



DAI-ICHI

**51st ANNUAL REPORT
2010-2011**

DAI-ICHI KARKARIA LIMITED

Board of Directors:

Mr. D. M. Neterwala *Chairman*
Mrs. S. F. Vakil *Vice-Chairperson & Managing Director*

Mr. J. H. C. Jehangir

Mr. A. H. Jehangir

Dr. K. R. Bharucha

Mr. K. D. Patel

Dr. A. M. Naik

Mr. J. S. Bilimoria

Mr. K. M. Elavia

Mrs. Kavita Thadeshwar *Company Secretary*

Bankers:

Bank of India
HDFC Bank Ltd.
Central Bank of India

Auditors:

Deloitte Haskins & Sells.
Chartered Accountants, Mumbai

Solicitors:

Bharucha & Partners

Registered Office:

Liberty Building,
Sir Vithaldas Thackersey Marg,
Mumbai - 400 020.

Works:

- 105th Milestone, Mumbai-Pune Marg,
P.O. Kasarwadi, Pune 411 034.
- Kurkumbh Industrial Area, Plot No. D-13,
Village Kurkumbh, Tal. Daund, Dist. Pune.

Registrars and Transfer Agents:

Sharex Dynamic (India) Private Ltd.
Unit 1, Luthra Industrial Premises,
Andheri-Kurla Road, Safed Pool,
Andheri (E), Mumbai - 400 072
Tel: 2851 5606/2851 5644

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NOTICE

NOTICE is hereby given that the Fifty-first Annual General Meeting of the Members of **DAI-ICHI KARKARIA LIMITED** will be held on Thursday, the 21st day of July 2011 at 11.30 a.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 2nd Floor, 18/20 Kaikhushru Dubash Marg, Mumbai 400 023 to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2011 and the Balance Sheet as at that date together with the Directors' Report and Auditors' Report thereon.
2. To declare a dividend on equity shares for the year ended 31st March, 2011.
3. To appoint a Director in place of Mr. J. H. C. Jehangir, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Dr. Anil Naik, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint Messrs Deloitte Haskins & Sells, Chartered Accountants, (Registration No. 117366W), as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting on such remuneration as agreed upon by the Board of Directors and the Auditors.

Special Business

6. To consider and if thought fit, to pass following resolutions with or without modifications as an Ordinary Resolution:

"RESOLVED THAT Mr. Keki Elavia who was appointed as an additional Director of the Company, under Section 260 of the Companies Act, 1956 read with Article 107 of the Articles of Association of the Company and who holds office till the conclusion of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of the Director, be and is hereby appointed as Director of the Company.

By Order of the Board
For Dai-ichi Karkaria Ltd.

Kavita Thadeshwar
Company Secretary

Registered Office:

Liberty Building,
Sir Vithaldas Thackersey Marg,
Mumbai - 400 020.

Place : Mumbai

Date : 4th May, 2011

NOTES:

- (1) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND THE MEETING AND PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING THE PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

- (2) An Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 relating to Special Business to be transacted at the Annual General Meeting is annexed.
- (3) The Register of Members and Share Transfer Books of the Company will remain closed from 14th July, 2011 to 21st July, 2011 (both days inclusive) in connection with the Annual General Meeting.
- (4) Subject to provisions of Section 206A of the Companies Act, 1956, dividend as recommended by the Directors if declared at the meeting, will be payable to those Members whose names appear on the Register of Members as on 21st July, 2011. In respect of the shares in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities Depository Ltd. and Central Depository Services (I) Ltd. for this purpose as on 13th July, 2011.
- (5) RBI vide it's Circular No. DPSS. (CO). EPPD. No. 191.04.01.01/2009-2010 dated July 29, 2009 has instructed banks to move to the NECS platform with effect from October 1, 2009. Consequently you are requested to provide your new account number allocated to you after implementation of Core Banking System by your Bank, failing which ECS credit to your old account may either be rejected or returned.

Please provide the Share Registrars and Transfer Agents, new Bank Account particulars alongwith a copy of the cheque duly cancelled by quoting your reference folio number in case of shares held by you in physical form. In case the shares are held in Dematerialised form, you may kindly provide the same to your depository participant, so that your future dividend payments can correctly be credited to your new account.

- (6) Pursuant to the provisions of sub-section (5) of Section 205A of the Companies Act, 1956, dividend for the financial year ended 31st March, 2004 and thereafter which remains unclaimed for a period of seven years will be transferred to Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the Companies Act, 1956. The Shareholders who have not claimed or encashed their dividend warrants for the financial year 2004 and subsequent years are therefore requested to approach the Company in writing with their folio numbers to facilitate payment.
- (7) Members whose shareholding is in physical mode are requested to immediately notify any change in their addresses to M/s. Sharex Dynamic (India) Pvt. Ltd. at Unit - 1, Luthra Ind. Premises, Andheri-Kurla Road, Safed Pool, Andheri (East), Mumbai - 400 072 and members whose shareholding is in electronic mode are requested to direct change of their address notification and updations of saving bank accounts details to their respective Depository Participants.
- (8) The Shareholders desiring any information as regards Accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready.
- (9) Members/proxies are requested to bring duly filled Attendance slips and their copies of annual report along with them as copies of the Report will not be distributed at the meeting.
- (10) The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" (Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011) allowing paperless compliances by Companies through electronic mode. Companies are now permitted to send various



notices/documents such as General Meeting Notices (including AGM), Audited Financial Statements, Directors' Report, Auditors' Report, etc. to its shareholders through electronic mode to the registered e-mail addresses of shareholders. To support this green initiative of the Government in full measure, members holding shares in physical form are requested to register their email address alongwith details of name, address, folio no., shares held to the Registrar & Share Transfer Agent of the Company.

In respect of shares held in demat form, members are also requested to provide DP ID/Client ID with the above details and register the same with their respective Depository Participants.

- (11) In terms of Clause 49 of the listing agreement, the information relating to directors retiring by rotation and seeking re-appointment is as under

Mr. J. H. C. Jehangir:

Mr. J. H. C. Jehangir, Director retires by rotation and being eligible offers himself for re-appointment.

Brief resume and nature of expertise:

Mr. J. H. C. Jehangir, age 57 years, is a Director of the Company since 1986 and is a member of the share transfer committee of the Company. He is an Arts Graduate by qualification and has experience of more than 30 years in investment business.

Mr. J. H. C. Jehangir holds 100 equity shares of the Company. Apart from Dai-ichi Karkaria Ltd., Mr. Jehangir holds directorship of the following companies:

Directorship:

Sr. No.	Name of the Company	Designation
1.	Cannadel Trading Company	Chairman
2.	Cowasjee Jehangir Trading Company	Chairman
3.	Wild Flower Trading Company	Chairman
4.	Jehangir Clinical Development Centre Pvt. Ltd	Chairman
5.	Cowhill Trading Company	Director
6.	Amerado Trading Company	Director
7.	Goodearth Trading Company	Director
8.	Chowgule Industries Pvt. Ltd.	Director
9.	Andhra Pradesh Tanneries Ltd.	Director
10.	Hindustan Hardy Spicer Ltd.	Director
11.	Lavgan Dockyard Pvt. Ltd.	Director

Dr. Anil M. Naik:

Dr. Anil M. Naik, Director retires by rotation and being eligible offers himself for re-appointment.

Brief resume and nature of expertise:

Dr. Anil M. Naik, age 68 years, is a Gold Medalist from IIM, Calcutta and Ph.D. from Mumbai University in Strategic Management. He has more than 25 years of experience at Senior Level in Indian Corporate Sector and for the last 25 years, he has been management consultant and educator. He was awarded S. S. Nadkarni fellowship at the University of Bombay in 2001 and was adjudged best Management Teacher by Bombay Management Association in the year 2003.

As management consultancy area in the field of turn-around and organizational restructure, he has completed consultancy assignment of the companies such as Asian Paints (I) Ltd., Jindal Iron & Steel Co. Limited, CRISIL and Knight Frank India Limited.

Dr. Naik does not hold any equity shares of the Company. Apart from Dai-ichi Karkaria Ltd., Dr. Naik holds directorship of the following companies:

Directorship:

Sr. No.	Name of the Company	Designation
1.	Grey Cell Entertainment Ltd.	Director
2.	Neterson Technologies Pvt. Ltd.	Director
3.	Oil Field Instrumentation (India) Pvt. Ltd.	Director



ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956 REGARDING SPECIAL BUSINESS

Item No. 6:

The Board of Directors of the Company vide Circular Resolution dated 22nd February, 2011, appointed Mr. Keki Elavia as an Additional Director of the Company.

Pursuant to Section 260 of the Companies Act, 1956 and Articles of Association of the Company, Mr. Keki Elavia holds office up to the conclusion of this Annual General Meeting. Notice in writing has been received from a member of the Company alongwith the prescribed deposit under Section 257 of the Companies Act, 1956, signifying his intention to propose Mr. Keki Elavia as a candidate for the office of Director.

Brief resume and nature of expertise:

Mr. Keki Elavia, age 65 years, is a Bachelor of Commerce and a fellow member of the Institute of Chartered Accountants of India.

Mr. Elavia possesses more than 4 decades of post qualification experience. He has been a partner of M/s. Kalyaniwalla & Mistry, Chartered Accountants from the year 1974 to 2009.

Mr. Elavia does not hold any shares of the Company. He is on the Board of Directors of the following other companies:

Directorship:

Sr. No.	Name of the Company	Designation
1.	Great Offshore Ltd.	Chairman
2.	Uni VTL Engineering Pvt. Ltd.	Chairman
3.	Allcargo Global Logistics Ltd.	Director
4.	Goa Carbon Ltd.	Director
5.	Insilco Ltd.	Director
6.	NRB Bearings Ltd.	Director
7.	Parazelsus India Pvt. Ltd.	Director
8.	Peerless Trust Management Company Ltd.	Director
9.	Uni Abex Alloy Products Ltd.	Director
10.	Uni Deritend Ltd.	Director
11.	Uni Klinger Ltd.	Director

He is a member of the following Board Committees:

Sr. No.	Name of the Company	Committee	Designation
1.	Uni Abex Alloy Products Ltd.	Audit Committee	Chairman
2.	Allcargo Global Logistics Ltd.	Audit Committee	Chairman
3.	Peerless Trust Management Company Ltd.	Audit Committee	Chairman
4.	Goa Carbon Ltd.	Audit Committee	Member
5.	Great Offshore Ltd.	Audit Committee	Member
6.	Insilco Ltd.	Audit Committee	Member
7.	NRB Bearings Ltd.	Audit Committee	Member

The Directors recommend the resolution for members' approval.

No Director other than Mr. Keki Elavia is concerned/interested in this resolution.

By Order of the Board
For Dai-ichi Karkaria Ltd.

Kavita Thadeshwar
Company Secretary

Registered Office:

Liberty Building,
Sir Vithaldas Thackersey Marg,
Mumbai - 400 020.

Place : Mumbai

Date : 4th May, 2011



DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Fifty - first Annual Report together with the audited accounts for the year ended March 31, 2011.

1. FINANCIAL RESULTS:

Operational Performance

	2011 (₹ in millions)	2010 (₹ in millions)
Gross Sales (manufacturing)	587.83	516.87
Less: Excise duty	48.57	37.34
Net Sales (manufacturing)	539.26	479.53
Trading Sales	Nil	25.30
Total net sales	539.26	504.83
PBDIT	58.66	66.92
EPS (₹)	5.51	5.30
Book Value of Shares (₹)	80.29	77.11

PERFORMANCE REVIEW:

The Kasarwadi plant has shown a revenue growth of around 17% against the previous year, for manufactured products.

However, the Kurkumbh plant has registered a revenue loss of 7%.

Therefore, the result for the Company as a whole is a revenue increase of a little over 12%. The PBDIT has reduced by almost 12% as the Company was unable to recover the increase in material costs over the past 6 months.

Exports have increased this year, and margins on exports are strained (in order to be globally competitive). The overall impact has resulted in reduction in the bottom line.

2. DIVIDEND:

The Directors have recommended a dividend of ₹ 2/- per equity share, having face value of ₹ 10/- each, for the year ended 31st March, 2011. The dividend payout will aggregate to ₹ 149.02 lacs and the tax on distributable profits payable by the Company would amount to ₹ 24.18 lacs.

3. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

INDUSTRY STRUCTURE & DEVELOPMENT: OPPORTUNITIES AND THREATS, RISKS AND CONCERNS

The Indian Chemical Industry has grown to around US \$ 90 Billion today, inspite of serious competition from globalization and other domestic challenges.

It is predicted to reach \$ 250 Billion by the year 2020 riding on the wave of strong and sustainable growth. As the Economy grows and consumer spend increases, the Indian Chemical Industry promises to grow 3-4% over the GDP growth rates of the country.

The Global Specialty Chemical Industry stands at \$ 500 Billion. A significant portion (upto one third) is expected to move to India & China. Today the Indian Specialty Chemical Industry stands at \$ 20 Billion.

Against this euphoric scenario, stand specific challenges for the Indian Specialty Chemical Industry, specially in the area that this Company operates.

Critical raw materials like ethylene, propylene and its derivatives, viz. Ethylene Oxide are in short supply and have restricted the Company's future investments in EO derivatives. This in turn is limiting its growth. The issue is therefore being addressed very seriously in the current year.

The Government's commitment to create dedicated Specialty Chemical Zones in the upcoming PCPIRs is a welcome move.

However, it is essential that the Government address the feedstock issues related to EO, Acrylic Acid etc. mandating the conversions of Olefins to Ethylene, Propylene, and its derivatives, in order to ease supplies.

Dai-ichi continues to manufacture and market differentiated Performance Chemicals, relying on its pioneering innovations in the country, to foster growth.

The Company's enduring partnerships with its customers, provide a continuous opportunity to innovate and develop more cost effective and newer products and chemistries.

Improving quality, efficiency, productivity and competitiveness for the customer, continues to be the key focus of the Company's R&D work.

The Company's R&D is continuously extending its Product range, reviewing new chemistries and creating markets for the products it has pioneered.

One such Category of products are Polymerisable Surfactants. These functional products are based on newer chemistries, used in Emulsion Polymerisation reactions, improving the gloss and life span of Paints. These products are gradually taking acceptance amongst progressive customers.

Within developing markets, the need to understand and identify attractive segments and to translate customer needs into product performance requirements, are skills that an innovator company derives in time. Dai-ichi's abilities in this area prompted the development of Superplasticizers for the Construction Industry. The growing need for high performance, high strength concrete for high rises and bridges lead to the development of the Dai-ichi group of Polycarboxylates.

The Company is in the process of developing region specific formulations. This will result in serious growth in this area over the next few months.

SECTOR-WISE PERFORMANCE:

Specialty & Performance Chemicals is the only Reportable Business Segment of the Company.

The Company manufactures over 300 differentiated products including Specialty Surfactants used in a wide variety of industrial applications.

These intermediates are used in the Paint, Agrochemical, Textile, Oil & Gas and Lubricant Industries.

The revenue growth of the Kasarwadi plant, this year has been around 18%. Some amount of this growth has come from the inflationary trends in the market place.

In the **Paint Industry Sector**, the Company grew by 17% mainly on the back of Sectoral growth. This has been a continuous trend for this Industry.

The **Textile Sector** showed only marginal increases. For a good part of the year this sector was influenced by closure of several units both in Ahmedabad and South India on account of Pollution issues. This has resulted in lower offtakes since December 2010.

In the **Rayon Sector** the Company managed to hold on to key customers, inspite of serious competition, and was able to register growth of 20%, as its customers grew their business.

In the **Spin Finishes sector**, the Company registered nominal growth, but was able to add on key accounts, inspite of losing business due to closure of an important customer.

In the **Agro business**, the Company increased Sales by 30% for its customer specific Pesticide emulsifiers. The Company no longer manufactures commoditised products for this market.

In the **Oil Field Sector**, the Company is pleased to announce the formation of its Joint Venture with Champion Technologies. Dai-ichi being a pioneer in the Oil Field Chemical Industry in India, and Champion Technologies Inc., a global Specialty Company, have together formed a Joint Venture Company, viz. **Champion Dai-ichi Technologies India Ltd.** to service and supply the Indian Oil Field & Refinery Chemical Market.

Together the Companies aim to deliver technical solutions that enhance productivity, improve Well economies, and provide comprehensive Chemical Management to its customers.

The Companies' joint manufacturing capabilities, both globally and locally, will provide (the customer) with a stable base of innovative, quick and flexible solutions to their chemical needs.



The Company's new range of Novel dispersants is a break through in the technology of **Super Dispersants**. These products have been able to offer innovative solutions to many problems related to coatings/inks/adhesives. The technology is used for water based applications where the key criteria is dispersion and stability. The Company's interest to continuously invest in Green Chemistry, has resulted in a move towards water born systems.

The Kurkumbh plant has suffered losses due to the inordinate increase in monomer prices, and fierce competition from international suppliers. The Company is hopeful in the coming year of reversing this trend through job work contracts with MNC Customers.

In conformance with the Government's interest to promote Green Manufacturing, the Company has decided to move towards Green energy by replacing and supplementing its present oil fired Boilers with Bio fuel based system.

This will also result in serious reduction in costs.

WORKING CAPITAL MANAGEMENT:

The significant ratios of the company such as Ratio of Inventory to Sales is 12.38%, Receivable to Sales is 16.33%, and Net Working Capital to Sales is 28.49%.

The working capital was rotated 3 times in the year, showing effective working capital management. Funds surplus to the operational requirements have been invested in safe and relatively risk free instruments to earn a reasonable return.

The Company continues as a zero debt company with no long or short term borrowings.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has an adequate system of internal controls in all business spheres of its activities which are commensurate with the size and the nature of its business. It ensures adequate protection of the Company's resources, provision of accurate and speedy financial statements and reports, and compliance with the Company policies and procedures and other statutory and legal obligations. The internal control is supplemented by effective and independent internal audit. The Management regularly reviews the findings of the Internal Auditors and effective steps to implement any suggestions/observations of the Internal Auditors are taken and monitored regularly. In addition, the Audit Committee of the Board regularly addresses significant issues raised by the Internal and the Statutory Auditors.

MATERIAL DEVELOPMENTS ON HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED:

The company believes that motivated employees are the most important resource for the company to attain business growth and retain the customers. Development and harmonization of the knowledge and skills of the employees have gone a long way in fulfilling the organizational goal of delivering the best value to the Customers and honouring the mission of optimizing the performance of our customers' processes – time and time again.

The company has initiated many steps in the career and personality development of the employees belonging to different departments. The employees attend various seminars/workshops to enhance their skills and knowledge.

As on 31st March, 2011, the total numbers of employees on the payrolls of the company at all the locations are 249.

CAUTIONARY NOTE:

Certain statements in the Management and Discussion Analysis section may be forward looking and are stated as required by applicable laws and regulations. Many factors may affect the actual results, which could be different from what the Directors envisage in terms of future performance and outlook.

4. SUBSIDIARY COMPANIES:**(i) Formation of Joint Venture in its wholly owned subsidiary:**

During the year under review, the Company had executed a tripartite shareholders agreement dated 26th May, 2010, with CTI Chemicals Asia Pacific Pte. Ltd. (Subsidiary of Champion Technologies Inc.) and its wholly owned subsidiary Basic Oil Treating (India) Ltd. (name changed to 'Champion Dai-ichi Technologies India Ltd. '), for formation of Joint Venture.

Pursuant to the formation of Joint Venture, the shareholding of Champion Dai-ichi Technologies India Ltd. is held by the Company and CTI Chemicals Asia Pacific Pte. Ltd. in the ratio of 50:50. Accordingly Champion Dai-ichi Technologies India Ltd. has ceased to be a subsidiary of the Company w.e.f. 7th September, 2010.

(ii) Annual report of subsidiary company:

As on 31st March, 2011, the Company has only one subsidiary, Dai-ichi Gosei Chemicals (India) Limited.

Pursuant to General Circular No. 2/2011 dtd. 8th February, 2011 read with General Circular No. 3/2011 dated 21st February, 2011 issued by the Ministry of Corporate Affairs, with respect to Section 212(8) of the Companies Act, 1956, the Company has opted for not attaching the Annual Report of the subsidiary company to the balance sheet of the Company. The Annual accounts of the subsidiary company and related information will be made available for inspection to investors, at the registered office of the Company.

As per the Listing Agreement and applicable Accounting Standards, the Consolidated Financial Statements of the Company with its subsidiary company, Dai-ichi Gosei Chemicals (India) Limited and Joint Venture Company, Champion Dai-ichi Technologies India Ltd., duly audited by the Statutory Auditors are presented in the Annual Report.

5. FIXED DEPOSITS:

The Company has discontinued its fixed deposit scheme during the financial year 2007-2008. The Company has repaid all the outstanding Fixed Deposits by the year 2009-10. The only deposits that are outstanding as on 31st March, 2011 are the matured but unclaimed deposits which amount to ₹ 5.15 lacs.

6. DIRECTORS:

Mr. Keki Elavia has been appointed as the Additional Director of the Company w.e.f. 22nd February, 2011.

Mr. J. H. C. Jehangir and Dr. Anil Naik retire from the Board of Directors by rotation, in pursuance of the provisions of the Companies Act, 1956 and Articles of Association of the Company. Being eligible for re-appointment, they have offered themselves for re-appointment.

The information required to be furnished under Clause 49 of the Listing Agreement is given in the Notice of the 51st Annual General meeting.

The Board of Directors recommends their appointment/re-appointment.

7. INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT 1956:

(a) There are no employees covered under the purview of Section 217(2A) of the Companies Act, 1956 and the rules framed there under.

(b) The particulars as prescribed under sub-section (1)(e) of Section 217 of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are given in the annexure to this Report.



8. DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies (Amendment) Act, 2000 the Directors confirm that:

1. in the preparation of the annual accounts, the applicable accounting standards have been followed;
2. appropriate accounting policies have been selected and applied consistently, and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2011, and of the profit of the Company for the period April 1, 2010 to March 31, 2011;
3. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the annual accounts have been prepared on a going concern basis.

9. CORPORATE GOVERNANCE:

The Company has taken adequate steps to ensure that all mandatory provisions of Corporate Governance as prescribed under the amended Listing Agreement of the Bombay Stock Exchange Limited with which the Company is listed are complied with. A separate report on Corporate Governance is attached as a part of the Annual Report along with the Auditors' statement on its compliance.

10. LISTING:

The Equity Shares of your company are presently listed on The Bombay Stock Exchange Ltd. and the Company has paid the annual listing fees for the financial year 2011-2012.

11. RELATED PARTY DISCLOSURES:

The Company has made disclosures in compliance with the Accounting Standard on Related Party Disclosures as required by Clause 32 of the Listing Agreement of The Bombay Stock Exchange Ltd.

12. CONSOLIDATED ACCOUNTS:

The Company has also published the consolidated financial statements in respect of the Company and its subsidiary/joint venture company, as required by Clause 32 of the Listing Agreement of The Bombay Stock Exchange Ltd. & the relevant accounting standards.

13. HEALTH, SAFETY & ENVIRONMENT:

Safety, Health & Protection of the Environment continue to remain one of the priority areas of the company. The Company continues to put special emphasis on the environment, health and safety at every stage, from conception and design of new products, optimization of process, to commercial manufacturing and delivery of goods to the customers.

(a) HEALTH:

A special committee ensures good sanitation and hygienic condition in the plants and canteen. Medical examination of all employees is done annually and six monthly medical examinations are conducted for employees who are working in Hazardous area.

(b) SAFETY:

- (i) Periodic safety audits and meetings are conducted. The recommendations at the meetings are implemented and reviewed in the following meetings to ensure compliance. All minor incidents are reported, investigated and steps taken to avoid recurrence of such incidents.
- (ii) Periodic training programmes on safety are conducted for all the personnel and Periodic Mock Drills of "On site Emergency Control Plan" are conducted to check employees' response to the emergency

calls. Employees are always alert, prompt and capable of tackling emergency situations in the plants.

(iii) Safety requirements are built – into the high design of the facility.

(iv) Electrical fire hydrant pump was installed to cater the emergency need.

(c) ENVIRONMENT:

(i) Environmental impact assessment and HAZOP studies of our process are performed right from the development stage to scale up at various levels and further up to commercial production. Our commitment is to select operationally safer and environmentally cleaner processes right from R&D stage itself, with constant upgradation of existing production technologies.

(ii) The company has taken several measures to reduce effluent generation. The Effluent Treatment Plant has operated efficiently to meet the Pollution Control Board norms.

(iii) Periodic Air monitoring of the work place is being carried out to ensure the Environment remains pollution free.

14. INDUSTRIAL RELATIONS:

The wage agreement with the workers of the Company expired on 30th November, 2008. Conciliation proceedings before the Labour Commissioner, Pune for arriving at a settlement were not conclusive. The matter is referred to the Industrial Court, Pune for adjudication.

15. FORM A & B REPORT:

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo:

The particulars as prescribed under sub-section (1)(e) of Section 217 of the Companies Act, 1956 read with Companies (Disclosure of particulars in respect of Board of Directors) Rules 1988 are given in Annexure 'A' to this report.

16. AUDITORS:

M/s. Deloitte Haskins & Sells, the Statutory Auditors of the Company hold office up to the forthcoming Annual General Meeting and being eligible are recommended for re-appointment to audit the accounts of the Company for the financial year 2011-2012.

17. ACKNOWLEDGEMENT:

Your Directors wish to place on record their appreciation of the contribution made by the employees of the Company. The Directors wish to convey their appreciation to the Banks, dealers and other business associates and the shareholders for their continuous trust and support.

For and on behalf of the Board

Mrs. S. F. Vakil

Mr. Keki Elavia

Vice Chairperson & Managing Director

Director

Place : MUMBAI

Date : May 4, 2011



ANNEXURE TO THE DIRECTORS' REPORT

INFORMATION REQUIRED AS PER SECTION 217(1)(E) OF THE COMPANIES ACT 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2011.

I. Conservation of Energy:

(a) ENERGY CONSERVATION MEASURES TAKEN:

The company has been giving high priority to conservation of energy on continuous basis through improved operational and maintenance practice.

- (1) Energy audit was carried out in December 2010 by M/s. INDESCO – Listed "A" class energy auditor by MEDA (Maharashtra Energy Development Agency).
- (2) Old 24 TR. chilling plant replaced with energy efficient 36 TR scroll chiller.
- (3) Close monitoring and control of the power factor to maintain it as unity to avail 7% discount in electricity bill.
- (4) Continuous in house training and education of employees on wastage of energy whilst working.
- (5) Close monitoring and arresting of steam leakages in process plants.
- (6) Process optimization done in such a way that the consumption of steam has reduced.
- (7) The Usage of Generated power was reduced, through effective planning.
- (8) Continuous in house training and educating employees for energy conservation whilst on work.

(b) ADDITIONAL INVESTMENT PROPOSAL IF ANY, BEING IMPLEMENTED FOR REDUCTION OF ENERGY:

- (1) Process modification will continue to reduce the use of generated utility units.
- (2) Usage of biofuel briquettes in place of Furnace oil by purchasing new boiler.
- (3) Utility supply pumps with VFD to save energy.
- (4) New 5t EO reactor with latest computerized DCS controls for optimizing production rate and thus save energy.

(c) IMPACT OF THE MEASURES AT (1) & (2) ABOVE FOR REDUCTION OF ENERGY CONSERVATION AND CONSEQUENT IMPACT ON THE COST OF PRODUCTION OF GOODS:

The above measures will result in further energy saving, and consequent reduction in the cost of production.

(d) TOTAL ENERGY CONSUMPTION PER UNIT OF PRODUCTION AS PER FORM A:

	2010-2011	2009-2010
A. POWER & FUEL CONSUMPTION		
(a) ELECTRICITY		
1. Purchased:		
(i) Units (KWH)	16,44,878	16,62,010
(ii) Purchased Cost of Units (₹)	92,70,119	92,11,335
(iii) Rate per Unit Purchased	5.64	5.54

	2010-2011	2009-2010
2. Own Generation:		
(a) — Through Diesel Generator		
(i) No. of Units Generated (KWH)	18,856	67,625
(ii) Diesel Oil Consumed (KL)	6.18	23.97
(iii) Cost of Diesel Oil Consumed (₹)	5,84,774	9,15,905
(iv) Cost of Diesel/Unit Generated (₹)	31.01	13.54
— Through Steam Turbine		
(b) COAL USED		
(i) No. of Units consumed Kg.	—	—
(ii) Purchase Cost ₹	—	—
(iii) Rate per unit Kg.	—	—
(c) FURNACE OIL		
(i) Furnace Oil Consumed (KL)	680.42	742.75
(ii) Cost of Furnace Oil Consumed (₹)	1,83,72,214	1,72,04,661
(iii) Average Rate (₹/Litre)	27.00	23.16
(d) WATER		
(i) Water used (M ³)	94,538	107069
(ii) Cost of water (₹/M ³)	30.2	30.2
(iii) Cost of water used (₹/M ³)	28,61,442	32,32,803
(e) OTHER INTERNAL GENERATION		
(i) Low Sulphur Heavy Stock	NIL	NIL
(ii) Internally Generated Fuel	NIL	NIL
PRODUCTION (TONS)	5845	5529
B. CONSUMPTION PER UNIT OF PRODUCTION IN MT :		
Electricity – KWH/Tons	284.63	312.83

FORM 'B' FOR DISCLOSURE OF PARTICULARS WITH RESPECT OF TECHNOLOGY ABSORPTION

II. Research & Development

1. Specific areas in which research & development activities were carried out by the company:

- (i) Product Improvement.
- (ii) Process optimization
- (iii) Application Development
- (iv) Development of a new range of products in the areas of Textiles, Construction and Paint & Coating industries.



2. Benefits derived from these research and development projects:

- (i) New value added products are introduced to the market.
- (ii) Generation of more application data for the customer.
- (iii) Standardization of the production processes.

3. The future plan for research & development activities:

R&D would continue to work on similar fields of application with respect to New Product development, new applications and cost reduction.

4. Expenditure on R&D during the year

Capital	–	₹ Nil
Recurring	–	₹ 96.26 lacs
Total R & D expenditure as a percentage of turnover : 1.63%		

III. Technology absorption, adaptation and Innovation

- (i) 14 new products have been developed and all have been scaled up in the pilot plant.
- (ii) 13 new products have been scaled up at the production level and commercialized.
- (iii) During last 5 years no technology was imported.

IV. Foreign Exchange Earning and outgo:

Foreign Exchange Earned	₹ 336.89 lacs
Foreign Exchange used for imports and other remittance	₹ 642.65 lacs

CORPORATE GOVERNANCE REPORT

The following Corporate Governance Report is attached as a part of the Directors' Report of the Company for the year 2010-11.

CORPORATE GOVERNANCE DISCLOSURE

In compliance with clause 49 of the Listing Agreement with Stock Exchanges, the Company submits the report on the matters mentioned in the said clause and practice as followed by Company:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Since its inception, the company has been founded on moral and ethical codes that strongly emphasize total transparency and complete value based governance. The Company understands that corporate governance is a combination of voluntary practices and full compliance with laws and regulations leading to effective control and management of the organization. Good corporate governance leads to long term shareholder value and enhances interest of stake holders. The Company continues to place uncompromising emphasis on integrity and regulatory compliances. The company is committed to providing high quality products and services to its customers and stakeholders.

2. BOARD OF DIRECTORS:

The Board of Directors consists of 9 (Nine) Directors. The Board comprises of a Non-Executive Chairman, a Managing Director and seven other Non-Executive Directors. Out of the seven Non-Executive Directors, five members are Independent Directors. The Non-Executive Chairman is a promoter of the Company. The Board's composition meets with the stipulated requirement of at least one-half of the Board comprising of independent Directors.

During the financial year under review six Board Meetings were held on 10th May 2010, 12th August 2010, 31st August 2010, 22nd October 2010, 9th February 2011, 17th March 2011.

Attendance of each Director at the Board Meetings and last Annual General Meeting and number of other Directorships and Chairmanships/Memberships of Committees of each Director in various companies:

Name of Director	Category*	Designation	Board Meetings Attended	Attendance at last AGM	No. of Directorship in other Boards#	No. of Chairmanship/ Membership in other Board Committees\$
Mr. D. M. Neterwala (Promoter)	N.E.D	Chairman	4	No	8	1/2
Mrs. S. F. Vakil (Promoter)	E.D.	Vice-Chairperson & Managing Director	6	Yes	4	0/1
Mr. J. H. C. Jehangir (Promoter)	N.E.D.	Director	Nil	No	2	None
Mr. A. H. Jehangir (Promoter)	N.E.D	Director	4	Yes	None	None
Dr. K. R. Bharucha	I.&N.E.D.	Director	2	No	None	None
Mr. K. D. Patel	I. & N.E.D.	Director	5	Yes	7	4/1
Dr. A. M. Naik	I. & N.E.D.	Director	4	No	1	None
Mr. J. S. Bilimoria	I. & N.E.D.	Director	4	Yes	9	5/2
Mr. Keki Elavia ^	I. & N.E.D.	Director	1	No	9	3/4

* E.D. – Executive Director, N.E.D. – Non – Executive Director, I. – Independent

The Directorships held by Directors as mentioned above, do not include Alternate Directorships, Directorships of Foreign Companies, Section 25 Companies and Private Limited Companies.

\$ In accordance with clause 49, Memberships/Chairmanships of only Audit Committees and Shareholders'/Investors' Grievance Committees of all other public limited companies have been considered.

^ Mr. Keki Elavia is appointed as an Additional Director of the Company w.e.f. 22nd February, 2011.

Mr. J. H. C. Jehangir and Mr. A. H. Jehangir are related being brothers. Mr. D. M. Neterwala and Mrs. S. F. Vakil are related being father and daughter.



3. BOARD COMMITTEES:

The Company follows procedures and practices in conformity with the code of corporate governance. In keeping with the spirit of the code, the Board had constituted the following committees:

(i) Audit Committee:

The terms of reference cover the matters specified for Audit Committee under clause 49 of the Listing Agreement as well as in Section 292A of the Companies Act, 1956.

The Audit Committee comprised of Mr. K. D. Patel as Chairman, Dr. A. M. Naik, Mr. A. H. Jehangir, Dr. K. R. Bharucha, Mr. J. S. Bilimoria and Mr. Keki Elavia. Mr. Keki Elavia was appointed as a Member of the Committee as on 22nd February, 2011.

During the financial year under review, four Audit Committee Meetings were held on 10th May, 2010, 12th August, 2010, 22nd October, 2010 and 9th February, 2011.

The attendance at the Audit Committee Meetings is as under:

Name of the Director	No. of meetings attended
1. Mr. K. D. Patel	3
2. Dr. A. M. Naik	3
3. Mr. A. H. Jehangir	2
4. Dr. K. R. Bharucha	1
5. Mr. J. S. Bilimoria	3
6. Mr. Keki Elavia*	Nil

*Appointed as a member w.e.f. 22nd February, 2011.

The statutory auditors and the internal auditors of the Company are invited to join the audit committee meetings.

(ii) Share Transfer & Shareholders'/Investors' Grievances Committee:

The Company has a Share Transfer & Shareholders'/Investor's Grievances Committee. It consists of Mr. D. M. Neterwala as Chairman, Mrs. S. F. Vakil, Mr. J. H. C. Jehangir and Mr. A. H. Jehangir as members. The Committee approves share transfers, transmissions, issue of duplicate share certificates, consolidation/split of share certificates, approval of demat position and matters related to Investors Grievances as and when received. During the year, Nil complaint was received from the shareholders. There are no pending complaints or share transfers at the end of the year under review. The Committee holds fortnightly meetings.

(iii) Remuneration Committee:

The remuneration committee comprises of three Independent Directors, namely Mr. K. D. Patel as Chairman, Dr. A. M. Naik and Mr. J. S. Bilimoria as Members. The terms of reference cover the matters specified for Remuneration Committee under the Listing Agreement and the Companies Act, 1956. No meeting of the committee was held during the financial year under review.

4. REMUNERATION PAID TO DIRECTORS OF THE COMPANY:

(a) Executive Directors:

There is only one Executive Director on the Board, i.e. Vice Chairperson and Managing Director – Mrs. S. F. Vakil. Remuneration paid during the year includes Salary amounting to ₹ 23,20,000/-, perquisites amounting to ₹ 16,34,821/- and performance incentive amounting to ₹ 3,30,000/-. The remuneration excludes, provision for gratuity and leave encashment, which are done based on actuarial value for Company as a whole.

(b) Non-Executive Directors:

With effect from 22nd October, 2010, the sitting fees paid to Non – Executive Directors for attending each Board Meeting was revised from ₹ 4,000/- to ₹ 14,000/- and for each Audit Committee Meeting from ₹ 3,000/- to ₹ 7,500/-. The sitting fees paid to the Directors during the year under review are as under:

Name of Directors	Fees for Board meeting (₹)	Fees for Audit committee (₹)
Mr. D. M. Neterwala	36,000/-	N.A.
Mr. J. H. C. Jehangir	Nil	N.A.
Mr. A. H. Jehangir	46,000/-	15,000/-
Mr. K. D. Patel	50,000/-	18,000/-
Dr. A. M. Naik	36,000/-	13,500/-
Mr. J. S. Bilimoria	26,000/-	13,500/-
Mr. Keki Elavia	14,000/-	Nil
Mr. K. R. Bharucha	Nil	Nil

5. GENERAL BODY MEETINGS:

The last three Annual General Meetings were held as under:

Financial year	Date	Time	Location
2007-2008	4.9.2008	11.30 a.m.	M.C. Ghia Hall, Mumbai
2008-2009	9.9.2009	11.30 a.m.	M.C. Ghia Hall, Mumbai
2009-2010	31.8.2010	11.30 a.m.	M.C. Ghia Hall, Mumbai

Special resolution passed at the last three Annual General Meeting: Special resolution was passed in the Annual General Meeting held on 31st August, 2010, for the re-appointment of Mrs. S. F. Vakil, as the Vice Chairperson & Managing Director of the Company.

Postal ballot: No resolution was required to be passed by means of postal ballot during the financial year under review.

6. DISCLOSURES:

1. There were no transactions of material nature with its promoters, the Directors or the Management, their subsidiaries or relatives, etc. that may have potential conflict with the interest of the Company.
2. There were no instances of non-compliance nor have any penalties, strictures been imposed by stock exchange or SEBI or any other statutory authority during the last three years on any matter related to the capital markets.

7. CODE OF CONDUCT:

The Board of Directors has adopted the Code of Conduct for Directors and Senior Management. The Code has also been posted on the Company's website www.dai-ichiindia.com. The said Code has been communicated to the Directors and the Members of the Senior Management and they have also affirmed the compliance thereto.

Sd/-
Vice Chairperson and
Managing Director



8. MEANS OF COMMUNICATION:

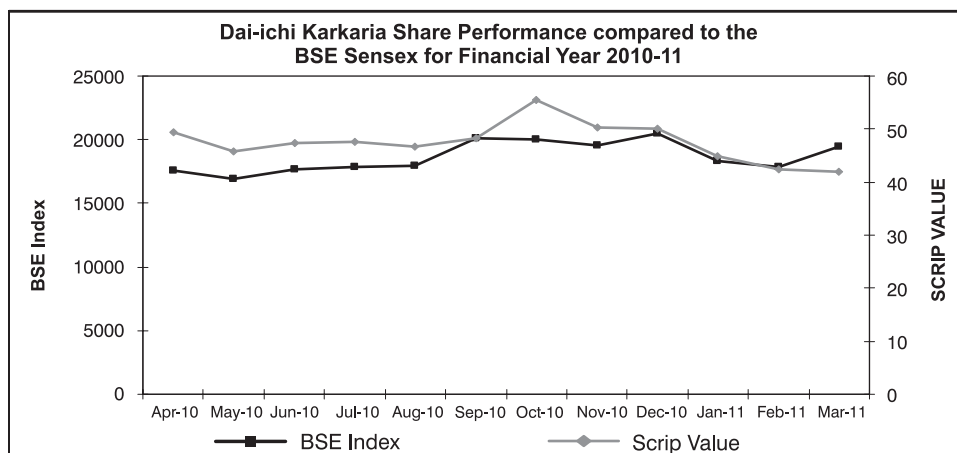
- (a) Quarterly results are taken on record by the Board of Directors and submitted to the stock exchange in terms of the requirements of Clause 41 of the Listing agreement.
- (b) Quarterly results have been published in Free Press Journal and Nav Shakti.
- (c) Website of the company is – www.dai-ichiindia.com
- (d) Exclusive email id for investor complaint is investor@dai-ichiindia.com
- (e) No presentations have been made to institutional investors or to analysts.
- (f) The Management Discussion and Analysis Report forms part of Directors Report.

9. GENERAL SHAREHOLDER INFORMATION:

- A. Annual General Meeting:
Date, Time and Venue : 21st July 2011, at 11.30 a.m. at M. C. Ghia Hall,
Bhogilal Hargovindas Building, 2nd floor,
18/20 Kaikhushru Dubash Marg, Mumbai - 400 023.
- B. Financial Calendar (tentative):
Financial Year : 1st April 2011 to 31st March 2012
First Quarter Results : Second week of August 2011
Half Yearly Results : Second week of November 2011
Third Quarter Results : Second week of February 2012
Audited Results for the year
ending 31st March 2012 : Last week of May 2012
- C. Dates of Book Closure : 14th July 2011 to 21st July 2011
- D. Listing on Stock Exchanges : The Bombay Stock Exchange Ltd.
- E. Stock Code – : DAI ICH KARK
Demat ISIN Number for NSDL & CDSL : INE928C01010
- F. Market Price Data:
High/Low Share price of the Company during the last financial year on The Bombay Stock Exchange Ltd.
(BSE) (Face Value ₹ 10)

Sr. No.	Month	High (₹)	Low (₹)
1.	April 2010	54.50	43.00
2.	May 2010	51.00	42.00
3.	June 2010	54.95	44.00
4.	July 2010	52.00	46.30
5.	August 2010	52.90	46.10
6.	September 2010	53.95	45.00
7.	October 2010	63.50	48.20
8.	November 2010	62.00	46.10
9.	December 2010	54.00	45.75
10.	January 2011	50.90	42.10
11.	February 2011	47.00	39.00
12.	March 2011	46.50	40.10

G. Stock Performance:



H. Registrar and Share Transfer Agents:

Registrars & Transfer Agents

: Sharex Dynamic (India) Pvt. Ltd.
Unit-1, Luthra Ind. Premises,
Andheri Kurla Road, Safed Pool,
Andheri (E), Mumbai - 400 072.

Persons to contact

: Mr. Adi Patel/Mr. Sasikumar

Telephone No.

: 28515606/28515644

E-mail address:

: sharexindia@vsnl.com

I. Share Transfer System:

: The Company follows a fortnightly cycle for processing and updating share transfers. The share transfer register and demat reports are approved by share transfer committee. The same is then ratified by the Board at the next meeting.

J. Shareholding Pattern as on 31st March, 2011:

	Categories of Shareholders	No. of shares held	%
A	Promoters Holding		
	Indian Promoters	38,26,769	51.35
	Foreign Promoters	Nil	Nil
	Persons acting in concert	6,86,717	9.22
	Sub Total	45,13,486	60.57
B	Non-Promoters Holding		
	Institutional Investors:		
	(i) Mutual Funds and UTI	Nil	Nil
	(ii) Banks, Financial Institutions, Insurance Companies	Nil	Nil
	(iii) FIIs	Nil	Nil
	Sub Total	Nil	Nil
	Others:		
	(i) Private Corporate Bodies	2,25,777	3.03
	(ii) Indian Public	26,21,708	35.18
	(iii) NRIs/OCBs	90,258	1.21
	(iv) Any other (Clearing members)	0	0
	Sub Total	29,37,743	39.43
	GRAND TOTAL	74,51,229	100



- K. Dematerialisation of shares : As on 31st March 2011, 39,07,486 equity shares representing 52.44% of the paid-up Share Capital is held in dematerialized form. Transaction in the equity shares of the company is permitted only in dematerialized form as per notification issued by SEBI.
- L. Plant locations : 105th Milestone, Mumbai Pune Road,
P.O. Kasarwadi, Pune 411 034
Kurkumbh Industrial Area, Plot No. D13
Village Kurkumbh, Tal Daund,
Dist. Pune
- M. Address for correspondence : For information on share transactions in electronic form and physical form and general correspondence:
Sharex Dynamic (India) Pvt. Ltd. at
Unit-1, Luthra Ind. Premises,
Andheri Kurla Road, Safed Pool,
Andheri (E), Mumbai - 400 072.
Tel: 2851 5606/2851 5644
Fax: 2851 2885
E-mail:sharexindia@vsnl.com
Compliance Officer of the Company is Mrs. Kavita Thadeshwar
(Company Secretary)
- N. Auditor's certificate on Corporate Governance : The Company has obtained a certificate from the Auditors of the Company confirming compliances with conditions of corporate governance as stipulated in the listing agreement with stock exchange.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
Dai-ichi Karkaria Ltd.

We have examined the compliance of conditions of Corporate Governance by Dai-ichi Karkaria Ltd., for the year ended on March 31, 2011, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange.

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

In our opinion and to the best of our information and according to the explanations given to us, the representations made by the directors and the management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement.

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

For **Deloitte Haskins & Sells.**
Chartered Accountants
Registration No. 117366W

Shyamak R. Tata
Partner
Membership No. 38320

Place : Mumbai
Date : May 4, 2011

AUDITORS' REPORT

TO

THE MEMBERS OF DAI-ICHI KARKARIA LIMITED

1. We have audited the attached Balance Sheet of **Dai-ichi Karkaria Limited** ("the Company") as at March 31, 2011, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:
 - a. we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
 - e. in our opinion and to the best of our information and according to the explanations given to us, the said give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;
 - (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date and
 - (iii) in the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of written representations received from the directors as on March 31, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For **Deloitte Haskins & Sells.**

Chartered Accountants

Registration No. 117366W

Shyamak R. Tata

Partner

Membership No. 38320

Place : Mumbai

Date : May 4, 2011



ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

- (i) In our opinion and according to the information and explanation given to us, the nature of Company's business/activities, during the year are such that clauses (viii), (xii), (xiii), (xiv), (xvi), (xviii), (xix), (xx) of Companies (Auditors' Report) Order, 2003 are not applicable to the Company. In respect of the other clauses, we report as under:
- (ii) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets which are in the process of being updated in respect of one location.
 - (b) The Company has a revised program of physical verification of its fixed assets once in two years on a unit-wise basis, which in our opinion is reasonable. During the year, some of assets of the unit due for verification (plant and machinery and laboratory equipments) were physically verified by the management and the discrepancies noticed on such verification, with the book records were not material.
 - (c) In our opinion and according to the information and explanations given to us, a substantial part of the fixed assets has not been disposed off by the Company during the year.
- (iii) In respect of its inventories:
 - (a) As explained to us, inventories were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and the discrepancies noticed on physical verification were not material and have been adjusted in the books of account.
- (iv) In respect of loans, secured or unsecured, granted or taken by the Company to or from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act 1956 according to the information and explanations given to us:
 - Loans granted
 - (a) The Company has granted loans aggregating Rs. 30,000,000 (number of parties – One) during the year. At the end year-end, the outstanding balances of such loans aggregated Rs. 10,000,000 and the maximum amount involved during the year was Rs. 30,608,288 (number of parties – One).
 - (b) The rate of interest and other terms and conditions of such loans were, in our opinion, prima facie not prejudicial to the interest of the Company.
 - (c) The receipts of principal amounts and interest have been regular/as per stipulations.
 - (d) There were no overdue amounts of Rs. 1 lakh remaining outstanding as at the year-end.
 - Loans taken
 - (e) The Company has not taken any loans during the year from parties covered under Section 301 of Companies Act, 1956
- (v) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
 - (a) The particulars of contracts or arrangements referred to Section 301 that needed to be entered into the Register, maintained under the said section have been so entered.

- (b) Where each of such transactions is in excess of Rs. 5 lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
- (vii) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.
- (viii) In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.
- (ix) According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other material statutory dues with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2011 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on March 31, 2011, on account of disputes are given below:

Name of the Statute	Nature of dues	Period to which the amount relates	Forum where the dispute is pending	Amount (in Rs.)
Income tax Act, 1961	Income Tax	2006-2007	CIT (A)	28.78 lakhs
Income tax Act, 1961	Income Tax	1999-2000	CIT (A)	88.49 lakhs
Income tax Act, 1961	Income Tax	2007-2008	CIT (A)	90.01 lakhs

- (x) The Company does not have any accumulated losses as at March 31, 2011. The Company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions and banks.
- (xii) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions, are not prima facie prejudicial to the interests of the Company.
- (xiii) According to the information and explanations given to us, and on an overall examination of the balance sheet of the Company, funds raised on short term basis have, prima facie, not been used during the year for long term investment.
- (xiv) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For **Deloitte Haskins & Sells.**
Chartered Accountants
Registration No. 117366W

Shyamak R. Tata
Partner
Membership No. 38320

Place : Mumbai

Date : May 4, 2011



Balance Sheet as at March 31, 2011

	Schedule	31/03/2011 ₹	31/03/2010 ₹
SOURCES OF FUNDS			
Shareholders' funds			
Share Capital	1	7,45,12,290	7,45,12,290
Reserves and surplus	2	56,01,01,227	53,88,65,010
		63,46,13,517	61,33,77,300
Loan funds			
Secured loans	3	—	70,623
Unsecured loans	4	1,27,69,938	1,29,66,855
		1,27,69,938	1,30,37,478
Deferred tax (net)	5	32,91,249	46,89,844
TOTAL		65,06,74,704	63,11,04,622
APPLICATION OF FUNDS			
Fixed assets	6		
Gross block		48,65,24,292	48,22,14,874
Less: Depreciation		34,55,79,834	33,61,33,611
Net block		14,09,44,458	14,60,81,263
Capital work-in-progress and advances		73,48,227	33,53,551
		14,82,92,685	14,94,34,814
Investments	7	33,49,30,794	33,62,97,369
Current assets, loans and advances			
Inventories	8	6,67,63,323	5,41,43,295
Sundry debtors	9	9,59,73,909	9,03,85,137
Cash and bank balances	10	7,30,31,990	7,45,28,072
Other current assets	11	22,96,739	33,87,995
Loans and advances	12	5,64,90,885	4,50,80,753
		29,45,56,846	26,75,25,252
Current liabilities and provisions	13		
Liabilities		9,66,37,581	9,31,33,902
Provisions		3,04,68,040	2,90,18,911
		12,71,05,621	12,21,52,813
Net current assets		16,74,51,225	14,53,72,439
TOTAL		65,06,74,704	63,11,04,622
Notes to the accounts	20		

In terms of our report of even date
For **Deloitte Haskins & Sells**
Chartered Accountants

Shyamak R. Tata
Partner
Membership No. 38320

Place : Mumbai
Date : May 4, 2011

For and on behalf of the Board

S. F. Vakil

Dr. Anil Naik

Keki Elavia

Nitin Nimkar

Kavita Thadeshwar

Vice-Chairperson and Managing Director

Director

Director

Financial Comptroller

Company Secretary

Profit and Loss Account for the period ended March 31, 2011

	Schedule	31/03/2011 ₹	31/03/2010 ₹
INCOME			
Gross sales		58,78,30,353	54,21,68,388
Less: Excise duty on sales		4,85,63,084	3,73,38,413
Net sales		53,92,67,269	50,48,29,975
Other income	14	5,82,80,740	5,04,13,074
		59,75,48,009	55,52,43,049
EXPENDITURE			
Materials	15	36,91,88,861	33,53,26,574
Employees' remuneration and benefits	16	7,94,86,326	7,21,32,126
Excise duty		5,02,290	76,372
Other expenses	17	8,97,12,129	8,07,85,638
Interest	18	39,722	2,35,756
Depreciation	19	1,00,08,172	1,10,03,088
		54,89,37,500	49,95,59,554
PROFIT BEFORE TAXATION		4,86,10,509	5,56,83,495
Less: Taxation – Current year		89,70,000	1,71,48,000
– Deferred Tax		(13,98,594)	(11,54,092)
PROFIT AFTER TAXATION		4,10,39,103	3,96,89,587
Add: Excess provision for Dividend and Dividend Tax of earlier year written back		—	3,36,903
Balance being surplus brought forward		20,19,58,442	18,23,09,522
PROFIT AVAILABLE FOR APPROPRIATION		24,29,97,545	22,23,36,012
APPROPRIATION			
Proposed dividend		1,49,02,458	1,49,02,458
Tax on proposed dividend		24,17,551	24,75,112
Transfer to general reserve		31,00,000	30,00,000
Balance carried to the balance sheet		22,25,77,536	20,19,58,442
		24,29,97,545	22,23,36,012
Notes to the accounts	20		
Basic and diluted earnings per share		5.51	5.30

In terms of our report of even date
For **Deloitte Haskins & Sells**
Chartered Accountants

Shyamak R. Tata
Partner
Membership No. 38320

Place : Mumbai
Date : May 4, 2011

For and on behalf of the Board

S. F. Vakil

Dr. Anil Naik

Keki Elavia

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Kavita Thadeshwar

Vice-Chairperson and Managing Director

Director

Director

Financial Comptroller

Company Secretary



Cash Flow Statement for the year ended March 31, 2011

	For the year ended March 31, 2011 ₹	For the year ended March 31, 2010 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit after exceptional items and before tax.....	4,86,10,509	5,56,83,495
Adjustments for:		
Interest Income	(78,04,915)	(1,38,17,191)
Depreciation.....	1,00,08,172	1,10,03,088
Loss on sale of fixed assets.....	—	19,708
Profit on sale of fixed assets.....	(1,53,40,895)	—
Provision for doubtful debts.....	(1,30,804)	72,474
Excess of cost over fair value of current MF investments	—	67,144
Write back of diminution in investments	(2,00,000)	—
Dividend income	(1,05,96,518)	(77,18,196)
Profit on sale of investment.....	(43,44,079)	(3,60,560)
Interest expenses.....	39,722	2,35,756
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	2,02,41,192	4,51,85,718
Taxes Paid	(1,10,97,944)	(2,77,54,938)
Adjustments for:		
Trade and other receivables	(54,57,968)	3,43,08,033
Other current assets.....	11,16,936	(12,05,858)
Loans and advances	(92,82,188)	16,49,20,152
Inventories	(1,26,20,028)	(45,60,696)
Current liabilities and provisions.....	49,82,747	(1,17,48,798)
CASH GENERATED FROM OPERATING ACTIVITY	(1,21,17,253)	19,91,43,613
Net Cash (Used in)/Generated from Operating Activities (A)	(1,21,17,253)	19,91,43,613
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Sales proceeds of fixed assets.....	1,53,96,332	22,597
Additions to fixed assets	(1,14,04,358)	(94,61,963)
Dividend received.....	1,05,96,518	76,58,372
Interest Received	77,79,235	1,65,63,582
Proceeds from sale of investments	55,99,94,204	5,46,38,482
Purchase of investments.....	(55,40,83,550)	(29,83,35,669)
Investment in Fixed Deposits with Banks	(7,98,639)	—
Investment in Fixed Deposits with Banks	—	(5,10,40,158)
Proceeds from Fixed Deposits Matured.....	—	7,82,37,058
NET CASH GENERATED/(USED) IN INVESTING ACTIVITIES	2,74,79,742	(20,17,17,699)

Cash Flow Statement for the year ended March 31, 2011 (Contd.)

	For the year ended March 31, 2011 ₹	For the year ended March 31, 2010 ₹
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Repayment of term loan	(70,623)	(1,97,109)
Repayment of Fixed Deposits	(1,19,126)	(17,54,093)
Sales tax deferred	(1,96,917)	1,45,315
Interest expenses.....	(39,722)	(3,56,327)
Dividend paid	(1,47,55,710)	(1,39,91,012)
Tax on dividend	(24,75,112)	(24,54,992)
Buyback of Shares	—	(55,47,119)
NET CASH USED IN FINANCING ACTIVITIES	(1,76,57,210)	(2,41,55,337)
NET INCREASE/(DECREASE) IN CASH OR CASH EQUIVALENTS.....	(22,94,721)	(2,67,29,423)
Opening Cash and Cash Equivalents.....	1,40,66,895	4,07,96,318
Closing cash and cash equivalents.....	1,17,72,174	1,40,66,895
NET INCREASE/(DECREASE) IN CASH OR CASH EQUIVALENTS.....	(22,94,721)	(2,67,29,423)
Balance in cash and cash equivalents as above	1,17,72,174	1,40,66,895
Deposits with an initial maturity of three months or more	6,12,59,816	6,04,61,177
Total cash and bank balance (Schedule 10)	7,30,31,990	7,45,28,072

In terms of our report of even date
For **Deloitte Haskins & Sells**
Chartered Accountants

Shyamak R. Tata
Partner
Membership No. 38320

Place : Mumbai
Date : May 4, 2011

For and on behalf of the Board

S. F. Vakil
Dr. Anil Naik
Keki Elavia
Nitin Nimkar
Kavita Thadeshwar

Vice-Chairperson and Managing Director
Director
Director
Financial Comptroller
Company Secretary



Schedules annexed to and forming part of accounts for the year ended March 31, 2011

	31/03/2011 ₹	31/03/2010 ₹
1. SHARE CAPITAL		
AUTHORISED		
1,00,00,000 (2010: 1,00,00,000) Equity shares of ₹ 10 each	10,00,00,000	10,00,00,000
ISSUED, SUBSCRIBED AND PAID-UP		
74,51,229 (2010: 74,51,229) Equity shares of ₹ 10 each fully paid up	7,45,12,290	7,45,12,290
	7,45,12,290	7,45,12,290
Of the above, 50,30,000 (2010: 50,30,000) Equity shares have been allotted by way of fully paid bonus shares by capitalising:		
General reserve ₹ 2,95,00,000 (2010: 2,95,00,000)		
Revaluation reserve ₹ 2,08,00,000 (2010: 2,08,00,000)		
[Nil Equity Shares bought back (2010: 1,55,171) Note 8]		
2. RESERVES AND SURPLUS		
Capital reserve		
As per last account	77,10,000	77,10,000
Securities premium		
As per last account	25,94,37,591	26,34,33,000
Less: Amount utilized for Buy back of Shares.....	—	39,95,409
	25,94,37,591	25,94,37,591
Capital redemption reserve		
Transferred from General Reserve	15,51,710	15,51,710
Revaluation reserve		
As per last account	3,88,47,785	3,93,65,372
Less: (1) Transfer to profit and loss account towards depreciation.....	3,85,240	5,17,587
(2) Deduction on sale of revalued assets.....	20,97,637	—
	3,63,64,908	3,88,47,785
General reserve		
As per last account	2,93,59,482	2,79,11,192
Add: Transfer from profit & loss account.....	31,00,000	30,00,000
Less: Amount transfer to Capital redemption reserve ..	—	15,51,710
	3,24,59,482	2,93,59,482
Profit and loss account – surplus	22,25,77,536	20,19,58,442
	56,01,01,227	53,88,65,010

Schedules annexed to and forming part of accounts for the year ended March 31, 2011

3. SECURED LOANS

From banks

Vehicle loan —

(Secured by hypothecation of vehicles)

[Amounts due within one year ₹ Nil (2010: ₹ 70,623)]

31/03/2011
₹ ₹ 31/03/2010
₹ ₹

70,623

70,623

4. UNSECURED LOANS

Deferred sales tax 1,27,69,938

1,29,66,855

[Amounts due within one year ₹ 6,81,577, (2010: ₹ 1,96,917)]

1,29,66,855

5. DEFERRED TAX (NET)

Deferred tax liability:

On Tangible fixed assets..... 1,00,23,911

1,16,13,006

Less: Deferred tax assets:

On Employee benefits..... 51,14,875

47,11,706

On Provision for Doubtful Debts 5,47,162

6,03,599

On Others 10,70,625

16,07,857

67,32,662

46,89,844

32,91,249

6. FIXED ASSETS

PARTICULARS	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK	
	As at 01/04/2010	Addition	Deduction	As at 31/03/2011	As at 01/04/2010	For the year	Deduction	As at 31/03/2011	As at 31/03/2011	As at 31/03/2010
Freehold land	5,57,30,801	—	21,00,000	5,36,30,801	—	—	—	—	5,36,30,801	5,57,30,801
Leasehold land	18,58,391	—	—	18,58,391	2,30,022	20,649	—	2,50,671	16,07,720	16,28,369
Buildings:										
Residential*	1,65,16,917	—	—	1,65,16,917	77,11,089	440,291	—	81,51,380	83,65,537	88,05,828
Non-residential	8,78,26,919	—	—	8,78,26,919	5,22,35,966	20,88,660	—	5,43,24,626	3,35,02,293	3,55,90,953
Plant and Machinery	25,85,46,206	42,94,584	8,68,588	26,19,72,202	22,98,05,513	47,91,218	8,68,588	23,37,28,143	2,82,44,059	2,87,40,693
Furniture and Fixture	65,72,051	16,93,783	—	82,65,834	55,46,678	4,12,411	—	59,59,089	23,06,745	10,25,373
Laboratory, Office and Factory equipments and Airconditioners.....	2,29,29,235	14,13,965	1,26,076	2,42,17,124	1,73,58,462	11,36,363	73,141	1,84,21,684	57,96,259	55,70,773
Vehicles	67,11,446	7,350	5,600	67,13,196	41,31,035	6,44,061	5,460	47,69,636	19,42,741	25,80,411
Scientific research capital expenditure:										
Non-residential Building	14,20,149	—	—	14,20,149	13,47,561	3,279	—	13,50,840	69,309	72,588
Plant & Machinery.....	78,24,529	—	—	78,24,529	50,63,420	3,67,199	—	54,30,619	23,93,910	27,61,109
Furniture & Fixture.....	6,31,513	—	—	6,31,513	5,66,290	11,806	—	5,78,096	53,417	65,223
Laboratory, Office and Factory equipments and Airconditioners.....	1,56,46,717	—	—	1,56,46,717	1,21,37,575	4,77,475	—	1,26,15,050	30,31,667	35,09,142
Total	48,22,14,874	74,09,682	31,00,264	48,65,24,292	33,61,33,611	1,03,93,412	9,47,189	34,55,79,834	14,09,44,458	14,60,81,263
Previous year	47,58,60,033	64,97,747	1,42,906	48,22,14,874	32,47,13,537	1,15,20,675	1,00,601	33,61,33,611	14,60,81,263	15,11,46,496
Capital work in Progress and Advances [advances ₹ 46,04,527 (2010: ₹ 5,73,993)]									73,48,227	33,53,551
									14,82,92,685	14,94,34,814

* Includes ₹ 13,50,000 (2010: ₹ 13,50,000) being the cost of shares held in Zinnia Properties Private Limited.



Schedules annexed to and forming part of accounts for the year ended March 31, 2011

7. INVESTMENTS

Long term at cost

(A) Other than trade

(a) Quoted:

	31/03/2011 ₹	31/03/2010 ₹
8,100 (2010: 8,100) equity shares of ₹ 10 each of Bank of India	3,64,500	3,64,500
2,000 (2010: 2,000) equity shares of ₹ 2 each of Bharat Seats Limited	2,000	2,000
	3,66,500	3,66,500

(b) Unquoted:

1,000 (2010: 1,000) equity shares of ₹ 25 each of The Shamrao Vithal Co-op. Bank Limited	25,000	25,000
2,500 (2010: 2,500) equity shares of ₹ 10 each of The Saraswat Co-op. Bank Limited	25,000	25,000
4,000 (2010: 4,000) equity shares of ₹ 25 each of The Zoroastrian Co-op. Bank Limited	1,00,000	1,00,000
100 (2010: Nil) Secured redeemable non convertible debenture of Citicorp Finance (India) Ltd. of ₹ 1,00,000 each (acquired during the year)	1,00,00,000	—
2,580 Grams (2010: Nil) in Benchmark MF Gold BeES (acquired during the year)	47,46,708	—
20,00,000 (2010: 20,00,000) Units of Canara Robeco-FMP Series 5 13 Months Plan B of ₹ 10 each	2,00,00,000	2,00,00,000
20,00,000 (2010: 20,00,000) Units of HDFC FMP 13M March 2010 (3) Series XII of ₹ 10 each	2,00,00,000	2,00,00,000
15,00,000 (2010: 15,00,000) Units of Birla Sunlife Capital Protection Oriented Fund Series-1 of ₹ 10 each	1,50,00,000	1,50,00,000
	6,98,96,708	5,51,50,000

(B) Trade Investments:

(a) Quoted:

57,167 (2010: 57,167) equity shares of ₹ 10 each of Clariant Chemicals (India) Limited	13,62,502	13,62,502
	13,62,502	13,62,502

Schedules annexed to and forming part of accounts for the year ended March 31, 2011

	31/03/2011 ₹	31/03/2010 ₹
(b) Unquoted:		
(i) In Subsidiary companies:		
Nil (2010: 11,25,000) equity shares of ₹ 10 each of Basic Oil Treating (India) Limited (Note 6).....	—	67,50,000
48,500 (2010: 48,500) equity shares of ₹ 10 each of Dai-ichi Gosei Chemicals (India) Limited	4,85,000	4,85,000
	<u>4,85,000</u>	<u>72,35,000</u>
(ii) In Joint Venture Company		
11,25,000 (2010: Nil) equity shares of ₹ 10 each of Champion Dai-ichi Technologies India Limited (Note 6)	6,750,000	—
	<u>6,750,000</u>	<u>—</u>
(iii) In Associate company		
26,00,000 (2010: 26,00,000) equity shares of ₹ 10 each of Inogent Laboratories Private Limited	4,00,00,000	4,00,00,000
	<u>4,00,00,000</u>	<u>4,00,00,000</u>
(iv) Others		
4,900 (2010: 4,900) equity shares of ₹ 10 each of Performance Polymers & Chemicals Private Limited	49,000	49,000
	<u>49,000</u>	<u>49,000</u>
	<u>11,89,09,710</u>	<u>10,41,63,002</u>
Less: Provision for diminution in the value of long term investments.....	3,34,000	5,34,000
	<u>11,85,75,710</u>	<u>10,36,29,002</u>
Current investments at lower of cost and fair value		
Other than trade		
Mutual Funds units	21,63,55,084	23,26,68,367
	<u>33,49,30,794</u>	<u>33,62,97,369</u>
Notes:		
(1) Aggregate cost of quoted investments.....	17,29,002	17,29,002
Market value of quoted investments.....	4,18,96,440	3,36,91,280
(2) Aggregate cost of unquoted investments [net of provision]	33,32,01,792	33,45,68,367



Schedules annexed to and forming part of accounts for the year ended March 31, 2011

(3) Investment in Mutual Funds (Current investments)

Name of Mutual Fund	Scheme of Mutual Fund	Balance as at 1/4/2010		Purchased during the year		Sold during the year	Balance as at 31/3/2011	
		No. of units	₹	No. of units	₹	No. of units	No. of units	₹
HDFC	CMS Fund – Treasury Advantage Plan Wholesale Weekly Dividend – Reinvest	13,81,941	1,38,50,063	11,608	1,16,328	13,93,549	—	—
ICICI Prudential	Focused Equity Fund – Retail Growth.....	45,994	3,05,401	—	—	45,994	—	—
DSP BlackRock	Top 100 Equity Fund – Growth.....	9,294	4,51,615	—	—	—	9,294	4,51,615
DSP BlackRock	Top 100 Equity Fund – Growth.....	8,302	4,03,374	2,14,505	2,00,28,805	—	2,22,807	2,04,32,179
Reliance	Vision Fund – Growth.....	3,350	4,11,769	—	—	3,350	—	—
ICICI Prudential	Gilt Fund – Dividend	1,88,260	23,14,864	—	—	—	1,88,260	23,50,314
IDFC	GSF Investment Plan A – Quarterly Dividend Reinvestment	2,15,936	22,39,883	—	—	—	2,15,936	2,37,476
Kotak	Floater Long Term – Daily Dividend.....	4,88,663	49,25,628	7,471	75,299	4,96,134	—	—
Birla Sun Life	Short Term Fund – Retail – Daily Dividend.....	2,32,417	23,25,446	3,459	34,606	2,35,876	—	—
ICICI Prudential	Flexible Income Plan Premium – Daily Dividend	294,237	3,11,11,200	1,675	1,77,121	2,95,912	—	—
ICICI Prudential	Short Term Plan – Dividend Reinvestment – Fortnightly.....	13,24,355	1,55,51,371	8,192	96,345	13,32,547	—	—
Reliance	Medium Term Daily Dividend Plan.....	19,51,006	3,33,53,438	29,709	5,08,046	19,42,466	38,249	6,53,425
Reliance	Short Term Retail Dividend Plan.....	14,14,974	1,50,00,000	—	—	14,14,974	—	—
Tata	TFLW Floater Fund – Weekly Dividend.....	59,47,425	5,99,64,315	—	—	59,47,425	—	—
Birla Sun Life	Saving Fund – Institutional Weekly Dividend.....	49,97,901	5,00,00,000	—	—	49,97,901	—	—
Unit Trust of India	Infrastructure Advantage Fund – Series 1 – Growth.....	50,000	4,60,000	—	—	50,000	—	—
ICICI Prudential	Quarterly Interval Plan II Quarterly Dividend.....	—	—	30,94,408	3,09,44,080	30,94,408	—	—
ICICI Prudential	Liquid Institutional Plus Plan Fund Daily Dividend	—	—	1,23,116	1,45,91,137	1,23,116	—	—
ICICI Prudential	FMP series 54 (18 months)	—	—	14,50,000	1,45,00,000	—	14,50,000	1,45,00,000
LIC	Saving Plus Plan – Daily Dividend	—	—	53,88,739	5,38,87,393	53,88,739	—	—
DWS	Treasury Fund – Daily Dividend	—	—	49,84,088	5,05,84,499	49,84,088	—	—
DSP Blackrock	Floating rate fund – Daily Dividend.....	—	—	9,99,761	1,00,28,804	9,99,761	—	—
DSP Blackrock	FMP series 22 Dividend payout	—	—	10,00,000	1,00,00,000	10,00,000	—	—
Fortis (Now BNP Paribas)	Fixed Term Fund Series 18B – Dividend on maturity	—	—	10,00,000	1,00,00,000	10,00,000	—	—
BNP Paribas	FTF series 19D – Growth	—	—	10,00,000	1,00,00,000	—	10,00,000	1,00,00,000
HDFC	Equity Fund – Growth	—	—	49,240	1,20,00,000	49,240	—	—
Franklin Templeton	Income Opportunities Fund	—	—	19,12,247	2,00,00,000	—	19,12,247	2,00,00,000
Birla Sun Life	Dynamic Bond Fund – Growth	—	—	19,20,147	3,00,00,000	19,20,147	—	—
DWS	Hybrid FTP Series 1 – Growth	—	—	10,00,000	1,00,00,000	—	10,00,000	98,76,000
Birla Sun Life	Short Term Opportunities Fund – Weekly Dividend	—	—	10,23,556	1,02,46,388	10,23,556	—	—
Birla Sun Life	Short Term Opportunities Fund – Institutional Dividend	—	—	20,09,714	2,01,66,792	9,83,768	10,25,946	1,02,96,550
ICICI Prudential	Flexible Income Plan Premium – Daily Dividend	—	—	4,85,279	5,13,11,005	3,86,911	98,368	1,04,01,005
BNP Paribas	FTP Series 19F Dividend on maturity.....	—	—	10,00,000	1,00,00,000	—	10,00,000	1,00,00,000
Kotak	Quarterly Interval Plan Series 10 Dividend	—	—	9,99,121	1,00,00,000	—	9,99,121	1,00,00,000
ICICI Prudential	Interval Fund Plan 3 Quarterly Retail Dividend ..	—	—	39,99,080	4,00,00,000	—	39,99,080	4,00,00,000
ICICI Prudential	Interval Fund Plan 2 Quarterly Retail Dividend ..	—	—	9,99,910	1,00,00,000	—	9,99,910	1,00,00,000
DSP Blackrock	FMP 3M Series 31 Dividend on maturity	—	—	20,00,000	2,00,00,000	—	20,00,000	2,00,00,000
IDFC	Money Manger Fund – TP IPB – Daily Dividend..	—	—	24,84,486	2,50,19,520	24,84,486	—	—
IDFC	Fixed Maturity Series 3 – 100 days Dividend.....	—	—	25,01,952	2,50,19,520	—	25,01,952	2,50,19,520
ICICI Prudential	Interval Fund MIP 1 Retail Dividend.....	—	—	20,00,115	2,00,01,154	20,00,115	—	—
Total			23,26,68,367		53,93,36,842			21,63,55,084

Schedules annexed to and forming part of accounts for the year ended March 31, 2011

	31/03/2011 ₹	31/03/2010 ₹
8. CURRENT ASSETS, LOANS AND ADVANCES		
INVENTORIES		
Raw & packing materials [includes material in transit – ₹ Nil (2010: ₹ 35,08,659)]	2,78,10,905	2,16,06,076
Fuel Oil	14,59,246	7,28,151
Work-in-progress.....	21,74,071	2,93,596
Semi Finished goods	1,00,85,486	77,09,943
Finished goods [includes Finished Products in transit – ₹ 12,02,085 (2010: ₹ 20,87,913)]	2,52,33,615	2,38,05,529
	6,67,63,323	5,41,43,295
9. SUNDRY DEBTORS – UNSECURED		
[Considered good unless otherwise stated]		
Debts outstanding		
Over six months:		
considered good.....	7,55,839	26,32,016
considered doubtful	16,86,170	18,16,974
	24,42,009	44,48,990
Other debts	9,52,18,070	8,77,53,121
	9,76,60,079	9,22,02,111
Less: Provision for doubtful debts	16,86,170	18,16,974
	9,59,73,909	9,03,85,137
[Includes dues from Joint Venture Company, Champion Dai-ichi Technologies India Limited – ₹ 9,47,789 (2010: ₹ 2,10,138) Note 6]		
10. CASH AND BANK BALANCES		
Cash and cheques on hand	43,300	1,18,087
With scheduled banks in		
Current account.....	55,64,214	74,17,235
Deposit account.....	6,74,24,476	6,69,92,750
	7,29,88,690	7,44,09,985
[Includes ₹ 61,64,660 (2010: ₹ 57,64,295) lodged with banks for guarantees issued]	7,30,31,990	7,45,28,072
11. OTHER CURRENT ASSETS		
Prepaid expenses.....	19,40,173	27,87,705
Interest accrued/receivable	2,22,830	1,97,150
Others	1,33,736	4,03,140
	22,96,739	33,87,995



Schedules annexed to and forming part of accounts for the year ended March 31, 2011

	₹	31/03/2011 ₹	31/03/2010 ₹
12. LOANS AND ADVANCES			
Advance recoverable in cash or in kind or for value to be received.....	88,16,365		92,22,084
	88,16,365		92,22,084
Inter Corporate Deposits – Indian Oxide & Chemicals Ltd., a company under the same management (Maximum Balance outstanding during the year ₹ 3,06,08,288 (2010: ₹ Nil) ..	1,00,00,000		—
Taxation (net)	2,46,27,033		2,24,99,089
Balance with excise authorities.....	39,672		35,864
Deposits	1,30,07,815		1,33,23,716
	5,64,90,885		4,50,80,753
13. CURRENT LIABILITIES AND PROVISIONS			
(A) Current liabilities			
Sundry creditors – Micro and Small Enterprises.....	64,525		2,42,246
– Others	5,59,50,197		5,02,64,166
Advances and deposits from customers.....	25,53,996		32,74,413
Deposit for rented premises	80,49,132		80,49,132
Unclaimed dividend*	8,82,514		7,35,766
Unclaimed Deposits*	5,15,000		6,34,126
Other liabilities.....	2,86,22,217		2,99,34,053
	9,66,37,581		9,31,33,902
* There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at balance sheet date.			
(B) Provisions			
Leave encashment.....	83,69,951		75,33,953
Gratuity.....	47,78,080		41,07,388
Proposed dividend.....	1,49,02,458		1,49,02,458
Tax on proposed dividend.....	24,17,551		24,75,112
	3,04,68,040		2,90,18,911
	12,71,05,621		12,21,52,813

Schedules annexed to and forming part of accounts for the year ended March 31, 2011

	31/03/2011 ₹	31/03/2010 ₹
14. OTHER INCOME		
Commission	3,04,043	1,33,854
Interest (gross):		
Banks	57,85,369	95,63,784
Subsidiary company	—	1,96,666
Associate company	18,08,172	35,44,109
Others.....	2,11,374	5,12,632
	78,04,915	
[Tax deducted at source ₹ 7,20,979 (2010: ₹ 21,46,477)]		
Dividend:		
– Trade Investments	15,07,075	17,23,093
– Subsidiary Company	33,75,000	—
– Others.....	57,14,443	59,95,103
	1,05,96,518	
Miscellaneous Income	24,19,417	9,60,339
Bad debts recovered	7,00,000	1,38,384
Duty drawback.....	3,05,573	2,24,792
Lease rent received	1,39,27,607	1,45,31,475
Exchange difference (net)	1,45,478	—
Performance Guarantee Amount written back.....	11,03,179	1,25,28,146
Profit on sale of assets (net)	1,53,40,895	—
Profit on sale of investment.....	43,44,079	3,60,560
Provision for doubtful debts written back	1,30,804	—
Provision for diminution in value of investment no longer required, written back.....	2,00,000	—
Sundry balances written back.....	9,58,232	137
	5,82,80,740	5,04,13,074
15. MATERIALS		
Raw and packing		
Opening stock	2,16,06,076	2,20,45,488
Add: Purchases.....	38,10,77,794	31,53,25,850
	40,26,83,870	33,73,71,338
Less: Closing stock	2,78,10,905	2,16,06,076
Consumption	37,48,72,965	31,57,65,262
Purchases – traded products.....	—	2,45,24,760
Decrease/(Increase) in work-in-progress and finished goods:		
Opening:		
Work-in-progress	2,93,596	33,92,646
Semi Finished goods	77,09,943	80,29,086
Finished goods.....	2,38,05,529	1,54,23,888
	3,18,09,068	2,68,45,620
Less: Closing		
Work-in-progress.....	21,74,071	2,93,596
Semi Finished goods	1,00,85,486	77,09,943
Finished goods	2,52,33,615	2,38,05,529
	3,74,93,172	3,18,09,068
	(56,84,104)	(49,63,448)
	36,91,88,861	33,53,26,574



Schedules annexed to and forming part of accounts for the year ended March 31, 2011

	₹	31/03/2011 ₹	31/03/2010 ₹
16. EMPLOYEES' REMUNERATION AND BENEFITS			
Salaries wages and bonus		6,70,01,055	6,08,39,166
Contribution to provident and other funds		62,03,396	52,62,497
Staff welfare.....		62,81,875	60,30,463
		<u>7,94,86,326</u>	<u>7,21,32,126</u>
17. OTHER EXPENSES			
Consumption of stores & spares (Indigenous)		33,32,072	28,44,356
Power and fuel		2,83,95,629	2,66,14,470
Rent.....		23,95,116	21,59,731
Repairs & Maintenance:			
Buildings	8,82,495		1,48,154
Machinery	20,63,883		11,51,300
Others.....	20,39,937		23,33,670
		<u>49,86,315</u>	
Insurance.....		8,45,562	7,56,016
Rates and taxes.....		46,64,849	62,21,151
Commission and discount on sales		85,93,657	68,23,608
Donation.....		10,25,000	10,35,000
Bank charges		22,04,447	24,83,851
Telephone, telex and telegrams		17,96,205	18,94,402
Vehicle expenses		8,57,416	7,60,877
Legal and professional fees.....		58,59,882	52,28,483
Travelling expenses		25,43,868	30,54,845
Directors' sitting fees.....		2,68,000	1,78,000
Exchange difference (net)		—	67,209
Excess of cost over fair value of current investments.....		—	67,144
Provision for doubtful debts.....		—	72,474
Bad debts and advances written off		5,586	1,65,078
Loss on sale of assets		—	19,708
Freight Expenses.....		78,18,985	45,00,078
Miscellaneous expenses		1,41,19,540	1,22,06,033
		<u>8,97,12,129</u>	<u>8,07,85,638</u>
18. INTEREST			
On fixed deposits		—	25,415
On fixed period loan		—	335
On others.....		39,722	2,10,006
		<u>39,722</u>	<u>2,35,756</u>
19. DEPRECIATION			
As per fixed assets schedule		1,03,93,412	1,15,20,675
Less: Transfer from revaluation reserve.....		3,85,240	5,17,587
		<u>1,00,08,172</u>	<u>1,10,03,088</u>

SCHEDULE 20

Notes to the accounts

A. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting:

The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles (GAAP) and applicable accounting standards issued by the Institute of Chartered Accountants of India and provisions of the Companies Act, 1956.

Estimates:

The preparation of financial statements require estimates and assumptions to be made that effect the reported amount of assets and liabilities and other information as at the date of the financial statement and reported amounts of revenue and expenses during the recording period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialised.

Fixed assets: (including research and development (R&D) assets)**(i) Recognition:**

Recognized at cost of acquisition/construction (inclusive of expenses (net) up to attainment of commercial production) except assets at Kasarwadi, Pune as at April 1, 1993, which is stated at revalued figures as on that date.

(ii) Impairment:

The carrying amounts of tangible fixed assets are reviewed for impairment if events or changes in the circumstances indicate that the carrying value of the asset may not be recoverable. If there are indicators of impairment, an assessment is made to determine whether the asset's carrying value exceeds its recoverable amount. Whenever the carrying value of an asset exceeds its recoverable amount, impairment is charged to profit and loss account.

(iii) Depreciation:

Depreciation is provided at the rates prescribed in schedule XIV to the Companies Act, 1956 on:

- written down value method for assets at Kasarwadi, Pune (including R & D assets). Incremental depreciation on revalued assets is adjusted to revaluation reserve.
- Straight line method for fixed assets at Kurkumbh, Pune.

Borrowing cost:

Interest on specific borrowing related to qualifying assets is included in the cost of asset. All other borrowing costs are charged to profit and loss account in the period in which they are incurred.

Research and development:

Capital expenditure is shown as fixed asset and accordingly depreciated. All revenue expenditure is charged to profit and loss account.

Investments:

Investments are stated at cost and classified as long term or current. Provision is made for diminution, other than temporary, if any, in respect of a long term investments. Current investments are valued at lower of cost and fair value.

Inventory:

Inventories are valued at lower of cost and net realizable value, on the weighted average basis. Work in progress, Semi finished goods and Finished goods are valued on absorption costing basis. Due allowance is made for slow moving and obsolete stocks.

Sundry debtors/loans and advances:

Sundry debtors and loans and advances are stated after making adequate provision for doubtful debts/advances, if any.

Sales:

Revenue is recognized on delivery of product and/or on passage of title to the buyer.



SCHEDULE 20

Notes to the accounts (Contd.)

Excise:

Excise duty is recognized on goods manufactured.

Employee benefits:

The company has gratuity scheme funded with Life Insurance Corporation of India. Payments, determined as per actuarial valuation, under the scheme are charged to profit and loss account. Under this arrangement, in the event of an employee resigning in between/before superannuation, the company has to bear a part of the actual liability which is accounted as and when the event occurs since the differential gratuity may not be material.

Provision for leave encashment has been actuarially determined at the balance sheet date. Actuarial gain and losses are recognized in profit and loss account.

Foreign currency transactions:

Transactions in foreign currency are recorded at exchange rates prevailing on the date of the transaction. Year end balance of monetary items is restated at closing rates. Exchange difference arising on restatement or settlement is charged to profit and loss account.

Premium/discount in respect of forward cover contract is amortized over period of contract.

Taxation:

Provision for current tax is made after taking into account rebate and relief available under Income Tax Act, 1961.

Deferred tax is recognized subject to consideration of prudence, on timing differences between taxable and accounting income that originated in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized only if there is a virtual/reasonable certainty of realization.

Dividend:

Provision is made for proposed dividend, including corporate dividend tax thereon, subject to approval of members.

Contingent Liabilities:

Contingent liabilities are disclosed after careful evaluation of the facts and legal aspects of the issues involved.

B. NOTES:

	2011 ₹	2010 ₹
1. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances).....	83,96,708	57,92,562
2. (a) Contingent Liabilities not provided for:		
(i) Guarantees issued to others by Bank secured by counter guarantee of the company and by charge on the fixed assets, inventories and book debts of the company and personal guarantee of the Chairman of the company.....	2,83,79,092	2,37,92,021
(ii) Guarantee given to Bank of Baroda, for credit facilities extended to Joint Venture – Champion Dai-ichi Technologies India Ltd. (Formerly known as Basic Oil Treating (India) Ltd.).....	2,25,00,000	2,25,00,000
(iii) Customs duty bonds	**5,26,50,472	5,29,40,967

** Includes ₹ 5,06,70,751/- of Bonds, issued jointly in name of the Company and ** Champion Dai-ichi Technologies India Ltd. (Formerly known as Basic Oil Treating (India) Ltd.)

Wage agreement at Kasarwadi Plant was expired on 30th November, 2008. Negotiations with labour union are in progress. Ultimate liability resulting from the said negotiation is not ascertainable.

SCHEDULE 20

Notes to the accounts (Contd.)

	2011 ₹	2010 ₹
(b) Claims against the company not acknowledged as debts relating to:		
(i) Octroi (wrong classification of raw materials)*	2,38,80,407	2,38,80,407
(ii) Labour matters (back wages and compensation under Workmen Compensation Act)	14,04,000	17,27,000
(iii) Product performance (Refer Note 7).....	29,36,060	29,36,060
(iv) Disputed Income Tax liability	2,07,28,307	28,78,520

* Includes ₹1,41,97,321 for which bank guarantee has been given and Shown under 2(a)(i) above.

3. Employee Benefits:

(A) Defined Benefit Plan

The Defined Benefit Plans comprise of Gratuity. Gratuity is a benefit to an employee based on 15 days last drawn salary for each completed year of service.

Particulars	Gratuity (Funded)	
	31st March, 2011 ₹	31st March, 2010 ₹
I. Changes in the present value of defined obligation representing reconciliation of opening and closing balances thereof are as follows:		
1. Present Value of Defined Benefit Obligation at the beginning of the year.....	4,20,82,206	4,19,91,257
2. Current Service cost	13,03,151	12,60,958
3. Interest Cost	20,75,444	17,60,898
4. Losses (gains) on Curtailment.....	—	—
5. Liabilities extinguished on settlements.....	—	—
6. Plan amendments.....	—	—
7. Past Service cost.....	9,15,295	—
8. Actuarial (gains)/losses.....	6,70,916	7,78,661
9. Benefits paid.....	(33,42,671)	(37,09,568)
10. Present value of Defined Benefit Obligation as on Balance Sheet date.....	4,37,04,341	4,20,82,206
II. Changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows:		
1. Fair value of Plan assets as at the beginning of the year	3,79,74,818	3,82,75,892
2. Expected return on plan assets.....	30,37,985	29,16,511
3. Actuarial gains/(losses).....	2,77,724	4,56,702
4. Actual contributions by employers.....	63,110	35,281
5. Benefits paid.....	(33,42,671)	(37,09,568)
6. Plan assets as on Balance Sheet Date	3,80,10,966	3,79,74,818
III. Analysis of Defined Benefit Obligation:		
1. Defined Benefit Obligation as at 31st March	4,37,04,341	4,20,82,206
2. Fair Value of Plan assets at the end of the year	3,80,10,966	3,79,74,818
3. Net Asset/(Liability) recognized in the Balance Sheet as on Balance Sheet Date	(56,93,375)	(41,07,388)



SCHEDULE 20

Notes to the accounts (Contd.)

Particulars	Gratuity (Funded)		
	31st March, 2011 ₹	31st March, 2010 ₹	31st March, 2009 ₹
IV. Reconciliation of Present Value of Defined Benefit Obligation and fair value of plan assets showing amount recognized in the Balance Sheet:			
1. Present value of Defined Benefit Obligation	4,37,04,341	4,20,82,206	
2. Fair value of plan assets	3,80,10,966	3,79,74,818	
3. Funded status [Surplus/(Deficit)]	(56,93,378)	(41,07,388)	
4. Unrecognized Past Service Costs.....	9,15,295	—	
5. Net Asset/(Liability) recognized in Balance Sheet.....	(47,78,080)	(41,07,388)	
V. Components of employer expenses recognized in the statement of profit and loss			
1. Current Service cost	13,03,151	12,60,958	
2. Interest cost.....	20,75,444	17,60,898	
3. Expected return on plan assets.....	(30,37,985)	(29,16,511)	
4. Curtailment cost/(credit)	—	—	
5. Settlement cost/(credit).....	—	—	
6. Past Service cost.....	—	—	
7. Actuarial Losses/(Gains)	3,93,192	3,21,960	
8. Total expense recognised in the Statement of Profit & Loss under Contribution to Provident Fund and other Funds	7,33,802	4,27,305	
VI. The Category of Plan assets - 100% Qualifying insurance policy (Insurer managed fund)			
VII. Principal Actuarial Assumptions:			
1. Discount Rate (%)	8.00%	8.00%	
2. Expected Return on plan assets (%)	8.00%	8.00%	
3. Salary escalation (%)	5.00%	5.00%	
4. Medical cost inflation	N A	N A	
VIII. Experience History:	31st March, 2011 ₹	31st March, 2010 ₹	31st March, 2009 ₹
1. Experience adjustments on plan liabilities (Gain)/ Loss	18,73,719	29,84,241	19,74,571
2. Experience adjustments on plan assets (Loss)/Gain	2,77,724	4,56,702	3,21,965
3. Defined Benefit Obligation at the end of the period	4,37,04,341	4,20,82,206	4,19,91,257
4. Plan Assets at the end of the period	3,80,10,966	3,79,74,818	3,82,75,892
5. Funded Status	(47,78,080)	(41,07,388)	(37,15,365)
IX. Contributions expected to be paid to the plan during the next financial year	10,00,000	1,50,000	15,00,000
(a) The Discount rate is based on the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated terms of the obligations.			
(b) Expected Rate of Return of Plan Assets: This is based on the expectation of the average long term rate of return expected on investments of the Fund during the estimated term of obligations.			
(c) Salary Escalation Rate: The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.			
(B) Defined Contribution Plan			
Amount recognized as an expense in the Profit & Loss Account in respect of Defined Contribution Plan is ₹53,67,009 (2010: ₹43,72,678).			

SCHEDULE 20

Notes to the accounts (Contd.)

4. Excise duty

	2011 ₹	2010 ₹
(1) Excise duty shown as reduction from turnover	4,85,63,084	3,73,38,413
(2) Excise duty charged to profit and loss account:		
Difference between closing stock and opening stock	4,79,752	48,983
Short recoveries/Samples etc.....	22,538	27,389
Total.....	5,02,290	76,372

5. Under the package scheme of incentive for industries in backward area, the company has been sanctioned deferral of payment of sales tax collection for a period of 74 months commencing August 1, 2000 up to an amount of ₹ 4,84,42,000 for the Kurkumbh unit at Pune.

The deferred amount aggregating ₹ 1,27,69,938 (2010 : ₹ 1,29,66,855) is recognized as unsecured loan and is payable after a moratorium period of 10 years in 5 yearly equal installments which commence from year. 2011.

6. During the year, the Company had executed a tripartite shareholders agreement dated 26th May, 2010, with CTI Chemicals Asia Pacific Pte. Ltd. and its wholly owned subsidiary – Basic Oil Treating (India) Ltd., (now known as Champion Dai-ichi Technologies India Ltd.), for formation of Joint Venture.

Pursuant to the formation of Joint Venture, the shareholding of Champion Dai-ichi Technologies India Ltd (formerly known as Basic Oil Treating (India) Ltd.), is held by the Company and CTI Chemicals Asia Pacific Pte. Ltd. in the ratio of 50:50. Accordingly Champion Dai-ichi Technologies India Ltd. (Formerly known as Basic Oil Treating (India) Ltd.), has ceased to be a subsidiary of the Company w.e.f 7th September, 2010.

7. Oil and Natural Gas Corporation Limited (ONGC):

In the arbitration proceedings under order no C/1438-a and C/1438-b of 12th September, 1986, arbitrator declared the award and directed the ONGC to pay ₹ 55,45,325 after retaining ₹ 29,36,060 for dosage compensation and release of bank guarantee.

The Company and ONGC have filed appeals against the award hence no adjustment have been recognized in the accounts.

8. The Board of Directors of the Company at its meeting held on 28th April, 2009 had announced a buy back of its fully paid equity shares for an aggregate amount not exceeding ₹ 212.40 Lacs at a maximum price of ₹ 36 per share from the open market through stock exchanges. The buy back commenced on 25th May, 2009 and closed on 27th April, 2010. Upto 31st March, 2010, the Company had bought back 1,55,171 equity shares at an average price of ₹ 35.75 per shares by absorbing amount of ₹ 55.47 Lacs. Accordingly the paid up capital of the Company stands reduced to ₹ 745.12 Lacs. The aggregate premium amount paid on bought back shares of ₹ 39.95 Lacs had been debited to Securities premium account in previous year. During the year no further shares are bought back by the company till last date of closure of the scheme i.e. 27th April, 2010.

9. Future minimum lease payment/receivable under non-cancellable operating lease.

Particulars	For the year ended on 31st March, 2011 ₹	For the year ended on 31st March, 2010 ₹
(i) Not later than one year	—	1,26,87,675
(ii) Later than one year and not later than five years	—	—
(iii) Later than five years	—	—
Total....	—	1,26,87,675

Company has leased out commercial premises for a period of 3 years.



SCHEDULE 20

Notes to the accounts (Contd.)

10. Taxation – Current includes – Wealth tax of ₹ 1,70,000 (2010: ₹ 2,00,000).

11. Research and development expenditure:

	2011 ₹	2010 ₹
Revenue expenditure.....	96,25,574	75,69,727

12. Remuneration to Managing Director:

	2011 ₹	2010 ₹
Salaries	23,20,000	19,20,000
Company's contribution to provident fund	2,78,400	2,30,400
Perquisites	13,56,421	11,84,074
Performance Incentives	3,30,000	—
Total....	42,84,821	33,34,474

Notes:

The above remuneration excludes gratuity contribution and leave encashment as the contribution is made for company as a whole.

13. Auditors' remuneration:

	2011 ₹	2010 ₹
Audit fees	9,00,000	9,00,000
Tax audit.....	2,00,000	2,00,000
Limited review/Consolidation	8,00,000	8,00,000
Certification.....	75,000	75,000
Out of pocket expenses	20,313	34,666
Other services	25,000	—
Total....	20,20,313	20,09,666

14. (i) Installed capacity, production, turnover, closing and opening stocks:

Name of Product	Installed Capacity *Tonnes	Production Tonnes	Sales (Gross)		Closing Stock**		Opening Stock**	
			Tonnes	₹	Tonnes	₹	Tonnes	₹
Speciality Chemicals..	16,150 (16,150)	5,843 (5,529)	5,889 (5,442)	58,66,77,237 (50,82,04,785)	545 (580)	3,53,16,499 (3,15,12,870)	580 (493)	3,15,12,870 (2,31,90,192)
Others	Nil (Nil)	Nil (Nil)	Nil (Nil)	11,53,116 (86,64,083)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Total....	—	—	—	58,78,30,353 (51,68,68,868)	—	3,53,16,999 (3,15,12,870)	—	3,15,12,870 (2,31,90,192)

(*) Installed Capacity based on 3-shift working as certified by the Management and relied upon by Auditors.

(**) Includes stock of finished goods and semi finished goods.

SCHEDULE 20

Notes to the accounts (Contd.)

(ii) Details of Traded Goods:

Name of Product	Purchases		Sales		Closing Stock		Opening Stock	
	Tonnes	₹	Tonnes	₹	Tonnes	₹	Tonnes	₹
Traded Goods—								
Chemicals	—	—	—	—	0.17	2,602	0.17	2,602
	(98.81)	(2,45,24,760)	(100.66)	(2,52,99,520)	(0.17)	(2,602)	(2.02)	(2,62,782)

Note: 1. Figures in bracket relate to previous year.

(iii) Materials consumed:

Material	2011		2010	
	Unit MT	₹	Unit MT	₹
Ethylene Oxide	1,610	12,25,21,427	1,477	9,73,57,097
Alcohol, Phenols & Glycols	829	8,67,97,970	855	7,45,71,439
Oils and Fatty Acids	257	2,00,02,764	273	1,62,69,453
Alkyl Benzene	53	39,00,876	45	31,99,926
Solvents	93	50,68,441	120	59,72,262
Others (Including packing material)	—	13,65,81,487	—	11,83,95,085
Total....		37,48,72,965		31,57,65,262

(iv) Value of imported and indigenous raw and packing materials, spare parts and Components consumed:

Raw and packing materials:

	2011		2010	
	₹	%	₹	%
Imported	6,53,53,379	17	6,71,75,813	21
Indigenous	30,95,19,586	83	24,85,89,449	79
Total....	37,48,72,965	100	31,57,65,262	100

(v) CIF value of imports:

	2011	2010
	₹	₹
Raw and packing materials	6,18,97,072	6,11,44,670
Capital Goods	11,98,725	11,98,653

(vi) Expenditure in foreign currency:

	2011	2010
	₹	₹
Travelling	2,65,139	3,63,643
Commission	9,03,880	4,27,115

(vii) Earnings in foreign exchange:

	2011	2010
	₹	₹
F.O.B. value of Export	3,33,84,897	2,92,47,507
Commission	3,04,043	1,33,854



SCHEDULE 20

Notes to the accounts (Contd.)

15. Earnings per share:

	2011 ₹	2010 ₹
Profit after tax as per accounts.....	4,10,39,103	3,96,89,587
Weighted average number of shares used as denominator for calculating basic and diluted earnings per share.....	74,51,229	74,94,849
Nominal value per share (₹)	10	10
Basic and diluted earnings per share (₹)	5.51	5.30

16. Principal amount payable to Micro and Small Enterprises (to the extent identified by the Company from available information and relied upon by the auditors) as at 31st March, 2011 is ₹ 64,525 (2010: ₹ 2,42,246) including unpaid amounts of ₹ Nil (2010: ₹ Nil) outstanding for more than 45 days. No interest is due thereon.

17. Although the Company's equity interests in Inogent Laboratories Private Limited (ILPL) and Performance Polymers and Chemicals Private Limited (PPCL) exceed 20%, these have been treated (as in earlier year) as under:

- PPCL has been classified as trade investment as the proposed JV for which the company invested in PPCL was not pursued.

18. Segment reporting:

The company is principally engaged in single business segment – manufacturing of specialty chemicals and operates materially in one geographical segment as per Accounting Standard 17 on segment reporting.

19. During the year management has reviewed the identification and classification of related party relationships. Based on this review the related party relationships identified and transactions with them are detailed below:

A. Relationships:

Related parties where control exists

(i) Subsidiary Company:

Basic Oil Treating (India) Limited. (BOTI),
(Subsidiary upto 6th September, 2010- See Note 6)
Dai-Ichi Gosei Chemicals (India) Limited.(DGCIL)

(ii) Joint Venture

Champion Dai-ichi Technologies India Ltd. (CDTIL).
(w.e.f. 7th September, 2010 – See Note 6)

(iii) Key management personnel

Mrs. S. F. Vakil – Managing director (SFV)

(iv) Relatives of key management personnel

Mr. D. M. Neterwala – Father of Managing Director (DMN)
Mr. F. A. Vakil – Spouse of Managing Director (FAV)

(v) Other related parties

Chemicals & Ferro Alloys Limited (CFAL)
Universal Ferro & Allied Chemicals Limited (UFACL)

SCHEDULE 20

Notes to the accounts (Contd.)

Indian Oxides & Chemicals Limited (IOCL)
 Uni Klinger Limited (UKL)
 Uni Abex Alloy Products Limited (UAAP)
 SDN Company (SDNC)
 Commercial Building Syndicate (CBS)
 Rose Investments Limited (RIL)
 General Pharmaceuticals Pvt. Ltd. (GPPL)
 Performance Polymers & Chemicals Pvt. Ltd. (PPCPL)
 Uni Deritend Ltd. (UDL)
 Oil Field Instrumentation (India) Pvt. Ltd. (OFIL)
 Neterson Technologies Pvt. Ltd. (NTPL)
 Netal India Ltd (NIL)
 Anosh Finance & Investment Pvt. Ltd. (AFIPL)
 Inogent Laboratories Private Limited (ILPL)
 Neterwala Consulting & Corporate Service Limited (NCCSL)
 Neterson Agrofarm Agency Pvt. Ltd. (NAAPL)
 Uni VTL Engineering Pvt. Ltd. (UVEPV)
 Unitel Finance & Investment Pvt. Ltd. (UFIPL)
 Viva Chem Pvt. Ltd. (VCPL) (Merged with General Pharmaceuticals Pvt. Ltd. w.e.f. 15th October, 2010)

Note: Related party relationship is as identified by the company and relied upon by the auditors.

B. Transactions carried out with related parties referred in A above, in ordinary course of business:

						₹
Nature of transactions	Joint Venture CDTIL (Formerly known as Basic Oil Treating (India) Ltd.)	Subsidiary Company- BOTI	Associate entities	Key manage- ment personnel	Relatives of key management personnel	Total
Purchase of Goods	1,11,990 CDTIL	—	1,01,83,239 IOCL 6,29,686 GPPL 1,31,915 Others	—	—	1,10,56,830
	(—)	(1,25,032) BOTI	(4,95,306) IOCL (10,10,587) GPPL (41,734) Others	(—)	(—)	(16,72,659)



SCHEDULE 20

Notes to the accounts (Contd.)

Nature of transactions	Joint Venture CDTIL (Formerly known as Basic Oil Treating (India) Ltd.)	Subsidiary Company- BOTI	Associate entities	Key manage- ment personnel	Relatives of key management personnel	Total
Sales of Goods.....	1,81,54,230 CDTIL	71,21,726 BOTI	5,04,986 IOCL 19,93,928 GPPL	—	—	2,77,74,870
	(—)	(2,04,24,079) BOTI	(3,57,20,070) IOCL (15,41,530) VCPL (15,88,681) GPPL	(—)	(—)	(5,92,74,360)
Compensation/Others	—	—	—	—	21,48,561 DMN	21,48,561
	(—)	(—)	(—)	(—)	(23,45,720) DMN	(23,45,720)
Rendering of Services	1,99,775 CDTIL	13,890 BOTI	1,06,068 IOCL 3,14,509 SDNC 1,32,898 Others	—	—	7,67,140
	(—)	(3,35,624) BOTI	(3,67,228) UAAP (7,44,005) IOCL (3,00,885) SDNC (2,35,975) Others	(—)	(—)	(19,83,717)
Receiving of Services	—	—	1,00,731 IOCL 49,450 UFA 75,374 Others	—	1,14,003 DMN	3,39,558
	(—)	(—)	(1,01,923) SDNC (1,92,180) Others	(—)	(1,19,771) DMN	(4,13,874)

SCHEDULE 20

Notes to the accounts (Contd.)

Nature of transactions	Joint Venture CDTIL (Formerly known as Basic Oil Treating (India) Ltd.)	Subsidiary Company- BOTI	Associate entities	Key manage- ment personnel	Relatives of key management personnel	Total
Interest Received.....	—	—	18,08,172 IOCL	—	—	18,08,172
	(—)	(1,96,666) <i>BOTI</i>	(35,44,109) <i>ILPL</i> (2,91,516) <i>IOCL</i>	(—)	(—)	(40,32,291)
Miscellaneous receipt	—	2,92,579 DGCIL	—	—	—	2,92,579
	(—)	(—)	(—)	(—)	(—)	(—)
Remuneration.....	—	—	—	42,84,821	—	42,84,821
	(—)	(—)	(—)	(33,54,474)	(—)	(33,54,474)
Inter Corporate Deposits Placed	—	—	3,00,00,000 IOCL	—	—	3,00,00,000
	(—)	(—)	(—)	(—)	(—)	(—)
Investments	—	—	4,00,00,000 ILPL 49,000 Others	—	—	4,00,49,000
	(—)	(—)	(4,00,00,000) <i>ILPL</i> (49,000) <i>Others</i>	(—)	(—)	(4,00,49,000)
Outstanding Debtors	9,47,789 CDTIL	—	1,70,061 IOCL 6,12,035 GPPL 255 Others	—	—	17,30,140
	(—)	(2,10,138) <i>BOTI</i>	(82,59,476) <i>IOCL</i>	(—)	(—)	(84,69,614)
Outstanding Receivables ...	—	—	27,301 (SDNC) 1,250 Others	—	—	28,551
	(—)	(52,542) <i>BOTI</i>	(88,453) <i>Others</i>	(—)	(—)	(140,995)



SCHEDULE 20

Notes to the accounts (Contd.)

Nature of transactions	Joint Venture CDTIL (Formerly known as Basic Oil Treating (India) Ltd.)	Subsidiary Company- BOTI	Associate entities	Key manage- ment personnel	Relatives of key management personnel	Total
Outstanding Payables.....	—	—	1,00,731 IOCL 5,35,992 GPPL 81,689 NIL	—	—	7,18,412
	(—)	(—)	(51,591) <i>Others</i>	(—)	(—)	(51,591)
Outstanding Fixed Deposits	—	—	—	—	—	—
	(—)	(85,100) <i>BOTI</i>	(—)	(—)	(—)	(85,100)
Deposits given.....	—	—	—	—	(32,00,000) DMN	(32,00,000)
	(—)	(—)	(—)	(—)	(32,00,000) <i>DMN</i>	(32,00,000)
Outstanding ICD Placed	—	—	1,00,00,000 IOCL	—	—	1,00,00,000
	(—)	(—)	(—)	(—)	(—)	(—)

Note: Figures in bracket relate to previous year.

20. Financial and derivative instrument disclosure:

- (a) The following is the outstanding forward exchange contract entered into by the Company as on 31st March, 2011.

As at 31/03/2011				As at 31/03/2010			
Currency	Amount	Buy/Sell	Cross Currency	Currency	Amount	Buy/Sell	Cross Currency
US Dollar	2,36,229	Buy	Indian ₹	US Dollar	—	—	₹
US Dollar	46,858	Sell	Indian ₹	US Dollar	—	—	₹

- (b) All derivative and financial instruments acquired by the Company are for hedging purpose.
(c) Unhedged foreign currency exposure:

Particulars	2011 ₹	2010 ₹
Debtors	29,302	18,96,187
Creditors	15,24,844	70,12,457
Bank Balance (EEFC)	4,20,759	17,461

SCHEDULE 20

Notes to the accounts (Contd.)

21. Interest in Joint Ventures:

The Company's Interest, as a venturer, in jointly controlled entities (incorporated Joint Venture) is:

Name	Country of Incorporation	Percentage of ownership interest As at 31st March, 2011*
Champion Dai-ichi Technologies India Limited	India	50%

The Company's interest in this Joint Venture is reported as Long Term Investments (Schedule – 7) and stated at cost. However, the company's share of each of the assets, liabilities, income & expenses, etc. (each without elimination of the effect of transaction between the company & Joint Venture) related to its interest in these Joint Venture is:

	As at 31st March, 2011* (₹)
I. ASSETS	
1. Fixed Assets.....	82,34,282
2. Investments	51,56,503
3. Current assets, loans and advances	
Inventories	45,54,575
Sundry debtors.....	12,990,617
Cash and bank balances.....	2,47,15,666
Interest accrued on deposits	8,160
Loans and advances	70,97,423
II. LIABILITIES	
1. Secured Loans	2,15,833
2. Current liabilities and Provisions	
(a) Liabilities.....	1,63,96,759
(b) Provision	9,06,442
3. Deferred tax.....	9,24,268
III. INCOME	
1. Sales.....	7,34,75,967
2. Other Income	9,94,733



SCHEDULE 20

Notes to the accounts (Contd.)

	As at 31st March, 2011* (₹)
IV. EXPENSES	
1. Materials and excise duty.....	4,26,38,033
2. Employee remuneration.....	29,41,983
3. Other Manufacturing, selling expenses.....	1,79,82,873
4. Interest.....	1,22,899
5. Depreciation.....	7,83,649
6. Provision for taxation	32,19,564

*As Joint Venture came into existence w.e.f. 7th September, 2010, previous years figures are not stated.

22. Figures are regrouped and rearranged, wherever necessary.

Signatures to Schedules '1' to '20'

Place : Mumbai
Date : May 4, 2011

For and on behalf of the Board

S. F. Vakil	Vice-Chairperson and Managing Director
Dr. Anil Naik	Director
Keki Elavia	Director
Nitin Nimkar	Financial Comptroller
Kavita Thadeshwar	Company Secretary

Company's General Business Profile (As Per Schedule VI, Part (iv) of the Companies Act, 1956)

I. REGISTRATION DETAILS

Registration No.	24100MH1960PLC011681
State Code	11
Balance Sheet Date	31-3-2011

II. CAPITAL RAISED DURING THE YEAR

Public Issue	Nil
Rights Issue	Nil
Private Placements	Nil
Bonus Issue	Nil

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

(₹ in '000)

Total Liabilities	7,77,780
Total Assets	7,77,780

SOURCES OF FUNDS

Paid-up capital	74,512
Reserves and surplus	5,60,101
Secured loans	—
Unsecured loans	12,769
Deferred tax liability	3,291

APPLICATION OF FUNDS

Net fixed assets	1,48,292
Investments	3,34,930
Net current assets	1,67,451
Miscellaneous expenditure	—
Accumulated losses	—

IV. PERFORMANCE OF THE COMPANY

Turnover including other income	5,97,548
Total expenditure	5,48,937
Profit before tax	48,611
Exceptional Item	—
Profit after tax	41,039
Basic & diluted profit per share (₹)	5.51
Dividend rate (%)	20

V. GENERIC NAMES OF PRINCIPAL PRODUCTS OF THE COMPANY

PRODUCT DESCRIPTION	ITEM CODE NO. (ITC CODE)
1. Surface Active Agents	340211.00
	340212.00
	340213.00
	340290.00
2. Oil Field Chemicals	381190.00
3. Synthetic Polymers	390690.01
	390690.09
4. Tramadol	290619.01
5. Trimetazidine	290729.09
6. Carboprost Tramethamine	300439.19

For and on behalf of the Board

S. F. Vakil

Vice-Chairperson and Managing Director

Dr. Anil Naik

Director

Keki Elavia

Director

Nitin Nimkar

Financial Comptroller

Kavita Thadeshwar

Company Secretary

Place : Mumbai
Date : May 4, 2011



STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

Name of the Subsidiary Company	: Dai-ichi Gosei Chemicals (India) Ltd.
Financial Year of the Subsidiary Company	: 31st March, 2011
Total issued and paid-up share capital of the Subsidiary Company	: 50,000 Equity shares of ₹ 10/- each
Extent of interest of Dai-ichi Karkaria Limited in Dai-ichi Gosei Chemicals (India) Ltd. at the end of the financial year	: 48,500 Equity shares of ₹ 10/- each
Net aggregate amount of loss of Dai-ichi Gosei Chemicals (India) Ltd.	: Dai-ichi Gosei Chemicals (India) Ltd. has made a Loss of ₹ 7,569/- (Previous Year Loss of ₹ 5,976/-). The total accumulated Loss carried to its Balance Sheet as on 31st March, 2011, amounted to ₹ 2,76,760/- (Previous Year Accumulated Loss ₹ 2,69,191/-).

No adjustment has been made in the accounts of the company in respect of the Loss incurred by Dai-ichi Gosei Chemicals (India) Ltd.

For and on behalf of the Board

S. F. Vakil	Vice-Chairperson and Managing Director
Dr. Anil Naik	Director
Keki Elavia	Director
Nitin Nimkar	Financial Comptroller
Kavita Thadeshwar	Company Secretary

Place : Mumbai
Date : May 4, 2011

DAI-ICHI KARKARIA LIMITED AND IT'S SUBSIDIARIES

AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF DAI-ICHI KARKARIA LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS

1. We have audited the attached consolidated balance sheet of Dai-ichi Karkaria Limited and its subsidiary (the Group) as at 31st March, 2011, and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date, both annexed thereto. The Consolidated Financial Statements are the responsibility of Dai-ichi Karkaria Limited's Management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of a subsidiary Dai-ichi Gosei Chemicals (India) Limited, whose financial statements reflect the Group's share of total assets of Rs. 2.19 lakhs as at 31st March, 2011, and the Group's share of total revenues of Rs. * (less than Rs. 0.01 lakh) for the year ended on that date, and net cash outflows amounting to Rs. 2.99 lakhs for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of this subsidiary, is based solely on the reports of the other auditors.
4. We report that the Consolidated Financial Statements have been prepared by Dai-ichi Karkaria Limited's Management in accordance with the requirements of Accounting Standard 21, Consolidated Financial Statements and Accounting Standard 27, Financial Reporting of Interests in Joint Ventures as notified under the Companies (Accounting Standards) Rules, 2006.
5. Based on our audit and on consideration of the reports of other auditors on separate financial statements and on the other financial information of the components, in our opinion and to the best of our information and according to the explanations given to us, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Consolidated Balance Sheet, of the state of affairs of Dai-ichi Karkaria Limited Group as at 31st March, 2011;
 - (b) in the case of the Consolidated Profit and Loss Account, of the profit for the year ended on that date, and
 - (c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Registration No. 117366W)

Shyamak R. Tata
Partner
(Membership No. 38320)

Place : Mumbai
Date : May 4, 2011



Consolidated Balance Sheet as at March 31, 2011

	Schedule	2011 ₹	2010 ₹
SOURCES OF FUNDS			
Shareholders' funds			
Capital	1	7,45,12,290	7,45,12,290
Reserves and surplus	2	59,73,96,675	57,32,41,482
		67,19,08,965	64,77,53,772
Minority interest		6,698	6,925
Loan funds			
Secured	3	2,15,833	6,21,767
Unsecured	4	1,27,69,938	1,29,66,855
		1,29,85,771	1,35,88,622
Deferred Tax (Net)	5	42,15,517	66,45,251
TOTAL		68,91,16,951	66,79,94,570
APPLICATION OF FUNDS			
Fixed assets	6		
Gross block		50,49,96,768	51,43,80,928
Less: depreciation/amortisation		35,62,84,838	35,62,18,771
Net block		14,87,11,930	15,81,62,157
Capital work-in-progress and advances		78,15,035	33,53,551
		15,65,26,965	16,15,15,708
Investments	7	33,31,37,297	32,95,74,369
Current assets, loans and advances			
Inventories	8	7,10,32,884	6,32,06,304
Sundry debtors	9	10,84,90,632	10,45,44,013
Cash and bank balances	10	9,79,73,654	9,07,10,378
Other current assets	11	23,04,898	33,87,995
Loans and advances	12	6,35,88,308	5,86,97,735
		34,33,90,376	32,05,46,425
Current liabilities and provisions	13		
Liabilities		11,25,63,205	11,22,17,730
Provisions		3,13,74,482	3,14,24,202
		14,39,37,687	14,36,41,932
Net current assets		19,94,52,689	17,69,04,493
TOTAL		68,91,16,951	66,79,94,570
Notes to the accounts	21		

In terms of our report of even date
For **Deloitte Haskins & Sells**
Chartered Accountants

Shyamak R. Tata
Partner
Membership No. 38320

Place : Mumbai
Date : May 4, 2011

For and on behalf of the Board

S. F. Vakil

Dr. Anil Naik

Keki Elavia

Nitin Nimkar

Kavita Thadeshwar

Vice-Chairperson & Managing Director

Director

Director

Financial Comptroller

Company Secretary

DAI-ICHI KARKARIA LIMITED AND IT'S SUBSIDIARIES

Consolidated Profit & Loss Account for the year ended March 31, 2011

	Schedule	2011 ₹	2010 ₹
INCOME			
Gross sale [Includes share of Joint Venture ₹ 3,82,44,428 (2010: Nil)].....		68,86,73,176	62,55,41,692
Less: Excise duty on sales [Includes share of Joint Venture ₹ 20,95,433 (2010: Nil)].....		5,25,78,730	4,20,98,314
Net sales.....		63,60,94,446	58,34,43,378
Other income.....	14	5,57,86,716	5,30,07,530
		69,18,81,162	63,64,50,908
EXPENDITURE			
Materials.....	15	41,89,86,674	37,53,19,479
Employees' remuneration and benefits	16	8,34,16,996	7,66,75,054
Excise duty [Includes share of Joint Venture ₹ 75,715 credit (2010: Nil)].....		4,13,757	48,855
Other expenses.....	17	11,48,71,540	9,04,11,009
Interest.....	18	1,79,112	3,15,833
Depreciation/Amortisation	19	1,11,00,284	1,24,66,111
		62,89,68,363	55,52,36,341
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAXATION		6,29,12,799	8,12,14,567
Exceptional item – Income/(Expenses)	20	(52,13,039)	—
PROFIT AFTER EXCEPTIONAL ITEMS AND BEFORE TAXATION		5,76,99,760	8,12,14,567
Less: Taxation — Current year [(Includes Joint Venture ₹ 8,82,598 (2010: Nil)].....		1,46,33,402	2,58,98,689
— Deferred Tax [(Includes Joint Venture ₹ 53,436 (2010: Nil)].....		(14,52,030)	(13,40,752)
— Fringe Benefit Tax.....		—	(12,226)
PROFIT AFTER TAXATION AND BEFORE MINORITY INTEREST		4,45,18,388	5,66,68,856
Minority Interest.....		227	179
Net Profit		4,45,18,615	5,66,69,035
Add: Excess provision for Dividend and Dividend Tax of earlier year written back		—	3,36,902
Balance being surplus brought forward		22,43,79,442	18,94,01,075
Surplus available for appropriation		26,88,98,057	24,64,07,012
APPROPRIATION			
Proposed dividend.....		1,49,02,458	1,49,02,458
Tax on proposed dividend.....		29,78,087	24,75,112
General reserve		31,00,000	46,50,000
Balance being surplus carried to the balance sheet		24,79,17,512	22,43,79,442
		26,88,98,057	24,64,07,012
Notes to Accounts	21		
Basic and diluted earnings per share.....		5.97	7.56
Basic and diluted earnings per share excluding exceptional items.....		6.67	7.56

In terms of our report of even date
For **Deloitte Haskins & Sells**
Chartered Accountants

Shyamak R. Tata
Partner
Membership No. 38320

Place : Mumbai
Date : May 4, 2011

For and on behalf of the Board

S. F. Vakil
Dr. Anil Naik
Keki Elavia
Nitin Nimkar
Kavita Thadeshwar

Vice-Chairperson & Managing Director
Director
Director
Financial Comptroller
Company Secretary



Consolidated Cash Flow statement for the year ended March 31, 2011

	For the year ended 31st March, 2011	For the year ended 31st March, 2010
	₹	₹
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX	5,76,99,760	8,12,14,567
Adjustments For:		
Depreciation.....	1,11,00,284	1,24,66,111
Interest received	(78,72,136)	(1,39,94,607)
Dividend income	(77,22,284)	(77,22,246)
Interest incurred	1,79,112	3,15,833
(Profit)/Loss on sale of fixed assets	(1,53,51,242)	1,13,378
(Profit) on Sale of Current Investments (Net).....	(43,34,524)	(3,60,560)
Excess of cost over fair value of current MF investments	—	67,144
Provision for doubtful debts.....	(1,30,804)	72,474
	(2,41,31,594)	(90,42,473)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	3,35,68,166	7,21,72,094
Adjustments For:		
Trade and Other Receivables	(2,78,77,194)	18,31,22,599
Inventories	(1,33,09,241)	(20,16,516)
Trade and Other Payables	2,19,63,239	(90,01,009)
	(1,92,23,196)	17,21,05,074
CASH GENERATED FROM OPERATIONS	1,43,44,970	24,42,77,168
Income Tax Paid.....	(1,54,77,632)	(3,40,06,848)
Cash Flow before exceptional items	(11,32,662)	21,02,70,320
Exceptional items [see Schedule 20]	52,13,039	—
NET CASH FROM OPERATING ACTIVITIES.....	40,80,377	21,02,70,320
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1,51,29,871)	(95,69,581)
Sale of Fixed Assets	1,54,16,334	33,703
Purchase of Current Investments	(55,57,29,845)	(29,83,35,669)
Purchase on long term investments	(1,47,46,708)	—
Sale/Redemption of Current Investments.....	57,12,34,648	5,46,38,482
Dividend Received	77,22,284	76,62,422
Interest Received	79,45,635	1,67,40,998
Investment in Fixed Deposits with Banks	(24,90,860)	(5,10,40,158)
Proceeds from Fixed Deposits Matured.....	3,19,113	7,82,37,058
NET CASH GENERATED/(USED) IN INVESTING ACTIVITIES	14,540,730	(20,16,32,745)

DAI-ICHI KARKARIA LIMITED AND IT'S SUBSIDIARIES

Consolidated Cash Flow statement for the year ended March 31, 2011 (Contd.)

	For the year ended 31st March, 2011	For the year ended 31st March, 2010
	₹	₹
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayments of term loan.....	(1,59,302)	(26,12,668)
Repayments of Deferred Sales Tax.....	(1,96,917)	1,45,315
Interest Paid.....	(1,79,112)	(4,36,404)
Dividends Paid.....	(1,47,55,710)	(1,39,91,012)
Income Tax on Dividend Paid.....	(30,35,657)	(24,54,992)
Buy back of shares.....	—	(55,47,119)
NET CASH USED IN FINANCING ACTIVITIES	(1,83,26,698)	(2,48,96,880)
	2,94,409	(1,62,59,305)
Add: Net Additional Cash and Cash equivalents on conversion of subsidiary to Joint venture.....	47,97,120	—
NET INCREASE IN CASH AND CASH EQUIVALENTS.....	50,91,529	(1,62,59,305)
Opening cash and cash equivalents	3,02,49,201	4,65,08,506
Closing cash and cash equivalents.....	3,53,40,730	3,02,49,201
	50,91,529	(1,62,59,305)
Balance in cash and cash equivalents as above	3,53,40,730	3,02,49,201
Deposits with an initial maturity of three months or more ...	6,26,32,924	6,04,61,177
Total cash and bank balance (Schedule 10).....	9,79,73,654	9,07,10,378

In terms of our report of even date
For **Deloitte Haskins & Sells**
Chartered Accountants

Shyamak R. Tata
Partner
Membership No. 38320

Place : Mumbai
Date : May 4, 2011

For and on behalf of the Board

S. F. Vakil
Dr. Anil Naik
Keki Elavia
Nitin Nimkar
Kavita Thadeshwar

Vice-Chairperson & Managing Director
Director
Director
Financial Comptroller
Company Secretary



Schedules Annexed to and forming part of Consolidated Accounts for the period ended March 31, 2011

	2011 ₹	2010 ₹
1. SHARE CAPITAL		
Authorised		
1,00,00,000 (2010 – 1,00,00,000) equity shares of ₹ 10/- each.....	10,00,00,000	10,00,00,000
Issued and subscribed		
74,51,229 (2010 – 74,51,229) Equity shares of ₹ 10/- each fully paid up	7,45,12,290	7,45,12,290
Of the above 50,30,000 (2010 – 50,30,000) Equity shares have been allotted by way of fully paid bonus shares by capitalising:		
General Reserve ₹ 2,95,00,000 (2010: 2,95,00,000)		
Revaluation Reserve ₹ 2,08,00,000 (2010: 2,08,00,000)		
NIL Equity Shares bought back (2010 : 1,55,171) (Note No. 7)		
GRAND TOTAL	7,45,12,290	7,45,12,290
2. RESERVES AND SURPLUS		
Capital reserve		
As per last account.....	77,10,000	77,10,000
Securities premium		
As per last account.....	25,94,37,591	26,34,33,000
Less: Amount utilised for Buy back of Shares (Note No. 7)	—	39,95,409
	25,94,37,591	25,94,37,591
Capital incentive		
As per last account.....	15,00,000	15,00,000
Less: Amount adjusted on deemed disposal of subsidiary	(15,00,000)	—
	—	15,00,000
Revaluation reserve		
As per last account.....	3,88,47,785	3,93,65,372
Less: Deduction on sale of revalued assets	20,97,637	—
Less: Transfer to profit and loss account towards depreciation.....	3,85,240	5,17,587
	3,63,64,908	3,88,47,785
Capital redemption reserve		
Transferred from General Reserve	15,51,710	15,51,710
General reserve		
As per last account.....	3,10,09,482	2,79,11,192
Less: Amount adjusted on deemed disposal of subsidiary	(16,50,000)	—
Add: Transfer from profit and loss account	31,00,000	46,50,000
Less: Amount transfer to Capital redemption reserve.....	—	15,51,710
	3,24,59,482	3,10,09,482
Capital Reserve on Consolidation		
As per last account.....	88,05,472	88,05,472
Less: Amount adjusted on deemed disposal of subsidiary	(88,05,472)	—
	—	88,05,472
Reserve arising on deemed disposal of subsidiary.....	1,19,55,472	—
Profit and Loss Account – surplus	22,20,15,757	22,43,79,442
Share of Joint Venture- Schedule 21B(15)	2,59,01,755	—
	24,79,17,512	22,43,79,442
GRAND TOTAL	59,73,96,675	57,32,41,482

DAI-ICHI KARKARIA LIMITED AND IT'S SUBSIDIARIES

Schedules Annexed to and forming part of Consolidated Accounts for the period ended March 31, 2011

	2011	2010
	₹	₹
3. SECURED LOANS		
From banks		
Vehicles loan (Secured by hypothecation of vehicles)	—	6,21,767
TOTAL	—	6,21,767
Share of Joint Venture – Schedule 21B(15)	2,15,833	—
GRAND TOTAL	2,15,833	6,21,767
4. UNSECURED LOANS		
Deferred sales tax [Amount due within one year ₹ 6,81,577 (2010 – ₹ 1,96,917)]	1,27,69,938	1,29,66,855
GRAND TOTAL	1,27,69,938	1,29,66,855
5. DEFERRED TAX (NET)		
Deferred tax liability:		
On Tangible fixed assets	1,00,23,911	1,37,33,344
Less: Deferred tax assets:		
On Employee benefits	51,14,875	48,76,637
On Provision for Doubtful Debts	5,47,162	6,03,599
On Diminution in value of investments	—	2,10,034
On Others	10,70,625	13,97,823
	67,32,662	70,88,093
TOTAL	32,91,249	66,45,251
Share of Joint Venture – Schedule 21B(15)	9,24,268	—
GRAND TOTAL	42,15,517	66,45,251



Schedule annexed to and forming part of the Consolidated Accounts for the year ended March 31, 2011

6. FIXED ASSETS

PARTICULARS	GROSS BLOCK AT COST				DEPRECIATION/AMORTISATION				NET BLOCK AT COST		
	As at 1.4.2010	Additions/ Transfers	Deductions/ Transfers	Transfer on account of deemed disposal of subsidiary	As at 31.3.2011	As at 1.4.2010	For the year	Deductions/ Transfers	Transfer on account of deemed disposal of subsidiary	As at 31.3.2011	As at 31.3.2010
(In ₹)											
Land:											
– Freehold	55,730,801	—	21,00,000	—	5,36,30,801	—	—	—	—	—	5,57,30,801
– Leasehold	23,49,691	—	—	4,91,300	18,58,391	3,33,787	22,804	—	105,920	2,50,671	20,15,904
Buildings:											
– Residential*	1,65,16,917	—	—	—	1,65,16,917	77,11,089	4,40,291	—	—	81,51,380	88,05,828
– Non-residential..	10,02,24,229	—	—	1,23,97,310	8,78,26,919	5,94,81,790	22,61,162	—	7,418,326	5,43,24,626	4,07,42,439
Plant and machinery/ Elec. Inst.	27,18,35,467	57,07,294	8,68,588	1,47,01,970	26,19,72,203	23,92,92,004	50,69,811	8,68,588	9,765,084	23,37,28,143	3,25,43,463
Furniture and fixtures	74,04,869	16,93,783	—	8,32,817	82,65,835	62,82,219	4,22,962	—	746,091	59,59,090	11,22,650
Laboratory, Office & Factory Equipment and Air Conditioners	2,59,50,886	14,78,010	1,26,076	30,85,696	2,42,17,124	1,90,67,544	12,04,210	73,141	1,777,748	1,84,20,865	68,83,342
Vehicles	88,45,160	7,350	5,600	21,33,714	67,13,196	49,35,493	7,29,339	5,460	888,917	47,70,455	39,09,668
Scientific Research – Capital Expenditure:											
Buildings:											
– Non-residential	14,20,149	—	—	—	14,20,149	13,47,561	3,279	—	—	13,50,840	72,588
Plant and machinery	78,24,529	—	—	—	78,24,529	50,63,420	3,67,199	—	—	54,30,619	27,61,109
Furniture and fixtures	6,31,513	—	—	—	6,31,513	5,66,290	11,806	—	—	5,78,096	65,223
Laboratory, Office & Factory Equipment and Air Conditioners	1,56,46,717	—	—	—	1,56,46,717	1,21,37,575	4,77,475	—	—	1,26,15,050	35,09,142
TOTAL	51,43,80,928	88,86,437	31,00,264	3,36,42,807	48,65,24,294	35,62,18,772	1,10,10,338	9,47,189	20,702,086	34,55,79,835	14,09,44,459
Add: Joint Venture Share	—	17,81,949	1,30,878	—	1,84,72,474 **	—	4,75,186	1,21,226	—	1,07,05,003 **	—
GRAND TOTAL		1,06,68,386	32,31,142	—	50,49,96,768		1,14,85,524	10,68,415		35,62,84,838	14,87,11,930
Previous year	50,90,33,361	66,05,365	12,57,798	—	51,43,80,928	34,43,45,791	1,29,83,698	11,10,717	—	35,62,18,771	16,46,87,570
Capital Work in progress and advances [Advances ₹ 50,71,334 (2010 – ₹ 5,73,993)]											
Share of Joint Venture											
GRAND TOTAL											
* Includes ₹ 13,50,000 (2010: ₹ 13,50,000) being the cost of shares held in Zinnia Properties Private Limited.											
** Includes Gross Block ₹ 1,68,21,404 and Accumulated depreciation ₹ 1,03,51,043 as at September 7, 2010 on disposal of subsidiary and creation of Joint Venture (See note 15).											

* Includes ₹ 13,50,000 (2010: ₹ 13,50,000) being the cost of shares held in Zinnia Properties Private Limited.

** Includes Gross Block ₹ 1,68,21,404 and Accumulated depreciation ₹ 1,03,51,043 as at September 7, 2010 on disposal of subsidiary and creation of Joint Venture (See note 15).

Schedules Annexed to and forming part of Consolidated Accounts for the period ended March 31, 2011

7. INVESTMENTS

Long term at cost

(A) Other than trade

(a) Quoted:

8,100 (2010 : 8,100) equity shares of ₹ 10 each fully paid up of Bank Of India	3,64,500	3,64,500
2,000 (2010 : 2,000) equity share of ₹ 2 each fully paid-up of Bharat Seats Ltd.	2,000	2,000
	3,66,500	3,66,500

(b) Unquoted:

1,000 (2010 : 1,000) equity shares of ₹ 25 each of The Shamrao Vithal Co-operative Bank Ltd	25,000	25,000
2,500 (2010 : 2,500) equity shares of ₹ 10 each of The Saraswat Co-op. Bank Ltd	25,000	25,000
4,000 (2010 : 5,080) equity shares of ₹ 25 each of The Zoroastrian Co-operative Bank Ltd	1,00,000	1,27,000
100 (2010 : Nil) Secured redeemable non convertible debenture of Citicorp Finance (India) Ltd. of ₹ 100,000 each (acquired during the year)	1,00,00,000	—
2,580 Grams (2010 : Nil) in Benchmark MF Gold BeES (acquired during the year)	47,46,708	—
20,00,000 (2010 : 20,00,000) Units of Canara Robeco – FMP – Series 5, 13 Months Plan B of ₹ 10 each	2,00,00,000	2,00,00,000
20,00,000 (2010 : 20,00,000) Units of FMP 13M March 2010 (3) Series XII of ₹ 10 each	2,00,00,000	2,00,00,000
15,00,000 (2010 : 15,00,000) Units Capital Protection Oriented Fund Series-1 of ₹ 10 each	1,50,00,000	1,50,00,000
	6,98,96,708	5,51,77,000

(B) Trade Investments

(a) Quoted:

57,167 (2010 : 57,167) equity shares of ₹ 10 each of Clariant Chemicals (India) Limited	13,62,502	13,62,502
	13,62,502	13,62,502

(b) Unquoted:

(i) In Associate company		
26,00,000 (2010 : 26,00,000) equity shares of ₹ 10 each fully paid up of Inogen Laboratories Private Limited	4,00,00,000	4,00,00,000
	4,00,00,000	4,00,00,000
(ii) Others		
4,900 (2010 : 4,900) equity shares of ₹ 10 each of Performance Polymers & Chemicals Private Limited	49,000	49,000
	49,000	49,000
	11,16,74,710	9,69,55,002
Less: Provision for diminution in the value of long term investments	49,000	49,000
	11,16,25,710	9,69,06,002

Current Investments at lower of cost or fair value

Other than trade	21,63,55,084	23,26,68,367
Mutual Funds units	21,63,55,084	23,26,68,367
	32,79,80,794	32,95,74,369
Share of Joint Venture – Schedule 21B(15)	51,56,503	—
	33,31,37,297	32,95,74,369

Notes:

(1) Aggregate cost of quoted investments	17,29,002	17,29,002
Market Value of quoted investments	4,18,96,440	3,36,91,280
(2) Aggregate cost of unquoted investments [net of provision] (Includes share of Joint Venture ₹ 51,56,503)	33,14,08,295	32,78,45,367



**Schedules Annexed to and forming part of Consolidated Accounts
for the period ended March 31, 2011**

	2011 ₹	2010 ₹
CURRENT ASSETS, LOANS AND ADVANCES		
8. INVENTORIES		
Raw and packing materials [includes material in transit ₹ Nil (2010 – ₹ 35,08,659)]	2,75,25,893	2,82,28,109
Fuel Oil	14,59,246	7,28,151
Work-in-progress.....	21,74,071	2,93,596
Semi Finished Goods.....	1,00,85,486	77,09,943
Finished goods [includes Finished Products in transit ₹ 12,02,085 (2010: ₹ 20,87,913)]	2,52,33,616	2,62,46,505
TOTAL	6,64,78,312	6,32,06,304
Share of Joint Venture – Schedule 21B(15)	45,54,572	—
GRAND TOTAL	7,10,32,884	6,32,06,304
9. SUNDRY DEBTORS – UNSECURED [Considered good unless otherwise stated]		
Debts outstanding		
Over six months:		
Considered good	7,55,839	50,68,086
Considered doubtful	16,86,170	18,16,974
	24,42,009	68,85,060
Other debts	9,47,44,176	9,94,75,927
	9,71,86,185	10,63,60,987
Less: Provision for doubtful debts	16,86,170	18,16,974
TOTAL	9,55,00,015	10,45,44,013
Share of Joint Venture – Schedule 21B(15)	1,29,90,617	—
GRAND TOTAL	10,84,90,632	10,45,44,013
10. CASH AND BANK BALANCES		
Cash and cheques on hand	43,944	1,26,327
With scheduled banks in:		
Current account.....	57,89,568	2,09,89,339
Deposit account	6,74,24,476	6,95,94,712
TOTAL	7,32,57,988	9,07,10,378
Share of Joint Venture – Schedule 21B(15)	2,47,15,666	—
GRAND TOTAL	9,79,73,654	9,07,10,378
[Includes ₹ 61,64,660 (2010 : ₹ 57,64,295) lodged with banks for guarantees issued]		
11. OTHER CURRENT ASSETS		
Prepaid expenses.....	19,40,172	27,87,705
Others	2,22,830	4,03,140
Interest accrued/receivable	1,33,736	1,97,150
TOTAL	22,96,738	33,87,995
Share of Joint Venture – Schedule 21B(15)	8,160	—
GRAND TOTAL	23,04,898	33,87,995

DAI-ICHI KARKARIA LIMITED AND IT'S SUBSIDIARIES

Schedules Annexed to and forming part of Consolidated Accounts for the period ended March 31, 2011

	2011 ₹	2010 ₹
12. LOANS AND ADVANCES		
Advances recoverable in cash or in kind or for value to be received	88,16,365	2,26,51,371
Interest accrued on deposits	—	18,242
Inter Corporate Deposits- Indian Oxides & Chemicals Ltd., a company under the same management [Maximum balance outstanding during the year ₹ 3,06,08,288 (2010 : ₹ Nil)]	1,00,00,000	—
Taxation (net)	2,46,27,033	2,26,42,896
Fringe benefit tax (Net)	—	11,710
Deposits	1,30,07,815	1,33,23,716
Balance with excise authorities.....	39,672	49,800
TOTAL	5,64,90,885	5,86,97,735
Share of Joint Venture- Schedule 21B(15)	70,97,423	—
GRAND TOTAL	6,35,88,308	5,86,97,735
13. CURRENT LIABILITIES AND PROVISIONS		
A. CURRENT LIABILITIES		
Sundry creditors – Micro and Small Enterprises.....	64,525	2,42,246
– Others	5,54,79,061	6,60,15,685
Advances and deposits from customers.....	25,53,996	36,79,007
Deposit for rented premises	80,49,132	80,49,132
Unclaimed dividend*	8,82,514	7,35,766
Unclaimed Deposits*	5,15,000	6,34,126
Other liabilities	2,86,22,218	3,28,61,768
TOTAL	9,61,66,446	11,22,17,730
Share of Joint Venture – Schedule 21B(15)	1,63,96,759	—
GRAND TOTAL	11,25,63,205	11,22,17,730
* There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at balance sheet date		
B. PROVISIONS		
Proposed dividend.....	1,49,02,458	1,49,02,458
Tax on proposed dividend	24,17,551	24,75,112
Taxation (net)	—	10,58,005
Gratuity	47,78,080	42,99,987
Leave encashment	83,69,951	76,88,640
Product Performance	—	10,00,000
TOTAL	3,04,68,040	3,14,24,202
Share of Joint Venture – Schedule 21B(15)	9,06,442	—
GRAND TOTAL	3,13,74,482	3,14,24,202
	14,39,37,687	14,36,41,932



Schedules Annexed to and forming part of Consolidated Accounts for the period ended March 31, 2011

	2011 ₹	2010 ₹
14. OTHER INCOME		
Commission	3,04,043	1,33,854
Interest (Gross)	—	—
– Banks	57,88,557	99,37,866
– Associate company	18,08,172	35,44,109
– Others [Tax deducted at source ₹ 7,23,920 (2010 : ₹ 21,73,777)]	2,11,374	5,12,632
Dividend:		
– Trade Investments	15,07,075	17,23,093
– Others (Current Investments)	57,14,443	59,99,153
Profit on sale of fixed assets (net)	1,53,40,895	—
Exchange difference (net)	1,45,478	—
Miscellaneous Income	25,88,652	20,24,567
Lease rent received	1,39,27,607	1,45,31,475
Bad debts recovered	7,00,000	1,38,384
Performance Guarantee Amount written back	11,03,179	1,25,28,146
Profit on sale of investment	43,44,079	3,60,560
Duty drawback	3,05,573	2,24,792
Sundry balances written back	9,58,232	13,48,899
Provision for doubtful debts written back	1,30,804	—
TOTAL	5,48,78,163	5,30,07,530
Share of Joint Venture – Schedule 21B(15)	9,08,553	—
GRAND TOTAL	5,57,86,716	5,30,07,530
15. MATERIALS		
Raw and packing:		
Opening stock	2,82,28,109	3,00,85,976
Add: Purchases	41,15,13,552	35,27,74,575
	43,97,41,661	38,28,60,551
Less: Stock Movement arising on deemed disposal of Subsidiary	78,99,279	—
Less: Closing stock	2,75,25,893	2,82,28,109
Consumption	40,43,16,489	35,46,32,442
Purchases – traded products	—	2,45,24,760
Decrease/(Increase) in work-in-process and finished goods		
Opening:		
Work-in-progress	2,93,596	33,92,646
Semi Finished goods	77,09,943	80,29,086
Finished goods	2,62,46,505	1,89,90,589
	3,42,50,044	3,04,12,321
Less: Stock movement arising on deemed disposal of Subsidiary	30,66,043	—
Less: Closing:		
Work-in-progress	21,74,071	2,93,596
Semi Finished goods	1,00,85,486	77,09,943
Finished goods	2,52,33,616	2,62,46,505
	3,74,93,173	3,42,50,044
(Increase)/Decrease	(32,43,129)	(38,37,723)
TOTAL	39,80,07,317	37,53,19,479
Share of Joint Venture – Schedule 21B(15)	2,09,79,357	—
GRAND TOTAL	41,89,86,674	37,53,19,479
16. EMPLOYEES REMUNERATION AND BENEFITS		
Salaries, wages and bonus	6,88,17,741	6,49,86,590
Contribution to provident and other funds	62,60,958	54,05,376
Staff welfare	63,85,001	62,83,088
TOTAL	8,14,63,700	7,66,75,054
Share of Joint Venture – Schedule 21B(15)	19,53,296	—
GRAND TOTAL	8,34,16,996	7,66,75,054

DAI-ICHI KARKARIA LIMITED AND IT'S SUBSIDIARIES

Schedules Annexed to and forming part of Consolidated Accounts for the period ended March 31, 2011

	2011	2010
	₹	₹
17. OTHER EXPENSES		
Consumption of stores and spares (Indigeneous)	33,32,072	28,44,356
Power and fuel	2,85,64,390	2,69,64,230
Rent	23,95,116	21,59,731
Repairs & maintenance:		
Buildings	8,82,495	1,48,154
Machinery	23,53,737	17,76,785
Others	20,67,240	24,54,674
Insurance	9,51,543	8,89,223
Rates and taxes	46,89,395	62,89,418
Commission and discount on sales	87,82,239	68,23,608
Donations	10,25,000	10,35,000
Bank charges	23,74,068	26,26,212
Telephone, telex and telegrams	19,25,008	21,47,580
Vehicle expenses	8,57,416	7,60,877
Legal and professional	61,96,946	60,81,304
Travelling expenses	33,13,422	42,94,553
Directors sitting fees	2,71,000	2,02,000
Exchange difference (net)	6,154	1,07,802
Excess of cost over fair value of current investments	—	67,144
Provision for doubtful debts	—	72,474
Bad debts and advance written off	5,586	1,65,078
Loss on sale/switch over of investments	—	34,11,010
Carriage outward	1,05,62,116	79,11,088
Miscellaneous expenses	1,49,52,630	1,07,72,968
Compensation for deficiency in performance	—	2,92,362
Technical Services	85,50,000	—
Loss on sale of Assets	—	1,13,378
TOTAL	10,40,57,573	9,04,11,009
Share of Joint Venture – Schedule 21B(15)	1,08,13,967	—
GRAND TOTAL	11,48,71,540	9,04,11,009
18. INTEREST		
On fixed deposits	—	25,415
On fixed period loan	32,982	79,323
On others	39,722	2,11,095
TOTAL	72,704	3,15,833
Share of Joint Venture – Schedule 21B(15)	1,06,408	—
GRAND TOTAL	1,79,112	3,15,833
19. DEPRECIATION		
As per fixed asset schedule	1,10,10,338	1,29,83,698
Less: Transfer from revaluation reserve	3,85,240	5,17,587
TOTAL	1,06,25,098	1,24,66,111
Share of Joint Venture – Schedule 21B(15)	4,75,186	—
GRAND TOTAL	1,11,00,284	1,24,66,111
20. EXCEPTIONAL ITEMS – INCOME/(EXPENSES)		
Expenses:		
Loss on account of deemed disposal of Subsidiary	(52,13,039)	—
GRAND TOTAL	(52,13,039)	—



SCHEDULE 21

Notes to Consolidated Accounts

A. SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

The Consolidated Financial Statements relate to Dai-ichi Karkaria Limited ("the Company") its subsidiaries Basic Oil Treating (India) Limited (now known as Champion Dai-ichi Technologies India Limited), where the holding company held hundred per cent (upto 6th September, 2010), Dai-ichi Gosei Chemicals (India) Limited, where the holding company holds ninety seven percent of equity capital and a joint venture Champion Dai-ichi Technologies India Ltd. (formerly known as Basic Oil Treating (India) Limited), where the holding company holds fifty percent of equity capital (since 7th September, 2010). The consolidated financial statements have been prepared on the following basis:

The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses as per Accounting Standard 21 – "Consolidated Financial Statements" notified by Companies (Accounting Standards) Rules, 2006.

The financial statements of the subsidiary and joint venture, used in the consolidation are drawn up to the same reporting dates as that of the parent company i.e. March 31, 2011.

Minority interest in the net assets of the consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made and the minority share in the movement in equity since the date the parent subsidiary relationship came into existence. Where the losses applicable to the minority exceed the minority interest in the equity of subsidiary, the excess are adjusted against the majority interest to the extent that the minority has a binding obligation to, and is able to, make good the losses.

Interests in Joint Ventures have been accounted by using the proportionate consolidation method as per Accounting Standard 27 – "Financial Reporting of Interests in Joint Ventures" notified by Companies (Accounting Standards) Rules, 2006.

In addition, the status and classification of the holding company's investments in Inogent Laboratories Private Limited (ILPL) and Performance Polymers and Chemicals Private Limited (PPCL) are as under:

- ILPL has been classified as an Associate entity as defined in the Accounting Standard 23 on Accounting for Investment in Associate in the Consolidated Financial Statements (AS 23). However, in terms of the agreement between the shareholders, the Company's holding is considered temporary and consequently the investment is not accounted for under the equity method of accounting.
- PPCL has been classified as trade investment as the proposed JV for which the holding company invested in PPCL was not pursued.

Description of business

Dai-ichi Karkaria Limited and its Joint Venture - Champion Dai-ichi Technologies India Ltd. (formerly known as Basic Oil Treating (India) Ltd.), are engaged in the manufacture and sale of specialty chemicals and exclusive specialty chemicals for the petroleum industry respectively.

Basis of accounting

Consolidated financial statements are prepared under the historical cost convention, in accordance with the requirements of the Companies Act, 1956; except in respect of the revaluation of fixed assets as stated in 'Fixed Assets' below.

Use of estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and other information as at the date of the financial statement and reported amounts of revenue and expenses during the recording period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

Fixed assets [including research and development (R&D) assets]:

(i) Recognition

Recognized at cost of acquisition/construction (inclusive of expenses (net) upto attainment of commercial production) except assets at Kasarwadi, Pune as at April 1, 1993, which is stated at revalued figures as on that date.

SCHEDULE 21

Notes to Consolidated Accounts (Contd.)

(ii) Impairment

The carrying amounts of tangible fixed assets are reviewed for impairment if events or changes in the circumstances indicate that the carrying value of the asset may not be recoverable. If there are indicators of impairment, an assessment is made to determine whether the asset's carrying value exceeds its recoverable amount. Whenever the carrying value of an asset exceeds its recoverable amount, impairment is charged to profit and loss account.

(iii) Depreciation

Depreciation is provided at the rates prescribed in schedule XIV to the Companies Act, 1956 on:

- Written down value method for assets at Kasarwadi, Pune (including R & D assets). Incremental depreciation on revalued assets is adjusted to revaluation reserve.
- Straight line method for fixed assets at Kurkumbh, Pune and at Jejuri.
- Cost of leasehold land is amortised over the lease period.

Borrowing cost:

Interest on specific borrowing related to qualifying assets is included in the cost of asset. All other borrowing costs are charged to profit and loss account in the period in which they are incurred.

Research and development:

Capital expenditure is shown as fixed asset and accordingly depreciated. All revenue expenditure is charged to profit and loss account.

Investments:

Investments are stated at cost and classified as long term or current. Provision is made for diminution, other than temporary, if any, in respect of a long term investments. Current investments are valued at lower of cost and fair value.

Inventory:

Inventories are valued at lower of cost and net realizable value, on the weighted average basis, except in respect of inventory of a joint venture which is valued on First in First out (FIFO) and constitute twelve percent of total inventory. Work in progress and Finished goods are valued on absorption costing basis. Due allowance is made for slow moving and obsolete stocks.

Sundry debtors/loans and advances:

Sundry debtors and loans and advances are stated after making adequate provision for doubtful debts/advances, if any.

Sales:

Revenue is recognized on delivery of product and/or on passage of title to the buyer.

Excise:

Excise duty is recognized on goods manufactured.

Employee benefits:

The holding company has a gratuity scheme funded with Life Insurance of India. Payments, determined as per actuarial valuation, under the scheme are charged to profit and loss account. Under this arrangement, in the event of an employee resigning in between/before superannuation, the Company has to bear a part of the actual liability which is accounted as and when the event occurs since the differential gratuity may not be material.

Provision for leave encashment has been actuarially determined at the balance sheet date. Actuarial gain and losses are recognized in profit and loss account.



SCHEDULE 21

Notes to Consolidated Accounts (Contd.)

Foreign currency transactions:

Transactions in foreign currency are recorded at exchange rates prevailing on the date of the transaction. Year end balance of monetary items is restated at closing rates. Exchange difference arising on restatement or settlement is charged to profit and loss account.

Premium/discount in respect of forward cover contract is amortized over the period of contract.

Taxation:

Provision for current tax is made after taking into account rebate and relief available under Income Tax Act, 1961.

Deferred tax is recognized subject to consideration of prudence, on timing differences between taxable and accounting income that originated in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized only if there is a virtual/reasonable certainty of realization.

Dividend:

Provision is made for proposed dividend, including corporate dividend tax thereon, subject to approval of members.

Contingent Liabilities:

Contingent liabilities are disclosed after careful evaluation of the facts and legal aspects of the issues involved.

B. NOTES:

	2011 ₹	2010 ₹
1. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances).....	97,86,365	57,92,562
2. (a) Contingent Liabilities not provided for:		
(i) Guarantees issued to others by Bank secured by counter guarantee of the Company and by charge on the fixed assets, inventories and book debts of the Company and personal guarantee of the Chairman of the company	2,83,79,092	2,37,92,021
(ii) Guarantee given to Bank of Baroda, for credit facilities extended to Joint Venture - Champion Dai-ichi Technologies India Ltd. (Formerly known as Basic Oil Treating (India) Ltd.)	2,25,00,000	2,25,00,000
(iii) Customs duty bonds	**5,26,50,472	5,44,34,472
** Includes ₹ 5,06,70,751/- of Bonds, issued jointly in name of the Company and Champion Dai-ichi Technologies India Ltd. (Formerly known as Basic Oil Treating (India) Ltd.)		
Wage agreement at Kasarwadi Plant has expired on 30th November, 2008. Negotiations with labour union are in progress. Ultimate liability resulting from the said negotiation is not ascertainable.		
(b) Claims against the Company not acknowledged as debts relating to:		
(i) Customs duty (for wrong classification of item)	15,810	31,620
(ii) Octroi (wrong classification of raw materials)*.....	2,38,80,407	2,38,80,407
(iii) Labour matters (back wages and compensation under Workmen Compensation Act)	14,04,000	17,27,000
(iv) Product performance (Refer Note 6)	29,36,060	29,36,060
(v) Disputed Income Tax liability.....	2,07,28,307	28,78,520
* Includes ₹ 1,41,97,321/- for which bank guarantee has been given and Shown under 2 (a) (i) above.		

SCHEDULE 21
Notes to Consolidated Accounts (Contd.)
3. Employee Benefits :
A. Defined Benefit Plan

The Defined Benefit Plans comprise of Gratuity. Gratuity is a benefit to an employee based on 15 days last drawn salary for each completed year of service.

Amount in ₹

Particulars	Gratuity (Funded)	
I. Changes in the present value of defined obligation representing reconciliation of opening and closing balances thereof are as follows :	31st March, 2011	31st March, 2010
1. Present Value of Defined Benefit Obligation at the beginning of the year	4,22,74,805	4,24,81,707
2. Current Service cost.....	13,15,495	13,23,349
3. Interest Cost.....	20,84,136	17,93,907
4. Past Service cost	9,15,295	—
5. Actuarial (gains)/losses	6,69,532	6,39,250
6. Benefits paid	(33,42,671)	(39,63,408)
7. Less: Transfer of defined obligations on deemed disposal of subsidiary	(96,300)	—
8. Present value of Defined Benefit Obligation as on Balance Sheet date..	4,38,20,292	4,22,74,805
II. Changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows :		
1. Fair value of Plan assets as at the beginning of the year	3,79,74,818	3,82,75,892
2. Expected return on plan assets	30,37,985	29,16,511
3. Actuarial gains/(losses)	2,77,724	4,56,702
4. Actual contributions by employers	63,110	35,281
5. Benefits paid	(33,42,671)	(37,09,568)
6. Plan assets as on Balance Sheet Date	3,80,10,966	3,79,74,818
III. Analysis of Defined Benefit Obligation :		
1. Defined Benefit Obligation as at 31st March	4,38,20,292	4,22,74,805
2. Fair Value of Plan assets at the end of the year.....	3,80,10,966	3,79,74,818
3. Net Asset/(Liability) recognized in the Balance Sheet as on Balance Sheet Date	(58,09,326)	(42,99,987)
IV. Reconciliation of Present Value of Defined Benefit Obligation and fair value of plan assets showing amount recognized in the Balance Sheet :		
1. Present value of Defined Benefit Obligation.....	4,38,20,292	4,22,74,805
2. Fair value of plan assets.....	3,80,10,966	3,79,74,818
3. Funded status [Surplus/(Deficit)]	(58,09,326)	(42,99,987)
4. Unrecognized Past Service Costs	9,15,295	—
5. Net Asset/(Liability) recognized in Balance Sheet	(48,94,031)	(42,99,987)
V. Components of employer expenses recognized in the statement of profit and loss :		
1. Current Service cost.....	13,15,495	13,23,349
2. Interest cost	20,84,136	17,93,907
3. Expected return on plan assets	(30,37,985)	(29,16,511)
4. Curtailment cost/(credit)	—	—
5. Settlement cost/(credit)	—	—
6. Past Service cost	—	—
7. Actuarial Losses/(Gains)	3,91,808	1,82,548
8. Total expense recognised in the Statement of Profit & Loss under Contribution to Provident Fund and other Funds	7,53,453	3,83,293
VI. The Category of Plan assets – 100% Qualifying insurance policy (Insurer managed fund) :		



SCHEDULE 21

Notes to Consolidated Accounts (Contd.)

Amount in ₹

Particulars		Gratuity (Funded)	
VII. Principal Actuarial Assumptions :		31st March, 2011	31st March, 2010
1. Discount Rate (%).....		8.00%	8.00%
2. Expected Return on plan assets (%).....		8.00%	8.00%
3. Salary escalation (%).....		5.00%	5.00%
4. Medical cost inflation		N. A.	N. A.
5. Withdrawal Rate (%).....		2.00%	N. A.
VIII. Experience History :		31st March, 2011	31st March, 2010
1. Experience adjustments on plan liabilities (Gain)/Loss	18,80,595	28,53,781	19,95,430
2. Experience adjustments on plan assets (Loss)/Gain .	2,77,724	4,56,702	3,21,965
3. Defined Benefit Obligation at the end of the period .	4,38,20,292	4,22,74,805	4,24,81,707
4. Plan Assets at the end of the period	3,80,10,966	3,79,74,818	3,82,75,892
5. Funded Status	(47,78,080)	(42,99,987)	(42,05,815)
IX. Contributions expected to be paid to the plan during the next financial year.....		10,00,000	15,00,000
(a) The Discount rate is based on the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated terms of the obligations.			
(b) Expected Rate of Return of Plan Assets : This is based on the expectation of the average long term rate of return expected on investments of the Fund during the estimated term of obligations.			
(c) Salary Escalation Rate : The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.			

B. Defined Contribution Plan

Amount recognized as an expense in the Profit & Loss Account in respect of Defined Contribution Plan is ₹ 53,67,009 (2010: ₹ 43,72,678)

4. Excise duty:

	2011 ₹	2010 ₹
(1) Excise duty shown as reduction from turnover	5,25,78,730	4,20,98,314
(2) Excise duty charged to profit and loss account :		
Difference between closing stock and opening stock.....	3,91,215	21,466
Short recoveries/samples etc.	22,542	27,389
Total	4,13,757	48,855

5. Under the package scheme of incentive for industries in backward area, the Company has been sanctioned deferral of payment of sales tax collection for a period of 74 months commencing August 1, 2000 up-to an amount of ₹ 4,84,42,000 for the Kurkumbh unit at Pune.

The deferred amount aggregating ₹ 1,27,69,938 (2010 : ₹ 1,29,66,855) is recognized as unsecured loan and is payable after a moratorium period of 10 years in 5 yearly equal installments which commence from year 2011.

6. Oil and Natural Gas Corporation Limited (ONGC):

In the arbitration proceedings under order no C/1438-a and C/1438-b of September 12, 1986, arbitrator declared the award and directed the ONGC to pay ₹ 55,45,325 after retaining ₹ 29,36,060 for dosage compensation and release of bank guarantee.

The Company and ONGC have filed appeals against the award hence no adjustment have been recognized in the accounts.

7. The Board of Directors of the Company at its meeting held on 28/4/2009 announced a buy back of its fully paid equity shares for an aggregate amount not exceeding ₹ 212.40 Lacs at a maximum price of ₹ 36 per share from the open market through stock exchanges. The buy back commenced on 25/5/09 and closed on 27/4/10 Upto 31st March, 2010, the Company has bought back 1,55,171 equity shares at an average price of ₹ 35.75 per shares by absorbing amount of ₹ 55.47 Lacs. Accordingly the paid up capital of the Company stands reduced to ₹ 745.12 Lacs. The aggregate premium amount paid on bought back shares of ₹ 39.95 Lacs has been debited to Securities premium account in previous year. During the year no further shares are bought back by the Company till last date of closure of the scheme i.e. 27th April, 2010.

DAI-ICHI KARKARIA LIMITED AND IT'S SUBSIDIARIES

SCHEDULE 21

Notes to Consolidated Accounts (Contd.)

8. Future minimum lease payment/receivable under non-cancellable operating lease:

Particulars	For the year ended on 31st March, 2011 ₹	For the year ended on 31st March, 2010 ₹
(i) Not later than one year	—	1,26,87,675
(ii) Later than one year and not later than five years	—	—
(iii) Later than five years.....	—	—
Total	—	1,26,87,675

Company has leased out commercial premises for a period of 3 years.

9. Taxation – Current includes – wealth tax of ₹ 1,70,000 (2010: ₹ 2,00,000)

10. Research and development expenditure:

	2011 ₹	2010 ₹
Revenue	96,25,574	75,69,727

11. Principal amount payable to Micro and Small Enterprises (to the extent identified by the Company from available information and relied upon by the auditors) as at 31st March, 2011 is ₹ 64,525 (2010: ₹ 2,42,246) including unpaid amounts of ₹ Nil (2010: ₹ Nil) outstanding for more than 45 days. No interest is due thereon.

12. Auditors' remuneration:

	2011 ₹	2010 ₹
Audit Fees	11,12,500	12,00,000
Tax Audit	2,35,416	3,75,000
Limited Review/Consolidation.....	8,00,000	8,00,000
Certification.....	75,000	75,000
Out of pocket expenses	23,520	35,183
Other services	25,000	—
Total	22,71,436	24,85,183

13. Segment reporting:

The Company is principally engaged in single business segment – manufacturing of specialty chemicals and operates materially in one geographical segment as per Accounting Standard 17 on segment reporting.

14. During the year management has reviewed the identification and classification of related party relationships. Based on this review the related party relationships identified and transactions with them are detailed below:

A. Relationships:

- (i) Joint Venture (with effect from 7th September 2010)
CTI Chemicals Asia Pacific Pte. Ltd. (Singapore)
- (ii) Key management personnel
Mrs. S. F. Vakil – Managing Director (SFV)
- (iii) Relatives of key management personnel
Mr. D. M. Neterwala – Father of Managing Director [Director (DMN)]
Mr. F. A. Vakil – Spouse of Managing Director (FAV)
- (iv) Other related parties
Chemicals & Ferro Alloys Limited (CFAL)
Universal Ferro & Allied Chemicals Limited (UFACL)
Indian Oxides & Chemicals Limited (IOCL)
Uni Klinger Limited (UKL)
Uni Abex Alloy Products Limited (UAAP)
SDN Company (SDNC)
Commercial Building Syndicate (CBS)
Rose Investments Limited (RIL)
General Pharmaceuticals Pvt. Ltd. (GPPL)
Performance Polymers & Chemicals Pvt. Ltd. (PPCPL)



SCHEDULE 21

Notes to Consolidated Accounts (Contd.)

Uni Deritend Ltd. (UDL)
 Oil Field Instrumentation (India) Pvt. Ltd. (OFIL)
 Neterson Technologies Pvt. Ltd. (NTPL)
 Netal India Ltd. (NIL)
 Anosh Finance & Investment Pvt. Ltd. (AFIPL)
 Inogent Laboratories Private Limited (ILPL)
 Netewala Consulting & Corporate Service Limited (NCCSL)
 Neterson Agrofarm Agency Pvt. Ltd. (NAAPL)
 Uni VTL Engineering Pvt. Ltd. (UVEPV)
 Unitel Finance & Investment Pvt. Ltd. (UFIPL)

Viva Chem Pvt. Ltd. (VCPL) (Merged with General Pharmaceuticals Pvt. Ltd. w.e.f. 15th October, 2010)

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

B. Transactions carried out with related parties referred in A above, in ordinary course of business:

(₹)					
Nature of transactions	Joint Venturer	Associate entities	Key management personnel	Relatives of key management personnel	Total
Purchase of Goods	11,53,985	1,01,83,239	—	—	1,20,98,825
	CTI	IOCL			
		6,29,686			
		GPPL			
		1,31,915			
		Others			
	(—)	(4,95,306)	(—)	(—)	(15,47,627)
		IOCL			
		(10,10,587)			
		GPPL			
		(41,734)			
		Others			
Sales of Goods.....	—	5,04,986	—	—	24,98,914
		IOCL			
		19,93,928			
		GPPL			
	(—)	(3,57,20,070)	(—)	(—)	(3,88,50,281)
		IOCL			
		(15,41,530)			
		VCPL			
		(15,88,681)			
		GPPL			
Compensation/Others	—	—	—	21,48,561	21,48,561
				DMN	
	(—)	(—)	(—)	(23,45,720)	(23,45,720)
		CBS		DMN	
Rendering of Services	—	1,06,068	—	—	5,53,475
		IOCL			
		3,14,509			
		SDNC			
		1,32,898			
		Others			
	(—)	(3,67,228)	(—)	(—)	(16,48,093)
		UAAP			
		(7,44,005)			
		IOCL			
		(3,00,885)			
		SDNC			
		(2,35,975)			
		Others			

DAI-ICHI KARKARIA LIMITED AND IT'S SUBSIDIARIES

SCHEDULE 21

Notes to Consolidated Accounts (Contd.)

(₹)					
Nature of transactions	Joint Venturer	Associate entities	Key management personnel	Relatives of key management personnel	Total
Receiving of Services	—	1,00,731 IOCL 49,450 UFA 75,374 Others	—	1,14,003 DMN	3,39,558
	—	(1,01,923) SDNC (1,92,180) Others	(—)	(1,19,771) DMN	(4,13,874)
Interest Received	—	18,08,172 IOCL	—	—	18,08,172
	(—)	(35,44,109) ILPL (2,91,516) IOCL	(—)	(—)	(38,35,625)
Remuneration	—	—	42,84,821	—	42,84,821
	(—)	(—)	(33,54,474)	(—)	(33,54,474)
Inter Corporate Deposits Placed	—	3,00,00,000 IOCL	—	—	3,00,00,000
	(—)	(—)	(—)	(—)	(—)
Investments	—	4,00,00,000 ILPL 49,000 Others	—	—	4,00,49,000
	(—)	(4,00,00,000) ILPL (49,000) Others	(—)	(—)	(4,00,49,000)
Outstanding Debtors	—	1,70,061 IOCL 6,12,035 GPPL 255 Others	—	—	7,82,351
	(—)	(82,59,476) IOCL	(—)	(—)	(82,59,476)
Outstanding Receivables	—	27,301 (SDNC) 1,250 Others	—	—	28,551
	(—)	(88,453) Others	(—)	(—)	(88,453)
Outstanding Payables	2,88,161 CTI	1,00,731 IOCL 5,35,992 GPPL 81,689 Others	—	—	10,06,573
	(—)	(51,591) Others	(—)	(—)	(51,591)



SCHEDULE 21

Notes to Consolidated Accounts (Contd.)

(₹)					
Nature of transactions	Joint Venturer	Associate entities	Key management personnel	Relatives of key management personnel	Total
Deposits given.....	—	—	—	32,00,000	32,00,000
	(—)	(—)	(—)	(32,00,000)	(32,00,000)
				DMN	
Outstanding ICD Placed	—	1,00,00,000	—	—	1,00,00,000
	(—)	(—)	(—)	(—)	(—)
		IOCL			

Note: Figures in bracket relate to previous year.

15. Interests in Joint Ventures :

The Group's interests in jointly controlled entity (incorporated Joint Venture) is :

Name	Country of Incorporation	Percentage of ownership interest as at 31st March, 2011	Percentage of ownership interest as at 31st March, 2010
Champion Dai-ichi Technologies India Limited	India	50	—*

* During the year, the Company had executed a tripartite shareholders agreement dated 26th May, 2010, with CTI Chemicals Asia Pacific Pte. Ltd. and its wholly owned subsidiary - Basic Oil Treating (India) Ltd., (now known as Champion Dai-ichi Technologies India Ltd.), for formation of Joint Venture.

Pursuant to the formation of Joint Venture, the shareholding of Champion Dai-ichi Technologies India Ltd. (formerly known as Basic Oil Treating (India) Ltd.), is held by the Company and CTI Chemicals Asia Pacific Pte. Ltd. in the ratio of 50:50. Accordingly Champion Dai-ichi Technologies India Ltd. (Formerly known as Basic Oil Treating (India) Ltd.), has ceased to be a subsidiary of the Company w.e.f. 7th September, 2010.

16. Earnings per share:

	2011 ₹	2010 ₹
(A) Before exceptional items and after tax:		
Profit as per accounts	4,97,31,654	5,66,69,035
Weighted average number of shares used as denominator for calculating basic and diluted earnings per share	74,51,229	74,94,849
Nominal value per share (₹).....	10	10
Basic and diluted earnings per share (₹).....	6.67	7.56
(B) After exceptional items and tax:		
Profit as per accounts	4,45,18,615	5,66,69,035
Weighted average number of shares used as denominator for calculating basic and diluted earnings per share	74,51,229	74,94,849
Nominal value per share (₹).....	10	10
Basic and diluted earnings per share (₹).....	5.97	7.56

17. Financial and derivative instrument disclosure:

(a) The following is the outstanding forward exchange contract entered into by the Company as on 31st March, 2011.

As at 31/03/2011				As at 31/03/2010			
Currency	Amount	Buy/Sell	Cross Currency	Currency	Amount	Buy/Sell	Cross Currency
US Dollar	2,36,229	Buy	Indian ₹	—	—	—	—
US Dollar	46,858	Sell	Indian ₹	—	—	—	—

(b) All derivative and financial instruments acquired by the Company are for hedging purpose.

DAI-ICHI KARKARIA LIMITED AND IT'S SUBSIDIARIES

SCHEDULE 21

Notes to Consolidated Accounts (Contd.)

(c) Un-hedged foreign currency exposure:

	2011 ₹	2010 ₹
Debtors	29,302	18,96,187
Creditors	71,42,198	70,12,457
Bank Balance.....	34,45,567	17,461

18. Figures are regrouped and rearranged, wherever necessary.

Signatures to Schedules 1 to 21

For and on behalf of the Board

S. F. Vakil	Vice-Chairperson and Managing Director
Dr. Anil Naik	Director
Keki Elavia	Director
Nitin Nimkar	Financial Comptroller
Kavita Thadeshwar	Company Secretary

Place : Mumbai
Date : May 4, 2011

Details of Subsidiary for the year 2010-11

Sr. No.	Name of Subsidiary Company	(₹ in '000)
	Dai-ichi Gosei Chemicals (India) Ltd.	
1.	Capital	500
2.	Reserves.....	—
3.	Total Assets.....	503
4.	Total Liabilities.....	503
5.	Details of Investment	—
6.	Turnover includes other income	—
7.	Profit before Taxation	—
8.	Provision for Taxation	—
9.	Profit after Taxation.....	—
10.	Proposed Dividend.....	—

For and on behalf of the Board

S. F. Vakil	Vice-Chairperson and Managing Director
Dr. Anil Naik	Director
Keki Elavia	Director
Nitin Nimkar	Financial Comptroller
Kavita Thadeshwar	Company Secretary

Place : Mumbai
Date : May 4, 2011

[illegible]



DAI-ICHI KARKARIA LIMITED

Registered Office: Liberty Building, Sir Vithaldas Thackersey Marg, Mumbai 400 020.

PROXY FORM

Reg. Folio No. No. of Shares held

I/We

of

being a member/members of **DAI-ICHI KARKARIA LIMITED** hereby appoint

of or failing him of

as my/our proxy to vote for me/us on my/our behalf at the **51st ANNUAL GENERAL MEETING** of the Company to be held at 11.30 a.m. on Thursday, 21st July, 2011 and at any adjournment thereof.

Signed this day of 2011

Signature

Note: This form duly completed and signed must be deposited at the Registered Office of the Company not less than 48 hours before the meeting.

Affix
0.15 Paise
Revenue
Stamp



DAI-ICHI KARKARIA LIMITED

Registered Office: Liberty Building, Sir Vithaldas Thackersey Marg, Mumbai 400 020.

ATTENDANCE SLIP

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

51st ANNUAL GENERAL MEETING — Thursday, 21st July, 2011

I hereby record my presence at the 51st Annual General Meeting of the Company held at M. C. Ghia Hall, Bhogilal Hargovindas Bldg., 2nd Floor, 18/20, Kaikhushru Dubash Marg, Mumbai 400 023 on Thursday, 21st July, 2011 at 11.30 a.m.

Full Name of Member (in BLOCK LETTERS)

Reg. Folio No. No. of shares held

Full Name of Proxy (in BLOCK LETTERS)

Member's/Proxy's Signature

**PLEASE BRING YOUR COPY OF
ANNUAL REPORT AT THE TIME OF
ATTENDING THE MEETING**

BOOK-POST

If undelivered please return to:

DAI-ICHI KARKARIA LIMITED
Liberty Building,
Sir Vithaldas Thackersey Marg,
Mumbai - 400 020.