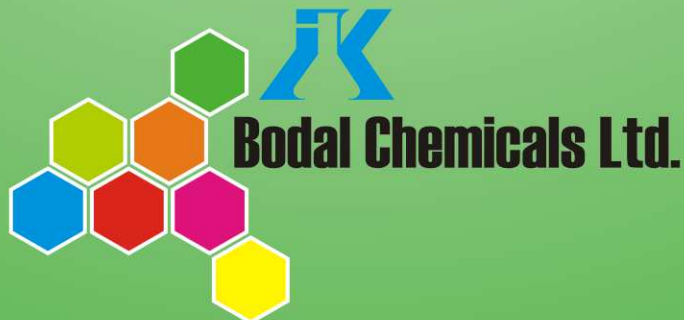


26th Annual Report 2011-2012



We believe in excellence



MESSAGE FROM THE CHAIR



Dear Shareholders,

The financial year 2011-12 has been one of the most challenging years for the Company as well as Dyes and Dye Intermediates industry. The political upheaval in Middle East, unprecedented economic uncertainty due to sovereign debt crisis in the European countries and weak recovery hopes for other developed economies threatened to derail the global economic environment.

Your company has faced several unprecedented adversities like uncertainty in global market leading to lower demand, higher inflation leading to higher inputs cost, volatility in crude prices, fluctuation in currencies and high interest rate and others. In fact, most of adversities have been faced

by Dyes and Dye Intermediates Industry.

In spite of this, your company has achieved highest ever Total Income from operation of Rs. 603.35 crore in the financial year 2011-12. However, this landmark did not reflect in bottom line for the financial year 2011-12 due to micro and macro economic factors affected company's performance and the company has incurred net loss of Rs.28.32 crore for the financial year 2011-12.

Your Company has performed satisfactory in the first quarter for the current financial year 2012-13 compared to average performance of Dyes, Dye Intermediates industry. The Company has posted positive Rs. 3.59 crore EBIDTA (excluding Foreign Exchange Fluctuation Loss) by achieving Total Income from operation of Rs. 136.17 crore. However, your company has incurred net loss of Rs. 14.90 crore due to Foreign Exchange Fluctuation Loss of Rs. 12.95 crore and heavy interest burden/finance cost of Rs. 8.44 crore for the period of April to June, 2012. It is very clear from this result that the company has suffered from macro economic factors like higher interest rate, unpredictable volatilities in Forex market etc.

However, the business environment has been considerably stabilizing after the sudden impact in the financial year 2011-12. I expect that margins will also slowly improve in coming years. The company has been taking several measures to improve margin and to get maximum productivity. I hope that your company will set several benchmarks on various parameters for Dyes and Dye Intermediates Industry. The financial performance of the company will be improved in the second half of the year 2012-13.

Bodal Chem is now focused on consolidating its businesses and improving efficiencies as well as restructuring its loans and unlocking value through strategic partnerships to raise equity and leverage. Business activities of Bodal Agrotech Ltd., the wholly owned subsidiary and Sun Agrigenetics Pvt. Ltd., fellow subsidiary of Bodal Chemicals Ltd. will be accelerated in coming years and contribute positively in consolidated bottom line of your company in coming years and create values for Bodal Chem's investors.

I wish to place on record my deep appreciation to all of you for your unstinted support towards our journey. Also I express my sincere gratitude to my colleagues in Bodal Chem for their support and valuable guidance and to our employees at all levels for their dedication and commitment. I also thank the Union Bank of India and Bank of India for their support extended to the Company. I also take this opportunity to thank the Government of India and the State Governments for their support and co-operation.

The future holds immense potential and opportunities for growth and I assure you that we will strive to capitalize on them by remaining focused on growth and operational excellence. I look forward to your continued support and assure you of our total commitment to the objective of enhancing stakeholders' values.

Warm regards,

Yours sincerely,

Suresh J. Patel

Chairman & Managing Director

(This does not purport to be part of the proceedings at the meeting)

NOTICE

Notice is hereby given that the 26th Annual General Meeting of the Members of **BODAL CHEMICALS LTD.** will be held on **Friday, the 28th September, 2012 at 4.00 P.M.** at ATMA, Auditorium, Opp. Old RBI Office, Ashram Road, Ahmedabad -380 009, to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and the Profit and Loss Account of the Company for the year ended on that date and reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Ankit S. Patel, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Mr. Prakash B. Patel, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, read with schedule XIII of the said Act, including any statutory modification and re-enactment thereof for the time being in force, approval of the company be and is hereby accorded to the re-appointment of Mr. Suresh J. Patel, as Chairman & Managing Director of the company for a further period of three (3) years with effect from 13th May, 2012 to 12th May, 2015 on the terms & conditions and remuneration as set out below :

- (1) Basic Salary : Rs. 3,00,000/- per month.
- (2) Commission will be payable upto @ 2% of the net profit of the Company, as calculated for the whole financial year.
- (3) Perquisites :

In addition to Salary and commission, the following perquisites shall be allowed to him.

Category A

Housing:

The House Rent allowance will be paid as per the rules of the Company but subject to maximum 50% of Basic Salary.

Gas, Electricity, Water and Furniture:

The expenses on Gas, Electricity, Water and Furnishing will be as per rules of the Company but subject to maximum 10% of Basic Salary.

Medical Reimbursement:

Expenses incurred for him and the family subject to ceiling of one month's salary in a year or three month's salary over a period of three years.

Leave Travel Concession:

For him and his family once in a year incurred in accordance with any rules specified by the Company.

Club Fees:

Fees of club subject to a maximum of two clubs. This will not include Admission and life membership fees.

Personal Accident Insurance :

Personal Accident Insurance Premium for self.

Medical Insurance Premium :

For him, his spouse and children in a year, Premium not to exceed Rs.15,000/- per annum.

Category B:

Contribution to Provident Fund and Superannuation Fund :

Contribution to Provident Fund, Superannuation fund or annuity fund will not be included in the computation of ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.

Gratuity :

Gratuity payable should not exceed half a month's salary for each completed year of service.

Leave Encashment:

Leave encashment equivalent to one month's salary calculated on the basis of one month's leave over eleven month's services. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

Category C :

Car with Driver and Telephone:

Provision of car with Driver for use on Company's business and telephone including Mobile phone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car with driver for private purpose shall be billed by the Company to him.

RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorised to vary, alter or modify the different components of the above stated remuneration as may be agreed to between the Board of Directors and Mr. Suresh J. Patel.

RESOLVED FURTHER THAT notwithstanding any thing mentioned above, where in any financial year during the currency of Chairman & Managing Director, the company has no profit or its profit are inadequate, the remuneration will have to be limited to amounts specified in section II of Part II of schedule XIII of the Companies Act, 1956."

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

"RESOLVED THAT pursuant to sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, read with schedule XIII of the said Act, including any statutory modification and re-enactment thereof for the time being in force, approval of the company be and is hereby accorded to the re-appointment of Mr. Bhavin S. Patel, as Executive Director of the company for a further period of three (3) years with effect from 13th May, 2012 to 12th May, 2015 on the terms & conditions and remuneration as set out below :

(1) Basic Salary : Rs. 1,00,000/- per month.

(2) Perquisites :

In addition to Salary, the following perquisites shall be allowed to him.

Category A

Housing :

The House Rent allowance will be paid as per the rules of the Company but subject to maximum 50% of Basic Salary.

Gas, Electricity, Water and Furniture :

The expenses on Gas, Electricity, Water and Furnishing will be as per rules of the Company but subject to maximum 10% of Basic Salary.

Medical Reimbursement:

Expenses incurred for him and the family subject to ceiling of one month's salary in a year or three month's salary over a period of three years.

Leave Travel Concession :

For him and his family once in a year incurred in accordance with any rules specified by the Company.

Club Fees :

Fees of club subject to a maximum of two clubs. This will not include Admission and life membership fees.

Personal Accident Insurance :

Personal Accident Insurance Premium for self.

Medical Insurance Premium :

For him, his spouse and children in a year, Premium not to exceed Rs.15,000/- per annum.

Category B :

Contribution to Provident Fund and Superannuation Fund :

Contribution to Provident Fund, Superannuation fund or annuity fund will not be included in the computation of ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.

Gratuity :

Gratuity payable should not exceed half a month's salary for each completed year of service.

Leave Encashment :

Leave encashment equivalent to one month's salary calculated on the basis of one month's leave over eleven month's services. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

Category C :

Car with Driver and Telephone :

Provision of car with Driver for use on Company's business and telephone including Mobile phone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car with driver for private purpose shall be billed by the Company to him.

RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorised to vary, alter or modify the different components of the above stated remuneration as may be agreed to between the Board of Directors and Mr. Bhavin S. Patel.

RESOLVED FURTHER THAT notwithstanding any thing mentioned above, where in any financial year during the currency of Executive Director, the company has no profit or its profit are inadequate, the remuneration will have to be limited to amounts specified in section II of Part II of schedule XIII of the Companies Act, 1956."

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

"RESOLVED THAT pursuant to sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, read with schedule XIII of the said Act, including any statutory modification and re-enactment thereof for the time being in force, approval of the company be and is hereby accorded to the re-appointment of Mr. Ramesh P. Patel, as Executive Director of the company for a further period of three (3) years with effect from 13th May, 2012 to 12th May, 2015 on the terms & conditions and remuneration as set out below :

(1) Basic Salary : Rs. 1,00,000/- per month.

(2) Perquisites : In addition to Salary, the following perquisites shall be allowed to him.

Category A

Housing:

The House Rent allowance will be paid as per the rules of the Company but subject to maximum 50% of Basic Salary.

Gas, Electricity, Water and Furniture:

The expenses on Gas, Electricity, Water and Furnishing will be as per rules of the Company but subject to maximum 10% of Basic Salary.

Medical Reimbursement:

Expenses incurred for him and the family subject to ceiling of one month's salary in a year or three month's salary over a period of three years.

Leave Travel Concession:

For him and his family once in a year incurred in accordance with any rules specified by the Company.

Club Fees :

Fees of club subject to a maximum of two clubs. This will not include Admission and life membership fees.

Personal Accident Insurance :

Personal Accident Insurance Premium for self.

Medical Insurance Premium :

For him, his spouse and children in a year, Premium not to exceed Rs.15,000/- per annum.

Category B :

Contribution to Provident Fund and Superannuation Fund :

Contribution to Provident Fund, Superannuation fund or annuity fund will not be included in the computation of ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.

Gratuity :

Gratuity payable should not exceed half a month's salary for each completed year of service.

Leave Encashment :

Leave encashment equivalent to one month's salary calculated on the basis of one month's leave over eleven month's services. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

Category C :

Car with Driver and Telephone :

Provision of car with Driver for use on Company's business and telephone including Mobile phone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car with driver for private purpose shall be billed by the Company to him.

RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorised to vary, alter or modify the different components of the above stated remuneration as may be agreed to between the Board of Directors and Mr. Ramesh P. Patel.

RESOLVED FURTHER THAT notwithstanding any thing mentioned above, where in any financial year during the currency of Executive Director, the company has no profit or its profit are inadequate, the remuneration will have to be limited to amounts specified in section II of Part II of schedule XIII of the Companies Act, 1956."

By Order of Board of Directors
For Bodal Chemicals Limited

Place : Ahmedabad
Date : 31st August, 2012

Ashutosh B. Bhatt
Company Secretary

NOTES :

1. A member entitled to attend and vote at the Annual General Meeting of the company may appoint a proxy to attend and vote on a poll on his behalf. The instrument appointing a proxy must be deposited with the company at its registered office not less than 48 hours before the time for holding the meeting.
2. The Register of Members and Share Transfer Book of the company will be closed from Saturday, 22nd September, 2012 to Friday, 28th September, 2012 (both days inclusive) for the purpose of Annual General Meeting.
3. Members are requested to contact our Registrar and Transfer Agent for any query related to shares, dividend and other inquiry at following address.

Unit : Bodal Chemicals Ltd.

Sharepro Services (India) Pvt Ltd.

(Ahmedabad Branch)

416-420, 4th Floor, Devnandan Mall, Opp.Sanyas Ashram, Ellisbridge,AHMEDABAD-380006.

Tel Nos.079 26582381 to 84, Fax No 079 26582385, Email sharepro@shareproservices.com

Contact Person: Ms. Bharti Parikh

- Please Quote folio no. / DP ID & CL ID for any communication for your shareholding.
- Bring the copy of Annual Report at the meeting.

4. The Company's equity shares are presently listed and traded at Bombay Stock Exchanges Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) The Company has paid the listing fees to BSE and NSE for the financial year 2012-13.
5. Members wishing to claim their unclaimed dividend of 2005-06, 2006-07 (Interim as well as Final Dividend), 2007-08 (Interim as well as Final Dividend), 2009-10 (Interim as well as Final Dividend) and 2010-11, are requested to correspond with said Registrar and Transfer Agent (RTA) or Secretarial Department at the Registered office of the Company.
6. Explanatory Statement, as required under section 173(2) of the Companies Act, 1956, is annexed hereto.
7. The details of Directors seeking re-appointment in the Annual General Meeting to be held on 28th September, 2012 are covered in the Corporate Governance Report.

8. **Any member desiring any clarification/explanation in respect of the information given in this annual report is requested to submit query to the company at least 7 days in advance before the meeting so as to enable the management to keep information ready.**
9. The Ministry of Corporate Affairs has taken a “Green Initiative in the corporate Governance” by allowing paperless compliances by the Companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through which their concerned Depository Participants.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956 :

Item No : 5,6 & 7.

The Board of Directors, on the recommendation of the Remuneration Committee, at their meeting held on 30th June, 2009 had re-appointed Mr. Suresh J. Patel as Chairman & Managing Director, Mr. Bhavin S. Patel and Mr. Ramesh P. Patel as Executive Directors of the company for the period of Three (3) years with effect from 13th May, 2009 at such remuneration and terms & conditions of appointment as agreed by Board of Directors and subsequently approved by members at Annual General Meeting held on 30th September, 2009 in terms of sections 198,269,309 and other applicable provisions of the Companies Act, 1956. Their terms ending on 12th May, 2012. Their re-appointments as Chairman & Managing Director and Executive Directors are permissible in accordance with the provisions of Schedule XIII to the Companies Act, 1956, if their re-appointment is approved by the members in General Meeting.

The Board of Directors, on the recommendation of the Remuneration Committee, at their meeting held on 14th May, 2012 has approved re-appointment of Mr. Suresh J. Patel as Chairman & Managing Director, Mr. Bhavin S. Patel and Mr. Ramesh P. Patel as Executive Directors of the company for a further period of three years from 13th May, 2012 to 12th May, 2015.

Mr. Suresh J. Patel is promoter of the company. He has very wide and rich experience in the chemical industry specifically in manufacturing of Dyes and Dyes Intermediates. He is instrumental in the strategic decision-making and production of high quality Dyes and Dyes Intermediates. He has ability to stay ahead of competition and offered maximum price advantage to Customers. It is in the interest of the company to avail his valuable services for the further growth and conduction of affairs and business of the company. The company can retain his precious services by re-appointing him as Chairman & Managing Director of the company for the further period of three (3) years with effect from 13th May, 2012 on such terms and conditions and remuneration as set out in resolution no.5 of the accompanying notice.

Mr. Bhavin S. Patel is part of promoter group of the company. He is elder son of Mr. Suresh J. Patel, promoter of the company. He is young and dynamic personality, who contributed significantly in development of dyestuff business of the company. It is highly beneficial for the company to avail his valuable services for further development of the company by re-appointing him as Executive Director of the company for the further period of three (3) years with effect from 13th May, 2012 on such terms and conditions and remuneration as set out in resolution no.6 of the accompanying notice.

Mr. Ramesh P. Patel is co-promoter of the company and he has vast experience in marketing and commercial matters and Forex market. He has ability to manage affairs of the company in efficient and effective manner. He contributed significantly in the progress of the company. The company can take advantage of his vast experience and valuable services by re-appointing him as Executive Director of the company for the further period of three (3) years with effect from 13th May, 2012 on such terms and conditions and remuneration as set out in resolution no.7 of the accompanying notice.

None of the Directors other than Mr. Suresh J. Patel, himself and Mr. Bhavin S. Patel and Mr. Ankit S. Patel, relatives of him, are interested in the resolution of Item No.5.

None of the Directors other than Mr. Bhavin S. Patel, himself and Mr. Suresh J. Patel and Mr. Ankit S. Patel, relatives of him, are interested in the resolution of Item No.6.

None of the Directors other than Mr. Ramesh P. Patel is interested in the resolution of Item No.7.

The approval of members is required for said re-appointments and payment of remuneration. Your Directors, therefore, recommend special resolutions for approval of the members.

By Order of Board of Directors
For Bodal Chemicals Limited

Place : Ahmedabad
Date : 31st August, 2012

Ashutosh B. Bhatt
Company Secretary

DIRECTORS' REPORT

To, The Members

Your Directors hereby present the 26th ANNUAL REPORT of the Company along with the Audited Accounts for the Financial Year ended 31st March, 2012.

BODAL'S BUSINESS

Your company has created Bodal group, engaged in manufacturing of chemicals, Agriculture and its technologies related business from single business entity. Bodal group includes Bodal Chemicals Ltd and its subsidiaries. Bodal's core business is manufacturing of Dyestuffs, Dyes Intermediates and other Chemicals falling under the broad category of Chemicals and new business is Agriculture and its related technologies. The said business carried out by the following companies :

Bodal Chemicals Ltd.(BCL) - one of the leading Manufacturer of Dyes, Dyes Intermediates and other chemicals in India.

Bodal Agrotech Ltd. (BAL) - engaged in Agricultural related business. BAL is wholly owned subsidiary company of BCL.

Sun Agrigenetics Pvt. Ltd. (SAPL)- engaged in production of tissue culture plants, Microbial bio-fertilizers, Genetic Improvement of crops, contract research etc. SAPL is subsidiary company of BAL.

The broader area of operation of BCL, BAL and SAPL are as follows :

Bodal Chem (BCL)

Bodal Chem is well-known in the field of manufacturing Dyestuffs, Dyes Intermediates and other Chemicals falling under the broad category of Chemicals. Dyestuff is further used in Textile, Leather and Paper Industry. The Company has total 8 separate units having manufacturing facilities located in Gujarat. Due to Forward and Backward – both Integration from dye Intermediates division, we use about 60 % of our own raw materials when we produce intermediates and we use about 80% of our own raw materials when we produce dyestuffs. This is our Strength. Out of the total sales about 42% is export and balance is domestic. Your company is listed on Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE).

The broader area of operation of your company is as under:

Dyes

Your Company is a leading manufacturer of Reactive, Acid and Direct Dyes. Bodal has more than 150 different products of Dyes to cater to Textile, Leather and Paper Industry.

Dye Intermediates

Bodal is amongst the leading manufacturers of Dye Intermediates globally. Your Company manufactures more than 25 Dye Intermediates. These Dye Intermediates are directly sold as well as consumed captively for manufacturing different kinds of Dyes.

Other/Basic Chemicals

Bodal is also a manufacturer of Other Chemicals like Sulphuric Acid, CSA, Oleums, Beta Napthol, Acetanilide, Para Nitro Aniline etc. These Chemicals are used as key raw materials for production of Dye Intermediates, which is highly beneficial in terms of improving profitability of the company.

Bodal Agro (BAL)

Your company had forayed into Agriculture and its technologies business through BAL. BAL had been incorporated as wholly owned subsidiary company of BCL in the year 2010. This is new business line for the company. However, your Directors expects that BAL will contribute significantly in Bodal group's bottom line in coming years and create values for our stakeholders.

There are ample opportunities in Agriculture business and its related technologies business. BAL is exploring various business opportunities from Farm to direct customers. This line of business gives tremendous scope for business starting from farming/ contract farming, seeds and plants, cold storage, food and beverage business etc.

BAL has vision to become a leading player in the field of Agriculture business by way of complete chain from farm to customer.

BAL is currently engaged in the business of retail and wholesale trading of foodgrains, pulses, vegetable and fruits. It has already opened retail stores for vegetables, fruits, food grains, pulses etc. under the company's brand name in the different areas in Ahmedabad initially. BAL plans to open more stores in coming months in Ahmedabad city and latter on in Gujarat. BAL has received very good response from the market for retail stores of the company.

BAL plans to manufacture Single Super Phosphate (SSP)-Fertilizer with 3.5 lacs MTPA capacity near by our existing manufacturing facility of Sulphuric Acid, Dye Intermediates and Dyes, located at our Padra unit, Vadodara. During the year, BAL had applied to government authorities/agencies for licenses/approvals of SSP project. The company has already received some licenses/approvals for said project and remaining licenses/approvals are being pending at various levels.

SSP plant will use Sulphuric Acid and Spent Sulphuric Acid (Concentrate 25 to 30%) as key raw materials for producing SSP. Your company has its own 500TPD Sulphuric Acid plant, which is running successfully and Spent Sulphuric Acid (Concentrate 25 to 30%) , which available from production of Dye Intermediates like Vinyl Sulphone Esater, DASA, F C Acid. It is available at free of cost and there is also saving in purification cost.

The construction work of SSP plant will start after all necessary licenses/approvals and financial closure of said plant.

Sun Agrigenetics (SAPL)

SAPL is fellow subsidiary of BCL. SAPL is in business of production of tissue culture plants, Microbial bio-fertilizers, Genetic Improvement of crops, contract research etc. SAPL has tissue culture laboratory with production capacity of 2 million plants p.a. Green House and Nursery complex spread over an area of 70,000 sq.ft. R&D centre recognized by Department of Science and Industrial Research (DSIR), Gov. of India, New Delhi. SAPL plans to expand its capacities and also launch new products through R&D.

Information relating to performance/financials of the subsidiary companies are disclosed in the Consolidated Financial Statements. Statement pursuant to Section 212(1)(e) of the Companies Act, 1956 forms part of this Annual Report.

Compliance of Section 212 of the Companies Act, 1956.

In accordance with the general circular no. 2/2011 bearing reference no. 5/12/2007-CL-III, dtd.8th February, 2011, issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies.

In accordance with the requirement of Accounting Standards issued by The Institute of Chartered Accountants of India, the consolidated accounts of the company and its subsidiaries have been prepared and the same are annexed to this report.

FINANCIAL RESULT (Standalone)

Particulars	(Rs. In Lacs)	
	31-3-2012	31-3-2011
Total Income from Operations	60334.62	57132.10
Profit before Interest, depreciation & amortization and taxation	610.17	6157.37
Less : Depreciation/Amortization of Goodwill	1600.38	1379.90
Less : Interest/Finance cost	3380.77	2263.02
Add : Exceptional Item	505.00	0
Less : Tax Expense	(1034.37)	838.76
(Loss) / Profit after Taxation	(2831.61)	1675.69
Dividend on Equity Shares (Including Tax)	Nil	624.53
EPS-face value of Rs. 2/- each-(in Rs.)	(2.74)	1.68

DIVIDEND

In view of the loss incurred by the company, the Directors regret their inability to recommend any dividend for the financial year 2011-12. The company had declared and paid dividend of Rs.0.54 i.e. 27% per equity share for the financial year 2010-11.

PERFORMANCE OF THE COMPANY

The Year Under Review-2011-12

The company's performance has adversely impacted due to external headwinds like uncertainty in global market, higher inflation, volatility in crude prices, fluctuation in currency and high interest rate and many more. In spite of this, your company has achieved highest ever Turnover during the year. This indicate itself that the company's management has proved its ability to retain business, in fact added new customers, in tough times.

Your company has achieved highest ever Total Income from Operation of Rs. 603.35 crore in the financial year 2011-12. However, this milestone did not reflect in bottom line for the financial year 2011-12 and the company has incurred net loss of Rs. 28.32 crore for the financial year 2011-12.

Current Year-2012-13

Your company is making all efforts to cope up with the challenges through continuous cost reduction, process improvements, imparting training to the workforce on the continued basis, developing and launching new products and improved customer services to mitigate the growing cost pressure.

The Company is continuously spreading its wings for further growth every year by entering into new geographies, adding its customer base and expanding its businesses.

Your Company has performed during the first quarter i.e. April-June, of the current financial year as per the following details.

- Total Income from operation at Rs. 136.17 crore
- EBIDTA at Rs. 3.59 crore (excluding Rs. 12.95 crore Foreign Exchange Fluctuation Loss)
- Finance cost (Interest and Bank Charges) at Rs. 8.44 crore
- Net Loss at Rs. 14.90 crore

Your Directors are hopeful of better performance in the second half of the current financial year 2012-13.

CORPORATE DEBT RESTRUCTURING (CDR)

The company has incurred heavy loss and the financial liquidity remained tight during the year under review. Hence, the company has approached, through its lead banker i.e. Union Bank of India, to the Corporate Debt Restructuring cell (CDR) for the suitable realignment of its entire debt. The proposal has been admitted by CDR cell and the final proposal is under process to get approval from CDR cell.

ALLOTMENT OF EQUITY SHARES PURSUANT TO WARRANTS CONVERSION

The Board of Directors has allotted 95,95,860 equity shares of Rs.2/-each at a premium of Rs.10.60 per share pursuant to conversion of warrants into equity shares to three allottees, promoter group and one allottee, non promoter group on 10th November, 2011.

The Company has received Rs. 9.06 crore as part of 75% i.e. Rs.9.45 per warrant, remaining balance for conversion of warrants into equity shares from allottees before allotment.

The Company has forfeited Rs.7.60 crore due to non-exercise option of 2,41,54,140 (after considering split effect in the ratio of 5:1) warrants conversion into the same number of equity shares by promoter group/non-promoters.

The said amount has been fully utilized for Long Term Working Capital/general corporate purposes.

The Board of Directors had allotted 3,37,50,000 (after considering split effect in the ratio of 5:1) warrants convertible into equivalent number of equity shares at a price of Rs.12.60 per share (including premium Rs.10.60 per share) to Promoter Group/ Non Promoters on 11th May, 2010, as per terms approved by shareholders vide EGM dtd. 28th April, 2010.

PAID UP SHARE CAPITAL

Consequent upon the allotment of equity shares, the paid up share capital of the company has been increased to Rs. 21,82,14,740/- divided into 10,91,07,370 equity shares of Rs.2/- each fully paid.

LISTING OF SECURITIES

10,91,07,370 equity shares of Rs.2/- each fully paid, are listed on the following Stock Exchanges:

1. The Bombay Stock Exchange Ltd. (BSE)
2. The National Stock Exchange of India Ltd. (NSE)

The company has already paid listing fee to both the Stock Exchanges for the financial year 2012-2013.

INCOME TAX

During the period under review, search and seizure operation under section 132 of the Income Tax Act, 1961 were carried out by Income Tax Department at office and factory premises of the company. The detail note is mentioned at Note No. 37 in notes to the accounts.

PUBLIC DEPOSITS

During the period under review, the Company has accepted deposits from Shareholders and Public within the prescribed limits. As on March 31, 2012, deposits from Public and Shareholders stood at Rs. 3.05 crore. There were no deposits, which were claimed and remained unpaid by the Company as on March 31, 2012.

DIRECTORS

Mr. Suresh J. Patel, Chairman & Managing Director, Mr. Bhavin S. Patel, Executive Director and Mr. Ramesh P. Patel, Executive Director were appointed at Annual General Meeting held on 30th September, 2009 for a period of three years w.e.f. 13th May, 2009, therefore their tenure was upto 12th May, 2012. The Board of Directors of the company has re-appointed them subject to approval of the members of the company, as the Chairman & Managing Director and Executive Directors respectively w.e.f. 13th May, 2012 for the further period of three years.

Mr. Ankit S. Patel and Mr. Prakash B. Patel, retires by rotation at the Annual General Meeting. They, being eligible, offer themselves for re-appointment.

Your Directors recommend to pass necessary resolutions to approve these appointments/reappointments as set out in the notice of the annual general meeting.

For the perusal of shareholders, a brief resume of the above said directors, nature of their expertise, their shareholding in the company and other required details are given in the section of Corporate Governance Report elsewhere in the Annual Report.

INSURANCE

The Company's assets are adequately insured.

AUDITORS & AUDITORS' REPORT

Your Directors recommend re-appointment of Auditors M/s. Mayank Shah & Associates. Chartered Accountants, Ahmedabad for the financial year 2012-13. The Company has received a certificate from the auditor stating that their appointment, if made, will be within the limit specified under section 224 (1B) of the Companies Act, 1956.

Auditor's comments on your Company's accounts for the year ended March 31,2012 are self explanatory in nature and do not require any explanation as per provisions of Section 217(3) of the Companies Act,1956.

INDUSTRIAL RELATIONS

Industrial relations at all divisions of your Company have always been cordial and continue to be so, your Directors wish to place on record their appreciation for the co-operation received from employees at all levels.

ENVIRONMENT PROTECTION

Your Company has undertaken various environment friendly measures in its different units for promoting better environment. The Company has in place adequate pollution control equipments and all the equipments are in operation.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Your attention is drawn to the perception and business outlook of your management for your company for current year and for the industry in which it operates including its position and perceived trends in near future. The Management Discussion and Analysis Report as required under clause 49 of the Listing Agreement with the Stock Exchange is attached and forms part of this Directors' Report.

CORPORATE GOVERNANCE

The Company has complied with all the mandatory requirements as specified under clause 49 of the Listing Agreement by SEBI. As required therein, a separate Report on Corporate Governance forms part of this Annual Report. The certificate from statutory Auditors of the Company regarding compliance of conditions of Corporate Governance is part of this report and is annexed hereto.

Details of various committees constituted by the Board of Directors are given in the Corporate Governance Report annexed and forms part of this report.

CONSOLIDATED FINANCIALS

The consolidated Total Income from operation of Rs.613.71 crore and Net Loss after minority interest of Rs.29.78 crore for the group for the financial year 2011-12 compared to consolidated Total Income from operation of Rs.572.69 crore and Net profit after minority interest of Rs.16.61 crore for the group for the previous financial year 2010-11.

Consolidated financial result includes financial result of Bodal Agrotech Ltd., the wholly owned subsidiary of Bodal Chemicals Ltd. and Sun Agrigenetics Pvt. Ltd., which is subsidiary of Bodal Agrotech Ltd.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, the directors hereby confirm;

1. That in the preparation of the accounts for the financial year ended 31st March, 2012, the applicable accounting standards have been followed along with proper explanation relating to material departures have been made from the same;
2. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for that period;
3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. That the Directors have prepared the accounts for the financial year ended 31st March, 2012 on a 'going concern' basis.

CONSERVATION OF ENERGY, RESEARCH & DEVELOPMENT (R&D), TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

The information pursuant to section 217(1)(e) of the Companies Act, 1956 read with companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in the Annexure forming part of this report.

PARTICULARS OF EMPLOYEES

The information required under section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of employees is not applicable to the Company, as no employees drawing remuneration of Rs. 6,000,000 or more per annum employed throughout the year or Rs. 500,000 or more per month employed for a part of the year.

ACKNOWLEDGEMENT

Your Directors take this opportunity to thank and place on record their appreciation for all the employees at all levels for their hard work and dedication during the year. Your Directors sincerely convey their appreciation to customers, shareholders, vendors, bankers, business associates, regulatory and government authorities for their consistent support.

For and on behalf of the Board

Date : 31-08-2012
Place : Ahmedabad

SURESH J. PATEL
Chairman & Managing Director

ANNEXURE TO THE DIRECTORS' REPORT

CONSERVATION OF ENERGY:

Energy Conservation measures taken:

Reducing the HP of Motors where possible

Improvement in low insulation.

Periodic desertion of Boiler

Additional Investment and Proposals, if any, being implemented for reduction of consumption of energy :

Installation of Turbine, part of Sulphuric Acid Plant, generates steam, which is used to run Dyes and Dye Intermediates Plant at our Padra unit.

Impact of above :

The adoption of energy conservation measures indicated above have consequent impact on cost of production of goods by way of reduction of fuel cost.

Total Energy consumption :

	2011-12	2010-11
(i) Total consumption of Electric (Units)	372.95 lacs	415.24 lacs
Total Amount (Rs.)	2356.63 lacs	2449.52 lacs
Unit/Average Rate	Unit/ Rs. 6.32	Unit/Rs. 5.90
(ii) Fuel		
Quantity	Kgs.270.90 lacs	Kgs.379.44 lacs
	Ltr.0.34 lacs	Ltr. 0.13 lacs
	Scm 7.81 lacs	Scm 9.81 lacs
Total Amount (Rs.)	2377.81 lacs	2690.36 lacs
Unit /Average Rate	Kgs/ Rs. 7.86	Kgs/Rs. 6.60
	Ltr/ Rs. 34.60	Ltr/Rs. 41.48
	Scm/Rs. 30.68	Scm/Rs. 18.35

RESEARCH & DEVELOPMENT (R & D)

The company has not incurred any expenditure related to Research & Development during the year.

Future Plans of Action:

The company will try its best to carry activities in the field of R & D for development of new products and improvements in the existing manufacturing process for better yield.

Expenditure on R & D:

	(Rs. In Lacs)	
	2011-2012	2010-2011
(a) Capital	Nil	Nil
(b) Recurring	Nil	Nil

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

(a) Efforts in brief:

- I. Company in order to fully utilize its multidimensional manufacturing capacity is always at the forefront to make the best use of its technical capability for better success.
- II. Continuous endeavour to improve Product Quality & Process Yields.

(b) Benefit derived as a result of the above effort:

The Company is able to market its value added products in Domestic as well as International Market.

(c) Details relating to imported technology: Nil

FOREIGN EXCHANGE EARNING AND OUTGO

(Rs. In lacs)

Partiuclars	2011-12	2010-11
(a) Foreign Exchange Inflow		
(i) Foreign Exchange Earning F.O.B. Value of Export	22471.04	23390.81
(b) Foreign Exchange outgo		
(i) Value of imported Raw materials calculated on CIF basis.	3878.38	4456.39
(ii) Foreign Traveling Expenditure	21.12	14.40
(iii) Export Sales Commission	519.82	513.78
(iv) Business Development Expenses	7.40	33.55
(v) Membership Fees	Nil	0.04
(vi) Interest	552.43	511.66
(vii) Bank Charges	34.52	34.97
(viii) Export Damage Claim	5.07	4.98
(xi) Warehousing Charges	3.27	2.24
(x) Cash Discount	21.57	13.00

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW-DYES AND DYE INTERMEDIATES

The Indian Dyestuff industry is today self-sufficient with a majority of its inputs manufactured locally. Dyestuff industry comprises of 3 key constituents, namely, dyestuffs, pigments and intermediates. The value chain has intermediates as downstream products manufactured from petrochemicals; intermediates are further processed to obtain dyestuff and pigments. Both dyestuffs and pigments are critical inputs to several industries such as Textile, Paper and Packaging, Leather, Food, Polymer, Coating, printing ink etc.

The Indian dye and dye intermediates market is expected to grow around 7% CAGR for next three years on account of strong growth in the end-use segments. The main end use segments for these products are textiles, paper and leather industries which together account for – 88% of the total demand.

The dyes and dye intermediates market is fragmented with around 950 manufacturers. A high degree of consolidation is expected in this segment. The main drivers for consolidation are the stringent environmental norms and awareness among customers increasing the cost of operations for small-scale players. This industry is located mainly in Gujarat and Maharashtra.

The important Dyes are basic dyes, azo acid and direct dyes; disperse dyes, reactive dyes, sulphur dyes, vat dyes, organic pigments, naphthols and optical brighteners.

The main drivers for Dyes are Reactive Blacks, Acid Blacks, Reactive Blues, Reactive yellows and Reactive reds. The main drivers for Dye Intermediates are Xylidine, Vinyl Sulphone, Para Dichlorobenzene, Dichloroaniline and H-Acid.

Indian dyestuff industry has a competitive edge. There is huge potential of domestic demand due to low consumption of dyestuff, which leads to strong potential for Indian Dyestuff industry. The Indian Dyestuff industry is a potential powerhouse benefiting from comparative low labour cost, talented technical manpower, capabilities for research and development etc. However, Safety, Health and Environment protection issues have become the major issues for Indian Dyestuff Industry.

BODAL CHEMICAL'S POSITION IN DYES AND DYE INTERMEDIATES INDUSTRY

- Bodal is the only company in India having in-house manufacturing facility starting from Basic Chemicals to Wide range of Dye Intermediates to Dyestuffs.
- Fastest Growing Company in the Dyes and Dye Intermediates Industry.
- Bodal is one of the leading producers of Dye intermediates & Dyestuff in the world.
- Export to more than 35 Countries.
- Well reputed for Consistency, Reliability, Quality and Timely Delivery among Global Dyestuffs Market.
- Bodal has total 8 manufacturing Units at different locations in Gujarat, India
- Bodal has identified three Strategic Business Units
 - Dyes (more than 150 products)
 - Dye Intermediates (more than 25 products)
 - Basic & Other Chemicals (more than 10 products)
- Bodal produces more than 150 dyes suitable for Textile, Leather & Paper industries.
- Bodal also produces Basic chemicals like Beta Naphthol, Sulphuric Acid, Para Nitro Aniline & Acetanilide etc. for captive consumption as well as direct sale.

Bodal enjoy an abundant supply of basic/other chemicals for production of Dye Intermediates and Dye Intermediates for Dyes. Bodal has build up on technical services, marketing capabilities and production in bulk quantities to face competition from domestic as well as global. In this way, Bodal enjoy a position of one of the leader in Dyes and Dye Intermediates Industry.

FINANCIAL PERFORMANCE AND OUTLOOK

This is one of the toughest years in the history of Dyes and Dye Intermediates industry, where demand was sluggish and uncertainty prevailing in the international market. In spite of this, the company has achieved highest ever Total Income from operation of Rs.603.35 crore for the financial year 2011-12 compared to Rs. 571.32 crore for the financial year 2010-11, increase of 5.61%. EBIDTA of Rs. 6.10 crore for the year 2011-12 compared to Rs. 61.57 crore in 2010-11. Financial charges (Interest) of Rs.33.81 crore for the year 2011-12 compared to Rs. 22.63 crore for the previous year. Depreciation and Amortization Rs.16.00 crore for the 2011-12 compared to Rs. 13.80 crore for the previous year. Net Loss of Rs. 28.32 crore for the year 2011-12 compared to Net Profit of Rs. 16.76 crore in 2010-11.

The business environment has been considerably stabilizing after the sudden impact in the financial year 2011-12. It is expected that margins will also slowly improve in coming years. The company has been taking several measures to improve margin and to get maximum productivity. The company will set several benchmarks on various parameters for Dyes and Dye Intermediates Industry.

The financial performance of the company will be improved in the second half of the year 2012-13 compared to corresponding period for the previous year 2011-12. The management expects that the company will back in black by posting profit in the second half of the year 2012-13.

RISK AND CONCERNS/ CHALLENGES

To sustain and grow in global market brings in uncertainties. Greater the uncertainties, higher the risk. The risk management function is integral to the company and its objectives includes ensuring that critical risk are identified continuously, monitored and managed effectively in order to protect the company's business.

However, the changes in the tax laws, Government policies and regulatory requirement might affect the company's business. Indian economy facing high inflation rate pressure leading to high interest rate, prices of inputs are expected to rise significantly. Increase in price of input materials could impact the company's profitability to the extent that the same are not absorbed by the market through price increase and / or could have a negative impact on the demand in the market. Currency risks mainly arise out of overseas operations and financing activities. Exchange rate fluctuation could significantly impact earnings because of earning in foreign currencies, expenditures in foreign currencies, borrowing in foreign currency. The company is operating in highly competitive market and also facing financial liquidity problem.

The management has already taken initiatives in advance for mitigating the above mentioned risk and concerns/challenges. The company has approached to CDR for restructuring debt to ease financial liquidity in the company's system and other major initiatives are hedging of exposure in foreign currencies, strong marketing efforts, manufacturing customized products as per requirement of customers, focus on cost reduction through inventory management techniques, introduction of new products and manufacturing process without compromising quality of products and retain talented employees etc.

INTERNAL CONTROL FRAMEWORK

The company has implemented a comprehensive internal control system to ensure the compliances of various laws with objective to direct, monitor and measure its resources. Internal control commensurate to its size and nature of business operations are being effectively established. The internal control has been established by standardizing and documenting policies and procedures for all major process, to ensure the reliability of financial reporting, timely feedback on the achievement of operational and strategic goals and compliance with laws and regulations. The internal audit function monitors the effectiveness of controls and also provides an independent and objective assessment of overall governance processes in the company.

HUMAN RESOURCES

BCL recognizes people as the primary source for survival and growth in competitive market and continues to focus on their development by leveraging technologies and developing a continuously learning human resource base to unleash their potential and fulfill their aspirations. The following steps are taken / will be taken on human resource front to ensure that the company can continuously cater to the changing business adversities and opportunities :

- Leadership development and succession planning
- Career planning and job rotation
- To capture employee's concern on an on-going basis, analyze their concerns to identify need for policy changes, establish one to one connect with officers and create a repository of the employee's ideas/concerns.
- BCL efforts to strengthen positive work culture and environment, which promotes productivities and excellence as well as the mutual trust between all the personnel and the company. The company lays strong emphasis on training and developing the technical and behavioral skills of the employees at each level to upgrade the competence and remove inefficiency from all the levels. On industrial relations front also, your company continued to enjoy cordial and harmonious relationship with its workers.

ENVIRONMENT

The Chemical Industry is subject to various stringent regulatory requirements of environment & Pollution Control regulations being legislated by the Government from time to time, including safety and emission norms. The Company addresses these issues through advance planning and allocation of sufficient physical and human resources, effluent treatment facilities and process controls.

DISCLAIMER CLAUSE

This Directors' report, management discussion and analysis and any other part of this annual report may contain forward looking/ growth envisaging statements, figures or charts etc and may refer to management/board's intention and set goals. The information in these documents may also contain data/statement and perception on future of the industry by management or as quoted from Industrial and other bodies or experts. All this information is merely giving an insight into the future of the industry and the company as perceived by the industrial & other bodies, experts and/or the management and the milestones towards which management shall strive to achieve. All such forward looking statements and information are subject to risks, uncertainties and assumptions and changes in this dynamic industrial, economical and political world in which we operate. These factors could cause actual results to differ materially from those contemplated by the relevant forward-looking statement & information.

This information, figures, statements and charts or any such material herein contained should not be construed as guarantee of achieving those goals/milestones etc by the management/company nor is there any guarantee inherent in these presents for any such event or industrial scenario actually happening as envisaged here. The management accepts no liability/obligation for any act of any person undertaken on the basis of such forward looking information etc herein contained.

REPORT ON CORPORATE GOVERNANCE

Your Company appreciates the noble idea of Corporate Governance and endeavor not only to abide by and comply with, the stipulated requirements related thereto, both in its word and spirit, but has also voluntarily contemplated to establish and maintain Good Corporate Governance standards and mechanism in conformity with the contemporary national and international practices on various relevant matters including prompt dissemination of information and expedient redressal of grievances of investors and public in general.

The policies and practice of Corporate Governance of the Company are inspired by following philosophy and principles and with a earnest attempt to accomplish the same:

(a) Transparency:

To maintain in all aspects, high standards of transparency, in our interactions and dealings.

(b) Disclosures:

To ensure timely dissemination of all price sensitive information and matters of importance to protect the interest of investors.

(c) Accountability:

To demonstrate highest levels of personal responsibility and continually affirm that employees are responsible to themselves for the pursuit of excellence.

(d) Compliances:

To comply with all the laws and regulations as applicable to the Company.

(e) Ethical conduct:

To conduct in an ethical manner, the affairs of the Company.

(f) Stakeholders' interest:

To promote the interests of all stakeholders including of customers, shareholders, employees, tenders, vendors, governments and the community.

The Company's philosophy of Code of Corporate Governance is aimed at assisting the top management in the efficient conduct of its business and fulfilling its obligations towards the Government, its shareholders, employees and other stakeholders.

Your Board believes that Corporate Governance is a powerful medium of sub-serving the long-term interests of its stakeholders for the attainment of transparency, accountability and equity in all facets of its operations by enhancing and sustaining its corporate value through growth and innovation.

The Company has fully complied with the requirements of Clause 49 of the Listing Agreement. This report sets out the compliance status of the Company during the financial year 2011-12 with respect to the conditions of corporate governance.

Board of Directors :

a. Composition of Board

The Company's board consists of 8 Directors as on 31st March, 2012. Out of 8 Directors, 4 Directors are independent directors. The Chairman of the Board is an Executive Director. The composition of the Board of Directors is in compliance with the Clause 49 of the Listing Agreement.

b. Meeting of Board of Directors

Eight Board meetings were held during the financial year 2011-2012. The dates on which Board Meetings were held viz; 30-05-11, 12-08-11, 30-08-11, 01-10-11, 10-11-11, 14-11-11, 18-01-12 and 31-03-12. The time gap between any two Board Meetings was less than 4 months. The 25th Annual General Meeting was held on 29-9-11.

c. Directors' attendance and Directorship held

The table below provides the composition of the Board, their attendance at Board meetings (1-4-2011 to 31-3-2012) & AGM (29-9-2011) and number of other directorships, chairmanships/memberships of other companies.

Name of the Director with Designation	Category	No. of other Directorship held in public companies in India**	No. of other Board committees of which Member / Chairman**	Board meeting attended	Attendance at the last AGM	No. of Equity Shares held on 31.03.12 & % holding
Suresh J. Patel Chairman & Managing Director	Promoter Executive	1	None	8	Yes	3,33,45,151 30.57%
Bhavin S. Patel Executive Director	Promoter Executive	Nil	None	6	Yes	78,10,050 7.16%
Ramesh P. Patel Executive Director	Promoter Executive	Nil	None	8	Yes	66,35,299 6.08%
Ankit S. Patel Executive Director	Promoter Executive	1	None	8	Yes	37,86,550 3.47%
Surendra N. Shah Independent Director	Independent Non-Executive	2	None	5	Yes	75,347 0.07%
Bipin R. Patel Independent Director	Independent Non-Executive	1	None	6	Yes	4,075 0.01%
Sunil K. Mehta Independent Director	Independent Non-Executive	Nil	None	5	Yes	4,00,000 0.37%
Prakash B. Patel Independent Director	Independent Non-Executive	Nil	None	4	Yes	Nil

Notes:

- (1) **This number excludes the directorships/committee memberships held in private companies, a company registered u/s 25 of Companies Act and also of the Company.
- (2) As required by the Companies Act, 1956 and Clause 49 of Listing Agreement, none of the directors hold directorships in more than 15 public companies, memberships of board committees (audit /remuneration/investors grievance committees) in excess of 10 and chairmanships of board committees as aforesaid in excess of 5.

None of the Non-executive Directors has any pecuniary relationship. Non-executive Directors have no transaction with the company. The details of sitting fees, commission and remuneration paid to each director appear later under the disclosure relating to Remuneration to Directors.

d. Code of Conduct

The Board has laid down the code of conduct for all Board Members and senior managerial personnel of the Company. All Board Members and senior managerial personnel have affirmed compliance with the code of conduct for the year ended on 31st March, 2012. A declaration to this effect duly signed by CEO of the Company is attached herewith and forms a part of Corporate Governance Report.

DETAILS OF DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT IN FORTH COMING ANNUAL GENERAL MEETING

The information as required by clause 49 (vi) of the Listing Agreement with the stock exchange in relation to appointment/reappointment of Directors of the Company are as follows :

Name of the Director	Mr. Suresh J. Patel	Mr. Bhavin S. Patel
Date of Birth	15-04-1956	05-01-1981
Date of Appointment	01-06-2005	01-06-2005
Qualification	B.Sc.	B.Sc.
Name of the Companies in which he is a Director other than Bodal Chemicals Ltd.	1. Bodal Agrotech Ltd. 2. Sun Agrigenetics Pvt. Ltd 3. Novel Spent Acid Management*	Nil
Specific Functional Areas	He has very wide and rich experience in the chemical industry specifically in manufacturing of Dyes and Dyes Intermediates.	He has rich experience in the chemical industry specifically in marketing of Dyes and Dyes Intermediates.
**Chairmanship / Membership of Committee(s) of Director of the Company	Nil	Nil
Chairman/Member of the Committee (s) of Board of Directors of other Public Limited Companies in which he is a Director	Nil	Nil
Shareholding in the company as on 31-8-12 & percentage of paid up capital	3,33,45,151(30.56%)	78,10,050 (7.16%)

Name of the Director	Mr. Ramesh P. Patel
Date of Birth	23-10-1957
Date of Appointment	13-05-2006
Qualification	B.Com, LLB.
Name of the Companies in which he is a Director other than Bodal Chemicals Ltd.	Nil
Specific Functional Areas	He has vast experience in the commercial and financial aspect. He has in depth knowledge of import export procedure, financial market and forex market.
**Chairmanship / Membership of Committee(s) of Director of the Company	Nil
Chairman/Member of the Committee (s) of Board of Directors of other Public Limited Companies in which he is a Director	Nil
Shareholding in the company as on 31-8-12 & percentage of paid up capital	66,35,299(6.08%)

Name of the Director	Mr. Ankit S. Patel	Mr. Prakash B. Patel
Date of Birth	1-11-1982	21.04.1951
Date of Appointment	24-5-2008	28-4-2010
Qualification	Bachelor in Economics, MBA(Finance)	Bachelor of Science (Chemical Engineering) from Institute of Technology, Banaras Hindu University, Varanasi.
Name of the Companies in which he is a Director other than Bodal Chemicals Ltd.	Bodal Agrotech Ltd. Sun Agrigenetics Pvt. Ltd.	Miller Iron Pvt. Ltd. SMSP Consultancies Pvt. Ltd. SMSP Project Services Pvt. Ltd.
Specific Functional Areas/Experience	He has been giving his valuable services as Executive Director of the company. He has contributed significantly in development of Sulphuric Acid plant of the company. He is young and dynamic personality.	He has more than 37 years experience in technical field, financial resources and project implementation.
**Chairmanship / Membership of Committee(s) of Director of the Company	Nil	Membership of all three committees
Chairman/Member of the Committee (s) of Board of Directors of other Public Limited Companies in which he is a Director	Nil	Nil
Shareholding in the company as on 31-8-12 & percentage of paid up capital	3786550(3.47%)	Nil

* This number of Companies also includes the directorships held in a company registered u/s 25 of Companies Act,1956.

** Audit Committee, Remuneration Committee and Shareholders' Grievances Committee.

COMMITTEE OF THE BOARD

Audit Committee

Audit committee of the Company is functioning with the requirement of section 292A of the Companies Act, 1956 and the listing agreement. The members of Audit Committee are mentioned as below. During the year, four meetings were held on 30-5-11, 12-8-11, 14-11-11 and 31-3-12 which were attended by the following members of the Audit Committee. The Chairman of the Audit Committee had attended last Annual General Meeting held on 29th September, 2011.

The composition of committee and particulars of attendance at the meeting are provided herein below :

Name of Member	Designation	Category/Status	No. of meeting attended
Mr. Surendra N. Shah	Chairman	Non-Executive Independent Director	4
Mr. Bipin R. Patel	Member	Non-Executive Independent Director	4
Mr. Prakash B. Patel	Member	Non-Executive Independent Director	3

Broad Terms of Reference

The broad terms of reference of the Committee as approved by the Board includes overseeing of the Company's financial reporting process, the appointment of statutory auditors and internal auditors, reviewing the quarterly and annual financial statements before submission to the Board for approval, compliance with listing and other legal requirements relating to financial statements, reviewing adequacy of the internal check and internal audit function, etc.

In addition to the above, the Committee shall have such functions/role/powers as may be specified in the Companies Act, Listing Agreement with stock exchange(s) or any other applicable law.

The Audit Committee has reviewed the Management Discussion and Analysis of financial condition and results of operations forming part of this Annual Report and other information as mentioned in Clause 49 (II)(E) of the Listing Agreement.

Mr. Chirag Shah, Company Secretary was acting as Secretary to the Audit Committee upto 29th March, 2012. Mr. Ashutosh B. Bhatt is acting as Secretary to the Audit Committee w.e.f. 30th July, 2012.

Remuneration Committee

The Remuneration Committee of the Board has been constituted mainly to determine and recommend to the Board, the Company's policies on remuneration packages for executive and non-executive directors. The members of Remuneration Committee are mentioned as below. During the year, one meeting was held on 01-10-2011.

Composition :

Name of Member	Designation	Category/Status	No. of meeting attended
Mr. Surendra N. Shah	Chairman	Non-Executive Independent Director	1
Mr. Bipin R. Patel	Member	Non-Executive Independent Director	1
Mr. Prakash B. Patel	Member	Non-Executive Independent Director	Nil

The details of remuneration paid to directors are provided below for the financial year 2011-12.

Remuneration paid to Directors

Name of Director	Age	Designation	Remuneration (including perquisites) paid Rs.	Sitting Fees paid Rs.	Commission paid Rs.	Total Remuneration Rs.
Suresh J. Patel	56	Chairman & Managing Director	48,00,000	Nil	Nil	48,00,000
Bhavin S. Patel	31	Executive Director	18,00,000	Nil	Nil	18,00,000
Ankit S. Patel	30	Executive Director	18,00,000	Nil	Nil	18,00,000
Ramesh P. Patel	55	Executive Director	9,00,000	Nil	Nil	9,00,000
Surendra N. Shah	52	Non-Executive Independent Director	Nil	75,000	Nil	75,000
Bipin R. Patel	67	Non-Executive Independent Director	Nil	90,000	Nil	90,000
Sunil K. Mehta	52	Non-Executive Independent Director	Nil	75,000	Nil	75,000
Prakash B. Patel	61	Non-Executive Independent Director	Nil	60,000	Nil	60,000
Total			93,00,000	3,00,000	Nil	96,00,000

There is no pecuniary relationship or transaction of the Company with any of the Non-Executive Directors.

The Company has paid sitting fees to non-executive directors and no stock option is available to the Directors.

Investors'/ Shareholders' Grievances Committee

Terms of Reference :

In order to give the appropriate level of focus to shareholders and investors related matters a Shareholders'/ Investors' Grievance Committee was formed. The committee focuses primarily on strengthening investor relations and ensuring the rapid resolution of any shareholder's or investor's concerns. The members of Shareholders' Grievance Committee are mentioned as below. During the year, four meetings were held on 30-5-11, 12-8-11, 14-11-11 and 31-3-12.

Name of Member	Designation	Category/Status	No. of meeting attended
Mr. Surendra N. Shah	Chairman	Non-Executive Independent Director	4
Mr. Bipin R. Patel	Member	Non-Executive Independent Director	4
Mr. Prakash B. Patel	Member	Non-Executive Independent Director	3

Mr. Chirag Shah, Company Secretary was Compliance Officer upto 29th March, 2012. Ms. Divya Nair, Asst. Company Secretary was acting as Compliance Officer from 31st March, 2012 to 29th July, 2012. Mr. Ashutosh B. Bhatt has been appointed as Company Secretary and Compliance Officer of the company w.e.f. 30th July, 2012.

Other details, for shareholders, have been provided separately in this Annual Report as required under clause 49 of the Listing Agreement.

Details of Shareholders'/Investors' Complaints

Sharepro Services (India) Pvt. Ltd. (RTA) and the Company, and SCORES, the official website of SEBI have received shareholders'/investors complaints and resolved by the company / the RTA in consultation with the Company for the year 2011-12, the details are as follows :

Sr. No.	Nature of Complaints	Opening Balance 01-04-2011	Received during the year	Redressed/ attended	Pending on 31-03-2012
1	Non receipt of share certificates after transfer etc.	Nil	1	Nil	1
2	Non receipt of Dividend Warrants	Nil	1	1	Nil
3	Query regarding demate credit	Nil	7	7	Nil
4	* Non receipt of duplicate share certificates after issue	Nil	Nil	Nil	Nil
5	Other	Nil	2	1	1
	Total	Nil	11	9	2

* Request for issue of duplicate share certificates.

SUBSIDIARY COMPANIES :

Bodal Agrotech Ltd. is the wholly owned subsidiary of the company and Sun Agrigenetics Pvt. Ltd is subsidiary of Bodal Agrotech Ltd. as on 31-3-12. Both are non - material non-listed subsidiary Companies. The Audit Committee reviews the financial statements, particularly, the investments made by subsidiary Company. Minutes of the said subsidiary Company are being placed before the Board for its review. The Board also reviews the accounts of the said Subsidiary Company on regular basis.

OTHER COMPLIANCES :

The Company has no materially significant related party transactions with its promoters, the directors or the management or their relatives etc, that may have potential conflicts with the interests of the Company at large.

For details, about related parties transactions, see Note No. 36 of Notes on Accounts of balance sheet of the Company.

There were no instances of non-compliance or Penalties, imposed on the Company by the Stock Exchange/(s) or SEBI or any statutory authority, on any matter related to Capital Markets, during the last three years.

In preparation of the financial statements, the Company has followed the Accounting Standards issued by ICAI. The significant accounting policies which are consistently applied have been set out in the Notes to the Accounts.

Business risk evaluation and management is an ongoing process within the Organization. During the period under review, a detailed exercise on the Business Risk Management was carried out covering all aspects of business operations.

The Company had appointed Mr. Suresh J. Patel, Chairman & Managing Director, as CEO and Mr. Ramesh P. Patel, Executive Director, as CFO of the Company. Certification from the both was placed as a part of good Corporate Governance practice in the Annual Accounts of FY 2011-12.

SHAREHOLDERS' INFORMATION

- Registered Office** : Plot No. 123 & 124, Phase-I, G.I.D.C., Vatva, Ahmedabad-382 445.
- Date, time, venue of Annual General Meeting** : The 26th Annual General Meeting of the members of the company is scheduled to be held on Friday, the 28th day of September, 2012 at 4.00 p.m. at ATMA Auditorium, Opp. Old RBI Office, Ashram Road, Ahmedabad-380 009. All the members are invited to attend the meeting.
- The Members / Proxies who intend to attend the meeting are requested to bring the Attendance slip sent herewith duly filled to the meeting.
- Financial calendar** : Financial year 2011-12 (April 1, 2011 to March 31, 2012)
- Results were announced on
- | | | |
|---------------------|---|-----------------------------|
| 12th August, 2011 | - | First quarter (Un-audited) |
| 14th November, 2011 | - | Second quarter (Un-audited) |
| 31st March, 2012 | - | Third quarter (Un-audited) |
| 14th May , 2012 | - | Fourth quarter(Un-audited) |
| 31st August, 2012 | - | Annual (Audited) |
- Tentative Financial Calendar for the financial year 2012-13.
- Results will be announced on
- | | | |
|---------------------------|---|-------------------------------------|
| 14th August, 2012 | - | First quarter (announced) |
| Last week of October 2012 | - | Second quarter and half year ended |
| Last week of January 2013 | - | Third quarter |
| Last week of May 2013 | - | Fourth quarter and annual (audited) |
- Book closures dates** : From Saturday, the 22nd September, 2012 to Friday, the 28th September, 2012 (both days inclusive) for the purpose of Annual General Meeting of the company.
- Annual General Meeting** : 28-9-2012 at 4.00 p.m.
- Details of Securities** : **Types of security** : **Equity Shares**
- | | | |
|-----------------------|---|---|
| No. of paid up shares | : | 10,91,07,370 equity shares of Rs. 2/- each fully paid |
| Market lot of shares | : | 1 equity share |
- Stock code** : The Company's Equity shares are listed and traded on the Bombay Stock Exchange Ltd (BSE) and National Stock Exchange of India Ltd. (NSE).
- | Type of Securities | Code no. | ISIN (Demat Code) |
|---------------------------|---------------------|--------------------------|
| Equity Shares | BSE Code :524370 | INE338D01028 |
| | NSE Code :BODALCHEM | |
- Listing** : The Company's equity shares are listed on the Bombay Stock Exchange Ltd. (BSE) and National Stock Exchanges of India Ltd. (NSE).The Company has paid listing fees to Bombay Stock Exchange and National Stock Exchange for financial year 2012-2013.

Stock Data : Monthly share price data on BSE and NSE for the financial year 2011-12, are as under.

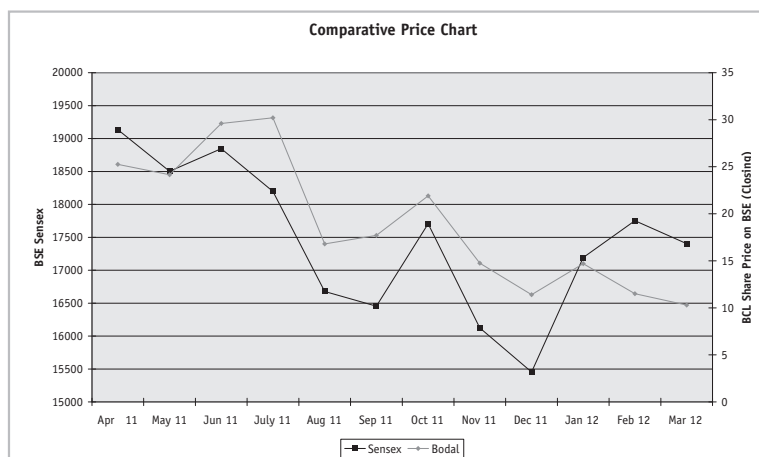
NSE :

Month	High Rs.	Low Rs.	Close Price Rs.	Volumes (No. of Shares)
August '11	28.60	16.65	16.80	1295933
September '11	23.60	15.15	17.50	659570
October '11	21.40	16.65	21.40	44174
November '11	22.25	13.85	14.05	87065
December '11	15.15	10.65	11.60	39767
January '12	17.90	11.20	14.35	52008
February '12	15.40	11.05	11.85	84073
March '12	12.20	10.00	10.45	45596

Note : The Company's equity shares has been listed and admitted for trading on NSE w.e.f. 22nd August, 2011.

BSE :

Month	High Rs.	Low Rs.	Close Price Rs.	Volumes (No. of Shares)
April '11	33.50	23.10	25.25	1840869
May '11	26.45	20.80	24.15	2201111
June '11	30.00	22.00	29.60	1869053
July '11	33.00	24.65	30.20	4585045
August '11	31.70	16.55	16.80	12301827
September '11	23.55	15.15	17.70	1269612
October '11	22.35	16.95	21.90	647183
November '11	22.40	13.55	14.75	502070
December '11	15.04	10.88	11.40	188276
January '12	17.75	11.50	14.70	219863
February '12	15.80	10.94	11.50	355433
March '12	11.98	9.80	10.30	272900



General Body Meetings

Details of the last three years Annual General Meetings (AGM) or Extra Ordinary General Meetings (EGM) are as under :

AGM/EGM	Date	Time	Venue	No. of special Resolutions passed
2008-09AGM	30-9-2009	5.30 P.M.	ATMA, Auditorium, Opp. Old RBI Office, Ashram Road, Ahmedabad-380 009.	4
EGM	28-4-2010	10.30 A.M.	ATMA, Auditorium, Opp. Old RBI Office, Ashram Road, Ahmedabad-380 009.	6
2009-10AGM	30-9-2010	10.30 A.M.	ATMA, Auditorium, Opp. Old RBI Office, Ashram Road, Ahmedabad-380 009.	—
2010-11AGM	29-9-2011	10.30 A.M.	ATMA, Auditorium, Opp. Old RBI Office, Ashram Road, Ahmedabad-380 009.	—

At the AGM held on 30th September, 2009, special resolution were passed for re-appointment of Mr. Suresh J. Patel, Chairman & M.D., Re-appointment of Mr. Bhavin S. Patel and Mr. Ramesh P. Patel, as Executive Directors and approval for issue of securities u/s 81(1A) of Companies Act.

At the EGM held on 28th April, 2010, special resolution were passed for preferential allotment to Promoter Group and non promoters, sub-division of equity shares and revision of remuneration of Mr. Suresh J. Patel, Mr. Bhavin S. Patel, Mr. Ankit S. Patel and Mr. Ramesh P. Patel.

The special resolutions indicated above were passed by show of hands.

Postal Ballot

The Company has not passed any resolution through postal ballot during the years under reference. None of the resolutions proposed for the ensuing Annual General Meeting need to be passed through Postal Ballot.

Shares held in physical and dematerialized form

As on 31st March, 2012, 10,72,67,260 equity shares (98.31%) were held in dematerialized form and balance 18,40,110 equity shares (1.69%) were held in physical form. 10,91,07,370 equity shares, listed share capital of the company. Investors can exercise dematerialization through a recognized Depository Participant (DP) who is connected to NSDL or CDSL.

Those shareholders whose shares are held in physical form are requested to dematerialize the same at the earliest in their own interest. Thus, Investors can exercise dematerialization through a recognized Depository Participant (DP) who is connected to NSDL or CDSL.

The Demat security code (ISIN) for the equity shares of Rs. 2/- each is **INE – 338 D 01028**.

Bank Mandate for Dividend

As per SEBI Guidelines, companies are mandatory required to print bank account details of the shareholders on dividend warrants. Those member who have still not furnished their bank account details, are requested to furnish the same immediately either to their DP or to the Registrar of the Company.

Unclaimed Dividends to be transferred to the Investor Education and Protection Fund

The dividend for the following years remaining unclaimed for 7 years from the date of declaration are required to be transferred by the Company to Investor Education and Protection Fund and the various dates for transfer of such amount are as under :

Sr. No.	Financial Year	Date of Declaration	Due for Transfer on
1.	2005-06(Final)	30-09-2006	05-11-2013
2.	2006-07(Interim)	04-06-2007	10-07-2014
3.	2006-07(Final)	29-09-2007	04-11-2014
4.	2007-08(Interim)	09-04-2008	15-05-2015
5.	2007-08(Final)	30-09-2008	05-11-2015
6.	2009-10(Interim)	28-04-2010	03-06-2017
7.	2009-10(Final)	30-09-2010	05-11-2017
8.	2010-11(Final)	29-09-2011	04-11-2018

Members who have not encashed their Dividend Warrants or have not received the Dividend Warrants so far, these members are requested to seek issuance of duplicate Dividend Warrants. Otherwise, all above said unclaimed dividend to be transferred to Investor Education and Protection Fund on above said Due Dates.

Distribution of Shareholding as on 31-3-12

According to number of Equity Shares

No. of Ordinary Shares held	No. of Shareholders	% of Shareholders	Total Shares	% of Total
1-500	9228	78.55	1451248	1.33
501-1000	1083	9.22	941232	0.86
1001-2000	530	4.51	837928	0.77
2001-3000	284	2.42	724933	0.66
3001-4000	120	1.02	433175	0.40
4001-5000	123	1.05	572921	0.52
5001-10000	161	1.37	1163880	1.07
10001-Above	219	1.86	102982053	94.39
Total	11748	100.00	109107370	100.00

Shareholding pattern of the Company as on 31-3-2012

Description	No. of members		No. of equity shares of Rs.2/- each	
	Nos.	%	Nos.	%
Promoters & Promoters Group				
Individuals	10	0.09	65643760	60.16
Foreign citizen/NRIs	5	0.04	13262306	12.16
Total	15	0.13	78906066	72.32
Indian Public-Individuals	11035	93.93	15078888	13.82
Foreign Institutional Investors (FII)	2	0.02	6678815	6.12
Mutual Fund, Nationalized Bank, Financial Institution and Co-operative Banks	4	0.03	39000	0.04
Domestic Companies	184	1.57	7659914	7.02
Non Resident Individuals	476	4.05	133465	0.12
Any others (Independent Directors & Relatives of Directors)	12	0.10	519766	0.48
Clearing Members	20	0.17	91456	0.08
Total	11748	100.00	109107370	100.00

Outstanding GDRs / ADRs /Warrants/any other Convertible Instruments

The Company does not have any outstanding instruments of the captioned type.

Plant Locations :

- Unit-I** Plot No. 110, Phase-II, G.I.D.C., Vatva, Ahmedabad-382 445.
- Unit-II** Plot No. 123&124 & C-1-B/111-114, Phase-I, G.I.D.C., Vatva, Ahmedabad-382 445.
- Unit-III** Plot No. 2102, Phase-III, G.I.D.C., Vatva, Ahmedabad-382 445.
- Unit-IV** Plot No. 252,253 & C-1/254, Phase-II, G.I.D.C., Vatva, Ahmedabad-382 445
- Unit-V** Plot No. 6002/2B, G.I.D.C., Ankleshwar, Dist. Bharuch, Gujarat.
- Unit VI** Plot No. 606-607, G.I.D.C., Panoli, Nr. Ankleshwar, Dist. Bharuch, Gujarat.
- Unit VII** Block No. 804, Village- Dudhwada, Ta. Padra, Dist. Vadodara, Gujarat.
- Unit VIII** Block No.106-108, Ekalbara Village, Ta.Padra, Dist. Vadodara, Gujarat.

Nomination facility

It is in the interest of the shareholders to appoint nominee for their investments in the Company. Those members who are holding shares in physical mode and has not appointed nominee or want to change the nomination, are requested to send us nomination form duly filled in and signed by all the joint holders.

PAN requirement for Transfer of Shares in Physical Form

The Securities & Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) for securities market transactions & off market/private transactions involving Transfer of Shares in Physical Form of Listed Companies. Therefore it shall be mandatory for the transferee(s) to furnish a copy of the PAN Card to the Company/Registrar & Share Transfer Agents for Registration of such transfers. Members/Investors are therefore requested to make note of the same & submit their PAN Card copy to the Company/ Registrar & Share Transfer Agents.

Change in Shareholders details

In case you are holding your shares in dematerialized form (e.g. in electronic mode), communication regarding change in address, bank account details, change in nomination, dematerialization of your share certificates or other inquiries should be addressed to your DP where you have opened your Demat Account, quoting your client ID number. In case of physical holding of shares, any communication for change of any details should be addressed to our R&T agent M/s. Sharepro Services (India) Pvt Ltd. , at address mentioned below.

Investors Communication

Share Transfers / Dematerialization or other queries relating to Shares of the Company should be addressed to our RTA :

Unit : Bodal Chemicals Ltd.

Sharepro Services (India) Pvt Ltd.

(Ahmedabad Branch)

416-420, 4thFloor,Devnandan Mall, Opp. Sanyas Ashram, Ellisbridge, Ahmedabad-380006. Gujarat, India.

Tel Nos.: 079 26582381 to 84 Fax No.: 079 26582385 Email: sharepro.ahmedabad@shareproservices.com

Contact Person : Ms. Bharti Parikh

Means of Communication

During the year, quarterly, half-yearly and annual financial results of the Company were submitted to the stock exchange(s) immediately after the conclusion of the Board meetings and Committee meetings were also published in newspapers like Economic Times (English & Gujarati edition), Western Times (English & Gujarati edition) etc.

Reconciliation of Share Capital Audit

Reconciliation of Share Capital Audit of the company in terms of SEBI circular no. D&CC/FITTC/CIR-16/2002 dated December 31, 2002, reconciling the total shares held in both the depositories, viz. NSDL and CDSL and in physical form with the total issued / paid up capital of the company were placed before the Board of Directors every quarter and also submitted to the stock exchange(s) every quarter.

Declaration under Code of Conduct

As required under clause 49(ID) of the Listing Agreement, it is hereby affirmed that all the Board members and senior management personnel have complied with code of conduct of the company.

Date : 31-8-2012
Place : Ahmedabad

Suresh J. Patel
*Chief Executive Officer,
Chairman & Managing Director*

AUDITORS' CERTIFICATE ON REPORT ON CORPORATE GOVERNANCE

**To The Members of
Bodal Chemicals Limited**

We have examined the compliance of conditions of Corporate Governance by **BODAL CHEMICALS LIMITED** for the year ended March 31,2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

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 certificate of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and 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 listing agreement.

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

For Mayank Shah & Associates
Chartered Accountants
(Firm Registration No. 106109W)

Place : Ahmedabad
Date : 31/08/2012

(M.S.Shah)
Partner
Mem. No. 44093

CERTIFICATION BY CEO & CFO OF THE COMPANY

We, Suresh J. Patel, Chief Executive Officer and Ramesh P. Patel, Chief Financial Officer of Bodal Chemicals Ltd., to the best of our knowledge and belief certify that ;

1. We have reviewed the Balance Sheet, Profit & Loss Account, its schedule and notes to accounts and cash flow statement for the year ended 31st March, 2012 and that to the best of our knowledge and belief :
 - (a) these statement do not contain any materially untrue statement or omit any material facts or contain statements that might be misleading ;
 - (b) these statement together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- 2 We also certify, to the best of our 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.
- 3 We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- 4 We have indicated to the auditors and the Audit Committee :-
 - (a) significant changes in internal control over financial reporting during the year ;
 - (b) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements ; and
 - (c) 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.

Date : 31-8-2012
Place : Ahmedabad

Suresh J. Patel
Chief Executive Officer
Chairman & Managing Director

Ramesh P. Patel
Chief Financial Officer
Executive Director

AUDITORS' REPORT

To,
The Members of
Bodal Chemicals Ltd.

1. We have audited the attached Balance Sheet of BODAL CHEMICALS LIMITED (the "Company"), as at 31st March, 2012 and also the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion subject to following .

We are unable to examine as per the accepted Standards of Auditing issued by Institute of Chartered Accountants of India, evidence supporting the amount of Income covered in the Disclosure under the Income Tax Act and its utilization thereof more particularly described in Note No. 37 to the Financial Statement and accordingly are unable to comment on the same.

3. As required by the Companies (Auditors' Report) Order, 2003 as amended by The Companies (Auditor's Report) Amendment Order, 2004 (together the "Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the annexure referred to in paragraph 3 above, we report that:
 - A. We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit ;
 - B. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - C. The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account ;
 - D. In our opinion, the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Sub-section 3 (c) of section 211 of the Act ;
 - E. On the basis of written representations received from the directors, as on 31st March 2012 and taken on record by Board of Directors, none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act ;
 - F. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner, the information required by the Act and subject to disclosure of Income of Rs. 1081.23 Lacs Under Section 132(4) of the Income Tax Act, 1961 more particularly described in Note No. 37 give a true and fair view in conformity with the accounting principles generally accepted in India.
 - (i) In case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2012
 - (ii) In case of the Statement of Profit & Loss, of the loss for the year ended on that date; and
 - (iii) In case of Cash Flow Statement, of the cash flows for the year ended on that date.

For Mayank Shah & Associates
(Firm Registration No. 106109W)
Chartered Accountants

(M.S.Shah)
Partner
Mem. No. 44093

Place : Ahmedabad
Date : 31/08/2012

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 3 of our Auditors' Report of even date to the members of Bodal Chemicals Limited on the financial statements as of and for the year ended 31st March 2012)

- 1
 - a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
 - b) According to the information and explanation given to us, the Company has formulated a regular program of verification by which all the assets of the company shall be verified in a phased manner, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, portion of fixed assets have been physically verified by the management during the year and no material discrepancies between the book records and physical inventory have been noticed.
 - c) In our opinion, and according to information and explanations given to us, a substantial part of its fixed assets has not been disposed off by the company during the year.
- 2
 - a) The inventory has been physically verified by the Management during the year. In our opinion the frequency of verification is reasonable.
 - b) In our opinion, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the company and the nature of the business.
 - c) On the basis of our examination of the inventory records, in our opinion, the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of account.
- 3
 - a) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act, and therefore, clause of rates of interest and other terms & conditions and repayment is not applicable to the company.
 - b) The Company had taken unsecured loan from the 3 (Three) parties listed in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 508.21 lacs & the year end balance of loans was Rs. Nil.
 - c) According to the information and explanation given to us, repayment of the principal amount is as stipulated and payments of interest, wherever applicable, have been regular.
 - d) In our opinion the rate of interest and other terms and conditions of such loans are not *prima facie* prejudicial to the interest of the Company.
- 4 In our opinion and according to the information and explanation given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to the purchase of inventory and fixed assets and for the sale of goods. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanation given to us, no major weakness have been noticed or reported.
- 5
 - a) In our opinion and according to the information given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
 - b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- 6 In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal on the Company.
- 7 The internal audit function is carried out by outside agency appointed by the management, the scope and coverage of which, in our opinion requires to be enlarged to be commensurate with the size and nature of its business.
- 8 We have broadly reviewed the books of accounts and records maintained by the company relating to the manufacturing of Chemical products comprising Dyes, Dyes Intermediates and Basic Chemicals where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act, and are of the opinion that, *prima facie*, the prescribed accounts and records have been made & maintained. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete.

- 9 a) According to the information and explanations given to us and records of the company examined by us, in our opinion, the company is regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty and other material statutory dues as applicable, with the appropriate authorities.
- b) According to the information and explanation given to us and the records of the Company examined by us, there are no dues of Wealth tax and Sales Tax which have not been deposited on account of any dispute and the particulars of dues of Income Tax, Services Tax, Customs Duty and Excise Duty as at 31st March 2012 which has not been deposited on account of a dispute, are as follows :

Name of the Statute	Statement of Disputed Dues			
	Nature of the Dues	Amount (Rs. in lacs)	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961.	Income Tax	0.19	A.Y. 1999-2000	Income Tax Appellate Tribunal
	Income Tax	61.57	A.Y. 2007-2008	Income Tax Appellate Tribunal
	Income Tax	29.65	A.Y. 2008-2009	Commissioner of Income Tax (Appeals)
	Income Tax	87.91	A.Y. 2007-2008	Commissioner of Income Tax (Appeals)
	Penalty	0.59	A.Y. 2006-2007	Commissioner of Income Tax (Appeals)
	Income Tax	68.13	A.Y. 2007-2008	Commissioner of Income Tax (Appeals)
Central Excise Act, 1944.	Excise Duty	1.18	2010-2011	CESTAT, Ahmedabad
	Excise Duty & Penalty	1.58	2011-2012	Commr.C.Ex. Ahmedabad-I
	Excise Duty	1.65	2011-2012	Commr.C.Ex. Ahmedabad-I
	Excise Duty & Penalty	15.80	2011-2012	Commr. Central Excise, Surat-II
Service Tax (Finance Act 1994)	Service Tax	12.08	2006-2007 to 2010-2011	The Commissioner (Appeals), Central Excise – Ahmedabad
	Service Tax	1.35	2011-2012	CESTAT, Ahmedabad
	Service Tax and Penalty	59.18	2005-2006 to 2007-2008	CESTAT, Ahmedabad
	Service Tax	23.21	2005-2006 to 2007-2008	The Commissioner to (Appeals), Central Excise – Ahmedabad
	Service Tax	0.23	2010-2011	Commi.S.Tax Ahmedabad-I
	Service Tax & Penalty	0.62	2011-2012	Commi.S.Tax Ahmedabad-I
Customs Act, 1962.	Duty, Penalty, Interest & Fine	10.11	2007-2008	CESTAT, Additional West Zonal Bench, Ahmedabad.

10. The company's accumulated losses at the end of the financial year are less than fifty per cent of its net worth. it has incurred cash losses in current financial year however it has not incurred cash losses during immediately preceding financial year.
11. According to records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to banks and financial institutions as at Balance sheet date.
12. According to the information and explanation given to us the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statue applicable to chit fund, nidhi, or any mutual fund / societies are not applicable to the company.
14. In our opinion and according to the information and explanation given to us, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. According to the information and explanation given to us the Company has not given guarantee for loans taken by others from banks or financial institutions.
16. To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, the term loans raised during the year were *prima facie* been utilized for the purposes for which they were obtained.
17. According to the information and explanations given to us and on overall examination of the balance sheet and cash flow statement of the Company, we report that Company has used funds raised on short term basis for long term investments.
18. According to the information and explanations given to us, during the period covered by our audit report, the Company has made preferential allotment of equity shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956. In Our opinion the price at which shares have been issued is not prejudicial to the interest of the company.
19. According to the information and explanations given to us, during the year covered by our report, the Company has not issued any secured debentures.
20. The Company has not raised any money by way of a public issue during the year.
21. During the course of our examination of the books of account and records of the company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor we have been informed of such case by the management.

For Mayank Shah & Associates
(Firm Registration No. 106109W)
Chartered Accountants

Place : Ahmedabad
Date : 31/08/2012

(M.S.Shah)
Partner
Mem. No. 44093

BALANCE SHEET AS AT 31ST MARCH, 2012

[Rs. in Lacs]

PARTICULARS	NOTE	As at 31st March, 2012	As at 31st March, 2011
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds :			
(a) Share Capital	3	2,182.15	1,990.23
(b) Reserves and Surplus	4	3,756.87	4,810.46
(c) Money received against share warrants	5	Nil	1,063.13
(2) Deferred Grant	6	27.65	32.93
(3) Non-Current Liabilities			
(a) Long-term borrowings	7	11,102.14	13,191.03
(b) Deferred Tax Liability (Net)	8	858.39	1,892.76
(4) Current Liabilities			
(a) Short-term borrowings	9	18,860.65	12,561.27
(b) Trade Payables	10	11,840.05	11,105.24
(c) Other Current Liabilities	11	8,213.77	6,955.02
(d) Short Term Provisions	12	90.40	920.30
TOTAL		56,932.07	54,522.37
II. ASSETS			
(1) Non - Current Assets :			
(a) Fixed Assets	13		
(i) Tangible Assets		27,553.68	27,055.80
(ii) Intangible Assets		98.69	73.05
(iii) Capital work-in-progress		133.95	59.47
(b) Non-Current Investments	14	190.75	239.93
(c) Long Term Loans and Advances	15	671.41	646.72
(d) Other Non-current assets	16	732.91	722.60
Foreign Currency Monetary Item Difference Account (Net of Amortisation)		Nil	0.54
(2) Current Assets			
(a) Inventories	17	7,655.09	8,930.47
(b) Trade Receivables	18	15,224.89	12,461.61
(c) Cash and Bank Balances	19	459.33	477.65
(d) Short - Term Loans & Advances	20	4,200.98	3,841.72
(e) Other Current Assets	21	10.39	12.81
TOTAL		56,932.07	54,522.37

Summary of Significant Accounting Policies 2

The notes are an integral part of the financial statements

As per our report of even date attached

For **Mayank Shah & Associates**
(Firm Registration No. 106109W)
Chartered Accountants

(M.S. Shah)
Partner
Membership No. 44093

Place : Ahmedabad
Date : 31.08.2012

For and on behalf of the Board of Directors

(Suresh J. Patel)
Chairman & Managing Director

(Ramesh P. Patel)
Executive Director

(Ashutosh B. Bhatt)
Company Secretary

Place : Ahmedabad
Date : 31.08.2012

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

[Rs. in Lacs]

PARTICULARS	NOTE	Current year	Previous Year
INCOME			
I. Revenue from operations	22	60,334.62	57,132.10
II. Other Income	23	148.14	109.53
Total Revenue (I+II)		60,482.76	57,241.63
EXPENDITURE			
Cost of materials consumed	24	40,097.48	38,242.38
Purchases of Stock-in Trade	25	4,619.06	1,901.59
Changes in Inventories of Finished Goods, Stock in Process and stock in Trade	26	125.09	(2,439.50)
Employee Benefits Expenses	27	3,300.68	2,989.93
Finance Costs	28	3,380.77	2,263.02
Depreciation and Amortisation expense	29	1,600.38	1,379.90
Other Expenses	30	11,730.28	10,389.85
Total Expenses		64,853.74	54,727.17
(Loss) / Profit Before Exceptional Items and Taxes		(4,370.98)	2,514.46
Exceptional Items	31	505.00	Nil
(Loss) / Profit Before Taxes		(3,865.98)	2,514.46
Tax Expenses			
Current Tax		Nil	500.31
Deferred Tax		(1,034.37)	766.44
Taxes of earlier years		Nil	72.32
		(1,034.37)	1,339.07
Less : MAT Credit Entitlement		Nil	(500.31)
		(1,034.37)	838.76
(Loss) / Profit for the Year		(2,831.61)	1,675.70
Basic Earnings per Share of Face Value of Rs. 2/- each (in Rs.)		(2.74)	1.68
Diluted Earnings per Share of Face Value of Rs. 2/- each (in Rs.)		(2.74)	1.42

Summary of Significant Accounting Policies

2

The notes are an integral part of the financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

For **Mayank Shah & Associates**
(Firm Registration No. 106109W)
Chartered Accountants

(Suresh J. Patel)
Chairman & Managing Director

(M.S. Shah)
Partner
Membership No. 44093

(Ramesh P. Patel)
Executive Director

(Ashutosh B. Bhatt)
Company Secretary

Place : Ahmedabad
Date : 31.08.2012

Place : Ahmedabad
Date : 31.08.2012

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2012

Particulars	[Rs. in Lacs]	
	Year Ended 31-03-2012	Year Ended 31-03-2011
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (loss) before Tax	(3,865.98)	2,514.46
Adjustment for		
Add : Depreciation and amortisation expense	1,600.38	1,379.90
Interest	3,380.77	2,263.02
Miscellaneous Expenditure w/o	6.40	10.74
Provision for Diminution in Investments	47.60	Nil
Foreign Currency Monetary Reserve	0.54	Nil
Loss on Sale of Assets	21.66	5.48
Less : Interest/Dividend/Rent received	74.85	40.06
Profit on sale of Fixed Assets	500.00	Nil
Grant Income	5.28	5.28
Foreign Currency Monetary Reserve	Nil	0.54
Operating profit before Working Capital Changes	611.24	6,127.72
Adjustment for :		
(Increase) / Decrease in Trade Receivables	(2,763.28)	(2,079.75)
(Increase) / Decrease in Inventories	1,275.38	(3,663.31)
(Increase) / Decrease in Loans & Advances, other current / non-current assets	(397.52)	151.14
Less : Increase / (Decrease) in Trade Payables	2,105.17	4,605.78
Cash generated from Operations	830.99	5,141.58
Direct Taxes Paid	313.17	369.44
Net Cash from Operating Activities (A)	517.82	4,772.14
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(2,171.77)	(9,863.42)
Decrease/(Increase) in Capital Work in Progress	(112.52)	4,546.14
Sale of Fixed Assets	526.20	10.71
Interest/Dividend/Rent received	74.85	40.06
Sale of Investment	1.58	Nil
Purchase of investment	Nil	(171.58)
Net Cash used in Investing Activities (B)	(1,681.66)	(5,438.09)
C CASH FLOW FROM FINANCING ACTIVITIES		
Increase / (Decrease) in Long Term Borrowings	(2,088.88)	2,101.37
Increase / (Decrease) in Short Term Borrowings	6,299.38	400.81
Equity Share Capital & Share Premium	145.95	Nil
Capital Reserve on account of forfeiture of share warrants	760.86	Nil
Convertible Share Warrants	Nil	1,063.13
Interest Paid	(3,380.77)	(2,263.02)
Dividend Paid	(619.53)	(620.79)
Net Cash received from Financing Activities (C)	1,117.01	681.50
NET INCREASE/(DECREASE) IN CASH & EQUIVALENTS	(46.83)	15.55
CASH & CASH EQUIVALENTS- OPENING BALANCE	78.16	62.61
CASH & CASH EQUIVALENTS- CLOSING BALANCE	31.33	78.16

Note : The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard AS - 3 on Cash Flow Statements issued by The Institute of Chartered Accountants of India.

As per our report of even date attached

For and on behalf of the Board of Directors

For **Mayank Shah & Associates**
(Firm Registration No. 106109W)
Chartered Accountants

(Suresh J. Patel)
Chairman & Managing Director

(M.S. Shah)
Partner
Membership No. 44093

(Ramesh P. Patel)
Executive Director

(Ashutosh B. Bhatt)
Company Secretary

Place : Ahmedabad
Date : 31.08.2012

Place : Ahmedabad
Date : 31.08.2012

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

1. Company Information:

Bodal Chemicals Limited (the 'Company') is a public limited company listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The company is a market leader in the Dyes, Dyes Intermediates and Basic Chemicals.

The Company has a wholly owned subsidiary Bodal Agrotech Ltd., which is in the business of trading of vegetables, fruits and food grains.

2. Significant Accounting Policies :

a) Accounting Conventions

I) Basis of Preparation of Financial Statements

The financial statements of the Company are prepared under the historical cost convention on accrual basis of accounting in all material respects in accordance with the notified Accounting Standards by Companies (Accounting Standards) Rules 2006 (as amended) and the relevant Provisions of the Companies Act, 1956. The accounting policies have been consistently applied by the Company during the year.

II) Presentation And Disclosure Of Financial Statements

During the year ended 31st March, 2012, the revised Schedule-VI notified under Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule-VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosure made in financial statements. The company has also restated the previous year figures in accordance with the requirements applicable for the current year.

III) Use of Estimates

The preparation of the financial statements in conformity with Indian Generally Accepted Accounting Practices requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

b) Fixed Assets

I) Tangible

Fixed Assets are stated at cost of acquisition/construction (net of recoverable taxes) less Accumulated Depreciation and impairment loss if any. Cost of acquisition includes non refundable taxes, duties, freight and other costs that are directly attributable to bringing assets to their working condition for their intended use. All costs, including financing costs till the asset is put to use and adjustments arising from exchange rate variations attributable to the fixed assets are capitalized.

II) Intangible

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to enterprise and the cost of the assets can be measured reliably. The intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortization and accumulated impairment loss, if any.

c) Depreciation / Amortization

I) Tangible

Depreciation on fixed assets is provided on straight line method on pro-rata basis at rates and in manner specified in Schedule XIV of the Companies Act, 1956.

II) Intangible

Goodwill arising due to Amalgamation is amortized over a period of five years. Software costs are amortized over a period of five years or according to the life cycle of software. Licence fees is amortized over a period of ten years. Website is amortized over a period of five years.

d) Capital Work-in-Progress

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

e) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. Current Investments are valued at Cost or Net realizable value whichever is lower. All other investments are classified as long term Investments. Long term investments are stated at cost of acquisition. Provision for diminution in value of long term investments is made, only if such decline is other than temporary.

f) Inventories

Finished goods (including for trade), work-in-process, semi-finished goods for trade, Raw materials, Stores, Spares, Fuel, Components, and Loose Tools are valued at cost or net realizable value whichever is lower. Materials-in-transit are valued at cost-to-date. Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition including excise duty payable on goods produced. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the Company. The cost formulae used for determination of cost is 'First in First Out'.

g) Foreign Currency Translations :

- (i) All Transactions in foreign currency, are recorded at the rates of exchange prevailing as at the date of the transaction.
- (ii) Monetary assets and liabilities in foreign currency, outstanding at the close of the year, are converted in Indian currency at the appropriate rates of exchange prevailing at the close of the year. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Profit and Loss account except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.
- (iii) In respect of forward exchange contracts entered into towards hedge of foreign currency risks, the difference between the forward rate and the exchange rate at the inception of the contract is recognized as income or expenditure over the life of the contract and the exchange difference arising on such contracts are recognized as income or expenditure along with the exchange differences on the underlying assets/liabilities except in case where they relate to the acquisition or construction of fixed assets, in which case, they are adjusted to the carrying cost of fixed assets. Profit or Loss on cancellations/renewals of forward contracts is accounted for during the year.
- (iv) Premium or discount on forward contract, that are not intended for trading or speculation purposes, are amortized over the life of such contract and is recognized as an expense or income.

h) Revenue Recognition

I) Sales

The Company recognises sale of goods when the significant risks and rewards of ownership are transferred to the buyer, which is usually when the goods are dispatched to customers. Sales represents the invoice value of goods and services provided to third parties net of discounts, excise duty, sales tax / value added tax and adjustments arising on analysis variances.

II) Export Benefits

- (i) Export Benefits on the import entitlements issued under the Duty Entitlement Pass Book Scheme, Focus Licence and Duty Free Replenishment Certificate Scheme are accounted for at the estimated realisable value on accrual basis.
- (ii) Import entitlement issued under Duty Drawback receivable is accounted for on accrual basis.

III) Other Income

Other incomes except dividend income are accounted on accrual basis. Dividend Income is recognised when the right to receive the dividend is established.

i) Employee Benefits

1) Short Term Employees Benefit

Short Term Benefits are recognized as expenditure at the undiscounted value in the Profit and Loss Account of the year in which the related services as rendered.

2) Post Employment Benefit

- a. Defined Contribution Plans – Monthly contributions to the Provident Fund and E.S.I. which are defined contribution schemes are charged to Profit and Loss Account and deposited with the Provident Fund and E.S.I. Authorities on monthly basis.
- b. Defined Benefit Plans – Gratuity to Employees are covered under the Employees Group Gratuity Scheme and the premium is paid on the basis of their actuarial valuation using the Projected Unit Credit Method. Actuarial gain and losses arising on such valuation are recognized immediately in the Profit and Loss Account. Any shortfall in case of premature termination / resignation to the extent not reimbursed by LIC is being absorbed in the year of payment. The amount funded by the trust administrated by the Company under the aforesaid policy is reduced from the gross obligation under the defined benefit plan, to recognize the obligation on net basis.

3) Termination Benefit

Termination Benefits are charged to Profit and Loss Account in the year of accrual.

j) Miscellaneous Expenditure

Deferred Expenditure is being written off over a period of five years.

k) Borrowing Cost

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

l) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

m) Taxes on Income

Tax expense for a year comprises of current tax and deferred tax.

Current tax are measured at the amount expected to be paid to the tax authorities, after taking into consideration, the applicable deductions and exemptions admissible under the provisions of the Income tax Act, 1961.

Deferred tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing difference of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. If there is unabsorbed depreciation or carry forward of losses under tax laws, deferred tax assets are recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay income tax higher than that computed under MAT, during the period that MAT is permitted to be set off under the Income Tax Act, 1961.

n) Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. An impairment loss recognized in prior accounting periods is reversed if there has been change in the estimate of the recoverable amount.

o) Governments Grants/Subsidy

Government Grants is recognized when there is a reasonable assurance that the company will comply with the conditions attached to them and grants will be received.

Grants related to depreciable assets are treated as deferred income which is recognized in Profit & Loss Account over the period and in the proportions in which depreciation on related assets is charged.

Government Grants which is in the nature of promoters contribution are credited to Capital Reserve.

When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.

p) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year are adjusted for events such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding without a corresponding change in resources

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

q) Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

r) Operating Cycle

Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle to be less than 12 months.

(Rs. in Lacs)

PARTICULARS	As at 31st March, 2012	As at 31st March, 2011
3. SHARE CAPITAL		
Authorised Share Capital		
15,00,00,000 Equity Shares of Rs.2/- each (P.Y. 15,00,00,000 Equity Shares of Rs. 2/- each)	3,000.00	3,000.00
40,00,000 (P.Y. 40,00,000) Preference Share of Rs. 10/- each	400.00	400.00
	3,400.00	3,400.00
Subscribed & Paid up Share Capital		
10,91,07,370 Equity Shares of Rs. 2/- each (P. Y. 9,95,11,510 Equity Shares of Rs. 2/- each)	2,182.15	1,990.23
TOTAL	2,182.15	1,990.23

- 3.1 Equity shares of Rs. 10 each have been sub-divided into five equity shares of Rs. 2 each pursuant to the resolution passed by the shareholders at the Extra Ordinary Meeting on 28/04/2010
- 3.2 Out of total shares outstanding 3,38,060 Equity shares had been allotted as fully paid on amalgamation of Milestone Organics Ltd. with the company as per High Court Order.
- 3.3 The details of shareholders holding more than 5% shares :

Name of Shareholder	As at 31st March, 2012		As at 31st March, 2011	
	No. of Shares	% held	No. of Shares	% held
Suresh J. Patel	3,33,45,151	30.57	3,35,59,730	33.72
Bhavin S. Patel	78,10,050	7.16	78,10,050	7.85
Ramesh P. Patel	66,35,299	6.08	70,52,800	7.09
Jayanti D. Patel	74,72,845	6.85	66,72,845	6.71

- 3.4 The reconciliation of the number of shares outstanding is set out below :

Particulars	As at 31st March, 2012 No. of Shares	As at 31st March, 2011 No. of Shares
Equity Shares at the beginning of the year	99,511,510	99,511,510
Add : Shares issued on conversion of 1,919,172 share warrants	9,595,860	Nil
Equity Shares at the end of the year	109,107,370	99,511,510

- 3.5 The Company has only one class of equity shares having a par value of Rs. 2/- per share. Each shareholder is eligible for one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion of their shareholding.

(Rs. in Lacs)

PARTICULARS	As at 31st March, 2012	As at 31st March, 2011
4. RESERVES & SURPLUS		
Investment Allowance Reserve - Utilised Account		
As per last Balance Sheet	4.77	4.77
Share Premium		
As per last Balance Sheet	1,203.20	1,203.20
Add : Share premium received on conversion of share warrants	1,017.16	Nil
	2,220.36	1,203.20
Capital Reserves		
As per last Balance Sheet	0.36	0.36
Add : On forfeiture of lapsed warrants	760.86	Nil
	761.22	0.36
Capital Redemption Reserve Fund		
As per last Balance Sheet (The company had created said reserve due to redemption of Preference Shares at par.)	396.71	396.71
General Reserve :		
As per last Balance Sheet	1,383.81	1,208.81
Add:Transfer from Profit and Loss Account	Nil	175.00
	1,383.81	1,383.81
Profit & Loss Account		
As per last Balance Sheet	1,821.61	945.44
Add : (Loss) / Profit During the year	(2,831.61)	1,675.70
	(1,010.00)	2,621.14
Less : Appropriations :		
Proposed Final Dividend on Equity Shares	Nil	537.36
Tax on Dividends	Nil	87.17
Transfer to General Reserve	Nil	175.00
	Nil	799.53
	(1,010.00)	1,821.61
TOTAL	3,756.87	4,810.46

PARTICULARS	(Rs. in Lacs)	
	As at 31st March, 2012	As at 31st March, 2011
5. MONEY RECEIVED AGAINST SHARE WARRANTS		
67,50,000 (P.Y. 67,50,000) optionally convertible equity share warrants of Rs. 63/- each	4,252.50	4,252.50
	4,252.50	4,252.50
Optionally Convertible Warrants of Rs. 63/- each		
Opening Balance		
67,50,000 (P.Y. Nil) warrants paid up Rs. 15.75 each	1,063.13	Nil
Add : 67,50,000 warrants issued during the year paid up Rs. 15.75 each	Nil	1,063.13
Add : Options exercised for 19,19,172 warrants and balance Rs. 47.25 per warrant paid up	906.81	Nil
	1,969.94	1,063.13
Less : Transfer to Share Capital and Premium on conversion of 19,19,172 warrants of Rs. 63/- each fully paid up	1,209.08	Nil
Less : Transfer to Capital Reserve (48,30,828 warrants of Rs. 15.75 each for non-exercise of right of conversion)	760.86	Nil
TOTAL	Nil	1,063.13
6. DEFERRED GRANT		
Grant From World Bank :	32.93	38.21
Less : Transfer to current year's Profit & Loss Account	(5.28)	(5.28)
TOTAL	27.65	32.93
7. LONG TERM BORROWINGS		
Secured		
Term loan from Banks	10,784.54	11,621.14
Term loan from Others	Nil	396.58
Unsecured		
Public Deposits	239.42	196.89
Trade Deposits	40.46	100.78
Loan From Members	37.72	555.00
Loans From Corporates	Nil	320.64
TOTAL	11,102.14	13,191.03

7.1 Nature of Security and terms of repayment for Long Term secured borrowings:

Nature of Security	Terms of Repayment
<p>Term loan amounting to Rs.1727.45 lacs (March 31, 2011:Rs.2091.79 lacs)</p> <p>Secured by 1st charge on immovable properties of the company situated at Plot No. 252,253,254 GIDC, Vatva and Plot No. 804 of Padra Unit and Hyp. of entire P&M and other equipment acquired through the term loan.</p>	<p>Repayable in 18 quarterly installments starting from June, 2010. Last installment due in September, 2014. Rate of interest LIBOR + 5.00%. P.a. at year end(Previous year LIBOR +5.00% p.a. at year end)</p>
<p>Term loan amounting to Rs.4694.15 lacs (March 31, 2011:Rs.5511.40 lacs)</p> <p>Secured by 1st charge on immovable properties of the company situated at Plot No. 804 & Block No. 800, 803/1, 797, 796, 795, 532, 555, 556, 560, 561/1 and 525, Village Dudhavada, Taluka Padra, Varodara and Hyp. of entire P&M and other equipment acquired through the term loan.</p>	<p>Repayable in 32 quarterly installments starting from April, 2011.Last installment due in March, 2019. Rate of interest LIBOR + 4.50 % at year end(Previous year LIBOR + 4.50% at year end)</p>
<p>Term loan amounting to Rs.4588.44 lacs (March 31, 2011:Rs.4984.02 lacs)</p> <p>Secured by 1st charge on immovable properties of the company situated at Plot No. 804 & Block No. 800, 803/1, 797, 796, 795, 532, 555, 556, 560, 561/1 and 525, Village Dudhavada, Taluka Padra, Varodara and Hyp. of entire P&M and other equipment acquired through the term loan.</p>	<p>Repayable in 32 quarterly installments starting from April, 2011. Last installment due in March, 2019. Rate of interest 14.75% p.a.as at year end. (Previous year 13.00 % p.a.)</p>
<p>Working Capital Term loan amounting to Rs.402.02 lacs (March 31, 2011:Rs.518.00 lacs)</p> <p>secured by 1st pari pasu charge on entire current assets of the company</p>	<p>Repayable in 60 monthly installments starting from April, 2010. Last installment due in March, 2015. Rate of interest 14.50% p.a.as at year end. (Previous year 12.50% p.a.)</p>
<p>Working Capital Term loan amounting to Rs.2100.00 lacs (March 31, 2011:Rs.Nil)</p> <p>secured by 1st pari pasu charge on entire current assets the company</p>	<p>Repayable in 20 Quarterly installments starting of from April, 2012.Last installment due in March, 2017. Rate of interest 15.00% p.a.as at year end. (Previous year Nil)</p>
<p>Working Capital Term loan amounting to Rs.101.40 (March 31, 2011:Rs.497.17 lacs)</p> <p>secured by 1st pari pasu charge on entire current assets of the company</p>	<p>Repayable in 20 Quarterly installments starting from April, 2012.Last installment due in March, 2017. Rate of interest 14.90% p.a.as at year end. (Previous year 13.75% p.a.)</p>
<p>Vehicle loan amounting to Rs.118.39 lacs (March 31, 2011:Rs.148.86 lacs)</p> <p>Secured by Hire Purchase agreement for Vehicles.</p>	<p>Repayable in monthly installments. Interest rate from 9% to 12%</p>

- 7.2 Term Loans are collaterally further secured by equitable mortgage on Immovable property and Hyp. Of P&M of the company. It is further secured by personal guarantees of the Chairman and Managing Director and Executive directors. It is further secured by pledge of equity shares of the company held by the directors.
- 7.3 Maturity profile and Rate of interest of Public Deposit are as set out below (Rs. In Lacs)

Rate of Interest	Maturity Profile	
	2013-14	2014-15
9.00%	Nil	150.00
11.00%	1.30	Nil
11.25%	1.45	Nil
11.50%	7.80	7.18
11.75%	6.89	12.80
12.00%	2.00	50.00

- 7.4 Installments falling due in respect of all the above Loans upto 31/03/2013 have been grouped under "Current maturities of long-term debt".
- 7.5 Company had moved proposal, for restructuring of its various bank loans, to Corporate Debt Restructure Cell through Union Bank of India, the Monitoring Institution (MI). The same has been admitted by the Cell in their meeting dtd. 25/06/2012 with cut off date as 01/04/2012. The MI need to submit final restructure report by 22/09/2012. On approval of the same by CDR Cell, various bank limits will get restructured including repayment schedule for the same. That proposed changes have not been considered while preparing this accounts.

PARTICULARS	(Rs. in Lacs)	
	As at 31st March, 2012	As at 31st March, 2011
8. DEFERRED TAX LIABILITY (NET)		
Deferred Tax Liability on account of Depreciation allowable	3,202.52	2,780.77
Deferred Tax Asset on account of Unabsorbed Depreciation & c/f loss	(2,309.25)	(876.31)
Employee Benefits	(34.88)	(11.70)
TOTAL	858.39	1,892.76
9. SHORT TERM BORROWINGS		
Secured		
Cash Credit Facility	5,726.45	4,005.77
Packing Credit Facility	4,515.21	2,968.63
Bills Discounting Facility	6,078.63	4,253.47
Buyers Credit Facility	2,281.22	658.40
Unsecured		
Loans From Corporates	250.00	675.00
Trade Deposits	9.14	Nil
TOTAL	18,860.65	12,561.27

- 9.1 Cash Credit Facility and Packing Credit Facility are primarily secured by Hyp. Of Stock of Raw material, Work in Process, Finished Goods and Book Debts of the company.
- 9.2 Bills discounting facility is primarily secured by hyp. of bills drawn under letter of credit.
- 9.3 Buyers' Credit facility is primarily secured by hyp. Of stocks received under letter of credit.
- 9.4 Cash Credit, Packing Credit, Bill Discounting and Buyers Credit facility are collaterally further secured by equitable mortgage on Immovable property and Hyp. Of P&M of the company and personal guarantees of the Chairman and Managing Director and Executive directors. It is further secured by pledge of equity shares of the company held by the directors.

PARTICULARS	(Rs. in Lacs)	
	As at 31st March, 2012	As at 31st March, 2011
10. TRADE PAYABLES		
For Goods	8,612.19	8,181.22
For Others	3,227.86	2,924.02
TOTAL	11,840.05	11,105.24

10.1 Other Trade payables represents amount payable to various parties for packing material, consumables and expenses.

10.2 The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to amount unpaid as at year end together with interest paid payable under this Act have not been given.

PARTICULARS	(Rs. in Lacs)	
	As at 31st March, 2012	As at 31st March, 2011
11. OTHER CURRENT LIABILITIES		
Advance Recieved from Customer	907.94	729.95
Current Maturities of Long Term Debt	3,586.35	3,138.81
Creditors for Capital Goods	341.44	411.57
Other Current Liabilities	3,184.09	2,368.44
Unclaimed Dividends*	22.40	17.39
Unclaimed Share Application Money*	0.41	0.50
Statutory Liabilities #	171.14	288.36
TOTAL	8,213.77	6,955.02

* There are no amounts due for payment to the Investor Education and Protection Fund Under Section 205C of the Companies Act, 1956 as at the year end.

Statutory liabilities represent amounts payable towards VAT, CST, Excise duty and TDS etc.

PARTICULARS	(Rs. in Lacs)	
	As at 31st March, 2012	As at 31st March, 2011
12. SHORT TERM PROVISIONS		
Provision for Employee Benefits	89.78	43.29
Provision for Taxes (Net)	Nil	251.84
Provision for Wealth Tax	0.62	0.64
Proposed Final Dividend	Nil	537.36
Tax on Dividend	Nil	87.17
TOTAL	90.40	920.30

13. FIXED ASSETS
(Rs. in Lacs)

Name of the Asset	GROSS BLOCK			DEPRECIATION AND AMORTISATION				NET BLOCK		
	As At 01-04-11	Addition	Deduction/ Adjustments	As At 31-03-12	As At 01-04-11	Addition	Deduction/ Adjustments	As At 31-03-12	As At 31-03-12	As At 31-03-11
TANGIBLE ASSETS										
Land and Land Development	445.31	500.40	Nil	945.71	Nil	Nil	Nil	Nil	945.71	445.31
Factory Building	7,017.96	567.00	4.27	7,580.69	479.29	242.31	0.21	721.39	6,859.30	6,538.67
Office Building	154.89	0.64	Nil	155.53	10.97	2.53	Nil	13.50	142.03	143.92
Plant & Machinery	22,961.15	997.74	13.90	23,944.99	4,259.98	1,221.90	1.41	5,480.47	18,464.52	18,701.17
Furniture & Fixture	432.57	13.50	0.15	445.92	77.20	26.83	0.01	104.02	341.90	355.37
Office Equipment	155.74	15.90	0.25	171.39	51.64	15.21	0.05	66.80	104.59	104.10
Vehicles	436.71	20.21	50.03	406.89	125.21	42.23	19.04	148.40	258.49	311.50
E.T.P.	365.26	5.81	Nil	371.07	66.30	19.40	Nil	85.70	285.37	298.96
Laboratory equipments	183.01	3.83	Nil	186.84	26.21	8.86	Nil	35.07	151.77	156.80
Total	32,152.60	2,125.03	68.60	34,209.03	5,096.80	1,579.27	20.72	6,655.35	27,553.68	27,055.80
Total - Previous Year	22,352.16	9,823.20	22.76	32,152.60	3,738.41	1,364.96	6.57	5,096.80	27,055.80	18,613.74
INTANGIBLE ASSETS										
Good will	1,046.80	Nil	Nil	1,046.80	1,040.21	6.60	Nil	1,046.81	Nil	6.59
Computer Software	12.41	12.04	Nil	24.45	4.13	4.28	Nil	8.41	16.04	8.28
Membership Fees	67.50	34.23	Nil	101.73	9.72	10.10	Nil	19.82	81.91	57.78
Website	0.45	0.47	Nil	0.92	0.05	0.13	Nil	0.18	0.74	0.40
Total	1,127.16	46.74	Nil	1,173.90	1,054.11	21.11	Nil	1,075.22	98.69	73.05
Total - Previous Year	1,086.94	40.22	Nil	1,127.16	1,039.17	14.94	Nil	1,054.11	73.05	47.78
Total	33,279.76	2,171.77	68.60	35,382.93	6,150.91	1,600.38	20.72	7,730.57	27,652.37	27,128.85
Previous Year	23,439.10	9,863.42	22.76	33,279.76	4,777.58	1,379.90	6.57	6,150.91	27,128.85	18,661.52
Capital Work in Progress									133.95	59.47
TOTAL FIXED ASSETS									27,786.32	27,188.32



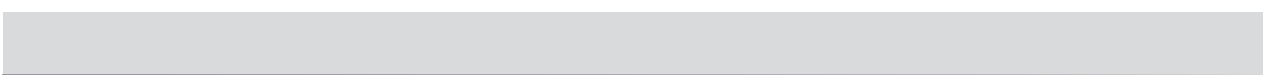
PARTICULARS	(Rs. in Lacs)	
	As at 31st March, 2012	As at 31st March, 2011
14. NON - CURRENT INVESTMENTS		
LONG TERM INVESTMENTS		
TRADE INVESTMENTS		
A Quoted		
100 (P.Y. 100) Equity Shares of Beta Nephthol Ltd. of Rs. 10/- Each Fully Paid Up	0.03	0.03
50,000 (P.Y. 50,000) Equity Shares of Dynamic Industries Ltd. of Rs. 10/- Each Fully Paid Up	52.05	52.05
	52.08	52.08
Less : Provision for diminution in Investments	47.63	0.03
TOTAL	4.45	52.05
B Unquoted		
1 250 (P.Y.250) Equity Shares of Green Environment Ser. Co-op.Soc. Ltd. of Rs. 100/- each Fully Paid Up	0.25	0.25
2 112,350 (P.Y. 112350) Equity Shares of Bharuch Enviro Infrastructure Ltd of Rs. 10/-each Fully Paid Up	11.23	11.23
3 100 (P.Y.100) Equity Shares of Guj.Ind. Waste Mng. Co. Ltd. of Rs. 10/- Each Fully Paid Up	0.01	0.01
4 2,902 (P.Y.2902) Equity Shares of The Bhagoydaya Co-op. Bank Ltd. of Rs. 100/- Each Fully Paid Up	2.90	2.90
5 10,200 (P.Y.10,200) Equity Shares of Panoli Enviro Technology Ltd. of Rs. 10/- Each Fully Paid Up	1.02	1.02
6 3,542 (P.Y.3,542) Equity Shares of Makarpura Ind.Est. Co-op. Bank Ltd. of Rs. 25/- Each Fully Paid Up	0.89	0.89
TOTAL OF TRADE INVESTMENTS	16.30	16.30
OTHER NON CURRENT INVESTMENTS		
Unquoted		
17,00,000 (P.Y. 17,00,000) Equity Shares of Bodal Agrotech Ltd. of Rs. 10/- Each Fully Paid Up	170.00	170.00
Share Application money in Bodal Agrotech Ltd.	Nil	1.58
TOTAL OF OTHER NON-CURRENT INVESTMENTS	170.00	171.58
TOTAL OF NON-CURRENT INVESTMENTS.....	190.75	239.93
Aggregate of Quoted Investments:		
At Book value	4.45	52.05
At Market Price	4.45	4.75
Aggregate of Unquoted Investments:	186.30	187.88
Aggregate provision for diminution in value of investments	47.63	0.03

PARTICULARS	(Rs. in Lacs)	
	As at 31st March, 2012	As at 31st March, 2011
15. LONG TERM LOANS & ADVANCES (Unsecured and Considered Good)		
Capital Advances	7.20	39.28
Security Deposits	68.97	73.04
Other Advances		
Balance With Statutory Authorities	219.20	227.11
Advance Income Tax (Net)	236.44	175.12
Staff Advances	46.75	50.72
Others*	92.85	81.45
TOTAL	671.41	646.72
* Others include Advance to others and Insurance Claim receivable.		
16. OTHER NON-CURRENT ASSETS		
Deferred Revenue Expenses	Nil	4.33
Less : Transferred to P & L Account	Nil	4.33
	Nil	Nil
MAT Credit Entitlement	704.51	704.51
Cash seized by the Income Tax Department	9.87	Nil
Term Deposits with original maturity of more than twelve months	18.53	18.09
TOTAL	732.91	722.60
17. INVENTORIES		
Raw Materials	1,601.43	2,686.88
Raw Materials in Transit	383.08	173.65
Finished Goods	1,117.03	2,142.08
Finished Goods in Transit	13.72	Nil
Stock in Trade	2.98	Nil
Stock In Process	4,195.43	3,425.01
Packing Materials	113.72	134.24
Packing Materials in Transit	Nil	2.41
Stock of Fuel	31.79	87.05
Stores and Spares	195.91	279.15
TOTAL	7,655.09	8,930.47

PARTICULARS	(Rs. in Lacs)	
	As at 31st March, 2012	As at 31st March, 2011
17.1 Details of Raw materials		
Sulphur	33.47	51.47
Napthelene	20.21	507.33
Ethylene Oxide	12.05	10.88
Acetanilide	27.69	83.37
Caustic Soda Flakes	21.08	123.79
Others	1,486.93	1,910.04
	1,601.43	2,686.88
17.2 Details of Finished Goods		
Vinyl Sulphone	62.83	98.70
Reactive / Acid Dyes Sales	692.29	1,390.73
Others	361.91	652.65
	1,117.03	2,142.08
18. TRADE RECEIVABLES		
Trade receivables outstanding for a period exceeding six months from the due date for payment		
Unsecured & Considered Good	598.15	283.42
Trade receivables outstanding for a period less than six months from the due date for payment		
Unsecured & Considered Good	14,626.74	12,178.19
TOTAL	15,224.89	12,461.61
19. CASH AND BANK BALANCES		
Cash & Cash Equivalents		
Cash on hand	19.80	56.97
Balance with Banks	11.54	21.19
	31.34	78.16
Other Bank Balances		
Term Deposits with original maturity of more than three months but less than twelve months	405.18	381.60
Unclaimed Dividend Accounts	22.40	17.39
Unclaimed Share Application Account	0.41	0.50
	427.99	399.49
TOTAL	459.33	477.65

PARTICULARS	(Rs. in Lacs)	
	As at 31st March, 2012	As at 31st March, 2011
20. SHORT TERM LOANS & ADVANCES		
(Unsecured & considered good unless otherwise stated)		
Advance Receivable in cash or kind		
Advance to Suppliers		
For Goods	1,034.38	236.33
For Expenses	36.07	74.81
Other Advances		
Balance with Statutory Authorities	2,518.89	2,788.11
Staff Advances	39.79	48.87
Others*	571.85	693.60
TOTAL	4,200.98	3,841.72
* Others include Export Benefit receivable, Advance to others, Tour Advances, Prepaid Expenses & Gratuity Planned Assets.		
21. OTHER CURRENT ASSETS		
Deferred Revenue Expenses	12.81	19.21
Less : Transferred to P & L Account	6.40	6.40
	6.41	12.81
Unamortised Premium on Forward Contracts	3.98	Nil
TOTAL	10.39	12.81
22. REVENUE FROM OPERATIONS		
Sale of products	63,900.07	60,545.05
Less : Excise Duty	4,593.72	4,720.43
Sale of products (net)	59,306.35	55,824.62
Other Operating Income	1,028.27	1,307.48
TOTAL	60,334.62	57,132.10
22.1 Details of Sales of Products		
Sale of Manufactured Goods		
Vinyl Sulphone	9,355.26	10,300.44
Reactive / Acid Dyes Sales	19,788.05	18,711.04
Others	24,311.53	22,927.30
	53,454.84	51,938.78
Job Work Income	21.35	4.78
Raw Materials Sales	1,095.67	1,609.73
Sale of Stock in Trade	4,734.49	2,271.33
Total of Sale of Products (Net)	59,306.35	55,824.62

22.2 Other operating income includes export benefit, scrap sales, etc.



PARTICULARS	(Rs. in Lacs)	
	As at 31st March, 2012	As at 31st March, 2011
23. OTHER INCOME		
Interest Income	73.35	38.61
Dividend Income	1.50	1.45
Grant Income	5.28	5.28
Exchange Rate Difference (Net)	Nil	62.77
Premium / Discount on Forward Contracts	55.93	Nil
Other Income	12.08	1.42
TOTAL	148.14	109.53
24. COST OF MATERIALS CONSUMED		
Opening Stock	2,860.53	1,950.31
Add. Purchases during the year	39,221.46	39,152.60
	42,081.99	41,102.91
Less : Closing Stock	1,984.51	2,860.53
TOTAL	40,097.48	38,242.38
24.1 Major Raw Materials consumed		
Sulphur	6,005.15	2,277.14
Napthelene	3,735.28	3,724.84
Ethylene Oxide	2,571.09	2,162.07
Acetanilide	2,481.95	2,313.65
Caustic Soda Flakes	2,272.65	1,582.78
Others	23,031.36	26,181.90
	40,097.48	38,242.38

24.2 Composition of Materials Consumed

(Rs. in Lacs)

	2011-12		2010-11	
Imported	4,637.09	11.56%	4,791.73	12.53%
Indigenous	35,460.39	88.44%	33,450.65	87.47%

PARTICULARS	(Rs. in Lacs)	
	As at 31st March, 2012	As at 31st March, 2011
25. PURCHASE OF STOCK IN TRADE		
Purchase of Stock in Trade	4,619.06	1,901.59
TOTAL	4,619.06	1,901.59
26. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN PROCESS AND STOCK IN TRADE		
Closing Stock Finished Goods	1,130.75	2,142.08
Closing Stock In Process	4,195.42	3,425.01
Closing Stock of Stock - in Trade	2.97	Nil
TOTAL (A)	5,329.14	5,567.09
Less : Opening Stock Finished Goods	2,142.08	1,294.14
Opening Stock In Process	3,425.01	1,749.89
Opening Stock of Stock - in Trade	Nil	Nil
TOTAL (B)	5,567.09	3,044.03
TOTAL (A) - (B)	(237.95)	2,523.06
Add / (Less) : Variation in Excise Duty on Closing and Opening Stock of Finished Goods	112.86	(83.56)
TOTAL	(125.09)	2,439.50
27. EMPLOYEE BENEFIT EXPENSES		
Salary, Wages & Bonus	3,014.86	2,731.71
Contribution to Provident & Other Funds	139.09	142.13
Staff Welfare Expenses	146.73	116.09
TOTAL	3,300.68	2,989.93
28. FINANCE COSTS		
Bank Interest	2,806.85	1,900.56
Other Borrowing Cost	237.95	202.90
Other Interest Expenses	335.97	159.56
TOTAL	3,380.77	2,263.02
29. DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation	1,579.27	1,364.96
Amortisation of Intangible Assets	21.11	14.94
TOTAL	1,600.38	1,379.90

PARTICULARS	(Rs. in Lacs)	
	As at 31st March, 2012	As at 31st March, 2011
30. OTHER EXPENSES		
Manufacturing Expenses		
Power & Fuel Consumption	4,734.45	5,139.88
Stores Consumption	747.28	348.20
Repairs to		
Machinery	815.65	593.55
Building	44.25	23.67
Pollution Control Expenses	611.91	487.77
Insurance Expenses	26.26	21.43
Other Manufacturing Expenses	162.65	127.68
Administrative & General Expenses		
Insurance Expenses	9.93	7.89
Rent & Tax	51.10	56.53
Legal & Professional Fees	207.82	195.26
Loss on Disposal of Assets	21.67	5.48
Provision for diminution in investments	47.60	Nil
Premium / Discount on Forward Contracts	Nil	67.22
Exchange Rate Difference (Net)	749.61	Nil
Miscellaneous Expenses	468.83	549.33
Selling & Distribution Expenses		
Packing Material Consumption	749.54	676.46
Clearing & Forwarding Charges	544.38	580.09
Sales Commission	735.89	810.39
Outward Freight Expenses	602.16	534.05
Bad Debts Written off	109.33	2.27
Other Selling and Distribution expenses	289.97	162.70
TOTAL	11,730.28	10,389.85
30.1 Legal & Professional Fees includes payment to auditors (excluding service tax) as below:		(Rs. in Lacs)
	2011-12	2010-11
I) As Statutory Auditors	7.00	6.00
II) Other Services	3.50	5.19
30.2 Composition of Packing Materials Consumption		(Rs. in Lacs)
	2011-12	2010-11
Imported	0.99	0.13%
Indigenous	748.55	99.87%
	Nil	Nil
	676.46	100.00%
		(Rs. in Lacs)
31. EXCEPTIONAL ITEMS		
Profit on Sales of Intangible Assets	500.00	Nil
Reversal of Business Development Expenses	5.00	Nil
TOTAL	505.00	Nil

32. Contingent Liabilities not provided in respect of:

(Rs. In lacs)

Nature of Liabilities	2011-12	2010-11
a. Disputed matters in appeals/contested in respect of:		
I) Income Tax	248.05	92.84
II) Excise	20.21	1.18
III) Service Tax	96.67	96.08
IV) Customs Department	10.11	10.11
b. Letter of credit	264.15	690.85
c. Estimated amount of Contracts, remaining to be executed on capital account (net of advances)	3.54	42.89
d. Bank Guarantee	423.63	260.74

33. The Company has exercised the option of implementing the Provisions of Paragraph 46 of Accounting Standard 11 "Accounting for the Effects of changes in Foreign Exchange Rates" prescribed by Companies (Accounting Standards) Amendment Rules, 2009 in the F.Y. 2008-09 and accordingly the company has capitalized foreign exchange loss of Rs. 392.66 lacs in the current year in respect of foreign currency loans, consequently, loss for the year is lower by the equivalent amount. Company had capitalised the foreign exchange loss of Rs. 1095.37 lacs in respect of foreign currency loans in the fixed assets upto the previous year.

34. Grant from World Bank

Grant from World Bank has been treated as deferred income which is recognized in Profit & Loss Account for the period in the proportions in which depreciation on related assets is charged.

35. Donations to Political Parties

(Rs. In lacs)

Particulars	2011-12	2010-11
Indian National Congress (Gujarat Pradesh Congress Committee)	7.00	Nil
Bharatiya Janata Party	2.00	Nil

36. Related Party Disclosure

a) Names of related parties and nature of relationship

I. Key Management Personnel (KMP)

- Shri Suresh J. Patel Chairman & Managing Director
- Shri Bhavin S. Patel Executive Director
- Shri Ankit S. Patel Executive Director
- Shri Ramesh P. Patel Executive Director

II. Enterprise under significant influence of key management personnel (Enterprise)

- Shanti Inorgo Chem (Guj.) Pvt. Ltd.
- Siskaa Chemicals Ltd.

III. Wholly-owned Subsidiary Company (WOS)

- Bodal Agrotech Ltd.

IV. Fellow Subsidiary Company (FS)

- Sun Agri genetics Pvt. Ltd.

b) Transactions with related parties (Rs. In lacs)

Related party disclosure	Relationship	for the year 31/03/2012	for the year 31/03/2011
Remuneration			
Shri Suresh J. Patel	KMP	48.00	71.00
Shri Bhavin S. Patel	KMP	18.00	9.00
Shri Ankit S. Patel	KMP	18.00	6.00
Shri Ramesh P. Patel	KMP	9.00	9.00
Loan Given			
Bodal Agrotech Ltd.	WOS	653.36	1.58
Loan Taken			
Shri Suresh J. Patel	KMP	335.00	Nil
Shri Ankit S. Patel	KMP	322.83	90.00
Shri Ramesh P. Patel	KMP	35.38	Nil
Bodal Agrotech Ltd.	WOS	922.80	Nil
Loan Repaid			
Shri Suresh J. Patel	KMP	335.00	0.18
Shri Bhavin S. Patel	KMP	Nil	0.19
Shri Ankit S. Patel	KMP	322.83	90.00
Shri Ramesh P. Patel	KMP	35.38	0.61
Purchases of Materials			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	163.84	108.70
Siskaa Chemicals Ltd.	Enterprise	4663.31	67.26
Rent paid			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	1.20	1.20
Commission Paid			
Siskaa Chemicals Ltd.	Enterprise	2.18	1.91
Interest Paid			
Siskaa Chemicals Ltd.	Enterprise	0.36	Nil
Bodal Agrotech Ltd.	WOS	5.43	Nil
Freight Paid			
Siskaa Chemicals Ltd.	Enterprise	0.37	Nil
Sales of Materials			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	203.28	324.89
Siskaa Chemicals Ltd.	Enterprise	3119.45	8.31
Amounts Payable			
Siskaa Chemicals Ltd.	Enterprise	1111.46	510.01
Bodal Agrotech Ltd.	WOS	274.33	Nil
Amounts Receivable			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	221.41	193.05
Bodal Agrotech Ltd.	WOS	Nil	1.58

Notes:-

(i) No amounts pertaining to related parties have been provided for as doubtful debts. Also no amounts have been written off or written back during the year.

37. On February 9 & 10, 2012 the Company, along with promoters and other related parties, were subjected to Search, Survey and seizure operation by the Income Tax department under section 132 / 133 of the Income Tax Act, 1961 ("the Act"). The company has till date made disclosure of Rs. 1081.23 lacs under Section 132 (4) of the Act of which Rs. 505 lacs has been accepted by the company and the said income has been shown as "Exceptional Items". Utilisation thereof of Rs. 500 lacs towards land development cost and Rs. 5 lacs for reversal of business development expenses have been duly accounted for. Balance Rs. 576.23 lacs though covered under disclosure have not been accepted by the company. The above disclosure has been considered for calculation of the tax expenses.

38. Segment Reporting:

(Rs. In lacs)

	2011-12	2010-11
a) Primary Segment		
The company has only one segment i.e., "Dyes, Dyes Intermediates and Basic Chemicals".		
b) Secondary Segment (By Geographical segment)		
Sales and Operating Income:-		
India	371,10.34	333,38.93
Outside India	232,24.28	237,93.17
Total	603,34.62	571,32.10

39. Employees' Benefits

a) Defined Benefit Plan

Gratuity:

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance Company in the form of qualifying insurance policy.

The following table summaries the components of net benefit expenses recognized in the profit and loss account and the funded status and amounts recognized in the balance sheet for the gratuity benefit.

(Rs. In lacs)

	As on 31/03/2012	As on 31/03/2011
1 Assumptions		
Discount Rate	8%	8%
Salary Escalation	7%	7%
2 Table showing changes in present value of obligations		
Present value of obligations as at beginning of year	54.53	31.59
Interest cost	4.36	2.53
Current Service Cost	24.13	16.69
Benefits Paid	(1.87)	(0.68)
Actuarial (gain)/Loss on obligations	(5.25)	4.40
Present value of obligations as at end of year	75.90	54.53
3 Table showing changes in the fair value of plan assets		
Fair value of plan assets at beginning of year	85.49	52.56
Expected return on plan assets	7.63	5.38
Contributions	Nil	28.23
Benefits paid	(1.87)	(0.68)
Actuarial Gain / (Loss) on Plan assets	Nil	Nil
Fair value of plan assets at the end of year	91.25	85.49
4 Table showing fair value of plan assets		
Fair value of plan assets at beginning of year	85.49	52.56
Actual return on plan assets	7.63	5.38
Contributions	Nil	28.23
Benefits Paid	(1.87)	(0.68)
Fair value of plan assets at the end of year	91.25	85.49
Funded status	15.35	30.96
Excess of Actual over estimated return on plan assets	Nil	Nil
(Actual rate of return=Estimated rate of return as ARD falls on 31st March)		

	(Rs. In lacs)	
	As on 31/03/2012	As on 31/03/2011
5 Actuarial Gain/Loss recognized		
Actuarial gain/(Loss) for the year –Obligation	5.25	(4.40)
Actuarial (gain)/Loss for the year - plan assets	Nil	Nil
Total (gain)/Loss for the year	(5.25)	4.40
Actuarial (gain)/Loss recognized in the year	(5.25)	4.40
6 The amounts to be recognized in the balance sheet and statements of profit and loss		
Present value of obligations as at the end of year	75.90	54.53
Fair value of plan assets as at the end of the year	91.25	85.48
Funded status	15.35	30.96
Net Asset/(liability) recognized in balance sheet	(15.35)	(30.96)
7 Expenses Recognised in statement of Profit & loss		
Current Service cost	24.13	16.69
Interest Cost	4.36	2.53
Expected return on plan assets	(7.63)	(5.38)
Net Actuarial (gain)/Loss recognised in the year	(5.25)	4.40
Expenses recognised in statement of Profit & loss	15.61	18.24

b) Defined Contribution Plan

The company has recognized the following amount in profit and loss account which is included under contribution to funds.

Particulars	Rs. In lacs
Employer's contribution to Provident Fund	98.77
Employer's contribution to E.S.I.	22.32

Note:

- (1) The estimated future salary increases take account of inflation, seniority, promotion and other retirement factors such as supply and demand in the employment markets.

40. Earnings per Equity Share

Basic and Diluted Earnings per equity share are recorded in accordance with Accounting Standard -20 "Earnings per Share". Earnings per Share is calculated by dividing the (loss) / profit attributable to the Equity shareholders (after adjustment for deferred taxes) by the average number of equity shares outstanding during the period. The numbers used in calculating basic and diluted earnings per Equity Shares are stated below.

	(Rs. In lacs)	
	2011-12	2010-11
Net (Loss) / Profit after Tax before exceptional items	(3336.61)	1675.70
Less : Exceptional Items	505.00	Nil
Net (Loss) / Profit after Tax after exceptional items	(2831.61)	1675.70
Weighted average number of Equity Shares for basic EPS	103,270,984	99,511,510
Weighted average number of Equity Shares for diluted EPS		
a) Existing No. of Equity Shares	103,270,984	99,511,510
b) Equity Shares proposed to be issued due to convertible equity share warrants.	Nil	18,227,880
c) Weighted average number of Equity Shares	103,270,984	117,739,390
Basic Earnings per Share before exceptional items	(3.23)	1.68
Basic Earnings per Share after exceptional items	(2.74)	1.68
Diluted Earnings per Share before exceptional items	(3.23)	1.42
Diluted Earnings per Share after exceptional items	(2.74)	1.42
Nominal Value per Share (in Rs.)	2	2

41. Foreign Currency Exposure

The company has entered in following forward exchange contracts that are outstanding as at 31st March, 2012 to hedge the foreign currency risks of firm commitments.

Category	Currency	Buy/sell	Foreign Currency Value (in lacs)	Foreign Currency Value (Rs. in lacs)
Forward Contract	USD	Sell	171.57	8776.93
Forward Contract	USD	Buy	110.58	5656.97

All Derivative and Financial instruments acquired by the company are for Hedging purpose only.

Details of unhedged foreign currency exposure as on 31-03-2012.

Particulars	Currency	Foreign Currency Value (in Lacs)	Foreign Currency Value (Rs. in Lacs)
Debtors	EURO	€ 0.78	53.13
Debtors	USD	\$ 14.30	731.51
Creditors for Foreign Commission	EURO	€ 0.48	32.67
Creditors for Foreign Commission	USD	\$ 9.50	486.05
Trade Deposit	USD	\$ 2.00	102.31
Packing Credit Loans	USD	\$ 47.87	2449.09

	(Rs. In lacs)	
	31/03/2012	31/03/2011
42. VALUE OF IMPORTS ON CIF BASIS	Rs. 3878.38	Rs. 4456.39
43. EARNING IN FOREIGN CURRENCY		
F.O.B. Value of Exports	Rs. 22471.04	Rs. 23390.81
44. EXPENDITURE IN FOREIGN CURRENCY		
Travelling	Rs. 21.12	Rs. 14.40
Commission	Rs. 519.82	Rs. 513.78
Business Development Expense	Rs. 7.40	Rs. 33.55
Membership Fee	Rs. Nil	Rs. 0.04
Export Damage Claim	Rs. 5.07	Rs. 4.98
Warehousing Charges	Rs. 3.27	Rs. 2.24
Bank Charges	Rs. 34.52	Rs. 34.97
Interest Expense	Rs. 552.43	Rs. 511.66
Cash Discount	Rs. 21.57	Rs. 13.00

As per our report of even date attached

For **Mayank Shah & Associates**
(Firm Registration No. 106109W)
Chartered Accountants

(M.S. Shah)
Partner
Membership No. 44093

Place : Ahmedabad
Date : 31.08.2012

For and on behalf of the Board of Directors

(Suresh J. Patel)
Chairman & Managing Director

(Ramesh P. Patel)
Executive Director

Place : Ahmedabad
Date : 31.08.2012

(Ashutosh B. Bhatt)
Company Secretary

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To,
The Board of Directors of Bodal Chemicals Ltd.

1. We have audited the attached Consolidated Balance Sheet of **BODAL CHEMICALS LIMITED** ("the Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group"), as at 31ST March, 2012 and also the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement of the Group for the year ended on that date annexed thereto. These consolidated financial statements are the responsibility of the Company's management and have been prepared on the basis of the separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion subject to following:

We are unable to examine as per the accepted Standards of Auditing issued by Institute of Chartered Accountants of India, evidence supporting the amount of Income covered in the Disclosure made by the Company under the Income Tax Act and its utilization thereof more particularly described in Note No. 38 to the Consolidated Financial Statement and accordingly we are unable to comment on the same.

3. We did not audit the financial statements of the fellow subsidiary company, whose financial statements reflect total assets (net) of Rs. 454.17 lacs as at 31st March, 2012, total revenues (net) of Rs. 180.97 lacs and net cash inflows amounting to Rs. 0.24 lacs for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of this subsidiary is based solely on the reports of the other auditors.
4. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements) as notified under the Companies (Accounting Standards) Rules, 2006.
5. Based on our audit and on consideration of the separate audit reports on individual financial statements of the Company and its subsidiaries, and to the best of our information and according to the explanations given to us subject to disclosure of Income of Rs. 1081.23 Lacs by the Company under section 132(4) of the Income Tax Act, 1961 more particularly described in Note No. 38, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. In the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2012
 - ii. In the case of the Consolidated Statement of Profit & Loss, of the loss of the Group for the year ended on that date and
 - iii. In the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For Mayank Shah & Associates
(Firm Registration No. 106109W)
Chartered Accountants

Place : Ahmedabad
Date : 31/08/2012

(M.S.Shah)
Partner
Mem. No. 44093

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012

[Rs. in Lacs]

PARTICULARS	NOTE	As at 31st March, 2012	As at 31st March, 2011
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds :			
(a) Share Capital	4	2,182.15	1,990.23
(b) Reserves and Surplus	5	3,610.87	4,811.29
(c) Money received against share warrants	6	Nil	1,063.13
(2) Share Application Money pending allotment		Nil	10.10
(3) Minority Interest		51.62	56.59
(4) Deferred Grant	7	27.65	32.93
(5) Non-Current Liabilities			
(a) Long-term borrowings	8	11,183.10	13,260.45
(b) Deferred Tax Liability (Net)	9	787.11	1,884.92
(6) Current Liabilities			
(a) Short-term borrowings	10	19,695.62	12,632.80
(b) Trade Payables	11	11,890.41	11,225.53
(c) Other Current Liabilities	12	7,961.90	6,982.34
(d) Short Term Provisions	13	93.95	920.45
TOTAL		57,484.38	54,870.76
II. ASSETS			
(1) Non - Current Assets :			
(a) Fixed Assets	14		
(i) Tangible Assets		27,771.31	27,173.58
(ii) Intangible Assets		99.43	73.07
(iii) Biological Assets		8.95	Nil
(iii) Capital work-in-progress		165.90	59.47
(b) Non-Current Investments	15	20.97	68.35
(c) Long Term Loans and Advances	16	686.59	662.34
(d) Other Non-current assets	17	733.07	722.75
Foreign Currency Monetary Item Difference Account (Net of Amortisation)		Nil	0.54
(2) Current Assets			
(a) Inventories	18	7,949.20	9,185.92
(b) Trade Receivables	19	15,342.04	12,533.35
(c) Cash and Bank Balances	20	491.37	514.45
(d) Short - Term Loans & Advances	21	4,205.04	3,858.24
(e) Other Current Assets	22	10.51	18.70
TOTAL		57,484.38	54,870.76

Summary of Significant Accounting Policies 3

The notes are an integral part of the financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

For **Mayank Shah & Associates**
(Firm Registration No. 106109W)
Chartered Accountants

(Suresh J. Patel)
Chairman & Managing Director

(M.S. Shah)
Partner
Membership No. 44093

(Ramesh P. Patel)
Executive Director

(Ashutosh B. Bhatt)
Company Secretary

Place : Ahmedabad
Date : 31.08.2012

Place : Ahmedabad
Date : 31.08.2012

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

[Rs. in Lacs]

PARTICULARS	NOTE	Current year	Previous Year
INCOME			
I. Revenue from operations	23	61,370.60	57,268.54
II. Other Income	24	149.52	116.21
Total Revenue (I+II)		61,520.12	57,384.75
EXPENDITURE			
Cost of materials consumed	25	40,205.55	38,325.54
Purchases of Stock-in Trade	26	5,370.23	2,013.06
Changes in Inventories of Finished Goods, Stock in Process and stock in Trade	27	112.74	(2,599.76)
Employee Benefits Expenses	28	3,410.24	3,013.54
Finance Costs	29	3,464.61	2,275.25
Depreciation and Amortisation expense	30	1,610.35	1,385.20
Other Expenses	31	11,932.62	10,460.83
Total Expenses		66,106.34	54,873.66
(Loss) / Profit Before Exceptional Items and Taxes		(4,586.22)	2,511.09
Exceptional Items	32	505.00	Nil
(Loss) / Profit Before Taxes		(4,081.22)	2,511.09
Tax Expenses			
Current Tax		Nil	500.31
Deferred Tax		(1,097.82)	758.61
Taxes of earlier years		Nil	72.31
		(1,097.82)	1,331.23
Less : MAT Credit Entitlement		Nil	(500.31)
		(1,097.82)	830.92
(Loss) / Profit After Taxes		(2,983.40)	1,680.17
Less : Pre-acquisition Profit adjusted against Capital Reserve		Nil	8.58
Less : Share in (loss)/profit of Minority Interest		(4.96)	10.34
(Loss) / Profit After Taxes (After adjustment of Minority Interest)		(2,978.44)	1,661.25
Basic Earnings per Share of Face Value of Rs. 2/- each (in Rs.)		(2.88)	1.68
Diluted Earnings per Share of Face Value of Rs. 2/- each (in Rs.)		(2.88)	1.42

Summary of Significant Accounting Policies

3

The notes are an integral part of the financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

For **Mayank Shah & Associates**
(Firm Registration No. 106109W)
Chartered Accountants

(Suresh J. Patel)
Chairman & Managing Director

(M.S. Shah)
Partner
Membership No. 44093

(Ramesh P. Patel)
Executive Director

(Ashutosh B. Bhatt)
Company Secretary

Place : Ahmedabad

Place : Ahmedabad

Date : 31.08.2012

Date : 31.08.2012

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2012

Particulars	[Rs. in Lacs]	
	Year Ended 31-03-2012	Year Ended 31-03-2011
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (loss) before Tax	(4,081.22)	2,511.09
Adjustment for		
Add : Depreciation and amortisation expense	1,610.35	1,385.20
Interest	3,464.62	2,275.25
Miscellaneous Expenditure w/o	9.90	11.61
Provision for Diminution in Investments	47.60	Nil
Foreign Currency Monetary Reserve	0.54	Nil
Loss on Sale of Assets	21.67	7.32
Less : Interest/Dividend/Rent received	76.08	40.06
Pre-acquisition profit	Nil	3.30
Profit on sale of Fixed Assets	500.00	Nil
Grant Income	5.28	5.28
Foreign Currency Monetary Reserve	Nil	0.54
Operating profit before Working Capital Changes	492.10	6,141.29
Adjustment for :		
(Increase) / Decrease in Trade Receivables	(2,808.68)	(2,089.53)
(Increase) / Decrease in Inventories	1,236.72	(3,829.69)
(Increase) / Decrease in Loans & Advances, other current / non-current assets	(642.41)	102.92
Less : Increase / (Decrease) in Trade Payables	2,033.62	4,734.19
Cash generated from Operations	311.35	5,059.18
Direct Taxes Paid	313.34	369.50
Net Cash from Operating Activities (A)	(1.99)	4,689.68
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(2,291.26)	(9,903.50)
Decrease/(Increase) in Capital Work in Progress	(144.47)	4,542.66
Sale of Fixed Assets	526.21	12.31
Interest/Dividend/Rent received	76.08	40.06
Purchase of investment	(0.22)	(41.44)
Net Cash used in Investing Activities (B)	(1,833.66)	(5,349.91)
C CASH FLOW FROM FINANCING ACTIVITIES		
Increase / (Decrease) in Long Term Borrowings	(2,077.36)	2,108.47
Increase / (Decrease) in Short Term Borrowings	7,062.83	418.46
Equity Share Capital & Share Premium	145.95	Nil
Share Application Money	(10.10)	(12.50)
Capital Reserve on account of forfeiture of share warrants	760.86	Nil
Convertible Share Warrants	Nil	1,063.12
Deferred Revenue expense paid	Nil	(4.37)
Interest Paid	(3,464.62)	(2,275.25)
Dividend Paid	(619.52)	(620.79)
Net Cash received from Financing Activities (C)	1,798.04	677.14
NET INCREASE/(DECREASE) IN CASH & EQUIVALENTS	(37.61)	16.91
CASH & CASH EQUIVALENTS- OPENING BALANCE	83.74	66.83
CASH & CASH EQUIVALENTS- CLOSING BALANCE	46.13	83.74

Note : The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard AS - 3 on Cash Flow Statements issued by The Institute of Chartered Accountants of India.

As per our report of even date attached

For and on behalf of the Board of Directors

For **Mayank Shah & Associates**
(Firm Registration No. 106109W)
Chartered Accountants

(Suresh J. Patel)
Chairman & Managing Director

(M.S. Shah)
Partner
Membership No. 44093

(Ramesh P. Patel)
Executive Director

(Ashutosh B. Bhatt)
Company Secretary

Place : Ahmedabad
Date : 31.08.2012

Place : Ahmedabad
Date : 31.08.2012

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

1. Background:

Bodal Chemicals Limited ('The Company') along with its subsidiary Bodal Agrotech Ltd. and Fellow Subsidiary Sun Agregenetics Pvt. Ltd. ('The Group' or 'Bodal Group') is engaged in the business of manufacturing and exports of Dyes, Dye Intermediates & Other Chemicals and trading of agricultural goods and production of tissue culture plants from mother culture and selling the same after hardening at its agricultural farm (nursery) and plugs from hybrid seeds at nursery for direct sales to farmers from nursery.

2. Principles of Consolidation

Basis of preparation of Consolidated Financial Statements

The Consolidated Financial Statements relate to The Bodal Chemicals Ltd. ('the Company') and its Subsidiaries. The Company and its Subsidiaries constitute 'the Group'. The Consolidated Financial Statements have been prepared on the following basis:

The financial statements 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 expenses, after eliminating intra-group balances, intra-group transactions and unrealized profits or losses as per Accounting Standard 21 'Consolidated Financial Statements', as notified by the Companies (Accounting Standards) Rules, 2006.

The difference between the cost to the Company of its investment in Subsidiaries over its proportionate share in the equity of the subsidiary companies as at the date of acquisition of stake is recognized in the consolidated financial statements as Goodwill or Capital Reserve, as the case may be.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and events in similar circumstances and necessary adjustments required for deviations, if any to the extent possible, are made in the consolidated financial statements and are presented to the extent possible, in the same manner as the Company's standalone financial statements.

Minority interest in the net assets of subsidiaries consists of equity attributable to the minority shareholders at the date on which investments are made by the company in the subsidiary companies and share of minority interest in the net profit is adjusted against the income to arrive at the net income attributable to minority interest shareholders. Minority interest's share of net assets is presented separately in the balance sheet.

The list of Subsidiaries which are included in the consolidation with their respective country of incorporation and the Group's holding therein, is given below:-

Name of the Company	Relationship	Country of Incorporation	Percentage of Voting Power	
			31/03/2012	31/03/2011
Bodal Agrotech Limited	Subsidiary	India	100.00	100.00
Sun Agrigenetics Pvt. Ltd.	Fellow Subsidiary	India	51.00	51.00

3. Significant Accounting Policies :

a) Accounting Conventions

I) Basis of Preparation of Financial Statements

The financial statements of the Company are prepared under the historical cost convention on accrual basis of accounting in all material respects in accordance with the notified Accounting Standards by Companies (Accounting Standards) Rules 2006 (as amended) and the relevant Provisions of the Companies Act, 1956. The accounting policies have been consistently applied by the Company during the year.

II) Presentation And Disclosure Of Financial Statements

During the year ended 31st March, 2012, the revised Schedule-VI notified under Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule-VI does not impact recognition and measurement principles followed for preparation of financial statements.

However, it has significant impact on presentation and disclosure made in financial statements. The company has also restated the previous year figures in accordance with the requirements applicable for the current year.

III) Use of Estimates

The preparation of the financial statements in conformity with Indian Generally Accepted Accounting Practices requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

b) Fixed Assets

I) Tangible

Fixed Assets are stated at cost of acquisition/construction (net of recoverable taxes) less Accumulated Depreciation and impairment loss if any. Cost of acquisition includes non refundable taxes, duties, freight and other costs that are directly attributable to bringing assets to their working condition for their intended use. All costs, including financing costs till the asset is put to use and adjustments arising from exchange rate variations attributable to the fixed assets are capitalized.

II) Intangible

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to enterprise and the cost of the assets can be measured reliably. The intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortization and accumulated impairment loss, if any.

III) Biological Assets

Biological Assets initial recognition at a cost of acquisition and each balance sheet date at its fair value less estimated point-of-sale cost include commission, levies and transfer duties and taxes. Any new born cattle are measured at its fair value.

Any Gain or Loss arising on change in fair value less point of sales cost is included in Profit or Loss.

c) Depreciation / Amortization

I) Tangible

Depreciation on fixed assets is provided on straight line method on pro-rata basis at rates and in manner specified in Schedule XIV of the Companies Act, 1956.

II) Intangible

Goodwill arising due to Amalgamation is amortized over a period of five years. Software costs are amortized over a period of five years or according to the life cycle of software. Licence fees is amortized over a period of ten years. Website is amortized over a period of five years.

III) Re measurement

Re Measurement on biological asset is provided on change in fair value less point of sales cost.

d) Capital Work-in-Progress

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

e) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. Current Investments are valued at Cost or Net realizable value whichever is lower. All other investments are

classified as long term Investments. Long term investments are stated at cost of acquisition. Provision for diminution in value of long term investments is made, only if such decline is other than temporary.

F) Inventories

Finished goods (including for trade), work-in-process, semi-finished goods for trade, Raw materials, Stores, Spares, Fuel, Components, and Loose Tools are valued at cost or net realizable value whichever is lower. Materials-in-transit are valued at cost-to-date. Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition including excise duty payable on goods produced. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the Company. The cost formulae used for determination of cost is 'First in First Out'.

g) Foreign Currency Translations :

- (i) All Transactions in foreign currency, are recorded at the rates of exchange prevailing as at the date of the transaction.
- (ii) Monetary assets and liabilities in foreign currency, outstanding at the close of the year, are converted in Indian currency at the appropriate rates of exchange prevailing at the close of the year. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Profit and Loss account except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.
- (iii) In respect of forward exchange contracts entered into towards hedge of foreign currency risks, the difference between the forward rate and the exchange rate at the inception of the contract is recognized as income or expenditure over the life of the contract and the exchange difference arising on such contracts are recognized as income or expenditure along with the exchange differences on the underlying assets/liabilities except in case where they relate to the acquisition or construction of fixed assets, in which case, they are adjusted to the carrying cost of fixed assets. Profit or Loss on cancellations/renewals of forward contracts is accounted for during the year.
- (iv) Premium or discount on forward contract, that are not intended for trading or speculation purposes, are amortized over the life of such contract and is recognized as an expense or income.

h) Revenue Recognition

I) Sales

The Company recognises sale of goods when the significant risks and rewards of ownership are transferred to the buyer, which is usually when the goods are dispatched to customers. Sales represents the invoice value of goods and services provided to third parties net of discounts, excise duty, sales tax / value added tax and adjustments arising on analysis variances.

II) Export Benefits

- (i) Export Benefits on the import entitlements issued under the Duty Entitlement Pass Book Scheme, Focus Licence and Duty Free Replenishment Certificate Scheme are accounted for at the estimated realisable value on accrual basis.

II) Import entitlement issued under Duty Drawback receivable is accounted for on accrual basis.

III) Other Income

Other incomes except dividend income are accounted on accrual basis. Dividend Income is recognised when the right to receive the dividend is established.

i) Employee Benefits

1) Short Term Employees Benefit

Short Term Benefits are recognized as expenditure at the undiscounted value in the Profit and Loss Account of the year in which the related services as rendered.

2) Post Employment Benefit

- a. Defined Contribution Plans – Monthly contributions to the Provident Fund and E.S.I. which are defined contribution schemes are charged to Profit and Loss Account and deposited with the Provident Fund and E.S.I. Authorities on monthly basis.
- b. Defined Benefit Plans – Gratuity, if applicable to Employees are covered under the Employees Group Gratuity Scheme and the premium is paid on the basis of their actuarial valuation using the Projected Unit Credit Method. Actuarial gain and losses arising on such valuation are recognized immediately in the Profit and Loss Account. Any shortfall in case of premature termination / resignation to the extent not reimbursed by LIC is being absorbed in the year of payment. The amount funded by the trust administered by the Company under the aforesaid policy is reduced from the gross obligation under the defined benefit plan, to recognize the obligation on net basis.

3) Termination Benefit

Termination Benefits are charged to Profit and Loss Account in the year of accrual.

j) Miscellaneous Expenditure

Deferred Expenditure is being written off over a period of five years.

k) Borrowing Cost

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

l) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

m) Taxes on Income

Tax expense for a year comprises of current tax and deferred tax.

Current tax are measured at the amount expected to be paid to the tax authorities, after taking into consideration, the applicable deductions and exemptions admissible under the provisions of the Income tax Act, 1961.

Deferred tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing difference of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. If there is unabsorbed depreciation or carry forward of losses under tax laws, deferred tax assets are recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay income tax higher than that computed under MAT, during the period that MAT is permitted to be set off under the Income Tax Act, 1961 (specified period).

n) Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. An impairment loss recognized in prior accounting periods is reversed if there has been change in the estimate of the recoverable amount.

o) Governments Grants/Subsidy

Government Grants is recognized when there is a reasonable assurance that the company will comply with the conditions attached to them and grants will be received.

Grants related to depreciable assets are treated as deferred income which is recognized in Profit & Loss Account over the period and in the proportions in which depreciation on related assets is charged.

Government Grants which is in the nature of promoters contribution are credited to Capital Reserve.

When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.

p) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year are adjusted for events such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding without a corresponding change in resources

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

q) Segment Accounting

Segment accounting policies are in line with the accounting policies of the Company. In addition, the following specific accounting policies have been followed for segment reporting:

- (i) Segment revenue includes sales and other income directly identifiable with/ allocable to the segment.
- (ii) Expenses that are directly identifiable with/ allocable to segments are considered for determining the segment result. Expenses which relate to the Company as a whole and not allocable to segments are included under "Un-allocable Corporate Expenditure".
- (iii) Income which relates to the Company as a whole and not allocable to segments is included in "Un-allocable Corporate Income".
- (iv) Segment assets and liabilities include those directly identifiable with the respective segments. Un-allocable Corporate Assets and Liabilities represent the assets and liabilities that relate to the Company as whole and not allocable to any segment.

q) Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

r) Operating Cycle

Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle to be less than 12 months.

(Rs. in Lacs)

PARTICULARS	As at 31st March, 2012	As at 31st March, 2011
4. SHARE CAPITAL		
Authorised Share Capital		
15,00,00,000 Equity Shares of Rs.2/- each (P.Y. 15,00,00,000 Equity Shares of Rs. 2/- each)	3,000.00	3,000.00
40,00,000 (P.Y. 40,00,000) Preference Share of Rs. 10/- each	400.00	400.00
	3,400.00	3,400.00
Subscribed & Paid up Share Capital		
10,91,07,370 Equity Shares of Rs. 2/- each (P. Y. 9,95,11,510 Equity Shares of Rs. 2/- each)	2,182.15	1,990.23
TOTAL	2,182.15	1,990.23

4.1 Equity shares of Rs. 10 each have been sub-divided into five equity shares of Rs. 2 each pursuant to the resolution passed by the shareholders at the Extra Ordinary Meeting on 28/04/2010

4.2 Out of total shares outstanding 3,38,060 Equity shares had been allotted as fully paid on amalgamation of Milestone Organics Ltd. with the company as per High Court Order.

4.3 The details of shareholders holding more than 5% shares :

Name of Shareholder	As at 31st March, 2012		As at 31st March, 2011	
	No. of Shares	% held	No. of Shares	% held
Suresh J. Patel	3,33,45,151	30.57	3,35,59,730	33.72
Bhavin S. Patel	78,10,050	7.16	78,10,050	7.85
Ramesh P. Patel	66,35,299	6.08	70,52,800	7.09
Jayanti D. Patel	74,72,845	6.85	66,72,845	6.71

4.4 The reconciliation of the number of shares outstanding is set out below :

Particulars	As at 31st March, 2012 No. of Shares	As at 31st March, 2011 No. of Shares
Equity Shares at the beginning of the year	99,511,510	99,511,510
Add : Shares issued on conversion of 1,919,172share warrants	9,595,860	Nil
Equity Shares at the end of the year	109,107,370	99,511,510

4.5 The Company has only one class of equity shares having a par value of Rs. 2/- per share. Each shareholder is eligible for one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion of their shareholding.

(Rs. in Lacs)

PARTICULARS	As at 31st March, 2012	As at 31st March, 2011
5. RESERVES & SURPLUS		
Investment Allowance Reserve - Utilised Account		
As per last Balance Sheet	4.77	4.77
Share Premium		
As per last Balance Sheet	1,203.20	1,203.20
Add : Share premium received on conversion of share warrants	1,017.16	Nil
	2,220.36	1,203.20
Capital Reserves		
As per last Balance Sheet	0.36	0.36
Add : On forfeiture of lapsed warrants	760.86	Nil
	761.22	0.36
Capital Reserve on consolidation		
As per last Balance Sheet	15.27	15.27
Capital Redemption Reserve Fund		
As per last Balance Sheet (The company had created said reserve due to redemption of Preference Shares at par.)	396.71	396.71
General Reserve :		
As per last Balance Sheet	1,383.81	1,208.81
Add: Transfer from Profit and Loss Account	Nil	175.00
	1,383.81	1,383.81
Profit & Loss Account		
As per last Balance Sheet	1,807.17	945.45
Add : (Loss) / Profit During the year	(2,978.44)	1,661.25
	(1,171.27)	2,606.70
Less : Appropriations :		
Proposed Final Dividend on Equity Shares	Nil	537.36
Tax on Dividends	Nil	87.17
Transfer to General Reserve	Nil	175.00
	Nil	799.53
	(1,171.27)	1,807.17
TOTAL	3,610.87	4,811.29

PARTICULARS	(Rs. in Lacs)	
	As at 31st March, 2012	As at 31st March, 2011
6. MONEY RECEIVED AGAINST SHARE WARRANTS		
67,50,000 (P.Y. 67,50,000) optionally convertible equity share warrants of Rs. 63/- each	4,252.50	4,252.50
	4,252.50	4,252.50
Optionally Convertible Warrants of Rs. 63/- each		
Opening Balance		
67,50,000 (P.Y. Nil) warrants paid up Rs. 15.75 each	1,063.13	Nil
Add : 67,50,000 warrants issued during the year paid up Rs. 15.75 each	Nil	1,063.13
Add : Options exercised for 19,19,172 warrants and balance Rs. 47.25 per warrant paid up	906.81	Nil
	1,969.94	1,063.13
Less : Transfer to Share Capital and Premium on conversion of 19,19,172 warrants of Rs. 63/- each fully paid up	1,209.08	Nil
Less : Transfer to Capital Reserve (48,30,828 warrants of Rs. 15.75 each for non-exercise of right of conversion)	760.86	Nil
TOTAL	Nil	1,063.13
7. DEFERRED GRANT		
Grant From World Bank :	32.93	38.21
Less : Transfer to current year's Profit & Loss Account	(5.28)	(5.28)
TOTAL	27.65	32.93
8. LONG TERM BORROWINGS		
Secured		
Term loan from Banks	10,818.56	11,646.64
Term loan from Others	Nil	396.58
Unsecured		
Public Deposits	239.42	196.89
Trade Deposits	40.46	100.78
Loan From Members	37.72	555.00
Loans From Corporates	Nil	320.64
From Others	46.94	43.92
TOTAL	11,183.10	13,260.45

8.1 Nature of Security and terms of repayment for Long Term secured borrowings:

Nature of Security	Terms of Repayment
<p>Term loan amounting to Rs.1727.45 lacs (March 31, 2011:Rs.2091.79 lacs)</p> <p>Secured by 1st charge on immovable properties of the company situated at Plot No. 252,253,254 GIDC, Vatva and Plot No. 804 of Padra Unit and Hyp. of entire P&M and other equipment acquired through the term loan.</p>	<p>Repayable in 18 quarterly installments starting from June, 2010.</p> <p>Last installment due in September, 2014. Rate of interest LIBOR + 5.00%. P.a. at year end(Previous year LIBOR +5.00% p.a. at year end)</p>
<p>Term loan amounting to Rs.4694.15 lacs (March 31, 2011:Rs.5511.40 lacs)</p> <p>Secured by 1st charge on immovable properties of the company situated at Plot No. 804 & Block No. 800, 803/1, 797, 796, 795, 532, 555, 556, 560, 561/1 and 525, Village Dudhavada, Taluka Padra, Varodara and Hyp. of entire P&M and other equipment acquired through the term loan.</p>	<p>Repayable in 32 quarterly installments starting from April, 2011.Last installment due in March, 2019.</p> <p>Rate of interest LIBOR + 4.50 % at year end(Previous year LIBOR + 4.50% at year end)</p>
<p>Term loan amounting to Rs.4588.44 lacs (March 31, 2011:Rs.4984.02 lacs)</p> <p>Secured by 1st charge on immovable properties of the company situated at Plot No. 804 & Block No. 800, 803/1, 797, 796, 795, 532, 555, 556, 560, 561/1 and 525, Village Dudhavada, Taluka Padra, Varodara and Hyp. of entire P&M and other equipment acquired through the term loan.</p>	<p>Repayable in 32 quarterly installments starting from April, 2011.</p> <p>Last installment due in March, 2019. Rate of interest 14.75% p.a.as at year end. (Previous year 13.00 % p.a.)</p>
<p>Working Capital Term loan amounting to Rs.402.02 lacs (March 31, 2011:Rs.518.00 lacs)</p> <p>secured by 1st pari pasu charge on entire current assets of the company</p>	<p>Repayable in 60 monthly installments starting from April, 2010.</p> <p>Last installment due in March, 2015. Rate of interest 14.50% p.a.as at year end. (Previous year 12.50% p.a.)</p>
<p>Working Capital Term loan amounting to Rs.2100.00 lacs (March 31, 2011:Rs.Nil)</p> <p>secured by 1st pari pasu charge on entire current assets the company</p>	<p>Repayable in 20 Quarterly installments starting of from April, 2012.Last installment due in March, 2017.</p> <p>Rate of interest 15.00% p.a.as at year end. (Previous year Nil)</p>
<p>Working Capital Term loan amounting to Rs.101.40 (March 31, 2011:Rs.497.17 lacs)</p> <p>secured by 1st pari pasu charge on entire current assets of the company</p>	<p>Repayable in 20 Quarterly installments starting from April, 2012.Last installment due in March, 2017.</p> <p>Rate of interest 14.90% p.a.as at year end. (Previous year 13.75% p.a.)</p>
<p>Vehicle loan amounting to Rs.126.20 lacs (March 31, 2011:Rs.148.86 lacs)</p> <p>Secured by Hire Purchase agreement for Vehicles.</p>	<p>Repayable in monthly installments.</p> <p>Interest rate from 9% to 12%</p>

8.2 Term Loans availed by the holding company are collaterally further secured by equitable mortgage on Immovable property and Hyp. Of P&M of the company. It is further secured by personal guarantees of the Chairman and Managing Director and Executive directors. It is further secured by pledge of equity shares of the company held by the directors.

8.3 Maturity profile and Rate of interest of Public Deposit are as set out below (Rs. In Lacs)

Rate of Interest	Maturity Profile	
	2013-14	2014-15
9.00%	Nil	150.00
11.00%	1.30	Nil
11.25%	1.45	Nil
11.50%	7.80	7.18
11.75%	6.89	12.80
12.00%	2.00	50.00

8.4 Installments falling due in respect of all the above Loans upto 31/03/2013 have been grouped under "Current maturities of long-term debt".

8.5 Company had moved proposal, for restructuring of its various bank loans, to Corporate Debt Restructure Cell through Union Bank of India, the Monitoring Institution (MI). The same has been admitted by the Cell in their meeting dtd. 25/06/2012 with cut off date as 01/04/2012. The MI need to submit final restructure report by 22/09/2012. On approval of the same by CDR Cell, various bank limits will get restructured including repayment schedule for the same. That proposed changes have not been considered while preparing this accounts.

(Rs. in Lacs)

PARTICULARS	As at	As at
	31st March, 2012	31st March, 2011
9. DEFERRED TAX LIABILITY (NET)		
Deferred Tax Liability on account of Depreciation allowable	3,204.56	2,780.91
Deferred Tax Asset on account of		
Unabsorbed Depreciation & c/f loss	(2,382.57)	(884.29)
Employee Benefits	(34.88)	(11.70)
TOTAL	787.11	1,884.92
10. SHORT TERM BORROWINGS		
Secured		
Cash Credit Facility	6,561.43	4,070.20
Packing Credit Facility	4,515.21	2,968.63
Bills Discounting Facility	6,078.63	4,253.47
Buyers Credit Facility	2,281.22	658.40
Unsecured		
Loans From Corporates	250.00	678.10
Trade Deposits	9.13	Nil
From Others	Nil	4.00
TOTAL	19,695.62	12,632.80

10.1 Cash Credit Facility and Packing Credit Facility of holding company are primarily secured by Hyp. Of Stock of Raw material, Work in Process, Finished Goods and Book Debts of the company.

10.2 Bills discounting facility of holding company is primarily secured by hyp. of bills drawn under letter of credit.

10.3 Buyers' Credit facility of holding company is primarily secured by hyp. Of stocks received under letter of credit.

10.4 Cash Credit, Packing Credit, Bill Discounting and Buyers Credit facility of holding company are collaterally further secured by equitable mortgage on Immovable property and Hyp. Of P&M of the company and personal guarantees of the Chairman and Managing Director and Executive directors. It is further secured by pledge of equity shares of the company held by the directors.

10.5 Cash Credit Facility of wholly owned subsidiary company is Primarily Secured by Hyp. of all stocks, receivables and entire current assets of subsidiary company and collaterally secured by pledge of Shares of Bodal Chemicals Ltd. in the name of Director. Further, it is secured by personnel guarantees of promoter Directors.

10.6 Working capital facilities of fellow subsidiary is secured against present & future stock and book debts on pari passu basis.

PARTICULARS	(Rs. in Lacs)	
	As at 31st March, 2012	As at 31st March, 2011
11. TRADE PAYABLES		
For Goods	8,651.00	8,294.21
For Others	3,239.41	2,931.32
TOTAL	11,890.41	11,225.53

11.1 Other Trade payables represents amount payable to various parties for packing material, consumables and expenses.

11.2 The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to amount unpaid as at year end together with interest paid payable under this Act have not been given.

PARTICULARS	(Rs. in Lacs)	
	As at 31st March, 2012	As at 31st March, 2011
12. OTHER CURRENT LIABILITIES		
Advance Recieved from Customer	925.87	729.95
Current Maturities of Long Term Debt	3,588.32	3,138.82
Creditors for Capital Goods	341.54	412.45
Other Current Liabilities	2,910.26	2,394.12
Unclaimed Dividends*	22.40	17.39
Unclaimed Share Application Money*	0.41	0.50
Statutory Liabilities #	173.10	289.11
TOTAL	7,961.90	6,982.34

* There are no amounts due for payment to the Investor Education and Protection Fund Under Section 205C of the Companies Act, 1956 as at the year end.

Statutory liabilities represent amounts payable towards VAT, CST, Excise duty and TDS etc.

PARTICULARS	(Rs. in Lacs)	
	As at 31st March, 2012	As at 31st March, 2011
13. SHORT TERM PROVISIONS		
Provision for Employee Benefits	93.33	43.44
Provision for Taxes (Net)	Nil	251.84
Provision for Wealth Tax	0.62	0.64
Proposed Final Dividend	Nil	537.36
Tax on Dividend	Nil	87.17
TOTAL	93.95	920.45

14. FIXED ASSETS

(Rs. in lacs)

Name of the Asset	GROSS BLOCK			DEPRECIATION & AMORTISATION			NET BLOCK			
	As At 01-04-11	Addition	Deduction/ Adjustments	As At 31-03-12	As At 01-04-11	Addition	Deduction/ Adjustments	As At 31-03-12	As At 31-03-12	As At 31-03-11
TANGIBLE ASSETS										
Land and Land Development	445.31	500.40	Nil	945.71	Nil	Nil	Nil	Nil	945.71	445.31
Agricultural Land	2.50	Nil	Nil	2.50	Nil	Nil	Nil	Nil	2.50	2.50
Factory Building	7,017.96	567.00	4.27	7,580.69	479.28	242.31	0.21	721.38	6,859.31	6,538.68
Laboratory Building	35.36	2.14	Nil	37.50	7.08	0.48	Nil	7.56	29.94	28.28
Office Building	154.88	0.64	Nil	155.52	10.98	2.53	Nil	13.51	142.01	143.90
Road & Storage at Site	2.87	Nil	Nil	2.87	0.49	0.11	Nil	0.60	2.27	2.38
Green House Site	35.06	22.01	Nil	57.07	10.99	1.32	Nil	12.31	44.76	24.07
Plant & Machinery	23,003.21	1,016.75	13.90	24,006.06	4,273.66	1,223.50	1.41	5,495.75	18,510.31	18,729.55
Gaushala Borwell	Nil	1.08	Nil	1.08	Nil	0.01	Nil	0.01	1.07	Nil
Building Shade	Nil	16.62	Nil	16.62	Nil	0.25	Nil	0.25	16.37	Nil
Furniture & Fixture	436.21	34.13	0.15	470.19	78.90	27.40	0.01	106.29	363.90	357.31
Office Equipment	160.17	27.01	0.25	186.93	53.50	16.30	0.05	69.75	117.18	106.67
Dies	Nil	0.99	Nil	0.99	Nil	0.06	Nil	0.06	0.93	Nil
Vehicles	437.42	33.10	50.03	420.49	125.73	43.17	19.04	149.86	270.63	311.69
E.T.P.	365.26	5.81	Nil	371.07	66.30	19.40	Nil	85.70	285.37	298.96
Laboratory equipments	211.01	4.97	Nil	215.98	26.73	10.20	Nil	36.93	179.05	184.28
Total	32,307.22	2,232.65	68.60	34,471.27	5,133.64	1,587.04	20.72	6,699.96	27,771.31	27,173.58
Total - Previous Year	22,471.25	9,863.28	27.31	32,307.22	3,771.05	1,370.27	7.68	5,133.64	27,173.58	18,700.20
INTANGIBLE ASSETS	-									
Good will	1,046.80	Nil	Nil	1,046.80	1,040.20	6.60	Nil	1,046.80	Nil	6.60
Computer Software	12.41	12.04	Nil	24.45	4.12	4.28	Nil	8.40	16.05	8.29
Membership Fees	67.50	34.23	Nil	101.73	9.72	10.10	Nil	19.82	81.91	57.78
Trade Mark	Nil	0.91	Nil	0.91	Nil	0.18	Nil	0.18	0.73	Nil
Website	0.45	0.47	Nil	0.92	0.05	0.13	Nil	0.18	0.74	0.40
Total	1,127.16	47.65	Nil	1,174.81	1,054.09	21.29	Nil	1,075.38	99.43	73.07
Total - Previous Year	1,086.94	40.22	Nil	1,127.16	1,039.16	14.93	Nil	1,054.09	73.07	47.78
BIOLOGICAL ASSETS										
Dairy Cows	Nil	10.95	Nil	10.95	Nil	2.00	Nil	2.00	8.95	Nil
Total	Nil	10.95	Nil	10.95	Nil	2.00	Nil	2.00	8.95	Nil
Previous Year	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total	33,434.38	2,291.25	68.60	35,657.03	6,187.73	1,610.33	20.72	7,777.34	27,879.69	27,246.65
Previous Year	23,558.19	9,903.50	27.31	33,434.38	4,810.21	1,385.20	7.68	6,187.73	27,246.65	18,747.98
Capital Work in Progress									165.90	59.47
TOTAL FIXED ASSETS									28,045.59	27,306.12

PARTICULARS	(Rs. in Lacs)	
	As at 31st March, 2012	As at 31st March, 2011
15. NON - CURRENT INVESTMENTS		
LONG TERM INVESTMENTS		
TRADE INVESTMENTS		
A Quoted		
100 (P.Y. 100) Equity Shares of Beta Nephthol Ltd. of Rs. 10/- Each Fully Paid Up	0.03	0.03
50,000 (P.Y. 50,000) Equity Shares of Dynamic Industries Ltd. of Rs. 10/- Each Fully Paid Up	52.05	52.05
	52.08	52.08
Less : Provision for dimution in Investments	47.63	0.03
TOTAL	4.45	52.05
B Unquoted		
1 250 (P.Y.250) Equity Shares of Green Environment Ser. Co-op.Soc. Ltd. of Rs. 100/- each Fully Paid Up	0.25	0.25
2 112,350 (P.Y. 112350) Equity Shares of Bharuch Enviro Infrastructure Ltd of Rs. 10/-each Fully Paid Up	11.23	11.23
3 100 (P.Y.100) Equity Shares of Guj.Ind. Waste Mng. Co. Ltd. of Rs. 10/- Each Fully Paid Up	0.01	0.01
4 3,122 (P.Y.2902) Equity Shares of The Bhagoydaya Co-op. Bank Ltd. of Rs. 100/- Each Fully Paid Up	3.12	2.90
5 10,200 (P.Y.10,200) Equity Shares of Panoli Enviro Technology Ltd. of Rs. 10/- Each Fully Paid Up	1.02	1.02
6 3,542 (P.Y.3,542) Equity Shares of Makarpura Ind.Est. Co-op. Bank Ltd. of Rs. 25/- Each Fully Paid Up	0.89	0.89
TOTAL OF TRADE INVESTMENTS	16.52	16.30
TOTAL OF NON-CURRENT INVESTMENTS.....	20.97	68.35
Aggregate of Quoted Investments:		
At Book value	4.45	52.05
At Market Price	4.45	4.75
Aggregate of Unquoted Investments:	16.52	16.30
Aggregate provision for diminution in value of investments	47.63	0.03

PARTICULARS	(Rs. in Lacs)	
	As at 31st March, 2012	As at 31st March, 2011
16. LONG TERM LOANS & ADVANCES (Unsecured and Considered Good)		
Capital Advances	7.20	39.28
Security Deposits	68.97	83.54
Other Advances		
Balance With Statutory Authorities	219.20	227.11
Advance Income Tax (Net)	236.44	175.12
Staff Advances	46.75	50.72
Others*	108.04	86.57
TOTAL	686.59	662.34
* Others include Advance to others and Insurance Claim receivable.		
17. OTHER NON-CURRENT ASSETS		
Deferred Revenue Expenses	Nil	4.33
Less : Transferred to P & L Account	Nil	4.33
	Nil	Nil
MAT Credit Entitlement	704.51	704.51
Cash seized by the Income Tax Department	9.87	Nil
Term Deposits with original maturity of more than twelve months	18.69	18.24
TOTAL	733.07	722.75
18. INVENTORIES		
Raw Materials	1,638.29	2,698.70
Raw Materials in Transit	383.08	173.65
Finished Goods	1,141.70	2,155.38
Finished Goods in Transit	13.71	Nil
Crops of Tobacco & Drumsticks	Nil	0.50
Stock of Cattle Feed & Packing Materials	1.28	Nil
Traded Goods	65.06	109.77
Stock In Process	4,364.66	3,545.07
Packing Materials	113.72	134.24
Packing Materials in Transit	Nil	2.41
Stock of Fuel	31.79	87.05
Stores and Spares	195.91	279.15
TOTAL	7,949.20	9,185.92

(Rs. in Lacs)

PARTICULARS	As at 31st March, 2012	As at 31st March, 2011
19. TRADE RECEIVABLES		
Trade receivables outstanding for a period exceeding six months from the due date for payment		
Unsecured & Considered Good	625.11	302.91
Trade receivables outstanding for a period less than six months from the due date for payment		
Unsecured & Considered Good	14,716.93	12,230.44
TOTAL	15,342.04	12,533.35
20. CASH AND BANK BALANCES		
Cash & Cash Equivalents		
Cash on hand	29.27	62.52
Balance with Banks	16.86	21.22
	46.13	83.74
Other Bank Balances		
Term Deposits with original maturity of more than three months but less than twelve months	422.44	412.82
Unclaimed Dividend Accounts	22.40	17.39
Unclaimed Share Application Account	0.40	0.50
	445.24	430.71
TOTAL	491.37	514.45
21. SHORT TERM LOANS & ADVANCES		
(Unsecured & considered good unless otherwise stated)		
Advance Receivable in cash or kind		
Advance to Suppliers		
For Goods	1,035.23	252.32
For Expenses	36.07	74.81
Other Advances		
Balance with Statutory Authorities	2,519.61	2,788.36
Staff Advances	39.79	48.88
Others*	574.34	693.87
TOTAL	4,205.04	3,858.24

* Others include Export Benefit receivable, Advance to others, Tour Advances, Prepaid Expenses & Gratuity Planned Assets.

PARTICULARS	(Rs. in Lacs)	
	As at 31st March, 2012	As at 31st March, 2011
22. OTHER CURRENT ASSETS		
Deferred Revenue Expenses	12.81	19.21
Less : Transferred to P & L Account	6.40	6.40
	6.41	12.81
Unamortised Premium on Forward Contracts	3.98	Nil
Other Current Assets	0.12	5.89
TOTAL	10.51	18.70
23. REVENUE FROM OPERATIONS		
Sale of products	64,936.05	60,681.41
Less : Excise Duty	4,593.72	4,720.43
Sale of products (net)	60,342.33	55,960.98
Other Operating Income	1,028.27	1,307.56
TOTAL	61,370.60	57,268.54
24. OTHER INCOME		
Interest Income	74.58	38.61
Dividend Income	1.50	1.45
Grant Income	5.28	5.28
Exchange Rate Difference (Net)	Nil	62.70
Premium / Discount on Forward Contracts	55.93	Nil
Other Income	12.23	8.17
TOTAL	149.52	116.21
25. COST OF MATERIALS CONSUMED		
Opening Stock	2,872.35	1,956.02
Add. Purchases during the year	39,354.96	39,241.87
	42,227.31	41,197.89
Less : Closing Stock	2,021.76	2,872.35
TOTAL	40,205.55	38,325.54
26. PURCHASE OF STOCK IN TRADE		
Purchase of Stock in Trade	5,370.23	2,013.06
TOTAL	5,370.23	2,013.06

PARTICULARS	(Rs. in Lacs)	
	As at 31st March, 2012	As at 31st March, 2011
27. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN PROCESS AND STOCK IN TRADE		
Closing Stock Finished Goods	1,324.65	2,155.89
Closing Stock In Process	4,195.43	3,545.07
Closing Stock of Stock - in Trade	65.06	109.77
TOTAL (A)	5,585.14	5,810.73
Less : Opening Stock Finished Goods	2,155.89	1,377.51
Opening Stock In Process	3,545.07	1,749.89
Opening Stock of Stock - in Trade	109.77	Nil
TOTAL (B)	5,810.73	3,127.40
TOTAL (A) - (B)	(225.59)	2,683.33
Add / (Less) : Variation in Excise Duty on Closing and Opening Stock of Finished Goods	112.85	(83.57)
TOTAL	(112.74)	2,599.76
28. EMPLOYEE BENEFIT EXPENSES		
Salary, Wages & Bonus	3,122.41	2,755.09
Contribution to Provident & Other Funds	140.33	142.13
Staff Welfare Expenses	147.50	116.32
TOTAL	3,410.24	3,013.54
29. FINANCE COSTS		
Bank Interest	2,889.65	1,912.26
Other Borrowing Cost	244.43	203.19
Other Interest Expenses	330.53	159.80
TOTAL	3,464.61	2,275.25
30. DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation	1,587.06	1,370.27
Amortisation of Intangible Assets	21.29	14.93
Remeasurement of Biological Assets	2.00	Nil
TOTAL	1,610.35	1,385.20

PARTICULARS	(Rs. in Lacs)	
	As at 31st March, 2012	As at 31st March, 2011
31. OTHER EXPENSES		
Manufacturing Expenses		
Power & Fuel Consumption	4,734.45	5,139.88
Stores Consumption	747.28	348.20
Repairs to		
Machinery	815.65	605.55
Building	44.25	23.67
Pollution Control Expenses	611.91	487.76
Insurance Expenses	26.26	21.43
Other Manufacturing Expenses	181.49	149.52
Administrative & General Expenses		
Insurance Expenses	9.93	8.16
Rent & Tax	76.77	63.88
Legal & Professional Fees	219.90	200.54
Loss on Disposal of Assets	21.67	7.32
Provision for diminution in investments	47.60	Nil
Premium / Discount on Forward Contracts	Nil	67.22
Exchange Rate Difference (Net)	749.17	Nil
Miscellaneous Expenses	544.08	564.43
Selling & Distribution Expenses		
Packing Material Consumption	749.54	676.46
Clearing & Forwarding Charges	544.39	583.20
Sales Commission	735.89	811.55
Outward Freight Expenses	602.16	536.41
Bad Debts Written off	139.33	2.27
Other Selling and Distribution expenses	330.90	163.38
TOTAL	11,932.62	10,460.83

PARTICULARS	(Rs. in Lacs)	
	As at 31st March, 2012	As at 31st March, 2011
32. EXCEPTIONAL ITEMS		
Profit on Sales of Intangible Assets	500.00	Nil
Reversal of Business Development Expenses	5.00	Nil
TOTAL	505.00	Nil

33. Contingent Liabilities not provided in respect of:

(Rs. In lacs)		
Nature of Liabilities	2011-12	2010-11
a. Disputed matters in appeals/contested in respect of:		
I) Income Tax	248.05	92.84
II) Excise	20.21	1.18
III) Service Tax	96.67	96.07
IV) Customs Department	10.11	10.11
b. Letter of credit	264.15	690.85
c. Estimated amount of Contracts, remaining to be executed on capital account (net of advances)	3.54	42.89
d. Bank Guarantee	423.63	260.74

34. The holding Company has exercised the option of implementing the Provisions of Paragraph 46 of Accounting Standard 11 "Accounting for the Effects of changes in Foreign Exchange Rates" prescribed by Companies (Accounting Standards) Amendment Rules, 2009 in the F.Y. 2008-09 and accordingly the company has capitalized foreign exchange loss of Rs. 392.66 lacs in the current year in respect of foreign currency loans, consequently, loss for the year is lower by the equivalent amount. Company had capitalised the foreign exchange loss of Rs. 1095.37 lacs in respect of foreign currency loans in the fixed assets upto the previous year.

35. Grant from World Bank

Grant from World Bank has been treated as deferred income which is recognized in Profit & Loss Account for the period and in the proportions in which depreciation on related assets is charged.

36. Donations to Political Parties (Rs. In lacs)

Particulars	2011-12	2010-11
Indian National Congress (Gujarat Pradesh Congress Committee)	7.00	Nil
Bharatiya Janata Party	2.00	Nil

37. Related Party Disclosure

a) Names of related parties and nature of relationship

I. Key Management Personnel (KMP)

- | | |
|---------------------------|------------------------------|
| 1. Shri Suresh J. Patel | Chairman & Managing Director |
| 2. Shri Bhavin S. Patel | Executive Director |
| 3. Shri Ankit S. Patel | Executive Director |
| 4. Shri Ramesh P. Patel | Executive Director |
| 5. Smt. Meenaben S. Patel | Relative of Director |
| 6. Shri Prashant Bhatt | Director |
| 7. Smt. Daksha Bhatt | Director |
| 8. Ms. Shachi Bhatt | Relative of Director |

II. Enterprise under significant influence of key management personnel (Enterprise)

- (i) Shanti Inorgo Chem (Guj.) Pvt. Ltd.
- (ii) Siskaa Chemicals Ltd.
- (iii) Greenbay Associates

b) Transactions with related parties		(Rs. In lacs)	
Related party disclosure	Relationship	for the year 31/03/2012	for the year 31/03/2011
Remuneration			
Shri Suresh J. Patel	KMP	48.00	71.00
Shri Bhavin S. Patel	KMP	18.00	9.00
Shri Ankit S. Patel	KMP	18.00	6.00
Shri Ramesh P. Patel	KMP	9.00	9.00
Shri Prashant Bhatt	KMP	1.90	1.20
Smt. Daksha Bhatt	KMP	1.80	1.20
Loan Taken			
Shri Suresh J. Patel	KMP	335.00	0.20
Shri Ankit S. Patel	KMP	322.83	90.00
Shri Ramesh P. Patel	KMP	35.38	Nil
Siskaa Chemicals Ltd.	Enterprise	Nil	3.10
Loan Repaid			
Shri Suresh J. Patel	KMP	335.00	0.18
Shri Bhavin S. Patel	KMP	Nil	0.20
Shri Ankit S. Patel	KMP	322.83	90.00
Shri Ramesh P. Patel	KMP	35.38	0.61
Siskaa Chemicals Ltd.	Enterprise	3.10	Nil
Purchases of Materials			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	163.84	108.70
Siskaa Chemicals Ltd.	Enterprise	4663.31	67.26
Purchases of Assets			
Greenbay Associates	Enterprise	6.00	15.77
Salary Paid			
Ms. Shachi Bhatt	Relative	1.92	Nil
Rent paid			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	1.20	1.20
Smt. Meenaben S. Patel	KMP	0.10	0.10
Commission Paid			
Siskaa Chemicals Ltd.	Enterprise	2.18	1.91
Interest Paid			
Siskaa Chemicals Ltd.	Enterprise	0.36	Nil
Freight Paid			
Siskaa Chemicals Ltd.	Enterprise	0.37	Nil
Sales of Materials			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	203.28	324.89
Siskaa Chemicals Ltd.	Enterprise	3119.45	8.31
Amounts Payable			
Siskaa Chemicals Ltd.	Enterprise	1111.46	510.01
Shri Suresh J. Patel	KMP	0.20	0.20
Smt. Meenaben S. Patel	KMP	0.10	Nil
Amounts Receivable			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	221.41	193.05

Notes:-

- (i) No amounts pertaining to related parties have been provided for as doubtful debts. Also no amounts have been written off or written back during the year.

38. On February 9 & 10, 2012 the Company, along with promoters and other related parties, were subjected to Search, Survey and seizure operation by the Income Tax department under section 132 / 133 of the Income Tax Act, 1961 ("the Act"). The company has till date made disclosure of Rs. 1081.23 lacs under Section 132 (4) of the Act of which Rs. 505 lacs has been accepted by the company and the said income has been shown as "Exceptional Items". Utilisation thereof of Rs. 500 lacs towards land development cost and Rs. 5 lacs for reversal of business development expenses have been duly accounted for. Balance Rs. 576.23 lacs though covered under disclosure have not been accepted by the company. The above disclosure has been considered for calculation of the tax expenses.

39. Segment Reporting:

a) Information about Primary Business Segment

(Previous Year's figures are given in *Italic format*)

(Rs. In lacs)

Particulars	Dyes, Dyes Intermediates and Basic Chemicals	Others	Unallocated	Total
Revenue From Operations	60,334.62	1,035.98		61,370.60
	<i>57,125.43</i>	<i>143.11</i>		<i>57,268.54</i>
Total Segment Revenue	60,334.62	1,035.98		61,370.60
	<i>57,125.43</i>	<i>143.11</i>		<i>57,268.54</i>
Add : Other Income			149.52	149.52
			<i>116.21</i>	<i>116.21</i>
Total Revenue	60,334.62	1,035.98	149.52	61,520.12
	<i>57,125.43</i>	<i>143.11</i>	<i>116.21</i>	<i>57,384.75</i>
Segment Result	(1,143.05)	(128.08)		(1,271.13)
	<i>4,661.35</i>	<i>8.78</i>		<i>4,670.13</i>
Add : Other Income			149.52	149.52
			<i>116.21</i>	<i>116.21</i>
Less : Finance Cost			3,464.61	3,464.61
			<i>2,275.25</i>	<i>2,275.25</i>
(Loss) / Profit Before Exceptional Items and Taxes	(1,143.05)	(128.08)	(3,315.09)	(4,586.22)
	<i>4,661.35</i>	<i>8.78</i>	<i>(2,159.04)</i>	<i>2,511.09</i>
Exceptional Income	505			505
(Loss) before Tax	(638.05)	(128.08)	(3,315.09)	(4,081.22)
	<i>4,661.35</i>	<i>8.78</i>	<i>(2,159.04)</i>	<i>2,511.09</i>
Provision for Taxation			(1,097.82)	(1,097.82)
			<i>830.92</i>	<i>830.92</i>
(Loss) / Profit after Tax before share of Minority Interest	(638.05)	(128.07)	(2,217.28)	(2,983.40)
	<i>4,661.35</i>	<i>8.78</i>	<i>(2,989.96)</i>	<i>1,680.17</i>
Share in (loss)/profit of Minority Interest				(4.96)
				<i>10.34</i>
Pre-acquisition Profit adjusted against Capital Reserve				Nil
				<i>8.58</i>
(Loss) / Profit After Taxes (After adjustment of Minority Interest)				(2,978.44)
				<i>1,661.25</i>
Segment Assets	56,762.08	722.3		57,484.38
	<i>54,342.95</i>	<i>527.81</i>		<i>54,870.76</i>
Segment Liabilities	50,913.79	698.3		51,612.09
	<i>46,564.66</i>	<i>341.84</i>		<i>46,906.50</i>
Total Liabilities	50,913.79	698.3		51,612.09
	<i>46,564.66</i>	<i>341.84</i>		<i>46,906.50</i>
Capital Expenditure	2,171.77	144.24		2,316.01
	<i>9,863.42</i>	<i>40.08</i>		<i>9,903.50</i>
Depreciation & Amortization	1,600.38	9.97		1,610.35
	<i>1,379.90</i>	<i>5.31</i>		<i>1,385.21</i>
Non-Cash Expenditure other than depreciation and amortization	6.4	1.9		8.31
	<i>10.74</i>	<i>0.47</i>		<i>11.21</i>

Notes :

Business Segments

The Company has considered business segment as the primary segment for disclosure. The products included in each of the reported domestic business segments are as follows:

- 1) Dyes, Dyes Intermediates and Basic Chemicals
- 2) Others which include trading of fruits and vegetables, production of tissue culture plants etc.

b) Secondary Segment (By Geographical segment)

	(Rs. In Lacs)	
	2011-12	2010-11
Sales and Operating Income:-		
India	38,135.84	33,470.78
Outside India	2,3234.76	23,797.76
Total	61,370.60	57,268.54

40. Employees' Benefits

a) Defined Benefit Plan

Gratuity:

The holding Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance Company in the form of qualifying insurance policy.

The following table summaries the components of net benefit expenses recognized in the profit and loss account and the funded status and amounts recognized in the balance sheet for the gratuity benefit.

	(Rs. In lacs)	
	As on 31/03/2012	As on 31/03/2011
1 Assumptions		
Discount Rate	8%	8%
Salary Escalation	7%	7%
2 Table showing changes in present value of obligations		
Present value of obligations as at beginning of year	54.53	31.59
Interest cost	4.36	2.53
Current Service Cost	24.13	16.69
Benefits Paid	(1.87)	(0.68)
Actuarial (gain)/Loss on obligations	(5.25)	4.40
Present value of obligations as at end of year	75.90	54.53
3 Table showing changes in the fair value of plan assets		
Fair value of plan assets at beginning of year	85.49	52.56
Expected return on plan assets	7.63	5.38
Contributions	Nil	28.23
Benefits paid	(1.87)	(0.68)
Actuarial Gain / (Loss) on Plan assets	Nil	Nil
Fair value of plan assets at the end of year	91.25	85.49

	(Rs. In lacs)	
	As on 31/03/2012	As on 31/03/2011
4 Table showing fair value of plan assets		
Fair value of plan assets at beginning of year	85.49	52.56
Actual return on plan assets	7.63	5.38
Contributions	Nil	28.23
Benefits Paid	(1.87)	(0.68)
Fair value of plan assets at the end of year	91.25	85.49
Funded status	15.35	30.96
Excess of Actual over estimated return on plan assets (Actual rate of return=Estimated rate of return as ARD falls on 31st March)	Nil	Nil
5 Actuarial Gain/Loss recognized		
Actuarial gain/(Loss) for the year –Obligation	5.25	(4.40)
Actuarial (gain)/Loss for the year - plan assets	Nil	Nil
Total (gain)/Loss for the year	(5.25)	4.40
Actuarial (gain)/Loss recognized in the year	(5.25)	4.40
6 The amounts to be recognized in the balance sheet and statements of profit and loss		
Present value of obligations as at the end of year	75.90	54.53
Fair value of plan assets as at the end of the year	91.25	85.48
Funded status	15.35	30.96
Net Asset/(liability) recognized in balance sheet	(15.35)	(30.96)
7 Expenses Recognised in statement of Profit & loss		
Current Service cost	24.13	16.69
Interest Cost	4.36	2.53
Expected return on plan assets	(7.63)	(5.38)
Net Actuarial (gain)/Loss recognised in the year	(5.25)	4.40
Expenses recognised in statement of Profit & loss	15.61	18.24

b) Defined Contribution Plan

The Group company has recognized the following amount in profit and loss account which is included under contribution to funds.

Particulars	Rs. In lacs
Employer's contribution to Provident Fund	99.71
Employer's contribution to E.S.I.	22.62

Note:

- (1) The estimated future salary increases take account of inflation, seniority, promotion and other retirement factors such as supply and demand in the employment markets.

41. Earnings per Equity Share

Basic and Diluted Earnings per equity share are recorded in accordance with Accounting Standard -20 "Earnings per Share". Earnings per Share is calculated by dividing the (loss) / profit attributable to the Equity shareholders (after adjustment for deferred taxes) by the average number of equity shares outstanding during the period. The numbers used in calculating basic and diluted earnings per Equity Shares are stated below.

	(Rs. In lacs)	
	2011-12	2010-11
Net (Loss) / Profit after Tax before exceptional items	(3483.44)	1661.25
Less : Exceptional Items	505.00	Nil
Net (Loss) / Profit after Tax after exceptional items	(2978.44)	1661.25
Weighted average number of Equity Shares for basic EPS	103,270,984	99,511,510
Weighted average number of Equity Shares for diluted EPS		
a) Existing No. of Equity Shares	103,270,984	99,511,510
b) Equity Shares proposed to be issued due to convertible equity share warrants.	Nil	18,227,880
c) Weighted average number of Equity Shares	103,270,984	117,739,390
Basic Earnings per Share before exceptional items	(3.37)	1.67
Basic Earnings per Share after exceptional items	(2.88)	1.67
Diluted Earnings per Share before exceptional items	(3.37)	1.41
Diluted Earnings per Share after exceptional items	(2.88)	1.41
Nominal Value per Share	2	2

42. Foreign Currency Exposure

The holding Company has entered in following forward exchange contracts that are outstanding as at 31st March, 2012 to hedge the foreign currency risks of firm commitments.

Category	Currency	Buy/sell	Foreign Currency Value (in lacs)	Foreign Currency Value (Rs. in lacs)
Forward Contract	USD	Sell	171.57	8776.93
Forward Contract	USD	Buy	110.58	5656.97

All Derivative and Financial instruments acquired by the company are for Hedging purpose only.

Details of unhedged foreign currency exposure as on 31-03-2012.

Particulars	Currency	Foreign Currency Value (in Lacs)	Foreign Currency Value (Rs. in Lacs)
Debtors	EURO	€ 0.78	53.13
Debtors	USD	\$ 14.30	731.51
Creditors for Foreign Commission	EURO	€ 0.48	32.67
Creditors for Foreign Commission	USD	\$ 9.50	486.05
Trade Deposit	USD	\$ 2.00	102.31
Packing Credit Loans	USD	\$ 47.87	2449.09

As per our report of even date attached

For **Mayank Shah & Associates**
(Firm Registration No. 106109W)
Chartered Accountants

(M.S. Shah)
Partner
Membership No. 44093

Place : Ahmedabad
Date : 31.08.2012

For and on behalf of the Board of Directors

(Suresh J. Patel)
Chairman & Managing Director

(Ramesh P. Patel)
Executive Director

(Ashutosh B. Bhatt)
Company Secretary

Place : Ahmedabad
Date : 31.08.2012

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

Sr.No.	Name of Subsidiary company	Bodal Agrotech Ltd.	Sun Agrigenetics Pvt. Ltd.
1	Financial year of the subsidiary Company ended on	31.03.2012	31.03.2012
2	Holding company's interest		
	(a) number of shares fully paid	17,00,000	43,164
	(b) extent of Holding	100%	51%
Rs. In Lacs			
3	Net aggregate amount of Profit/(Loss) of the Subsidiary, so far as they concern members of the BODAL CHEMICALS LTD for the financial year of the subsidiary		
	(a) dealt with in the account of the holding company	-141.67	-5.16
	(b) not dealt with in the account of the holding company	NIL	-4.96
4	As the financial year of the subsidiary companies Coincide with the financial year of the holding company, Sec.212(5) of the Companies Act,1956.	N.A.	N.A.
5	Capital	170.00	8.46
	Share Application money	NIL	10.00
	Reserve & Surplus	-158.29	96.90
	Total Assets	770.28	454.16
	Total Liabilities	770.28	454.16
	Investments	51.66	NIL
	Total Income	862.55	180.97
	Loss Before Tax	-205.11	-10.12
	Provision for Tax (Deferred Tax Assets)	-63.44	NIL
	Loss After Tax	-141.67	-10.12

ATTENDANCE SLIP / PROXY FORM

BODAL CHEMICALS LIMITED

Regd. Office : Plot No. 123-124, Phase I, GIDC Vatva, Ahmedabad - 382 445.

ATTENDANCE SLIP

26th ANNUAL GENERAL MEETING -Friday, 28th September, 2012 at 4.00 P.M.

Folio No./DP ID : _____

Client ID : _____

No. of Shares held : _____

I certify that I am a registered equity shareholder / Proxy for the registered equity shareholder of the company. I hereby record my presence at the 26th Annual General Meeting of the Company, held at ATMA, Auditorium, Opp. Old RBI Office, Ashram Road, Ahmedabad-380 009. Gujarat, on Friday, 28th September, 2012 at 4.00 P.M.

Member's/Proxy's name in BLOCK letters

Member's/Proxy's Signature

Note : (Please fill in this Attendance slip and hand it over at the entrance of the meeting hall.)

----- **Tear Here** -----

BODAL CHEMICALS LIMITED

Regd. Office : Plot No. 123-124, Phase I, GIDC Vatva, Ahmedabad - 382 445.

PROXY FORM

26th ANNUAL GENERAL MEETING -Friday, 28th September, 2012 at 4.00 P.M.

I/ We _____ of _____ of being a member/members of the above named Company hereby appoint _____ of _____ or failing him/her _____ of _____ in my/ our absence to attend and vote for me/us and on my/our behalf at the 26th Annual General Meeting of the Company to be held on 28th September, 2012. at 4.00 P.M. and any adjournment thereof.

Signature (s) _____

Affix 1
Rupee
Revenue
Stamp

Date : _____

LF No. / DP ID : _____

Client ID : _____

No of Shares held _____

Notes : The proxy form duly completed should be deposited at the Registered Office of the company before 48 hours of the meeting.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Suresh J. Patel	<i>Chairman & Managing Director</i>
Bhavin S. Patel	<i>Executive Director</i>
Ankit S. Patel	<i>Executive Director</i>
Ramesh P. Patel	<i>Executive Director</i>
Surendra N. Shah	<i>Independent Director</i>
Sunil K. Mehta	<i>Independent Director</i>
Bipin R. Patel	<i>Independent Director</i>
Prakash B. Patel	<i>Independent Director</i>

COMPANY SECRETARY

Ashutosh B. Bhatt

REGISTERED OFFICE

Plot No.123 & 124, Phase-I, G.I.D.C. Estate,
Vatva, Ahmedabad-382 445.

AUDITORS

Mayank Shah & Associates

Chartered Accountants

706-708-A, Mahakant, Opp. V. S. Hospital,
Ellisbridge, Ahmedabad-380 009

BANKERS

Union Bank of India
Bank of India

REGISTRAR & TRANSFER AGENTS

Sharepro Services (India) Pvt Ltd.

416-420, 4th Floor, Devnandan Mall,
Opp. Sanyas Ashram, Ellisbridge,
Ahmedabad-380006.

AUDIT COMMITTEE

Surendra N. Shah	<i>Chairman</i>
Bipin R. Patel	<i>Member</i>
Prakash B. Patel	<i>Member</i>

REMUNERATION COMMITTEE

Surendra N. Shah	<i>Chairman</i>
Bipin R. Patel	<i>Member</i>
Prakash B. Patel	<i>Member</i>

SHAREHOLDERS' GRIEVANCES COMMITTEE

Surendra N. Shah	<i>Chairman</i>
Bipin R. Patel	<i>Member</i>
Prakash B. Patel	<i>Member</i>

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Bodal Chemicals Ltd.

Plot No. 123-124, Phase-I, G.I.D.C., Vatva, Ahmedabad - 382 445. Gujarat, India.