



DAI-ICHI

**53rd ANNUAL REPORT
2012-2013**

A TRIBUTE TO THE CHAIRMAN

A Visionary, With Ethical Values,
Generosity of Spirit and Great Humility.



MR. DHUNJISHAW M. NETERWALA

(11.10.1919 - 31.05.2013)

Our Founder and Chairman with deep respect for
the values he ingrained
and the reputation he built for the Company.

— Directors, Shareholders and Employees of the Company.

Rest in Peace.

DAI-ICHI KARKARIA LIMITED

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Annual General Meeting

Date & Time:

Wednesday, 31st July, 2013 at 11.30 a.m.

Venue:

M. C. Ghia Hall,
Bhogilal Hargovindas Building,
4th Floor, 18/20 Kaikhushru Marg,
Mumbai 400 001

Book Closure Dates

24th July, 2013 to 31st July, 2013

Dividend Payment Date

14th August, 2013

BOARD OF DIRECTORS:

Mr. D. M. Neterwala	<i>Chairman (passed away on 31.5.2013)</i>
Mrs. S. F. Vakil	<i>Vice-Chairperson & Managing Director (upto 23.6.2013)</i>
	<i>Chairperson & Managing Director (w.e.f. 24.6.2013)</i>
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	<i>(passed away on 3.5.2013)</i>
Mr. K. M. Elavia	
Mrs. Kavita Thadeshwar	<i>Company Secretary</i>

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.
Tel: 2201 7130/2201 5895

Works:

- 105th Milestone, Mumbai-Pune Marg,
P.O. Kasarwadi, Pune – 411034.
- 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



NOTICE

NOTICE is hereby given that the Fifty-Third Annual General Meeting of the Members of **DAI-ICHI KARKARIA LIMITED** will be held on Wednesday, the 31st day of July 2013 at 11.30 a.m. at M.C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20 Kaikhushru Dubash Marg, Mumbai 400 001 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, 2013 and the Balance Sheet as at that date together with the Directors' Report and Auditors' Report thereon.
2. To declare a dividend for the year ended 31st March, 2013.
3. To appoint a Director in place of Mr. K. D. Patel, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. K. M. Elavia, 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. Re-appointment of Mrs. S. F. Vakil as Chairperson and Managing Director:

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

"RESOLVED that pursuant to the provisions of Sections 198, 269, 309, 310 and all other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII to the said Act or any statutory modification or re-enactment(s) thereof and subject to such permissions, consents and approvals from various authorities as may be required and subject to such conditions, if any, that may be imposed by any authority while granting their permissions, consents and approvals and which the Board of Directors is hereby authorized to accept, the Company hereby accords its consent and approval to the re-appointment of Mrs. S. F. Vakil as the Chairperson and Managing Director of the Company for a period from 1st June, 2013 to 31st March, 2016, on the terms and conditions set out below in the explanatory statement annexed hereto which shall be deemed to form part hereof."

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 : 24th June, 2013

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 24th July, 2013 to 31st July, 2013 (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 31st July, 2013. 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 24th July, 2013. Date of payment will be 14th August, 2013.
- (5) The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details furnished by the depositories for depositing dividends. Dividend will be credited to the Members' bank account through NECS wherever complete core banking details are available with the Company. In cases where the core banking details are not available, dividend warrants will be issued to the Members with bank details printed thereon as available in the Company's records. Members are therefore requested to update their NECS/Bank details with the Depositories/Share Registrar of the Company.
- (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, 2006 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 2006 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 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, ECS credits etc to its shareholders through electronic mode to the registered e-mail addresses of shareholders. We therefore request you to register your email-id for implementation of the initiative.



(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. K. D. Patel

Mr. K. D. Patel, retires by rotation and being eligible offers himself for re-appointment.

Brief resume and nature of expertise:

Mr. K. D. Patel, age 66 years, is a Director of the Company since 2001. Mr. Patel is a Bachelor of Commerce from the University of Bombay and in 1972 became a Member of the Institute of Chartered Accountants in England and Wales.

His professional career started with Turquands Barton Mayhew a U.K. firm of Chartered Accountants in their Milan, Italy office.

He joined Polaroid Italia Spa. in 1974 followed by various international assignments for Polaroid over a 21 year career including Director of Finance for the Asia Pacific Region based in Tokyo and Country Director for India.

Mr. Patel is resident in Pune and is a Trustee of the Dastur Schools Trust, Pune. He is on the Board of Directors of the following companies:

Sr. No.	Name of the Company	Designation
1.	ARI Consolidated Investments Limited	Director
2.	Champion Dai-ichi Technologies India Ltd	Director
3.	INARCO Limited	Director
4.	Indian Oxides & Chemicals Limited	Director
5.	Phil Corporation Limited	Director
6.	Tasty Bite Eatables Ltd.	Director
7.	Uni Klinger Limited	Director
8.	Zinnia Properties Pvt. Limited	Director

He is a member of the following Board Committees:

Sr. No.	Name of the Company	Committee	Designation
1.	Phil Corporation Limited	Audit Committee	Chairman
		Shareholders Grievance Committee	Chairman
		Remuneration Committee	Chairman
2.	Tasty Bite Eatables Ltd.	Audit Committee	Member
		Shareholders Grievance Committee	Member
3.	Uni Klinger Limited	Audit Committee	Chairman

None of the other Directors are concerned/interested in the above resolution. The Directors recommend the Resolution for members' approval.

Mr. K. M. Elavia:

Mr. K. M. Elavia, Director retires by rotation and being eligible offers himself for re-appointment.

Brief resume and nature of expertise:

Mr. K. M. Elavia, age 67 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:

Sr. No.	Name of the Company	Designation
1.	Uni VTL Precision Pvt. Ltd.	Chairman
2.	Allcargo Global Logistics Ltd.	Director
3.	Busbar Systems India Pvt. Ltd.	Director
4.	Development Credit Bank Limited	Director
5.	Goa Carbon Ltd.	Director
6.	Godrej & Boyce Mfg. Co. Ltd.	Director
7.	Godrej Industries Ltd.	Director
8.	Grindwell Norton Ltd.	Director
9.	Insilco Ltd.	Director
10.	NRB Bearings Ltd.	Director
11.	Peerless Trust Management Company Ltd.	Director
12.	Raptor Research and Conservation Fund (section 25 company)	Director
13.	SinoGoa International Holdings Ltd. (foreign company)	Director
14.	Uni Abex Alloy Products Ltd.	Director
15.	Uni Deritend Ltd.	Director

He is a member of the following Board Committees:

Sr. No.	Name of the Company	Committee	Designation
1.	Allcargo Global Logistics Ltd.	Audit Committee	Chairman
		Share allotment Committee	Chairman
		Compensation/Remuneration Committee	Member
		Finance Committee	Member



Sr. No.	Name of the Company	Committee	Designation
2.	Development Credit Bank Limited	Audit Committee	Chairman
		Risk Management Committee	Chairman
		Fraud Reporting & Monitoring Committee	Chairman
		Capital Raising Committee	Member
		Nomination & Remuneration Committee	Member
3.	Goa Carbon Ltd.	Audit Committee	Member
		Remuneration Committee	Chairman
		Corporate Governance Committee	Member
4.	Godrej & Boyce Mfg. Co. Ltd.	Audit Committee	Chairman
		Remuneration Committee	Member
5.	Grindwell Norton Ltd.	Audit Committee	Chairman
6.	Insilco Ltd.	Audit Committee	Member
		Remuneration Committee	Member
7.	NRB Bearings Ltd.	Audit Committee	Member
8.	Peerless Trust Management Company Ltd.	Audit Committee	Member
9.	Uni Abex Alloy Products Ltd.	Audit Committee	Chairman
		Remuneration committee	Chairman
10.	Uni Deritend Ltd.	Remuneration Committee	Member

None of the other Directors are concerned/interested in the above resolution. The Directors recommend the resolution for members' approval.

ANNEXURE TO THE NOTICE**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956 REGARDING SPECIAL BUSINESS****Item no. 6**

Subject to the approval of the shareholders and such other approvals as may be required, the Board of Directors at its meeting held on 28th May, 2013 have re-appointed Mrs. S. F. Vakil as Chairperson and Managing Director of the Company for a period from 1st June, 2013 to 31st March, 2016 on the terms and conditions recommended by the Remuneration Committee of the Board at its meeting held on 28th May, 2013.

As required under clause (iv) of provision to paragraph 1(C) of Section II of Part II of the Schedule XIII to the Companies Act, 1956, the relevant details to be sent alongwith the notice convening the general meeting are as under:

(I) General Information:

1. Nature of Industry: Specialty Chemical Industry
2. Date of commencement of commercial production: In the year 1963
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable
4. Financial performance based on given indicators:

Particulars for Financial year ended 31st March, 2013	₹ in lacs
Gross Sales and other income	9386
Operating Profit (before exceptional items, Interest, Depreciation and Tax)	715
Profit before Tax	565

5. Export Performance and net foreign collaborations:
The exports for the year ended 31st March, 2013 was ₹ 1,313 lacs. The Company does not have any foreign collaborations.
6. Foreign Investment or Collaborators, if any: In the oil field sector, the Company has tied up with a major U.S. based Company, CTI Technologies, INC and has formed a Joint Venture, through its erstwhile subsidiary, Champion Dai-ichi Technologies India Ltd.

(II) Information about the appointee:**1. Background Details:**

Mrs. S. F. Vakil is the Chairperson and Managing Director of the Company and Member of Share Transfer Committee of the Company.

Mrs. S. F. Vakil holds an M.A. degree in Industrial Psychology from Bombay University and M.B.A. degree from U.S.A. and has over 30 years of experience in business.

Mrs. S. F. Vakil has played a vital role in the success of the Company. In fact under her able and dynamic leadership the Company initiated and successfully accomplished the all round measures of cost cutting and restructuring of the business of the Company. Mrs. S. F. Vakil is shouldering the responsibilities of the Management and in house research and development. She also supervises marketing, finance and general administration.



2. **Past remuneration:**

At Annual General Meeting held on 31st August, 2010 and as per the Central Government approval, Mrs. S. F. Vakil was appointed as Managing Director, for a period of 3 years w.e.f. 1st June, 2010, on the following terms and conditions:

(a) **Salary:**

₹ 2,00,000/- (Rupees Two lacs only) per month with annual increments of 10% effective from 1st June each year.

(b) **Perquisites & Allowances:**

In addition to the salary, Mrs. Vakil shall also be entitled to perquisites and allowances like Free of cost furnished accommodation or house rent allowance in lieu thereof, together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, servants' salary, children's education benefit; Medical reimbursement, accident insurance, leave travel assistance, club fees and such benefits, and other perquisites and allowances in accordance with the Rules of the Company or as may be agreed to by the Board of Directors and the Managing Director. Such perquisites and allowances will be subject to a maximum of 75% of the Annual salary.

Provision for use of the Company's car together with reimbursement of chauffeur's salary for official duties and telephone at residence, cellular phones (including payment of local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

Company's contribution to Provident Fund and Superannuation fund or Annuity to the extent these either singly or together are not taxable under the Income-tax Act, Gratuity payable as per the rules of the Company and to the extent not taxable under the Income-tax Act and encashment of leave at the end of her tenure shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

(c) **Performance Linked Incentive:**

In addition an amount of ₹ 6,00,000/- (Rupees Six lacs only) p.a. will be payable subject to achievement of performance targets fixed by the Board.

The Managing Director shall not be paid any sitting fees for attending the meeting of the Board of Directors of the Company or any Committees thereof.

3. **Job profile and her suitability:**

Mrs. S. F. Vakil as Chairperson and Managing Director of the Company is vested with substantial powers of management under the superintendence, control and direction of the Board of Directors. She is also involved in policy planning, vision and strategy and long term development activities of the Company, besides Corporate Governance and Board co-ordination.

4. **Remuneration proposed:**

The Board of Directors of the Company at its meeting held on 28th May, 2013, approved the terms of remuneration for the period from 1st June 2013 to 31st March, 2016 as under:

(a) **Salary:**

₹ 3,00,000/- (Rupees Three lacs only) per month with annual increments of 25% effective from 1st April each year.

(b) Perquisites & Allowances:

In addition to the salary, Mrs. Vakil shall also be entitled to perquisites and allowances like Free of cost furnished accommodation or house rent allowance in lieu thereof, together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, servants' salary, children's education benefit; Medical reimbursement, accident insurance, leave travel assistance, club fees and such benefits, and other perquisites and allowances in accordance with the Rules of the Company or as may be agreed to by the Board of Directors and the Managing Director. Such perquisites and allowances will be subject to a maximum of 75% of the Annual salary.

Provision for use of the Company's car together with reimbursement of chauffeur's salary and telephone at residence, cellular phones (including payment of local calls and long distance) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

Company's contribution to Provident Fund and Superannuation fund or Annuity to the extent these either singly or together are not taxable under the Income-tax Act, Gratuity payable as per the rules of the Company and to the extent not taxable under the Income-tax Act and encashment of leave at the end of her tenure shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

(c) Performance Linked Incentive:

In addition an amount of ₹ 30,00,000/- (Rupees Thirty Lacs only) p.a. will be payable as per the performance criteria that may be decided by the Board at the end of each financial year.

Minimum Remuneration:

If in any financial year, the Company has no profits or its profits are inadequate, then in such an event, the remuneration by way of fixed pay, variable pay (performance linked incentives), perquisites, allowances and other benefits as specified above will be paid as minimum salary.

The Terms and conditions of her appointment may be varied, altered, increase, enhanced or widened from time to time by the Board of Directors, as they may, in its discretion, deem fit within the maximum amount payable in accordance with provisions of the Companies Act, 1956 or any amendments thereto.

Mrs. Vakil shall not be paid any sitting fees for attending the meeting of the Board of Directors of the Company or any Committee/s thereof.

5. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:

The executive remuneration in the industry is on the rise. Appreciating this, the Central Government has also from time to time raised the ceiling specified in Schedule XIII dealing with managerial remuneration. The approval is granted by the Board of Directors, for the proposed remuneration after perusing the remuneration of managerial persons in the Specialty Chemical Industry and other companies comparable with the size of the Company, industry benchmarks in general, profile and responsibilities of Mrs. S. F. Vakil.

6. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any:

Besides the remuneration proposed, Mrs. S. F. Vakil does not have any pecuniary relationship with the Company.



(III) Other Information:

1. Reasons of inadequate profits:

The Company has achieved a top line growth of 16%, registering total revenues of approx. ₹ 86 crs. against ₹ 75 crs. last year. EBIDTA has increased to 40%, by closely monitoring manufacturing costs and operational efficiencies. Against a fairly challenging environment for growth in the past twelve months, Profit before Tax has increased to ₹ 565 lacs from ₹ 404 lacs in 2011-12.

The Company has met most of its growth targets for the year, except in Non Ionic and Spin Finish segments, where the difficult market conditions and depressed margins affected growth.

2. Steps taken or proposed to be taken for improvement:

The Company proposes to take the following additional steps for the improvement in performance:

- (i) To set up facilities in Dahej and utilize the PCPIR's infrastructure to add to its manufacturing capacities.
- (ii) To employ its resources towards greater automation and enhanced productivity and efficiencies at the plant.
- (iii) To focus on Product development of existing as well as newer applications in various growth oriented end user markets like Construction, Paint and the Oil Sectors.
- (iv) To work towards supplying larger volume performance chemicals to the Construction, Oil & Lubricant Industries

3. Expected increase in productivity and profits in measurable terms:

This expansion will enable the Company to expand its manufacturing foot print and production capacity effectively.

From being a small value added supplier for Specialty Performance applications, the Company is working towards supplying larger volume performance chemicals to the Construction, Oil & Lubricant Industries.

An abstract under Section 302 of the Companies Act, 1956, in respect of this item has already been circulated separately to all the shareholders within the prescribed time.

The Resolution is recommended to the shareholders for passing as a Special Resolution.

Mrs. S. F. Vakil is concerned and interested in the above matter. None of the other directors are concerned or interested in the aforesaid 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 : 24th June, 2013

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Fifty-Third Annual Report together with the audited accounts for the year ended March 31, 2013.

1. FINANCIAL RESULTS:

Operational Performance	2013 (₹ in millions)	2012 (₹ in millions)
Gross Revenue from operations	888.86	763.28
Less: Excise duty	80.93	59.84
Net Revenue from operations	807.93	703.44
PBDIT	71.47	51.87
EPS (₹)	5.89	4.50
Book Value of Shares (₹)	85.45	82.46

PERFORMANCE REVIEW:

The Company has achieved a top line growth of 16%, registering total revenues of approx. ₹ 889 millions against ₹ 763 million last year. EBIDTA has been increased close to 40%, by closely monitoring manufacturing costs and operational efficiencies. This against a fairly challenging environment for growth in the past twelve months.

Profit before Tax has increased to ₹ 56.50 million from ₹ 40.42 million in 2011-12.

2. DIVIDEND:

The Directors have recommend a dividend of ₹ 2.00 per equity share and a Special dividend of 0.50 per equity share, on completion of 50 years of operations, aggregating to ₹ 2.50 per equity share of ₹ 10 each for the year ended 31st March, 2013. The dividend payout will aggregate to ₹ 18.63 million and the tax on distributable profits payable by the Company would amount to ₹ 3.02 million.

3. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**INDUSTRY STRUCTURE & DEVELOPMENT: OPPORTUNITIES AND THREATS, RISKS AND CONCERNS**

The Chemical Industry reflects the economic climate of the country, and has grown in India at a rate higher than GDP over the last 5 years.

Chemical demand continues to grow, due to sustained end-use industry growth and increased usage and intensities in various applications. The Indian Chemical Industry can leverage this situation to its advantage by focusing its developments to the specific needs of its end use customers.

India's Chemical Industry was slated to grow by approx. 9% in 2013. Specialty Chemical, being the fastest growing segment, was expected to grow at 11-12%. The Indian Chemical Industry, valued at US\$ 108 billion, accounts for only 3% of the Global Chemical space. This sector therefore has the potential to grow, as the need for Specialty Chemicals intensify in end use markets.

The Indian Specialty Chemical Industry being in a nascent stage, shows substantial promise for growth with maturing markets and as the Government authorities and forward thinking companies see the need for better quality, greater sustainability and improved safety, there could be a spurt in this area.



With this backdrop the auxiliary manufacturer has the task to understand the specific needs of the customer and deliver customized solutions that are flexible to the customers' requirements. Continuous customer interaction to understand the complexities of the customer's performance requirements is key to successful business across all industry segments.

SECTORWISE PERFORMANCE:

Dai-ichi has achieved a revenue growth of 16% for 2012-13.

The Company participated in some of the key growth oriented end-use industries, viz. Paint and Coatings, Construction Chemicals, Oil Field Chemicals, Textile Chemicals & Specialty Polymers.

The Company's prudent but aggressive growth strategy has achieved results. The weakening of the Rupee has improved the Company's export performance, inspite of tough market conditions in Europe.

With capacities at the Company's Pimpri site stretched to the limit, it is crucial that the Company expands to take advantage of growing demand in various sectors. This expansion will enable the Company to expand its manufacturing foot print and production capacity cost effectively.

The Company plans to set up facilities in Dahej and utilize the PCPIR's infrastructure to add to its manufacturing capacities. The new site will focus on the manufacture of Ethoxylates and Propoxylates, together with Specialties for the Oil Field Chemical Sector. Several global chemical and petrochemical companies have committed to make large investments in Gujarat, specifically at Dahej, which is soon becoming the hub of the Chemical Sector in Gujarat.

As part of the PCPIR complex the availability to feedstock and infrastructure makes it an ideal location for Chemical companies.

At Dai-ichi, 80% of the Company's business is based on Ethylene Oxide derivatives and various formulations based on these.

Demand for ethoxylates is forecast to grow at 12% over the next 3-4 years.

These products go as additives in concrete admixtures, dispersing agents, auxiliaries, finishes for the Polyester Industry, metal working fluids, etc.

The Company has grown its business this year through organic growth and increased product share in the Paint Industry, the Textile Sector, the Cement Industry and increased sales to its oil field partner viz. Champion Technologies Inc. and our JV in the oil field viz. Champion Dai-ichi Technologies India Ltd.

The Textile Chemical Industry in India is projected to grow at 11%, while the Paint Industry is expected to grow at 15% during 2012-15.

The Company has met most of its growth targets for the year, except its offerings to the Polyester Industry, where the difficult market conditions and depressed margins affected growth.

The Company's focus on continuous improvement in all departments has resulted in enhanced performance across the organization.

With improved production processes and debottlenecking of manufacturing, the Company has been able to increase tonnages within the same infrastructure.

To stay competitive in the market place, the Company requires to increase productivity along the entire value chain. Automation technologies are being introduced linked with efficiency in the use of energy etc. The concept of standardized operating conditions has provided for not only enhanced efficiencies but greater safety at the plant level.

The Company will continue to employ its resources towards greater automation and enhanced productivity and efficiencies at the plant.

Product development continues to be focused on existing as well as newer applications in various growth oriented end user markets like Construction, Paint and the Oil Sectors. Whilst the Company continues to drive innovation it is also strengthening its applied technology labs for the various business lines.

From being a small valued added supplier for Specialty Performance applications, the Company is working towards supplying larger volume Performance chemicals to the Construction, Oil & Lubricant Industries, whilst continuing its offerings to the Paint & Rayon sectors, as a preferred supplier to certain end use customers.

The Company's Joint Venture with CTI Chemicals Asia Pacific Pte. Ltd. is performing extremely well, having bagged some prestigious contracts with the country's premium private oil producers, capturing over 85% of this market.

The synergy between Champion's technical expertise in the field and the capability of Dai-ichi Karkaria Ltd. to manufacture specialty performance chemicals at competitive rates, and in a timely way, has resulted in a very successful business model.

WORKING CAPITAL MANAGEMENT:

The significant ratios of the Company such as Ratio of Inventory to Sales is 12.99%, Receivable to Sales is 18.46%, and Net Working Capital to Sales is 29.17%.

The working capital was rotated 4 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.

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 INCLUDING NUMBER OF PEOPLE EMPLOYED:

The Company's Human Resource Policy over the years has resulted in a very low attrition ratio of less than 1% per annum. All manpower requirements are assessed and filled in a timely manner. The Company has a sound knowledge pool of experienced employees, which helps it to maintain consistency in performance across all disciplines.

Training needs of all employees are assessed annually and specific training is imparted to employees belonging to different departments. Employees are encouraged to attend seminars and workshops to enhance their skill and knowledge.

As on 31st March, 2013, the total numbers of employees on the payrolls of the Company at all the locations are 239.



4. **JOINT VENTURE/SUBSIDIARY COMPANIES:**

(i) **JOINT VENTURE COMPANY – CHAMPION DAI-ICHI TECHNOLOGIES INDIA LTD.**

The Company had w.e.f. 7th September, 2010, formed a Joint Venture with CTI Chemicals Asia Pacific Pte. Ltd., in the ratio of 50:50.

(ii) **ANNUAL REPORT OF SUBSIDIARY COMPANY:**

As on 31st March 2013, the Company has only one subsidiary, Dai-ichi Gosei Chemicals (India) Limited.

Pursuant to General Circular 2/2011 of 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 Joint Venture Company, Champion Dai-ichi Technologies India Ltd and Subsidiary Company, Dai-ichi Gosei Chemicals (India) Limited., duly audited by the Statutory Auditors are attached.

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 2013 are the matured but unclaimed deposits which amount to ₹ 0.31 millions.

6. **DIRECTORS:**

The Directors record their profound grief on the sad demise of its Founder Chairman Mr. D. M. Neterwala on 31st May, 2013.

Mr. D. M. Neterwala, with great entrepreneurial vision and foresight founded the Company 53 years ago. As a promoter of the Company, he contributed immensely towards building a strong ethical foundation for the Company and establishing a pioneering place in the industry. He steered the Company to become a reputable and national name in the Surfactant Industry.

The Directors record their appreciation for his outstanding leadership and invaluable contribution to the Company.

The Directors record their profound grief on the sad and untimely demise of its Independent Director, Mr. Jimmy Bilimoria on 3rd May, 2013.

Mr. Jimmy Bilimoria joined the Board of Directors in the year 2007. He was a valuable member of the Board and contributed significantly to the Board discussions and decisions. The Directors place on record their deep appreciation of the valuable services rendered by him.

Mr. Kavas Patel and Mr. Keki Elavia 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 reappointment, 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 53rd Annual General meeting.

The Board of Directors recommends their 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 for the year ended 31st March, 2013, 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, 2013, and of the profit of the Company for the period April 1, 2012 to March 31, 2013;
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 2013-2014.

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.

13. HEALTH, SAFETY & ENVIRONMENT:

The Company always ensure good health, safety & environment friendly practices. During the financial year factory had no reportable accident. Meetings of Safety Committee were conducted once in every three months and suggestions were effectively implemented, which resulted in zero accidents in the said financial year. Regular Mock Drills were conducted once in three months to ensure best



performance while addressing emergency situations and incidents adversely affecting the environment. Periodical employee health checks were carried out and accordingly employees were educated for maintaining their health. Regular training relating to work place safety, fire fighting, first aid etc. were provided to the employees. Company always adheres to all statutory & legal compliances pertaining to Employee Health, Safety & Environment. The Company conducts periodical monitoring of Air, Noise & Water to verify the performances of various utilities, which confirms the MPCB & DISH approved norms.

14. INDUSTRIAL RELATIONS:

The wage agreement with the workers of the Company expired on 30th November, 2008. As Conciliation proceedings before the Labour Commissioner, Pune for arriving at a settlement were not conclusive, the matter was referred to the Industrial Court, Pune for adjudication. The said reference is rejected by the Hon'ble Industrial court for want of prosecution by the recognized union. The decision of the Industrial Court is challenged and is pending before the Mumbai High Court.

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 2013-2014.

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.

CAUTIONARY NOTE:

Certain statements in the Director's Report and Management & 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.

For and on behalf of the Board

Mrs. S. F. Vakil

Chairperson & Managing Director

Place : Mumbai

Date : June 24, 2013

ANNEXURE 'A' 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 2013.

I. Conservation of Energy:

(a) ENERGY CONSERVATION MEASURES TAKEN:

- (1) VFD was installed on Briquette Boiler ID (induced draft) due to which energy saving of ₹ 1.0 lacs per annum was achieved.
- (2) Reuse of discharged water from vacuum pumps was done in GLR group in plant 1 which resulted in regular saving in fresh water consumption.
- (3) VFD & Process automation was done on newly installed 8 KL Hot Oil reactor which resulted in saving of electricity and process time and manpower.
- (4) In PPD plant ventilation was improved by providing ID fans & introduction of three big windows.

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

- (1) Vacuum pumps with closed loop water circulation system and heat exchanger will be provided for 4 vacuum pumps which run more frequently.
- (2) Auto dispensing unit for packing of FG will be installed in sulfonation plant with net saving in manpower and packing time.

(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 energy, manpower, water saving and consequent reduction in the cost of production.

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

Sr. No	Description	2012-13	2011-12
A.	Power and fuel consumption		
1.	Electricity		
(a)	Purchased		
	Units (KWH)	25,09,071	19,91,358
	Purchased cost of units (₹)	1,81,64,184	1,25,19,917
	Rate per unit purchased	7.24	6.29
(b)	Own generation		
(i)	Through Diesel Generator		
	No of units Generated (KWH)	10,439	24,631
	Diesel Oil consumed (KL)	3.62	8.02
	Cost of Diesel Oil consumed (₹)	1,70,995	3,54,747
	Cost of Diesel/Unit generated (₹)	16.38	14.40
(ii)	Through Steam Turbine Generator	Nil	Nil



Sr. No	Description	2012-13	2011-12
2.	COAL USED		
	No of Units consumed KG	Nil	Nil
	Purchase cost (₹)	Nil	Nil
	Rate per unit Kg	Nil	Nil
3.	FURNACE OIL		
	Furnace oil consumed (KL)	127.87	600.14
	Cost of Furnace oil consumed (₹)	51,15,746	2,09,92,871
	Average rate (₹/Lt.)	40.01	34.98
4.	Bio-Fuel briquettes		
1.	Bio-fuel briquettes consumed (MT)	2570.78	616.13
2.	Cost of B.F briquettes consumed (₹)	1,46,99,935	29,59,231
3.	Average rate (₹/KG)	5.72	4.80
B.	Consumption per unit of production in MT		
	Electricity-KWH/Ton	235.43	234.01
	Furnace Oil - (Lt./ Ton)	269.76	86.43
	Briquettes - (Ton/Ton)	3.98	2.71

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) New Products development in the areas of Textile softeners, surfactant for corrosion inhibitor formulation, Surface sizing agent for paper industry, oil field additives, new range of pour point depressants, additive for metal cleaning formulation, superplasticizers for concrete industry, new polymer for print/pigment industry.
 - (ii) Process optimization of additives for concrete and cement industries, corrosion inhibitors, new polymer for print/pigment industry.
 - (iii) Application Development for paint emulsion and textiles industries.
2. Benefits derived from these research and development projects:
 - (i) New value added products are introduced to the market, in particular construction industry.
 - (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, APEO free products, new applications and cost reduction of already developed products.

4. Expenditure on R&D during the year
- | | |
|-----------|-----------------|
| Capital | – ₹ 84,500/- |
| Recurring | – ₹ 98,17,173/- |
- Total R&D expenditure as a percentage of turnover : 1.11%

III. Technology absorption, adaptation and Innovation:

- (i) 7 new products have been developed.
- (ii) 10 new products have been scaled up at the pilot plant and production level.
- (iii) During last 5 years no technology was imported.

IV. Foreign Exchange Earning and Outgo:

Foreign Exchange Earned	₹ 131.44 millions
Foreign Exchange used for imports and other remittance	₹ 83.96 millions



CORPORATE GOVERNANCE REPORT

The following Corporate Governance Report is attached as a part of the Directors' Report of the Company for the year 2012-13.

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 7 (seven) Directors. The Board comprises of a Managing Director and six Non-Executive Directors. Out of the six Non-Executive Directors, four members are Independent Directors. The Board's composition is in conformity with the provisions of Companies Act, 1956 as well as clause 49 of the Listing Agreement with the Stock Exchange.

During the financial year under review six Board Meetings were held on 11th May, 2012, 13th June, 2012, 10th August, 2012, 10th October, 2012, 26th October, 2012 and 6th February, 2013.

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 ¹ (Promoter)	N.E.D	Chairman	4	No	8	1/2
Mrs. S. F. Vakil (Promoter)	E.D.	Vice-Chairperson & Managing Director	6	Yes	4	None
Mr. J. H. C. Jehangir (Promoter)	N.E.D.	Director	Nil	No	2	None
Mr. A. H. Jehangir (Promoter)	N.E.D	Director	1	Yes	None	None
Dr. K. R. Bharucha	I. & N.E.D.	Director	Nil	No	None	None
Mr. K. D. Patel	I. & N.E.D.	Director	4	Yes	7	3/2
Dr. A. M. Naik	I. & N.E.D.	Director	5	Yes	1	None
Mr. J. S. Bilimoria ²	I. & N.E.D.	Director	4	Yes	9	4/3
Mr. K. M. Elavia	I. & N.E.D.	Director	6	Yes	10	5/4

1. Mr. D. M. Neterwala, Promoter and Non-Executive Director has passed away on 31st May, 2013

2. Mr. J. S. Bilimoria, Independent and Non-Executive Director has passed away on 3rd May, 2013

* 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. J. H. C. Jehangir and Mr. A. H. Jehangir are related being brothers.

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 comprises of Mr. K. D. Patel as Chairman, Dr. A. M. Naik, Mr. A. H. Jehangir, Dr. K. R. Bharucha, and Mr. K. M. Elavia as members.

During the financial year under review, five Audit Committee Meetings were held on 11th May, 2012, 13th June, 2012, 10th August, 2012, 26th October, 2012 and 6th February, 2013.

The attendance at the Audit Committee Meetings is as under:

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

* Mr. J. S. Bilimoria has passed away on 3rd May, 2013.

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

(ii) Share Transfer & Shareholder's/Investor's Grievances Committee:

The Company has a Share Transfer & Shareholder's/Investor's Grievances Committee. It consists of Mr. A. H. Jehangir as Chairman, Mr. J. H. C. Jehangir and Mrs. S. F. Vakil 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, 1 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 Mr. K. D. Patel as Chairman, Dr. A. M. Naik and Mr. K. M. Elavia 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. Chairperson and Managing Director – Mrs. S. F. Vakil. Remuneration paid during the year includes Salary amounting to ₹ 28,90,000/-, perquisites amounting to ₹ 21,16,194/- and performance incentive amounting to ₹ 6,00,000/-. 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:**

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*	58,000/-	N.A.
Mr. J. H. C. Jehangir	Nil	N.A.
Mr. A. H. Jehangir	15,000/-	7,500/-
Mr. K. D. Patel	59,000/-	30,000/-
Dr. A. M. Naik	73,000/-	30,000/-
Mr. J. S. Bilimoria#	58,000/-	22,500/-
Mr. Keki Elavia	88,000/-	37,500/-
Dr. K. R. Bharucha	Nil	Nil

* Mr. D. M. Neterwala has passed away on 31st May, 2013.

Mr. Jimmy Bilimoria has passed away on 3rd May, 2013.

5. **GENERAL BODY MEETINGS:**

The last three Annual General Meetings were held as under:

Financial year	Date	Time	Location
2009-2010	31.8.2010	11.30 a.m.	M. C. Ghia Hall, Mumbai
2010-2011	21.7.2011	11.30 a.m.	M. C. Ghia Hall, Mumbai
2011-2012	10.8.2012	11.30 a.m.	M. C. Ghia Hall, Mumbai

Special resolution passed at the last three Annual General Meeting:

Date of AGM	Purpose
31.8.2010	Appointment of Mrs. S. F. Vakil as Vice Chairperson and Managing Director.
10.8.2012	Appointment of Ms. Meher Vakil as Representative for Export Promotion of the Company's products in United States

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.
3. The Company has laid down procedures to inform the Board Members about the risk assessment and minimization procedures including risk mitigation mechanisms, which are periodically reviewed and reported to the Board of Directors by senior executives.

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 e-mail 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:	31 st July, 2013 at 11.30 a.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 4 th floor, 18/20 Kaikhushru Dubash Marg, Mumbai-400 001.
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B. Financial Calendar (tentative):

Financial Year	1 st April 2013 to 31 st March 2014
First Quarter Results	Second week of August, 2013
Half Yearly Results	Second week of November, 2013
Third Quarter Results	Second week of February, 2014
Audited Results for the year ending 31 st March 2014	Third week of May, 2014

C. Dates of Book Closure

24th July, 2013 to 31st July, 2013

D. Dividend Payment Date

14th August, 2013

E. Listing on Stock Exchanges

The Bombay Stock Exchange Ltd.

F. Stock Code -

DAI ICH KARK

Demat ISIN Number for NSDL & CDSL

INE928C01010

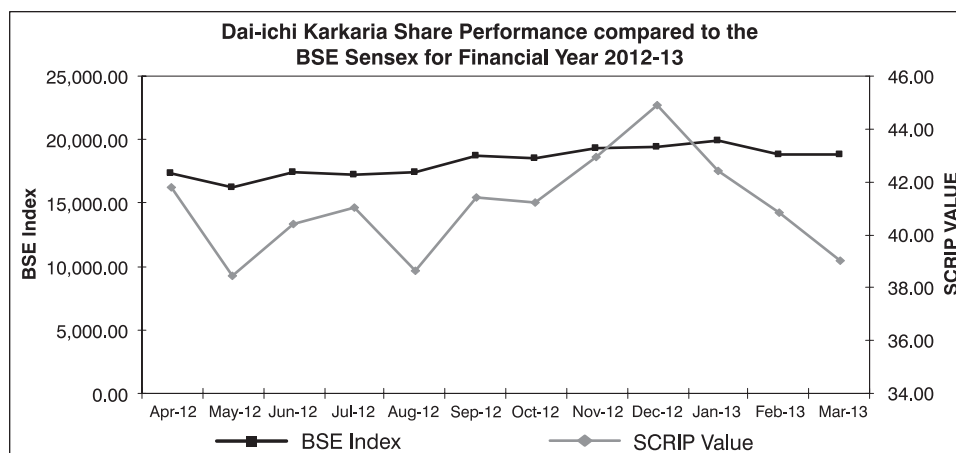


G. Market Price Data:

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 2012	46.50	36.25
2.	May 2012	47.50	37.00
3.	June 2012	40.85	37.05
4.	July 2012	45.00	38.25
5.	August 2012	43.95	37.70
6.	September 2012	44.30	38.10
7.	October 2012	47.00	39.65
8.	November 2012	48.70	39.00
9.	December 2012	47.95	41.10
10.	January 2013	47.90	41.10
11.	February 2013	45.95	35.00
12.	March 2013	46.60	37.20

H. Stock Performance:



I. 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

J. 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.

K. Shareholding Pattern as on 31st March, 2013:

	Categories of Shareholders	No. of shares held	%
A.	Promoters Holding		
	Indian Promoters	38,34,457	51.46
	Foreign Promoters	Nil	Nil
	Persons acting in concert	6,86,717	9.22
	Sub Total	45,21,174	60.68
B.	Non-Promoters Holding		
	Institutional Investors:		
	(i) Mutual Funds and UTI	1,600	0.02
	(ii) Banks, Financial Institutions, Insurance Companies	Nil	Nil
	(iii) FIs	Nil	Nil
	Sub Total	1,600	0.02
	Others:		
	(i) Private Corporate Bodies	2,45,283	3.29
	(ii) Indian Public	25,72,746	34.53
	(iii) NRIs/OCBs	91,711	1.23
	(iv) Any other (clearing members)	18,715	0.25
	Sub Total	29,28,455	39.30
	GRAND TOTAL	74,51,229	100

L. Dematerialisation of shares:

As on 31st March, 2013, 71,96,619 equity shares representing 96.58% 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.

M. 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



- N. 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)
- O. Auditor's certificate on** 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.

AUDITOR'S 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, 2013, 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 : 24th June, 2013

INDEPENDENT AUDITORS' REPORT

TO
THE MEMBERS OF
DAI-ICHI KARKARIA LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **Dai-ichi Karkaria Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211 (3C) of the Act.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

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

Shyamak R Tata
Partner
Membership No. 38320

Place : Mumbai
Date : 28 May, 2013

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In our opinion and according to the information and explanation given to us, the nature of the Company's business/activities, during the year are such that clauses (x), (xii), (xiii), (xiv), (xv), (xviii), (xix), (xx) of the Order are not applicable to the Company. In respect of the other clauses, we report as under:

- (i) 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 the assets (plant and machinery and laboratory equipment) of the unit due for verification 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.
- (ii) 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 no material discrepancies were noticed on physical verification.
- (iii) 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 ₹ 2,00,00,000 to one party during the year. At the year-end, the outstanding balances of such loans aggregated ₹ 70,00,000 (number of parties – One) and the maximum amount involved during the year was ₹ 3,00,00,000 (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 exceeding ₹ 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



- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and for the sale of goods and services and during the course of our audit, we have not observed any major weakness in such internal control system.
- (v) 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 ₹ 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, other than certain purchases which are of a special nature for which comparable quotations are not available and in respect of which we are, therefore, unable to comment.
- (vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. 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.
- (vii) 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.
- (viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that *prima facie* the prescribed cost records have been maintained and are being made up. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (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 Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2013 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 31st March, 2013, 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 ₹)
Income tax Act, 1961	Income Tax	2006-2007	CIT(A)	35.87 lakhs
Income tax Act, 1961	Income Tax	2007-2008	ITAT	87.04 lakhs
Income tax Act, 1961	Income Tax	2008-2009	ITAT	1.36 lakhs
Income tax Act, 1961	Income Tax	2009-2010	CIT(A)	177.87 lakhs

- (x) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. There are no dues to financial institutions or debenture holders.
- (xi) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained.
- (xii) In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have, *prima facie*, not been used during the year for long-term investment.
- (xiii) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company and no material fraud on 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 : 28 May, 2013



Balance Sheet as at 31 March, 2013

Particulars	Note No.	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	3	7,45,12,290	7,45,12,290
(b) Reserves and surplus	4	59,78,85,821	57,59,51,557
		67,23,98,111	65,04,63,847
2. Non-current liabilities			
(a) Long-term borrowings	5	1,12,92,001	1,13,50,928
(b) Deferred tax liabilities (net)	6	—	19,46,920
(c) Other long-term liabilities	7	80,49,132	—
(d) Long-term provisions	8	1,22,85,281	92,30,799
		3,16,26,414	2,25,28,647
3. Current liabilities			
(a) Trade payables	9	10,66,32,589	10,60,62,548
(b) Other current liabilities	10	1,64,02,551	2,55,25,834
(c) Short-term provisions	11	2,57,63,497	2,13,93,078
		14,87,98,636	15,29,81,460
TOTAL		85,28,23,162	82,59,73,954
II. ASSETS			
1. Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12A	15,87,17,939	15,41,76,010
(ii) Intangible assets	12B	1,82,637	2,86,892
(iii) Capital work-in-progress		5,74,36,818	2,75,528
(iv) Intangible assets under development		82,725	82,725
		21,64,20,119	15,48,21,155
(b) Non-current investments	13	2,93,46,038	9,15,72,710
(c) Deferred tax assets (net)	6	3,53,101	—
(d) Long-term loans and advances	14	5,19,59,600	6,09,10,945
		8,16,58,739	15,24,83,655
		29,80,78,858	30,73,04,810
2. Current assets			
(a) Current investments	15	17,02,45,759	17,83,95,783
(b) Inventories	16	10,49,35,536	9,18,13,381
(c) Trade receivables	17	14,91,12,755	13,46,94,675
(d) Cash and cash equivalents	18	10,02,13,770	9,80,37,651
(e) Short-term loans and advances	19	2,90,74,853	1,46,60,536
(f) Other current assets	20	11,61,631	10,67,118
		55,47,44,304	51,86,69,144
TOTAL		85,28,23,162	82,59,73,954

The accompanying notes are an integral part of the financial statements

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

Shyamak R Tata
Partner

Place : Mumbai
Date : 28 May, 2013

For and on behalf of the Board

S. F. Vakil

Keki Elavia

Anil Naik

Nitin Nimkar

Kavita Thadeshwar

Vice-Chairperson and Managing Director

Director

Director

Financial Comptroller

Company Secretary

Statement of Profit and Loss for the year ended 31 March, 2013

Particulars	Note No.	For the year ended 31 March, 2013 ₹	For the year ended 31 March, 2012 ₹
1. Revenue from operations (gross)	21	88,88,64,170	76,32,81,538
Less: Excise duty		8,09,34,297	5,98,44,559
Revenue from operations (net)		80,79,29,873	70,34,36,979
2. Other income	22	4,97,31,778	4,30,07,572
3. Total Revenue		85,76,61,651	74,64,44,551
4. Expenses			
(a) Cost of materials consumed	23	58,20,31,583	50,70,76,889
(b) Changes in inventories of finished goods, work-in-progress	24	(1,47,39,410)	(77,58,988)
(c) Employee benefits expenses	25	9,55,61,769	9,03,31,394
(d) Finance costs	26	1,60,769	18,452
(e) Depreciation and amortisation expenses	29	1,48,17,246	1,14,26,982
(f) Other expenses	27	12,33,33,394	10,49,27,096
Total Expenses		80,11,65,351	70,60,21,825
5. Profit before Tax		5,64,96,300	4,04,22,726
6. Tax expense/(benefit):			
(a) Current Tax	28	1,49,00,000	82,50,000
(b) Deferred Tax	28	(23,00,021)	(13,44,329)
		1,25,99,979	69,05,671
7. Profit for the year		4,38,96,321	3,35,17,055
Earning per Equity Share basic and diluted (of ₹10/- each)		5.89	4.50

The accompanying notes are an integral part of the financial statements

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

Shyamak R Tata
Partner

Place : Mumbai
Date : 28 May, 2013

For and on behalf of the Board

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

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



Cash Flow Statement for the year ended 31 March, 2013

Particulars	For the year ended 31 March, 2013 ₹	For the year ended 31 March, 2012 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before extraordinary items and tax	5,64,96,300	4,04,22,726
Adjustments for:		
Depreciation and amortisation expenses	1,48,17,246	1,14,26,982
Provision for doubtful debts.....	(2,10,345)	(13,848)
Profit on sale of Fixed Assets	—	(20,547)
Interest income.....	(1,47,68,060)	(1,03,71,560)
Dividend income	(87,27,530)	(1,14,23,409)
Excess of cost or fair value of current MF investments.....	—	(1,24,000)
Profit on sale of investment	(90,50,920)	(59,89,801)
Rent income	(1,43,97,850)	(1,48,79,184)
Finance costs	1,60,769	18,452
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES	2,43,19,610	90,45,811
Changes in working capital:		
Adjustments for (increase)/decrease in operating assets:		
Inventories	(1,31,22,155)	(2,50,50,058)
Trade receivables.....	(1,42,07,735)	(3,87,06,918)
Short-term loans and advances	(1,44,14,318)	(49,15,280)
Long-term loans and advances	1,15,36,877	(33,04,781)
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	5,70,041	2,76,36,955
Other current liabilities	(1,05,66,773)	59,36,459
Other long-term liabilities	80,49,132	(48,241)
Short-term provisions.....	40,416	8,06,260
Long-term provisions.....	30,54,482	(6,02,182)
	(2,90,60,033)	(3,82,47,786)
CASH GENERATED FROM OPERATIONS	(47,40,423)	(2,92,01,975)
Net income tax (paid)/refunds.....	(1,62,93,855)	(1,68,66,626)
NET CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES (A)	(2,10,34,278)	(4,60,68,601)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Additions to fixed assets.....	(7,79,19,931)	(1,83,45,621)
Sale proceeds of fixed assets	—	64,000
Movement in earmarked accounts.....	(10,20,016)	(6,55,699)
Bank balances not considered as cash and cash equivalents:		
— New deposits placed	—	(2,00,00,000)
— Proceeds of deposits	4,00,00,000	1,12,59,816
Current investments not considered as cash and cash equivalents:		
— Purchased	(7,97,58,441)	(27,94,55,546)
— Proceeds from sale	13,40,97,540	32,05,48,541
Purchase of long-term investments.....	(45,64,500)	(1,29,97,000)
Proceeds from sale of long-term investments.....	2,96,53,017	4,29,80,107
Interest received	1,46,73,547	95,27,272
Dividend received.....	87,27,530	1,14,23,409
Rent income.....	1,43,97,850	1,48,79,184
NET CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES (B)	7,82,86,596	7,92,28,463

Cash Flow Statement for the year ended 31 March, 2013 (Contd.)

Particulars	For the year ended 31 March, 2013 ₹	For the year ended 31 March, 2012 ₹
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of sales tax deferral	(10,91,771)	(6,81,577)
Receipt of loan	25,49,000	4,61,000
Repayment of loan	(2,07,212)	(32,888)
Repayment of fixed deposits	(85,000)	(1,18,000)
Finance costs	(1,60,769)	(18,452)
Dividend paid	(1,46,82,912)	(1,47,42,616)
Tax on dividend	(24,17,551)	(24,17,551)
NET CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES (C)	(1,60,96,215)	(1,75,50,084)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	4,11,56,103	1,56,09,778
 CASH AND CASH EQUIVALENT (Opening Balance)	 2,03,34,778	 47,25,000
CASH AND CASH EQUIVALENT (Closing Balance)	6,14,90,881	2,03,34,778
NET INCREASE/(DECREASE) IN CASH OR CASH EQUIVALENTS	4,11,56,103	1,56,09,778
	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
Cash and cash equivalents at the end of the year comprise		
(a) Cash on hand	26,727	56,756
(b) Balances with banks		
(i) In current accounts	2,14,64,154	2,02,78,022
(ii) In earmarked accounts	4,00,00,000	—
Total Cash and bank balances	6,14,90,881	2,03,34,778

Notes:

- (i) The accompanying notes are an integral part of the financial statements
- (ii) The Cash flow is prepared under the 'Indirect Method' as set in Accounting Standard 3 – Cash flow Statement.

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

Shyamak R Tata
Partner

Place : Mumbai
Date : 28 May, 2013

For and on behalf of the Board

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

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



Notes forming part of the Financial Statements

1. COMPANY OVERVIEW

Dai-ichi Karkaria Ltd. (DKL) was incorporated on 13 May, 1960 under the laws of the Republic of India and has its registered office at Mumbai (Maharashtra). DKL is engaged in manufacturing of Specialty Chemicals. The Company has joint venture with CTI Chemicals Asia Pacific Pte. Ltd., Singapore.

The activities of the Company are carried out at its plants located at Kasarwadi and Kurkumbh, Pune (Maharashtra).

2. 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 notified under the Companies (Accounting Standards) Rules, 2006 (as amended) 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.
- Leasehold assets are amortised over the life of the lease.

Capital work-in-progress:

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Research and development:

Capital expenditure is shown as fixed asset and accordingly depreciated. All revenue expenditure is charged to Statement of Profit and Loss.

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.

Notes forming part of the Financial Statements

Sundry Trade Receivables/loans and advances:

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

Revenue recognition:

Sale of goods

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude sales tax and value added tax.

Other income:

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established

Excise:

Excise duty is recognized on goods manufactured.

Employee benefits:

Employee benefits include provident fund, employee state insurance scheme, gratuity fund and compensated absences.

The Company's contributions to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made.

For defined benefit plans in the form of gratuity fund the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

Provision for compensated absences is made on the basis of actuarial valuation carried out as at the Balance Sheet date.

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 Statement of Profit and Loss.

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

Leases:

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

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.



Notes forming part of the Financial Statements

Particulars	As at 31 March, 2013		As at 31 March, 2012	
	Number of shares	₹	Number of shares	₹
NOTE 3 : SHARE CAPITAL				
(A) Authorised				
Equity shares of ₹10/- each	1,00,00,000	10,00,00,000	1,00,00,000	10,00,00,000
(B) Issued, Subscribed and fully paid				
Equity shares of ₹10/- each	74,51,229	7,45,12,290	74,51,229	7,45,12,290
Total	74,51,229	7,45,12,290	74,51,229	7,45,12,290

(C) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting period.
There is no change in the number of shares and amount outstanding as at the beginning and at the end of the reporting period.

(D) Details of equity shares held by each shareholder holding more than 5% shares:

Class of shares/Name of shareholder	As at 31 March, 2013		As at 31 March, 2012	
	Number of shares held	% holding	Number of shares held	% holding
Equity shares with voting rights				
Mr. Ashokumar Parmar	7,32,309	9.83	7,32,266	9.83
Mrs. S. F. Vakil jointly with others	12,83,630	17.23	12,83,630	17.23
Mrs. P. R. Mehta jointly with others	16,87,500	22.65	16,87,500	22.65

(E) Aggregate number of equity shares bought back during the period of 5 years immediately preceding the Balance Sheet date:

Particulars	As at 31 March, 2013	As at 31 March, 2012	As at 31 March, 2011	As at 31 March, 2010	As at 31 March, 2009
Equity Shares bought back...	—	—	—	1,55,171	—

(F) The Company has one class of equity shares having par value of ₹10/- per share. Each equity share holder is eligible for one vote per share held. Each equity share holder is entitled to dividend as and when the Company declares and pays dividend after obtaining share holders approval.

Notes forming part of the Financial Statements

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
NOTE 4 : RESERVES AND SURPLUS		
(a) Capital reserve		
Balance as at the beginning and end of the year.....	77,10,000	77,10,000
(b) Capital redemption reserve		
Balance as at the beginning and end of the year.....	15,51,710	15,51,710
(c) Securities premium account		
Balance as at the beginning and end of the year.....	25,94,37,591	25,94,37,591
(d) Revaluation reserve		
Balance as at the beginning of the year.....	3,60,18,192	3,63,64,908
Less: Utilised for set off against depreciation	3,12,045	3,46,716
Balance as at the end of the year.....	3,57,06,147	3,60,18,192
(e) General reserve		
Balance as at the beginning of the year.....	3,50,09,482	3,24,59,482
Add: Transferred from surplus in Statement of Profit and Loss.....	44,00,000	25,50,000
Balance as at the end of the year	3,94,09,482	3,50,09,482
(f) Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year.....	23,62,24,582	22,25,77,536
Add: Profit for the year.....	4,38,96,321	3,35,17,055
	28,01,20,903	25,60,94,591
Less: Dividends proposed to be distributed to equity shareholders (₹2.50/- per share) (For the year ended 31 March, 2012 ₹2/- per share)	1,86,28,073	1,49,02,458
Tax on dividend	30,21,939	24,17,551
Transferred to General reserve	44,00,000	25,50,000
	2,60,50,012	1,98,70,009
Balance as at the end of the year	25,40,70,891	23,62,24,582
Total	59,78,85,821	57,59,51,557



Notes forming part of the Financial Statements

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
NOTE 5 : LONG-TERM BORROWINGS		
(a) Term loans from banks – Secured (refer Note (i) below)	18,96,421	3,54,338
(b) Deferred sales tax liability (refer Note (ii) below) – Unsecured	93,95,580	1,09,96,590
Total	1,12,92,001	1,13,50,928

Note (i) The term loans are secured against hypothecation of the vehicles purchased under the loans and are payable in equated monthly installments (EMI) detailed as under :

Name of Lender	Loan amount ₹	Rate of Interest	EMI Amount ₹	Total Nos. of EMI
HDFC Bank Ltd.	4,61,000	12.50%	10,268	60
State Bank of India	9,00,000	13.20%	31,251	36
State Bank of India	16,49,000	13.20%	57,259	36

Note (ii) 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 is recognized as long term borrowing and is unsecured, interest free and payable after a moratorium period of 10 years in 5 yearly equal installments which commence from year 2011.

The deferred sales tax liability is payable in annual installments as below:

Year	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
2014	—	16,01,010
2015	20,07,553	20,07,553
2016	21,73,501	21,73,501
2017	19,11,793	19,11,793
2018	15,01,600	15,01,600
2019	9,92,361	9,92,361
2020	5,85,818	5,85,818
2021	2,22,954	2,22,954
Total	93,95,580	1,09,96,590

For the current maturities of long term borrowings, refer item (a) of Note-10 Other current liabilities.

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
NOTE 6 : DEFERRED TAX LIABILITIES (NET)		
Deferred tax liability/(asset)		
Deferred tax liability		
On Tangible fixed assets	74,87,702	87,65,320
	74,87,702	87,65,320
Less: Deferred tax assets :		
On Employee benefits	53,21,400	43,17,105
On Provision for Doubtful Debts	4,76,098	5,42,668
On Commission	10,84,407	10,74,689
On Bonus.....	9,58,898	8,83,938
	78,40,803	68,18,400
Net deferred tax liability/(asset)	(3,53,101)	19,46,920

Notes forming part of the Financial Statements

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
NOTE 7 : OTHER LONG-TERM LIABILITIES		
Deposit for rented premises	80,49,132	—
Total	80,49,132	—
NOTE 8 : LONG-TERM PROVISIONS		
Provision for employee benefits		
(i) Provision for gratuity.....	45,22,173	27,39,781
(ii) Provision for compensated absences	77,63,108	64,91,018
Total	1,22,85,281	92,30,799
NOTE 9 : TRADE PAYABLES		
Trade payables:		
(a) Acceptances	33,88,409	50,66,114
(b) Other than acceptances		
Related parties	2,99,247	14,69,138
Others	10,29,44,933	9,95,27,296
Total	10,66,32,589	10,60,62,548

Principal amount payable to Micro and Small Enterprises (to the extent identified by the Company from available information and relied upon by the auditors) is ₹61,643/- (2012: ₹1,21,292/-) including unpaid amounts of ₹ Nil (2012: ₹ Nil) outstanding for more than 45 days. No interest is due thereon.

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
NOTE 10 : OTHER CURRENT LIABILITIES		
(a) Current maturities of long term borrowings (refer note (i) below):		
(i) Term loan	8,73,479	73,774
(ii) Deferred sales tax liabilities	16,01,010	10,91,771
(b) Rent received in advance	—	12,39,932
(c) Unpaid dividends	12,61,902	10,42,356
(d) Unpaid matured deposits	3,12,000	3,97,000
(e) Security Deposits	3,46,225	8,56,350
(f) Other payables:		
(i) Statutory remittances	36,54,855	47,64,705
(ii) Payables on purchase of tangible fixed assets	7,65,000	25,91,109
(iii) Deposit for rented premises	—	80,49,132
(iv) Advances from customers	9,03,017	11,82,805
(v) Other liabilities	66,85,063	42,36,900
Total	1,64,02,551	2,55,25,834

Note (i): Refer item (a) & (b) of Note 5 Long term borrowings for details of security.



Notes forming part of the Financial Statements

Particulars

As at
31 March, 2013
₹

As at
31 March, 2012
₹

NOTE 11 : SHORT-TERM PROVISIONS

(a) Provision for employee benefits:

(i) Provision for Compensated Absences.....	22,04,775	20,83,011
(ii) Provision for Gratuity	19,08,710	19,90,058
	41,13,485	40,73,069

(b) Provision – Others:

(i) Provision for proposed equity dividend	1,86,28,073	1,49,02,458
(ii) Provision for tax on proposed dividend.....	30,21,939	24,17,551
	2,16,50,012	1,73,20,009

Total

2,57,63,497
2,13,93,078

NOTE 12 : FIXED ASSETS

Particulars	Gross block				Accumulated depreciation/amortisation				Net Block	
	As at 1 April, 2012	Additions	Deductions	As at 31 March, 2013	As at 1 April, 2012	For the period	Deductions	As at 31 March, 2013	As at 31 March, 2013	As at 31 March, 2012
A. Tangible Assets										
(a) Leasehold Land - Kurkum	18,58,391 (18,58,391)	— —	— —	18,58,391 (18,58,391)	2,71,320 (2,50,671)	20,649 (20,649)	— —	2,91,969 (2,71,320)	15,66,422 (15,87,071)	15,87,071 (16,07,720)
(b) Freehold Land	5,36,30,801 (5,36,30,801)	— —	— —	5,36,30,801 (5,36,30,801)	— —	— —	— —	— (5,36,30,801)	5,36,30,801 (5,36,30,801)	5,36,30,801 (5,36,30,801)
(c) Buildings Residential	1,65,16,917 (1,65,16,917)	— —	— —	1,65,16,917 (1,65,16,917)	85,69,657 (81,51,380)	3,97,362 (4,18,277)	— —	89,67,019 (85,69,657)	75,49,898 (79,47,260)	79,47,260 (83,65,537)
(d) Buildings: Non-Residential Own lease	6,45,86,039 (5,87,42,454)	— (58,43,585)	— —	6,45,86,039 (6,45,86,039)	4,83,10,049 (4,73,19,606)	14,20,969 (9,90,443)	— —	4,97,31,018 (4,83,10,049)	1,48,55,021 (1,62,75,990)	1,62,75,990 (1,14,22,848)
Given under operating lease	2,90,84,465 (2,90,84,465)	— —	— —	2,90,84,465 (2,90,84,465)	81,08,992 (70,05,020)	10,48,774 (11,03,972)	— —	91,57,766 (81,08,992)	1,99,26,699 (2,09,75,473)	2,09,75,473 (2,20,79,445)
(e) Plant & Machinery	26,70,49,530 (26,19,72,202)	1,36,62,086 (50,77,328)	— —	28,07,11,616 (26,70,49,530)	23,89,86,766 (23,37,28,143)	74,34,701 (52,58,623)	— —	24,64,21,467 (23,89,86,766)	3,42,90,149 (2,80,62,764)	2,80,62,764 (2,82,44,059)
(f) Furniture & Fixtures	1,94,85,813 (82,65,834)	18,000 (1,12,19,979)	— —	1,95,03,813 (1,94,85,813)	73,15,841 (59,59,089)	21,98,500 (13,56,752)	— —	95,14,341 (73,15,841)	99,89,472 (1,21,69,972)	1,21,69,972 (23,06,745)
(g) Laboratory, Office and Factory Equipment and Air conditioners	2,56,07,571 (2,34,78,287)	13,20,041 (21,29,284)	— —	2,69,27,612 (2,56,07,571)	1,90,91,453 (1,79,50,154)	10,96,905 (11,41,299)	— —	2,01,88,358 (1,90,91,453)	67,39,254 (65,16,118)	65,16,118 (55,28,133)
(h) Vehicles	70,74,945 (67,13,196)	44,71,742 (8,88,231)	— (5,26,482)	1,15,46,687 (70,74,945)	48,72,290 (47,69,636)	7,54,691 (5,85,683)	— (4,83,029)	56,26,981 (48,72,290)	59,19,706 (22,02,655)	22,02,655 (19,43,560)
Scientific Research - Capital Expenditure :										
(a) Buildings - Non Resi.	14,20,149 (14,20,149)	— —	— —	14,20,149 (14,20,149)	13,54,119 (13,50,840)	3,279 (3,279)	— —	13,57,398 (13,54,119)	62,751 (66,030)	66,030 (69,309)
(b) Plant & Machinery	78,24,529 (78,24,529)	— —	— —	78,24,529 (78,24,529)	57,44,657 (54,30,619)	2,72,401 (3,14,038)	— —	60,17,058 (57,44,657)	18,07,471 (20,79,872)	20,79,872 (23,93,910)
(c) Furniture & Fixtures	6,31,513 (6,31,513)	— —	— —	6,31,513 (6,31,513)	5,87,765 (5,78,096)	7,919 (9,669)	— —	5,95,684 (5,87,765)	35,829 (43,748)	43,748 (53,417)
(d) Laboratory, Office and Factory Equipment and Air conditioners	1,56,46,717 (1,56,46,717)	84,500 —	— —	1,57,31,217 (1,56,46,717)	1,30,28,461 (1,26,15,050)	3,58,290 (4,13,411)	— —	1,33,86,751 (1,30,28,461)	23,44,466 (26,18,256)	26,18,256 (30,31,667)
Total Tangible Assets	51,04,17,380	1,95,56,369	—	52,99,73,749	35,62,41,370	1,50,14,441	—	37,12,55,810	15,87,17,939	15,41,76,010
Previous year	(48,57,85,455)	(2,51,58,407)	(5,26,482)	(51,04,17,380)	(34,51,08,304)	(1,16,16,095)	(4,83,029)	(35,62,41,370)	(15,41,76,010)	
B. Intangible Assets										
Computer Software	9,16,025 (7,38,837)	10,595 (1,77,188)	— —	9,26,620 (9,16,025)	6,29,133 (4,71,530)	1,14,850 (1,57,603)	— —	7,43,983 (6,29,133)	1,82,637 (2,86,892)	2,86,892
Previous year										
Total	51,13,33,405	1,95,66,964	—	53,09,00,369	35,68,70,503	1,51,29,290	—	37,19,99,793	15,89,00,576	15,44,62,902
Previous year	(48,65,24,292)	(2,53,35,595)	(5,26,482)	(51,13,33,405)	(34,55,79,834)	(1,17,73,698)	(4,83,029)	(35,68,70,503)	(15,44,62,902)	
C. Capital Work-in-Progress									5,74,36,818	2,75,528
D. Intangible Assets under development									82,725	82,725
Figures in the bracket relate to the previous year										

Notes forming part of the Financial Statements

Particulars

	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
NOTE 13 : NON-CURRENT INVESTMENTS		
Investments (at cost, unless otherwise stated)		
(A) Trade, in equity instruments		
(a) Unquoted:		
(i) of subsidiary company 48,500 shares of ₹10/- each fully paid up in Dai-ichi Gosei Chemicals (India) Limited.*	2,00,000	2,00,000
(ii) of joint venture company 11,25,000 shares of ₹10/- each fully paid up in Champion Dai-Ichi Technologies India Limited.	67,50,000	67,50,000
(iii) of associate company ** (31 March, 2012: 26,00,000) shares of ₹10/- each fully paid up of Inogent Laboratories Private Limited	—	4,00,00,000
(b) Quoted, in others 57,167 shares of ₹10/- each fully paid up in Clariant Chemicals (India) Limited	13,62,502	13,62,502
	83,12,502	4,83,12,502
* At cost less diminution other than temporary, aggregating ₹2,85,000/- (31 March, 2012: ₹2,85,000/-)		
** Considered under Current Investments, pursuant to Agreement		
(B) Other than trade, in equity instruments		
(a) Quoted:		
8,100 shares of ₹10/- each fully paid up in Bank of India	3,64,500	3,64,500
2,000 shares of ₹2/- each in Bharat Seats Limited.	2,000	2,000
(b) Unquoted:		
1,000 shares of ₹25/- each fully paid up of The Shamrao Vithal Co-operative Bank Limited	25,000	25,000
2,500 shares of ₹10/- each fully paid up of The Saraswat Co-operative Bank Limited	25,000	25,000
4,000 shares of ₹25/- each fully paid up of The Zoroastrian Co-operative Bank Limited	1,00,000	1,00,000
	5,16,500	5,16,500
(C) Other than trade, in debentures or Preference shares or bonds		
(a) Quoted:		
10 units of 11.40% Tata Power Perpetual Bonds of ₹10,00,000/- each	1,05,25,000	1,05,25,000
2,472 units of NHAI Bonds (Tranche-I) of ₹1,000/- each	24,72,000	24,72,000
(b) Unquoted:		
Nil (31 March, 2012: 100) units of Secured redeemable non-convertible debenture of Citicorp Finance (India) Ltd. of ₹1,00,000/- each	—	1,00,00,000
45,645 Preference shares (31 March, 2012: Nil) of L & T Finance Holdings Limited.	45,64,500	—
	1,75,61,500	2,29,97,000



Notes forming part of the Financial Statements

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
NOTE 13 : NON-CURRENT INVESTMENTS (Contd.)		
(D) Other than trade, in mutual funds		
(a) Quoted:		
1580 Grams (2012: 2580) of Benchmark MF Gold Bees	29,55,536	47,46,708
(b) Unquoted:		
Nil (2012: 15,00,000) units of Birla Sunlife Capital Protection Oriented Fund Series-1 of ₹10 each.....	—	1,50,00,000
	29,55,536	1,97,46,708
Total non-current investments	2,93,46,038	9,15,72,710
Notes		
(1) Aggregate cost of quoted investments	1,76,81,538	1,94,72,710
(2) Aggregate market value of listed and quoted investments	4,09,65,271	4,00,79,708
(3) Aggregate cost of unquoted investments (net of provision)	1,16,64,500	7,21,00,000
NOTE 14 : LONG-TERM LOANS AND ADVANCES		
Unsecured considered good		
(a) Capital Advances	11,91,677	—
(b) Security deposits	1,40,25,294	1,30,68,854
(c) Loans to related parties	—	1,00,00,000
(d) Loans and advances to employees.....	328,002	22,59,969
(e) Prepaid expenses.....	4,47,179	4,49,380
(f) VAT credit receivable.....	11,59,934	17,19,083
(g) Advance income tax (net)	3,48,07,514	3,34,13,659
Total	5,19,59,600	6,09,10,945
NOTE 15 : CURRENT INVESTMENTS		
(A) Trade, in equity instruments (at cost)		
(a) Unquoted:		
26,00,000 shares of ₹10/- each fully paid up in Inogent Laboratories Private Limited*	4,00,00,000	—
* Re-classified from Non-current Investments, pursuant to Agreement		
(B) Other than trade (Valued at cost or market value whichever is less)		
Unquoted Mutual Funds	13,02,45,759	17,83,95,783
Total	17,02,45,759	17,83,95,783

Notes forming part of the Financial Statements

Investment in Mutual Funds (Current investments)

Name of Mutual Fund	Scheme of Mutual Fund	Face Value	As at 31 March, 2013		As at 31 March, 2012	
			No. of units	₹	No. of units	₹
Birla Sun Life	Dynamic Bond Fund – Growth	10	5,59,519	1,00,00,000	5,59,519	1,00,00,000
DSP Blackrock	Top 100 Equity Fund – Growth	10	9,294	4,51,615	9,294	4,51,615
DSP Blackrock	Top 100 Equity Fund – Growth	10	31,365	30,00,000	—	—
DSP Blackrock	Equity Liquid Fund	10	3,31,309	83,01,824	5,98,213	1,49,89,800
DWS	Hybrid FTP Series 1 – Growth	10	10,00,000	1,00,00,000	10,00,000	1,00,00,000
Franklin Templeton	Income Opportunities Fund	10	—	—	19,12,247	2,00,00,000
Franklin Templeton	Corporate Bond Opportunities Fund .	10	9,02,364	1,00,00,000	—	—
HDFC	Income Fund	10	1,90,389	45,99,800	1,90,389	45,99,800
HDFC	CMF Saving Plan – DDR	10	9,81,355	1,04,38,082	—	—
ICICI Prudential	Quarterly Interval Fund 2R	10	9,97,416	99,99,993	9,97,416	99,99,993
ICICI Prudential	FMP series 54 (18 months)	10	—	—	14,50,000	1,45,00,000
ICICI Prudential	Flexible Income Plan Premium – Daily Dividend	10	1,58,668	1,67,76,764	4,11,915	4,35,53,826
ICICI Prudential	Interval II Quarterly Retail Growth ...	10	10,78,019	1,57,79,503	—	—
ICICI Prudential	Interval Fund FMP Series 61 (18M) .	10	1,00,000	1,00,00,000	1,00,000	1,00,00,000
IDFC	Money Manger Fund – TP	10	79,691	8,03,388	20,06,570	2,02,05,959
Kotak	FMP Series 77 (Growth)	10	10,09,479	1,00,94,790	10,09,479	1,00,94,790
Tata	FMP Series 38 Scheme F	10	1,00,000	1,00,00,000	1,00,000	1,00,00,000
Total				13,02,45,759		17,83,95,783

Particulars

NOTE 16 : INVENTORIES

At lower of cost and net realizable value

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
(a) Raw materials & Packing Materials.....	4,10,02,578	3,88,39,528
Goods-in-transit	20,81,835	41,26,166
	<u>4,30,84,413</u>	<u>4,29,65,694</u>
(b) Fuels	18,59,553	35,95,527
(c) Work-in-progress		
Textile	—	2,78,318
Anionic/Cationic	6,28,094	3,95,177
Non Ionic	6,95,860	4,63,847
Sizing	—	77,877
	<u>13,23,954</u>	<u>12,15,219</u>
(d) Semi Finished Goods	1,78,74,764	1,06,79,876
(e) Finished goods	4,07,92,852	3,33,57,065
Total	<u><u>10,49,35,536</u></u>	<u><u>9,18,13,381</u></u>



Notes forming part of the Financial Statements

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
NOTE 17 : TRADE RECEIVABLES		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered Good	2,08,177	3,48,256
Doubtful	14,61,977	16,72,322
	16,70,154	20,20,578
Less: Provision for doubtful debts trade receivables	14,61,977	16,72,322
	2,08,177	3,48,256
Other debts – Unsecured, considered Good	14,89,04,578	13,43,46,419
Total	14,91,12,755	13,46,94,675
NOTE 18 : CASH AND CASH EQUIVALENTS		
(a) Cash on hand.....	26,727	56,756
(b) Balances with banks		
(i) In current accounts	2,14,64,154	2,02,78,022
(ii) In other deposit accounts:		
– Original maturity of 3 months or less	4,00,00,000	—
– Original maturity of more than 3 months*	3,00,00,000	7,00,00,000
* Includes ₹1,00,00,000/- (2012: ₹3,00,00,000/-) with a maturity of more than 12 months as at the Balance sheet date		
(iii) In earmarked accounts		
– Unpaid dividend accounts	12,61,902	10,42,356
– Balances held as margin money against guarantees and other commitments	74,60,987	66,60,517
Total	10,02,13,770	9,80,37,651
Of the above, the balances that meet the definition of Cash and Cash equivalents as per AS 3 Cash flow Statements is	6,14,90,881	2,03,34,778
NOTE 19 : SHORT-TERM LOANS AND ADVANCES		
(Unsecured considered good)		
(a) Loans and advances to employees	3,60,656	3,27,688
(b) Prepaid expenses.....	18,72,957	17,84,496
(c) Balances with government authorities	39,63,929	59,01,113
(d) Loans to related parties.....	70,00,000	—
(e) Others (advances to suppliers etc.)	1,58,77,311	66,47,239
Total	2,90,74,853	1,46,60,536
NOTE 20 : OTHER CURRENT ASSETS		
(a) Interest accrued on bank deposits.....	4,61,250	4,61,250
(b) Interest accrued on other deposits	7,00,381	6,05,868
Total	11,61,631	10,67,118

Notes forming part of the Financial Statements

Particulars	For the year ended 31 March, 2013 ₹	For the year ended 31 March, 2012 ₹
NOTE 21 : REVENUE FROM OPERATIONS		
(a) Sale of products [Refer Note (i) below]	88,51,20,977	75,89,83,426
(b) Sale of services (Job work)	11,45,806	22,48,020
	88,62,66,783	76,12,31,446
(c) Less: Excise duty on revenue from operations	8,09,34,297	5,98,44,559
	80,53,32,486	70,13,86,887
(d) Other operating revenues [Refer Note (ii) below]	25,97,387	20,50,092
Total	80,79,29,873	70,34,36,979
Note		
(i) Sale of products comprises		
Manufactured goods		
Anionic/Cationic	15,35,60,782	13,06,49,208
Non Ionic	24,01,59,868	21,43,41,592
Textile	11,41,10,465	10,06,93,117
Oil Field	10,05,85,539	5,46,27,367
Flocculant	8,38,62,274	7,16,48,816
Others	19,28,42,049	18,70,23,326
Total – Sale of manufactured goods	88,51,20,977	75,89,83,426
(ii) Other operating revenues comprise:		
Duty drawback	9,92,469	3,52,619
Commission	1,38,095	2,25,866
Dosage Compensation on Arbitration Settlement (Refer Note 33)	3,20,702	—
Scrap sale	11,46,121	14,71,607
Total – Other operating revenues	25,97,387	20,50,092
NOTE 22 : OTHER INCOME		
(a) Interest income (Refer Note (i) below)	1,47,68,060	1,03,71,560
(b) Dividend income:		
from current investments	41,12,550	84,86,759
from long-term investments	46,14,980	29,36,650
(c) Net gain on sale of investments		
Current investments	61,89,075	30,09,694
Long-term investments	28,61,845	29,80,107
(d) Adjustment to the carrying amount of investments		
Current investments	—	1,24,000
(e) Other non operating income		
Rental income from operating lease	1,43,97,850	1,48,79,184
Profit on sale of fixed assets	—	20,547
Bad debts recovered	—	50,000
Provision for doubtful debts written back	2,10,345	13,848
On settlement of arbitration (Refer Note 33)	25,68,661	—
Sundry balances written back	8,412	1,35,223
Total	4,97,31,778	4,30,07,572



Notes forming part of the Financial Statements

Particulars	For the year ended 31 March, 2013 ₹	For the year ended 31 March, 2012 ₹
Note:		
(i) Interest income comprises:		
Interest from banks on deposits	76,82,534	74,88,687
Interest on loans and advances	12,50,686	20,38,356
Interest income from long term investments	13,44,545	6,15,539
Other interest:		
Interest on settlement of arbitration (Refer Note 33)	42,06,170	—
Others	2,84,125	2,28,978
Total	1,47,68,060	1,03,71,560

NOTE 23 : COST OF MATERIALS CONSUMED

Raw Materials consumed comprise (Refer Note (i) below)

Ethylene Oxide	15,98,97,136	15,99,05,743
Fatty Alcohol, Phenol & Glycol	12,30,27,255	12,85,49,662
Oils & Fatty Acids	5,05,50,853	3,67,90,730
Acrylamide	2,55,71,537	1,67,74,638
Amines	2,81,81,575	1,35,36,293
Other items	19,48,03,227	15,15,19,823
Total	58,20,31,583	50,70,76,889

Note (i)

Particulars	For the year ended 31 March, 2013		For the year ended 31 March, 2012	
Raw material consumed:	%	₹	%	₹
Imported	16.56%	9,64,08,500	20.76%	10,52,56,741
Indigenous	83.44%	48,56,23,083	79.24%	40,18,20,148
Total	100%	58,20,31,583	100%	50,70,76,889

Particulars	For the year ended 31 March, 2013 ₹	For the year ended 31 March, 2012 ₹
NOTE 24 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS		
Inventories at the end of the year		
Finished goods	4,07,92,852	3,33,57,065
Semi finished goods	1,78,74,764	1,06,79,876
Work-in-progress:		
Textile	—	2,78,318
Anionic/Cationic	6,28,094	3,95,177
Non Ionic	6,95,860	4,63,847
Sizing	—	77,877
	5,99,91,570	4,52,52,160

Notes forming part of the Financial Statements

Particulars	For the year ended 31 March, 2013 ₹	For the year ended 31 March, 2012 ₹
NOTE 24 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS (Contd.)		
Inventories at the beginning of the year		
Finished goods	3,33,57,065	2,52,33,615
Semi finished goods.....	1,06,79,876	1,00,85,486
Work-in-progress:		
Textile	2,78,318	2,96,445
Anionic / Cationic.....	3,95,177	1,83,906
Non Ionic	4,63,847	35,450
Sizing	77,877	—
Spin Finish.....	—	16,58,270
	<u>4,52,52,160</u>	<u>3,74,93,172</u>
Net (increase)/decrease	<u>(1,47,39,410)</u>	<u>(77,58,988)</u>
NOTE 25 : EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	7,83,08,805	7,62,75,138
Contributions to provident and other funds	95,96,616	66,38,359
Staff welfare expenses.....	76,56,348	74,17,897
Total	<u>9,55,61,769</u>	<u>9,03,31,394</u>
NOTE 26 : FINANCE COSTS		
Interest on term loan.....	1,60,769	18,452
Total	<u>1,60,769</u>	<u>18,452</u>
NOTE 27 : OTHER EXPENSES		
Consumption of stores and spare parts	61,22,327	43,93,679
Increase/(decrease) of Excise duty on inventories	7,61,235	8,98,847
Power and fuel	4,45,98,872	4,21,65,329
Rent	22,01,646	24,22,956
Repairs and maintenance:		
Buildings	5,54,274	13,29,417
Machinery	25,05,499	34,58,428
Others	26,90,667	20,31,878
Insurance.....	11,06,084	8,49,858
Rates and taxes.....	24,10,509	21,83,774
Freight Expenses.....	1,51,29,312	91,62,260
Commission on sales	1,10,48,645	44,11,668
Donations	10,39,048	10,30,000
Bank Charges.....	28,97,122	31,98,695
Telephone, telex and telegrams	18,54,056	18,07,029
Vehicle Expenses	11,07,904	9,88,640
Legal and professional	57,35,721	47,56,594
Travelling Expenses	31,77,276	23,84,360
Directors' Sitting Fees.....	4,78,500	3,63,500
Net loss/(gain) on foreign currency transactions and translation	(15,68,773)	(7,16,944)
Bad debts and advances written off	3,32,525	2,31,167
Payments to auditors (Refer Note (i) below)	25,34,637	25,55,946
Miscellaneous expenses	1,66,16,308	1,50,20,015
Total	<u>12,33,33,394</u>	<u>10,49,27,096</u>



Notes forming part of the Financial Statements

Particulars	For the year ended 31 March, 2013 ₹	For the year ended 31 March, 2012 ₹
Note: (i)		
Payments to the auditors comprises (net of service tax):		
To statutory auditors		
For audit	11,00,000	11,00,000
For tax audit	3,00,000	3,00,000
For limited review/consolidation	10,00,000	10,00,000
For certification	1,00,000	1,00,000
For out of pocket expenses	34,637	55,946
Total	25,34,637	25,55,946
 NOTE 28 : TAX EXPENSE		
(a) Current Tax		
for the year.....	1,49,00,000	82,50,000
(b) Deferred tax		
for the year.....	(23,00,021)	(13,44,329)
Total	1,25,99,979	69,05,671
 NOTE 29 : DEPRECIATION & AMORTISATION EXPENSES		
Depreciation and amortisation for the year on tangible assets as per Note 12 A...	1,50,14,441	1,16,16,095
Amortisation for the year on intangible assets as per Note 12 B	1,14,850	1,57,603
Less: Utilised from revaluation reserve	3,12,045	3,46,716
Depreciation and amortisation relating to continuing operations	1,48,17,246	1,14,26,982

Notes forming part of the Financial Statements

	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
30. (a) Contingent liabilities and commitments (to the extent not provided for)		
(i) Contingent Liabilities		
(i) Guaranty 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.	1,41,97,321	1,94,13,765
(ii) Customs duty bonds.....	8,62,91,546	7,35,52,625

** Includes ₹5,01,21,414/- (31 March, 2012: ₹5,06,70,751/-) of Bonds, issued jointly in name of the Company and Champion Dai-ichi Technologies India Ltd.

	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
(ii) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	17,42,053	18,32,873
(b) Wage agreement at Kasarwadi Plant had expired on 30 November, 2008. Negotiations with employees are in progress. The Company does not expect any significant additional liability on this account.		
(c) Claims against the company not acknowledged as debts relating to:-		

	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
(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).....	9,82,800	8,42,000
(iii) Product performance (Refer note 33)	—	29,36,060
(iv) Disputed Income Tax liability.....	3,77,14,269	4,65,62,768

* Includes ₹1,41,97,321/- (31 March, 2012: ₹1,41,97,321/-) for which bank guarantee has been given and shown under 30 (a) (i) above.

Future cash outflows in respect of the matters specified in a) (i) and c) are determinable only on receipt of judgments/decisions pending at various forums/authorities.

31. Employee Benefits:

(A) Defined contribution plans

The Company makes Provident Fund, Employee State Insurance Scheme and Maharashtra Labour Welfare Fund contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹50,88,208/- (Year ended 31 March, 2012 ₹47,18,160/-) for Provident Fund contributions, ₹7,99,149/- (Year ended 31 March, 2012 ₹7,73,387/-) for Employee State Insurance Scheme contributions and ₹15,048/- (Year ended 31 March, 2012 ₹15,012/-) for Maharashtra Labour Welfare Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.



Notes forming part of the Financial Statements

31. Employee Benefits (Contd.)

(B) Defined Benefit Plan:

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

Particulars	Gratuity (Funded)	
	31 March, 2013 ₹	31 March, 2012 ₹
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	4,31,74,993	4,37,04,341
2. Current Service cost	10,92,670	12,06,431
3. Interest Cost	24,98,700	23,01,439
4. Losses (gains) on Curtailment	—	—
5. Liabilities extinguished on settlements	—	—
6. Plan amendments	—	—
7. Past Service cost	—	—
8. Actuarial (gains)/losses	34,71,072	(1,09,582)
9. Benefits paid	(42,90,412)	(39,27,636)
10. Present value of Defined Benefit Obligation as on Balance Sheet date	4,59,47,023	4,31,74,993
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	3,84,45,154	3,80,10,966
2. Expected return on plan assets	33,83,174	30,40,877
3. Actuarial gains/(losses)	33,276	3,00,815
4. Actual contributions by employers	19,44,948	10,20,132
5. Benefits paid	(42,90,412)	(39,27,636)
6. Plan assets as on Balance Sheet Date	3,95,16,140	3,84,45,154
III. Analysis of Defined Benefit Obligation:		
1. Defined Benefit Obligation as at 31st March	4,59,47,023	4,31,74,993
2. Fair Value of Plan assets at the end of the year	3,95,16,140	3,84,45,154
3. Net Asset/(Liability) recognized in the Balance Sheet as on Balance Sheet Date	(64,30,883)	(47,29,839)
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	4,59,47,023	4,31,74,993
2. Fair value of plan assets	3,95,16,140	3,84,45,154
3. Funded status [Surplus/(Deficit)]	(64,30,883)	(47,29,839)
4. Unrecognized Past Service Costs	—	—
5. Net Asset/(Liability) recognized in Balance Sheet	(64,30,883)	(47,29,839)

Notes forming part of the Financial Statements

31. Employee Benefits (Contd.)

		Gratuity (Funded)				
Particulars		31 March, 2013	31 March, 2012			
		₹	₹			
V. Components of employer expenses recognized in the statement of profit and loss:						
1.	Current Service cost	10,92,670	12,06,431			
2.	Interest cost	24,98,700	23,01,439			
3.	Expected return on plan assets	(33,83,174)	(30,40,877)			
4.	Curtailment cost/(credit)	—	—			
5.	Settlement cost/(credit)	—	—			
6.	Past Service cost	—	9,15,295			
7.	Actuarial Losses/(Gains)	34,37,796	(4,10,397)			
8.	Total expense recognised in the Statement of Profit & Loss under Contribution to Provident Fund and other Funds	36,45,992	9,71,891			
VI. The Category of Plan assets – 100% Qualifying insurance policy (Insurer managed fund)						
VII. Principal Actuarial Assumptions:						
1.	Discount Rate (%)	8.00%	8.50%			
2.	Expected Return on plan assets (%)	8.70%	8.80%			
3.	Salary escalation (%)	5.00%	5.00%			
4.	Medical cost inflation	N A	N A			
VIII. Experience History:						
	31 March 2013	31 March 2012	31 March 2011	31 March 2010	31 March 2009	
1.	Experience adjustments on plan liabilities (Gain)/Loss.....	34,71,072	(1,09,582)	18,73,719	29,84,241	19,74,571
2.	Experience adjustments on plan assets (Loss)/Gain.....	33,276	3,00,815	2,77,724	4,56,702	3,21,965
3.	Defined Benefit Obligation at the end of the period.....	4,59,47,023	4,31,74,993	4,37,04,341	4,20,82,206	4,19,91,257
4.	Plan Assets at the end of the period.....	3,95,16,140	3,84,45,154	3,80,10,966	3,79,74,818	3,82,75,892
5.	Funded Status	(64,30,883)	(47,29,839)	(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	10,00,000	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.						



Notes forming part of the Financial Statements

32. Disclosure as per Clause 32 of the Listing Agreements with the Stock Exchanges

- (i) Loans and advances in the nature of loans given to subsidiaries, associates, firms/companies in which directors are interested:

Name of the party	Relationship	Amount outstanding as at 31 March, 2013	Maximum balance outstanding during the year
Indian Oxides & Chemicals Limited	Associate	70,00,000 (1,00,00,000)	3,00,00,000 (4,02,52,603)

Note: Figures in bracket relate to the previous year.

33. In the arbitration proceedings under order no. C/1438A & C/1438B of September 12, 1986, arbitration award was declared on September 25, 2006, pursuant to which ONGC was directed to pay ₹55,45,325/- along-with interest at 9% from the date of award till the date of payment.

The Company and ONGC had filed appeals against the award in the Mumbai High Court. Vide order dated December 6, 2012, the Court upheld the award. ONGC has paid a sum of ₹66,74,457/- to the company towards full and final settlement which has been accounted for during the year.

34. Lease payable/ receivable under cancellable operating lease:

The Company has taken office under operating lease. The lease is not non cancellable. The lease payment recognized in the Statement of Profit and Loss, debited to rent account is ₹22,01,646/- (2012: ₹23,78,146/-)

The Company has given commercial premises under leave and license agreement for a period of 18 months. The said agreement is non-cancellable for the first 8 months, and the future minimum lease payments (all not later than one year) under the non-cancellable period is ₹11,71,170/- (2012: ₹ Nil). The lease rental credited to the Statement of Profit and Loss is ₹1,43,97,850/- (2012: ₹1,48,79,184/-).

Particulars

	For the year ended 31 March, 2013 ₹	For the year ended 31 March, 2012 ₹
35. CIF value of imports:		
Raw and packing materials	8,08,52,331	10,05,50,050
Capital Goods.....	8,63,470	—
36. Expenditure in foreign currency:		
Travelling.....	6,32,768	3,01,176
Commission	8,14,156	5,62,514
Advertisement	—	4,19,840
Books & Periodicals.....	—	10,706
Professional fees	5,37,616	—
Membership & Subscription	2,61,885	—
37. Earnings in foreign exchange:		
Value of Export*	13,13,03,544	10,52,03,272
Other income, Commission	1,38,095	2,25,866
* Includes ₹42,31,998/- (31 March, 2012: ₹22,25,919/-) for Freight & Insurance on Export		
38. Earnings per share:		
Profit after tax as per accounts (₹)	4,38,96,321	3,35,17,055
Weighted average number of shares used as denominator for calculating basic and diluted earnings per share	74,51,229	74,51,229
Nominal value per share (₹)	10	10
Basic and diluted earnings per share (₹)	5.89	4.50

Notes forming part of the Financial Statements

39. 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.

40. 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) Related parties where the control exists
Dai-Ichi Gosei Chemicals (India) Limited (DGCIL) – a Subsidiary company
- (ii) Other related parties with whom the company had transactions
 - (a) Jointly controlled entity:
Champion Dai-ichi Technologies India Ltd. (CDTIL).
 - (b) Key management personnel (KMP):
Mrs. S. F. Vakil – Managing Director (SFV)
 - (c) Relatives of key management personnel:
 - (i) Mr. D. M. Neterwala – Father of Managing Director (DMN)
 - (ii) Ms. Meher F. Vakil – Daughter of Managing Director (MFV)
 - (d) Other Related Parties:
 - (i) Indian Oxides & Chemicals Limited (IOCL)
 - (ii) Rose Investments Limited (RIL)
 - (iii) Inogent Laboratories Private Limited (ILPL)
 - (iv) SDN Company (SDNC)
 - (v) Uni Klinger Limited (UKL)
 - (vi) Anosh Finance & Investment Pvt. Ltd. (AFIPL)
 - (vii) Universal Ferro & Allied Chemicals Limited (UFACL)
 - (viii) General Pharmaceuticals Pvt. Ltd. (GPPL)
 - (ix) Netal India Limited (NIL)
 - (x) Neterwala Consulting & Corporate Services Limited (NCCS)

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	Key management personnel	Relatives of key management personnel	Other Related Parties	Total
Purchase of Goods	—	—	—	35,13,971 IOCL 6,93,159 GPPL 2,99,947 UKL	45,07,077
	(3,288) CDTIL	(—)	(—)	(13,89,780) IOCL (11,82,603) GPPL (51,621) UKL (13,580) NIL	(26,40,872)



Notes forming part of the Financial Statements

Nature of transactions	Joint Venture	Key management personnel	Relatives of key management personnel	Other Related Parties	Total
Sales of Goods.....	4,22,71,295 CDTIL	—	—	1,00,81,509 IOCL 27,99,089 GPPL	5,51,51,893
	(1,68,92,144) <i>CDTIL</i>	(—)	(—)	(30,17,491) <i>GPPL</i>	(1,99,09,635)
Compensation/Others	—	—	22,87,645 DMN	—	22,87,645
	(—)	(—)	(23,78,146) <i>DMN</i>	(—)	(23,78,146)
Reimbursement of expenses/Rendering of Services.....	56,39,341 CDTIL	—	—	4,14,060 SDNC 4,584 NCCS 23,180 AFIPL 47,942 ILPL	61,29,107
	(7,61,898) <i>CDTIL</i>	(—)	(—)	(22,48,020) <i>IOCL</i> (3,68,951) <i>SDNC</i> (4,54,553) <i>NCCS</i> (78,517) <i>ILPL</i> (21,600) <i>AFIPL</i>	(39,33,539)
Reimbursement of Expenses/Receiving of Services.....	—	—	1,54,693 DMN	19,083 SDN 59,704 UFACL	2,33,480
	(—)	(—)	(89,186) <i>DMN</i>	(72,125) <i>SDN</i> (54,235) <i>UFACL</i> (31,987) <i>NIL</i>	(2,47,533)

Notes forming part of the Financial Statements

Nature of transactions	Joint Venture	Key management personnel	Relatives of key management personnel	Other Related Parties	Total
Interest Received.....	—	—	—	12,50,686 IOCL	12,50,686
	(—)	(—)	(—)	(20,38,356) <i>IOCL</i>	(20,38,356)
Remuneration.....	—	56,06,194 SFV	—	—	56,06,194
	(—)	(49,45,940) <i>SFV</i>	(—)	(—)	(49,45,940)
Inter Corporate Deposits Placed	—	—	—	2,00,00,000 IOCL	2,00,00,000
	(—)	(—)	(—)	(3,00,00,000) <i>IOCL</i>	(3,00,00,000)
Directors' sitting fees	—	—	58,000 DMN	—	58,000
	(—)	(—)	(42,000) <i>DMN</i>	(—)	(42,000)
Dividend received	22,50,000 CDTIL	—	—	—	22,50,000
	(—)	(—)	(—)	(—)	(—)
Dividend paid	—	—	3,33,000 DMN	43,59,480 SDN 5,25,600 RIL 1,168 GPPL	52,19,248
	(—)	(—)	(3,33,000) <i>DMN</i>	(43,59,480) <i>SDN</i> (5,25,600) <i>RIL</i> (1,168) <i>GPPL</i>	(52,19,248)
Consultancy Fees	—	—	5,37,616 MFV	—	5,37,616
	(—)	(—)	(—)	(—)	(—)
Investments	67,50,000 CDTIL	—	—	4,00,00,000 ILPL	4,67,50,000
	(67,50,000) <i>CDTIL</i>	(—)	(—)	(4,00,00,000) <i>ILPL</i>	(4,67,50,000)



Notes forming part of the Financial Statements

Balances as at the year end	Joint Venture	Key management personnel	Relatives of key management personnel	Other Related Parties	Total
Outstanding Trade Receivables.....	99,78,711 CDTIL	—	—	9,45,255 IOCL 5,39,768 GPPL	1,14,63,734
	(28,53,067) <i>CDTIL</i>	(—)	(—)	(1,05,417) <i>IOCL</i> (6,32,350) <i>GPPL</i>	(35,90,834)
Outstanding Receivables (Expenses)	—	—	—	51,413 SDNC	51,413
	(—)	(—)	(—)	(19,592) <i>ILPL</i>	(19,592)
Outstanding Payables.....	—	—	—	2,99,947 UKL	2,99,947
	(—)	(—)	(—)	(13,89,780) <i>IOCL</i> (63,144) <i>GPPL</i> (16,214) <i>NIL</i>	(14,69,138)
Deposits given.....	—	—	32,00,000 DMN	—	32,00,000
	(—)	(—)	(32,00,000) <i>DMN</i>	(—)	(32,00,000)
Outstanding ICD placed..	—	—	—	70,00,000 IOCL	70,00,000
	(—)	(—)	(—)	(1,00,00,000) <i>IOCL</i>	(1,00,00,000)

Note: Figures in bracket relate to previous year.

41. Financial and derivative instrument disclosure:

(a) The following is the outstanding forward exchange contract entered into by the Company

Currency	As at 31 March, 2013		Currency	As at 31 March, 2012	
	Amount	Buy/Sell		Amount	Buy/Sell
US Dollar	—	—	US Dollar	66,843	Buy
US Dollar	—	—	US Dollar	3,25,728	Sell

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

(c) Unhedged foreign currency exposure:

Particulars	As at 31 March, 2013		As at 31 March, 2012	
	USD	₹	USD	₹
Trade Receivables	3,39,952	1,83,84,582	1,92,203	97,75,436
Trade Payables	1,49,406	81,57,548	1,40,893	72,34,831

Notes forming part of the Financial Statements

42. Interest in Joint Ventures:

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

Name	Country of Incorporation	Percentage of ownership interest as at 31 March, 2013	Percentage of ownership interest as at 31 March, 2012
Champion Dai-ichi Technologies India Limited	India	50%	50%

The Company's interest in this Joint Venture is reported as Non Current Investment (Note 13) 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:

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
I. ASSETS		
1. Fixed assets	1,19,30,530	86,56,172
2. Non current investments.....	13,500	13,500
3. Long term loans & advances	3,37,39,792	42,81,785
4. Current investments	27,64,416	1,71,50,877
5. Inventories	1,29,41,509	1,00,89,306
6. Trade receivables	5,67,85,964	1,15,08,893
7. Cash and cash equivalents	96,16,902	98,51,024
8. Short term loans and advances	49,62,944	1,14,15,404
9. Other current assets.....	7,393	11,778
II. LIABILITIES		
1. Long term borrowings	—	71,554
2. Deferred tax liabilities	7,04,101	6,94,829
3. Long term provisions	7,55,725	3,44,520
4. Trade payables	5,07,72,934	1,73,38,097
5. Other current liabilities.....	28,13,730	14,01,656
6. Short term provisions	71,05,342	26,45,296
III. INCOME		
1. Revenue from operations.....	22,58,46,606	7,58,07,152
2. Other Income	9,72,820	14,09,238
IV. EXPENSES		
1. Materials	13,17,24,350	4,67,78,420
2. Employee benefits expenses	1,05,08,739	40,37,489
3. Other expenses.....	4,68,53,527	1,24,79,624
4. Finance costs	8,09,655	4,11,201
5. Depreciation & Amortization	10,13,046	8,52,056
6. Tax expense.....	1,18,59,272	38,73,731



Notes forming part of the Financial Statements

— Share of Contingent Liabilities in respect of Joint Ventures:

(i) Contingent Liabilities

(a) Bonds for availing duty exemption under Exemption Entitlement certificate Scheme

**For the year ended
31 March, 2013**
₹

2,50,60,707

For the year ended
31 March, 2012
₹

2,53,35,376

— Share of Capital Commitments in respect of Joint Ventures:

(ii) Capital Commitments

Tangible assets

**For the year ended
31 March, 2013**
₹

—

For the year ended
31 March, 2012
₹

6,15,511

43. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

Signatures to notes '1' to '43'

For and on behalf of the Board

S. F. Vakil

Keki Elavia

Anil Naik

Nitin Nimkar

Kavita Thadeshwar

Vice-Chairperson and Managing Director

Director

Director

Financial Comptroller

Company Secretary

Place : Mumbai

Date : 28 May, 2013

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 : 31 March, 2013

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 Profit/(Loss) of Dai-ichi Gosei Chemicals (India) Ltd. : Dai-ichi Gosei Chemicals (India) Ltd. has made a Profit of ₹5,856/- (Previous Year Profit of ₹3,325/-). The total accumulated Loss carried to its Balance Sheet as on 31 March, 2013, amounted to ₹2,67,579/- (Previous Year Accumulated Loss ₹2,73,435/-).

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

For and on behalf of the Board

S. F. Vakil

Keki Elavia

Anil Naik

Nitin Nimkar

Kavita Thadeshwar

Vice-Chairperson and Managing Director

Director

Director

Financial Comptroller

Company Secretary

Place : Mumbai

Date : 28 May, 2013

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF DAI-ICHI KARKARIA LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Dai-ichi Karkaria Limited** (the "Company"), its subsidiary and jointly controlled entity (the Company, its subsidiary and jointly controlled entity constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31 March, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the financial statements of the subsidiary referred to below in the Other Matter paragraph, the aforesaid 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 the Group as at 31 March, 2013;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matter

We did not audit the financial statements of a subsidiary Dai-ichi Gosei Chemicals (India) Limited, whose financial statements reflect total assets (net) of ₹2,39,602 as at 31 March, 2013, total revenues of ₹18,290 and net cash inflows amounting to ₹8,776 for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of this matter.

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

Shyamak R Tata
Partner
(Membership No. 38320)

Place : Mumbai
Date : 28 May, 2013



Consolidated Balance Sheet as at 31 March, 2013

Particulars	Note No.	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	3	7,45,12,290	7,45,12,290
(b) Reserves and surplus.....	4	66,55,21,807	62,20,77,498
		74,00,34,097	69,65,89,788
Minority interest.....		6,974	6,798
2. Non-current liabilities			
(a) Long-term borrowings	5	1,12,92,001	1,14,22,482
(b) Deferred tax liabilities (net).....	6A	7,04,101	26,41,749
(c) Other long-term liabilities	7	80,49,132	—
(d) Long-term provisions	8	1,30,41,006	95,75,319
		3,30,86,240	2,36,39,550
3. Current liabilities			
(a) Trade payables.....	9	15,24,22,338	12,21,21,011
(b) Other current liabilities.....	10	1,92,16,281	2,67,84,463
(c) Short-term provisions	11	2,89,46,330	2,14,23,368
		20,05,84,949	17,03,28,842
Total		97,37,12,260	89,05,64,978
II. ASSETS			
1. Non-current assets			
(a) Fixed assets			
(i) Tangible assets.....	12A	17,06,48,468	16,15,14,414
(ii) Intangible assets	12B	1,82,637	2,86,892
(iii) Capital work-in-progress		5,74,36,818	15,93,292
(iv) Intangible assets under development.....		82,725	82,725
		22,83,50,648	16,34,77,323
(b) Non-current investments.....	13	2,24,09,538	8,46,36,210
(c) Deferred tax assets (net).....	6B	3,53,101	—
(d) Long-term loans and advances	14	8,59,00,879	6,51,77,150
		10,86,63,518	14,98,13,360
	A	33,70,14,166	31,32,90,683
2. Current assets			
(a) Current investments	15	17,30,10,175	19,55,46,660
(b) Inventories	16	11,77,03,957	10,16,61,074
(c) Trade receivables	17	20,09,09,362	14,47,77,034
(d) Cash and cash equivalents.....	18	11,00,68,488	10,81,19,501
(e) Short-term loans and advances	19	3,38,35,298	2,60,91,130
(f) Other current assets	20	11,70,814	10,78,896
		63,66,98,094	57,72,74,295
Total		97,37,12,260	89,05,64,978

The accompanying notes are an integral part of the financial statements

In terms of our report of even date attached
For **Deloitte Haskins & Sells**
Chartered Accountants
Shyamak R Tata
Partner
Membership No. 38320
Place : Mumbai
Date : 28 May, 2013

For and on behalf of the Board of Directors

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

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

DAI-ICHI KARKARIA LIMITED AND IT'S SUBSIDIARY

Consolidated Statement of Profit and Loss for the year ended 31 March, 2013

Particulars	Note No.	For the year ended 31 March, 2013 ₹	For the year ended 31 March, 2012 ₹
1. Revenue from operations (gross).....	21	1,10,05,78,617	83,15,15,373
Less: Excise duty		8,42,40,595	5,98,44,559
Revenue from operations (net)		1,01,63,38,022	77,16,70,814
2. Other income.....	22	4,84,72,888	4,44,28,950
3. Total Revenue (1+2).....		1,06,48,10,910	81,60,99,764
4. Expenses			
(a) Cost of materials consumed	23	69,45,53,749	55,05,05,368
(b) Changes in inventories of finished goods, work-in-progress	24	(1,30,44,209)	(1,20,25,764)
(c) Employee benefits expenses.....	25	10,60,70,508	9,43,68,883
(d) Finance costs	26	9,70,424	4,29,653
(e) Depreciation and amortisation expenses.....	29	1,58,30,292	1,22,79,038
(f) Other expenses.....	27	17,01,96,498	11,74,13,936
Total Expenses		97,45,77,261	76,29,71,114
5. Profit before Tax (3-4)		9,02,33,649	5,31,28,650
6. Tax expense/(benefit):			
(a) Current Tax	28	2,67,52,850	1,23,54,770
(b) Deferred Tax	28	(22,90,750)	(15,73,768)
Net tax expense/(benefit)		2,44,62,100	1,07,81,002
7. Profit for the year		6,57,71,549	4,23,47,648
Minority Interest.....		(176)	(100)
Net Profit.....		6,57,71,373	4,23,47,548
Earning per Equity Share basic and diluted (of ₹ 10/- each)		8.83	5.68

The accompanying notes are an integral part of the financial statements

In terms of our report of even date attached
For **Deloitte Haskins & Sells**
Chartered Accountants
Shyamak R Tata
Partner
Membership No. 38320
Place : Mumbai
Date : 28 May, 2013

For and on behalf of the Board of Directors

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

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



Consolidated Cash Flow Statement for the year ended 31 March, 2013

Particulars	For the year ended 31 March, 2013 ₹	For the year ended 31 March, 2012 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before extraordinary items and tax	9,02,33,649	5,31,28,650
Adjustments for:		
Depreciation and amortisation expenses	1,58,30,292	1,22,79,038
Provision for Doubtful Debts.....	(2,10,345)	(13,848)
(Profit) on sale Fixed Assets.....	—	(20,547)
Interest income	(1,50,22,175)	(1,03,83,700)
Dividend income.....	(70,87,369)	(1,14,23,409)
Excess of cost or fair value of current MF investments	—	(1,24,000)
Profit on sale of investments.....	(90,56,813)	(59,89,801)
Rent income	(1,43,97,850)	(1,48,79,184)
Finance costs.....	9,70,424	4,29,653
Operating profit before working capital changes	6,12,59,813	2,30,02,852
Changes in working capital:		
Adjustments for (increase)/decrease in operating assets:		
Inventories	(1,60,42,883)	(3,06,28,191)
Trade receivables	(5,59,21,983)	(3,62,72,554)
Short-term loans and advances.....	(77,44,168)	(1,04,22,263)
Long-term loans and advances.....	(2,81,38,817)	(1,36,87,074)
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	3,03,01,327	2,88,46,096
Other current liabilities	(90,06,609)	1,40,91,296
Other long-term liabilities.....	80,49,132	(83,24,045)
Short-term provisions	63,558	1,56,779
Long-term provisions	34,65,687	(2,57,662)
Cash generated from operations	(7,49,74,756)	(5,64,97,618)
Net income tax (paid)/refunds.....	(1,37,14,943)	(3,34,94,766)
Net cash flow from/(used in) operating activities (A)	(3,87,31,627)	(4,21,11,002)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Additions to Fixed Assets.....	(7,22,07,334)	(2,47,96,274)
Sale proceeds of fixed assets	—	1,69,375
Movements in earmarked accounts	(45,26,806)	(7,05,293)
Bank balances not considered as Cash and cash equivalents		
– New Deposits placed.....	(1,75,000)	(2,00,00,000)
– Proceeds of Deposits	4,00,00,000	1,12,59,816
Current investments not considered as Cash and cash equivalents		
– Purchased.....	(8,03,66,085)	(29,14,63,420)
– Proceeds from sale	14,90,97,540	32,05,48,541
Purchase of long-term investments	(45,64,500)	(1,29,97,000)
Proceeds from sale of long-term investments	2,96,53,017	4,29,80,107
Interest received	1,49,30,257	95,41,869
Dividend received	70,87,369	1,14,23,409
Rent income.....	1,43,97,850	1,48,79,184
Net cash flow from/(used in) investing activities (B)	9,33,26,308	6,08,40,314

DAI-ICHI KARKARIA LIMITED AND IT'S SUBSIDIARY

Consolidated Cash Flow statement for the year ended 31 March, 2013 (Contd.)

Particulars	For the year ended 31 March, 2013 ₹	For the year ended 31 March, 2012 ₹
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of sales tax deferral	(10,91,771)	(6,81,577)
Receipt of Loan	25,49,000	4,61,000
Repayment of Loan	(2,83,834)	(1,00,545)
Repayment of Fixed Deposits	(85,000)	(1,18,000)
Finance costs	(9,70,424)	(4,29,653)
Dividends paid	(1,46,82,912)	(1,47,42,616)
Tax on dividend	(27,82,559)	(24,17,551)
Net cash flow from/(used in) financing activities (C)	(1,73,47,500)	(1,80,28,942)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	3,72,47,181	7,00,370
CASH AND CASH EQUIVALENTS (Opening Balance)	2,89,93,926	2,82,93,556
CASH AND CASH EQUIVALENTS (Closing Balance)	6,62,41,107	2,89,93,926
NET INCREASE/(DECREASE) IN CASH OR CASH EQUIVALENTS	3,72,47,181	7,00,370
Cash and Cash equivalents at the end of the year comprise	As at 31 March, 2013	As at 31 March, 2012
(a) Cash on hand	31,239	64,370
(b) Balances with banks		
(i) in current accounts	2,62,09,869	2,89,29,556
(ii) in other deposit accounts	4,00,00,000	—
Total Cash and bank balances	6,62,41,107	2,89,93,926

Notes:

- The accompanying notes are an integral part of the financial statements
- The Cash flow is prepared under the 'Indirect Method' as set in Accounting Standard 3 – Cash flow Statement.

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

Shyamak R Tata
Partner
Membership No. 38320
Place : Mumbai
Date : 28 May, 2013

For and on behalf of the Board of Directors

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

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



Notes forming part of Consolidated Financial Statements

1. COMPANY OVERVIEW

Dai-ichi Karkaria Limited ("the Company") was incorporated on 13 May, 1960 under the laws of the Republic of India and has its registered office at Mumbai (Maharashtra). The Company has a Joint venture with CTI Chemicals Asia Pacific Pte. Ltd., Singapore. The Joint Venture Company is known as Champion Dai-ichi Technologies India Limited. (CDTIL). The Company and CDTIL are engaged in manufacture and sale of Specialty Chemicals.

The manufacturing activities of the Company are carried out at its plants located at Kasarwadi and Kurkumbh, Pune and CDTIL at Jejuri, Pune.

2. SIGNIFICANTS ACCOUNTING POLICIES

Principles of consolidation:

The Consolidated Financial Statements relate to Dai-ichi Karkaria Limited ("the Company") and its subsidiary Dai-ichi Gosei Chemicals (India) Limited, where the holding company holds ninety seven percent of equity capital and a Joint Venture CDTIL where the holding company holds fifty percent of equity capital. The consolidated financial statements have been prepared on the following basis:

The financial statements of the Company and its subsidiary company 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. 31 March, 2013.

Minority interest in the net assets of the consolidated subsidiary 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.

Interest in Joint Venture has 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 Inogen Laboratories Private Limited (ILPL) is 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.

Basis of accounting and preparation of financial statements:

The consolidated financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles (GAAP) and applicable Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and provisions of the Companies Act, 1956; except in respect of the revaluation of fixed assets as stated in "Fixed Assets" below.

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 1 April, 1993, which is stated at revalued figures as on that date.

Notes forming part of Consolidated Financial Statements (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 amortized over the lease period.

Capital work-in-progress:

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

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 at First in First out (FIFO) and constitute ten percent of total inventory. 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.

Foreign currency transactions:

Transactions in foreign currency are accounted at exchange rates on date of transaction. Year end balances of monetary items are translated at closing rates. Exchange differences on settlement/translation are charged to Statement of Profit and Loss.

Employee benefits:

Employee benefits include provident fund, employee state insurance scheme, and gratuity fund and compensated absences.

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made.

For defined benefit plans in the form of gratuity fund the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

Provision for compensated absences is made on the basis of actuarial valuation carried out as at the Balance Sheet date.

Revenue recognition:

Sale of goods:

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude sales tax and value added tax.

Other income:

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.



Notes forming part of Consolidated Financial Statements (Contd.)

Excise:

Excise duty is recognized on goods manufactured.

Leases:

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

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.

Contingent Liabilities:

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

Dividend:

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

Particulars	As at 31 March, 2013		As at 31 March, 2012	
	Number of shares	₹	Number of shares	₹
NOTE 3 : SHARE CAPITAL				
(A) Authorised				
Equity shares of ₹10/- each	1,00,00,000	10,00,00,000	1,00,00,000	10,00,00,000
(B) Issued, Subscribed and fully paid				
Equity shares of ₹10/- each	74,51,229	7,45,12,290	74,51,229	7,45,12,290
Total	74,51,229	7,45,12,290	74,51,229	7,45,12,290

(C) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting period.

There is no change in the number of shares and amount outstanding as at the beginning and at the end of reporting period.

(D) Details of shares held by each shareholder holding more than 5% shares:

Class of shares/Name of shareholder	As at 31 March, 2013		As at 31 March, 2012	
	Number of shares held	% holding	Number of shares held	% holding
Equity shares with voting rights				
Mr. Ashokumar Parmar.....	7,32,309	9.83	7,32,266	9.83
Mrs. S. F Vakil jointly with others	12,83,630	17.23	12,83,630	17.23
Mrs. P. R. Mehta jointly with others	16,87,500	22.65	16,87,500	22.65

(E) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the Balance Sheet date:

	As at 31 March, 2013	As at 31 March, 2012	As at 31 March, 2011	As at 31 March, 2010	As at 31 March, 2009
Equity Shares bought back...	—	—	—	1,55,171	—

(F) The Company has one class of equity shares having a par value of ₹10/- per share. Each equity share holder is eligible for one vote per share held. Each equity share holder is entitled to dividend as and when the Company declares and pays dividend after obtaining share holders approval.

Notes forming part of Consolidated Financial Statements (Contd.)

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
NOTE 4 : RESERVES AND SURPLUS		
(a) Capital reserve		
Balance as at the beginning and end of the year	77,10,000	77,10,000
(b) Capital redemption reserve		
Balance as at the beginning and end of the year	15,51,710	15,51,710
(c) Securities premium account		
Balance as at the beginning and end of the year	25,94,37,591	25,94,37,591
(d) Revaluation reserve		
Balance as at the beginning of the year	3,60,18,192	3,63,64,908
Less: Utilised for set off against depreciation	3,12,045	3,46,716
Balance as at the end of the year	3,57,06,147	3,60,18,192
(e) General reserve		
Balance as at the beginning of the year	3,50,09,482	3,24,59,482
Add: Transferred from surplus in Statement of Profit and Loss.....	44,00,000	25,50,000
Balance as at the end of the year	3,94,09,482	3,50,09,482
(f) Reserve arising on deemed disposal of subsidiary.....	1,19,55,472	1,19,55,472
(g) Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	23,57,09,432	22,20,15,762
Add: Profit for the year	4,17,20,534	3,35,63,679
	27,74,29,966	25,55,79,441
Less: Dividends proposed to be distributed to equity shareholders (₹2.50/-per share)	1,86,28,073	1,49,02,458
Tax on dividend	33,86,946	24,17,551
Transferred to General reserve	44,00,000	25,50,000
	2,64,15,019	1,98,70,009
Balance as at the end of the year	25,10,14,947	23,57,09,432
(h) Share of joint venture	5,87,36,458	3,46,85,619
Total	66,55,21,807	62,20,77,498

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
NOTE 5 : LONG-TERM BORROWINGS		
(a) Term loans		
From banks Secured (refer Note (i) below)	18,96,421	3,54,338
(b) Deferred sales tax liability (Refer Note (ii) below) – Unsecured	93,95,580	1,09,96,590
Total	1,12,92,001	1,13,50,928
Share of joint venture – Refer Note 34	—	71,554
Grand Total	1,12,92,001	1,14,22,482



Notes forming part of Consolidated Financial Statements (Contd.)

Note (i) The term loans are secured against hypothecation of the vehicles purchased under the loans and are payable in equated in equated monthly installments details as under :

Name of lender	Loan Amount ₹	Rate of Interest	EMI Amount ₹	Total Nos. of EMI
HDFC Bank Ltd.	4,61,000	12.50%	10,268	60
State Bank of India	9,00,000	13.20%	31,251	36
State Bank of India	16,49,000	13.20%	57,259	36

Note (ii) 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 1 August, 2000 up-to an amount of ₹4,84,42,000/- for the Kurkumbh unit at Pune. The deferred amount is recognized as long term borrowing and is unsecured, interest free and payable after a moratorium period of 10 years in 5 yearly equal installments which commence from year 2011.

The deferred sales tax liability is payable in annual installments as below:

Year	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
2014	—	16,01,010
2015	20,07,553	20,07,553
2016	21,73,501	21,73,501
2017	19,11,793	19,11,793
2018	15,01,600	15,01,600
2019	9,92,361	9,92,361
2020	5,85,818	5,85,818
2021	2,22,954	2,22,954
Total	93,95,580	1,09,96,590

For the current maturities of long term borrowings, refer item(a) of Note 10 Other current liabilities

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
NOTE 6A : DEFERRED TAX LIABILITIES (NET)		
Deferred tax liability/(asset)		
Deferred tax liability		
On Tangible fixed assets	—	87,65,320
	—	87,65,320
Less: Deferred tax assets:		
On Employee benefits	—	43,17,105
On Provision for Doubtful Debts	—	5,42,668
On Commission	—	10,74,689
On Bonus	—	8,83,938
On excise on finished goods	—	—
	—	68,18,400
Net deferred tax liability/(asset)	—	19,46,920
Share of joint venture – Refer Note 34	7,04,101	6,94,829
Net deferred tax liability/(asset)	7,04,101	26,41,749

Notes forming part of Consolidated Financial Statements (Contd.)

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
NOTE 6B : DEFERRED TAX ASSETS (NET)		
Deferred tax liability/(asset)		
Deferred tax liability		
On Tangible fixed assets	74,87,702	—
	<u>74,87,702</u>	—
Less: Deferred tax assets:		
On Employee benefits	53,21,400	—
On Provision for Doubtful Debts	4,76,098	—
On Commission	10,84,407	—
On Bonus.....	9,58,898	—
On excise on finished goods.....	—	—
	<u>78,40,803</u>	—
Net deferred tax liability/(asset)	(3,53,101)	—
Share of joint venture – Refer Note 34.....	—	—
Grand Total	(3,53,101)	—
NOTE 7 : OTHER LONG-TERM LIABILITIES		
Deposit for rented premises	80,49,132	—
Total	80,49,132	—
Share of joint venture – Refer Note 34.....	—	—
Grand Total	80,49,132	—
NOTE 8 : LONG-TERM PROVISIONS		
Provision for employee benefits:		
(i) Provision for gratuity	45,22,173	27,39,781
(ii) Provision for compensated absences.....	77,63,108	64,91,018
Total	1,22,85,281	92,30,799
Share of joint venture – Refer Note 34.....	7,55,725	3,44,520
Grand Total	1,30,41,006	95,75,319
NOTE 9 : TRADE PAYABLES		
Trade payables:		
(a) Acceptances	33,88,409	50,66,114
(b) Other than acceptances		
Related parties	2,99,247	14,69,138
Others	10,29,51,103	9,95,31,167
Total	10,66,38,759	10,60,66,419
Share of joint venture – Refer Note 34.....	4,57,83,579	1,60,54,592
Grand Total	15,24,22,338	12,21,21,011

Principal amount payable to Micro and Small Enterprises (to the extent identified by the Company from available information and relied upon by the auditors) is ₹61,643/- (2012: ₹1,21,292/-) including unpaid amounts of ₹ Nil (2012: ₹ Nil) outstanding for more than 45 days. No interest is due thereon.



Notes forming part of Consolidated Financial Statements (Contd.)

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
NOTE 10 : OTHER CURRENT LIABILITIES		
(a) Current maturities of long term borrowings (refer note (i) and (ii) below):		
(i) Term loan	8,73,479	73,774
(ii) Deferred sales tax liabilities	16,01,010	10,91,771
(b) Rent received in advance	—	12,39,932
(c) Unpaid dividends	12,61,902	10,42,356
(d) Unpaid matured deposits and interest accrued thereon	3,12,000	3,97,000
(e) Security Deposits	3,46,225	8,56,350
(f) Other payables:		
(i) Statutory remittances	36,54,855	47,64,705
(ii) Payables on purchase of tangible fixed assets	7,65,000	25,91,109
(iii) Deposit for rented premises	—	80,49,132
(iv) Advances from customers	9,03,017	11,82,805
(v) Others liabilities (including commission etc.)	66,85,063	42,36,900
Total	1,64,02,551	2,55,25,834
Share of joint venture – Refer Note 34	28,13,730	12,58,629
Grand Total	1,92,16,281	2,67,84,463

Note: (i) Refer item (a) & (b) of Note 5 Long term borrowings for details of security.

(ii) The term loan of Joint Venture entity of ₹6,80,000/- from HDFC Bank is payable in 60 equated monthly installments (EMIs) and is secured against hypothecation of the vehicle purchased under the loan. There are 10 EMIs pending as at the reporting date. The interest rate is @ 12.51% reducing balance p.a.

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
NOTE 11 : SHORT-TERM PROVISIONS		
(a) Provision for employee benefits:		
(i) Provision for Compensated Absence	22,04,775	20,83,011
(ii) Provision Gratuity	19,08,710	19,90,058
	41,13,485	40,73,069
(b) Provision – Others:		
(i) Provision for proposed equity dividend	1,86,28,073	1,49,02,458
(ii) Provision for tax on proposed dividends	30,21,939	24,17,551
(iii) Provision for tax (net)	—	—
	2,16,50,012	1,73,20,009
Total	2,57,63,497	2,13,93,078
Share of joint venture – Refer Note 34	31,82,833	30,290
Grand Total	2,89,46,330	2,14,23,368

DAI-ICHI KARKARIA LIMITED AND IT'S SUBSIDIARY

Notes forming part of Consolidated Financial Statements (Contd.)

NOTE 12 : FIXED ASSETS

₹

Particulars	Gross block at cost				Depreciation				Net Block	
	As at 1 April, 2012	Additions	Deductions	As at 31 March, 2013	As at 1 April, 2012	For the period	Deductions	As at 31 March, 2013	As at 31 March, 2013	As at 31 March 2012
A. Tangible Assets										
(a) Leasehold Land – Kurkumbh	18,58,391 (18,58,391)	— (—)	— (—)	18,58,391 (18,58,391)	2,71,320 (2,50,671)	20,649 (20,649)	— (—)	2,91,969 (2,71,320)	15,66,422 (15,87,071)	15,87,071 (16,07,720)
(b) Freehold Land	5,36,30,801 (5,36,30,801)	— (—)	— (—)	5,36,30,801 (5,36,30,801)	— (—)	— (—)	— (—)	— (—)	5,36,30,801 (5,36,30,801)	5,36,30,801 (5,36,30,801)
(c) Buildings – Residential	1,65,16,917 (1,65,16,917)	— (—)	— (—)	1,65,16,917 (1,65,16,917)	85,69,657 (81,51,380)	3,97,362 (4,18,277)	— (—)	89,67,019 (85,69,657)	75,49,898 (79,47,260)	79,47,260 (83,65,537)
(d) Buildings – Non Residential Own use	6,45,86,039 (5,87,42,454)	— (58,43,585)	— (—)	6,45,86,039 (6,45,86,039)	4,83,10,049 (4,73,19,606)	14,20,969 (9,90,443)	— (—)	4,97,31,018 (4,83,10,049)	1,48,55,021 (1,62,75,990)	1,62,75,990 (1,14,22,848)
Given under operating lease	2,90,84,465 (2,90,84,465)	— (—)	— (—)	2,90,84,465 (2,90,84,465)	81,08,992 (70,05,020)	10,48,774 (11,03,972)	— (—)	91,57,766 (81,08,992)	1,99,26,699 (2,09,75,473)	2,09,75,473 (2,20,79,445)
(e) Plant & Machinery	26,70,49,530 (26,19,72,202)	1,36,62,086 (50,77,328)	— (—)	28,07,11,616 (26,70,49,530)	23,89,86,766 (23,37,28,143)	74,34,701 (52,58,623)	— (—)	24,64,21,467 (23,89,86,766)	3,42,90,149 (2,80,62,764)	2,80,62,764 (2,82,44,059)
(f) Furniture & Fixtures	1,94,85,813 (82,65,834)	18,000 (1,12,19,979)	— (—)	1,95,03,813 (1,94,85,813)	73,15,841 (59,59,089)	21,98,500 (13,56,752)	— (—)	95,14,341 (73,15,841)	99,89,472 (1,21,69,972)	1,21,69,972 (23,06,745)
(g) Laboratory, Office and Factory Equipment and Air conditioners	2,56,07,571 (2,34,78,287)	13,20,041 (21,29,284)	— (—)	2,69,27,612 (2,56,07,571)	1,90,91,453 (1,79,50,154)	10,96,905 (11,41,299)	— (—)	2,01,88,358 (1,90,91,453)	67,39,254 (65,16,118)	65,16,118 (55,28,133)
(h) Vehicles	70,74,945 (67,13,196)	44,71,742 (8,88,231)	— (5,26,482)	1,15,46,687 (70,74,945)	48,72,290 (47,69,636)	7,54,691 (5,85,683)	— (4,83,029)	56,26,981 (48,72,290)	59,19,706 (22,02,655)	22,02,655 (19,43,560)
Scientific Research – Capital Expenditure:										
(a) Buildings – Non Residential	14,20,149 (14,20,149)	— (—)	— (—)	14,20,149 (14,20,149)	13,54,119 (13,50,840)	3,279 (3,279)	— (—)	13,57,398 (13,54,119)	62,751 (66,030)	66,030 (69,309)
(b) Plant & Machinery	78,24,529 (78,24,529)	— (—)	— (—)	78,24,529 (78,24,529)	57,44,657 (54,30,619)	2,72,401 (3,14,038)	— (—)	60,17,058 (57,44,657)	18,07,471 (20,79,872)	20,79,872 (23,93,910)
(c) Furniture & Fixtures	6,31,513 (6,31,513)	— (—)	— (—)	6,31,513 (6,31,513)	5,87,765 (5,78,096)	7,919 (9,669)	— (—)	5,95,684 (5,87,765)	35,829 (43,748)	43,748 (53,417)
(d) Laboratory, Office and Factory Equipment & Air- conditioners	1,56,46,717 (1,56,46,717)	84,500 (—)	— (—)	1,57,31,217 (1,56,46,717)	1,30,28,461 (1,26,15,050)	3,58,290 (4,13,411)	— (—)	1,33,86,751 (1,30,28,461)	23,44,466 (26,18,256)	26,18,256 (30,31,667)
Total Tangible Assets	51,04,17,380	1,95,56,369	—	52,99,73,749	35,62,41,370	1,50,14,441	—	37,12,55,810	15,87,17,939	15,41,76,010
Previous year	(48,57,85,455)	(2,51,58,407)	(5,26,482)	(51,04,17,380)	(34,51,08,304)	(1,16,16,095)	(4,83,029)	(35,62,41,370)	(15,41,76,010)	
Add: Share of Joint Venture – Note no. 34	1,87,36,420 (1,84,72,474)	56,05,167 (5,28,364)	— (2,64,421)	2,43,41,587 (1,87,36,417)	1,13,98,013 (1,07,05,003)	10,13,046 (8,52,056)	— (1,59,046)	1,24,11,059 (1,13,98,013)	1,19,30,529 (73,38,404)	73,38,404
	52,91,53,800	2,51,61,536	(—)	55,43,15,336	36,76,39,383	1,60,27,486	(—)	38,36,66,869	17,06,48,468	16,15,14,414
Previous year	(50,42,57,929)	(2,56,86,771)	(7,90,903)	(52,91,53,797)	(35,58,13,307)	(1,24,68,151)	(6,42,075)	(36,76,39,383)	(16,15,14,414)	
B. Intangible Assets										
Computer Software	9,16,025	10,595	—	9,26,620	6,29,133	1,14,850	—	7,43,983	182,637	2,86,892
Add: Share of Joint Venture – Note no. 34	—	—	—	—	—	—	—	—	—	—
	9,16,025	10,595	—	9,26,620	6,29,133	1,14,850	—	7,43,983	1,82,637	2,86,892
Previous year	(7,38,837)	(1,77,188)	(—)	(9,16,025)	(4,71,530)	(1,57,603)	(—)	(6,29,133)	(2,86,892)	
C. Capital Work-in Progress									5,74,36,818	(15,93,292)
D. Intangible Assets under Development									82,725	(82,725)

Figures in the bracket relate to the previous year



Notes forming part of Consolidated Financial Statements (Contd.)

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
NOTE 13 : NON-CURRENT INVESTMENTS		
Investments (at cost, unless otherwise stated)		
(A) Trade, in equity instruments		
(a) Unquoted		
(i) of associate company		
**(31 March 2012: 26,00,000) equity shares of ₹10/- each fully paid up of Inogent Laboratories Private Limited.....	—	4,00,00,000
(b) Quoted, in others		
57,167 shares of ₹10/- each fully paid up in Clariant Chemicals (India) Limited.....	13,62,502	13,62,502
	13,62,502	4,13,62,502
** Considered under Current Investments, pursuant to Agreement		
(B) Other than trade, in equity instruments		
(a) Quoted		
8,100 shares of ₹10/- each fully paid up of Bank of India.....	3,64,500	3,64,500
2,000 shares of ₹2/- each in Bharat Seats Limited	2,000	2,000
(b) Unquoted		
1,000 equity shares of ₹25/- each fully paid up of The Shamrao Vithal Co-op. Bank Limited	25,000	25,000
2,500 shares of ₹10/- each fully paid up of The Saraswat Co-op. Bank Limited	25,000	25,000
400 shares of ₹25/- each fully paid up of The Zoroastrian Co-op. Bank Limited	1,00,000	1,00,000
	5,16,500	5,16,500
(C) Other than trade, in debentures or Preferential shares of bonds		
(a) Quoted		
10 11.40% Tata Power Perpetual Bonds of ₹10,00,000/- each.....	1,05,25,000	1,05,25,000
2,472 (as at 31 March 2012: 2,472) NHAI Bonds (Tranche-I) of ₹1,000/- each	24,72,000	24,72,000
(b) Unquoted		
Nil (as at 31 March 2012: 100) Secured redeemable non convertible debenture of Citicorp Finance (India) Ltd. of ₹1,00,000/- each	—	1,00,00,000
45,645 Preference shares (31 March 2012: Nil) of L&T Finance Holdings Limited	45,64,500	—
	1,75,61,500	2,29,97,000

Notes forming part of Consolidated Financial Statements (Contd.)

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
NOTE 13 : NON-CURRENT INVESTMENTS (Contd.)		
(D) Other than trade, in mutual funds		
(a) Quoted:		
2580 Grams (2012: 2580) in Benchmark MF Gold Bees	29,55,536	47,46,708
(b) Unquoted:		
Nil (as at 31 March, 2012: 15,00,000) Units of Birla Sunlife Capital Protection Oriented Fund Series-1 of ₹10/- each	—	1,50,00,000
	29,55,536	1,97,46,708
Total Non-Current Investments	2,23,96,038	8,46,22,710
Share of joint venture – Refer Note 34	13,500	13,500
Grand Total	2,24,09,538	8,46,36,210
Notes		
(1) Aggregate cost of quoted investments	1,76,81,538	1,94,72,710
(2) Aggregate market value of listed and quoted investments	4,09,65,271	4,00,79,708
(3) Aggregate cost of unquoted investments (net of provision)	47,28,000	6,51,63,500
NOTE 14 : LONG-TERM LOANS AND ADVANCES		
Unsecured considered good		
(a) Capital Advances	11,91,677	—
(b) Security deposits	1,40,25,294	1,30,68,854
(c) Loans to related parties (Refer Note 40)	—	1,00,00,000
(d) Loans and advances to employees	3,28,002	22,59,969
(e) Prepaid expenses	6,49,676	4,49,380
(f) VAT credit receivable	11,59,934	17,19,083
(g) Balances with government authorities		
(h) Advance income tax (net)	3,48,06,504	3,34,13,269
Total	5,21,61,087	6,09,10,555
Share of Joint Venture – Refer Note 34	3,37,39,792	42,66,595
Grand Total	8,59,00,879	6,51,77,150
Note 15 : Current investments		
(A) Trade, in equity instruments (at cost)		
(a) Unquoted		
(i) of associate company		
26,00,000 (as at 31 March, 2012: 26,00,000) shares of ₹10/- each fully paid up in Inogen Laboratories*	4,00,00,000	—
* Re-classified from Non current Investments, pursuant to Agreement		
(B) Other than trade (Valued at cost or market value whichever is less)		
(a) Unquoted Mutual Funds	13,02,45,759	17,83,95,783
Total	17,02,45,759	17,83,95,783
Share of joint venture – Refer Note 34	27,64,416	1,71,50,877
Grand Total	17,30,10,175	19,55,46,660



Notes forming part of Consolidated Financial Statements (Contd.)

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
NOTE 16 : INVENTORIES		
At lower of cost and net realizable value		
(a) Raw materials & Packing Materials.....	4,10,02,578	3,88,39,528
Goods-in-transit	20,81,835	41,26,166
	4,30,84,413	4,29,65,694
(b) Fuels	18,59,553	35,95,527
(c) Work-in-progress		
Textile	—	2,78,318
Anionic/Cationic	6,28,094	3,95,177
Non-Ionic	6,95,860	4,63,847
Sizing	—	77,877
	13,23,954	12,15,219
(d) Semi Finished Goods	1,78,74,764	1,06,79,876
(e) Finished goods	4,07,92,852	3,33,57,065
Total	10,49,35,536	9,18,13,381
Share of joint venture – Refer Note 34	1,27,68,421	98,47,693
Grand Total	11,77,03,957	10,16,61,074
NOTE 17 : TRADE RECEIVABLES		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, Considered Good.....	2,08,177	3,48,256
Doubtful	14,61,977	16,72,322
	16,70,154	20,20,578
Less: Provision for doubtful debts.....	14,61,977	16,72,322
	2,08,177	3,48,256
Other debts	14,89,04,577	13,43,46,419
Total	14,91,12,754	13,46,94,675
Share of joint venture – Refer Note 34.....	5,17,96,608	1,00,82,359
Grand Total	20,09,09,362	14,47,77,034

Notes forming part of Consolidated Financial Statements (Contd.)

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
NOTE 18 : CASH AND CASH EQUIVALENTS		
(a) Cash on hand.....	27,351	56,756
(b) Balances with banks		
(i) In current accounts.....	2,15,26,346	2,05,08,848
(ii) In other deposit accounts		
— Original maturity of 3 months or less.....	4,00,00,000	—
— Original maturity of more than 3 months*.....	3,01,75,000	7,00,00,000
* Includes ₹1,00,00,000/- (2012: ₹3,00,00,000/-) with a maturity of more than 12 months as at the Balance Sheet date		
(iii) In earmarked accounts		
— Unpaid dividend accounts	12,61,902	10,42,356
— Balances held as margin money against guarantees and other commitments	74,60,987	66,60,517
Total	10,04,51,586	9,82,68,477
Share of joint venture – Refer Note 34.....	96,16,902	98,51,024
Grand Total	11,00,68,488	10,81,19,501
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is	6,62,41,107	2,89,93,926
NOTE 19 : SHORT-TERM LOANS AND ADVANCES (UNSECURED CONSIDERED GOOD)		
Security Deposits		
(a) Loans and advances to employees.....	3,60,656	3,27,688
(b) Prepaid expenses.....	16,70,460	17,84,496
(c) Balances with government authorities.....	39,63,929	59,01,113
(d) Loans to related parties (Refer Note).....	70,00,000	—
(e) Others (advances to suppliers etc.)	1,58,77,311	66,47,239
Total	2,88,72,356	1,46,60,536
Share of joint venture – Refer Note 34.....	49,62,942	1,14,30,594
Grand Total	3,38,35,298	2,60,91,130
NOTE 20 : OTHER CURRENT ASSETS		
(a) Interest accrued on bank deposits.....	4,63,040	4,61,250
(b) Interest accrued on other deposits	7,00,381	6,05,868
Total	11,63,421	10,67,118
Share of joint venture – Refer Note 34.....	7,393	11,778
Grand Total	11,70,814	10,78,896



Notes forming part of Consolidated Financial Statements (Contd.)

Particulars	For the year ended 31 March, 2013 ₹	For the year ended 31 March, 2012 ₹
NOTE 21 : REVENUE FROM OPERATIONS		
(a) Sale of products (Gross) (Refer Note (i) below).....	88,51,20,977	75,89,83,426
(b) Sale of services	11,45,806	22,48,020
	88,62,66,783	76,12,31,446
(c) Less: Excise duty on revenue from operations	8,09,34,297	5,98,44,559
	80,53,32,486	70,13,86,887
(d) Other operating revenues (Refer Note (ii) below)	25,97,387	20,50,092
Total	80,79,29,873	70,34,36,979
Share of joint venture – Refer Note 34	20,84,08,149	6,82,33,835
(Net of excise duty on revenue from operations ₹33,06,298/-)		
Grand Total	1,01,63,38,022	77,16,70,814
Notes:		
(i) Sale of products comprises:		
<u>Manufactured goods</u>		
Anionic/Cationic	15,35,60,782	13,06,49,208
Non Ionic	24,01,59,868	21,43,41,592
Textile	11,41,10,465	10,06,93,117
Oil Field	10,05,85,539	5,46,27,367
Flocculant	8,38,62,274	7,16,48,816
Others	19,28,42,049	18,70,23,326
Total – Sale of manufactured goods	88,51,20,977	75,89,83,426
(ii) Other operating revenues comprise:		
Duty drawback.....	9,92,469	3,52,619
Commission	1,38,095	2,25,866
Dosage compensation on Arbitration Settlement (Note 34)	3,20,702	—
Scrap Sale	11,46,121	14,71,607
Total – Other operating revenues	25,97,387	20,50,092

DAI-ICHI KARKARIA LIMITED AND IT'S SUBSIDIARY

Notes forming part of Consolidated Financial Statements (Contd.)

Particulars	For the year ended 31 March, 2013 ₹	For the year ended 31 March, 2012 ₹
NOTE 22 : OTHER INCOME		
(a) Interest income (Refer Note (i) below)	1,47,86,350	1,03,83,700
(b) Dividend income:		
from current investments	41,12,550	84,86,759
from long-term investments.....	23,64,980	29,36,650
(c) Net gain on sale of investments:		
Current investments	61,89,075	30,09,694
long term investments	28,61,845	29,80,107
(d) Adjustments to carrying amount of investments:		
Current investments	—	1,24,000
(e) Other non operating income:		
Rental income from operating lease	1,43,97,850	1,48,79,184
Profit on sale of fixed assets.....	—	20,547
Bad debts recovered.....	—	50,000
Provision for doubtful debts written back.....	2,10,345	13,848
On Settlement of arbitration (Note 34)	25,68,661	—
Sundry balances written back	8,412	1,35,223
Total	4,75,00,068	4,30,19,712
Share of joint venture – Refer Note 34	9,72,820	14,09,238
Grand Total	4,84,72,888	4,44,28,950
Note:		
(i) Interest income comprises:		
Interest from banks on deposits	77,00,824	75,00,827
Interest on loans and advances	12,50,686	20,38,356
Interest income from long term investments	13,44,545	6,15,539
Other interest:		
Interest on settlement of arbitration (Note 34)	42,06,170	—
Others.....	2,84,125	2,28,978
Total	1,47,86,350	1,03,83,700



Notes forming part of Consolidated Financial Statements (Contd.)

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	₹	₹
NOTE 23 : COST OF MATERIALS CONSUMED		
Raw Material consumed comprise:		
Ethylene Oxide.....	15,98,97,136	15,99,05,743
Fatty Alcohol, Phenol & Glycol	12,30,27,255	12,85,49,662
Oils & Fatty Acids.....	5,05,50,853	3,67,90,730
Acrylamide	2,55,71,537	1,67,74,638
Amines	2,81,81,575	1,35,36,293
Other items	19,48,03,227	15,15,19,823
Total	58,20,31,583	50,70,76,889
Share of joint venture – Refer Note 34	11,25,22,166	4,34,28,479
Grand Total	69,45,53,749	55,05,05,368
NOTE 24 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS		
<u>Inventories at the end of the year</u>		
Finished goods	4,07,92,852	3,33,57,065
Semi Finished Goods.....	1,78,74,764	1,06,79,876
Work-in-progress		
Textile.....	—	2,78,318
Anionic/Cationic.....	6,28,094	3,95,177
Non Ionic.....	6,95,860	4,63,847
Sizing	—	77,877
	5,99,91,570	4,52,52,160
<u>Inventories at the beginning of the year</u>		
Finished goods	3,33,57,065	2,52,33,615
Semi Finished Goods	1,06,79,876	1,00,85,486
Work-in-progress		
Textile.....	2,78,318	2,96,445
Anionic/Cationic.....	3,95,177	1,83,906
Non Ionic.....	4,63,847	35,450
Sizing	77,877	—
Spin Finish.....	—	16,58,270
	4,52,52,160	3,74,93,172
Net (increase)/decrease	(1,47,39,410)	(77,58,988)
Share of joint venture – Refer Note 34	16,95,201	(42,66,776)
Grand Total	(1,30,44,209)	(1,20,25,764)
NOTE 25 : EMPLOYEE BENEFITS EXPENSES		
Salaries and wages	7,83,08,805	7,62,75,138
Contributions to provident and other funds	95,96,616	66,38,359
Staff welfare expenses.....	76,56,348	74,17,897
Total	9,55,61,769	9,03,31,394
Share of joint venture – Refer Note 34	1,05,08,739	40,37,489
Grand Total	10,60,70,508	9,43,68,883

DAI-ICHI KARKARIA LIMITED AND IT'S SUBSIDIARY

Notes forming part of Consolidated Financial Statements (Contd.)

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	₹	₹
NOTE 26 : FINANCE COSTS		
Interest on term loan.....	1,60,769	18,452
Total	1,60,769	18,452
Share of joint venture – Refer Note 34	8,09,655	4,11,201
Grand Total	9,70,424	4,29,653
NOTE 27 : OTHER EXPENSES		
Consumption of stores and spare parts	61,22,327	43,93,679
Increase/(decrease) of Excise duty on inventories	7,61,235	8,98,847
Power and fuel	4,45,98,872	3,90,15,309
Rent	22,01,646	24,22,956
Repairs and maintenance:		
Buildings.....	5,54,274	13,29,417
Machinery	25,05,499	34,58,428
Others	26,90,667	20,31,878
Insurance.....	11,06,084	8,49,858
Rates and taxes.....	24,11,127	53,34,320
Freight Expenses.....	1,51,29,312	91,62,260
Commission on sales	1,10,48,645	44,11,668
Donations	10,39,048	10,30,000
Bank Charges.....	28,97,372	31,98,790
Telephone, telex and telegrams	18,54,056	18,07,029
Vehicle Expenses	11,07,904	9,88,640
Legal and professional	57,37,907	47,59,094
Travelling Expenses	31,77,276	23,84,360
Directors Siting Fees	4,78,500	3,63,500
Net loss/(gain) on foreign currency transactions and translation	(15,68,773)	(7,16,944)
Bad debts and advances written off	3,32,525	2,31,167
Payments to auditors (Refer note (i) below)	25,39,637	25,58,946
Miscellaneous expenses	1,66,17,831	1,50,21,110
Total	12,33,42,971	10,49,34,312
Share of joint venture – Refer Note 34	4,68,53,527	1,24,79,624
Grand Total	17,01,96,498	11,74,13,936
Note (i)		
Payments to the auditors comprises (net of service tax input credit, where applicable):		
Audit fees	11,05,000	11,03,000
Tax audit	3,00,000	3,00,000
Limited review/ Consolidation	10,00,000	10,00,000
Certification.....	1,00,000	1,00,000
Out of pocket expenses	34,367	55,946
	25,39,367	25,58,946



Notes forming part of Consolidated Financial Statements (Contd.)

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	₹	₹
NOTE 28 : TAX EXPENSE		
(a) Current Tax for the year.....	1,49,02,850	82,51,600
Total	1,49,02,850	82,51,600
Share of joint venture – Refer Note 34.....	1,18,50,000	41,03,170
Grand Total	2,67,52,850	1,23,54,770
(b) Deferred Tax for the year.....	(23,00,021)	(13,44,329)
Total	(23,00,021)	(13,44,329)
Share of joint venture – Refer Note 34.....	9,271	(2,29,439)
Grand Total	(22,90,750)	(15,73,768)
	2,44,62,100	1,07,81,002
NOTE 29 : DEPRECIATION AND AMORTISATION EXPENSES		
Depreciation and amortisation for the year on tangible assets as per Note 12 A	1,50,14,441	1,16,16,095
Amortisation for the year on intangible assets as per Note 12 B	1,14,850	1,57,603
Less: Utilised from revaluation reserve.....	3,12,045	3,46,716
	1,48,17,246	1,14,26,982
on intangible assets	—	—
Total	1,48,17,246	1,14,26,982
Share of joint venture – Refer Note 34.....	10,13,046	8,52,056
Grand Total	1,58,30,292	1,22,79,038

30 (a) Contingent liabilities and commitments (to the extent not provided for)

(i) Contingent Liabilities

(a) 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.

(b) Customs duty bonds**

** Includes ₹5,01,21,414/- (31 March, 2012 : ₹5,06,70,751/- of Bonds, issued jointly in name of the Company and Champion Dai-ichi Technologies India Ltd.....

(ii) Commitments

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)

(b) Share of Joint Venture

(b) Wage agreement at Kasarwadi Plant was expired on 30 November, 2008. Negotiations with employees are in progress. The Company does not expect any significant additional liability on this account.

As at 31 March, 2013	As at 31 March, 2012
₹	₹
1,41,97,321	1,94,13,765
8,62,91,546	7,35,52,625
17,42,053	18,32,873
—	6,15,511

DAI-ICHI KARKARIA LIMITED AND IT'S SUBSIDIARY

Notes forming part of Consolidated Financial Statements (Contd.)

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
(c) 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)	9,82,800	8,42,000
(iii) Product performance (Refer note 32).....	—	29,36,060
(iv) Disputed Income Tax liability	3,77,14,269	4,65,62,768
* Includes ₹1,41,97,321/- (31 March, 2012: ₹1,41,97,321/-) for which bank guarantee has been given and shown under 30 (a) (i) above.		
Future cash outflows in respect of the matters specified in a) (i) and c) are determinable only on receipt of judgments/decisions pending at various forums/authorities.		

31 Employee Benefits:

(A) Defined Contribution Plan

The Company makes Provident Fund, Employee State Insurance Scheme and Maharashtra Labour Welfare Fund contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹57,07,408/- (Year ended 31 March, 2012 ₹49,70,812/-) for Provident Fund contributions, ₹7,99,149/- (Year ended 31 March, 2012 ₹7,78,387/-) for Employee State Insurance Scheme contributions, ₹17,856/- (Year ended 31 March, 2012 ₹16,500/-) for Maharashtra Labour Welfare Fund in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

(B) Defined Benefit Plan

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

Amount in ₹

Particulars	Gratuity (Funded)	
	31 March, 2013	31 March, 2012
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	4,33,42,593	4,38,20,292
2. Current Service cost.....	11,17,300	12,29,012
3. Interest Cost.....	25,13,703	23,12,897
4. Past Service cost	—	—
5. Actuarial (gains)/losses	37,49,709	(84,515)
6. Benefits paid	(43,31,950)	(39,35,093)
7. Less: Transfer of defined obligations on deemed disposal of subsidiary	—	—
8. Present value of Defined Benefit Obligation as on Balance Sheet date.....	4,63,91,355	4,33,42,593
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	3,84,45,154	3,80,10,966
2. Expected return on plan assets	33,83,174	30,40,877
3. Actuarial gains/(losses)	33,276	3,00,815
4. Actual contributions by employers	19,44,948	10,20,132
5. Benefits paid	(42,90,412)	(39,35,093)
6. Plan assets as on Balance Sheet Date	3,95,16,140	3,84,45,154



Notes forming part of Consolidated Financial Statements (Contd.)

Amount in ₹

Particulars	Gratuity (Funded)				
III. Analysis of Defined Benefit Obligation:	31 March, 2013	31 March, 2012			
1. Defined Benefit Obligation as at 31st March	4,63,91,355	4,33,42,593			
2. Fair Value of Plan assets at the end of the year.....	3,95,16,140	3,84,45,154			
3. Net Asset/(Liability) recognized in the Balance Sheet as on Balance Sheet Date	(68,75,215)	(48,97,439)			
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	4,63,91,355	4,33,42,593			
2. Fair value of plan assets.....	3,95,16,140	3,84,45,154			
3. Funded status [Surplus/(Deficit)]	(68,75,215)	(48,97,439)			
4. Unrecognized Past Service Costs	—	—			
5. Net Asset/(Liability) recognized in Balance Sheet	(68,75,215)	(48,97,439)			
V. Components of employer expenses recognized in the statement of profit and loss:					
1. Current Service cost.....	11,17,300	12,29,012			
2. Interest cost	25,13,703	23,12,897			
3. Expected return on plan assets	(33,83,174)	(30,40,877)			
4. Curtailment cost/(credit)	—	—			
5. Settlement cost/(credit)	—	—			
6. Past Service cost	—	9,15,295			
7. Actuarial Losses/(Gains)	37,16,433	(3,85,330)			
8. Total expense recognised in the Statement of Profit & Loss under Contribution to Provident Fund and other Funds	39,64,262	10,30,997			
VI. The Category of Plan assets – 100% Qualifying insurance policy (Insurer managed fund):					
VII. Principal Actuarial Assumptions:					
1. Discount Rate (%)	8.00%	8.50%			
2. Expected Return on plan assets (%)	8.70%	8.80%			
3. Salary escalation (%).....	5.00%	5.00%			
4. Medical cost inflation	N A	N A			
5. Withdrawal Rate (%).....	2.00%	2.00%			
VIII. Experience History:	31 March, 2013	31 March, 2012	31 March, 2011	31 March, 2010	31 March, 2009
1. Experience adjustments on plan liabilities (Gain)/ Loss.....	37,49,709	(1,09,582)	18,80,595	28,53,781	19,95,430
2. Experience adjustments on plan assets (Loss)/ Gain.....	33,276	3,00,815	2,77,724	4,56,702	3,21,965
3. Defined Benefit Obligation at the end of the period	4,63,91,355	4,33,42,593	4,38,20,292	4,22,74,805	4,24,81,707
4. Plan Assets at the end of the period	3,95,16,140	3,84,45,154	3,80,10,966	3,79,74,818	3,82,75,892
5. Funded Status	(68,75,215)	(47,29,839)	(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	10,00,000	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.					

DAI-ICHI KARKARIA LIMITED AND IT'S SUBSIDIARY

Notes forming part of Consolidated Financial Statements (Contd.)

- 32** In the arbitration proceedings under order no. C/1438A & C/1438B of September 12, 1986, arbitration award was declared on September 25, 2006, pursuant to which ONGC was directed to pay ₹55,45,325/- along-with interest at 9% from the date of award till the date of payment.

The Company and ONGC had filed appeals against the award in the Mumbai High Court. Vide order dated December 6, 2012, the Court upheld the award. ONGC has paid a sum of ₹ 66,74,457/- to the company towards full and final settlement which has been accounted for during the year.

- 33** Lease payable/ receivable under cancellable operating lease:

The Company has taken office under operating lease. The lease is not non-cancellable. The lease payment recognized in the Statement of Profit and Loss, debited to rent account is **₹22,01,646/-** (2012 : ₹23,78,146/-)

The Company has given commercial premises under leave and license agreement for a period of 18 months. The said agreement is non-cancellable for the first 8 months, and the future minimum lease payments (all not later than one year) under the non-cancellable period is **₹11,71,170/-** (2012: ₹ Nil). The lease rental credited to the Statement of Profit and Loss is **₹1,43,97,850/-** (2012: ₹1,48,79,184/-).

- 34** Interest in Joint Venture:

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

Name	Country of Incorporation	Percentage of ownership interest	
		As at 31 March, 2013	As at 31 March, 2012
Champion Dai-ichi Technologies India Limited	India	50	50

- 35** Earnings per share:

Particulars	As at 31 March, 2013	As at 31 March, 2012
	₹	₹
Profit after tax as per accounts (₹)	6,57,71,373	4,23,47,548
Weighted average number of shares used as denominator for calculating basic and diluted earnings per share	74,51,229	74,51,229
Nominal value per share (₹).....	10	10
Basic and diluted earnings per share (₹).....	8.83	5.68

- 36** Segment Information:

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.

- 37** 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) Other related parties with whom the company had transactions

- (a) Jointly controlled entity

Champion Dai-ichi Technologies India Ltd. (CDTIL).

- (b) Key management personnel (KMP)

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

- (c) Relatives of key management personnel

Mr. D. M. Neterwala – Father of Managing Director [Director (DMN)]

Ms. Meher F. Vakil – Daughter of Managing Director (MFV)



Notes forming part of Consolidated Financial Statements (Contd.)

A. Relationships:

(i) Other related parties with whom the company had transactions (Contd.)

(d) Other related parties

- (i) Indian Oxides & Chemicals Limited (IOCL),
- (ii) Rose Investments Limited (RIL),
- (iii) Inogen Laboratories Private Limited (ILPL),
- (iv) SDN Company (SDNC),
- (v) Uni Klinger Limited (UKL),
- (vi) Anosh Finance & Investment Pvt. Ltd. (AFIPL),
- (vii) Universal Ferro & Allied Chemicals Limited (UFACL),
- (viii) General Pharmaceuticals Pvt. Ltd. (GPPL),
- (ix) Neta India Ltd. (NIL),
- (x) Neterwala Consulting & Corporate Service Limited (NCCSL).

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	Key management personnel	Relatives of key management personnel	Other Related Parties	Total
Purchase of Goods.....	—	—	—	35,13,971 IOCL 6,93,159 GPPL 2,99,947 UKL	45,07,077
	(3,288) CDTIL	(—)	(—)	(13,89,780) IOCL (11,82,603) GPPL (51,621) UKL (13,580) NIL	(26,40,872)
Sales of Goods	4,22,71,295 CDTIL	—	—	1,00,81,509 IOCL 27,99,089 GPPL	5,51,51,893
	(1,68,92,144) CDTIL	(—)	(—)	(30,17,491) GPPL	(1,99,09,635)
Compensation/Others	—	—	22,87,645 DMN	—	22,87,645
	(—)	(—)	(23,78,146) DMN	(—)	(23,78,146)
Reimbursement of expenses/ Rendering of Services.....	56,39,341 CDTIL	—	—	4,14,060 SDNC 4,584 NCCS 23,180 AFIPL 47,942 ILPL	61,29,107
	(7,61,898) CDTIL	(—)	(—)	(22,48,020) IOCL (3,68,951) SDNC (4,54,553) NCCS (78,517) ILPL (21,600) AFIPL	(39,33,539)

DAI-ICHI KARKARIA LIMITED AND IT'S SUBSIDIARY

Notes forming part of Consolidated Financial Statements (Contd.)

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

					₹
Nature of transactions	Joint Venture	Key management personnel	Relatives of key management personnel	Other Related Parties	Total
Reimbursement of Expenses/ Receiving of Services.....	—	—	1,54,693 DMN	19,083 SDN 59,704 UFACL	2,33,480
	(—)	(—)	(89,186) DMN	(72,125) SDN (54,235) UFACL (31,987) NIL	(2,47,533)
Interest Received	—	—	—	12,50,686 IOCL	12,50,686
	(—)	(—)	(—)	(20,38,356) IOCL	(20,38,356)
Remuneration	—	56,06,194 SFV	—	—	56,06,194
	(—)	(49,45,940) SFV	(—)	(—)	(49,45,940)
Inter Corporate Deposits Placed	—	—	—	2,00,00,000 IOCL	2,00,00,000
	(—)	(—)	(—)	(3,00,00,000) IOCL	(3,00,00,000)
Directors' sitting fees.....	—	—	58,000 DMN	—	58,000
	(—)	(—)	(42,000) DMN	(—)	(42,000)
Dividend received.....	22,50,000 CDTIL	—	—	—	22,50,000
	(—)	(—)	(—)	(—)	(—)
Dividend paid	—	—	3,33,000 DMN	43,59,480 SDN 5,25,600 RIL 1,168 GPPL	52,19,248
	(—)	(—)	(3,33,000) DMN	(43,59,480) SDN (5,25,600) RIL (1,168) GPPL	(52,19,248)
Consultancy Fees.....	—	—	5,37,616 MFV	—	5,37,616
	(—)	(—)	(—)	(—)	(—)



Notes forming part of Consolidated Financial Statements (Contd.)

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

Balances as at the year end	Joint Venture	Key management personnel	Relatives of key management personnel	Other Related Parties	Total
Investments	67,50,000 CDTIL	—	—	4,00,00,000 ILPL	4,67,50,000
	(67,50,000) CDTIL	(—)	(—)	(4,00,00,000) ILPL	(4,67,50,000)
Outstanding Trade Receivables	99,78,711 CDTIL	—	—	9,45,255 IOCL 5,39,768 GPPL	1,14,63,734
	(28,53,067) CDTIL	(—)	(—)	(1,05,417) IOCL (6,32,350) GPPL	(35,90,834)
Outstanding Receivables (Expenses)	—	—	—	51,413 SDNC	51,413
	(—)	(—)	(—)	(19,592) ILPL	(19,592)
Outstanding Payables	—	—	—	2,99,947 UKL	2,99,947
	(—)	(—)	(—)	(13,89,780) IOCL (63,144) GPPL (1,62,14) NIL	(14,69,138)
Deposits given	—	—	32,00,000 DMN	—	32,00,000
	(—)	(—)	(32,00,000) DMN	(—)	(32,00,000)
Outstanding ICD placed	—	—	—	70,00,000 IOCL	70,00,000
	(—)	(—)	(—)	(1,00,00,000) IOCL	(1,00,00,000)

Note: Figures in bracket relate to previous year.

38 Financial and derivative instrument disclosure:

(a) The following is the outstanding forward exchange contract entered into by the Company:

As at 31 March, 2013			As at 31 March, 2012		
Currency	Amount	Buy/Sell	Currency	Amount	Buy/Sell
US Dollar	—	—	US Dollar	66,843	Buy
US Dollar	—	—	US Dollar	3,25,728	Sell

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

DAI-ICHI KARKARIA LIMITED AND IT'S SUBSIDIARY

Notes forming part of Consolidated Financial Statements (Contd.)

(c) Unhedged foreign currency exposure:

Particulars	As at 31 March, 2013		As at 31 March, 2012	
	USD	₹	USD	₹
Trade Receivables	3,63,352	1,96,57,292	3,02,869	1,54,00,578
Trade Payables	3,27,415	1,78,39,438	1,72,230	88,43,055

39 Details of Subsidiary Company for the year 2012-13

		₹
Sr. No	Name of Subsidiary Company	Dai-ichi Gosei Chemicals (India) Ltd.
1	Capital.....	5,00,000
2	Reserves.....	(2,67,579)
3	Total Assets.....	2,39,602
4	Total Liabilities.....	2,39,602
5	Details of Investment	—
6	Turnover (includes other income)	18,290
7	Profit before Taxation	8,706
8	Provision for Taxation	2,850
9	Profit after Taxation.....	5,856
10	Proposed Dividend.....	—

40 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Signatures to notes '1' to '40'

Place : Mumbai Date : 28 May, 2013	For and on behalf of the Board of Directors	
	S. F. Vakil	Vice-Chairperson and Managing Director
	Keki Elavia	Director
	Anil Naik	Director
	Nitin Nimkar	Financial Comptroller
	Kavita Thadeshwar	Company Secretary

NOTES



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 **53rd ANNUAL GENERAL MEETING** of the Company to be held at 11.30 a.m. on Wednesday, 31st July, 2013 and at any adjournment thereof.

Signed this day of 2013

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)

53rd ANNUAL GENERAL MEETING — Wednesday, 31st July, 2013

I hereby record my presence at the 53rd 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 Wednesday, 31st July, 2013 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.

FORM A

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

1	Name of the Company	Dai-ichi Karkaria Limited
2	Annual Financial statements for the year ended	31 st March, 2013
3	Type of Audit Observation	Un-qualified
4	Frequency of observation	N.A.

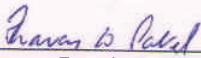
For Dai-ichi Karkaria Limited



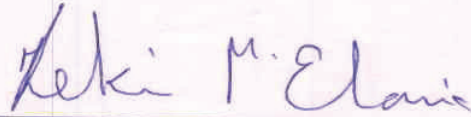
Mrs. Shernaz Vakil,
Chairperson and Managing Director



Mr. Nitin Nimkar
Financial Comptroller



Mr. Kavay Patel
Chairman of the Audit Committee

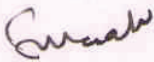


Mr. Keki Elavia
*Chairman of the Audit Committee Meeting

** In absence of Mr. Kavay Patel at the Audit Committee Meeting held on 28th May, 2013, for review of Annual Financial Statements of the Company as at 31st March, 2013, the Meeting was chaired by Mr. Keki Elavia, Independent Director of the Company*

Refer our Audit Report dated 28th May, 2013
on the standalone financial statements of the Company

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm Registration No. 117366W)



Shyamak R Tata
Partner
Membership No. 38320
Mumbai, 24th June 2013

FORM A

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

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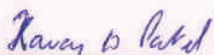
For Dai-ichi Karkaria Limited



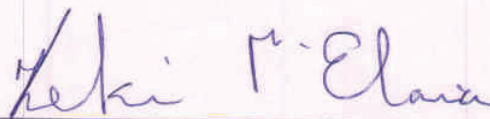
Mrs. Shernaz Vakil,
Chairperson and Managing Director



Mr. Nitin Nimkar
Financial Comptroller



Mr. Kavas Patel
Chairman of the Audit Committee

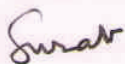


Mr. Keki Elavia
*Chairman of the Audit Committee Meeting

** In absence of Mr. Kavas Patel at the Audit Committee Meeting held on 28th May, 2013, for review of Annual Financial Statements of the Company as at 31st March, 2013, the Meeting was chaired by Mr. Keki Elavia, Independent Director of the Company*

Refer our Audit Report dated 28th May, 2013
on the consolidated financial statements of the Company

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm Registration No. 117366W)



Shyamak R Tata
Partner
Membership No. 38320
Mumbai, 24th June, 2013