

## Annual Report 2013 - 2014



**BOARD OF DIRECTORS :** SRI A. K. KOTHARI — Chairman  
SMT P. D. KOTHARI  
SRI S. BAGRI  
SRI A. KHANDELWAL  
SRI A. AGARWAL  
SRI K. C. MOHTA

**SECRETARY :** SRI M. L. DAGA

**AUDITORS :** DUTTA, GHOSH & ASSOCIATES

**BANKERS :** BANK OF BARODA  
INDIAN OVERSEAS BANK  
VIJAYA BANK

**REGISTERED OFFICE :** C-4, GILLANDER HOUSE,  
8, N. S. ROAD, KOLKATA-700 001

**REGISTRAR & SHARE TRANSFER AGENT :** M/S. MAHESHWARI DATAMATICS PVT. LTD.  
6, MANGO LANE, 2ND FLOOR,  
KOLKATA – 700 001

### MANUFACTURING UNITS

**PHYTOCHEMICALS DIVISION :** MADURAI (Tamil Nadu)  
Mfrs. of : Chemicals and Crude Drugs

**SOUTHERN SYNTHETICS DIVISION :** RANIPET (Tamil Nadu)  
Mfrs. of : Formaldehyde and Hexamine

**CLARO INDIA DIVISION :** GUMMIDIPOONDI (Tamil Nadu)  
Mfrs. of : Phenolic Resin

<b>CONTENTS</b>	<b>Page</b>
DIRECTORS' REPORT	3
REPORT ON CORPORATE GOVERNANCE	14
FIVE YEARS FINANCIAL HIGHLIGHTS	23
INDEPENDENT AUDITORS' REPORT	24
BALANCE SHEET	30
STATEMENT OF PROFIT & LOSS	31
CASH FLOW STATEMENT	32
SIGNIFICANT ACCOUNTING POLICIES	34
NOTES ON FINANCIAL STATEMENTS	37

**DIRECTORS' REPORT**
**TO THE SHAREHOLDERS**

Your Directors have pleasure in presenting ONE HUNDRED EIGHTEENTH Annual Report together with the Audited Statement of Accounts of the Company for the year ended on 31st March 2014.

<b>FINANCIAL RESULTS</b>	₹	₹
Profit for the year (after providing for		
Depreciation and Amortisation of ₹ 10,863,184/-)		45,995,668
Less: Provision for Taxation (Net) :		
Current Tax	7,100,000	
Deferred Tax	<u>10,156,697</u>	
		<u>17,256,697</u>
		28,738,971
Together with :		
Profit brought forward from previous year		<u>4,524,642</u>
Making a Surplus of		33,263,613
Which has been appropriated as under :		
Transfer to General Reserve	15,000,000	
Proposed Dividend	7,766,350	
Tax on Proposed Dividend	<u>1,319,891</u>	
		24,086,241
Balance carried to Balance Sheet		<u>9,177,372</u>

**DIVIDEND**

Your Directors are pleased to recommend payment of dividend @ 20 % i. e. ₹ 2/- per ordinary share of ₹ 10/- each for the year under review.

**DIRECTORS' REPORT — (Contd.)****MANAGEMENT'S DISCUSSION AND ANALYSIS**

The market condition remained sluggish for the whole year. Production and Sale of Formaldehyde and Resins was under the pressure of downward economic situation. The products in the Phytochemical Division of your Company are basically meant for export. Lab trial for the development of new products has been started by the said Division. Though some business activities have improved in USA, the weak economy in Eurozone is still continuing. Production of Formaldehyde and Hexamine is becoming uncertain because of power cut problem in Tamil Nadu. The turnover and margin of profit has been affected on account of these factors.

**SEGMENTWISE PERFORMANCE**

## a) PHYTOCHEMICALS DIVISION

The overall performance of the Division during the year under review is satisfactory. There is marginal decrease in the turnover to ₹ 12.85 crores comparing to ₹ 13.35 crores in the earlier year. Though US economy have started looking up, uncertainty in Eurozone economy is still continuing. The raw material prices of Nux Vomica seeds are very much fluctuating. However, favourable exchange rate of US Dollar to Indian Rupee is helping us to maintain the normal profit margins. The Division is expecting bulk export orders for Calcium Sennoside and the present order book position is reasonably good.

The process for getting the statutory and environmental clearance for the new phyto extraction project has already started and the management expects this project to be commissioned by the end of this year.

Looking to the current order book and market condition, your directors are hopeful of improved results in the current year.

## b) SOUTHERN SYNTHETICS DIVISION

The power scenario in Tamil Nadu continued to be poor and has adversely effected the working of the Division. The Formaldehyde Plant is a continuous process plant and has to be necessarily run on diesel during power shutdown which increases the cost of production substantially and makes the product uneconomical.

The ban imposed by the major consuming industry i.e. leather chemicals and leather goods is still continuing resulting in lower demand for formaldehyde. The prices of Methanol, the major raw material, has seen a very high volatility during the year touching unexpected levels

**DIRECTORS' REPORT — (Contd.)**

before settling towards the end of the year. This kind of volatility has disturbed the market and purchases by the end consumers.

The efforts to increase the yield and expanding market geography has started delivering results and your directors are hopeful of minimising the losses in the current year.

## c) CLARO INDIA DIVISION

The major customers of Claro from automobile and refractory sectors were under severe recession during the year which is still continuing, resulting in lower demand for resins. The power scenario in Tamil Nadu has not improved and has affected the overall working of the division. However, efforts are being made to reduce the dependency on automobile and refractory sector and to develop new customers, for improving the performance of this division. With continuous thrust on expanding the customer base and development of new product variety, your directors are hopeful of better results for this division in the days to come.

**OPPORTUNITIES AND THREATS**

Restricted power supply and its frequent interruption in Tamil Nadu is a constraint to improve the economy of the Company. Though efforts are being made to run the plant by DG Set but the cost of the product is escalating, the price which does not fetch in the market. Growth appears to be restricted.

**OUTLOOK**

Trials in the Lab / Pilot Plant have been taken and are still continuing for new Phyto products which indicate results may reasonably be good. New products if approved in the market will increase the revenue of the Company.

**RISK AND CONCERNS**

Monsoon appears to be scanty which will result in short supply of Nuxvomica seeds and their prices may shoot up. Higher diesel prices is still persisting that will increase the overall input cost of all the raw materials. The volatility in the exchange rate of US Dollar to Indian Rupee and unscheduled power cut in Tamil Nadu are serious concern.

**DIRECTORS' REPORT — (Contd.)****INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has adequate internal control in all operational areas. The Company comply with laws and regulations from time to time. Independent Chartered Accountants Firms carry out the internal audit of all divisions of the Company. The Audit Committee at their meeting considers the comments, if any, in internal Audit Reports and devises ways and means to implement the suggestions.

**MATERIAL DEVELOPMENT IN HUMAN RESOURCES AND INDUSTRIAL RELATIONS**

The Company constantly endeavours to provide opportunities for development of Human talent. Cordial Relations, Personal Touch and recreational facilities are made available for all around development of Employees and floor level work force.

**CAUTIONARY STATEMENT**

Projection and assessment made herein before may be considered forward looking within the meaning of applicable laws, but actual results may differ materially from such expectations, projections etc. whether express or implied due to unforeseen reasons and circumstances. Important factors that could make a difference to the Company's operations include global and domestic demand – supply conditions, finished goods prices, raw materials cost & availability, changes in Government regulations and tax structure, economic developments within India and the countries with which the Company has business contacts and other factors such as litigation and industrial relations. We feel you will use your own judgment in arriving any assessment.

**DIRECTORATE**

Sri Arun Kumar Kothari and Sri Keshari Chand Mohta Non - executive Directors retire from the Board by rotation and being eligible, offer themselves for re-election.

In accordance with provisions of Section 149 of the Companies Act, 2013, your Board of Directors are seeking the appointment of Sri Surendra Bagri, Sri Ajit Khandelwal and Sri Aniket Agarwal, who are liable for retirement by rotation, as Independent Directors for five consecutive years for a term upto 31<sup>st</sup> March, 2019. The Company has received notices under Section 160 of the Companies Act, 2013 from members signifying their intention to propose their respective names for appointment as Independent Director.

A brief particulars of these Directors, as required, has been given in the Statement of Corporate Governance published along with this Annual Report.

**DIRECTORS' REPORT — (Contd.)**

Sri A. K. Toshniwal has been appointed as an Additional Director on the Board with effect from 1st July, 2014 under Section 161(1) of the Companies Act, 2013 to hold such office only upto the date of the Annual General Meeting of the Company. In the same Board Meeting, he has been also appointed as Whole-time Director designated as Executive Director and Chief Executive Officer of the Company for a period of 2 years 9 months with effect from 1st July, 2014 subject to the approval of the members of the Company. A Notice under Section 160 of the Companies Act, 2013 with requisite deposit has been received from a member proposing his candidature for the office of the Director of the Company. The Board recommends his appointment as Managing Director designated as Executive Director and Chief Executive Officer of the Company.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2000 the Directors' confirm that:

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

**PUBLIC DEPOSITS**

The Company has not accepted any deposits from public under Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposit) Rules, 1975.

**PARTICULARS OF EMPLOYEES**

The provisions of the Companies (Particulars of Employees) Rules, 1975 read with Section 217 (2A) of the Companies Act, 1956 are not applicable.

**DIRECTORS' REPORT — (Contd.)****CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information related to above pursuant to Section 217 (1) (e) of the Companies Act., 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are annexed herewith and forming part of this Report.

**CORPORATE GOVERNANCE**

A Report on the Corporate Governance Code along with a certificate from the Auditors of the Company regarding its compliance under Clause 49 of the Listing Agreement with Stock Exchanges is annexed herewith and forming a part of this Report.

**INDUSTRIAL RELATIONS**

The Directors wish to place on record their appreciation for the services rendered by all categories of employees of the Company. Employer – Employee relation was cordial and in good harmony during the year under report.

**LISTING OF SHARES**

Your Directors confirm that the Annual Listing Fee has been regularly paid to the Calcutta Stock Exchange, where the shares of the Company are listed.

**COST AUDITOR**

As per the requirement of Central Government and pursuant to Section 233B of the Companies Act 1956, your Company has been carrying an audit of cost records relating to Bulk Drugs and Chemicals (Organic & inorganic) of the Company.

Pursuant to Section 148(3) of the Companies Act 2013 and on the recommendations of the Audit Committee, the Board of Directors of the Company has appointed Mr. M. Kannan, Cost Accountant as Cost Auditor for conducting the audit of cost records in respect of Bulk Drugs and Chemicals (Organic & Inorganic) the two Divisions of the Company for the financial year ending on 31<sup>st</sup> March, 2015. The Board has fixed his remuneration at ₹ 20,000/- (Rupees Twenty thousand only) plus service tax and re – imbursement of out of pocket expenses for each of said two divisions subject to the approval by the shareholders.

**DIRECTORS' REPORT — (Contd.)**

Pursuant to Cost Audit (Report) Rules, 2011, the Cost Audit Report for the financial year 2012 – 2013 was filed on 9<sup>th</sup> September, 2013 on the MCA website vide SRN No. S22181242 in respect of both the divisions.

**AUDITORS**

Messrs Dutta, Ghosh & Associates, Chartered Accountants, 4 Ripon Street, Kolkata, the Auditors of the Company retire at this meeting, but being eligible offer themselves for re - appointment.

M/s. Singhi & Co., Chartered Accountants, the Branch Auditors for Phytochemicals Division at Madurai and M/s. Srikanth & Shanthi Associates, Chartered Accountants, the Branch Auditors for Southern Synthetics Division at Ranipet as well as for Claro India Division at Gummidipoondi, retire at this meeting, but being eligible offer themselves for re - appointment. A certificate under Section 141 of the Companies Act, 2013 have been obtained from each of them.

Kolkata  
30th June, 2014

On behalf of the Board,

**A. K. Kothari**  
Chairman



**ANNEXURE**

STATEMENT UNDER SECTION 217(1) (e) READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2014.

**(A) CONSERVATION OF ENERGY :**
**FORM 'A'**
**PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY**

	<u>2013 – 2014</u>	<u>2012 – 2013</u>
<b>A. POWER &amp; FUEL CONSUMPTION</b>		
<b>1. Electricity :</b>		
a) Purchased :		
Units (Kwh)	763,812	712,968
Total Amount (₹)	6,419,398	6,017,875
Rate / Unit (₹)	8.40	8.44
b) Own Generation :		
Through Diesel Generator		
Units (Kwh)	83,512	350,540
Unit / Ltr of Diesel Oil	0.86	1.77
Cost / Unit (₹)	20.00	17.16
c) Diesel Oil :		
Quantity (Ltrs.)	97,571	198,384
Total Amount (₹)	4,510,643	8,883,573
Average Rate (₹)	46.23	44.78
<b>2. Other / Internal Generation (Firewood, Saw Dust &amp; Paddy Husk) :</b>		
Quantity (Kgs.)	793,351	1,131,399
Total Cost (₹)	6,539,723	9,902,397
Average Rate (₹)	8.24	8.75

**ANNEXURE (Contd.)**
**B. CONSUMPTION PER UNIT OF PRODUCTION**
**1 Calcium Sennocide**

Production (Kgs.)	2,850	10,288
Electricity Unit (including own generation) (units per Kg.)	19.99	17.78
Others (Firewood, Saw dust, Paddy Husk etc.) (Kgs. Per Kg.)	3.99	7.25

**2 Brucine / Strychnine**

Production (Kgs.)	3,762	4,601
Electricity Unit (including own generation) (units per Kg.)	56.85	65.00
Others (Firewood, Saw dust, Paddy Husk etc.) (Kgs. Per Kg.)	21.08	22.93

**3 Tolbutamide / Chloropropamide**

Production (Kgs.)	38,111	19,354
Electricity Unit (including own generation) (units per Kg.)	5.87	12.00
Others (Firewood, Saw dust, Paddy Husk etc.) (Kgs. Per Kg.)	1.50	1.74

**4 Formaldehyde**

Production (M/T)	3,399	3,312
Electricity Unit (including own generation) (units per M/T)	47.43	48.39
Others (Firewood, Saw dust, Paddy Husk etc.) (Kgs. Per M/T)	3.55	84.76

**5 Hexamine**

Production (M/T)	28	23
Electricity Unit (including own generation) (units per M/T)	348.52	423.25
Others (Firewood, Saw dust, Paddy Husk etc.) (Kgs. Per M/T)	122.65	292.54

**6 Phenolic Resin**

Production (M/T)	1,278	1,312
Electricity Unit (including own generation) (units per M/T)	142.24	136.57
Others (Firewood, Saw dust, Paddy Husk etc.) (Kgs. Per M/T)	492.96	480.18

**ANNEXURE (Contd.)**
**FORM 'B'**
**(B) TECHNOLOGY ABSORPTION :**
**1. RESEARCH AND DEVELOPMENT :**

- a) Specific area in which Research & Development carried out by the Company :-
- i) Phytochemicals Division : The equipments for which we had placed order are being supplied / under process of supply. Some of the equipments which are required to be fabricated are being fabricated at the site.
- ii) Southern Synthetics / Claro India Division : Continuous efforts are being made to improve the input-output norms. There is no new research in these Divisions.
- b) Benefit derived as a result of above Research & Development :-
- Phytochemicals Division : Benefits will start only after commercial production of new phyto products. This would enable us to introduce new range of phyto products as our company products.
- c) Future course of action :-
- i) Phytochemicals Division : i. We are planning to replace all the equipments such as SS Reactors, SS Extractors, SS Charcoalisers with Glass Lined Reactors (GLRs).  
 ii. We are planning for the production of new synthetic drugs.  
 iii. Commercial production of new phyto products will be started.
- ii) Southern Synthetics / Claro India Division : Due to sluggish market condition and Power cut, in the state of Tamilnadu, no future action is planned.

**ANNEXURE (Contd.)**

- d) Expenditure on Research & Development :- R & D Expenditure remains merged with various heads of accounts, as per the established accounting practices.

**2. TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION :**

There is no significant reportable development in the area during the year.

**(C) FOREIGN EXCHANGE EARNINGS AND OUTGO :**

1. Exports : Foreign Exchange earnings in comparison to last year has decreased from Export realisation.
2. Export Plan : Commercial production of New Phyto products will generate more Foreign Exchange earnings in the coming days.
3. Total Foreign Exchange earned and used :

		<b>2013- 2014</b>	<b>2012 - 2013</b>
		<b>₹</b>	<b>₹</b>
Earnings	:	<b>1288.29 Lacs</b>	1346.41 Lacs
Outgo	:	<b>306.71 Lacs</b>	46.74 Lacs

**REPORT ON CORPORATE GOVERNANCE**

(Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges)

**1. Company's Philosophy on Code of Governance**

The Company endeavors to make good Corporate Governance so as to reflect transparency, accountability and responsibility in dealing with stakeholders, customers, shareholders and the corporate. It boosts the ethics and moral of the employees to motivate and serve at large to the society.

**2. Board of Directors**
**(a) Composition**

The Board of Directors comprises of six Directors consisting one Non - Executive Chairman, two Non - Executive and three Independent Directors.

The Non Executive Directors are skilled and professional. They have vast experience in finance and administration. Independent Directors are independent of management and take independent judicial decision in the matters.

The particulars of their other Directorship and Chairmanships / Memberships in the Board of other Companies and the Committees thereof as on 31<sup>st</sup> March, 2014 are as under: -

Name of Director	DIN	No. of other Directorship in Public Limited Companies Incorporated in India	No. of Other Committee # Positions held		No. of Shares held in the Company
			As Chairman	As Member	
Sri A.K.Kothari	00051900	7	-	4	21040
Smt. P. D. Kothari	00051860	6	-	1	4000
Sri S.Bagri	00659888	-	-	-	-
Sri A.Khandelwal	00416445	5	2	1	-
Sri A. Agarwal	00054252	2	-	-	-
Sri K.C.Mohta	00051816	2	-	-	100

# Committee means Audit Committee and Shareholders'/ Investors' Grievance Committee in all Public Limited Companies.

**(b) Attendance of Directors at the Board Meetings and last AGM**

During the financial year 2013 - 2014, the Board met four times on 30<sup>th</sup> May, 2013, 12<sup>th</sup> August, 2013, 31<sup>st</sup> October, 2013 and 11<sup>th</sup> February, 2014.

**REPORT ON CORPORATE GOVERNANCE – (Contd.)**

Details of attendance of Directors at Board Meetings and last Annual General Meeting are as follows:

Name of Director	Category of Directorship	No. of Board Meetings attended	Attendance at the last AGM on 12.08.2013
Sri A. K. Kothari	Non-Executive Chairman	1	No
Smt. P. D. Kothari	Non-Executive	3	No
Sri S. Bagri	Non-Executive, Independent	4	Yes
Sri A. Khandelwal	Non-Executive, Independent	4	Yes
Sri A. Agarwal	Non-Executive, Independent	3	Yes
Sri K. C. Mohta	Non-Executive	4	Yes

**3. Committees of the Board**
**(a) Audit Committee**

The Committee consists of three members, with the majority being independent directors having financial and accounting knowledge. The members of the Committee are Sri S. Bagri, Chairman, Sri A. K. Kothari and Sri A. Khandelwal, members.

The Audit Committee met four times during year under review, on 30<sup>th</sup> May, 2013, 12<sup>th</sup> August, 2013, 31<sup>st</sup> October, 2013 and 11<sup>th</sup> February, 2014.

The details of attendance of each member at these meetings are as follows: -

Name of Member	No. of Meetings Attended
Sri S. Bagri, Chairman	4
Sri A. K. Kothari	1
Sri A. Khandelwal	4

At the invitation of the Company, Statutory Auditors and Internal Auditors also attends the Audit Committee meetings.

The role and terms of reference of the Audit Committee cover all the matters specified for it under clause 49 of the Listing Agreement as well as Section 292A of the Companies Act, 1956.

**(b) Shareholders' / Investors' Grievance Committee**

The Shareholders' / Investors' Grievance Committee comprises of Sri A. Khandelwal, Chairman, Smt. P. D. Kothari and Sri K. C. Mohta, members. The Company Secretary acts as the Compliance Officer. During the year ended 31<sup>st</sup> March, 2014, the Committee met once on 29<sup>th</sup> March, 2014 and all the members attended the meeting.

During the year, the Company received 2 (Two) complaints from the Shareholders regarding non receipt of Share Certificate and Dividend Warrant, which were attended and their grievances were satisfactorily redressed. There was no Investors' complaint pending against the Company as on 31<sup>st</sup> March, 2014.



**REPORT ON CORPORATE GOVERNANCE – (Contd.)**
**4. Details of Remuneration / Fees paid to Directors**

Name	Commission* ₹	Board Fees ₹	Committee Fees ₹		Total ₹
			Audit	Shareholders/ Investors' Grievance	
Sri A. K. Kothari – Chairman	50,000	2,000	2,000	–	54,000
Smt. P. D. Kothari	50,000	5,000	–	2,000	57,000
Sri S. Bagri	50,000	6,000	6,000	–	62,000
Sri A. Khandelwal	50,000	6,000	6,000	2,000	64,000
Sri A. Agarwal	50,000	5,000	–	–	55,000
Sri K. C. Mohta	50,000	6,000	–	2,000	58,000

\* The commission for the year ended 31<sup>st</sup> March, 2014 will be paid to the Directors, subject to deduction of tax components after adoption of accounts by the shareholders at the ensuing Annual General Meeting.

**5. General Body Meetings**

(a) Location and time of last three Annual General Meetings (AGM):

Financial Year	Date of AGM	Venue	Time
2012-2013	12.08.2013	Indian Chamber of Commerce 4, India Exchange Place, Kolkata-700 001	3.00 P.M.
2011-2012	17.08.2012	– Do –	3.00 P.M.
2010-2011	13.12.2011	– Do –	3.00 P.M.

(b) No Special Resolution was passed by the Company at the Annual General Meeting held on 12<sup>th</sup> August, 2013. During the earlier two years one special resolution was passed on 17<sup>th</sup> August, 2012 for approving the commission payable to Directors for further period of 5 years.

(c) During the year ended 31<sup>st</sup> March, 2014, no resolution was passed through postal ballot. The Company does not propose to pass any resolution through Postal Ballot in the ensuing AGM.

(d) Information about Directors proposed to be re - appointed as required under Clause 49 (IV) (i) of the Listing Agreement with the Stock Exchange is furnished below:

**REPORT ON CORPORATE GOVERNANCE – (Contd.)**
**Brief Resume and other particulars of the Directors seeking Appointment / Re - appointment.**

(1) **Sri Arun Kumar Kothari**, aged about 61 years, is an Industrialist having rich experience in the field of business and management. Details of his other Directorships are as follows :-

Sl. No.	Name of Company	Nature of Office
1	Albert David Limited	Chairman & Managing Director Member of Audit Committee, Remuneration Committee and Shareholder's / Investors' Grievance Committee
2	Bhaktwatsal Investments Limited	Director
3	Bharat Fritz Werner Limited	Director
4	Gillanders Arbuthnot & Company Limited	Chairman of Finance Committee, Member of Audit Committee and Shareholder's / Investors' Grievance Committee
5	Indian Glass & Electricals Limited	Director
6	Vishnuhari Investments & Properties Limited	Director
7	Arvind Engineering Works Limited	Director

2. **Sri Keshari Chand Mohta**, aged about 82 years, is a commerce and law graduate and has been associated with the Board of Directors of the Company since December 1998 and has vast experience in the fields of company law, finance and accounts. Details of his other Directorship are as follows :-

Sl. No.	Name of Company	Nature of Office
1	Bhaktwatsal Investments Limited	Director
2	Satyam Financial Services Limited	Director

**Brief Resume and other particulars of Independent Directors**

1. **Sri Surendra Bagri**, aged about 49 years, is a Chartered Accountant and has vast experience in finance and commerce since last 20 years. He is a reputed Businessman. Sri Bagri is associated with big conglomerates and has good knowledge in running business and risk management and insurance services. Details of his other Directorships are as follows :-

Sl. No.	Name of Company	Nature of Office
1	Axiom Insurance Brokers Private Limited	Director
2	Axiom Business Solutions Private Limited	Director
3	Namokar Merchandise Private Limited	Director

**REPORT ON CORPORATE GOVERNANCE – (Contd.)**

2. **Sri Ajit Khandelwal**, aged about 57 years has experience in the Capital Market for over 34 years. Sri Khandelwal was President of A N M I and Director of The Calcutta Stock Exchange Ltd. and served various commercial Houses related to Financial, Banking and Capital Markets. At present he is Independent Director of Pressman Advertising Ltd., Ellenbarris Industrial Gasses Ltd., Bharat Fritz Werner Ltd. He is member of the Executive Committee of Bharat Chamber of Commerce representing finance vertical. Details of his Directorships are as follows :-

Sl. No.	Name of Company	Nature of Office
1	BNK Capital Markets Limited	Managing Director, Member of Shareholders / Investor Grievances & Transfer Committee
2	Ellenbarrie Industrial Gases Limited	Director and Member of Remuneration Committee
3	Bharat Fritz Werner Limited	Director
4	Pressman Advertising Limited	Director
5	Patrex Vyapar Private Limited	Director
6	BNK Securities Private Limited	Director
7	BNK Commodities Private Limited	Director
8	Asian Securities Exchange Private Limited	Director
9	Multiple Infra Private Limited	Director
10	Abacus Funds Services Private Limited	Director

3. **Sri Aniket Agarwal**, aged about 47 years, is a reputed Advocate at Calcutta High Court since last 25 years. He is expert in Corporate Laws. He is partner of Khaitan & Co., Kolkata. He is a guide and advisor in all legal matters. Details of his other Directorships are as follows :-

Sl. No.	Name of Company	Nature of Office
1	Stone India Limited	Director
2	The Oudh Sugar Mills Limited	Director

**6. Disclosures**

- **Disclosures on materially significant related party transactions, i. e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company.**

None of the transactions with any of the related parties were in conflict with the interests of the Company. However, the details of related parties and transactions are disclosed in Note 27.05 to the Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2014.

**REPORT ON CORPORATE GOVERNANCE – (Contd.)**

- **Details of non - compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to the capital markets, during the last three years.**

No penalties or strictures have been imposed by any regulatory authority on any matter related to capital markets during the last three years.

**7. Means of Communication**

- The quarterly / half yearly financial results are prepared in the proforma prescribed under the Listing Agreement and are approved by the Board of Directors and published in one of the prominent business dailies in English and a regional newspaper i.e. Bengali.
- Management Discussion and Analysis forms part of this Annual Report.

**8. General Shareholder's Information**

<b>Date, time &amp; venue of the Annual General Meeting</b>	12th August, 2014 at 11.30 A.M. at the Indian Chamber of Commerce, Auditorium 4, India Exchange Place, 10th Floor, Kolkata - 700 001	
<b>Financial Calendar 2014-2015</b> (tentative and subject to change)	<ul style="list-style-type: none"> <li>● Financial Year</li> <li>● First Quarter Results</li> <li>● Second Quarter &amp; Half Yearly Results</li> <li>● Third Quarter Results</li> <li>● Audited Annual Results for the year ending 31st March 2015</li> </ul>	April to March Second week of August 2014 Second week of November 2014 Second week of February 2015 Last week of May 2015
<b>Dividend Payment Date</b>	After 12th August, 2014	
<b>Book Closure Period</b>	6th August, 2014 to 12th August, 2014	
<b>Stock Code</b>	CSE : Physical – 21160 Demat – 10021160	
<b>NSDL / CDSL – ISIN No.</b>	INE264E01016.	
<b>Listing at Stock Exchange</b>	The Calcutta Stock Exchange Limited 7 Lyons Range, Kolkata-700 001 Listing Fees for the year 2014-2015 has been paid to the Stock Exchange.	
<b>Outstanding ADRs/GDRs/ Warrants or any convertible instruments, conversion date and likely impact on equity</b>	N.A	

**REPORT ON CORPORATE GOVERNANCE – (Contd.)**
**Distribution of shareholding as on 31st March, 2014**

Ordinary Shares Held	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shares Held
1 – 500	2780	98.86	16181	0.42
501 – 1000	8	0.28	6129	0.16
1001 – 5000	7	0.25	19920	0.51
5001 – 10000	1	0.04	8000	0.21
10001 – 50000	5	0.18	113758	2.93
50001 – 100000	–	–	–	–
Above 100000	11	0.39	3719187	95.77
<b>Total</b>	<b>2812</b>	<b>100</b>	<b>3883175</b>	<b>100</b>

**Shareholding pattern as on 31st March, 2014**

Category	No. of Shares Held	% of Shares Held
Indian Promoters	2847945	73.34
Nationalised Banks & Mutual Funds	3200	0.08
NRI / OCBs	4084	0.11
Public	1027946	26.47
<b>Total</b>	<b>3883175</b>	<b>100.00</b>

**Stock Market Price** : Shares of the Company were not traded in the Stock Exchange during the year. Accordingly, comparison of the Company's Shares with BSE Sensex could not be given.

**Registrars & Share Transfer Agent** : M/s. Maheshwari Datamatics Private Limited  
 6, Mangoe Lane, 2<sup>nd</sup> Floor,  
 Kolkata – 700 001  
 Ph: (033) 2243-5809/5029  
 Fax: 91-33-2248-4787  
 Email: mdpl@cal.vsnl.net.in / mdpldc@yahoo.com

**Share Transfer System** : Requests for transfer of shares in physical form are registered and returned within 15 days of lodgement thereof, if the documents are complete in all respects. The Registrars & Share Transfer Agent processes the shares lodged for transfer and the Compliance Officer then monitors and approves the transfer of shares and reports the status of shares transferred to the Company's Board at each of its meetings. The Company also offers the facility of Transfer – cum - Demat to its shareholders. Dematerialisation requests are normally disposed off within a period of 15 Days.

**REPORT ON CORPORATE GOVERNANCE – (Contd.)**

**Dematerialisation of Shares and Liquidity** : The Company has entered into Agreements with both the Depositories registered under the Depositories Act, 1996, i. e. NSDL and CDSL to facilitate holding and trading in shares of the Company in dematerialised form in accordance with the provisions of the Depositories Act, 1996. As on 31<sup>st</sup> March 2014, shares representing total Ordinary Share Capital of the Company were held as under:

	No. of Shares	Percentage of Total Capital
In Dematerialised form	3,815,214	98.25%
In Physical form	67,961	1.75%
	<u>3,883,175</u>	<u>100%</u>

**Address for Correspondence** : **The Company Secretary**  
 Kothari Phytochemicals & Industries Limited  
 C - 4, Gillander House, 8 N.S. Road, Kolkata – 700 001  
 Phone No: 91-33-2230-2331 (6 lines)  
 Fax: 91-33-2242-7286  
 E.Mail: mldaga1957@yahoo.co.in

**Plant Locations** : **(A) Phytochemical Division (Factory)**  
 Nagari, Thanichchiyam Post – 625 221  
 Madurai, Tamilnadu  
**(B) Southern Synthetics Division (Factory)**  
 Plot No. 14, SIPCOT Industrial Complex  
 Ranipet, Tamilnadu  
**(C) Claro India Division (Factory)**  
 B – 7, SIPCOT Industrial Complex,  
 Gummidipoondi – 601 201, Tamilnadu

**DECLARATION**

As provided under Clause 49 of the Listing Agreement with Stock Exchange, the Board Members and the Senior Management Team have confirmed compliance with the Code of Conduct for the financial year ended on 31<sup>st</sup> March 2014.

*For and on behalf of the Board*

Kolkata  
 30th June, 2014

**A. K. Kothari**  
 Chairman

**AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**
**To the Members of**
**Kothari Phytochemicals & Industries Limited**

We have reviewed the compliance of conditions of Corporate Governance by Kothari Phytochemicals & Industries Limited for the year ended 31st March 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company, with the relevant records and documents maintained by the Company furnished to us.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was 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.

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.

On the basis of our review and according to the information and explanations given to us, we certify that the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchange have been complied with in all material respects by the Company.

A. K. Basak  
 Partner  
 Membership Number-10240  
 For and on behalf of  
**Dutta Ghosh & Associates**  
 Chartered Accountants  
 Firm Registration No. 309088E

Kolkata, 30th June, 2014

**FIVE YEAR FINANCIAL HIGHLIGHTS**

₹ '000

	2010	2011	2012	2013	2014
SHARE CAPITAL	38372	38832	38832	38832	<b>38832</b>
RESERVE & SURPLUS	246006	244874	261944	278904	<b>298557</b>
SHAREHOLDERS ' FUND (Equity)	284378	283706	300776	317736	<b>337389</b>
LOAN FUND (DEBT)	27763	65209	31490	37102	<b>28518</b>
DEFERRED TAX LIABILITY/(ASSET)	2844	(18,942)	(7,451)	(7,693)	<b>2,464</b>
FIXED ASSETS (NET)	71171	94714	96273	91565	<b>88976</b>
INVESTMENTS	109061	82684	91503	89292	<b>115261</b>
NET CURRENT ASSETS	134753	152575	137039	166288	<b>164134</b>
NET ASSETS EMPLOYED	314985	348,915	332,266	354,838	<b>365,907</b>
SALES	155936	261395	287398	281275	<b>330747</b>
PROFIT (LOSS) BEFORE TAX	24799	69817	38331	31579	<b>45996</b>
PROFIT (LOSS) AFTER TAX	23426	86603	23840	26046	<b>28739</b>
DIVIDEND DISTRIBUTED *	8949	4513	6770	9086	<b>9086</b>
RETAINED EARNINGS FOR THE YEAR	4486	495	7565	4525	<b>9177</b>
EQUITY DIVIDEND %	20	10	15	20	<b>20</b>
EARNINGS PER EQUITY SHARE	6.11	22.30	6.14	6.71	<b>7.40</b>
SHAREHOLDERS ' FUND PER EQUITY SHARE	74.11	73.06	77.46	81.82	<b>86.88</b>
DEBT/ EQUITY RATIO	0.10:1	0.23:1	0.10:1	0.12:1	<b>0.08:1</b>

\* Inclusive of Dividend Tax

**INDEPENDENT AUDITORS' REPORT**

To The Members of **KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED**

We have audited the accompanying financial statements of **KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

The reports on the audits of Phytochemicals Division by Messrs Singhi & Co., Southern Synthetics Division and Claro India Division by Messrs Srikanth & Shanthi Associates, have been forwarded to us as required by clause (c) of sub - section (3) of Section 228 of the Companies Act, 1956 of India (the Act), and have been considered in preparing our report.

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

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

**Auditor's Responsibility**

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

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

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

**Opinion**

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

**INDEPENDENT AUDITORS' REPORT- (Contd.)**

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) order, 2004 (together the Order) issued by the Central Government of India in terms of sub - section (4A) of Section 227 of the Companies Act, 1956 of India (the 'Act') and on basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we setout in the Annexure a Statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. As required by section 227(3) of the Act, we report that:
  - (i) 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.
  - (ii) In our opinion, proper books of account as required by law, have been kept by the Company so far as appears from our examination of those books.
  - (iii) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - (iv) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report, comply with the Accounting Standards referred to in sub - section (3C) of Section 211 of the Companies Act, 1956.
  - (v) On the basis of written representations received from the Directors as on 31st March, 2014, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2014 from being appointed as a Director in terms of clause (g) of sub - section (1) of Section 274 of the Companies Act, 1956.
  - (vi) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

A. K. Basak  
Partner  
Membership Number-10240  
For and on behalf of  
**Dutta, Ghosh & Associates**  
Chartered Accountants  
Firm Registration No. 309088E

Kolkata, 27th May, 2014



**INDEPENDENT AUDITORS' REPORT– (Contd.)**

**Annexure referred to in Paragraph 1 of our Report of even date to the Members of KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED on the accounts of the company for the year ended 31st March, 2014**

1. (a) The Company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets.  
(b) The fixed assets of the Company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed on such verification. In our opinion, the frequency of verification is reasonable.  
(c) In our opinion, and according to the information and explanations given to us, no substantial part of fixed assets has been disposed off by the Company during the year and the going concern status of the Company is not affected.
2. (a) The inventory of the Company at all its locations has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.  
(b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.  
(c) On the basis of our examination of the inventory records, in our opinion the Company has maintained proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material and the same have been properly dealt with in the books of account.
3. The company has not taken or granted any loans, secured or unsecured, from or to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, the clauses (iii) (b), (iii) (c), (iii) (d), (iii) (f) and (iii) (g) of the paragraph 4 of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchases of inventory, fixed assets and for the sale of goods. Further, on the basis of our examinations of the books and records of the company, and according to the information and explanations given to us, we have neither come across nor have we been informed of any (c)

**INDEPENDENT AUDITORS' REPORT– (Contd.)**

continuing failure to correct major weaknesses in the aforesaid internal control systems.

5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.  
(b) In our opinion and according to the information and explanations given to us, the transaction made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Act, and exceeding the value of rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Act and the Rules framed there under.
7. In our opinion, the company has an internal audit system, commensurate with its size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company in respect of Bulk Drugs at its Phytochemicals Division and Chemicals (Organic & inorganic) at Southern Synthetics and Claro India Divisions where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub – section (1) of Section 209 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the company has been regular in depositing with appropriate authorities undisputed statutory 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.  
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty, Excise Duty and Cess were in arrears, as at 31st March, 2014 for a period of more than six months from the date they became payable.

**INDEPENDENT AUDITORS' REPORT– (Contd.)**

According to the information and explanations given to us and the records of the Company examined by us, there are no dues in respect of Income Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess as at 31st March, 2014, which have not been deposited on account of any dispute other than Sales Tax dues as set out below:

Name of Statute	Nature of Dues	Amount ₹	Period of which the amount related	Forum where dispute is pending
Tamil Nadu General Sales Tax Act, 1959	Sales Tax	3,22,570	1986 – 89	The Tamil Nadu Taxation special Tribunal as per directions of the High Court at Madras

10. The Company has no accumulated losses as at 31st March, 2014 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or banks. The Company had neither any outstanding debentures at the beginning of the year nor has it issued any debentures during the year.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company.
14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
16. The company has not obtained any term loans at any time during the year.
17. In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, there are no funds raised on short term basis which have been used for long term investment.

**INDEPENDENT AUDITORS' REPORT– (Contd.)**

18. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
19. The company has not issued any debentures during the year and no amount is outstanding in respect of debentures as on Balance Sheet date.
20. The company has not raised any money by public issue during the year.
21. During the course of our examination of the books and records of the company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, either noticed or reported during the year, nor have we been informed of such case by the management.

Kolkata, 27th May, 2014

A. K. Basak  
 Partner  
 Membership Number-10240  
 For and on behalf of  
**Dutta, Ghosh & Associates**  
 Chartered Accountants  
 Firm Registration No. 309088E

**BALANCE SHEET AS AT 31ST MARCH, 2014**

	Note	As at 31st March, 2014		As at 31st March, 2013	
		₹	₹	₹	₹
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' Fund</b>					
Share Capital	1	38,831,750		38,831,750	
Reserves and Surplus	2	298,556,878		278,904,148	
			337,388,628		317,735,898
<b>Non - Current Liabilities</b>					
Deferred Tax Liabilities (Net)	10	2,463,903		—	
Long Term Provisions	3	1,595,000		1,399,361	
			4,058,903		1,399,361
<b>Current Liabilities</b>					
Short Term Borrowings	4	28,517,739		37,101,998	
Trade Payables	5	36,518,133		27,210,489	
Other Current Liabilities	6	5,627,319		6,477,509	
Short Term Provisions	7	9,086,241		9,086,241	
			79,749,432		79,876,237
<b>TOTAL</b>			<b>421,196,963</b>		<b>399,011,496</b>
<b>ASSETS</b>					
<b>Non - Current Assets</b>					
Fixed Assets - Tangible	8	88,975,795		91,565,065	
Non - Current Investments	9	115,260,916		89,291,882	
Deferred Tax Assets (Net)	10	—		7,692,795	
Long Term Loans and Advances	11	12,541,607		11,018,542	
			216,778,318		199,568,284
<b>Current Assets</b>					
Inventories	12	89,273,031		61,932,935	
Trade Receivables	13	33,945,165		30,908,682	
Cash and Bank Balances	14	58,194,318		87,581,985	
Other Current Assets	15	1,938,540		2,209,768	
Short Term Loans & Advances	16	21,067,591		16,809,842	
			204,418,645		199,443,212
<b>TOTAL</b>			<b>421,196,963</b>		<b>399,011,496</b>

Significant Accounting Policies

Notes on Financial Statements 1 to 27

This is the Balance Sheet referred to in our report of even date.

The Notes referred to above form an integral part of the Balance Sheet.

A.K.Basak

Partner

Membership Number-10240

For and on behalf of

Dutta, Ghosh &amp; Associates

Chartered Accountants

 Kolkata,  
 27th May, 2014 Firm Registration No. 309088E

On behalf of the Board

 M. L. Daga  
 Secretary

 A. K. Kothari  
 Chairman

 P. D. Kothari  
 Director

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2014**

	Note	2013-2014	2012 - 2013
		₹	₹
<b>INCOME :</b>			
Revenue from Operations	17	315,067,668	268,241,738
Other Income	18	18,260,421	11,429,607
<b>Total Revenue</b>		<b>333,328,089</b>	<b>279,671,345</b>
<b>EXPENDITURE :</b>			
Cost of Materials Consumed	19	170,685,529	166,254,764
Purchases of Stock - in - Trade	20	38,224,525	—
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	21	(10,105,465)	(11,894,436)
Employee Benefits Expense	22	24,953,696	24,395,556
Finance Costs	23	2,594,756	2,010,250
Depreciation and Amortisation Expense	24	10,863,184	11,126,781
Other Expenses	25	50,116,196	56,199,795
<b>Total Expenses</b>		<b>287,332,421</b>	<b>248,092,710</b>
<b>PROFIT BEFORE TAXATION</b>		<b>45,995,668</b>	<b>31,578,635</b>
Provision For Tax :			
Current Tax		(7,100,000)	(5,800,000)
Deferred Tax		(10,156,697)	241,550
Taxation adjustments of earlier years (net)		—	25,553
<b>PROFIT FOR THE YEAR</b>		<b>28,738,971</b>	<b>26,045,738</b>
<b>Earning per Ordinary Share of Rs. 10/- each</b>			
Basic and Diluted	26	7.40	6.71
Significant Accounting Policies			
Notes on Financial Statements 1 to 27			

This is the Statement of Profit and Loss referred to in our report of even date. The Notes referred to above form an integral part of the Statement of Profit and Loss

A.K.Basak

Partner

Membership Number-10240

For and on behalf of

Dutta, Ghosh &amp; Associates

Chartered Accountants

 Kolkata,  
 27th May, 2014

Firm Registration No. 309088E

On behalf of the Board

 M. L. Daga  
 Secretary

 A. K. Kothari  
 Chairman

 P. D. Kothari  
 Director

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014**

	2013 – 2014		2012 – 2013	
	₹	₹	₹	₹
<b>A. Cash Flow from Operating Activities :</b>				
Profit before Tax and Extraordinary/ Non-recurring items		<b>45,995,668</b>		31,578,635
Adjustments for :				
Depreciation and Amortisation		<b>10,863,184</b>		11,126,781
(Profit)/Loss on Sale/Discard of Fixed Assets (Net)		<b>3,864,931</b>		409,548
Income from Investments (Dividend)		<b>(11,506,089)</b>		(3,284,884)
Profit on Sale of Investments		<b>(1,321,401)</b>		(1,739,976)
Provision for Diminution in the Value of Investment		–		1,800,000
Irrecoverable Bad & Sundry Receivables written off		<b>2,070,145</b>		26,932
Interest (Net)		<b>(2,665,194)</b>		(3,725,997)
Liability no longer required written back		<b>(112,933)</b>	<b>1,192,643</b>	(652,726)
Operating Profit before Working Capital Changes		<b>47,188,311</b>		35,538,313
Adjustments for :				
Trade and Other Receivables		<b>(13,267,909)</b>		7,261,136
Inventories		<b>(27,340,096)</b>		1,025,497
Trade Payables		<b>10,165,042</b>	<b>(30,442,963)</b>	2,515,242
Cash Generated from Operations		<b>16,745,348</b>		46,340,188
Direct Taxes - (Payments)/Refunds		<b>(4,551,324)</b>	<b>(4,551,324)</b>	(8,000,154)
<b>Net Cash From Operating Activities</b>		<b>12,194,024</b>		<b>38,340,034</b>
<b>B. Cash Flow From Investing Activities :</b>				
Purchase of Fixed Assets		<b>(12,200,750)</b>		(6,828,301)
Proceeds from Sale of Fixed Assets		<b>61,905</b>		–
Dividend Received		<b>11,506,089</b>		3,284,884
Purchase of Investments		<b>(39,404,637)</b>		(5,728,880)
Proceeds from Sale of Investments		<b>14,757,004</b>		7,880,382
Interest Received		<b>5,362,970</b>		6,155,917
<b>Net Cash (used in) / From Investing Activities</b>		<b>(19,917,419)</b>		<b>4,764,002</b>

**CASH FLOW STATEMENT (Contd.)**

	2013 – 2014		2012 – 2013	
	₹	₹	₹	₹
<b>C. Cash Flow from Financing Activities</b>				
Net Increase/(Decrease) in Short Term Borrowings from Banks		<b>10,190,741</b>		12,611,521
Net Increase/(Decrease) in Short Term Borrowings from Others		<b>(18,775,000)</b>		(7,000,000)
Interest Paid		<b>(4,015,794)</b>		(589,212)
Dividends Paid		<b>(7,744,328)</b>		(5,832,393)
Dividend Tax Paid		<b>(1,319,891)</b>		(944,922)
<b>Net Cash (Used in) / From Financing Activities</b>		<b>(21,664,272)</b>		<b>(1,755,006)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)</b>		<b>(29,387,667)</b>		<b>41,349,030</b>
<b>Opening Cash and Cash Equivalents</b>		<b>87,581,985</b>		46,232,955
<b>Closing Cash and Cash Equivalents</b>		<b>58,194,318</b>	<b>(29,387,667)</b>	<b>87,581,985</b>
<b>Cash and Cash Equivalents Comprise :</b>				
Cash in Hand and Balances with Banks		<b>58,194,318</b>		<b>87,581,985</b>
(As per Note - 14)				

**NOTES :**

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statement.
  - Previous year's figures have been regrouped / re-arranged wherever necessary.
- This is the Cash Flow Statement referred to in our report of even date.

A.K.Basak  
 Partner  
 Membership Number-10240  
 For and on behalf of  
 Dutta, Ghosh & Associates  
 Chartered Accountants  
 Firm Registration No. 309088E  
 Kolkata,  
 27th May, 2014

On behalf of the Board  
 M. L. Daga  
 Secretary  
 A. K. Kothari  
 Chairman  
 P. D. Kothari  
 Director

**SIGNIFICANT ACCOUNTING POLICIES:**
**(a) Basis of preparation of accounts :**

The financial statements have been prepared in accordance with the generally accepted accounting principles.

**(b) Fixed Assets :**

Fixed Assets are stated at cost less Depreciation. Cost includes cost of acquisition inclusive of duties, taxes, incidental expenses, erection / commissioning expenses and borrowing cost attributable to qualifying assets up to the date, the asset is put to use. An impairment loss is recognized wherever the carrying amount of the fixed asset of a cash generating unit exceeds its net selling price or value in use whichever is higher.

**(c) Depreciation :**

Depreciation is provided on the 'Written Down Value Method' except in case of the Company's Phytochemicals Division and Hexamine plant of Southern Synthetics Division and Claro India Division where depreciation is provided under the 'Straight Line Method' at rates indicated below.

**I. Head Office:-**

On written down value method at the rates specified in Schedule XIV of the Companies Act, 1956 as applicable in the respective years.

**II. Phytochemicals Division:-**

On Straight line method at the rates as under:-

**(a) For additions upto 31<sup>st</sup> March, 1987**

Non – factory Building	1.638 %
Factory Building	3.392 %
Machinery and Electrical Installations	5.278 %
Tubewell and Water Works	5.278 %
Laboratory Equipment	5.278 %
Office Equipment	5.278 %
Furniture and Fittings	3.392 %

**(b) On assets acquired from 1<sup>st</sup> April, 1987 at rates specified in Schedule XIV of the Companies Act, 1956 as applicable in the respective years.**
**III. Southern Synthetics Division:-**
**(a) Formaldehyde Plant:- On written down value method at the rates specified in Schedule XIV of the Companies Act, 1956.**
**(b) Hexamine Plant:- On straight line method at the rates specified in Schedule XIV of the Companies Act, 1956.**
**IV. Claro India Division:-**

On straight line method at the rates specified in Schedule XIV of the Companies Act, 1956. Leasehold land is being amortised over the period of lease.

**(d) Investments:**

Long term investments are stated at cost net of provision against diminution, if any, in carrying cost of investment other than decline of temporary nature.

**(e) Inventories:**

Inventories are valued as under:-

Raw materials	- At cost on weighted average method.
Stores and spare parts	- At cost on weighted average method.
Materials in process	- At estimated cost.
Finished goods	- At cost on weighted average method or net realizable value, whichever is lower.

**(f) Foreign Currency Transaction:**

Transaction in foreign currencies is recognized at rates existing at transaction date. Year – end balances of receivables / payables are translated at applicable year – end rates and resultant translation gain / loss is recognized in the Statement of Profit and Loss. Exchange differences, if any, relating to Fixed Assets acquired outside India are recognized in the Statement of Profit & Loss.

**(g) Employee Benefits:**
**i) Defined Contribution Plans**

Contributions to defined contribution schemes such as Provident Fund, etc. are charged to Statement of Profit & Loss as and when they are paid to government administered Provident Fund towards which the Company has no further obligations beyond its monthly contributions.

**ii) Defined Benefit Plans**

The Company has a defined benefit Gratuity Plan covering all its employees. Gratuity is covered under a Scheme of Life Insurance Corporation of India (LIC) and contributions in respect of such scheme are recognized in the Statement of Profit and Loss. The liability as at the Balance Sheet date is provided for, based on the actuarial valuation carried out in accordance with revised Accounting Standard 15 (revised 2005) on 'Employee Benefits' as at the end of the year.



iii) Other long term employee benefits

Other long term employee benefit comprises of leave encashment which is provided for based on the actuarial valuation carried out in accordance with revised AS 15 as at the end of the year.

**(h) Research and Development:**

Revenue expenditure on Research and Development is expensed in the year in which it is incurred and related Capital Expenditure is considered as addition to fixed assets.

**(i) Borrowing Costs:**

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

**(j) Taxes on Income:**

Income Tax expenses comprise current tax and deferred tax charge. Deferred tax is recognized on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized only if there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets will be realized. Such assets are reviewed as at each Balance Sheet date to reassess realisability thereof.

**(k) Provisions:**

A provision is recognized when an enterprise has a present obligation as a result of past event and it is possible that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

Provisions made are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

**(l) Recognition of Income and Expenditure:**

Items of income and expenditure are recognized on accrual and prudent basis.

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

NOTE - 1	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
<b>SHARE CAPITAL :</b>		
<b>AUTHORISED :</b>		
300,000 Preference Shares of ₹ 100/- each.	<b>30,000,000</b>	30,000,000
17,000,000 Ordinary Shares of ₹ 10/- each.	<b>170,000,000</b>	170,000,000
	<b><u>200,000,000</u></b>	<u>200,000,000</u>
<b>ISSUED, SUBSCRIBED AND PAID UP :</b>		
3,883,175 (2013 - 3,883,175) Ordinary Shares of ₹ 10/- each fully paid-up.	<b>38,831,750</b>	38,831,750
	<b><u>38,831,750</u></b>	<u>38,831,750</u>

1.1 The Company has issued Ordinary shares having a par value of ₹ 10/- per share. Each holder of Ordinary shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year ended 31st March 2014, the amount of dividend per share recognised as distributions to Ordinary shareholders was ₹ 77,66,350/- (2013 ₹ 77,66,350/-).

In the event of liquidation of the Company, the holders of ordinary shares will be entitled to receive remaining assets of the Company, after payment of Secured, Unsecured Liabilities and Other Creditors. The distribution will be in proportion to the number of Ordinary shares held by the shareholders.

1.2 The details of shareholders holding more than 5% shares.

Name	As at 31st March 2014		As at 31st March 2013	
	% held	No. of Shares	% held	No. of Shares
Commercial House Private Limited	20.48%	795,414	21.51%	835,414
Kothari & Company Private Limited	15.32%	594,960	15.32%	594,960
M. D. Kothari & Company Limited	14.85%	576,525	14.85%	576,525
Kothari Investment & Industries Private Limited	13.15%	510,720	13.15%	510,720
Vishnuhari Investments & Properties Limited	6.22%	241,568	6.22%	241,568

1.3 The reconciliation of the number of shares outstanding is set out below.

	As at 31st March, 2014	As at 31st March, 2013
Ordinary Shares at the beginning of the year	<b>3,883,175</b>	3,883,175
Ordinary Shares at the end of the year	<b><u>3,883,175</u></b>	<u>3,883,175</u>

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

	As at 31st March, 2014		As at 31st March, 2013	
NOTE - 2	₹	₹	₹	₹
<b>RESERVES AND SURPLUS</b>				
Capital Reserve				
As per last Balance Sheet		<b>9,193,040</b>		9,193,040
Securities Premium Account				
As per Last Balance Sheet		<b>1,450,657</b>		1,450,657
General Reserve				
As per last Balance Sheet	<b>263,735,809</b>		243,735,809	
Add : Transferred from statement of Profit and Loss	<b>15,000,000</b>		20,000,000	
		<b>278,735,809</b>		263,735,809
Surplus in the Statement of Profit and Loss				
As per last Balance Sheet	<b>4,524,642</b>		7,565,145	
Add : Profit for the year	<b>28,738,971</b>		26,045,738	
	<b>33,263,613</b>		33,610,883	
Less : Appropriations :				
Transferred to General Reserve	<b>15,000,000</b>		20,000,000	
Proposed Dividend on Equity Shares [Dividend per Share ₹ 2/- (2013 ₹ 2/-)]	<b>7,766,350</b>		7,766,350	
Tax on Proposed Dividend	<b>1,319,891</b>		1,319,891	
		<b>9,177,372</b>		4,524,642
		<b>298,556,878</b>		278,904,148

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

	As at 31st March, 2014		As at 31st March, 2013	
NOTE - 3	₹	₹	₹	₹
<b>LONG TERM PROVISIONS</b>				
Provision for Employee Benefits				
– Gratuity		<b>45,547</b>		–
– Leave Encashment Benefit		<b>1,549,453</b>		1,399,361
		<b>1,595,000</b>		1,399,361
<b>NOTE - 4</b>				
<b>SHORT TERM BORROWINGS</b>				
<b>Secured</b>				
<b>PHYTOCHEMICALS DIVISION</b>				
Working Capital Loans				
– From Vijaya Bank				
i) Cash Credit				
Exclusive First Charge on Entire Stocks of Raw Materials, Semi Finished and Finished Goods, Receivables and entire Fixed Assets of the Division and further secured by deposit of Title Deeds of 23.24 acres Land situated at Nagari.		–		2,957,367
ii) Packing Credit				
Exclusive First Charge on Entire Stocks of Raw Materials, Semi Finished and Finished Goods and further secured by deposit of Title Deeds of 23.24 acres Land Situated at Nagari and the entire Fixed Assets of the Division. Stock against Packing Credit Limit facility shall be backed by firm Export Orders		<b>23,997,262</b>		15,349,154
iii) Loan against security of Fixed Deposit		<b>4,500,000</b>		–
<b>Unsecured</b>				
Loans Repayable on Demand				
– From Related Parties	–		11,775,000	
– From Bodies Corporate	–		<b>7,000,000</b>	
		–		18,775,000
State Government of Tamil Nadu - Sales Tax Deferral Scheme		<b>20,477</b>		20,477
		<b>28,517,739</b>		37,101,998

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

<b>NOTE -5</b>	As at 31st March, 2014	As at 31st March, 2013
	₹	₹

<b>TRADE PAYABLES</b>	36,518,133	27,210,489
For Goods	<u>36,518,133</u>	<u>27,210,489</u>

(As per information available with the Company no amount is due to Micro, Small and Medium Enterprises)

**NOTE -6**
**OTHER CURRENT LIABILITIES**

Interest accrued but not due on borrowings	-	1,421,038
Advances from Customers	3,733	8,691
Unpaid Dividend (To be credited to Investor Education & Protection Fund as and when become due)	129,215	106,969
Unpaid Fractional amount of shares	234,914	235,138
Other Payables*	5,259,457	4,705,673
	<u>5,627,319</u>	<u>6,477,509</u>

\*Includes Statutory Liabilities ₹ 11,39,241/- (2013 ₹ 11,91,933/-), Salary, Wages and Bonus ₹ 7,81,499/- (2013 ₹ 7,46,293/-) and Commission Payable ₹ 2,02,893/- (2013 ₹ 2,02,893/-)

**NOTE -7**
**SHORT TERM PROVISIONS**

Proposed Dividend	7,766,350	7,766,350
Tax on Proposed Dividend	1,319,891	1,319,891
	<u>9,086,241</u>	<u>9,086,241</u>

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**
**NOTE - 8  
FIXED ASSETS**

PARTICULARS	GROSS BLOCK			DEPRECIATION / AMORTISATION				NET BLOCK		
	Balance as at 31st March, 2013	Additions	Deduction/ Adjustment	Balance as at 31st March, 2014	Balance as at 31st March, 2013	Depreciation/ Amortisation for the year	Deduction/ Adjustment	Balance as at 31st March, 2014	Balance as at 31st March, 2014	Balance as at 31st March, 2013
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
<b>Tangible Assets</b>										
Leasehold Land	1,262,400	-	-	1,262,400	267,794	12,752	-	280,546	981,854	994,606
Freehold Land	2,074,532	-	-	2,074,532	-	-	-	-	2,074,532	2,074,532
Buildings	43,492,839	-	-	43,492,839	18,167,915	1,155,541	-	19,323,456	24,169,383	25,324,924
Plant and Equipment	142,597,391	8,178,795	9,992,192	140,783,994	84,568,961	9,141,856	6,126,584	87,584,233	53,199,761	58,028,430
Electric Installation	8,899,035	261,868	-	9,160,903	7,071,395	363,261	-	7,434,656	1,726,247	1,827,640
Office Equipment	1,609,888	99,857	16,000	1,693,745	810,444	66,740	1,773	875,411	818,334	799,444
Furniture and Fixtures	955,426	1,200	-	956,626	785,862	17,896	-	803,758	152,868	169,564
Motor Vehicles	2,442,468	-	940,018	1,502,450	1,668,677	104,317	893,017	879,977	622,473	773,791
Tubewell and Water Works	50,356	-	-	50,356	7,490	821	-	8,311	42,045	42,866
<b>Total :</b>	<b>203,384,335</b>	<b>8,541,720</b>	<b>10,948,210</b>	<b>200,977,845</b>	<b>113,348,538</b>	<b>10,863,184</b>	<b>7,021,374</b>	<b>117,190,348</b>	<b>83,787,497</b>	<b>90,035,797</b>
Capital Work in Progress	-	-	-	-	-	-	-	-	5,188,298	1,529,268
2013	202,292,226	5,299,033	4,206,924	203,384,335	106,019,133	11,126,781	3,797,376	113,348,538	90,035,797	

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

NOTE -9	Face Value	As at 31st March, 2014	As at 31st March, 2013
	₹	₹	₹
<b>NON - CURRENT INVESTMENTS</b>			
<i>(Long Term Investments)</i>			
<b>Other than Trade - At or under cost</b>			
<b>A. INVESTMENT IN ASSOCIATES:</b>			
<b>In Equity Shares - Quoted, fully paid up</b>			
5,501,078 Gillanders Arbuthnot & Company Limited	10	51,748,615	51,798,615
(2013 - 5,506,078) (Sold 5,000 shares during the year)			
<b>TOTAL A</b>		<b>51,748,615</b>	<b>51,798,615</b>
<b>B. INVESTMENT IN OTHERS:</b>			
<b>(i) In Equity Shares - Quoted, fully paid up</b>			
6,000 Welspun Corporation Limited	5	1,362,315	1,362,315
(2013 - 6,000)			
104 Kesoram Textile Mills Limited	2	-	-
(2013 - 104)			
500 Vijaya Bank Limited	10	12,000	12,000
(2013 - 500)			
195 Xpro India Limited	10	-	-
(2013 - 195)			
70,335 Albert David Limited	10	6,731,077	6,731,077
(2013 - 70,335)			
4,400 Century Textile & Industries Limited	10	1,936,827	1,936,827
(2013 - 4,400)			
1,500 Alstom T & D India Limited	2	441,912	441,912
(2013 - 1,500)			
15,000 Assam Company India Limited	1	316,081	316,081
(2013 - 15,000)			
175 Balmer Lawrie & Company Limited	10	59,005	59,005
(2013 - 100) (Received 75 Bonus shares during the year)			
6,000 Crains Software International Limited	2	222,976	222,976
(2013 - 6,000)			
8,500 The Dhampur Sugar Mills Limited	10	959,707	959,707
(2013 - 8,500)			
13,000 Electrosteel Castings Limited	1	538,633	538,633
(2013 - 13,000)			
5,000 First Source Solutions Limited	10	172,273	172,273
(2013 - 5,000)			
6,000 GMR Infrastructure Limited	1	351,659	351,659
(2013 - 6,000)			
8,000 India Cements Limited	10	884,392	884,392
(2013 - 8,000)			
3,000 NCL Industries Limited	10	127,601	127,601
(2013 - 3,000)			
Carried Forward		<b>14,116,458</b>	<b>14,116,458</b>

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

NOTE -9 (Contd.)	Face Value	As at 31st March, 2014	As at 31st March, 2013
	₹	₹	₹
Brought Forward			
4,298 Prism Cement Limited	10	14,116,458	14,116,458
(2013 - 4,298)		<b>223,254</b>	223,254
2,000 Rico Auto Industries Limited	1	58,255	58,255
(2013 - 2,000)			
450 Shanthi Gears Limited	1	18,183	97,360
(2013 - 2,500) (Sold 2,050 shares during the year)			
- Vardhaman Textiles Limited	10	-	193,980
(2013 - 750) (Sold during the year)			
5,000 Deccan Cements Limited	10	993,031	993,031
(2013 - 5,000)			
10,000 IOL Chemicals and Pharmaceuticals Limited	10	632,380	632,380
(2013 - 10,000)			
1,200 Reliance Industries Limited	10	1,092,261	1,297,737
(2013 - 1,400) (Sold 200 shares during the year)			
1,500 Schneider Electric Infrastructure Limited	2	-	-
(2013 - 1,500)			
2,800 Jai Prakash Associates Limited	2	208,009	208,009
(2013 - 2,800)			
3,000 Titan Company Limited	1	613,197	715,397
(2013-3,500) (Erstwhile : Titan Industries Limited) (Sold 500 shares during the year)			
<b>TOTAL B (i)</b>		<b>17,955,028</b>	<b>18,535,861</b>
<b>(ii) In Equity Shares - Unquoted, fully paid up</b>			
1,160 Tulip Tea Company Limited	25	9,110	9,110
(2013 - 1,160)			
15 Aaham Printers Private Limited (in Liquidation)	100	1	1
(2013 - 15)			
50,000 Satyam Financial Services Limited	10	501,250	501,250
(2013 - 50,000)			
60 Cimmco Limited	10	10,800	10,800
(2013 - 60)			
2,929 Pilani Investment & Industries Corporation Limited	10	8,338	8,338
(2013 - 2,929)			
350 Vardhaman Special Steels Limited	10	-	-
(2013 - 350)			
450,000 Vidyasagar Industries Private Limited	10	4,500,000	4,500,000
(2013 - 4,50,000)			
Carried Forward		<b>5,029,499</b>	<b>5,029,499</b>

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

NOTE -9 (Contd.)	Face Value ₹	As at 31st	As at 31st
		March, 2014 ₹	March, 2013 ₹
Brought Forward		5,029,499	5,029,499
296,504 Bharat Fritz Werner Limited (2013 - Nil) (Purchased during the year)	2	29,789,757	—
2,000 Bharat Fritz Werner Limited DVR (2013 - Nil) (Purchased during the year)	2	210,180	—
300 Welspun Enterprises Limited (2013-Nil) (Alloted pursuant to a Scheme of Arrangement between the Company and Welspun Corporation Limited)	5	—	—
<b>Less: Provision for Diminution in carrying amount of Investments</b>		<b>(4,500,000)</b>	<b>(4,500,000)</b>
<b>TOTAL B (ii)</b>		<b>30,529,436</b>	<b>529,499</b>
<b>(iii) In Non Convertible Debentures - Unquoted, fully paid up</b>			
14 Cimmco Limited (2013 - 14)	66	924	924
<b>TOTAL B (iii)</b>		<b>924</b>	<b>924</b>
<b>(iv) In Mutual Fund - Quoted, fully paid up</b>			
— DSP Black Rock Small & Mid Cap Fund - Regular Plan - Growth (2013 - 155,115.6990) (Redeemed during the year)	10	—	2,554,290
— Birla Sun Life Midcap Fund-Plan-Growth-Regular Plan (2013 - 22,295.2290) (Redeemed during the year)	10	—	2,250,480
— DSP Black Rock Top 100 Equity Fund - Regular Plan - Growth (2013 - 20,196.7160) (Redeemed during the year)	10	—	2,000,000
— L & T Equity Fund - Growth (2013 - 57,373.9920) (Redeemed during the year)	10	—	2,000,000
— ICICI Prudential Focused Bluechip Equity Fund - Regular Plan - Growth (2013 - 123,228.5890) (Redeemed during the year)	10	—	2,000,000
— IDFC Sterling Equity Fund - Growth - (Regular Plan) (2013 - 109,537.4230) (Redeemed during the year)	10	—	2,000,000
360,229.6690 Reliance Dynamic Bond Fund - Growth Plan	10	5,622,213	5,622,213
Carried Forward		<u>5,622,213</u>	<u>18,426,983</u>

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

NOTE -9 (Contd.)	Face Value ₹	As at 31st	As at 31st
		March, 2014 ₹	March, 2013 ₹
Brought Forward		5,622,213	18,426,983
55,645.094 DSP Black Rock Bond Fund - Regular Plan - Growth (2013 - Nil) (Purchased during the year)	10	2,162,596	—
1,934.840 DSP Black Rock Strategic Bond Fund - Institutional Plan - Growth (2013 - Nil) (Purchased during the year)	10	2,743,325	—
57,930.871 ICICI Prudential Income - Regular Plan - Growth (2013 - Nil) (Purchased during the year)	10	2,281,405	—
107,705.371 IDFC Super Saver Income Fund - Medium Term Plan - Growth - (Regular Plan) (2013 - Nil) (Purchased during the year)	10	2,217,374	—
<b>TOTAL B (iv)</b>		<b>15,026,913</b>	<b>18,426,983</b>
<b>TOTAL B (i to iv)</b>		<b>63,512,301</b>	<b>37,493,267</b>
<b>TOTAL (A + B)</b>		<b>115,260,916</b>	<b>89,291,882</b>
Aggregate amount of quoted investments (including investments in Mutual Fund)		<b>84,730,556</b>	88,761,459
Aggregate amount of unquoted investments		<b>35,030,360</b>	5,030,423
		<b>119,760,916</b>	93,791,882
Less : Provision for diminution in carrying amount of investments		<b>4,500,000</b>	4,500,000
		<b>115,260,916</b>	89,291,882
Aggregate Market Value of quoted investments		<b>338,485,309</b>	392,487,477
Aggregate NAV of units in Mutual Fund		<b>15,330,396</b>	19,160,750
		<b>353,815,705</b>	411,648,227



**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

	As at 31st March, 2014		As at 31st March, 2013	
	₹	₹	₹	₹
<b>NOTE -10</b>				
<b>DEFERRED TAX ASSETS / (LIABILITIES) (NET)</b>				
<b>Assets</b>				
– Accrued expenses deductible on payment basis / Employee Benefits	668,734		631,249	
– Provision for Diminution in the Value of Investments	1,460,025		1,529,550	
– Carry over Unabsorbed Losses	3,546,592		13,854,815	
		<b>5,675,351</b>		<b>16,015,614</b>
<b>Less : Liabilities</b>				
– Difference between net book value of depreciable fixed assets as per books vis - a - vis written down value as per Income Tax Act		8,139,254		8,322,819
		<b>(2,463,903)</b>		<b>7,692,795</b>
<b>NOTE -11</b>				
<b>LONG TERM LOANS AND ADVANCES</b>				
(Unsecured, Considered good unless stated otherwise)				
Security Deposits				
– To Related Party	–		–	
– To Others	2,708,372		2,297,193	
		<b>2,708,372</b>		<b>2,297,193</b>
Advance payment of Tax (Net of Provision) (Inclusive of Tax Deducted at Source)	3,245,672		5,794,348	
Advance for Building	1,102,170		1,102,170	
Capital Advances	5,470,449		1,810,000	
Other Loans and Advances	67,465		67,352	
		<b>12,594,128</b>		<b>11,071,063</b>
Less: Provision for Doubtful Advances		52,521		52,521
		<b>12,541,607</b>		<b>11,018,542</b>

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

	As at 31st March, 2014	As at 31st March, 2013
	₹	₹
<b>NOTE -12</b>		
<b>INVENTORIES</b>		
Raw Materials	40,627,234	28,657,304
Materials - in - Process	28,859,539	23,622,991
Finished Goods	8,519,913	3,650,996
Stores and Spare Parts	11,266,345	6,001,644
	<b>89,273,031</b>	<b>61,932,935</b>
<b>NOTE -13</b>		
<b>TRADE RECEIVABLES</b>		
(Unsecured, Considered good unless stated otherwise)		
Debts over six months	1,604,691	3,331,697
Other Debts	32,340,474	27,576,985
	<b>33,945,165</b>	<b>30,908,682</b>
<b>NOTE -14</b>		
<b>CASH AND BANK BALANCES</b>		
Balances with Banks #	12,947,981	8,409,779
Cash in Hand	38,837	164,706
Fixed deposits with banks	45,207,500	79,007,500
	<b>58,194,318</b>	<b>87,581,985</b>
# Balance with Banks includes Unpaid Dividend of ₹ 1,29,215/- (2013 ₹ 1,06,969/-) and Unpaid Fractional amount of shares ₹ 2,34,914/- (2013 ₹ 2,35,138/-)		

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

	As at 31st March, 2014	As at 31st March, 2013
	₹	₹
<b>NOTE -15</b>		
<b>OTHER CURRENT ASSETS</b>		
Interest accrued on Loans and Deposits	847,811	950,831
Export Incentive Receivable	1,090,729	1,258,937
	<u>1,938,540</u>	<u>2,209,768</u>

**NOTE -16**
**SHORT TERM LOANS AND ADVANCES**

Advances to Suppliers	8,112,505	4,984,959
Balance with Customs, Central Excise Authorities	10,468,827	9,869,372
Other Loans and Advances	2,486,259	1,955,511
	<u>21,067,591</u>	<u>16,809,842</u>

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

	2013 - 2014		2012 - 2013	
	₹	₹	₹	₹
<b>NOTE - 17</b>				
<b>REVENUE FROM OPERATIONS</b>				
<b>SALE OF PRODUCTS</b>				
Calcium Sennoside	3,601,553		33,457,531	
Brucine Sulphate	7,276,857		179,635	
Strychnine Sulphate	101,048,054		85,784,006	
Tolbutamide	11,111,876		7,534,119	
Chlorpropamide	5,514,585		6,243,426	
Metformin HCL	-		364,320	
Formaldehyde	55,185,009		48,125,864	
Hexamine	2,484,618		675,004	
Paraformaldehyde	5,890,287		5,242,574	
Phenolic Resin	100,090,640		93,668,395	
Polyester & Staple Yarn	14,654,929		-	
Viscose Staple Fibre	23,888,668		-	
		<u>330,747,076</u>		281,274,874
<b>OTHER OPERATING REVENUE</b>				
Export Incentives	1,635,217		2,096,181	
Claims	108,493		78,253	
Sale of Scrap	188,279		78,597	
		<u>1,931,989</u>		2,253,031
		<u>332,679,065</u>		283,527,905
<b>LESS : EXCISE DUTY</b>		<u>17,611,397</u>		15,286,167
		<u>315,067,668</u>		<u>268,241,738</u>

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

NOTE - 18	2013 - 2014		2012 - 2013	
	₹	₹	₹	₹
<b>OTHER INCOME</b>				
<b>Interest</b>				
Interest on Advances, Deposits and Others - Gross		<b>5,259,950</b>		5,736,247
<b>Dividend</b>				
From Long Term Investments - Other than Trade		<b>11,506,089</b>		3,284,884
<b>Net gain on Sale of Investments</b>				
Profit on Sale of Investments - Other than Trade		<b>1,321,401</b>		1,739,976
<b>Other Non - Operating Income</b>				
Exchange Rate Fluctuation (Net)	<b>18,944</b>			-
Liabilities / Provision no longer required, written back	<b>112,933</b>		652,726	
Profit on Sales of Fixed Assets	<b>14,904</b>			-
Miscellaneous Income	<b>26,200</b>		15,774	
		<b>172,981</b>		668,500
		<b>18,260,421</b>		11,429,607

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

NOTE -19	2013 - 2014		2012 - 2013	
	₹	₹	₹	₹
<b>COST OF MATERIALS CONSUMED</b>				
Senna Leaves and Pods		<b>1,255,450</b>		13,478,145
Methanol and Spirit		<b>1,472,342</b>		9,615,673
Nuxvomica Bark and Seeds		<b>28,139,850</b>		23,665,140
N. Propyl Amine		<b>233,039</b>		150,462
Remax		<b>5,029,679</b>		3,268,681
PTS Amide		<b>2,769,458</b>		1,735,437
Methanol		<b>54,863,555</b>		45,147,905
Ammonia		<b>808,841</b>		816,563
ISO Propanol		<b>278,741</b>		315,972
N. Butylamine		<b>318,441</b>		254,075
P. C. B. S. Amide		<b>963,305</b>		-
Dicynodiamide		<b>884,466</b>		427,492
Dimethylamine		<b>1,052,891</b>		538,881
Phenol		<b>54,940,278</b>		51,773,810
DEG		<b>2,066,440</b>		800,752
Others		<b>15,608,753</b>		14,265,776
		<b>170,685,529</b>		166,254,764
<b>NOTE -20</b>				
<b>PURCHASES OF STOCK - IN - TRADE</b>				
Polyester & Staple Yarn		<b>10,933,676</b>		-
Viscose Staple Fibre		<b>27,290,849</b>		-
		<b>38,224,525</b>		-

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

NOTE - 21	₹	2013 - 2014 ₹	₹	2012 - 2013 ₹
<b>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK - IN - PROGRESS AND STOCK - IN - TRADE</b>				
<b>Finished Goods</b>				
Opening Inventories		3,650,996		4,187,641
Closing Inventories		<u>8,519,913</u>		<u>3,650,996</u>
Net (Increase) / Decrease		(4,868,917)		536,645
<b>Materials - in - Process</b>				
Opening Inventories		23,622,991		11,191,910
Closing Inventories		<u>28,859,539</u>		<u>23,622,991</u>
Net (Increase) / Decrease		(5,236,548)		(12,431,081)
		<u>(10,105,465)</u>		<u>(11,894,436)</u>
<b>NOTE -22</b>				
<b>EMPLOYEE BENEFITS EXPENSES</b>				
Salaries, Wages and Bonus		22,321,955		22,053,027
Contribution to Provident and Other Funds		1,416,362		1,602,896
Workmen and Staff Welfare Expenses		1,215,379		739,633
		<u>24,953,696</u>		<u>24,395,556</u>

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

NOTE -23	2013 - 2014 ₹	2012 - 2013 ₹
<b>FINANCE COSTS</b>		
Interest Expenses	2,594,756	2,010,250
	<u>2,594,756</u>	<u>2,010,250</u>
<b>NOTE -24</b>		
<b>DEPRECIATION AND AMORTISATION EXPENSES</b>		
Depreciation	10,850,432	11,114,029
Amortisation	12,752	12,752
	<u>10,863,184</u>	<u>11,126,781</u>

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

NOTE - 25	2013 - 2014		2012 - 2013	
	₹	₹	₹	₹
<b>OTHER EXPENSES</b>				
<b>Manufacturing Expenses</b>				
Consumption of stores and spare parts	2,860,083		3,044,518	
Power and Fuel	17,677,753		25,013,615	
Repairs to Buildings	2,600,847		2,550,122	
Repairs to Machinery	3,051,108		4,830,159	
Repairs to Other Assets	378,046		401,595	
		26,567,837		35,840,009
<b>Selling and Distribution Expenses</b>				
Freight, Shipping, Delivering and Selling Expenses	5,672,745		5,742,258	
Selling Agents' Commission (Other than Sole Selling Agents)	5,000		83,170	
Sales Promotion Expenses	58,915		49,248	
		5,736,660		5,874,676
<b>Establishment Expenses</b>				
Rent	537,930		489,292	
Rates and Taxes	852,525		1,059,418	
Bank Charges	224,330		219,286	
Travelling and Conveyance Expenses	1,824,559		2,033,874	
Postage and Telephone	543,539		486,296	
Printing and Stationery	314,185		246,227	
Subscription	114,673		123,331	
Insurance	1,109,923		757,054	
Motor Vehicle Expense	531,490		489,168	
Directors' Sitting Fees	50,000		36,000	
Directors' Commission	300,000		300,000	
Research and Development Expenses	1,363,836		1,420,428	
Exchange Rate Fluctuations (Net)	-		653,293	
Legal and Professional Fee	1,545,318		1,213,261	
Internal Audit Fees	67,416		56,180	
Cost Audit Fees	25,000		20,000	
Obsolete and Discarded Assets Written Off	3,879,835		409,548	
Bad and Sundry Receivables Written off	2,070,145		26,932	
Provision for Diminution in Value of Investment	-		1,800,000	
Miscellaneous Expenses	2,007,217		2,219,641	
		17,361,921		14,059,229
<b>Payment to Auditors</b>				
Auditor	210,000		205,000	
For Other Services	121,750		136,500	
For Reimbursement of Expenses	77,987		42,530	
For Service Tax	40,041		41,851	
		449,778		425,881
		50,116,196		56,199,795

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

NOTE -26	2013 - 2014	2012 - 2013
<b>EARNING PER ORDINARY SHARE</b>		
<b>BASIC AND DILUTED</b>		
Number of Ordinary Shares at the beginning of the year	3,883,175	3,883,175
Number of Ordinary Shares at the end of the year	3,883,175	3,883,175
Weighted average number of Ordinary Shares outstanding during the year	A 3,883,175	3,883,175
Nominal value of each Ordinary Share (₹)	10	10
Profit after Tax (₹)	B 28,738,971	26,045,738
Earning Per Share (Basic and Diluted) (₹)	(B / A) 7.40	6.71



**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

<b>NOTE -27</b>		<b>2013 – 2014</b>	<b>2012 – 2013</b>
		₹	₹
27.01	Estimated amount of Contracts to be executed on Capital Account and not provided for:- [Net of advance ₹ 4,862,949/- (2013 ₹ 1,302,500/-)]	<b>19,515,639</b>	3,126,110
27.02	Claims against the Company not acknowledged as debts:- Sales Tax under dispute	<b>322,570</b>	322,570
	Demand in respect of earlier years made by Provident Fund Commissioner under appeal	<b>98,317</b>	98,317
27.03	Total Salaries, Wages and Bonus for the year.	<b>23,215,986</b>	22,644,293
27.04	Employee Benefits		

**Defined Benefit Plans**

The following table sets forth the particulars in respect of the Defined Benefit Plans of the Company for the year ended 31st March, 2014.

<b>Description</b>	<b>Gratuity (Funded)</b>		<b>Leave Encashment (Unfunded)</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	₹	₹	₹	₹
Reconciliation of Opening and Closing Balances of the Present Value of the Defined Benefit Obligation				
Present value of Obligation at the beginning of the year	<b>3,718,371</b>	3,179,618	<b>1,399,361</b>	1,080,271
Current Service Cost	<b>210,977</b>	181,923	<b>144,484</b>	202,525
Interest Cost	<b>297,470</b>	254,369	<b>95,992</b>	73,723
Actuarial (Gain) / Losses	<b>(136,746)</b>	102,461	<b>449,714</b>	360,311
Benefits Paid	<b>(11,538)</b>	-	<b>(540,098)</b>	(317,469)
Present value of Obligation at the end of the year	<b>4,078,534</b>	3,718,371	<b>1,549,453</b>	1,399,361

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**
**NOTE -27 (Contd.)**

<b>Description</b>	<b>Gratuity (Funded)</b>		<b>Leave Encashment (Unfunded)</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	₹	₹	₹	₹
Reconciliation of the Opening and Closing balances of the Fair Value of Plan Assets				
Fair Value of Plan Assets at the beginning of the year	<b>3,719,452</b>	2,461,950	-	-
Expected Return on Plan Assets	<b>325,073</b>	247,657	-	-
Contributions	-	1,009,845	-	-
Actuarial (Gain) / Losses	-	-	-	-
Benefits Paid	<b>(11,538)</b>	-	-	-
Fair Value of Plan Assets at the end of the year	<b>4,032,987</b>	3,719,452	-	-
Reconciliation of the Present Value of the Defined Benefit Obligation and fair value of Plan Assets				
Present value of Obligation at the end of the year	<b>4,078,534</b>	3,718,371	<b>1,549,453</b>	1,399,361
Fair Value of Plan Assets at the end of the year	<b>4,032,987</b>	3,719,452	-	-
Assets / (Liabilities) recognized in the Balance Sheet	<b>(45,547)</b>	1,081	<b>(1,549,453)</b>	(1,399,361)
Expenses recognized in the Statement of Profit and Loss				
Current Service Cost	<b>210,977</b>	181,923	<b>144,484</b>	202,525
Interest Cost	<b>297,470</b>	254,369	95,992	73,723
Expected return on Plan Assets	<b>(325,073)</b>	(247,657)	-	-
Actuarial (Gain) / Losses	<b>(136,746)</b>	102,461	<b>449,714</b>	360,311
Total Expense recognized	<b>46,628</b>	291,096	<b>690,190</b>	636,559

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**
**NOTE -27 (Contd.)**

Description	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2014	2013	2014	2013
	₹	₹	₹	₹
<b>Category of Plan Assets</b>				
Fund with LIC	4,032,987	3,719,452	-	-
Actual return on Plan Assets	325,073	247,657	-	-
Principal Actuarial Assumptions				
Discount Rate	8.00 %	8.00 %	8.50 %	8.00 %
Salary Escalation	6.00 %	6.00 %	6.00 %	5.00 %
Inflation Rate	-	-	6.00 %	5.00 %
Expected return on Assets	8.75%	10.06%	-	-

27.05 Information in accordance with the requirements of Accounting Standard 18 on Related Party Disclosures

**A) List of Related Parties**
**Enterprises having substantial interest in the Company :-**

Commercial House Private Limited

**Enterprises in which the Company is having substantial interest – Associate :-**

Gillanders Arbuthnot & Company Limited

**Enterprises over which key management personnel and relatives of such personnel are able to exercise significant influence\* :-**

G. Das & Company Private Limited

Albert David Limited

Bhaktwatsal Investments Limited

Vishnuhari Investments & Properties Limited

M. D. Kothari & Company Limited

Bharat Fritz Werner Limited

**Names of the Key Management Personnel of the Company :-**

Non Executive Directors \*

Mr. A. K. Kothari - Chairman

Mrs. P. D. Kothari (A relative of Mr. A. K. Kothari)

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**
**NOTE -27 (Contd.)**
**B. \*TRANSACTIONS WITH RELATED PARTIES DURING THE YEAR :-**

Nature of Transactions	Enterprises controlled by the Company		Enterprises having substantial interest in the Company		Enterprises in which the Company is having substantial interest - Associate		Enterprises over which key management personnel and relatives of such personnel are able to exercise significant influence		Key Management Personnel of the Company	
	2013-2014	2012-2013	2013-2014	2012-2013	2013-2014	2012-2013	2013-2014	2012-2013	2013-2014	2012-2013
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Rent & Electricity Paid	-	-	-	-	83,907	83,907	-	-	-	-
Loans Given (Unsecured)	-	-	-	-	30,000,000	-	-	-	-	-
Loans Recovered	-	-	-	-	30,000,000	-	-	-	-	-
Interest on Loans Given	-	-	-	-	271,233	-	-	-	-	-
Loans taken (Unsecured)	-	-	-	-	-	-	-	6,500,000	-	-
Repayment of loans (Unsecured)	-	-	-	-	-	-	-	11,775,000	11,000,000	-
Interest on Loans Taken	-	-	-	-	-	-	-	270,986	946,494	-
Dividend Received	-	-	-	-	11,012,156	2,763,039	-	316,508	316,508	-
Sale of investments	-	-	-	-	276,228	-	-	-	-	-
Acquisition of Investment	-	-	-	-	-	-	-	-	-	-
In Equity Shares	-	-	-	-	-	-	-	29,789,757	-	-
In Equity Shares DVR	-	-	-	-	-	-	-	210,180	-	-
Directors' sitting fees	-	-	-	-	-	-	-	-	11,000	13,000
Directors' Commission	-	-	-	-	-	-	-	-	100,000	100,000
Outstanding balances at the year end:	-	-	-	-	-	-	-	-	-	-
- Payables :- Unsecured	-	-	-	-	-	-	-	-	-	-
Loans - Bodies Corporate	-	-	-	-	-	-	-	-	-	-

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**
**NOTE -27 (Contd.)**

27.06 Information in accordance with the requirements of Accounting Standard 17 on Segment Reporting.

The Company has three primary business segments viz:

Bulk Drugs  
Chemicals  
Trading

Bulk Drugs

Comprises manufacture, Job Work and sale of Bulk Drugs and related products.

Chemicals

Comprises manufacture and sale of Formaldehyde, Hexamine and Phenolic Resin etc.

Trading

Comprises Purchases and Sales of Viscose Staple Fibre, Polyester and Staple Yarn etc.

Others represent all unallocable items not included in the segments

There are no intersegment transactions during the year.

Information about Business Segments

	2013 -2014 ₹	2012-2013 ₹
<b>Revenue External (Net Sales and other incomes)</b>		
Bulk Drugs	130,055,535	135,592,633
Chemicals	146,468,536	132,649,105
Trading	38,543,597	-
Others	18,260,421	11,429,607
<b>Total</b>	<b>333,328,089</b>	<b>279,671,345</b>
<b>Profit/ (Loss) before Tax</b>		
Bulk Drugs	36,943,333	33,053,519
Chemicals	(3,571,391)	(5,615,850)
Trading	119,339	-
Others	12,504,387	4,140,966
<b>Total</b>	<b>45,995,668</b>	<b>31,578,635</b>
<b>Depreciation and Amortisation</b>		
Bulk Drugs	7,356,529	7,212,787
Chemicals	3,487,374	3,887,390
Trading	-	-
Others	19,281	26,604
<b>Total</b>	<b>10,863,184</b>	<b>11,126,781</b>

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**
**NOTE -27 (Contd.)**

	2013 -2014 ₹	2012-2013 ₹
<b>Capital Expenditure</b>		
Bulk Drugs	12,060,778	6,032,550
Chemicals	139,972	795,751
Trading	-	-
Others	-	-
<b>Total</b>	<b>12,200,750</b>	<b>6,828,301</b>

**Assets**

Bulk Drugs	212,914,905	212,359,862
Chemicals	89,297,044	83,795,036
Trading	141,410	-
Others	118,843,604	102,856,599
<b>Total</b>	<b>421,196,963</b>	<b>399,011,497</b>

**Liabilities \***

Bulk Drugs	34,434,571	23,171,679
Chemicals	35,356,347	26,406,283
Trading	-	-
Others	14,017,417	31,697,636
<b>Total</b>	<b>83,808,335</b>	<b>81,275,598</b>

\* Excluding Shareholders' Funds

**Information about Secondary Segments**
**Segment Revenue (External) by Geographical Location of Customers**

Within India	183,125,103	130,978,100
Outside India	131,942,565	137,263,638
<b>Total</b>	<b>315,067,668</b>	<b>268,241,738</b>

**Segment Assets by Geographical Locations**

Within India	301,846,759	296,154,898
Outside India	506,600	-
<b>Total</b>	<b>302,353,359</b>	<b>296,154,898</b>

**Segment Capital Expenditure**

Within India	12,200,750	5,405,301
Outside India	-	1,423,000
<b>Total</b>	<b>12,200,750</b>	<b>6,828,301</b>

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**
**NOTE -27 (Contd.)**

	2013 – 2014	2012 – 2013
	₹	₹
27.07 Expenditure in foreign currency:		
Bank Commission	22,766	31,846
27.08 Value of imported and indigenous raw materials and spare parts and components consumed :		

	Raw Materials		Spare Parts and Components		2013 – 2014		2012 – 2013	
	₹	%	₹	%	₹	%	₹	%
Imported	4,165,504	2.44	1,328,152	0.80	–	–	–	–
Indigenous	166,520,025	97.56	164,926,612	99.20	2,860,083	100	3,044,518	100
	<b>170,685,529</b>	<b>100.00</b>	166,254,764	100.00	<b>2,860,083</b>	<b>100</b>	3,044,518	100

	2013-2014	2012-2013
	₹	₹
27.09 C. I. F. Value of Imports :		
Capital Goods	–	1,423,000
Raw Materials	–	3,218,950
27.10 Earnings in foreign exchange:		
Export of goods (calculated on F. O. B. basis)	128,829,362	134,641,322
27.11 Total consumption of Stores and Spares Parts (including other heads of accounts)	4,429,543	6,100,947
27.12 The previous year's figures have been regrouped / reclassified, wherever necessary to conform to the current year's presentation.		

Signature to Note '1' to '27'

 A.K.Basak  
 Partner  
 Membership Number-10240  
 For and on behalf of  
 Dutta, Ghosh & Associates  
 Chartered Accountants  
 Firm Registration No. 309088E

On behalf of the Board

 Kolkata,  
 27th May, 2014

 M. L. Daga  
 Secretary

 A. K. Kothari  
 Chairman

 P. D. Kothari  
 Director

**ELECTRONIC CLEARING SERVICES (ECS) MANDATE FORMAT**

 To  
 Share Department  
**KOTHARI PHYTOCHEMICALS & INDUSTRIES LIMITED**  
 C-4, Gillander House, 8 Netaji Subhas Road  
 Kolkata - 700 001

**FORM FOR ELECTRONIC CLEARING SERVICES FOR PAYMENT OF DIVIDEND**

 Dear Sirs,  
 (Please fill in the information in CAPITAL LETTERS in ENGLISH ONLY. Please TICK (✓) wherever applicable)

**For shares held in physical form :**

Master Folio No.

 For Office Use only  
 ECS Ref. No. :

**For shares held in electronic form :**

 DPID                

 Client ID                

Name of Sole/First Holder	
Name of Bank	
Branch Name	
Branch Code	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

(9 Digits Code Number appearing on the MICR Band of the cheque supplied by the Bank)  
**Please attach a xerox copy of a cheque or a blank cheque of your bank account duly cancelled for ensuring accuracy of the bank's name, branch and code number.**

 Account type (✓)  Savings  Current  Cash Credit

Ledger No./Ledger Folio No.

Bank A/c No. (as appearing in the cheque book)

Effective date of this mandate

 I hereby declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incompleteness or incorrectness of information supplied as above, Kothari Phytochemicals & Industries Limited, will not be held responsible.  
 I hereby agree to avail the ECS facility provided by RBI.  
 I further undertake to inform the Company any change in my Bank/Branch and account number, if any.

 \_\_\_\_\_  
 (Signature of Sole / First Holder)

Place : .....

Date : .....

 \_\_\_\_\_  
 (Name of Sole / First Holder)

