The Order also directs all the clients of Sharepro to carry out / switchover their activities related to registrar and share transfer agents, either in-house or through another RTA registered with SEBI.

Report on Corporate Governance *(continued)*

The Board of Directors of the Company has appointed **Link Intime India Private Limited** as its new RTA in place of Sharepro Services (India) Private Limited ("Sharepro").

Shareholders are requested to send the documents / correspondence relating to the Company's securities and share transfer activity to the new RTA at the following address:

Link Intime India Private Limited,
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West),
Mumbai – 400078, Maharashtra

**Ahmedabad Branch :
Link Intime India Pvt Ltd.**

(Ahmedabad Branch)
Unit No 303, 3rd Floor, Shoppers Plaza V,
Opp. Municipal Market, Behind Shoppers Plaza II,
Off C G Road, Ahmedabad - 380009.
Tel No: 079 - 2646 5179 • Email: ahmedabad@linkintime.co.in

Date : 03-08-2016

Place: Ahmedabad

Suresh J. Patel
Chief Executive Officer,
Chairman & Managing Director
(DIN: 00007400)

Certificate of Compliance with the Corporate Governance

Requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

To The Members of Bodal Chemicals Limited

We have examined the compliance of conditions of Corporate Governance by **Bodal Chemicals Limited** ('the Company'), for the year ended 31st March, 2016, as stipulated in regulations 17 to 27, clauses (b) to (i) of sub – regulation (2) of regulation 46 and paragraph C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, ('Listing Regulations') with Stock Exchanges in India.

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

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

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

For MAYANK SHAH & ASSOCIATES

(FIRM REGN.NO.106109W)
CHARTERED ACCOUNTANTS

Place : Ahmedabad
Date: 3rd August, 2016

(M.S.SHAH)
PARTNER
M.No.44093

Secretarial Audit Report

For the financial year ended 31/03/2016

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
BODAL CHEMICALS LIMITED
Plot No. 123-124, Phase-1,
GIDC, Vatva,
Ahmedabad – 382 445

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Bodal Chemicals Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made there under as applicable;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and 2015, as amended from time to time;
 - c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents)

Regulations, 1993 regarding the Companies Act and dealing with client;

(vi) Secretarial Standards issued by the Institute of Company Secretaries of India (applicable w.e.f 01/07/2015)

I have also examined compliance with the applicable clauses and Regulations of the Listing Agreements and Listing Regulations entered into by the Company with Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

Further being a Chemical Industry, apart from Environment, Pollution and safety related compliances, Narcotics Law 1985 is applicable to the Company, for which examination of the relevant documents and records, on test check basis has been carried out.

During the period under review the Company has generally complied with the all material aspects of applicable provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

During the Period under review, provisions of the following Acts, Rules, Regulations, Guidelines, etc. were not applicable to the Company:

- i. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share based employee benefits) Regulations, 2014;
- ii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- iii. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- iv. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
- v. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- vi. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of External Commercial Borrowings and Overseas Direct Investment.

I further report that –

The Compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial auditor and other designated professionals.

I further report that –

Based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, in my opinion, adequate systems and processes and control mechanism exist in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, standards and guidelines and general laws like various labour laws, competition law, environmental laws, etc.

Secretarial Audit Report *(continued)*

For the financial year ended 31/03/2016

I further report that –

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent generally seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that during the audit period there were no events/ actions in pursuance of the above referred laws, rules, regulations, standards, etc. having a major bearing on the Company's affairs, except as stated below :

- (i) The Board of Directors of the Company has approved Scheme of Arrangement in the nature of amalgamation between Bodal Chemical Limited (Amalgamated Company) and its wholly owned subsidiary Company Bodal Agrotech Limited (Amalgamating Company). The Company is in process of obtaining necessary approvals from various authority and High Court of Gujarat.
- (ii) The Company has redeemed all its 9% Non Convertible Preference Shares to the extent of Rs. 25 Crores in the month of August, 2015.
- (iii) In September 2015, the Company has announced its exit from the Corporate Debt Restructuring (CDR) mechanism.

Signature :

Name of Company Secretary in practice: **Tapan Shah**

FCS No. : 4476

Date: 3rd August, 2016

C P No. : 2839

Place: Ahmedabad

Note: This Report is to be read with my letter of above date which is annexed as Annexure A and forms an integral part of this report.

Annexure A

To,
The Members,
BODAL CHEMICALS LIMITED
Plot No. 123-124, Phase-1,
GIDC, Vatva,
Ahmedabad – 382 445

My report of the above date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done based on the records and documents provided, on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices followed by me provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Signature :

Name of Company Secretary in practice: **Tapan Shah**

FCS No. : 4476

Date: 3rd August, 2016

C P No. : 2839

Place: Ahmedabad

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Independent Auditors' Report

To the members of Bodal Chemicals Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **BODAL CHEMICALS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of these standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

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

design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section(11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A' a statement on the matters specified in paragraph 3 and 4 of the order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and 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 it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.

Independent Auditors' Report *(continued)*

To the members of Bodal Chemicals Limited

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations as at 31st March, 2016 on its financial position in its standalone financial statement – Refer Note 30 to the Standalone Financial Statements.
- ii. The Company did not have any pending long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education & Protection Fund by the Company during the year ended 31st March, 2016.

Ahmedabad
May 26, 2016

For Mayank Shah & Associates
Chartered Accountants
Firm Registration No: 106109W

M.S. SHAH
Partner
Membership No. 44093

Annexure 'A' to the Independent Auditors' Report

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

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets;
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the company, nature and value of its assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) In our opinion and according to information and explanations given to us and on the basis of an examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventory except goods-in-transit has been physically verified by the Management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. For goods-in-transit at year end, relevant evidences have been obtained. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been dealt with in books of account.
- (iii) According to information and explanations given to us, the company has granted interest free unsecured loan to one wholly owned subsidiary covered under section 189 of the Act.
- (a) The terms and conditions on which loan has been granted to the borrower Company covered under Section 189 of the Act is not, prima facie, prejudicial to the interest of the Company.
- (b) The principal amounts are repayable on demand, while the loan is interest free, both at the discretion of the Company.
- (c) There are no overdue amounts in respect of the loan granted to a subsidiary company in the register maintained under Section 189 of the Act.
- (iv) In our opinion and according to information and explanations given to us, the Company has complied with provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit nor has any unclaimed deposit within the meaning of the provisions of Sections 73 to 76 or any other relevant provision of the Act and the rules framed there under. Accordingly, the provisions of Clause (v) of paragraph 3 of the Order are not applicable to the Company.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under subsection (1) of section 148 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess, and any other material statutory dues, as applicable, with the appropriate authorities.
- According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues were in arrears as at 31st March, 2016 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, details of dues towards Income Tax, Service Tax, Custom Duty, Excise duty which have not been deposited by the Company on account of disputes are as follows,

Name of the Statute	Nature of the Dues	(Rs. in Lacs)	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	258.31	A.Y. 2007-08, A.Y. 2008-09	Commissioner of Income Tax (Appeals)
	Income Tax	37.28	A.Y. 2008-09 and various Years	Assessing Officer
Central Excise Act, 1944	Excise Duty & Penalty	34.40	F.Y. 2010-11 to F.Y.2015-16	Commissioner (Appeals)
	Excise Duty & Penalty	9.05	F.Y. 2011-12, F.Y.2013-14 and F.Y. 2014-15	Commissioner of Central Excise (Appeals)
	Excise Duty & Penalty	271.22	F.Y. 2005-06 to F.Y.2015-16	Customs, Excise & Service Tax Appellate Tribunal
Service Tax	Service Tax & Penalty	6.13	F.Y. 2011-12	Customs, Excise & Service Tax Appellate Tribunal
Customs Act, 1962.	Duty, Penalty, Interest & Fine	0.12	F.Y. 2014-15	Customs, Excise & Service Tax Appellate Tribunal

Annexure 'A' to the Independent Auditors' Report *(continued)*

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

According to the information and explanations given to us, there are no dues of Sales tax, Value Added Tax and Cess which have not been deposited with the appropriate authorities on account of any dispute.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company does not have any loans or borrowings from financial institutions or government and has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans during the year. Accordingly, the provisions of clause (ix) of paragraph 3 of the Order are not applicable to the Company.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) In our opinion and according to the information and explanations given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of the Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi Company. Accordingly, the provisions of Clauses (xii) of paragraph 3 of the Order are not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transaction with the Directors or Persons connected with its Directors and covered under Section 192 of the Act. Accordingly, the provisions of Clause (xv) of paragraph 3 of the Order are not applicable to the Company.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, Clause (xvi) of paragraph 3 of the Order is not applicable to the Company.

For Mayank Shah & Associates
Chartered Accountants
Firm Registration No: 106109W

Ahmedabad
May 26, 2016

M.S. SHAH
Partner
Membership No. 44093

Annexure 'B' to the Independent Auditors' Report

(Referred to in Paragraph 2(f) under the heading of "Report on Other Legal and Regulatory Requirements" section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of **BODAL CHEMICALS LIMITED** ('the Company') as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the 'ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing issued by ICAI and prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Mayank Shah & Associates
Chartered Accountants
Firm Registration No: 106109W

Ahmedabad
May 26, 2016

M.S. SHAH
Partner
Membership No. 44093

Balance Sheet

As at 31st March, 2016

(Rs. in Lacs)

PARTICULARS	Notes	As at 31st March, 2016	As at 31st March, 2015
EQUITY AND LIABILITIES			
Shareholders' Funds :			
Share Capital	2	2,182.15	4,682.15
Reserves and Surplus	3	21,772.45	13,900.51
		23,954.60	18,582.66
Deferred Grant	4	Nil	Nil
Non-Current Liabilities			
Long-term borrowings	5	67.91	8,620.74
Deferred Tax Liability (Net)	6	1,680.69	1,297.25
		1,748.60	9,917.99
Current Liabilities			
Short-term borrowings	7	14,222.48	12,249.14
Trade Payables	8		
Due to Micro and Small Enterprises		Nil	Nil
Due to Others		10,803.39	11,249.03
Other Current Liabilities	9	562.85	1,866.12
Short Term Provisions	10	113.26	55.39
		25,701.98	25,419.68
Total		51,405.18	53,920.33
ASSETS			
Non - Current Assets :			
Fixed Assets	11		
Tangible Assets		18,320.29	18,863.34
Intangible Assets		96.30	111.09
Capital work-in-progress		27.22	324.33
		18,443.81	19,298.76
Non-Current Investments	12	332.75	332.75
Long Term Loans and Advances	13	2,235.85	1,964.84
Other Non-current assets	14	4.25	46.73
		21,016.66	21,643.08
Current Assets			
Inventories	15	8,729.40	7,795.65
Trade Receivables	16	16,568.39	19,719.50
Cash and Bank Balances	17	383.52	302.54
Short - Term Loans & Advances	18	4,236.32	4,138.74
Other Current Assets	19	470.89	320.82
		30,388.52	32,277.25
Total		51,405.18	53,920.33
Significant Accounting Policies	1		
Notes are an integral part of the financial statements			

As per our report of even date attached

For Mayank Shah & Associates
Chartered Accountants
Firm Registration No. 106109W

(M.S. Shah)
Partner
Membership No. 44093

Ahmedabad
May 26, 2016

For and on behalf of the Board of Directors

(Suresh J. Patel)
Chairman & Managing Director
DIN : 00007400

(Mayur B. Padhya)
Chief Financial Officer

Ahmedabad
May 26, 2016

(Ankit S. Patel)
Executive Director
DIN : 02173231

(Ashutosh B. Bhatt)
Company Secretary

Statement of Profit & Loss

For The Year Ended 31st March, 2016

(Rs. in Lacs)

PARTICULARS	Notes	As at 31st March, 2016	As at 31st March, 2015
INCOME			
Revenue from Operations			
Sale of Products	20A	97,583.53	111,889.12
Other Operating Income	20B	1,297.57	950.74
		98,881.10	112,839.86
Less : Excise Duty		7,898.38	8,308.64
		90,982.72	104,531.22
Other Income	21	1,201.37	471.79
Total Revenue		92,184.09	105,003.01
EXPENSES			
Cost of materials consumed	22	57,380.18	60,789.09
Purchases of Stock-in Trade	23	682.09	2,998.20
Changes in Inventories of Finished Goods and Stock in Process	24	(1,015.92)	2,004.26
Employee Benefits Expenses	25	5,159.07	5,899.47
Finance Costs	26	1,219.93	2,727.53
Depreciation and Amortisation expense	27	2,577.82	2,224.79
Other Expenses	28	13,784.20	14,413.63
Total Expenses		79,787.37	91,056.97
Profit Before Exceptional Items and Taxes		12,396.72	13,946.04
Exceptional Items	29	789.89	Nil
Profit Before Taxes		13,186.61	13,946.04
Tax Expenses			
Current Tax		4,088.91	3,506.24
Deferred Tax		383.44	1,238.11
Taxes of earlier years		54.41	0.04
		4,526.76	4,744.39
Profit for the Year		8,659.85	9,201.65
Earnings per equity share (Face value of Rs.2)	37		
Basic and diluted (in Rs.)		7.94	8.43
Significant Accounting Policies	1		
Notes are an integral part of the financial statements			

As per our report of even date attached

For Mayank Shah & Associates
Chartered Accountants
Firm Registration No. 106109W

(M.S. Shah)
Partner
Membership No. 44093

Ahmedabad
May 26, 2016

For and on behalf of the Board of Directors

(Suresh J. Patel)
Chairman & Managing Director
DIN : 00007400

(Mayur B. Padhya)
Chief Financial Officer

Ahmedabad
May 26, 2016

(Ankit S. Patel)
Executive Director
DIN : 02173231

(Ashutosh B. Bhatt)
Company Secretary

Cash Flow Statement

For The Year Ended 31st March, 2016

(Rs. in Lacs)

PARTICULARS	Year 2015-16	Year 2014-15
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and after exceptional items	13,186.61	13,946.04
Adjustment for :		
Depreciation and Amortisation	2,577.82	2,224.79
Bad Debts written off	Nil	644.33
Recovery of Bad Debts	(592.32)	Nil
Unrealised Foreign Exchange Loss / (Gain)	(153.74)	(24.74)
Finance Cost	1,219.93	2,727.53
Exceptional Item	(789.89)	Nil
(Profit)/Loss on Sale of Assets (Net)	(5.91)	(4.45)
Interest/Dividend/Rent received	(163.38)	(94.20)
Profit on sale of Investments	(0.97)	(7.34)
Reversal of Provision of Dimunition	Nil	(31.74)
Operating Profit before Working Capital Changes	15,278.15	19,380.22
Adjustment for :		
(Increase) / Decrease in Trade Receivables	3,723.80	2,332.26
(Increase) / Decrease in Inventories	(933.75)	4,417.28
(Increase) / Decrease in Other Receivables	(319.56)	422.70
Increase / (Decrease) in Trade Payables	(899.44)	(2,778.66)
Cash generated from Operations	16,849.20	23,773.80
Direct Taxes Paid (Net of Refund)	3,575.09	3,993.84
Net Cash from Operating Activities (A)	13,274.11	19,779.96
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets including Capital Work in Progress and capital advances	(1,661.75)	(3,546.22)
Sale proceeds of Tangible Assets	25.51	11.31
Loan given to Subsidiary	(936.45)	Nil
Loan repaid by Subsidiary	2.44	3.40
Interest/Dividend/Rent received	163.38	94.19
Sale proceed of current Investment	2,200.97	2,093.53
Purchase of current investment	(2,200.00)	(2,199.34)
Net Cash used in Investing Activities (B)	(2,405.90)	(3,543.13)
C CASH FLOW FROM FINANCING ACTIVITIES		
Increase / (Decrease) in Long Term Borrowings	(8,552.82)	(12,964.14)
Increase / (Decrease) in Short Term Borrowings	2,111.65	(518.02)
Redemption of Preference Share Capital	(2,500.00)	Nil
Finance Cost	(1,219.93)	(2,727.53)
Dividend Paid	(779.75)	(4.76)
Net Cash used in Financing Activities (C)	(10,940.85)	(16,214.45)
NET INCREASE/(DECREASE) IN CASH & EQUIVALENTS	(72.64)	22.38
Cash & Cash Equivalents at the beginning of the year	117.63	95.25
Cash & Cash Equivalents at the end of the year	44.99	117.63

Significant Accounting Policies (Note 1). Notes are an integral part of the financial statements

As per our report of even date attached

For Mayank Shah & Associates
Chartered Accountants
Firm Registration No. 106109W

(M.S. Shah)
Partner
Membership No. 44093

Ahmedabad
May 26, 2016

For and on behalf of the Board of Directors

(Suresh J. Patel)
Chairman & Managing Director
DIN : 00007400

(Mayur B. Padhya)
Chief Financial Officer

Ahmedabad
May 26, 2016

(Ankit S. Patel)
Executive Director
DIN : 02173231

(Ashutosh B. Bhatt)
Company Secretary

Notes to Financial Statements

For The Year Ended 31st March, 2016

Company Background

Bodal Chemicals Limited (the 'Company') is a public limited Company incorporated under the Companies Act 1956. The Company is engaged in the business of manufacturing of Dyes, Dye Intermediates and Basic Chemicals.

1 Significant Accounting Policies

1.1 Basis of Preparation of Financial Statements

a) Basis of Accounting

The financial statements of the Company have been prepared on an accrual basis under historical cost convention and in accordance with Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013, and the relevant provisions of the Companies Act 2013 ("the 2013 Act"), as applicable. The accounting policies adopted in the presentation of the financial statements are consistent with those followed in the previous year.

b) Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities (including contingent liabilities) on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/ materialise.

c) Current / Non Current Classification

All assets and liabilities have been classified as current or noncurrent as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

1.2 Tangible and Intangible Assets

a) Tangible Fixed Assets

Tangible Fixed Assets are stated at cost net of recoverable taxes, trade discounts and rebates, less accumulated depreciation and impairment loss, if any. The cost of Tangible Assets comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working

condition for its intended use. Expenses directly attributable to new manufacturing facility during its construction period are capitalized.

Subsequent expenditures related to an item of Tangible Fixed Asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Losses arising from the retirement of, and gains or losses arising from disposal of tangible assets which are carried at cost are recognised in the Statement of Profit and Loss.

Depreciation on tangible fixed assets of the company is provided using Written Down Value Method on pro-rata basis at rates and in manner specified in Schedule II of the Companies Act, 2013 except based on technical analysis carried out by the management, remaining useful life in respect of certain plant & machineries situated at Unit-II, Unit-III & Unit-V is considered as 5 years.

b) Intangible Assets

The intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortization and accumulated impairment loss, if any.

Intangible assets are amortized on a straight-line basis over their technically assessed useful lives, as mentioned below:

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

c) Capital Work in Progress & Capital Advances

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

d) Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. An impairment loss is charged to the statement of Profit and Loss in the year in which an asset is identified as impaired. An impairment loss recognised in prior accounting periods is reversed if there has been change in the estimate of the recoverable amount.

Notes to Financial Statements *(continued)*

For The Year Ended 31st March, 2016

1.3 Investments

Investments are classified into current and non-current investments. Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as non-current investments.

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

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

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

1.4 Inventories

- (a) Raw materials, work-in-progress, finished goods, packing materials, stores, spares, components, consumables and stock-in-trade are carried at the lower of cost and net realisable value after providing for obsolescence, if any. The comparison of cost and net realisable value is made on an item-by-item basis.
- (b) In determining the cost of raw materials, packing materials, stock-in-trade, stores, spares, components and consumables, First-in-First-Out (FIFO) method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.
- (c) Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads, excise duty as applicable and other costs incurred in bringing the inventories to their present location and condition.
- (d) Materials in transit are valued at cost-to-date.

1.5 Transactions in Foreign Currency:

a) Initial recognition:

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

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

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

c) Forward exchange contracts:

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

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

1.6 Revenue Recognition

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

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

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

Interest income is recognised on the time proportion basis.

1.7 Trade Receivables

Trade receivables are stated after writing off debts considered as bad. Adequate provision is made for debts considered doubtful.

Notes to Financial Statements *(continued)*

For The Year Ended 31st March, 2016

1.8 Employee Benefits

a) Short Term Employees Benefit

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

b) Post Employment Benefit

Defined Contribution Plans:

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

Defined Benefit Plans:

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

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

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

c) Compensated Absences

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

1.9 Borrowing Cost

Borrowing costs attributable to the acquisition, construction or production of qualifying assets, are added to the cost of those assets, upto the date when the assets are ready for their intended use. All other borrowing costs are expensed in the period they occur.

1.10 Provisions and Contingencies

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

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

1.11 Taxes on Income

Income tax expenses comprise current and deferred taxes. Current tax is determined on income for the year chargeable to tax in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws and after considering credit for Minimum Alternate Tax (MAT) available under the said Act. MAT paid in accordance with the tax laws which gives future economic benefits in the form of adjustments to future tax liability, is considered as an asset if there is convincing evidence that the future economic benefit associated with it will flow to the Company resulting in payment of normal income tax.

Deferred tax is recognised on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversing in one or more subsequent periods. Deferred tax

Notes to Financial Statements *(continued)*

For The Year Ended 31st March, 2016

assets and liabilities are measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax assets are recognised for timing differences other than unabsorbed depreciation and carry forward losses only to the extent that there is a reasonable certainty that there will be sufficient future taxable income to realise the assets. Deferred tax asset pertaining to unabsorbed depreciation and carry forward of losses are recognised only to the extent there is a virtual certainty of its realisation.

1.12 Governments Grants/Subsidy

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

Grant related to depreciable assets is shown as a deduction from the gross value of the asset concerned in arriving at its book value. The grant is thus recognised in the profit and loss statement over the useful life of a depreciable asset by way of a reduced depreciation charge.

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

1.13 Earnings Per Share

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, if any.

1.14 Cash and Cash Equivalents

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

1.15 Cash Flow Statement

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

1.16 Proposed Dividend

Dividend recommended by the Board of Directors is provided for in the accounts, pending approval at the Annual General Meeting.

1.17 Segment Reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. The Company's primary segment is identified as business segment based on nature of products, risks, returns and the internal business reporting system and secondary segment is identified based on the geographical location of the customers.

Notes to Financial Statements *(continued)*

For The Year Ended 31st March, 2016

(Rs. in Lacs)

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
2 : SHARE CAPITAL		
Authorised Share Capital		
12,00,00,000 (P.Y. 12,00,00,000) Equity Shares of Rs.2/- each	2,400.00	2,400.00
2,50,00,000 (P.Y. 2,50,00,000) Preference Share of Rs. 10/- each	2,500.00	2,500.00
	4,900.00	4,900.00
Issued, Subscribed & Paid up Share Capital		
10,91,07,370 Equity Shares of Rs. 2/- each		
(P. Y. 10,91,07,370 Equity Shares of Rs. 2/- each)	2,182.15	2,182.15
Nil (P.Y. 2,50,00,000) Pref. Shares of Rs. 10/- each	Nil	2,500.00
Total	2,182.15	4,682.15
During the year Company has redeemed 2,50,00,000 9% Non Cumulative Redeemable Preference Share of Rs. 10/- each on 6th August, 2015 accordingly share capital of the Company as at 31st March, 2016 has been decreased to Rs. 2182.15 lacs as compared to Rs.4682.15 lacs as at 31st March, 2015.		

2.1 Reconciliation of the number of Shares		
PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
	No. of Shares	No. of Shares
Equity Shares		
Opening balance	109,107,370	109,107,370
Issued during the Year	Nil	Nil
Closing balance	109,107,370	109,107,370
Preference Shares		
Opening balance	25,000,000	25,000,000
Redeemed during the Year	25,000,000	Nil
Closing balance	Nil	25,000,000

2.2 Rights, preferences and restrictions attached to shares

Equity shares

The Company has only one class of equity shares having a par value of Rs. 2/- per share. Each shareholder is eligible for one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion of their shareholding. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

Notes to Financial Statements *(continued)*

For The Year Ended 31st March, 2016

(Rs. in Lacs)

PARTICULARS	As at 31st March, 2016		As at 31st March, 2015	
2.3 Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company				
	No. of Shares	% held	No. of Shares	% held
Equity Shares :				
Shri Suresh J. Patel	3,33,45,151	30.57	3,33,45,151	30.57
Shri Bhavin S. Patel	94,59,549	8.67	78,10,050	7.16
Shri Ankit S. Patel	65,36,550	5.99	37,86,550	3.47
Shri Ramesh P. Patel	17,35,299	1.59	66,35,299	6.08
Preference shares :				
Mayur Dychem Intermediates Ltd.	Nil	Nil	95,00,000	38.00
Shri Shaunak S. Parikh	Nil	Nil	30,00,000	12.00
H & H Exports (Guj.) Pvt. Ltd.	Nil	Nil	20,00,000	8.00
Shri Ashok G. Bansal	Nil	Nil	20,00,000	8.00
Shri Karna A. Surti	Nil	Nil	15,00,000	6.00
The Board of Directors at its meeting held on 12th August, 2015 declared an interim dividend of Re. 0.20 (Paise twenty only) per equity share of Rs. 2/- each. Further, the Board of Directors at its meeting held on 10th March, 2016 declared second interim dividend of Re. 0.40 (Paise Forty only) per equity share of Rs. 2/- each. The total dividend appropriation for the year ended 31st March, 2016 amounted to Rs. 787.91 lacs including corporate dividend tax of Rs. 133.27 lacs.				

Notes to Financial Statements *(continued)*

For The Year Ended 31st March, 2016

(Rs. in Lacs)

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
3 : RESERVES & SURPLUS		
Capital Reserves		
At the commencement and at the end of the year		
	761.22	761.22
Capital Redemption Reserve Fund		
At the commencement of the year	396.71	396.71
Add : Transferred from Profit & Loss Account (Note 3.1)	2,500.00	Nil
At the end of the year	2,896.71	396.71
Securities Premium Account		
At the commencement and at the end of the year (Premium on issue of Equity Shares)	2,220.36	2,220.36
General Reserve		
At the commencement and at the end of the year	1,388.58	1,388.58
Surplus / (Deficit) in the Statement of Profit and Loss		
At the commencement of the year	9,133.64	(56.94)
Less : Adjustment for Depreciation (Refer Note 3.2)	Nil	(11.07)
Add : Surplus during the year	8,659.85	9,201.65
	17,793.49	9,133.64
Less : Appropriations :		
Interim Dividend on Equity Shares	654.64	Nil
Tax on Dividends	133.27	Nil
Transfer to Capital Redemption Reserve (Note 3.1)	2,500.00	Nil
	3,287.91	Nil
At the end of the year	14,505.58	9,133.64
Total	21,772.45	13,900.51
<p>3.1 During the year the Company has redeemed 2,50,00,000 9% Non Cumulative Redeemable Preference Share of Rs. 10/- each on 06.08.2015 accordingly Rs. 2,500/- Lacs has been transferred to Capital Redemption Reserve Fund from Profit and Loss Account.</p> <p>3.2 In the previous year, the Company had adopted estimated useful life of fixed assets as stipulated by Schedule II to the Companies Act 2013. Accordingly, depreciation of Rs. 11.07 lacs net of deferred tax of Rs. 5.70 lacs on account of assets whose useful life had already exhausted on April 01, 2014, has been adjusted against Profit and Loss Account.</p>		

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
4 : DEFERRED GRANT		
Grant From World Bank :	Nil	7.40
Less : Transferred to Fixed Assets	Nil	(7.40)
Total	Nil	Nil

Notes to Financial Statements *(continued)*

For The Year Ended 31st March, 2016

(Rs. in Lacs)

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
5 : LONG TERM BORROWINGS		
Secured		
Term loan from Banks	Nil	8,553.76
Unsecured		
Trade Deposits	67.91	66.98
Total	67.91	8,620.74
Current Maturities of Long Term Borrowings	*Nil	*7.79 lacs
*Amount disclosed under other current liabilities (Refer Note 9)		

5.1 Nature of Security and terms of repayment for Long Term secured borrowings
<p>5.1.1 Term loan from banks balance outstanding amounting to Rs. Nil (P.Y.: Rs. 1200.00 lacs) is secured by 1st charge on immovable properties of the company situated at Plot No. 252,253,254 GIDC, Vatva and Plot No. 804 of Padra Unit and Hyp. of entire P&M and other equipment of the company. Loan is fully paid in August 2015. Rate of interest 12.75% (P.Y. 12.75%) p.a.</p>
<p>5.1.2 Term loan from banks balance outstanding amounting to Rs. Nil (P.Y.: Rs. 3704.00 lacs) is secured by 1st charge on immovable properties of the company situated at Plot No. 804 & Block No. 800, 803/1, 797, 796, 795, 532, 555, 556, 560, 561/1 and 525, Village Dudhavada, Taluka Padra, Vadodara and Hyp. of entire P&M and other equipment of the company. Loan is fully paid in March 2016. Rate of interest 12.40 % (P.Y. 12.75%) p.a.</p>
<p>5.1.3 Term loan from banks balance outstanding amounting to Rs. Nil (P.Y.: Rs. 2300.00 lacs) is secured by 1st charge on immovable properties of the company situated at Plot No. 804 & Block No. 800, 803/1, 797, 796, 795, 532, 555, 556, 560, 561/1 and 525, Village Dudhavada, Taluka Padra, Vadodara and Hyp. of entire P&M and other equipment of the company. Loan is fully paid in June 2015. Rate of interest 15.45% (P.Y. 15.25 %) p.a.</p>
<p>5.1.4 Working Capital Term loan from banks balance outstanding amounting to Rs. Nil (P.Y.: Rs. 1349.50 lacs) is secured by 1st pari passu charge on entire current assets of the company. Loan is fully paid in August 2015. Rate of interest 12.75% (P.Y. 12.75%) p.a.</p>
<p>5.1.5 Vehicle loan, balance outstanding amounting to Rs. Nil (P.Y.: Rs. 8.05 lacs) is secured by Hire Purchase agreement for vehicles and repayable in monthly installments. Interest rate from 9% to 10%.</p>
<p>5.1.6 The Company has not defaulted in the repayment of loans and interest in current and previous year.</p>

Notes to Financial Statements *(continued)*

For The Year Ended 31st March, 2016

(Rs. in Lacs)

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
6 : DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liabilities		
Difference between book depreciation and tax depreciation	1,717.83	1,313.14
Expense claimed for tax purpose on payment basis	2.06	1.92
Deferred Tax Assets		
Expenditure covered by section 43B of Income Tax Act, 1961	(39.20)	(17.81)
Total	1,680.69	1,297.25

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
7 : SHORT TERM BORROWINGS		
Secured		
Repayable on Demand		
Working Capital Loans from Banks	13,961.34	12,249.14
Unsecured		
Loans From Corporates	261.14	Nil
Total	14,222.48	12,249.14

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

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
8 : TRADE PAYABLES		
Due to Micro and Small Enterprises (Refer Note 41)	Nil	Nil
Due to Others (Note 8.1)	10,803.39	11,249.03
Total	10,803.39	11,249.03
8.1 Trade Payables include Rs. 236.98 lacs (P.Y. 668.17 lacs) to related parties (refer note 35)		

Notes to Financial Statements *(continued)*

For The Year Ended 31st March, 2016

(Rs. in Lacs)

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
9 : OTHER CURRENT LIABILITIES		
Current Maturities of Long Term Debt (Refer Note 5)	Nil	7.79
Advance Received from Customers	150.03	277.70
Unclaimed Dividends (Note 9.1)	23.85	15.68
Unclaimed Share Application Money (Note 9.1)	Nil	0.40
Creditors for Capital Goods	91.95	303.40
Other Current Liabilities (Note 9.2)	22.65	628.81
Statutory Liabilities (Note 9.3)	274.37	632.34
Total	562.85	1,866.12
9.1 There is no amount due and outstanding to be transferred to the Investor Education and Protection Fund as on 31st March 2016.		
9.2 Other Current Liabilities includes Deferred Premium, Interest payable, expenses payable etc.		
9.3 Statutory liabilities represent amounts payable towards VAT, CST, Excise duty and TDS etc.		

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
10 : SHORT TERM PROVISIONS		
Provision for Employee Benefits (Refer Note 33)	113.26	52.40
Provision for Wealth Tax	Nil	2.99
Total	113.26	55.39

Notes to Financial Statements (continued)

For The Year Ended 31st March, 2016

(Rs. in Lacs)

11 : FIXED ASSETS		GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
Description	As At 01.04.2015	Addition	Deduction	As At 31.03.2016	As At 01.04.2015	Addition	Retained Earnings	Deduction	As At 31.03.2016	As At 31.03.2016	As At 31.03.2015
TANGIBLE ASSETS :											
Land	1,106.34	Nil	Nil	1,106.34	Nil	Nil	Nil	Nil	Nil	1,106.34	1,106.34
Factory Building	7,715.67	119.89	Nil	7,835.56	3,386.27	421.50	Nil	Nil	3,807.77	4,027.79	4,329.40
Office Building	242.03	8.66	Nil	250.69	48.90	9.73	Nil	Nil	58.63	192.06	193.13
Plant & Machinery	28,693.95	1,785.61	Nil	30,479.56	15,972.46	1,922.89	Nil	Nil	17,895.35	12,584.21	12,721.49
Furniture & Fixture	456.46	16.76	Nil	473.22	328.81	42.37	Nil	Nil	371.18	102.04	127.65
Office Equipment	280.86	30.61	Nil	311.47	192.95	51.09	Nil	Nil	244.04	67.43	87.91
Vehicles	654.99	67.60	118.09	604.50	357.57	105.00	Nil	98.49	364.08	240.42	297.42
TOTAL (A)	39,150.30	2,029.13	118.09	41,061.34	20,286.96	2,552.58	Nil	98.49	22,741.05	18,320.29	18,863.34
INTANGIBLE ASSETS :											
Good will	1,046.80	Nil	Nil	1,046.80	1,046.80	Nil	Nil	Nil	1,046.80	Nil	Nil
Computer Software	46.17	10.45	Nil	56.62	25.96	8.36	Nil	Nil	34.32	22.30	20.21
Membership Fees	146.93	Nil	Nil	146.93	56.22	16.71	Nil	Nil	72.93	74.00	90.71
Website	0.92	Nil	Nil	0.92	0.75	0.17	Nil	Nil	0.92	-	0.17
TOTAL (B)	1,240.82	10.45	Nil	1,251.27	1,129.73	25.24	Nil	Nil	1,154.97	96.30	111.09
TOTAL (A+B)	40,391.12	2,039.58	118.09	42,312.61	21,416.69	2,577.82	Nil	98.49	23,896.02	18,416.59	18,974.43
PREVIOUS YEAR	36,030.03	4,402.65	41.56	40,391.12	19,202.42	2,224.79	16.77	27.29	21,416.69	18,974.43	16,827.61
Capital Work in Progress										27.22	324.33
TOTAL FIXED ASSETS										18,443.81	19,298.76
11.1 Depreciation of Rs. Nil (March 31, 2015 - Rs. 16.77 lacs subject to deferred tax) on account of assets whose useful life was exhausted on April 01, 2015 has been adjusted against Profit and Loss Account pursuant to adoption of estimated useful life of fixed assets as stipulated by Schedule II of the Companies Act, 2013.											

Notes to Financial Statements *(continued)*

For The Year Ended 31st March, 2016

(Rs. in Lacs)

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
12 : NON - CURRENT INVESTMENTS		
LONG TERM INVESTMENTS		
TRADE INVESTMENTS		
Quoted		
100 (P.Y. 100) Equity Shares of Beta Nepthol Ltd.		
of Rs. 10/- Each Fully Paid Up	0.03	0.03
1,00,000 (P.Y. 1,00,000) Equity Shares of Bhageria Dye Chem Ltd. of Rs. 10/- Each Fully Paid Up	149.34	149.34
	149.37	149.37
Less :		
Provision for diminution in Investments	0.03	0.03
Total	149.34	149.34
Unquoted		
250 (P.Y.250) Equity Shares of Green Environment Ser. Co-op.Soc. Ltd. of Rs. 100/- each Fully Paid Up	0.25	0.25
112,350 (P.Y. 112,350) Equity Shares of Bharuch Enviro Infrastructure Ltd of Rs. 10/-each Fully Paid Up	11.23	11.23
100 (P.Y.100) Equity Shares of Guj.Ind. Waste Mng. Co. Ltd. of Rs. 10/- Each Fully Paid Up	0.01	0.01
10 (P.Y.10) Equity Shares of The Bhagoydaya Co-op. Bank Ltd. of Rs. 100/- Each Fully Paid Up	0.01	0.01
10,200 (P.Y.10,200) Equity Shares of Panoli Enviro Technology Ltd. of Rs. 10/- Each Fully Paid Up	1.02	1.02
3,542 (P.Y.3,542) Equity Shares of Makarpura Ind.Est. Co-op. Bank Ltd. of Rs. 25/- Each Fully Paid Up	0.89	0.89
TOTAL OF TRADE INVESTMENTS	13.41	13.41
OTHER NON CURRENT INVESTMENTS		
Unquoted		
Investment in Subsidiary Company		
17,00,000 (P.Y. 17,00,000) Equity Shares of Bodal Agrotech Ltd. of Rs. 10/- Each Fully Paid Up	170.00	170.00
Total of Other Non-Current Investments	170.00	170.00
Total of Non-Current Investments	332.75	332.75
Aggregate of Quoted Investments:		
At Book value	149.34	149.34
At Market Price	140.40	130.60
Aggregate of Unquoted Investments:	183.41	183.41
Aggregate provision for diminution in value of investments	0.03	0.03

Notes to Financial Statements *(continued)*

For The Year Ended 31st March, 2016

(Rs. in Lacs)

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
13 : LONG TERM LOANS & ADVANCES		
(Unsecured and Considered Good)		
Capital Advances	301.61	382.31
Security Deposits	52.65	63.16
Loans and Advances to Employees	41.98	37.94
Loans and Advances to related party (Refer Note 34 & 35)	1,404.32	470.31
Balance With Statutory Authorities (Note 13.1)	182.98	187.59
Advance Income Tax (Net of Provision for Tax)	252.31	823.53
Total	2,235.85	1,964.84
13.1 Balance with Statutory Authorities includes balances with Excise, Service Tax, Sales Tax, Customs Dept. etc.		

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
14 : OTHER NON-CURRENT ASSETS		
(Unsecured and Considered Good)		
Margin Money Deposits with bank with maturity after twelve months from the reporting date*	4.25	46.73
Total	4.25	46.73
* Held as lien by bank against bank guarantees and letters of credit.		

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
15 : INVENTORIES		
(Valued at the lower of cost and net realisable value)		
a) Raw Materials	2,494.54	2,245.43
Raw Materials in Transit	172.41	606.63
	2,666.95	2,852.06
b) Finished Goods	1,017.52	1,123.05
Finished Goods in Transit	271.21	164.07
	1,288.73	1,287.12
c) Stock In Process	4,275.67	3,316.05
	4,275.67	3,316.05
d) Packing Materials	67.48	71.17
Packing Materials in Transit	1.14	1.20
	68.62	72.37
e) Stock of Fuel	53.75	111.52
	53.75	111.52
f) Stores and Spares	375.68	156.53
	375.68	156.53
Total	8,729.40	7,795.65

Notes to Financial Statements *(continued)*

For The Year Ended 31st March, 2016

(Rs. in Lacs)

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
16 : TRADE RECEIVABLES		
Trade receivables outstanding for a period exceeding six months from the due date for payment		
Unsecured & Considered Good	1,478.98	1,197.38
Trade receivables outstanding for a period less than six months from the due date for payment		
Unsecured & Considered Good	15,089.41	18,522.12
Total	16,568.39	19,719.50

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
17 : CASH AND BANK BALANCES		
Cash & Cash Equivalents		
Cash on hand	8.34	15.42
Balance with Banks in current accounts	36.65	102.21
	44.99	117.63
Other Bank Balances		
Margin Money Deposits with bank with maturity of more than three months but less than twelve months*	314.68	168.83
Unclaimed Dividend Accounts	23.85	15.68
Unclaimed Share Application Account	Nil	0.40
	338.53	184.91
Total	383.52	302.54
* Held as lien by bank against bank guarantees and letters of credit.		

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
18 : SHORT TERM LOANS & ADVANCES		
(Unsecured & considered good)		
Advance to Suppliers of Goods (Note 18.1)	647.44	1,077.81
Advance to Suppliers of Expenses	107.86	104.54
Balance with Statutory Authorities (Note 18.2)	1,920.76	2,669.78
Loans and Advances to Employees	168.12	100.26
Inter-Corporate Loans	1,191.75	40.00
Pre-paid Expenses	141.65	94.91
Others (Note 18.3)	58.74	51.44
Total	4,236.32	4,138.74

18.1 Advances to supplier of goods include Rs. 246.86 lacs (P.Y. 171.94 lacs) to related parties. (refer note 35)

18.2 Balance with Statutory Authorities includes balances with Excise, Service Tax, Sales Tax, etc.

18.3 Others include Tour Advances, Gratuity Planned Assets (Net), and Income Receivables.

Notes to Financial Statements *(continued)*

For The Year Ended 31st March, 2016

(Rs. in Lacs)

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
19 : OTHER CURRENT ASSETS		
Fair Value of Foreign Exchange Forward Contracts	47.19	19.84
Export Incentives Recivables	422.88	276.06
Other Receivables	0.82	24.92
Total	470.89	320.82

PARTICULARS	2015-16	2014-2015
20 : REVENUE FROM OPERATIONS		
A) Sale of products	97,583.53	111,889.12
Less : Excise Duty	7,898.38	8,308.64
Sale of products (net)	89,685.15	103,580.48
B) Other Operating Income		
Export Incentives	1,079.03	851.26
Insurance claim for Goods Burnt(Note 32)	130.11	Nil
Goods sent as samples	3.87	2.62
Scrap Sales	83.80	95.99
Brokerage Income	0.76	0.87
Total	1,297.57	950.74
Net Revenue From Operations	90,982.72	104,531.22
20.1 Details of Sales of Products (Rs. In Lacs)		
Intermediates	46,372.33	56,971.44
Dyes	30,980.74	33,480.38
Basic Chemicals and others	12,332.08	13,128.66
Total of Sale of Products (Net)	89,685.15	103,580.48

PARTICULARS	2015-16	2014-2015
21 : OTHER INCOME		
Interest Income		
On Deposits	79.66	51.96
On Others	74.33	39.77
Profit on sales of Investment	0.97	7.34
Write-back of Provision of Dimunition	Nil	31.74
Profit on sales of Assets	5.91	4.45
Prior Period Items	0.70	0.03
Recovery of Bad Debts	592.32	Nil
Dividend Income - from Non-Current Investments	5.00	2.47
Premium / Discount on Forward Contracts	185.47	332.08
Other Income	257.01	1.95
Total	1,201.37	471.79

Notes to Financial Statements *(continued)*

For The Year Ended 31st March, 2016

(Rs. in Lacs)

PARTICULARS	2015-16	2014-2015
22 : COST OF MATERIALS CONSUMED		
Opening Stock	2,852.06	4,948.66
Add. Purchases during the year	57,195.07	58,692.49
	60,047.13	63,641.15
Less : Closing Stock	2,666.95	2,852.06
Total	57,380.18	60,789.09
22.1 Major Raw Materials consumed (Rs. In Lacs)		
Sulphur	4,211.92	4,186.05
Napthelene	5,133.16	5,233.60
Aniline Oil	3,691.16	2,983.16
H Acid	10,019.69	16,054.92
Caustic Soda Flakes	3,226.53	2,324.47
Caustic Soda Lye	1,738.84	1,230.90
Ethylene Oxide	2,419.56	2,232.08
Acetanilide	694.06	599.31
Others	26,245.26	25,944.60
	57,380.18	60,789.09
22.2 Composition of Materials Consumed (Rs.)		
	2015-16	2014-2015
Imported	4788.47 8.35%	4989.35 8.21%
Indigenous	52591.71 91.65%	55799.74 91.79%
Total	57380.18 100.00%	60789.09 100.00%

PARTICULARS	2015-16	2014-2015
23 : PURCHASE OF STOCK IN TRADE		
Purchase of Stock in Trade	682.09	2,998.20
Total	682.09	2,998.20

PARTICULARS	2015-16	2014-2015
24 : CHANGES IN INVENTORIES OF FINISHED GOODS & STOCK IN PROCESS		
Inventories at the end of the year		
Finished Goods	1,288.73	1,287.12
Stock In Process	4,275.67	3,316.05
Total (A)	5,564.40	4,603.17
Inventories at the beginning of the year		
Finished Goods	1,287.12	2,635.90
Stock In Process	3,316.05	4,312.48
Total (B)	4,603.17	6,948.38
Changes in Inventories	(961.23)	2,345.21
Add / (Less) : Variation in Excise Duty on Closing and Opening Stock of		
Finished Goods	54.69	340.95
Changes In Inventories Of Finished Goods & Stock In Process	(1,015.92)	2,004.26

Notes to Financial Statements *(continued)*

For The Year Ended 31st March, 2016

(Rs. in Lacs)

PARTICULARS	2015-16	2014-2015
25 : EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages & Bonus	4,738.89	5,515.61
Contribution to Provident & Other Funds(Refer Note 33)	173.79	183.73
Staff Welfare Expenses	246.39	200.13
Total	5,159.07	5,899.47

PARTICULARS	2015-16	2014-2015
26 : FINANCE COSTS		
Bank Interest	1,047.45	2,578.70
Other Interest Expenses	9.07	13.90
Other Borrowing Cost	163.41	134.93
Total	1,219.93	2,727.53

PARTICULARS	2015-16	2014-2015
27 : DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation on Tangible Assets	2,552.58	2,201.12
Amortisation on Intangible Assets	25.24	23.67
Total	2,577.82	2,224.79

Notes to Financial Statements *(continued)*

For The Year Ended 31st March, 2016

(Rs. in Lacs)

PARTICULARS	2015-16	2014-2015
28 : OTHER EXPENSES		
Stores Consumption (Note 28.2)	468.64	734.93
Power & Fuel Consumption	4,968.26	5,190.87
Repairs to		
Machinery	1,516.98	2,005.65
Building	144.82	258.75
Others	24.25	38.21
Pollution Control Expenses	838.59	738.77
Rent & Taxes	21.48	27.52
Insurance Expenses	63.82	59.87
Loss Due To Fire (Note 32)	4.08	Nil
Corporate Social Responsibility Expenses (Note 42)	256.48	31.29
Directors' Sitting fees	5.50	2.95
Travelling & Vehicle Expense	212.48	193.46
Legal & Professional Fees (Note 28.1)	193.13	190.41
Exchange Rate Difference (Net)	480.41	248.28
Packing Material Consumption (Note 28.2)	865.34	663.78
Freight & Handling Charges	1,996.75	1,359.43
Advertisement & Business Promotion Expenses	119.02	91.98
Sales Commission	756.76	1,054.44
Cash Discount	229.47	217.64
Bad Debts Written off	Nil	644.33
Other Expenses	617.94	661.07
Total	13,784.20	14,413.63
28.1 Legal & Professional Fees includes payment to auditors (excluding service tax) as below:		
I) As Statutory Auditors	12.00	10.00
II) Taxation matters	5.00	5.00
28.2 Composition of Stores and Packing Materials Consumption (Rs. in Lacs)		
Imported	Nil	Nil
Indigenous	1333.98	100.00%
Total	1333.98	100.00%

PARTICULARS	2015-16	2014-2015
29 : EXCEPTIONAL ITEMS		
Excess Provision Written Back (Note 29.1)	789.89	Nil
Total	789.89	Nil
29.1 Excess provision written back includes provision of Interest recompense on exit from Corporate Debt Restructuring (CDR) amounting Rs. 350.78 lacs and liabilities not required to be paid by the company amounting Rs. 439.11 lacs.		

Notes to Financial Statements *(continued)*

For The Year Ended 31st March, 2016

(Rs. in Lacs)

30 : CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)	As at 31st March, 2016	As at 31st March, 2015
(a) Contingent Liabilities		
1) Disputed matters in appeals/contested in respect of:		
i. Income Tax	295.59	268.31
ii. Excise	314.67	193.45
iii. Service Tax	6.13	3.86
iv. Customs Department	0.12	11.71
Future cash outflows in respect of the above are determinable only on receipt of Judgments /decisions pending with various forums/authorities. Based on the decisions of the Appellate authorities and the interpretations of other relevant provisions, the Company has been legally advised that the additional demand raised is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.		
1) Letter of Credit issued by bankers and outstanding as on 31st march, 2016.	595.03	669.19
2) Bank Guarantee issued by bankers and outstanding as on 31st march, 2016.	527.41	471.78
(b) Commitments		
i. Estimated amount of Contracts remaining to be executed on capital account and not provided for, net of advances.	4.40	82.85

31 : DERIVATIVE INSTRUMENTS AND UN-HEDGED FOREIGN CURRENCY EXPOSURE

The company enters into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The company does not enter into any derivative instruments for trading or speculative purposes. The forward exchange contract outstanding as at 31st March, 2016 are as under,

Category	Currency	Buy/sell	Foreign Currency Value (in Lacs)	Foreign Currency Value (Rs. In Lacs)
Forward Contract	USD	Sell	\$29.16	₹ 1934.19

Details of un-hedged foreign currency exposure as on 31/03/2016

Particulars	Currency	As at 31st March, 2016		As at 31st March, 2015	
		Amount in Currency (in Lacs)	Amount (Rs. in Lacs)	Amount in Currency (in Lacs)	Amount (Rs. in Lacs)
Payable	USD	27.05	1794.62	20.80	1301.90
Payable	EURO	0.10	7.78	0.10	6.99
Receivable	USD	15.44	1023.89	31.43	1967.06
Receivable	EURO	Nil	Nil	0.33	22.14
Borrowings	USD	60.72	4027.72	55.44	3470.07

32. During the year there was fire at the Company's unit situated at Vatva, Ahmedabad and due to fire part of inventories, plant and machinery, electronic components, building structure and others has been damaged. The above items are fully insured and the company has received insurance claim of Rs. 156.13 lacs from insurance company against insurance claim of Rs. 160.21 lacs resulting in loss due to fire of Rs. 4.08 lacs.

Notes to Financial Statements *(continued)*

For The Year Ended 31st March, 2016

(Rs. in Lacs)

33: EMPLOYEES' BENEFITS

a) Defined Benefit Plan

Gratuity

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

The following table sets out the funded status of the gratuity plan and the amounts recognised in the company's financial statements based on actuarial valuations being carried out as at 31st March 2016.

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
Change in present value of obligations		
Present value of obligations as at beginning of year	181.94	116.58
Interest cost	14.56	9.35
Current Service Cost	41.82	4.02
Benefits Paid	(3.55)	(4.40)
Actuarial (gain)/Loss on obligations	(10.11)	56.39
Present value of obligations as at end of year	224.66	181.94
Change in the fair value of plan assets		
Fair value of plan assets at beginning of year	229.48	158.46
Expected return on plan assets	21.65	14.76
Employers Contributions	30.56	60.66
Benefits paid	(3.55)	(4.40)
Actuarial (gain)/Loss on plan assets	Nil	Nil
Fair value of plan assets at the end of year	278.14	229.48
Net Gratuity Cost		
Current Service cost	41.82	4.02
Interest Cost	14.56	9.35
Expected return on plan assets	(21.65)	(14.76)
Net Actuarial (gain)/Loss recognised in the year	(10.12)	56.38
Net Gratuity Cost	24.61	55.01
Actual Return on Plan Assets		
Expected return on plan assets	21.65	14.76
Actuarial Gain/(Loss) on plan assets	Nil	Nil
Actual return on plan assets	21.65	14.76
Net (Asset)/Liability recognised in Balance Sheet as at 31st March, 2016		
Net Liability/(Asset), beginning of the year	(47.54)	(41.88)
Gratuity Cost as above	24.61	55.01
Employers Contribution	(30.56)	(60.66)
Amount recognised in the Balance Sheet-Current	(53.49)	(47.54)

Notes to Financial Statements *(continued)*

For The Year Ended 31st March, 2016

(Rs. in Lacs)

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
Category of Assets		
Insurer Managed Funds (100%)	278.14	229.48
Assumptions		
Discount Rate	8%	8%
Salary Escalation	7%	7%
The estimated future salary increases take account of inflation, seniority, promotion and other retirement factors such as supply and demand in the employment markets.		

Amount recognised in current year and previous four years

Particulars	As at 31st March				
	2016	2015	2014	2013	2012
Defined Benefit Obligation	224.66	181.94	116.58	104.34	75.90
Fair Value of Plan Assets	278.14	229.48	158.46	100.75	91.25
(Surplus) / Deficit in the plan	(53.49)	(47.54)	(41.88)	3.59	(15.35)
Actuarial (gain) / loss on plan obligation	(10.12)	56.38	(17.92)	(2.24)	(5.25)
Actuarial (gain) / loss on plan assets	Nil	Nil	Nil	Nil	Nil
Discount Rate	8%	8%	8%	8%	8%
Salary Escalation	7%	7%	7%	7%	7%
The expected contributions for Defined Benefit Plan for the next financial year will be in line with F.Y. 2015-16					

b) Defined Contribution Plan

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

Particulars	2015-16	2014-15
Employer's contribution to Provident Fund	131.30	109.98
Employer's contribution to E.S.I.	13.29	16.91

34 : Disclosure pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186 of the Companies Act, 2013

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Loans and advances in the nature of Loans to wholly owned Subsidiary : Bodal Agrotech Ltd.		
Balance at the year end	1404.32	470.31
Maximum amount outstanding at any time during the year	1404.32	473.53
i) Loan to subsidiary has been given for acquisition of assets and other business purposes. ii) The loanee does not have any investment in the shares of the Company. iii) There are no guarantees issued by the Company in accordance with section 186 of the Companies Act, 2013 read with rules issued thereunder.		

Notes to Financial Statements *(continued)*

For The Year Ended 31st March, 2016

(Rs. in Lacs)

35 : Information on related party transactions as required by Accounting Standard (AS-18) on Related Party Disclosures for the year ended 31st March, 2016.

a) Names of related parties and nature of relationship

I. Key Management Personnel (KMP)

1. Shri Suresh J. Patel	Chairman& Managing Director
2. Shri Bhavin S. Patel	Executive Director
3. Shri Ankit S. Patel	Executive Director
4. Shri Mayur B. Padhya	Chief Financial Officer
5. Shri Ashutosh B. Bhatt	Company Secretary

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

- (i) Shanti Inorgo Chem (Guj.) Pvt. Ltd.
- (ii) Rudraksh Caterers Pvt. Ltd.

III. Wholly-owned Subsidiary Company (WOS)

- (I) Bodal Agrotech Ltd.

b) Transactions with related parties

Related party disclosure	Relationship	2015-2016	2014-2015
Remuneration			
Shri Suresh J. Patel	KMP	108.00	108.00
Shri Bhavin S. Patel	KMP	72.00	72.00
Shri Ankit S. Patel	KMP	72.37	72.00
Shri Mayur B. Padhya	KMP	23.00	23.61
Shri Ashutosh B. Bhatt	KMP	4.22	3.72
Loan Given			
Bodal Agrotech Ltd.	WOS	936.45	Nil
Loan Received Back			
Bodal Agrotech Ltd.	WOS	2.44	3.40
Loan Received			
Shri Suresh J. Patel	KMP	165.00	Nil
Shri Bhavin S. Patel	KMP	159.50	Nil
Shri Ankit S. Patel	KMP	130.28	Nil
Loan Repaid			
Shri Suresh J. Patel	KMP	165.00	0.50
Shri Bhavin S. Patel	KMP	159.50	Nil
Shri Ankit S. Patel	KMP	130.28	Nil
Purchases of Materials			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	147.28	86.71
Bodal Agrotech Ltd.	WOS	72.72	Nil
Rent Expense			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	3.68	0.25
Rent Income			
Bodal Agrotech Ltd.	WOS	4.39	Nil

(continued)

Notes to Financial Statements *(continued)*

For The Year Ended 31st March, 2016

(Rs. in Lacs)

A.G.M. Expenses			
Rudraksh Caterers Pvt. Ltd.	Enterprise	0.24	0.58
Business Development Expenses			
Rudraksh Caterers Pvt. Ltd.	Enterprise	0.87	2.74
Canteen Expenses			
Rudraksh Caterers Pvt. Ltd.	Enterprise	3.90	2.27
Commission Paid			
Shri Suresh J. Patel	KMP	Nil	400.00
Shri Bhavin S. Patel	KMP	Nil	300.00
Shri Ankit S. Patel	KMP	204.63	300.00
Dividend Paid			
Shri Suresh J. Patel	KMP	200.07	Nil
Shri Bhavin S. Patel	KMP	53.46	Nil
Shri Ankit S. Patel	KMP	33.72	Nil
Shri Mayur B. Padhya	KMP	1.17	Nil
Business Support Service Income			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	Nil	1.20
Interest Income			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	8.02	Nil
Sales of Materials			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	436.71	66.01
Bodal Agrotech Ltd.	WOS	1.99	Nil

c) Related Party Balances as at the year end.

Amounts Payable			
As Trade Payables			
Rudraksh Caterers Pvt. Ltd.	Enterprise	0.83	0.93
Bodal Agrotech Ltd.	WOS	83.04	Nil
Shri Suresh J. Patel	KMP	6.88	268.05
Shri Bhavin S. Patel	KMP	6.00	199.44
Shri Ankit S. Patel	KMP	138.70	199.31
Shri Mayur B. Padhya	KMP	1.18	0.14
Shri Ashutosh B. Bhatt	KMP	0.35	0.29
Amounts Receivable			
As Advance Given To Supplier			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	246.86	171.94
As Loan To Subsidiary			
Bodal Agrotech Ltd.	WOS	1404.32	470.31

Notes:

- (i) Loan to subsidiary has been given for acquisition of assets and other business purposes and has been utilized for the same.
- (ii) No amounts pertaining to related parties have been provided for as doubtful debts. Also no amounts have been written off or written back during the year.

Notes to Financial Statements *(continued)*

For The Year Ended 31st March, 2016

(Rs. in Lacs)

36 : Segment Reporting

The Company's primary segment is identified as business segment based on nature of products, risks, returns and the internal business reporting system and secondary segment is identified based on the geographical location of the customers as per Accounting Standard 17. The Company is principally engaged in a single business segment viz., "Dyes, Dyes Intermediates and Basic Chemicals".

The geographical segment has been considered for disclosure as secondary segment.

Two secondary segments have been identified based on the geographical locations of customers i.e. domestic and export.

Information about geographical segments are as below.

	2015-16			2014-15		
	Domestic Operations	External Operations	Total	Domestic Operations	External Operations	Total
Segment Revenue	60,884.13	30,098.59	90,982.72	63,615.78	40,915.44	1,04,531.22
Carrying Cost of Segment Assets	47,093.68	4,311.50	51,405.18	47,342.72	6,577.61	53,920.33
Capital Expenditure during the year	1,742.46	Nil	1,742.46	3,882.04	Nil	3,882.04

- Revenue from external operations comprises of income from sale of products, and other operating revenues.
- Carrying amount of segment assets comprises of non-current assets and current assets identified to the respective segments. However Segments assets in India also includes certain common assets used to generate revenue in both segments but not feasible of allocation.
- Capital expenditure during the year represents net additions to Tangible and Intangible assets and movement in Capital work in progress.

37 : Earnings per Equity Share

	2015-16	2014-2015
Net Profit/(Loss) after Tax as per statement of Profit and Loss (Rs. in Lacs)	8659.85	9201.65
Weighted average number of Equity Shares	109,107,370	109,107,370
Basic and Diluted Earnings per Share (in Rs.)	7.94	8.43
Nominal Value per Share (in Rs.)	2	2

38 : Value of Imports on CIF Basis

	2015-16	2014-2015
Raw Materials	4,271.94	4,927.46

39 : Earning in Foreign Currency

	2015-16	2014-2015
F.O.B. Value of Exports	29,347.07	40,390.51

40 : Expenditure in Foreign Currency

	2015-16	2014-2015
Travelling	19.24	18.84
Commission	403.94	763.21
Business Development Expense	4.79	11.50
Export Damage Claim	Nil	0.26
Bank Charges	53.12	39.76
Interest Expense	99.41	110.66
Repairs to Machinery	6.55	Nil
Other Selling Expense	5.37	Nil
Cash Discount	2.70	13.77

Notes to Financial Statements *(continued)*

For The Year Ended 31st March, 2016

41 : Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2015-16, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
a. Principal and interest amount remaining unpaid	-	-
b. Interest due thereon remaining unpaid	-	-
c. Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day	-	-
d. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
e. Interest accrued and remaining unpaid	-	-
f. Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

42 : Corporate Social Responsibility Expenses

A. Gross amount required to be spent by the Company during the year 2015-16 - Rs.106.38 lacs (Previous year - Rs. 33.83 lacs)
B. Amount spent during the year on :

	2015-16			2014-2015		
	In Cash*	Yet to be paid in cash	Total	In Cash*	Yet to be paid in cash	Total
i) Construction / Acquisition of any Assets	-	-	-	-	-	-
ii) Purposes other than (i) above	256.48	-	256.48	31.28	2.55	33.83

* Represents actual outflow during the year.

43 : Amalgamation of Wholly Owned Subsidiary with the Company

At their respective meeting held on 10th march, 2016, the Board of the Company and of its subsidiary, Bodal Agrotech Ltd. have approved a scheme of amalgamation of Bodal Agrotech Ltd. with the company. The appointed date for the proposed scheme is 1st April, 2016.

The scheme of amalgamation is subject to the final order of the Hon'ble High Court of Gujarat and other legal compliances as per the provision of the Companies Act 1956 and other applicable provisions of the Companies Act, 2013. The effect of the amalgamation will be given in the books of the Company only after Final Order is passed in the matter by the Hon'ble High Court of Gujarat.

Notes to Financial Statements *(continued)*

For The Year Ended 31st March, 2016

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

As Per Our Report of even date attached

For Mayank Shah & Associates
Chartered Accountants
Firm Registration No. 106109W

(M.S. Shah)
Partner
Membership No. 44093

Ahmedabad
May 26, 2016

For and on behalf of the Board of Directors

(Suresh J. Patel)
Chairman & Managing Director
DIN : 00007400

(Mayur B. Padhya)
Chief Financial Officer
Ahmedabad
May 26, 2016

(Ankit S. Patel)
Executive Director
DIN : 02173231

(Ashutosh B. Bhatt)
Company Secretary

Independent Auditors' Report

To the members of Bodal Chemicals Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of BODAL CHEMICALS LIMITED (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 ("the Rules") (particularly Accounting Standard 21 – Consolidated Financial Statements). The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of other auditors, on separate financial statements of the subsidiary, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) in the case of Consolidated Balance Sheet, of the consolidated state of affairs of the Group as at 31st March 2016;
- ii) in the case of the Consolidated statement of Profit and Loss, of the Consolidated profits for the year ended on that date; and
- iii) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of subsidiary company, whose financial statements reflect total assets of Rs. 1389 lacs as at 31st March, 2016, total revenues of Rs. 87.52 lacs and net cash outflows amounting to Rs. 0.58 Lacs for the year ended on that date as considered in the Consolidated Financial statements. These Financial Statements have been audited by other auditor whose report have been furnished to us by the Management, and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditor.

Independent Auditors' Report *(continued)*

To the members of Bodal Chemicals Limited

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to our reliance on the work done and the reports of the other auditor.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements of a subsidiary company, as noted in the 'Other Matter' paragraph, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and on the basis of the relevant assertion contained in the audit report on standalone financial statement which is incorporated in India, none of the directors of the Group are disqualified as on 31st March, 2016 from being appointed as a director of that company in terms of sub section 2 of Section 164 of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding company, subsidiary company, incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A";
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in

our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements as also the other financial information of subsidiary company, as noted in the 'Other Matter' paragraphs:

- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Holding company and its Subsidiary company – Refer Note 32 to the consolidated financial statements.
- ii. The Holding company and its subsidiary company, did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education & Protection Fund by the Holding Company and its Subsidiary company during the year ended 31st March, 2016.

For Mayank Shah & Associates
Chartered Accountants
Firm Registration No: 106109W

Ahmedabad
May 26, 2016

M.S. SHAH
Partner
Membership No. 44093

Annexure 'A' to the Independent Auditors' Report

31st March 2016 on the Consolidated Financial Statements (Referred to our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Bodal Chemicals Limited ("the Holding Company") as of and for the year ended 31st March, 2016, we have audited the internal financial controls over financial reporting of the Holding Company and its subsidiary Company, incorporated in India as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its subsidiary company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Holding Company and its subsidiary Company, incorporated in India considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company and its subsidiary Company, incorporated in India, internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained and audit evidence obtained by other auditor in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company and its subsidiary Company, incorporated in India, internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary company, incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal controls over financial reporting criteria established by the Holding Company and its subsidiary Company, incorporated in India considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Annexure 'A' to the Independent Auditors' Report *(continued)*

31st March 2016 on the Consolidated Financial Statements (Referred to our report of even date)

Other Matters

Our aforesaid report under Section 143(3)(l) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one subsidiary Company, which is a company incorporated in India, is based on the corresponding report of the auditor of such company.

For Mayank Shah & Associates
Chartered Accountants
Firm Registration No: 106109W

Ahmedabad
May 26, 2016

M.S. SHAH
Partner
Membership No. 44093

Consolidated Balance Sheet

As at 31st March, 2016

(Rs. in Lacs)

PARTICULARS	Notes	As at 31st March, 2016	As at 31st March, 2015
EQUITY AND LIABILITIES			
Shareholders' Funds :			
Share Capital	3	2,182.15	4,682.15
Reserves and Surplus	4	21,277.67	13,466.92
		23,459.82	18,149.07
Deferred Grant	5	Nil	Nil
Non-Current Liabilities			
Long-term borrowings	6	67.91	8,620.74
Deferred Tax Liability (Net)	7	1,536.56	1,225.97
Other Long Term Liabilities	8	Nil	7.92
		1,604.47	9,854.63
Current Liabilities			
Short-term borrowings	9	14,222.48	12,249.14
Trade Payables	10		
Due to Micro and Small Enterprises		Nil	Nil
Due to Others		10,804.00	11,249.15
Other Current Liabilities	11	784.27	1,866.12
Short Term Provisions	12	113.26	55.39
		25,924.01	25,419.80
Total		50,988.30	53,423.50
ASSETS			
Non - Current Assets :			
Fixed Assets	13		
Tangible Assets		19,098.47	18,863.34
Intangible Assets		96.30	111.27
Capital work-in-progress		27.22	331.66
		19,221.99	19,306.27
Non-Current Investments	14	162.75	178.12
Long Term Loans and Advances	15	856.19	1,611.11
Other Non-current assets	16	4.55	47.01
		20,245.48	21,142.51
Current Assets			
Inventories	17	8,980.18	7,795.65
Trade Receivables	18	16,576.63	19,720.41
Cash and Bank Balances	19	385.47	305.09
Short - Term Loans & Advances	20	4,329.65	4,139.02
Other Current Assets	21	470.89	320.82
		30,742.82	32,280.99
Total		50,988.30	53,423.50
Significant Accounting Policies	1		
Notes are an integral part of the financial statements			

As per our report of even date attached

For Mayank Shah & Associates
Chartered Accountants
Firm Registration No. 106109W

(M.S. Shah)
Partner
Membership No. 44093

Ahmedabad
May 26, 2016

For and on behalf of the Board of Directors

(Suresh J. Patel)
Chairman & Managing Director
DIN : 00007400

(Mayur B. Padhya)
Chief Financial Officer

Ahmedabad
May 26, 2016

(Ankit S. Patel)
Executive Director
DIN : 02173231

(Ashutosh B. Bhatt)
Company Secretary

Consolidated Statement of Profit & Loss

For The Year Ended 31st March, 2016

(Rs. in Lacs)

PARTICULARS	Notes	Year 2015-16	Year 2014-15
INCOME			
Revenue from Operations			
Sale of Products	22A	97,597.08	111,889.12
Other Operating Income	22B	1,297.57	950.74
		98,894.65	112,839.86
Less : Excise Duty		7,899.15	8,308.64
		90,995.50	104,531.22
Other Income	23	1,197.01	464.60
Total Revenue		92,192.51	104,995.82
EXPENDITURE			
Cost of materials consumed	24	57,315.13	60,789.09
Purchases of Stock-in Trade	25	759.75	2,998.20
Changes in Inventories of Finished Goods and Stock in Process	26	(1,018.05)	2,004.26
Employee Benefits Expenses	27	5,159.22	5,899.47
Finance Costs	28	1,219.93	2,727.53
Depreciation and Amortisation expense	29	2,579.05	2,225.05
Other Expenses	30	13,800.38	14,429.60
Total Expenses		79,815.41	91,073.20
Profit Before Exceptional Items and Taxes		12,377.10	13,922.62
Exceptional Items	31	675.47	Nil
Profit Before Taxes		13,052.57	13,922.62
Tax Expenses			
Current Tax		4,088.91	3,506.23
Deferred Tax		310.59	1,238.11
Taxes of earlier years		54.41	0.04
		4,453.91	4,744.38
Profit for the Year		8,598.66	9,178.24
Earnings per equity share (Face value of Rs.2)	38		
Basic and diluted (in Rs.)		7.88	8.41
Significant Accounting Policies	1		
Notes are an integral part of the financial statements			

As per our report of even date attached

For Mayank Shah & Associates
Chartered Accountants
Firm Registration No. 106109W

(M.S. Shah)
Partner
Membership No. 44093

Ahmedabad
May 26, 2016

For and on behalf of the Board of Directors

(Suresh J. Patel)
Chairman & Managing Director
DIN : 00007400

(Mayur B. Padhya)
Chief Financial Officer

Ahmedabad
May 26, 2016

(Ankit S. Patel)
Executive Director
DIN : 02173231

(Ashutosh B. Bhatt)
Company Secretary

Consolidated Cash Flow Statement

For The Year Ended 31st March, 2016

(Rs. in Lacs)

PARTICULARS	Year 2015-16	Year 2014-15
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and after exceptional items	13,052.57	13,922.62
Adjustment for:		
Depreciation and Amortisation	2,579.05	2,225.05
Bad Debts written off	Nil	644.33
Recovery of Bad Debts	(592.32)	Nil
Unrealised Foreign Exchange Loss / (Gain)	(153.74)	(24.74)
Finance Cost	1,219.93	2,727.53
Exceptional Item	(675.47)	Nil
Provision for Diminution in Investments	15.37	Nil
(Profit)/Loss on Sale of Assets (Net)	(5.91)	(4.45)
Interest/Dividend/Rent received	(159.02)	(94.21)
(Profit)/Loss on sale of Investments (Net)	(0.97)	13.39
Write-back of Provision of Diminution	Nil	(31.74)
Operating Profit before Working Capital Changes	15,279.49	19,377.78
Adjustment for:		
(Increase) / Decrease in Trade Receivables	3,550.40	2,334.02
(Increase) / Decrease in Inventories	(1,184.54)	4,417.28
(Increase) / Decrease in Other Receivables	(436.11)	415.04
Increase / (Decrease) in Trade Payables	(511.43)	(2,778.69)
Cash generated from Operations	16,697.81	23,765.43
Direct Taxes Paid (Net of Refund)	3,575.09	3,993.84
Net Cash from Operating Activities (A)	13,122.72	19,771.59
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets including Capital Work in Progress and capital advances	(2,440.60)	(3,546.22)
Sale of Fixed Assets	25.51	11.31
Interest/Dividend/Rent received	159.02	94.21
Sale of Investment	2,200.97	2,105.95
Purchase of investment	(2,200.00)	(2,199.34)
Net Cash used in Investing Activities (B)	(2,255.10)	(3,534.09)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase / (Decrease) in Long Term Borrowings	(8,552.82)	(12,964.14)
Increase / (Decrease) in Short Term Borrowings	2,111.65	(518.02)
Redemption of Preference Share Capital	(2,500.00)	Nil
Finance Cost	(1,219.93)	(2,727.53)
Dividend Paid	(779.75)	(4.76)
Net Cash used in Financing Activities (C)	(10,940.85)	(16,214.45)
NET INCREASE/(DECREASE) IN CASH & EQUIVALENTS	(73.23)	23.05
Cash & Cash Equivalents at the beginning of the year	120.18	97.13
Cash & Cash Equivalents at the end of the year	46.95	120.18

Significant Accounting Policies (Note 1). Notes are an integral part of the financial statements
As per our report of even date attached

For Mayank Shah & Associates
Chartered Accountants
Firm Registration No. 106109W

(M.S. Shah)
Partner
Membership No. 44093

Ahmedabad
May 26, 2016

For and on behalf of the Board of Directors

(Suresh J. Patel)
Chairman & Managing Director
DIN : 00007400

(Mayur B. Padhya)
Chief Financial Officer

Ahmedabad
May 26, 2016

(Ankit S. Patel)
Executive Director
DIN : 02173231

(Ashutosh B. Bhatt)
Company Secretary

Notes to Consolidated Financial Statements

For The Year Ended 31st March, 2016

1 Significant Accounting Policies

1.1 Principles of Consolidation

The financial statements of Bodal Chemicals Ltd. (the holding Company) and Bodal Agrotech Ltd. (its Subsidiary) have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and unrealized profits or losses.

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

1.2 Basis of Preparation of Financial Statements

a) Basis of Accounting

These financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and other accounting principles generally accepted in India, to the extent applicable and in particular Accounting Standard 21 (AS 21) - 'Consolidated Financial Statements'.

b) Use of Estimates

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

c) Current / Non Current Classification

All assets and liabilities have been classified as current or noncurrent as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash

equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

1.3 Fixed Assets and Depreciation / Amortization

a) Tangible Assets

Tangible Assets are stated at cost net of recoverable taxes, trade discounts and rebates, less accumulated depreciation and impairment loss, if any. The cost of Tangible Assets comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use.

Subsequent expenditures related to an item of Tangible Asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Depreciation on tangible fixed assets of the Group is provided using Written Down Value Method on pro-rata basis at rates and in manner specified in Schedule II of the Companies Act, 2013 except based on technical analysis carried out by the management, remaining useful life in respect of certain plant & machineries situated at Unit-II, Unit-III & Unit-V is considered as 5 years.

b) Intangible Assets

The intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortization and accumulated impairment loss, if any.

Intangible assets are amortized on a straight-line basis over their technically assessed useful lives, as mentioned below:

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

c) Capital Work in Progress & Capital Advances

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

d) Impairment

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. An

Notes to Consolidated Financial Statements *(continued)*

For The Year Ended 31st March, 2016

impairment loss is charged to the statement of Profit and Loss in the year in which an asset is identified as impaired. An impairment loss recognised in prior accounting periods is reversed if there has been change in the estimate of the recoverable amount.

1.4 Investments

Investments are classified into current and non-current investments. Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as non-current investments.

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

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

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

1.5 Inventories

- (a) Raw materials, work-in-progress, finished goods, packing materials, stores, spares, components, consumables and stock-in-trade are carried at the lower of cost and net realisable value after providing for obsolescence, if any. The comparison of cost and net realisable value is made on an item-by-item basis.
- (b) In determining the cost of raw materials, packing materials, stock-in-trade, stores, spares, components and consumables, First-in-First-Out (FIFO) method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.
- © Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads, excise duty as applicable and other costs incurred in bringing the inventories to their present location and condition.
- (d) Materials in transit are valued at cost-to-date.

1.6 Transactions in Foreign Currency:

a) Initial recognition:

Transactions in foreign currencies entered into by the holding company are accounted at the exchange

rates prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the statement of profit and loss.

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

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

c) Forward exchange contracts:

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

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

1.7 Revenue Recognition

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

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

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

Interest income is recognised on the time proportion basis.

Notes to Consolidated Financial Statements *(continued)*

For The Year Ended 31st March, 2016

1.8 Employee Benefits

a) Short Term Employees Benefit

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

b) Post Employment Benefit

Defined Contribution Plans :

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

Defined Benefit Plans :

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

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

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

c) Compensated Absences

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

1.9 Borrowing Cost

Borrowing costs attributable to the acquisition, construction or production of qualifying assets, are added to the cost of those assets, upto the date when the assets are ready for their intended use. All other borrowing costs are expensed in the period they occur.

1.10 Provisions and Contingencies

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

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

1.11 Taxes on Income

Income tax expenses comprise current and deferred taxes. Current tax is determined on income for the year chargeable to tax in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws and after considering credit for Minimum Alternate Tax (MAT) available under the said Act. MAT paid in accordance with the tax laws which gives future economic benefits in the form of adjustments to future tax liability, is considered as an asset if there is convincing evidence that the future economic benefit associated with

Notes to Consolidated Financial Statements *(continued)*

For The Year Ended 31st March, 2016

it will flow to the Group resulting in payment of normal income tax.

Deferred tax is recognised on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversing in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax assets are recognised for timing differences other than unabsorbed depreciation and carry forward losses only to the extent that there is a reasonable certainty that there will be sufficient future taxable income to realise the assets. Deferred tax asset pertaining to unabsorbed depreciation and carry forward of losses are recognised only to the extent there is a virtual certainty of its realisation.

1.12 Governments Grants/Subsidy

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

Grant related to depreciable assets is shown as a deduction from the gross value of the asset concerned in arriving at its book value. The grant is thus recognised in the profit and loss statement over the useful life of a depreciable asset by way of a reduced depreciation charge.

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

1.13 Earnings Per Share

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

For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, if any.

1.14 Cash and Cash Equivalents

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

1.15 Cash Flow Statement

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

1.16 Proposed Dividend

Dividend recommended by the Board of Directors is provided for in the accounts, pending approval at the Annual General Meeting.

1.17 Segment Reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Group. The Group's primary segment is identified as business segment based on nature of products, risks, returns and the internal business reporting system and secondary segment is identified based on the geographical location of the customers.

2.1 The Consolidated Financial Statements present the consolidated accounts of Bodal Chemicals Ltd. ("the Company") and its Subsidiary Bodal Agrotech Ltd. (together referred to as "the Group").

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

Name of the Company	Relationship	Country of Incorporation	Proportion of Ownership of Interest	
			31/03/2016	31/03/2015
Bodal Agrotech Limited	Wholly owned-Subsidiary	India	100.00	100.00

2.2 Significant Accounting Policies and Notes to these Consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide to better understanding the consolidated position of the Companies. Recognising this purpose, the Company has disclosed only such Policies and Notes from the individual financial statements, which fairly present the needed disclosures.

2.3 Disclosures mandated by Schedule III of the Companies Act, 2013, by way of additional information

Notes to Consolidated Financial Statements *(continued)*

For The Year Ended 31st March, 2016

Name of the Entities	Net Assets i.e. total assets minus total liabilities		Share in Profit / (Loss)	
	As % of consolidated net assets	Amount (Rs. in Lacs)	As % of consolidated profit or loss	Amount (Rs. in Lacs)
Parent				
Bodal Chemicals Ltd.	102.11%	23,954.60	100.71%	8,659.85
Subsidiary				
Bodal Agrotech Ltd.	(1.37%)	(320.40)	(0.66%)	(56.81)
Inter-company eliminations & Consolidation adjustments	(0.74%)	(174.38)	(0.05%)	(4.38)
Total	100.00%	23,459.82	100.00%	8,598.66

Notes to Consolidated Financial Statements

For The Year Ended 31st March, 2016

(Rs. in Lacs)

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
3 : SHARE CAPITAL		
Authorised Share Capital		
12,00,00,000 (P.Y. 12,00,00,000) Equity Shares of Rs.2/- each	2,400.00	2,400.00
2,50,00,000 (P.Y. 2,50,00,000) Preference Share of Rs. 10/- each	2,500.00	2,500.00
	4,900.00	4,900.00
Issued, Subscribed & Paid up Share Capital		
10,91,07,370 Equity Shares of Rs. 2/- each		
(P. Y. 10,91,07,370 Equity Shares of Rs. 2/- each)	2,182.15	2,182.15
Nil (P.Y. 2,50,00,000) Pref. Shares of Rs. 10/- each	Nil	2,500.00
Total	2,182.15	4,682.15
During the year Company has redeemed 2,50,00,000 9% Non Cumulative Redeemable Preference Share of Rs. 10/- each on 6th August, 2015 accordingly share capital of the Company as at 31st March, 2016 has been decreased to Rs. 2182.15 lacs as compared to Rs. 4682.15 lacs as at 31st March, 2015.		

3.1 Reconciliation of the number of Shares	As at 31st March, 2016	As at 31st March, 2015
	No. of Shares	No. of Shares
Equity Shares		
Opening balance	109,107,370	109,107,370
Issued during the Year	Nil	Nil
Closing balance	109,107,370	109,107,370
Preference Shares		
Opening balance	25,000,000	25,000,000
Redeemed during the Year	25,000,000	Nil
Closing balance	Nil	25,000,000
3.2 Rights, preferences and restrictions attached to shares		
Equity shares		
The Company has only one class of equity shares having a par value of Rs. 2/- per share. Each shareholder is eligible for one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion of their shareholding. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.		

Notes to Consolidated Financial Statements *(continued)*

For The Year Ended 31st March, 2016

(Rs. in Lacs)

PARTICULARS	As at 31st March, 2016		As at 31st March, 2015	
3.3 Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company				
Name of Shareholders	No. of Shares	% held	No. of Shares	% held
Equity Shares :				
Shri Suresh J. Patel	3,33,45,151	30.57	3,33,45,151	30.57
Shri Bhavin S. Patel	94,59,549	8.67	78,10,050	7.16
Shri Ankit S. Patel	65,36,550	5.99	37,86,550	3.47
Shri Ramesh P. Patel	17,35,299	1.59	66,35,299	6.08
Preference shares :				
Mayur Dyechem Intermediates Ltd.	Nil	Nil	95,00,000	38.00
Shri Shaunak S. Parikh	Nil	Nil	30,00,000	12.00
H & H Exports (Guj.) Pvt. Ltd.	Nil	Nil	20,00,000	8.00
Shri Ashok G. Bansal	Nil	Nil	20,00,000	8.00
Shri Karna A. Surti	Nil	Nil	15,00,000	6.00

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
4 : RESERVES & SURPLUS		
Capital Reserves		
At the commencement and at the end of the year	761.22	761.22
Capital Redemption Reserve Fund		
At the commencement of the year	396.71	396.71
Add : Transferred from Profit & Loss Account (Note 4.1)	2,500.00	Nil
At the end of the year	2,896.71	396.71
Securities Premium Account		
At the commencement and at the end of the year (Premium on issue of Equity Shares)	2,220.36	2,220.36
General Reserve		
At the commencement and at the end of the year	1,388.58	1,388.58
Surplus / (Deficit) in the Statement of Profit and Loss		
At the commencement of the year	8,700.05	(467.12)
Less : Adjustment for Depreciation (Note 4.2)	Nil	(11.07)
Add : Surplus during the year	8,598.66	9,178.24
	17,298.71	8,700.05
Less : Appropriations :		
Interim Dividend on Equity Shares	654.64	Nil
Tax on Dividends	133.27	Nil
Transfer to Capital Redemption Reserve (Note 4.1)	2,500.00	Nil
	3,287.91	Nil
At the end of the year	14,010.80	8,700.05
Total	21,277.67	13,466.92

Notes to Consolidated Financial Statements *(continued)*

For The Year Ended 31st March, 2016

(Rs. in Lacs)

4.1 During the year the Company has redeemed 2,50,00,000 9% Non Cumulative Redeemable Preference Share of Rs. 10/- each on 06.08.2015 accordingly Rs. 2,500 lacs has been transferred to Capital Redemption Reserve Fund from Profit and Loss Account.

4.2 In the previous year, the Company had adopted estimated useful life of fixed assets as stipulated by Schedule II to the Companies Act 2013. Accordingly, depreciation of Rs.11.07 lacs net of deferred tax of Rs. 5.70 lacs on account of assets whose useful life had already exhausted on April 01, 2014, has been adjusted against Profit and Loss Account.

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
5 : DEFERRED GRANT		
Grant From World Bank :	Nil	7.40
Less : Transferred to Fixed Assets	Nil	(7.40)
Total	Nil	Nil

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
6 : LONG TERM BORROWINGS		
Secured		
Term loan from Banks	Nil	8,553.76
Unsecured		
Trade Deposits	67.91	66.98
Total	67.91	8,620.74
Current Maturities of Long Term Borrowings	*Nil	*7.79 lacs
*Amount disclosed under other current liabilities (Refer Note 11)		

6.1 NATURE OF SECURITY AND TERMS OF REPAYMENT FOR LONG TERM SECURED BORROWINGS

6.1.1 Term loan from banks balance outstanding amounting to Rs. Nil (P.Y.:Rs.1200.00 lacs) is secured by 1st charge on immovable properties of the company situated at Plot No. 252, 253, 254 GIDC, Vatva and Plot No. 804 of Padra Unit and Hyp. of entire P&M and other equipment of the company. Loan is fully paid in August 2015. Rate of interest 12.75% (P.Y.12.75%) p.a.

6.1.2 Term loan from banks balance outstanding amounting to Rs. Nil (P.Y.:Rs.3704.00 lacs) is secured by 1st charge on immovable properties of the company situated at Plot No. 804 & Block No. 800, 803/1, 797, 796, 795, 532, 555, 556, 560, 561/1 and 525, Village Dudhavada, Taluka Padra, Vadodara and Hyp. of entire P&M and other equipment of the company. Loan is fully paid in March 2016. Rate of interest 12.40 % (P.Y. 12.75%) p.a.

6.1.3 Term loan from banks balance outstanding amounting to Rs. Nil (P.Y.:Rs.2300.00 lacs) is secured by 1st charge on immovable properties of the company situated at Plot No. 804 & Block No. 800, 803/1, 797, 796, 795, 532, 555, 556, 560, 561/1 and 525, Village Dudhavada, Taluka Padra, Vadodara and Hyp. of entire P&M and other equipment of the company. Loan is fully paid in June 2015. Rate of interest 15.45% (P.Y. 15.25%) p.a.

6.1.4 Working Capital Term loan from banks balance outstanding amounting to Rs. Nil (P.Y.:Rs.1349.50 lacs) is secured by 1st pari passu charge on entire current assets of the company. Loan is fully paid in August 2015. Rate of interest 12.75% (P.Y. 12.75%) p.a.

6.1.5 Vehicle loan ,balance outstanding amounting to Rs. Nil (P.Y.:Rs.8.05 lacs) is secured by Hire Purchase agreement for Vehicles and repayable in monthly installments. Interest rate from 9% to 10%.

6.1.5 The Company has not defaulted in the repayment of loans and interest in current and previous year.

Notes to Consolidated Financial Statements *(continued)*

For The Year Ended 31st March, 2016

(Rs. in Lacs)

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
7 : DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liabilities		
Difference between book depreciation and tax depreciation	1,748.77	1,315.18
Expense claimed for tax purpose on payment basis	2.06	1.92
Deferred Tax Assets		
Unabsorbed Depreciation & c/f loss	(175.07)	(73.32)
Expenditure covered by section 43B of Income Tax Act, 1961	(39.20)	(17.81)
Total	1,536.56	1,225.97

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
8 : OTHER LONG TERM LIABILITIES		
Other Long-Term Liabilities	Nil	7.92
	Nil	7.92

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
9 : SHORT TERM BORROWINGS		
Secured		
Repayable on Demand		
Working Capital Loans from Banks	13,961.34	12,249.14
Unsecured		
Loans From Corporates	261.14	Nil
Total	14,222.48	12,249.14

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

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
10 : TRADE PAYABLES		
Due to Micro and Small Enterprises	Nil	Nil
Due to Others (Note 10.1)	10,804.00	11,249.15
Total	10,804.00	11,249.15

10.1 Trade Payables include Rs. 153.93 lacs (P.Y. 668.17 lacs) to related parties (refer note 36)

Notes to Consolidated Financial Statements *(continued)*

For The Year Ended 31st March, 2016

(Rs. in Lacs)

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
11 : OTHER CURRENT LIABILITIES		
Current Maturities of Long Term Debt (Refer Note 6)	Nil	7.79
Advance Received from Customers	150.03	277.70
Unclaimed Dividends (Note 11.1)	23.85	15.68
Unclaimed Share Application Money (Note 11.1)	Nil	0.40
Creditors for Capital Goods	223.66	303.40
Other Current Liabilities (Note 11.2)	109.97	628.81
Statutory Liabilities (Note 11.3)	276.76	632.34
Total	784.27	1,866.12
<p>11.1 There is no amount due and outstanding to be transferred to the Investor Education and Protection Fund as on 31st March 2016.</p> <p>11.2 Other Current Liabilities includes Deferred Premium, Interest payable, expenses payable etc.</p> <p>11.3 Statutory liabilities represent amounts payable towards VAT, CST, Excise duty and TDS etc.</p>		

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
12 : SHORT TERM PROVISIONS		
Provision for Employee Benefits (Refer Note 35)	113.26	52.40
Provision for Wealth Tax	Nil	2.99
Total	113.26	55.39

Notes to Financial Statements (continued)

For The Year Ended 31st March, 2016

(Rs. in Lacs)

13 : FIXED ASSETS											
Description	GROSS BLOCK			DEPRECIATION / AMORTISATION					NET BLOCK		
	As At 01.04.2015	Addition	Deduction	As At 31.03.2016	As At 01.04.2015	Addition	Retained Earnings	Deduction	As At 31.03.2016	As At 31.03.2015	
TANGIBLE ASSETS :											
Land	1,106.34	Nil	Nil	1,106.34	Nil	Nil	Nil	Nil	1,106.34	1,106.34	
Factory Building	7,715.67	404.51	Nil	8,120.18	3,386.27	421.80	Nil	Nil	3,808.07	4,329.40	
Office Building	242.03	8.66	Nil	250.69	48.90	9.73	Nil	Nil	58.63	193.13	
Plant & Machinery	28,693.95	2,279.75	Nil	30,973.70	15,972.47	1,923.64	Nil	Nil	17,896.11	12,721.48	
Furniture & Fixture	456.48	16.97	Nil	473.45	328.80	42.37	Nil	Nil	371.17	102.28	
Office Equipment	280.85	30.86	Nil	311.71	192.95	51.09	Nil	Nil	244.04	87.90	
Vehicles	654.98	67.61	118.09	604.50	357.57	105.00	Nil	98.49	364.08	297.41	
TOTAL (A)	39,150.30	2,808.36	118.09	41,840.57	20,286.96	2,553.63	Nil	98.49	22,742.10	18,863.34	
INTANGIBLE ASSETS :											
Good will	1,046.80	Nil	Nil	1,046.80	1,046.80	Nil	Nil	Nil	1,046.80	Nil	
Computer Software	46.17	10.46	Nil	56.63	25.96	8.37	Nil	Nil	34.33	20.21	
Membership Fees	146.93	Nil	Nil	146.93	56.23	16.70	Nil	Nil	72.93	74.00	
Website	0.92	Nil	Nil	0.92	0.75	0.17	Nil	Nil	0.92	0.17	
Trade Mark	0.91	Nil	Nil	0.91	0.72	0.18	Nil	Nil	0.90	0.19	
TOTAL (B)	1,241.73	10.46	Nil	1,252.19	1,130.46	25.42	Nil	Nil	1,155.88	111.27	
TOTAL (A+B)	40,392.03	2,818.82	118.09	43,092.76	21,417.42	2,579.05	Nil	98.49	23,897.98	18,974.61	
PREVIOUS YEAR	36,030.94	4,402.65	41.56	40,392.03	19,202.89	2,225.05	16.77	27.29	21,417.42	16,828.05	
Capital Work in Progress											
TOTAL FIXED ASSETS											
13.1 Depreciation of Rs. Nil (March 31, 2015 - Rs. 16.77 lacs subject to deferred tax) on account of assets whose useful life was exhausted on April 01, 2014 has been adjusted against Profit and Loss Account pursuant to adoption of estimated useful life of fixed assets as stipulated by Schedule II of the Companies Act, 2013.											
19,221.99											
331.66											
19,306.27											

Notes to Consolidated Financial Statements *(continued)*

For The Year Ended 31st March, 2016

(Rs. in Lacs)

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
14 : NON - CURRENT INVESTMENTS		
LONG TERM INVESTMENTS		
TRADE INVESTMENTS		
Quoted		
100 (P.Y. 100) Equity Shares of Beta Nepthol Ltd. of Rs. 10/- Each Fully Paid Up	0.03	0.03
1,00,000 (P.Y. 1,00,000) Equity Shares of Bhageria Dye Chem Ltd. of Rs. 10/- Each Fully Paid Up	149.34	149.34
	149.37	149.37
Less :		
Provision for diminution in Investments	0.03	0.03
Total	149.34	149.34
Unquoted		
250 (P.Y.250) Equity Shares of Green Environment Ser. Co-op. Soc. Ltd. of Rs. 100/- each Fully Paid Up	0.25	0.25
112,350 (P.Y. 112,350) Equity Shares of Bharuch Enviro Infrastructure Ltd of Rs. 10/-each Fully Paid Up	11.23	11.23
100 (P.Y.100) Equity Shares of Guj. Ind. Waste Mng. Co. Ltd. of Rs. 10/- Each Fully Paid Up	0.01	0.01
10 (P.Y.10) Equity Shares of The Bhagoydaya Co-op. Bank Ltd. of Rs. 100/- Each Fully Paid Up	0.01	0.01
10,200 (P.Y.10,200) Equity Shares of Panoli Enviro Technology Ltd. of Rs. 10/- Each Fully Paid Up	1.02	1.02
3,542 (P.Y.3,542) Equity Shares of Makarpura Ind. Est. Co-op. Bank Ltd. of Rs. 25/- Each Fully Paid Up	0.89	0.89
TOTAL OF TRADE INVESTMENTS	13.41	13.41
OTHER NON CURRENT INVESTMENTS		
Unquoted		
In Equity Shares of Sun Agrigenetics Pvt. Ltd (Associated Concern till 24/02/2015)		
16,000 (P.Y. 16,000) Equity Shares of Sun Agrigenetics Pvt. Ltd of Rs. 10/- each fully paid up	15.37	15.37
Less : Provision for diminution in Investments	15.37	Nil
Total of Other Non-Current Investments	Nil	15.37
Total of Non-Current Investments	162.75	178.12
Aggregate of Quoted Investments:		
At Book value	149.34	149.34
At Market Price	140.40	130.60
Aggregate of Unquoted Investments:	13.41	28.78
Aggregate provision for diminution in value of investments	15.40	0.03

Notes to Consolidated Financial Statements *(continued)*

For The Year Ended 31st March, 2016

(Rs. in Lacs)

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
15 : LONG TERM LOANS & ADVANCES		
(Unsecured and Considered Good)		
Capital Advances	308.54	382.31
Security Deposits	68.84	63.16
Loans and Advances to Employees	43.49	39.44
Balance With Statutory Authorities (Note 15.1)	183.01	187.58
Advance Income Tax (Net of Provision for Tax)	252.31	823.53
Others	Nil	115.09
Total	856.19	1,611.11
15.1 Balance with Statutory Authorities includes balances with Excise, Service Tax, Sales Tax, Customs Dept. etc.		

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
16 : OTHER NON-CURRENT ASSETS		
(Unsecured and Considered Good)		
Term Deposits with maturity of more than twelve months	0.30	0.28
Margin Money Deposits with bank with maturity after twelve months from the reporting date*	4.25	46.73
Total	4.55	47.01
* Held as lien by bank against bank guarantees and letters of credit.		

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
17 : INVENTORIES		
(Valued at the lower of cost and net realisable value)		
a) Raw Materials	2,742.92	2,245.43
Raw Materials in Transit	172.41	606.63
	2,915.33	2,852.06
b) Finished Goods	1,019.91	1,123.05
Finished Goods in Transit	271.22	164.07
	1,291.13	1,287.12
c) Stock In Process	4,275.67	3,316.05
	4,275.67	3,316.05
d) Packing Materials	67.48	71.17
Packing Materials in Transit	1.14	1.20
	68.62	72.37
e) Stock of Fuel	53.75	111.52
	53.75	111.52
f) Stores and Spares	375.68	156.53
	375.68	156.53
Total	8,980.18	7,795.65

Notes to Consolidated Financial Statements *(continued)*

For The Year Ended 31st March, 2016

(Rs. in Lacs)

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
18 : TRADE RECEIVABLES		
Trade receivables outstanding for a period exceeding six months from the due date for payment Unsecured & Considered Good	1,479.91	1,198.30
Trade receivables outstanding for a period less than six months from the due date for payment Unsecured & Considered Good	15,096.72	18,522.11
Total	16,576.63	19,720.41

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
19 : CASH AND BANK BALANCES		
Cash & Cash Equivalents		
Cash on hand	8.89	15.45
Balance with Banks in current accounts	38.06	104.73
	46.95	120.18
Other Bank Balances		
Margin Money Deposits with bank with maturity of more than three months but less than twelve months*	314.68	168.83
Unclaimed Dividend Accounts	23.84	15.68
Unclaimed Share Application Account	Nil	0.40
	338.52	184.91
Total	385.47	305.09

*Held as lien by bank against bank guarantees and letters of credit.

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
20 : SHORT TERM LOANS & ADVANCES		
(Unsecured & considered good)		
Advance to Suppliers of Goods (Note 20.1)	647.44	1,077.81
Advance to Suppliers of Expenses	107.86	104.54
Balance with Statutory Authorities (Note 20.2)	2,013.64	2,669.81
Loans and Advances to Employees	168.37	100.51
Inter-Corporate Loans	1,191.75	40.00
Pre-paid Expenses	141.85	94.91
Others (Note 20.3)	58.74	51.44
Total	4,329.65	4,139.02
<p>20.1 Advances to supplier of goods include Rs. 246.86 lacs (P.Y. Rs. 171.94 lacs) to related parties. (refer note 36)</p> <p>20.2 Balance with Statutory Authorities includes balances with Excise, Service Tax, Sales Tax, etc.</p> <p>20.3 Others include Tour Advances, Gratuity Planned Assets (Net), and Income Receivables.</p>		

Notes to Consolidated Financial Statements *(continued)*

For The Year Ended 31st March, 2016

(Rs. in Lacs)

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
21 : OTHER CURRENT ASSETS		
Fair Value of Foreign Exchange Forward Contracts	47.19	19.84
Export Incentives Receivables	422.88	276.06
Other Receivables	0.82	24.92
Total	470.89	320.82

PARTICULARS	2015-16	2014-15
22 : REVENUE FROM OPERATIONS		
A) Sale of products	97,597.08	111,889.12
Less : Excise Duty	7,899.15	8,308.64
Sale of products (net)	89,697.93	103,580.48
B) Other Operating Income		
Export Incentives	1,079.03	851.26
Insurance claim for Goods Burnt(Note 34)	130.11	Nil
Goods sent as samples	3.87	2.62
Scrap Sales	83.80	95.99
Brokerage Income	0.76	0.87
Total	1,297.57	950.74
Net Revenue From Operations	90,995.50	104,531.22

PARTICULARS	2015-16	2014-15
23 : OTHER INCOME		
Interest Income		
On Deposits	79.69	52.11
On Others	74.33	39.77
Profit on sales of Investment	0.97	Nil
Write-back of Provision of Diminution	Nil	31.74
Profit on sales of Assets	5.91	4.45
Prior Period Items	0.70	0.03
Recovery of Bad Debts	592.32	Nil
Dividend Income - from Non-Current Investments	5.00	2.47
Premium / Discount on Forward Contracts	185.46	332.08
Other Income	252.63	1.95
Total	1,197.01	464.60

PARTICULARS	2015-16	2014-15
24 : COST OF MATERIALS CONSUMED		
Opening Stock	2,852.06	4,948.66
Add. Purchases during the year	57,378.40	58,692.49
	60,230.46	63,641.15
Less : Closing Stock	2,915.33	2,852.06
Total	57,315.13	60,789.09

Notes to Consolidated Financial Statements *(continued)*

For The Year Ended 31st March, 2016

(Rs. in Lacs)

PARTICULARS	2015-16	2014-15
25 : PURCHASE OF STOCK IN TRADE		
Purchase of Stock in Trade	759.75	2,998.20
Total	759.75	2,998.20

PARTICULARS	2015-16	2014-15
26 : CHANGES IN INVENTORIES OF FINISHED GOODS & STOCK IN PROCESS		
Inventories at the end of the year		
Finished Goods	1,291.13	1,287.12
Stock In Process	4,275.67	3,316.05
Total (A)	5,566.80	4,603.17
Inventories at the beginning of the year		
Finished Goods	1,287.12	2,635.90
Stock In Process	3,316.05	4,312.48
Total (B)	4,603.17	6,948.38
Total (A) - (B)	(963.63)	2,345.21
Add / (Less) : Variation in Excise Duty on Closing and Opening Stock of Finished Goods	54.42	340.95
Changes In Inventories Of Finished Goods & Stock In Process	(1,018.05)	2,004.26

PARTICULARS	2015-16	2014-15
27 : EMPLOYEE BENEFIT EXPENSES		
Salary, Wages & Bonus	4,739.04	5,515.61
Contribution to Provident & Other Funds(Refer Note 35)	173.79	183.73
Staff Welfare Expenses	246.39	200.13
Total	5,159.22	5,899.47

PARTICULARS	2015-16	2014-15
28 : FINANCE COSTS		
Bank Interest	1,047.45	2,578.70
Other Interest Expenses	9.07	13.90
Other Borrowing Cost	163.41	134.93
Total	1,219.93	2,727.53

PARTICULARS	2015-16	2014-15
29 : DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation on Tangible Assets	2,553.63	2,201.12
Amortisation of Intangible Assets	25.42	23.93
Total	2,579.05	2,225.05

Notes to Consolidated Financial Statements *(continued)*

For The Year Ended 31st March, 2016

(Rs. in Lacs)

PARTICULARS	2015-16	2014-15
30 : OTHER EXPENSES		
Stores Consumption	468.64	734.94
Power & Fuel Consumption	4,968.46	5,190.87
Repairs to		
Machinery	1,517.05	2,005.65
Building	144.82	258.75
Others	24.25	38.21
Pollution Control Expenses	838.59	738.77
Rent & Tax	21.54	27.52
Insurance Expenses	63.82	59.87
Loss Due To Fire (Note 34)	4.08	Nil
Corporate Social Responsibility Expenses	256.48	31.29
Directors' Sitting fees	5.50	2.95
Travelling & Conveyance Expenses	212.48	193.46
Legal & Professional Fees	193.27	190.52
Provision for diminution in investments	15.37	Nil
Exchange Rate Difference (Net)	480.41	248.28
Packing Material Consumption	865.34	663.78
Freight & Handling Charges	1,996.75	1,359.43
Advertisement & Business Promotion Expenses	119.25	91.98
Sales Commission	756.76	1,054.44
Loss on sales of Investment	Nil	13.39
Cash Discount	229.47	217.64
Bad Debts Written off	Nil	644.33
Other Expenses	618.05	663.53
Total	13,800.38	14,429.60

PARTICULARS	2015-16	2014-15
31 : EXCEPTIONAL ITEMS		
Excess Provision Written Back (Note 31.1)	789.89	Nil
Loans & Advances written off (Note 31.2)	(114.42)	Nil
Total	675.47	Nil
31.1 Excess provision written back includes provision of Interest recompense on exit from Corporate Debt Restructuring (CDR) amounting Rs. 350.78 lacs and liabilities not required to be paid by the company amounting Rs. 439.11 lacs.		
31.2 Loans & Advances not recoverable is written off during the year.		

Notes to Consolidated Financial Statements *(continued)*

For The Year Ended 31st March, 2016

(Rs. in Lacs)

32 : CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)	As at 31st March, 2016	As at 31st March, 2015
(a) Contingent Liabilities		
1) Disputed matters in appeals/contested in respect of:		
I. Income Tax	296.06	268.31
ii. Excise	314.67	193.45
iii. Service Tax	6.13	3.86
iv. Customs Department	0.12	11.71
Future cash outflows in respect of the above are determinable only on receipt of Judgments /decisions pending with various forums/authorities. Based on the decisions of the Appellate authorities and the interpretations of other relevant provisions, the Company has been legally advised that the additional demand raised is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.		
1) Letter of Credit issued by bankers and outstanding as on 31st March, 2016.	595.03	669.19
2) Bank Guarantee issued by bankers and outstanding as on 31st march, 2016.	527.41	471.78
(b) Commitments		
I. Estimated amount of Contracts remaining to be executed on capital account and not provided for, net of advances	4.40	82.85

33 : DERIVATIVE INSTRUMENTS AND UN-HEDGED FOREIGN CURRENCY EXPOSURE

The company enters into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The company does not enter into any derivative instruments for trading or speculative purposes. The forward exchange contract outstanding as at 31st March, 2016 are as under,

Category	Currency	Buy/sell	Foreign Currency Value (in Lacs)	Foreign Currency Value (Rs. In Lacs)
Forward Contract	USD	Sell	\$29.16	₹ 1,934.19

Details of un-hedged foreign currency exposure as on 31/03/2016

Particulars	Currency	As at 31st March, 2016		As at 31st March, 2015	
		Amount in Currency (in Lacs)	Amount (Rs. in Lacs)	Amount in Currency (in Lacs)	Amount (Rs. in Lacs)
Payable	USD	27.05	1,794.62	20.80	1,301.90
Payable	EURO	0.10	7.78	0.10	6.99
Receivable	USD	15.44	1,023.89	31.43	1,967.06
Receivable	EURO	Nil	Nil	0.33	22.14
Borrowings	USD	60.72	4,027.72	55.44	3,470.07

34. During the year there was fire at the Company's unit situated at Vatva, Ahmedabad and due to fire part of inventories, plant and machinery, electronic components, building structure and others has been damaged. The above items are fully insured and the company has received insurance claim of Rs. 156.13 lacs from insurance company against insurance claim of Rs. 160.21 lacs resulting in loss due to fire of Rs. 4.08 lacs.

Notes to Consolidated Financial Statements *(continued)*

For The Year Ended 31st March, 2016

(Rs. in Lacs)

35: EMPLOYEES' BENEFITS

a) Defined Benefit Plan

Gratuity

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

The following table sets out the funded status of the gratuity plan and the amounts recognised in the company's financial statements based on actuarial valuations being carried out as at 31st March 2016.

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
Change in present value of obligations		
Present value of obligations as at beginning of year	181.94	116.58
Interest cost	14.56	9.35
Current Service Cost	41.82	4.02
Benefits Paid	(3.55)	(4.40)
Actuarial (gain)/Loss on obligations	(10.11)	56.39
Present value of obligations as at end of year	224.66	181.94
Change in the fair value of plan assets		
Fair value of plan assets at beginning of year	229.48	158.46
Expected return on plan assets	21.65	14.76
Employers Contributions	30.56	60.66
Benefits paid	(3.55)	(4.40)
Actuarial (gain)/Loss on plan assets	Nil	Nil
Fair value of plan assets at the end of year	278.14	229.48
Net Gratuity Cost		
Current Service cost	41.82	4.02
Interest Cost	14.56	9.35
Expected return on plan assets	(21.65)	(14.76)
Net Actuarial (gain)/Loss recognised in the year	(10.12)	56.38
Net Gratuity Cost	24.61	55.01
Actual Return on Plan Assets		
Expected return on plan assets	21.65	14.76
Actuarial Gain/(Loss) on plan assets	Nil	Nil
Actual return on plan assets	21.65	14.76
Balance Sheet Reconciliation		
Net Liability/(Asset), beginning of the year	(47.54)	(41.88)
Gratuity Cost as above	24.61	55.01
Employers Contribution	(30.56)	(60.66)
Amount recognised in the Balance Sheet-Current	(53.49)	(47.54)

Notes to Consolidated Financial Statements *(continued)*

For The Year Ended 31st March, 2016

(Rs. in Lacs)

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
Category of Assets		
Insurer Managed Funds (100%)	278.14	229.48
Assumptions		
Discount Rate	8%	8%
Salary Escalation	7%	7%
The estimated future salary increases take account of inflation, seniority, promotion and other retirement factors such as supply and demand in the employment markets.		

Amount recognised in current year and previous four years

Particulars	As at 31st March				
	2016	2015	2014	2013	2012
Defined Benefit Obligation	224.66	181.94	116.58	104.34	75.90
Fair Value of Plan Assets	278.14	229.48	158.46	100.75	91.25
(Surplus) / Deficit in the plan	(53.49)	(47.54)	(41.88)	3.59	(15.35)
Actuarial (gain) / loss on plan obligation	(10.12)	56.38	(17.92)	(2.24)	(5.25)
Actuarial (gain) / loss on plan assets	Nil	Nil	Nil	Nil	Nil
Discount Rate	8%	8%	8%	8%	8%
Salary Escalation	7%	7%	7%	7%	7%
The expected contributions for Defined Benefit Plan for the next financial year will be in line with F.Y. 2015-16					
b) Defined Contribution Plan					
The company has recognized the following amount in statement of profit and loss which is included under contribution to funds.					
Particulars	2015-16		2014-15		
Employer's contribution to Provident Fund	131.30		109.98		
Employer's contribution to E.S.I.	13.29		16.91		

Notes to Consolidated Financial Statements *(continued)*

For The Year Ended 31st March, 2016

(Rs. in Lacs)

36 : Information on related party transactions as required by Accounting Standard (AS-18) on Related Party Disclosures for the year ended 31st March, 2016.

a) Names of related parties and nature of relationship

I. Key Management Personnel (KMP)

1. Shri Suresh J. Patel	Chairman& Managing Director
2. Shri Bhavin S. Patel	Executive Director
3. Shri Ankit S. Patel	Executive Director
4. Shri Mayur B. Padhya	Chief Financial Officer
5. Shri Ashutosh B. Bhatt	Company Secretary

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

- (i) Shanti Inorgo Chem (Guj.) Pvt. Ltd.
- (ii) Rudraksh Caterers Pvt. Ltd.

III. Associates

- (i) Sun Agrigenetics Pvt. Ltd. (Associate concern till 24/02/2015)

b) Transactions with related parties

(Rs. in lacs)

Related party disclosure	Relationship	2015-16	2014-15
Remuneration			
Shri Suresh J. Patel	KMP	108.00	108.00
Shri Bhavin S. Patel	KMP	72.00	72.00
Shri Ankit S. Patel	KMP	72.37	72.00
Shri Mayur B. Padhya	KMP	23.00	23.61
Shri Ashutosh B. Bhatt	KMP	4.22	3.72
Loan Given			
Sun Agrigenetics Pvt. Ltd.	Associates	*N.A.	10.00
Loan Received			
Shri Suresh J. Patel	KMP	165.00	Nil
Shri Bhavin S. Patel	KMP	159.50	Nil
Shri Ankit S. Patel	KMP	130.28	Nil
Loan Repaid			
Shri Suresh J. Patel	KMP	165.00	0.50
Shri Bhavin S. Patel	KMP	159.50	Nil
Shri Ankit S. Patel	KMP	130.28	Nil
Purchases of Materials			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	147.28	86.71
Rent Expense			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	3.68	0.25
A.G.M. Expenses			
Rudraksh Caterers Pvt. Ltd.	Enterprise	0.24	0.58
Business Development Expenses			
Rudraksh Caterers Pvt. Ltd.	Enterprise	0.87	2.74
Canteen Expenses			
Rudraksh Caterers Pvt. Ltd.	Enterprise	3.90	2.27

(continued)

Notes to Consolidated Financial Statements *(continued)*

For The Year Ended 31st March, 2016

(Rs. in Lacs)

Commission Paid			
Shri Suresh J. Patel	KMP	Nil	400.00
Shri Bhavin S. Patel	KMP	Nil	300.00
Shri Ankit S. Patel	KMP	204.63	300.00
Dividend Paid			
Shri Suresh J. Patel	KMP	200.07	Nil
Shri Bhavin S. Patel	KMP	53.46	Nil
Shri Ankit S. Patel	KMP	33.72	Nil
Shri Mayur B. Padhya	KMP	1.17	Nil
Business Support Service Income			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	Nil	1.20
Interest Income			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	8.02	Nil
Sales of Materials			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	436.71	66.01
c) Related Party Balances as at the year end.			
Amounts Payable			
As Trade Payables			
Rudraksh Caterers Pvt. Ltd.	Enterprise	0.83	0.93
Shri Suresh J. Patel	KMP	6.88	268.05
Shri Bhavin S. Patel	KMP	6.00	199.44
Shri Ankit S. Patel	KMP	138.70	199.31
Shri Mayur B. Padhya	KMP	1.18	0.14
Shri Ashutosh B. Bhatt	KMP	0.35	0.29
Amounts Receivable			
As Advance Given To Supplier			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	246.86	171.94
As Long Term Loans & Advances			
Sun Agrigentic Pvt. Ltd.	Associates	*N.A.	115.09
Investment in Equity Shares			
Sun Agrigentic Pvt. Ltd.	Associates	*N.A.	15.36
<p>*Sun Agrigentic Pvt Ltd. was Associates concern till 24/02/2015, hence, previous figures have been given and current year transactions are not shown since, it is not an Associates concern in the current year.</p> <p>Notes:</p> <p>No amounts pertaining to related parties have been provided for as doubtful debts. Also no amounts pertaining to related parties have been written off or written back during the year.</p>			

Notes to Consolidated Financial Statements *(continued)*

For The Year Ended 31st March, 2016

(Rs. in Lacs)

37 : Segment Reporting:

The Company's primary segment is identified as business segment based on nature of products, risks, returns and the internal business reporting system and secondary segment is identified based on the geographical location of the customers as per Accounting Standard 17. The Company is principally engaged in a single business segment viz., "Dyes, Dyes Intermediates and Basic Chemicals".

The geographical segment has been considered for disclosure as secondary segment.

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

	2015-16			2014-15		
	Domestic Operations	External Operations	Total	Domestic Operations	External Operations	Total
Segment Revenue	60,896.91	30,098.59	90,995.50	63,615.78	40,915.44	1,04,531.22
Carrying Cost of Segment Assets	46,676.80	4,311.50	50,988.30	46,845.88	6,577.62	53,423.50
Capital Expenditure during the year	2,514.37	Nil	2,514.37	3,882.04	Nil	3,882.04

- a) Revenue from external operations comprises of income from sale of products, and other operating revenues.
- b) Carrying amount of segment assets comprises of non-current assets and current assets identified to the respective segments. However Segments assets in India also includes certain common assets used to generate revenue in both segments but not feasible of allocation.
- c) Capital expenditure during the year represents net additions to Tangible and Intangible assets and movement in Capital work in progress.

38 : Earnings per Equity Share

	2015-16	2014-2015
Net Profit/(Loss) after Tax as per statement of Profit and Loss (Rs. in Lacs)	8,598.66	9,178.24
Weighted average number of Equity Shares	10,91,07,370	10,91,07,370
Basic and Diluted Earnings per Share (in Rs.)	7.88	8.41
Nominal Value per Share (in Rs.)	2	2

39 : Value of Imports on CIF Basis

	2015-16	2014-15
Raw Materials	4,271.94	4,927.46

40: Earning in Foreign Currency

	2015-16	2014-15
F.O.B. Value of Exports	29,347.07	40,390.51

41: Expenditure in Foreign Currency

	2015-16	2014-15
Travelling	19.24	18.84
Commission	403.94	763.21
Business Development Expense	4.79	11.50
Export Damage Claim	Nil	0.26
Bank Charges	53.12	39.76
Interest Expense	99.41	110.66
Repairs to Machinery	6.55	Nil
Other Selling Expense	5.37	Nil
Cash Discount	2.70	13.77

Notes to Consolidated Financial Statements *(continued)*

For The Year Ended 31st March, 2016

42 : Amalgamation of Wholly Owned Subsidiary with the Company

At their respective meeting held on 10th march, 2016, the Board of the Company and of its subsidiary, Bodal Agrotech Ltd. have approved a scheme of amalgamation of Bodal Agrotech Ltd. with the company. The appointed date for the proposed scheme is 1st April, 2016.

The scheme of amalgamation is subject to the final order of the Hon'ble High Court of Gujarat and other legal compliances as per the provision of the Companies Act 1956 and other applicable provisions of the Companies Act, 2013. The effect of the amalgamation will be given in the books of the Company only after Final Order is passed in the matter by the Hon'ble High Court of Gujarat.

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

As Per Our Report of even date attached

For Mayank Shah & Associates
Chartered Accountants
Firm Registration No. 106109W

(M.S. Shah)
Partner
Membership No. 44093

Ahmedabad
May 26, 2016

For and on behalf of the Board of Directors

(Suresh J. Patel)
Chairman & Managing Director
DIN : 00007400

(Mayur B. Padhya)
Chief Financial Officer
Ahmedabad
May 26, 2016

(Ankit S. Patel)
Executive Director
DIN : 02173231

(Ashutosh B. Bhatt)
Company Secretary

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AGM Notice

To the members of Bodal Chemicals Limited

Notice is hereby given that the 30th Annual General Meeting of the Members of **BODAL CHEMICALS LTD.** (CIN:L24110GJ1986PLC009003) will be held on **Tuesday, the 20th September, 2016 at 11.30 A.M.** at ATMA Auditorium, Opp. Old RBI Office, Ashram Road, Ahmedabad -380 009, to transact the following business:

ORDINARY BUSINESS:

1. a. To receive, consider and adopt the Audited Financial Statement of the Company for the Financial Year ended 31st March, 2016 and the reports of the Board of Directors' and Auditors' thereon; and

b. the audited consolidated financial statement of the Company for the financial year ended March 31, 2016.
2. To appoint a Director in place of Mr. Ankit S. Patel (Holding Din: 02173231), who retires by rotation and being eligible offers himself for reappointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**.

"RESOLVED THAT the M/s. Mayank Shah & Associates, Chartered Accountants(Firm Registration No.: 106109W), Ahmedabad, the retiring Auditors of the Company be and are hereby reappointed as an Auditors of the Company to hold office till conclusion of the next Annual General Meeting of the Company and the Board of Directors of the Company be and is hereby authorised to fix their remuneration for the said period."

SPECIAL BUSINESS:

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

RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 [including any statutory modifications(s) or re-enactment thereof, for the time being in force], the remuneration of Rs.1,30,000 (Rupees One lac thirty thousand only) plus service tax as applicable and reimbursement of actual expenses, to be paid to M/s. Kiran J. Mehta & Co., Cost Accountants, Ahmedabad (FRN: 000025) Cost Auditors of the Company, for the financial year 2016-2017, as approved by the Board of Directors of the Company, be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary to give effect to this resolution."

5. **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 Sections 88, 94 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as "the Act") read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force and corresponding sections of the erstwhile Companies Act, 1956) and in supersession of all earlier resolutions passed in this regard, consent of the Members of the Company be and is hereby accorded for the maintenance of the Registers and Index of Members of the Company under Section 88 of the Companies Act, 2013 and copies of the returns prepared under Section 94 of the Companies Act, 2013 shall be kept at the Registered Office of the Company.

RESOLVED FURTHER THAT the records of the Company including the Registers and Indexes of Members of the Company under Section 88 of the Act, as applicable and copies of the returns prepared under Section 92 of the Act, as applicable, read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and in accordance with the Articles of Association of the Company, be shifted and maintained at **Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400078, Maharashtra** or at such other place within Mumbai or at its Ahmedabad office, where the Registrar and Transfer Agent may shift its office from time to time.

RESOLVED FURTHER THAT the Board of Directors (including a Committee thereof, if any, constituted by the Board) and/or the Company Secretary 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 and to delegate all or any of the powers or authorities herein conferred by this resolution, to any Director(s) or to any other official of the Company or any other Officer(s)/ Authorised Representative(s) of the Company or to engage any advisor, consultant, agent or intermediary".

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

"RESOLVED THAT pursuant to sections 196, 197 and 203 (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V of the Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable

AGM Notice *(continued)*

To the members of Bodal Chemicals Limited

provisions, if any, of the Companies Act, 2013, approval of the company be and is hereby accorded to the appointment of Mr. Ankit S. Patel (DIN: 02173231), who fulfills the conditions prescribed under schedule V of the Companies Act, 2013, be and is hereby re-appointed as Executive Director of the company for a period of three years with effect from 24th May, 2016 to 23th May, 2019 on the terms & conditions and remuneration as set out below:

- (1) Basic Salary: Rs. 4,00,000/- per month.
- (2) Commission will be payable up to @ 1.5% of the net profit of the Company, as calculated for the whole financial year.
- (3) **Perquisites:** In addition to Salary, the following perquisites shall be allowed to him.

Category A

Housing:

The House Rent allowance will be paid as per the rules of the Company but subject to maximum 50% of Basic Salary.

Gas, Electricity, Water and Furniture:

The expenses on Gas, Electricity, Water and Furnishing will be as per rules of the Company but subject to maximum 10% of Basic Salary.

Medical Reimbursement:

Expenses incurred for him and the family subject to ceiling of one month's salary in a year or three month's salary over a period of three years.

Leave Travel Concession:

For him and his family once in a year incurred in accordance with any rules specified by the Company.

Club Fees:

Fees of club subject to a maximum of two clubs. This will not include Admission and life membership fees.

Personal Accident Insurance:

Personal Accident Insurance Premium for self.

Medical Insurance Premium:

For him, his spouse and children in a year, Premium not to exceed Rs. 15,000/- per annum.

Category B:

Contribution to Provident Fund and Superannuation Fund:

Contribution to Provident Fund, Superannuation fund or annuity fund will not be included in the computation of ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.

Gratuity:

Gratuity payable should not exceed half a month's salary for each completed year of service.

Leave Encashment:

Leave encashment equivalent to one month's salary calculated on the basis of one month's leave over eleven month's services. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

Category C:

Car with Driver and Telephone:

Provision of car with Driver for use on Company's business and telephone including Mobile phone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car with driver for private purpose shall be billed by the Company to him.

RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorised to vary, alter or modify the different components of the above stated remuneration as may be agreed to between the Board of Directors and Mr. Ankit S. Patel.

RESOLVED FURTHER THAT notwithstanding anything mentioned above, where in any financial year during the currency of Executive Director, the company has no profit or its profit are inadequate, the remuneration will have to be limited to amounts specified in section II and Section III of Part II of schedule V of the Companies Act, 2013."

**By Order of Board of Directors
For, BODAL CHEMICALS LIMITED**

Place: Ahmedabad
Date: 3rd August, 2016

Ashutosh B. Bhatt
Company Secretary

NOTES

1. A member entitled to attend and vote at the Annual General Meeting of the company may appoint a proxy to attend and vote on a poll on his behalf and proxy need not to be member of the Company. The instrument appointing a proxy must be deposited with the company at its registered office not less than 48 hours before the time for holding the meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

AGM Notice *(continued)*

To the members of Bodal Chemicals Limited

2. Proxies submitted on behalf of Limited Companies, Societies, Partnership Firms, etc., must be supported by appropriate resolution/authority, as applicable, issued by the member organization.
3. Corporate members intending to send their authorized representative to attend meeting are requested to send the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the annual general meeting.
4. Only bonafide members of the company whose name appear on the register of members/proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The company reserve its rights to take all steps as may be deemed necessary to restrict non members from attending the meeting.
5. The Statement pursuant to Section 102 (1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.
6. Members are requested to bring their attendance slip along with their copy of annual report to the meeting.
7. Members who hold shares in dematerialized form are requested to write their client id and DP Id numbers and those who hold shares in physical form are requested to write their folio number in the Attendance Slip for attending the Meeting.
8. The Register of Members and Share Transfer Book of the company will be closed from **Saturday, the 17th September, 2016 to Tuesday, the 20th September, 2016** (both days inclusive) for the purpose of Annual General Meeting.
9. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company or contact our Registrar and Transfer Agent i.e. Link Intime India Pvt. Ltd.
10. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, (Section 124 of the Companies Act, 2013), the Company has transferred the unpaid or unclaimed dividends for the "financial years 2007-08 (Final Dividend), from time to time on due dates, to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 24th

September, 2015 (date of last Annual General Meeting) on the website of the Company (www.bodal.com), as also on the website of the Ministry of Corporate Affairs.

11. Members wishing to claim their unclaimed dividend of, 2009-10 (Interim as well as Final Dividend), 2010-11 (Final Dividend) and 2015-16 (Interim Dividends-Two accounts), are requested to correspond with said Registrar and Transfer Agent (RTA) or Secretarial Department at the Registered office of the Company.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company or contact our Registrar and Transfer Agent i.e. Sharepro Services (India) Pvt Ltd.
13. Members are requested to contact our Registrar and Transfer Agent for any query related to shares, dividend and other inquiry at following address.
Unit: Bodal Chemicals Ltd.

Link Intime India Pvt Ltd.
(Ahmedabad Branch)
Unit No 303,
3rd Floor, Shoppers Plaza V,
Opp. Municipal Market,
Behind Shoppers Plaza II,
Off C G Road,
Ahmedabad - 380009.
Tel No: 079 - 2646 5179
Email: ahmedabad@linkintime.co.in
 - Please Quote folio no. / DP ID & CL ID for any communication for your shareholding.
 - Bring the copy of Annual Report at the meeting.
14. The Company's equity shares are presently listed and traded at Bombay Stock Exchanges Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) The Company has paid the listing fees to BSE and NSE for the financial year 2016-17.
15. The details of Directors seeking appointment / re-appointment in the Annual General Meeting to be held on 20th September, 2016 are covered in the Corporate Governance Report forming part of annual report.
16. Any member desiring any clarification/explanation in respect of the information given in this annual report is requested to submit query to the company at least 7 days in advance before the meeting so as to enable the management to keep information ready.

AGM Notice *(continued)*

To the members of Bodal Chemicals Limited

17. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
18. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
19. Members may also note that the Notice of the 30th AGM and the Annual Report 2015-16 will be available on the Company's website, www.bodal.com. The physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at secretarial@bodal.com.
20. Members who have not registered their e-mail addresses so far are requested to register their email address so that they can receive the Annual Report and other communication from the Company electronically.
21. In compliance with Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by Companies (Management and Administration) Amendment, Rules 2015, and Regulations 44 of SEBI (LODR) Regulations, 2015, the Company is pleased to provide to its members, facility to exercise their rights to vote on resolutions proposed to be passed at the 30th Annual General Meeting (AGM) by electronic means. The members may cast their votes using electronic system from a place other than the venue of the meeting ("remote e-voting") through the remote electronic voting service facility arranged by Central Depository Services (India) Limited.

**By Order of Board of Directors
For, BODAL CHEMICALS LIMITED**

Place: Ahmedabad
Date: 3rd August, 2016

Ashutosh B. Bhatt
Company Secretary

Explanatory Statement

Pursuant to Section 102 of the Companies Act, 2013

Item No. 4:

The Board of Directors, on recommendations of the Audit Committee, at their meeting held on 05th July, 2016, has approved the re-appointment and remuneration of the M/s. Kiran J. Mehta & Co., Cost Accountants, Ahmedabad (FRN: 000025), as Cost Auditors of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2017 on a remuneration of Rs.1,30,000 (Rupees One lakh thirty thousand only) In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No.4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2017.

None of the Directors, Key Managerial Personnel of the Company, their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

Your Directors recommends the Ordinary Resolution set out at Item Nos. 4 of the Notice for your approval.

Item No. 5:

The Company had appointed Sharepro Services (India) Private Limited as its Registrar and Transfer Agent (hereinafter referred to as "R&TA").

The operations of Sharepro Services (India) Private Limited are currently being investigated by Statutory Authorities over alleged misappropriation of dividends and securities of its client companies. With increasing rigor being placed on corporate compliances, advent of new regulations, intensified surveillance by the market regulator, and in order to protect the interest of shareholders, the Board of Directors of the Company are of the opinion that the Company should appoint another entity as its R&TA which could be reliable. Further SEBI has also directed the company to shift its share transfer work to another Share Transfer Agents.

Accordingly, the Board of Directors of the Company at its meeting held on 26th May 2016, on the recommendations of the Stakeholders Relationship Committee, have approved the appointment of Link Intime India Private Limited, having its office at C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400078, Maharashtra or at such other place within Mumbai or at its Ahmedabad office as the R&TA of the Company.

In accordance with Section 94 and other applicable provisions of the Act read with the Companies (Management and Administration) Rules, 2014, the Register and Index of Members under Section 88 of the Act and copies of Annual Returns under Section 92 of the Act are required to be kept and maintained at the Registered Office of the Company, unless a Special Resolution is passed in a general meeting authorising keeping of the register

at any other place within the city, town or village in which the Registered Office is situated.

Accordingly, the Company would maintain the Registers and Index of Members and copies of Annual Returns. The Board of Directors of the Company recommends the Special Resolution as set out in the Annual General Meeting Notice for approval of the Members.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in the proposed Special Resolution as set out in the Annual General Meeting Notice, except to the extent of their shareholding, if any, in the Company.

Item No. 6:

The Board of Directors, on the recommendation of the Remuneration Committee, at their meeting held on 24th May, 2008 had appointed Mr. Ankit S. Patel as Executive Director of the company for the period of Five (5) years with effect from 24th May, 2008 at such remuneration and terms & conditions of appointment as agreed by Board of Directors and subsequently approved by members at Annual General Meeting held on 30th September, 2008. His term ending on 23rd May, 2013 and Board of Directors, on the recommendation of the Remuneration Committee, at their meeting held on 11th February, 2013 has approved re-appointment of Mr. Ankit S. Patel as Executive Director of the company for a further period of three years from 24th May, 2013 to 23rd May, 2016 subsequently approved by members at Extra ordinary General Meeting held on 23rd March, 2013. His re-appointment as Executive Director is permissible in accordance with the provisions of Schedule V to the Companies Act, 2013, if their re-appointment is approved by the members in General Meeting.

The Board of Directors, on the recommendation of the Remuneration Committee, at their meeting held on 26th May, 2016 has approved re-appointment of Mr. Ankit S. Patel as an Executive Director of the company for a further period of three years from 24th May, 2016 to 23rd May, 2019.

Mr. Ankit S. Patel is part of promoter group of the company. He is son of Mr. Suresh J. Patel, promoter of the company. He is young and dynamic personality, who contributed significantly in development of business of the company. It is highly beneficial for the company to avail his valuable services for further development of the company by re-appointing him as Executive Director of the company for the further period of three (3) years with effect from 24th May, 2016 on such terms and conditions and remuneration as set out in resolution no.5 of the accompanying notice.

The basic salary and commission payable to Mr. Ankit S. Patel as Executive Director with effect from 24th May, 2016, subject to the revision by the Nomination and Remuneration Committee from time to time, is as follows:

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

and other perquisites and such terms and conditions and

Explanatory Statement *(continued)*

Pursuant to Section 102 of the Companies Act, 2013

remuneration as set out in resolution no. 5 of the accompanying notice, respectively.

Your Directors recommend the resolution no. 5 to be passed as a Special Resolution.

None of the Directors and Key managerial personnel or their relative other than Mr. Ankit S. Patel, himself and Mr. Suresh J. Patel and Mr. Bhavin S. Patel, relatives of him, are interested in the resolution of Item No.7.

The approval of members is required for said re-appointments and payment of remuneration. Your Directors, therefore, recommend special resolutions for approval of the members.

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

I. General Information:

(1) Nature of industry

The Company is leading manufacturer and most integrated Dyestuffs Company in India and company is also biggest manufacturer of Dye Intermediates in India. Apart from Dyestuffs and Dye Intermediates, Company range of production includes Basic Chemicals also. Bodal Chemicals has capacity of manufacturing over 25 varieties of Dye Intermediates and around 150 variants in Dyestuff which are principally used as raw materials in Textile, Leather, Paper & other Dye consuming industries. The Company has total 9 separate units having manufacturing facilities located in Gujarat.

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

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

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

Not applicable

(4) Financial performance based on given indicators

(Rs. in Lacs)

	FY 2015-16		FY 2014-15		FY 2013-14	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Total revenue	92,184.09	92,192.51	1,05,003.01	1,04,995.82	96,320.41	96,322.48
Profit Before Tax	13,186.61	13,052.57	13,946.04	13,922.62	4,708.36	4,659.32
Profit For the period	8,659.85	8,598.66	9,201.65	9,178.24	3,065.33	3,016.28

(5) Foreign investments or collaborators, if any.

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

(3) Job profile and his suitability

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

II. Information about the appointee:

(1) Background details

of Mr. Ankit S. Patel is given in the Brief Resume above.

(2) Past remuneration (last two years):

(Rs. in Lacs)

	Mr. Ankit S. Patel	
	2015-16	2014-15
Salary	48.37	48.00
HRA	24.00	24.00

(4) Remuneration proposed

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

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

Taking into consideration the size of the Company, the profile of the Chairman & Managing Director and other two Executive Directors and the responsibilities shouldered by them and the industry benchmarks, the

Explanatory Statement *(continued)*

Pursuant to Section 102 of the Companies Act, 2013

remuneration drawn by them is much below the line, compared to remuneration packages paid to similar senior level person in other Companies.

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

(Rs. in Lacs)

Sr. No.	Name of the Company	Position	Annual Remuneration package
1	Tata Chemicals Ltd	Managing Director	446.44
2	Tata Chemicals Ltd	Executive Director	457.94
3	Atul Ltd.	Managing Director	655.89

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

Besides the remuneration paid to all three persons, they do not have any pecuniary relationship with the Company other than what has been mentioned under related party transactions in annual report 2015-2016.

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

III. Other Information:

(1) Reasons of loss or inadequate profits

There are no losses or inadequate profits in last three years.

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

(3) Expected increase in productivity and profits in measurable terms
NA

IV. Disclosures

The information and disclosures of the remuneration package of the managerial personnel have been mentioned in the resolutions and explanatory statement as stated above. Further, the existing remuneration terms and conditions of them are also disclosed under Corporate Governance Report in Annual Report 2014-2015.

**By Order of Board of Directors
For, BODAL CHEMICALS LIMITED**

Place: Ahmedabad
Date: 3rd August, 2016

Ashutosh B. Bhatt
Company Secretary

Voting Through Electronic Means

1. INSTRUCTION FOR e-VOTING:

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and as amended till date, the Company is pleased to provide e-voting facility which will enable the members to exercise their rights to vote at the 30th Annual General Meeting (AGM) by electronic means. Necessary arrangements have been made by the Company with Central Depository Services (India) Limited (CDSL) to facilitate e-voting.

(A) The instructions for members for voting electronically are as under:

- The voting period begins on Friday, 16th September, 2016 (10:00 am) ends on Monday, 19th September, 2016 (5:00 pm). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the Tuesday, 13th September, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- The shareholders should log on to the e-voting website www.evotingindia.com.
- Click on Shareholders.
- Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
- For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- Members holding shares in Physical Form should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on Login.
- 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.
- 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)

- Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on mailing Slip on the cover paper of annual report.

DOB

Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.

Dividend Bank Details

Enter the Dividend Bank Details as recorded in your

demat account or in the company records for the said demat account or folio.

- Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).
- After entering these details appropriately, click on "SUBMIT" tab.
- 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.
- For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- Click on the EVSN 160812002 for the relevant BODAL CHEMICALS LTD on which you choose to vote.
- 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.
- Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- 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.
- Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- 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.

Voting Through Electronic Means *(continued)*

- Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- 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 a 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.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- 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 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

Other General Instructions:

- Mr. Tapan Shah, Practising Company Secretary (Membership No.: FCS 4476; CP No: 2839) (Address: 816 – 818, Anand Mangal – 3, Opp. Core House, Nr. Doctor House, Ellisbridge, Ahmedabad – 380 006, Gujarat, India) has been appointed as the Scrutinizer to scrutinize the e-Voting process.
- The Results shall be declared on the date of AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.bodal.com and on the website of CDSL www.cdslindia.com within two days of the passing of the resolutions at the AGM of the Company and communicated to the BSE Limited and NSE Limited, where the shares of the Company are listed.
- The resolutions shall be deemed to be passed on the date of the Annual General Meeting, subject to receipt of sufficient votes.

CONTACT DETAILS

Company	Regd. Office: Plot No.123-124,Phase-I, GIDC,Vatva, Ahmedabad-382 445 CIN: L24110GJ1986PLC009003 Email: secretarial@bodal.com , Website: www.bodal.com
Registrar and Transfer Agent	M/s. Link Intime India Pvt Ltd. (Ahmedabad Branch) Unit No 303, 3rd Floor, Shoppers Plaza V, Opp. Municipal Market, Behind Shoppers Plaza II, Off C G Road, Ahmedabad - 380009. Tel No: 079 - 2646 5179 Email: ahmedabad@linkintime.co.in
e-Voting Agency	Central Depository Services (India) Limited E-mail ID: helpdesk.evoting@cdslindia.com
Scrutinizer	Mr. Tapan Shah, Practicing Company Secretary E-mail ID: scrutinizer@tapanshah.in

Attendance Slip

30th Annual General Meeting –Tuesday, the 20th September, 2016 at 11.30 A.M

Folio No./DP ID: _____ **Client ID:** _____

No. of shares held: _____

I certify that I am a registered equity shareholder / Proxy for the registered equity shareholder of the company. I hereby record my presence at the 30th Annual General Meeting of the Company, held at ATMA, Auditorium, Opp. Old RBI Office, Ashram Road, Ahmedabad-380 009, Gujarat, on Tuesday, 20th September, 2016 at 11.30 A.M.

Member's/Proxy's name in BLOCK letters

Member's/Proxy's Signature

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

BODAL CHEMICALS LTD

CIN: L24110GJ1986PLC009003

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

Form No. MGT-11

Proxy form

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

CIN:	L24110GJ1986PLC009003		
Name of the company:	BODAL CHEMICALS LIMITED		
Registered office:	PLOT No. 123, 124, Phase-I, G.I.D.C., Vatva, Ahmedabad-382445		
Name of the member (s) :			
Registered address :			
E-mail Id:			
Folio No/ Client Id:		DP Id :	
I/We, being the member (s) of shares of the above named company, hereby appoint			
1	Name		
	Address		
	E-mail Id	or failing him	
	Signature		
2	Name		
	Address		
	E-mail Id	or failing him	
	Signature		
3	Name		
	Address		
	E-mail Id	or failing him	
	Signature		
as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30th Annual general meeting of the company, to be held on the 20th day of September, 2016 At 11.30 a.m. at Atma Auditorium, Opp. Old RBI, Ashram Road, Ahmedabad and at any adjournment thereof in respect of such resolutions as are indicated below :			
Resolution No.	Resolutions	Optional*	
		For	Against
1(a)	To receive, consider and adopt the Audited Financial Statement of the Company for the Financial Year ended on 31st March, 2016 and the reports of the Board of Directors' and Auditors' thereon; and		
1(b)	The audited consolidated financial statement of the Company for the financial year ended March 31, 2016.		
2	To appoint Mr. Ankit S. Patel (DIN: 02173231), who retires by rotation and being eligible for reappointment.		
3	To reappoint M/s. Mayank Shah & Associates, Chartered Accountants(Firm Registration No.: 106109W), as an Statutory Auditors of the Company.		
4	To ratify the remuneration of the Cost Auditors for the financial year 2016-2017		
5	To Change of place of keeping and inspection of registers and index of members, returns etc. (Change of R&TA of the Company)		
6	To Approve terms of reappointment and remuneration of Mr. Ankit S. Patel (DIN: 02173231), Executive Director of the company		

Signed this _____ day of _____, 2016 Signature of Shareholder : _____ Signature of Proxy Holder : _____

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

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

Affix Rs.1/-
Revenue Stamp
here

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Bodal Chemicals Ltd.
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