



Sadhana Nitro Chem Limited
40th Annual Report 2012-13

BOOK-POST



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**BOARD OF DIRECTORS**

Shri Asit D. Javeri
Shri Arvind R. Doshi
Shri Arvind L. Apte
Shri Ramesh A. Shroff
Shri Priyam S. Jhaveri
Shri Dharendra M. Shah
Shri Abhishek A. Javeri
Shri Pradeep N. Desai
Shri Nitin R. Jani

Chairman & Managing Director
Director
Director
Director
Director
Director
Director
Director (w.e.f. 12.02.2013)
Director & Company Secretary

BANKERS

STATE BANK OF INDIA, Mumbai & Roha
AXIS BANK LTD., Mumbai
STATE BANK OF PATIALA, Mumbai

AUDITORS

V. SANKAR AIYAR & CO.
Chartered Accountants
2-C, Court Chambers, 35, New Marine Lines,
Mumbai - 400 020.

REGISTERED OFFICE

207, Kakad Chambers, 2nd Floor,
132, Dr. Annie Besant Road,
Worli, Mumbai - 400 018.
Phone : 6660 4881 - 5 (5 Lines) Fax : (91)22-6660 4147.
Email : sadhananitro@sncl.com Website : www.sncl.com

FACTORY

47, M.I.D.C. Industrial Area, Roha, Dist. Raigad,
Maharashtra - 402 116.

**REGISTRAR AND
TRANSFER AGENT (RTA)**

LINK INTIME INDIA PRIVATE LIMITED
{Formerly known as Intime Spectrum Registry Limited}
C-13 Pannalal Silk Mills Compound,
LBS Road, Bhandup (West), Mumbai - 400 078.
Phones : 022-25963838 Fax : 022-2594 6969.
Email : rnt.helpdesk@linkintime.co.in

NOTICE TO THE MEMBERS



NOTICE is hereby given that the **FORTIETH ANNUAL GENERAL MEETING** of the Company will be held at, SASMIRAAUDITORIUM, The Synthetic & Art Silk Mills' Research Association, 3rd Floor, SASMIRA Marg, Worli, Mumbai 400030 on Thursday, the 31st October, 2013 at 3.00 P.M. to transact the following business :-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet and the Profit and Loss Account and cash flow for the Financial period ended 30th June, 2013 (for 15 months) together with the Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Shri D.M. Shah who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Shri Abhishek A. Javeri who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr. Pradeep N. Desai, who was appointed by the Board of Directors as an Additional Director of the Company in the meeting of the Board of Directors held on 12.02.2013 and who holds office upto the date of the ensuing Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from some members proposing him for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

Registered Office :

207 Kakad Chambers, 2nd Floor
132 Dr. Annie Besant Road
Worli, Mumbai 400 018.

Date: 28th August, 2013.

By Order of the Board

N.R. Jani
Director & Company Secretary

NOTES:

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company. The proxy in order to be effective must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.**
2. The Company has appointed M/s. Link Intime India Private Limited (RTA), C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup, Mumbai 400 078 as Registrars and Share Transfer Agents for Physical Shares. The said (RTA) is also the Depository interface of the Company with both NSDL & CDSL. Their Telephone No. 022-25963838 E-mail address: mt.helpdesk@linkintime.co.in, Fax No. 022-25946969.
However, keeping in view the convenience of Shareholders, documents relating to shares will continue to be received by the Company at its Registered Office. Telephone No. 6660 4881-5, E-mail address : sadhananitro@sncl.com.



3. The Register of Members and the Share Transfer Book of the Company will remain closed from Friday, the 25th October, 2013 to Wednesday, the 31st October, 2013 (both days inclusive) for the purpose of Annual General Meeting.
4. All documents referred to in the accompanying notice and the explanatory statements are open for inspection at the Registered Office of the Company during office hours on all working days, except Saturdays, between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting.
5. Members are requested to notify immediately change of address, if any, to their Depository Participants (DPs) in respect of their electronic share accounts and Link Intime India Private Limited (RTA), or to the Company at its Registered Office in respect of their physical shares.
6. Entrance Pass and Proxy Form is annexed. Members are requested to affix their signature at the space provided in the entrance pass and hand over the same at the entrance to the place of meeting.
7. Members who hold shares in Dematerialised form are requested to bring their client ID and DP ID numbers for easy identification of attendance at the meeting.
8. Members desiring any information are requested to write to the Company 10 days in advance.

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Date: 28th August, 2013.

By Order of the Board

N.R. Jani
Director & Company Secretary

ANNEXURE TO THE NOTICE

DIRECTORS INFORMATION PURSUENT TO CLAUSE 49 VI(A) OF THE LISTING AGREEMENT

Profile of Directors being re-appointed at the ensuing Annual General Meeting:

Name & Age	Educational Qualification	Experience
Mr. D. M. Shah (67 Yrs)	Advocate & Tax Consultant	He joined the company as a Director from 29 th July, 2002. He is B.Com and LL.B having experience of 45 years as Advocate & Tax Consultant.
Mr. A. A. Javeri (30 Yrs.)	B.A. in Economics from North Western University, USA,	He joined the company as a Director from 24 th January, 2007. He is B.A. in Economics from North Western University, USA. having experience of 6 years.



Name of the Companies in which Directors to be re-appointed by Shareholders holds directorship and the membership of Committees of the board :

Name of the Director	Name of the Companies he holds Directorship	Name of the Companies in which he is a Member of the Committee of the Board
Mr. Dharendra M. Shah	1. Mad Entertainment Limited 2. Faberge Financial Service Pvt. Ltd.	Sadhana Nitro Chem Limited - Audit Committee Remuneration Committee
Mr. Abhishek A. Javeri	1. Manekchand Panachand Trading Investment Co. Pvt. Ltd 2. Lifestyle Networks Limited 3. Chandra Net Private Limited 4. AHANA Inc.,USA 5. Strix Wireless Systems Pvt. Ltd 6. Strix System Inc., USA 7. Smaaash Entertainment Pvt. Ltd	- - - - - - -

Your Directors commend these Resolutions for your approval.

None of the Directors except Shri A.D. Javeri who is the relative of Shri Abishek A. Javeri is concerned or interested in the Resolution.

Explanatory Statement Under Section 173 of the Companies Act, 1956.

1. Item No.5

Mr. Pradeep N. Desai, is a B.Sc. (Tech). Considering his qualification as beneficial for the company the Board appointed him as an additional director of the company with effect from 12th February, 2013. In terms of the provisions of the Section 260 of the Companies Act, 1956 and Article 121 of Articles of Association of the Company he will hold office only upto the date of ensuing Annual General Meeting. However he is eligible for re-appointment. As required by Section 257 of the Act, a notice has been received alongwith the requisite deposit from members signifying their intention to propose his candidature for the office of the director. The board recommends the resolution.

None of the Directors is concerned or interested in the Resolution.

This Ordinary Resolution is accordingly being proposed for consideration of the Members.

The Directors recommend the said Ordinary Resolution for acceptance by the Members.

Your Directors commend these Resolutions for your approval.

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Worli, Mumbai 400 018.

Date: 28th August, 2013.

By Order of the Board

N.R. Jani
Director & Company Secretary

DIRECTORS' REPORT



To the Members of SADHANA NITRO CHEM LIMITED

Your Directors have pleasure in presenting to you the 40th Annual Report together with Audited Accounts for the period ended 30th June, 2013 (for 15 Months).

1. FINANCIAL RESULTS

	2012-13 15 Months ₹	2011-12 12 Months ₹
Sales & Other Income	<u>69,26,00,748</u>	<u>67,06,89,309</u>
Profit before Finance Cost, Depreciation, Exceptional item and Tax	6,19,52,613	8,61,09,212
Finance Cost	(10,17,52,717)	(6,63,93,630)
Depreciation	(3,67,39,899)	(3,15,62,932)
Loss before exceptional item and taxation	(7,65,40,003)	(1,18,47,350)
Profit on sale of assets and investments	8,10,56,718	-
Deferred tax asset written off	(2,24,23,071)	(18,89,599)
Excess provision for tax written back	-	2,45,80,724
Profit/(Loss) after tax	<u>(1,79,06,356)</u>	<u>1,08,43,775</u>

2. REVIEW OF OPERATIONS

Your company, in view of good order position, could have achieved higher turnover but for paucity of working capital which hampered the regular and continuous procurement of raw materials and input services to ensure uninterrupted requisite level of operation. Your company has attained turnover of ₹ 6,925 lacs (P.Y. ₹ 6,706 lacs).

All direct and indirect cost except finance cost are under stringent monitoring and control. All efforts are made to enhance efficiency by improving yield. The adverse effect of slowdown in major economies and stiff price competition were mitigated by adopting aggressive marketing strategy and stringent quality standard which are the back bone of the company. As a result the margins on products have shown improvement despite lower level of operation.

The operating margin are burdened with heavy finance cost consequent to costly short term borrowings to fund the past losses caused by extra ordinary circumstances and huge installment repayment obligations to the banks coupled with this was huge provisioning of mark to market foreign exchange liabilities.

Beneficial effects of steps taken to improve yield, depreciating rupee against US dollar, better sales pricing and product mix were washed out by the effect of above adverse factors.

During the period company has raised share capital by ₹ 175 lacs by allotment of 1750000 9% Non-convertible cumulative redeemable preference shares of ₹ 10/- each on preferential basis to promoters and/or holding company. To hive off non-core assets your company has (a) sold its investment in Lifestyle Networks Limited at ₹ 76.50 lacs (b) sold its land at Roha alongwith Colony at aggregate consideration of ₹ 785 lacs.

3. DIVIDEND

Your Directors, considering above, do not recommend any dividend (P.Y. Nil) for the financial period 2012-13.



4. OUTLOOK

Your company has healthy order book position. Despite continued slowdown in the Global economies the demand for the products of your company is showing sign of improvement with improved product pricing coupled with favourable exchange rate. Gradual product price increase, improved operating efficiency and stringent control on overheads are expected to improve the overall performance.

The company continued to focus on cost control at every level to improve the operational efficiency which alongwith the increased operating level and upward revision of product prices is expected to improve the margin. The rate of flow of orders is encouraging. Production facilities are realigned to meet the demand. Your company barring unforeseen circumstances expects to further improve the turn-over and performance.

5. FINANCE

During the period company has raised share capital by ₹ 175 lacs by allotment of 1750000 9% Non-convertible cumulative redeemable preference shares of ₹ 10/- each on preferential basis to promoters and/or holding company. To hive off non-core assets of the company your company has (a) sold its investment in Lifestyle Networks Limited at ₹ 76.50 lacs (b) sold its land at Roha alongwith Colony at aggregate consideration of ₹ 785 lacs.

The term loan availed by the company from all the 3 bankers were fully repaid. From the working capital limits ₹ 1,275 lacs were carved out and converted into working capital term loans of which company has repaid ₹ 595 lacs to the banks causing strain on working capital for operations. The company had to resort to short term borrowings, which are unsecure but costlier, for its finance requirement. Your company has repaid during the year term loan installments of more than ₹ 710 lacs to the Banks consequently the Banks' Working Capital Term Loan liability have substantially reduced.

This caused severe strain and constraint on working capital which adversely affected operating level and impacted the overall operating profitability.

6. EXPORTS

Your Company is having status of a "STAR EXPORT HOUSE" granted by Ministry of Commerce, Government of India.

Despite recessionary trend and unfair severe price competition from China, the Exports of your company during the period were ₹ 5,164 lacs (₹ 5,318 lacs P.Y.)

Exports constituted about 75% of the overall sales (excluding other income). Company's Exports are well diversified in terms of product range as well as the Countries of Export.

7. CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement, the Management Discussion and Analysis, the Corporate Governance Report, together with the Auditors Certificate on compliance with the conditions of Corporate Governance as laid down, form part of this Annual Report.

8. EXPORT ORIENTED UNIT (EOU)

Your company has one of its plants Registered as an EOU with the Development Commissioner, SEEPZ Special Economic Zone which is valid upto 31st March, 2015.

9. ISO CERTIFICATON

Your Company has certification as per ISO 14001:2004 & OHSAS 18001:2007 granted by the certifying body KBS Certification Services Pvt. Ltd. for the development and manufacture of Chemical Intermediates.



10. EFFLUENT TREATMENT

Your Company is conscious about its social responsibilities and is committed towards preservation and conservation of environment.

11. RESEARCH AND DEVELOPMENT

Your company has continuously attached high priority to the R & D Department which is engaged in developing new processes and further improving the existing processes as an ongoing activity to enable your company to keep pace with technological advancement and improve operating efficiency.

12. INSURANCE

The assets of your Company are adequately insured. Your Company has also taken out suitable cover for Public Liability.

13. FIXED DEPOSITS

The total Deposits accepted by your Company as on 30th June, 2013 is Rs. Nil. There is no Deposit or Interest on the same which has matured and remained unpaid.

14. DIRECTORS

The approval of Central Government for the appointment and payment of Remuneration to Shri A.D. Javeri as Chairman & Managing Director for the period of three years from 01.09.2012 to 31.08.2015 has been received on the terms and conditions mentioned in the said approval letter.

The approval of Central Government for the appointment and payment of Remuneration to Shri N.R. Jani, Director & Company Secretary, for the period of three years from 01.09.2012 to 31.08.2015 is awaited.

Directors, Shri D.M. Shah and Shri Abhishek A. Javeri, retire by rotation and being eligible, offer themselves for re-appointment.

15. COST AUDIT

As per the requirement of the Central Govt. and pursuant to Section 233B of the Companies Act, 1956, the Company carries out an audit of cost accounts relating to its product every year. Subject to the approval of Central Government, the Company has appointed M/s. Vinay Mulay & Co, Cost Accountants, Mumbai, to audit the cost accounts relating to its products for the financial year 2012-13. The Cost Audit Report for the year ending 31st March, 2012 has been filed on 11.05.2012.

Cost Audit for the financial period ending 30th June, 2013 is in progress and the same will be filed soon.

16. AUDITORS

Messrs V. Sankar Aiyar & Co. Chartered Accountants, Auditors of your Company, retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

17. SUBSIDIARY

Pursuant to the provisions of Section 212 of the Companies Act 1956, the Annual Accounts of Anuchem B.V.B.A. (Belgium), Anuchem Pte. Ltd. (Singapore), wholly owned foreign subsidiaries of your company, is attached.

Lifestyle Networks Limited ceased to be subsidiary of the company during the year.

In compliance with accounting standard AS-21, your company has attached the consolidated statement of account giving therein the consolidated financial statement relating to the company and its subsidiaries.



18. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS / OUTGO

The information required under Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 with respect to these matters are given in Annexure-I appended hereto and forms part of this Report.

19. EMPLOYEES

The industrial relations during the year were cordial.

There is no Employee drawing Remuneration in excess of the limits prescribed by the Companies (Particulars of Employees) Rules, 1975.

20. DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217 of the Companies Act, the Directors hereby confirm that:

- i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures:
- ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the Company for that period:
- iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities:
- iv) the Directors had prepared the annual accounts on a going concern basis.

21. ACKNOWLEDGEMENTS

Your Directors would like to express their appreciation for the assistance and co-operation received from the Bankers State Bank of India, Mumbai and Roha, Axis Bank Limited and State Bank of Patiala. They also wish to place on record their appreciation for the co-operation and contribution of the staff and workmen in the achievements of your Company during the year under report. Last but not least the Directors place on record their gratitude to the Investors, Depositors, Clients and Shareholders of the Company for their support and trust reposed.

For and On Behalf of the Board of Directors

Place : Mumbai
Date : 28th August, 2013

Asit D. Javeri
Chairman & Managing Director

ANNEXURE TO THE DIRECTORS' REPORT



ANNEXURE - I

INFORMATION REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988.

A. CONSERVATION OF ENERGY

Several measures are undertaken to conserve and optimise the use of energy which will be continued.

FORM-A : FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY. POWER, FUEL AND WATER CONSUMPTION

	30.06.2013	31.03.2012
	15 Months ₹	12 Months ₹
1. Electricity		
a) Purchased Unit in kwh	31,95,617	32,98,051
Total amount (₹)	2,58,12,031	2,15,11,794
Rate/Unit (₹)	8.08	6.52
b) Own generation		
Through Diesel Generator Units in kwh	59,728	53,984
Unit per liter of diesel oil (kwh)	2.83	2.78
Liter of Diesel	21,079	19,425
Total amount (₹)	11,29,100	8,49,882
Cost/Units (₹)	18.90	15.74
2. Furnace Oil		
Quantity (KL)	921	1293
Total Amount (₹)	3,63,07,163	4,46,11,531
Average Rate (₹/MT)	39,421	34,502
3. Briquettes		
Quantity (MT)	3486	4554
Total Cost (₹)	2,12,36,857	2,42,86,936
Average Rate (₹/MT)	6,092	5,333
4. Water		
Quantity (M3)	91740	125384
Total Cost (₹)	29,16,554	30,97,749
Average Rate (₹/MT)	31.79	24.71

B. TECHNOLOGY ABSORPTION

FORM-B : FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION OF TECHNOLOGY.

RESEARCH AND DEVELOPMENT

- Specific areas in which R&D carried out by the Company. The R&D efforts of the Company are directed towards process development, energy conservation, Pollution control, efficiency improvement and quality up-gradation.
- Benefits derived as a result of the above R&D.

R&D efforts have resulted in development of process for several chemical intermediates, the commercial production of which are commenced, besides improving quality and operating efficiency of existing products.



	30.06.2013 15 Months ₹	31.03.2012 12 Months ₹
3. Future Plan of Action. To continue R&D in the relevant areas to achieve its benefits.		
4. Expenditure on R&D		
(a) Capital	48,058	1,13,632
(b) Recurring	51,58,409	38,68,454
Total	52,06,467	39,82,086
(c) Total R&D expenditure as a % of total turnover	0.75%	0.59%

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- Efforts, in brief, made towards technology absorption, adaptation and innovation.
The Company has commenced production of some items of chemical intermediates, the process for which has been developed in R&D.
- Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution, etc. There is improvement in quality and yield of the product and has widened product range for marketing.
- In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year). No imports of technology during last 5 years.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- Activities relating to exports, initiative taken to increase exports, development of new export markets for products and services and export plans.

The Company is exporting about 80% of its chemical intermediate production. The total exports during the year were ₹ 5,164 Lacs (P. Y. ₹ 4,462 Lacs). The Company is putting all its efforts to tap new export markets and widen its clientele base.

- Total Foreign Exchange used and earned. (in ₹)

	30.06.2013 15 Months ₹	31.03.2012 12 Months ₹
(i) Used :		
a) Imports (CIF)	10,91,10,831	8,59,26,111
b) Other expenditure	5,69,490	7,42,239
	10,96,80,321	8,66,68,350
(ii) Earned :		
Exports (F.O.B.)	46,32,13,903	52,45,61,437

For and On Behalf of the Board of Directors

Place : Mumbai
Date : 28th August, 2013

Asit D. Javeri
Chairman & Managing Director

REPORT ON CORPORATE GOVERNANCE



1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE :

SADHANA NITRO CHEM LIMITED believes that transparent accounting policies, appropriate disclosures norms, best-in-class Board practices and consistently high standards of corporate conduct towards its stakeholders are essential for sustained corporate growth.

Corporate Governance is about commitment to values and ethical business conduct. The Report on the Corporate Governance is to fulfill this commitment. An Organization is able to attract investors, and enhance the trust and confidence of all stakeholders by following the best governance practices.

Our Governance philosophy is based on the following:-

- * Management is the trustee of the Shareholders capital and not the owner.
- * Provide an enabling environment to harmonize the goals of maximizing stakeholder value and maintaining a customer centric focus.
- * Have a simple and transparent corporate structure driven solely by business needs.
- * Communicate externally, in a truthful manner, about how the Company is running internally.
- * Make clear distinction between personal convenience and corporate resources.
- * Be transparent and maintain high degree of disclosure levels in all facets of its operations.
- * Satisfy the spirit of the law and not just the letter of the law.

The Company's philosophy on Corporate Governance is thus concerned with the ethics, values and morals of the Company and its directors, who are expected to act in the best interests of the Company and remain accountable to shareholders and other beneficiaries for their action.

Your Board of Directors presents the Corporate Governance Report for the 15 Months period ended 30th June, 2013.

2. BOARD OF DIRECTORS :

Composition of the Board and Directorship held in other Companies as on 30th June, 2013

Sr. No.	Name of the Director(s)	Promoter/ Independent Executive / Non-Executive	No. of outside Directorship	No. of other outside Committee positions held (*)	
				Chairman	Member
1.	Mr. Asit D. Javeri	Promoter -Executive Chairman & Managing Director	11	4	4
2.	Mr. Arvind R. Doshi	Independent -Non-Executive	3	-	2
3.	Mr. Arvind L. Apte	Independent -Non-Executive	2	-	-
4.	Mr. R. A. Shroff	Independent -Non-Executive	1	-	1
5.	Mr. P. S. Jhaveri	Independent -Non-Executive	12	1	3
6.	Mr. D.M. Shah	Independent -Non-Executive	2	-	-
7.	Mr. A. A. Javeri	Related to Shri A.D. Javeri - Non-Executive	7	-	-
8.	Mr. P.N. Desai	Independent -Non-Executive	1	-	-
9.	Mr. Nitin R. Jani	Executive	7	-	-

(*) In other Limited Companies (including Private Limited Companies)/Foreign companies. Only membership of audit committee and shareholders/Investors Grievance Committee are considered.

3. DIRECTORS' PROFILE :

Profile of Non-Executive Directors being re-appointed at the ensuing Annual General Meeting is given in the Notice convening the Annual General Meeting.



4. ATTENDANCE RECORD OF THE DIRECTORS :

During the Financial Period 2012-13, Nine Meetings of Board of Directors were held on the following days:- 14th May 2012, 18th June 2012, 12th July 2012, 13th August 2012, 2nd November, 2012, 21st November, 2012, 12th February, 2013, 3rd April, 2013 & 14th May, 2013. Annual General Meeting was held on 13th August, 2012. Extra Ordinary General Meeting was held on 27th December, 2012.

The Attendance of Directors at the Board Meetings and Annual General Meeting were as under:-

Directors	Number of Meetings		Attendance at the last Annual General Meeting
	Held	Attended	
Mr. Asit D. Javeri	9	9	Yes
Mr. Arvind R. Doshi	9	6	No
Mr. Arvind L. Apte	9	1	No
Mr. Ramesh A. Shroff	9	8	Yes
Mr. Priyam S. Jhaveri	9	8	No
Mr. D.M. Shah	9	9	Yes
Mr. Abhishek A. Javeri	9	9	Yes
Mr. Pradeep N. Desai	9	2	No
Mr. Nitin R. Jani	9	9	Yes

5. BOARD PROCEDURE :

Board meets once in quarter wherein they review quarterly performance and financial results. The Board meetings are generally scheduled well in advance and the notice of each meeting is given in writing to each Director. All the items on the agenda are accompanied by note giving comprehensive information on the related subject. The agenda and relevant notes are sent in advance separately to each of directors and only in exceptional cases the same is tabled at the meeting. The Board is also free to recommend the inclusion of any method for discussion in consultation with the Chairman. The information as specified in Annexure IA to the Clause 49 of the Listing Agreement is regularly made available to the Board. The minutes of the Board meeting circulated in advance to all directors and confirmed at subsequent meeting. The minutes of audit committee and other committees of the board are circulated in advance to all directors regularly place before the board.

6. AUDIT COMMITTEE :

As required u/s 292A of the Companies Act, 1956 read with provisions of Clause 49 of the Listing Agreement with the Stock Exchange, the Board has constituted Audit Committee which consists of the following Directors.

Mr. D.M. Shah	Chairman	Non-Executive, Independent
Mr. Arvind R. Doshi	Member	Non-Executive, Independent
Mr. Priyam S. Jhaveri	Member	Non-Executive, Independent

The Audit Committee shall have the authority to investigate into any matter that may be prescribed under Company Law for the time being in force and shall also comply with the terms of reference as specified herein as under :-

The role of the Audit Committee shall be as under :-

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board the appointment, re-appointment and, if required, the replacement or removal of the statutory auditors and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.



4. Reviewing with management the annual financial statements before submission to the Board, for approval with particular reference to :
 - a. Matters required being included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with Listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in draft audit report.
5. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing with the management performance of statutory and internal auditors, adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussions with internal auditors any significant findings and follow up thereon.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
10. Discussions with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
12. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee shall mandatorily review the following information.

 1. Management discussion and analysis of financial condition and results of operations ;
 2. Statement of significant related party transactions (as defined by the audit committee), submitted by Management ;
 3. Management letters/letters of internal control weaknesses issued by the statutory auditors ;
 4. Internal audit reports relating to internal control weakness ; and
 5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

Mr. V. Mohan and Mr. Arvind Mohan, Partner of the firm of Statutory Auditor and Mr. Nikhil Vadia, Proprietor of firm of Internal Auditor, have been permanent invitees to the Audit Committee Meeting besides Mr. Asit D. Javeri, Chairman & Managing Director and Mr. Nitin R. Jani, Director & Company Secretary attended most of the meeting of the Audit Committee as invitee.

During the year, the Audit Committee, in its meetings, discussed among other things, the following :

- * Reviewed with management, quarterly, half yearly and annual financial statements before submission to the Board.
- * Discussed with the management and the internal and statutory auditors findings in the internal audit reports.



- * Deliberated on the applicability, compliance and impact of various Accounting Standards and guidelines issued by the Institute of Chartered Accountants of India from time to time.
- * Reviewed the Company's Financial and Risk Management Policies and Audit Reports covering operational, financial and other business risk areas.

The Chairman of the Audit Committee has briefed the Board of Directors, about the Audit Committees observations on various issues discussed at its meetings. Minutes of the Audit Committee Meetings are also circulated to all the Board Members along with agenda of the subsequent meeting.

All the suggestions / recommendations of the Audit Committee during the financial year 2012-13, have been accepted by the Board of Directors.

The Financial decisions of the Company are taken by the Chairman & Managing Director, Mr. A.D. Javeri at the Board of Directors Meeting.

The attendance record of each member of the Audit Committee at the Meeting held on 14th May 2012, 18th June 2012, 12th July 2012, 10th August 2012, 2nd November 2012, 12th February, 2013 and 14th May, 2013 are as follows :

Name	Date of Appointment	Non-Executive / Independent	Numbers of Meetings	
			Held	Attended
Mr. D.M. Shah	29 th April 2008	Non-Executive - Independent	7	7
Mr. Arvind R. Doshi	29 th April 2008	Non-Executive - Independent	7	5
Mr. Priyam S. Jhaveri	29 th April 2008	Non-Executive - Independent	7	6

The previous Annual General Meeting was held on 13th August, 2012 and it was attended by Mr. D.M. Shah, Chairman of the Audit Committee.

7. RISK MANAGEMENT :

The Board takes responsibility for the total process of risk management in the organisation. Results of the risk assessments and residual risks are presented to the Senior Management and the Audit Committee members. The Management is accountable for the integration of risk management practices into the day to day activities. The scope of the Audit Committee includes review of the Company's financial and risk management policies. The Audit Committee reviews the Audit Reports covering operational, financial and other business risk areas.

8. SHAREHOLDERS / INVESTORS GRIEVANCES :

The Shareholders / Investors Grievance Committee consists the following Directors :

Mr Ramesh A. Shroff Chairman

Mr Arvind R. Doshi Member

Mr Priyam S. Jhaveri Member

Terms of Reference

- * Review the existing investors Redressal System and suggest measures for improvement.
- * Review the report of Registrars and Share Transfer Agents about investor's grievances and follow up for the necessary action taken for redressal thereof.
- * Suggest improvement in investor's relations.
- * Consider and take on record the Certificate from Practicing Company Secretary certifying that the aggregate number of equity shares held in depositories and in physical form tally with the total number of shares issued, listed and admitted share capital.



The attendance record of each member of the Investors Grievance Committee at the Meeting held on 18th June, 2012 is as follows :

Name	Date of Appointment	Non-Executive / Independent	Numbers of Meetings	
			Held	Attended
Mr. Ramesh A. Shroff	29 th April 2008	Non-Executive - Independent	1	1
Mr. Arvind R. Doshi	29 th April 2008	Non-Executive - Independent	1	-
Mr. Priyam S. Jhaveri	29 th April 2008	Non-Executive - Independent	1	1

Statement of the various complaints received and cleared by the Company during the period ended on 30th June, 2013 :

Sr. No.	Subject	Received (Nos.)	Cleared (Nos.)	Pending *
1.	Non Receipt of Dividend/Interest/ Redemption Warrant	3	3	-
2.	Non Receipt of Share Certificate	3	3	-
3.	Non Receipt of Rejected DRF	1	1	-
4.	Non Receipt of Annual Report	1	1	-
	Total	8	8	-

There are two pending legal matters, in which the Company has been made a party, before any other Court(s) / Consumer Forum(s) etc., on Investors grievances.

All share transfer and correspondence thereon are handled by the Company's Registrars and Share Transfer Agents viz. Link Intime Private Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup, Mumbai 400 078

Mr. Nitin R. Jani, Director & Company Secretary, has been appointed as the Compliance Officer, as required by the Listing Agreement entered into by the Company with Bombay Stock Exchange. He has been entrusted the task of overseeing the Share Transfer work done by the Registrars and Share Transfer Agents and attending to grievances of the Shareholders and Investors intimated to the Company directly or through SEBI and Stock Exchanges. All complaints/grievances intimated during the year have been resolved.

9. REMUNERATION COMMITTEE :

The Remuneration Committee shall have the authority to Investigate into any matter that may be prescribed under Company Law for the time being in force and shall also comply with the terms of reference as specified herein as under :

1. The Remuneration Committee shall have meetings periodically as it may deem fit.
2. The Remuneration Committee shall invite such of the executives to be present at the meetings of the Committee required by it.
3. The Remuneration Committee shall have the following powers and functions :
 - a. To recommend to the Board, the terms and conditions of appointment of key Management personnel.
 - b. To seek information from any employee.
 - c. To obtain outside legal or other professional advice.

10. REMUNERATION POLICY :

The remuneration policy of the Company is directed towards rewarding performance based on review of achievements on a periodic basis and is in consonance with the existing industry practice.



The Remuneration Committee consists of the following Directors.

Mr. Arvind R. Doshi	Chairman	Non-Executive – Independent
Mr. Priyam S. Jhaveri	Member	Non-Executive – Independent
Mr. D.M. Shah	Member	Non-Executive – Independent

Attendance record of the Members

The attendance record of each member of the Remuneration Committee at the Meeting held on 18th June, 2012 is as follows :

Name	Date of Appointment	Non-Executive / Independent	Numbers of Meetings	
			Held	Attended
Mr. Arvind R. Doshi	29 th April 2008	Non-Executive - Independent	1	-
Mr. Priyam S. Jhaveri	29 th April 2008	Non-Executive - Independent	1	1
Mr. D.M. Shah	29 th April 2008	Non-Executive - Independent	1	1

The Company pays remuneration by way of salary, allowances and perquisites, performance allowance etc. to the Chairman & Managing Director and Director & Company Secretary on recommendation of the Remuneration Committee as approved by the Board of Directors and shareholders of the Company subject to approval of the Central Government. Each Non-Executive Director is paid per meeting attended a sitting fee of Rs. 5000/- for Board Meeting and Rs. 3000/- for Committee Meeting.

Details of remuneration of the Directors during the period 1st April, 2012 to 30th June, 2013 are as under :

Name of the Director	Salaries, Allowances, Perquisites, Performance allowance, contribution to P.F etc. ₹	Sitting fees ₹	Total ₹	No. of shares held
Mr. Asit D. Javeri *	55,82,896	-	55,82,896	N.A.
Mr. Arvind R. Doshi	-	45,000	45,000	12,498
Mr. Arvind L. Apte	-	5,000	5,000	1,444
Mr. Ramesh A. Shroff	-	43,000	43,000	259
Mr. Priyam S. Jhaveri	-	64,000	64,000	100
Mr. D.M. Shah	-	69,000	69,000	5,000
Mr. Abishek A. Javeri	-	45,000	45,000	37,100
Mr. Pradeep N. Desai	-	10,000	10,000	-
Mr. Nitin R. Jani *	30,59,531	-	30,59,531	N.A.
Total	86,42,427	2,81,000	89,23,427	-

* Whole time directors are not eligible for sitting fees. (N.A. - Not applicable)

Presently the company does not have a scheme of grant of Stock option. The Company has not advanced any loans to any of the Directors.

Please refer "Note 25" annexed to the Financial Statements of the year.



11. General body meeting :

(A) Details of location and time of holding of last three AGMs :

AGM for the financial year ended	Venue	Date	Time	No. of Special Resolutions passed
2009-10	SASMIRA AUDITORIUM, The Synthetic & Art Silk Mills', Research Association, 3 rd Floor, SASMIRA Marg, Worli, Mumbai - 400030.	20.09.2010	3.00 p.m.	Nil
2010-11	SASMIRA AUDITORIUM, The Synthetic & Art Silk Mills', Research Association, 3 rd Floor, SASMIRA Marg, Worli, Mumbai - 400030.	30.08.2011	3.00 p.m.	Nil
2011-12	SASMIRA AUDITORIUM, The Synthetic & Art Silk Mills', Research Association, 3 rd Floor, SASMIRA Marg, Worli, Mumbai - 400030.	13.08.2012	3.00 p.m.	2

(B) Special resolutions passed at the last three annual general meetings:

The Special Resolution for (1) Re-appointment of Shri A.D. Javeri, Chairman & Managing Director and (2) Re-appointment of Shri N.R. Jani, Director & Company Secretary, were passed in the Annual General Meeting held on 13th August, 2012

(C) Extra Ordinary General Meeting :

During the last three years Two Extra Ordinary General Meeting was held by the company (1) on 25th October, 2011 for the purpose of passing Special resolution pursuant to the provision of Section 23 and other applicable provisions of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) and (2) on 27th December, 2012 for the purpose of passing Special Resolution pursuant to the provisions of Section 16 & 94 and other applicable provision for the modification of Articles of Association of the Company for alteration of the Authorised Share Capital of the Company and issue, offer and allotment of Non-Convertible Cumulative Redeemable Preference Shares of the face value of ₹10/- (Rupees Ten) each at par not exceeding ₹ 1,75,00,000 (Rupees One Crore Seventy-five lacs) on preferential basis to Promoters.

(D) No resolution was passed by Postal Ballot during the year :

12. SUBSIDIARIES :

The Company does not have any material non-listed Indian subsidiary whose turnover or net worth (i.e. paid-up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

13. DISCLOSURES :

(a) **Materially Significant related party transactions:** The particulars of transactions between the Company and its related parties as per the Accounting Standard -18 are set out at Note 7 in Notes to Accounts in the Annual Report. These transactions are not likely to have any conflict with Company's interest.

(b) **Management Disclosures:** The Senior Management Personnel have been making disclosures to the Board relating to all material, financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the Company at large. Based on the disclosures received, none of the Senior Management Personnel has entered into any such transactions during the year.



- (c) **Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last 3 years:** The Company has complied with the requirements of the Listing Agreement with the Stock Exchanges as well regulations and guidelines prescribed by SEBI.

There were no penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter relating to the capital markets during the last three years.

- (d) **Risk Management Framework :**

The Board of Directors has adopted the Risk Assessment Procedure. The procedure provides an approach by the top Management to identify potential events that may affect the Company, to manage the risk within its risk appetite and to provide reasonable assurance regarding the achievement of objectives of the Company. The Senior Management priorities the risk and finalise the action plan for mitigation of the key risks.

- (e) **Whistle Blower Policy :**

Though there is no formal Whistle Blower Policy, the Company takes cognizance of complaints made and suggestions given by the employees and others. Even anonymous complaints are looked into and whenever necessary, suitable corrective steps are taken. No employee of the Company has been denied access to the Audit Committee of the Board of Directors of the Company.

14. MEANS OF COMMUNICATION :

The quarterly, half yearly and annual results are published in English in "FreePress Journal" and in Marathi in "Navshakti" and will be uploaded on the SEBI website under Electronic Data Information Filing and Retrieval (EDIFAR).

Management discussion and analysis form part of the Annual Report and appears as Annexure to the Directors' Report.

15. GENERAL SHAREHOLDER INFORMATION :

The current financial year of the Company is for a period of 15 months from 1st April, 2012 to 30th June, 2013.

AGM : Date, time and venue	40 th Annual General Meeting on thursday, the 31 st October, 2013 at 3.00 P.M. at SASMIRA AUDITORIUM, THE SYNTHETIC & ART SILK MILLS' RESEARCH ASSOCIATION, 3 RD FLOOR, SASMIRA MARG, WORLI, MUMBAI - 400030.
Date of Book Closure	25-10-2013 to 31-10-2013(both days inclusive) in connection with Annual General Meeting.
Dividend payment date	NIL for financial year 2012 -13.
Financial Calendar (Tentative)	
Results for quarter ending June 30, 2013	Last week of July, 2013
Results for quarter ending September 30, 2013	Last week of October, 2013
Results for quarter ending December 31, 2013	Last week of January, 2014
Results for quarter ending March 31, 2014	Last week of April, 2014
Listing of Company's shares	The Company's shares are listed on Bombay Stock Exchange Ltd. (BSE)
Scrip Code	506642
ISIN Number	INE888C01016
The company has paid upto date listing fees to Bombay Stock Exchange Ltd.	



16. HIGH/LOW OF MARKET PRICE OF THE COMPANY'S SHARES TRADED ON THE STOCK EXCHANGE UPTO 30TH JUNE, 2013 :

Period	SNCL's Share Price (₹)		BSE SENSEX	
	High	Low	High	Low
April 2012	17.90	14.25	17,664.10	17,010.16
May	16.75	13.70	17,432.33	16,218.53
June	15.09	12.95	17,448.48	17,429.98
July	14.16	12.50	17,631.19	17,236.18
August	14.25	11.45	17,972.54	17,429.56
September	15.50	12.41	18,869.94	18,762.74
October	14.05	12.20	19,137.29	18,505.38
November	13.20	11.45	19,372.70	19,339.90
December	12.50	10.50	19,612.18	19,426.71
January 2013	11.55	10.05	20,203.66	19,894.98
February	10.80	8.75	19,966.69	18,861.54
March	9.80	8.10	19,754.66	18,835.77
April	-	-	19,622.68	19,504.18
May	10.00	7.78	20,443.62	19,760.30
June	9.39	6.71	19,860.19	19,395.81

17. INVESTOR SERVICES :

The Company has appointed M/s. Link Intime India Pvt. Ltd (LIIP) (Formerly known as M/s. Intime Spectrum Registry Limited (ISRL), whose address is given below, as its Registrar and Transfer Agents. The Registrar handles all matters relating to the shares of the Company including transfer, transmission of shares, Dematerialisation of share certificates, subdivision/consolidation of share certificates and investor grievances.

M/s. Link Intime India Pvt. Ltd having registered office at C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup, Mumbai 400 078 are Registrars and Share Transfer Agents for Physical Shares. LIIP is also the Depository interface of the Company with both NSDL & CDSL. Their Telephone No. 2596 3838 E-mail address: rnt.helpdesk@linkintime.co.in, Fax No. 25946969.

18. SHARE TRANSFER SYSTEM :

All the transfers received are processed by Registrar and Transfer Agents. Share transfers are registered and returned within maximum of 30 days from the date of lodgment if documents are complete in all respects. In case the shares are transferred through Demat mode, the procedure is adopted as stated in Depositories Act, 1996.

19. DEMATERIALISATION OF SHARES :

The Company's shares are tradable compulsorily in electronic form. The Company has established through its Registrar and Share Transfer Agents, connectivity with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). As on 30th June, 2013, 96.71% of the equity shares have been dematerialised.

20. SHARE HOLDING PATTERN AS ON 30th JUNE, 2013 :	No. of Shares	Percentage
Promoters	6634615	72.11
Mutual Funds and UTI	560	0.01
Banks, Financial Institutions & Insurance Companies	621	0.01
Bodies Corporate	216321	2.35
Indian Public	2302340	25.01
NRIs/Foreign Nationals	46373	0.51
Total	9200830	100.00

Pursuant to Regulation 3(1)(e)(i) of Securities and Exchange Board of India (Substantial Acquisition of Shares & Takeovers) Regulations, 1997 and subsequent amendments thereto, Promoter Group and



Persons acting in concert consists of Manekchand Panachand Trading Investment Co. Private Limited and Mr. Asit D. Javeri & his family.

21. DISTRIBUTION OF SHAREHOLDING AS ON 30th JUNE, 2013 :

No. of shares	Folio		Amounts	
	Number	% to total	₹	% to total
1 - 5000	3914	83.7936	49,79,850	5.4124
5001 - 10000	360	7.7071	26,83,800	2.9169
10001 - 20000	197	4.2175	28,21,900	3.0670
20001 - 30000	64	1.3702	15,89,030	1.7271
30001 - 40000	28	0.5994	9,93,340	1.0796
40001 - 50000	32	0.6851	14,71,290	1.5991
50001 - 100000	35	0.7493	26,561,20	2.8868
100001 and above	41	0.8778	7,48,12,970	81.3111
Total	4671	100.0000	9,20,08,300	100.0000

22. UNCLAIMED DIVIDEND :

Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, dividend which remain unclaimed for a period of 7 years will be transferred by the Company to the **Investor Education and Protection Fund (IEPF)** established by the Central Government pursuant to Section 205C of the Companies Act, 1956. Members are advised that once the unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof. The Company has already transferred the unclaimed dividend for the year ended 31st March, 2005 to the IEPF.

Information in respect of such unclaimed dividend when due for transfer to the said Fund is given below :-

Financial year ended	Date of declaration of Dividend	Last date for claiming unpaid Dividend	Due date for transfer to IEP Fund
31.03.2006	26.09.2006	14.09.2013	13.10.2013
31.03.2007	27.09.2007	15.09.2014	14.10.2014
31.03.2008	25.09.2008	13.09.2015	12.10.2015

Members who have not encashed their dividend warrant(s) for the financial year ended 31st March, 2006, or any subsequent financial year(s), are requested to lodge their claims with the Company.

23. CODE OF CONDUCT :

As required by Clause 49 I (D) of the Listing Agreement, the Company has formulated a Code of Conduct for all Directors and Senior Management of the Company and the same has been adopted by the Board. All the Directors and Senior Management Personnel have affirmed compliance with the said Code of Conduct.

24. CEO/CFO CERTIFICATION :

The Company is duly placing a certificate to the Board from the Chairman & Managing Director in accordance with the provisions of Clause 49 (V) of the Listing Agreement. The aforesaid certificate duly signed by the Chairman & Managing Director in respect of the financial period ended 30th June, 2013 has been placed before the Board in the meeting held on 28th August, 2013.

Plant Location

Sadhana Nitro Chem Limited
47, MIDC Industrial Area
Roha, Dist. Raigad
Maharashtra - 402 116.
Tel : Dhatav - 02194-263801-2-3
Fax : (91)02194-263522

Sadhana Nitro Chem Limited
Regd. Office : 207 Kakad Chambers,
2nd Floor, 132 Dr. Annie Besant Road,
Worli, Mumbai - 400 018.
Tel : 022-66604881-5 (5 Lines)
Fax : (91)22-66604147
E-mail : sadhananitro@sncl.com
Website : www.sncl.com

Address for correspondence

Link Intime India Pvt. Ltd
(Formerly known as
Intime Spectrum Registry Limited)
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup, Mumbai - 400 078.
Telephone No. 022-2596 3838
Fax No. 022-25946969.
E-mail : rnt.helpdesk@linkintime.co.in



25. SECRETARIAL AUDIT FOR RECONCILIATION OF CAPITAL :

As stipulated by SEBI a qualified Practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out periodically and thereon is submitted to the Listed Stock Exchanges. The audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL and CDSL) and total number of shares in physical form.

26. DECLARATION :

The Board of Directors of the Company has adopted the Code of Conduct for Directors and Senior Management of the Company.

All the Board Members and the Senior Management Personnel have affirmed their Compliance with the respective Codes.

Place: Mumbai
Date : 28th August, 2013.

A. D. Javeri
Chairman & Managing Director

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

We have examined the compliance of conditions of Corporate Governance by Sadhana Nitro Chem Limited (the Company) for the period ended 30th June, 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 a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for the review and the information and explanations given to us by the Company.

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

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Investor's / Shareholders Grievance & Share Transfer Committee. 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.

Place : Mumbai
Dated : 28th August, 2013

For **V. Sankar Aiyar & Co.**
Chartered Accountants
Firm Regn. No. 109208W
Arvind Mohan
Partner
Membership No. 124082

MANAGEMENT DISCUSSION AND ANALYSIS



INDUSTRY :

Your company is engaged in manufacture of chemical intermediates, heavy organic chemicals and performance chemicals. India emerged as one of the major source for chemical intermediates. The industry witnessed high degree of uncertainty and slow down following global economy pattern. The industry is dependent on the basic petro-chemicals, prices of which were highly volatile during the year. There is severe price competition in the National and International Market.

OPPORTUNITIES AND THREATS :

Your company is in the industry since last 40 years. It has a very high degree of operating synergy, economies of scale and high quality standards. The products of your company have diverse uses and applications in several industries ranging from paper, pharmaceutical, agro chemicals, thermal dyes, light stabilizer, aerospace dyes and dye intermediates etc. Besides, your company have loyal clientele base, which is well diversified over the World.

The major threat faced by the company are escalating raw material prices, crude oil prices, increasing interest rate and volatile foreign exchange market.

MARKET AND OUTLOOK :

There is healthy order book position. Despite continued slowdown in the Global economies the demand for the products of your company is showing sign of improvement with improved product pricing coupled with favourable exchange rate. Gradual product price increase, improved operating efficiency and stringent control of overheads are expected to improve the overall performance.

The company continued to focus on cost control at every level to improve the operational efficiency which alongwith the increased operating level and upward revision of product prices is expected to improve the margin. The rate of flow of orders is encouraging. Production facilities are realigned to meet the demand. Export market is very good can be catered with the availability of adequate Working Capital. Your company could have achieved higher exports but for lack of Working Capital which impacted continuous production and fulfilling of export orders. Your company barring unforeseen circumstances expects to further improve the turn-over and performance.

INTERNAL CONTROL SYSTEMS AND ADEQUACY :

The Company has set up internal control procedures commensurate with its size and nature of the business. These business procedures ensure optimum use and protection of the resources and compliance with the policies, procedures and statutes. The internal control systems provide for well-defined policies, guidelines, authorizations and approval procedures. The prime objective of such audit is to test the adequacy and effectiveness of the internal control laid down by management and to suggest improvements.

RISKS AND CONCERNS :

Macro-economic factors like the slow down, sluggish demand conditions, monetary policy & fiscal policy, unforeseen political and social upheavals, natural calamities may affect the business of your Company as also the industry at large.

With competition intensifying in all segments of the industry, increasing the market shares and the consumer base is a continuing challenge.

Since raw materials form an important component of your company's value chain, cost and availability of some of the key raw materials like benzene, nitric acid, caustic potash, sulphur based chemicals, iron powder are an area of concern.

Your Company has however improved processes for better consumption norms, substituting cheaper raw materials, converting one of the boilers from furnace oil base to Bagasse base. Your company has technological superiority and strong distribution network.

HUMAN RESOURCE/INDUSTRIAL RELATIONS :

Human Resource programs and initiatives in SNCL are aligned to meet the business needs. Your company believes in investing in people to develop and expand their capability. The Company has been able to create a favourable work environment that motivates performance, customer focus and innovation SNCL's strategies are based, inter alia, on processes of continuous learning and improvement.

ENVIRONMENT AND SAFETY :

The Company is conscious of the importance of environmentally clean and safe operations. The company's policy requires the conduct of all operations in such manner so as to ensure safety of all concerned, compliance of statutory and industrial requirements for environmental protection and conservation of natural resources to the extend possible.



FINANCE :

During the period company has raised share capital by ₹ 175 lacs by allotment of 1750000 9% Non-convertible cumulative redeemable preference shares of ₹ 10/- each on preferential basis to promoters and/or holding company. To hived off non-core assets of the company your company has (a) sold its investment in Lifestyle Networks Limited at ₹ 76.50 lacs (b) sold its land at Roha alongwith Colony at aggregate consideration of ₹ 785 lacs.

The term loan availed by the company from the banks were fully repaid. From the working capital limits ₹ 1,275 lacs were carved out and converted into working capital term loans of which company has repaid ₹ 595 lacs to the banks causing strain on working capital for operations. The company had to resort to short term costly borrowings which are unsecured but costlier for its finance requirement. Your company has repaid during the year term loan installments of more than ₹ 710 lacs to the Banks consequently the Banks' term loan liability have substantially reduced.

This caused severe strain and constraint on working capital which adversely affected operating level and the performance could have been much better but for lack of Working Capital impacted the overall operating profitability.

FOREIGN EXCHANGE AND RISK MANAGEMENT :

Your company's revenue stream largely denominated in USD, and this exposes company's profit and loss account to currency fluctuation. The currency exposure is managed by simple hedge product foreign exchange forward contract with maximum tenure up to one year. Your company has advisory support from a professional consultant.

PERFORMANCE :

Your company, in view of good order position, could have achieved higher turnover but for paucity of working capital which hampered the regular and continuous procurement of raw materials and input services to ensure uninterrupted requisite level of operation. Your company has attained turnover of ₹ 6,925 lacs (P.Y. ₹ 6,706 lacs).

All direct and indirect cost except finance cost are under stringent monitoring and control. All efforts are made to enhance efficiency by improving yield. The adverse effect of slowdown in major economies and stiff price competition were mitigated by adopting aggressive marketing strategy and stringent policy standard which are the back bone of the company. As a result the margins on products have shown improvement despite lower level of operation.

The operating margin are burdened with heavy finance cost consequent to high cost and short term borrowing by way of inter corporate deposits to fund the past losses caused by extra ordinary circumstances and huge installment repayment obligations to the banks coupled with this was huge provisioning of mark to market foreign exchange liabilities.

Beneficial effects of steps taken to improve yield, depreciating rupee against US dollar, better sales pricing and product mix were washed out by the effect of above adverse factors.

During the period company has raised share capital by ₹ 175 lacs by allotment of 1750000 9% Non-convertible cumulative redeemable preference shares of ₹ 10/- each on preferential basis to promoters and/or holding company. To hived off non-core assets of the company your company has (a) sold its investment in Lifestyle Networks Limited at ₹ 76.50 lacs (b) sold its land at Roha alongwith Colony at aggregate consideration of ₹ 785 lacs.

CAUTIONARY STATEMENT :

The Management Discussion and Analysis report contain forward looking statements describing the Company's projections and estimates. These are based on certain assumptions and expectations of future events. The Company cannot guarantee the realisation of projections as the actual results may differ due to factors like prices of raw materials, demand-supply conditions, changes in government regulations, tax structures, etc., which are beyond the control of the management. The Company assumes no responsibility in respect of forward looking statements which may undergo change on the basis of any subsequent developments, information or events.

Place : Mumbai
Date : 28th August, 2013

For and On Behalf of the Board of Directors
Asit D. Javeri
Chairman & Managing Director

AUDITOR'S REPORT



**Independent Auditor's Report
To the Members of Sadhana Nitro Chem Limited.
Report on the Financial Statements**

We have audited the accompanying financial statements of Sadhana Nitro Chem Limited ("the Company"), which comprise the Balance Sheet as at June 30, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the period 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 presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, 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 June 30, 2013;
- b) in the case of Statement of Profit and Loss, of the Loss for the period ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

Emphasis of Matter

We draw your attention to Note 33 regarding going concern and deferred tax assets. 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"), as amended, 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) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- 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 Companies Act, 1956;

For **V. Sankar Aiyar & Co.**

Chartered Accountants

Firm Regn. No. 109208W

Arvind Mohan

Partner

Membership No. 124082

Place : Mumbai

Dated : 28th August, 2013

ANNEXURE TO THE AUDITOR'S REPORT

Annexure Referred in Independent Auditors Report of even date

1. In respect of its fixed assets:

- a. The company has maintained records showing particulars including quantitative details and situation of fixed assets on the basis of available information.
- b. As explained to us, the fixed assets have been physically verified by the management during the period in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
- c. During the period, the company has disposed of some of its non core business assets which does not form substantial part of fixed assets. Accordingly, going concern status of the company is not affected.

2. In respect of its inventories:

- a. As explained to us, inventories have been physically verified by the management at regular intervals during the period.
- b. In our opinion and according to the information and explanation given to us, 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. No material discrepancies were noticed on such physical verification.
- c. The company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.



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3. In respect of loans, secured or unsecured, granted or taken by the company to/ from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956, we report that:-
 - a. The company has not granted any loans, secured or unsecured during the period.
 - b. During the period company had taken interest free and interest bearing loan from one company amounting to ₹ 6,10,54,474/-. This loan had maximum balance of ₹ 12,12,27,610/- and has been repaid during the period.
 - c. In our opinion and according to information and explanations given to us, the rate of interest and other terms and conditions are not prima facie prejudicial to the interest of the Company.
 4. In our opinion and according to the information and explanations given to us, having regard to the explanation that purchase of certain items of inventory and fixed assets are for the Company's specialized requirements, and similarly, certain goods sold are for the specialized requirements of the buyers and suitable alternate source are not available to obtain comparable quotations, there is generally adequate internal control system commensurate with the size of the Company and the nature of its business for purchase of inventory and fixed assets and for the sale of goods and services. In our opinion, and according to the information and explanations given to us, we have not observed any major weakness during the course of audit.
 5. In respect of transactions covered under Section 301 of the Company Act, 1956:
 - a. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered into in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
 - b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 exceeding value of ₹ 5,00,000/- in respect of any party during the period have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
 6. The company has repaid all existing deposits accepted from public and has not accepted new deposits. Accordingly, clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the company.
 7. On the basis of the internal audit reports broadly reviewed by us, we are of the opinion that, the internal audit functions carried out by a firm of chartered accountants appointed by the management is commensurate with the size of the company and the nature of its business.
 8. The Central Government has prescribed maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 in respect of products, manufactured by the company. We have broadly reviewed the accounts and records of the company 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.
 9. In respect of statutory dues:
 - a. There have generally been delays by the company in depositing undisputed statutory dues including provident fund, investor education and protection fund employees' state insurance income-tax, Sales Tax, Wealth tax, Customs duty, Excise duty, cess, Service tax and other statutory dues with the appropriate authorities. There are no undisputed amounts payable in respect of the aforesaid dues as at 30th June, 2013 for a period of more than six months from the date of becoming payable;



- b. According to the records of the company, there are no disputed statutory dues on account of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, and cess remaining unpaid as on 30th June, 2013.
10. The company has accumulated losses of Rs. 22,14,88,874/- at the end of the financial period, which is more than fifty percent of its net worth. The company has not incurred any cash loss during the period and in the immediately preceding financial period.
11. Based on our audit procedures and according to the information and explanation given to us, there have been delays in repayment of dues to banks and financial institutions. Details of default in repayment of dues to banks existing at the balance sheet date are as under;

Name of Bank	Amount due	Due date	Date of payment
State Bank of Patiala	₹ 56,25,000 (USD 1,03,500)	June 30, 2013	Not yet paid

12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not a chit fund or nidhi/mutual benefit fund/ society. Accordingly, clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the company.
14. The Company has not traded in securities, debentures and other investments. All the investments are held in the name of the company. Accordingly, clause 4(xiv) of the Companies (Auditor's Report) Order 2003 is not applicable to the company.
15. The company has not given any guarantee for loans taken by others from bank or financial institutions. Accordingly, clause 4(xv) of the Companies (Auditor's Report) Order 2003 is not applicable to the company.
16. In our opinion and according to the information and explanation given to us, the term loans have been applied for the purpose for which they were raised.
17. Based on the information and explanations given to us and on an overall examination of the balance sheet of the Company as on 30th June, 2013, in our opinion, there are no funds raised on a short term basis which have been used for long term investment
18. During the period, the company has made preferential allotment of Preference Shares to its Holding Company. In our opinion and according to information and explanations given to us, the price at which these Preference Shares have been issued is not prejudicial to the interest of the company.
19. In our opinion and according to the information and explanation given to us, the company has not issued any secured debentures during the period covered by our report.
20. The Company has not raised any money by public issue during the period. Accordingly, clause 4(xx) of Companies (Auditor's Report) Order 2003 is not applicable to the company.
21. In our opinion and according to the information and explanation given to us, no material fraud on or by the company has been noticed or reported during the course of our audit.

For **V. Sankar Aiyar & Co.**
Chartered Accountants
Firm Regn No. 109208W
Arvind Mohan
Partner
Membership No. 124082

Place : Mumbai
Dated : 28th August, 2013

BALANCE SHEET AS ON 30TH JUNE, 2013



	Note	30.06.2013 15 Months ₹	31.03.2012 12 Months ₹
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	2	10,95,08,300	9,20,08,300
Reserves and Surplus	3	(9,90,46,610)	(7,27,87,618)
		1,04,61,690	1,92,20,682
Non-Current Liabilities			
Long-term borrowings	4	3,57,64,174	8,99,18,108
Long term provisions	5	1,67,55,173	1,04,51,760
		5,25,19,347	10,03,69,868
Current Liabilities			
Short-term borrowings	6	44,25,48,907	39,16,74,950
Trade payables	7	15,01,00,036	17,87,31,788
Other current liabilities	8	5,86,69,879	7,44,58,722
Short-term provisions	9	40,27,013	33,36,860
		65,53,45,835	64,82,02,320
Total		71,83,26,872	76,77,92,870
ASSETS			
Non-current assets			
Fixed assets	10		
Tangible assets		27,68,77,030	31,36,00,665
Capital work-in-progress		8,69,93,827	8,22,55,703
Non-current investments	11	15,72,219	41,22,219
Deferred tax assets (net)	12	42,56,597	2,66,79,668
Long term loans and advances	13	2,80,32,151	2,80,60,856
Other non current assets	14	-	4,00,000
		39,77,31,824	45,51,19,111
Current assets			
Inventories	15	12,64,45,385	10,85,05,849
Trade receivables	16	11,79,32,313	14,47,31,097
Cash and Cash Equivalents	17	68,52,317	61,36,638
Short-term loans and advances	18	6,49,50,149	5,29,33,185
Other Current Assets	19	44,14,884	3,66,990
		32,05,95,048	31,26,73,759
Total		71,83,26,872	76,77,92,870
Significant Accounting Policies	1		
Other notes forming part of financial statement 29 to 36			

As per our Report of even date

For V. SANKAR AIYAR & CO.

Chartered Accountants

Firm Regn. No. 109208W

ARVIND MOHAN

Partner

Membership No. 124082

Place : Mumbai

Dated : 28th August, 2013

For and on Behalf of the Board of Directors

A. D. JAVERI

Chairman &

Managing Director

N. R. JANI

Director &

Company Secretary

P. S. JHAVERI

Director

D. M. SHAH

Director

P. N. DESAI

Director

A. A. JAVERI

Director

Place : Mumbai

Dated : 28th August, 2013

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD YEAR ENDED 30TH JUNE, 2013


	Note	30.06.2013 15 Months ₹	31.03.2012 12 Months ₹
INCOME			
Revenue from operations	20	68,40,92,644	66,89,14,631
Other Income	21	85,08,104	17,74,678
Total Revenue		69,26,00,748	67,06,89,309
EXPENSES			
Cost of materials consumed	22	39,25,46,217	37,40,75,661
Purchase of Stock in trade		3,37,20,571	-
Changes in inventories of finished goods, work-in-progress and stock in trade	23	(2,47,44,563)	7,13,022
Employee benefit expense	24	6,35,91,632	4,51,02,191
Financial costs	25	10,17,52,717	6,63,93,630
Depreciation and amortization expense		3,67,39,899	3,15,62,932
Other expenses	26	16,55,34,278	16,46,89,223
Total Expenses		76,91,40,751	68,25,36,659
Profit before Exceptional items and Taxes		(7,65,40,003)	(1,18,47,350)
Exceptional items			
Profit on sale of Assets / Investment	27	8,10,56,718	-
Profit before Tax		45,16,715	(1,18,47,350)
Current Tax		-	-
Deferred tax		(2,24,23,071)	(18,89,599)
Excess/provision for tax of earlier years		-	2,45,80,724
Profit/(Loss) for the period		(1,79,06,356)	1,08,43,775

Earnings per equity share :

Basic & Diluted Earning Per Share of Face Value of ₹10/- each (Fully Paid up)	28	(1.90)	1.18
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Significant Accounting Policies 1
Other notes forming part of financial statement 29 to 36

As per our Report of even date

For V. SANKAR AIYAR & CO.
Chartered Accountants
Firm Regn. No. 109208W
ARVIND MOHAN
Partner
Membership No. 124082

For and on Behalf of the Board of Directors

A. D. JAVERI
Chairman &
Managing Director

N. R. JANI
Director &
Company Secretary

P. S. JHAVERI Director
D. M. SHAH Director
P. N. DESAI Director
A. A. JAVERI Director

Place : Mumbai
Dated : 28th August, 2013

Place : Mumbai
Dated : 28th August, 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED 30-06-2013



	30.06.2013 15 Months ₹	31.03.2012 12 Months ₹
A) CASH FLOW ARISING FROM OPERATING ACTIVITIES :-		
NET PROFIT/ LOSS (-) BEFORE TAX	45,16,715	(1,18,47,350)
Add : Depreciation	3,67,39,899	31,562,932
Interest	10,17,52,717	6,63,93,630
Less : Profit on Sale of Investments	51,00,000	-
Profit on Sale of Fixed Assets	7,59,56,718	-
CASH OPERATING PROFIT BEFORE ADJUSTMENT FOR CHANGE IN WORKING CAPITAL	6,19,52,613	8,61,09,212
Trade & other Receivables	2,67,98,784	(3,91,74,182)
Inventories	(1,65,25,618)	27,11,784
Loans & Advances	(32,91,241)	(1,58,33,705)
Trade Payables	(1,12,17,887)	3,07,38,587
	<u>(42,35,962)</u>	<u>(2,15,57,516)</u>
NET CASH FLOW FROM OPERATING ACTIVITIES - (A)	<u>5,77,16,651</u>	<u>6,45,51,696</u>
B) CASH FLOW ARISING FROM INVESTING ACTIVITIES :-		
Purchase of Fixed Assets (Net of Adjustment for Capital work-in-progress)	(14,37,543)	(2,01,97,463)
CASH FLOW FROM INVESTING ACTIVITIES - (B)	<u>(14,37,543)</u>	<u>(2,01,97,463)</u>
C) CASH FLOW ARISING FROM FINANCING ACTIVITIES :-		
Secured Borrowings - Net of Repayment	(3,15,27,426)	(5,07,93,145)
Unsecured Borrowings - Net of Repayment	7,76,37,707	7,61,73,637
Interest Paid	(10,16,73,710)	(6,65,90,680)
CASH FLOW FROM FINANCING ACTIVITIES - (C)	<u>(5,55,63,429)</u>	<u>(4,12,10,188)</u>
NET CHANGE IN CASH / CASH EQUIVALENTS (A+B+C)	7,15,679	31,44,045
ADD : OPENING BALANCE	61,36,638	29,92,593
CASH / CASH EQUIVALENTS AT END OF THE YEAR	<u>68,52,317</u>	<u>61,36,638</u>

Notes :

1. Non cash financial and investing activities have been excluded.
2. The cash flow statement has been prepared under the "Indirect method" as set out in the Accounting Standard 3 "Cash Flow Statement" Issued under Companies (Accounting Standard) Rules 2006.
3. Previous years figures have been regrouped and re-arranged wherever necessary.

As per our Report of even date

For V. SANKAR AIYAR & CO.
Chartered Accountants
Firm Regn. No. 109208W
ARVIND MOHAN
Partner
Membership No. 124082

For and on Behalf of the Board of Directors

A. D. JAVERI
Chairman &
Managing Director

N. R. JANI
Director &
Company Secretary

P. S. JHAVERI Director
D. M. SHAH Director
P. N. DESAI Director
A. A. JAVERI Director

Place : Mumbai
Dated : 28th August, 2013

Place : Mumbai
Dated : 28th August, 2013

**NOTE - 1****SIGNIFICANT ACCOUNTING POLICIES :-****a) Basis of preparation of Financial Statements**

The financial statements are prepared in accordance with generally accepted accounting principles in India. The company has prepared these financial statements to comply in all material respects with the accounting standard notified under the Companies (Accounting Standard) Rules, 2006 issued under sub-section 3C of section 211 of Companies Act, 1956. The financial statements have been prepared on an accrual basis and under historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

b) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Difference between actual results and estimates are recognized in the period in which the results are known/ materialized.

c) Revenue Recognition

- (i) Sales of Products are recognized when significant risks and rewards of ownership of products are passed on to customers. Sales are stated at realizable values, and are recorded net of excise duty recovery, sales tax and returns.
- (ii) Dividend Income is recognized when the right to receive dividend is established.
- (iii) Interest income is recognized on the time proportion method.

d) Fixed Assets

- i) Fixed assets are stated at their original cost including interest, borrowing cost and other expenses directly related to qualifying assets during construction period.
- ii) Cost of fixed assets not ready for their intended use before such date is disclosed under Capital Work in Progress.
- iii) All costs relating to up gradations/ enhancements are generally charged off as revenue expenditure unless they bring significant additional benefits of lasting nature.
- iv) CENVAT Credits on capital goods are recognised in the books when the company becomes eligible to claim the same and are reduced from the cost of respective asset. Depreciation on these assets are calculated on the net amount.

e) Depreciation

- i) Assets individually costing Rs 5,000/- or less are depreciated fully in the year of purchase
- ii) Depreciation on Leasehold land is over the primary period of lease.
- iii) Depreciation on Building and Plant and Machinery added upto 30th June 1986, are charged on straight line method at the rates as mentioned in schedule XIV of the Companies Act, 1956.
- iv) Depreciation on Plant and Machinery and equipments acquired after 1st July, 1986 up to 31st March, 2006 are charged on the written down value method as provided in Schedule XIV to the Companies Act, 1956.
- v) Depreciation on Computers, Factory and Non factory Building, Vehicles acquired after 1st July, 1986 have been calculated on written down method at rates specified under Schedule XIV of Companies Act, 1956.
- vi) Depreciation on Plant & Machinery, equipment and computer acquired after 1st April 2006 are calculated on straight line method at rate provided under Schedule XIV of Companies Act, 1956.
- vii) Depreciation on Effluent Treatment Plant has been provided @ 100%.

f) Borrowing Cost

The borrowing cost attributed to the acquisition or construction of qualifying assets are capitalized as a part of cost of such assets. A qualified asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing cost are charge to Profit & Loss Account.

g) Impairment

Fixed assets are reviewed at each balance sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of fixed assets is determined. An impairment loss is recognized, whenever the carrying amount of assets either belonging to Cash Generating Unit (CGU) or otherwise exceeds recoverable amount. The recoverable amount is the greater of assets net selling price or its value in use. In assessing value in use, the estimated future cash flows from the use of the assets are discounted to their present value at appropriate rate. An impairment loss is reversed if there has been change in the recoverable amount and such loss either no



longer exists or has decreased. Impairment loss / reversal thereof is adjusted to the carrying value of the respective assets, which in case of CGU, are allocated to its assets on a prorata basis.

h) Investments

Long term investments are stated at cost net of provisions. Investments in shares of foreign subsidiary is expressed in Indian currency at the rate of exchange prevailing at the time when the original investment was made. When market value becomes less than cost, provision is considered only when the diminution is considered as being permanent by the management.

i) Valuation of Inventories

Inventories of Raw Materials, Stores and Spare parts, Packing Material, Fuel, Goods-in-progress and Finished Goods are stated 'at cost or net realisable value, whichever is lower'. Stock of Scrap and Spent Acid is valued at net realizable value. Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost formulae used are 'First-In-First-Out' or Weight Average cost' as applicable. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the Company.

j) Foreign Currency Transaction

Foreign currency transactions are recorded by applying the rates on the date of transaction. Exchange differences arising on foreign currency transactions settled during the Period are recognized in the profit and loss account for the Period.

All foreign currency denominated monetary assets and liabilities are translated at the exchange rates prevailing on the balance sheet date. The resultant exchange differences are recognized in the profit and loss account for the Period. All non-monetary assets and liabilities are stated at the rates prevailing on the date of the transaction. Exchange difference arising on reporting of long term foreign currency monetary items relating to acquisition of depreciable capital assets at rate different from those at which they were initially recorded in the previous financial statement are being depreciated over the balance life of assets. Exchange difference arising on reporting of all other long term foreign currency monetary items having a term of twelve month or more at the date of origination is amortised over the balance period of such monetary item.

k) Retirement Benefits

- i) Short term employee benefit are recognized as an expenses at the undiscounted amount in the profit and loss account for the Period in which the related service rendered.
- ii) Post employment and other long term employee benefit are recognized as an expense in the profit & loss account for the Period in which the employee has rendered services. The expenses is recognized at the present value of amount payable determined using actuarial valuation techniques .Actuarial gains and losses in respect of employment and other long term benefit are charged to the profit and loss account.

l) Research and Development cost

- i) Revenue expenses on Research and Development are written off to the Profit and Loss Account.
- ii) Capital expenditure on Research and Development is shown as addition to fixed assets.

m) Taxation

Current tax is determined as the amount of tax payable in respect of taxable income for the assessment year. Deferred tax is recognized subject to the consideration of prudence in respect of deferred assets on timing differences; being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. In the event of unabsorbed depreciation and carry forward loses, deferred tax assets are recognized only to the extent that there is virtual certainty that sufficient taxable income will be available to realize such assets. In other situations, deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realize these assets.

n) Provisions

A provision is recognized 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 based on technical evaluation and past experience. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

o) Insurance Claims

Claims receivable are accounted at the time of lodgment depending on virtual certainty of receipt.



NOTE - 1... Cont.

p) Earnings Per Share (EPS)

Basic EPS

The earnings considered in ascertaining the Company's basic EPS comprise the net profit/(loss) after tax and after deducting preference dividend on cumulative preference shares. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

Diluted EPS

The net profit/(loss) after tax and the weighted average number of shares outstanding during the year are adjusted for all the effects of dilutive potential equity shares for calculating the diluted EPS.

NOTE - 2

	30.06.2013 15 Months ₹	31.03.2012 12 Months ₹
SHARE HOLDERS FUND		
SHARE CAPITAL :		
Authorised Capital :		
92,50,000- Equity Shares of ₹ 10/- each (P.Y.1,00,00,000 equity shares)	9,25,00,000	10,00,00,000
17,50,000- 9% Cumulative Non Convertible Preference Shares of ₹ 10/- each (P.Y. Nil)	1,75,00,000	-
Unclassified Shares of ₹ 10/- each (P.Y.10,00,000 equity shares)	-	1,00,00,000
TOTAL	11,00,00,000	11,00,00,000
Issued,Subscribed and Paid-up Capital :		
92,00,830- Equity Shares of ₹ 10/- each fully paid (P.Y.92,00,830 equity shares)	9,20,08,300	9,20,08,300
Issued, Subscribed and Paid-up Preference Share Capital 17,50,000 Preference Share of ₹ 10/- each	1,75,00,000	-
TOTAL	10,95,08,300	9,20,08,300

	30.06.2013		31.03.2012	
Shares held by Holding Company	No. of Shares	% of Holding	No. of Shares	% of Holding
Manekchand Panachand Trading Investment Co. Pvt. Ltd. - Equity Share	5960611	64.78	5960611	64.78
9% Cumulative Non Convertible Preference Shares of ₹ 10/- each	17500000	100.00	-	-

None of the Share Holders other than Holding Company holds more than 5% as on the reporting date and previous year.

Reconciliation of share outstanding as at the beginning and end of the reporting period

Particulars	Equity Shares		Preference Shares	
	Qty	Amount	Qty	Amount
Opening as on 1 st April, 2012	9200830	9,20,08,300	-	-
Add. Issued during the period	-	-	1750000	1,75,00,000
Closing as on 30 th June, 2013	9200830	9,20,08,300	1750000	1,75,00,000

Rights, preferences and restrictions attached each class of shares.

The company has only one class of equity share having at par value of ₹ 10/- per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the share holders in the ensuing. The company has only one class of Preference Share having at par value of Rs.10/- per share. The Preference Shares are non-convertible in nature bearing fixed dividend rate of 9%. Annual General Meeting In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to number of shares held by the share holder.



NOTE - 3

	30.06.2013 15 Months ₹	31.03.2012 12 Months ₹
RESERVE & SURPLUS		
Capital Reserve :	93,681	93,681
Securities Premium Reserve	54,96,740	54,96,740
Preference Shares Redemption Reserve	5,00,000	5,00,000
General Reserve :	13,33,29,906	13,33,29,906
Surplus/(Deficit) in Statement of Profit & Loss		
Opening Balance	(20,35,82,519)	(21,44,26,293)
Profit/(Loss) for the Period	(1,79,06,356)	1,08,43,775
Closing Balance	(22,14,88,874)	(20,35,82,519)
Foreign Currency Monetary item translation difference accounts	(1,69,78,062)	(86,25,426)
TOTAL	(9,90,46,609)	(7,27,87,618)

NOTE - 4

NON-CURRENT LIABILITIES :

Long Term Borrowings :

1) Secured Term Loan From Bank :

a) Indian Rupee working capital term loan and other term loan *(Refer note 4 (3))	1,26,664	1,63,76,590
b) Foreign Currency term loan from bank (Refer note 4 (3)) [The facilities are secured by way of first pari passu charge on Current Assets, second pari passu charge on Company's entire fixed assets and further secured by personal guarantee of Chairman & Managing Director.]	3,07,94,916	5,84,71,256
c) Vehicle Loan (Secured by Hypothecation of vehicle) (Refer note 4 (4))	18,74,279	23,75,488

2) Unsecured :

i) Inter Corporate Deposits

Holding Company	-	83,88,136
Associates	2,78,242	2,78,242

ii) Fixed Deposits

a) Others	-	9,80,000
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iii) Deferred sales tax Loan (Refer note 4 (5))

14,90,073	18,48,396
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iv) Other Loans and advances

a) Chairman & Managing Director (Refer note 4 (6))	12,00,000	12,00,000
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TOTAL	3,57,64,174	8,99,18,108
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(Note 4 (3))

- WCTL loan of ₹ 327.31 lakhs (P.Y. ₹ 444.10 lakhs) having interest of 7.25% to 7.50% is repayable in 16 quarterly installments of ₹ 31.25 lakhs from April 2011 to January 2015.
- WCTL loan of ₹ 106.29 lakhs (P.Y. ₹ 243.12 lakhs) having interest of 15.25% to 15.25% is repayable in 48 monthly installments from April, 2010 to April 2013.
- WCTL loan of ₹ 246.47 lakhs (P.Y. ₹ 446.41 lakhs) having interest of 7.25% to 7.50% is repayable in 15 quarterly installment from first July, 2010 to three installment of ₹ 10.00 lakhs each, next 4 installments of ₹ 15.00 lakhs each, next 4 installments of ₹ 40.00 lakhs each, and last three installments of ₹ 56.25 lakhs each.
- Details of continuing default as on 30th June, 2013.
State Bank of Patiala ₹ 56.25 lakhs (USD 103500) due on 30-06-2013 not yet paid (P.Y. ₹ 42.00 lakhs due on 31-03-2012 paid on 20-06-2012).

Note 4(4)

The loan of ₹ 35.00 lakhs from ICICI Bank having interest of 10.91% is repayable in 60 monthly installments of ₹ 0.75 lakhs each from January 2012 to July 2016.



NOTE - 4... Cont.

Note 4(5)

The Total loan of ₹ 20.90 lakhs from SICOM Ltd. consisting of 3 loans of ₹ 12.10 lacs, ₹ 5.81 lakhs and ₹ 2.98 lakhs. This loan is interest free under Sales Tax Deferral Scheme. This loan is repayable in 15 installments from April 2012 and last installment falling due on April 2018.

Note 4(6)

This interest free loan has been given by Chairman and Managing Director Pursuant to agreement with secured lenders and is repayable only after repayment of secured term loan.

NOTE - 5

Long Term Provisions :

Provision for Employee Benefits - (Leave /Gratuity) (Refer Note 23)

	30.06.2013 15 Months ₹	31.03.2012 12 Months ₹
	<u>1,67,55,173</u>	<u>1,04,51,760</u>
TOTAL	<u>1,67,55,173</u>	<u>1,04,51,760</u>

NOTE - 6

Short-term borrowings :

Secured :

Working Capital From bank

[The facilities are secured by way of first pari passu charge on Current Assets, second pari passu charge on Company's entire fixed assets and further secured by personal guarantee of Chairman & Managing Director.]

23,63,64,621 19,59,81,348

Unsecured :

Inter Corporate Deposits :

Holding Company

- 5,26,90,609

Others

20,36,84,286 11,72,73,328

Fixed Deposits :

Directors & Other Relatives

25,00,000 1,37,00,000

Others

- 62,51,000

Other Loans and advances :

From Director and Chairman & Managing Director

- 57,78,665

TOTAL **44,25,48,907** **39,16,74,950**

NOTE - 7

Trade Payables :

Due to micro small and medium enterprises

7,48,167 18,29,094

Others

14,93,51,869 17,69,02,694

TOTAL **15,01,00,036** **17,87,31,788**

- The principle amount and the interest due thereon (to be shown separately) remaining unpaid to Any Supplier as at the end of accounting year. - -
- The amount of interest paid by the buyer under MSMED Act,2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year. - -
- The amount of interest due and payable for the period (where the principle has been paid but interest under the MSMED Act, 2006 not paid. - -
- The amount of interest accrued and remaining unpaid at the end of accounting year: and - -
- The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23. - -



NOTE - 8

	30.06.2013 15 Months ₹	31.03.2012 12 Months ₹
Other Current Liabilities :		
Current maturities of long term debts (term loan refer note no. 4 (3)) & 4 (4) [The facilities are secured by way of first pari passu charge on Current Assets, second pari passu charge on Company's entire fixed assets and further secured by personal guarantee of Chairman & Managing Director.]	3,76,64,393	6,43,90,345
Deffered sales tax Loan (term loan refer note no. 4 (5))	-	2,41,925
Interest accrued but not due on borrowing - Fixed Diposits	40,320	76,049
Interest accrued but due on borrrwing - Term Loan	3,59,381	7,57,271
Redemed Preference share & Excess right issue (Unclaimed)	21,000	21,000
Unclaimed Bonus & salary	-	1,73,202
Unclaimed Dividend	3,02,947	4,52,421
Statutory dues	93,00,002	31,15,263
Employee dues	64,11,273	49,11,924
Advance from customer	7,91,916	-
Book Overdraft	10,19,228	-
Other	27,59,419	3,19,322
TOTAL	5,86,69,879	7,44,58,722

NOTE - 9

Short-term provisions :		
Provision for Employee Benefits - (Leave /Gratuity) (Refer Note 23)	40,27,013	33,36,860
TOTAL	40,27,013	33,36,860

NOTE - 10

FIXED ASSETS

Particulars of Asset	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As on 01.04.2012 ₹	Addi- tions 2012-13 ₹	Adjust- ments ₹	Total as at 30.06.13 ₹	As on 01.04.2012 ₹	Written off during the year ₹	Adjust- ments ₹	Total Upto 30.06.13 ₹	As on 30.06.13 ₹	As on 31.03.12 ₹
Tangible Assets										
Land : Leasehold	76,400	-	-	76,400	30,962	804	-	31,766	44,634	45,439
Freehold Land	26,06,318	-	1,11,745	24,94,573	-	-	-	-	24,94,573	26,06,318
Plant & Equipments Includes Computers & Office Eqpts.)	79,11,91,733	25,59,547	-	79,37,51,280	52,83,70,569	2,98,17,751	-	55,81,88,320	23,55,62,960	26,28,21,161
Buildings	12,19,96,941	-	57,48,381	11,62,48,560	7,96,96,876	50,04,133	33,16,844	8,13,84,165	3,48,64,395	4,23,00,065
Furnitures & Fixtures	69,18,510	-	-	69,18,510	62,64,433	1,40,814	-	64,05,247	5,13,263	6,54,077
Vehicles	1,97,45,801	-	-	1,97,45,801	1,45,72,198	17,76,397	-	1,63,48,595	33,97,206	51,73,605
GRAND TOTAL	94,25,35,703	25,59,547	58,60,126	93,92,35,124	62,89,35,039	3,67,39,899	33,16,844	66,23,58,093	27,68,77,030	31,36,00,665
PREVIOUS YEAR	92,87,50,615	1,37,85,088	-	94,25,35,703	59,73,72,106	3,15,62,932	-	62,89,35,038	313,600,665	33,13,78,509

Plant and Equipments include lab equipment having WDV ₹ 16,08,281/- (P.Y. ₹ 19,75,290/-) and R & D Equipments having WDV ₹ 11,70,049/- (P.Y. ₹ 16,32,071/-).

Addition in Plant and Machinery includes foreign exchange fluctuation on long term foreign currency liability ₹ 4,46,835/- (P.Y. ₹ 27,58,520/-)

NOTE - 11

	30.06.2013 15 Months ₹	31.03.2012 12 Months ₹
Non-current Investments		
Unquoted :		
Investment in equity instruments Subsidiaries		
750 (P.Y. 750) Equity Shares of AnuChem B.V.B.A. - Belgium of 25 Euro each	7,71,549	7,71,549
25000 (P.Y. 25000) Equity Shares of AnuChem Pte.Ltd.-Singapore of 1 Singapore Dollar Each	6,92,250	6,92,250
255000 (P.Y. 255000) Equity SharesLife Style Networks .Ltd.of ₹ 10/-each	-	25,50,000
TOTAL - (A)	14,63,800	40,13,799



NOTE - 11... Cont.

	30.06.2013 15 Months ₹	31.03.2012 12 Months ₹
Other Investment		
Quoted :		
Equity Shares of ₹ 10/- each fully paid up unless specified		
500 (P.Y. 500) Anco Communication Ltd	71,788	71,788
3900 (P.Y. 3900) Enarai Finance Ltd	78,000	78,000
18000 (P.Y. 18000) Indian Extractions Ltd	5,08,194	5,08,194
5000 (P.Y. 5000) Indo-Biotech Ltd	1,91,250	1,91,250
2000 (P.Y. 2000) First Object Technoliges Ltd	81,400	81,400
1300 (P.Y. 1300) Mexworth Orchards Ltd	13,000	13,000
5000 (P.Y. 5000) Ojas Technochem Products Ltd	1,31,495	1,31,495
	10,75,127	10,75,127
Less Aggregate provision for dminution in value of investment	9,66,707	9,66,707
TOTAL - (B)	1,08,420	1,08,420
TOTAL - (A +B)	15,72,219	41,22,219

[Aggregate amount of quoted investment

₹ 10,75,127/- (P.Y. ₹ 10,75,127/-) and market value of ₹ 1,65,240/- (P.Y. ₹ 1,64,000/-)]

[Aggregate amount of unquoted investment ₹ 14,63,800/- (P.Y. ₹ 40,13,799/-)]

NOTE - 12

Defrrred Tax Assets (Net)

Depreciation and Amortisation	(1,85,68,339)	(1,71,74,068)
Unabsorbed depreciation	1,64,03,241	3,95,93,053
Expenditure allowed under Income Tax Act, 1961 on payment basis	64,21,695	42,60,683
TOTAL	42,56,597	2,66,79,668

NOTE - 13

Long Term Loans and Advances

(Unsecured Considered Goods Unless Otherwise Stated)

Capital Advances	5,36,156	6,50,315
Other loans and advances		
Security Deposits	66,44,737	66,44,737
Advance income tax (Net of Payment)	2,08,51,259	2,07,65,804
TOTAL	2,80,32,152	2,80,60,856

NOTE - 14

Other non current assets

Fixed Deposits with Bank with Maturity > 12 months	-	4,00,000
TOTAL	-	4,00,000

NOTE - 15

Inventory : (Valued at lower cost & net realizable value)

Raw Material (Include stock in transit ₹ 59,09,103/- (P.Y. ₹ 17,35,991/-)	2,80,86,665	3,54,26,975
Work in Progress	4,88,07,759	2,31,51,847
Finished goods	1,28,53,381	1,37,79,730
Stores & Spares	3,08,36,160	3,07,19,425
Others (Fuel, Packing Material)	58,61,420	54,27,872
TOTAL	12,64,45,385	10,85,05,849

NOTE - 16

Trade Receivable :

Unsecured considered good

Overdue more than six months	7,55,760	4,72,654
Others	11,71,76,553	14,42,58,443
TOTAL	11,79,32,313	14,47,31,097



NOTE - 17

	30.06.2013 15 Months ₹	31.03.2012 12 Months ₹
Cash and bank balance :		
Cash and cash equivalent		
Balance with banks	5,28,208	25,31,181
Cash in hand	4,39,917	8,32,265
Other Bank Balance	58,84,192	27,73,192
TOTAL	68,52,317	61,36,638
(Margin with banks against LC)	58,84,192	-

NOTE - 18

Short Term Loans & Advances :

(Unsecured considered good)

Loan to Staff	7,10,771	6,03,465
Advance to vendor	93,15,702	44,75,768
Balance with Statutory/Revenue authorities	5,03,74,714	4,42,81,670
Other *	45,48,963	35,72,282
TOTAL	6,49,50,149	5,29,33,185

(*Included, Employee Loan, Prepaid Expenses)

NOTE - 19

Other Current Asset

Receivable from Holding Company

Intrest accrual

	41,83,236	-
	2,31,648	3,66,990
TOTAL	44,14,884	3,66,990

NOTE - 20

REVENUE FROM OPERATION :

Sales of Product	67,71,81,010	66,13,79,712
Less : Excise duty	92,13,929	73,36,340
	66,79,67,081	6,54,043,372

Other operative revenue :

Export Benefits	1,13,62,074	1,22,27,189
Others (Waste Material)	47,63,489	26,44,070
	1,61,25,563	1,48,71,259
TOTAL	68,40,92,644	66,89,14,631

Details of Sales

Sale of Organic Intermediates	1,45,21,858	2,81,31,506
Sale of Chemical Intermediates	65,82,08,713	62,59,11,866

Earning in Foreign Currency (FOB)

	46,32,13,903	52,45,61,437
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NOTE - 21

Other Income :

Interest income	7,26,212	4,31,624
Other non-operative income	48,16,075	13,43,054
Net gain Foreign Exchange Transaction & Translation	29,65,742	-
TOTAL	85,08,103	17,74,678



NOTE - 22

30.06.2013
15 Months
₹

31.03.2012
12 Months
₹

EXPENSES:

Cost of Material Consumed

Inventory at the beginning of the year		1,80,66,984	2,72,38,120
Add: purchase		39,66,56,795	36,49,04,525
Inventory at the end of the year		2,21,77,562	1,80,66,984
TOTAL		39,25,46,217	37,40,75,661

Value of Raw Material Consumed

Imported	25.75%	10,28,31,394	22%	8,22,08,026
Indigenous	74.25%	29,65,20,199	78%	29,18,67,635

Raw Material Consumed

Item				
Benzene			8,59,05,525	7,48,86,473
Nitric Acid			1,88,91,232	2,03,48,956
Cast Iron Powder			3,50,00,686	3,49,72,244
Oleum 65%			1,33,40,221	1,52,70,095
Caustic Potash Flakes			4,98,29,263	4,63,14,935
Others			19,63,84,666	18,22,82,958
TOTAL			39,93,51,593	37,40,75,661

NOTE - 23

Changes in inventories of finished goods, work-in-progress and stock in trade

Opening Finished Goods		1,37,79,730	3,61,12,981
Less : Closing finished good		1,28,53,381	1,37,79,730
TOTAL		9,26,349	2,23,33,251
Opening work in progress		2,31,51,847	32,52,169
Less : Closing work in progress		4,88,07,759	2,31,51,847
TOTAL		(2,56,55,912)	(1,98,99,678)
Other Opening Stock		25,000	10,265
Less : Other Closing Stock		35,000	25,000
TOTAL		(10,000)	(14,735)
Scrap Opening Stock		1,05,000	95,350
Less : Scrap Closing Stock		1,10,000	1,05,000
TOTAL		(5,000)	(9,650)
Excise On Closing Stock		-	16,96,166
TOTAL		-	(16,96,166)
TOTAL		(2,47,44,563)	7,13,022

Detail of Finished Goods

Organic Intermediates	20,53,947	17,83,235
Chemical Intermediates	78,79,660	1,19,96,495

Detail of Work in progress

Organic Intermediates	42,99,747	18,76,721
Chemical Intermediates	4,32,14,293	2,12,75,126



NOTE - 24

	30.06.2013 15 Months ₹	31.03.2012 12 Months ₹
Employee Benefit Expenses :		
Salaries, wages and bonus	5,21,68,031	3,94,17,550
Contribution to PF and other funds	43,33,633	29,45,261
Gratuity Expenses	55,18,829	13,72,167
Staff welfares	15,71,139	13,67,213
TOTAL	6,35,91,632	4,51,02,191

Employee Benefit

Defined Contribution Plan

Contribution to defined contribution plan, recognized as expenses for the year are as under

Employers Contribution to Provident Fund	13,63,761
Employer Contribution to pension scheme	11,04,876

Defined Benefit plan

The employee's gratuity fund scheme managed by a trust is defined benefit plan. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized manner as gratuity.

I) Reconciliation of opening and closing balance of defined Benefit obligation

	2012-13 ₹	Gratuity (Funded) 2011-12 ₹	Leave Encashment (unfunded) 2012-13 ₹	2011-12 ₹
Defined Benefit Obligation at beginning of the year	1,56,21,425	1,42,53,294	71,24,455	53,62,526
On Amalgamation	-	-	-	-
Current Service Cost	7,87,405	5,86,157	5,75,639	4,70,522
Interest Cost	17,63,727	11,75,897	7,92,420	4,42,408
Actuarial gain/loss	48,01,450	8,99,772	3,64,206	11,01,260
Benefit paid	(25,08,355)	(12,93,695)	(2,50,948)	(2,51,961)
Settlement cost	-	-	-	-
Defined Benefit Obligation at year end	2,04,65,652	1,56,21,425	86,06,072	71,24,755
II) Reconciliation of opening and closing balance of fair value of plan assets at beginning of the year	99,57,560	10,35,081	-	-
On Amalgamation	-	-	-	-
Expected Return on Plan Assets	10,58,195	8,28,246	-	-
Actuarial (gain)/loss	(2,24,442)	(4,684)	-	-
Employer Contribution	6,580	74,612	-	-
Benefit Paid	(25,08,355)	(12,93,695)	-	-
Settlement cost	-	-	-	-
Fair Value of plan assets at year end	82,89,538	99,57,560	-	-
Actual return on plan assets	-	-	-	-
III) Reconciliation of fair value of assets and obligation	82,89,538	99,57,560	-	-
Fair value of plan assets	2,04,65,652	1,56,21,425	86,06,072	71,24,755
Present value of obligation	1,21,76,114	56,63,865	86,06,072	71,24,755
Amount recognised in balance sheet				



NOTE - 24... Cont.

IV) Expenses recognized during the year (under head of "payment to and Provision for employee")				
Current service cost	7,87,405	5,86,157	5,75,639	4,70,522
Interest Cost	17,63,727	11,75,897	7,92,420	4,42,408
Expected return on plan assets	(10,58,195)	(8,28,246)	-	-
Actuarial (gain)/loss	50,25,892	9,04,456	3,64,206	11,01,260
Net Cost	65,18,829	18,38,264	17,32,265	20,14,190
V) Actuarial assumption				
Discount Rate (P.A.)	7.75%	8.75%	7.75%	8.75%
Expected rate of return on plan assets (P.A.)	8.70%	8.60%	7.75%	8.75%
Rate of escalation in salary (P.A.)	4%	5%	4%	5%

The estimated rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factor including supply and demand in the employment market. The above information is certify by actuary.

The expected rate on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risk, historical results of return on plan assets and the company's policy for plan assets management.

NOTE - 25

Financial Cost :

	30.06.2013 15 Months ₹	31.03.2012 12 Months ₹
Interest Expenses	1,74,51,609	1,20,48,873
Other borrowing cost	5,75,51,397	4,66,07,275
Gain/Loss foreign currency transaction & translation	2,67,49,710	77,37,482
TOTAL	10,17,52,717	6,63,93,630

NOTE - 26

Other Expenses :

Payment to Auditors

Audit Fees	3,75,000	2,50,000
Tax Audit Fees	81,250	65,000
Other Services	67,002	94,500
Power and Fuels:	8,73,91,072	9,43,57,892
Rent	19,24,738	12,97,304
Rates & Taxes	13,72,659	10,51,135
Insurance	19,72,622	13,14,980
Printing & Stationery	10,76,408	8,70,947
Postage Telegram & Telephone	17,50,541	13,82,297
Travelling Expenses	34,91,877	41,98,646
Legal & Professional fees	34,77,774	22,49,704
Conveyance Expenses	22,60,905	15,22,744
Director Sitting Fees	2,81,000	2,18,000
Electricity Charges	12,93,183	6,32,667
Security Charges	19,56,881	17,31,100
Miscellaneous Expenses	38,27,596	46,53,281
Stores & Spares Consumed	61,94,351	72,85,124
Repair Maintenance		
Machinery	3,22,970	6,15,170
Other	36,67,188	21,67,540
Other Manufacturing Expenses	60,42,902	68,30,405
Effluent Expenses	47,92,697	60,12,934
R&D Expenses	7,81,901	6,27,600
Freight and forwarding Expenses	1,72,19,446	1,39,70,633



NOTE - 26... Cont.

	30.06.2013 15 Months ₹	31.03.2012 12 Months ₹
Commission charges	5,40,752	80,000
Packing Material	27,78,430	28,55,615
Local freight & other expenses	19,50,706	13,46,805
Managerial Remuneration	86,04,677	60,99,556
Foreign Exchange fluctuation	-	9,07,644
TOTAL	16,55,34,278	16,46,89,223

NOTE - 27

Profit on Sale of Assets and Investment

Profit on sale of building	68,463	-
Profit on sale of land	7,58,88,255	-
Profit on sale of investment	51,00,000	-
TOTAL	8,10,56,718	-

NOTE - 28

Earnings per share of Nominal value of ₹10/- each computed in accordance with Accounting Standard (AS-20) for the year.

(a) Profit/(Loss) after tax as per P&L account (₹)	(1,75,00,740)	1,08,43,775
(b) Opening number of equity shares outstanding	92,00,830	92,00,830
(c) Closing number of equity shares outstanding	92,00,830	92,00,830
(d) Basic/Diluted earnings per share [(a)/(c)] (₹ 10/- per share)	(1.90)	1.18

NOTE - 29

Estimated Liabilities not provided for :

(a) Estimated amount of contracts remaining to be executed	-	-
(b) In respect of Guarantee given by the Company's Bank for Central Excise and other purposes	25,000	25,000
(c) In respect of corporate guarantee given by the company to the bank for Loans borrowed by Indian subsidiary	-	62,07,857
(d) Dividend on 9% Non Convertible Cumulative Redeemable Preference Share	-	-

NOTE - 30

SEGMENT REPORT

	2012-13			2011-12		
	₹ Export Segment	₹ Local Segment	₹ Total	₹ Export Segment	₹ Local Segment	₹ Total
Segment Revenue						
a) External Turnover	51,63,51,167	15,63,79,404	67,27,30,571	53,18,35,372	12,48,52,070	65,66,87,442
b) Export Incentives	1,43,27,816	-	1,43,27,816	1,22,27,189	-	1,22,27,189
Other Un-allocated Revenue / Income						
Other Revenue			-			17,74,678
TOTAL	53,06,78,983	15,63,79,404	68,70,58,387	54,40,62,561	12,48,52,070	67,06,89,309
Segment Results	5,37,08,737	27,01,513	5,64,10,250	7,34,88,798	1,08,45,743	8,43,34,540
Profit on sale of investment			51,00,000			-
Profit on sale of assets			7,59,56,718			-
Other Revenue			55,42,361			17,74,678
Operating Profits			14,30,09,329			8,61,09,218



NOTE - 30... Cont.

Interest	(10,17,52,717)	(6,63,93,630)
Depreciation	(3,67,39,899)	(3,15,62,938)
Profit Before Taxation	45,16,713	(1,18,47,350)
Provision for Taxation		
Current Tax	-	2,26,91,125
Deferred Tax	(2,24,23,071)	-
Profit After Taxation	(1,79,06,358)	1,08,43,775

NOTE :

- The company is mainly engaged in manufacturing of Chemical Intermediates having similar risks and returns, constituting a single segment. Revenue from other activities pursued are insignificant. Operations of the company are classified into two primary Geographical Segments namely Exports and Local. These segments have been identified and reported taking into account exchange control regulations, underlying currency risks and the internal financial reporting segments.
- Segment Revenue and Expenses :-
 - Revenue directly attributable each of the segments is shown under segment revenue.
 - Segment expenses include directly attributable and certain indirect expenses allocated on a reasonable basis. It excludes interest expenses, depreciation and other common expenses which cannot be allocated on a reasonable basis.
- Segment Assets and Liabilities :-
Fixed Assets used in the companies business are not identifiable to any particular reportable segment; consequently management believes that it is not practical to provide segment disclosures relating to capital employed.

NOTE - 31

RELATED PARTY DISCLOSURES

Nature of Transaction	Holding Company	Subsidiaries	Associate Companies	Key Management Personnel	Total
	₹	₹	₹	₹	₹
a) Sale of goods	-	22,07,20,516	-	-	22,07,20,516
	(-)	(31,20,82,971)	(-)	(-)	(31,20,82,971)
b) Receiving services	-	-	15,88,652	-	15,88,652
	(-)	(-)	(13,18,581)	(-)	(13,18,581)
c) Managerial Remuneration	-	-	-	86,04,677	86,04,677
	(-)	(-)	(-)	(58,22,806)	(58,22,806)
d) Directors' Sitting Fees	-	-	-	2,81,000	2,81,000
	(-)	(-)	(-)	(2,18,000)	(2,18,000)
e) Interest Expenses	45,18,399	-	-	-	45,18,399
	(42,12,838)	(-)	(-)	(-)	(42,12,838)
f) Fixed Deposit Received	-	-	-	12,00,000	12,00,000
	(-)	(-)	(-)	(12,00,000)	(12,00,000)
g) Loans Accepted	6,10,54,474	-	-	26,00,000	6,36,54,474
	(3,83,85,000)	(-)	(-)	(32,50,000)	(4,16,35,000)
h) Loans repayment	12,54,10,846	-	-	38,00,000	12,92,10,846
	(-)	(-)	(-)	(-)	(-)
i) Sale of Assets	8,61,50,000	-	-	-	8,61,50,000
	(-)	(-)	(-)	(-)	(-)
Outstanding balance as on June 30, 2013	41,83,236	6,12,49,553	-	(89,72,407)	-



NOTE - 31... Cont.

- I) List of Related Parties
- | | | |
|--------------------------|---|---|
| i) Holding Company | - | M/s. Manekchand Panachand Trading Investment Co. Pvt. Ltd. |
| ii) Subsidiaries | - | M/s. Anuchem B.V.B.A., Belgium
M/s. Anuchem Pte. Ltd., Singapore
M/s. Lifestyle Networks Ltd. |
| iii) Associate Companies | - | M/s. IBI Engineering & Services Pvt. Ltd.
M/s. Amnisera Corporation
M/s. Manekchand Panachand & Co.
M/s. Chandra Net Pvt. Ltd. |
- II) Key Management Personnel
- | | | |
|---------------------|---|---|
| i) Shri A.D. Javeri | - | Chairman & Managing Director
Smt. Seema A. Javeri wife of Shri A.D. Javeri
Smt. Molina D. Javeri Mother of Shri A.D. Javeri
Mr. Abhishek A. Javeri son of Shri A.D. Javeri |
| ii) Shri N.R. Jani | - | Director & Company Secretary |
- III) Disclosure in respect of material related party transactions during the year.
- (1) Sale of Goods to Anuchem B.V.B.A., Belgium ₹ 18,95,57,392/- (P.Y. ₹ 28,99,24,002/-) (2) Anuchem Pte Ltd., Singapore ₹ 31,63,124/- (P.Y. ₹ 2,21,58,969) (3) Receiving Services to Amnisera Corporation (Associated Company) ₹ 15,88,652/- (P.Y. ₹ 13,18,581/-) (4) Interest Expenses to Manekchand Panachand Trading & Investment Co. Pvt. Ltd. (Holding Company) ₹ 45,18,399/- (P.Y. ₹ 42,12,838/-) (5) Interest Expenses to Manekchand Panachand & Co. (Associate Company) ₹ Nil (P.Y. ₹ Nil) (6) Interest Income to Life Style Network Ltd. (Subsidiary Company) ₹ Nil (P.Y. ₹ Nil) (7) Loan Accepted to Manekchand Panachand Trading & Investment Co. Pvt. Ltd. (Holding Company) ₹ 3,83,85,000/- (P.Y. ₹ 3,83,85,000/-), Manekchand Panachand & Co. (Associate Company) ₹ Nil (P.Y. ₹ Nil) (8) Loan Repayment to Lifestyle Networks Ltd. (Subsidiary Company) ₹ Nil (P.Y. ₹ Nil), Asit D. Javeri (Key Management) ₹ 26,00,000/- (P.Y. ₹ 32,50,000/-) (9) Fixed Deposit Received to Asit D. Javeri (Key Management) ₹ 12,00,000/- (P.Y. ₹ 12,00,000/-).

NOTE - 32

Income Tax assessments for the assessment year 98-99 and 99-2000 were reopened under section 148 of income tax act 1961 for disallowing claim under section 80HHC of the act and assessment were completed under section 144 of the act in the company writ petition before the Hon'ble Bombay High Court rules issued and matter is pending. Company has been legally advised that it is bound to succeed in the writ and hence again demand of ₹ 1,54,19,469/- for these years no provision is considered necessary. Provision existing in books of ₹ 93,42,356/- is considered adequate to cover liability estimated to arise out of order giving effect to the orders of Hon'able Supreme Court for the assessment year 2001-02 to 2005-06 that are awaited and in respect of subsequent years.

NOTE - 33

The order book position has improved during the financial year as compared to the past including long term supply agreements. In order to execute these orders on a timely basis which will have positive impact on overall performance, the company has strategically initiated disposal of their non-core fixed assets which would generate sufficient working capital. These measures will improve overall financial position of the company in addition to absorbing accumulated losses. Hence, although there are accumulated losses as on June 30th, 2013, considering the overall strategy, going concern would not be affected and accordingly financial statements have been prepared.

In addition, Disposal of non core fixed assets would be sufficient to reverse deferred tax assets created on account of unabsorbed depreciation as the proposed gain of these assets and resultant taxable income would be higher than the carrying value of deferred tax assets.

NOTE - 34

The unamortized balance in Foreign currency monetary item translation difference Account arising out of revaluation of Long term Foreign Currency monetary items which are being amortized over the period of such items have disclosed in Note on Reserves and Surplus (Note 3).



NOTE - 35

The current financial statements have been prepared for 15 months and accordingly previous year figures are not comparable. Previous year's figures have been re-classified in accordance with the requirements applicable during the current period.

NOTE - 36

			30.06.2013 15 Months ₹	31.03.2012 12 Months ₹
(A) VALUE OF IMPORTS CALCULATED ON CIF BASIS :				
Raw Material			10,82,12,239	7,54,09,617
Stores Material			-	1,13,829
	TOTAL		10,82,12,239	7,55,23,446
Value of Stores Consumed				
Imported	0%	-	2%	1,13,829
Indigenous	100%	61,94,351	98%	71,71,295
(B) EXPENDITURE IN FOREIGN CURRENCY :				
(To the extent paid)				
Travelling Expenses			4,30,648	7,42,239
Commission			-	3,96,801
Interest and other charges on FC Loan from banks			1,04,66,265	93,84,342
	TOTAL		1,08,96,913	1,05,23,382

As per our Report of even date

For V. SANKAR AIYAR & CO.
Chartered Accountants
Firm Regn. No. 109208W
ARVIND MOHAN
Partner
Membership No. 124082

Place : Mumbai
Dated : 28th August, 2013

For and on Behalf of the Board of Directors

A. D. JAVERI
Chairman &
Managing Director

N. R. JANI
Director &
Company Secretary

P. S. JHAVERI Director
D. M. SHAH Director
P. N. DESAI Director
A. A. JAVERI Director

Place : Mumbai
Dated : 28th August, 2013



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
(Part of Schedule VI of Companies Act, 1956)

I. Registration

Registration No. State Code
Balance Sheet Date Date Month Year

II. Capital raised during the year (Amount in ₹ Thousand)

Public Issue	Right Issue
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
Bonus Issue	Private Placement
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>

III. Position of Mobilisation and Deployment of Funds (Amount in ₹ Thousand)

Total Liabilities	Total Assets
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="7"/> <input type="text" value="1"/> <input type="text" value="6"/> <input type="text" value="9"/> <input type="text" value="1"/> <input type="text" value="2"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="7"/> <input type="text" value="1"/> <input type="text" value="6"/> <input type="text" value="9"/> <input type="text" value="1"/> <input type="text" value="2"/>
Source of Funds	
Paid-up Capital	Reserve & Surplus
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="9"/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="8"/>	(-) <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="6"/> <input type="text" value="4"/> <input type="text" value="1"/> <input type="text" value="6"/> <input type="text" value="2"/>
Secured Loans	Unsecured Loans
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="0"/> <input type="text" value="4"/> <input type="text" value="9"/> <input type="text" value="5"/> <input type="text" value="0"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="2"/> <input type="text" value="6"/>
Application of Funds	
Net Fixed Assets	Investments
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="7"/> <input type="text" value="6"/> <input type="text" value="8"/> <input type="text" value="7"/> <input type="text" value="7"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="7"/> <input type="text" value="2"/>
Net Current Assets	Misc. Expenditure
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="3"/> <input type="text" value="4"/> <input type="text" value="7"/> <input type="text" value="5"/> <input type="text" value="0"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
Accumulated Losses	
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="2"/> <input type="text" value="3"/> <input type="text" value="4"/> <input type="text" value="8"/> <input type="text" value="8"/>	

IV. Performance of Company (Amount in ₹ Thousand)

Turnover	Total Expenditure
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="6"/> <input type="text" value="9"/> <input type="text" value="2"/> <input type="text" value="6"/> <input type="text" value="0"/> <input type="text" value="0"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="7"/> <input type="text" value="6"/> <input type="text" value="9"/> <input type="text" value="1"/> <input type="text" value="4"/> <input type="text" value="0"/>
+ - Profit/Loss Before Tax	+ - Profit/Loss After Tax
(-) <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="7"/> <input type="text" value="6"/> <input type="text" value="5"/> <input type="text" value="4"/> <input type="text" value="0"/>	(-) <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="7"/> <input type="text" value="9"/> <input type="text" value="0"/> <input type="text" value="6"/>
(Please tick appropriate box + for profit - for loss)	
Basic Earning Per Share in ₹	Dividend rate %
(-) <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="."/> <input type="text" value="9"/> <input type="text" value="5"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="0"/>

V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)	<input type="text" value="2"/> <input type="text" value="9"/> <input type="text" value="2"/> <input type="text" value="2"/> <input type="text" value="2"/> <input type="text" value="9"/> <input type="text" value="1"/> <input type="text" value="2"/>
Product Description	<input type="text" value="M"/> <input type="text" value="E"/> <input type="text" value="T"/> <input type="text" value="A"/> <input type="text" value="A"/> <input type="text" value="M"/> <input type="text" value="I"/> <input type="text" value="N"/> <input type="text" value="O"/> <input type="text" value="P"/> <input type="text" value="H"/> <input type="text" value="E"/> <input type="text" value="N"/> <input type="text" value="O"/> <input type="text" value="L"/>
Item Code No. (ITC Code)	<input type="text" value="2"/> <input type="text" value="9"/> <input type="text" value="1"/> <input type="text" value="7"/> <input type="text" value="1"/> <input type="text" value="9"/> <input type="text" value="9"/> <input type="text" value="0"/>
Product Description	<input type="text" value="B"/> <input type="text" value="U"/> <input type="text" value="T"/> <input type="text" value="A"/> <input type="text" value="N"/> <input type="text" value="E"/> <input type="text" value="T"/> <input type="text" value="E"/> <input type="text" value="T"/> <input type="text" value="R"/> <input type="text" value="A"/> <input type="text" value="C"/> <input type="text" value="A"/> <input type="text" value="R"/> <input type="text" value="B"/> <input type="text" value="O"/> <input type="text" value="X"/> <input type="text" value="Y"/> <input type="text" value="L"/> <input type="text" value="I"/> <input type="text" value="C"/> <input type="text" value="A"/> <input type="text" value="C"/> <input type="text" value="I"/> <input type="text" value="D"/>
Item Code No. (ITC Code)	<input type="text" value="2"/> <input type="text" value="9"/> <input type="text" value="2"/> <input type="text" value="1"/> <input type="text" value="4"/> <input type="text" value="2"/> <input type="text" value="3"/> <input type="text" value="3"/>
Product Description	<input type="text" value="A"/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value="I"/> <input type="text" value="C"/> <input type="text" value="D"/> <input type="text" value="I"/> <input type="text" value="S"/> <input type="text" value="U"/> <input type="text" value="L"/> <input type="text" value="P"/> <input type="text" value="H"/> <input type="text" value="O"/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="C"/> <input type="text" value="A"/> <input type="text" value="C"/> <input type="text" value="I"/> <input type="text" value="D"/>



**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956,
RELATED TO SUBSIDIARY COMPANY**

	(In Euro) ANUCHEM BVBA	(In Singapore \$) ANUCHEM PTE LTD.
1. Name of the Subsidiary		
2. Date from which it became a Subsidiary	01-04-1998	12-10-2007
3. Financial Year of the subsidiary ended on	31-12-2012	31-12-2012
4. Shares of the subsidiary held by the Company on the above date :		
a) Number and face value	750 Shares of	25000 Share of
b) Capital and Reserve of the subsidiary as at the end of above financial year of the subsidiary	Euro 25 each	S\$ 1 each
i) Capital	18,750	25,000
ii) Reserve and Surplus	58,566	-
c) Extend of holding	100%	100%
5. Net aggregate amount of profit/(losses) of the subsidiary for the above financial year of the subsidiary, so far as the concern members of the Company :		
a) Dealt with in the accounts of the Company for the year 30 th June, 2013	-	-
b) Not dealt with in the accounts of the company for the year ended 30 th June, 2013	19,947	12,119
6. Net aggregate amount of profits/(losses) for previous financial years of the subsidiary, since it became a subsidiary so far as they concern members of the Company :		
a) Dealt with in the account of the Company	-	-
b) Not dealt with in the accounts of the Company	56,691	(20,593)
7. Changes of interest of the Company in the subsidiary between the end of the financial year of subsidiary and that of the Company :		
a) Number of Shares	None	None
b) Extent of Holder	None	None
8. Material changes between the end of the financial year of subsidiary and that of Company :		
a) The Subsidiary's fixed assets	None	None
b) Its Investments	None	None
c) The Monies lent by it	None	None
d) Borrowing other than for meeting current liabilities	None	None

A. D. JAVERI
Chairman & Managing Director

P. S. JHAVERI Director

D. M. SHAH Director

N. R. JANI
Director & Company Secretary

P. N. DESAI Director

A. A. JAVERI Director

Place : Mumbai
Dated : 28th August, 2013

Annual Report of the Subsidiary Company

ANUCHEM B. V. B. A.
BELGIUM

BOARD OF DIRECTORS

Mr. Asit D. Javeri
Mr. Nitin R. Jani
Mr. Ronny Verchaeren

AUDITORS

Mr. Luc Verreyken
Accountantskantoor,
Agiver BVBA
Bisschoppenhoflaan 588,
B-2100 Deume.

DIRECTOR'S REPORT

The Directors of Anuchem BVBA are pleased to submit herewith the annual report and Audited statement of accounts for the year ended 31st December, 2012.

REVIEW OF BUSINESS :

The principal activities of the company continued to be marketing of Chemicals. The Turnover during the year was EURO 2.722.820,34 (2011 - EURO 3.627.330,97). The profit after tax at EURO 19947,26 (2011 Profit after Tax for the year - EURO 1.220,91)

The Directors opined that, the performance during the year 2012 was satisfactory. Barring unforeseen circumstances the performance of Company is expected to improve in the current financial year.

DIVIDEND :

The directors have decided that there will be a dividend of 10% for the year 2012.

AUDITORS :

The auditors, Mr. Luc Verreyken of Agiver BVBA, accountantskantoor have expressed their willingness to continue as Auditors and the Directors will place a resolution before the general meeting for their re-appointment.

On Behalf of Board

A. D. Javeri
Director

Antwerpen,
31st May, 2013

AUDITOR'S REPORT

AGIVER BVBA ACCOUNTANTS KANTOOR
BISSCHOPPENHOFLAAN 588
2100 DEURNE
REG. NO. 4755 2N 53

To the shareholders of Anuchem BVBA :

I have audited the balance sheet of Anuchem BVBA as at 31st December, 2012 and the related Profit and loss account which have been prepared on the basis of accounting policies stipulated under Chapter II of the royal decree of 8th October, 1976.

The said accounting policies have not been altered in relation to the previous financial year. The profit and loss account is not being majorly influenced by yields and costs that have to be ascribed to the previous financial year.

I have conducted my audit in accordance with the auditing standards issued by IAB Accountants organisation, An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the companies circumstances consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also considered the overall adequacy of the presentation of information in the financial statement.

In my opinion the financial statement give a true and fair view of the state of affairs of the company at 31st December, 2012 and of the profit or Loss for the year then ended and have been properly prepared in accordance with the requirement of the Belgium Company law.

For Agiver Bvba
Luc Verreyken
Reg. No. 4755 2N 53

Antwerpen, 31st May, 2013

ANUCHEM B.V.B.A.

ANNUAL STATEMENT OF ACCOUNTS OF ANUCHEM BVBA BALANCE SHEET AFTER DISTRIBUTION OF PROFIT

As at 31st December, 2012

	2012 (Currency : Euro)	2011 (Currency : Euro)
LIABILITIES		
1) Shareholder's Funds		
a) Share Capital	18.750,00	18.750,00
Issued Capital		
b) Reserves		
i) Legal reserve	1.875,00	1.875,00
ii) Profit and Loss Account	56.691,75	38.619,49
	<u>58566,75</u>	<u>40.494,49</u>
2) Current Liabilities		
a) Trade Payables	418517,93	802.797,48
b) Services	9547,69	34.585,16
c) Others	1.875,00	0,00
	<u>429.940,62</u>	<u>837.382,64</u>
TOTAL LIABILITIES	<u><u>507.257,37</u></u>	<u><u>896.627,13</u></u>
ASSETS		
1) Non-current assets		
a) Fixed Assets		
Fixed Assets (gross)	1.830,97	1.830,97
Less : depreciation	(1.830,97)	(1.830,97)
	<u>0,00</u>	<u>0,00</u>
2) Current Assets		
a) Inventoris	203.296,43	42.055,00
b) Receivables		
i) Trade receivables	287300,26	829.300,06
ii) Other receivables	982,56	2.744,75
	<u>288.282,82</u>	<u>832.044,81</u>
3) Cash and cash equivalents	15678,12	22.527,32
TOTAL OF ASSETS	<u><u>507.257,37</u></u>	<u><u>896.627,13</u></u>

AGIVER BVBA
Accountantskantoor
Reg. No. 4755 2N53

A. D. Javeri
Director

Antwerpen, 31st May, 2013

ANUCHEM B.V.B.A.

ANNUAL STATEMENT OF ACCOUNTS OF ANUCHEM BVBA PROFIT AND LOSS ACCOUNT

As at 31st December, 2012

	2012 (Currency : Euro)	2011 (Currency : Euro)
INCOME		
Turnover	2.722.820,34	3.627.330,97
Interest received	0,00	0,00
Increase / (decrease) in closing stock	161.241,43	(3.085,00)
Income / (loss) on exchange fluctuation	(20164,28)	(22.655,57)
	<u>2.863.897,49</u>	<u>3.601.590,40</u>
EXPENSES :		
Purchases	2.738.321,37	3.495.910,72
Clearing and forwarding charges	97.593,93	85.373,70
Travelling and administrative expenses	6.618,34	5.811,58
Local taxes	468,50	401,50
Financial expenses	948,09	371,99
Depreciation/amount written off trade debtors	0,00	12.800,00
	<u>2.843.950,23</u>	<u>3.600.369,49</u>
PROFIT/(LOSS) BEFORE TAXATION :	19.947,26	1.220,91
Less : For the year	-	-
PROFIT/(LOSS) AFTER TAX	19.947,26	1.220,91
Add : Carried over profit of last year	38.619,49	37.398,58
Less : Payment for divided	(1,875,00)	0,00
Profit to be carried over	<u>56.691,75</u>	<u>38.619,49</u>

AGIVER BVBA
Accountantskantoor
Reg. No. 4755 2N53

A. D. Javeri
Director

Antwerpen, 31st May, 2013

NOTES ON ANNUAL STATEMENT OF ACCOUNT OF ANUCHEM BVBA FOR 2012

1) ACCOUNTING POLICIES

The Principal accounting policies adopted by the company are as follows:

a) BASIS OF ACCOUNTING :

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standard.

b) STOCKS :

Stocks are valued at lower of cost or net realisable value.

c) CURRENCIES :

This accounts have been prepared in Euro. (•)

d) FOREIGN CURRENCIES :

Revenue transactions in foreign currencies are translated in Euro at the exchange rate prevailing on the date of transaction.

At the end of the financial year the Assets and liabilities expressed in foreign currencies are translated into Euro at the rate of exchange ruling at the end of financial year.

e) DEPRECIATION :

Depreciation on Fixed assets is at the rate of 20% per annum on straight line basis.

f) TAXATION :

Tax payable is provided on taxable profit at the current tax rate.

2) SHARE CAPITAL

Authorised, allotted and fully paid-up.

750 shares of • 25,00 Euro each

3) RECEIVABLES (due within one year)

	More than 6 months		Others	
	2012	2011	2012	2011
a) Trade receivable	0,00	0,00	287.300,26	829.300,06
b) Other receivable	-	-	982,56	2.744,75
	0,00	0,00	288.282,82	832.044,81

4) SUPPLIERS

(due within one year)

a) For Purchase	0,00	0,00	418.517,93	802.797,48
b) For Services	-	-	9.547,69	34.585,16
	0,00	0,00	428.065,62	837.382,64

	2012 (Currency : Euro)	2011 (Currency : Euro)
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5) TRAVELLING AND ADMINISTRATIVE EXPENSES

Fees	5.972,51	5.185,55
Register and publication costs	123,23	119,13
Other business expenses	522,60	506,90
	6.618,34	5.811,58

6) CLEARING AND FORWARDING CHARGES

Freight	84.188,43	75.224,23
Rental stock house	2.425,50	1.209,47
Fee verron	10.980,00	8.940,00
	97.593,93	85.373,70

7) LOCAL TAXES

Local Taxes	468,50	401,59
	468,50	401,59

8) FINANCIAL EXPENSES

Interests	543,61	14,63
Charges	404,48	357,85
Withholding Tax	0,00	0,09
Income	0,00	(0,58)
	948,09	371,99

9) LIQUID RESOURCES

Fortis (USD)	2.524,95	2.577,22
Fortis (EURO)	56,76	97,17
State bank of India (USD)	9.472,57	250,67
State bank of India (EURO)	3.530,27	19.508,69
	15.584,55	22.433,75
Cash Balance	93,57	93,57
	15.678,12	22.527,32

AGIVER BVBA
Accountantskantoor
Reg. No. 4755 2N53

A. D. Javeri
Director

Antwerpen, 31st May, 2013

Annual Report of the Subsidiary Company

ANUCHEM PTE LTD.

SINGAPORE

BOARD OF DIRECTORS

Mr. Asit D. Javeri
Mr. Nitin R. Jani
Mr. Choo Liang Kok @ Zhu Jinghua

AUDITORS

MGI N RAJAN ASSOCIATES CERTIFIED PUBLIC ACCOUNTANTS

10 Jalan Besar
#10-12, Sim Lim Tower
Singapore 208787

DIRECTOR'S REPORT**FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER, 2012**

The directors submit their report together with the audited financial statements of the Company for the year ended 31ST DECEMBER 2012.

Directors

The directors in office at the date of this report are:-

JAVERI ASIT DHANKUMAR

JANI NITIN RAMESHCHANDRA

CHOO LIANG KOK @ ZHU JINGHUA

Arrangements to enable directors to acquire shares or debentures:

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' interest in shares or debentures:

The following directors, who held office at the end of the financial year, had, according to the Register of Directors' Shareholdings kept by the Company under Section 164 of the Companies Act, Cap.50, an interest in shares as follows:

Number of shares

At the beginning of the year

At the end of the year

Shares in Holding Company – Sadhana Nitro Chem Limited at INR Rs.10.00 per each share

JAVERI ASIT DHANKUMAR	377,963	377,963
JANI NITIN RAMESHCHANDRA	27,392	27,392

Directors' contractual benefits:

During the year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or by a related corporation with the director or with a firm of which he is a member or with

a company in which he has a substantial financial interest other than those disclosed in the financial statements.

Share options

No options were granted during the financial year to take up unissued shares of the Company.

No shares were issued by virtue of the exercise of options.

There were no unissued shares under option at the end of the financial year.

Independent auditors The independent auditors, M/S MGI N Rajan Associates have expressed their willingness to accept re-appointment.

On behalf of the board,

STATEMENT BY DIRECTORS**FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER, 2012**

In the opinion of the directors,

- the accompanying balance sheet, statement of comprehensive income, statement of changes in equity and statement of cash flows together with the notes thereon, are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 DECEMBER 2012 and of the results of the business, changes in equity and cash flows of the Company for the financial year then ended ; and
- at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the board,

Signed at Mumbai

On Behalf of Board

Asit D. Javeri Director
Nitin R. Jani Director

Mumbai

Date : 03rd June, 2013

AUDITOR'S REPORT**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ANUCHEM PTE LTD.
(Incorporated in Singapore)**

We have audited the accompanying financial statements of Anuchem Pte. Ltd. ("the Company"), which comprise the balance sheet as at 31st December 2012 statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

The Management are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap.50 (the "Act") and the Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair statement of comprehensive income and statement of financial positions and to maintain accountability of assets.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedure selected depends 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of

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 audit opinion.

Opinion:

In our opinion, the financial statements of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 31st December 2012 and the results, changes in funds and the cash flows of the Company for the financial year ended on that date.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

**MGI N RAJAN ASSOCIATES
PUBLIC ACCOUNTANTS AND
CERTIFIED PUBLIC ACCOUNTANTS**

SINGAPORE

DATE : 03rd June, 2013

ANUCHEM PTE LTD

BALANCE SHEET AS AT 31ST DECEMBER, 2012

	NOTE	31.12.2012 S\$	31.12.2011 S\$
ASSETS			
Current Assets			
Cash and cash equivalents	5	21,019	7,179
Trade receivables	6	210,250	-
Total Assets		231,269	7,179
LIABILITIES			
Current Liabilities			
Due to holding company	7	34,770	4,057
Other payables	8	25,291	10,834
Interest bearing loans and borrowing	9	166,696	-
Provision for tax		106	-
Total Liabilities		226,863	14,891
NET ASSETS/EQUITY (LIABILITIES)		4,407	(7,712)
Share Capital	10	25,000	25,000
Accumulated (Losses)		(20,593)	(32,712)
TOTAL EQUITY		4,407	(7,712)

(The annexed notes form an integral part of and should be read in conjunction with these accompanying financial statements.)

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER, 2012

	NOTE	31.12.2012 S\$	31.12.2011 S\$
Revenue			
Sale of goods		776,426	379,617
Less : Cost of sales		721,596	354,301
Gross Profit		54,830	25,316
Add. : Other Income : Exchange gain		-	1,828
		54,830	27,144
Less: Expenses			
Administration and operating expenses		41,588	29,693
Total Expenses		41,588	29,693
Profit/(Loss) before finance cost	3	13,242	(2,549)
Finance cost		2,590	-
Profit/(Loss) before tax		10,652	(2,549)
Tax expenses	4	106	-
Profit/(Loss) for the year after tax		10,546	(2,549)
Other comprehensive income		-	-
Translation gain		1,573	-
Total Comprehensive Income		12,119	(2,549)

(The annexed notes form an integral part of and should be read in conjunction with these financial statements.)

ANUCHEM PTE LTD

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER, 2012

	Share Capital S\$	Accrued Translation (Losses) Reserve S\$	Total S\$
Balance at 31st December, 2010	25,000	(30,163)	- (5,163)
Total comprehensive income for the year	-	(2,549)	(2,549)
Balance at 31st December, 2011	25,000	(32,712)	- (7,712)
Total comprehensive income for the year	-	10,546	1,573
Balance at 31st December, 2012	25,000	(22,166)	1,573

(The annexed notes form an integral part of and should be read in conjunction with these accompanying financial statements.)

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST DECEMBER, 2012

	NOTE 31.12.2012 S\$	31.12.2011 S\$
Cash flow from Operating Activities		
Net Profit/(Loss) for the year before taxation	10,652	(2,549)
Operating (loss) before working capital Changes	10,652	(2,549)
(Increase)/Decrease in trade receivables	(210,250)	-
Increase/(Decrease) in other payables	14,457	(17,966)
Net cash used in operating activities	(185,142)	(20,515)
Cash flows from financing activities		
Increase/(Decrease) in due to holding company	30,713	4,057
Increase/(Decrease) in interest bearing loans and borrowings	166,696	-
Net cash provided by financing activities	197,409	4,057
Net(decrease) in cash and cash equivalents	12,267	(16,458)
Effect of translation reserve	1,573	-
Cash & cash equivalents at the beginning of the Year	7,179	23,637
Cash & cash Equivalents at end of the Year	5 21,019	7,179

(The annexed notes form an integral part of and should be read in conjunction with these financial statements.)

NOTES TO THE FINANCIAL STATEMENTS 31ST DECEMBER, 2012

(The annexed notes form an integral part of and should be read in conjunction with the accompanying financial statements.)

1. GENERAL INFORMATION

The financial statements of the Company for the year ended 31 DECEMBER 2012 were authorised for issue in accordance with a resolution of the directors on the date of the Statement by Directors.

The Company is incorporated as a limited liability Company and domiciled in the Republic of Singapore.

The principal activities of the Company are to carry on business as International trading.

There has been no significant changes in the nature of the business during the financial year.

The Company's registered office is at:-

10, Jalan Besar,
#10-12, Sim Lim Tower,
Singapore 208787.

The Company's functional currency are in United States dollar. However, the financials are presented in Singapore dollars.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with Singapore Financial Reporting Standards (FRS).

The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below

The preparation of these financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The Company has assessed that there are no estimates or judgements used that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Adoption of new and revised standards - In the current financial year, the company has adopted all the new and revised FRSs and Interpretations of

FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after January 1, 2012. The adoption of these new / revised FRSs and INT FRSs does not result in changes to the company's accounting policies and has no material effect on the amounts reported for the current or prior years.

2.2 REVENUE RECOGNITION

Revenue from sale of goods is recognized upon delivery and acceptance of goods.

2.3 TAXATION

The liability method of tax effect accounting is adopted by the Company. Current taxation is provided at the current taxation rate based on the tax payable on the income for the financial year that is chargeable to tax. Deferred taxation is provided at the current taxation rate on all temporary differences existing at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences (unless the deferred tax liability arises from goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss).

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised (unless the deferred tax asset arises from goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss).

The statutory tax rates enacted at the balance sheet date are used to determine deferred income tax.

2.4 FINANCIAL ASSETS

Classification

The Company classifies its financial assets as loans and receivables. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

Loans and receivables

Loan and receivables are non-derivative financial assets with fixed or payments that are not quoted in an active market. They are included in current assets, except those maturing later than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are classified within "trade and other receivables" and "cash and cash equivalents" on the balance sheet.

Recognition and derecognition

Financial assets are de-recognised when the rights to receive cash flow from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards or ownership.

Measurement

Financial assets are initially recognised at fair value plus transaction costs. Loan and receivables are subsequently carried at amortised cost during the effective interest method.

Impairment**Loans and receivables**

An allowance for impairment of loans and receivables, including trade and other receivables, is recognised when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial re-organisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the allowance for impairment is recognised in the income statement.

2.5 CASH AND CASH EQUIVALENTS

For the purpose of presentation in the cash flow statement, cash and cash equivalents represent cash at bank.

2.6 FINANCIAL LIABILITIES

Financial liabilities include Other Payables. Financial liabilities are recognised on the balance sheet when, and only when, the company becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially recognised at fair value of the consideration received less directly attributable transaction costs and subsequently measured at amortized cost using the effective interest rate method.

Gains and losses are recognised in the income statement when the liabilities are de-recognised as well as through the amortization process. The liabilities are de-recognised when the obligation under the liability is discharged or cancelled or expired.

2.7 PROVISIONS

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised in the income statement as interest expense.

2.8 SHARE CAPITAL

Ordinary shares are classified as equity. Incremental external costs directly attributable to the issue of new shares, other than on a business combination, are shown in equity as a deduction, net of tax, from the proceeds. Share issue costs incurred directly in connection with a business combination are included in the cost of acquisition.

2.9 RELATED PARTY

A Party is considered to be related to the Company if:-

- a) The party directly or indirectly through one or more intermediaries,
 - (i) Controls, is controlled by, or is under common control with, the Company;
 - (ii) has an interest in the Company that gives it significant influence over the Company; or
 - (iii) has joint control over the Company;
- b) The party is an associate
- c) The party is a jointly-controlled entity
- d) The party is a member of the key management personnel of the Company or The party is close member of the family of any individual referred to in a) or d); or
- e) The party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly referred to in d) or e); or the party is a post-employment benefit plan for the benefit of the employees of the Company, or of any entity that is a related party of the Company
- f) Its parent;

ANUCHEM PTE LTD

2.10 GOING CONCERN

The financial statements are prepared on a going concern basis on the assumption that the Company will be able to obtain the necessary financial support from the holding company to continue its operations as a going concern.

2.11 FUNCTIONAL CURRENCY

Items included in the financial statements of the company are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the company ("the functional currency"). The functional currency of the Company is United States Dollar. However, the financial statements of the company are presented in Singapore Dollars.

Conversion of foreign currencies

Monetary assets and liabilities in foreign currencies are translated into Singapore Dollars at rates of exchange closely approximating those ruling at balance sheet date. Exchange differences arising from such transactions are recorded in the income statement in the year in which they arise.

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However, where a foreign currency transaction is to be settled at a contracted rate or is covered by a related or matching forward exchange contract, the rate of exchange specified in the contract will be used and any corresponding monetary assets or liabilities will not be retranslated.

3. (LOSS) BEFORE TAX

This is arrived after charging

	2012 S\$	2011 S\$
Commission paid	14,625	-
Exchange gain	-	1,828

4. TAX EXPENSE

Movement

Balance brought forward	-	-
Add : Current year provision	106	-
Balance carried forward	106	-

Tax expense

Current tax	106	-
	106	-

ANUCHEM PTE LTD

The Tax expense on the results of the financial year varies from the amount of income tax determined by applying the Singapore statutory rate of income tax on Company's profit as a result of the following.

	2012 S\$	2011 S\$
Profit/(Loss) before taxation	10,652	(2,549)
Tax at statutory rate of 17% (2011:17%)	1,811	(433)
Tax effect on brought forward loss	(1,385)	-
Tax effect on stepped income exemption	(320)	-
Deferred tax asset not recognized	-	433
	106	-

5. CASH AND CASH EQUIVALENTS

Cash at banks	21,019	7,179
	21,019	7,179
Cash and cash equivalents denominated in the following currencies		
United States Dollar	21,019	7,179
	21,019	7,179

6. TRADE RECEIVABLES

Trade Debtors	210,250	-
Trade receivables are denominated in the following currencies		
United States Dollar	210,250	-

7. DUE TO HOLDING COMPANY

*This represents due to holding company is trade balance, unsecured, interest free and has no fixed terms of repayment.

8. OTHER PAYABLES

Other creditors	2,621	4,233
Accruals	22,670	6,601
	25,291	10,834

9. INTEREST BEARING LOANS AND BORROWINGS

Bills Discounted with bank	166,696	-
These are unsecured and carry an effective interest rate of 5.115% pa.		

10. SHARE CAPITAL

The Company's share capital comprise fully paid-up 25,000 (2011:25,000) ordinary shares with no par value, amounting to a total of S\$25,000/- (2011: S\$25,000/-).

The ordinary shares entitle for dividend as and when declared and carry one vote per share without restriction.

CAPITAL MANAGEMENT

The Board's policy is to maintain a strong capital base so as to maintain creditor and market confidence and to sustain future development by issuing or redeeming equity and debts instruments when necessary.

The board of directors monitors its capital based on net debt and total capital. Net debt calculated as borrowings plus trade and other payables less cash and bank deposits. Total capital is calculated as equity plus net debt.

The Company is not subject to any externally imposed capital requirements.

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	2012 S\$	2011 S\$
Net debt	205,738	7,712
Total equity	4,407	-
	<u>210,145</u>	<u>7,712</u>

11. HOLDING COMPANY

The Company is a wholly owned subsidiary of Sadhana Nitro Chem Limited, which is Subsidiary Company of the ultimate Holding Company, MPTI Co. Pvt. Ltd. a Company incorporated in India.

12. FINANCIAL RISK MANAGEMENT

The Company does not have any written financial risk management policies and guidelines. The Company does not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuations, if any, in interest rates and foreign exchange. The Company's exposure to financial risks associated with financial instruments held in the ordinary course of business include:

a) Price risk

i) Currency risk

The Company's business operations are not exposed to significant foreign currency risks as it has no significant transactions denominated in foreign currencies.

(ii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Company does not have any interest bearing borrowings, hence is not exposed to the risk.

(iii) Market risk

Market risk is the risk that the value of a financial instrument will fluctuate due to changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market.

The Company does not hold any quoted or marketable financial instrument, hence, is not exposed to any movements in market prices.

b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company has no significant concentrations of credit risk.

Cash is held with financial institutions of good standing/ established financial institutions/ reputable financial institutions.

c) Liquidity risk

Liquidity or funding risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

All liabilities of the Company are current in nature and the Company ensures that there are adequate funds to meet all its obligations in a timely and cost-effective manner. The Company maintains sufficient level of cash and cash equivalents.

d) Cash flow risk

Cash flow risk is the risk that future cash flows associated with a monetary financial instrument will fluctuate in amount. The Company is not exposed to any cash flows risk as it does not have any monetary financial instruments with variable interest rates.

e) Fair value of financial assets and financial liabilities

Fair value of financial assets and financial liabilities reported in the balance sheet approximates the carrying amounts of those assets and liabilities

13. TRANSACTION WITH RELATED PARTIES

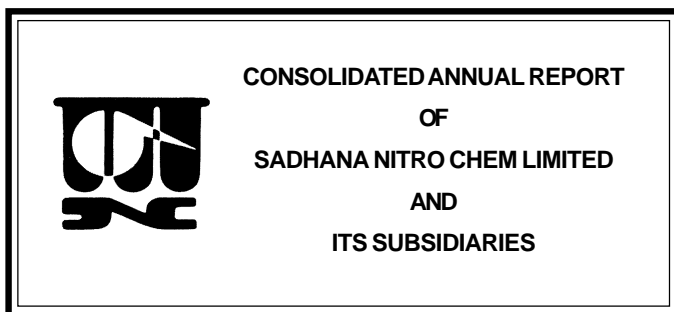
In addition to those related party information disclosed elsewhere in the financial statements, the following significant transactions between the company and related parties took place during the year at terms agreed between the parties:

Name	Relation	Nature of Transaction	2012	2011
			Transac tion (Payable)	Transac tion (Payable)
Sadhana Nitro Chem Ltd.	Holding company	Purchases	721,596	(34,770)
				354,301 (4,057)

14. NEW OR REVISED STANDARDS AND INTERPRETATIONS

The Company has not adopted the following standards and interpretations that have been issued but not yet effective:

Amendments to		Effective annual periods Beginning on or after	
FRS 1	Presentation of Items of Other Comprehensive Income		1 July 2012
FRS 19	Employee Benefits		1 January 2013
FRS 113	Fair Value Measurements		1 January 2013



AUDITOR'S REPORT

To the Board of Directors of Sadhana Nitro Chem Limited. Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Sadhana Nitro Chem Limited ("the Company") and its subsidiaries, which comprise the consolidated Balance Sheet as at June 30, 2013, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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



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

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

Opinion

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

- in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at June 30, 2013;
- in the case of the Consolidated Statement of Profit and Loss, of the profit for the period ended on that date; and
- in the case of the Consolidated Cash Flow Statement, of the cash flows for the period ended on that date.

Other Matters

We did not audit the financial statements of Foreign subsidiaries referred to in Note 3(b) to the Consolidated Financial statements whose financial statements reflect total assets of ₹ 554.48 lacs as at 30th June, 2013 and total revenue of ₹ 2720.87 lacs for the period then ended. These financial statements have been audited as at 31st December, 2012 by other auditors whose reports have been furnished to us. However, since these financial statements which are compiled by the management of the company for the financial period ended 30th June, 2013, were not audited, any adjustments to their balances, could have been consequential effect on the attached Consolidated Financial Statements. Our opinion is not qualified in respect of these matters.

FOR V. SANKAR AIYAR & CO.
CHARTERED ACCOUNTANTS
Firm Regn. No. 109208W

Place : Mumbai
Dated : 28th August 2013

ARVIND MOHAN
Partner
Membership No. 124082

**CONSOLIDATED BALANCE SHEET AS AT 30TH JUNE, 2013**

	Note	30.06.2013 ₹	31.03.2012 ₹
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	2	10,95,08,300	9,20,08,300
Reserves and Surplus	3	(9,64,17,133)	(12,16,21,720)
Non-Current Liabilities			
Long-term borrowings	4	3,57,64,174	21,05,71,816
Long term provisions	5	1,67,55,173	1,04,51,760
Current Liabilities			
Short-term borrowings	6	44,25,48,907	39,25,77,950
Trade payables	7	15,01,00,036	18,47,26,849
Other current liabilities	8	5,72,55,961	8,06,88,751
Short-term provisions	9	40,27,013	33,36,860
Total		71,95,42,432	85,27,40,566
Assets			
Non-current assets			
Fixed assets			
Tangible assets	10	27,68,77,030	39,08,05,342
Capital work-in-progress		8,69,93,826	8,22,55,704
Non-current investments	11	1,08,420	1,08,420
Deferred tax assets (net)	12	42,56,597	2,09,22,728
Long term loans and advances	13	2,80,32,151	4,52,73,917
Other non-current assets	14	-	4,00,000
Current assets			
Current Investment			
Inventories	15	12,71,79,443	10,93,25,704
Trade receivables	16	11,73,54,107	13,76,26,755
Cash and cash equivalents	17	93,75,823	92,73,670
Short-term loans and advances	18	6,49,50,150	5,67,48,326
Other current assets	19	44,14,884	-
Total		71,95,42,432	85,27,40,566
Significant Accounting Policies & Notes to Accounts	1		
Other notes forming part of financial statement 27 to 33			

As per Report attached of even date
For V. SANKAR AIYAR & CO.
Chartered Accountants
Firm Regn. No. 109208W
ARVIND MOHAN
Partner (Membership No.124082)
Place : Mumbai
Dated : 28th August, 2013

A.D. JAVERI
Chairman & Managing Director
N.R. JANI
Director & Company Secretary
Place : Mumbai
Dated : 28th August, 2013

**CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 30TH JUNE, 2013**

	Note	30.06.2013 ₹	31.03.2012 ₹
Revenue from operations	20	71,53,40,196	69,08,55,515
Other Income	21	85,10,199	18,10,910
Total Revenue		72,38,50,395	69,26,66,425
Expenses :			
Cost of materials consumed	22	39,25,46,217	37,40,75,661
Purchase of Stock-in-Trade		4,02,61,768	67,98,816
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	23	(2,53,81,086)	5,24,710
Employee benefit expense	24	6,36,37,317	4,51,33,818
Financial costs	25	10,22,22,585	6,95,78,590
Depreciation and amortization expense		3,75,91,544	3,63,01,131
Other expenses	26	18,63,90,971	17,84,52,706
Total Expenses		79,72,69,316	71,08,65,432
Profit before exceptional and tax		(7,34,18,920)	(1,81,99,007)
Exceptional Items			
Profit on Sale of Assets		7,59,56,718	-
Profit on disposal of Investment in subsidiary		6,20,54,478	-
Profit before extraordinary items and tax		6,45,92,276	-
Profit before tax		6,45,92,276	(1,81,99,007)
Tax Expense			
Current Tax		(4,646)	(2,45,80,724)
Deferred Tax		(2,24,23,071)	38,33,402
Profit/(Loss) for the Period		4,21,64,559	25,48,315
Earning per equity share			
Basic & Diluted Earning Per Share of Face Value of ₹10/- each (Fully Paid up)		4.95	0.28
Significant Accounting Policies & Notes to Accounts	1		
Other notes forming part of financial statement 27 to 33			

As per Report attached of even date
For V. SANKAR AIYAR & CO.
Chartered Accountants
Firm Regn. No. 109208W
ARVIND MOHAN
Partner (Membership No.124082)
Place : Mumbai
Dated : 28th August, 2013

A.D. JAVERI
Chairman & Managing Director
N.R. JANI
Director & Company Secretary
Place : Mumbai
Dated : 28th August, 2013



**CONSOLIDATED CASH FLOW STATEMENT
(PURSUANT TO CLAUSE 32 OF LISTING AGREEMENT)**

	30.06.2013 ₹	31.03.2012 ₹
CASH FLOW ARISING FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX	6,45,92,276	(1,81,99,007)
Add : a. Depreciation	37,91,544	3,63,01,131
b. Interest	10,22,22,585	6,95,78,590
c. Loss on Sale of Fixed Assets	78,24,376	-
Less: a. Profit on Sale of Investments	6,20,54,478	-
b. Profit on Sale of Fixed Assets	7,59,56,718	-
CASH OPERATING PROFIT	7,42,19,585	8,76,80,715
ADJUSTMENTS FOR CHANGE IN WORKING CAPITAL		
a. Trade & other Receivables	7,87,72,648	(2,96,07,257)
b. Inventories (Net of Adjustment for CWIP and inventory transfers)	(1,78,53,739)	45,71,654
c. Loans & Advances	50,25,058	(1,25,58,768)
d. Trade Payables	(1,93,18,996)	3,26,15,148
	4,66,24,971	(49,79,222)
	12,08,44,556	8,27,01,493
CASH FLOW FROM OPERATING ACTIVITIES (A)	12,08,44,556	8,27,01,493
a. Purchase/Sale of Fixed Assets (Net of Adjustment for CWIP and inventory transfers)	(14,37,543)	(2,01,97,463)
CASH FLOW FROM INVESTING ACTIVITIES (B)	(14,37,543)	(2,01,97,463)



	30.06.2013 ₹	31.03.2012 ₹
a. Secured Borrowings	(1,70,27,008)	1,01,62,760
b. Dividend Paid	-	(1,17,702)
c. Interest Paid	(10,22,77,851)	(6,95,78,590)
CASH FLOW FROM FINANCING ACTIVITIES (C)	(11,93,04,859)	(5,95,33,532)
NET CHANGE IN CASH / CASH EQUIVALENTS (A+B+C)	1,02,154	29,70,498
ADD: OPENING BALANCE CASH/CASH EQUIVALENTS AT THE CLOSE OF THE YEAR	92,73,670	67,03,173
	93,75,824	92,73,670

Notes :

- Non cash financial and investing activities have been excluded.
- The cash flow statement has been prepared under the "Indirect method" as set out in the Accounting Standard 3 "Cash Flow Statement" Issued under Companies (Accounting Standard) Rules 2006.
- Previous years figures have been regrouped and re-arranged wherever necessary.

As per Report attached of even date
For V. SANKAR AIYAR & CO.
Chartered Accountants
Firm Regn. No. 109208W

ARVIND MOHAN
Partner (Membership No.124082)
Place : Mumbai
Dated : 28th August, 2013

A.D. JAVERI
Chairman & Managing Director

N.R. JANI
Director & Company Secretary
Place : Mumbai
Dated : 28th August, 2013



NOTES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

NOTE '1'

1. Significant Accounting Policies and Notes to these Consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide to better understanding the consolidated position of the Companies. Recognizing this purpose, the Company has disclosed only such policies and notes from the individual financial statements which fairly represent the needed disclosures. Lack of homogeneity and other similar considerations made it desirable to exclude some of them, which in the opinion of the management, could be better viewed when referred from the individual financial statements.
2. Basis of Preparation of Financial Statements :
 - i) The financial statement of the subsidiary used in the consolidation is drawn upto the same reporting date as that of the Parent Company, i.e. year ended 30th June, 2013. The foreign subsidiaries follow January to December as their financial year. In the case of this foreign subsidiaries the Company has redrawn its financial statements for the year ended 30th June, 2013.
 - ii) The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year. During the financial year ended June, 2013 the revised schedule VI notified under the Companies Act, 1956 has become applicable to the company for preparation and presentation of its financial statements. The company has also re-classified the previous year figures in accordance with the requirements applicable in current year.
3. Principles of consolidation :-
 - a) The consolidated financial statements have been prepared in accordance with the accounting standards (AS)-21. (Accounting Standards) Rules, 2006, as notified by companies.
 - b) The consolidated financial statement relates to Sadhana Nitro Chem Limited (The Company) and
 - i) Its wholly owned foreign subsidiary Anuchem B.V.B.A., Belgium & Anuchem Pte. Ltd. Singapore.
 - ii) Its Indian Subsidiary company Life Style Networks Limited (in which The company holds ₹ 25,50,000 being Share Capital comprising of 2,55,000 Equity shares of ₹ 10 each holding 51% stake). Upto 14th September, 2012.
 - c) The consolidated financial statement have been prepared on the following basis.
 - i) The financial statement of the company and its subsidiary have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenditure after eliminating all material intragroup balances and intragroup transactions resulting in unrealized profit/losses.

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- ii) The foreign subsidiaries financial year is calendar year and the same is audited accordingly. However, for consolidation purpose the unaudited financial statement of subsidiaries is compiled for the period same as that of the company for reporting.
 - iii) Minority Interest on consolidation of Indian subsidiary has been recognized in the consolidated financial statement.
 - iv) The Income and Expenses transaction of the profit and loss account and assets and liabilities appearing in the balance sheet of the foreign subsidiaries, which are considered as Integral foreign operating are translated in Indian Rupees as per Accounting Standard. The effect of changes in foreign exchange rates.
 - v) The consolidated financial statement have been prepared using as far as possible uniform accounting policy and are presented to the extent possible in the same manner as the company's financial statement.
4. Significant Accounting policies:
- a) The audited /unaudited financial statements of foreign subsidiaries has been prepared in accordance with the Generally Accepted Accounting principle of its company of incorporation or International financial reporting standards. The difference in accounting policies of the company and its subsidiaries are not material and they are no material transactions from January 1,2013 to June 30,2013 in respect of subsidiaries having financial year ended December 31,2012.
 - b) Sales :

Sales include exchange differences and are net of sales tax and returns.
 - c) Taxation :

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognised subject to the consideration of prudence in respect of deferred assets on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. In the event of unabsorbed depreciation and carry forward losses, deferred tax assets are recognized only to the extent that there is virtual certainty that sufficient taxable income will be available to realize such assets. In other situations, deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realize these assets.
 - d) Other significant Accounting policies:

These are set out under "Significant Accounting Policies" as given in the Company's separate financial statements.

**NOTE '2'**

30.06.2013 31.03.2012
₹ ₹

SHAREHOLDERS FUND:**SHARE CAPITAL:**

Authorised Share Capital:

9250000 Equity shares of ₹ 10/-each (P.Y. 10000000)	9,25,00,000	10,00,00,000
1750000 Preference shares of ₹ 10/-each (P.Y.1000000)	1,75,00,000	1,00,00,000
	11,00,00,000	11,00,00,000

Issued,subscribed and fully paid up share capital

9200830 Equity shares of ₹ 10/- each fully paid
(P.Y. 9200830)

9,20,08,300 9,20,08,300

Issued, Subscribed and Paid-up Preference Share capital

1750000 Preference Share of ₹ 10/- each

1,75,00,000 -

10,95,08,300 9,20,08,300

Shares held by Holding Company	No. of Shares	% of Holding	No. of Shares	% of Holding
Manekchand Panachand	5960611	64.78	5960611	64.78

Trading Investment Co. Pvt. Ltd.

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None of the Share Holders other than Holding Company holds more than 5% as on the reporting date and previous year.

Rights, preferences and restrictions attached each class of shares.

The company has only one class of equity share having at par value of ₹ 10/- per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the share holders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to number of shares held by the share holder.

NOTE '3'**RESERVE AND SURPLUS:**

Capital Reserve	2,39,031	2,20,940
	2,39,031	2,20,940
Securities Premium Reserve		
Balance as per last financial statement	54,96,740	54,96,740
	54,96,740	54,96,740
Preference Share Redemption Reserve:		
Balance as per last financial statement	5,00,000	5,00,000
	5,00,000	5,00,000
General Reserve:		
Balance as per last financial statement	13,33,29,906	13,33,29,906
	13,33,29,906	13,33,29,906

**NOTE '3'... Cont.**

30.06.2013 31.03.2012
₹ ₹

Surplus/Deficit in statement of Profit & Loss

Balance as per last financial statement (26,11,69,306) (26,37,17,622)

Profit and loss for the year 4,21,64,559 25,48,316

Net Surplus/(Deficit) in statement of Profit & Loss (21,90,04,747) (26,11,69,307)

Foreign Currency Monetary item translation difference amount (1,69,78,062) -

TOTAL (9,64,17,132) (12,16,21,720)

NOTE '4'**NON-CURRENT LIABILITIES:**

Long Term Borrowings:-

1) SECURED: LOAN FROM BANK

a) Indian Rupee Working Capital Term Loan and other term loan (Refer Note 4(3)) 1,26,664 1,66,60,358

b) Foreign Currency Term Loan from bank (Refer Note 4(3)) 3,07,94,916 5,84,71,256

[The facilities are secured by way of first pari passu charge on Current Assets, second pari passu charge on Company's entire fixed assets and further secured by personal guarantee of Chairman & Managing Director.]

c) Vehicle Loan (Secured by Hypothecation of Vehicle) (Refer Note 4(4)) 18,74,279 23,75,488

2) UNSECURED:

i) Inter corporate deposits
Associated 2,78,242 2,78,242
Holding Company - 10,51,03,293
Others - 82,00,000

ii) Fixed Deposits
Others - 1,64,34,783

iii) Deferred sales tax loan (Refer Note 4(5)) 14,90,073 18,48,396

iv) Chairman & Managing Director (Refer Note 4(6)) 12,00,000 12,00,000

TOTAL 3,57,64,174 21,05,71,816

(Note 4 (3))

- a) WCTL loan of ₹ 327.31 lakhs (P.Y. ₹ 444.10 lakhs) having interest of 7.25% to 7.50% is repayable in 16 quarterly installments of ₹ 31.25 lakhs from April 2011 to January 2015.
- b) WCTL loan of ₹ 106.29 lakhs (P.Y. ₹ 243.12 lakhs) having interest of 15.25% to 15.25% is repayable in 48 monthly installments from April, 2010 to April 2013.
- c) WCTL loan of ₹ 246.47 lakhs (P.Y. ₹ 446.41 lakhs) having interest of 7.25% to 7.50% is repayable in 15 quarterly installment from first July, 2010 to three installment of ₹ 10.00 lakhs each, next 4 installments of ₹ 15.00 lakhs each, next 4 installments of ₹ 40.00 lakhs each, and last three installments of ₹ 56.25 lakhs each.

**NOTE '4'... Cont.**

d] Details of continuing default as on 30th June, 2013.

State Bank of Patiala ₹ 56.25 lakhs (USD 103500) due on 30-06-2013 not yet paid (P.Y. ₹ 42.00 lakhs due on 31-03-2012 paid on 20-06-2012).

Note 4(4)

The loan of ₹ 35.00 lakhs from ICICI Bank having interest of 10.91% is repayable in 60 monthly installments of ₹ 0.75 lakhs each from January 2012 to July 2016.

Note 4(5)

The Total loan of ₹ 20.90 lakhs from SICOM Ltd. consisting of 3 loans of ₹ 12.10 lacs, ₹ 5.81 lakhs and ₹ 2.98 lakhs. This loan is interest free under Sales Tax Deferral Scheme. This loan is repayable in 15 installments from April 2012 and last installment falling due on April 2018.

Note 4(6)

This interest free loan has been given by Chairman and Managing Director Pursuant to agreement with secured lenders and is repayable only after repayment of secured term loan.

Note 4(7)

This interest free loan has been given by Chairman and Managing Director Pursuant to agreement with secured lenders and is repayable only after repayment of secured term loan.

NOTE '5'**Long Term Provisions:**

	30.06.2013	31.03.2012
	₹	₹
Provision for employee benefit -(leave-gratuity)	1,67,55,173	1,04,51,760

NOTE '6'**Short Term Borrowings:****Secured:**

Working Capital From Bank	23,63,64,621	19,59,81,348
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[The facilities are secured by way of first pari passu charge on Current Assets, second pari passu charge on Company's entire fixed assets and further secured by personal guarantee of Chairman & Managing Director.]

Unsecured:**Inter Corporate Deposits:**

Holding Company	-	5,26,90,609
Others	20,36,84,286	11,72,73,328

**NOTE '6'... Cont.**

	30.06.2013	31.03.2012
	₹	₹

Fixed Deposits:

Directors & Other Relatives	25,00,000	1,37,00,000
Others	-	62,51,000

Other Loans and Advances:

from Directors	-	57,78,665
Vehicle Loan	-	9,03,000

TOTAL	<u>44,25,48,907</u>	<u>39,25,77,950</u>
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NOTE '7'**TRADE PAYABLES:**

Sundry Creditors	14,93,51,869	18,28,97,755
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Due to micro small and medium enterprises	7,48,167	18,29,094
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TOTAL	<u>15,01,00,036</u>	<u>18,47,26,849</u>
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Principle and interest due remaining unpaid	-	-
Interest paid under MSMED Act	-	-
Interest due and payable	-	-
Interest accrued and remaining unpaid	-	-

NOTE '8'**Other Current Liabilities:**

Current maturities of long term debts (Refer Note 4(3)), 4(4))	3,76,64,393	6,94,11,434
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[The facilities are secured by way of first pari passu charge on Current Assets, second pari passu charge on Company's entire fixed assets and further secured by personal guarantee of Chairman & Managing Director.]

Deferred sales tax Loan (term loan refer note no. 4 (5))	-	2,41,925
Interest accrued but not due on borrowing - Fix Deposits	40,320	76,049
Interest accrued but due on borrowing - Term Loans	3,59,381	7,57,271
Redemed Preference shares & excess right issue(unclaimed)	21,000	21,000
Unclaimed Bonus and salary	-	1,73,202
Unclaimed dividend	3,02,947	4,52,421
Employees dues	64,11,273	49,11,924
Statutory dues	78,86,084	46,43,525
Advance from customers	7,91,916	-
Book overdraft	10,19,228	-
Others	27,59,419	-

TOTAL	<u>5,72,55,961</u>	<u>8,06,88,751</u>
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NOTE '9' 30.06.2013 31.03.2012
₹ ₹

Short Term Provisions:

Provision for Employee Benefits-(Leave /Gratuity) 40,27,013 33,36,860
(Refer Note 23)

NOTE '10' TOTAL 40,27,013 33,36,860

NON-CURRENT ASSETS:

Fixed Assets:

	GROSS BLOCK (AT COST)	DEPRE- CIATION	NET BLOCK	
	Total as at 30/06/2013	Total upto 30/06/2013	As on 30/06/2013	As on 31/03/2012
Particulars of Asset	₹	₹	₹	₹
Tangible Assets				
Leasehold Land	76,400	31,766	44,634	45,438
Freehold Land	24,94,573	-	24,94,573	26,06,318
Plant & Equipments (Includes Computers & Office Equipments)	79,37,51,280	55,81,88,320	23,55,62,960	26,28,21,165
Buildings	11,62,48,560	8,13,84,165	3,48,64,395	4,23,00,065
Furnitures & Fixtures	69,18,510	64,05,247	5,13,263	6,54,077
Vehicles	1,97,45,800	1,63,48,595	33,97,206	51,73,602
GRAND TOTAL	93,92,35,124	66,23,58,093	27,68,77,030	31,36,00,665
PREVIOUS YEAR TOTAL	94,25,35,703	62,89,35,038	31,36,00,665	33,13,78,509

Plant and Equipments include lab equipment having WDV ₹ 16,08,281/- (P.Y. ₹ 19,75,290/-) and R & D Equipments having WDV ₹ 11,70,049/- (P.Y. ₹ 16,32,071/-).

Addition in Plant and Machinery includes foreign exchange fluctuation on long term foreign currency liability ₹ 4,46,835/- (P.Y. ₹ 2,75,85,200/-)

NOTE '11'

NON-CURRENT INVESTMENTS:

Unquoted -
Quoted 10,75,127 10,75,127
Less: Diminution 9,66,707 9,66,707
1,08,420 1,08,420

Unquoted :

Investment in equity instruments Subsidiaries
750 (P.Y. 750) Shares of Anuchem B.V.B.A.-Belgium 7,71,550 7,71,549
of 25 Euro each
25000 (P.Y. 25000) Shares of Anuchem Pte.Ltd.-Singapore 6,92,250 6,92,250
of 1 Singapore Dollar Each
255000 (P.Y. 255000) Life Style Networks Ltd. of ₹ 10/- each - 25,50,000
TOTAL-(A) 14,63,800 40,13,799

Other Investment

Quoted :

Equity Shares of ₹10/- each fully paid up unless specified
500 (P.Y. 500) Anco Communication Ltd 71,788 71,788
3900 (P.Y. 3900) Enarai Finance Ltd 78,000 78,000

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NOTE '11'... Cont. 30.06.2013 31.03.2012
₹ ₹

18000 (P.Y. 18000) Indian Extractions Ltd 5,08,194 5,08,194
5000 (P.Y. 5000) Indo-Biotech Ltd 1,91,250 1,91,250
2000 (P.Y. 2000) First Object Technoliges Ltd 81,400 81,400
1300 (P.Y. 1300) Mexworth Orchards Ltd 13,000 13,000
5000 (P.Y. 5000) Ojas Technochem Products Ltd 1,31,495 1,31,495
10,75,127 10,75,127

Less Aggregate provision for dminution in value of investment 9,66,707 9,66,707
TOTAL-(B) 1,08,420 1,08,420
TOTAL-(A+B) 15,72,219 41,22,219

[Aggregate amount of quoted investment ₹ 10,75,127/- (P.Y. ₹ 10,75,127/-) and market value of ₹ 1,65,240/- (P.Y. ₹ 1,64,000/-)]

[Aggregate amount of unquoted investment ₹ 14,63,800/- (P.Y. ₹ 40,13,799/-)]

NOTE '12'

Deferred Tax Assets (Net)

Depreciation and amortization (1,85,68,339) (1,71,74,068)
Unabsorbed Depreciation 1,64,03,241 3,38,36,113
Expenditure allowed under IT Act on Payment Basis 64,21,695 42,60,683
TOTAL 42,56,597 2,09,22,728

NOTE '13'

LONG TERM LOANS AND ADVANCES:

(Unsecured Considered Goods

Unless Otherwise Stated)

Capital Advance 5,36,156 6,50,315
Other Loans and advances:
Security Deposits 66,44,737 66,44,737
Other Recievable - 1,72,13,061
Advance income tax (Net of payment) 2,08,51,258 2,07,65,804
TOTAL 2,80,32,151 4,52,73,917

NOTE '14'

OTHER NON CURRENT ASSETS:

Fixed Deposits with bank with maturity - 4,00,000
TOTAL - 4,00,000

NOTE '15'

CURRENT ASSETS:

INVENTORY:

Raw Material (Include stock in transit ₹ 59,09,103/-
(P.Y. ₹ 17,35,991/-) 2,80,86,665 1,80,66,984
Work in progress 4,88,07,759 2,31,51,847
Finished Goods 1,35,87,439 1,45,99,585
Stock in Transit - 1,73,59,991
Stores and Spares 3,08,36,160 3,07,19,425
Others (Fuel, Packing Material) 58,61,420 54,27,872
TOTAL 12,71,79,443 10,93,25,704



NOTE '16'	30.06.2013	31.03.2012
	₹	₹
Trade Receivables:		
Unsecured considered good		
Overdue more than six months	1,77,554	-
Others	11,71,76,553	13,76,26,755
TOTAL	11,73,54,107	13,76,26,755
NOTE '17'		
CASH AND BANK BALANCE:		
Cash and cash equivalent		
Balance with banks	30,51,714	56,52,971
Cash in hand	4,39,917	8,47,507
Other Bank Balance	58,84,192	27,73,192
TOTAL	93,75,823	92,73,670
(Margin with Bank against LC)	58,84,192	-
NOTE '18'		
Short Term Loans and Advances:		
Unsecured considered good		
Loans to staff	7,10,771	6,03,465
Advance to vendor	93,15,702	45,05,211
Balance with Statutory/Revenue authorities	5,03,74,714	4,41,87,487
Other*	45,48,963	74,52,163
TOTAL	6,49,50,150	5,67,48,326
(*Included, Employee Loan, Prepaid Expenses)		
NOTE '19'		
Other Current Asset		
Receivable from Holding Company	41,83,236	-
Intrest accrual	2,31,648	-
TOTAL	44,14,884	-
NOTE '20'		
Revenue from Operation:		
Sale of Product	70,83,54,534	67,34,86,708
Less: Excise duty	92,13,929	71,22,631
	69,91,40,605	66,63,64,077
Other Operative revenue:		
Income from Joint Venture	-	1,21,10,252
DEPB/Duty Draw Back	1,13,62,074	1,22,27,189
Other Sale	47,63,489	26,44,070
Foreign Exchange fluctuation	74,029	(24,90,073)
TOTAL	71,53,40,196	69,08,55,515

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NOTE '21'	30.06.2013	31.03.2012
	₹	₹
Other Income:		
Interest Income	7,26,212	4,67,856
Other non-operative income-Miscellaneous	48,18,245	13,43,054
Foreign Exchange Fluctuation	29,65,742	-
TOTAL	85,10,199	18,10,910
NOTE '22'		
EXPENSES:		
Cost of Raw material & components consumed		
Inventory at the beginning of the year	1,80,66,984	2,72,38,120
Add: Purchases	39,66,56,795	36,49,04,525
Inventory at the end of the year	2,21,77,562	1,80,66,984
TOTAL	39,25,46,217	37,40,75,661
NOTE '23'		
Changes in inventories of finished goods, work-in-progress and stock in trade		
Opening Finished Goods	1,37,79,730	3,61,12,981
Less: Closing Finished Goods	1,34,89,904	1,39,68,042
TOTAL	2,89,826	2,21,44,939
Opening work in progress	2,31,51,847	32,52,169
Less: Closing work in progress	4,88,07,759	2,31,51,847
TOTAL	(2,56,55,912)	(1,98,99,678)
Other opening stock	25,000	1,05,615
Less: other closing stock	35,000	1,30,000
TOTAL	(10,000)	(24,385)
Scrap opening stock	1,05,000	-
Less: Scrap closing stock	1,10,000	-
TOTAL	(5,000)	-
Excise on closing stock	-	16,96,166
TOTAL	-	(16,96,166)
TOTAL	(2,53,81,086)	5,24,710
NOTE '24'		
EMPLOYEE BENEFIT EXPENSES:		
Salaries,wages and bonus	5,22,13,716	3,94,17,550
Contribution to PF and other funds	43,33,633	29,45,261
Gratuity Expenses	55,18,829	13,72,169
Staff welfares	15,71,139	13,98,840
TOTAL	6,36,37,317	4,51,33,818



NOTE '25'	30.06.2013	30.03.2012
	₹	₹
FINANCIAL COST:		
Interest expenses	17,68,765	1,52,10,094
Other borrowing cost	5,79,51,035	4,66,31,014
Gain/Loss foreign currency transaction	2,65,83,685	77,37,482
TOTAL	10,22,22,585	6,95,78,590

NOTE '26'		
Other expenses	18,63,90,971	17,84,52,706

NOTE '27'

Consolidated Segment Reporting :

i) Information about Primary segment-Geographical

	Export Segment	Local Segment	Total
Segment Revenue			
a. External Turnover	51,97,73,507	17,08,56,898	69,06,30,405
b. Export Incentives	1,43,27,816	-	1,43,27,816
Profit on Sale of Assets			7,59,56,718
Other Un-allocated	-	-	-
Revenue / income			
Other Revenue	-	-	1,03,81,975
	53,41,01,323	17,08,56,898	79,12,96,914
Segment Result	2,23,25,778	9,57,41,934	11,80,67,712
Profit on Sale of Assets			7,59,56,718
Other Revenue			1,03,81,975
Operating Profit			20,44,06,405
Interest			10,22,22,585
Depreciation			3,75,91,544
Profit/(Loss) Before Taxation			6,45,92,276
Current Tax			(4,646)
Deferred Tax			(2,24,23,071)
Profit after Taxation			4,21,64,559

NOTE :

- a) The company is mainly engaged in manufacturing of Chemical Intermediates having similar risks and returns, constituting a single segment. Revenue from other activities pursued are insignificant. Operations of the company are classified into two primary Geographical Segments namely Exports and Local. These segments have been identified and reported taking into account exchange control regulations, underlying currency risks and the internal financial reporting segments.
- b) Segment Revenue and Expenses :-
- Revenue directly attributable each of the segments is shown under segment revenue.
 - Segment expenses include directly attributable and certain indirect expenses allocated on a reasonable basis. It excludes interest expenses, depreciation and other common expenses which cannot be allocated on a reasonable basis.

NOTE '27'...Cont.

- c) Segment Assets and Liabilities :-
Fixed Assets used in the companies business are not identifiable to any particular reportable segment; consequently management believes that it is not practical to provide segment disclosures relating to capital employed.

NOTE '28'

Income Tax assessments for the assessment year 98-99 and 99-2000 were reopened under section 148 of income tax act 1961 for disallowing claim under section 80HHC of the act and assessment were completed under section 144 of the act. In the company writ petition before the Hon'ble Bombay High Court rules issued and matter is pending. Company has been legally advised that it bound to succeed in the writ and hence again demand of ₹1, 54,19,469/- for these year no provision is considered necessary. Provision existing in books of ₹ 93 42 356/- is considered adequate to cover liability estimated to arise out of order giving effect to the orders of Hon'able Supreme Court for the assessment year 2001-02 to 2005-06 that are awaited and in respect of subsequent year.

NOTE '29'

The order book position has improved during the financial year as compared to the past including long term supply agreements. In order to execute these orders on a timely basis which will have positive impact on overall performance, the company has strategically initiated disposal of their non-core fix assets which would generate sufficient working capital. These measures will improve overall financial position of the company in addition to absorbing accumulated losses. Hence, although there are accumulated losses as on June 30th, 2013, considering the overall strategy, going concern would not be affected and accordingly financial statements have been prepared.

In addition, Disposal of non core fixed assets would be sufficient to reverse deferred tax assets created on account of unabsorbed depreciation as the proposed gain of these assets and resultant taxable income would be higher than the carrying value of deferred tax assets.

NOTE '30'

The unamortized balance in Foreign currency monetary item translation difference Account arising out of revaluation of Long term Foreign Currency monetary items which are being amortized over the period of such items have disclosed in Note on Reserves and Surplus (Note 3).

NOTE '31'

The current financial statements have been prepared for 15 months and accordingly previous year figures are not comparable. Previous year's figures have been re-classified in accordance with the requirements applicable during the current period.

**NOTE '32'****30.06.2013****30.03.2012**

Earnings per share of Nominal value of ₹10/- each computed in accordance with Accounting Standard (AS-20) for the year.

(a) Profit/(Loss) after tax as per P&L account (₹)	4,21,64,559	25,48,316
(b) Opening number of equity shares outstanding	92,00,830	92,00,830
(c) Number of Right Issue shares	-	-
(d) Closing number of equity shares outstanding	1,09,50,830	92,00,830
(e) Basic/Diluted earnings per share [(a)/(c)] (₹10/- per share)	4.58	0.28

NOTE '33'**RELATED PARTY DISCLOSURES**

Nature of Transaction	Holding Company	Subsidiary Company	Associate Company	(*) K.M. Personnel	Total
a) Sale of goods	-	22,07,20,516	-	-	22,07,20,516
b) Receiving services	(-) (31,20,82,971)	-	(-) (13,18,581)	(-) (13,18,581)	15,88,652
c) Managerial Remuneration	-	-	-	86,04,677	86,04,677
d) Directors' Sitting Fees	(-) (58,22,806)	(-) (58,22,806)	(-) (2,81,000)	(-) (2,81,000)	2,81,000
e) Interest Expenses	45,18,399	-	-	-	45,18,399
f) Fixed Deposit Received	(42,12,838)	(-) (42,12,838)	(-) (12,00,000)	(-) (12,00,000)	12,00,000
g) Loans Accepted	6,10,54,474	-	-	26,00,000	6,36,54,474
h) Loans repayment	(3,83,85,000)	(-) (3,83,85,000)	(-) (32,50,000)	(-) (4,16,35,000)	12,92,10,846
i) Sale of Assets	8,61,50,000	-	-	-	8,61,50,000
Outstanding balance as on June 30, 2013	41,83,236	6,12,49,553	-	(89,72,407)	-

I) List of Related Parties	
i) Holding Company	- M/s. Manekchand Panachand Trading Investment Co. Pvt. Ltd.
ii) Subsidiaries	- M/s. Anuchem B.V.B.A., Belgium M/s. Anuchem Pte. Ltd., Singapore M/s. Lifestyle Networks Ltd.
iii) Associate Companies	- M/s. IBI Engineering & Services Pvt. Ltd. M/s. Amnisera Corporation M/s. Manekchand Panachand & Co. M/s. Chandra Net Pvt. Ltd.

**NOTE '33'... Cont.**

- II) Key Management Personnel
- i) Shri A.D.Javeri - Chairman & Managing Director
Smt. Seema A. Javeri wife of Shri A.D. Javeri
Smt. Molina D. Javeri Mother of Shri A.D. Javeri
Mr. Abhishek A. Javeri son of Shri A.D. Javeri
- ii) Shri N.R. Jani - Director & Company Secretary
- III) Disclosure in respect of material related party transactions during the year.
- (1) Sale of Goods to Anuchem B.V.B.A., Belgium ₹ 18,95,57,392/- (P.Y. ₹ 28,99,24,002/-) (2) Anuchem Pte Ltd., Singapore ₹ 31,63,124/- (P.Y. ₹ 2,21,58,969)
(3) Receiving Services to Amnisera Corporation (Associated Company) ₹ 15,88,652/- (P.Y. ₹ 13,18,581/-) (4) Interest Expenses to Manekchand Panachand Trading & Investment Co.Pvt.Ltd.(Holding Company) ₹ 45,18,399/- (P.Y. ₹ 42,12,838/-) (5) Interest Expenses to Manekchand Panachand & Co. (Associate Company) ₹ Nil (P.Y. ₹ Nil) (6) Interest Income to Life Style Network Ltd. (Subsidiary Company) ₹ Nil (P.Y. ₹ Nil) (7) Loan Accepted to Manekchand Panachand Trading & Investment Co.Pvt.Ltd. (Holding Company) ₹ 3,83,85,000/- (P.Y. ₹ 3,83,85,000/-), Manekchand Panachand & Co. (Associate Company) ₹ Nil (P.Y. ₹ Nil) (8) Loan Repayment to Lifestyle Networks Ltd. (Subsidiary Company) ₹ Nil (P.Y. ₹ Nil), Asit D. Javeri (Key Management) ₹ 26,00,000/- (P.Y. ₹ 32,50,000/-) (9) Fixed Deposit Received to Asit D. Javeri (Key Management) ₹ 12,00,000/- (P.Y. ₹ 12,00,000/-).

As per Report attached of even date

For V. SANKAR AIYAR & CO.

Chartered Accountants
Firm Regn. No. 109208W**ARVIND MOHAN**Partner (Membership No.124082)
Place : Mumbai
Dated : 28th August, 2013**A.D. JAVERI**

Chairman & Managing Director

N.R. JANIDirector & Company Secretary
Place : Mumbai
Dated : 28th August, 2013

FIVE YEAR HIGHLIGHTS



(₹ in Lacs)

	2012-2013	2011-2012	2010-11	2009-10	2008-09
RESOURCES					
Capital	1095.08	920.08	920.08	920.08	920.08
Reserve	(990.47)	(727.88)	(750.06)	(222.49)	694.46
Net Worth	104.61	192.20	170.02	697.59	1614.54
State Govt. Sales Tax Incentives	14.90	20.90	20.90	20.90	20.90
Other Borrowings	4768.23	4795.03	4456.59	4810.57	5049.71
TOTAL	4887.74	5008.13	4647.51	5529.06	6685.15
UTILISATION OF RESOURCES					
Fixed Assets	10262.29	10247.92	10045.94	9753.82	9452.36
Less: Depreciation	6623.58	6289.35	5973.72	5643.96	5299.73
Net Fixed Assets	3638.71	3958.57	4072.22	4109.86	4152.63
Investments	15.72	41.22	41.22	61.22	61.22
Net Current Assets	1233.31	1008.34	534.07	1357.98	2471.30
Profit & Loss Account	-	-	-	-	-
TOTAL	4887.74	5008.13	4647.51	5529.06	6685.15
REVENUE FROM OPERATIONS					
Sales of Products	6679.67	6540.43	5427.78	3497.93	7700.96
Other Operative Revenue	161.25	148.71	72.94	16.08	87.32
Other Income	85.08	17.75	90.62	117.98	98.64
TOTAL REVENUE	6926.00	6706.89	5591.34	3631.99	7886.92
EXPENDITURE :					
Cost of Materials Consumed/ Purchase of Stock in Trade	4262.67	3740.76	3402.83	2003.61	4941.12
Changes in Inventories of Finished goods, Work in Progress and Stock in Trade	(247.44)	7.13	(134.05)	328.67	(270.62)
Employee Benefit Cost	635.91	451.02	457.17	339.45	405.74
Financial Cost	1017.52	663.94	514.16	550.88	560.74
Depreciation	367.40	315.63	335.91	344.23	374.20
Other Expenses	1655.34	1646.89	1509.11	961.93	1699.40
TOTAL EXPENDITURE	7691.40	6825.37	6085.13	4528.77	7710.58
PROFIT/(LOSS) BEFORE TAX & Exceptional Items	(765.40)	(118.48)	(493.79)	(896.78)	176.34
Add : Profit on Sale of Assets/ Investment	810.57	-	-	-	-
Less : Excess/Short Provisions	224.23	(226.92)	33.78	20.16	1082.15
PROFIT/(LOSS) AFTER TAX	(179.06)	108.44	(527.57)	(916.94)	(905.81)

BLANK



SADHANA NITRO CHEM LIMITED

Regd. Office : 207, Kakad Chambers, 132, Dr. Annie Besant Road,
Worli, Mumbai - 400 018.

PROXY FORM

I/We _____
being a member/members of **SADHANA NITRO CHEM LTD.**, hereby appoint _____ of
_____ or failing him _____ of
_____ as my/our proxy in my/our absence to attend and vote for
me/us on my/our behalf at the 40th Annual General Meeting of the Company to be held on
Thursday the 31st October, 2013 and at any adjournment thereof.

Signed by the said _____
Folio/Client ID No. _____
No. of Shares held _____

Please
affix
Re. 1/-
Revenue
Stamp

(Signature of Member)

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



SADHANA NITRO CHEM LIMITED

ENTRANCE PASS

FOR THE 40th ANNUAL GENERAL MEETING

Date : 31st October, 2013
Time : 3.00 p.m.
Place : **SASMIRA AUDITORIUM**, The Synthetic & Art Silk Mills'
Research Association, 3rd Floor, SASMIRA Marg,
Worli, Mumbai - 400030.

Folio/Client ID No. _____

No. of Shares _____

Name of the Shareholders/Jt. Shareholder(s) _____



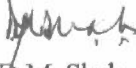
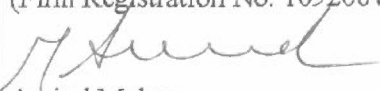
Name of the Proxy _____

Signature of Shareholder/Proxy _____

Note : (1) Only shareholder or their proxies will be allowed to attend the meeting.
(2) THE PRACTICE OF DISTRIBUTING COPIES OF THE "ANNUAL REPORT" AT THE ANNUAL GENERAL MEETING HAVING BEEN DISCONTINUED, YOU ARE REQUESTED TO BRING YOUR COPY OF THE "ANNUAL REPORT" TO THE MEETING.

NO ENTRY WITHOUT ENTRANCE PASS

FORM A
(Pursuant to Clause 31(a) of Listing Agreement)

No.	Particulars	Details
1.	Name of the Company	Sadhana Nitro Chem Limited
2.	Annual standalone financial statements for the year ended	30 th June, 2013
3.	Type of Audit observation	<p>Matter of Emphasis - Paragraph inserted in Auditor's Report of Standalone Financial statements</p> <p>We draw attention to Note No. 33 regarding going concern and deferred tax assets. Our opinion is not qualified in respect of this matter.</p>
		<p>Note No. 33 inserted in financial statements referred in Matter of Emphasis paragraph</p> <p>The order book position has improved during the financial year as compared to the past including long term supply agreements. In order to execute these orders on a timely basis which will have positive impact on overall performance, the company has strategically initiated disposal of their non-core fix assets which would generate sufficient working capital. These measures will improve overall financial position of the company in addition to absorbing accumulated losses. Hence, although there are accumulated losses as on 30th June, 2013, considering the overall strategy, going concern would not be affected and accordingly financial statements have been prepared.</p> <p>In addition, Disposal of non core fixed assets would be sufficient to reverse deferred tax assets created on account of unabsorbed depreciation as the proposed gain of these assets and resultant taxable income would be higher than the carrying value of deferred tax assets.</p>
4.	Frequency of observation	First year
5.	To be signed by :	<p> Mr. Asit D. Javeri</p> <p> Mr. Nitin R. Jani</p> <p> Mr. D.M. Shah</p> <p>Refer our Audit Report dated 28th August, 2013 On the standalone financial statements of the Company For V. SANKAR AIYAR & Co. Chartered Accountants (Firm Registration No. 109208W)</p> <p> Arvind Mohan (Partner) (Membership No. 124082)</p> <p>Mumbai, 2013</p>

