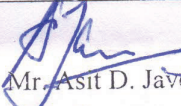
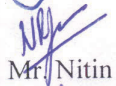
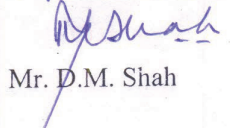
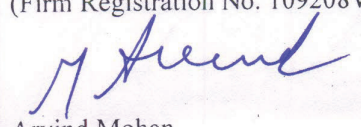

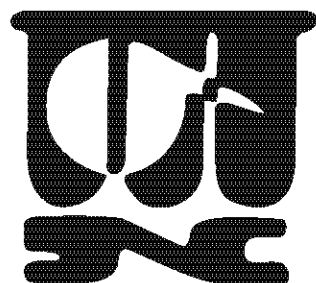


FORM A  
(Pursuant to Clause 31(a) of Listing Agreement)

No.	Particulars	Details
1.	Name of the Company	Sadhana Nitro Chem Limited
2.	Annual standalone financial statements for the year ended	31 <sup>st</sup> March, 2015
3.	Type of Audit observation	<p><b>Matter of Emphasis - Paragraph inserted in Auditor's Report of Standalone Financial statements</b></p> <p>We draw attention to Note No. 31 regarding going concern. Our opinion is not qualified in respect of this matter.</p> <p><b>Note No. 31 inserted in financial statements referred in Matter of Emphasis paragraph</b></p> <p>The order book position has improved during the financial year as compared to the past including long term supply agreements. During the period, the company has disposed most of its non core assets and the proceeds have been utilised to settle some of the high cost debt and also towards working capital requirements. This in cumulative perspective will improve the overall performance of the company in addition to absorbing accumulated losses. Hence although there are accumulated losses as on 31<sup>st</sup> March, 2015, considering the overall strategy, going concern would not be affected and accordingly financial statements have been prepared.</p>
4.	Frequency of observation	Third year
5.	To be signed by :	<p>             Mr. Asit D. Javeri              Mr. Nitin R. Jani              Mr. D.M. Shah         </p> <p>Refer our Audit Report dated 16<sup>th</sup> April, 2015 On the standalone financial statements of the Company For V. SANKAR AIYAR &amp; Co. Chartered Accountants (Firm Registration No. 109208W)</p> <p>             Arvind Mohan            (Partner)            (Membership No. 124082)         </p> <p>Mumbai, dated : 25/8/2015</p> 



**Sadhana Nitro Chem Limited**  
42nd Annual Report 2014-15

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**SADHANA NITRO CHEM LIMITED**

<b>BOARD OF DIRECTORS</b>	Shri Asit D. Javeri	Chairman & Managing Director
	Shri Arvind R. Doshi	Director
	Shri Priyam S. Jhaveri	Director
	Shri Dharendra M. Shah	Director
	Shri Pradeep N. Desai	Director
	Shri Abhishek A. Javeri	Director
	Smt Seema A. Javeri	Director
<b>KEY MANAGERIAL PERSONNEL</b>	Shri Nitin R. Jani	Company Secretary
	Shri Sanjeev P. Shah	Chief Financial Officer
<b>BANKERS</b>	STATE BANK OF INDIA, Mumbai & Roha	
	AXIS BANK LTD., Mumbai	
	STATE BANK OF PATIALA, Mumbai	
<b>AUDITORS</b>	V. SANKAR AIYAR & CO.	
	Chartered Accountants	
	2-C. Court Chambers, 35, New Marine Lines, Mumbai – 400 020.	
<b>REGISTERED OFFICE</b>	HIRA BAUG,	
	1 <sup>st</sup> Floor, Kasturba Chowk (C.P. Tank),	
	Mumbai – 400 004.	
	Phone : 022-23822524 Fax : 022-23887235. E-mail : sadhananitro@sncl.com Website : www.sncl.com	
<b>CIN NO</b>	L24110MH1973PLCO16698	
<b>FACTORY</b>	47, M.I.D.C. Industrial Area, Roha, Dist. Raigad, Maharashtra – 402 116.	
<b>REGISTRAR AND TRANSFER AGENT (RTA)</b>	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 E-mail : rnt.helpdesk@linkintime.co.in	

## NOTICE TO THE MEMBERS



NOTICE IS HEREBY GIVEN THAT THE **FORTY-SECOND ANNUAL GENERAL MEETING** OF THE COMPANY WILL BE HELD AT SHETH HIRACHAND GUMANJI TRUST HALL, HIRA BAUG, 1<sup>ST</sup> FLOOR, KASTURBA CHOWK (C.P. TANK) MUMBAI - 400004 ON TUESDAY, THE 11<sup>TH</sup> AUGUST, 2015 AT 3.00 P.M. TO TRANSACT THE FOLLOWING BUSINESS :-

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Standalone and Consolidated Balance Sheet & Profit and Loss Account with Notes thereon and Cash Flow Statement for the Financial Year ended 31<sup>st</sup> March, 2015 together with the Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Smt. Seema A. Javeri (DIN: 01768936) who retires by rotation and is eligible for re-appointment.
3. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** M/s. V. Sankar Aiyar & Co., Chartered Accountants (Registration No. 109208W), be and is hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting at such remuneration as shall be fixed by the Board of Directors of the Company."

### **SPECIAL BUSINESS:**

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

**"RESOLVED THAT** pursuant to Section 14 of the Companies Act, 2013 and the rules made thereunder, the existing Articles of Association of the Company be and is hereby replaced by new set of Articles of Association of the Company duly placed before the members initialed by the Chairman for the purpose of identification."

**"RESOLVED FURTHER THAT** the Board or any of its duly constituted committee be and is hereby authorised to do all such acts, deeds and things which are necessary for the aforesaid amendment in Articles of Association."

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

**"RESOLVED THAT** pursuant to the provisions of Sections 196 & 197 of the Companies Act 2013 read with Schedule V and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and subject to further approval of the Central Government, if required and all other applicable provisions, if any, and rules made there under of the Companies Act, 2013, the consent of the members be and is hereby accorded to the reappointment of Shri Asit D. Javeri (DIN : 00268114) as Chairman & Managing Director of the Company for period of 3 (Three) Years with effect from 1<sup>st</sup> September, 2015 on the terms and conditions including remuneration as are set out in the agreement to be entered into between the Company and Shri Asit D. Javeri, a draft whereof is placed before this meeting and initialed by the Chairman for the purpose of identification, which agreement is hereby specifically sanctioned with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee constituted by the Board) to alter and vary the terms and conditions of the said reappointment and/or remuneration and/or agreement as may be agreed to between the Board and Shri Asit D. Javeri."



**"RESOLVED FURTHER THAT** subject to further approval of the Central Government if required, in the event of loss or inadequacy of profits in any financial year, aforesaid remuneration by way of salary, allowances and perquisites shall be payable to Shri Asit D. Javeri, Chairman & Managing Director, as minimum remuneration."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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

**"RESOLVED THAT** pursuant to the provisions of Sections 196 & 197, of the Companies Act 2013 read with Schedule V and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and subject to further approval of the Central Government, if required and all other applicable provisions, if any, and rules made there under of Companies Act, 2013, the consent of the members be and is hereby accorded for appointment of Smt. Seema A Javeri (DIN : 01768936) as Executive Director – Administration of the Company for a period of 3 years with effect from 1<sup>st</sup> July, 2015 and to pay remuneration on such terms and conditions, including remuneration as are set out in the agreement to be entered into between the Company and Smt. Seema A Javeri, a draft whereof is placed before this meeting and initialed by the Chairman for the purpose of identification, which agreement is hereby specifically sanctioned with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee constituted by the Board) to alter and vary the terms and conditions of the said appointment and/or remuneration and/or agreement as may be agreed to between the Board and Smt. Seema A. Javeri."

**"RESOLVED FURTHER THAT** subject to further approval of the Central Government if required, in the event of loss or inadequacy of profits in any financial year, aforesaid remuneration by way of salary, allowances and perquisites shall be payable to Smt. Seema A. Javeri, as minimum remuneration."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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

**"RESOLVED THAT** pursuant to Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meetings of Board & its Powers) Rules, 2014 including any modifications or amendments or clarifications thereon, if any, Clause 49 of the Listing Agreement including any modifications or amendments thereof, if any, and out of abundant caution, the approval of the members of the Company be and is hereby accorded for entering into contracts / arrangements / transactions with the following related parties from the financial year 2015-16 and onward, up to the maximum amounts as appended below against each nature or class of contract / arrangement / transaction:-



Name of the Related Party	Name of the Director or KMP who is related, If any	Nature of Relationship	Nature, Material Terms, Monetary value and Particulars of the contract or arrangement	Any other relevant information
Manekchand Panachand Trading Investment Co. Pvt. Ltd.	Mr. Asit Javeri, Mrs. Seema Javeri Mr. Abhishek Javeri	Holding Company	Availment of ICD / Financial Assistant to the extent of ₹ 15 Crores p.a. plus payment of Interest thereon	--
Chandra Net Pvt. Ltd.	Mr. Asit Javeri, Mr. Abhishek Javeri, Mr. Nitin R. Jani (KMP)	Associate Common directors in both the Companies and / or holding more than 2% of the paid up capital.	Availing Internet and web related services to the extent of ₹ 1 Crore p.a. and/or availment of ICD / Financial Assistant to the extent of ₹ 1 Crore p.a. plus interest thereon.	--
Strix Wireless Systems Pvt. Ltd.	Mr. Asit Javeri, Mrs. Seema Javeri, Mr. Abhishek Javeri.	Associate Common directors in both the Companies and / or holding more than 2% of the paid up capital.	Availing IT related & Wireless Services to the extent of ₹ 1 Crore p.a. and/or availment of ICD / Financial Assistant to the extent of ₹ 1 Crore p.a. plus interest thereon.	--

**"RESOLVED THAT** the Board of Directors be and is hereby authorized to settle any question, difficulty or doubt arising with regard to giving effect to the above Resolution and to do all such acts, deeds and things as may be in its absolute discretion deem necessary, proper, desirable and to finalize any documents and writings related thereto."

**"RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any Director of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this Resolution."

**Registered Office :**  
Hira Baug, 1<sup>st</sup> Floor,  
Kasturba Chowk, (C.P. Tank),  
Mumbai-400004  
CIN:L24110MH1973PLC016698  
E-mail: sadhananitro@sncl.com  
Date: 16<sup>th</sup> April, 2015.

By Order of the Board

**N.R. Jani**  
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.**  
**A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.**  
Corporate members intending to send their Authorised Representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf.  
In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
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](mailto: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. 022-23822524, E-mail address: [sadhananitro@sncl.com](mailto:sadhananitro@sncl.com).
3. Brief resume of Shri. Asit D. Javeri and Smt. Seema A. Javeri, nature of their expertise in specific functional areas, name of companies in which they hold directorship and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report, even though Clause 49 is not mandatorily applicable to the Company.
4. The Company has transferred the unpaid or unclaimed dividends upto the financial years 2006-07 from time to time on due dates, to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amount lying with the Company as on 12<sup>th</sup> September, 2014 (date of last Annual General Meeting) on the website of the Company ([www.sncl.com](http://www.sncl.com)), as also on the website of the Ministry of Corporate Affairs.
5. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / RTA.
6. The Register of Members and the Share Transfer Book of the Company will remain closed from Saturday, the 1<sup>st</sup> August, 2015 to Tuesday, the 11<sup>th</sup> August, 2015 (both days inclusive) for the purpose of Annual General Meeting.
7. 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.
8. 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.
9. The Register of Contracts or Arrangements in which Directors are interested, maintained under section 301 of the Companies Act, 1956 and Section 189 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.





10. Entrance Pass and Proxy Form is annexed. Members are requested to bring their duly filled in attendance slip with copy of Annual Report to the place of meeting.
11. Members who hold shares in Dematerialized form are requested to bring their client ID and DP ID numbers for easy identification of attendance at the meeting.
12. Members desiring any information are requested to write to the Company 10 days in advance
13. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual reports, Notices, Circulars, etc. from the Company electronically.
14. **Voting through electronic means**
  - I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide its members the facility to exercise their right to vote on resolutions proposed to be considered at the 42<sup>nd</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL).
  - II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
  - III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
  - IV. The remote e-voting period commences on 7<sup>th</sup> August, 2015 (9:00 am) and ends on 10<sup>th</sup> August, 2015 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 4<sup>th</sup> August, 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.  
The process and manner for remote e-voting are as under:
    - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Depository Participants(s)]:
      - (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
      - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
      - (iii) Click on Shareholder – Login
      - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
      - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
      - (vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
      - (vii) Select "EVEN" (E-voting Event Number) of Sadhana Nitro Chem Limited.
      - (viii) Now you are ready for e-voting as Cast Vote page opens.
      - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
      - (x) Upon confirmation, the message "Vote cast successfully" will be displayed
      - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
      - (xii) Institutional & Corporate Shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [snclshare@sncl.com](mailto:snclshare@sncl.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)



- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Depository Participants(s) or requesting physical copy]:

(i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

EVEN (E Voting Event Number)	USER ID	USER ID PASSWORD/PIN
------------------------------	---------	----------------------

(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. **The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 4<sup>th</sup> August, 2015.**
- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 4<sup>th</sup> August, 2015, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [Issuer/RTA](mailto:Issuer/RTA). However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XIII. Mrs. Kumudini Paranjape, Partner of M/s Makarand M Joshi & Co., Practicing Company Secretaries, has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "remote e-voting" or "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.sncl.com](http://www.sncl.com) and on the website of NSDL. The results shall simultaneously be communicated to the Stock Exchange (BSE).



## ANNEXURE TO THE NOTICE

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

Name & Age	Educational Qualification	Experience
Shri. Asit D. Javeri (59 Yrs.)	B.Sc. (Hon.)	He joined the company in January, 1985 as Managing Director. Prior to joining the company Shri Asit D. Javeri had experience of 9 years of running chemical industry. He has been associated with the company for more than 28 years.
Smt. Seema A. Javeri (57 Yrs.)	B.Sc.	She joined the company as Woman Director on 13 <sup>th</sup> February, 2014. She possesses appropriate skill, experience and knowledge, inter-alia, in the field of Administration.

### Name of the Companies in which Director(s) to be re-appointed / appointed by Shareholders Holds directorship and the membership of Committees of the board:

Name of the Director	Name of the Companies the person holds Directorship	Name of the Companies in which the person is a Member of the Committee of the Board
Shri. Asit D. Javeri	1. Sadhana Nitro Chem Limited 2. Premier Limited 3. Indian Extractions Limited 4. Phthalo Colours & Chemicals (I) Ltd. 5. Lifestyle Net Works Ltd. 6. Anuchem b.v.b.a., Belgium 7. Manekchand Panachand Trading Investment Company Pvt. Ltd. 8. Chandra Net Private Limited 9. Strix Wireless Systems Pvt. Ltd. 10. Strix System Inc. USA 11. AHANA Inc. USA	<b>Sadhana Nitro Chem Limited</b> Share Transfer Committee-Member (Executive) <b>Premier Limited</b> Stakeholders Relationship Committee - Chairman (Non Executive) Nomination & Remuneration Committee, Audit Committee-Member (Non Executive) <b>Indian Extractions Limited</b> Audit Committee, Nomination & Remuneration Committee / Stakeholders Relationship Committee – Chairman (Non Executive) <b>Phthalo Colours &amp; Chemicals (I) Ltd</b> Audit Committee-Member (Non Executive)
Smt. Seema A. Javeri	1. Sadhana Nitro Chem Limited 2. Lifestyle Networks Limited 3. Manekchand Panachand Trading Investment Co. Pvt. Ltd 4. Strix Wireless Systems Pvt. Ltd	-- -- -- --



## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

### **Item No. 4**

It is hereby informed that majority of the sections of the Companies Act, 2013 have been notified. Pursuant to the notified provisions, the Articles of Association is required to be amended to align it with new provisions. It is therefore proposed to adopt new set of the Articles of Association of the Company in place of existing Articles of Association of the Company.

As per section 14 of the Companies Act, 2013 approval of members of the Company by Special Resolution is required. Therefore members are requested to pass the necessary special resolution as mentioned in the notice.

The copy of the Articles of Association of the Company is open for inspection of the shareholders at the registered office of the Company during working hours except on Saturdays & public holidays.

None of the Directors and/or Key Managerial Personnel or their relatives, are interested or concerned in the resolution.

### **Item No. 5 and 6**

On the recommendation of the Nomination & Remuneration Committee and subject to approval of the Members and the approval of Central Government if required, the Board of Directors of the Company at its meeting held on April 16, 2015 have (a) reappointed Shri Asit D. Javeri, as the Chairman & Managing Director for a further period of 3 years with effect from 1<sup>st</sup> September 2015 to 31<sup>st</sup> August 2018 and fixed the remuneration payable to him and (b) appointed Smt. Seema Javeri as Executive Director – Administration of the Company and fixed the remuneration payable to her.

The present remuneration payable to Shri Asit D. Javeri has been approved by Government of India, vide their sanction letter No. SRN No.B60070497/3/2012-CL.VII dated 27<sup>th</sup> May, 2013. The present agreement between the Company and Shri Asit D. Javeri is upto 31<sup>st</sup> August, 2015.

Smt. Seema A. Javeri joined the Board as an Additional Director of the Company on February 13, 2014. She was appointed as Director, eligible to retire by rotation, in the previous Annual General Meeting of the Company. She has not drawn any remuneration from the Company till 31<sup>st</sup> March, 2015.

The Board of Directors of the Company, keeping in view the qualification, experience, expertise of and in particular the contribution made by Shri. A. D. Javeri and Smt. Seema A Javeri in the overall development of the Company and having regard to the provisions in respect of managerial remuneration of the Companies Act 2013, thought it justified to re-appoint/appoint them as Chairman & Managing Director and Executive Director – Administration of the Company respectively and pay them remuneration, within the overall limits specified in the Schedule V of the said Act.

It is proposed to pay, subject to approval of the members and the approval of Central Government if required, the following remuneration to them which is commensurate with their experience and responsibilities of heading a company of this size.

#### **i) Basic Salary and Annual Increment:**

<b>Sr No</b>	<b>Particulars</b>	<b>Shri. Asit D. Javeri</b>	<b>Smt. Seema Javeri</b>
1	Basic Salary	₹ 2,45,000/-per month with effect from 1 <sup>st</sup> September, 2015	₹ 1,00,000/- per month with effect from 1 <sup>st</sup> July, 2015.
2	Annual Increment	₹ 25,000/- will be given on following 1 <sup>st</sup> September every year during the tenure of agreement	₹ 10,000/- will be given on following 1 <sup>st</sup> July every year during the tenure of agreement



ii) **Perquisites:**

In addition to the above Salary, they will be entitled to the perquisites and allowances like house rent allowance together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings and repairs, education allowance, medical reimbursement, club fees and such other perquisites and allowances in accordance with the rules of the company or as may be agreed by the Board of Directors on recommendation of Nomination & Remuneration Committee (NRC). However, such perquisites and allowances will be subject to a maximum ceiling of annual salary as under:-

- A) In addition to above, they shall be entitled to leave travel allowance for self and family, mediclaim and personal accident policy cover to the extent of 70% of annual basic salary for Mr. Asit D. Javeri and 35% of annual basic salary for Smt. Seema A. Javeri.
- B) In addition to above, they shall also be entitled to annual performance allowance not exceeding 35% of annual basic salary as may be decided by the Board on recommendation of NRC.
- C) For the purpose of calculating the above ceiling, on the perquisites and allowances, the perquisites shall be evaluated as per the Income-tax Rules, wherever applicable. In the absence of any such Rules, perquisites shall be evaluated at actual cost.
- D) Family for the above purpose means spouse, dependent children and dependent parents of the managerial personnel.
- E) In addition to above perquisites they shall also be entitled to following benefits which will not be included in computation of ceiling on perquisites.
  - a) Company's contribution to Provident Fund, Family Pension Fund and superannuation or annuity fund to the extent these either singly or together are not taxable under the Income Tax Act.
  - b) Gratuity payable as per the Rules of the Company.
  - c) Encashment of leave accumulated but not availed of during the tenure.
  - d) Provision of Company's car for official duties with driver.
  - e) Free telecommunication facility at the residence.
- F) They will be permitted to encash leave while in service as in case of other employees of the company.
- G) In the event of loss or inadequacy of profits during the aforesaid period, aforesaid remuneration not exceeding the limits specified in Schedule V shall be payable to them as a minimum remuneration.
- H) The terms and conditions of the said reappointment and/or remuneration and/or agreement may be altered and varied from time to time by the Board as it may, in its, discretion, deem fit.

The agreement may be terminated by either party by giving the other party six month's notice or by any shorter notice as may be mutually agreed to between the parties.

They shall not, so long as they function as such, become interested or otherwise concerned directly or through their spouse and / or minor children in any selling agency of the Company in future without prior approval of the Central Government.

So long as they function as such shall not be paid any sitting fees for attending the meetings of the Board of Directors or committees thereof.

In compliance with the provisions of Section 196 & 197 Companies Act 2013 read with Schedule V and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and all other applicable provisions, if any, of the Companies Act 2013, the terms of remuneration specified above are now being placed before the members in the General Meeting for their approval.



The present agreement with Shri A. D. Javeri along with Government of India's sanction letters for the present arrangement which is expiring on 31<sup>st</sup> August 2015 and the proposed draft Agreement between the Company and Shri. Asit D. Javeri and the proposed draft Agreement between the Company and Smt. Seema Javeri, is available for inspection by the members of the Company at its Registered Office of the Company during the 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.

This may be treated as an abstract of the terms of reappointment of Shri Asit D. Javeri and appointment of Smt. Seema A. Javeri and the memorandum of interest pursuant to Section 190 of the Companies Act, 2013.

The Board recommends the Special Resolutions at Item No. 5 & 6 of the notice for your approval.

**Additional information for the shareholders, as required under Schedule V to the Companies Act, 2013, and to the extent applicable to the Company / Appointee is given below:**

**1. General Information:**

- i) Nature of Industry: The Company is engaged in the Manufacturing of various chemical intermediates.
- ii) Date or expected date of commencement of commercial production: The Company was incorporated on 21<sup>st</sup> July, 1973 and Certificate for Commencement of Business was issued on 10<sup>th</sup> September, 1973.
- iii) Financial performance based on given indicators: as per published audited financial results for the year ended 31<sup>st</sup> March, 2015:

Particulars	₹ In Lacs
Sales and Other Income	4841
Profit/(Loss) before tax	317
Net Excess Provision for tax and Differed tax	102
Profit after tax	419

- iv) Export performance and foreign exchange earned for the financial year ended 31<sup>st</sup> March, 2015: FOB value of exports ₹ 26.37 lacs.
- v) Foreign Investment or Collaborators: This is not applicable.

**2. INFORMATION ABOUT THE APPOINTEE:**

- i) Background details:

Shri. Asit D. Javeri	Smt. Seema Javeri
Shri. Asit D. Javeri, aged 59 years, and having Graduation in Science, joined the company in January, 1985 as Managing Director. Prior to joining the company, Shri. Asit D. Javeri had experience of 9 years of running chemical industry. He has been associated with the company for more than 28 years.	Smt. Seema A. Javeri, aged 57 years, and having Graduation in Science, joined the Company on February 13, 2014 as Additional Director. Prior to joining the company, Smt. Seema A. Javeri had experience of 11 years in Administration.

- ii. Past remuneration drawn :

Year	Shri. Asit D. Javeri	Smt. Seema Javeri
2012-13 (15 Months)	₹ 55,82,896/-	--
2013-14 ( 9 Months)	₹ 33,50,764/-	--
2014-15	₹ 44,48,950/-	--



iii) Recognition or Rewards (Guarantee Commission payable) :

Shri. Asit D. Javeri	Smt. Seema Javeri
₹ 24,00,000/-	-

iv) Job profile and suitability:

Shri. Asit D. Javeri	Smt. Seema Javeri
Over the years, Shri. Asit D. Javeri has been entrusted with the overall responsibility of the Company. He has immensely contributed in the overall development of the Company specifically in attaining higher exports and commercialization of several high value added chemical intermediates. Shri Asit D. Javeri has taken several initiatives to restructure the business operations.	Smt. Seema A. Javeri, joined the Company in February, 2014 as Additional Director. She is Science Graduate and having experience and knowledge in Administration. Keeping in view the relevant expertise in Administration, the Board of Directors recommends appointment of Smt. Seema Javeri as Executive Director-Administration

v) Remuneration proposed: he remuneration package is given in detail in the explanatory statement. However, the same is summarized hereunder:

Sr. No.	Particulars	Shri Asit D Javeri	Smt Seema Javeri
a)	Salary	₹ 2,45,000/- P.M.	₹ 1,00,000/- P.M.
b)	Perquisites & Allowances	Maximum 70% of salary	Maximum 35% of salary
c)	Performance Allowance	Not exceeding 35% of annual salary as may be decided by the Board	Not exceeding 35% of annual salary as may be decided by the Board
d)	Minimum Remuneration in case of inadequacy of profits during any financial year	Remuneration as above will be minimum remuneration	Remuneration as above will be minimum remuneration

vi) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:-

Taking into consideration the size and nature of the Company, the profile of Shri. Asit D. Javeri and Smt. Seema Javeri, the responsibilities shouldered by them and the industry benchmarks, the aforesaid remuneration is commensurate with the remuneration package paid to similar senior level positions in other companies.

vii) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel:-

Besides the remuneration proposed, Shri Asit D. Javeri and Smt. Seema Javeri do not have any other pecuniary relationship with the Company except that Shri Asit D. Javeri has given personal guarantee for the borrowings of the company. Shri Asit D. Javeri and Smt. Seema A. Javeri are husband and wife.

**V. DISCLOSURES:**

The details of the remuneration package of Shri. A. D. Javeri and Smt. Seema Javeri are given in the explanatory statement hereinabove and the same is contained in the draft agreements with them which are open for inspection as mentioned hereinabove. Other Directors are paid no remuneration except sitting fees for the meeting of the Board and Committees thereof. All the components of the remuneration are fixed except performance allowance which will be decided by the Board on the periodical performance of the Managerial Personnel based on recommendation of Nomination & Remuneration Committee. The appointment is contractual and provides for six months notice period. No stock option has been given to them.

Your Directors commend the Resolution for your approval.



Shri. Asit D. Javeri and Smt. Seema Javeri are concerned or interested in their respective reappointment/ appointment and the remuneration payable to them. Further, none of the other Directors / key managerial personal of the Company / their relatives are, in any way, concerned or interested, financially or otherwise except Smt. Seema Javeri (wife of Shri A. D. Javeri for resolution of reappointment of Shri A. D. Javeri), Shri A. D. Javeri (husband of Smt. Seema Javeri for resolution of appointment of Smt. Seema Javeri) and Shri. Abhishek Javeri (son) in both the Resolutions.

#### Item No. 7

The Audit Committee & the Board of Directors of the Company at their meeting held on 16/04/2015 have approved certain transactions to be entered into with some of the related parties of the Company as mentioned hereunder. The Company is entering these transactions with the related parties in the ordinary course of business and at arm's length only; but out of abundant caution the approval of Shareholders by way of Special Resolution is being sought pursuant to second proviso to Section 188 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 & Clause 49 of the Listing Agreement.

Name of the Related Party	Name of the Director or KMP who is related, if any	Nature of Relationship	Nature, Material Terms, Monetary value and Particulars of the contract or arrangement	Any other relevant information
Manekchand Panachand Trading Investment Co. Pvt. Ltd.	Mr. Asit Javeri, Mrs. Seema Javeri Mr. Abhishek Javeri.	Holding Company	Availment of ICD / Financial Assistant to the extent of ₹ 15 Crores p.a. plus payment of Interest thereon	--
Chandra Net Pvt. Ltd.	Mr. Asit Javeri, Mr. Abhishek Javeri, Mr. Nitin R. Jani (KMP)	Associate Common directors in both the Companies and / or holding more than 2% of the paid up capital	Availing Internet and web related services to the extent of ₹ 1 Crore p.a. and/or availment of ICD / Financial Assistant to the extent of ₹ 1 Crore p.a. plus interest thereon	--
Strix Wireless Systems Pvt. Ltd.	Mr. Asit Javeri, Mrs. Seema Javeri, Mr. Abhishek Javeri.	Associate Common directors in both the Companies and / or holding more than 2% of the paid up capital	Availing IT related & Wireless Services to the extent of ₹ 1 Crore p.a. and/or availment of ICD / Financial Assistant to the extent of ₹ 1 Crore p.a. plus interest thereon	--

Members are hereby informed that pursuant to second proviso of Section 188 of the Companies Act, 2013, no member of the Company shall vote on special resolution to approve any contract or arrangement which may be entered into by the Company, if such member is a related party.

None of the Directors and the Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the said Special Resolution(s) except the Directors/KMP mentioned above.

The Board of Directors of the Company recommends the Resolutions as set out at Item No. 7 in the accompanying Notice for approval of the members by way of Special Resolution(s).

#### Registered Office :

Hira Baug, 1<sup>st</sup> Floor,  
Kasturba Chowk, (C.P. Tank),  
Mumbai-400004  
CIN:L24110MH1973PLC016698  
E-mail: sadhananitro@sncl.com  
Date: 16<sup>th</sup> April, 2015.

By Order of the Board

**N.R. Jani**  
Company Secretary



**BOARD'S REPORT AND MANAGEMENT DISCUSSION & ANALYSIS**

To the Members of

**SADHANA NITRO CHEM LIMITED**

Your Directors take pleasure in presenting the 42<sup>nd</sup> Annual Report together with Audited Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2015. The Management Discussion and Analysis has also been incorporated into this report.

**1. FINANCIAL RESULTS**

(₹ In Lacs)

PARTICULARS	STANDALONE		CONSOLIDATED	
	2014-15 (12 Months)	2013-14 (9 Months)	2014-15 (12 Months)	2013-14 (9 Months)
Revenue from operations (Net) & Other Income	4841	3366	4854	3309
Profit before Finance Cost, Depreciation, Exceptional item and Tax	(319)	(93)	(355)	(108)
Finance Cost	(462)	(617)	(488)	(613)
Depreciation	(207)	(207)	(207)	(207)
Profit/(Loss) before exceptional item and taxation	(988)	(917)	(1050)	(928)
Exceptional Items	1305	1067	1343	1067
Tax Expense	102	(206)	102	(206)
Profit/(Loss) after tax	419	(56)	395	(67)

**2. DIVIDEND**

In view of the past losses, your Directors do not recommend any dividend for the FY 2014-15. During the year the unclaimed dividend pertaining to the financial year 2006-07 was transferred to the Investor Education & Protection Fund (IEPF).

**3. REVIEW OF OPERATIONS**

The total revenue of your company for the financial year ending 31<sup>st</sup> March, 2015 has been ₹ 4841 lacs (PP (9 months) ₹ 3366 lacs) registering an increase of about 8% (annualised).

The Company faced liquidity crunch which adversely affected its operational level. This increased cost of production though operating efficiency was in full check.

Prices of raw materials were higher in the first eight months. This affected margins despite improved operating efficiency and keeping overheads under check.

Your Company entered into a long term agreement with its customers for the sale of Chemicals. After commencing business for months, one of the customers was unable to fulfill the contract resulting into termination of agreement and forfeiting of the advance received.

In spite of Working Capital constraints, the Company has taken the rigorous steps to stream line the production level for achieving the optimum operating level.

After written off of the deferred tax, there was profit after tax of ₹ 419 lacs for the year.

3.1 As per Rule 8(1) of Chapter IX - Companies (Accounts) Rules, 2014 - Report on the performance and financial position of its wholly owned subsidiary-AnuChem B.V.B.A. is presented here under.



#### FINANCIAL HIGHLIGHT OF WHOLLY OWNED SUBSIDIARY COMPANY - ANUCHEM B.V.B.A.

Particulars	2014 (in Euro)	2013 (in Euro)
Turnover	496,581,38	2,197,015,03
Profit before Finance Cost, Depreciation and Tax	(34,098,02)	(11,154,21)
Financial Expenses	1,285,81	1,220,75
Depreciation	0,00	0,00
Profit/(Loss) before tax expense	(35,383,63)	(12,374,96)
Tax Expense	0,00	0,00
Profit/(Loss) after tax	(35,383,63)	(12,374,96)

#### 4. 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 year were ₹ 2,714 lacs [(P.P. ₹ 2,197 lacs (9 Months))]

Exports constituted about 57% 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.

##### 4.1 Export Oriented Unit (EOU)

Your Company has one of its plants Registered as an EOU with the Development Commissioner, SEEPZ which was valid upto 31<sup>st</sup> March, 2015 and the Company has applied for extension till 31<sup>st</sup> May, 2015. Thereafter the Company will de-register EOU Plant status to DTA status.

#### 5. FINANCE

##### 5.1 Increase in Authorised Share Capital

During the year, the Company has increased its Authorized Share Capital from ₹ 11,00,00,000 to ₹ 21,00,00,000 by way of addition of 1,00,00,000 Preference shares of ₹ 10/- each.

##### 5.2 Cumulative Non Convertible Preference Share

During the year, the Company has issued and allotted 78,50,000 9% Cumulative Non Convertible Preference Shares on Private Placement basis to its Holding Company – Manekchand Panachand Trading Investment Company Pvt. Ltd. against purchase of Immovable Property being land and building.

##### 5.3 Deposits

The Company has not accepted deposits from the public falling within the ambit of Section 73 of Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules 2014.

##### 5.4 Particulars of Loans, Guarantees or Investments

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given below :-

Sr. No.	Particulars	Balance as on 31 <sup>st</sup> March 2015	Balance as on 31 <sup>st</sup> March 2014
A.	Loans given by the Company	--	--
B.	Guarantees given by the Company	--	--
C.	Investments in foreign Subsidiary and other bodies corporate made by the Company	879,969	15,72,219



**6. CHEMICAL INDUSTRY AND OPPORTUNITIES & THREATS:**

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 industries 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.

Your company is in the industry since last over 41 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.

**7. MARKET AND 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 margin and 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.

**8. 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 extent possible.

**9. 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.

**10. 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.

**11. 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.

**12. ISO CERTIFICATION**

Your Company has certification as per ISO 9001:2008 by RINA, ISO 14001:2004 & OHSAS 18001:2007 granted by the certifying body KBS Certification Services Pvt. Ltd. for the development and manufacture of Chemical Intermediates.

**13. INSURANCE**

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

**14. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

- a) During the year under review, M/s. Anuchem Pte. Ltd., Singapore ceased to be the wholly owned subsidiary of the company. The Company has now only one wholly owned foreign subsidiary viz. Anuchem B.V.B.A. (Belgium), and the Audited Financial Statements of the said subsidiary are considered for the purpose of preparing Consolidated Financial statements.
- b) No Company has become/ceased to be a joint venture or associate during the FY 2014-15.

**15. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has an adequate Internal Control System commensurate with the size and nature of its business. The internal audit functions is carried out by a separate firm of Chartered Accountants. The quarterly audit reports, including Significant audit observations and corrective actions thereon, are presented to the Chairman of the Audit Committee.

**16. VIGIL MECHANISM / WHISTLE BLOWER POLICY AND RISK MANAGEMENT POLICY**

The Company has a vigil mechanism / whistle blower policy which take cognizance of complaints made and suggestions given by employees and others. The Company also adopted Risk Assessment Procedure. The details of the same are mentioned in the Corporate Governance Report.

**17. DIRECTORS**

- a) All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.
- b) During the year, Shri R.A. Shroff, Director of the company was expired. The Board has put on records the invaluable guidance and advice given by him from time to time during his tenure.
- c) During the year, the Central Government has rejected the application made to it for the appointment and payment of Remuneration to Shri. Nitin R. Jani as Whole Time Director & Company Secretary. Shri. Jani then resigned from the office of Whole Time Director & Company Secretary w.e.f. 25<sup>th</sup> August, 2014. The remuneration paid to him during 01/09/2012 to 25/08/2014 was adjusted against his retirement dues. Considering his association with the company, experience and to comply with the requirement of section 203 of the Companies Act, 2013, Shri Jani has been appointed as the Company Secretary of the Company w.e.f 15<sup>th</sup> September 2014.
- d) At the Annual General Meeting of the Company held on 13<sup>th</sup> August 2012, Shri. Asit D. Javeri was



appointed as Chairman and Managing Director of the Company for a period of 3 years with effect from 1<sup>st</sup> September 2012. Hence, a Resolution seeking Member's approval for re-appointment of Shri A.D. Javeri as Chairman and Managing Director of the Company for a further period of 3 years with effect from 1<sup>st</sup> September, 2015 is included in the Notice convening the Annual General Meeting.

- e) Smt. Seema A. Javeri, Director, who retires by rotation and being eligible, offers herself for re-appointment. A Resolution seeking Member's approval for appointment of Smt. Seema A. Javeri as Executive Director – Administration for a period of 3 years with effect from 1<sup>st</sup> July 2015 is included in the Notice convening the Annual General Meeting.

**17.1 Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Compliance Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

**17.2 Remuneration Policy**

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

**17.3 Meetings**

During the year Eight (8) Board Meetings and Six (6) Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013. The composition of the Audit Committee as required under Section 177(8) of the Companies Act, 2013 has been mentioned in the Corporate Governance Report.

**17.4 Appointment/Resignation of Key Managerial Personnel (KMP)**

- a) During the year, Shri Nitin R. Jani has resigned from the office of Whole Time Director and Company Secretary w.e.f. 25th August, 2014.
- b) During the year the following were appointed as the KMP :

Sl.	Name of KMP	Appointed as	With effect from
1.	Shri. Sanjeev P Shah	Chief Financial Officer (CFO)	13 <sup>th</sup> August, 2014
2.	Shri. Nitin R. Jani	Company Secretary	15 <sup>th</sup> September, 2014

**18. DIRECTORS' RESPONSIBILITY STATEMENT**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a. that in the preparation of the annual financial statements for the year ended 31<sup>st</sup> March, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. that such accounting policies as mentioned in Note No.1 of the Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2015 and of the losses of the Company for the year ended on that date;
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;



- d. that the annual financial statements have been prepared on a going concern basis;
- e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

#### **19. RELATED PARTY TRANSACTIONS**

The Company has entered into a Property Purchase Agreement with Manekchand Panachand Trading Investment Co Pvt Ltd the Promoter Holding Company for purchase of the Residential Colony situated at Village Bhuvaneshwar, Taluka Roha, Dist Raigad, against which the Company has issued Preference shares of the Company on private placement basis. This transaction is on an arm's length basis but not in the ordinary course of business of the Company and hence, approval of the members of the Company under Section 188 of Companies Act, 2013 has been obtained. All other related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. However as a matter of abundant caution, prior omnibus approval of Board of Directors and Members of the Company has been obtained under Section 188 of the Companies Act, 2013 for the transactions which are of a foreseen and repetitive nature. Approval of the Audit Committee has been obtained for all the related party transactions. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company.

The particulars of contracts or arrangements with related parties referred to in subsection (1) of section 188 of the Companies Act, 2013 in the Form AOC-2 is attached as 'Annexure I'.

#### **20. AUDITORS**

##### **20.1 Statutory Auditors**

The Company's Auditors, Messrs V. Sankar Aiyar & Co. Chartered Accountants, Mumbai (Firm Regn. No. 109208W) who retire at the ensuing Annual General Meeting of the Company are eligible for reappointment. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder for reappointment as Auditors of the Company. As required under Clause 49 of the Listing Agreement, the auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

Members' attention is invited to Note No.31 of the Notes to Accounts with respect to the observation made by the Auditors under "Emphasis of Matter" appearing in the Auditors Report which is self explanatory.

##### **20.2 Cost Auditors**

Cost Audit is not applicable to the Company.

##### **20.3 Secretarial Auditors**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s. Makarand M. Joshi & Co., Company Secretaries in Practice, Mumbai, has been appointed to undertake the Secretarial Audit of the Company. The Secretarial Audit Report in form MR-3 is annexed herewith as 'Annexure II'.

With respect to the observations, remarks made in the Secretarial Audit Report, the same has been taken note of and the company is in process to file the relevant forms with the appropriate authority.



**21. CORPORATE GOVERNANCE**

Revised Clause 49 of the Listing Agreement is not mandatory to the Company however, the Company has voluntarily disclosed the Compliance to the best extent possible and accordingly 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 are attached alongwith the Annual Report.

**22. CONSOLIDATED FINANCIAL STATEMENTS**

The Consolidated Financial Statements of the Company prepared in accordance with relevant Accounting Standards (AS) viz. AS 21, AS 23 and AS 27 issued by the Institute of Chartered Accountants of India form part of this Annual Report.

**23. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as 'Annexure III'.

**24. EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as 'Annexure IV'.

**25. PARTICULARS OF EMPLOYEES**

There is no Employee drawing Remuneration in excess of the limits prescribed by the Companies Act, 2013. The information required pursuant to Section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

**26. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

**27. ACKNOWLEDGEMENTS**

Your Directors would like to express their appreciation for the assistance and co-operation received from the Bankers, Central and State Government Departments, customers, vendors, and other business partners. The Directors also wish to place on record their appreciation to all the employees of the Company for their co-operation and continued contribution to the Company. Last but not least the Directors place on record their gratitude to the Investors, Clients and Shareholders of the Company for their support and trust reposed.

For and On Behalf of the Board of Directors

Place: Mumbai  
Date : 16<sup>th</sup> April, 2015

**Asit D. Javeri**  
Chairman & Managing Director

## ANNEXURES TO THE BOARD'S REPORT



### ANNEXURE - I

#### FORM AOC-2

Particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013.

1	Details of contracts or arrangements or transactions not at arm's length basis	None
2	Details of contracts or arrangement or transactions at arm's length basis	As detailed below

#### a) Transactions at arms length basis not in ordinary course of business:-

Name of the Related Party	Nature of Relationship	Nature, Material Terms, Monetary value and Particulars of the contract or arrangement	Date(s) of approval by the Board, if any
Manekchand Panachand Trading Investment Co Pvt. Ltd	Holding Company	Property Purchase Agreement worth ₹ 7,85,00,000 (Rupees Seven Crores Eighty Five Lakhs only), against issue of 7850000 8% Cumulative Non Convertible Preference Shares of ₹ 10/- each at par	27/11/2014

#### b) Transactions at arms length basis in the ordinary course of business:-

Name of the Related Party	Nature of Relationship	Nature, Material Terms, Monetary value and Particulars of the contract or arrangement	Date(s) of approval by the Board, if any
Anuchem b.v.b.a. Belgium	Wholly Owned Subsidiary Company	Transactions relating to the Purchase / Sale of goods to the extent of ₹ 50 Crores p.a. basis.	27/11/2014
Lifestyle Networks Limited (LNL)	Associate	Availing Information Technology, Web related and other Services as provided by LNL to the extent of ₹ 1 Crore p.a. basis.	27/11/2014
M/e Amnisera Corporation	Associate	Availing Ticketing and travel Services as provided by the Firm to the extent of ₹ 50 Lacs p.a. basis.	27/11/2014
Phthalo Colours & Chemicals (I) Limited	Associate	Transactions relating to the Purchase / Sale of goods to the extent of ₹ 5 Crores p.a. basis.	27/11/2014

### ANNEXURE – II

#### FORM MR-3

#### SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31 March 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members of  
**Sadhana Nitro Chem Limited**

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





Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2015 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Overseas Direct Investment (**Foreign Direct Investment and External Commercial Borrowings are not Applicable to the Company during the Audit Period**)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October 2014 (**Not Applicable to the Company during the Audit Period**);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not Applicable to the Company during the Audit Period**);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not Applicable to the Company during the Audit Period**); and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not Applicable to the Company during the Audit Period**);

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (Not notified hence not applicable to the Company during the audit period).
- (ii) The Listing Agreements entered into by the Company with stock exchanges.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. Subject to the following observations:

**1. Under Companies Act 2013 and rules made there under :**

- The Company has not filled following forms
  - a. MGT-14 for Appointment of Secretarial Auditor & Internal Auditor
  - b. MGT-14 for Taking Note of Disclosure of Interest of Directors as Directors have not disclosed their interest as required under section 184 (1) of Companies act, 2013



- c. MGT-14 for Approving Directors Report as required under section 179 (3) of companies act, 2013
- d. MGT-14 for Appointment of Company Secretary
- e. MGT-14 for Approving Audited Financial Results as on 31.03.2014
- f. DIR-12 for Cessation of Mr. Ramesh A. Shroff from the Board.

**2. Under Listing Agreement**

- a. The Company has not intimated Stock Exchange about demise of Mr. Ramesh A. Shroff as required under clause 30 of listing agreement

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, except for board meeting held on 25th August, 2014, for which intimation has been given telephonically to all the Directors & Majority of Directors attended that Board Meeting. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that during the audit period**

1. the company has issued and Allotted 78,50,000 9% Cumulative Non – Convertible Redeemable Preference Shares Having Face Value Of Rs.10/- Each At Par Aggregating To Rs. 7,85,00,000/- (Rupees Seven Crores Eighty Five Lakh Only) on A Private Placement Basis
2. the company has disposed of one of its wholly owned foreign subsidiary M/s Anuchem Pte Ltd. Singapore.

For Makarand M. Joshi & Co.

Place: Mumbai  
Date: 16 April 2015

**Makarand Joshi**  
**Partner**  
FCS No. 5533  
CP No. 3662



## ANNEXURE - III

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

#### A. CONSERVATION OF ENERGY

##### Steps taken for further conservation of Energy:

The Company has taken several measures to conserve and optimise the use of energy such as (a) Recycling of Water (b) Use of Briquettes in place of Furnace Oil (c) Water harvesting.

##### Impact of the above measures:

The measures stated above would further improve conservation of energy, reduction in water and air pollution, reduction in cost of production etc.

During the year under review there is no Capital Expenditure incurred in respect of conservation of energy.

#### FORM-A : FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION

	31.03.2015 12 Months	31.03.2014 9 Months
<b>1. Electricity</b>		
a) Purchased Unit in kwh	2019804	1614073
Total amount (₹)	1,72,10,284	1,26,01,422
Rate/Unit (₹)	8.52	7.81
b) Own generation		
Through Diesel Generator Units in kwh	21,434	17489
Unit per liter of diesel oil (kwh)	2.99	2.15
Liter of Diesel	7169	8139
Total amount (₹)	8,37,044	3,95,878
Cost/Units (₹)	39.05	22.64
<b>2. Furnace Oil</b>		
Quantity (KL)	537.400	566.715
Total Amount (₹)	1,97,72,848	2,37,25,861
Average Rate (₹/MT)	36793.54	41865.60
<b>3. Briquettes</b>		
Quantity (MT)	2659.385	1790.54
Total Cost (₹)	1,79,83,248	1,25,24,279
Average Rate (₹/MT)	6762.00	6994.71
<b>4. Water</b>		
Quantity (M3)	54836	55808
Total Cost (₹)	18,94,332	19,12,413
Average Rate (₹/MT)	34.55	34.26

#### B. TECHNOLOGY ABSORPTION

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

##### RESEARCH AND DEVELOPMENT

1. 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.



2. 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.
3. Future Plan of Action  
To continue R&D in the relevant areas to achieve its benefits.
4. Expenditure on R&D

	31.03.2015 12 Months	31.03.2014 9 Months
(a) Capital	0	25,250
(b) Recurring	33,17,568	28,61,534
Total	33,17,568	28,86,784
(c) Total R&D expenditure as a % of total turnover	0.68%	0.87%

#### TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. 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.
2. 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.
3. 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

- a) 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 70% of its chemical intermediate production. The total exports during the year were ₹ 2,714 Lacs (P Y ₹ 2,197 Lacs). The Company is putting all its efforts to tap new export markets and widen its clientele base.

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

	31.03.2015 12 Months	31.03.2014 9 Months
(i) Used:		
a) Imports (CIF)	91,38,870	3,24,74,010
b) Other expenditure	9,33,084	1,19,740
(ii) Earned:		
Exports (F.O.B.)	26,36,61,681	20,98,68,055



## ANNEXURE - IV

### FORM NO. MGT-9

#### EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31<sup>st</sup> March, 2015

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

I REGISTRATION AND OTHER DETAILS	
CIN	L24110MH1973PLC016698
Registration Date	21/07/1973
Name of the Company	SADHANA NITRO CHEM LIMITED
Category / Sub-Category of the Company	Company having Share Capital
Address of the Registered office and contact details	Hira Baug, 1st floor Kasturba chowk (C.P. Tank) Mumbai 400004
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd 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

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY	
Manufacture of Chemical Intermediates, Heavy Organic Chemicals and Performance Chemicals.	

All the business activities contributing 10 % or more of the total turnover of the company

Sr. No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	META AMINO PHENOL	3009	53.02
2.	NITROBENZENE	3009	27.97

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES					
Sr. No	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
1.	Manekchand Panachand Trading Investment Co P Ltd	U67120MH1985PTC037397	Holding Company	65%	2(46)
2.	Anuchem B.V.B.A., Belgium	Not Applicable	Foreign Subsidiary	100%	2(87)
3.	Lifestyle Networks Ltd.	U72900MH2005PTC155530	Associate	NIL	2(6)
4.	Phthalo Colours & Chemicals (I) Ltd.	U24110MH1991PTC063399	Associate	NIL	2(6)
5.	M/s Amnisera Corp.	Not Applicable	Associate	NIL	2(6)



### III. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### i) Category-wise Share Holding

Category Code	Category of Shareholders	Shareholding as on 1st April, 2014				Shareholding as on 31 <sup>st</sup> March 2015				% Change during the year
		Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
(I)	(II)									
<b>A</b>	<b>PROMOTERS</b>									
(1)	<b>Indian</b>									
(a)	Individuals/ Hindu Undivided Family	564246	—	564246	6.13	564521	—	564521	6.14	0.01
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	5960611	-	5960611	64.78	5960611	-	5960611	64.78	—
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (A)(1)</b>	<b>6524857</b>	<b>—</b>	<b>6524857</b>	<b>70.92</b>	<b>6525132</b>	<b>—</b>	<b>6525132</b>	<b>70.92</b>	<b>—</b>
(2)	<b>Foreign</b>									
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)</b>	<b>6524857</b>	<b>—</b>	<b>6524857</b>	<b>70.92</b>	<b>6525132</b>	<b>—</b>	<b>6525132</b>	<b>70.92</b>	<b>—</b>
<b>B</b>	<b>PUBLIC SHAREHOLDING</b>									
(1)	<b>Institutions</b>									
(a)	Mutual Funds/ UTI	360	200	560	0.01	360	200	560	0.01	-
(b)	Financial Institutions/ Banks	462	159	621	0.01	462	159	621	0.01	-
(c)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-	-	-
(f)	Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-



(h)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(i)	Any Other (specify)	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (B)(1)</b>	<b>822</b>	<b>359</b>	<b>1181</b>	<b>0.02</b>	<b>822</b>	<b>359</b>	<b>1181</b>	<b>0.02</b>	<b>-</b>
<b>(2)</b>	<b>Non-Institutions</b>									
(a)	Bodies Corporate	225368	1169	226537	2.46	248627	1169	247796	2.89	0.23
(b)	Individuals									
	(i) Individuals holding nominal share capital upto Rs.1 lakh	1314648	220902	1535550	16.69	1220402	210880	1431282	15.56	(1.33)
	(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	855051	42750	897801	7.58	786224	103628	889852	9.87	2.09
(c)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(d)	Any Other (specify)									
	Other Directors' & relatives	81901	28322	110223	1.20	34659	20809	55468	0.60	(0.60)
	Non Resident Indians (Repat)	37143	5494	42637	0.46	29153	5494	34647	0.38	(0.08)
	Non Resident Indians (Non-Repat)	1851	-	1851	0.02	1851	-	1851	0.02	-
	Clearing Members	48185	-	48185	0.52	4844	-	4844	0.05	-
	Trust	-	-	-	-	-	-	-	-	-
	Hindu Undivided Family	11908	-	11908	0.13	8777	-	8777	0.09	-
	Market Maker	100	-	100	-	-	-	-	-	-
	<b>Sub-Total (B)(2)</b>	<b>2376155</b>	<b>298637</b>	<b>2674792</b>	<b>29.06</b>	<b>2332537</b>	<b>341980</b>	<b>2674517</b>	<b>29.06</b>	<b>-</b>
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>2376977</b>	<b>298996</b>	<b>2675973</b>	<b>29.08</b>	<b>2333359</b>	<b>342339</b>	<b>2675698</b>	<b>29.08</b>	
	<b>TOTAL (A)+(B)</b>	<b>8901834</b>	<b>298996</b>	<b>9200830</b>	<b>100</b>	<b>8858491</b>	<b>342339</b>	<b>9200830</b>	<b>100</b>	
<b>(C)</b>	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>									
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>8901834</b>	<b>298996</b>	<b>9200830</b>	<b>100</b>	<b>8858491</b>	<b>342339</b>	<b>9200830</b>	<b>100</b>	



## II) Shareholding pattern of the Promoters

S. No	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of Total shares	% of Shares Pledged / encumbered to total shares	No. of Shares	% of Total shares	% of Shares Pledged / encumbered to total shares	
1	Manekchand Panachand Trading Investment Co. P. Ltd.	5960611	64.78	59.78	5960611	64.78	59.78	0.00
2	Asit D. Javeri	379678	4.12	0.00	379953	4.13	0.00	0.01
3	Molina D. Javeri	79661	0.86	0.00	79661	0.86	0.00	0.00
4	Abhishek A. Javeri	37100	0.40	0.00	37100	0.40	0.00	0.00
5	Sadhana Rajiv Jain	29190	0.32	0.00	29190	0.32	0.00	0.00
6	Chandrika D. Javeri	29190	0.32	0.00	29190	0.32	0.00	0.00
7	Seema A. Javeri	7327	0.08	0.00	7327	0.08	0.00	0.00
8	Anuradha A. Javeri	2100	0.02	0.00	2100	0.02	0.00	0.00
	<b>TOTAL</b>	<b>6524857</b>	<b>70.91</b>	<b>59.78</b>	<b>6525132</b>	<b>70.92</b>	<b>59.78</b>	<b>0.01</b>

## III) Change in Promoter's Shareholding

	Shareholding as on 31 <sup>st</sup> March 2014		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	6524857	70.92		
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):- <b>Purchase of shares from the open market</b>			<b>Date</b>	<b>No</b>
			08.05.2014	25
			14.05.2014	25
			16.05.2014	25
			10.06.2014	25
			01.07.2014	50
			27.08.2014	50
			16.02.2015	25
			23.02.2015	25
			26.02.2015	25
At the End of the year			<b>6525132</b>	<b>70.92</b>





**iv) Shareholding pattern of the top 10 shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)**

	For Each of the Top 10 Shareholders	Shareholding as on as on 31 <sup>st</sup> March 2014		Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc			Cumulative Shareholding during the year and Balance as at 31 <sup>st</sup> March, 2015	
		No. of shares	% of total shares of the company	Increase (No of shares)	Decrease (No of shares)	Reason	No. of shares	% of total shares of the company
1	Veena K Jagwani	173773	1.8886	-	-	-	173773	1.8886
2	Vinod Kumar Ohri	106298	1.1553	-	-	-	106298	1.1553
3	Sangeetha S	97000	1.0543	1491	-	Transfer	98491	1.0705
4	Upesh K Kaushal	42750	0.4648	-	-	-	42750	0.4648
5	Harsh Amit Mehta	13528	0.1470	19474	-	Transfer	33000	0.3587
6	Amit M Mehta	5889	0.0640	21477	-	Transfer	27366	0.2974
7	Mohak Amit Mehta	10139	0.1102	15861	-	Transfer	26000	0.2826
8	Foujdar Sudhakar	0	0	25000	-	Transfer	25000	0.2717
9	B Ramchandra Kamath	20200	0.2195	-	-	-	20200	0.2195
10	Kalpesh Vora	18725	0.2035	-	-	-	18725	0.2035

**v) Shareholding of Directors and Key Managerial Personnel**

Sl No	Name	Shareholding as on as on 31 <sup>st</sup> March 2014		Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc			Cumulative Shareholding during the year and Balance as at 31 <sup>st</sup> March, 2015	
		No. of shares	% of total shares of the company	Increase (No of shares)	Decrease (No of shares)	Reason	No. of shares	% of total shares of the company
<b>A</b>	<b>DIRECTORS</b>							
1	Asit D. Javeri Chairman & Managing Director	379678	4.1285	275	-	Purchase	379953	4.1295
2	Arvind R. Doshi Non-Executive Director	12498	0.1358	-	-	-	12498	0.1358
3	Priyam S. Jhaveri Non-Executive Director	100	0.0011	-	-	-	100	0.0011
4	Dhirendra M. Shah Non-Executive Director	5000	0.0543	-	-	-	5000	0.0543
5	Pradeep N. Desai Non-Executive Director	0	0	100	-	Purchase	100	0.0011
6	Seema A. Javeri Non-Executive Director	7327	0.0796	-	-	-	7327	0.0796
7	Abhishek A. Javeri Non-Executive Director	37100	0.4032	-	-	-	37100	0.4032
<b>B</b>	<b>KMP</b>							
1	Nitin R. Jani Company Secretary	43142	0.4689	-	-	-	43142	0.4689
2	Sanjeev P. Shah Chief Financial Officer	225	0.0024	-	-	-	225	0.0024



## V. INDEBTEDNESS

(in ₹)

	Secured Loan excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal amount	15,44,29,557	14,90,073	21,16,51,593	36,75,71,223
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
<b>Total (i + ii + iii)</b>	<b>15,44,29,557</b>	<b>14,90,073</b>	<b>21,16,51,593</b>	<b>36,75,71,223</b>
<b>Changes in Indebtedness during the financial Year</b>				
Addition	--	--	--	--
(Reduction)	(1,10,61,036)	--	(8,36,06,418)	(9,46,67,454)
<b>Net Change</b>	<b>(1,10,61,036)</b>	<b>--</b>	<b>(8,36,06,418)</b>	<b>(9,46,67,454)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal amount	14,33,68,521	14,90,073	12,80,45,175	27,29,03,769
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
<b>Total (i + ii + iii)</b>	<b>14,33,68,521</b>	<b>14,90,073</b>	<b>12,80,45,175</b>	<b>27,29,03,769</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. REMUNERATION TO MANAGING DIRECTOR / WHOLE TIME DIRECTOR/ MANAGER:

Sr. No	Particulars of Remuneration	Total Amount
	<b>Name: Shri A.D. Javeri, Chairman &amp; Managing Director</b>	<b>₹</b>
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	44,48,950
2	Stock Option	--
3	Sweat Equity	--
4	Commission - as % of profit - others, specify - (Guarantee Commission)	--  24,00,000
5	Others	--
	<b>Total (A)</b>	<b>68,48,950</b>



#### B. REMUNERATION TO OTHER DIRECTORS:

Sr. No	Particulars of Remuneration	Name of Directors				Total Amount
		Arvind Doshi	Priyam Jhaveri	D.M. Shah	Pradeep Desai	₹
1.	<u>Independent Directors</u>					
	Fee for attending board / committee meetings	70,000	62,000	62,000	15,000	2,09,000
	Commission	--	--	--	--	--
	Others, please specify	--	--	--	--	--
	<b>Total (1)</b>	<b>70,000</b>	<b>62,000</b>	<b>62,000</b>	<b>15,000</b>	<b>2,09,000</b>
				Seema Javeri	Abhishek Javeri	
2	<u>Other Non-Executive Directors</u>					
	Fee for attending board / committee meetings			30,000	30,000	60,000
	Commission			--	--	--
	Others, please specify			--	--	--
	<b>Total (2)</b>			<b>30,000</b>	<b>30,000</b>	<b>60,000</b>
	<b>Total (B)=(1+2)</b>					<b>2,69,000</b>
	Ceiling as per the Act being 1% of the Net Profit					4.19 lacs(app.)

#### C. REMUNERATION TO KMP

Sr. No	Particulars of Remuneration	Key Managerial Personnel (₹ in lacs)			
		CEO	CS	CFO	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	--	31.33	10.55*	41.88
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--	--
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--	--
2	Stock Option	--	--	--	--
3	Sweat Equity	--	--	--	--
4	Commission				
	- as % of profit	--	--	--	--
	- others, specify...	--	--	--	--
5	Others, please specify	--	--	--	--
	<b>TOTAL</b>	<b>--</b>	<b>31.33</b>	<b>10.55</b>	<b>41.88</b>

\* With effect from 13/08/2014

#### VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority [RD/NCLT /COURT]	Appeal made, if any (give Details)
<b>Company &amp; Directors</b>					
Penalty	NII	NII	NII	NII	NII
Punishment	NII	NII	NII	NII	NII
Compounding	NII	NII	NII	NII	NII
<b>Other Officers in Default</b>					
Penalty	NII	NII	NII	NII	NII
Punishment	NII	NII	NII	NII	NII
Compounding	NII	NII	NII	NII	NII

## REPORT ON CORPORATE GOVERNANCE



Revised Clause 49 of the Listing Agreement is not mandatory to the Company. However, the Company has voluntarily disclosed the Compliance to the best extent possible and accordingly the Corporate Governance Report, together with the Auditors Certificate on compliance with the conditions of Corporate Governance as laid down are presented in the Report on Corporate Governance for the year ended 31<sup>st</sup> March, 2015.

### 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.

### 2. BOARD OF DIRECTORS :

Composition of the Board and Directorship held in other Companies as on 31<sup>st</sup> March, 2015

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	10	4	4
2	Mr. Arvind R. Doshi	Independent - Non-Executive	2	-	1
3	Mr. P. S. Jhaveri	Independent - Non-Executive	11	1	3
4	Mr. D.M. Shah	Independent - Non-Executive	2	-	-
5	Mr. A. A. Javeri	Related to Shri A.D. Javeri - Non-Executive	7	-	-
6	Mr. P.N. Desai	Independent - Non-Executive	1	-	-
7	Smt. Seema A. Javeri	Related to Shri A.D. Javeri - Non-Executive	3	-	-

(\*) 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 :

**Shri Asit D. Javeri (DIN : 00268114)** aged 59 years, is a Science graduate from Mumbai University. He is S/o (Late) Shri Dhankumar T. Javeri, founder Chairman of the Company. He joined company in December 1984 as a Director of the company and in January 1985, he was appointed as the Managing Director. Prior to joining the company he had experience of 9 years of running chemical company. He has been associated with the company for more than 30 years. At present Shri Asit D. Javeri is Executive Chairman & Managing Director of the Company. He is promoter of the company and holds 379953 Equity Shares of the company as on 31<sup>st</sup> March, 2015.

Name of the Companies he holds Directorship	Name of the Companies in which he is a Member of the Committee of the Board
1. Premier Limited	<b>Sadhana Nitro Chem Limited</b>
2. Indian Extractions Limited	Share Transfer Committee-Member (Executive)
3. Phthalo Colours & Chemicals (I) Ltd.	<b>Premier Limited</b>
4. Lifestyle Net Works Ltd.	Stakeholders Relationship Committee - Chairman (Non Executive)
5. Anuchem b.v.b.a., Belgium	Nomination & Remuneration Committee, Audit Committee-Member (Non Executive)
6. Manekchand Panachand Trading Investment Company Pvt. Ltd.	<b>Indian Extractions Limited</b>
7. Chandra Net Private Limited	Audit Committee, Nomination & Remuneration Committee
8. Strix Wireless Systems Pvt. Ltd.	Stakeholders Relationship Committee - Chairman (Non Executive)
9. Strix System Inc. USA	<b>Phthalo Colours &amp; Chemicals (I) Limited</b>
10. AHANA Inc. USA	Audit Committee-Member (Non Executive)

**Shri Arvind R. Doshi (DIN : 00015293)** aged 69 years, is a Civil & Sanitary Engineer from VJTI, Mumbai and Diploma in Business Management.

He joined company on 17<sup>th</sup> September, 1974 as a Director. He has been associated with the company for more than 40 years. At present Shri Arvind R. Doshi is Executive Chairman of PAE Ltd.

He has a wide experience in industries like Engineering & Automobiles since 1965. He has received Prestigious Dadabhai Naroji International award for Excellence & Achievement in 1999. Also he has been awarded Samaj Ratna by Mahamastaka Abhishek Committee 2006. Shri Arvind R. Doshi is holding 12498 Equity Shares of the company as on 31<sup>st</sup> March, 2015.

Name of the Companies he holds Directorship	Name of the Companies in which he is a Member of the Committee of the Board
1. PAE Limited	<b>Sadhana Nitro Chem Limited</b>
2. PAE Renewables Pvt. Ltd.	Nomination & Remuneration Committee-Chairman (Non Executive)
	Audit and Stakeholders Relationship Committee -Member (Non Executive)
	<b>PAE Limited</b>
	Stakeholders Relationship Committee-Member (Executive)

**Mr. Priyam S. Jhaveri (DIN: 00045038)** aged 61 years. He is a Commerce graduate and having rich experience in Chemical Industry. He is associated with Nanavati Group of Companies and joined Sadhana as a Director from 11<sup>th</sup> March, 1996. He is holding 100 Equity Shares of the Company as on 31<sup>st</sup> March, 2015.

Name of the Companies he holds Directorship	Name of the Companies in which he is a Member of the Committee of the Board
1. Phthalo Colours & Chemicals (I) Ltd.	<b>Sadhana Nitro Chem Limited</b>
2. Indian Extractions Limited	Nomination & Remuneration Committee & Audit Committee - Member (Non Executive)
3. Excel Industries Limited	Stakeholders Relationship Committee - Chairman (Non Executive)
4. Lifestyle Net Works Ltd.	<b>Indian Extractions Limited</b>
5. Nanavati Specialty Chemicals Pvt. Ltd.	Share Transfer Committee-Member (Executive)
6. Nanavati Sons Private Limited	<b>Phthalo Colours &amp; Chemicals (I) Limited</b>
7. Sonera Investments Private Limited	Audit Committee-Chairman (Executive)
8. SonegaTrades & Investments Pvt Ltd.	<b>Excel Industries Limited</b>
9. Medchem Technologies Pvt. Ltd.	Audit and Nomination & Remuneration Committee-Member (Non Executive)
10. Nanavati Chemex Private Limited	
11. Nanavati Electronics Private Limited	



**Mr. Dharendra M. Shah (DIN : 00360008)** aged 69 years. He is Commerce and Law graduate having experience of 47 years as Advocate-Tax Consultant. He joined the company as a Director from 29<sup>th</sup> July, 2002. He is holding 5000 Equity Shares of the company as on 31<sup>st</sup> March, 2015.

Name of the Companies he holds Directorship	Name of the Companies in which he is a Member of the Committee of the Board
1. Faberge Finance Services Pvt. Ltd. 2. Mangaldas Damodardas Investment Private Limited	<b>Sadhana Nitro Chem Limited</b> Audit Committee-Chairman (Non Executive) Nomination & Remuneration Committee - Member (Non Executive) Stakeholders Relationship Committee - Member (Non Executive)

**Shri Pradeep N. Desai (DIN : 01602942)** aged 53 years. He is Chemical Engineer. He joined the company as a Director from 12<sup>th</sup> February, 2013. He is holding 100 Equity Shares of the company as on 31<sup>st</sup> March, 2015.

Name of the Companies he holds Directorship	Name of the Companies in which he is a Member of the Committee of the Board
1. Delta Hitech Coatings Private Ltd.	--

**Shri Abhishek A. Javeri (DIN : 00273030)** aged 33 years. He is son of Mr. Asit D. Javeri, Chairman and Managing Director of the Company. He is B.A. in Economics from North Western University, USA. He joined the company as a Director from 24<sup>th</sup> January, 2007. He is holding 37100 Equity Shares of the company as on 31<sup>st</sup> March, 2015.

Name of the Companies he holds Directorship	Name of the Companies in which he is a Member of the Committee of the Board
1. Lifestyle Networks Ltd., 2. Chandra Net Private Limited, 3. Strix Wireless Systems Pvt. Ltd, 4. Strix System Inc., USA, 5. Manekchand Panachand Trading Investment Co. Pvt. Ltd, 6. AHANA Inc.,USA	- - - - - -

**Smt. Seema A. Javeri (DIN: 01768936)** aged 57 years. She is a B.Sc.. She has an experience of 11 years in Administration. She joined the company as a Director from 13<sup>th</sup> February, 2014. She is holding 7327 Equity Shares of the company as on 31<sup>st</sup> March, 2015.

Name of the Companies he holds Directorship	Name of the Companies in which he is a Member of the Committee of the Board
1. Lifestyle Networks Ltd., 2. Manekchand Panachand Trading Investment Co. Pvt. Ltd, 3. Strix Wireless Systems Pvt. Ltd,	- - -

#### 4. ATTENDANCE RECORD OF THE DIRECTORS :

During the Financial Year 2014-15,

a) Eight Meetings of Board of Directors were held on 27<sup>th</sup> May, 2014, 13<sup>th</sup> August, 2014, 25<sup>th</sup> August, 2014, 12<sup>th</sup> September, 2014, 14<sup>th</sup> November, 2014, 27<sup>th</sup> November, 2014, 11<sup>th</sup> February, 2015 & 25<sup>th</sup> March, 2015.

b) Last Annual General Meeting (AGM) was held on 12<sup>th</sup> September, 2014.

c) Extra Ordinary General Meeting (EOGM) was held on 29<sup>th</sup> December, 2014.

The Attendance of Directors at the Board Meetings, Last AGM and EOGM were as under :-



Name of Director	Board	AGM	EOGM
Mr. Asit D. Javeri	8	Yes	Yes
Mr. Arvind R. Doshi	8	Yes	Yes
Mr. Priyam S. Jhaveri	7	Yes	No
Mr. D.M. Shah	7	Yes	No
Mr. Abhishek A. Javeri	8	Yes	No
Mr. Pradeep N. Desai	3	No	No
Smt. Seema A. Javeri	8	No	No

**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 177 of the Companies Act, 2013 read with provisions of Clause 49 of the Listing Agreement, 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

**Powers of the Audit Committee:**

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 within its terms of reference.

**Role of the Audit Committee**, inter-alia, includes the following :-

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.
  - 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 Auditors and Mr. Mayur R. Shah, Proprietor of firm of Internal Auditor, have been permanent invitees to the Audit Committee Meetings besides Chairman & Managing Director, Company Secretary and Chief Financial Officer 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 2014-15, 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 27<sup>th</sup> May, 2014, 13<sup>th</sup> August, 2014, 12<sup>th</sup> September, 2014, 14<sup>th</sup> November, 2014, 27<sup>th</sup> November, 2014 & 11<sup>th</sup> February, 2015 are as follows :





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

The previous Annual General Meeting was held on 12<sup>th</sup> September, 2014 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. STAKEHOLDERS RELATIONSHIP COMMITTEE :

The Stakeholder Relationship Committee consists of the following Directors :

Mr. Priyam S. Jhaveri	Chairman
Mr. Arvind R. Doshi	Member
Mr. D.M. Shah	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 Stakeholder Relationship Committee at the Meeting held on 27<sup>th</sup> May, 2014 is as follows :

Name	Date of Appointment	Non-Executive / Independent	Numbers of Meetings	
			Held	Attended
Mr Arvind R. Doshi	29 <sup>th</sup> April 2008	Non-Executive / Independent	1	1
Mr Priyam S. Jhaveri	29 <sup>th</sup> April 2008	Non-Executive / Independent	1	1
Mr D.M. Shah	25 <sup>th</sup> August, 2014	Non-Executive / Independent	1	-

Statement of the various complaints received and cleared by the Company during the period ended 31<sup>st</sup> March, 2015 :

Sr. No.	Nature of Request	Received (Nos.)	Cleared (Nos.)	Pending
1	Non Receipt of share certificate (s) – Transfer	1	1	0
2	Non Receipt of Dividend / Interest / Redemption Warrant	4	4	0
3	Non Receipt of Annual Report	1	1	0
	<b>Total</b>	<b>6</b>	<b>6</b>	<b>0</b>



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, 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. NOMINATION & REMUNERATION COMMITTEE :**

The Nomination & 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 Nomination & Remuneration Committee shall have meetings periodically as it may deem fit.
2. The Nomination & Remuneration Committee shall invite such of the executives to be present at the meetings of the Committee required by it.
3. The Nomination & 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.

#### **PERFORMANCE EVALUATION**

The Nomination and Remuneration Committee lays down the criteria for performance evaluation of independent directors and other directors, Board of Directors and Committees of the Board of Directors pursuant to the provisions of the Companies Act, 2013.

The evaluation framework for assessing the performance of Directors comprises of the following key areas:

- i. Attendance of Board Meetings and Board Committee Meetings
- ii. Quality of contribution to Board deliberations
- iii. Strategic perspectives or inputs regarding future growth of Company and its performance
- iv. Providing perspectives and feedback going beyond information provided by the management
- v. Commitment to shareholder and other stakeholder interests

The evaluation involves Self-Evaluation by the Board Member and subsequently assessment by the Board of Directors. A member of the Board will not participate in the discussion of his / her evaluation.

#### **REMUNERATION POLICY**

The Nomination and Remuneration Committee has laid down the criteria for determining qualifications, positive attributes and independence of a person proposed to be appointed as a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

This policy ensures that—

- (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and



(c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

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 Nomination & 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 Nomination & Remuneration Committee at the Meeting held on 27<sup>th</sup> May, 2014 & 12<sup>th</sup> September, 2014 are as follows :

Name	Date of Appointment	Non-Executive - Independent	Numbers of Meetings	
			Held	Attended
Mr. Arvind R. Doshi	29 <sup>th</sup> April 2008	Non-Executive - Independent	2	2
Mr. Priyam S. Jhaveri	29 <sup>th</sup> April 2008	Non-Executive - Independent	2	2
Mr. D.M. Shah	29 <sup>th</sup> April 2008	Non-Executive – Independent	2	2

The Company pays remuneration by way of salary, allowances and perquisites, performance allowance etc. to the Chairman & Managing Director and Company Secretary on recommendation of the Nomination & 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 ₹ 5,000/- for Board Meeting and ₹ 3,000/- for Committee Meeting.

Details of remuneration of the Directors during FY 2014-15 :

Name of the Director	Salaries, Allowances, Perquisites, performance allowance, contribution to P.F etc.	Sitting fees	Commission Payable	Total
Mr. Asit D. Javeri *	44,48,950	—	24,00,000	68,48,950
Mr. Arvind R. Doshi	—	70,000	—	70,000
Mr. Priyam S. Jhaveri	—	62,000	—	62,000
Mr. D.M. Shah	—	62,000	—	62,000
Mr. Abhishek A. Javeri	—	30,000	—	30,000
Mr. Pradeep N. Desai	—	15,000	—	15,000
Smt. Seema A. Javeri	—	30,000	—	30,000
<b>Total</b>	<b>44,48,950</b>	<b>2,69,000</b>	<b>24,00,000</b>	<b>71,17,950</b>

\* Whole time director is not eligible for sitting fees.

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. Also refer "Note 29" annexed to the Financial Statements.



## 10. General Body Meeting :

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

AGM for the FY ended	Venue	Date	Time	No. of Special Resolutions passed
2011-12	SASMIRA AUDITORIUM, The Synthetic & Art Silk Mills' Research Association 3 <sup>rd</sup> Floor, SASMIRA Marg, Worli, Mumbai - 400030	13.08.2012	3.00 p.m.	2*
2012-13	SASMIRA AUDITORIUM, The Synthetic & Art Silk Mills' Research Association, 3 <sup>rd</sup> Floor, SASMIRA Marg, Worli, Mumbai - 400030	31.10.2013	3.00 p.m.	Nil
2013-14	SHETH HIRACHAND GUMANJI TRUST HALL Hira Baug, 1 <sup>st</sup> Floor, Kasturba Chowk (C.P. Tank) Mumbai - 400004	12.09.2014	3.00 p.m.	1**

\* Re-appointment of Shri A.D. Javeri as Chairman & Managing Director and Re-appointment of Shri N.R. Jani as Director & Company Secretary

\*\*Increase in Borrowing powers of the Board of Directors

### (B) Extra Ordinary General Meetings :

During the last three Financial Years 3 Extra Ordinary General Meetings were held by the Company for the purpose of passing Special Resolution (1) on 27th December, 2012 for modification of the Articles of Association of the Company for increase in the Authorised Share Capital of the Company and to approve to the Board of Directors the issue, offer and allotment of Non-Convertible Cumulative Redeemable Preference Shares of the face value of Rs. 10/- (Rupees Ten) each at par not exceeding Rs. 1,75,00,000/- (Rupees One Crore Seventy-five lacs); (2) on 29th October, 2013 for approving re-appointment of Shri Nitin R. Jani as Whole Time Director & Company Secretary and payment of remuneration; and (3) on 29th December, 2014 for modification of the Articles of Association & Memorandum of Association of the Company for increase in the Authorised Share Capital of the Company from Rs. 11.00 Cr to 21.00 Cr., to approve to the Board of Directors the issue, offer and allotment of 7,850,000 Non-Convertible Cumulative Redeemable Preference Shares of the face value of Rs. 10/- (Rupees Ten) each at par not exceeding Rs. 78,500,000/- (Rupees Seven Crore Eighty-five lacs), to approve the Property Purchase Transaction with the Holding Company and Transactions with Related Parties u/s 188 of the Companies Act, 2013.

### (C) During the year, the members have approved/ratified the following Two Special Resolutions by Postal Ballot effective 14<sup>th</sup> November, 2014:-

- Creation of charge on / mortgage of the assets of the Company and
- Sale of wholly owned Foreign Subsidiary Company.

## 11. 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.

## 12. DISCLOSURES :

- 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 31 in Notes to Accounts in the Annual Report. These transactions are not likely to have any conflict with Company's interest.
- 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) Strictures and Penalties :**

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 :**

The company has a vigil mechanism and whistle blower policy under which it 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 the policy has been put up on the co's website ([www.sncl.com](http://www.sncl.com))

**13. MEANS OF COMMUNICATION :**

The quarterly, half yearly and annual results are published in English in Free Press Journal / Financial Express and in Marathi in Navshakti / Mumbai Lakshadeep and are displayed on Company's website ([www.sncl.com](http://www.sncl.com)).

**14. GENERAL SHAREHOLDER INFORMATION :**

The current financial year of the Company is 31<sup>st</sup> March, 2015

AGM : Date, time and venue	42 <sup>nd</sup> Annual General Meeting on Tuesday, the 11 <sup>th</sup> August, 2015 at 3.00 P.M. at SHETH HIRACHAND GUMANJI TRUST HALL, HIRA BAUG, 1 <sup>st</sup> Floor, Kasturba Chowk (C.P. Tank), Mumbai - 400004.
Date of Book Closure connection with	Saturday, the 1 <sup>st</sup> August, 2015 to Tuesday, the 11 <sup>th</sup> August, 2015 (both days inclusive) in Annual General Meeting.
Dividend payment date	NIL for financial year 2014 -15.
<b>Financial Calendar (Tentative)</b> Results for quarter ending June 30, 2015 September 30, 2015 December 31, 2015 March 31, 2016 Annual General Meeting Listing of Company's shares	2 <sup>nd</sup> week of August 2015 2 <sup>nd</sup> week of November 2015 2 <sup>nd</sup> week of February 2016 4 <sup>th</sup> week of May 2016 August, 2016 The Company's shares are listed on Bombay Stock Exchange Ltd. (BSE)
Scrip Code	506642
ISIN Number	INE888C01016



**15. HIGH/LOW OF MARKET PRICE OF THE COMPANY'S SHARES TRADED ON THE BOMBAY STOCK EXCHANGE (BSE) UPTO 31<sup>ST</sup> MARCH, 2015 :**

Month	High	Low	Close	No. of Shares Traded	Total Turnover
April 2014	8.65	8.00	8.10	8,173	67,264
May	9.14	7.70	9.09	31,813	2,68,701
June	11.74	8.05	9.85	29,253	2,99,298
July	17.48	9.19	16.95	97,056	12,39,348
August	20.15	13.60	15.00	52,351	8,92,430
September	19.25	15.00	16.55	61,201	10,34,374
October	18.00	14.95	17.85	12,497	2,03,803
November	20.05	13.70	16.60	46,378	7,44,083
December	16.85	13.45	14.60	37,766	5,52,306
January 2015	15.00	12.50	12.82	37,884	5,29,862
February	14.25	12.00	12.31	23,033	3,03,451
March	14.92	11.40	13.15	47,728	6,23,805

(Source : BSE website)

**16. INVESTOR SERVICES :**

The Company has appointed M/s. Link Intime India Pvt. Ltd.(LIPL) (Formerly known as M/s. Intime Spectrum Registry Limited, 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.

LIPL having registered office at C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup, Mumbai - 400078 are Registrars and Share Transfer Agents for Physical Shares. LIPL is also the Depository interface of the Company with both NSDL & CDSL. Their Telephone No. 2596 3838 E-mail address: mt.helpdesk@linkintime.co.in, Fax No. 25946969.

**17. SHARE TRANSFER SYSTEM :**

All the transfers received are processed by Registrar and Transfer Agents. Share transfers are registered and returned within maximum of 21 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.

**18. 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 31<sup>st</sup> March, 2014, 96.71% of the equity shares have been dematerialised.

**19. SHARE HOLDING PATTERNAS ON 31<sup>st</sup> March, 2015 :**

	No. of Shares	Percentage
Promoters	6525132	70.92
Other Directors and their Relatives	55488	0.60
Mutual Funds and UTI	560	0.01
Banks, Financial Institutions & Insurance Companies	621	0.01
Bodies Corporate	247796	2.69
Indian Public	2334755	25.37
NRIs/Foreign Nationals	36498	0.40
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.

## 20. DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>st</sup> MARCH, 2015 :

No. of Shares	Folio		Amount	
	Number	% to total	Rs.	% to total
1 - 5000	3748	83.8291	4613760	5.0145
5001 - 10000	346	7.7388	2607320	2.8338
10001 - 20000	191	4.2720	2788750	3.0310
20001 - 30000	56	1.2525	1396420	1.5177
30001 - 40000	18	0.4026	643960	0.6999
40001 - 50000	30	0.6710	1397560	1.5189
50001 - 100000	34	0.7605	2577400	2.8013
100001 and above	48	1.0736	75983130	82.5829
Total	4471	100.0000	92008300	100.0000

## 21. UNCLAIMED DIVIDEND :

The Company is required to transfer dividends which have remained unpaid / unclaimed for a period of 7 years to the **Investor Education and Protection Fund (IEPF)** established by the Government. 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 31<sup>st</sup> March, 2007 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
31.03.2008	25.09.2008	13.09.2015	12.10.2015

Members who have not encashed their dividend warrant(s) for the financial year ended 31<sup>st</sup> March, 2008, or any subsequent financial year(s), are requested to lodge their claims with the Company.

## 22. 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

## 23. ADDRESS FOR CORRESPONDENCE

Sadhana Nitro Chem Limited Regd. Office : Hira Baug, 1 <sup>st</sup> Floor, Kasturba Chowk (C.P. Tank), Mumbai - 400 004. Tel : 022-23822524 Fax : (91)22-23887235 E-mail : sadhananitro@sncl.com Website : www.sncl.com	Link Intime India Pvt. Ltd (RTA) (Formerly known as Intime Spectrum Registry Ltd) 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 : mt.helpdesk@linkintime.co.in
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**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 (ix) of the Listing Agreement. The aforesaid certificate duly signed by the Chairman & Managing Director in respect of the financial period ended 31<sup>st</sup> March, 2015 has been placed before the Board in the meeting held on 16<sup>th</sup> April, 2015.

**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. CODE OF CONDUCT AND CERTIFICATE ON COMPLIANCE THEREOF:**

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

I hereby confirm that the Company has obtained from all the Members of the Board and the Senior Management Personnel, affirmation that they have complied with the Code of Conduct for the Financial Year 2014-15.

Place : Mumbai  
Date : 16<sup>th</sup> April, 2015.

**A. D. Javeri**  
Chairman & Managing Director



## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE



To the Members, Sadhana Nitro Chem Limited

We have examined the compliance of conditions of Corporate Governance by Sadhana Nitro Chem Limited, for the year ended on 31st March 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with 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. In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement. We state that such compliance is neither an assurance as to future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Place: Mumbai  
Dated: 16<sup>th</sup> April, 2015

## CEO/CFO CERTIFICATE UNDER CLAUSE 49 IX OF THE LISTING AGREEMENT

The Board of Directors,  
Sadhana Nitro Chem Limited

- A. I have reviewed the financial statements and the cash flow statement of Sadhana Nitro Chem Limited for the year ended 31<sup>st</sup> March, 2015 and to the best of our knowledge and belief :
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of my knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectifying these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee :
- i. significant changes in internal control over financial reporting during the year;
  - ii. significant changes in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place: Mumbai  
Date : 16<sup>th</sup> April, 2015

Asit D. Javeri  
Chairman & Managing Director

## AUDITOR'S REPORT



### INDEPENDENT AUDITOR'S REPORT

#### TO THE MEMBERS OF SADHANA NITROCHEM LIMITED

##### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Sadhana Nitro Chem Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information..

##### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of 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 standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

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

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

##### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

##### Emphasis of Matters

We draw attention to Note 31 in the financial statements regarding going concern. 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, 2015 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section 11 of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order
- 2) As required by Section 143 (3) of the Act, we report that:



- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For V. Sankar Aiyar & Co.**  
Chartered Accountants  
(Firm's Registration No. 109208W)  
**Arvind Mohan**  
Partner  
(Membership No. 124082)

Place: Mumbai  
Date : 16<sup>th</sup> April 2015

## **ANNEXURE TO THE AUDITOR'S REPORT**

(Referred to in paragraph (a) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of Sadhana Nitro Chem Ltd for the period ended 31<sup>st</sup> March, 2015)

Annexure referred in Independent Auditors Report of even date

- 1.
  - 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 year in a phased periodical manner of over two years, 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.
- 2.
  - a. As explained to us, inventories have been physically verified by the management at regular intervals during the year.
  - 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.
- 3. The company has not granted any loans, secured or unsecured during the period to parties covered in register maintained under section 189 of the Act.
- 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 the purchase of inventory & fixed assets and for the sale of goods & 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. The company has not accepted any deposits during the year.
6. The Central Government has prescribed maintenance of cost records under sub section (1) of section 148 of the Companies Act 2013 in respect of one of the 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.
7. 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 undisputed amounts payable in respect of the aforesaid dues as at 31<sup>st</sup> March, 2015 for a period of more than six months from the date of becoming payable, details are as under:

Name of statute	Nature of dues	Amount (Rs.)	Period to which it relates
Income Tax Act, 1961	Tax Deducted at Source	20,31,593	April to September 2014
Provident Fund Act, 1952	P.F. Contribution	8,42,405	April to September 2014
Service Tax	Reverse Mechanism	3,97,176	April to September 2014
<b>Total</b>		<b>32,71,174</b>	

- b. According to the records of the company, there are no disputed statutory dues on account of Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, and cess remaining unpaid as on 31<sup>st</sup> March, 2015.
  - c. Amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of Companies Act, 1956 has been transferred to such fund within time.
6. The company has accumulated losses is more than fifty percent of its net worth. The company has not incurred any cash loss during the year and in the immediately preceding financial year.
7. Based on our audit procedures and according to the information and explanation given to us, there have been no delays in repayment of dues to banks and financial institutions during the year.
8. The company has not given any guarantee for loans taken by others from Bank or Financial Institutions.
9. The company has not obtained any term loans during the year.
10. 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's Registration No. 109208W)  
**Arvind Mohan**  
Partner  
(Membership No. 124082)

Place: Mumbai  
Date : 16<sup>th</sup> April 2015

# **BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2015**



Particulars	Note	31-03-2015 12 Months ₹	31-03-2014 9 Months ₹
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
Share Capital	2	188,008,300	109,508,300
Reserves and Surplus	3	(67,231,032)	(106,929,876)
<b>Non-Current Liabilities</b>			
Long-term borrowings	4	1,212,473	2,248,647
Deferred Tax Liabilities (Net)	5	-	16,377,998
Long term provisions	6	17,583,244	14,595,057
<b>Current Liabilities</b>			
Short-term borrowings	7	268,502,258	276,011,963
Trade payables	8	207,648,730	136,771,987
Other current liabilities	9	36,827,997	133,837,444
Short-term provisions	10	3,381,606	3,461,311
<b>TOTAL</b>		<b>657,033,576</b>	<b>585,882,831</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	11		
Tangible assets		312,823,674	255,388,692
Capital work-in-progress		86,993,828	86,993,828
Non-current investments	12	879,969	1,572,219
Deferred tax assets (net)			
Long term loans and advances	13	13,326,330	30,009,814
<b>Current assets</b>			
Inventories	14	92,730,046	106,656,856
Trade receivables	15	76,029,256	40,372,778
Cash and Bank balances	16	3,977,219	2,528,882
Short-term loans and advances	17	69,898,636	62,053,372
Other current assets	18	374,618	306,280
<b>TOTAL</b>		<b>657,033,576</b>	<b>585,882,831</b>
Significant Accounting Policies	1		
Other notes forming part of financial statement 27 to 33			

As per our Report of even date

For and on Behalf of the Board of Directors

For V. SANKAR AIYAR & CO.  
Chartered Accountants  
Firm Regn.No. 109208W

A. D. JAVERI  
Chairman &  
Managing Director

A. R. DOSHI  
Director

P. S. JHAVERI  
Director

ARVIND MOHAN  
Partner  
Membership No. 124082

N. R. JANI  
Company Secretary

D. M. SHAH  
Director

P. N. DESAI  
Director

Place : Mumbai  
Dated : 16th April, 2015

S. P. SHAH  
Chief Finance Officer

SEEMA A. JAVERI  
Director

A. A. JAVERI  
Director

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2015**


Particulars	Note	31-03-2015 12 Months ₹	31-03-2014 9 Months ₹
<b>INCOME</b>			
Revenue from operations	19	480,503,452	326,627,649
Other Income	20	3,575,600	9,971,960
<b>Total Revenue</b>		<b>484,079,052</b>	<b>336,599,609</b>
<b>EXPENSES</b>			
Cost of materials consumed	21	323,290,710	195,164,788
Purchase of Stock in trade		-	17,442,806
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22	15,170,111	3,464,333
Employee benefit expense	23	54,416,841	38,131,707
Financial costs	24	46,265,924	61,727,307
Depreciation and amortization expense		20,682,917	20,718,630
Other expenses	25	123,106,303	91,664,943
<b>Total Expenses</b>		<b>582,932,806</b>	<b>428,314,514</b>
Profit before tax Exceptional items and taxes		(98,853,754)	(91,714,905)
<b>Exceptional Items</b>			
Profit on sale of Building		-	106,732,123
Balance written back		130,516,563	
<b>Profit Before Tax</b>		<b>31,662,809</b>	<b>15,017,218</b>
Taxes of earlier years		(6,148,862)	
Deferred Tax		16,377,998	(20,634,594)
Profit/(Loss) for the period		41,891,945	(5,617,376)
Basic /Diluted Earning per equity share of face value of ₹ 10/- Each (Fully paid up)	26	4.55	(0.61)
Significant Accounting Policies	1		
Other Notes Forming part of financial statement 27 To 33			

As per our Report of even date

For and on Behalf of the Board of Directors

For V. SANKAR AIYAR & CO.  
Chartered Accountants  
Firm Regn.No. 109208W

ARVIND MOHAN  
Partner  
Membership No. 124082

Place : Mumbai  
Dated : 18th April, 2015

A. D. JAVERI  
Chairman &  
Managing Director

N. R. JANI  
Company Secretary

S. P. SHAH  
Chief Finance Officer

A. R. DOSHI  
Director

D. M. SHAH  
Director

SEEMA A. JAVERI  
Director

P. S. JHAVERI  
Director

P. M. DESAI  
Director

A. A. JAVERI  
Director

# **CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015**



Particulars	31-03-2015 12 Months ₹	31-03-2014 9 Months ₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
NET PROFIT/ (LOSS) BEFORE TAX	31,662,809	15,017,219
Add : a. Depreciation	20,682,917	20,718,630
b. Interest	48,265,924	61,727,307
c. Loss on Sale of Investments	455,519	-
Less: a. Profit on Sale of Fixed Assets	-	106,732,123
b. Provision Written back	-	2,615,569
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	99,067,169	(11,884,537)
<b>CHANGES IN WORKING CAPITAL</b>		
a. Trade & other Receivables	(39,238,273)	77,559,535
b. Inventories	14,863,659	19,788,529
c. Loans & Advances	8,769,880	6,882,286
d. Trade Payables	67,294,948	4,621,585
e. current liability	(97,846,295)	-
f. Provision	2,908,482	-
	(43,247,599)	108,851,935
CASH GENERATED FROM OPERATIONS	55,819,570	96,967,399
Direct Taxes Paid	-	(1,854,567)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES-(A)</b>	55,819,570	95,112,832
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :-</b>		
a. Purchase of Fixed Assets	(850,272)	(1,548,171)
(Net of Adjustment for Capital work-in-progress)		
b. Acquisition / Sale of Investments (Net)	236,731	-
c. Sale of Fixed Assets	-	109,050,000
<b>CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES- (B)</b>	(613,541)	107,501,829
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :-</b>		
a. Secured Borrowings -Net of Repayment	76,482,667	(154,661,206)
b. Unsecured Borrowings - Net of Repayment	(83,984,547)	789,289
c. Interest Paid	(46,265,924)	(53,066,068)
<b>CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES- (C)</b>	(53,757,804)	(206,937,985)
<b>NET CHANGE IN CASH / CASH EQUIVALENTS (A+B+C)</b>	1,448,226	(4,323,324)
<b>ADD: CASH/CASH EQUIVALENTS AT THE BEGINNING</b>	2,528,993	6,852,317
<b>CASH/CASH EQUIVALENTS AT THE END</b>	3,977,219	2,528,993

**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
- 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

Place : Mumbai  
Dated : 16th April, 2015

**For and on Behalf of the Board of Directors**

**A. D. JAVERI**

Chairman &  
Managing Director

**N. R. JANI**

Company Secretary

**S. P. SHAH**  
Chief Finance Officer

**A. R. DOSHI**

Director

**D. M. SHAH**

Director

**SEEMA A. JAVERI**  
Director

**P. S. JHAVERI**

Director

**P. N. DESAI**

Director

**A. A. JAVERI**  
Director



**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 section 133 of Companies Act, 2013. The financial statements have been prepared on accrual basis and under historical cost convention. The accounting policies adopted in the preparation of financial statement 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**  
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, sales tax and returns.  
Dividend Income is recognized when the right to receive dividend is established.  
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 recognized 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 ₹ 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) Plant and Equipment acquired before 1<sup>st</sup> April 2006, building including non-factory building, furniture, fixture and vehicle are depreciated under WDV method at rates prescribed in Schedule II of Companies Act, 2013.
  - (iv) Plant and Equipment acquired after 1<sup>st</sup> April 2006 and computer are depreciated in accordance with Schedule II of Companies Act, 2013.
  - (v) Depreciation on Effluent Treatment Plant has been provided @ 100%.
- f) **Borrowing Cost**  
The borrowing cost attributed to the acquisition or constructions 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 charged to Statement of Profit and Loss.
- 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 pro-rata 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, Work-in-progress, Stock in Trade 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. Stores and Spares are valued on Weighted Average Cost Basis. All other inventories are valued at Cost on 'First-In-First-Out' Basis. 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 year are recognized in the Statement of Profit and Loss 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 Statement of Profit and Loss for the year. 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 benefits are recognized as expenses at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.  
(ii) Post employment and other long term employee benefit are recognized as an expense in the Statement of Profit and Loss for the year 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 Statement of Profit and Loss.
- l) **Research and Development cost:**  
(i) Revenue expenses on Research and Development are written off to the Statement of Profit and Loss.  
(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 financial 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 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.
- 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.
- p) Earnings Per Share (EPS)  
**Basic EPS**  
The earnings considered in ascertaining the Company's basic EPS comprise the net profit/(loss) after tax. 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

	31-03-2015 12 Months ₹	31-03-2014 9 Months ₹
<b>SHAREHOLDERS FUND</b>		
<b>SHARE CAPITAL:</b>		
<b>Authorised Capital:</b>		
9250000 (PY 9250000) - Equity Shares of ₹ 10/- each	92500000	92500000
11750000 (PY 1750000) 9% Cumulative Non Convertible Preference Shares of ₹ 10/- each	117500000	17500000
<b>TOTAL</b>	<b>210000000</b>	<b>110000000</b>
<b>Issued,Subscribed and Paid-up Capital:</b>		
9200830 (PY 9200830) Equity Shares of ₹ 10/- each fully paid (PY 9200830)	92008300	92008300
9600000 (PY 1750000) 9% Cumulative Non Convertible Preference Shares of ₹ 10/- Each Fully paid up)	96000000	17500000
<b>TOTAL</b>	<b>188008300</b>	<b>109508300</b>

### Shares held by Holding Company

Manekchand Panachand Trading Investment Co. Pvt. Ltd.

Equity Shares

9% Cumulative Non Convertible Preference Shares

31-03-2015		31-03-2014	
No of Shares	% of Holding	No of Shares	% of Holding
5960611	64.78	5960611	64.78
9600000	100.00	1750000	100.00

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

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

Particulars	Equity Shares		Preference Shares	
	Qty	Amount	Qty	Amount
Opening as on 01-04-2014	9200830	92008300	1750000	17500000
Add : Issued During the period	-	-	7850000	78500000
Closing as on 31-03-2015	9200830	92008300	9600000	96000000

### Right, preferences and restrictions attached to each class of shares.

The Company has only one class of equity shares having at par value of ₹ 10/- per Share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Director is subject to the approval of the share holders in the ensuing Annual general meeting. In the event of liquidation of the company, the holder 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 share holder.

The Company has only one class of Preference Shares having at par value of ₹ 10/- per share. The Preference Shares are Non-Convertible in nature bearing fixed dividend rate of 9%. The Non-Convertible,



Cumulative, Redeemable Preference Shares shall be redeemed at the option of the Company any time after 3 (three) years but not later than 10 (Ten) years from the date of issue & as decided by the Board of Directors in accordance with the terms of the issue and in accordance with the provisions of the Companies Act, 2013, or any re-enactment thereof..

### NOTE 3

	31-03-2015 12 Months ₹	31-03-2014 9 Months ₹
<b>Reserves &amp; Surplus :</b>		
Capital Reserve	93,681	93,681
Securities Premium	5,496,740	5,496,740
Capital Redemption Reserve	500,000	500,000
General Reserve	133,329,906	133,329,906
Surplus /Deficit in statement of profit & loss		
Opening Balance	(227,106,251)	(221,488,875)
Less Opening impact of depreciation as new Co Act 2013	(2,193,101)	-
Profit /Loss for the Period	41,891,945	(5,617,375)
Closing Balance	(185,214,306)	(227,106,251)
Foreign Currency Monetary Item translation difference Account	(19,243,953)	(19,243,953)
<b>TOTAL</b>	<b>(67,231,033)</b>	<b>(108,929,876)</b>

### NOTE 4

#### NON-CURRENT LIABILITIES:

#### Long Term Borrowings:

<b>1) Secured Term Loan From Bank:</b>		
a) Vehicle Loan (Secured Hypothecation of vehicle) (Refer Note 4(1))	558,528	1,162,574
<b>2) Unsecured :</b>		
i) Deferred sales tax Loan (Refer note 4(2))	653,945	1,086,073
<b>TOTAL</b>	<b>1,212,473</b>	<b>2,248,647</b>

#### Note 4 (1)

The Loan of ₹ 35.00 Lakhs from ICICI Bank having interest of 10.91% is repayable in 60 monthly installment of ₹ 0.75 lakhs from January 2012 to Oct- 2016

#### Note 4 (2)

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

### NOTE 5

<b>Deferred tax Liabilities (Net)</b>		
Depreciation and Amortisation	22,758,998	21,957,415
Unabsorbed Depreciation	(16,280,860)	-
Expenditure allowed under (IT Act Payment basis)	(6,478,138)	(5,579,417)
<b>TOTAL</b>	<b>-</b>	<b>16,377,998</b>

Deferred tax asset an unabsorbed depreciation has been recognized to the extent of deferred tax liabilities.

### NOTE 6

#### Long Term Provisions:

Provision for employee Benefits -(Leave/Gratuity) (Refer Note 23)	17,583,244	14,595,057
<b>TOTAL</b>	<b>17,583,244</b>	<b>14,595,057</b>



## NOTE 7

### Short-term borrowings:

#### Secured:

##### Working Capital Loan 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.]

#### Unsecured:

##### Inter Corporate Deposit

##### Others

	31-03-2015 12 Months ₹	31-03-2014 9 Months ₹
Working Capital Loan From bank	141,457,084	64,360,371
Inter Corporate Deposit		
Others	128,045,174	211,651,592
<b>TOTAL</b>	<b>269,502,258</b>	<b>276,011,963</b>

## NOTE 8

### Trade payables:

#### Due to micro small and medium enterprises

#### Others

	-	-
Due to micro small and medium enterprises	207,648,730	136,771,987
Others	207,648,730	136,771,987
<b>TOTAL</b>	<b>207,648,730</b>	<b>136,771,987</b>

(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to Any supplier as at the end of accounting year;

(b) 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

(c) the amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act 2006-Not paid

(d) the amount of interest accrued and remaining unpaid at the end of accounting year; and

(e) 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 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 9

### Other current liabilities:

#### Current maturities of long term

#### debts-Secured & Unsecured Loan

#### (Refer Note No 4)

#### Redeemed Preference Shares & Excess Rights Issue (Unclaimed)

#### Unclaimed Bonus & Salary

#### Unclaimed Dividend

#### Statutory Dues

#### Employee Dues

#### Advance From Customer

#### Bank Overdraft

#### Others

Current maturities of long term debts-Secured & Unsecured Loan	1,630,514	89,310,613
Redeemed Preference Shares & Excess Rights Issue (Unclaimed)	21,000	21,000
Unclaimed Bonus & Salary	45,547	45,547
Unclaimed Dividend	76,553	173,959
Statutory Dues	17,718,404	12,483,732
Employee Dues	6,149,784	6,535,397
Advance From Customer	282,872	18,115,859
Bank Overdraft	1,370,279	3,352,304
Others	9,633,045	3,799,034
<b>TOTAL</b>	<b>36,927,997</b>	<b>133,837,444</b>

## NOTE 10

### Short-term provisions:

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

Provision for employee Benefits -(Leave/Gratuity) (Refer Note 23)	3,381,606	3,461,311
<b>TOTAL</b>	<b>3,381,606</b>	<b>3,461,311</b>



## NOTE 11

### FIXED ASSETS

	GROSS BLOCK (ATCOST)				DEPRECIATION			NET BLOCK		
Particulars	As at 01.04.2014 ₹	Additions during the year ₹	Deductions/ Adjustments ₹	As at 31.03.2015 ₹	As at 01.04.2014 ₹	For the year ₹	Deductions/ Adjustments ₹	As at 31.03.2015 ₹	As at 31-03-2015 ₹	As at 31-03-2014 ₹
Tangible Assets :										
Land : Leasehold	76,400	-	-	76,400	32,571	804	-	33,375	43,025	43,829
Freehold Land	-	74,200,000	-	74,200,000	-	-	-	-	74,200,000	-
Freehold Land	2,494,573	-	-	2,494,573	-	-	-	-	2,494,573	2,494,573
Plant & Equipment	782,806,514	1,752,426	-	784,558,942	563,910,342	16,998,630	-	580,908,972	203,649,979	216,996,172
Buildings	100,619,039	-	-	100,619,039	70,136,002	2,669,226	2,193,101	75,216,331	25,400,708	30,483,037
Non Factory Building	-	4,300,000	-	4,300,000	-	4,712	-	4,712	4,296,288	-
Furniture & Fixtures	6,918,510	84,081	-	7,002,591	8,477,042	65,704	-	8,542,746	459,845	441,488
Computer & Other Equipment	11,875,880	53,762	-	11,929,642	11,531,622	22,417	-	11,554,039	385,603	344,258
Vehicles	19,745,600	-	1,050,000	18,695,600	17,060,446	701,422	960,730	16,801,138	1,894,662	2,685,354
GRAND TOTAL	924,536,717	80,400,271	1,060,000	1,003,996,988	669,146,025	20,662,917	3,163,831	681,063,313	312,823,874	255,388,682
PREVIOUS PERIOD	939,235,124	1,548,169	16,246,576	924,536,717	662,358,063	20,716,630	13,926,688	669,146,025	255,388,682	276,877,030

Plant & Equipment include lab equipment having WDV ₹ 10,13,919/- (P.Y. ₹ 14,15,935/-) R&D Equipment having WDV ₹ 7,36,150/- (P.Y ₹ 12,05,994/-)  
Addition in Plant & Machinery includes foreign exchange fluctuation on long term foreign currency liability ₹ Nil (P.Y ₹ NIL)

## NOTE 12

### NON-CURRENT INVESTMENT

#### Trade Investment

##### Unquoted :

Investment in equity instruments of Subsidiaries

750 (P.Y. 750) Equity Shares of Anuchem B.V.B.A. - Belgium  
of 25 Euro each

NIL (P.Y. 25000) Equity Shares of Anuchem Pte.Ltd.-Singapore  
of 1 Singapore Dollar Each

**Total A**

**31-03-2015**  
**12 Months**  
**₹**

**771,550**

**-**

**771,550**

**31-03-2014**  
**9 Months**  
**₹**

**771,550**

**692,250**

**1,463,800**

#### Other Investments

##### Quoted :

500 (P.Y. 500) Anco Communication Ltd

3900 (P.Y. 3900) Enarai Finance Ltd

18000 (P.Y. 18000) Indian Extractions Ltd

5000 (P.Y. 5000) Indo-Biotech Ltd

2000 (P.Y. 2000) First Object Technolgies Ltd

1300 (P.Y. 1300) Mexworth Orchards Ltd

50000 (P.Y. 5000) Ojas Technochem Products Ltd

**71,788**

**78,000**

**508,194**

**191,250**

**81,400**

**13,000**

**131,495**

**1,075,127**

**966,707**

**108,420**

**879,969**

**71,788**

**78,000**

**508,194**

**191,250**

**81,400**

**13,000**

**131,495**

**1,075,127**

**966,707**

**108,420**

**1,572,219**

Less Aggregate provision for diminution in value of investment

**Total B**

**Total (A+B)**

[Aggregate Amount of quoted investment ₹ 10,75,127/- (PY ₹ 10,75,127/-) and market value of ₹ 71,788 (PY ₹ 1,11,215)]

[Aggregate Amount of unquoted investment ₹ 7,71,550/- (PY ₹ 14,63,800/-)]



## NOTE 13

### LONG TERM LOANS AND ADVANCES:

(Unsecured Considered Good)

	31-03-2015 12 Months ₹	31-03-2014 9 Months ₹
Capital advance	1,628,289	859,251
Other Loan & advances		
Security Deposits	6,313,737	6,644,737
Advance income tax (Net of Provision)	5,384,304	22,705,826
<b>TOTAL</b>	<b>13,326,330</b>	<b>30,009,814</b>

## NOTE 14

Inventory: (Valued at Lower of Cost or Net Realizable Value)

Raw Material (Include stock in transit Rs.6,85,600/- (PY NIL)	14,018,430	13,948,106
Work in Progress	32,264,448	41,368,864
Finished goods	9,293,330	15,399,025
Stores & Spares	31,061,970	30,712,821
Others (Fuel, Packing material)	6,091,868	5,228,040
<b>TOTAL</b>	<b>92,730,046</b>	<b>106,656,856</b>

## NOTE 15

Trade Receivable:

(Unsecured, Considered Good)

Overdue more than Six Months	-	472,654
Others	76,029,256	39,900,124
<b>TOTAL</b>	<b>76,029,256</b>	<b>40,372,778</b>

## NOTE 16

Cash and Bank Balances

Cash and cash equivalent:

Balance with banks	267,968	547,520
Cash in hand	505,226	531,547

Other Bank Balances

F.D. with Bank-Margin money with original Maturity less than 12 Months

	3,204,025	1,449,925
<b>TOTAL</b>	<b>3,977,219</b>	<b>2,528,992</b>

## NOTE 17

Short Term Loans & Advances:

(Unsecured, Considered Good)

Loan to Staff	180,200	387,254
Advance to Vendors	6,001,590	8,107,698
Balance With Staturity /Revenue Authorities	57,043,178	50,920,772
Other *	6,673,668	2,637,848
<b>TOTAL</b>	<b>69,898,636</b>	<b>62,053,372</b>

(\*Includes Employee Loan, Prepaid Expenses)

## NOTE 18

Other Current Assets

Receivable From Holding Company

Interest Accrued	-	-
	374,618	306,280
<b>TOTAL</b>	<b>374,618</b>	<b>306,280</b>



		31-03-2015	31-03-2014
		12 Months	9 Months
		₹	₹
<b>NOTE 19</b>			
<b>REVENUE FROM OPERATION:</b>			
Sales of product		501,905,212	328,905,213
Less: Excise duty		23,919,084	8,682,249
	<b>TOTAL</b>	<b>477,986,128</b>	<b>320,222,964</b>
<b>Other operative revenue:</b>			
Export Benefits		461,621	4,085,036
Other (Waste Material)		2,055,703	2,319,649
	<b>TOTAL</b>	<b>2,517,324</b>	<b>6,404,685</b>
<b>Details of Sales</b>			
Sales Of organic intermediates		132,816,711	21,541,723
Sales Of Chemical intermediates		347,225,120	301,000,892
Earning in Foreign Currency (FOB)		263,661,681	209,868,055
<b>NOTE 20</b>			
<b>OTHER INCOME :</b>			
Interest income		2,706,215	5,544,072
Profit/(Loss) On Investment		(455,519)	-
Profit/(Loss) on Sale of Assets		(9,270)	-
Balances Written back		599,730	1,795,119
Discount received		-	11,200
Provision Written Back		-	2,615,569
Other Miscellaneous income		734,444	6,000
	<b>TOTAL</b>	<b>3,575,600</b>	<b>8,971,960</b>
<b>NOTE 21</b>			
<b>EXPENSES:</b>			
<b>Cost of Material Consumed</b>			
Inventory at the beginning of the Period		13,948,106	22,177,562
Add: purchase		322,695,434	186,935,332
Inventory at the end of the Period		13,352,830	13,948,106
	<b>TOTAL</b>	<b>323,290,710</b>	<b>195,164,788</b>
<b>Value of Raw Material Consumed</b>			
Imported	5.05%	16,312,486	11.48%
Indigenous	94.95%	306,978,224	88.52%
<b>Raw Material Consumed</b>			
Benzene		130,679,473	54,342,228
Nitric acid		37,111,390	12,032,182
Cast iron powder		25,818,782	13,632,356
Oleum 65%		9,111,266	6,924,537
Caustic Potash Flakes		28,782,700	10,141,552
Other		91,787,099	98,091,933
	<b>TOTAL</b>	<b>323,290,710</b>	<b>195,164,788</b>



## NOTE 22

	31-03-2015 12 Months ₹	31-03-2014 9 Months ₹
<b>Change In Inventory of Finished goods ,Work in progress and Stock in Trade</b>		
Opening Finished Goods	15,399,025	11,439,483
Less: Closing finished good	<u>9,293,330</u>	<u>15,399,025</u>
	6,105,695	(3,959,582)
Opening work in progress	41,368,864	48,807,759
Less: Closing work in progress	<u>32,264,448</u>	<u>41,368,864</u>
	9,104,416	7,438,895
Other Opening Stock	45,000	35,000
Less: Other Closing Stock	<u>50,000</u>	<u>45,000</u>
	(5,000)	(10,000)
Scrap Opening Stock	115,000	110,000
Less: Scrap Closing Stock	<u>150,000</u>	<u>115,000</u>
	(35,000)	(5,000)
<b>TOTAL</b>	<b><u>15,170,111</u></b>	<b><u>3,464,333</u></b>

## NOTE 23

<b>Employee Benefit Expenses:</b>		
Salaries,Wages and Bonus	41,643,266	30,093,700
Managerial Remuneration	4,448,950	5,264,553
Contribution to PF and other funds	2,896,947	1,771,481
Gratuity Expenses	3,808,876	-
Staff welfares	<u>1,817,802</u>	<u>1,001,973</u>
<b>TOTAL</b>	<b><u>54,416,841</u></b>	<b><u>38,131,707</u></b>
<b>Employee Benefit</b>		
<b>Defined Contribution Plan</b>		
Contribution to defined contribution plan, recognized as expenses for the year are as under		
Employer's Contribution to provident fund	1,176,712	848,661
Employer's Contribution to pension scheme	<u>1,162,555</u>	<u>632,648</u>

## Defined Benefit Plan

The Employee's gratuity fund scheme managed by a trust is a defined benefit plan. The present value of the 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 in the same manner as gratuity.





	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2014-15	2013-14	2014-15	2013-14
I) Reconciliation of opening and closing balance of defined Benefit obligation				
Defined Benefit Obligation at beginning of the year	16573652	20465652	8495823	8606072
On Amalgamation	-	-	-	-
Current Service Cost	584552	498043	407575	318897
Interest Cost	1546322	1189566	792660	500228
Actuarial gain/loss	2232851	(3635740)	(2013743)	(854549)
Benefit paid	(3761444)	(1943869)	(80686)	(74825)
Settlement cost	-	-	-	-
Defined Benefit Obligation at year end	17175933	16573652	7601629	8495823
II) Reconciliation of opening and closing balance of fair value of plan assets at beginning of the year	7013107	8289538	-	-
On Amalgamation	-	-	-	-
Expected Return on Plan Assets	610140	540892	-	-
Actuarial (gain)/loss	(49091)	112761	-	-
Employer Contribution	-	13785	-	-
Benefit Paid	(3761444)	(1943869)	-	-
Settlement cost	-	-	-	-
Fair Value of plan assets at year end	3812712	7013107	-	-
Actual return on plan assets	-	-	-	-
III) Reconciliation of fair value of assets and obligation				
Fair value of plan assets	3812712	7013107	-	-
Present value of obligation	17175933	16573652	7601629	8495823
Amount recognised in balance sheet	13363221	9560545	7601629	8495823
IV) Expenses recognized during the year (under head of "payment to and Provision for employee")				
Current Service Cost	584552	498043	407575	318897
Interest Cost	1546322	1189566	792660	500228
Expected return on Plan assets	(610140)	(540892)	-	-
Actuarial (gain)/loss	2281942	3748501	(2013743)	(854549)
Net Cost	3802676	4895218	(813508)	(35424)
V) Actuarial assumption				
Discount Rate (P.A.)	9.33%	9.33%	9.33%	9.33%
Expected rate of return on plan assets (P.A.)	9.33%	9.33%	8.70%	9.33%
Rate of escalation in salary (P.A.)	4%	4%	4%	4%

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 certified by actuary.

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



<b>NOTE 24</b>	<b>31-03-2015</b>	<b>31-03-2014</b>
	<b>12 Months</b>	<b>9 Months</b>
	<b>₹</b>	<b>₹</b>
<b>Financial Cost:</b>		
Interest Expenses	24,304,118	17,124,955
Other borrowing cost	22,591,476	38,224,427
Net Gain/Loss foreign currency transaction & translation	(629,670)	6,377,925
<b>TOTAL</b>	<b>46,265,924</b>	<b>61,727,307</b>

<b>NOTE 25</b>		
<b>Other Expenses</b>		
<b>Payment to auditors</b>		
Audit Fees	310,000	245,000
Tax Audit	85,000	48,750
Others Service	36,502	55,005
Power and Fuels	57,897,681	51,159,853
Rent	430,200	585,800
Rate & Tax	8,109,534	630,273
Insurance	1,210,399	1,082,295
Printing & Stationery	977,062	532,797
Postage Telegram & Telephone	1,128,740	965,731
Travelling Expenses	3,591,442	1,967,972
Legal & Professional fees	4,646,414	5,876,141
Conveyance Expenses	2,036,853	1,343,120
Director Sitting Fees	288,000	135,000
Electricity Charges	83,742	633,486
Security Charges	1,920,878	-
Miscellaneous Expenses	6,222,071	2,844,429
Stores & Spares Consumed	9,134,825	4,538,052
<b>Repairs Maintenance</b>		
Machinery	656,669	280,752
Other	2,042,085	2,107,104
Other Manufacturing Expenses	4,216,907	4,867,146
Effluent Expenses	1,588,308	1,342,024
R&D Expenses	168,166	559,414
Freight and Forwarding Expenses	5,484,187	6,201,261
Commission charges	5,856,810	82,429
Packing Material	1,730,776	1,507,578
Local freight & other expenses	1,890,233	688,918
Net Loss on Foreign exchange Transaction & Translation	1,602,059	1,394,613
<b>TOTAL</b>	<b>123,106,303</b>	<b>91,664,943</b>

#### NOTE 26

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

a) Profit/(Loss) after tax as per P&L Account	41,891,945	(5,617,376)
b) Opening number of equity shares outstanding	9,200,830	9,200,830
c) Closing number of equity shares outstanding	9,200,830	9,200,830
d) Basic /Diluted earning per share [(a)/(c)] ₹ 10/- per share	4.55	(0.61)



## NOTE 27

### Estimated Liabilities not provide for :

- (a) Estimated amount of contract remaining to be executed (net of payment)
- (b) In respect of Guarantee given by the company's Banker for central excise and other purpose
- (c) In respect of Corporate Guarantee given by the company to the bank for loans borrowed by Indian Subsidiary
- (d) Dividend on 9 % Cumulative Non-Convertible Preference Shares.

31-03-2015 12 Months ₹	31-03-2014 9 Months ₹
-	-
-	-
-	-
1,671,781	1,181,250

## NOTE 28

### Segmental Reporting :

In accordance with AS-17 'Segment Reporting' segment information has been given in the consolidated financial statements and therefore no separate disclosure on segment information is given in these financial statements.

## NOTE 29

### Related Party Disclosure :

Nature of Transaction	Holding Company	Subsidiaries	Associates	Key Management Personnel	Total
a) Sales of Goods		16,232,722 (80,551,878)	- (-)	- (-)	16,232,722 (80,551,878)
b) Receiving Services		-	463,375 (162,543)	- (-)	463,375 (162,543)
c) Managerial Remuneration		-	-	4,448,950 (5,264,553)	4,448,950 (5,264,553)
d) Director Sitting Fees		-	-	60,000 (25,000)	60,000 (25,000)
e) Loan Repayment		-	-	-	-
f) Purchase of Assets	78,500,000 (-)	-	-	(1,200,000)	78,500,000 (1,200,000)
g) Guarantee Commission		-	-	2,400,000 (-)	2,400,000 (-)
Outstanding Balance as on 31st March, 2015		1,874,276 (17,088,962)	463,675 (-)	2,400,000 (-)	4,737,951 (17,088,962)
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			
iii) Associates	-	M/s. Lifestyle Networks Ltd. M/s. Phthlo Colours & Chemicals (I) Ltd. M/s. Amnisera Corporation			
II) Key Mangement Personal					
i) Shri. A.D Javeri	-	Chairman & Managing Director			
ii) Shri N.R.Jani	-	Company Secretary			
iii) Shri Sanjeev P. Shah	-	Chief Finance Officer			
III) Disclosure in respect of material related party transaction during the year					



(1) Sale of Good to Anuchem BVBA, Belgium ₹ 1,62,32,722 (PY ₹ 7,37,96,603) (2) Anuchem PTE Ltd Singapore ₹ Nil (₹ 67,55,275) (3) Receiving Services from Amnisera Corp.(Associate) ₹ 4,63,375 (PY Rs.1,62,543) (4) Purchase of Asset from Manekchand Panachand Trading Inv.Co Pvt. Ltd (Holding Company) ₹ 7,85,00,000 (PY Rs.Nil) (5) Guarantee Commission paid to Asit D Javeri (KMP) ₹ 24,00,000 (PY Nil) (6) Loan Repayment to Asit D Javeri (KMP) ₹ Nil (PY Rs.12,00,000)

## NOTE 30

During the years, the company reassessed useful life of its fixed assets as per Schedule II of Companies Act, 2013. Accordingly,an amount of ₹ 21,93,101/- has been recognized in the opening balance of retained earning where the remaining useful life of the assets is NIL.

## NOTE 31

The order book position has improved during the financial year as compared to the past including long term supply agreements. During the period, the company has disposed most of its non core assets and the proceeds have been utilized to settle some of the high cost debt and also towards working capital requirements. This in cumulative perspective will improve the overall performance of the company in addition to absorbing accumulated losses. Hence although there are accumulated losses as on 31st March, 2015, considering the overall strategy, going concern would not be affected and accordingly financial statements have been prepared.

## NOTE 32

The Current financial statements have been prepared for 12 months whereas the previous period was for 9 months and accordingly previous year figures are not comparable. Previous year's figures have been reclassified in accordance with the requirements applicable during the current period.

## NOTE 33

				31-03-2015 12 Months ₹	31-03-2014 9 Months ₹
(A) VALUE OF IMPORT CALCULATED CIF BASIS					
Raw Material				8,138,870	32,474,010
Total				8,138,870	32,474,010
Value of store Consumed					-
Import				0%	0%
Indegenous				100%	100%
9,134,625				4,538,052	
(B) EXPENDITURE IN FOREIGN CURRENCY:					
(To the extent paid)					
Travelling Expenses				2,442,422	119,740
Commission				432,040	-
Interest and other charges on FC loan from banks				-	2,366,533
Total				2,874,462	2,486,273

### 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 : 18th April, 2015

### For and on Behalf of the Board of Directors

A. D. JAVERI  
Chairman &  
Managing Director

A. R. DOSHI  
Director

P. S. JHAVERI  
Director

N. R. JANI  
Company Secretary

D. M. SHAH  
Director

P. N. DESAI  
Director

S. P. SHAH  
Chief Finance Officer

SEEMA A. JAVERI  
Director

A. A. JAVERI  
Director

*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 Deurne.

**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 2014.

**Review of business:**

The principal activities of the company continued to be marketing of Chemicals. The Turnover during the year was EUR475.977,24 (2013 - EUR 2.349.328,02). The Loss for the year was at EUR 35.383,63 (2013 Loss for the year - EUR 12.374,96)

The directors opined that, 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 no dividend for the year 2014.

**AUDITORS :**

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

On behalf of board

**A. D. Javeri**  
Director

Antwerpen,  
3rd April 2015

**AUDITOR'S REPORT**

AGIVER BVBA ACCOUNTANTSKANTOOR  
BISSCHOPPENHOFLAAN 588  
2100 DEURNE  
REG. NO 47552 N 53

To the shareholders of Annuchem BVBA:

I have audited the balance sheet of Anuchem BVBA as at 31st December 2014 and I have audited the balance sheet of Anuchem BVBA as at 31st December 2014 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 of 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, 2014 and of the profit or Loss for the year then ended and have been properly prepared in accordance with the requirement of the Belgian Company law.

Antwerpen,  
3rd April 2015

For Agiver Bvba  
Luc Verryken  
Reg. NO 4755 2N 53

# **ANUCHEM B.V.B.A.**

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

	31-Dec 2014 (currency : Euro)	31-Dec 2013 (currency : Euro)
<b>LIABILITIES</b>		
1) Shareholder's Funds		
a) Share Capital - Issued Capital	18.750,00	18.750,00
b) Reserves :		
i) Legal reserve	1.875,00	1.875,00
ii) Profit and loss Account	8.933,16	42.519,10
	<u>10.808,16</u>	<u>44.394,10</u>
2) Current Liabilities		
a) Trade Payable	94.488,50	290.818,09
b) Services	2.518,95	34.062,77
c) Vat Payable	0,00	1.806,09
d) Dividend Payable	1.875,00	1.875,00
	<u>98.880,45</u>	<u>328.561,95</u>
<b>TOTAL OF LIABILITIES</b>	<u><b>128.438,61</b></u>	<u><b>391.706,05</b></u>
<b>ASSETS</b>		
1) Non-current assets		
a) Fixed Assets		
Fixed Assets (gross)	1.830,97	1.830,97
Less : depreciation	<u>(1830,97)</u>	<u>(1830,97)</u>
2) Current Assets	0,00	0,00
a) Inventories		
b) Receivables	55.595,73	34.505,74
i) Trade receivables	63.338,84	345.565,94
ii) Other receivables	<u>2.752,87</u>	<u>0,00</u>
	<u>66.091,51</u>	<u>345.565,94</u>
3) Liquid resources	6.751,37	11.634,37
<b>TOTAL OF ASSETS</b>	<u><b>128.438,61</b></u>	<u><b>391.706,05</b></u>

AGIVER BVBA  
Accountantskantoor  
Reg nr 4755.2N.53  
Antwerpen, 3<sup>rd</sup> April 2015

A. D. Javerl  
Director

# **ANUCHEM B.V.B.A.**

## **ANNUAL STATEMENT OF ACCOUNTS OF ANUCHEM BVBA PROFIT AND LOSS ACCOUNT**

	31-Dec 2014 (currency : Euro)	31-Dec 2013 (currency : Euro)
<b>INCOME :</b>		
Turnover	475.977,24	2.349.328,02
Interest received	569,93	0,00
Increase(decrease) in closing stock	21089,99	(168790,69)
Income(loss) on exchange fluctuation	<u>(1055,78)</u>	<u>16477,70</u>
	<u>496.581,38</u>	<u>2.197.015,03</u>
<b>EXPENSES :</b>		
Purchases	456.231,52	2.105.645,87
Clearing en forwarding charges	67.181,36	95.236,38
Travelling and administrative expenses	6.827,02	6.328,99
Local Taxes	439,50	958,00
Financial expenses	1.285,61	1.220,75
Depreciation/amount written off	<u>0,00</u>	<u>0,00</u>
trade debtors	<u>531.965,01</u>	<u>2.209.389,99</u>
<b>PROFIT(LOSS) BEFORE TAXATION :</b>	<b>(35383,63)</b>	<b>(12374,96)</b>
<b>Less : Provision for taxation for the year</b>	<u><b>0,00</b></u>	<u><b>0,00</b></u>
	<u><b>0,00</b></u>	<u><b>0,00</b></u>
<b>PROFIT(LOSS) AFTER TAX</b>	<b>(35383,63)</b>	<b>(12374,96)</b>
<b>Add : Carried over profit of last year</b>	<b>44.316,79</b>	<b>56.691,75</b>
<b>Less 1) Provision for dividend</b>	<u><b>0,00</b></u>	<u><b>0,00</b></u>
<b>profit to be carried over</b>	<b>8.933,16</b>	<b>44.316,79</b>

AGIVER BVBA  
Accountantskantoor  
Reg nr 4755.2N.53  
Antwerpen, 3<sup>rd</sup> April 2015

A. D. Javerl  
Director

## NOTE ON ANNUAL STATEMENT OF ACCOUNT OF ANUCHEM BVBA FOR 2014

## 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) RECEIVABLE (due within one year)

	More than 6 Months		Others	
	2014	2013	2014	2013
a) Trade receivable	0,00	0,00	63.338,84	345.565,94
b) Other receivable	0,00	0,00	0,00	0,00
	0,00	0,00	63.338,84	345.565,94

## 4) Suppliers (due within one year)

	More than 6 Months		Others	
	2014	2013	2014	2013
a) For Purchase	0,00	0,00	94.488,50	289.020,40
b) For services	0,00	0,00	2.516,95	34.062,77
	0,00	0,00	97.005,45	323.083,17

## 5) TRAVELLING AND ADMINISTRATIVE EXPENSES

	2014	2013
Fees	6.386,21	5.911,60
Register and publication costs	127,43	126,63
Other business expenses	313,38	290,76
	6.827,02	6.328,99

## 6) CLEARING AND FORWARDING CHARGES

	2014	2013
Freight	55.181,36	82.238,38
Rental stockhouse	0,00	0,00
Fee verron	12.000,00	12.000,00
	67.181,36	95.238,38

## 7) LOCAL TAXES

	2014	2013
Local taxes	439,50	958,00
	439,50	958,00

## 8) FINANCIAL EXPENSES

	2014	2013
Interests	65,30	306,91
Charges	1.220,31	913,84
Withholding Tax	0,00	0,00
	1.285,61	1.220,75
Income	0,00	0,00
	1.285,61	1.220,75

## 9) LIQUID RESOURCES

	2014	2013
Fortis (Usd)	0,00	2.504,21
Fortis (Euro)	0,00	0,00
State Bank of India (Usd)	4.388,58	8.991,05
State Bank of India (Euro)	2.269,22	45,54
	6.657,80	11.540,80

## Cash Balance

	2014	2013
Cash Balance	93,57	93,57
	6.751,37	11.634,37

AGIVER BVBA  
Accountantskantoor  
Reg nr 4755.2N.53

Antwerpen, 3<sup>rd</sup> April 2015

A.D. JAVERI  
Director





**CONSOLIDATED ANNUAL REPORT  
OF  
SADHANA NITRO CHEM LIMITED  
AND  
ITS SUBSIDIARIES**

**AUDITOR'S REPORT**

**TO THE MEMBERS OF SADHANA NITROCHEM LIMITED**  
**Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **Sadhana Nitro Chem Limited** (Holding Company) and its subsidiaries (Holding company and subsidiaries collectively called as Group), which comprise the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as Consolidated Financial Statements).

**Management's Responsibility for the Consolidated Financial Statements**

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

that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

**Emphasis of Matters**

We draw attention to Note 32 in the financial statements regarding going concern. Our opinion is not qualified in respect of this matter.

**Other Matters**

We did not audit the financial statements / financial information of Two Foreign Subsidiaries of which One Foreign Subsidiary ceases to be a subsidiary with effect from 31<sup>st</sup> August 2014. The continuing subsidiary's financial statements / financial information reflect total assets of Rs.92.89 lacs as at 31<sup>st</sup> March, 2015, total revenues of Rs.231 lacs and net cash flows amounting to Rs.(12.26) lacs for the year ended on that date, as considered in the consolidated financial statements. The entity which ceased to be a subsidiary during the year reflect total revenue of Rs. 6.67 lacs up to the date of being a subsidiary. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries is based solely on such unaudited financial statements / financial information.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

**Report on Other Legal and Regulatory Requirements**

- 1) As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section 11 of section 143 of the Act, based on the comments in the auditors' report of the Holding company and subsidiary companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order as applicable.
- 2) As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books and unaudited financial statements provided by the management.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account for the preparation of the Consolidated Financial Statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2015 taken on record by the Board of Directors of the Holding company, none of the directors is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.



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

- i. There are no pending litigations which would impact financial position of consolidated financial position of the Group;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For V. Sankar Aiyar & Co.**  
Chartered Accountants  
(Firm's Registration No. 109208W )

Place: Mumbai  
Date: 16<sup>th</sup> April 2015

**Arvind Mohan**  
Partner  
(Membership No. 124082 )



# ANNEXURE TO THE AUDITOR'S REPORT

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

1. 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 year in a phased periodical manner of over two years, 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.
2. a. As explained to us, inventories have been physically verified by the management at regular intervals during the year.
- 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.
3. The company has not granted any loans, secured or unsecured during the period to parties covered in register maintained under section 189 of the Act.
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 the purchase of inventory & fixed assets and for the sale of goods & 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. The company has not accepted any deposits during the year.
6. The Central Government has prescribed maintenance of cost records under sub section (1) of section 148 of the Companies Act 2013 in respect of one of the 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.
7. 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 undisputed amounts payable in respect of the aforesaid dues as at 31<sup>st</sup> March, 2015 for a period of more than six months from the date of becoming payable, details are as under:



Name of statute	Nature of dues	Amount (Rs.)	Period to which it relates
Income Tax Act, 1961	Tax Deducted at Source	20,31,593	April to September 2014
Provident Fund Act, 1952	P.F. Contribution	8,42,405	April to September 2014
Service Tax	Reverse Mechanism	3,97,176	April to September 2014
<b>Total</b>		<b>32,71,174</b>	

- b. According to the records of the company, there are no disputed statutory dues on account of Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, and cess remaining unpaid as on 31<sup>st</sup> March, 2015.
- c. Amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of Companies Act, 1956 has been transferred to such fund within time.
8. The company has accumulated losses is more than fifty percent of its net worth. The company has not incurred any cash loss during the year and in the immediately preceding financial year.
9. Based on our audit procedures and according to the information and explanation given to us, there have been no delays in repayment of dues to banks and financial institutions during the year.
10. The company has not given any guarantee for loans taken by others from Bank or Financial Institutions.
11. The company has not obtained any term loans during the year.
12. 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's Registration No. 109208W)

**Arvind Mohan**  
Partner  
(Membership No. 124082)

Place: Mumbai  
Date : 16<sup>th</sup> April 2015

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2015**

Particulars	Note	31-03-2015 12 Months ₹	31-03-2014 9 Months ₹
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
Share Capital	2	185,008,300	109,508,300
Reserves and Surplus	3	(55,072,096)	(105,428,964)
<b>Non-Current Liabilities</b>			
Long-term borrowings	4	1,212,473	2,248,847
Deferred Tax Liabilities (Net)	5	-	18,377,998
Long term provisions	6	17,583,244	14,595,057
<b>Current Liabilities</b>			
Short-term borrowings	7	289,602,265	305,831,483
Trade payables	8	287,648,790	142,188,374
Other current liabilities	9	35,991,160	131,004,598
Short-term provisions	10	3,607,682	3,461,311
		<u>655,381,721</u>	<u>619,585,774</u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed Assets</b>	11		
Tangible assets		312,822,574	255,388,692
Capital work-in-progress		86,993,828	86,993,827
Non-current investments	12	108,420	108,420
Long term loans and advances	13	13,328,230	30,006,814
<b>Current Assets</b>			
Inventories	14	84,311,505	120,445,678
Trade receivables	15	73,261,362	90,073,492
Cash and Bank balances	16	4,283,349	4,187,200
Short-term loans and advances	17	88,898,636	82,053,371
Other current assets	18	374,618	306,280
		<u>655,381,721</u>	<u>619,585,774</u>
Significant Accounting Policies	1		
Other notes forming part of financial statement 27 to 34			

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 : 16th April, 2015

For and on Behalf of the Board of Directors

**A. D. JAVERI** **A. R. DOSHI** **P. S. JHAVERI**  
Chairman & Director Director Director  
Managing Director

**N. R. JANI** **D. M. SHAH** **P. N. DESAI**  
Company Secretary Director Director

**S. P. SHAH** **SEEMA A. JAVERI** **A. A. JAVERI**  
Chief Finance Officer Director Director

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2015**

Particulars	Note	31-03-2015 12 Months ₹	31-03-2014 9 Months ₹
<b>INCOME</b>			
Revenue from operations	19	481,208,358	320,363,745
Other income	20	4,188,634	10,511,124
<b>Total Revenue</b>		<u>485,397,192</u>	<u>330,894,869</u>
<b>EXPENSES</b>			
Cost of materials consumed	21	324,573,532	185,184,788
Purchase of Stock In trade		-	17,442,806
Changes in Inventories of finished goods, work-in-progress and Stock-In-Trade	22	10,886,618	(7,200,774)
Employee benefit expenses	23	64,418,841	38,131,707
Financial costs	24	48,808,888	61,283,606
Depreciation and amortization expense		20,682,917	20,718,630
Other expenses	25	130,807,520	98,227,082
<b>Total Expenses</b>		<u>599,371,114</u>	<u>423,747,645</u>
Profit before tax: Exceptional items and taxes		<u>(104,973,922)</u>	<u>(92,852,976)</u>
<b>Exceptional items</b>			
Profit on sale of Building		-	106,732,123
Balance written back		130,516,863	-
Profit on disposal of investment in subsidiary		3,806,982	-
<b>Profit Before Tax</b>		<u>29,349,933</u>	<u>13,879,147</u>
Taxes of earlier years		<u>(6,148,882)</u>	
Deferred Tax		18,377,998	(20,634,584)
<b>Profit/(Loss) for the period</b>		<u>39,578,789</u>	<u>(6,755,447)</u>
Basic /Diluted Earning per equity share of face value of Rs. 10/- each (Fully Paid up)	26	4.30	(0.73)
Significant Accounting Policies	1		
Other Notes Forming part of financial statement 27 To 34			

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 : 16th April, 2015

For and on Behalf of the Board of Directors

**A. D. JAVERI** **A. R. DOSHI** **P. S. JHAVERI**  
Chairman & Director Director Director  
Managing Director

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Company Secretary Director Director

**S. P. SHAH** **SEEMA A. JAVERI** **A. A. JAVERI**  
Chief Finance Officer Director Director

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015**

Particulars	31-03-2015 12 Months ₹	31-03-2014 9 Months ₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
NET PROFIT/ (LOSS) BEFORE TAX	29,348,633	13,679,147
Add : a. Depreciation	20,082,917	20,718,630
b. Interest	48,803,686	61,263,606
Less: a. Profit on Disposal of Sale of Investments in subsidiary	3,806,992	
b. Profit on Sale of Fixed Assets	-	106,732,123
c. Provision Written back	-	2,615,586
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	95,029,244	(13,486,309)
<b>CHANGES IN WORKING CAPITAL</b>		
a. Trade & other Receivables	(13,187,870)	57,280,615
b. Inventories	28,199,636	6,733,785
c. Loans & Advances	8,256,339	6,862,268
d. Trade Payables	(28,533,062)	8,569,014
	(8,274,058)	79,495,682
CASH GENERATED FROM OPERATIONS	86,755,186	66,009,373
Direct Taxes Paid	-	(1,854,587)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES-(A)</b>	<b>86,755,186</b>	<b>64,154,806</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :-</b>		
a. Purchase of Fixed Assets	(858,182)	(1,548,171)
(Net of Adjustment for Capital work-in-progress)		
b. Acquisition / Sale of Investments (Net)	236,731	-
c. Sale of Fixed Assets	-	109,050,000
<b>CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES-(B)</b>	<b>(613,451)</b>	<b>107,501,829</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :-</b>		
a. Secured Borrowings -Net of Repayment	48,873,146	(125,041,686)
b. Unsecured Borrowings - Net of Repayment	(84,115,048)	789,289
c. Interest Paid	(48,803,686)	(62,592,862)
<b>CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES-(C)</b>	<b>(86,045,588)</b>	<b>(176,845,259)</b>

Particulars	31-03-2015 12 Months ₹	31-03-2014 9 Months ₹
NET CHANGE IN CASH / CASH EQUIVALENTS (A+B+C)	96,149	(5,168,623)
ADD: CASH/CASH EQUIVALENTS AT THE BEGINNING	4,187,200	9,375,823
<b>CASH/CASH EQUIVALENTS AT THE END</b>	<b>4,283,349</b>	<b>4,187,200</b>

**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"
- 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

Place : Mumbai  
Dated : 16th April, 2015

**For and on Behalf of the Board of Directors**

A. D. JAVERI      A. R. DOSHI      P. S. JHAVERI  
Chairman &      Director      Director  
Managing Director

N. R. JANI      D. M. SHAH      P. N. DESAI  
Company Secretary      Director      Director

S. P. SHAH      SEEMA A. JAVERI      A. A. JAVERI  
Chief Finance Officer      Director      Director



## 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 31<sup>st</sup> March 2015. The foreign subsidiaries follow January to December as their financial year. In the case of these foreign subsidiaries the Company has redrawn its financial statements for the year ended 31<sup>st</sup> March 2015.
  - ii) The financial statements have been prepared under the historical cost basis and as a going concern. The account of the Parent Company has been prepared in accordance with the Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006, and that of the foreign subsidiary has been prepared in accordance with the local laws and the applicable accounting Standards/generally accepted accounting principles.
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 its wholly owned foreign subsidiary AnuChem B.V.B.A., Belgium.
  - c) The consolidated financial statements have been prepared on the following basis.
    - i) The financial statement of the company and its subsidiaries 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 intergroup balances and intergroup 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 Accounts have been prepared on historical cost basis and as a going concern complying in all material aspects with applicable accounting principles in India, the Accounting Standard issued by Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 2013.
    - b) The audited /unaudited financial statements of foreign subsidiaries have 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 there are no material transactions from January 1, 2015 to March 31, 2015 in respect of subsidiaries having financial year ended December 31, 2014.
    - c) Sales:  
Sales include exchange differences and are net of sales tax and returns.
    - d) Other significant Accounting policies.  
These are set out under "Significant Accounting Policies" as given in the Company's separate financial statements.

**NOTE 2****SHAREHOLDERS FUND****SHARE CAPITAL:****Authorised Capital:**

9250000 (P.Y. 9250000) - Equity Shares of ₹10/- each  
11750000 (PY 1750000) 9% Cumulative Non Convertible  
Preference Shares of ₹10/- each

	31-03-2015	31-03-2014
	12 Months	9 Months
	₹	₹
	92500000	92500000
	117500000	17500000
<b>TOTAL</b>	<b>210000000</b>	<b>110000000</b>

**Issued, Subscribed and Paid-up Capital:**

9200830 (PY 9200830) Equity Shares of ₹10/- each fully paid  
9600000 (PY 1750000) 9% Cumulative Non Convertible Preference Shares  
of ₹10/- each Fully paid up)

	31-03-2015	31-03-2014
	₹	₹
	92008300	92008300
	96000000	17500000
<b>TOTAL</b>	<b>188008300</b>	<b>109508300</b>

**Shares held by Holding Company**

Manekchand Panachand Trading Investment Co. Pvt. Ltd.

Equity Shares

9% Cumulative Non Convertible Preference Shares

	31-03-2015		31-03-2014	
	No of Shares	% of Holding	No of Shares	% of Holding
Equity Shares	9200811	84.78	9200811	84.78
9% Cumulative Non Convertible Preference Shares	9600000	100.00	1750000	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 Shares outstanding as at the beginning and at the end of the reporting period

Particulars	Equity Shares		Preference Shares	
	Qty	Amount	Qty	Amount
Opening as on 01-04-2014	9200830	92008300	1750000	17500000
Add : Issued During the period	-	-	7850000	78500000
Closing as on 31-03-2015	9200830	92008300	9600000	96000000

Right, preferences and restrictions attached to each class of shares.

The Company has only one class of equity shares having at par value of ₹10/- per Share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Director is subject to the approval of the share holders in the ensuing Annual general meeting. In the event of liquidation of the company, the holder 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 share holder.

The Company has only one class of Preference Shares having at par value of ₹10/- per share. The Preference Shares are Non-Convertible in nature bearing fixed dividend rate of 9%. The Non-Convertible, Cumulative, Redeemable Preference Shares shall be redeemed at the option of the Company any time after 3 (three) years but not later than 10 (Ten) years from the date of issue & as decided by the Board of Directors in accordance with the terms of the issue and in accordance with the provisions of the Companies Act, 2013, or any re-enactment thereof.

**NOTE 3****RESERVES & SURPLUS**

Capital Reserve	219,797	248,537
Securities Premium	5,498,740	5,498,740
Capital Redemption Reserve	500,000	500,000
General Reserve	133,329,906	133,329,906
<b>Surplus /Deficit in statement of profit &amp; loss</b>		
Opening Balance	(248,004,147)	(219,004,747)
Foreign Currency Monetary item translation difference Account	-	(19,243,953)
Less Opening impact of depreciation as new Co Act 2013	(2,193,101)	-
Profit /Loss for the Period	38,578,789	(6,755,447)
Closing Balance	(205,425,378)	(245,004,147)
<b>TOTAL</b>	<b>(68,072,096)</b>	<b>(105,428,984)</b>

**NOTE 4****NON-CURRENT LIABILITIES:****Long Term Borrowings:**

1) Secured Term Loan From Bank:		
a) Vehicle Loan (Secured Hypothication of vehicle) (Refer Note 4(1))	568,528	1,192,574
2) Unsecured :		
1) Deferred sales tax Loan (Refer note 4 (2))	853,945	1,086,073
<b>TOTAL</b>	<b>1,212,473</b>	<b>2,248,647</b>

**Note 4 (1)**

The Loan of ₹35.00 Lacs from ICICI Bank having interest of 10.91% is repayable in 60 monthly installment of ₹0.75 lakhs from January 2012 to Oct- 2016.

**Note 4 (2)**

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

**NOTE 5****Deferred tax Liabilities (Net)**

Depreciation and Amortisation	22,758,998	21,957,415
Unabsorbed Depreciation	(16,280,980)	-
Expenditure allowed under (IT Act Payment basis)	(5,478,136)	(5,578,417)
<b>TOTAL</b>	<b>-</b>	<b>16,377,998</b>

Deferred tax asset an unabsorbed depreciation has been recognized to the extent of deferred tax liabilities

**NOTE 6****Long Term Provisions:**

Provision for employee Benefits -(Leave/Gratuity) (Refer Note 23)	17,583,244	14,595,057
<b>TOTAL</b>	<b>17,583,244</b>	<b>14,595,057</b>

**NOTE 7**

Short-term borrowings:

Secured:

Working Capital Loan From bank

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

31-03-2015 12 Months ₹	31-03-2014 9 Months ₹
------------------------------	-----------------------------

141,457,084	83,979,880
-------------	------------

Unsecured:

Inter Corporate Deposit

Others

128,045,174	211,651,593
<b>TOTAL</b>	<b>269,502,258</b>
	<b>305,631,483</b>

**NOTE 8**

Trade payables:

Due to micro small and medium enterprises

Others

207,848,730	142,168,374
<b>TOTAL</b>	<b>207,848,730</b>
	<b>142,168,374</b>

(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to Any supplier as at the end of accounting year;

(b) 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

(c) the amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act 2006-Not paid

(d) the amount of interest accrued and remaining unpaid at the end of accounting year; and

(e) 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 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 9**

Other current liabilities:

Current maturities of long term debts-Secured & Unsecured Loan (Refer Note No 4)

Redeemed Preference Shares &amp; Excess Rights Issue (Unclaimed)

Unclaimed Bonus &amp; Salary

Unclaimed Dividend

Statutory Dues

Employee Dues

Advance From Customer

Bank Overdraft

Others

1,630,814	89,310,814
21,000	21,000
45,647	45,647
76,553	173,959
17,719,404	12,483,732
6,149,784	6,535,387
282,872	15,282,982
1,370,279	3,352,304
5,595,197	3,799,034
<b>TOTAL</b>	<b>35,991,150</b>
	<b>131,004,568</b>

**NOTE 10**

Short-term provisions:

Provision of Dividend payable by foreign subsidiary

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

128,056	-
3,381,806	3,481,311
<b>TOTAL</b>	<b>3,509,862</b>
	<b>3,481,311</b>

**NOTE 11**

Particulars	GROSS BLOCK (at cost) Total as at 31.03.2015 ₹	DEPRECIATION Total upto 31.03.2015 ₹	NET BLOCK	
			As on 31.03.2015 ₹	As on 31.03.2014 ₹
<b>Tangible Assets :</b>				
Land : Leasehold	76,400	33,375	43,025	43,829
Freehold Land	74,200,000	-	74,200,000	-
Freehold Land	2,494,573	-	2,494,573	2,494,573
Plant & Equipment	784,558,942	580,908,972	203,649,970	218,896,172
Buildings	100,891,039	76,218,331	26,400,706	30,483,037
Non Factory Building	4,300,000	4,712	4,295,288	-
Furniture & Fixtures	7,002,991	6,542,748	459,645	441,468
Computer & Other Equipment	11,836,642	11,554,039	385,603	344,258
Vehicles	18,885,800	16,801,138	1,894,662	2,685,354
<b>GRAND TOTAL</b>	<b>1,003,988,966</b>	<b>691,063,313</b>	<b>312,823,674</b>	<b>266,386,892</b>
<b>PREVIOUS PERIOD</b>	<b>924,536,717</b>	<b>689,146,026</b>	<b>266,386,892</b>	<b>276,877,030</b>

Plant & Equipment include lab equipment having WDV ₹ 10,13,919/- (PY ₹ 14,15,935/-) R&D Equipment having WDV ₹ 7,36,150/- (PY ₹ 12,05,994/-)  
Addition in Plant & Machinery Includes foreign exchange fluctuation on long term foreign currency liability ₹ Nil (PY ₹ NIL)

**NOTE 12**

NON-CURRENT INVESTMENT

Trade Investment

Unquoted :

Investment in equity instruments of Subsidiaries

750 (P.Y. 750) Equity Shares of Anuchem B.V.B.A. - Belgium of 25 Euro each

NIL (P.Y. 25000) Equity Shares of Anuchem Pte.Ltd.-Singapore of 1 Singapore Dollar Each

Other Investments

Quoted :

500 (P.Y. 500) Anco Communication Ltd

3800 (P.Y. 3800) Enaral Finance Ltd

18000 (P.Y. 18000) Indlen Extractions Ltd

5000 (P.Y. 5000) Indo-Biotech Ltd

2000 (P.Y. 2000) First Object Technologies Ltd

1300 (P.Y. 1300) Mexworth Orchards Ltd

50000 (P.Y. 50000) Ojes Technochem Products Ltd

31-03-2015 12 Months ₹	31-03-2014 9 Months ₹
------------------------------	-----------------------------

771,550	771,550
-	682,250
<b>Total A</b>	<b>771,550</b>
	<b>1,453,800</b>

71,788	71,788
78,000	78,000
508,194	508,194
191,250	191,250
81,400	81,400
13,000	13,000
131,485	131,485
<b>1,075,127</b>	<b>1,075,127</b>

Less Aggregate provision for diminution in value of investment

966,707	966,707
<b>Total B</b>	<b>108,420</b>
<b>Total (A+B)</b>	<b>879,950</b>
	<b>1,572,219</b>

[Aggregate Amount of quoted investment ₹ 10,75,127/- (PY ₹ 10,75,127/-) and market value of ₹ 71,788 (PY ₹ 1,11,215)]

[Aggregate Amount of unquoted investment ₹ 7,71,550/- (PY ₹ 14,63,800/-)]



**NOTE 13****LONG TERM LOANS AND ADVANCES:****(Unsecured Considered Good)**

	31-03-2016 12 Months ₹	31-03-2014 9 Months ₹
Capital advance	1,628,280	859,251
Other Loan & advances		
Security Deposits	6,313,737	6,644,737
Advance Income tax (Net of Provision)	5,384,304	22,705,826
<b>TOTAL</b>	<b>13,326,320</b>	<b>30,009,814</b>

**NOTE 14****Inventory: (Valued at Lower of Cost or Net Realizable Value)**

Raw Material (Include stock in transit ₹ 6,65,600/- (PYNIL))	14,018,430	13,948,106
Work in Progress	32,264,448	41,368,884
Finished goods	10,574,700	28,187,847
Stores & Spares	31,061,969	30,712,621
Others (Fuel, Packing material)	6,081,868	5,228,040
<b>TOTAL</b>	<b>94,311,505</b>	<b>120,445,578</b>

**NOTE 15****Trade Receivable:****(Unsecured, Considered Good)**

Overdue more than Six Months	-	39,622,553
Others	73,261,362	20,450,839
<b>TOTAL</b>	<b>73,261,362</b>	<b>60,073,492</b>

**NOTE 16****Cash and Bank Balances****Cash and cash equivalent:**

Balance with banks	574,096	2,205,728
Cash In hand	505,226	531,547
<b>Other Bank Balances</b>		
F.D. with Bank-Margin money with original Maturity less than 12 Months	3,204,025	1,449,925
<b>TOTAL</b>	<b>4,283,346</b>	<b>4,187,200</b>

**NOTE 17****Short Term Loans & Advances:****(Unsecured, Considered Good)**

Loan to Staff	180,200	387,253
Advance to Vendors	6,601,590	8,107,698
Balance With Statutory /Revenue Authorities	67,643,178	50,920,772
Other *	6,673,688	2,657,648
<b>TOTAL</b>	<b>69,698,536</b>	<b>62,053,371</b>

(\*Includes Employee Loan, Prepaid Expenses)

**NOTE 18****Other Current Assets**

Receivable From Holding Company  
Interest Accrued

	31-03-2016 12 Months ₹	31-03-2014 9 Months ₹
	-	-
<b>TOTAL</b>	<b>374,618</b>	<b>306,280</b>

**NOTE 19****REVENUE FROM OPERATION:**

Sales of product	478,691,035	313,979,060
Less: Excise duty	-	-
<b>TOTAL</b>	<b>478,691,035</b>	<b>313,979,060</b>

**Other operative revenue:**

Export Benefits	481,521	4,085,036
Other (Waste Material)	2,066,702	2,319,849
<b>TOTAL</b>	<b>2,548,223</b>	<b>6,404,885</b>

**Details of Sales**

Sales Of organic intermediates	132,818,711	21,541,723
Sales Of Chemical Intermediates	347,225,120	301,000,892
Earning In Foreign Currency (FOB)	268,661,661	209,666,055

**NOTE 20****OTHER INCOME :**

Interest Income	2,750,166	5,544,188
Profit/(Loss) on Sale of Assets	(9,270)	-
Net gain on foreign exchange transaction	113,784	539,070
Balances Written back	599,730	1,795,119
Discount received	-	11,200
Provision Written Back	-	2,615,569
Other Miscellaneous Income	734,444	8,000
<b>TOTAL</b>	<b>4,188,834</b>	<b>10,511,124</b>

**NOTE 21****EXPENSES:****Cost of Material Consumed**

Inventory at the beginning of the Period	13,948,106	22,177,582
Add: purchase	324,278,266	186,935,332
Inventory at the end of the Period	13,362,530	13,948,106
<b>TOTAL</b>	<b>334,873,532</b>	<b>195,164,788</b>

**Value of Raw Material Consumed**

Imported	5.02%	16,312,486	11.48%	22,408,671
Indigenous	94.98%	308,561,046	88.52%	172,756,117

**Raw Material Consumed**

Benzon	130,679,473	54,342,228
Nitric acid	37,111,380	12,032,182
Cast iron powder	25,818,782	13,632,358
Oleum 65%	9,111,266	6,924,537
Caustic Potash Flakes	26,782,700	10,141,552
Other	93,389,821	98,091,933
<b>TOTAL</b>	<b>334,873,532</b>	<b>195,164,788</b>

**NOTE 22**

Change in Inventory of Finished goods, Work in progress and Stock in Trade

	31-03-2018 12 Months ₹	31-03-2014 9 Months ₹
Opening Finished Goods	27,819,829	14,583,178
Less: Closing finished good	26,887,327	29,187,847
	<u>1,922,202</u>	<u>(14,884,669)</u>
Opening work in progress	41,368,884	48,807,759
Less: Closing work in progress	32,284,448	41,368,884
	<u>9,184,416</u>	<u>7,438,895</u>
Other Opening Stock	45,000	35,000
Less: Other Closing Stock	50,000	45,000
	<u>(5,000)</u>	<u>(10,000)</u>
Scrap Opening Stock	118,000	110,000
Less: Scrap Closing Stock	159,000	115,000
	<u>(35,000)</u>	<u>(5,000)</u>
<b>TOTAL</b>	<u>10,986,618</u>	<u>(7,200,774)</u>

**NOTE 23**

Employee Benefit Expenses:

Salaries, Wages and Bonus	41,843,386	30,083,700
Managerial Remuneration	4,448,950	5,284,553
Contribution to PF and other funds	2,988,947	1,771,481
Gratuity Expenses	3,409,876	-
Staff welfare	1,817,802	1,001,973
<b>TOTAL</b>	<u>54,418,841</u>	<u>38,131,707</u>

**NOTE 24**

Financial Cost:

Interest Expenses	24,304,112	17,124,955
Other borrowing cost	25,129,238	38,651,527
Net Gain/Loss foreign currency transaction & translation	(529,570)	5,287,124
<b>TOTAL</b>	<u>48,903,880</u>	<u>61,263,606</u>

**NOTE 25**

Other Expenses

130,607,520	98,227,082
-------------	------------

**NOTE 26**

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

a) Profit/(Loss) after tax as per P&L Account	39,578,789	(8,755,447)
b) Opening number of equity shares outstanding	9,200,830	9,200,830
c) Closing number of equity shares outstanding	9,200,830	9,200,830
d) Basic/Diluted earning per share [(a)/(c)] (₹ 10/- per share)	4.30	(0.73)

**NOTE 27**

Estimated Liabilities not provide for :

(a) Estimated amount of contract remaining to be executed (net of payment)	-	-
(b) In respect of Guarantee given by the company's Banker for central excise and other purpose	-	-
(c) In respect of Corporate Guarantee given by the company to the bank for loans borrowed by Indian Subsidiary	-	-
(d) Dividend on 9 % Cumulative Non-Convertible Preference Shares.	1,571,781	1,181,250

**NOTE 28****CONSOLIDATED SEGMENT REPORTING**

I) Information about Primary segment-geographical

	Export Segment	Local Segment	Total
Segment Revenue			
External Turnover	400,475,946	208,656,712	609,132,658
Export Incentive	1,024,802	-	1,024,802
Profit on Sale of Assets/Disposal of Investments			2,582,993
Other revenue			4,084,340
	<u>401,500,748</u>	<u>208,656,712</u>	<u>610,157,460</u>
Segment Result	83,003,888	7,443,380	90,447,188
Profit on Sale of Assets/Disposal of Investments			2,582,993
Other revenue			4,084,340
Operating Profit			97,114,521
Interest			47,081,970
Depreciation			20,682,817
Profit / (Loss) before Taxation			29,349,634
Current Tax			6,148,862
Deferred Tax			(16,377,997)
Profit after Taxation			<u>39,578,789</u>

**NOTE 29**

Related Party Disclosure :

Nature of Transaction	Holding Company	Subsidiaries	Associates	Key Management Personnel	Total
a) Sales of Goods	-	16,232,722	-	-	16,232,722
	(-)	(80,551,878)	(-)	(-)	(80,551,878)
b) Receiving Services	-	-	483,375	-	483,375
	(-)	(-)	(162,543)	(-)	(162,543)
c) Managerial Remuneration	-	-	-	4,448,950	4,448,950
	(-)	(-)	(-)	(5,284,553)	(5,284,553)
d) Director Sitting Fees	-	-	-	60,000	60,000
	(-)	(-)	(-)	(25,000)	(25,000)
e) Loan Repayment	-	-	-	-	-
	(-)	(-)	(-)	(1,200,000)	(1,200,000)
f) Purchase of Assets	78,500,000	-	-	-	78,500,000
	(-)	(-)	(-)	(-)	(-)
g) Guarantee Commission	-	-	-	2,400,000	2,400,000
	(-)	(-)	(-)	(-)	(-)
Outstanding Balance as on 31st March, 2018	-	1,874,278	463,875	2,400,000	4,737,851
	(-)	(17,088,982)	(-)	(-)	(17,088,982)

## 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. Lifestyle Networks Ltd.
iii) Associates	-	M/s. Phthio Colours & Chemicals (I) Ltd. M/s. Amnileera Corporation

## II) Key Management Personnel

i) Shri. A.D Javeri	-	Chairman & Managing Director
ii) Shri N.R.Jani	-	Company Secretary
iii) Shri Sanjeev P. Shah	-	Chief Finance Officer

## III) Disclosure in respect of material related party transaction during the year



(1) Sale of Good to Anuchem BVBA, Belgium ₹ 1,62,32,722 (PY ₹ 7,37,96,603) (2) Anuchem PTE Ltd Singapore ₹ Nil (₹ 67,55,275) (3) Receiving Services from Amnleera Corp.(Associate) ₹ 4,63,375 (PY ₹ 1,62,543) (4) Purchase of Asset from Manekchand Panachand Trading Inv.Co Pvt .Ltd (Holding Company) ₹ 7,85,00,000 (PY ₹ Nil) (5) Guarantee Commission paid to Asit D Javeri (KMP) ₹ 24,00,000 (PY Nil) (6) Loan Repayment to Asit D Javeri (KMP) ₹ Nil (PY ₹ 12,00,000)

#### NOTE 30

Additional Information ,as required under schedule III of the companies Act,2013, of enterprises consolidated as subsidiary.

Name of entity	Net Assets i.e Total assets minus Total liabilities		Share in Profit & Loss	
	% of Consolidated Net Assets	Amount	% of Consolidated Profit or Loss	Amount
<b>I</b>				
<b>Foreign Subsidiaries</b>				
Anuchem BABV (Belgium)	1.2013	1,440,850	(7.93)	(3,138,368)
Anuchem PTE (Singapore)	#	#	(1.67)	(660,661)
<b>II</b>				
<b>Minority interest in Subsidiaries</b>	Nil	Nil	Nil	Nil

# Anuchem PTE Singapore ceased to be the subsidiary of the Company w.e.f. 31-08-2014

#### NOTE 31

During the years, the company reassessed useful life of its fixed assets as per Schedule II of Companies Act, 2013. Accordingly,an amount of ₹ 21,93,101/- has been recognized in the opening balance of retained earning where the remaining useful life of the assets is NIL..

#### NOTE 32

The order book position has improved during the financial year as compared to the past including long term supply agreements. During the period, the company has disposed most of its non core assets and the proceeds have been utilized to settle some of the high cost debt and also towards working capital requirements. This in cumulative perspective will improve the overall performance of the company in addition to absorbing accumulated losses. Hence although there are accumulated losses as on 31st March, 2015, considering the overall strategy, going concern would not be affected and accordingly financial statements have been prepared.

#### NOTE 33

The Current financial statements have been prepared for 12 months whereas the previous period was for 9 months and accordingly previous year figures are not comparable. Previous year's figures have been reclassified in accordance with the requirements applicable during the current period.



#### NOTE 34

##### (A) VALUE OF IMPORT CALCULATED CIF BASIS

	31-03-2015 12 Months ₹	31-03-2014 9 Months ₹
Raw Material	9,138,870	32,474,010
<b>Total</b>	<b>9,138,870</b>	<b>108,212,239</b>
Value of store Consumed		
Import	0%	0%
Indigenous	100%	100%
	9,134,828	4,538,052

##### (B) EXPENDITURE IN FOREIGN CURRENCY:

(To the extent paid)	2,442,422	119,740
Travelling Expenses	432,040	-
Commission	-	2,366,533
Interest and other charges on FC loan from banks	-	-
<b>Total</b>	<b>2,874,462</b>	<b>2,486,273</b>

##### As per our Report of even date

For V. SANKAR AIYAR & CO.  
Chartered Accountants  
Firm Regn.No. 108206W

ARVIND MOHAN  
Partner  
Membership No. 124082

Place : Mumbai  
Dated : 16th April, 2015

##### For and on Behalf of the Board of Directors

A. D. JAVERI  
Chairman &  
Managing Director

N. R. JANI  
Company Secretary

S. P. SHAH  
Chief Finance Officer

A. R. DOSHI  
Director

D. M. SHAH  
Director

SEEMA A. JAVERI  
Director

P. S. JHAVERI  
Director

P. N. DESAI  
Director

A. A. JAVERI  
Director

# FIVE YEAR HIGHLIGHTS



(₹ In Lacs)

	2014-15	2013-14	2012-13	2011-12	2010-11
<b>RESOURCES</b>					
Capital	1880.08	1095.08	1095.08	920.08	920.08
Reserve	(672.31)	(1069.30)	(990.47)	(727.88)	(750.06)
Net Worth	1207.77	25.78	104.61	192.20	170.02
State Govt. Sales Tax Incentives	14.90	14.90	14.90	20.90	20.90
Other Borrowings	2708.54	2767.71	4768.23	4795.03	4456.59
<b>TOTAL</b>	<b>3931.21</b>	<b>2808.39</b>	<b>4887.74</b>	<b>5008.13</b>	<b>4647.51</b>
<b>UTILISATION OF RESOURCES</b>					
Fixed Assets	10908.81	10115.31	10262.29	10247.92	10045.94
Less: Depreciation	6910.63	6691.48	6623.58	6289.35	5973.72
Net Fixed Assets	3998.18	3423.83	3638.71	3958.57	4072.22
Investments	8.80	15.72	15.72	41.22	41.22
Net Current Assets	(75.77)	(631.16)	1233.31	1008.34	534.07
<b>TOTAL</b>	<b>3931.21</b>	<b>2808.39</b>	<b>4887.74</b>	<b>5008.13</b>	<b>4647.51</b>
<b>REVENUE</b>					
Sales of Products	4779.86	3202.23	6679.67	6540.43	5427.78
other operative revenue	25.17	64.05	161.25	148.71	72.94
Other income	35.76	99.72	85.08	17.75	90.62
<b>TOTAL REVENUE</b>	<b>4840.79</b>	<b>3366.00</b>	<b>6926.00</b>	<b>6706.89</b>	<b>5591.34</b>
<b>EXPENDITURE</b>					
Cost of Materials consumed / Purchase of Stock in Trade	3232.90	2126.08	4262.67	3740.76	3402.83
Changes in inventories of finished goods, work in progress and stock in trade	151.70	34.64	(247.44)	7.13	(134.05)
Employee Benefit cost	544.17	381.31	635.91	451.02	457.17
Financial cost	462.66	617.27	1017.52	663.94	514.16
Depreciation	206.83	207.19	367.40	315.63	335.91
Other expenses	1231.06	916.65	1655.34	1646.89	1509.11
<b>TOTAL EXPENDITURE</b>	<b>5829.32</b>	<b>4283.14</b>	<b>7691.40</b>	<b>6825.37</b>	<b>6085.13</b>
Profit /loss before Tax & Exceptional Items	(988.53)	(917.14)	(765.40)	(118.48)	(493.79)
Add : Profit on Sale of Assets / Investment / Exceptional Items	1305.16	1067.32	810.57	0.00	0.00
(Less): Tax Expenses	(102.29)	206.35	224.23	(226.92)	33.78
<b>PROFIT / (LOSS) AFTER TAX</b>	<b>418.92</b>	<b>(56.17)</b>	<b>(179.40)</b>	<b>108.44</b>	<b>(527.57)</b>



If undelivered please return to  
**Sadhana Nitro Chem Limited**  
HIRA BAUG, 1st Floor,  
Kasturba Chowk, (C.P. Tank),  
Mumbai - 400 004. INDIA

**SADHANA NITRO CHEM LIMITED****SADHANA NITRO CHEM LIMITED**Regd. Office: Hira Baug, 1<sup>st</sup> Floor, Kasturba Chowk (C.P. Tank), Mumbai – 400 004CIN: L24110MH1973PLC016698 Website: [www.sncl.com](http://www.sncl.com)Tel .022.23822524 Fax 022.23887235 E-Mail : [sadhananitro@sncl.com](mailto:sadhananitro@sncl.com)**PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s):	
Registered address:	
No. of Shares held:	
Folio No/ DP Id & Client Id:	
Joint Holder (s):	
E-mail Id:	

I/We, being the member (s) of \_\_\_\_\_ shares of Sadhana Nitro Chem Limited, hereby appoint:

- Name: ..... Address: .....  
E-mail Id: ..... Signature: ..... or failing him / her
- Name: ..... Address: .....  
E-mail Id: ..... Signature: ..... or failing him / her
- Name: ..... Address: .....  
E-mail Id: ..... Signature: ..... or failing him / her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **42<sup>ND</sup> ANNUAL GENERAL MEETING of the Company on Tuesday, 11<sup>th</sup> August, 2015 at 3.00 p.m. at Seth Hirachand Gumanji Trust Hall, Hira Baug, 1<sup>st</sup> Floor, Kasturba Chowk (C.P. Tank), Mumbai – 400 004**

Item No.	Resolution	No. of Shares	(For)	(Against)
			I/We assent to the Resolution	I/We dissent to the Resolution
	<b>ORDINARY BUSINESS</b>			
1.	Adoption of Balance Sheet, Profit & Loss Account and Cash Flow Statement as at 31 <sup>st</sup> March, 2015 and reports of Board of Directors and Auditors thereon.			
2.	To Appoint Smt. Seema A. Javeri (DIN: 01768936), as Director liable to retire by rotation.			
3.	Appointment of Statutory Auditors for the Financial Year 2015-16 and fixing remuneration thereof.			
	<b>SPECIAL BUSINESS</b>			
4.	To adopt new set of Articles of Association of the Company			
5.	Re-appointment of Shri Asit D. Javeri (DIN 00268114) as CMD and fixing remuneration thereof.			
6.	Appointment of Smt. Seema A. Javeri (DIN: 01768936), as Executive Director – Administration and fixing remuneration thereof.			
7.	To approve contracts / arrangements / transactions with the related parties.			

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015

Please affix  
Revenue  
Stamp of  
₹ 1/-

\_\_\_\_\_  
Signature of Shareholder\_\_\_\_\_  
Signature of Proxy holder(s)**Notes:**

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

**SADHANA NITRO CHEM LIMITED****SADHANA NITRO CHEM LIMITED****Regd. Office:** Hira Baug, 1<sup>st</sup> Floor, Kasturba Chowk (C.P. Tank), Mumbai – 400 004**CIN:** L24110MH1973PLC016698 **Website:** www.sncl.com**Tel .**022.23822524 **Fax** 022.23887235 **E-Mail :**sadhananitro@sncl.com**ATTENDANCE SLIP**

Please fill this attendance slip and hand it over at the entrance of the venue of the meeting.

Sr. No.	:
Folio/D.P. & Client I.D. No.	:
Name	:
Address	:
Joint Holder (s)	:
No. of shares held	:

I hereby record my presence at the **42<sup>ND</sup> ANNUAL GENERAL MEETING** of the Company on **Tuesday, 11<sup>th</sup> August, 2015 at 3.00 p.m.** at **Seth Hirachand Gumanji Trust Hall, Hira Baug, 1<sup>st</sup> Floor, Kasturba Chowk (C.P. Tank), Mumbai – 400 004**

Signature of the Attending Member: \_\_\_\_\_ Signature of Proxy : \_\_\_\_\_

**NOTES:**

- (1) Shareholder/ Proxy desiring to attend the meeting must bring duly filled in and signed Attendance Slip to the meeting and hand over at the entrance.
- (2) Shareholder/ Proxy desiring to attend the meeting should bring his/her copy of the Notice alongwith Annual Report for reference at the meeting.

EVEN Electronic Voting Event Number	User ID	Password
_____	<b>DP-CL ID / FOLIO</b>	<b>*</b>

\* For other than Physical Shareholders - User ID & Password shall be the same as allotted for Postal Ballot Notice appended herewith.

\*\*Please refer Notice of 42<sup>nd</sup> Annual General Meeting for E-voting instructions