CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS	**Mr. M. K. Tandon**	Chairman
	Mr. M. M. Venkatachalam	Director
	Mr. Jayesh Gandhi	Director
	Mr. Sujal Shah	Director
	Mr. V. Ravichandran	Director
	Mr. Kapil Mehan	Director
	Mr. G. Veera Bhadram	President & Whole-time Director

COMPANY SECRETARY

Ms. Pritam Vartak

STATUTORY AUDITORS

M/s. Deloitte Haskins & Sells, Chartered Accountants

BANKERS

Union Bank of India
State Bank of India
IDBI Bank Ltd.
The Ratnakar Bank Limited
Axis Bank Limited
Export-Import Bank of India
HDFC Bank Limited
Deutsche Bank

REGISTERED OFFICE

Plot No. 2102, GIDC
Sarigam 396 155
Dist. Bulsar, Gujarat
Telfax. : 0260 2780395

CORPORATE OFFICE

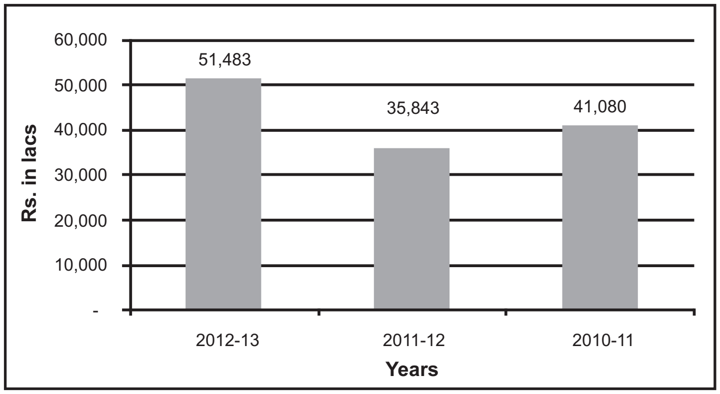
Bezzola Commercial Complex,
A Wing, 3rd Floor, Suman Nagar,
Sion Trombay Road, Chembur,
Mumbai-400071
Tel. No.: 022 61132400
Fax.: 022 61132405

REGISTRAR & SHARE TRANSFER AGENTS

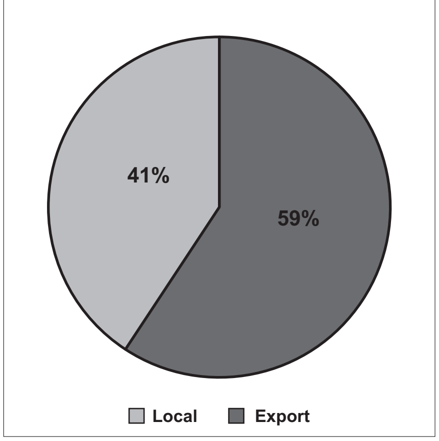
Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound
LBS Marg, Bhandup (West)
Mumbai 400 078
Tel.: 022 25963838
Fax: 022 25946979

FINANCIAL HIGHLIGHTS

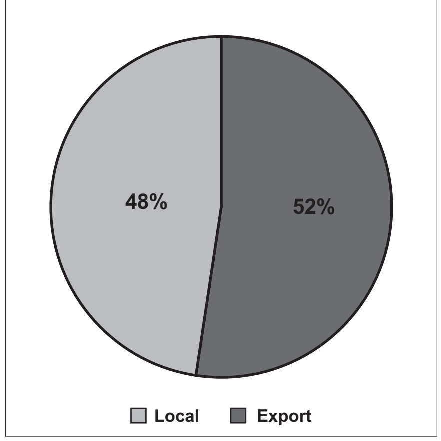
Net Sales



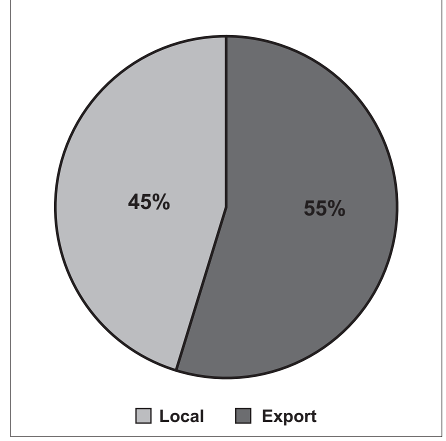
F.Y. 2012-13



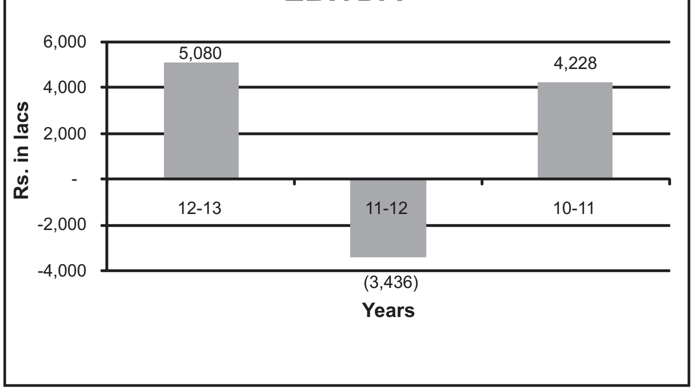
F.Y. 2011-12



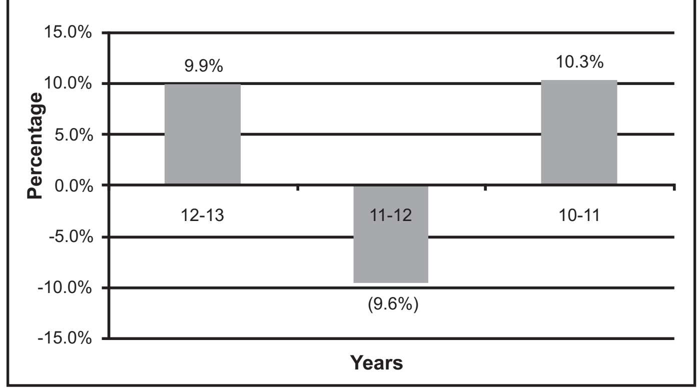
F.Y. 2010-11



EBITDA



EBITDA %



NOTICE

NOTICE is hereby given that the 22nd Annual General Meeting of the Members of Sabero Organics Gujarat Limited will be held on Tuesday, July 16, 2013 at 12 Noon at Plot No. 2102, GIDC, Sarigam - 396 155, Dist. - Bulsar, Gujarat to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2013 and the Profit & Loss Account for the financial year ended on that date together with the Report of the Directors' and Auditors' thereon.

2. To appoint a Director in place of Mr. Jayesh Gandhi, who retires by rotation and being eligible, offers himself for re-appointment.

3. To appoint a Director in place of Mr. Sujal Shah, who retires by rotation and being eligible, offers himself for re-appointment.

4. To appoint Statutory Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

   To consider and if deemed fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

   "RESOLVED THAT M/s Deloitte Haskins & Sells, Chartered Accountants, bearing Registration No. 117364W with the Institute of Chartered Accountants of India, be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on a remuneration of Rs. 8 Lacs (Rupees Eight Lacs only) plus reimbursement of out of pocket expenses and service tax."

By Order of the Board of Directors
For **Sabero Organics Gujarat Limited**

Sd/-
Pritam Vartak
Company Secretary

Place: Mumbai
Date: 16.04.2013

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

2. A Proxy Form in order to be effective, should be duly completed, stamped, signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

3. Members desirous of obtaining any information as regards accounts and operations of the Company are requested to send their queries in writing so as to reach at the Corporate Office of the Company at Mumbai at least 10 (ten) days before the date of the meeting, to enable the Company to keep the information ready.

4. The Register of Members and the Share Transfer Books of the Company will remain closed from July 08, 2013 to July 16, 2013 (both days inclusive).

5. Members are requested to notify immediately any change in their address to their Depository Participants (DPs) in respect of their electronic share accounts quoting Client ID No. and in case shares are held in physical form, to Link Intime India Private Limited, Registrar and Transfer Agents in respect of their physical shares, quoting Folio No.

6. The Company's shares are traded in electronic form. The investors are requested to hold their securities in the electronic form.

7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrar and Transfer Agents, M/s. Link Intime India Pvt. Ltd.

8. The relevant details of Directors seeking re-appointment, under the item nos. 2 and 3,above, are as follows:

Name	**Mr. Jayesh Gandhi**	**Mr. Sujal Shah**
Age	50 years	43 years
Date of Appointment	2nd December, 2011	2nd December, 2011
Qualification	B.Com, F.C.A	B. Com, F.C.A
Nature of Expertise	Finance, Accounting and Auditing	Finance, Mergers & Acquisition and Corporate Advisory
Experience	29 years	21 years

Names of other companies in which holds Directorship (excluding foreign and private companies)	1. Sanofi India Limited 2. ICICI Home Finance Company Ltd 3. India Infradebt Limited	1. Gitanjali Gems Limited 2. Reliance Assets Reconstruction Company Limited 3. Reliance MediaWorks Limited 4. Keynote Corporate Services Limited 5. Amal Limited 6. Hindoostan Technical Fabric Limited 7. Amrit Banasapati Company Limited 8. Hindoostan Mills Limited 9. Rudolf Atul Chemicals Limited
Names of other public companies in which holds Committee membership / Chairmanship*	Sanofi India Limited - Member of Audit Committee and Investors Grievance Committee ICICI Home Finance Company Limited-Chairman of Audit Committee Indiainfra Debt Limited - Member of Audit Committee	Gitanjali Gems Limited - Chairman of Audit Committee Reliance Assets Reconstruction Company Limited - Chairman of Audit Committee Reliance MediaWorks limited - Chairman of Audit Committee Keynote Corporate Services Limited - Chairman of Audit Committee Amal Limited - Member of Audit Committee Amrit Banasapati Co. Ltd. - Member of Audit Committee Hindoostan Mills Limited - Chairman of Audit Committee Rudolf Atul Chemicals Limited - Member of Audit Committee
Shareholding in the Company	Nil	Nil

*Note : Represents Membership/ Chairmanship of Audit & Investors Grievance Committee of Public Ltd. Companies governed by Companies Act, 1956

9. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during office hours on all working days except Saturday between 11.00 a.m. and 1.00 p.m., up to the date of the Annual General Meeting and the same will be available for inspection at the Annual General Meeting.

By Order of the Board of Directors
For **Sabero Organics Gujarat Limited**

Sd/-
Pritam Vartak
Company Secretary

Place: Mumbai
Date: 16.04.2013

DIRECTORS' REPORT

Dear Members,

Your Directors take pleasure in presenting the 22nd Annual Report of the Company together with the Audited Financial Statements along with the Report of the Auditors for the financial year ended March 31, 2013.

Summary of Financial Results:

(₹ in lacs)

	Year Ended 31.03.2013	Year Ended 31.3.2012
Net Sales		
Domestic	**20,955.81**	17,068.67
Exports	**30,527.12**	18,774.00
Total	**51,482.93**	35,842.67
Profit / (Loss) before Finance Cost, Depreciation and Taxation (EBITDA)	**5,080.28**	(3,436.08)
Less: Finance Costs	**2,989.46**	2,924.94
Depreciation	**1,137.17**	1,103.93
Profit before exceptional items and tax	**953.65**	(7,464.95)
Exceptional items	**174.34**	-
Profit before tax	**779.31**	(7,464.95)
Less: Provision for Tax (incl. deferred tax)	**6.15**	(1,340.58)
Net Profit / (Loss) after Tax	**773.16**	(6,124.37)
Add: Surplus in statement of profit and loss account at the beginning of the year	**513.56**	6,637.93
Amount available for appropriation	**1,286.72**	513.56

Operations

The year 2012-13 has been one of turnaround for the Company, against the backdrop of prior period legacy challenges. The Company became fully compliant with the regulatory norms on emission control. With the restrictive norms on capacity utilization overcome, production levels improved and have been sustained at higher levels. Operational efficiencies have been achieved across the board, alongside.

During the year under review, the Company focused on its key markets for driving its business growth; the Company improved its product mix and capitalized on product level opportunities opening up on regulatory approvals coming about; at the same time, the Company continued to pursue product registrations for enhanced market growth.

For the year ending 31st March, 2013, Operating Profit i.e. EBITDA is of the order of ₹5080.28 lacs, as against Operating loss of ₹3436.08 lacs incurred in the preceding year 2011-12. Profit after Tax is ₹773.16 lacs for the year 2012-13, compared to Net Loss of ₹ 6124.37 lacs reported for 2011-12.

Subsidiary / Associate Companies:

The Company has Subsidiary Companies in Australia, Latin America, Argentina, Europe and an Associate company in Philippines, primarily to pursue grant of licenses and product registrations in conformity with the local laws of the respective countries/regions.

During the year, the Company has set-up a new subsidiary in Mexico.

Consolidated Financial Statements

The Ministry of Corporate Affairs, has given a general exemption to Companies from publishing the Annual Report of its Subsidiary Companies wherever a Consolidated Statement has been appended. In view of this, the Annual Report of the Subsidiary Companies, i.e. Sabero Australia Pty Ltd, Sabero Europe B.V., Sabero Argentina S.A. and Sabero Organics America S.A., have not been annexed. A Statement under Section 212(8) of the Companies Act, 1956 is attached after Consolidated Audited Financial Statements of the Company and forms part of this Annual Report.

However, the Accounts of the Subsidiary Companies and the related information will be made available to the Members of the Company on request and will also be kept for inspection at the Registered Office.

Safety, Health & Environment (SHE)

Company's focus on Safety, Health and Environment continued during the year under review maintaining high safety standards. During the year, the plant undertook activities to strengthen the plant infrastructure & decongested the work area to provide safe working environment. The Multiple Effect Evaporators (MEEs) for treatment of environment were stabilized and the Company maintained its ISO 14001 Environmental Management System certification. Regular SHE audits and training programs are conducted to promote SHE awareness among the employees.

Management Discussion & Analysis and Corporate Governance Report

The 'Management Discussion & Analysis Report' highlighting the industry structure and developments, opportunities, risks and uncertainties, future outlook, etc is furnished separately and forms part of this Directors' Report.

Pursuant to Clause 49 of the Listing Agreement, a Report on Corporate Governance along with a certificate from M/s. Rathi & Associates, Company Secretaries in practice, regarding compliance of the requirements of Corporate Governance is annexed hereto.

Directors

In accordance with Article 70 of the Articles of Association, read with Section 255, 256 and 262 of the Companies Act, 1956, Mr. Sujal Shah and Mr. Jayesh Gandhi, Directors of the Company will retire by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment.

Auditors

M/s. Deloitte Haskins & Sells, Chartered Accountants, Auditors of the Company retire at the conclusion of ensuing Annual General Meeting and are eligible for re-appointment. Members are requested to appoint the auditors and fix their remuneration.

Cost Auditors

In pursuance of Section 233B of the Companies Act 1956, the Central Government has ordered Cost Audit and accordingly, M/s P.D. Dani & Co., Cost Accountants, were appointed as Cost Auditors to render reports to the Central Government. The report for the year 2011-12 was submitted on 31-01-2013 (Due date:28-02-2013) and for the year 2012-13, will be submitted on/before due date.

Disclosures

Information relating to the Conservation of Energy, Technology Absorption, Adaptation & Innovation and Foreign Exchange Earnings and Outgo required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are annexed hereto and forms part of this report.

Information as per Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is annexed hereto and forms part of this Report.

Directors' Responsibility Statement

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, Board of Directors of Sabero Organics Gujarat Limited hereby confirm:

(i) That in the preparation of the accounts for the financial year ended 31st March 2013, the applicable Accounting Standards have been followed;

(ii) That appropriate accounting policies have been selected and applied them consistently and made judgment & 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 Profit of the Company for the year under review;

(iii) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) That the Accounts for the financial year ended 31st March, 2013 have been prepared on a 'going concern' basis.

Acknowledgements

The Directors wish to place on record their deep sense of appreciation of the Co-operation and assistance received by the Company from its Customers, Vendors and Business Associates, its Bankers and the Financial Institutions and from the agencies /bodies of the Central Government and the Government of Gujarat and for the continued confidence placed in it by the esteemed body of Investors and Stakeholders. The Directors also wish to acknowledge and place on record the significant contribution made by the employees at all levels in improving the performance of the Company.

On behalf of the Board of Directors

Sd/-

Place: Mumbai — **M. K. Tandon**

Date: 16 April 2013 — Chairman

ANNEXURE “A” TO THE DIRECTORS' REPORT

Information under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report.

FORM - A

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

	CURRENT YEAR 2012-13	PREVIOUS YEAR 2011-12
A. POWER & FUEL CONSUMPTION		
1) Electricity		
a) Purchased		
Units (lac units)	**221.53**	198.39
Amount ((Rs. in lacs)	**1,581.61**	1,342.39
Rate/Unit (Rs./kwh)	**7.14**	6.77
b) Own Generation		
- Through Diesel generator		
Unit (lac units)	**0.76**	2.98
Diesel consumed (K Litre)	**30.96**	122.83
Unit per liter of Diesel Oil	**2.47**	2.43
Rate/Unit (Rs./Kwh)	**20.55**	18.13
- Through gas engine		
Unit (lac units)	**67.08**	41.15
Gas consumed (SCM in lacs)	**17.75**	14.29
Amount (Rs. lacs)	**583.75**	344.55
Unit generated/scm of gas	**3.78**	2.88
Rate/Unit (Rs./KWH)	**8.70**	8.37
2) Fuel for Steam Generation		
i. Furnace Oil		
Quantity (K Litres)	**-**	125.20
Amount (Rs. lacs)	**-**	57.89
Average Rate (Rs./Litres)	**-**	46.24
ii. Natural Gas		
Quantity (SCM in lacs)	**119.12**	121.07
Amount (Rs. lacs)	**3,926.95**	2,919.41
Rate/unit (Rs./SCM)	**32.97**	24.11

CONSERVATION OF ENERGY

The Company remains focused on giving importance to energy conservation covering efficiency in generation, distribution and utilization. The energy saving measures implemented during the year are:

1. Steam distribution network revamped to reduce the steam distribution losses.
2. Chilled water systems improved to facilitate high production without increase in power consumption.
3. Reduction in per unit of production through reduction in cycle time.
4. Use of Multiple Efffect Evaporators (MEEs) in the place of Batch Evaporation to reduce Power & Steam consumption.
5. Segregation of effluents resulting in lower loads in MEEs leading to lower power and steam consumption.
6. Revamping of Incinerator leading to reduction in natural gas and power consumption.
7. Judicious use of energy from cost effective sources – Purchased Power Vs Own Generated through Gas and Diesel.

Disclosure of particulars with respect to

a) Research & Development: (R & D)

The in-house R&D focus on establishing process and knowhow for manufacture and commercialization of New Products in sync with the business strategy and continuous improvement on process and operations. In 2012-13:

1. Processes established for New off patent Products and combination products for technology absorption and commercialization in coming years.
2. Yields improved across products manufactured leading to cost reduction.
3. Bi-product quality improved using state of the art Multiple Effect Evaporators (MEEs).

b) Technology Absorption, Adoption and Innovation

Technology up gradation was pursued by the Company using in-house R&D infrastructure for absorption, adoption and innovation. During the year, the Company made progress in the areas of establishing processes for new off patent products, combination products through new recipe leading to reduction in costs, reduction in generation of effluents and treatment costs with installation and optimum utilization of facilities. Cycle time reduced in key products leading to improved productivity.

c) Foreign Exchange Earnings and Outgo

(₹ in Lacs)

	CURRENT YEAR 2012-13	PREVIOUS YEAR 2011-12
1. Foreign Exchange earned		
Export of goods on FOB basis	**27,338.21**	17,501 .27
2. Outgo of foreign exchange		
Raw materials on CIF basis	**12,973.98**	9,199.07
Stores, spares	**1.07**	-
Capital goods	**90.42**	7.33
Export Commission	**344.22**	124.82
Product Registration Expenses	**338.24**	224.17
Interest	**87.09**	84.63
Foreign bank collection charges and interest on packing credit	**127.87**	259.32
Others	**80.30**	195.58
Total	**14,043.19**	10,095.32

ANNEXURE B

Information as per Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report.

Name	Designation	Remuneration (₹) Gross / Net	Qualification	Experience (Yrs)	Date of commencement of employment	Age	Particulars of last employment
Mr. G. Veera Bhadram	President & Whole-time Director	Gross ₹ 68,70,888/-	Graduation in Agriculture, Post Graduation in Agricultural Economics, PG Diploma in Management	29 years	19th December, 2011	55 years	Coromandel International Limited - Senior Vice President- Pesticides SBU

MANAGEMENT DISCUSSION AND ANALYSIS

The statements in the "Management Discussion and Analysis Report" describe the Company's objectives, projections, estimates and expectations which may be "forward looking statements" within the meaning of applicable laws and regulations. The actual results could differ materially from those expressed or implied, depending upon the economic and climatic conditions, government policies and other incidental factors.

Business Environment

The Agro-chemicals Industry grows in tandem with the agricultural sector. Agricultural growth itself is greatly affected by monsoon, especially in the agrarian economies with large tracts of land-mass remaining uncovered with water irrigation systems. Thus, a year of good monsoon is a harbinger of growth for the agrarian economies, including Agro-chemicals Industry. Conversely, the vagaries of monsoon tend to be a spoiler for the sector.

As is well known, countries with large and growing population are forever under pressure for higher food produce from their limited land mass; the arable land itself is limited and getting shrunk all over the world in the wake of industrial development and urbanization. The scenario makes it imperative for the stakeholders in the agriculture space to look for and adopt new and more efficient methods of crop protection and of maximizing their yields from the given land resources under cultivation. Agro-chemicals are gaining acceptance worldwide with increasing awareness of their beneficial role in minimizing losses due to pests and thereby improving yields. For the players in the Agro-chemicals Industry, the challenge is to develop new products through research and innovation for more efficient crop protection through safe and efficient products and product applications across broad spectrum of agricultural crops in all parts of the world.

Agro-chemicals Industry Overview

Globally, the standout markets are the ones in Asia, Europe and Latin America where the Agro-chemicals business has been reporting consistently high growth, riding on increasing agricultural production and strong commodity prices. Latin America at 13% is the highest growing region; Brazil happens to be the country with highest consumption of Agro-chemicals and has a market size of about US $ 9 Billion.

The Industry growth has been around 7-8% globally in recent years, thanks in good part to good monsoons over several years in most markets. In the year 2012, the industry witnessed a growth of 6.4% on nominal terms and 8.9% on real terms and has reached a turnover size of $ 47.3 billion. Along with non-agricultural consumption the industry size is about 53 billion. Global Commodity prices have been ruling firm at high levels since 2012, on the back of growing demand and the situation is unlikely to be any different in 2013, given present levels of global commodity stocks and growing demand. Going by the current scenario of continuing high prices of commodity stocks, the expectation is that 2013 would be a good year for the agrarian economies across the Globe. The Agro-chemicals Industry is likewise expected to fare well in 2013. Over the next 5 years, the Industry is expected to grow at about 5% annually, at which rate it should be a $67 billion Industry by 2017 including non-agricultural consumption.

However, the Industry has to contend with some recent developments and challenges confronting it.

It thrives on R & D and innovation leading to new products being introduced from time to time. Multi National Companies (MNC) have been significant players driving Research & Development (R & D) initiatives in the evolution of new Agro-chemicals. However, in recent years, Genetically Modified (GM) seeds are gaining acceptance for wider application across crops leading to a shift in focus on the part of the MNC players and the levels of dedicated investments in R & D for Agro-chemicals are coming down. This is an area of concern which the Industry needs to address, impacting the introduction of new active ingredients and new products in the Agro-chemicals space.

A fall-out development has been in terms of share of 'off – patent' molecules going up and it now stands at 77% of the total global Agro-chemicals business. 'Generics 'constitute as much as 51% of the Industry size. As a result of the falling levels of R & D spends in Agro-chemicals, the share of 'off – patent' generics in the total business is set to go up further. The scenario of 'off - patent' generics driving volumes in Agro-chemicals business has a positive outlook for countries like China and India where the manufacturing facilities are largely geared towards generic products.

The other major issue is the challenge to be and remain an environment-friendly Industry. There is a huge focus worldwide on the responsibility of the manufacturing Industry towards protecting the environment. The Industry response is critical to its survival and growth. The Industry is witnessing serious efforts across the globe in making agro-chemical products environment-friendly i.e. 'green'; an example is Glyphosate variant' Non Tallow Amine Glyphosate ' which in its 'green' form is set to be introduced in the European markets.

Indian Agro-chemicals Industry is the 11^{th} largest globally and the sixth fastest growing market across the world. However, consumption of crop protection products in India is among the lowest in the world at 0.6 kg/ha compared to 13 kg/ha in China and 7 kg/ha in US. Crop losses in India due to pest attack are about 28% - among the highest in the world. There is thus a huge scope and potential for wider and intensive use of quality pesticides hand in hand with use of modern farming techniques through education and creating awareness among the farming community.

The Indian agricultural industry, post a poor Rabi season in the previous year, witnessed inconsistent monsoon in 2012-13, impacting farm economy across the States in North, Gujarat, Maharashtra and some parts of Karnataka. Cotton acreage fell by nearly 10% over the previous year and Paddy crop was affected due to lower water storage in dams in key states. These conditions materially affecting the Agro-chemicals Industry have been offset to some extent as a result of increased consumption of herbicides and insecticides in Soya and Pulses segments. Overall, the Industry estimated to be around 9000 Crores achieved a modest growth of less than 5%. MNCs continue to maintain their market leadership by virtue of new molecules.

The overall food production is estimated to be close to 250 million tons in 2012-13, marginally short of the record level of 252 million tons of food production achieved in 2011-12. Government continues to permit export of wheat and other selected commodities whose stocks are far in excess of the buffer levels of storage. Sustained demand for food crops and high commodity prices for most of the crops (other than cotton) are expected to boost consumption of Agro-chemicals driving the domestic industry towards double-digit growth, under normal monsoon conditions.

Company Performance

The focus of the Company in the year 2012-13 has been on improving performance across all aspects of its business operations namely; enhance manufacturing capability and consistency in production, becoming fully compliant with environmental regulations, achieving competitiveness through efficiency in operations and enhance market presence and access leading to accelerated and profitable growth.

In the year 2011-12, the Company had to undergo restrictions on capacity utilization due to delay in obtaining environmental clearances; the Company had to incur high spends on effluent treatment in order to meet the environmental regulations; it had to resort to further borrowing to address capital expenditure requirements and the infrastructure requirements for environment management. As a result, the operational performance and financials were hugely impacted.

The remedial measures initiated since the latter half of the year 2011 -12 and carried through in the year 2012-13 have led to significant progress in the year 2012-13 in various critical areas of Company performance:

- Performance of MEEs got stabilized facilitating treatment of effluents at higher volumes of operation at optimal costs and improving quality of bi-product generation.
- Necessary permissions for enhancing capacity utilization obtained from GPCB for up to a maximum of 75% of the consented capacity on an annual basis as against the earlier restriction, limiting it on monthly basis. This provides opportunity to maximize returns by leveraging economies of scale and availability in peak seasons that offer improved realizations at low working capital requirements.
- Capacity of key large volume molecules enhanced through de-bottlenecking to support higher volumes of production in peak season.
- New Product Propineb launched.
- Made a beginning in European registration with Mancozeb in France.
- Registrations leveraged in Latin American markets in regard to Chlorpyriphos and Acephate.
- The overall portfolio of registrations held by the Company increased to 296 on 16 Products spread over 54 countries (183 unique product / country combination).
- A new subsidiary set up in Mexico to cater to Central American markets

These initiatives contributed to Production Volumes going up by 37% over 2011-12 and Sales Turnover by 44% (Rs. 515 Crores as against Rs. 358 Crores in 2011-12). The share of export sales in total turnover rose to 59% against its share of 52% in 2011-12, with higher thrust on exports.

Outlook

- For the year 2012, it is estimated that the growth in fungicides sales, a key segment of Sabero business, had outpaced the growth of the Industry (fungicides growth estimated at about 11% plus as against the industry growth of about 9%). It is expected that this trend of higher growth of fungicides is to continue in the coming years.
- China - the dominant manufacturing country - is in the throes of regulatory changes calling for stricter compliance with environment management issues. This is expected to push upwards the cost of manufacture of Chinese agro-chemical products in the global markets.
- The Chinese currency Yuan is seen to be appreciating and would add to the cost of their products, thereby impacting on their competitiveness in global markets. This is expected to benefit the Indian agro-chemical Industry, in general.

The initiatives taken by Sabero over the preceding couple of years, more so in 2012-13 and its strategic plans going forward are expected to put the Company in a position to capitalize on this opportunity significantly in the markets of its presence.

Risks & Uncertainties

Regulatory reviews and controls are applied for the Agro-chemical products across the world. The molecules and registrations are subject to periodical reviews and approvals which would impact the business and short term competitive advantage. In addition, strong linkage to agriculture which is heavily reliant on weather would continue to have a significant bearing on the business performance and margins.

Internal Control Systems

The Company has adequate internal control systems and procedures commensurate with the size and nature of its business. The Company has appropriate systems and management structure that provides assurance on the efficacy and effectiveness of operations, processes and safeguarding of assets. The improvement areas as observed by internal audit function and its recommendations are reviewed by the Audit Committee for appropriate action. The Company's operating procedures include appropriate systems for reporting information to management. These procedures are business dependent but all significant operational aspects are recorded and reviewed through systems with automated controls and reconciliation process.

Human Resources

The Company has a team of technocrats and managers overseeing all its critical operational areas, including at the Plant level. The management team comprises of professionals with proven track records. The Company remains sensitive to the role of human resources in optimizing results in all areas of its working and the industrial relations are cordial.

CORPORATE GOVERNANCE REPORT

Corporate Governance is about commitment to values and ethical business conduct. The Company believes that implementation of Corporate Governance Practices, maintaining transparency and dissemination of all relevant information to stakeholders is good practice to follow. Key elements of Corporate Governance are transparency, disclosure, supervision, internal controls, risk management, internal and external communications and high standards of safety, health, environment, accounting fidelity, product and service quality.

REPORT ON CORPORATE GOVERNANCE

The Company's Shares are listed at Bombay Stock Exchange Limited and The National Stock Exchange of India Limited. In terms of Clause 49 of the Listing Agreement of Stock Exchanges (Clause 49), the Compliance Report on Corporate Governance is given as under:

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company's philosophy on Corporate Governance is driven to ensure that:

- quantity, quality and frequency of financial and managerial information which is shared with the Board, fully place the Board members in control of the Company's affairs.
- the Board exercises its fiduciary responsibilities towards stakeholders thereby ensuring high accountability.
- the decision-making is transparent and documented through the Minutes of the Meetings of the Board/ Committees thereof.
- Maximising long term value of the stakeholders and of the Company along with protecting interest of the minority Shareholders.
- the Company strives to adopt world class operating practices.

II. BOARD OF DIRECTORS:

(a) Composition and Category of Directors:

The Composition of Board of Directors of the Company is in conformity with the requirements of the Corporate Governance Code of the Listing Agreement with the Stock Exchange(s). The Board of Directors of the Company consists of optimal combination of Executive, Non-Executive and Independent Directors.

As on 31st March, 2013, the Board has Seven (7) Directors, comprising of Six (6) Non-Executive Directors and one (1) Executive Director and out of 6 Non-Executive Directors, three (3) are Independent Directors. Presently, the Chairman of the Board is Non Executive Independent Director.

Members of the Board of Directors are experienced and have wide knowledge in their respective fields and General Management. All the members of the Board take active part in the Board and Committee Meetings. None of the Directors on the Board is a member on more than 10 Committees. The Company has obtained requisite disclosures from the Directors in respect of their respective Directorship in other Companies.

(b) Boards' functioning and procedure:

The Board of Directors primary function remains policy direction and strategizing. The Board also sets Corporate goals and monitor Company performance on an ongoing basis.

In addition to its primary role of setting Corporate goals and monitoring Corporate performance, the Board directs and guides the activities of the management towards the attainment of such goals.

The composition of the Board, details of other directorships, committee positions as on 31st March, 2013 and attendance of directors at the Board meetings and at the Annual General Meeting held during the year under review are given in the table below:

Name of the Director	Category of Directorship	Attendance in Board Meeting	Attendance in last AGM held	No. of Directorship and Committee Membership in Other Public Companies (other than SABERO) #		
				Board Directorship	Committee Membership (including Chairmanship)	Committee Chairmanship
Mr. M. K. Tandon	NE/ID	8	Yes	4	5	3
Mr. V. Ravichandran	NE/NID	5	Yes	4	4	Nil
Mr. Jayesh Gandhi	NE/ID	7	Yes	3	4	1
Mr. Sujal Shah	NE/ID	8	Yes	9	8	5
Mr. M. M. Venkatachalam	NE/NID	3	No	8	2	1
Mr. Kapil Mehan	NE/NID	6	Yes	5	Nil	Nil
Mr. G. Veera Bhadram	WTD/NID	8	Yes	2	Nil	Nil

Represents Memberships/Chairmanship of Audit and Investors' Grievance Committee of Public Limited Companies governed by Companies Act, 1956.

NE/ID = Non-Executive/Independent Director
NE/NID = Non-Executive/Non-Independent Director
WTD/NID=Whole time Director/Non -Independent Director

Details of Board Meeting held during the financial year 2012-13:

Date of Board Meeting	18-04-2012	13-07-2012	06-09-2012	08-10-2012	16-10-2012	26-12-2012	16-01-2013	18-03-2013
Board Strength	7	7	7	7	7	7	7	7
No. of Directors attended	7	6	4	4	6	5	7	6

III. CODE OF CONDUCT:

The Company has adopted a Code of Conduct for the members of the Board and the senior management team in compliance with the provisions of Clause 49 of the Listing Agreement.

All the members of the Board and the senior management have affirmed compliance to the Code of Conduct as on 31st March, 2013 and a declaration to that effect signed by the President & Whole-time Director is attached and forms a part of this Report.

IV. BOARD COMMITTEES:

To enable better and more focused attention on the affairs of the Company, the Board delegates specific matters to Committees of the Board set up for the purpose.

Currently, the Board has three Committees viz. Audit Committee, Remuneration Committee and Share Transfer and Investors Grievance Committee. The Board is responsible for the Constitution, co-opting and fixing the terms of reference for said Committees.

Draft minutes of the Committee meetings duly initialed by the Chairman of the respective Committee meeting is circulated to the members of that Committee for their comments and thereafter, confirmed in its next meeting. The Board of Directors also take note of the minutes of the meetings of the Committees, at their Meeting.

1) AUDIT COMMITTEE:

The Audit Committee of the Company, inter alia, provides assurance to the Board on the adequacy of the internal control systems, financial disclosures and ensures that generally accepted accounting principles are observed by the Company. It also provides guidance and liaise with the Internal Auditors, Cost Auditor and the Statutory Auditors of the Company. The terms of reference of the Audit Committee are in conformity with the requirements of Clause 49 of the Listing Agreement read in conjunction with Section 292A of the Companies Act, 1956.

(a) Composition of the Audit Committee as on 31st March, 2013

The Audit Committee currently comprises of three Non-Executive Directors as members out of which two are Independent Directors. Mr. M. K. Tandon, an Independent Director acts as the Chairman of the Committee. The Statutory Auditors are invited to the Audit Committee Meetings.

The Audit Committee comprises of the following members as on 31st March, 2013.

Sr. No.	Name of the Member	Position
1	Mr. M. K. Tandon	Chairman
2	Mr. V. Ravichandran	Member
3	Mr. Jayesh Gandhi	Member

(b) Audit Committee Meetings and Attendance during the financial year ended 31st March, 2013

During the Financial Year 2012-13, 5 meetings of the Audit Committee were held i.e. on 18th April, 2012 13th July, 2012, 6th September, 2012, 16th October, 2012 and 16th January, 2013.

Details of attendance record of members of Audit Committee are as under:

Name of the Member	Number of Meetings attended during the year
Mr. M. K. Tandon	5
Mr. V. Ravichandran	4
Mr. Jayesh Gandhi	5

2) Remuneration Committee:

The broad terms of reference of the Remuneration Committee is to ensure that the remuneration practices of the Company in respect of the Senior Executives including the Executive Director are competitive keeping in view prevalent compensation packages so as to recruit and retain suitable individual(s) in such capacity.

a) Composition of the Remuneration Committee as on 31st March, 2013 :

The Remuneration Committee comprises of 4 Non-executive Directors, out of which 3 are independent directors.

The Remuneration Committee comprises of the following members as on 31st March, 2013.

Sr. No	Name of the Member	Position
1	Mr. M. K. Tandon	Chairman
2	Mr. Jayesh Gandhi	Member
3	Mr. M. M. Venkatachalam	Member
4	Mr. Sujal Shah	Member

b) Details of Committee Meetings and attendance:

During the Financial Year 2012-13, the Remuneration Committee met once on 13th July, 2012.

Details of attendance record of the Remuneration Committee members are as under:

Name of the Member	Number of meeting attended
Mr. M. K. Tandon	1
Mr. Jayesh Gandhi	1
Mr. M. M. Venkatachalam	Nil
Mr. Sujal Shah	1

(c) Remuneration Policy:

The compensation of the executive director comprises of fixed component and a performance incentive. The compensation is determined based on levels of responsibility and scales prevailing in the industry. The performance incentive is determined based on certain pre-agreed performance parameters. Sitting fees is not paid to executive director for any Board/ Committee meetings attended by them.

The Non-Executive Directors are paid sitting fees for attending each meeting of the Board, Audit Committee, Remuneration Committee and Share Transfer and Investors Grievance Committee.

The appointment and payment of remuneration of executive director is recommended by the Remuneration Committee, approved by the Board and also by the shareholders of the Company. Their appointment is governed by respective resolutions passed by the Board of Directors and shareholders of the Company, which covers terms of such appointment, read with the service rules of the Company.

Details of Remuneration paid to Executive Director for the financial year ended 31st March, 2013 are as under:

(₹ in Lacs)

Name of the Director	Designation	Period	Salary & Allowances	Contribution to Provident Fund	Perquisites	Total
Mr. G. Veera Bhadram	President & Whole-time Director	1st April, 2012 to 31st March, 2013	65.51	3.20	-	68.71

Details of Sitting fees paid to Non-Executive Directors for the financial year ended 31st March, 2013 are as under:

Non-Executive Directors

(₹ In Lacs)

Name of the Directors	Sitting Fees paid for the financial year 2012-13
Mr. M. K. Tandon	1.35
Mr. V. Ravichandran	0.90
Mr. M. M. Venkatachalam	0.30
Mr. Kapil Mehan	Nil
Mr. Sujal Shah	0.85
Mr. Jayesh Gandhi	1.35

Shares held by Non-Executive Directors:

Name of the Non-Executive Director	Equity Shares held (Nos.)
Mr. M. K. Tandon	Nil
Mr. M. M. Venkatachalam	Nil
Mr. Jayesh Gandhi	Nil
Mr. Sujal Shah	Nil
Mr. Kapil Mehan	Nil
Mr. V. Ravichandran	Nil

3) Share Transfer and Investors Grievance Committee:

a) Scope of the Share Transfer and Investors Grievance Committee:

The Share Transfer and Investors Grievance Committee, inter-alia, deals with various matters like share transfers, transmissions, issue of duplicate share certificates, approve the remat requests, request for consolidation of shares as and when received, and to generally deal with all investors related matters and redress the grievances of investors if any.

(b) Composition of the Committee:

Share Transfer and Investors Grievance Committee consist of three Directors out of which, two are Non-Executive Directors and one is Executive Director. Out of two Non-Executive Director one is Independent Director.

The Share Transfer and Investors Grievance Committee comprises of the following members as on 31st March, 2013:

Name of the Member	Designation
Mr. Jayesh Gandhi	Chairman
Mr. Kapil Mehan	Member
Mr. G. Veera Bhadram	Member

(c) Meetings and Attendance:

During the year under review, Share Transfer and Investors Grievance Committee met 2 times on 16th October, 2012 and 18th March, 2013. Details of attendance of said committee Meeting are as under:

Name of the Member	No. of Meetings Attended
Mr. Jayesh Gandhi	2
Mr. Kapil Mehan	1
Mr. G. Veera Bhadram	2

Details of Shareholders' complaints received, solved and pending during the Financial Year ended 31st March, 2013:

The total numbers of complaints received during the year ended March 31, 2013 were 32 out of which 31 complaints were redressed by the Company hence 1 complaint was pending and same was subsequently resolved.

Nature of complaints received and attended to during 2012-2013:

Nature of complaint	Pending As on 01.04.12	Received During the year	Resolved During the year	Pending As on 31.03.13
Non-receipt of Warrant Dividend/ Interest/ Redemption Warrant	Nil	11	10	1
Non-receipt of Refund Order	Nil	Nil	Nil	Nil
Non Receipt of Demat Credit/				
Remat Certificate	Nil	Nil	Nil	Nil
Non Receipt of Annual Report	Nil	3	3	Nil
Non-Receipt of Share Certificate	Nil	18	18	Nil
Non Receipt of Rep/Spl/Con	Nil	Nil	Nil	Nil
Non Receipt of Redemption Amount	Nil	Nil	Nil	Nil
Non Receipt of End Stickers	Nil	Nil	Nil	Nil
Non Receipt of Exchange Certificate	Nil	Nil	Nil	Nil
Dematerialisation/ Rematerialisation of Shares	Nil	Nil	Nil	Nil
Others	Nil	Nil	Nil	Nil
Complaints received from:				
Securities and Exchange Board of India	Nil	Nil	Nil	Nil
Stock Exchange	Nil	Nil	Nil	Nil
Registrar of Companies / Department of Company Affairs	Nil	Nil	Nil	Nil
Legal	Nil	Nil	Nil	Nil
Total	Nil	32	31	1

V. Subsidiary Companies

The Company does not have any unlisted Indian subsidiary Company.

VI. General Body Meetings:

Details of last three Annual General Meetings are given hereunder:

Year	Date	Venue	Time
2009-2010	28.09.2010	The Umbergaon Club, Madhuvan Complex, Umbergaon-Sanjan Road, Umbergaon-396171, Dist: Bulsar, State: Gujarat	11.00 A.M.
2010-2011	29.09.2011	The Umbergaon Club, Madhuvan Complex, Umbergaon-Sanjan Road, Umbergaon-396171, Dist: Bulsar, State: Gujarat	11.00 A.M.
2011-2012	13.07.2012	Plot No.2102, GIDC, Sarigam-396155, Dist:Bulsar, State:Gujarat	12.30 P.M.

Special Resolutions passed in the last three Annual General Meetings (AGM):

For 2009-10

1) Appointment of Mr. Hero Chuganee as Technical Consultant of the Company w.e.f. 17-04-2010 for a period of three years.
2) Re-appointment of Mr. Mohit Chuganee as Vice Chairman & Managing Director of the Company w.e.f. 01-08-2010 for a period of three years.

For 2010-11 and 2011-12

There was no special resolution passed in the Annual General Meeting held for the financial year 2010-2011 and 2011-12

Special Resolution passed in Extra-Ordinary General Meetings (EGM) held in last three financial years:

No Extra-Ordinary General Meeting was held during the financial year 2010-2011, 2011-2012 and 2012-13.

Postal Ballot:

No Special Resolution requiring postal ballot was placed before the last Annual General Meeting. No Special Resolution requiring postal ballot is being proposed at the ensuing Annual General Meeting.

VII. DISCLOSURES:

(a) Related Party Transactions:

There are no transactions of material nature with Directors/Promoters or any related entity, which will have any potential conflict with the interests of the Company at large except the transactions mentioned under the Section of Notes to Accounts which forms a part of the Auditors' Report for the year ended 31st March, 2013.

(b) Compliance:

A Statement of Compliance with all Laws and Regulations as certified by the Whole-Time Director and Company Secretary is placed at periodic intervals for review by the Board. The Board reviews the compliance of all the applicable Laws and gives appropriate directions wherever necessary.

(c) CEO and CFO Certification:

The President & Whole-time Director and Chief Financial Officer has given a Certificate to the Board as contemplated in Clause 49 of the Listing Agreement.

(d) Compliance with the Mandatory requirements and Implementation of the Non-mandatory requirements:

The Company has complied with the mandatory requirements of the Corporate Governance Clause of Listing Agreement. The Company has also implemented some of the non-mandatory requirements like constitution of Remuneration Committee and putting in place Whistle Blower Policy enumerated in Clause 49 of the Listing Agreement.

VIII. MEANS OF COMMUNICATION:

a.	Half-yearly report sent to each shareholders	No*
b.	Quarterly results Published in	For quarter ended on 30.06.2012: Western Times(Eng+Guj) Ahmedabad Edition Free Press Journal+ Navshakti-Mumbai Edition For the quarter ended on 30.09.2012& 31.12.2012: Economic Times (Eng+Guj) Ahmedabad Edition Economic Times (Eng) Mumbai Edition Business Lines-All Editions For the quarter & year ended on 31.03.2013: Economics Time(Eng+Guj) Ahmedabad Edition Business Lines - All Editions
c.	Website where displayed	www.sabero.com
d.	Whether the website also displays official news releases and presentations to the media, analysts, institutional investors' etc.	No such event occurred during the year**
e.	Whether MD&A (Management Discussion & Analysis) is a part of Annual Report?	Yes

*	As the results are published in newspapers having wide circulation and also displayed on the Company's website, half yearly results are not sent separately to each shareholder.
**	No presentations were made to the institutional investors or to analysts during the year under review.

IX. CERTIFICATE ON CORPORATE GOVERNANCE:

As required by Clause 49 of the Listing Agreement, a certificate issued by M/s. Rathi & Associates, Practicing Company Secretaries, regarding compliance with Corporate Governance norms is given as an annexure to this Report.

X. CEO DECLARATION:

As required by Clause 49 of the Listing Agreement, the CEO i.e. the President and Whole-time Director's declaration on compliance of the Company's Code of Conduct is provided as an annexure to this Report.

XI. GENERAL SHAREHOLDERS' INFORMATION:

1	**Annual General Meeting of Shareholders:**	
	Date	16th July, 2013
	Day & Time	Tuesday, 12 Noon
	Venue	Plot No. 2102, GIDC, Sarigam - 396 155, Dist. - Bulsar, Gujarat.
2	**Financial Calendar (tentative and subject to change)**	**Financial Reporting for quarter ended:** 30th June, 2013 — 14th August 2013 30th September, 2013 — 14th November 2013 31st December, 2013 — 14th February 2014 31st March, 2014 — 30th May, 2014 Annual General Meeting for year ended 31st March 2014 — 30th September 2014
3	**Dates of book closures**	8th July, 2013 to 16th July, 2013 (both days inclusive)
4	**Registered Office**	Plot No. 2102, GIDC, Sarigam -396155, Dist: Bulsar, Gujarat
5.	**Listing on Stock Exchanges**	
	a. Stock Exchange	Bombay Stock Exchange Limited The National Stock Exchange of India Limited
	b. Depository	Central Depository Services (India) Ltd. and National Securities Depository Ltd.
6.	**Stock Exchange Code**	a. Bombay Stock Exchange Limited :524446 b. The National Stock Exchange Limited: SABERORGAN
7.	**Demat ISIN No. in NSDL & CDSL**	INE243A01018
8.	**Listing fees**	Paid for financial year 2013-2014

9. Disclosures regarding appointment or re-appointment of Directors:

Pursuant to the provisions of Sections 255 & 256 of the Companies Act, 1956, Mr. Sujal Shah and Mr. Jayesh Gandhi will be retiring by rotation at the ensuing Annual General Meeting. The Board has recommended the re-appointments of the said Directors to the shareholders. The detailed resume of Directors proposed to be re-appointed is provided in the Notice of the ensuing Annual General Meeting of the Company.

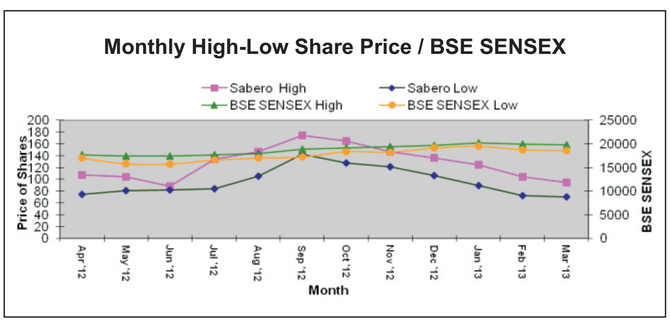
10. Stock Market Price Data:

A. Bombay Stock Exchange Limited

Monthly High and Low of Closing prices of the Company's Equity Shares traded at Bombay Stock Exchange Limited for the financial year ended 31st March 2013 is noted below:

Month	Sabero		BSE	
	High (₹)	Low (₹)	Sensex (High)	Sensex (Low)
April 2012	107.20	74.65	17,664.10	17,010.16
May 2012	104.25	81.00	17,432.33	15,809.71
June 2012	88.00	81.50	17,448.48	15,748.98
July 2012	134.25	84.15	17,631.19	16,598.48
August 2012	147.00	105.55	17,972.54	17,026.97
September 2012	174.90	142.00	18,869.94	17,250.80
October 2012	165.00	127.10	19,137.29	18,393.42
November 2012	146.60	121.05	19,372.70	18,255.69
December 2012	135.80	106.00	19,612.18	19,149.03
January 2013	124.25	89.00	20,203.66	19,508.93
February 2013	104.50	72.25	19,966.69	18,793.97
March 2013	95.00	70.50	19,754.66	18,568.43

Performance in comparison to BSE Sensex:

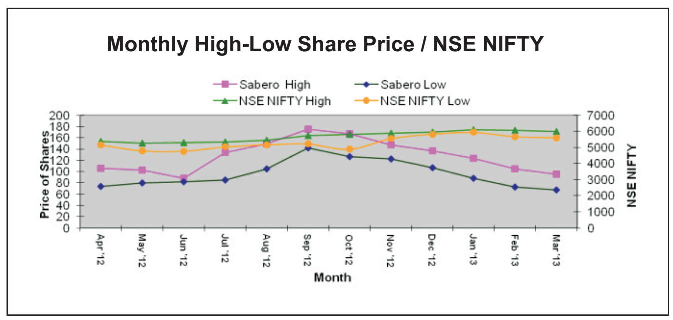


B. The National Stock Exchange of India Limited

Monthly High and Low of Closing prices of the Company's Equity Shares traded at National Stock Exchange of India Limited for the financial year ended 31st March 2013 is noted below:

Month	Sabero		NSE NIFTY	
	High (₹)	Low (₹)	(High)	(Low)
April 2012	105.95	74.00	5,378.75	5,154.30
May 2012	103.00	80.00	5,279.60	4,788.95
June 2012	88.00	81.70	5,286.25	4,770.35
July 2012	133.95	84.75	5,348.55	5,032.40
August 2012	148.95	105.25	5,448.60	5,164.65
September 2012	175.65	141.75	5,735.15	5,215.70
October 2012	167.00	127.05	5,815.35	4,888.20
November 2012	147.00	122.75	5,885.25	5,548.35
December 2012	136.55	106.40	5,965.15	5,823.15
January 2013	123.85	88.55	6,111.80	5,935.20
February 2013	104.40	73.05	6,052.95	5,671.90
March 2013	95.05	68.00	5,971.20	5,604.85

Performance in comparison to NSE Nifty:



11. Registrar and Share Transfer Agents:

For both Physical and Demat (Common Registry)
Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (West),
Mumbai-400078
Tel: 022 25963838
Fax: 022-25946969
Website: www.linkintime.co.in

12. Share Transfer System:

All requests received for transfer of shares are processed and approved by the Share Transfer & Investors Grievance Committee at its meeting or by way of circular resolution.

13. DISTRIBUTION OF SHAREHOLDING

A) Distribution of Shareholding as on 31st March, 2013 is noted below:

No. of Shares	No. of Share-holders	% to total Share-holders	Share Amt.(₹)	% to Total Holdings
1-500	12072	90.5423	16,487,540	4.8685
501-1000	634	4.7551	5,260,320	1.5533
1001-2000	314	2.3551	4,819,300	1.4230
2001-3000	93	0.6975	2,347,290	0.6931
3001-4000	46	0.3450	1,663,770	0.4913
4001-5000	43	0.3225	2,091,210	0.6175
5001-10000	69	0.5175	5,070,330	1.4972
10000 & above	62	0.4650	300,921,010	88.8562
Total	13333	100.00	338,660,770	100.00

B) Shareholding Pattern as on 31st March, 2013 is noted below:

Category	No. of Shares	Percentage (%)
Promoters	25,368,287	74.91
Mutual Funds, Banks and FIIs	430,453	1.27
Indian Public	4,365,365	12.89
NRIs/OCBs/Foreign Company/Foreign National	886,997	2.62
Trusts	10,000	0.03
Private Corporate Bodies	2,706,181	7.99
Clearing Members	98,794	0.29
Total	**33,866,077**	**100**

14. Dematerialisation of Shares and liquidity:

The Shares of the Company are in compulsory demat segment and are available for trading in the depository systems of both NSDL and CDSL under ISIN No.INE243A01018. As on 31st March, 2013, 33026518 Equity Shares of the Company, forming 97.52% of the Share Capital of the Company, stand dematerialized.

15. Outstanding GDR's /ADR's /Warrants or any Convertible Instruments, conversion date and likely impact on Equity:

There are no GDR's / ADR's / Warrants or any convertible instruments pending conversion or any other instrument likely to impact the Equity Share Capital of the Company.

XII. PLANT LOCATION:

a) Plot No. 2102, GIDC, Sarigam-396 155, Dist: Bulsar, Gujarat

b) Plot No.Z/103/G, Dahej SEZ-II, Taluka-Vagra, Dist: Bharuch, Gujarat.

XIII. ADDRESS FOR CORRESPONDENCE:

Registrar and Transfer Agents (share transfer and communication regarding share certificates, dividends and change of address etc.)	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai-400078 Tel: 022 25963838 Fax: 022-25946969 Website: www.linkintime.co.in
Compliance Officer	Ms. Pritam Vartak Bezzola Commercial Complex, A Wing, 3rd Floor, Suman Nagar, Sion Trombay Road, Mumbai-400071 Tel No.: 022-61132400/440 Fax:022-61132405

XIV. UNCLAIMED SHARES

As per Clause 5A of the amended Equity Listing Agreement, Company has sent three reminders to concerned shareholder for their unclaimed shares. Company has dispatched the share certificate who has approached the Company. However, remaining shares have been transferred to Unclaimed Suspense Account. The details are given as under:

Aggregate number of shareholders	81
Outstanding shares in the suspense account lying as on March 19, 2013	9900
Number of shareholders who approached issuer for transfer of shares from suspense account during the year	Nil
Number of shareholders to whom shares were transferred from suspense account during the year	Nil
Aggregate number of shareholders at the end of the year	81
Outstanding shares in the suspense account lying as on March 31, 2013	9900

XV. REQUEST TO INVESTORS:

a) Investors are requested to communicate change of address, if any, directly to the Share Transfer Agents of the Company at the above address.

b) The Shareholders are requested to dematerialise their physical Share certificates, through a depository participant. Shareholders requiring any further clarification / assistance on the subject may contact the Company's Share Transfer Agents.

c) Investors who have not availed nomination facility are requested to avail the same by submitting the nomination form. The form will be made available on request.

d) Investors holding Shares in electronic form are requested to deal only with their Depository Participant in respect of change of address, nomination facility and furnishing Bank account number etc.

e) Investors are requested to claim amount lying unclaimed against their shares. Further, investors are requested to kindly note that any dividend which remains unencashed for a period of seven years will get transferred to "Investors Education and Protection Fund" in terms of Section 205C of the Companies Act, 1956.

XVI. NON-MANDATORY REQUIREMENTS

a) Remuneration Committee:

Remuneration Committee comprises of four Non-executive Directors out of which three are Independent Directors. The Committee reviews and recommends to the Board the remuneration package to the Executive Directors.

b) Whistle Blower Policy:

The Company has established Whistle Blower mechanism to provide an avenue to raise concerns. The mechanism provides for adequate safeguards against victimization of employees who avail of it and also appointed an Ombuds person to deal with any complaints received. The policy also lay down the process to be followed for dealing with complaints and in exceptional cases, also provides for direct appeal to the Chairperson of the Audit Committee.

For Sabero Organics Gujarat Limited.

Sd/-
M. K. Tandon
Chairman

Place : Mumbai
Date : 16.04.2013

REGISTERED OFFICE:
Plot No. 2102, GIDC,
Sarigam-396155,Dist: Bulsar, Gujarat

IMPORTANT COMMUNICATION TO THE SHAREHOLDERS

Ministry of Corporate Affairs has taken a 'Green Initiative in Corporate Governance' by allowing paperless compliances by the Companies and has issued circulars stating that services 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 measures, 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 their concerned depository participants and those members who are holding their Shares in physical form are requested to register their e-mail addresses with the Registrar and Transfer Agents of the Company.

PRACTICING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
Sabero Organics Gujarat Limited.

We have examined the compliance of conditions of Corporate Governance by Sabero Organics Gujarat Limited ("the Company") for the year ended March 31, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange(s).

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

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

As per the records of the Company, there were no investor grievances remaining unattended for a period exceeding one month against the Company.

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

For and on behalf of
M/s. Rathi & Associates
Company Secretaries

Sd/-
Jayesh Shah
Partner
FCS No.:5637

Place: Mumbai
Date: 16.04.2013

CEO DECLARATION

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

Pursuant to Clause 49 I (D) of the Listing Agreement entered into with the Stock Exchange, I hereby declare that all the Board members and senior management personnel of the Company have affirmed compliances with the Code of Conduct for the year ended 31st March, 2013.

Sd/-
G. Veera Bhadram
President & Whole-time Director

Place: Mumbai
Date: 16.04.2013

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
SABERO ORGANICS GUJARAT LIMITED

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

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

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;

(b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date and

(c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(3) of the Act, we report that:

   (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.

   (e) On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No. 117364W)

Sd/-
Ketan Vora
Partner
(Membership No. 100459)

MUMBAI, 16 April 2013

ANNEXURE TO INDEPENDENT AUDITORS' REPORT OF SABERO ORGANICS GUJARAT LIMITED FOR THE YEAR ENDED 31ST MARCH, 2013

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

(i) Having regard to the nature of the Company's business / activities/result, clause (xiii) and Clause (xv) of paragraph 4 of the order are not applicable to the Company for the year.

(ii) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.

(b) The fixed assets have not been physically verified during the year by the Management, but the Company has a programme of verification of the fixed assets once every three years. In our opinion, the frequency of verification is at reasonable intervals

(c) Since there is no disposal of substantial part of fixed assets during the year, paragraph 4(i)(c) of the Order is not applicable.

(iii) In respect of its inventory:

(a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.

(b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

(iv) According to the information and explanations given to us, there are no parties covered under Section 301 of the Companies Act, 1956. In view of what has been stated above, sub-clauses (a), (b), (c), (d), (e), (f) and (g) of clause (iii) of Paragraph 4 of the Order are not applicable to the Company for the year.

(v) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.

(vi) According to the information and explanations given to us, there are no parties covered under section 301 of the Companies Act, 1956. In view of what has been stated above, clause (v) of Paragraph 4 of the Order is not applicable to the Company for the year

(vii) According to the information & explanations given to us, the Company has not accepted any deposits from the public during the year. Hence, clause (vi) of paragraph 4 of the Order is not applicable to the Company for the year

(viii) In our opinion, the internal audit functions carried out during the year by firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.

(ix) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that *prima facie* the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(x) According to the information and explanations given to us in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2013 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2013 on account of disputes are given below:

Name of the Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (₹ in lakhs)	Amount Paid Under protest (₹ In Lakhs)
Income Tax Act, 1961	Tax / Penalty / Interest	Income Tax Appellate Tribunal	A.Y. 2002-03	72.50	-
Income Tax Act, 1961	Tax / Penalty / Interest	Income Tax Appellate Tribunal	A.Y. 2004-05	67.90	-
Income Tax Act, 1961	Tax / Penalty / Interest	Commissioner of Income Tax (Appeals)	A.Y. 2005-06	1.65	-
Income Tax Act, 1961	Tax / Penalty / Interest	Commissioner of Income Tax (Appeals)	A.Y. 2006-07	16.83	16.83
Income Tax Act, 1961	Tax / Penalty / Interest	Income Tax Appellate Tribunal	A.Y. 2007-08	16.52	-
Income Tax Act, 1961	Tax / Penalty / Interest	Commissioner of Income Tax (Appeals)	A.Y. 2008-09	9.71	-
Income Tax Act, 1961	Tax / Penalty / Interest	Commissioner of Income Tax (Appeals)	A.Y. 2009-10	364.98	145.65
Income Tax Act, 1961	Tax / Penalty / Interest	Additional Commissioner of Income Tax	A.Y. 2010-11	70.95	-
The Central Excise Act, 1944	Duty / Penalty / Interest	Commissioner (Assessing Authority) / Deputy Commissioner	2004-05 to 2009-10	12.54	-
The Central Excise Act, 1944	Duty / Penalty / Interest	Commissioner (Appeal)	2008-09 to 2011-12	23.64	-
The Central Excise Act, 1944	Duty / Penalty / Interest	Customs Excise and Service Tax Tribunal	2006-07	9.81	-
The Central Excise Act, 1944	Duty / Penalty / Interest	High Court	2005-06	21.71	-
Sales tax	Tax / Penalty / Interest	Deputy Commissioner (Appeal)	2000-01	148.22	-

(xi) The Company has no accumulated losses as at March 31, 2013 and has not incurred any cash losses during the financial year covered by our audit, However it has incurred cash losses during the immediately preceding financial year.

(xii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks, financial institutions.

(xiii) According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities. Hence, clause (xii) of paragraph 4 of the Order is not applicable to the Company for the year.

(xiv) According to the information and explanations given to us, the Company is not dealing in shares, debentures and other investments. Hence, clause (xiv) of paragraph 4 of the Order is not applicable to the Company for the year.

(xv) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.

(xvi) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that no funds raised on short-term basis have been used during the year for long-term investment.

(xvii) According to the information and explanations given to us, there are no parties covered under section 301 of the Companies Act, 1956. Hence clause (xviii) of paragraph 4 of the Order is not applicable to the Company for the year.

(xviii) To the best of our knowledge and according to the information and explanations given to us, the Company has not issued any debentures during the year. Hence, clause (xix) of paragraph 4 of the Order is not applicable to the Company for the year.

(xix) To the best of our knowledge and according to the information and explanations given to us, the Company has not raised any money by public issue during the year. Hence, clause (xx) of paragraph 4 of the Order is not applicable to the Company for the year.

(xx) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No. 117364W)

Sd/-
Ketan Vora
Partner
(Membership No. 100459)

MUMBAI, 16 April 2013

Balance Sheet as at 31 March 2013

(₹ in lacs)

	Note	**As at 31 March 2013**	As at 31 March 2012
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	**3,385.51**	3,385.51
(b) Reserves and surplus	3	**3,837.65**	3,064.49
2 Non-current liabilities			
(a) Long-term borrowings	4	**6,507.24**	6,428.31
(b) Deferred tax liabilities (net)	5	**-**	-
(c) Long-term provisions	6	**95.14**	132.21
3 Current liabilities			
(a) Short-term borrowings	7	**19,195.54**	14,295.62
(b) Trade payables	8	**14,471.91**	10,593.85
(c) Other current liabilities	9	**4,172.47**	1,945.47
(d) Short-term provisions	10	**67.62**	42.30
TOTAL		**51,733.08**	39,887.76
B ASSETS			
1 Non-current assets			
(a) Fixed assets	11		
(i) Tangible assets		**14,303.29**	11,593.86
(ii) Intangible assets		**374.63**	420.36
(iii) Capital work-in-progress		**3,755.85**	4,412.67
(iv) Intangible assets under development		**586.75**	187.76
(b) Non-current investments	12	**820.95**	820.95
(c) Long-term loans and advances	13	**1,541.24**	2,089.34
(d) Other non-current assets	14	**130.14**	24.83
2 Current assets			
(a) Inventories	15	**8,755.40**	5,997.74
(b) Trade receivables	16	**14,780.33**	7,239.73
(c) Cash and bank balances	17	**1,022.08**	1,800.37
(d) Short-term loans and advances	18	**4,508.69**	4,600.81
(e) Other current assets	19	**1,153.73**	699.34
TOTAL		**51,733.08**	39,887.76

See accompanying notes forming part of the financial statements 1 to 42

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Sd/-
Ketan Vora
Partner

For and on behalf of the Board of Directors

Sd/-
G.Veera Bhadram
Whole time Director

Sd/-
M.K.Tandon
Chairman

Sd/-
N.Shankar
Head Finance

Sd/-
Pritam Vartak
Company Secretary

Place: Mumbai
Date: 16 April 2013

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

(₹ in lacs)

		Note	For the year ended 31 March 2013	For the year year ended 31 March 2012
1	Revenue from operations (gross)		**54,181.51**	37,667.40
	Less: Excise duty		**2,698.58**	1,824.73
	Revenue from operations (net)	20	**51,482.93**	35,842.67
2	Other income	21	**94.75**	279.57
3	**Total revenue (1+2)**		**51,577.68**	36,122.24
4	**Expenses:**			
	Cost of materials consumed	22	**34,411.46**	23,233.20
	Purchases of stock-in-trade	23	**172.46**	620.48
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	**(1,656.63)**	393.54
	Employee benefits expense	25	**2,111.99**	2,324.05
	Finance costs	26	**2,989.46**	2,924.94
	Depreciation and amortisation expense	11	**1,137.17**	1,103.93
	Other expenses	27	**11,458.12**	12,987.05
	Total expenses		**50,624.03**	43,587.19
5	**Profit/(Loss) before exceptional and extraordinary items and tax (3-4)**		**953.65**	(7,464.95)
6	Exceptional items	40	**174.34**	-
7	**Profit/(Loss) before extraordinary items and tax (5-6)**		**779.31**	(7,464.95)
8	Extraordinary Items		**-**	-
9	**Profit/(Loss) before tax (7-8)**		**779.31**	(7,464.95)
10	**Tax expense/(benefit):**			
	(a) Short/ (excess) provision for tax relating to prior years		**6.15**	-
	(b) Deferred tax		**-**	(1,340.58)
	Net tax expense/(benefit)		**6.15**	(1,340.58)
11	**Profit/(Loss) for the year**		**773.16**	(6,124.37)
12	**Earnings per equity share of ₹ 10/- each**	38		
	Basic and Diluted		**2.28**	(18.08)

See accompanying notes forming part of the financial statements 1 to 42

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Sd/-
Ketan Vora
Partner

Place: Mumbai
Date: 16 April 2013

For and on behalf of the Board of Directors

Sd/-
G.Veera Bhadram
Whole time Director

Sd/-
M.K.Tandon
Chairman

Sd/-
N.Shankar
Head Finance

Sd/-
Pritam Vartak
Company Secretary

Cash Flow Statement for the year ended 31 March 2013

(₹ in lacs)

		For the year ended 31 March 2013	For the year year ended 31 March 2012
Cash flow from operating activities			
Profit/(Loss) before tax		**779.31**	(7,464.95)
Adjustments for:			
Depreciation and amortisation expense		**1,137.17**	1,103.93
Interest income		**(85.74)**	(106.17)
Interest expense		**2,579.89**	2,186.11
Provision for obsolete stock		**31.81**	25.54
Provision for doubtful advances		**31.39**	222.50
Provision for doubtful debts		**52.95**	274.07
Provision for Wealth tax		**4.28**	4.50
Profit on sale of fixed assets (Net)		**-**	87.07
Foreign currency translation and transactions (Net)		**330.34**	247.90
Operating profit / (loss) before working capital changes		**4,861.40**	(3,419.50)
Adjustments for:			
Increase in trade payables		**3,917.36**	3,289.47
Increase in other current liabilities		**294.13**	21.92
(Decrease)/ increase in other long-term provisions		**(37.07)**	16.09
Increase in other short-term provisions		**19.39**	1.85
(Increase)/ decrease in trade receivables		**(7,537.70)**	188.28
(Increase)/ decrease in inventories		**(2,789.47)**	1,519.59
(Increase)/ decrease in other non current assets		**(105.31)**	4.25
(Increase)/ decrease in other current assets		**(490.21)**	563.03
Decrease in long-term loans and advances		**4.95**	10.28
Decrease/ (increase) in short-term loans and advances		**60.73**	(1,279.70)
Cash generated from operations		**(1,801.80)**	915.56
Direct taxes paid		**(76.67)**	(140.56)
Net cash flow (used in)/ from operating activities	**(A)**	**(1,878.47)**	775.00
Cash flows from investing activities			
Capital expenditure on fixed assets, including capital advances		**(3,058.61)**	(6,171.14)
Bank Accounts not considered as Cash and Cash equivalents		**539.84**	30.22
Proceeds from sale of fixed assets		**-**	465.30
Interest received		**121.56**	113.01
Purchase of long-term investments - subsidiaries		**-**	(563.51)
Net cash used in investing activities	**(B)**	**(2,397.21)**	(6,126.12)
Cash flow from financing activities			
Proceeds from issue of equity shares		**-**	0.06
Proceeds from long-term borrowings		**3,010.05**	2,846.29
Repayment of long-term borrowings		**(1,349.54)**	(567.25)
Dividend paid		**(0.10)**	(0.41)
Increase in short-term borrowings		**4,958.41**	3,138.80
Interest paid		**(2,581.59)**	(2,166.32)
Net cash from financing activities	**(C)**	**4,037.23**	3,251.17
Net decrease in cash and cash equivalents	**(A + B + C)**	**(238.45)**	(2,099.95)
Cash and cash equivalents at the beginning of the year		**272.12**	2,372.07
Cash and cash equivalents at the end of the year		**33.67**	272.12

Cash Flow Statement for the year ended 31 March 2013

(₹ in lacs)

	For the year ended 31 March 2013	For the year year ended 31 March 2012

Notes:-

1. Cash Flow Statement has been prepared under the Indirect method as set out in the Accounting Standard 3 on Cash Flow Statements.
2. Reconciliation of Cash and cash equvalents at the end of the year with Cash and bank balances as per Note 17 :-

	For the year ended 31 March 2013	For the year year ended 31 March 2012
Cash and bank balances as per Note 17:	**1,022.08**	1,800.37
Less: Balances in earmarked accounts		
Unpaid dividend account	**6.36**	6.46
Balances held as margin money or security against borrowings, guarantees and other commitments	**982.05**	1,521.79
	988.41	1,528.25
Cash and cash equivalents at the end of the year	**33.67**	272.12

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Sd/-
Ketan Vora
Partner

Place: Mumbai
Date: 16 April 2013

For and on behalf of the Board of Directors

Sd/-
G.Veera Bhadram
Whole time Director

Sd/-
M.K.Tandon
Chairman

Sd/-
N.Shankar
Head Finance

Sd/-
Pritam Vartak
Company Secretary

Notes forming part of the Financial Statements

Note -1

Significant accounting policies

I. <u>Basis of preparation of financial statements</u>

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

II. <u>Use of Estimates</u>

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

III. <u>Inventories</u>

Inventories are valued at the lower of cost (on moving weighted average basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

IV. <u>Cash and cash equivalents (for purposes of Cash Flow Statement)</u>

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

V. <u>Cash flow statement</u>

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

VI. <u>Depreciation and amortisation</u>

Depreciation has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956. Continuous process plants are classified on technical assessment and depreciation provided accordingly.

Cost of leasehold land is amortised over the remaining period of lease after the commencement of commercial production. Intangible assets are amortised on straight line basis over their estimated useful life. The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to be charged over remaining useful life of each assets.

VII. <u>Revenue Recognition</u>

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

VIII. <u>Other income</u>

Interest income is recognised on accrual basis.

IX. <u>Tangible fixed assets</u>

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Notes forming part of the Financial Statements

Fixed assets acquired and put to use for project purpose are capitalised and depreciation thereon is included in the project cost till commissioning of the project.

X. Capital work-in-progress:

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

XI. Intangible assets

Intangible assets are carried at cost, net of accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises of purchase price, attributable expenditure on making the asset ready for its intended use.

XII. Foreign currency transactions and translations

Initial recognition:

a. Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

b. Integral foreign operations:

Transactions in foreign currencies entered into by the Company's integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

c. Net investment in non-integral foreign operations:

Net investment in non-integral foreign operations is accounted at the exchange prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

d. Non-integral foreign operations:

Transactions of non-integral foreign operations are translated at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement at the Balance Sheet date:

a. Foreign currency monetary items of the Company outstanding at the Balance Sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

b. Net investment in non-integral foreign operations:

Foreign currency monetary items (other than derivative contracts) of the Company's net investment in non-integral foreign operations outstanding at the balance sheet date are restated at the year-end rates

c. Integral foreign operations:

Foreign currency monetary items (other than derivative contracts) of the Company's integral foreign operations outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company's integral foreign operations are carried at historical cost.

d. Non-integral foreign operations:

All assets and liabilities of non-integral foreign operations are translated at the year end rates.

XIII. Accounting for forward contracts

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date.

XIV. Government grants and export incentives

Government grants in the nature of promoters' contribution like investment subsidy, where no repayment is ordinarily expected in respect thereof, are treated as capital reserve.

Grants relating to fixed assets in the nature of project capital subsidy are credited to Capital reserve.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

XV. Investment

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments.

Notes forming part of the Financial Statements

Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

XVI. Employee benefits

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

a. Defined contribution plans

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

b. Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

c. Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

- in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- in case of non-accumulating compensated absences, when the absences occur.

d. Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

XVII. Borrowing Costs:

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

XVIII. Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

XIX. Leases

The Company's significant leasing arrangements are in respect of operating leases for premises that are cancellable in nature. The lease rental paid under such agreements are charged to the Statement of Profit and Loss.

XX. Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

XXI. Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

XXII. Research and development expenses

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Fixed Assets.

XXIII. Impairment of assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

XXIV. Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are neither recognised nor disclosed in the financial statements.

XXV. Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

XXVI. Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.

XXVII. Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

Notes forming part of the Financial Statements

(₹ in lacs)

	As at 31 March 2013	As at 31 March 2012
Note 2: Share capital		
Authorised :		
36,000,000 (2012:36,000,000) Equity Shares of ₹ 10/- each	**3,600.00**	3,600.00
Issued:		
33,866,077 (2012:33,866,077) Equity Shares of ₹ 10/- each	**3,386.61**	3,386.61
Subscribed and Paid-up		
33,866,077 (2012:33,866,077) Equity Shares of ₹ 10/- each	**3,386.61**	3,386.61
Less: Calls in arrears	**(1.10)**	(1.10)
	3,385.51	3,385.51

Notes:

(i) Reconciliation of number of Equity shares and amount outstanding at the beginning and at the end of the year:

	As at 31 March 2013		As at 31 March 2012	
	Number of shares	**₹ in lacs**	Number of shares	₹ in lacs
Per last Balance sheet	**33,866,077**	**3,385.51**	33,866,077	3,385.45
Issued during year/calls in arrears	**-**	**-**		0.06
Outstanding at the end of the year	**33,866,077**	**3,385.51**	33,866,077	3,385.51

(ii) Rights, preferences and restrictions attached to equity shares

The Company has one class of Equity Shares having a face value of ₹ 10 /- each. Each shareholder is eligible for one vote per share held. The dividend (if any) proposed by the Board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to their shareholdings.

(iii)Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

	As at 31 March	
	2013	2012
(a) Coromandel International Limited (Holding Company)	**24,798,112**	24,798,112
(b) Parry Chemicals Limited (Subsidiary of Holding Company)	**558,249**	458,249
(c) Pressmet Private Limited	**11,926**	11,926

(iv)Shares held by each shareholder holding more than 5% of equity share capital :

	As at 31 March 2013		As at 31 March 2012	
	Number of shares	**%**	Number of shares	Rs. in lacs
(a) Coromandel International Limited (Holding Company)	**24,798,112**	**73.22%**	24,798,112	73.22%
(b) Kalah Corporation	**-**	**-**	2,539,335	7.50%

(v) The Company has not issued or allotted any shares pursuant to contracts without consideration being received in cash or by way of bonus shares during immediately preceding five years.

(vi) 18,290 (2012 :18,390) Equity Shares of ₹10 each were outstanding as calls unpaid from other than directors/ officers of the Company.

Notes forming part of the Financial Statements

(₹ in lacs)

	As at 31 March 2013	As at 31 March 2012
Note 3: Reserves and surplus		
i) Capital reserve (Government subsidy)		
Per last Balance Sheet	**15.00**	15.00
ii) Securities premium account		
Per last Balance Sheet	**1,370.97**	1,370.97
iii) General reserve		
Per last Balance Sheet	**1,164.96**	1,164.96
iv) Surplus in the Statement of Profit and Loss		
Per last Balance Sheet	**513.56**	6,637.93
Add: Profit/(Loss) for the year	**773.16**	(6,124.37)
	1,286.72	513.56
	3,837.65	3,064.49

Note 4: Long-term borrowings

	Non-current portion		Current portion	
	As at 31 March, 2013	As at 31 March, 2012	**As at 31 March, 2013**	As at 31 March, 2012
Long-term borrowings (Secured)				
Term loans				
From banks {Refer Note (a) (i) below}	**6,504.61**	6,421.85	**3,149.68**	1,085.00
From Non Banking Finance Company {Refer Note (a) (ii) below }	**2.63**	6.46	**2.69**	1.79
	6,507.24	6,428.31	**3,152.37**	1,086.79

a) Terms of repayment is as under

		Loan outstanding as at 31 March, 2013	Loan outstanding as at 31 March, 2012	**Repayment schedule**
(i)	**Term loans from Banks**			
	Axis Bank {Refer Note b(i)}	**3,010.05**	-	To be repaid in 16 quarterly equal installments. First Payment was made in the month of May, 2013 and last payment shall be made in the month of January, 2017.
	Ratnakar Bank {Refer Note b(ii)}	**2,000.00**	2,000.00	To be repaid in 8 equal quarterly installments. First payment was made in the month of June, 2013 and last payment shall be made in the month of March, 2015.
	Exim Bank {Refer Note b(iii)}	**1,875.00**	2,000.00	To be repaid in 16 equal quaterly installments after moratorium of 24 months from date of first disbursement. First payment was made in January, 2013 and last payment shall be made in the month of October, 2016.
	ECB from Axis Bank {Refer Note b(iv)}	**1,914.09**	2,196.83	To be repaid in 17 equal quarterly installments after moratorium of 5 quarters from initial utilisation date. First payment was made in the month of February, 2012 and the Last payment shall be made in the month of February, 2016.

Notes forming part of the Financial Statements

		Loan outstanding as at 31 March, 2013	Loan outstanding as at 31 March, 2012	**Repayment schedule**
	Foreign Currency Loan from Exim Bank {Refer Note b(v)}	**855.15**	801.30	To be repaid in 16 equal quaterly installments after moratorium of 24 months from date of first disbursement. First payment was made in the month of January, 2013 and the Last payment shall be made in the month of October, 2016.
	Industrial Development Bank of India	**-**	25.00	To be repaid in 48 equal quaterly installments, first payment was made in December, 2000 and last payment was made in May 2012
	Union Bank of Inida	**-**	253.11	To be repaid in 60 equal monthly installement, First payment was made in December, 2007 and last payment made in May, 2012.
	Federal Bank	**-**	153.03	To be repaid in 60 equal monthly installments. First payment was made in December, 2007 and last payment was made in May, 2012.
	Dena Bank	**-**	77.58	To be paid in 60 equal monthly installments. First payment was made in December, 2007 and last payment made in May 2012.
(ii)	**From Non Banking Finance Companies {Refer Note No. (b) (vi)}**			
	Tata Motors Finance Limited	**2.79**	3.94	To be repaid in 59 equal monthly installments. First payment was made in July, 2010 and last payment is due in May, 2015.
	Kotak Mahindra Prime Limited	**0.33**	1.06	To be repaid in 35 equal monthly installments. First payment was made in October, 2010 and last payment is due in August, 2013.
	Kotak Mahindra Prime Limited	**2.20**	3.25	To be repaid in 59 equal monthly installments. First payment was made in February, 2010 and last payment is due in December, 2014.
		9,659.61	7,515.10	

b) Security

(i) Term Loan from Axis Bank is secured by way of pari passu first charge on the entire fixed assets of the Company and second pari passu on the entire current assets of the Company.

(ii) Working Capital Term Loan from Ratnakar Bank is secured by way of first pari passu charge on the entire fixed assets of the Company (present and future) with Union Bank of India, Industrial Development Bank of India, State Bank of India and Axis Bank and second pari passu charge on the entire current assets of the Company (both present and future) with Union Bank of India, Industrial Development Bank of India, State Bank of India and Axis Bank.

(iii) Term Loan from Exim Bank is secured by way of first pari passu charge on the entire fixed assets including immoveable properties and second pari passu charge over the entire current assets of the Company.

(iv) ECB from Axis Bank secured by way of pari passu first charge on the entire fixed assets (both present and future) including land and building with other term lenders, second pari passu charge on the entire current assets of the Company and exclusive charge on debt service reserve account (DSRA) proposed to be created with the bank for an amount equal to one quarter interest at any point of time.

(v) Foreign Currency term loan from Exim Bank is secured by way of first pari passu charge on the entire fixed assets of the Company including immoveable properties and second pari passu charge over entire current assets of the Company.

(vi) Loans from Non banking finance companies are secured by way of hypothecation of vehicles acquired.

Notes forming part of the Financial Statements

(₹ in lacs)

	As at 31 March 2013	As at 31 March 2012
Note 5: Deferred tax assets/liabilities		
Deferred tax liabilities		
On difference between book balance and tax balance of fixed assets	**1,419.20**	1,484.82
On expenditure deferred in the books but allowable for tax purposes		
Research and Development expenditure	**-**	0.75
Product Development Expenditure	**99.07**	184.30
	1,518.27	1,669.87
Deferred tax assets		
Provision for doubtful trade receivable/advances/obsolete stocks	**200.17**	160.28
Provision for compensated absences, gratuity and other employee benefits	**48.72**	51.41
Brought forward business losses (Refer Note below)	**1,269.38**	1,458.18
	1,518.27	1,669.87
	-	-

Note :

In the absence of virtual certainty regarding availability of sufficient future taxable income, the recognition of Deferred tax assets on carry forward of unabsorbed depreciation/business loss is restricted to amount of closing deferred tax liability

	As at 31 March 2013	As at 31 March 2012
Note 6: Long-term provisions		
Provision for employee benefits		
Gratuity	**51.94**	96.79
Compensated absences	**43.20**	35.42
	95.14	132.21
Note 7: Short-term borrowings		
From banks (Secured)		
Cash Credit facilities	**6,103.69**	10,213.28
Packing credit	**2,396.34**	266.93
Buyers credit	**2,605.22**	2,205.73
	11,105.25	12,685.94
From Banks (Unsecured)		
Packing credit	**2,498.96**	109.68
Buyers credit	**1,591.33**	-
Short term loan	**-**	1,500.00
	4,090.29	1,609.68
Other loans (Unsecured)		
Commercial paper (maximum balance outstanding during the year ₹ 5,000 lac (2012- Nil)	**2,500.00**	-
Inter Corporate Deposit	**1,500.00**	-
	4,000.00	-
	19,195.54	14,295.62

Note:

Security

The short term borrowing are secured by Pari passu first charge by way of hypothecation of entire current assets of Company including raw materials, work in progress, finished goods and book debts (present and future) and Pari passu second charge on entire fixed assets of the Company (present and future), excluding vehicles financed by their lenders.

Notes forming part of the Financial Statements

(₹ in lacs)

	As at 31 March 2013	As at 31 March 2012
Note 8: Trade payables		
Acceptances	**3,606.65**	838.07
Other than acceptances	**10,865.26**	9,755.78
	14,471.91	10,593.85
Note 9: Other current liabilities		
Current maturities of long-term debt (Refer Note 4)	**3,152.37**	1,086.79
Payables on purchase of fixed assets	**354.83**	485.73
Interest accrued but not due on borrowings	**21.50**	23.20
Unclaimed dividends	**6.36**	6.46
Excise duty on closing stock	**519.17**	215.29
Security and trade deposits	**79.34**	100.99
Other Liabilities (including statutory remittances)	**38.90**	27.01
	4,172.47	1,945.47
Note 10: Short-term provisions		
Provision for employee benefits		
Gratuity	**27.57**	10.76
Compensated absences	**14.40**	11.82
Provision for taxes		
Income tax (net of advance tax ₹ Nil, 2012: ₹ Nil)	**21.37**	15.22
Wealth tax	**4.28**	4.50
	67.62	42.30

Notes forming part of the Financial Statements

Note 11: Fixed Assets

(₹ in lacs)

DESCRIPTION	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	Balance As at 1 April 2012	Additions	Disposals	Balance As at 31 March 2013	Balance As at 1 April 2012	Depreciation/ Amortisation expenses for the year	Eliminated on disposal of assets	Balance As at 31 March 2013	Balance As at 31 March 2013	Balance As at 31 March 2012
A) TANGIBLE ASSETS										
Freehold Land	7.28	-	-	**7.28**	-	-	-	**-**	**7.28**	7.28
Leasehold Land	129.29	-	-	**129.29**	15.37	1.31	-	**16.68**	**112.61**	113.92
Building	3,370.88	494.81	-	**3,865.69**	747.91	122.35	-	**870.26**	**2,995.43**	2,622.97
Plant & Machinery	15,387.64	3,265.07	-	**18,652.71**	6,625.41	916.49	-	**7,541.90**	**11,110.81**	8,762.23
Furniture & Fixtures	2.61	0.15	-	**2.76**	0.12	0.17	-	**0.29**	**2.47**	2.49
Vehicles	50.40	-	-	**50.40**	28.68	4.79	-	**33.47**	**16.93**	21.72
Computer	199.00	4.74	-	**203.74**	149.71	11.06	-	**160.77**	**42.97**	49.29
Office Equipment	14.58	1.75	-	**16.33**	0.62	0.92	-	**1.54**	**14.79**	13.96
Total (A)	**19,161.68**	**3,766.52**	**-**	**22,928.20**	**7,567.82**	**1,057.09**	**-**	**8,624.91**	**14,303.29**	**11,593.86**
B) INTANGIBLE ASSETS										
Software	125.01	18.23	-	**143.24**	52.29	21.67	-	**73.96**	**69.28**	72.72
Product Development	554.83	16.12	-	**570.95**	207.19	58.41	-	**265.60**	**305.35**	347.64
Total (B)	**679.84**	**34.35**	**-**	**714.19**	**259.48**	**80.08**	**-**	**339.56**	**374.63**	**420.36**
Total (A+B)	**19,841.52**	**3,800.87**	**-**	**23,642.39**	**7,827.30**	**1,137.17**	**-**	**8,964.47**	**14,677.92**	**12,014.22**
C) Capital work-in-progress	4,412.67	-	656.82	**3,755.85**	-	-	-	**-**	**3,755.85**	4,412.67
D) Intangible assets under development	187.76	398.99		**586.75**	-	-	-	**-**	**586.75**	187.76
Grand Total	**24,441.95**	**4,199.86**	**656.82**	**27,984.99**	**7,827.30**	**1,137.17**	**-**	**8,964.47**	**19,020.52**	**16,614.65**
Previous Year	20,055.32	5,029.38	642.75	24,441.95	6,987.88	1,103.93	264.51	7,827.30	16,614.65	-

Note:

Refer note 41 for pre-operative expenses on projects, included in capital work-in progress

Notes forming part of the Financial Statements

(₹ in lacs)

	As at 31 March 2013	As at 31 March 2012
Note 12: Non-current investments		
Trade Investments		
(At cost)		
Subsidiaries-Unquoted		
Sabero Australia Pty Ltd		
1,140 (2012:1,140)Equity shares of Aus $ 14 each fully paid up	**8.10**	8.10
Sabero Europe BV		
40 (2012:40) Equity shares of NLG 10/- each fully paid up	**1.42**	1.42
Sabero Argentina SA		
213,350 (2012:213,350) Equity Shares of AR$ 1/- each fully paid up	**17.17**	17.17
Sabero Organics America S/A.		
3,607,513 (2012:3,607,513) Equity Shares of R$ 1/- each fully paid up	**793.38**	793.38
Non-Trade Investments		
(At cost)		
Government Securities	**0.88**	0.88
	820.95	820.95
Note 13: Long-term loans and advances		
Unsecured, considered good:		
Capital advances	**967.46**	1,582.78
Security deposits	**281.10**	286.05
Advance income tax (Net of provision ₹ Nil, 2012:- ₹ Nil)	**292.68**	220.51
	1,541.24	2,089.34
Note 14: Other non-current assets		
Unsecured, considered good:		
Share application money pending allotment with subsidiaries and associate	**130.14**	24.83
	130.14	24.83
Note 15: Inventories		
(at lower of cost and net realisable value)		
Raw materials (including packing materials)	**3,699.46**	2,588.61
Work-in-progress	**373.11**	195.19
Finished goods	**4,555.39**	3,035.39
Stock in trade (acquired for trading)	**-**	41.29
Stores & spares	**214.78**	192.79
	8,842.74	6,053.27
Less: Provision for obsolete stock	**(87.34)**	(55.53)
	8,755.40	5,997.74

Notes forming part of the Financial Statements

(₹ in lacs)

		As at 31 March 2013	As at 31 March 2012
Note 16 : Trade receivables			
Trade receivable outstanding for a period exceeding six months from the date they were due for payment:			
-Secured		**33.54**	15.57
-Unsecured, considered good		**1,365.67**	583.63
-Unsecured, considered doubtful		**275.73**	222.78
		1,674.94	821.98
Less: Provision for doubtful trade receivable		**275.73**	222.78
		1,399.21	599.20
Other trade receivables			
-Secured		**-**	22.55
-Unsecured		**13,381.12**	6,617.98
		14,780.33	7,239.73
Note 17: Cash and bank balances			
A. Cash and cash equivalents			
(a) Cash on hand		**5.35**	14.21
(b) Balances with bank in current accounts		**28.32**	257.91
Total cash and cash equivalents	**(A)**	**33.67**	272.12
B. Other bank balances			
In earmarked accounts:-			
Unpaid dividend account		**6.36**	6.46
Balances held as margin money or security against borrowings, guarantees and other commitments		**982.05**	1,521.79
Total other bank balances	**(B)**	**988.41**	1,528.25
Total cash and bank balances	**(A+B)**	**1,022.08**	1,800.37
Note 18: Short term loans and advances			
Advances to suppliers		**253.89**	222.50
(Unsecured, considered doubtful)			
Less: Provision for doubtful advances		**(253.89)**	(222.50)
		-	-
(Unsecured, considered good)			
Balances with government authorities:			
CENVAT credit /service tax receivable		**2,542.25**	3,341.57
VAT credit receivable		**1,495.15**	761.43
Prepaid expenses		**22.13**	54.86
Insurance claims receivable		**427.52**	410.44
Other advances		**21.64**	32.51
		4,508.69	4,600.81
		4,508.69	4,600.81
Note 19: Other current assets			
Export incentives receivable		**1,136.94**	646.73
Interest accrued on margin deposits		**16.79**	52.61
		1,153.73	699.34

Notes forming part of the Financial Statements

(₹ in lacs)

	For the year ended 31 March 2013	For the year year ended 31 March 2012
Note 20: Revenue from operations		
Sale of products (gross)	**51,884.14**	36,489.34
Less: Excise duty	**2,698.58**	1,824.73
Sale of products (net)(Refer Note (i) below)	**49,185.56**	34,664.61
Other operating revenues		
-Export incentives	**1,751.08**	1,012.57
-Prior period income-export incentives (Refer Note (ii) below)	**193.76**	-
-Sale of scrap	**352.53**	165.49
	51,482.93	35,842.67
Note :-		
(i) **Sale of products comprises**		
(a) Manufactured products		
Inorganic chemicals	**325.40**	85.37
Organic chemicals	**1,765.03**	562.07
Crop protection chemicals	**46,822.77**	33,250.34
Total - Sale of manufactured products	**48,913.20**	33,897.78
(b) Traded goods		
Crop protection chemicals	**272.36**	766.83
Total - Sale of traded products	**272.36**	766.83
Total Sale of products	**49,185.56**	34,664.61

(ii) Export Incentives of ₹ 193.76 lacs in respect of exports made in earlier years.

	For the year ended 31 March 2013	For the year year ended 31 March 2012
Note 21: Other income		
Interest income-bank deposits	**85.74**	106.17
Profit on sale of assets	**-**	105.18
Insurance claim received	**-**	52.64
Others	**9.01**	15.58
	94.75	279.57
Note 22: Cost of materials consumed		
Opening stock	**2,588.61**	3,223.65
Add: Purchases during the year	**35,522.31**	22,598.16
	38,110.92	25,821.81
Less: Closing stock	**3,699.46**	2,588.61
Cost of material consumed	**34,411.46**	23,233.20
Note:-		
Material consumed comprise:		
Carbon Disulfide	**3,896.29**	2,143.56
Ethyenediamine	**3,677.83**	3,674.42
Di-methyl Phosphoro Amidothioate	**3,026.32**	2,202.97
Others	**23,811.02**	15,212.25
	34,411.46	23,233.20

Notes forming part of the Financial Statements

(₹ in lacs)

	For the year ended 31 March 2013	For the year year ended 31 March 2012
Note 23: Purchase of stock in trade		
Crop protection chemicals	**172.46**	620.48
	172.46	620.48
Note 24: Change in inventories of finished goods, work-in-progress and stock-in-trade		
Stock as at 1 April		
Finished goods	**3,035.39**	3,312.26
Stock in trade	**41.29**	12.62
Work-in-progress	**195.19**	340.53
	3,271.87	3,665.41
Stock as at 31 March		
Finished goods	**4,555.39**	3,035.39
Stock in trade	**-**	41.29
Work-in-progress	**373.11**	195.19
	4,928.50	3,271.87
Net (increase) / decrease	**(1,656.63)**	393.54
Note 25: Employee benefits expense		
Salaries and wages	**1,959.58**	2,070.94
Contribution to provident and other funds	**89.72**	100.74
Staff welfare expenses	**62.69**	152.37
	2,111.99	2,324.05
Note 26: Finance costs		
Interest expense on:		
Term loans	**912.34**	384.49
Other borrowings	**1,910.13**	1,902.68
Other borrowing costs	**180.73**	360.86
Net (gain)/ loss on exchange differences considered as finance costs	**228.84**	377.97
	3,232.04	3,026.00
Less: Capitalised	**242.58**	101.06
	2,989.46	2,924.94

Notes forming part of the Financial Statements

(₹ in lacs)

	For the year ended 31 March 2013	For the year year ended 31 March 2012
Note 27: Other expenses		
Consumption of stores and spare parts	**623.36**	986.12
Subcontracting charges	**553.45**	316.10
Power, fuel and water	**6,358.77**	4,860.03
Rent	**100.81**	135.08
Repairs to		
Building	**26.34**	102.05
Plant and machinery	**299.23**	228.62
Others	**14.25**	53.99
Insurance	**94.66**	134.33
Rates and taxes	**36.52**	36.58
Freight and distribution	**1,907.38**	1,637.49
Travelling and conveyance	**176.33**	487.90
Legal and professional	**418.16**	415.79
Payment to auditors (Refer note below)	**13.65**	7.60
Directors' sitting fees	**4.75**	4.16
Loss on sale of assets	**-**	18.11
Provision for doubtful trade receivables	**52.95**	274.07
Provision for doubtful advances	**31.39**	222.50
Bad trade and other receivables, loans and advances written off	**-**	1,303.70
Net (gain)/ loss on foreign currency translation and transactions	**(194.80)**	567.14
Miscellaneous expenses	**940.92**	1,195.69
	11,458.12	12,987.05

Note:-

Payment to the auditors comprise (net of service tax input credit)

(a) To statutory auditors		
Audit fees	**6.00**	4.50
Limited review	**5.00**	1.50
Other services	**1.15**	1.20
	12.15	7.20
(b) To cost auditors for cost audit	**1.50**	0.40
	13.65	7.60

Notes forming part of the Financial Statements

28. Contingent liabilities and commitments:

a) Contingent Liabilities :

i. Claims against the Company not acknowledged as debts

(₹ in lacs)

	As at 31 March 2013	As at 31 March 2012
Income tax	**621.04**	474.95
Sales tax	**148.22**	148.22
Excise matters	**67.70**	51.21
Legal cases	**136.72**	130.61

ii. Bills discounted and outstanding: ₹ 660.00 lacs (2012-₹ 3,933.75 lacs), since realized ₹ 92.73 lacs (2012- ₹ 554.27 lacs).

b) Commitments :

(₹ in lacs)

	As at 31 March 2013	As at 31 March 2012
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	**1,579.38**	4,106.10

29. There is no supplier covered under the Micro, Small and Medium Enterprises Development Act, 2006. This information has been determined based on the details regarding the status of the suppliers obtained by the Company. This has been relied upon by the Auditors.

30. Derivative instruments and unhedged foreign currency exposure:

i. Outstanding forward exchange contracts entered into by the Company

	As at 31 March 2013		As at 31 March 2012	
	Value/US$ (in lacs)	**₹ in lacs**	Value/US$ (in lacs)	₹ in lacs
Buy Forward	**42.59**	**2,312.31**	-	-
Sell Forward	**36.58**	**1,985.73**	-	-

ii. The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Particulars	**Currency**	**As at 31 March 2013**		As at 31 March 2012	
		Value/FC (in lacs)	**₹ in lacs**	Value/FC (in lacs)	₹ in lacs
Payables	USD	**44.52**	**2,418.00**	9.49	482.68
	EUR	**2.12**	**147.34**	2.64	181.56
	GBP	**0.13**	**10.66**	0.03	2.09
	PHP	**1.24**	**1.65**	1.24	1.50
	RMB	**-**	**-**	1.98	13.38
	AUD	**0.03**	**1.61**	-	-
Total			**2,579.26**		681.21
Buyers Credit	USD	**27.12**	**1472.69**	44.24	2,250.99
	EUR	**11.07**	**769.88**	1.26	86.98
Total			**2,242.57**		2,337.97
Borrowing	USD	**51.00**	**2,769.69**	63.85	3248.62
Total			**2,769.69**		3248.62
Receivables	USD	**91.05**	**4,943.25**	121.28	6169.65
	EUR	**0.87**	**60.68**	0.99	67.36
Total			**5,003.93**		6,237.01

31. Value of imports on C.I.F. basis:

(₹ in lacs)

	For the year ended 31 March 2013	For the year ended 31 March 2012
Raw material	**12,973.98**	9,199.07
Stores and spares	**1.07**	-
Capital goods	**90.42**	7.33
	13,065.47	9,206.40

32. Expenditure (payments) in foreign currency:

(₹ in lacs)

	For the year ended 31 March 2013	For the year ended 31 March 2012
Export commission	**344.22**	124.82
Product registration expenses	**338.24**	224.17
Interest	**87.09**	84.63
Foreign bank collection charges and interest on packing credit	**127.87**	259.32
Others	**80.30**	195.98
	977.72	888.92

33. Earnings in foreign currency:

(₹ in lacs)

	For the year ended 31 March 2013	For the year ended 31 March 2012
F.O.B. Value of exports of goods	**27,338.21**	17,501.27

34. Details of consumption of imported and indigenous items:

Raw materials and components

	For the year ended 31 March 2013		For the year ended 31 March 2012	
	%	**₹ in lacs**	%	₹ in lacs
Imported	**47.05%**	**16,188.99**	47.66%	11,025.53
Indigenous	**52.95%**	**18,222.47**	52.54%	12,207.67
	100.00 %	**34,411.46**	100.00 %	23,233.20

Consumption of Store and spare parts

	%	**₹ in lacs**	%	₹ in lacs
Imported	**-**	**-**	1%	12.81
Indigenous	**100%**	**623.36**	99%	973.31
	100%	**623.36**	100%	986.12

35. Employee Benefits

a. Defined contribution plan

The Company makes contributions towards provident fund a defined contribution plan for qualifying employees. The Company makes contribution to the Employees Provident Fund with the Regional Provident Fund Commissioner.

The Company recognised ₹ 42.33 lacs (2012: ₹ 45.26 lacs) for provident fund contributions in the Statement of Profit and Loss. The contribution payable to the plan by the Company is at the rate specified in rules to the scheme.

b. Defined benefit plan – Gratuity plan

The Company makes annual contribution to the Employee's Group Gratuity Cash Accumulation scheme of the Life Insurance Corporation of India, a funded defined benefit plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of 6 months subject to a maximum of ₹10 lacs. Vesting occurs upon completion of 5 years of service.

The present value of the defined benefit obligation and the related current service cost were measured using the Projected Unit Credit Method with actuarial valuations being carried out at each Balance Sheet date.

c. The following tables sets out the funded status of the gratuity plan and amounts recognised in the Company's financial statements as at 31 March, 2013:

Components of employer expense

(₹ in lacs)

	For the year ended 31 March 2013	For the year ended 31 March 2012
	Gratuity (funded)	Gratuity (funded)
Current service cost	**22.42**	24.94
Interest cost	**8.60**	7.20
Expected return on plan assets	**3.52**	0.46
Curtailment cost / (credit)	**-**	-
Settlement cost / (credit)	**-**	-
Past service cost	**-**	-
Actuarial losses / (gains)	**(3.38)**	(6.61)
Total expense recognised in Statement of Profit and Loss	**24.12**	25.07

Net asset / (liability) recognised in the Balance Sheet

(₹ in lacs)

	For the year ended 31 March 2013	For the year ended 31 March 2012
	Gratuity (funded)	Gratuity (funded)
Present value of defined benefit obligation	**126.73**	113.76
Fair value of plan assets	**47.57**	6.22
Funded status {(surplus) /deficit}	**79.16**	107.54
Unrecognised past service costs	**-**	-
Net (asset) / liability recognised in the Balance Sheet	**79.16**	107.54

Changes in Defined Benefit Obligations (DBO) during the year:

(₹ in lacs)

	For the year ended 31 March 2013	For the year ended 31 March 2012
	Gratuity (funded)	Gratuity (funded)
Present value of DBO at the beginning of the year	**107.54**	99.95
Current Service Cost	**22.42**	24.94
Interest cost	**8.60**	7.20
Curtailment cost / (credit)	**-**	-
Settlement cost / (credit)	**-**	-
Plan amendments	**-**	-
Actuarial (gains) / losses	**(3.38)**	(6.61)
Past service cost	**-**	-
Benefits paid	**(8.45)**	(17.94)
Present value of DBO at the end of the year	**126.73**	107.54

Notes forming part of the Financial Statements

Changes in fair value of assets during the year:

(₹ **in lacs)**

	For the year ended 31 March 2013	For the year ended 31 March 2012
	Gratuity (funded)	Gratuity (funded)
Plan Assets at the beginning of the year	**6.22**	8.70
Acquisition adjustment	**-**	-
Expected return on plan asset	**3.52**	0.46
Actual company contributions	**46.28**	15.00
Actuarial (gains) / losses	**-**	-
Benefits paid	**(8.45)**	(17.94)
Plan assets at the end of the year	**47.57**	6.22

Actual return on plan assets	**3.52**	0.46
Composition of the plan assets is as follows:		
Insurer managed funds	**100%**	100%

Actuarial assumptions:

	For the year ended 31 March 2013	For the year ended 31 March 2012
	Gratuity (funded)	Gratuity (funded)
Discount Rate	**8.00 %**	8.00 %
Expected Rate of Return on Assets (p.a.)	**7.41%**	5.30 %
Salary Escalation Rate (p.a.)	**5.00%**	5.00%

Note

The estimates of future salary increases, considered in actuarial valuations take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

The expected rate of return on the plan assets is based on the average long term rate of return expected on investments of the Fund during the estimated term of the obligations.

Experience adjustments

(₹ **in lacs)**

Particulars	**Year ended 31.03.2013**	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009
Present value of Defined Benefit Obligation	**126.73**	113.76	89.96	61.64	49.41
Fair value of plan assets	**47.57**	6.22	8.70	1.84	1.42
Status {(surplus) /(deficit}	**79.16**	107.54	81.26	59.81	47.91
Experience gain/ (loss) adjustments					
- on plan assets	**0.26**	0.24	0.15	0.03	0.13
- on plan liabilities	**3.38**	6.61	(7.73)	5.66	(26.43)

36. Segment Reporting:

a) Business Segment

The Company's main business is to manufacture and sell Crop Protection Chemicals. All other activities of the Company are incidental to the main business. As such, there is no separate reportable segment as per the Accounting Standard 17 Segment Reporting.

b) Geographical Segment

The Company's operating facilities are located in India. The segmental reporting for the Secondary Segment – Geographical as per the Accounting Standard 17 Segment Reporting.

(₹ **in lacs)**

	For the year ended 31 March 2013	For the year ended 31 March 2012
Domestic Revenue	**20,955.81**	17,068.67
Export Revenue (Including Export benefits)	**30,527.12**	18,774.00
	51,482.93	35,842.67

Notes forming part of the Financial Statements

37. Related Party transactions

Names of related party where control exists

a) Details of related parties:

Description of relationship	Names of related parties
Ultimate Holding Company	E.I.D Parry (India) Limited(***)
Holding company	Coromandel International Limited (***)
Subsidiary	Sabero Australia Pty Ltd
Subsidiary	Sabero Europe B.V
Subsidiary	Sabero Organics America S.A
Subsidiary	Sabero Argentina S.A
Jointly controlled operations (JCO)	Markan Argoquimica Ltda($)
Associate	Sabero Organics Philippines Asia Inc
Key Management personnel	Mr. Mohit H. Chuganee(*)
Key Management personnel	Mr. Hero Chuganee(*)
Key Management personnel	Mr. Sumit H. Chuganee(*)
Key Management personnel	Mr. Rajesh Sharma(#)
Key Management personnel	Mr. Ashok Muni (@)
Key Management personnel	Mr. G. Veera Bhadram(**)
Relative of Director	Mrs. Sabita H Chuganee(*)
Directors in common	Sabero Echostar (India) Pvt Ltd(*)
Directors in common	Harvard Finance Co.Pvt Ltd.(*)
Directors in common	White Waves Capital LLP(*)
Directors in common	Tranquilitta Capital Advisors Private Limited(*)
Directors in common	Mosum Entreprises Ltd(*)

*** W.e.f. 17th December 2011.
** W.e.f. 19th December 2011.
*Ceased to exist as related parties effective 17th December 2011.
#Ceased to exist as related party effective 8th September 2011.
@ Ceased to exist as related party effective 20th December 2011.
$ Ceased to exist as related party effective 3rd October 2011.

Notes forming part of the Financial Statements

b) Details of Related Party transactions during the year ended 31 March 2013:

(₹ in lacs)

Nature of Transaction	Holding Company	Subsidiaries	Other entities where control exist	Key Management Personnel	Relatives of Key Management Personnel
	For the year ended 31 March 2013	For the year ended 31 March 2013	For the year ended 31 March 2013	For the year ended 31 March 2013	For the year ended 31 March 2013
Purchase of Fixed Assets					
-Coromandel International Limited	**0.15** -	**-** -	**-** -	**-** -	**-** -
-Mr. Hero Chuganee	**-** -	**-** -	**-** -	**-** (470.69)	**-** -
Expenses reimbursed to				-	-
-Harvard Finance Co. Pvt. Ltd.	**-** -	**-** -	**-** (4.11)	**-** -	**-** -
-Coromandel International Limited	**130.44** (0.34)	**-** -	**-** -	**-** -	**-** -
-Mohit H. Chuganee	**-** -	**-** -	**-** -	**-** (6.44)	**-** -
-Sumit H. Chuganee	**-** -	**-** -	**-** -	**-** (6.44)	**-** -
-Hero J. Chuganee	**-** -	**-** -	**-** -	**-** (34.06)	**-** -
-Sabita H. Chuganee	**-** -	**-** -	**-** -	**-** -	**-** (12.60)
Purchases of finished goods/raw material					
-Coromandel International Limited	**705.00** (89.06)	**-** -	**-** -	**-** -	**-** -
Sale of Fixed Assets					
-Sabero Echostar (India) Pvt. Ltd.	**-** -	**-** -	**-** (227.69)	**-** -	**-** -
-Mr. Mohit Chuganee	**-** -	**-** -	**-** -	**-** (120.00)	**-** -
-Mr. Sumit Chuganee	**-** -	**-** -	**-** -	**-** (120.00)	**-** -
Sale of Goods					
-Mosum Enterprises Ltd.	**-** -	**-** -	**-** (12.96)	**-** -	**-** -
-Coromandel International Limited	**5,359.78** (1,487.33)	**-** -	**-** -	**-** -	**-** -
Expenses reimbursed by					
-Coromandel International Limited	**208.37** (0.70)	**-** -	**-** -	**-** -	**-** -

Notes forming part of the Financial Statements

Nature of Transaction	Holding Company	Subsidiaries	Other entities where control exist	Key Management Personnel	Relatives of Key Management Personnel
	For the year ended 31 March 2013	For the year ended 31 March 2013	For the year ended 31 March 2013	For the year ended 31 March 2013	For the year ended 31 March 2013
Remuneration					
-Mr. G. Veera Bhadram	**-** -	**-** -	**-** -	**68.71** (15.48)	**-** -
-Mr. Mohit Chuganee	**-** -	**-** -	**-** -	**-** (103.88)	**-** -
-Mr. Sumit H Chuganee	**-** -	**-** -	**-** -	**-** (98.60)	**-** -
-Mr. Rajesh Sharma	**-** -	**-** -	**-** -	**-** (21.01)	**-** -
-Mr. C M Ashok Muni	**-** -	**-** -	**-** -	**-** (15.22)	**-** -
Investments made					
- Sabero Australia Pty Ltd	**-** -	**-** (7.71)	**-** -	**-** -	**-** -
- Sabero Argentina S.A.	**-** -	**-** (5.91)	**-** -	**-** -	**-** -
-Sabero Organics America S.A	**-** -	**-** (550.20)	**-** -	**-** -	**-** -
Sale of investments					
- Markan Argoquimica Ltda.	**-** -	**-** (1.19)	**-** -	**-** -	**-** -
Advances given(subsidiary)					
-Sabero Australia Pty Ltd.	**-** -	**7.36** (2.65)	**-** -	**-** -	**-** -
-Sabero Organics Philippines Asia Inc	**-** -	**3.73** -	**-** -	**-** -	**-** -
-Sabero Organics America S.A	**-** -	**94.22** -	**-** -	**-** -	**-** -
Inter corporate deposit taken	**1,500.00** -	**-** -	**-** -	**-** -	**-** -
Interest on inter corporate deposit taken	**113.98** -	**-** -	**-** -	**-** -	**-** -

Note:-

Previous year figures are given in bracket.

Notes forming part of the Financial Statements

C) Outstanding balances as at March 31, 2013:

(₹ in lacs)

Nature of Transaction	**Holding Company**	**Subsidiaries**
	As at 31 March 2013	**As at 31 March 2013**
Payables-		
-Coromandel International Limited	**53.31** (129.70)	**-** -
Receivable-		
-Coromandel International Limited	**779.37** (19.94)	**-** -
Advances Subsidiaries-		
-Sabero Australia Pty Ltd	**-** -	**21.69** (14.33)
-Sabero Organics Philippines Asia Inc	**-** -	**6.54** (2.81)
-Sabero Organics America S.A	**-** -	**94.21** -
Sabero Europe B.V	**-** -	**7.70** (7.70)
Inter corporate deposit (including interest accrued and due)	**1,513.18** -	**-** -

Note:-

Previous year figures are given in bracket.

38. Basic and Diluted Earnings per Share:

	For the year ended 31 March 2013	For the year ended 31 March 2012
Earning for the purpose of basic and diluted earnings per share (net profit/(loss) for the year) (₹ in lacs)	**773.16**	(6,124.37)
Weighted average number of equity shares outstanding	**33,866,077**	33,866,077
Nominal value per equity share (₹)	**10**	10
Earnings Per share (Rs.) (Basis and Diluted)	**2.28**	(18.08)

39. Investments in Joint Venture

During the previous year, the Company and its subsidiary Sabero Organics America S.A had entered into an settlement agreement with Embrasil, Brazil and Markan Agroquimica Ltd, Brazil (Markan), with the said settlement, the Company is no longer a co-venturer in Markan.

40. Exceptional item is in respect of an additional claim from a gas supplier for supplies made in earlier financial year.

Notes forming part of the Financial Statements

41. Pre-operative expenses pending allocation (included in Capital Work-in progress)

(₹ in lacs)

	Year ended 31 March 2013	Year ended 31 March 2012
Preoperative expenditure incurred as at the beginning of the year	**818.91**	440.83
Add : Incurred during the year		
Employee Benefits Expenses	**57.70**	166.31
Borrowing Costs	**242.58**	101.06
Other Expenses	**11.02**	110.71
Total preoperative expenditure	**1,130.21**	818.91
Less : Preoperative expenditure allocated to Fixed Assets during the year	**218.37**	-
Balance preoperative expenditure as at the end of the year	**911.84**	818.91

42. Previous Year's figures have been regrouped / reclassified wherever considered necessary to correspond with the current year's classification/disclosures.

For and on behalf of the Board of Directors

Sd/-
G. Veera Bhadram
Whole Time Director

Sd/-
M.K.Tandon
Chairman

Sd/-
N Shankar
Head-Finance

Sd/-
Pritam Vartak
Company Secretary

Mumbai: 16 April 2013

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF
SABERO ORGANICS GUJARAT LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **SABERO ORGANICS GUJARAT LIMITED** (the "Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the financial statements / financial information of the subsidiaries and associate referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2013;

(b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date and

(c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matter

We did not audit the financial statements of four subsidiaries, whose financial statements reflect total assets (net) of ₹ 788.47 Lacs as at 31st March, 2013, total revenues of Rs. Nil and net cash inflows amounting to ₹ 2.11 Lacs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of ₹ 0.99 lacs for the year ended 31st March, 2013, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose report have been furnished to us and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries and associate, are based solely on the reports of the other auditors.

Our opinion is not qualified in respect of this matter.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No. 117364W)

Sd/-
Ketan Vora
Partner
(Membership No. 100459)

MUMBAI, 16 April, 2013

Consolidated Balance Sheet as at 31 March 2013

(₹ in lacs)

	Note	As at 31 March 2013	As at 31 March 2012
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	**3,385.51**	3,385.51
(b) Reserves and surplus	3	**3,670.21**	2,937.26
2 Minority Interest		**(0.69)**	0.11
3 Non-current liabilities			
(a) Long-term borrowings	4	**6,507.23**	6,428.31
(b) Deferred tax liabilities (net)	5	**-**	-
(c) Long-term provisions	6	**95.14**	132.21
4 Current liabilities			
(a) Short-term borrowings	7	**19,195.54**	14,295.62
(b) Trade payables	8	**14,598.21**	10,606.75
(c) Other current liabilities	9	**4,183.69**	1,945.47
(d) Short-term provisions	10	**67.62**	42.33
TOTAL		**51,702.46**	39,773.57
B ASSETS			
1 Non-current assets			
(a) Fixed assets	11		
(i) Tangible assets		**14,304.78**	11,595.35
(ii) Intangible assets		**1,167.82**	1,132.58
(iii) Capital work-in-progress		**3,755.85**	4,412.64
(iv) Intangible assets under development		**586.75**	187.76
(b) Non-current investments	12	**0.88**	0.88
(c) Long-term loans and advances	13	**1,542.38**	2,089.34
(d) Other non-current assets	14	**130.14**	24.83
2 Current assets			
(a) Inventories	15	**8,755.40**	5,997.75
(b) Trade receivables	16	**14,780.33**	7,239.73
(c) Cash and bank balances	17	**1,028.09**	1,804.28
(d) Short-term loans and advances	18	**4,496.31**	4,589.09
(e) Other current assets	19	**1,153.73**	699.34
TOTAL		**51,702.46**	39,773.57
See accompanying notes forming part of the financial statements	1 to 37		

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Sd/-
Ketan Vora
Partner

For and on behalf of the Board of Directors

Sd/-
G.Veera Bhadram
Whole time Director

Sd/-
M.K.Tandon
Chairman

Sd/-
N.Shankar
Head Finance

Sd/-
Pritam Vartak
Company Secretary

Place: Mumbai
Date: 16 April 2013

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

(₹ in lacs)

		Note	**For the year ended 31 March 2013**	For the year year ended 31 March 2012
1	Revenue from operations (gross)		**54,181.51**	37,667.40
	Less: Excise duty		**2,698.58**	1,824.73
	Revenue from operations (net)	20	**51,482.93**	35,842.67
2	Other income	21	**94.75**	286.31
3	**Total Revenue (1+2)**		**51,577.68**	36,128.98
4	**Expenses:**			
	Cost of materials consumed	22	**34,411.46**	23,233.20
	Purchases of stock-in-trade	23	**172.46**	620.48
	Changes in inventories of finished goods, work-in-progress and stock- in-trade	24	**(1,656.63)**	393.54
	Employee benefits expense	25	**2,111.99**	2,324.05
	Finance costs	26	**2,989.87**	2,925.25
	Depreciation and amortisation expense	11	**1,137.17**	1,103.93
	Other expenses	27	**11,464.90**	13,234.10
	Total expenses		**50,631.22**	43,834.55
5	**Profit / (Loss) before exceptional and extraordinary items and tax (3-4)**		**946.46**	(7,705.57)
6	Exceptional items	35	**174.34**	-
7	**Profit/ (Loss) before extraordinary items and tax (5-6)**		**772.12**	(7,705.57)
8	Extraordinary Items		**-**	-
9	**Profit/ (Loss) before tax (7-8)**		**772.12**	(7,705.57)
10	**Tax expense:**			
	(a) Short/ (excess) provision for tax relating to prior years		**6.15**	-
	(b) Deferred tax		**-**	(1,340.58)
	Net tax expenses/(benefit)		**6.15**	(1,340.58)
11	**Profit/ (Loss) after tax before share in profit/ (loss) of associate and minority interest (9-10)**		**765.97**	(6,364.99)
12a	Share in profit / (Loss) of associate		**0.99**	-
12b	Minority Interest		**(0.26)**	(0.22)
13	**Profit (Loss) for the year (11-12a-12b)**		**765.24**	(6,364.77)
14	**Earnings per equity share of ₹ 10/- each**	33		
	Basic and Diluted		**2.26**	(18.80)

See accompanying notes forming part of the financial statements 1 to 37

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Sd/-
Ketan Vora
Partner

For and on behalf of the Board of Directors

Sd/-
G.Veera Bhadram
Whole time Director

Sd/-
M.K.Tandon
Chairman

Sd/-
N.Shankar
Head Finance

Sd/-
Pritam Vartak
Company Secretary

Place: Mumbai
Date: 16 April 2013

Consolidated Cash Flow Statement for the year ended 31 March 2013

(₹ in lacs)

		For the year ended 31 March 2013	For the year year ended 31 March 2012
Cash flow from operating activities			
Profit/(Loss) before tax		**772.12**	(7,705.57)
Adjustments for:			
Depreciation and amortisation expense		**1,137.17**	1,103.93
Interest income		**(85.74)**	(106.17)
Interest expense		**2,580.30**	2,186.42
Provision for obsolete stock		**31.81**	25.54
Provision for doubtful advances		**31.39**	222.50
Provision for doubtful debts		**52.95**	274.07
Provision for wealth tax		**4.28**	4.50
Profit on sale of fixed assets (Net)		**-**	87.07
Foreign currency translation and transactions (Net)		**296.08**	230.17
Operating profit/ (loss) before working capital changes		**4,820.36**	(3,677.54)
Adjustments for:			
Increase in trade payables		**4,031.21**	3,301.59
Increase in other current liabilities		**305.34**	21.91
(Decrease)/ Increase in other long-term provisions		**(37.07)**	16.09
Increase in other short-term provisions		**19.39**	1.85
(Increase)/ decrease in trade receivables		**(7,537.70)**	188.28
(Increase)/ decrease in inventories		**(2,789.46)**	1,519.58
(Increase)/ decrease in other non current assets		**(105.31)**	4.25
(Increase)/ decrease in other current assets		**(490.21)**	563.03
Decrease in long-term loans and advances		**4.95**	10.27
Decrease/ (increase) in short-term loans and advances		**61.39**	(1,283.41)
Cash generated from operations		**(1,717.11)**	665.90
Direct taxes paid		**(76.86)**	(140.53)
Net cash flow (used in)/ from operating activities	**(A)**	**(1,793.97)**	525.37
Cash flows from investing activities			
Capital expenditure on fixed assets, including capital advances		**(3,140.60)**	(6,308.03)
Bank Accounts not considered as Cash and Cash equivalents		**539.84**	30.22
Proceeds from sale of fixed assetd		**-**	465.30
Interest received		**121.56**	113.01
Net cash used in investing activities	**(B)**	**(2,479.20)**	(5,699.50)
Cash flow from financing activities			
Proceeds from issue of equity shares		**-**	0.06
Proceeds from long-term borrowings		**3,010.05**	2,846.29
Repayment of long-term borrowings		**(1,349.54)**	(567.25)
Dividend Paid		**(0.10)**	(0.41)
Increase in short-term borrowings		**4,958.41**	2,951.56
Interest paid		**(2,582.00)**	(2,166.63)
Net cash from financing activities	**(C)**	**4,036.82**	3,063.62
Net decrease in cash and cash equivalents	**(A + B + C)**	**(236.35)**	(2,110.51)
Cash and cash equivalents at the beginning of the year		**276.03**	2,386.54
Cash and cash equivalents at the end of the year		**39.68**	276.03

Consolidated Cash Flow Statement for the year ended 31 March 2013

	For the year ended 31 March 2013	For the year year ended 31 March 2012
		(₹ in lacs)
Notes:-		
1. Cash Flow Statement has been prepared under the Indirect method as set out in the Accounting Standard 3 on Cash Flow Statements.		
2. Reconciliation of Cash and cash equivalents at the end of the year with Cash and bank balances as per Note 17 :-		
Cash and bank balances as per Note 17:	**1,028.09**	1,804.28
Less: Balances in earmarked accounts		
Unpaid dividend account	**6.36**	6.46
Balances held as margin money or security against borrowings, guarantees and other commitments	**982.05**	1,521.79
	988.41	1,528.25
Cash and cash equivalents at the end of the year	**39.68**	276.03

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Sd/-
Ketan Vora
Partner

Place: Mumbai
Date: 16 April 2013

For and on behalf of the Board of Directors

Sd/-
G.Veera Bhadram
Whole time Director

Sd/-
M.K.Tandon
Chairman

Sd/-
N.Shankar
Head Finance

Sd/-
Pritam Vartak
Company Secretary

Notes forming part of the Consolidated Financial Statements

Note 1: Significant accounting policies

I. Basis of accounting and preparation of consolidated financial statements

The consolidated financial statements of Sabero Organics Gujarat Limited ("the Company") and its subsidiaries (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

II. Principles of consolidation

The consolidated financial statements relate to Sabero Organics Gujarat Limited (the 'Company'), its subsidiary companies and the Group's share of profit / loss in its associate. The consolidated financial statements have been prepared on the following basis:

1) The financial statements of the subsidiary companies and associate used in the consolidation are drawn upto the same reporting date as that of the Company i.e., 31 March, 2013, except for one associate as mentioned in II.9 below for which financial statements as on reporting date are not available. These have been consolidated based on latest available financial statements.
2) The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting Unrealised profits or losses, unless cost cannot be recovered.
3) The consolidated financial statements include the share of profit / loss of the associate company which have been accounted for using equity method as per AS 23 Accounting for Investments in Associates in Consolidated Financial Statements. Accordingly, the share of profit/ loss of the associate company (the loss being restricted to the cost of investment) has been added to / deducted from the cost of investments.
4) The excess of cost to the Group of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves & Surplus', in the consolidated financial statements.
5) Minority Interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit / loss for the year of the subsidiaries attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Company.
6) The difference between the cost of investment in the associate and the share of net assets at the time of acquisition of shares in the associate is identified in the consolidated financial statements as Goodwill or Capital reserve as the case may be.
7) Goodwill arising on consolidation is not amortised but tested for impairment.
8) Following subsidiary companies and associate have been considered in the preparation of the consolidated financial statements:

Name of the Entity	Relationship	Country of Incorporation	% of holding and voting power either directly or indirectly through subsidiaries	
			As at 31 March 2013	As at 31 March 2012
Sabero Australia Pty Ltd.	Subsidiary	Australia	**100.00**	100.00
Sabero Europe BV	Subsidiary	Netherlands	**100.00**	100.00
Sabero Organics America S/A	Subsidiary	Brazil	**99.94**	99.94
Sabero Argentina S.A.	Subsidiary	Argentina	**95.00**	95.00
Sabero Organics Philippines Asia Inc.	Associate	Philippines	**39.75**	39.75

The consolidated financial statements have been prepared using uniform accounting policiesfor like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

9) The list of an associate, whose financial statements used in the consolidation is drawn upto a date which is different from the reporting date of the Company.

Name of the entity	Relationship	Reporting date of the financial statements used in consolidation	
		As at 31 March 2013	As at 31 March 2012
Sabero Organics Philippines Asia Inc.	Associate	December 31, 2012	December 31, 2011

III. Use of Estimates

The preparation of the consolidated financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

IV. Inventories

Inventories are valued at the lower of cost (on moving weighted average basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

V. Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

VI. Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

VII. Depreciation and amortisation

Depreciation has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956. Continuous process plants are classified on technical assessment and depreciation provided accordingly.

Cost of leasehold land is amortised over the remaining period of lease after the commencement of commercial production. Intangible Assets are amortised on straight line basis over their estimated useful life. The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

VIII. Revenue Recognition

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

IX. Other income

Interest income is recognised on accrual basis.

X. Tangible fixed assets

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets.

Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Fixed assets acquired and put to use for project purpose are capitalised and depreciation thereon is included in the project cost till commissioning of the project.

XI. Capital work-in-progress:

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

XII. Intangible assets

Intangible assets are carried at cost, net of accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises of purchase price, attributable expenditure on making the asset ready for its intended use.

XIII. Foreign currency transactions and translations

Initial recognition:

a. Transactions in foreign currencies entered into by the Group are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

b. Integral foreign operations:

Transactions in foreign currencies entered into by the Group's integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

c. Net investment in non-integral foreign operations:

Net investment in non-integral foreign operations is accounted at the exchange prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

d. Non-integral foreign operations:

Transactions of non-integral foreign operations are translated at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement at the Balance Sheet date:

a. Foreign currency monetary items of the Group outstanding at the Balance Sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

b. Net investment in non-integral foreign operations:

Foreign currency monetary items (other than derivative contracts) of the Group's net investment in non-integral foreign operations outstanding at the balance sheet date are restated at the year-end rates

c. Integral foreign operations:

Foreign currency monetary items (other than derivative contracts) of the Group's integral foreign operations outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company's integral foreign operations are carried at historical cost.

d. Non-integral foreign operations:

All assets and liabilities of non-integral foreign operations are translated at the year end rates.

XIV. Accounting for forward contracts

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date.

XV. Government grants and export incentives

Government grants in the nature of promoters' contribution like investment subsidy, where no repayment is ordinarily expected in respect thereof, are treated as capital reserve.

Grants relating to Fixed assets in the nature of project capital subsidy are credited to Capital reserve.

Grants relating to Fixed Assets in the nature of project capital subsidy are credited to Capital Reserve.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

XVI. Investment

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments.

Current investments are carried individually, at the lower of cost and fair value. Cost of investments includes acquisition charges such as brokerage, fees and duties.

XVII. Employee benefits

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

a. Defined contribution plans

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

b. Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straightline basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

c. Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

- in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- in case of non-accumulating compensated absences, when the absences occur.

d. Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

XVIII. Borrowing Costs:

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

XIX. Segment reporting

The Group identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

XX. Leases

The Group’s significant leasing arrangements are in respect of operating leases for premises that are cancellable in nature. The lease rental paid under such agreements are charged to the Statement of Profit and Loss .

XXI. Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

XXII. Taxes on income

Current tax is determined on the basis of taxable income and tax credits computed for each of the entities in the Group in accordance with the provisions of applicable tax laws of the respective jurisdictions where the entities are located.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the entity will pay normal income tax. Accordingly, MAT is recognised as an asset in the Consolidated Balance Sheet when it is probable that future economic benefit associated with it will flow to the entity.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the entity has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves is recognised in reserves and not in the Statement of Profit and Loss.

XXIII. Research and development expenses

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Fixed Assets.

XXIV. Impairment of assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

XXV. Provisions and contingencies

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are neither recognised nor disclosed in the financial statements.

XXVI. Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims

XXVII. Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.

XXVIII. Operating Cycle

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

Notes forming part of the Consolidated Financial Statements

(₹ in lacs)

	As at 31 March 2013	As at 31 March 2012
Note 2: Share capital		
Authorised :		
36,000,000 (2012:36,000,000)Equity Shares of Rs.10/- each	**3,600.00**	3,600.00
Issued:		
33,866,077 (2012:33,866,077) Equity Shares of Rs.10/- each	**3,386.61**	3,386.61
Subscribed and Paid-up		
33,866,077 (2012:33,866,077) Equity Shares of Rs.10/- each	**3,386.61**	3,386.61
Less: Calls in arrears	**(1.10)**	(1.10)
	3,385.51	3,385.51

Notes:

(i) Reconciliation of number of Equity shares and amount outstanding at the beginning and at the end of the year:

	As at 31 March 2013		As at 31 March 2012	
	Number of shares	**₹ in lacs**	Number of shares	₹ in lacs
Per last Balance sheet	**33,866,077**	**3,385.51**	33,866,077	3,385.45
Issued during year/calls in arrears	**-**	**-**		0.06
Outstanding at the end of the year	**33,866,077**	**3,385.51**	33,866,077	3,385.51

(ii) Rights, preferences and restrictions attached to equity shares

The Company has one class of Equity Shares having a face value of ₹ 10 /- each. Each shareholder is eligible for one vote per share held. The dividend (if any) proposed by the Board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to their shareholdings.

(iii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

	As at 31 March	
	2013	2012
(a) Coromandel International Limited (Holding Company)	**24,798,112**	24,798,112
(b) Parry Chemicals Limited (Subsidiary of Holding Company)	**558,249**	458,249
(c) Pressmet Private Limited	**11,926**	11,926

(iv) Shares held by each shareholder holding more than 5% of equity share capital :

	As at 31 March 2013		As at 31 March 2012	
	Number of shares	**%**	Number of shares	Rs. in lacs
(a) Coromandel International Limited (Holding Company)	**24,798,112**	**73.22%**	24,798,112	73.22%
(b) Kalah Corporation	**-**	**-**	2,539,335	7.50%

(v) The Company has not issued or allotted any shares pursuant to contracts without consideration being received in cash or by way of bonus shares during immediately preceding five years.

(vi) 18,290 (2012 :18,390) Equity Shares of ₹ 10 each were outstanding as calls unpaid from other than directors / officers of the Company.

Notes forming part of the Consolidated Financial Statements

(₹ in lacs)

	As at 31 March 2013	As at 31 March 2012
Note 3: Reserves and surplus		
i) Capital reserve (Government subsidy)		
Per last Balance Sheet	**24.46**	24.46
ii) Securities premium account		
Per last Balance Sheet	**1,370.97**	1,370.97
iii) General reserve		
Per last Balance Sheet	**1,164.96**	1,164.96
iv) Foreign Currency Translation Reserve		
Per last Balance Sheet	**147.88**	165.61
Exchange loss on translation during the year	**(34.26)**	(17.73)
	113.62	147.88
v) Surplus in the Consolidated Statement of Profit and Loss		
Per last Balance Sheet	**228.99**	6,593.75
Add: Profit/(Loss) for the year	**767.21**	(6,364.77)
	996.20	228.99
	3,670.21	2,937.26

Note 4: Long-term borrowings

	Non-current portion		Current portion	
	As at 31 March, 2013	As at 31 March, 2012	**As at 31 March, 2013**	As at 31 March, 2012
Long-term borrowings (Secured)				
Term loans				
From banks {Refer Note (i) to (v) below}	**6,504.60**	6,421.85	**3,149.68**	1,085.00
From Non Banking Finance Company {Refer Note (vi) below}	**2.63**	6.46	**2.69**	1.79
	6,507.23	6,428.31	**3,152.37**	1,086.79

Note:

Security

(i) Term Loan of Holding Company from Axis Bank secured by way of pari passu first charge on the entire fixed assets of the Company and second pari passu on the entire current assets of the Company.

(ii) Working Capital Term Loan of Holding Company from Ratnakar Bank secured by way of first pari passu charge on the entire fixed assets of the Company (present and future) with Union Bank of India, Industrial Development Bank of India, State Bank of India and Axis Bank and second pari passu charge on the entire current assets of the Company (both present and future) with Union Bank of India, Industrial Development Bank of India, State Bank of India and Axis Bank.

(iii) Term Loan of Holding Company from Exim Bank secured by way of first pari passu charge on the entire fixed assets including immoveable properties and second pari passu charge over the entire current assets of the Company.

(iv) ECB of Holding Company from Axis Bank secured by way of pari passu first charge on the entire fixed assets (both present and future) including land and building with other term lenders, second pari passu charge on the entire current assets of the Company and exclusive charge on debt service reserve account (DSRA) proposed to be created with the bank for an amount equal to one quarter interest at any point of time.

(v) Foreign Currency term loan of Holding Company from Exim Bank secured by way of First pari passu charge on the entire fixed assets of the Company including immoveable properties and Second pari passu charge over entire current assets of the Company.

(vi) Loans of Holding Company from Non banking finance companies are secured by way of hypothecation of vehicles acquired.

Notes forming part of the Consolidated Financial Statements

(₹ in lacs)

	As at 31 March 2013	As at 31 March 2012
Note 5: Deferred tax assets/liabilities		
Deferred tax liabilities		
On difference between book balance and tax balance of fixed assets	**1,419.20**	1,484.82
On expenditure deferred in the books but allowable for tax purposes		
Research and Development expenditure	**-**	0.75
Product Development Expenditure	**99.07**	184.30
	1,518.27	1,669.87
Deferred tax assets		
Provision for doubtful trade receivable / advances/ obsolete stocks	**200.17**	160.28
Provision for compensated absences, gratuity and other employee benefits	**48.72**	51.41
Brought forward business losses (Refer Note below)	**1,269.38**	1,458.18
	1,518.27	1,669.87
	-	-

Note :

In the absence of virtual certainty regarding availability of sufficient future taxable income, the recognition of Deferred tax assets on carry forward of unabsorbed depreciation/business loss is restricted to amount of closing deferred tax liability

Note 6: Long-term provisions		
Employee Benefits		
Gratuity	**51.94**	96.79
Compensated absences	**43.20**	35.42
	95.14	132.21

Note 7: Short-term borrowings		
From banks (Secured)		
Cash Credit facilities	**6,103.69**	10,213.28
Packing credit	**2,396.34**	266.93
Buyers credit	**2,605.22**	2,205.73
	11,105.25	12,685.94
From Banks (Unsecured)		
Packing credit	**2,498.96**	109.68
Buyers credit	**1,591.33**	-
Short term loan	**-**	1,500.00
	4,090.29	1,609.68
Other loans (Unsecured)		
Commercial paper(maximum balance outstanding during the year ₹ 5,000 lac (2012- Nil)	**2,500.00**	-
Inter Corporate Deposit	**1,500.00**	-
	4,000.00	-
	19,195.54	14,295.62

Note:

Security

The short term borrowing are secured by Pari passu first charge by way of hypothecation of entire current assets of Company including raw materials, work in progress, finished goods and book debts (present and future) and Pari passu second charge on entire fixed assets of the Company (present and future), excluding vehicles financed by their lenders.

Notes forming part of the Consolidated Financial Statements

(₹ in lacs)

	As at 31 March 2013	As at 31 March 2012
Note 8: Trade payables		
Acceptances	**3,606.65**	838.07
Other than acceptances	**10,991.56**	9,768.68
	14,598.21	10,606.75
Note 9: Other current liabilities		
Current maturities of long-term debt (Refer Note 4)	**3,152.37**	1,086.79
Payables on purchase of fixed assets	**354.83**	485.73
Interest accrued but not due on borrowings	**21.50**	23.20
Unclaimed dividends	**6.36**	6.46
Excise duty on closing stock	**519.17**	215.29
Dealer deposits	**79.34**	100.99
Other Liabilities (including statutory remittances)	**50.12**	27.01
	4,183.69	1,945.47
Note 10: Short-term provisions		
Provision for employee benefits		
Gratuity	**27.57**	10.76
Compensated absences	**14.40**	11.82
Provision for taxes		
Income tax (net of advance tax ₹ Nil, 2012: ₹ Nil)	**21.37**	15.25
Wealth tax	**4.28**	4.50
	67.62	42.33

Notes forming part of the Consolidated Financial Statements

Note 11: Consolidated Fixed Assets

(₹ in lacs)

DESCRIPTION	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	Balance As at 1 April 2012	Additions	Disposals	Balance As at 31 March 2013	Balance As at 1 April 2012	Depreciation/ Amortisation expenses for the year	Eliminated on disposal of assets	Balance As at 31 March 2013	Balance As at 31 March 2013	Balance As at 31 March 2012
A) TANGIBLE ASSETS										
Freehold Land	7.28	-	-	**7.28**	-	-	-	**-**	**7.28**	7.28
Leasehold Land	129.29	-	-	**129.29**	15.37	1.31	-	**16.68**	**112.61**	113.92
Building	3,370.88	494.81	-	**3,865.69**	747.91	122.35	-	**870.26**	**2,995.43**	2,622.97
Plant & Machinery	15,387.86	3,265.07	-	**18,652.93**	6,625.44	916.49	-	**7,541.93**	**11,111.00**	8,762.42
Furniture & Fixtures	3.27	0.15	-	**3.42**	0.20	0.17	-	**0.37**	**3.05**	3.07
Vehicles	50.40	-	-	**50.40**	28.68	4.79	-	**33.47**	**16.93**	21.72
Computer	199.91	4.74	-	**204.65**	149.90	11.06	-	**160.96**	**43.69**	50.01
Office Equipment	14.58	1.75	-	**16.33**	0.62	0.92	-	**1.54**	**14.79**	13.96
Total (A)	**19,163.47**	**3,766.52**	**-**	**22,929.99**	**7,568.12**	**1,057.09**	**-**	**8,625.21**	**14,304.78**	**11,595.35**
B) INTANGIBLE ASSETS										
Software	125.01	18.23	-	**143.24**	52.29	21.67	-	**73.96**	**69.28**	72.72
Product Development	1,267.04	97.09	-	**1,364.13**	207.18	58.41	-	**265.59**	**1,098.54**	1,059.86
Total (B)	**1,392.05**	**115.32**	**-**	**1,507.37**	**259.47**	**80.08**	**-**	**339.55**	**1,167.82**	**1,132.58**
Total (A+B)	**20,555.52**	**3,881.84**	**-**	**24,437.36**	**7,827.59**	**1,137.17**	**-**	**8,964.76**	**15,472.60**	**12,727.93**
C) Capital work-in-progress	4,412.64	-	656.79	**3,755.85**	-	-	-	**-**	**3,755.85**	4,412.64
D) Intangible assets under development	187.76	398.99		**586.75**	-	-	-	**-**	**586.75**	187.76
Grand Total	**25,155.92**	**4,280.83**	**656.79**	**28,779.96**	**7,827.59**	**1,137.17**	**-**	**8,964.76**	**19,815.20**	**17,328.33**
Previous Year	20,631.19	5,167.48	642.75	25,155.92	6,988.17	1,103.93	264.51	7,827.59	17,328.33	-

Note:

Refer note 36 for pre-operative expenses on projects, included in capital work-in progress

Notes forming part of the Consolidated Financial Statements

(₹ in lacs)

	As at 31 March 2013	As at 31 March 2012
Note 12: Non-current investments		
Non-Trade Investments		
(At cost)		
Government Securities	**0.88**	0.88
	0.88	0.88
Note 13: Long-term loans and advances		
Unsecured, considered good:		
Capital advances	**968.44**	1,582.78
Security deposits	**281.10**	286.05
Advance income tax (Net of provision ₹ Nil, 2012:- ₹ Nil)	**292.84**	220.51
	1,542.38	2,089.34
Note 14: Other non-current assets		
Unsecured, considered good:		
Share application money pending allotment	**130.14**	24.83
	130.14	24.83
Note 15: Inventories		
(At lower of cost and net realisable value)		
Raw materials (including packing materials)	**3,699.46**	2,588.61
Work-in-progress	**373.11**	195.19
Finished goods	**4,555.39**	3,035.39
Stock in trade (acquired for trading)	**-**	41.29
Stores & spares	**214.78**	192.80
	8,842.74	6,053.28
Less: Provision for obsolete stock	**(87.34)**	(55.53)
	8,755.40	5,997.75
Note 16 : Trade receivables		
Trade receivable outstanding for a period exceeding six months from the date they were due for payment:		
-Secured	**33.54**	15.57
-Unsecured, considered good	**1,365.67**	583.63
-Unsecured, considered doubtful	**275.73**	222.78
	1,674.94	821.98
Less: Provision for doubtful trade receivable	**275.73**	222.78
	1,399.21	599.20
Other trade receivables		
-Secured	**-**	22.55
-Unsecured	**13,381.12**	6,617.98
	14,780.33	7,239.73

Notes forming part of the Consolidated Financial Statements

(₹ in lacs)

		As at 31 March 2013	As at 31 March 2012
Note 17: Cash and bank balances			
A. Cash and cash equivalents			
(a) Cash on hand		**6.13**	15.56
(b) Balances with bank in current accounts		**33.55**	260.47
Total cash and cash equivalents	**(A)**	**39.68**	276.03
B. Other bank balances			
In earmarked accounts:-			
Unpaid dividend account		**6.36**	6.46
Balances held as margin money or security against borrowings, guarantees and other commitments		**982.05**	1,521.79
Total other bank balances	**(B)**	**988.41**	1,528.25
Total cash and bank balances	**(A+B)**	**1,028.09**	1,804.28

Note 18: Short term loans and advances

	As at 31 March 2013	As at 31 March 2012
Advances to suppliers	**253.89**	222.50
(Unsecured, considered doubtful)		
Less: Provision for doubtful advances	**(253.89)**	(222.50)
	-	-
(Unsecured, considered good)		
Balances with government authorities:		
CENVAT credit /service tax receivable	**2,542.25**	3,341.57
VAT credit receivable	**1,495.15**	761.43
Prepaid expenses	**22.13**	54.86
Insurance claims receivable	**427.52**	410.44
Other advances	**9.26**	20.79
	4,496.31	4,589.09
	4,496.31	4,589.09

Note 19: Other current assets

	As at 31 March 2013	As at 31 March 2012
Export incentives receivable	**1,136.94**	646.73
Interest accrued on margin deposits	**16.79**	52.61
	1,153.73	699.34

Notes forming part of the Consolidated Financial Statements

(₹ in lacs)

	For the year ended 31 March 2013	For the year year ended 31 March 2012
Note 20: Revenue from operations		
Sale of products (gross)	**51,884.14**	36,489.34
Less: Excise duty	**2,698.58**	1,824.73
Sale of products (net)(Refer Note (i) below)	**49,185.56**	34,664.61
Other operating revenues		
-Export incentives	**1,751.08**	1,012.57
-Prior period income-export incentives (Refer Note (ii) below)	**193.76**	-
-Sale of scrap	**352.53**	165.49
	51,482.93	35,842.67
Note :-		
(i) **Sale of products comprises**		
(a) Manufactured products		
Inorganic chemicals	**325.40**	85.37
Organic chemicals	**1,765.03**	562.07
Crop protection chemicals	**46,822.77**	33,250.34
Total - Sale of manufactured products	**48,913.20**	33,897.78
(b) Traded goods		
Crop protection chemicals	**272.36**	766.83
Total - Sale of traded products	**272.36**	766.83
Total Sale of products	**49,185.56**	34,664.61

(ii) Export Incentives of ₹ 193.76 lacs in respect of exports made in earlier years.

Note 21: Other income		
Interest income-bank deposits	**85.74**	106.17
Profit on sale of assets	**-**	105.18
Insurance claim received	**-**	52.64
Others	**9.01**	22.32
	94.75	286.31
Note 22: Cost of materials consumed		
Opening stock	**2,588.61**	3,223.65
Add: Purchases during the year	**35,522.31**	22,598.16
	38,110.92	25,821.81
Less: Closing stock	**3,699.46**	2,588.61
Cost of material consumed	**34,411.46**	23,233.20
Note:-		
Material consumed comprise:		
Carbon Disulfide	**3,896.29**	2,143.56
Ethyenediamine	**3,677.83**	3,674.42
Di-methyl Phosphoro Amidothioate	**3,026.32**	2,202.97
Others	**23,811.02**	15,212.25
	34,411.46	23,233.20

Notes forming part of the Consolidated Financial Statements

(₹ in lacs)

	For the year ended 31 March 2013	For the year year ended 31 March 2012
Note 23: Purchase of stock in trade		
Crop protection chemicals	**172.46**	620.48
	172.46	620.48
Note 24: Change in inventories of finished goods, work-in-progress and stock-in-trade		
Stock as at 1 April		
Finished goods	**3,035.39**	3,312.26
Stock in trade	**41.29**	12.62
Work-in-progress	**195.19**	340.53
	3,271.87	3,665.41
Stock as at 31 March		
Finished goods	**4,555.39**	3,035.39
Stock in trade	**-**	41.29
Work-in-progress	**373.11**	195.19
	4,928.50	3,271.87
Net (increase) / decrease	**(1,656.63)**	393.54
Note 25: Employee benefits expense		
Salaries and wages	**1,959.58**	2,070.94
Contribution to provident and other funds	**89.72**	100.74
Staff welfare expenses	**62.69**	152.37
	2,111.99	2,324.05
Note 26: Finance costs		
Interest expense on:		
Term loans	**912.34**	384.49
Other borrowings	**1,910.54**	1,902.99
Other borrowing costs	**180.73**	360.86
Net (gain)/ loss on exchange differences considered as finance costs	**228.84**	377.97
	3,232.45	3,026.31
Less: Capitalised	**242.58**	101.06
	2,989.87	2,925.25

Notes forming part of the Consolidated Financial Statements

(₹ in lacs)

	For the year ended 31 March 2013	For the year year ended 31 March 2012
Note 27: Other expenses		
Consumption of stores and spare parts	**623.36**	986.12
Subcontracting charges	**553.45**	316.10
Power, fuel and water	**6,358.77**	4,860.03
Rent	**100.81**	135.08
Repairs to		
Building	**26.34**	102.05
Plant and machinery	**299.23**	228.62
Others	**14.25**	53.99
Insurance	**94.66**	134.33
Rates and taxes	**36.52**	36.58
Freight and distribution	**1,907.38**	1,637.49
Travelling and conveyance	**176.33**	487.90
Legal and professional	**418.16**	415.79
Payment to auditors (Refer note below)	**13.65**	7.60
Directors' sitting fees	**4.75**	4.16
Loss on sale of assets	**-**	18.11
Provision for doubtful trade receivables	**52.95**	274.07
Provision for doubtful advances	**31.39**	222.50
Bad trade and other receivables, loans and advances written off	**-**	1,545.69
Net (gain)/ loss on foreign currency translation and transactions	**(194.80)**	567.14
Miscellaneous expenses	**947.70**	1,200.75
	11,464.90	13,234.10
Note:-		
Payment to the auditors comprise (net of service tax input credit)		
(a) To statutory auditors		
Audit fees	**6.00**	4.50
Limited review	**5.00**	1.50
Other services	**1.15**	1.20
	12.15	7.20
(b) To cost auditors for cost audit	**1.50**	0.40
	13.65	7.60

Notes forming part of the Consolidated Financial Statements

28. Contingent liabilities and commitments:

a) Contingent Liabilities :

i. Claims against the Company not acknowledged as debts

(₹ in lacs)

	As at 31 March 2013	As at 31 March 2012
Income tax	**621.04**	474.95
Sales tax	**148.22**	148.22
Excise matters	**67.70**	51.21
Legal cases	**136.72**	130.61

ii. Bills discounted and outstanding: Rs.660.00 lacs (2012-Rs.3,933.75 lacs), since realized Rs.92.73 lacs (2012-Rs. 554.27 lacs).

b) Commitments :

(₹ in lacs)

	As at 31 March 2013	As at 31 March 2012
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	**1,579.38**	4,106.10

29. Derivative instruments and unhedged foreign currency exposure:

i. Outstanding forward exchange contracts entered into by the Group

	As at 31 March 2013		As at 31 March 2012	
	Value/US$ (in lacs)	**₹ in lacs**	Value/US$ (in lacs)	₹ in lacs
Buy Forward	**42.59**	**2,312.31**	-	-
Sell Forward	**36.58**	**1,985.73**	-	-

ii. The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Particulars	**Currency**	**As at 31 March 2013**		As at 31 March 2012	
		Value/FC (in lacs)	**₹ in lacs**	Value/FC (in lacs)	₹ in lacs
Payables	USD	**44.52**	**2,418.00**	9.49	482.68
	EUR	**2.12**	**147.34**	2.64	181.56
	GBP	**0.13**	**10.66**	0.03	2.09
	PHP	**1.24**	**1.65**	1.24	1.50
	RMB	**-**	**-**	1.98	13.38
	AUD	**0.03**	**1.61**	-	-
Total			**2,579.26**		681.21

Particulars	**Currency**	**As at 31 March 2013**		As at 31 March 2012	
		Value/FC (in lacs)	**₹ in lacs**	Value/FC (in lacs)	₹ in lacs
Buyers Credit	USD	**27.12**	**1472.69**	44.24	2,250.99
	EUR	**11.07**	**769.88**	1.26	86.98
Total			**2,242.57**		2,337.97
Borrowing	USD	**51.00**	**2,769.24**	63.85	3,248.62
Total			**2,769.24**		3,248.62
Receivables	USD	**91.05**	**4,943.25**	121.28	6,169.65
	EUR	**0.87**	**60.68**	0.99	67.36
Total			**5,003.93**		6,237.01

30. Employee Benefits

a. Defined contribution plan

The Group makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. The Group makes contribution to the Employees Provident Fund with the Regional Provident Fund Commissioner.

The Group recognised ₹ 42.33 lacs (2012: ₹ 45.26 lacs) for provident fund contributions in the Statement of Profit and Loss. The contribution payable to the plan by the Group is at the rate specified in rules to the scheme.

b. Defined benefit plan – Gratuity plan

The Group makes annual contribution to the Employee's Group Gratuity Cash Accumulation Scheme of the Life Insurance Corporation of India, a funded defined benefit plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of 6 months subject to a maximum of ₹ 10 lacs. Vesting occurs upon completion of 5 years of service.

The present value of the defined benefit obligation and the related current service cost were measured using the Projected Unit Credit Method with actuarial valuations being carried out at each balance sheet date.

c. The following tables set out the funded status of the gratuity plan and amounts recognised in the Company's financial statements as at 31 March, 2013:

Notes forming part of the Consolidated Financial Statements

Components of employer expense

(₹ in lacs)

	For the year ended 31 March 2013	For the year ended 31 March 2012
Particulars	**Gratuity (funded)**	Gratuity (funded)
Current service cost	**22.42**	24.94
Interest cost	**8.60**	7.20
Curtailment cost / (credit)	**-**	-
Settlement cost / (credit)	**-**	-
Past service cost	**-**	-
Expected return on plan assets	**3.52**	0.46
Actuarial losses / (gains)	**(3.38)**	(6.61)
Total expense recognised in Statement of Profit and Loss	**24.12**	25.07

Net asset / (liability) recognised in the Balance Sheet

(₹ in lacs)

	For the year ended 31 March 2013	For the year ended 31 March 2012
Particulars	**Gratuity (funded)**	Gratuity (funded)
Present value of defined benefit obligation	**126.73**	113.76
Fair value of plan assets	**47.57**	6.22
Funded status {(surplus) /deficit}	**79.16**	107.54
Unrecognised past service costs	**-**	-
Net (asset) / liability recognised in the Balance Sheet	**79.16**	107.54

Changes in Defined Benefit Obligations (DBO) during the year:

(₹ in lacs)

	For the year ended 31 March 2013	For the year ended 31 March 2012
Particulars	**Gratuity (funded)**	Gratuity (funded)
Present value of DBO at the beginning of the year	**107.54**	99.95
Current Service Cost	**22.42**	24.94
Interest cost	**8.60**	7.20
Curtailment cost / (credit)	**-**	-
Settlement cost / (credit)	**-**	-
Plan amendments	**-**	-
Actuarial (gains) / losses	**(3.38)**	(6.61)
Past service cost	**-**	-
Benefits paid	**(8.45)**	(17.94)
Present value of DBO at the end of the year	**126.73**	107.54

Changes in fair value of assets during the year:

(₹ in lacs)

	For the year ended 31 March 2013	For the year ended 31 March 2012
Particulars	**Gratuity (funded)**	Gratuity (funded)
Plan Assets at the beginning of the year	**6.22**	8.70
Acquisition adjustment	**-**	-
Expected return on plan asset	**3.52**	0.46
Actual company contributions	**46.28**	15.00
Actuarial (gains) / losses	**-**	-
Benefits paid	**(8.45)**	(17.94)
Plan assets at the end of the year	**47.57**	6.22

Actual return on plan assets	**3.52**	0.46
Composition of the plan assets is as follows:		
Insurer managed funds	**100%**	100%

Actuarial assumptions:

	For the year ended 31 March 2013	For the year ended 31 March 2012
Particulars	**Gratuity (funded)**	Gratuity (funded)
Discount Rate	**8.00 %**	8.00 %
Expected Rate of Return on Assets (p.a.)	**7.41%**	5.30 %
Salary Escalation Rate (p.a.)	**5.00%**	5.00%

Note

The estimates of future salary increases, considered in actuarial valuations take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

The expected rate of return on the plan assets is based on the average long term rate of return expected on investments of the Fund during the estimated term of the obligations.

Notes forming part of the Consolidated Financial Statements

Experience adjustments

(₹ in lacs)

Particulars	**Year ended 31.03.2013**	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009
Present value of Defined Benefit Obligation	**126.73**	113.76	89.96	61.64	49.41
Fair value of plan assets	**47.57**	6.22	8.70	1.84	1.42
Status {(surplus) /deficit}	**79.16**	107.54	81.26	59.81	47.91
Experience gain/ (loss) adjustments					
- on plan assets	**0.26**	0.24	0.15	0.03	0.13
- on plan liabilities	**3.38**	6.61	(7.73)	5.66	(26.43)

31. Segment Reporting:

a) Business Segment

The Group's main business is to manufacture and sell Crop Protection Chemicals. All other activities of the Group are incidental to the main business. As such, there is no separate reportable segment as per the Accounting Standard 17 Segment Reporting.

b) Geographical Segment

The Group's operating facilities are located in India. The segmental reporting for the Secondary Segment – Geographical as per the Accounting Standard 17 Segment Reporting.

(₹ in lacs)

	For the year ended 31 March 2013	For the year ended 31 March 2012
Domestic Revenue	**20,955.81**	17,068.67
Export Revenue (Including Export benefits)	**30,527.12**	18,774.00
	51,482.93	35,842.67

32. Related Party transactions

Related party disclosures, as required by Accounting Standard 18, are as under:

a) Names of the related parties and their relationship:

Description of relationship	**Names of related parties**
Ultimate Holding Company	E.I.D Parry (India) Limited(***)
Holding company	Coromandel International Limited(***)
Key Management personnel	Mr. Mohit H. Chuganee(*)
Key Management personnel	Mr. Hero Chuganee(*)
Key Management personnel	Mr. Sumit H. Chuganee(*)
Key Management personnel	Mr. Rajesh Sharma(#)
Key Management personnel	Mr. Ashok Muni (@)
Key Management personnel	Mr. G. Veera Bhadram(**)
Relative of Director	Mrs. Sabita H Chuganee(*)
Directors in common	Sabero Echostar (India) Pvt Ltd(*)
Directors in common	Harvard Finance Co.Pvt Ltd.(*)
Directors in common	White Waves Capital LLP(*)
Directors in common	Tranquilitta Capital Advisors Private Limited(*)
Directors in common	Mosum Entreprises Ltd(*)

*** W..e.f.17th December 2011.
** W.e.f. 19th December 2011.
*Ceased to exist as related parties effective 17th December 2011.
#Ceased to exist as related party from 8th September 2011.
@ Ceased to exist as related party from 20th December 2011.

Notes forming part of the Consolidated Financial Statements

b) Details of Related Party transactions during the year ended 31 March 2013:

(₹ in lacs)

Nature of Transaction	Holding Company For the year ended 31 March 2013	Key Management Personnel For the year ended 31 March 2013	Relatives of Key Management Personnel For the year ended 31 March 2013
Purchase of Fixed Assets			
-Coromandel International Limited	**0.15** -	**-** -	**-** -
-Mr. Hero Chuganee	**-** -	**-** (470.69)	**-** -
Expenses reimbursed to		-	-
-Coromandel International Limited	**130.44** (0.34)	**-** -	**-** -
-Mohit H. Chuganee	**-** -	**-** (6.44)	**-** -
-Sumit H. Chuganee	**-** -	**-** (6.44)	**-** -
-Hero J. Chuganee	**-** -	**-** (34.06)	**-** -
-Sabita H. Chuganee	**-** -	**-** -	**-** (12.60)
Purchases of finished goods/raw material			
-Coromandel International Limited	**705.00** (89.06)	**-** -	**-** -
Sale of Fixed Assets			
-Mr. Mohit Chuganee	**-** -	**-** (120.00)	**-** -
-Mr. Sumit Chuganee	**-** -	**-** (120.00)	**-** -
Sale of Goods			
-Coromandel International Limited	**5,359.78** (1,487.33)	**-** -	**-** -
Expenses reimbursed by			
-Coromandel International Limited	**208.37** (0.70)	**-** -	**-** -
Remuneration			
-Mr. G. Veera Bhadram	**-** -	**68.71** (15.48)	**-** -
-Mr. Mohit Chuganee	**-** -	**-** (103.88)	**-** -
-Mr. Sumit H Chuganee	**-** -	**-** (98.60)	**-** -

Notes forming part of the Consolidated Financial Statements

(₹ in lacs)

Nature of Transaction	Holding Company	Key Management Personnel	Relatives of Key Management Personnel
	For the year ended 31 March 2013	For the year ended 31 March 2013	For the year ended 31 March 2013
Remuneration			
-Mr. Rajesh Sharma	**-** -	**-** (21.01)	**-** -
-Mr. C M Ashok Muni	**-** -	**-** (15.22)	**-** -
Inter corporate deposit taken	**1,500.00** -	**-** -	**-** -
Interest on inter corporate deposit taken	**113.98** -	**-** -	**-** -

Note:-
Previous year figures are given in bracket.

c) Outstanding balances as at 31 March 2013

(₹ in lacs)

Nature of Transaction	Holding Company As at March 31, 2013
Payables -Coromandel International Limited	**53.31** (129.70)
Receivables- Coromandel International Limited	**779.37** (19.94)
Inter corporate deposit (including interest accrued and due)	**1513.18** -

Note:-
Previous year figures are given in bracket.

33. Basic and Diluted Earnings per Share:

	For the year ended 31 March 2013	For the year ended 31 March 2012
Earning for the purpose of basic and diluted earnings per share (net profit/(loss) for the year) (₹ in lacs)	**765.24**	(6,364.77)
Weighted average number of equity shares outstanding	**33,866,077**	33,866,077
Nominal value per equity share (₹)	**10**	10
Earnings Per share (₹) (Basis and Diluted)	**2.26**	(18.80)

Notes forming part of the Consolidated Financial Statements

34. Investments in Joint Venture

During the previous year, the Company and its subsidiary Sabero Organics America S/A had entered into an settlement agreement with Embrasil, Brazil and Markan Agroquimica Ltd, Brazil (Markan), with the said settlement, the Company is no longer a co-venturer in Markan.

35. Exceptional item is in respect of an additional claim from a gas supplier for supplies made in earlier financial year.

36. Pre-operative expenses pending allocation (included in Capital Work-in progress)

(₹ in lacs)

	Year ended 31 March 2013	Year ended 31 March 2012
Preoperative expenditure incurred as at the beginning of the year	**818.91**	440.83
Add : Incurred during the year		
Employee Benefits Expenses	**57.70**	166.31
Borrowing Costs	**242.58**	101.06
Other Expenses	**11.02**	110.71
Total preoperative expenditure	**1,130.21**	818.91
Less : Preoperative expenditure allocated to Fixed Assets during the year	**218.37**	-
Balance preoperative expenditure as at the end of the year	**911.84**	818.91

37. Previous Year's figures have been regrouped / reclassified wherever considered necessary to correspond with the current year's classification/disclosures.

For and on behalf of the Board of Directors

Sd/-
G. Veera Bhadram
Whole Time Director

Sd/-
M.K.Tandon
Chairman

Sd/-
N Shankar
Head-Finance

Sd/-
Pritam Vartak
Company Secretary

Mumbai: 16 April 2013

Statement pursuant to exemption received under Section 212(8) of the Companies Act, 1956 relating to Subsidiary Companies

(₹ in lacs)

Name of Subsidiary	Sabero Australia Pty Ltd.	Sabero Organics America S.A.	Sabero Europe B.V.	Sabero Argentina S.A.
	Year ended 31 March 2013	Year ended 31 December 2012	Year ended 31 May 2012	Year ended 31 December 2012
Share capital	1	944	19	20
Reserves and surplus	(8)	(269)	(19)	(19)
Total liabilities$	15	100	2	5
Total assets #	8	775	2	6
Total income (including other income)	-	-	-	*
Profit/(Loss) before tax	(2)	-	(1)	(7)
Provision for tax	-	-	-	-
Profit/(Loss) after tax	(2)	-	(1)	(7)
Proposed dividend (including dividend tax)	-	-	-	-
Investments (included in Total assets)	-	-	-	-
Currency	Australian Dollar	Brazilian Real	Euro	Argentina Peso
Closing exchange rate	56.54	26.80	69.33	11.16

$ (Non-current liabilities + Current liabilities)

(Non-current assets + Current assets)

*Less than a lac

Notes

SABERO ORGANICS GUJARAT LIMITED

Regd. Office: Plot No.2102, GIDC, Sarigam-396155, Dist : Bulsar, State: Gujarat

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE HALL. ONLY MEMBERS OR THEIR PROXIES ARE ENTITLED TO BE PRESENT AT THE MEETING

R.F.NO./CLIENT ID: DP ID:

NAME AND ADDRESS:

I hereby record my presence at TWENTY SECOND ANNUAL GENERAL MEETING at Plot No.2102, GIDC, Sarigam-396155, Dist : Bulsar, State: Gujarat, on Tuesday, July 16, 2013 at 12 Noon.

NAME OF PROXY IN BLOCK LETTERS SIGNATURE OF THE MEMBER/PROXY*

*Strike out whichever is not applicable

-- TEAR OFF HERE --

SABERO ORGANICS GUJARAT LIMITED

Regd. Office: Plot No.2102, GIDC, Sarigam-396155, Dist : Bulsar, State: Gujarat

PROXY FORM

I/We____ of________________________________

Being a Member/Members of Sabero Organics Gujarat Limited hereby appoint ________________________

________________________________of________________________________

or failing him________________________________ of ________________________________

or failing him________________________________of________________________________

as my/our Proxy to attend and vote for me/us in the manner indicated below* and on my/our behalf at the TWENTY SECOND ANNUAL GENERAL MEETING of the Company to be held at 12 Noon on Tuesday, July 16, 2013 and at any adjournment thereof.

* 'For' Item Nos. : ________________________________
* 'Against' Item Nos. ________________________________:

Dated this ____________________ day of ______________ 2013

Signature of the Member(s) ____________________

1. In the case of Corporation, this Proxy shall be either given under the Common Seal or signed by an Attorney or Officer of the Corporation.
2. Proxy to be valid must be deposited at the Registered Office of the Company not later than 48 hours before the time for the meeting.
3. * This is only optional. Please fill up the item Nos. as appearing in the notice of the AGM. If you leave the item Nos. blank, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

FORM A

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

1.	Name of the Company:	Sabero Organics Gujarat Limited (**Scrip Code: 524446**)
2.	Annual financial statements for the year ended	31^{st} March 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	For Deloitte Haskins & Sells Chartered Accountants Ketan Vora Partner	For and on behalf of the Board of Directors M. K. Tandon Chairman G. Veera Bhadram President & Whole-time Director N. Shankar Head-Finance SABERO ORGANICS GUJARAT LTD MUMBAI