



**THE DHARAMSI MORARJI  
CHEMICAL COMPANY LTD.**

**92nd  
Annual Report  
2012 - 2013**





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## Directors

Shri Laxmikumar Narottam Goculdas Chairman  
Shri Haridas Tricumdas Kapadia  
Shri Madhu Thakorlal Ankleshwaria  
Shri Arvind Wasudeo Ketkar  
Shri Shantilal Tejshi Shah  
Ms Mitika Laxmikumar Goculdas

## Key Management Personnel

Shri Bimal Lalitsingh Goculdas Chief Executive Officer  
Shri Dilip Trimbak Gokhale Executive Vice President  
& Company Secretary  
Shri Dilipkumar Nilkanth Vaze Chief Finance Officer  
(upto 09-08-2012)  
Shri Dharmarajan Kalyan Sundaram Chief Finance Officer  
(from 16-10-2012)

## Auditors

K.S.Aiyar & Co.  
Chartered Accountants

## Legal Advisers

Bhaishanker Kanga & Girdharlal

## Bankers

The Federal Bank Ltd.

## Registered Office

Prospect Chambers,  
317/21, Dr. Dadabhoy Naoroji Road,  
Fort, Mumbai - 400 001.

## Factories

Ambernath (Maharashtra)  
Roha (Maharashtra)  
Jhar (Gujarat)  
Khemli (Rajasthan)

## Registrars and Transfer Agents

**Link Intime India Pvt. Ltd.,**  
C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (W), Mumbai - 400 078.  
Tel. : 022-25963838 Fax : 25946969  
Email : rnt.helpdesk@linkintime.co.in

## NINETY SECOND ANNUAL REPORT 2012-13

### NOTICE TO MEMBERS

The Ninety Second Annual General Meeting of the Members of THE DHARAMSI MORARJI CHEMICAL COMPANY LIMITED will be held at the Indian Merchants' Chamber, Conference Hall (Walchand Hirachand Hall), IMC Marg, Churchgate, Mumbai 400 020, on Wednesday, the 25th day of September, 2013 at 11.30 a.m. to transact the following business :

1. To receive and adopt the Directors' Report and Audited Statements of Account for the year ended 31st March, 2013.
2. To appoint a Director in place of Shri H. T. Kapadia, who retires by rotation under Article 135 of the Articles of Association of the Company, but being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri M. T. Ankleshwaria, who retires by rotation under Article 135 of the Articles of Association of the Company, but being eligible, offers himself for re-appointment.
4. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution :  
"RESOLVED THAT Messrs. K.S. Aiyar & Co., Chartered Accountants, be and are hereby re-appointed as Auditors of the Company to hold Office from the conclusion of the 92<sup>nd</sup> Annual General Meeting until the conclusion of the 93<sup>rd</sup> Annual General Meeting on a remuneration to be fixed by the Board of Directors and that any travel and out-of-pocket expenses incurred in the conduct of the audit of the factories be reimbursed to them by the Company."

#### NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Members / Proxies should bring the Attendance Slip sent herewith duly filled in for attending the Meeting.
3. The Register of Members will be closed from Wednesday, the 18<sup>th</sup> September, 2013 to Wednesday, 25th September, 2013 (both days inclusive).
4. All documents referred to in the Notice and Explanatory Statement are open for inspection at the Registered Office during office hours between 11.00 a.m. to 1.00 p.m. on all days except Saturdays, Sundays and Public Holidays upto the date of the Annual General Meeting.
5. Members are requested to notify changes of address, if any, to the Company.
6. NRI shareholders are requested to immediately inform (a) change in their residential status on return to India for permanent settlement and (b) particulars of NRE Account, if not furnished earlier.
7. If members have more than one folio with the Company in identical order of names, the fact should be intimated to the Company for consolidation into one folio. If further shares are bought by the members, folio number(s) should be mentioned in the forwarding letters to avoid creation of multiple folios.

By Order of the Board

**D. T. Gokhale**  
Company Secretary

#### Registered Office:

Prospect Chambers,  
317/21, Dr. Dadabhoy Naoroji Road,  
Fort, Mumbai 400 001.

Mumbai 7<sup>th</sup> August, 2013.

#### Details of the Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting:

(Pursuant to Clause 49 of the Listing Agreement)

Name of Director	Shri H. T. Kapadia	Shri M. T. Ankleshwaria
Date of Birth	17-02-1935	23-08-1949
Date of Appointment	06-10-1978	31-07-2009
Qualifications / Expertise in specific functional areas	B.Sc., Diploma in Chemical Engineering. Wide business experience in Fertiliser and Chemical Industries.	B. Com. (Hons), F.C.A.-Practising Chartered Accountant for over three decades. EX-Head of the Department of "Accountancy" at N. M. College of Commerce and Economics, Vile Parle(W), Mumbai 400 056.
List of Public Companies in which outside Directorship held as on 7 <sup>th</sup> August, 2013.	None	None
Chairman/Member of the Committee of the other Public Companies on which he is a Director as on 7 <sup>th</sup> August, 2013.	None	None
Shareholding	11448	Nil



## DIRECTORS' REPORT (Including Management Discussion and Analysis Report)

The Directors are pleased to present their Ninety Second Annual Report, together with the accounts of the Company for the financial year ended 31<sup>st</sup> March, 2013.

### FINANCIAL RESULTS

	Financial Year ended 31st March, 2013 Rs. in lacs	Financial Year ended 31st March, 2012 Rs. in lacs
Sales Turnover (Net of Excise Duty)	8559.15	8132.75
Gross Profit / (Loss)	244.27	87.73
Less : Depreciation	509.96	486.06
Add : Non recurring items	3591.07	Nil
Profit/(Loss) before Taxation	3325.38	(398.33)
Less: Provision for Taxation	-	-
Profit/(Loss) after Taxation	3325.38	(398.33)
Add: Balance brought forward	(6227.11)	(5828.78)
Balance carried forward	(2901.73)	(6227.11)

The following is the Sales Turnover(Net of Excise Duty) by group of products:

Single Superphosphate	Nil	Nil
Commodity Chemicals	2972.70	4138.99
Specialty. Chemicals	4478.04	3176.95
Others	1108.41	816.81
Total	8559.15	8132.75

In view of the accumulated losses, your Directors have not recommended any Dividend on Cumulative Preference Shares and Equity Shares of the Company, for the financial year ended 31<sup>st</sup> March, 2013.

### MANAGEMENT DISCUSSION & ANALYSIS REPORT

#### (a) Overview of operations

- The Company's fertilizer business viz. Single Superphosphate (SSP) continued to be adversely affected, inter-alia, due to strained liquidity and shortage of Working Capital. This has forced your Company to discontinue the production of SSP. Consequently, there is no turnover of SSP fertilizers during the current financial year ended 31<sup>st</sup> March, 2013 and previous financial year ended 31<sup>st</sup> March, 2012. The Company doesn't intend to restart manufacture of SSP on its own, due to the huge Working Capital requirements and uncertain Government Policies. The Company will continue to operate our SSP plant at Khemli under a toll manufacturing agreement.
- The turnover of Commodity Chemicals during the current Financial Year ended 31<sup>st</sup> March, 2013 was lower at Rs. 29.73 crores as compared to the turnover of Rs. 41.39 crores during the previous Financial Year, mainly due to decline in the selling price of Sulphuric Acid during the current Financial Year. The turnover of Specialty Chemicals during the current Financial Year ended 31<sup>st</sup> March, 2013 was Rs. 44.78 crores as compared to Rs.31.77 crores in the previous year . The Export turnover of the Company during the current Financial Year ended 31<sup>st</sup> March, 2013 was Rs. 31.70 crores compared to Rs.19.90 crores for the previous Financial Year . Your Company continues to make efforts to develop new markets and customers.

#### (b) Prospects in the Industry :

##### Fertilisers and Chemicals

The Working Capital needs of the Company's Chemical business have increased due to the better capacity utilisation. The Management of the Company is actively exploring various options including approaching the Banks to meet the working capital requirements of the Company.

The Company continues to manufacture SSP at its Khemli, Udaipur Unit, on conversion basis. The Company is also looking at options to make use of its popular "SHIP" Brand by permitting its use by other manufacturers and marketers of SSP Fertiliser.

In view of the changed scenario as regards the SSP Fertiliser business, Strategic Investor may not bring in additional funds and eventually may opt out its Association with the Company. The Company has utilized major part of the amount given by the Strategic Investor for settlement of secured lenders, settlement of workers dues and payment of other old statutory and non statutory outstanding amounts. The Company is in the final stage of completing the transaction of the sale/transfer of land at Ambernath as also sale /transfer of the plant and machinery at Ambernath.

## **NINETY SECOND ANNUAL REPORT 2012-13**

With the near exit from fertilizer business, the Company has increased the capacity utilization of its Chemical Plants at Roha. The Research and Development (R&D) Team of your Company at Roha is in the process of developing new Specialty Chemicals and improved processes for existing Specialty Chemicals with high margins. The R&D Team of your Company continues its efforts for improvement in processes to achieve cost reduction in the existing products of the Company.

### **Cautionary Statement**

Statements in this "Management Discussion and Analysis Report" describing the Company's objectives, projections, estimates, expectations or predictions may be considered as "forward looking statements" within the meaning of applicable securities laws and regulations. Many factors may affect the actual results, which could be different from what the Directors envisage in terms of the future performance and outlook.

### **CORPORATE FINANCIAL RESTRUCTURING**

In furtherance to the requisite approval of the shareholders of the Company obtained on 17<sup>th</sup> August, 2010, under Section 293(1) (a) of the Companies Act, 1956, for the sale/transfer/disposal of its land, factory buildings and plant and machinery at its Ambernath Factory, steps are being taken to complete Corporate Financial Restructuring. The Management is continuing its endeavors to complete the Corporate Financial Restructuring, with a view to improve the operational and financial performance of the Company.

### **ADEQUACY OF INTERNAL CONTROLS**

Your Company has clearly laid down policies, guidelines and procedures which form part of its internal control system. The Audit Committee of the Board periodically reviews reports of Internal Auditors, inter alia, on adherence by the operating Management of such policies and procedures and suggests changes/modifications and improvements on a continuous basis. The Company has strong, independent and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposal and the transactions are authorized, recorded and reported correctly. The internal control systems are supplemented by a programme of internal audit.

### **HUMAN RESOURCE DEVELOPMENT**

As an ongoing exercise of the restructuring and re-organisation, the Company undertakes periodic comprehensive reviews of its HR policies and amends the same suitably from time to time, to meet the emerging business requirements.

### **DIRECTORS/KEY MANAGEMENT PERSONNEL**

Shri H.T. Kapadia and Shri M.T.Ankleshwaria, Directors, are retiring by rotation under Article 135 of the Articles of Association of the Company and being eligible, offer themselves for re- appointment.

The Company continues its operations under the leadership of the Senior Corporate Management Team comprising of Shri Bimal Lalitsingh Goculdas, Chief Executive Officer, Shri. D.T.Gokhale, Executive Vice President and Company Secretary and Shri D.K.Sundaram, Chief Finance Officer.

### **AUDITORS' OBSERVATIONS**

As regards the Auditors' observation regarding the Deferred Tax Asset amounting to Rs. 2654.15 lacs as at the end of the Financial Year, ending 31<sup>st</sup> March, 2009, it may please be noted that, thereafter, in view of the changed circumstances, the Company has not created any additional Deferred Tax Asset.

The Company's Export Chemical business has been growing since last three years. The Company has also concentrated in R & D activity to identify and develop new products with high quality standards. The Company therefore expects to improve business growth in domestic and export markets at an increasing rate. The Company is also putting efforts in strengthening marketing strategy of the Company. In the circumstances, the Board of Directors reasonably expect, barring unforeseen circumstances, virtual certainty of realization of Deferred Tax Asset, mainly resulting from un-absorbed depreciation and carried forward losses. Therefore, the said Deferred Tax Asset of Rs. 2654.15 Lacs as on 31<sup>st</sup> March, 2013 is being carried forward without any addition thereto since the Financial Year ending 31<sup>st</sup> March, 2009.

As regards the Auditors' observation regarding non compliance with regard to the deposits accepted from public including non-filing of returns of Fixed Deposit, it may please be noted that the Company has not accepted or renewed any deposit from public and shareholders from the financial year 2006-2007 onwards and there is no default in respect of repayment of the matured Fixed Deposits and interest payable thereon. The Company has filed the Fixed Deposit Return on 26<sup>th</sup> June, 2013 for the Financial Year 2012-13.

The Company has also deposited all the unclaimed deposit amounts which are due for more than seven years with Investor Education and Protection Fund.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE**

As per Section 217 of the Companies Act, 1956, read with The Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988, the relevant data pertaining to conservation of energy, technology absorption and foreign exchange are given in the prescribed format as an Annexure-I to this report.



## **PARTICULARS OF EMPLOYEES**

During the financial year ended 31<sup>st</sup> March, 2013 there was no employee within the purview of Sec.217(2A) of the Companies Act, 1956 read with The Companies (Particulars of Employees) Rules, 1975.

## **PUBLIC DEPOSITS**

Out of the unclaimed deposits of Rs. 1826000/- as on 31<sup>st</sup> March, 2012, the Company has transferred/paid Rs. 1265000/- to Investor Education and Protection Fund as required. In addition, Rs.50000/- have been paid to the depositors, who claimed the same during the financial year 01.04.2012 to 31.03.2013. Therefore only 38 deposits aggregating to Rs. 511000/- have remained unclaimed as on 31<sup>st</sup> March, 2013.

## **AUDITORS**

M/s. K. S. Aiyar & Co., Chartered Accountants, the existing Auditors have, under Section 224 (1-B) of the Companies Act, 1956, furnished a Certificate of their eligibility for re-appointment.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirements under Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed :

- (i) That in the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- (iii) That the Directors have taken proper and sufficient care 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;
- (iv) That the Directors have prepared the annual accounts on a going concern basis.

## **CORPORATE GOVERNANCE**

Your Company has been practicing the principles of good Corporate Governance over the years and the Board of Directors lays strong emphasis on transparency, accountability and integrity. Your Company has adopted a Code of Conduct which is approved by the Board of Directors as required under the Listing Agreement with the Stock Exchange, Mumbai. The Directors and the Management Staff have confirmed their adherence to the provisions of the said code. Your Company has also evolved a Risk Management Policy regarding risk assessment and risk mitigation mechanism, which has been approved by the Board of Directors. A separate report on Corporate Governance is annexed as a part of the Annual Report, along with the Auditors' Certificate on its compliance.

## **ACKNOWLEDGMENTS**

The Directors are thankful to your Company's shareholders, customers, suppliers, contractors, various departments of Central and State Governments and Banks for their continued valuable support.

The relations between the employees and the management continue to be cordial. Your Directors place on record their appreciation of the sincere and devoted efforts of the employees at all levels and their continued co-operation, commitment, sense of understanding and the sacrifices made by them during the difficult and critical period which the company is passing through.

Management of your Company is confident that with the active co-operation from all the stake holder of the Company, the Company will be in a position to overcome this difficult phase.

For and on behalf of the Board  
**LAXMIKUMAR NAROTTAM GOCUL DAS**  
Chairman

## **Registered Office :**

Prospect Chambers,  
317/21, Dr. Dadabhoy Naoroji Road,  
Fort, Mumbai - 400 001.

Date : 07<sup>th</sup> August, 2013.

**ANNEXURE I TO THE DIRECTORS' REPORT**  
**(Under Section 217(1) (e) of the Companies Act, 1956)**

**DISCLOSURES****A. CONSERVATION OF ENERGY****FORM A****POWER AND FUEL CONSUMPTION**

		<b>April, 2012 to March, 2013</b>	<b>April, 2011 to March, 2012</b>
<b>1.</b>	<b>Electricity Purchased</b>		
	Unit (Lac KWH)	64.01	50.81
	Total Amount (Rs. lacs)	498.43	361.46
	Rate/Unit (Rs./KWH)	7.79	7.11
<b>2.</b>	<b>Furnace Oil</b>		
	Quantity (K.Litre)	176.23	126.20
	Total amount (Rs Lacs)	74.29	46.22
	Average Rate (Rs/KL)	42155	36624
	<b>CONSUMPTION PER TONNE OF MAJOR PRODUCTS</b>		
	<b>Electricity (Unit-KWH)</b>		
1.	Single Superphosphate	26	26
2.	Sulphuric Acid 100%	55	57

**FORM B****B. TECHNOLOGY ABSORPTION****RESEARCH AND DEVELOPMENT (R&D)****1. Specific areas in which R&D is carried out by the Company :**

The Company has an R&D Centre which is approved by the Department of Scientific & Industrial Research, Govt. of India, New Delhi.

Areas in which R&D activity was carried out includes :

- Process and cost optimisation of existing Speciality Chemicals so as to be competitive in the domestic and international market.
- Development of the processes for making value added products to cater to the need of local and export market.
- Technical support to Marketing efforts for launching new products and for troubleshooting of existing products.

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

- Quality and yield improvement of the existing products.
- Manufacture and supply of some of the products as per the customers' specifications.

**3. Future plan of action :**

- Studies on the preparation of new Speciality Chemicals and formulations with special emphasis on value addition.
- Focus on ethylation & sulphonation Chemistry to develop new products.

**4. Expenditure on R&D**

Rs. in lacs

	<b>April, 2012 to March, 2013</b>	<b>April, 2011 to March, 2012</b>
(i) Capital	0.00	0.00
(ii) Recurring	10.72	12.12
(iii) Total	<b>10.72</b>	<b>12.12</b>
(iv) Total R&D expenditure as a percentage of Gross Turnover	0.11%	0.14%



## TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

Technology upgradation and innovation are matters of a continuous process in the Company.

### 2. Benefits :

Increased capacity, cost reduction, improvement in quality and flexibility to meet market demands .

### 3. Technology imported during the last five years.

No technology was imported during the last five years.

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars of foreign exchange earned/utilised are as under:

Rs.in lacs

	April, 2012 to March, 2013	July, 2011 to March, 2012
<b>EARNINGS IN FOREIGN EXCHANGE :</b>		
Export of goods calculated on FOB basis	2972.51	1891.54
Total Foreign Exchange earned	<b>2972.51</b>	<b>1891.54</b>
<b>OUTGO IN FOREIGN EXCHANGE:</b>		
(1) VALUE OF IMPORTS CALCULATED ON CIF BASIS :		
Raw Materials and bought outs	0.00	0.00
(2) EXPENDITURE IN FOREIGN CURRENCY		
ON ACCOUNT OF FOREIGN TOURS, SUBSCRIPTION, ETC.	32.75	16.14
<b>Total Foreign Exchange outgo</b>	<b>32.75</b>	<b>16.14</b>

For and on behalf of the Board

**LAXMIKUMAR NAROTTAM GOCULDAS**  
Chairman

### Registered Office:

Prospect Chambers,  
317/21, Dr. Dadabhoy Naoroji Rd,  
Fort, Mumbai - 400 001.

Date: 07<sup>th</sup> August, 2013.

## **REPORT ON CORPORATE GOVERNANCE 2012-2013**

### **1. Company's philosophy on Code of Governance**

Your Company strongly believes that its system of Corporate Governance protects the interests of all the stakeholders by inculcating transparent business operations and accountability from management. The Core Values viz. Customer Focus, Team Work, Leadership, Innovation, Respect for People, Integrity and Performance guide the Company towards fulfilling the consistently high standard of Corporate Governance in all facets of the Company's operations. Accordingly, your Company has been practicing the broad principles of Corporate Governance over the years by placing strong emphasis on transparency, empowerment, accountability and integrity so as to continuously enhance values for stakeholders - the shareholders, the customers, the employees and the creditors.

### **2. Board of Directors**

#### **Composition & Size of the Board**

Your Board comprises of an optimal complement of independent professionals having in-depth knowledge of the business and the industry. The size and composition of the Board conforms with the requirements of the Corporate Governance code under the Listing Agreement with the Stock Exchange, Mumbai. The Board is headed by the Non Executive Chairman, Shri Laxmikumar Narottam Goculdas. As on 31<sup>st</sup> March, 2013 the Board comprised of 6 Directors, all of whom were Non-Executive Directors. The Non-Executive Directors are eminent industrialists and professionals with experience in over-all management and finance, who bring a wide range of skills and experience to the Board. Out of these 6 Non - Executive Directors, 4 were Independent Directors, thereby complying with the requirement of having at least two third Independent Directors. None of the Directors has materially significant pecuniary or business relationship with the Company.

The information as required under Annexure 1A to Clause 49 is being made available to the Board. None of the Directors was a member of more than 10 Board- level committees nor a Chairman of more than 5 such committees, across all Companies in which he was a Director.

#### **Number of Board Meetings held during the year along with the dates of the Meetings.**

Six Board Meetings were held during the financial year ended 31st March, 2013. The dates on which the said meetings were held are as follows :

02<sup>nd</sup> April, 2012, 30<sup>th</sup> May, 2012, 08<sup>th</sup> August, 2012, 25<sup>th</sup> September, 2012, 09<sup>th</sup> November, 2012, and 13<sup>th</sup> February, 2013.

Attendance of each Director at the Board Meetings held during the financial year ended 31st March, 2013 & last Annual General Meeting and No. of other Directorships / Memberships of the Committee :

<b>Sr. No.</b>	<b>Name of Directors</b>	<b>Category of Directorship (designation as on 31.03.2013)</b>	<b>No. of Board Meetings attended (out of 6 Meetings held)</b>	<b>Attendance at last AGM</b>	<b>No. of other directorships as on 31.03.2013@</b>	<b>No. of Board Committees of other companies in which Chairman, as on 31.03.2013</b>	<b>No. of Board Committees of other companies in which Member, as on 31.03.2013</b>
1	Shri Laxmikumar Narottam Goculdas	Chairman	6	Yes	1	1	2
2	Shri H.T.Kapadia	Non-Executive, Independent	6	Yes	Nil	Nil	Nil
3	Shri M.T.Ankleshwaria	Non-Executive, Independent	6	Yes	Nil	Nil	Nil
4	Shri A.W.Ketkar	Non-Executive, Independent	5	No	Nil	Nil	Nil
5	Shri S.T.Shah	Non-Executive, Independent	6	Yes	5	Nil	2
6	Ms Mitika Laxmikumar Goculdas	Non-Executive, Promoter Group	6	Yes	1	Nil	Nil

@ Excludes foreign Companies, Private Companies and Alternate Directorships.

Details of Directors being appointed and re-appointed at the ensuing Annual General Meeting to be held on 25<sup>th</sup> September, 2013.

As per the Companies Act, 1956, not less than two-third of the Directors should be retiring Directors. One-third of these retiring Directors are required to retire every year and if eligible, these Directors qualify for re-appointment.

Accordingly, Shri H. T. Kapadia and Shri M. T. Ankleshwaria retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

A brief resume of the Directors being appointed/eligible for re-appointment is as follows :

#### **Shri H. T. Kapadia**

Shri H. T. Kapadia, Director of the Company has wide knowledge and experience in Industry, Trade, Commerce, Corporate Affairs and International Trade.

#### **Shri M. T. Ankleshwaria**

Shri M. T. Ankleshwaria has in-depth knowledge in Finance & Accounting and has been in practice as a Chartered Accountant, for over three decades.

He was the Head of Department of Accountancy at N. M. College of Commerce & Economics, Vile Parle (West), Mumbai 400 056.



### 3. Audit Committee

#### Composition, Terms and Reference

The Audit Committee comprises of three Non-Executive Directors of which two are Independent Directors viz. Shri H.T. Kapadia as the Chairman (Independent Director) and Shri M.T. Ankleshwaria (Independent Director) as member. Shri Laxmikumar Narottam Goculdas, Chairman, Non-Executive Promoter Director is also a member of the Audit Committee. Shri D.T. Gokhale, Company Secretary, acts as the Secretary to the Committee.

The role, terms of reference, authority and power of Audit Committee are in conformity with the requirements of Section 292A of the Companies Act, 1956 and Clause 49(1) of the Listing Agreement with the Stock Exchange.

Meetings and the attendance during the financial year ended 31<sup>st</sup> March, 2013.

Four meetings of the Audit Committee were held during the financial year ended 31<sup>st</sup> March, 2013 as given below. The attendance of each Committee member at the Audit Committee Meetings are given below:

Dates on which Audit Committee Meetings were held	Shri H. T. Kapadia	Shri Laxmikumar Narottam Goculdas	Shri M.T. Ankleshwaria
30.05.2012	Yes	Yes	Yes
08.08.2012	Yes	Yes	Yes
09.11.2012	Yes	Yes	Yes
13.02.2013	Yes	Yes	Yes

All the meetings were attended by the Chief Finance Officer, Company Secretary, Internal Auditor and Statutory Auditors.

All the members of the Audit Committee are financially literate and also possess the requisite accounting & related financial management expertise.

### 4. Remuneration to Directors

Details of remuneration paid to non executive directors during the financial year ended 31<sup>st</sup> March, 2013 are as below :

(Amount in Rs.)

Sr. No.	Name of Directors	Relationship with other Directors	Sitting Fees for Board & Committee Meetings	Total Remuneration	No. of equity shares held as on 31.03.2013
1	Shri Laxmikumar Narottam Goculdas	Yes@	50000	50000	7878914
2	Shri H. T. Kapadia	None	50000	50000	11448
3	Shri M. T. Ankleshwaria	None	50000	50000	Nil
4	Shri A. W. Ketkar	None	25000	25000	324
5	Shri S. T. Shah	None	30000	30000	Nil
6	Ms Mitika Laxmikumar Goculdas	Yes@@	30000	30000	Nil
		Total	235000	235000	

@ Father of Ms Mitika Laxmikumar Goculdas

@@ Daughter of Shri Laxmikumar Narottam Goculdas

Details of remuneration paid/payable to Chief Executive Officer and "Manager" during the financial year ended 31<sup>st</sup> March, 2013 are as below : (excludes Contributions to Gratuity Fund & Leave Encashment on retirement, since same is provided on actuarial basis for the Company as a whole)

(Amount in Rs.)

Name & Designation	Salary	Contribution to PF & Superannuation Fund	Perquisites	Total
Shri Bimal Lalitsingh Goculdas, Chief Executive Officer	1200000	156000	531969	1887969

Details of Terms of Contract of Chief Executive Officer and "Manager"

The term of contract of Shri Bimal Lalitsingh Goculdas, Chief Executive Officer, is from 01-04-2012 to 31-03-2015. No severance fees or stock option are available to him.

#### Remuneration Policy

Subject to the approval of the Board and of the Company in General Meeting and such other approvals as may be necessary, the Chief Executive Officer is paid remuneration as per the Agreements entered into between him and the Company. The remuneration structure of the Chief Executive Officer comprises of Salary, H.R.A., Commission, Perquisites, Contributions to Provident Fund & Superannuation and Gratuity.

## **5. Shareholder/Investor Grievance Committee**

### Details of the Directors and Compliance Officer

The Shareholder/Investor Grievance Committee comprises of Shri Laxmikumar Narottam Goculdas, (Non-Executive Chairman) as Chairman of the Committee with Shri. H. T. Kapadia, Director as other member. The Committee is vested with the requisite powers and authorities. In addition to the Share Transfer related matters, the committee specifically looks into the redressing of shareholders' and investors' complaints, if any, like delayed transfer of shares, non-receipt of annual reports, non-receipt of declared dividends etc. Shri D.T.Gokhale, Company Secretary has been appointed as the Compliance Officer.

### Number of complaints received and pending and transfers pending as on close of the financial year.

During the financial year 2012-2013, no complaints were received from the shareholders. No transfers were pending at the close of the financial year. No complaint was received from SEBI during the year.

## **6. General Meetings and Postal Ballots**

The details of last three Annual General Meetings of the Company and the Special Resolutions passed there at are as follows :

- 91st Annual General Meeting was held on 25.09.2012 at 11.30 a.m. at Indian Merchants' Chambers, Walchand Hirachand Conference Hall, Churchgate, Mumbai 400 020 - No Special Resolution was passed at the meeting.
- 90th Annual General Meeting was held on 06.09.2011 at 11.45 a.m. at Indian Merchants' Chambers, Walchand Hirachand Conference Hall, Churchgate, Mumbai 400 020 - No Special Resolution was passed at the meeting.
- 89th Annual General Meeting was held on 8.12.2010 at 12.00 a.m. at Indian Merchants' Chambers, Walchand Hirachand Conference Hall, Churchgate, Mumbai 400 020 - No Special Resolution was passed at the meeting.

During the year 2012-2013, no Resolution was put through Postal Ballot.

During the year 2011-2012, no Resolution was put through Postal Ballot.

During the year 2010-2011, one Resolution was put through Postal Ballot, the particulars of which are given below:

Ordinary Resolution under Section 293(1)(a) read with Section 192A of the Companies Act, 1956, for sale/transfer/disposal of its Land, Factory Building and Plant and Machinery at Ambernath, District, Thane in the State of Maharashtra.

Date of result declaration :21st September, 2010

The results of the voting conducted through Postal Ballot are as under:

Number of valid Postal Ballot forms received	51
Votes in favour of the Resolution	10800486
Votes against the Resolution	1600
Number of invalid Postal Ballot forms received	2
Percentage of votes cast in favour of the Resolution	99.99%

The Company had appointed Shri. A. D. Gupte, practicing Company Secretary, as the Scrutinizer for conducting the Postal Ballot in a fair and transparent manner. Accordingly the Postal Ballot was conducted by him and his report was submitted to the Chairman who arranged to publish the same in the newspapers, as required.

## **7. Disclosures**

### a) Code of Conduct

The Board of Directors has adopted the Code of Business Conduct and Ethics for the Directors & the members of the Senior Management. The said Code has been communicated to the Directors and the Members of the senior Management. The Code has also been posted on the Company's website [www.dmcc.com](http://www.dmcc.com).

### b) At every Board Meeting, the Register of Contracts maintained Under Section 301 of the Companies Act, 1956 is tabled and signed by the directors.

### c) Transactions with the related parties are disclosed in Note No. 21 of the Notes to the Accounts in the Annual Report. None of the related parties transactions are in conflict with the interests of the Company at large.

### d) There was no non-compliance during the last three years by the Company on any matter related to Capital Market. Consequently, no penalties were imposed nor any strictures were passed on the Company by the Stock Exchange, Mumbai (on which the Company's equity shares are listed), SEBI or any other statutory authority.

### e) The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement.

### f) Related Party Transactions - There were no materially significant related party transactions that may have potential conflict with the interest of the Company at large. The Register of Contracts for the transactions in which Directors are interested is placed before the Board regularly for its approval. Transactions with related parties as per Accounting Standard Number AS 18 are disclosed in note number X (10) of the notes forming part of Accounts.

### g) The Company has adopted Whistle Blower Policy and has established the necessary mechanism for employees to report concerns about unethical behavior. No person has been denied access to the Audit Committee.



## 8. CEO/CFO Certification

The Chief Executive Officer and The Chief Finance Officer of the Company have furnished a certificate to the Board of Directors of the Company with respect to accuracy of financial statements for the financial year ended 31st March, 2013 and adequacy of internal controls as required under Clause 49 of the Listing Agreement.

## 9. Means of Communications

- Quarterly Financial Results of the Company are forwarded to the Stock Exchange, Mumbai and published in "Free Press Journal" and "Navshakti" newspapers.
- Company has its own web site and all the vital information relating to the Company, its products and its financial results are displayed at the web site. Address of the web site is [www.dmcc.com](http://www.dmcc.com).
- Management Discussion & Analysis Report forms part of Directors' Report. No presentations were made to the institutional investors or analysts during the year.

## 10. General Shareholder Information

92<sup>nd</sup> Annual General Meeting

Date : Wednesday, 25th September, 2013

Time : 11:30 a.m.

Venue : Indian Merchants' Chambers, Walchand Hirachand Conference Hall, Churchgate, Mumbai 400 020.

Financial Calendar for the year 2013-2014 (Provisional) :

- |   |                        |
|---|------------------------|
| a. Results for the first quarter ending 30th June, 2013       | By 14th August, 2013   |
| b. Results for the second quarter ending 30th September, 2013 | By 14th November, 2013 |
| c. Results for the third quarter ending 31st December, 2013   | By 14th February, 2014 |
| d. Results for the year ending 31st March, 2014 (Audited)     | By end of May, 2014    |
| e. Annual General Meeting for the year ending March, 2014     | In September, 2014     |

Date of Book Closure : 18th September, 2013 to 25th September, 2013 (both days inclusive).

Stock Exchange : The Equity Shares of Company are listed on the Stock Exchange, Mumbai, and the listing fee for the period 2013- 2014 has been paid to the Stock Exchange.

Stock Code : 506405, The Stock Exchange, Mumbai (BSE):

Demat ISIN : INE505A01010

Equity Dividend Payment Date : Not Applicable

### Stock Price Data & Performance in comparison to BSE Indices

The monthly high and low of market prices of the Company's Equity Shares traded during the financial year on the Stock Exchange, Mumbai and the BSE monthly high and low Indices were as follows :

Month	High (Rs.)	Shares Price		BSE Indices	
		Low (Rs.)		High (Rs.)	Low (Rs.)
April, 2012	9.59	7.01		17664.10	17010.16
May, 2012	8.50	6.01		17432.33	15809.71
June, 2012	8.37	6.51		17448.48	15748.98
July, 2012	9.30	7.00		17631.19	16598.48
August, 2012	8.25	6.70		17972.54	17026.97
September, 2012	8.75	6.72		18869.94	17250.80
October, 2012	7.69	6.75		19137.29	18393.42
November, 2012	7.82	6.91		19372.70	18255.69
December, 2012	7.80	6.96		19612.18	19149.03
January, 2013	10.50	7.10		20203.66	19508.93
February, 2013	10.47	7.45		19966.69	18793.97
March, 2013	8.24	6.42		19754.66	18568.43

\* Nominal Value of each Equity Share is Rs. 10/-.

### Registrar & Transfer Agents

Link Intime India Pvt Ltd.

C-13, Pannalal Silk Mills Compound,

L. B. S. Marg, Bhandup - (W), Mumbai- 400 078.

Tel : 9522 - 2596 3838, Fax : 2594 6969

Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

## NINETY SECOND ANNUAL REPORT 2012-13

### Share Transfer System

Share Transfers are registered and duly transferred share certificates are dispatched within 30 days of receipt, if the transfer documents are otherwise in order. The total number of shares transferred in the Non-dematerialised segment during the financial year ended 31<sup>st</sup> March, 2013 was 18360.

In terms of the Notification No.SMDRP/POLICY/ CIR/23/2000 dated 29th May, 2000, issued by Securities and Exchange Board of India, the Equity Shares of your Company are under compulsory demat trading by all investors, with effect from 28th August, 2000.

### Shareholding Pattern and Distribution of Shares :

Shareholding Pattern as on 31st March, 2013:

Category	No. of shares held	% of Shareholding
Promoters	10064857	47.35
Mutual Funds and UTI	4304	0.02
Banks, Financial Institutions, Insurance Cos.	862994	4.06
Private Corporate Bodies and Trusts	1547155	7.28
Indian Public	8301841	39.05
NRIs/OCBs	399255	1.88
Clearing Members ( in the depository)	77415	0.36
<b>Total</b>	<b>21257821</b>	<b>100.00</b>

Note: The total Foreign Shareholding as on 31st March, 2013 was 82,78,169 shares, which in, percentage terms was 38.94 % of the issued and subscribed capital, out of which 78,78,914 shares aggregating 37.06 % of the capital represent Promoters' Holding and hence are included in Promoters' category.

The Indian public shareholding includes Non-Executive Independent Director shareholding as under:

Shri. H.T. Kapadia 11,448

Shri A.W.Ketkar 324

Distribution of Shareholding as on 31st March, 2013.

No. of shares held	No. of Folios	Percentage	Shares	Percentage
Upto 500	12454	86.0499	1334736	6.2788
501 to 1000	923	6.3774	756471	3.5586
1001 to 2000	452	3.1231	704240	3.3129
2001 to 3000	185	1.2782	472160	2.2211
3001 to 4000	98	0.6771	352005	1.6559
4001 to 5000	87	0.6011	413469	1.9450
5001 to 10000	124	0.8568	921025	4.3326
10001 to 30000	95	0.6564	1674638	7.8778
30001 to 50000	16	0.1106	625652	2.9432
50001 to 100000	14	0.0967	996957	4.6898
100001 and above	25	0.1727	13006468	61.1844
<b>TOTAL</b>	<b>14473</b>	<b>100.0000</b>	<b>21257821</b>	<b>100.0000</b>

### Dematerialisation of Shares and liquidity

As on 31st March, 2013, out of 2,12,57,821 Equity Shares of the Company 1,94,56,365 Equity Shares representing 91.53 % Equity shares, have been dematerialised by 6312 shareholders. The total number of shareholders of the Company are 14,473.

The Company has not issued any GDRs, ADRs, Warrants or any Convertible Instruments, the conversion of which will have an impact on equity shares of the Company.

The address for correspondence :

The Company Secretary  
The Dharamsi Morarji Chemical Co. Ltd.  
Prospect Chambers, 317/21, Dr.D.N.Road,  
Fort, Mumbai 400 001.  
Tel : 022 2204 8881/2/3  
Fax : 022 2281 3657  
E-mail : dgokhale@dmcc.com

### Plant Locations :

- (1) Ambernath : M.G. Road, Ambernath 421 501, Dist. Thane, Maharashtra.
- (2) Roha : 105, MIDC Industrial Area, Audyogik Vasahat Post Office, Dhatav, Roha 402 116, Dist. Raigad, Maharashtra.
- (3) Jhar : Jhar Village, Taluka - Dhari, Dist. Amreli 365630, Gujarat.
- (4) Khemli : Khemli Village, Tehsil - Mavli, Dist. Udaipur, Rajasthan.

Mumbai : 30<sup>th</sup> May, 2013



## **Auditors' Certificate on Corporate Governance**

The Members,

**The Dharamsi Morarji Chemical Co. Ltd.,**

Mumbai.

We have examined the compliance of conditions of Corporate Governance by **The Dharamsi Morarji Chemical Co. Ltd.**, for the year ended on March 31, 2013, as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

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

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

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

For **K. S. Aiyar & CO.**

Chartered Accountants

FRN : 100186W

**RAGHUVIR M. AIYAR**

Partner

Membership No. 38128

Mumbai : 30th May, 2013.

## INDEPENDENT AUDITOR'S REPORT

To the Members of The Dharamsi Morarji Chemical Co. Limited

### Report on the Financial Statements

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

### Management's Responsibility for the Financial Statements

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

### Auditor's 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 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### Basis for Qualified Opinion

*The Company had recognized net deferred tax asset in earlier years aggregating to Rs.2654.15 lacs till 31<sup>st</sup> March, 2009 considering unabsorbed loss up to 31<sup>st</sup> March, 2008 and unabsorbed depreciation up to 31<sup>st</sup> March, 2009. For the subsequent financial periods, further net deferred tax asset has not been recognized in view of management's perceptions and reason detailed in Note No.V(c). We are not in a position to opine on the net deferred tax asset recognized till date as regards its ultimate realization since the virtual certainty of the available sufficient future taxable income, as required by Accounting Standard 22 i.e. 'Accounting for taxes on income' notified pursuant to Companies (Accounting Standards) Rules, 2006, could not be substantiated.*

*Had the Company not recognized the said net deferred tax asset aggregating to Rs.2654.15 Lacs, the Accumulated losses as at the end of the year would have been higher by Rs.2654.15 Lacs.*

### Opinion

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

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

### Emphasis of Matter:

We draw attention to:

Note No.XIII(10), regarding preparation of accounts on a 'Going Concern' basis despite accumulated losses and erosion of net worth of the Company, in view of the management's perceptions and reasons detailed therein.

Our opinion is not qualified in respect of this matter.

### 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 of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
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 purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. *Except for the effects of the matter described in the Basis for Qualified Opinion paragraph*, in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act;
  - e. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

**For K. S. Aiyar & Co.**  
Chartered Accountants  
FRN: 100186W

**RAGHUVIR M. AIYAR**  
Partner  
Membership No. 38128

Mumbai, 30<sup>th</sup> May 2013



## Annexure to the Auditors' Report

### Referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. However, in the case of some assets, individual records with quantitative details and values are to be segregated, updated and reconciled.
- (b) A substantial portion of the fixed assets has been physically verified by the management during the year and in our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The fixed assets disposed off during the year of Ambarnath factory were substantial. However, according to the information and explanations given to us, we are of the opinion that the disposal of these fixed assets does not affect the going concern status of the Company.
- (ii) (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are 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 explanations given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to the companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly sub clause (b), (c) and (d) are not applicable.
- (b) The Company has taken interest free loan amounting to Rs. 1715.43 Lacs from a director/s of the Company and inter-corporate deposits of Rs.616.80 Lacs from four parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (c) In our opinion and according to the information and explanations given to us, the terms and conditions of the unsecured loans taken were prima facie not prejudicial to the interest of the Company.
- (d) According to the information and explanations given to us the repayment terms of the principal amounts are not decided.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. However, there is scope to strengthen the internal controls at operational level through proper implementation. During the course of our audit, no major weakness has been noticed in the internal controls.
- (v) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of Companies Act, 1956 have so been entered in register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, these contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not complied with certain 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 including non-filing of returns of fixed deposits etc. As informed to us, no order has been passed by the Company Law Board or National Law Tribunal or Reserve Bank of India or any other Court or any other Tribunal in contravention of the aforesaid provisions and/or rules by the Company.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business, *however, the scope and coverage of the same needs to be increased.*
- (viii) We have broadly reviewed the books of account maintained by the Company which have been made pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209 (1)(d) of the Companies Act, 1956, and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (ix) (a) According to the records of the Company, the Company is not regular in depositing with appropriate authorities undisputed statutory dues including Customs Duty and Wealth Tax, Provident Fund, Investor Education Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Excise Duty, Service Tax, Cess and other statutory dues applicable to it. Based on our audit procedures and according to the information and explanations given to us, the following undisputed statutory dues were outstanding as at March 31, 2013 for a period of more than six months from the date they became payable.

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Nature of Dues	Period to which Amount relates	Due Dates	Amount (Rs. In Lacs)
Service Tax/Interest thereon	2005-06	Various	0.19
	2006-07	Various	45.51
	2007-08	Various	33.31
	2008-09	Various	3.53
		<b>Total</b>	<b>82.54</b>
Professional Tax	2008-09	Various	0.20
	2009-10	Various	0.05
	2012-13	Various	0.15
		<b>Total</b>	<b>0.40</b>
CST		Various	3.39
PF, FPF, EDLI, Admin. Charges, ESIC etc	2012-13	Various	0.18
Tax deducted at source on:	2012-13	Various	2.99
IEPF-Unclaimed Fixed Deposits	Cannot be Ascertained	Cannot be Ascertained	5.11
Sales Tax Loans			139.85

(ix)(b) According to the records of the Company, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Service Tax and Cess which have not been deposited on account of dispute are given below:

Name of the Statute	Nature of Dues	Forum where dispute is Pending	Period to which relate	Amount (Rs in Lacs)
Central Excise Act				
	Duty/Interest/Penalty	Asst. Commissioner	June 1999 to August 1999	2.29
	Duty/Interest/Penalty	Asst. Commissioner	Sept 1999 to Dec 1999	1.81
	Duty/Interest/Penalty	Asst. Commissioner	Jan 2000 to June 2000	3.04
	Duty/Interest/Penalty	Asst. Commissioner	July 1996 to May 1999	4.03
	Duty/Interest/Penalty	Asst. Commissioner	July 2000 to May 2001	2.68
	Duty/Interest/Penalty	Asst. Commissioner	Various	24.48
	Duty/Interest/Penalty	Asst. Commissioner	Various	0.57
	Duty/Interest/Penalty	Asst. Commissioner	August 2003 to May 2004	1.18
	Duty on captive consumption	Asst. Commissioner	Various	0.80
	Alleged undervaluation of SA	CESTAT	Various	9.76
			<b>Total</b>	<b>50.64</b>
Sales Tax Act	Tax/Interest/Penalty	Appellate Tribunal	1992-93	6.91
	Tax/Interest/Penalty	Appellate Tribunal	1993-94	4.20
			<b>Total</b>	<b>11.11</b>
Entry Tax	Tax/Interest	High Court		4.47



- (x) The accumulated losses of the Company are more than fifty percent of the Net Worth of the Company as at the end of the year and it has not incurred any cash loss during the current financial year and in the immediately preceding financial year.
- (xi) Company has defaulted in repayment of Sales Tax Loans of Rs.139.85 Lacs. Pending receipt of revised schedule the same has been considered as 'Other Payables' in 'Current Liabilities' (Also referred to in ix (a) above).
- (xii) Based on our examination of the records and the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
- (xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4 (xiv) of the Order are not applicable to the Company.
- (xv) The Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) The term loan taken from a Bank has been utilized for the purpose for which it is taken.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the companies Act, 1956.
- (xix) The Company has not issued any debentures during the year.
- (xx) The Company has not raised money by public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

Mumbai, 30<sup>th</sup> May 2013

**For K. S. Aiyar & Co.**  
Chartered Accountants  
FRN: 100186W

**RAGHUVIR M. AIYAR**  
Partner  
Membership No. 38128

**BALANCE SHEET**

AS AT 31ST MARCH, 2013

Particulars	Note No.	As at 31-03-2013 Rs. In lacs	As at 31-03-2012 Rs. In lacs
<b>Equity and Liabilities</b>			
(1) Shareholders' Funds			
(a) Share Capital	I	3005.78	3005.78
(b) Reserves and Surplus	II	(2901.73)	(6227.11)
(2) Non Current Liabilities	III		
(a) Long Term Borrowings		2567.05	2752.47
(b) Other Long Term Liabilities		3714.45	5410.45
(c) Long Term Provisions		240.13	248.23
(3) Current Liabilities	IV		
(a) Trade Payables		1854.35	3539.54
(b) Other Current Liabilities		2413.70	2087.89
(c) Short Term Provisions		107.22	107.50
<b>TOTAL</b>		<b>11000.95</b>	<b>10924.75</b>
<b>Assets</b>			
(1) Non Current Assets	V		
(a) Fixed Assets			
(i) Tangible assets		3444.55	4582.02
(ii) Capital Work in Progress		55.29	21.28
(b) Non Current Investments		1.62	1.62
(c) Deferred Tax Assets (Net)		2654.15	2654.15
(d) Long Term Loans and Advances		207.91	326.91
(2) Current Assets	VI		
(a) Inventories		621.21	639.72
(b) Trade Receivables		1161.98	2053.23
(c) Cash and Bank Balances		169.71	129.16
(d) Other Current Assets		2684.53	516.66
<b>TOTAL</b>		<b>11000.95</b>	<b>10924.75</b>
Significant Accounting Policies and other Explanatory Information	XIII		

As per our Report of even date attached

L.N.GOCULDAS  
ChairmanB.L. GOCULDAS  
Chief Executive OfficerD.T GOKHALE  
Company SecretaryFOR K.S.AIYAR & CO.  
Chartered Accountants  
Firm Registration No. 100186WH. T. KAPADIA  
DirectorD. K. Sundaram  
Chief Finance OfficerRAGHUVIR M.AIYAR  
Partner  
Membership No.38128

Mumbai, 30th May, 2013

Mumbai, 30th May, 2013



# STATEMENT OF PROFIT & LOSS

AS AT 31ST MARCH 2013

Particulars	Note No.	for the year ended on 31.03.2013 Rs.in Lacs	for the year ended on 31.03.2012 Rs.in Lacs
Revenue from Operations	VII	8559.15	8132.75
Other Income	VIII	66.03	124.14
<b>Total Revenue</b>		<b>8625.18</b>	<b>8256.89</b>
<b>Expenses</b>			
Cost of materials consumed	IX	5604.52	5696.12
Employee benefits expense	X	554.30	563.11
Other expenses	XI	1971.49	1667.96
Profit/(Loss) before Finance Costs Depreciation and Tax		494.87	329.70
Finance Costs		250.60	241.97
Profit/(Loss) before Depreciation and Tax		244.27	87.73
Depreciation		509.96	486.06
Non-recurring items	XII	3591.07	-
Profit/(Loss) before Tax		3325.38	(398.33)
Tax Expenses		-	-
Profit/(Loss) after Tax		3325.38	(398.33)
Earning per share	XIII(8)	15.34	(2.17)
Significant Accounting Policies and other Explanatory Information	XIII		

As per our Report of even date attached

L.N.GOCULDAS  
Chairman

B.L. GOCULDAS  
Chief Executive Officer

D.T GOKHALE  
Company Secretary

FOR K.S.AIYAR & CO.  
Chartered Accountants  
Firm Registration No. 100186W

H. T. KAPADIA  
Director

D. K. Sundaram  
Chief Finance Officer

RAGHUVIR M.AIYAR  
Partner  
Membership No.38128

Mumbai 30th May 2013

Mumbai 30th May 2013

# NOTES TO BALANCE SHEET

## NOTE: I SHARE CAPITAL

	As at 31-03-2013		As at 31-03-2012	
	Numbers	Rs. In Lacs	Numbers	Rs. In Lacs
<b>(a) Shares authorized</b>				
Equity Shares of Rs.10/- each	30000000	3000.00	30000000	3000.00
Preference Shares of Rs.100/- each	1000000	1000.00	1000000	1000.00
	<u>31000000</u>	<u>4000.00</u>	<u>31000000</u>	<u>4000.00</u>
<b>(b) Shares issued</b>				
Equity Shares of Rs.10/- each	21257821	2125.78	21257821	2125.78
Preference Shares of Rs.100/- each	880000	880.00	880000	880.00
	<u>22137821</u>	<u>3005.78</u>	<u>22137821</u>	<u>3005.78</u>
<b>(c) Shares subscribed and fully paid :</b>				
Equity Shares of Rs.10/- each	21257821	2125.78	21257821	2125.78
Preference Shares of Rs.100/- each	880000	880.00	880000	880.00
	<u>22137821</u>	<u>3005.78</u>	<u>22137821</u>	<u>3005.78</u>
<b>Total</b>		<u>3005.78</u>		<u>3005.78</u>

**(d) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period ;**

Particulars	As at 31-03-2013		As at 31-03-2012	
	Numbers	Rs. In Lacs	Numbers	Rs. In Lacs
<b>Equity Shares.</b>				
Shares outstanding at the beginning of the year	21257821	2125.78	21257821	2,125.78
Shares outstanding at the end of the year	21257821	2125.78	21257821	2,125.78
<b>Preference Shares</b>				
Shares outstanding at the beginning of the year	880000	880.00	880000	880.00
Shares outstanding at the end of the year	880000	880.00	880000	880.00

**Terms/Rights attached to Equity Shares:**

The Company is having only one class of Equity shares having a nominal value of Rs.10/- per share.

Every holder of the equity share of the Company is entitled to one vote per share held.

In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution to the Equity shareholders will be in proportion of the number of shares held by each shareholder.

**Terms/Rights attached to Preference Shares:**

- (i) 600000, 8% Redeemable Cumulative non- convertible Preference Shares of Rs.100/- each aggregating to Rs.600 Lacs were to be redeemed in 5 Equal instalments of Rs.120 Lacs each commencing from 2008-09 to 2012-13. However, the Company has not redeemed the preference shares as per this redemption schedule in view of the carried forward losses.

The cumulative dividend on these Preference Shares aggregating to Rs.480 Lacs (Previous year Rs. 432 Lacs) is to be paid as and when declared by the Company.

- (ii) 280000, 2.5% Redeemable Cumulative non- convertible Preference Shares of Rs.100/- each aggregating to Rs.280 Lacs are redeemable in 16 Equal instalments of Rs.17.5 Lacs each commencing from 1st April 2012. However, the Company has not redeemed the preference shares as per this redemption schedule in view of the carried forward losses.

The cumulative dividend on these Preference Shares aggregating to Rs.36.81 Lacs (Previous year Rs. 29.81 Lacs) is to be paid as and when declared by the Company.

The holders of all Preference shares do not have any voting rights.

The holders of all Preference shares have a first right of cumulative dividend as compared to the shareholders of Equity shares in case the Company declares any dividend.

In the event of liquidation of the Company, all preference shareholders will have a priority over the Equity shareholders to receive remaining assets of the Company, after distribution of all other preferential amounts. The distribution to the Preference shareholders will be in proportion of the number of shares held by each shareholder.



## NOTES TO BALANCE SHEET

(f) Equity Shares in the Company held by each shareholder holding more than 5 percent shares specifying the number of shares held

Particulars	As at 31-03-2013		As at 31-03-2012	
	Numbers	Percentage	Numbers	Percentage
Shri Laxmikumar Narottam Goculdas (Executor to the Estate of Late Shri R.M.Goculdas)	-	-	3409833	16.04%
Shri Laxmikumar Narottam Goculdas	7878914	37.06%	4469081	21.02%

### NOTE: II RESERVES & SURPLUS

	As at 31-03-2013 Rs. In Lacs	As at 31-03-2012 Rs. In Lacs
Capital Reserve	3363.24	3363.24
Securities Premium Account	98.81	98.81
Other Reseves		
(i) Subsidy from Government of Gujarat	25.00	25.00
(ii) Subsidy from Government of Maharashtra	20.00	20.00
(iii) Subsidy from Government of Rajasthan	15.00	15.00
(iv) Export Profit Reserve	1.80	1.80
(v) Amalgamation Reserve	4.79	4.79
<b>Surplus/(Deficit)</b>		
Balance as per last accounts	(9755.75)	(9357.42)
Add Profit / (Loss) of the current year transferred from Statement of Profit & Loss.	3325.38	(398.33)
Total Surplus/(Deficit)	(6430.37)	(9755.75)
<b>Total</b>	<b>(2901.73)</b>	<b>(6227.11)</b>

# NOTES TO BALANCE SHEET

## Note: III Non Current Liabilities

	As at 31-03-2013 Rs. In Lacs	As at 31-03-2012 Rs. In Lacs
<b>(a) Long Term Borrowings</b>		
<b>Secured</b>		
<b>(i) Term Loan from a Bank</b>	<b>218.42</b>	<b>320.24</b>
Repayable in 60 EMI's commencing from 31-01-2011. Rate of interest is 4.75% above the Base rate of the Bank, as fixed by the Bank, from time to time (Varying between 12.50 % p.a. to 15.50 % p.a. up to 31-03-2013). 27 EMI's have been paid in time, up to 31st March, 2013 and 33 are remaining to be paid as on that date.		
Secured against mortgage of all the fixed assets of the Company, both present and future, situated at Roha and mortgage of office premises of the Company, situated at Mumbai.		
Out of total outstanding term loan as on 31st March, 2013 of Rs.319.91 Lacs, amount due in next twelve months is Rs.101.49 Lacs. Hence this amount of Rs.101.49 Lacs is shown as 'Current maturities of Long Term Debts' under 'Other Current Liabilities' and the balance Term Loan of Rs.218.42 Lacs is shown above as Term Loan from a Bank. (See Note No. IV(b)). Out of total outstanding loan as on 31st March, 2012 of Rs. 406.96 Lacs, amount due in next twelve months was Rs. 86.72 Lacs. Hence this amount of Rs.86.72 Lacs is shown as 'Current maturities of Long Term Debts' under 'Other Current Liabilities', and the balance Term Loan of Rs.320.24 Lacs is shown above as "Term Loan from a Bank. {(See Note No. IV(b))}		
<b>(ii) Car Loan from a bank</b>	<b>16.40</b>	<b>-</b>
Repayable in 36 EMI's commencing from 31-12-2012. Rate of interest is 1.25% above the Base rate of the Bank, as fixed by the Bank, from time to time. 4 EMI's have been paid in time, up to 31st March, 2013 and 32 are remaining to be paid as on that date.		
Secured against hypothecation of vehicles.		
Out of total outstanding car loan as on 31st March, 2013 of Rs. 25.04 Lacs, amount due in next twelve months is Rs. 8.64 Lacs. Hence this amount of Rs. 8.64 Lacs is shown as 'Current maturities of Long Term Debts (Car Loan) under 'Other Current Liabilities' and the balance Car Loan of Rs. 16.40 Lacs is shown above as Car Loan from a Bank. (See Note No. IV(b)).		
	<b>234.82</b>	<b>320.24</b>
<b>Unsecured</b>		
<b>(i) Inter Corporate Deposits from related parties</b>	<b>616.80</b>	<b>716.80</b>
<b>(ii) Loans from a Director / estate of a late Director.</b>	<b>1715.43</b>	<b>1715.43</b>
These inter corporate deposits and loans from a Director / estate of a late Director are unsecured, interest free and terms of repayment are not decided.		
Sub-Total	<b>2567.05</b>	<b>2752.47</b>
<b>(b) Other Long Term Liabilities</b>		
<b>(i) Advance received from a Strategic Investor</b>	<b>3669.10</b>	<b>5365.10</b>
Secured against all / remaining un-sold fixed assets of the Company, situated at Ambarnath factory of the Company.		
<b>(ii) Advance received against sale of Land at Navlakhi</b>	<b>45.35</b>	<b>45.35</b>
Secured against Land at Navlakhi.		
<b>(c) Long Term Provisions:</b>		
Provision for Employee Benefits	<b>240.13</b>	<b>248.23</b>
<b>Total</b>	<b>6521.63</b>	<b>8411.15</b>



# NOTES TO BALANCE SHEET

## Note: IV Current Liabilities

	As at 31-03-2013 Rs. In Lacs	As at 31-03-2012 Rs. In Lacs
(a) Trade Payable (*)	1,854.35	3,539.54
(b) Other Current Liabilities		
Current maturities of Long Term Debts (See Note III (a))	101.49	86.72
Current maturities of Long Term Debts (Car Loan) (See Note III (a))	8.64	-
Acceptances (Export Bills Discounting)	171.36	-
Unpaid Dividend	-	10.63
Unclaimed matured deposits and interest thereon.	5.11	25.02
Trade Deposits	542.24	638.64
Other Payables. (**)	1584.86	1326.88
	<u>2,413.70</u>	<u>2,087.89</u>
(c) Short Term Provisions		
Provision for Employee Benefits	92.59	85.17
Provision for Taxation	14.63	22.33
	<u>107.22</u>	<u>107.50</u>
<b>Total</b>	<u><b>4375.27</b></u>	<u><b>5734.93</b></u>

(\*) There are no Micro, Small and Medium Enterprises, to whom the Company owes dues at the Balance Sheet date, computed on unit wise basis. Further, the Company has not paid any interest to any Micro, Small and Medium Enterprises during the year ended on the Balance Sheet date, nor is any interest payable to any Micro, Small and Medium Enterprises on the Balance sheet date.

The above information has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

(\*\*) Other Payables include Rs.139.85 Lacs (Previous year Rs. 161.10 Lacs) of overdue Sales Tax Loan for which the Company has sought revised schedule for repayment from the Concerned Authorities.

# NOTES TO BALANCE SHEET

## Note: V Non Current Assets

	As at 31-03-2013 Rs. In Lacs		As at 31-03-2012 Rs. In Lacs	
(a) Fixed Assets				
(i) Tangible assets				
Land - Freehold	52.57		56.01	
Land - Leasehold	8.18		8.52	
Buildings	546.25		754.02	
Plant & Equipment	2753.23		3696.00	
Furniture & Fixtures	5.68		10.18	
Vehicles	41.55		10.20	
Office Equipments	37.09	3444.55	47.09	4582.02
(ii) Capital Work in Progress		55.29		21.28
(b) Non Current Investments (At Cost)				
Investment in Equity shares (Unquoted, Non Trade, Long Term)				
1000 (Previous year 1000) Fully Paid Equity Shares of Rs. 50/- each in Dombivali Nagari Sahakari Bank Ltd.	0.50		0.50	
1000 (Previous year 1000) Fully Paid Equity Shares of Rs. 10/- each in Saraswat Co-operative Bank Ltd.	0.10		0.10	
25 (Previous year 25) Fully Paid Equity Shares of Rs. 25/- each in Shamrao Vitthal Co-operative Bank Ltd.	0.01		0.01	
Investment in Equity shares (Unquoted, Trade, Long Term)				
33000 (Previous year 33000) Fully Paid Equity Shares of Rs. 10/- each in Indian Potash Ltd.	0.55		0.55	
Investment in Government or Trust securities (Unquoted, Non Trade, Long Term)-National Saving Certificates lodged as security deposits.	0.46	1.62	0.46	1.62
(c) Deferred Tax Assets (Net)		2654.15		2654.15
(d) Long Term Loans and Advances				
Capital Advances	-		46.15	
Security deposits	145.48		132.83	
Balances with Excise, Customs, public bodies etc.	20.73		20.73	
Advances to Suppliers - Unsecured considered good	8.08		26.05	
Advances to Suppliers - Unsecured considered doubtful	-		152.14	
Less: Provision for doubtful advances	-		(152.14)	
Others	33.62	207.91	101.15	326.91
(e) Other Non-Current Assets				
Trade Receivables				
Unsecured, due for more than six months and considered doubtful	-		1,846.08	
Less: Provision for doubtful debts	-	-	(1846.08)	-
Total		6363.52		7585.98



# NOTES TO BALANCE SHEET

## V-(a) Fixed assets - Tangible

Rs. in lacs

Description	GROSS BLOCK			DEPRECIATION				IMPAIRMENT LOSS	NET BLOCK	
	As on 1/4/2012	Addition	Deductions	As on 31.03.2013	As on 1/4/2012	Deductions	During the Year	As on 31.03.2013	As on 31.03.2013	As on 31.03.2012
Free Hold Land	56.01	-	3.44	52.57	-	-	-	-	52.57	56.01
Lease Hold Land	12.62	-	0.13	12.49	4.10	-	0.21	4.31	8.18	8.52
Buildings	1368.15	4.14	402.64	969.65	614.13	224.15	33.42	423.40	546.25	754.02
Plant & Equipments	15825.08	124.02	3586.46	12362.64	11399.79	2987.16	467.50	8880.13	2753.23	3696.00
Furniture & Fixtures	146.97	-	53.47	93.50	136.80	50.27	1.29	87.82	5.68	10.18
Vehicles	81.62	34.06	11.17	104.51	71.42	10.64	2.18	62.96	41.55	10.20
Office Equipments	310.15	2.77	52.18	260.74	263.06	44.77	5.36	223.65	37.09	47.09
<b>TOTAL</b>	<b>17800.60</b>	<b>164.99</b>	<b>4109.49</b>	<b>13856.10</b>	<b>12489.30</b>	<b>3316.99</b>	<b>509.96</b>	<b>9682.27</b>	<b>729.28</b>	<b>4582.02</b>
<b>Previous Year</b>	<b>17686.77</b>	<b>272.87</b>	<b>159.04</b>	<b>17800.60</b>	<b>12113.13</b>	<b>109.89</b>	<b>486.06</b>	<b>12489.30</b>	<b>729.28</b>	<b>4582.02</b>

### Note No. V(c)

The Company's export business over the last three years has been growing at an impressive rate of 55%. This has been possible due to appropriate marketing efforts coupled with quality consciousness on the part of the company. The focused R & D activity to identify and develop relevant product meeting high quality standards has always remained vital to the company's business, and efforts are undertaken to spread this message across the customer base both abroad as well as domestic. The company is confident of improving the current growth rate substantially in overseas business in addition to consolidating the domestic market both in Speciality and Bulk chemicals. In the near term, the company expects to achieve this objective by making use of the available unutilized capacity as well as building up additional capacity. The marketing team is also being strengthened. Consequently, there is virtual certainty of realization of "Deferred Tax asset" mainly resulting from unabsorbed depreciation and carried forward losses. Accordingly, the recognized "Deferred Tax Asset" of Rs. 2654.15 Lacs as at 31.03.2009, without any addition, is being carried forward.

The break-up of the Deferred Tax Liability / (Deferred Tax asset) as on 31.03.2013 and 31.03.2012, recognised by the Company in the books of account, is as follows :

Particulars	As at 31-03-2013 Rs. In Lacs	As at 31-03-2012 Rs. In Lacs
Deferred Tax Liabilities :		
Difference between book and tax depreciation	1611.05	1611.05
Others	221.90	221.90
<b>Total</b>	<b>1832.95</b>	<b>1832.95</b>
Deferred Tax Assets :		
Unabsorbed depreciation / Business loss	3610.68	3610.68
Others	876.42	876.42
<b>Total</b>	<b>4487.10</b>	<b>4487.10</b>
<b>Net Deferred Tax Liabilities / (Deferred Tax Assets) :</b>	<b>(2654.15)</b>	<b>(2654.15)</b>

# NOTES TO BALANCE SHEET

## Note: VI Current Assets

	As at 31-03-2013 Rs. In Lacs		As at 31-03-2012 Rs. In Lacs	
(a) Inventories (For policy on valuation basis refer Note No. XIII (1))				
Raw materials	94.13		121.15	
Material in process (Manufactured)	7.50		10.29	
Finished Goods - Own	315.73		329.04	
Stores and Spares	203.85	621.21	179.24	639.72
(b) Trade Receivables				
Unsecured, considered good				
Outstanding for a period of more than six months	113.70		1463.40	
Outstanding for a period of less than six months	1048.28	1161.98	589.83	2053.23
(c) Cash and Bank Balances				
Cash and cash equivalents				
Balances with Banks in Current Accounts	102.37		60.15	
Cash on hand	4.52		1.46	
Fixed deposits with Banks kept as margin money for issuing Bank Guarantee.	62.82		55.37	
Unclaimed Dividend Bank Accounts	-	169.71	12.18	129.16
(d) Other Current Assets				
Prepaid Expenses	42.38		60.46	
Deposits with Excise, Sales Tax, Customs and other Government bodies	256.31		156.73	
Receivable on account of sale of fixed assets	2257.47		-	
Others	128.37	2684.53	299.47	516.66
Total		4637.43		3338.77

### Note VI(a)

#### Details of Inventories

##### Raw Materials

	Opening Stock	Closing Stock
Sulphur	66.31	35.14
	(109.60)	(66.31)
Special Denatured Spirit	10.06	23.85
	(9.75)	(10.06)
Others	44.78	35.14
	(59.68)	(44.78)
Total	121.15	94.13
	(179.03)	(121.15)

Figures in bracket are in respect of the previous year

##### Finished Goods (Own)

	Opening Stock	Closing Stock
Commodity Chemicals	74.05	27.22
	(50.21)	(74.05)
Speciality Chemicals	254.24	286.32
	(315.51)	(254.24)
Others	0.75	2.19
	(1.17)	(0.75)
Total Manufactured Finished Goods	329.04	315.73
	(366.89)	(329.04)

Figures in bracket are in respect of the previous year



# NOTES TO STATEMENT OF PROFIT AND LOSS

## Note : VII Revenue from Operations

	for the year ended on 31.03.2013 Rs.in Lacs	for the year ended on 31.03.2012 Rs.in Lacs
<b>From Sale of Products Own Chemicals</b>		
Commodity Chemicals	3340.85	4527.95
Speciality Chemicals	4630.94	3,295.77
Other Chemicals	247.52	267.56
From sale of Products - Traded	544.34	303.44
From processing charges (SSP - Fertiliser)	317.05	246.14
	<u>9080.70</u>	<u>8640.86</u>
Less : Excise Duty	521.55	508.11
	<u>8559.15</u>	<u>8132.75</u>

## Note : VIII - Other Income

	for the year ended on 31.03.2013 Rs. In Lacs	for the year ended on 31.03.2012 Rs. In Lacs
Interest Income	12.45	3.25
Dividend Income	0.84	0.85
Profit on sale of fixed assets	0.17	42.74
Other non -operating income (net)	52.57	77.30
<b>TOTAL</b>	<u>66.03</u>	<u>124.14</u>

## Note - IX Cost of materials consumed

	for the year ended on 31.03.2013 Rs. In Lacs	for the year ended on 31.03.2012 Rs. In Lacs
Sulphur	2624.20	3,705.70
Special Denatured Spirit	565.89	587.78
Others	1698.20	952.45
Purchases of stock in trade	520.67	291.09
Cost of packing materials consumed	179.46	127.00
Decrease/(Increase) in inventories of finished goods, work in progress and Traded goods	16.10	32.10
	<u>5604.52</u>	<u>5696.12</u>

## Note : X - Employee Benefits Expense

	for the year ended on 31.03.2013 Rs. In Lacs	for the year ended on 31.03.2012 Rs. In Lacs
Salaries and Wages (Net after Repairs)(*)	419.44	437.31
Contribution to Provident Fund	33.46	35.86
Contribution to Other Funds (Gratuity, Superannuation,etc)	58.45	53.03
Staff Welfare Expenses	42.95	36.91
<b>Total</b>	<u>554.30</u>	<u>563.11</u>
(*) Salaries & Wages allocated to Repairs etc.	<u>52.84</u>	<u>53.46</u>

# NOTES TO STATEMENT OF PROFIT AND LOSS

## Note : XI - Other Expenses

	Rs. in lacs	
	for the year ended on 31.03.2013	for the year ended on 31.03.2012
Consumption of Stores & Spares (Net after Repairs)(*)	1.55	1.85
Power & Fuel	647.33	579.47
Repairs to buildings	31.84	19.73
Repairs to machinery	352.31	287.31
Insurance	11.12	13.00
Rates and taxes	11.91	13.97
Internal handling, Freight and carriage outward	374.87	291.71
Net loss/(gain) on foreign currency transactions	12.56	17.32
Provision for doubtful debts	-	100.00
<b>Auditors' Remuneration</b>		
Audit fees	4.50	4.50
Tax audit fees	1.40	1.40
For other services	2.10	1.92
Reimbursement of out of pocket expenses	0.35	0.33
Sundry balances written off / written back (net)	164.89	-
Written Down Value Assets Scrapped/Loss on Sale of Fixed Assets	3.43	0.07
Miscellaneous expenses	351.33	335.38
Bad Debts Written Off	1846.08	-
Less: Provision for Doubtful Debts utilised	(1846.08)	-
Doubtful Advances Writtent Off	152.14	-
Less: Provision for Doubtful Advances utilised	(152.14)	-
<b>TOTAL</b>	<b>1971.49</b>	<b>1667.96</b>
(*) Consumption of Stores & Spares allocated to Repairs etc.	<b>157.44</b>	<b>146.57</b>

## Note : XII - Non Recurring items

	for the year ended on 31.03.2013	for the year ended on 31.03.2012
Profit on Sale of Fixed Assets - Ambarnath Factory	3789.65	-
Written Down Value of Assets Scrapped - Ambarnath Factory	(198.58)	-
<b>TOTAL</b>	<b>3591.07</b>	-

As per our Report of even date attached

L.N.GOCULDAS  
ChairmanB.L. GOCULDAS  
Chief Executive OfficerD.T GOKHALE  
Company SecretaryFOR K.S.AIYAR & CO.  
Chartered Accountants  
Firm Registration No. 100186WH. T. KAPADIA  
DirectorD. K. Sundaram  
Chief Finance OfficerRAGHUVIR M.AIYAR  
Partner  
Membership No.38128

Mumbai, 30th May, 2013

Mumbai, 30th May, 2013



## **SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY NOTES TO THE ACCOUNTS FOR THE YEAR APRIL 2012 TO MARCH 2013**

### **NOTE : XIII**

#### **1. SIGNIFICANT ACCOUNTING POLICIES**

##### **Basis of Accounting**

The Company follows the accrual basis of accounting.

##### **Fixed Assets**

Fixed Assets are stated at cost of acquisition or construction, including attributable interest & financial costs till such assets are ready for its intended use, less accumulated depreciation, impairment losses and specific grants received, if any.

##### **Method of Depreciation**

Depreciation on all Fixed Assets acquired upto 31.12.1981 is provided on Written Down Value method. Depreciation on all Fixed Assets acquired after 31.12.1981 is provided on Straight Line method.

From the year 1993-94, depreciation on all assets (except continuous process plant and machinery acquired between 01.01.1982 to 31.03.1993) has been provided at the rates specified in Schedule XIV to the Companies Act, 1956, as revised by the notification dated 16th December, 1993, issued by the Department of Company Affairs. In respect of continuous process plant and machinery acquired between 01.01.1982 to 31.03.1993, the specified period (during which the Plant and Machinery is to be depreciated) has been recalculated considering the depreciation already provided upto 31.03.1993 and depreciation from the year 1993-94 has been provided at the reworked rates, which are lower than Schedule XIV rates as per the option given in Guidance Note issued by the Institute of Chartered Accountants of India.

Depreciation on additions and deletions during the year is provided on pro-rata basis.

Cost of leasehold land is amortised over the period of lease.

##### **Treatment of Expenditure during the Construction period**

The expenditure incurred during the period of construction (including cost of trial runs, stores issued, expenses on labour allocated for such purpose) is debited to capital work-in-progress and on completion, the costs are allocated to the respective fixed assets. Interest on specific borrowings relating to acquisition of fixed assets is capitalised upto the date of commissioning.

##### **Valuation of Inventories**

Inventories and stores are valued at lower of cost and net realisable value. Cost of Raw materials is computed on an annual weighted average basis. In respect of finished goods / work-in-progress, cost is determined by taking into consideration all direct costs and systematic allocation of related fixed & variable overheads.

##### **Investments**

Long-term investments are carried at costs. However provision for diminution in value is made to recognise a decline other than temporary in the value of investments. Current investments are stated at costs or fair value whichever is lower.

##### **Sales**

Gross Sales include Processing Charges, Excise Duty, Sales Tax / Value Added Tax, Freight on sale of finished goods. Domestic sales are recognised on despatch of products and are stated net of returns. Export sales are accounted on the basis of dates of Bill of Lading.

##### **Taxation**

Income Tax expense comprises of Current Tax and Deferred Tax charge or credit.

##### **i ) Current Tax :**

A provision is made for the Current Tax based on Tax Liability computed in accordance with relevant provisions & tax rates as per the Income Tax Act, 1961.

##### **ii ) Deferred Tax :**

The Deferred Tax charge or credit is recognised using prevailing enacted or substantively enacted tax rates. Where there are unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future. Deferred tax assets / liabilities are reviewed as at each Balance Sheet date based on developments during the year and available case laws, to reassess realisation/liabilities.

##### **Employees' Benefits**

Contributions to the Company's Provident Fund, Family Pension Fund, Superannuation Fund and Gratuity Fund (based on actuarial valuation) are being charged to revenue.

The Company has the scheme which enables employees to encash the accumulated privilege leave (upto stipulated limits) on retirement. The Company's liability in respect of this leave encashment scheme is determined on the basis of actuarial valuation and the same is charged to Profit & Loss Account.

##### **Foreign Currency Transactions**

- (i) Monetary items of assets/liabilities denominated in foreign currency are translated at the exchange rate prevailing on the last day of the accounting year. In respect of items covered by forward exchange contracts, the premium or discount arising at the inception of such a forward exchange contract is amortised as expense or income over the life of the contract. Any profit or loss arising on cancellation or

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renewal of such a forward exchange contract is recognised as income or expense for the year. Foreign currency transactions are accounted at the rate prevailing on the date of transaction.

- (ii) Non Monetary items of assets/liabilities which are carried in terms of historical cost determined in a foreign currency are reported using the exchange rate at the date of transaction.
- (iii) Gain or Loss arising out of translation / conversion is taken credit for or charged to the profit and loss account.

### Provisions / Contingencies

Provision is recognised when the Company has a present obligation as a result of past event, and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value & are determined based on best estimate of the expenditure required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. A contingent liability is disclosed unless the possibility of an outflow of resources embodying the economic benefit is remote.

### Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is greater of the asset's net selling price and its value in use. In assessing the value in use, the estimated future cash flows are discounted to the present value using the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life. Previously recognised impairment loss is further provided or reversed, depending on changes in circumstances, if any.

### 2 Contingent Liabilities not provided for:

		Rs. in Lacs	
		As at 31st March, 2013	As at 31st March, 2012
(i)	Outstanding claims in respect of Excise Duty, Sales-Tax, etc.	44.55	44.55
(ii)	Guarantees given by the Company's Bankers	36.46	51.46
(iii)	Arrears of Cumulative Preference Dividend	516.81	461.81
(iv)	Claims against Company not acknowledged as debts	55.76	55.76
(v)	Estimated Amount of Contracts remaining to be executed on Capital Account & not provided for (Net of Advances)	7.25	54.00

- 3 Wages, Salaries and Bonus include provision made as per actuarial valuation in respect of accumulated leave salary encashable on retirement in accordance with Accounting Standard 15 notified pursuant to the Companies (Accounting Standards) Rules, 2006 . Contribution to Provident and other funds includes Company's contribution to Provident Fund, Family Pension Fund, Gratuity Fund (based on actuarial valuation) and Superannuation Fund.

- 4 In view of the "Unabsorbed Depreciation" & "Unabsorbed Business Losses" accruing from the past years, there is no taxable income during the year ended 31st March, 2013 and for the year ended 31st March, 2012. Accordingly, No provision has been made in respect of current income tax.

- 5 The Company had obtained the requisite approval of the shareholders under section 293(1)(a) of the Companies Act, 1956 for sale / transfer / disposal of its Land, Factory Buildings and Plant & machinery at its Ambarnath factory. (Written Down Value of the fixed assets of the Company at its Ambarnath factory as on 31-03-2013 is Rs. 736.87 Lacs). Therefore, while reporting "Segment Results", in Note No. (6) to the accounts, depreciation of Ambarnath factory has been shown separately . Also Profit on sale of Fixed Assets of Ambarnath factory and Written Down Value of Assets scrapped of Ambarnath Factory along with Current Assets and Current Liabilities relating to the Ambarnath factory of the Company has been excluded for segment-wise reporting of "Capital Employed".

### 6 Segment Reporting :

The Company has disclosed Business Segments as its primary segments. Reporting segments have been identified as Fertilisers, Chemical and others/unallocated, taking into account the nature of products, the different risks and returns, the organisation structure and the internal reporting system.

Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also the amounts allocated on a reasonable basis to the respective segments. The expenses, which are not directly related to the business segments, are shown as unallocated costs. Corporate current assets and liabilities have been allocated on the basis of turnover of the segments. Assets and Liabilities that can not be allocated between the segments are shown as a part of unallocated assets & liabilities. Inter Segment Transfers are at cost of production.



**SEGMENT INFORMATION FOR THE PERIOD April 2012 TO 31st March 2013**  
**INFORMATION ABOUT PRIMARY BUSINESS SEGMENTS**

	<b>Fertilisers</b>	<b>Chemicals</b>	<b>Others / Unallocated Expenditure</b>	<b>Total</b>
	<b>[Rs in Lacs]</b>	<b>[Rs in Lacs]</b>	<b>[Rs. in Lacs]</b>	<b>[Rs. in Lacs]</b>
<b>REVENUE (NET)</b>				
Domestic Sales (Net of Excise Duty)	317.05 (246.14)	5071.85 (5887.41)	0.00 0.00	5388.90 (6133.55)
Export Sales		3170.25 (1999.20)		3170.25 (1,999.20)
Total Segment Revenue	317.05 (246.14)	8242.10 (7886.61)	0.00 0.00	8559.15 (8132.75)
<b>RESULT ( Profit / -Loss before Tax, Interest, Non-operating income, exceptional items and Unallocated Expenditure)</b>	25.58 (-56.05)	302.53 (233.93)	-130.50 (-78.04)	197.61 (99.84)
Operating Profit				197.61 (99.84)
Finance Cost				250.60 (241.97)
<b>Profit/ - Loss before Other Income</b>				-52.99 (-142.13)
Add :- Profit on sale of Fixed Assets of Ambernath Factory				3789.65 (-)
Less : Written Down Value of Assets scrapped of Ambernath Factory				198.58 (-)
Less : Depreciation of Ambernath Factory				212.70 (256.20)
<b>Profit / - Loss</b>				3325.38 (-398.33)
<b><u>OTHER INFORMATION</u></b>				
Segmental Assets	348.00 (363.03)	4738.12 (6200.55)	236.46 (486.39)	5322.58 (7049.97)
Segmental Liabilities	146.19 (146.52)	3130.28 (5413.58)	0.31 (191.64)	3276.78 (5751.74)
Capital Expenditure	0.79 (0.09)	100.34 (292.92)	0.00 (0.00)	101.13 (293.01)
Depreciation	15.90 (16.34)	271.23 (203.75)	222.83 (265.97)	509.96 (486.06)
<b><u>Segment Assets exclude :</u></b>				
Deferred Tax Asset				2654.15 (2654.15)
Fixed Assets & Current Assets relating to Ambernath Factory {Note No. XIII 5}				3024.23 (2424.97)
<b><u>Segment Liabilities exclude :</u></b>				
Secured Loans				4185.40 (5772.06)
Unsecured Loans				2472.08 (2593.33)
Current Liabilities relating to Ambernath Factory {Note No. XIII (5)}				962.63 (1214.92)

**Note : Figures in brackets pertain to Previous Year.**

**Information about Secondary Segments :- Geographical**

		<b>for the year ended</b>	
		<b>31.03.2013</b>	<b>31.03.2012</b>
		<b>Rs. in Lacs</b>	
a)	Revenue by Geographical Market		
	India - Fertilisers	317.05	246.14
	- Chemicals	5071.85	5887.41
	Outside India - Chemicals	3170.25	1999.20
	- Unallocated	0.00	0.00
	Total	8559.15	8132.75
b)	Carrying Amount of Segment Assets		
	India - Fertilisers	348.00	363.03
	- Chemicals	4353.05	5866.86
	- Unallocated	236.46	486.39
	Outside India - Chemicals	385.07	333.69
	Total	5322.58	7049.97
c)	Addition to Fixed Assets and Intangible Assets *		
	India	164.99	272.87
	Outside India	0.00	0.00
	Total	164.99	272.87

\* excludes Capital Work-in Progress.

**7 Other Additional information :**

		<b>April 2012 to March 2013</b>	<b>April 2011 to March 2012</b>
		<b>Value (Rs.in Lacs)</b>	<b>Value (Rs.in Lacs)</b>
(i)	<b>VALUE OF RAW MATERIALS AND BOUGHTOUTS, STORES, SPARES AND COMPONENTS CONSUMED</b>		
	Raw Materials and Boughtouts:		
	Imported	-	-
	Indigenous	5408.96 (100.00%)	5537.02 (100.00%)
	<b>Stores, Spares and Components:</b>		
	Imported	-	-
	Indigenous	155.41 (100.00%)	146.56 (100.00%)
(ii)	<b>VALUE OF IMPORTS CALCULATED ON CIF BASIS :</b>		
	Raw Materials & Boughtouts	0.00	0.00
(iii)	<b>EXPENDITURE IN FOREIGN CURRENCY ON ACCOUNT OF :</b>		
	Foreign tours, Subscription, etc.	32.75	16.14
(iv)	<b>EARNINGS IN FOREIGN CURRENCY IN RESPECT OF :</b>		
	Export of goods calculated on FOB basis	2972.51	1891.54

**8 The working of basic, as well as diluted, earnings per equity share (in Rupees) is as follows :**

	<b>Apr 12/Mar 13</b>	<b>Apr 11/Mar 12</b>
Numerator - Profit / (Loss) after tax & after deducting Preference dividend & tax thereon (Rs. Lacs)	3261.36	(462.25)
Denominator - weighted average number of equity shares	21257821	21257821
Basic, as well as diluted, earnings per equity share ( in Rupees )	15.34	(2.17)



**9 Related Parties Disclosures :**

**(A) Promoters holding more than 20% of the voting power**

Name of the Related Parties

Nature of Relationship

(i) Shri L.N.Goculdas

Promoter and Chairman (holding more than 20% of the voting power)

**(B) Associate / Other Related Companies**

Name of the Related Parties

Nature of Relationship

(i) Borax Morarji Ltd.

Associate Company

(ii) The Natural Gas Co.Pvt.Ltd.

Other Related Company

(iii) L.P.Gas Transport & Bottling Co. Pvt.Ltd.

Other Related Company

(iv) Phoenix Distributors Pvt.Ltd.

Other Related Company

(v) Jasraj Trading Co.

Other Related Company

(vi) Kosan Industries Pvt.Ltd.

Other Related Company

(vii) Bombay Foods Pvt.Ltd.

Other Related Company

**(C) Key Management Personnel**

Name of the Related Parties

Nature of Relationship

(i) Shri B.L.Goculdas

Chief Executive Officer

(ii) Shri D.N.Vaze

Chief Finance Officer upto 9th August, 2012

(iii) Shri D.K. Sundaram

Chief Finance Officer from 16th October, 2012

(iv) Shri D.T.Gokhale

Executive Vice President & Company Secretary.

**(D) Transaction with Promoters holding more than 20% of the voting power**

**Rs.in lacs**

Sitting Fees for attending Board and Committee meetings

0.50

(0.50)

**(E) Transactions of the Company with Associate/Other Related Companies**

**(i) Purchase of Goods/Services Received by the Company**

(Rs. in lacs)

**Associate  
Company**

**Other Related  
Companies**

Borax Morarji Ltd.

5.59

(18.94)

L.P.Gas Transport & Bottling Co. Pvt.Ltd.

-

2.44

-

(1.07)

**(ii) Sale of Goods/Services Rendered by the Company**

Borax Morarji Ltd.

121.34

(68.52)

**Sale of Fixed Assets**

Borax Morarji Ltd.

-

(13.52)

(iii) Expenses Reimbursed (Net) to the Company

5.33

(1.33)

(iv) Closing balance included in Current Assets of the Company

78.71

(71.97)

(v) Closing balance included in Current Liability of the Company

-

(0.53)

(vi) Closing balance included in Unsecured Loan of the Company

-

616.80

-

(716.80)

**(F) Transactions relating to Key Management Personnel**

**Rs.in Lacs**

(i) Remuneration

26.54

(29.04)

(ii) Rent / HRA paid for residential accommodation / other benefits

12.13

(11.79)

(iii) Closing balance as at year ended included in Outstanding liability of the Company

1.19

(1.84)

(iv) Unsecured Loan taken by the Company and outstanding as at the year end

1715.43

(1715.43)

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Related party relationships are as identified by the Company and relied upon by the Auditors.

Figures in brackets pertain to Previous Year

- 10 The Company has prepared the financial statements for the year ended 31.03.2013 on a "Going Concern Basis" since the Company is confident that its profitability will improve in future in view of the following:

The Company's export business over the last three years has been growing at an impressive rate of 55%. This has been possible due to appropriate marketing efforts coupled with quality consciousness on the part of the company. The focused R & D activity to identify and develop relevant product meeting high quality standards has always remained vital to the company's business and efforts are undertaken to spread this message across the customer base both abroad as well as domestic. The company is confident of improving the current growth rate substantially in overseas business in addition to consolidating the domestic market both in Speciality and Bulk chemicals. In the near term, the company expects to achieve this objective by making use of the available unutilized capacity as well as building up additional capacity. The marketing team is also being strengthened.

### 11 Employee Benefits :

The Company has made provision for following benefit plans as per Accounting Standard 15 (Revised 2005) "Employee Benefits". Defined Benefit Plans / Long Term Compensated Absences: As per Actuarial Valuation as on 31.03.2013, the required data is as follows:

#### (i) Continuing Employees :

	Rs. in lacs	
	Apr 12/Mar 13	
I Expense recognised in the statement of Profit & Loss Account for period ended 31st March 2013		
	<b>GRATUITY</b>	<b>LEAVE ENCASHMENT</b>
1. Current Service Cost	13.11	17.10
2. Interest Cost	15.63	2.82
3. Past Service Cost (vested benefits)	-	-
4. Expected Return on plan assets	-	-
5. Actuarial (Gain) / Losses	(4.08)	(15.93)
6. Total Expenses	24.66	3.99
II Net Assets / (Liability) recognised in the Balance Sheet as at 31st March 2013		
1. Present value of Defined Benefit Obligation as at 31st March 2013	229.41	39.20
2. Fair Value of plan assets as at 31st March 2013	-	-
3. Funded Status [Surplus/(Defecit)]	(229.41)	(39.20)
4. Net asset / (Liability) as at 31st March 2013	(229.41)	(39.20)
III Change in Obligation during the period ended 31st March 2013		
1. Present value of Defined Benefit Obligation at the beginning of the year	241.89	45.40
2. Current Service Cost	13.11	17.10
3. Interest Cost	15.63	2.82
4. Past Service Cost - (Vested Benefits)	-	-
5. Actuarial (Gain) / Losses	(4.08)	(15.93)
6. Benefits Payments	(37.14)	(10.19)
7. Present value of Defined Benefit Obligation at the end of the year	229.41	39.20
IV Change in Assets During the period ended 31st March 2013		
1. Plan assets at the beginning of the year	-	-
2. Expected return on plan assets	-	-
3. Contributions by employers	37.14	10.19
4. Actual benefits paid	(37.14)	(10.19)
5. Actuarial {Gain / (Losses)}	-	-
6. Plan assets at the end of the year	-	-
V Actuarial Assumptions :		
1. Discount Rate	7%	7%
2. Expected rate of return on plan assets	0%	0%
3. Salary Escalation rate	1%	1%
4. Mortality Rate	LIC (1994-96)	LIC (1994-96)
(ii) For Ex-employees	<b>59.93</b>	<b>4.15</b>

- 12 The Company has elected to present Profit/(Loss) before Finance Costs, Depreciation and Tax i.e.(EBITDA) as a separate line item on the face of the statement of the profit and loss.

- 13 Figures in respect of the previous year have been regrouped wherever necessary

As per our Report of even date attached

L.N.GOCULDAS  
Chairman

B.L. GOCULDAS  
Chief Executive Officer

D.T GOKHALE  
Company Secretary

FOR K.S.AIYAR & CO.  
Chartered Accountants  
Firm Registration No. 100186W

H. T. KAPADIA  
Director

D. K. SUNDARAM  
Chief Finance Officer

RAGHUVIR M.AIYAR  
Partner  
Membership No.38128

Mumbai, 30th May, 2013

Mumbai, 30th May, 2013



# CASH FLOW STATEMENT

for the year ended on 31st March, 2013

Particulars	For the year ended on 31-03-2013 Rs. In Lacs		For the year ended on 31-03-2012 Rs. In Lacs	
<b>A Cash flow from Operating Activities</b>				
Net Profit/(Loss) before Tax		3325.38		(398.33)
Adjustments for				
Add:				
Written Down Value of Assets Scrapped	202.01		0.00	
Depreciation	509.96		486.06	
Interest charged	250.60	962.57	241.97	728.03
Less:				
Dividend Income	0.84		0.85	
Interest income	12.45		3.25	
Profit/(Loss) on sale of fixed assets	3789.82	3803.11	42.67	46.77
<b>Operating Profit before working capital changes</b>		484.84		282.93
Adjustment				
Add:				
Decrease/(Increase) in Inventories	18.51		110.50	
Decrease/(Increase) in Trade Receivables	891.25		(82.83)	
Decrease/(Increase) in Other Current Assets	(2048.87)		(182.63)	
Increase/(Decrease) in Trade Payable	(1685.19)		500.90	
Increase/(Decrease) in Short Term Provisions	(0.28)		37.52	
Increase/(Decrease) in Long Term Provisions	(8.10)		3.50	
Increase/(Decrease) in Other Current Liabilities	325.81	(2506.87)	(30.02)	356.94
Add: Income Tax Refund Received		0.00		0.00
<b>Cash Generated / (used) in Operating Activities</b>		(2022.03)		639.87
<b>B Cash Flow from Investing Activities</b>				
Add:				
Sale of Fixed Assets	4380.31		91.81	
Interest Received	12.45		3.25	
Dividend Received	0.84	4393.60	0.85	95.91
Less:				
Purchase of Fixed Assets	164.99		272.87	
Increase/(Decrease) in Capital Work in Progress	34.01	199.00	20.14	293.01
<b>Cash Generated from / (used in) Investing Activities</b>		4194.60		(197.10)

# CASH FLOW STATEMENT

for the year ended on 31st March, 2013

Particulars	For the year ended on 31-03-2013 Rs. In Lacs		For the year ended on 31-03-2012 Rs. In Lacs	
<b>C Cash Flow from Financing Activities</b>				
Add:				
Receipt of New Loan	16.40		0.00	
		16.40		0.00
Less:				
Repayment of Intercompany deposits	100.00		180.00	
Interest paid	250.60		241.97	
Repayment of Strategic Investor	1696.00		0.00	
Repayment of Bank Loans	101.82	2148.42	86.72	508.69
<b>Cash Generated from / (used in) Financing Activities</b>		(2132.02)		(508.69)
<b>D Net Cash Increase / (Decrease) in Cash &amp; Bank Balances</b>		40.55		(65.92)
<b>E Cash &amp; Bank Balances at the beginning of the year</b>				
Cash and Cash Equivalents	61.61		124.45	
Other Bank Balances (Restrictive use)	67.55	129.16	70.63	195.08
<b>F Cash &amp; Bank Balances at the end of the year</b>				
Cash and Cash Equivalents	106.89		61.61	
Other Bank Balances (Restrictive use)	62.82	169.71	67.55	129.16

As per our Report of even date attached

L.N.GOCULDAS  
ChairmanB.L. GOCULDAS  
Chief Executive OfficerD.T GOKHALE  
Company SecretaryFOR K.S.AIYAR & CO.  
Chartered Accountants  
Firm Registration No. 100186WH. T. KAPADIA  
DirectorD. K. SUNDARAM  
Chief Finance OfficerRAGHUVIR M.AIYAR  
Partner  
Membership No.38128

Mumbai, 30th May, 2013

Mumbai, 30th May, 2013



# BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

Additional Information as required under Part IV of schedule VI of the Companies Act, 1956

<b>I REGISTRATION DETAILS:</b>		<b><u>Application of Funds:</u></b>	
Registration No.	00564	Net Fixed Assets	349984
State Code	11	Investments	162
Balance Sheet Date	31.03.2013	Deferred Tax Assets	265415
		Current Assets	484534
		Accumulated Losses	643037
<b>II CAPITAL RAISED DURING THE YEAR</b>	(Amount in Rs.Thousands)	<b>IV PERFORMANCE OF THE COMPANY</b> (Amount in Rs.Thousands)	
Public Issue	Nil	Turnover(Net off Excise Duty) & Other Income	862518
Rights Issue	Nil	Add : Non-recurring Items	359107
Bonus Issue	Nil	Total Expenditure	889087
Private Placement	Nil	Profit/(Loss) Before Taxation	332538
		Current Tax Expenses	0
		Profit/(Loss) After Taxation	332538
		Earning Per Share - Rs.	15.34
<b>III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS</b>	(Amount in Rs.Thousands)	<b>V GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY</b>	
Total Liabilities	1100095	Item Code No.(ITC Code)	310310.00
Total Assets	1100095	Product Description	Single Super Phosphate
		Item Code No.(ITC Code)	280700.01
		Product Description	Sulphuric Acid
		Item Code No.(ITC Code)	280620.00
		Product Description	Chlorosulphonic Acid
<b><u>Sources of Funds:</u></b>			
Paid-up Capital	300578		
Reserves and surplus	352864		
Secured Loans	401405		
Unsecured Loans	247208		
Current Liabilities	441077		

## The Last Ten Years - DMCC LTD.

(Rs. in lacs)

Particulars	Apr 12 - March 13	Apr 11 - March 12	July 10 - March 11	Apr.09- June10	Oct.07- Mar09	Apr.06- Sep.07	2005-06	2004-05	2003-04	2002-03
Equity Share Capital	2125.78	2125.78	2125.78	2125.78	** 2125.78	* 2084.24	2029.03	2029.03	2029.03	2029.03
Preference Share Capital	880.00	880.00	880.00	880.00	** *880.00	600.00	600.00	600.00	600.00	1000.00
Reserves & Surplus	3528.64	3528.64	3528.64	165.88	165.88	127.42	67.07	67.07	1452.32	3847.12
Gross Sales Turnover	9345.77	8939.17	4743.72	6584.40	17677.35	28125.53	18415.98	16698.20	19210.15	23994.71
Profit/(Loss) before Depreciation/ Amortisation and Taxation	244.27	87.73	7.19	(2387.21)	(2054.27)	(2486.15)	23.38	512.43	726.60	921.45
Depreciation	509.96	486.06	415.73	766.58	1078.04	1205.30	764.51	@441.97	872.23	874.75
Amortisation of Lenders' Sacrifice	-	-	70.97	32.26	80.95	54.83	28.89	-	-	-
Profit/(Loss) before Exceptional item & Taxation	(265.69)	(398.33)	(479.51)	(3186.05)	(3213.26)	(3746.28)	816.78	954.40	1598.83	46.70
Exceptional items	@3591.07					@139.31				
Profit/(Loss) after Exceptional item & before Taxation	3325.38	(398.33)	(479.51)	(3186.05)	(3213.26)	(3606.97)	816.78	954.40	1598.83	46.70
Deferred Tax Liability								43.97	1025.66	0.13
Deferred Tax Asset					505.98	2148.17				
Profit/(Loss) after esceptional Item & after considering Deferred Tax Asset / Liability	3325.38	(398.33)	(479.51)	(3186.05)	(2707.28)	(1458.80)	816.78	998.37	2624.49	46.83
Provision for Current Year's Taxation			0.02	0.02	18.04	25.05	20.70	0.50	1.00	5.68
Profit after Taxation	3325.38	(398.33)	(479.53)	(3186.07)	(2725.32)	(1483.85)	837.48	910.93	574.17	40.89
Surplus brought forward From Previous Year	(9755.75)	(9357.42)	(8877.89)	(5691.82)	(2966.50)	(1482.65)	645.17	24.06	112.40	186.51
Transferred from Investement Allowance Reserve	-	-	-	-	-	-	-	-	-	-
Transferred from Debenture Redemption Reserve	-	-	-	-	-	-	-	-	-	-
Transferred from Prefrence Shares Redemption Reserve	-	-	-	-	-	-	-	-	-	-
Transferred from General Reserve	-	-	-	-	-	-	-	241.70	500.00	-
Available for appropriation	-	-	-	-	-	-	-	-	38.23	227.40
Equity Dividend	-	-	-	-	-	-	-	-	-	-
Employees' Remuneration and Benefits	554.30	563.11	448.42	1713.64	1744.88	2312.84	1320.96	1369.77	1550.19	1619.48
Equity Dividend %	-	-	-	-	-	-	-	-	-	-

\* Equity Share Capital increased by Rs.55.21 lacs on account of 5,52,141 Equity shares of Rs. 10/- each, issued to various secured lenders.

\*\* Equity Share Capital increased by Rs.41.54 lacs on account of 4,15,369 Equity shares of Rs. 10/- each, issued to a secured lender.

\*\*\* Preference Share Capital increased by Rs.280.00 lacs on account of 2,80,000, 2.50% Redeemable Cumulative Non-Convertible Preference Shares of Rs. 100/- each, issued to a secured lender.

+ Increase of Rs. 676.34 lacs on account of allotment of 67,63,437 Equity Shares of Rs. 10/- each on rights issue.

@ Depreciation for the year 2004-2005 of Rs. 441.97 lacs is net of Depreciation Written Back . 375.72 lacs.

© waiver of dues by banks/financial institutions by one time settlement.

Ⓔ Net Profit on Sale of Assets



## THE DHARAMSI MORARJI CHEMICAL COMPANY LTD.

Registered Office : Prospect Chambers, 317/21, Dr. Dadabhoy Naoroji Road, Fort, Mumbai - 400 001.

### Green Initiative in Corporate Governance

Dear Shareholder,

In case you have not registered your e-mail address for receiving communication from the Company in electronic mode, you may submit the Registration Form given below to the Registrar - Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai - 400 078. Shareholders holding shares in demat mode are requested to register their e-mail address with the Depository Participant only.

#### E-COMMUNICATION REGISTRATION FORM

(In terms of circular no.17/2011 dated 21.04.2011 and circular no. 18/2011 dated 29.04.2011 issued by the Ministry of Corporate Affairs)

Folio No./DP ID & Client ID : \_\_\_\_\_

Name of 1st Registered Holder : \_\_\_\_\_

\_\_\_\_\_

Name of Joint Holder(s) : \_\_\_\_\_

\_\_\_\_\_

Registered Address : \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

E-mail ID (to be registered) : \_\_\_\_\_

I/We shareholder(s) of The Dharamsi Morarji Chemical Company Ltd. agree to receive communication from the Company in electronic mode. Please register my/our above e-mail id in your records for sending communication through e-mail.

Date : \_\_\_\_\_

Signature : \_\_\_\_\_

**Note :** Shareholder(s) are requested to keep the Company/Depository Participant informed as and when there is any change in the e-mail address.





# THE DHARAMSI MORARJI CHEMICAL COMPANY LTD.

(Regd. Office : Prospect Chambers, 317/21, Dr. Dadabhoy Naoroji Road, Fort, Mumbai - 400 001)

## PROXY FORM

DP Id*	
Client Id*	

Reg. Folio No.#	
No. of Shares held: _____	

I/We .....  
 .....  
 being a member / members of THE DHARAMSI MORARJI CHEMICAL COMPANY LIMITED hereby appoint

.....of..... or failing him  
 .....of..... or failing him  
 .....of..... as my/our proxy

to vote for me / us on my / our behalf at the 92nd ANNUAL GENERAL MEETING of the Company to be held on Wednesday, the 25th day of September, 2013 at 11.30 a.m. and at any adjournment thereof.

Signed this ..... day of ..... 2013

Signature of member .....

Affix a  
Re. 1/-  
Revenue  
stamp

\* Applicable for investors holding shares in electronic form

# Applicable for investors holding shares in physical form

Note: The proxy must be lodged at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.

----- CUT HERE -----

# THE DHARAMSI MORARJI CHEMICAL COMPANY LTD.

(Regd. Office : Prospect Chambers, 317/21, Dr. Dadabhoy Naoroji Road, Fort, Mumbai - 400 001)

## ATTENDANCE SLIP

DP Id*	
Client Id*	

Reg. Folio No.#	
No. of Shares held: _____	

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE HALL.

I hereby record my presence at the 92nd ANNUAL GENERAL MEETING held at the Indian Merchants' Chamber Conference Hall (Walchand Hirachand Hall), IMC Marg, Churchgate, Mumbai 400 020, on Wednesday, the 25th day of September, 2013 at 11.30 a.m.

NAME OF THE SHAREHOLDER (IN BLOCK LETTERS) .....

SIGNATURE OF THE SHAREHOLDER OR PROXY .....

\* Applicable for investors holding shares in electronic form

# Applicable for investors holding shares in physical form

## BOOK-POST

*If not delivered, please return to:*

**THE DHARAMSI MORARJI CHEMICAL CO. LTD.**

**Registered Office:**

Prospect Chambers,  
317/21, Dr. Dadabhoy Naoroji Road,  
Fort, Mumbai - 400 001.