



SMARTCHEM TECHNOLOGIES LIMITED

26th Annual Report

2012-13

Board of Directors

Shri S. C. Mehta

Dr. T. K. Chatterjee

Shri S. R. Wadhwa

Shri R. Sriraman

Shri M. P. Shinde (w.e.f. 4th April, 2013)

Registered Office & Plant

Village Ponnada,

Etcherla Mandalam,

Srikakulam,

Andhra Pradesh – 532 408.

Tel : 08942 – 271391, 270726

Fax: 08942 - 271392.

Manager

Shri Bhaskar Pai

Bhagwati Division

Village Khattalwada,

Sanjan (Western Railway),

Taluka Umbergaon,

Dist. Valsad, Gujarat – 396 120.

Company Secretary

Shri Siddharth Vaidya

Bankers

State Bank of India

Axis Bank Limited

Corporate Office

Deepak Complex,

Opp. Golf Course,

Shastri Nagar, Yerawada,

Pune – 411 006.

Tel : 020 - 6645 8000

Fax : 020 - 2668 3722

Auditors

Deloitte Haskins & Sells

NOTICE

NOTICE is hereby given that Twenty Sixth Annual General Meeting of the members of SMARTCHEM TECHNOLOGIES LIMITED will be held on Tuesday, 25th June, 2013 at 11.00 a. m. at the Registered Office of the Company at Village – Ponnada, via Bonthalakoduru, Srikakulam, Andhra Pradesh 532 408 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2013 and the Statement of Profit and Loss for the financial year ended on that date together with the Directors' Report and the Auditors' Report thereon.
2. To declare a dividend on Equity Shares for the financial year ended 31st March, 2013.
3. To appoint a Director in place of Shri. S. R. Wadhwa, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

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

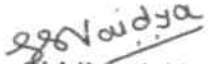
"RESOLVED THAT Shri. M. P. Shinde, who was appointed as an Additional Director of the Company by the Board of Directors and who holds office upto the date of the Annual General Meeting under section 260 of the Companies Act, 1956 and in respect of whom the Company has, under section 257 of the said Act, received notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 385, 387 read with Schedule XIII and all other applicable provisions, if any, of the Companies act, 1956 (including any statutory modifications or re – enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the appointment of Shri Bhaskar S. Pai as Manager of the Company for the period of one year with effect from 23rd March, 2013 on the terms and conditions including remuneration as set out in the Explanatory Statement annexed herewith.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to alter or vary the terms and conditions of the appointment including remuneration, subject to the same not exceeding the limits specified in Schedule XIII to the Companies Act, 1956 or any statutory modifications or re – enactment thereof for the time being in force and also to do such acts, deeds, matters and things as may be necessary, desirable or expedient to give effect to this resolution."

By the order of the Board of Directors,


Siddharth Vaidya
Company Secretary

Place: Mumbai
Date: 30th May, 2013

Registered Office:
Village – Ponnada, Via Bonthalakoduru
Srikakulam
Andhra Pradesh – 532 408

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, SHOULD BE COMPLETED, STAMPED AND SIGNED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. An Explanatory Statement pursuant to section 173 (2) of the Companies Act, 1956 in respect of Special Business as set out above is annexed hereto.
3. The dividend, if declared, will be paid to those members whose names appear on the register of members as on 25th June, 2013 being the Record Date to determine entitlement of members to attend and vote at the AGM and for payment of dividend, if any.
4. Members are requested to intimate the Company change in their address, if any, with Pin Code number, quoting Registered Folio Number.

Annexure to the Notice

Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956

Item No. 5

Shri M. P. Shinde was appointed by the Board of Directors as an Additional Director of the Company at its meeting held on 4th April, 2013. In terms of the provisions of Section 260 of the Companies Act, 1956, Shri M. P. Shinde holds office upto the date of ensuing Annual General Meeting of the Company. Notice under section 257 of the Companies Act, 1956 has been received from a member of the Company proposing Shri Madhumilan Shinde as a candidate for the office of Director, liable to retire by rotation.

Shri M. P. Shinde has done M. Sc. (Physics) and completed Post Graduate Diploma in Industrial Safety and Post Graduate Diploma in Ecology & Environment. He has a rich experience of over 30 years.

The Board of Directors is of the view that the services of Shri M. P. Shinde will be of immense value to the Company. Your Directors, therefore, recommend his appointment as a Director of the Company.

None of the Directors of the Company except Shri M. P. Shinde is concerned or interested in the resolution.

Item No. 6

The Board of Directors, at its meeting held on 4th April, 2013, re-appointed Shri Bhaskar S. Pai as the Manager of the Company for the period of one year with effect from 23rd March, 2013, subject to the approval of the members. The terms and conditions of the appointment of Shri Bhaskar S. Pai are as under:

Tenure of Office: One year with effect from 23rd March 2013.

Basic Salary:	Rs. 96,100/- per month
House Rent Allowance:	Rs. 64,500/- per month
Special Allowance:	Rs. 9,167/- per month
Ex-gratia:	Rs. 9,610/- per month

Perquisite:	
Medical Allowance:	Rs. 15,000/- per annum
Leave Travel Allowance:	Rs. 3,000/- per annum
Child Education Allowance:	Rs. 2,400/- per annum

Other benefits:

- Car with driver's salary and maintenance expenses as per the Company policy;
- Medical benefits, Leaves, Provident Fund, Gratuity and such other benefits as per Company rules;
- Performance Award as per the Company Policy;
- Coverage for medical insurance, critical illness, life insurance, Personal Accident coverage as per the Company Policy.

Other terms and Conditions:

1. During the period of employment of Shri Bhaskar Pai with the Company or at any time thereafter except in the course of performance of his duties in the Company's services, he shall not use, divulge or disclose any information to any person / association / agency / company / authority any of the secrets concerning affairs of the Company and / or the business of the Company which he may have access to by the reason of or during the course of his employment with the Company.
2. His appointment including remuneration has been made in compliance with the provisions of the Companies Act, 1956 and Schedule XIII to the Act.
3. He will abide by the rules and regulations of the Company in force from time to time.

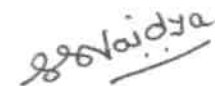
Shri Bhaskar S. Pai satisfies all the conditions set out in Part I of Schedule XIII to the Companies Act, 1956 for being eligible for the appointment.

The Board commends the resolution for approval by the members as an Ordinary Resolution.

None of the Directors of the Company is concerned or interested in the above resolution.

The above may also be treated as an abstract as required under Section 302 of the Companies Act, 1956

By the order of the Board of Directors,



Siddharth Vaidya
Company Secretary

Place: Mumbai
Date: 30th May, 2013

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the Twenty Sixth Annual Report together with the Audited Accounts of the Company for the Financial Year ended 31st March, 2013.

FINANCIAL RESULTS

The summarised financial results are as under:

<u>Financial Year</u>	<u>2012-13</u>	<u>(Rupees in Lacs)</u>	
		<u>2012-13</u>	<u>2011-12</u>
Income (Gross)	6,396.02		7,698.63
Profit Before Tax (PBT)	7.22		948.93
Less:			
a) Provision for Income Tax	7.00		333.00
b) Provision for Deferred Tax	(5.21)		(45.39)
c) Provision for Fringe Benefit Tax	-		-
Profit After Tax (PAT)	5.43		661.32
Add: Balance brought forward	1,005.94	1,385.64	
Less: Transfer to Capital Redemption Reserve	-	1,005.94	510.00
			875.64
Profit available for appropriation	1,011.37		1,536.96
Appropriations:			
- Transfer to General Reserve	0.54		66.13
- Proposed Dividend on Pref. Shares	-		-
- Proposed Dividend on Equity Shares	100.00		400.00
- Corporate Dividend Tax	16.99		64.89
Surplus carried to Balance Sheet	893.84		1,005.94

DIVIDEND

Considering the performance of the Company, your Directors recommend dividend @100% i.e. Rs.10/- per equity share on 10,00,000 Equity Shares of Rs. 10/- each for the year ended 31st March, 2013 to be paid partly from the profit of the current financial year and partly from the accumulated profits earned in previous years by the Company. The proposed Equity Dividend (including Corporate Dividend Tax) will absorb Rs. 116.99 Lacs (including Corporate Dividend Tax of Rs. 16.99 Lacs).

OPERATIONS AND FUTURE OUTLOOK

During the year under review, your Company has achieved Gross Sales of Rs. 6,289.29 Lacs as against Rs. 7,633.61 Lacs for the previous year. Total production of Ammonium Nitrate during the year under review decreased to 20,389 MT as compared to 30,655 MT in the previous year. Similarly, the total production of Weak Nitric Acid (on 60% basis) decreased to 33,261.93 MT as compared to 43,783 MT in the previous year. At Srikakulam Plant, capacity utilisation of Ammonium Nitrate was 63% and that of Weak Nitric Acid at 62%.

During the year under review, import prices of Ammonia went up from 503 USD in April, 2012 to 765 USD in November, 2012 and subsequently came down to 618 USD in March, 2013. However, with innovative sourcing from dealers in Western India and a manufacturer from Eastern India developing a fleet of committed road transporters, the Company could capitalize on comparative lower Ammonia prices prevailing in various parts of the country thereby minimise the impact of increase in import prices.

Your Company has completed the erection of dedicated feeder. New Dedicated Feeder line was charged in April, 2012 and its performance is being observed. For power purchases, ABT Meters were procured, tested and calibrated at ETDC, Hyderabad and due for erection. Your Company has completed all the formalities regarding power purchase from Energy Exchange through Tata Power.

Your Company continues to strive for growth by improving operational efficiencies.

DIRECTORS

Shri V. Kishore Kumar has resigned as a Director of the Company with effect from 4th April, 2013. Consequent upon his resignation, he also ceased to be an Occupier of the Company. The Board wishes to place on record its deep appreciation for the services rendered by him during his association with the Company.

Shri M. P. Shinde was appointed as an Additional Director of the Company w.e.f. 4th April, 2013. He holds office upto the date of ensuing Annual General Meeting and is eligible for appointment as a Director of the Company.

Shri. S. R. Wadhwa retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

MANAGER

The Board has re-appointed Shri Bhaskar S. Pai as Manager of the Company under the provisions of the Companies Act, 1956 for a period of one year with effect from 23rd March, 2013, subject to approval of the Members at the ensuing Annual General Meeting.

AUDIT COMMITTEE

The Audit Committee was constituted on 31st March, 2001. During the year under review, five Audit Committee meetings were held on 17th May, 2012, 19th June, 2012, 25th July, 2012, 30th October, 2012 and 22nd January, 2013.

As on date, the Audit Committee consists of the following Directors:

1. Dr. T. K. Chatterjee
2. Shri S. R. Wadhwa
3. Shri R. Sriraman

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of sub-section (2AA) of Section 217 of the Companies Act, 1956, your Directors confirm that:

- i) in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- ii) the accounting policies selected had been applied consistently and judgements and estimates made were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year as on 31st March, 2013 and of the Profit of the Company for the year ended on that date;
- iii) proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) the annual accounts had been prepared on a 'going concern' basis.

AUDITORS

M/s. Deloitte Haskins and Sells, Chartered Accountants, Pune, the Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting. The Company has received a letter from them to the effect that their re-appointment, if made, by the Company for the year 2013-14 will be within the limit prescribed under Section 224 (1B) of the Companies Act, 1956. The Board of Directors recommends their re-appointment.

COMPLIANCE CERTIFICATE

Pursuant to the proviso to sub-section (1) of Section 383A of the Companies Act, 1956, compliance certificate obtained from a secretary in whole-time practice has been enclosed with the report and forms part of the report.

PERSONNEL

During the year under review, there were no employees who were covered under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended.

INDUSTRIAL RELATIONS

Industrial Relations remained cordial during the year under report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As required by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the relevant data pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo are given in the Annexure forming part of this Report.

ACKNOWLEDGEMENT

Your Directors wish to place on record their sincere appreciation to its bankers for their continued support during the year.

Your Directors are also pleased to record their appreciation for the dedication and contribution made by the employees at all levels who through their competence and hard work have enabled your Company to achieve good performance in the emerging competitive environment and look forward to their support in future as well.

For and on behalf of the Board,

Place: Mumbai
Date: 30th May, 2013


S. C. MEHTA
CHAIRMAN


ANNEXURE TO DIRECTORS' REPORT

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

SECTION 217(1)(e) OF THE COMPANIES ACT, 1956

The Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

A. CONSERVATION OF ENERGY

(a) Energy conservation measures taken

No new measures taken for conservation of energy in the year 2012-13.

(b) Additional Investments and proposals, if any, being implemented for reduction of consumption of energy

- i) Proposed to install the Automatic Power Factor Controllers for the improvement in the Power factor from 0.95 to 0.99 for reducing the power consumption.
- ii) Proposed to replace about 30 no. of 250 W rating street lights and plant lights with 90 W rating LED lights for reducing the Power consumption.
- iii) Proposed to replace low energy efficient motors with Premium rating motors for reducing the power consumption.
- iv) Insulation for the steam lines and condensate lines will be improved to reduce the steam loses and there by utilizing the surplus steam for the evaporation of Vapor Process Condensate from AN plant to produce AN lumps.

(c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods

- a) There is no impact on the cost of production of goods in the year 2012-13 as there are no new measures taken for conservation of energy in this year.
- b)
 - i) After the increase of Power factor from 0.95 to 0.99 with the installation of Automatic Power Factor Controllers with about Rs. 10 Lacs, the cost of power bills will be reduced and there will be a net savings by an amount of about Rs. 7.0 Lacs in 2013-14.
 - ii) With the installation of 30 no. of LED lights with an investment of about Rs. 3.0 Lacs, the total savings in power consumption will be an amount of Rs. Rs. 1.25 Lacs in 2013-14.
 - iii) After the replacement of Low energy efficient motors with an investment of about Rs. 5.0 Lacs, the net savings in Power consumption is expected by an amount of Rs. 2.5 Lacs in 2013-14.

- iv) After the completion of hot insulation, the net steam increase is expected to about 1.0 MT/hr and by using this surplus steam, the additional recovery of AN lumps will be about 2.0 MT/month which is equivalent to about Rs. 6.0 Lacs in 2013-14.

(d) Total energy consumption and energy consumption per unit of production as per Form A in respect of industries specified in the Schedule

FORM A

Disclosure of particulars with respect to Conservation of Energy

Power & Fuel Consumption	Units	Current Year 2012-13	Previous Year 2011-12
1. Electricity			
a) Purchased units			
From APEPDCL	'000 KWH	5,835.187	11,097.35
Total Amount	Rs. in Lacs	346.079	517.80
Rate per unit	(Rs. / KWH)	5.93	4.67
From TPTCL	'000 KWH	2,523.560	---
Total Amount	Rs. in Lacs	203.928	---
Rate per unit	(Rs. / KWH)	8.08	---
b) Own Generation from Diesel Generator sets.	KWH	23,351	---
2. Furnace Oil			
Quantity	KL	56.36	47.72
Total Amount	Rs. in Lacs	33.42	23.61
Average Rate	(Rs. / KL)	59,297	49,476
3. Light Diesel Oil			
Quantity	KL	NA	NA
Total Amount	Rs. in Lacs	NA	NA
Average Rate	(Rs. / KL)	NA	NA
4. High Speed Diesel Oil			
Quantity	KL	29.60	28.60
Total Amount	Rs. in Lacs	14.55	12.87
Average Rate	(Rs. / KL)	49,140	45,000

Consumption per unit of production

	Units	Current Year 2012-13	Previous Year 2011-12
1. Ammonium Nitrate			
Electricity	KWH / MT	145	125
Light Diesel Oil	KL / MT	NA	NA
Furnace Oil	KL / MT	1.380	0.778
2. Weak Nitric Acid			
Electricity	KWH / MT	275	277
Furnace Oil	KL / MT	0.847	0.540

B. TECHNOLOGY ABSORPTION

FORM B

Disclosure of particulars with respect to Absorption

RESEARCH AND DEVELOPMENT (R&D)

(A) Specific areas in which R&D carried out by the Company	Nil
(B) Benefits derived as a result of the above R&D	Nil
(C) Future plan of action	Nil
(D) Expenditure on R&D	
- Capital	Nil
- Recurring	Nil
- Total	Nil
- Total R&D Expenditure as a percentage of Total Turnover	Nil

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- (i) Efforts, in brief, made towards Technology Absorption, Adaptation and Innovation

NIL

- (ii) Benefits derived as a result of above efforts e.g. product improvement, cost reduction, product development, import substitution etc.

NIL

- (iii) In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished

NIL

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- (a) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export plans:

NIL

- (b) Total foreign exchange used and earned:

The foreign exchange earnings of the Company were NIL during the year. Particulars with regard to foreign exchange expended are set out in Note no. 26 to the accounts.

For and on behalf of the Board,

Place: Mumbai
Date: 30th May, 2013


S. C. MEHTA
CHAIRMAN


Sridhar G. Mudaliar
M.Com. LL.B. F.C.S.

Company Secretary

22-A, Hanuman Nagar,
Off: Senapati Bapat Road,
Model Colony, Pune 411 016
Tel: 25655319

COMPLIANCE CERTIFICATE

[SEE RULE 3]

To,
The Members
U67120AP1987PLC039114
Andhra Pradesh

CIN : U67120AP1987PLC039114
Nominal Capital : Rs. 250,000,000/-
Paid Up Capital : Rs. 10,000,000/-

I have examined the registers, records, books and papers of **Smartchem Technologies Limited** (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31st March, 2013** (financial year). In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed



under the Act and the rules made there under except Form 23 relating to the remuneration of Manager of the Company.

3. The Company, being a Public Limited Company, comments is not required.
4. The Board of Directors duly met 4 (Four) times on 17.05.2012, 25.07.2012, 30.10.2012, and 22.01.2013 and in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose. No circular resolution was passed in the financial year.
5. The Company was not required to close its register of Members or debenture holders during the financial year.
6. The Annual General Meeting for the financial year ended on March 31, 2012 was held on 27th June, 2012 after giving due notice to the member of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. One Extra Ordinary General Meeting was held on 10th December, 2012 after giving due notice to the members of the Company and resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act, in respect of contracts specified in that section.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.



11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government, as the case may be.
12. The Company has not issued any duplicate certificates during the financial year.
13. The Company:
 - (i) has not allotted / transferred / transmitted any securities during the financial year.
 - (ii) has declared dividend and issued cheques on 28th June 2012 and no separate bank account was opened.
 - (iii) has paid the amount of dividend by issuing cheques and the same was cleared on 29th June 2012 within thirty days of declaration of dividend.
 - (iv) was not required to transfer any amount to the Investor Education and Protection Fund as there was no amount due for transfer to the above said account relating to unpaid dividend, application money due for refund, matured deposits, matured debentures and interest accrued thereon as remain unpaid or unclaimed for a period of Seven years.
 - (v) has duly complied with the requirements of section 217 of the Act.
14. The Board of directors of the Company is duly constituted. There was no appointment of alternate directors and directors to fill casual vacancies during the financial year.
15. The Company has appointed manager after complying with the provisions of the Act, during the financial year.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies and / or such authorities prescribed under the various provisions of the Act.

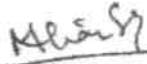


18. The Directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, right shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The Company has not made any borrowings during the financial year ended 31st March 2013.
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the memorandum with respect to situation of the Company's registered office from one state to another during the financial year under review.
27. The Company has not altered the provisions of the memorandum with respect to the objects of the Company during the financial year under review.



28. The Company has not altered the provisions of the memorandum with respect to name of the Company during the financial year under review.
29. The Company has not altered the provisions of the memorandum with respect to share capital of the Company during the financial year under review.
30. The Company has not altered its articles of association during the financial year under review.
31. As informed to me there were no prosecution initiated against or show cause notices received by the Company, during the financial year, for offences under the Act.
32. The Company has not received any security from its employees during the financial year under review.
33. The Company has not deducted any contribution towards Provident Fund, as it does not have any scheme of provident fund, pursuant to section 418 of the Companies Act 1956.

Place: Pune
Date: 30.05.2013

Signature : 
Name of the Company Secretary: Sridhar G. Mudaliar
C.P. No. : 2664

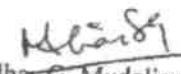


ANNEXURE-A

Registers as maintained by the Smartchem Technologies Limited

Sr. No.	Register	Related Section
1.	Register of Members	150
2.	Books of Accounts ¹	209
3.	Register of Contracts	301
4.	Register of directors, managing director, manager and secretary	303
5.	Minutes of Board of Meeting & General Meetings	193
6.	Register of Charges	125

Place: Pune
Date: 30.05.2013

Signature : 
Name of the Company Secretary: Sridhar G. Mudaliar
C.P. No. : 2664



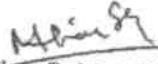
¹ As regards compliance of section 209, I have relied on the report of Statutory Auditors of the Company. The said compliance is subject to comments mentioned in said Audit report & annexure there

ANNEXURE-B

Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended 31st March 2013.

Sr. No	Form No. / Return	Filed under Section/ Rule	Date of event	Date of filing	Whether filed within prescribed time Yes/No	If delay in filing whether requisite additional fee paid Yes/No
1.	32	303	23.03.2013	12.04.2012	Yes	NA
2.	25C	269	23.03.2013	10.05.2012	Yes	NA
3.	20B	159	27.06.2012	21.08.2012	Yes	NA
4.	23AC -XBRL &ACA-XBRL	220	31.03.2012	09.01.2013	Yes	NA
6.	Form A-XBRL	209(1)(d)	31.03.2012	13.02.2013	Yes	NA
5	32	303	13.02.2013	05.03.2013	Yes	NA

Place: Pune
Date: 30.05.2013

Signature : 
Name of the Company Secretary: Sridhar G. Mudaliar
C.P. No. : 2664



Deloitte Haskins & Sells

Chartered Accountants
706, 'B' Wing, 7th Floor
ICC Trade Tower
International Convention Centre
Senapati Bapat Road
Pune - 411 016
Maharashtra, INDIA

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SMARTCHEM TECHNOLOGIES LIMITED

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Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Deloitte Haskins & Sells

Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the Profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm Registration No. 117366W)


Hemant M. Joshi
(Partner
(Membership No. 38019)

PUNE, 30th May, 2013

Deloitte Haskins & Sells

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT (REFERRED TO IN PARAGRAPH 1 UNDER "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" SECTION OF OUR REPORT OF EVEN DATE)

- (i) Having regard to the nature of the Company's activities, clauses (vi), (xi), (xii), (xiii), (xiv), (xv), (xvi) (xviii), (xix) and (xx) of CARO are not applicable.
- (ii) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) In respect of its inventory:
 - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
- (v) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and for the sale of goods. The activities of the Company during the year did not involve sale of services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (vi) In respect of contracts or arrangements entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:

Deloitte Haskins & Sells

- (a) The particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 that needed to be entered in the register maintained under the said section have been so entered.
- (b) Where each of such transactions is in excess of Rupees Five lakhs in respect of any party, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time except in respect of certain purchase for which comparable quotations are not available and in respect of which we are unable to comment.
- (vii) In our opinion, the internal audit function carried out during the year by a firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.
- (viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that *prima facie* the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (ix) According to the information and explanations given to us in respect of statutory dues:
- (a) According to the records of the company, apart from certain instances of delays in depositing undisputed Income Tax, the Company has been regular in depositing undisputed dues, including Provident Fund, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
- As explained to us, the Company was not required to deposit any amounts with the Investor Education and Protection Fund and the provisions of the Employees State Insurance Act, 1948 are not applicable to the Company for the year ended 31st March 2013.
- (b) There were no undisputed amounts payable in respect of Income-tax, Sales tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2013 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax and Excise Duty which have not been deposited as on 31st March, 2013 on account of disputes are given below:

Name of Statute	Nature of the dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (Rs.)
Central Excise Act, 1944	Excise Demand	Central Excise and Service Tax Appellate Tribunal (CESTAT)	F.Y. 2002-03	1,377,723
Central Excise Act, 1944	Credit of Counter Vailing duty	Commissioner of Central Excise, Visakhapatnam	F.Y. 2006-07	405,825
Income Tax Act, 1961	Corporate tax	Income tax Appellate Tribunal	F.Y.2001-02	890,752
Income Tax Act, 1961	Fringe Benefit Tax	Assistant Commissioner of Income Tax	F.Y.2006-07	28,630

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- (x) The Company does not have any accumulated losses as at 31st March, 2013. The Company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have *prima-facie*, not been used during the year for long- term investment.
- (xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No. 117366W)


Hemant M. Foshi
Partner
(Membership No. 38019)

PUNE, 30th May , 2013

Balance Sheet as at

Particulars	Notes No.	31 March 2013 Rupees	31 March 2012 Rupees
I EQUITY AND LIABILITY			
(1) SHAREHOLDERS' FUNDS			
(a) Share Capital	2	10,000,000	10,000,000
(b) Reserves and Surplus	3	358,105,461	381,123,187
		368,105,461	391,123,187
(2) Non Current Liabilities			
(a) Deferred Tax Liabilities (Net)	4	27,613,364	28,134,226
(b) Long Term Provisions	5	7,960,423	6,664,300
		35,573,787	34,798,526
(3) Current liabilities			
(a) Trade payables	7	68,789,923	17,760,297
(b) Other current liabilities	6	6,755,087	10,566,723
(c) Short term provisions	5	15,297,712	48,860,158
		90,842,722	77,187,178
	TOTAL	494,521,970	503,108,891
II ASSETS			
(1) Non Current Assets			
(a) Fixed Assets	8		
(i) Tangible Assets		223,907,581	239,208,310
(ii) Intangible Assets		996,264	1,495,764
(iii) Capital work-in-progress		41,193	5,139,051
		224,945,038	245,843,125
(b) Non Current Investments	9	367,770	367,770
(c) Long Term loans and advances	10	13,917,897	18,412,939
(d) Other Non Current Assets	11	4,819,434	4,825,043
		19,105,101	23,605,752
(2) Current Assets			
(a) Current Investments	12	45,000,000	10,000,000
(b) Inventories	13	65,481,086	48,613,842
(c) Trade Receivables	14	93,460,660	62,366,858
(d) Cash and cash equivalents	15	17,466,581	97,337,189
(e) Short Term Loans and advances	10	27,943,146	14,461,865
(f) Other Current Assets	11	1,120,358	880,260
		250,471,831	233,660,014
	TOTAL	494,521,970	503,108,891
See accompanying notes to the financial statements	1		

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

For and on behalf of Board of Directors

Hemant M. Joshi
Partner

S. C. Mehta
Director

R. Sriraman
Director

Siddharth Vaidya
Company Secretary

Pune
Date: 30.05.2013

Mumbai
Date: 30.05.2013

(Handwritten initials)

Statement of Profit and Loss for the year ended

Particulars	Note No	31 March 2013	31 March 2012
		Rupees	Rupees
I Revenue from operations	16	559,847,812	691,763,711
II Other Income	17	10,673,177	6,502,011
III Total Revenue (I + II)		570,520,989	698,265,722
IV Expenses :			
Cost of Materials consumed	18	420,910,302	460,297,289
Changes in inventories of finished goods	19	(1,795,260)	827,990
Employee benefit expense	20	34,957,488	33,814,886
Finance cost	21	179,672	78,099
Depreciation and amortization expense	8	16,471,303	19,372,697
Other expenses	22	99,075,643	88,981,606
Total expenses		569,799,149	603,372,567
V Profit before tax (III- IV)		721,840	94,893,155
VI Tax expense:			
(1) Current tax		700,000	33,300,000
(2) Deferred tax		(520,862)	(4,539,036)
		179,138	28,760,964
VII Profit after tax		542,702	66,132,191
VIII Earnings per equity share (Refer Note 24):			
(1) Basic		0.54	66.13
(2) Diluted		0.54	66.13
See accompanying notes forming part of the financial statements	1		

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

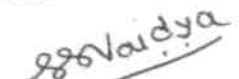
Hemant M. Joshi
Partner

Pune
Date : 30.05.2013

For and on behalf of the Board of Directors


S. C. Mehta
Director


R. Srirama
Director


Siddharth Vaidya
Company Secretary

Mumbai
Date : 30.05.2013



Statement of Cash Flows for the year ended

Particulars	31st March, 2013		31st March, 2012	
	Rupees	Rupees	Rupees	Rupees
A. Cash flow from operating activities				
Profit before tax				
Depreciation and amortisation		721,840		94,893,155
(Profit) / loss on sale of fixed assets		16,471,303		19,372,697
Finance costs		53,771		(4,121)
Interest income		179,672		78,099
Dividend income		(1,407,084)		(1,025,741)
Wealth Tax provision		(3,938,916)		(4,912,949)
Net gain on sale of investments		151,000		112,000
Provision for doubtful Debts		(994,975)		(66,078)
Liabilities / provisions no longer required written back		20,395		129,261
		(1,775,937)		(53,384)
Operating profit before working capital changes		9,481,059		108,522,939
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories		(16,867,244)		(2,483,999)
Trade receivables		(31,114,196)		33,915,158
Short-term loans and advances		(827,451)		2,543,563
Long-term loans and advances		495,852		(670,016)
Other current assets		-		872,331
Other non-current assets		5,609		-
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables		52,805,563		(11,442,158)
Other current liabilities		(3,811,636)		(3,599,108)
Short-term provisions		194,440		(435,729)
Long-term provisions		1,296,123		1,335,275
Cash generated from operations		11,658,129		128,558,256
Net Direct Taxes paid		(6,477,281)		(38,390,424)
Net cash flow from operating activities (A)		5,180,848		90,167,832
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances		(3,488,726)		(9,020,317)
Proceeds from sale of fixed assets		1		4,762
Current investments not considered as Cash and cash equivalents				
- Purchase	(469,259,438)		(723,949,979)	
- Proceeds from sale	429,259,438	(40,000,000)	830,606,831	106,656,852
Interest received		1,166,986		145,481
Dividend received		3,938,916		351,584
Net cash flow (used in)/from investing activities (B)		(38,382,823)		98,138,362
C. Cash flow from financing activities				
Redemption of preference shares			(60,000,000)	
Finance cost		(179,672)		(78,099)
Dividend paid		(39,999,960)		(30,000,000)
Dividend Distribution Tax Paid		(6,489,000)		(4,866,750)
Net cash flow used in financing activities (C)		(46,668,632)		(94,944,849)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		(79,870,608)		93,361,345
Cash and cash equivalents at the beginning of the year		96,831,189		3,469,844
Cash and cash equivalents at the end of the year		16,960,581		96,831,189
		(79,870,608)		93,361,345
Cash and cash equivalents comprises of :				
		As at	As at	As at
		31 March 2013	31 March 2012	31 March 2011
		Rupees	Rupees	Rupees
(a) Cash on hand		41,613	109,591	26,559
(b) Cheques, drafts on hand		-	43,422	686,849
(c) Balances with banks				
(i) In current accounts		11,599,664	4,156,529	2,284,019
(ii) In deposit accounts		5,319,304	92,521,647	472,417
Sub-total		16,960,581	96,831,189	3,469,844
Add: Deposits Under Lien		506,000	506,000	316,815
Cash and Cash Equivalents as per Note 15		17,466,581	97,337,189	3,786,659

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

Hemant M. Jadhav
Partner

Pune
Date : 30.05.2013

For and on behalf of the Board of Directors

S. C. Mehta
Director

R. Sriraman
Director

Siddharth Vaidya
Company Secretary

Mumbai
Date : 30.05.2013

Note 1:

BACKGROUND & SIGNIFICANT ACCOUNTING POLICIES

I) BACKGROUND

Smartchem Technologies Limited (the Company) is engaged in the business of manufacturing and trading of Ammonium Nitrate and Weak Nitric Acid. The Company has two Plants located at Srikakulam in the State of Andhra Pradesh and at Khattalwada in the state of Gujarat. Its corporate office is situated at Pune in the state of Maharashtra.

II) SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The accompanying financial statements have been prepared under the historical cost convention, on the accrual basis of accounting and in accordance with the Accounting Standards specified by Section 211 (3C) of the Companies Act, 1956.

2. USE OF ESTIMATES

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires estimates and assumption to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual result could differ from those estimates and differences between actual results and estimates are recognized in the periods in which the results are known/materialise.

3. FIXED ASSETS

Fixed Assets are recorded at cost of acquisition or construction. All costs relating to the acquisition and installation of Fixed Assets are capitalized. They are stated at historical cost or other amounts substituted for historical cost, less accumulated depreciation, except leasehold land, which is carried at cost.

4. DEPRECIATION

Depreciation on fixed assets is provided for on straight-line basis in accordance with Section 205(2)(b) of the Companies Act, 1956 at the rates specified in Schedule XIV to the Act.

Depreciation on fixed assets purchased/sold during the year is provided for on pro-rata basis according to the period for which assets are put to use. Assets costing Rs.5,000/- or less are fully depreciated in the year of purchase.

The additional charge for depreciation on the increased value due to revaluation of assets is transferred from Revaluation Reserve to the Statement of Profit and Loss.

Intangible assets are amortised over a period of 4 years.



5. INVENTORIES

Inventories are valued at the lower of cost or net realisable value.

The cost of inventories comprises all costs of purchase (net of CENVAT), cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis for Raw material, Packing material and Stores and spares. Work – in – progress is valued at raw material cost. Finished goods are valued by the absorption costing method. Goods-in-transit is carried at cost.

6. INVESTMENTS

All current investments are valued at cost or market value whichever is lower.

Long term investments are valued at cost. Provision is made for other than temporary diminution, if any, in the value of investments.

7. EMPLOYEE BENEFITS

(i) Defined contribution plans

Provident Fund

The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). The contributions as specified under the law are paid and charged to the Statement of Profit & Loss of the year when the contribution to the fund is due.

(ii) Defined benefit plans

Leave Encashment

The Company provides for the encashment of leave subject to certain criteria. The employees are entitled to accumulate leave subject to certain limits, for future encashment or availment. The liability is provided based on the number of days of un-availed leave at each balance sheet date on the basis of an independent actuarial valuation.

Gratuity

The Company has an obligation towards Gratuity under the Payment of Gratuity Act, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation.

In respect of eligible employees who are covered by LIC's Superannuation scheme, contribution is made based on the annual demand from LIC.



8. FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction.

Foreign currency denominated assets and liabilities (monetary items) are translated into Indian Rupees at the exchange rates prevailing on the Balance Sheet date and the resulting gain/loss is recorded in the Statement of Profit and Loss.

Exchange differences arising on settlement of transactions and translation of monetary items are recognized as income or expense in the period in which they arise.

9. REVENUE RECOGNITION

Revenue from goods sold is recognised on delivery of goods, when significant risks and rewards have been transferred and no effective ownership control is retained. Gross sales are inclusive of excise duty recovered and are net of sales tax, commission and discounts. Excise duty paid in respect of sales made during the year is, in accordance with Accounting Standards Interpretation (ASI) 14 – "Disclosure of Revenue from Sales Transactions" issued by the Institute of Chartered Accountants of India (ICAI), presented as a deduction from sales.

Revenue for services rendered is recognised on the basis of services rendered and billed to client based on contractual obligation.

Revenue is recognised where it is earned and no significant uncertainty exists as to its realisation or collection.

10. INCOME TAX

Income taxes are accounted for in accordance with Accounting Standard 22 on "Accounting for Taxes on Income". Taxes comprise both current and deferred tax. Current tax is determined as the amount of tax payable in respect of taxable income for the year based on the provisions of the Income Tax Act, 1961.

The tax effect of timing differences that result between taxable income and accounting income originating in one period and are capable of reversal in one or more subsequent periods are recorded as deferred tax asset or deferred tax liability. They are measured using the substantively enacted tax rates and tax regulations. The carrying amount of deferred tax assets at each Balance Sheet date is reduced to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which the deferred tax assets can be realised.

Tax on distributed profits payable in accordance with the provisions of Section 115O of the Income Tax Act, 1961 is in accordance with the Guidance Note on Accounting for Corporate Dividend Tax regarded as a tax on distribution of profits and is not considered in determination of the profits for the year.



11. IMPAIRMENT OF ASSETS

At the end of each year, the company determines whether a provision should be made for impairment loss on fixed assets by considering the indications that an impairment loss may have occurred in accordance with Accounting Standard 28 on "Impairment of Assets". Where the recoverable amount of any fixed asset is lower than its carrying amount, a provision for impairment loss on fixed assets is made for the difference. Recoverable amount is the higher of an assets net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.

During the year under consideration, there was no indication, either internal or external as to the impairment of any of the assets.

12. EARNINGS PER SHARE

The Company reports basic and diluted Earnings Per Share (EPS) in accordance with Accounting Standard 20 on "Earnings Per Share". Basic EPS is computed by dividing the net profit or loss for the year by the weighted average number of Equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

13. CASH FLOW STATEMENT

The Cash Flow Statement is prepared by the indirect method set out in Accounting Standard 3 on "Cash Flow Statements" and presents the cash flows by operating, investing and financing activities of the company.

14. OPERATING LEASES

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as "Operating Leases" in accordance with Accounting Standard - 19 "Accounting for leases". Operating Lease payments are recognized as an expense in the Statement of Profit and Loss over the lease term on straight line basis.

15. CONTINGENT LIABILITIES

As per Accounting Standard 29, 'Provisions, Contingent Liabilities and Contingent Assets', the Company recognizes provisions only when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.



No provision is recognised for –

- (a) Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- (b) Any present obligation that arises from past events because –
 - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
 - A reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as Contingent Liabilities. These are assessed periodically and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is disclosed, except in the extremely rare circumstances where no reliable estimate can be made.

Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

16. BUSINESS SEGMENT

The Company has considered the business segment as the primary segment for disclosure. The Company is engaged in the business of manufacturing and trading of Ammonium Nitrate and Weak Nitric Acid. These in the context of Accounting Standard 17 on segment reporting are considered to constitute one single primary segment.



Note 2

Share Capital

Particulars	31st March 2013	31st March 2012
	Rupees	Rupees
Authorised		
7,000,000 (P.Y 7,000,000) Equity Shares of Rs. 10/- each	70,000,000	70,000,000
1,800,000 (P.Y. 1,800,000) 1% Cumulative Redeemable Preference shares of Rs. 100/- each	180,000,000	180,000,000
Issued, Subscribed & Paid up		
1,000,000 (P.Y 1,000,000) Equity Shares of Rs. 10/- each fully paid up	10,000,000	10,000,000
1% Cumulative Redeemable Preference shares Nil (P.Y Nil) of Rs. 100/- each (Refer Note 34)	-	-
Total	10,000,000	10,000,000

Note 2 A

Reconciliation of number of shares outstanding at the beginning and end of the reporting period

Equity Shares

Particulars	31st March 2013		31st March 2012	
	Number	Rupees	Number	Rupees
Shares outstanding at the beginning of the year	1,000,000	10,000,000	1,000,000	10,000,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	1,000,000	10,000,000	1,000,000	10,000,000

Out of above 999,994 Equity Shares (Previous Year 999,994) are held by Deepak Fertilisers and Petrochemicals Corporation Limited, the holding Company.

Preference Shares

Particulars	31st March 2013		31st March 2012	
	Number	Rupees	Number	Rupees
Shares outstanding at the beginning of the year	-	-	600,000	60,000,000
Shares Issued during the year	-	-	-	-
Shares redeemed during the year	-	-	600,000	60,000,000
Shares outstanding at the end of the year	-	-	-	-

The preference shares were held by Deepak Fertilisers and Petrochemicals Corporation Limited, the holding Company, amounting to Rs. 60,000,000/- and were redeemed during the year 2011-12 by creating Capital Redemption Reserve out of General reserve and Statement of Profit and Loss (Refer Note No. 34)

NOTE 2 B

Details of Shareholders holding more than 5% shares in the company

SR NO	Name of Shareholder	31st March 2013		31st March 2012	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	Equity Shares Deepak Fertilisers and Petrochemicals Corporation Limited	999,994	99.9999%	999,994	99.9999%
2	Preference Shares Deepak Fertilisers and Petrochemicals Corporation Limited	-	0.00%	-	0.00%



NOTE 3

Reserves & Surplus

Particulars	31st March 2013	31st March 2012
	Rupees	Rupees
a. Capital Redemption Reserve		
Opening Balance		
(+) Transfer from Statement of Profit and Loss	180,000,000	120,000,000
(+) Transfer from General Reserve	-	51,000,000
Closing Balance	-	9,000,000
	180,000,000	180,000,000
b. Revaluation Reserve		
Opening Balance		
(+) Addition during the year	93,334,038	105,072,611
(-) Utilised for set off against depreciation	-	-
Closing Balance	11,860,928	11,738,573
	81,473,110	93,334,038
c. General Reserve		
Opening Balance		
(+) Transfer from Statement of Profit and Loss	7,195,000	9,582,000
(-) Transfer to Capital Redemption Reserve	54,300	6,613,000
Closing Balance	-	9,000,000
	7,249,300	7,195,000
d. Surplus		
Opening balance		
(+) Net Profit/(Loss) For the year	100,594,149	138,563,958
(-) Proposed Dividend on Equity shares (Rs.10 per share, (P.Y Rs.40 per share))	542,702	66,132,191
(-) Tax on Proposed Dividend	10,000,000	40,000,000
(-) Transfer to Capital Redemption Reserve	1,699,500	6,489,000
(-) Transfer to General Reserve	-	51,000,000
Closing Balance	54,300	6,613,000
	89,383,051	100,594,149
Total	358,105,461	381,123,187

NOTE 4

Deferred Tax Liabilities (Net)

Particulars	31st March 2013	31st March 2012
	Rupees	Rupees
Difference between book and tax depreciation	30,477,804	30,951,012
Deferred Tax Liability	30,477,804	30,951,012
Expenditure allowable on payment basis.	2,857,508	2,557,207
Provision for Doubtful Debts	6,932	259,579
Deferred Tax Asset	2,864,440	2,816,786
Net Deferred Tax Liability	27,613,364	28,134,226

NOTE 5

Provisions

Particulars	Long Term Provisions		Short Term Provisions	
	31st March 2013	31st March 2012	31st March 2013	31st March 2012
	Rupees	Rupees	Rupees	Rupees
(a) Provision for employee benefits				
Provision for Bonus	-	-	1,090,323	1,003,224
Gratuity (unfunded) (Refer note 31)	6,038,903	5,056,595	266,026	172,367
Leave Encashment (unfunded)	1,921,520	1,607,705	174,766	161,084
	7,960,423	6,664,300	1,531,115	1,336,675
(b) Others				
Provision for Tax (Net of Advance Tax and TDS Rs.159,629,943/- (P.Y. Rs.102,161,517)	-	-	2,067,057	1,034,483
Provision for Dividend	-	-	10,000,040	40,000,000
Provision for Dividend Tax	-	-	1,699,500	6,489,000
	-	-	13,766,597	47,523,483
Total	7,960,423	6,664,300	15,297,712	48,860,158



NOTE 6

Other Current Liabilities

Particulars	Other Current Liabilities	
	31st March 2013	31st March 2012
	Rupees	Rupees
Other Liabilities :		
Advances from customers	1,070,598	7,347,709
Deposits and Earnest Money	1,502,303	928,743
Statutory Remittances	4,182,186	2,290,271
Total	6,755,087	10,566,723

Note 7

Trade Payables

Particulars	31 March 2013	31 March 2012
	Rupees	Rupees
Payable to Suppliers*	62,968,814	14,138,306
Provision for Expenses	5,821,110	3,621,991
Total	68,789,923	17,760,297

*(Refer Note No. 32 for details of MSMED Creditors)

NOTE 9

Non Current Investments

Particulars	31st March 2013	31 March 2012
	Rupees	Rupees
Investment in Equity Shares (Quoted) :-		
943 (P.Y 943) Equity shares of Punjab National Bank Limited of Rs. 10/- each fully paid up	367,770	367,770
	367,770	367,770
Market Value	676,980	872,275



Note 8

Fixed Assets

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	01 April 2012	Additions	Disposals	31 March 2013	01 April 2012	Depreciation/Amortisation charge for the year	Adjustment due to revaluations	On disposals	31 March 2013	31 March 2012
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
a										
Tangible Assets										
Land										
- Freehold	8,686,569	-	-	8,686,569	-	-	-	-	8,686,569	8,686,569
- Leasehold	314,912	-	-	314,912	-	-	-	-	314,912	314,912
Buildings	28,722,035	-	-	28,722,035	12,122,932	914,329	-	-	13,037,261	15,684,774
Plant and Equipment (Refer Note (i) below)	539,115,382	12,511,974	-	551,627,356	326,744,274	14,716,516	11,860,928	-	353,321,718	198,305,638
Furniture and Fixtures	349,864	45,000	-	394,864	314,060	59,178	-	-	373,238	21,626
Vehicles	882,515	-	(301,122)	581,393	543,763	65,664	-	(247,350)	362,077	219,316
Office equipment	2,383,794	28,800	-	2,412,594	1,521,732	216,116	-	-	1,737,848	674,746
Total	580,455,071	12,585,774	(301,122)	592,739,723	341,246,761	15,971,803	11,860,928	-247,350	368,832,142	239,208,310
b										
Intangible Assets										
Licenses and franchise	1,998,000	-	-	1,998,000	502,236	499,500	-	-	1,001,736	996,264
Total	1,998,000	-	-	1,998,000	502,236	499,500	-	-	1,001,736	1,495,764
Grand Total	582,453,071	12,585,774	(301,122)	594,737,723	341,748,997	16,471,303	11,860,928	-247,350	369,833,878	240,704,074
Previous Year	578,936,079	3,527,822	12,830	582,453,071	310,649,916	19,372,697	11,738,573	12,189	341,748,997	268,288,163
Capital Work In Progress	5,139,051	14,035,669	19,133,527	41,193	-	-	-	-	-	41,193
c										
Total	5,139,051	14,035,669	19,133,527	41,193	-	-	-	-	-	41,193
Grand Total	587,592,122	26,621,543	(181,992)	636,111,172	341,748,997	16,471,303	11,860,928	-247,350	369,833,878	240,704,074

Note (i) On 1st April 2001, the company revalued Plant and Machinery at its Srikakulam Plant based on valuation report of Anmol Sekhri and Associates, Chartered Engineers and Registered Valuers. The valuation was made on the basis of current replacement values of the Plant and Machinery. The gross block at 1st April 2001 has been increased by Rs.225,144,129/- by transferring a similar amount to Revaluation Reserve. Depreciation amounting to Rs.11,860,928/- for the year on the revalued amount has been charged to Statement of Profit and Loss and similar amount has been withdrawn from the Revaluation Reserve and credited to Statement of Profit and Loss.



NOTE 10
Loans and advances

Particulars	Long Term		Short Term	
	31st March 2013	31st March 2012	31st March 2013	31st March 2012
	Rupees	Rupees	Rupees	Rupees
Unsecured Considered good				
Capital Advances	474,180	4,473,370	-	-
Security Deposits	13,388,997	13,888,997	2,055,198	1,000,000
Advances to Employees	-	-	171,100	217,600
Advances to Suppliers	-	-	872,991	926,949
Mutual Fund Redemption Proceeds Receivable	-	-	5,994,975	-
Prepayments and Others	1,320	50,572	729,816	748,724
	13,864,497	18,412,939	9,824,080	2,893,273
Balances with Government Authorities				
Cervat credit receivable	-	-	3,925,958	3,793,664
Deposit with customs	-	-	1,531	1,531
Service tax credit receivable	53,401	-	323,092	563,767
	53,401	-	4,250,581	4,358,962
Advance Payment of Taxes (Net of provisions Rs.185,339,330/- [P.Y. Rs. 242,989,330/-])	-	-	13,868,485	7,209,630
Total	13,917,897	18,412,939	27,943,146	14,461,865

NOTE 11
Other Assets

Particulars	Non Current		Current	
	31st March 2013	31st March 2012	31st March 2013	31st March 2012
	Rupees	Rupees	Rupees	Rupees
Sales Tax paid under protest	4,819,434	4,825,043	-	-
Interest Accrued on Bank deposits	-	-	73,972	134,671
Interest Accrued Others	-	-	1,046,386	745,589
Total	4,819,434	4,825,043	1,120,358	880,260

NOTE 12
Current Investments

Particulars		31st March 2013	31 st March 2012
		Rupees	Rupees
Investment in Mutual Funds (Unquoted)			
1	JM High Liquidity Fund -- growth (626,056.47 Units of Rs.31.98/- each (PY Nil units))	20,000,000	-
2	Birla Sunlife Savings Fund - Growth (89,467.925 Units of Rs.223.54/- each (PY Nil Units))	20,000,000	-
3	Axis Equity Fund (Nil units (PY 500,000 of Rs. 10/- each))	-	5,000,000
4	HDFC Top 200 Fund (25,271.926 Units of Rs.210.49/- each (PY 25,271.926 units of Rs.197.85/- each))	5,000,000	5,000,000
Total		45,000,000	10,000,000

NOTE 13
Inventories (At lower of cost and Net Realisable Value)

Particulars	31st March 2013		31st March 2012	
	Rupees	Rupees	Rupees	Rupees
a. Raw Materials and components	9,952,923		10,376,722	
Goods-in transit	17,557,971		5,275,887	
Sub total		27,510,894		15,652,609
b. Work-in-progress - AN Melt		1,368,837		326,237
c. Finished goods		2,992,410		975,260
e. Stores and spares		33,608,945		31,689,736
Grand Total		65,481,086		48,613,842



NOTE 14

Trade Receivables

Particulars	31st March 2013	31st March 2012
	Rupees	Rupees
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	433,914	721,759
Unsecured, considered doubtful	20,395	800,058
Less: Provision for doubtful debts	454,309	1,521,817
	20,395	800,058
Other Trade Receivables	433,914	721,759
Unsecured, considered good		
	93,026,746	61,645,099
Total	93,460,660	62,366,858

NOTE 15

Cash and cash equivalents

Particulars	31st March 2013	31st March 2012
	Rupees	Rupees
a. Balances with banks*		
i) In current account	11,599,664	4,156,529
ii) In deposit account	5,825,304	93,027,647
b. Cheques, drafts on hand	-	43,422
c. Cash on hand	41,613	109,591
Total	17,466,581	97,337,189

* Balances with banks in deposit account includes margin monies amounting to Rs. 506,000/- (P.Y Rs. 506,000/-), out of which deposit of Rs.6,000/- (P.Y Rs.506,000) have an original maturity of more than 12 months.



NOTE 16

REVENUE FROM OPERATIONS

Particulars	31st March 2013	31st March 2012
	Rupees	Rupees
Sale of Finished Goods	628,928,967	763,360,844
Less: Excise duty	(69,081,155)	(71,597,133)
Total	559,847,812	691,763,711

NOTE 16A

DETAILS OF FINISHED GOODS SOLD

Particulars	31st March 2013	31st March 2012
	Rupees	Rupees
- Ammonium Nitrate	497,595,575	661,302,063
- Weak Nitric Acid	62,252,237	30,461,648
Total	559,847,812	691,763,711

NOTE 17

Other Income

Particulars	31st March 2013	31st March 2012
	Rupees	Rupees
Interest Income – from bank deposit	222,258	252,690
- Others	1,184,826	773,051
Dividend Income – Current investments	3,918,170	4,892,203
- Long term investments	20,746	20,746
Net gain on sale of current investments	994,975	66,078
Other non-operating income (Refer Note (i) below)	4,332,202	497,243
Total	10,673,177	6,502,011

(i) Other non operating income comprises:

Particulars	31 March 2013	31 March 2012
	Rupees	Rupees
Liabilities / provisions no longer required written back	1,775,937	53,384
LD recovery charges	100,000	-
Foreign exchange Gain (net)	-	175,664
Income from Services towards supply of manpower	2,300,000	-
Miscellaneous Income	156,266	268,195
	4,332,202	497,243



NOTE 18

Cost of Materials consumed

Particulars	31st March 2013	31st March 2012
	Rupees	Rupees
Opening stock	13,774,639	14,001,799
Add: Purchases	434,062,349	460,081,188
Less: Stock Written Off	-	11,059
Less: Closing stock	26,926,686	13,774,639
Cost of Materials Consumed (Refer Note 27)	420,910,302	460,297,289
Details of Principal Raw Materials Consumed		
Ammonia (CY 10,657.440 MTS (PY 14,646.582 MTS)	415,284,544	453,989,610
Other Materials	5,625,758	6,307,679
Total	420,910,302	460,297,289

NOTE 19

Changes in inventories of finished goods	31st March 2013	31st March 2012
	Rupees	Rupees
Stocks of Finished Goods as at 31st March 2012/ 2011	975,260	1,870,650
Stocks of Finished Goods as at 31st March 2013/ 2012	2,992,410	975,260
	(2,017,150)	895,390
(Decrease)/increase in Excise Duty on Stock of Finished Goods	221,890	(67,400)
(Increase)/Decrease	(1,795,260)	827,990

NOTE 20

Employee Benefits Expense

Particulars	31st March 2013	31st March 2012
	Rupees	Rupees
(a) Salaries and wages	29,961,713	29,850,854
(b) Contributions to - PF	1,557,850	1,382,411
(c) Gratuity fund contributions	1,563,251	895,546
(d) Staff welfare expenses	1,874,674	1,686,075
Total	34,957,488	33,814,886

NOTE 21

Finance Cost

Particulars	31st March 2013	31st March 2012
	Rupees	Rupees
Other Finance cost	179,672	78,099
Total	179,672	78,099



NOTE 22

Other Expenses

Particulars	31st March 2013	31st March 2012
	Rupees	Rupees
Packing Materials Consumed	5,955,943	7,571,875
Power & Fuel	59,016,159	50,499,875
Stores & Spares Consumed	8,320,085	7,775,018
Catalyst, Oils and Chemicals Consumed	4,552,252	5,753,492
Repairs to building	1,069,855	613,835
Repairs to machinery	1,609,859	2,390,917
Repairs to Others	500,977	197,959
Insurance	1,619,524	1,330,164
Rates & taxes	828,341	417,502
Legal & Professional Fees	1,752,830	1,836,182
Office Maintenance	33,980	59,782
Telephone & Internet Charges	529,845	499,927
Travelling Expense	1,088,487	782,310
Freight and Forwarding	5,222,349	2,250,687
Rent	245,373	239,908
Audit fees (Refer Note 23)	1,500,000	2,564,974
Bad debts written off	763,861	28,001
Provision for doubtful debts	20,395	129,261
Foreign Exchange Loss (net)	49,669	-
Miscellaneous Expenses	4,395,860	4,039,937
Total	99,075,643	88,981,606

Note 23

Particulars	31st March 2013	31st March 2012
	Rupees	Rupees
Payments to the auditor as		
a. auditor	600,000	600,000
b. for tax audit	100,000	100,000
c. for taxation matters	600,000	1,650,000
d. for other services	200,000	200,000
e. for reimbursement of expenses	-	14,974
Total	1,500,000	2,564,974



NOTE: 24

Earnings per Share (EPS):

Sr. No.	Particulars	31 March 2013	31 March 2012
a)	Profit after tax (Rs.)	542,702	66,132,191
b)	Less: Dividend on preference shares (including corporate dividend tax)	-	-
c)	Profit attributable to Equity Shareholders (Rs.)	542,702	66,132,191
d)	No. of Equity Shares outstanding during the year	1,000,000	1,000,000
e)	Nominal Value of Equity Shares (Rs.)	10/-	10/-
	Basic Earnings per Share (Rs.) (c/d)	0.54	66.13

Note: There is no dilution to the Basic EPS as there are no dilutive potential equity shares.

Note: 25

Related party disclosures:

Name of the related parties and description of relationship:

Holding Company	Deepak Fertilisers and Petrochemicals Corporation Limited
Fellow Subsidiary	Deepak Mining Services Private Limited
Key Management personnel	Mr. Bhaskar Pai – Manager

Following are the transactions with related parties:

Particulars	Holding Company	Fellow Subsidiary	Key Management personnel	Total
Purchase of goods	35,293,524 (8,085,264)	- (-)	- (-)	35,293,524 (8,085,264)
Services rendered	- (-)	2,300,000 (-)	- (-)	2,300,000 (-)
Reimbursement of Expenses	56,467 (-)	- (-)	178,422 (-)	234,889 (-)
Remuneration	- (-)	- (-)	3,005,188 (2,217,580)	3,005,188 (2,217,580)
Redemption of Preference Share Capital	- (60,000,000)	- (-)	- (-)	- (60,000,000)
Equity Dividend	39,999,760 (29,999,820)	- (-)	- (-)	39,999,760 (29,999,820)
Balance receivable at the year end	- (-)	2,584,280 (-)	- (-)	2,584,280 (-)
Balance payable at the year end	35,349,991 (-)	- (-)	- (-)	35,349,991 (-)

Note: The figures in brackets pertain to previous year.

Note: 26

Value of Imports on CIF basis in respect of:

Particulars	31 March 2013 (Rs.)	31 March 2012 (Rs.)
Raw Materials	1,318,205	2,297,848
Spares & Stores	200,640	354,398
Total	1,518,845	2,652,246



Note: 27

Raw materials consumed:

Particulars	31 March 2013		31 March 2012	
	Value (Rs.)	%	Value (Rs.)	%
Indigenous	418,433,402	99.41	445,962,244	96.88
Imported	2,476,900	0.59	14,335,045	3.12
Total	420,910,302	100	460,297,289	100

Note: 28

Stores and Spares Consumed:

Particulars	31 March 2013		31 March 2012	
	Value (Rs.)	%	Value (Rs.)	%
Indigenous	7,991,768	96.05	7,775,018	100
Imported	328,317	3.95	-	-
Total	8,320,085	100	7,775,018	100

Note: 29

Contingent Liabilities:

Particulars	31 March 2013 Rupees	31 March 2012 Rupees
(i) Contingent Liabilities		
(a) Claims against the company not acknowledged as debt	40,000	40,000
(b) Other money for which the company is contingently liable		
- Excise	1,783,548	1,783,548
- Sales Tax	4,721,955	4,721,962
- Income Tax	919,382	919,382
	7,464,885	7,464,892

Note: 30

DETAILS OF EMPLOYEE BENEFITS AS REQUIRED BY THE ACCOUNTING STANDARD 15 (REVISED) EMPLOYEE BENEFITS ARE AS UNDER:

The Company has adopted Accounting Standard (AS) 15 (revised 2005) on Employee benefits on 1st April, 2006. The Company has recognized, in the Statement of Profit and Loss for the year ended 31.03.2013, an amount of Rs.1,557,850/- (P.Y. Rs.1,382,411) as an expense under defined contribution plans.

Particulars	31 March 2013 Amount Rs.	31 March 2012 Amount Rs.
Benefit (contribution to)		
- Provident Fund	805,121	724,119
- Employees' Pension Scheme	752,729	658,292
Total	1,557,850	1,382,411



Note: 31

Details of Unfunded Plans:

The Company operates post retirement defined benefit unfunded plans for Gratuity. Actuarial gains and losses in respect of defined benefit plans are recognised in the Statement of Profit and Loss.

Description	31 March 2013	31 March 2012
1. Reconciliation of opening and closing balances of Obligation		
a. Present value of obligation as at the beginning of the year	5,228,962	4,637,621
b. Current Service Cost	445,491	395,323
c. Past Service Cost	-	-
d. Interest Cost	423,752	372,298
e. Actuarial (gain)/Loss	694,008	127,925
f. Benefits paid	(487,284)	(304,205)
g. Present value of obligation as at the end of the year	6,304,929	5,228,962
2. Expenses recognized in the period		
a. Current Service Cost	445,491	395,323
b. Past Service Cost	-	-
c. Interest Cost	423,752	372,298
d. Actuarial (gain)/Loss	694,008	127,925
e. Expense recognized in the period	1,563,251	895,546
3. Principal Actuarial Assumptions		
a) Discount rate (per annum)	8.10%	8.50%
b) Rate of Increase in Compensation Levels	5%	5%
c) Expected Average remaining working lives of employees (years)	12.17	12.62

4. Experience History	(Amount in Rupees)				
	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
a. Experience adjustments on Plan Liabilities	(499,985)	(190,675)	136,788	*	*
b. Experience adjustments on Plan Assets	-	-	-	-	-
c. Present Value of Defined Benefit Obligation at the end of the period	6,304,929	5,228,962	4,637,621	4,241,335	3,186,617
d. Plan Assets at the end of the period	-	-	-	-	-
e. Funded/(unfunded) Status	(6,304,929)	(5,228,962)	(4,637,621)	(4,241,335)	(3,186,617)

* The details of experience adjustments arising on account of plan liabilities as required by paragraph 120(n)(ii) of AS 15(Revised) on "Employee Benefits" are not available in the valuation report and hence are not furnished.



Note: 32

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

To comply with the requirement of the Micro, Small and Medium Enterprises Development Act, 2006, the company requested its suppliers to confirm whether they are covered as Micro, Small and Medium enterprises as is defined in the said Act. Based on the confirmations received, the company has recognised them for the necessary treatment as provided under the Act, from the date of receipt of such confirmations and there is no default in payment to such enterprise as specified in the said Act.

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Rupees	Rupees
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

Note: 33

Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for the year ended 31st March 2013 (net of advances Rs. 474,180/- (P.Y. Rs. 4,473,370/-)) is Rs.2,787,770 /- (P.Y. Rs. 2,163,811 /-) in respect of tangible fixed assets.

Note: 34

The Company had issued 1% Cumulative Redeemable Preference Share amounting to Rs. 180,000,000 divided into 1,800,000 shares of Rs. 100/- each on 16.05.2000, which was redeemable after 12 years from the date of issue. Out of which the company has redeemed the remaining preference share capital amounting to Rs. 60,000,000 on 17.05.2011 out of the internal funds. The said redemption has been effected by creating Capital Redemption Reserve amounting to Rs. 60,000,000 out of General Reserve and Statement of Profit and Loss.

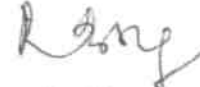


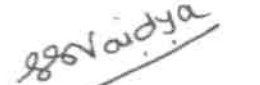
Note: 35

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

For and on behalf of Board of Directors


S. C. Mehta
Director


R. Sriraman
Director


Siddharth Vaidya
Company Secretary

Mumbai
Date: 30th May, 2013





