

NOTICE

NOTICE IS HEREBY GIVEN THAT the 62nd Annual General Meeting of the Company will be held on Friday, the 20th day of September, 2013 at 11.30 A.M. at Pudumjee Hall, Mahratta Chamber of Commerce, Industries and Agriculture, Tilak Road, Pune 411 002 to transact the following business :

ORDINARY BUSINESS :

1. To consider and adopt the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss for the year ended on that date and the Report of the Board of Directors and Auditors thereon.
2. To declare dividend on the Equity Shares of the Company for the year ended 31st March, 2013.
3. To appoint a director in place of Mr. S.N.Inamdar, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a director in place of Mr. S.Padmanabhan, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration.

NOTES :

- (a) Mr. S.N.Inamdar, renowned Advocate and Mr.S.Padmanabhan, renowned Management Consultant, Directors retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. Mr. S.N.Inamdar and Mr S.Padmanabhan, Directors do not hold any equity shares of the Company.

As required under Clause 49 of the Listing Agreement, the information / data to be provided for the retiring Directors are given below :

Mr.S.N.Inamdar - Other directorships :

Sr. No.	Name of the Company	Board position held
1	Kirloskar Brothers Limited	Director
2	Kirloskar Ferrous Industries Limited	Director
3	Kirloskar Industries Limited	Director
4	Kirloskar Proprietary Limited	Director
5	Finolex Industries Limited	Director
6	Finolex Infrastructure Limited	Director
7	Ugar Sugar Works Limited	Director
8	Kulkarni Power Tools Limited	Director
9	Sakal Papers Private Limited	Director
10	Apple Hospitals & Research Institute Limited	Director

Mr.S.N.Inamdar - Committee positions held :

Sr.No.	Name of the Company	Name of the Committee	Position held
1	Sudarshan Chemical Industries Limited	Audit Committee Remuneration Committee	Member Member
2	Kirloskar Brothers Limited	Audit Committee Remuneration Committee	Chairman Member
3	Kirloskar Ferrous Industries Limited	Audit Committee Remuneration Committee	Chairman Chairman
4	Finolex Industries Limited	Audit Committee Remuneration Committee Shareholders Grievance Committee	Chairman Chairman Member
5	Ugar Sugar Works Limited	Audit Committee Remuneration Committee	Chairman Chairman
6	Kirloskar Industries Limited	Audit Committee	Member

Mr. S.Padmanabhan - Other directorships :

Sr. No.	Name of the Company	Board position held
1	Videocon Industries Limited	Director
2	Videocon Power Limited	Director
3	Videocon Energy Holdings Limited	Director
4	Desai Brothers Limited	Director
5	Premier Limited	Director
6	Rajkumar Forge Limited	Director
7	Force Motors Limited	Director
8	Sanghvi Movers Limited	Director
9	Aquapharm Chemicals Private Limited	Director
10	Pipavav Energy Private Limited	Director
11	Chattisgarh Power Ventures Private Limited	Director
12	Videocon Hydrocarbon Holdings Limited	Director
13	Videocon Mauritius Energy Limited	Director
14	Videocon Estelle Limited	Director
15	Videocon Ivory Limited	Director
16	Investcon Holdings Private Limited	Director

Mr.S.Padmanabhan - Committee positions held :

Sr.No.	Name of the Company	Name of the Committee	Position held
1	Videocon Industries Limited	Shareholders' & Investors Grievance Committee	Member
2	Videocon Power Limited	Audit Committee	Member
3	Premier Limited	Audit Committee Remuneration Committee	Chairman Chairman
4	Sanghvi Movers Limited	Audit Committee Remuneration Committee	Member Member
5	Force Motors Limited	Audit Committee	Member
6	Pipavav Energy Private Limited	Audit Committee	Member

- (b) A MEMBER ENTITLED TO ATTEND AND VOTE AT A MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE PROXY FORM DULY COMPLETED MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- (c) **The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 10th September, 2013 to Friday, 20th September, 2013 (both days inclusive).**

Pursuant to Section 205A(5) of the Companies Act, 1956 all unclaimed dividends for the Accounting Years ended upto 31st March, 2005 have been transferred to the Investor Education and Protection Fund of the Central Government, pursuant to Section 205C of the Companies Act, 1956. Unclaimed dividends, for subsequent years will also be transferred to the Investor Education and Protection Fund of the Central Government if they remain unclaimed for a period of seven years from the date they became due for payment. **Kindly note that after such date/s i.e. after transfer of unclaimed dividends to the Investor Education and Protection Fund of the Central Government, the members shall not be entitled to claim such dividend.**

- (d) It may be in the interest of Members to hold securities in joint names.
- (e) Members who are still holding the shares in physical form may consider surrendering the shares with the concerned Depository Participant since it is advantageous to hold the shares in demat form.
- (f) Members who hold shares in physical form and wish to avail of the National Electronic Credit Services (NECS) facility for payment of dividend are requested to fill the attached form and send the same either to the Company / Link Intime India Private Limited (LIPL) for necessary processing. **The information required should reach the Company / LIPL invariably on or before 6th September, 2013 failing which physical dividend warrants will be issued to the Members for the year 2012-13.**
- (g) Based on the records available with the Depositories, the Company has tied up with State Bank of India, Industrial Finance Branch, Wakdevadi, Pune Mumbai Road, Pune 411 003 for payment of dividend for the Financial Year 2012-13.
- (h) Members who do not wish to avail of the NECS are requested to avail the facility of Dividend mandate to enable despatch of Dividend warrants directly to their bankers for credit of dividend to their accounts.
- (i) Members who wish to dematerialize the shares or seek any information regarding transfer of shares are requested to contact the Company's Registrar and Share Transfer Agents at the following address :

Link Intime India Private Limited

"Akshay Complex", Block No. 202, 2nd Floor,
Near Ganesh Temple, Off Dhole Patil Road,
Pune - 411 001
Tel.No. 020 – 26160084, 020 – 26161629
Telefax 020-26163503
E-mail : pune@linkintime.co.in
Website www.linkintime.co.in

- (j) The Company has designated an e-mail address - grievance.redressal@sudarshan.com for timely action on investor complaints. Members are requested to forward their complaints, if any, at the designated e-mail address.
- (k) The Companies Act, 1956 has been amended by inserting Section 109A to facilitate nomination by member/s (only individuals) holding shares singly or jointly. Member/s who are holding the shares in physical form and are desirous of registering his/her/their nomination is/are requested to send the nomination in Form No. 2B duly filled and signed.
- (l) Members holding shares under different folios may approach the Company for consolidation of ledger folios under one folio.

- (m) Members are requested to notify immediately any change in their address / bank account details.
- (n) As part of the Green Initiative in Corporate Governance, the Ministry of Corporate Affairs (MCA), Government of India, through its Circular Nos. 17/2011 and 18/2011, dated April 21, 2011 and April 29, 2011 respectively, has allowed companies to send official documents to their Members electronically. In line with Circular issued by MCA, we are sending the Annual Report, i.e., Notice convening the Annual General Meeting, Financial Statements, Directors' Report, Auditors' Report, etc. for the year ended March 31, 2013, in electronic form, to the e-mail address registered by Members. However, physical copies of the Annual Report for the year ended 31st March, 2013 will also be mailed to such Members as a special case.

In case of physical holding, if the Member has not registered his/her e-mail id with the Company, we once again request you to register the same so that we can send you Annual Report and other official documents electronically in the near future.

E-mail for Communication – shares@sudarshan.com

Members are also informed that the full text of these reports shall also be made available in an easily navigable format on our website, www.sudarshan.com. Notwithstanding the electronic communication, in case you wish to receive the reports mentioned above in physical form, please write to us at shares@sudarshan.com. Physical copies of the Annual Report will also be available at our Registered Office in Pune with our Secretarial Department for inspection during office hours up to the date AGM.

Effective from the Financial Year 2013-14, members whose e-mail id's are registered with NSDL / CDSL or with the Company's Registrar & Transfer Agents will receive the annual reports and other communications in electronic form only. Physical copies will be provided on request.

- (o) **Members / Proxies are requested to bring their copies of the Annual Report as extra copies of the Annual Report will not be made available at the time of the Annual General Meeting.**
- (p) Members desirous of getting any information about the accounts of the Company are requested to address their queries to the Company Secretary of the Company. Such requests should be received at least seven days before the date of the meeting, so that the information required can be readily made available at the meeting, to the best extent possible.
- (q) **Members desirous of visiting R & D Centre, Ambadvet, Tal. Mulshi, Dist. Pune and Roha plant are requested to give their Name and Mobile No. to the Company Secretary. Date of visit to R & D Centre, Pune and Roha plant will be communicated to respective Members. The trip to R & D Centre, Pune and Roha plant will be a one day programme. Bus will start from our Global Head Office in Pune at 8.00 A.M. and will return to Pune by around 9.00 P.M. Members are requested to board the bus from our Global Head Office at Pune.**

E-mail for Communication – psraghavan@sudarshan.com

By Order of the Board of Directors
For SUDARSHAN CHEMICAL INDUSTRIES LIMITED

Pune, May 30, 2013

P.S.RAGHAVAN
COMPANY SECRETARY

SUDARSHAN CHEMICAL INDUSTRIES LIMITED

Regd. Office / Global Head Office : 162 Wellesley Road, Pune 411 001

Dear Member,

Subject : Registration of e-mail address

This is to inform you that The Ministry of Corporate Affairs vide its circular Nos. 17/2011 and 18/2011 dated 21.04.2011 and 29.04.2011, respectively has as a part of Green Initiative, permitted the companies to serve the documents viz. annual reports, notices of general meetings / postal ballot, other documents etc. to the members through electronic mode. In this regard please see Note No. (n) forming part of the Notice of the Annual General Meeting dated 30th May, 2013.

In order to support this "Green Initiative", we are pleased to serve the above referred documents to you through electronic mode. This will also ensure prompt receipt of communication and avoid loss in postal transit.

We therefore request you to register your e-mail address and / or changes therein from time to time with the Company's e-mail id shares@sudarshan.com or with NSDL / CDSL.

Notwithstanding the electronic mode of communication, in case you require physical copies of annual reports and other documents you may send an email at shares@sudarshan.com by quoting the name of first / sole shareholder, Folio no / DP ID and Client ID. On receipt of this e-mail, the above documents will be posted to you free of cost.

We request your whole hearted support to this "Green Initiative" by opting for electronic mode of communication for its successful implementation.

Yours faithfully,

For Sudarshan Chemical Industries Limited

sd/-

P.S.Raghavan
Company Secretary

Place : Pune
Date : 30th May, 2013

REGISTRATION OF E – MAIL ADDRESS FORM

(In terms of circular Nos.17/2011 and 18/2011 dated 21.04.2011 and 29.04.2011 respectively issued by Ministry of Corporate Affairs, New Delhi)

Link Intime India Private Limited

Unit : Sudarshan Chemical Industries Limited

Akshay Complex, Block No. 202, 2nd Floor,

Off Dhole Patil Road,

Near Ganesh Temple,

Pune 411001

I / we shareholder (s) of Sudarshan Chemical Industries Limited hereby accord my / our approval to receive documents viz annual reports, notices of general meetings / postal ballot, other documents etc. in electronic mode.

I / we request you to note my / our latest email address, as mentioned below. If there is any change in the E-mail address, I / we will promptly communicate the same to you. I / we attach the self attested copy of PAN Card / Passport towards identification proof for the purpose of verification.

Folio No / DP ID and Client ID	
Name of first / sole share holder	
Name of joint share holder(s) if any	
Registered Address	
E-mail address (to be registered)	

Place:

Date :

(Signature of shareholder)

SUDARSHAN CHEMICAL INDUSTRIES LIMITED

Regd. Office / Global Head Office : 162 Wellesley Road, Pune 411 001

ECS Mandate Form for payment of Dividend

(In case of physical holding - send to our Registrar and Transfer Agent
In case of demat holding - send to your Depository Participant)

I/We request you to arrange for payment of my/our dividend through ECS facility or credit the same to my/our account as per details given below :

1. First / Sole Shareholder's Name										
2. If shares not Dematerialised - Registered Folio No.										
3. If shares Dematerialised - DPID No. and Client ID No.										
4. * Particulars of Bank Account										
a. Bank Name										
b. Branch Name										
c. Address of the Branch										
d. 9 - digit MICR code number of the Bank and Branch as appearing on the MICR Cheque issued by the Bank.	<table border="1"> <tr> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> </table>									
e. Account type	Savings () Current ()									
f. Account Number as appearing on the Cheque Book										

Please attach a cancelled photocopy of cheque issued by the Bank for verification of the above details.

I/We hereby declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incomplete or incorrect information or for any other reason, I/We would not hold the Company responsible. In case of ECS facility not being available for any reason, the account details provided above may be incorporated in the payment instrument and sent to my/our Bankers at the address provided above and to be considered as a mandate by me/us. This instruction will hold good for payment of dividend for subsequent years also unless revoked by me/us in writing.

Yours faithfully,

Name and signature of First/Sole Shareholder

Place :

Date :

Note : * In case if you have already submitted the above information kindly ignore this communication.



62nd Annual Report 2012-2013

Sudarshan Chemical Industries Limited



Spiritually fulfilling • Socially just • Environmentally sustainable

SUDARSHAN



Vision:

Aspiring Wholesome Sustainable Growth for Women and Children of communities around Sudarshan's plants.

Mission:

Reach out to communities by engaging in projects in Health, Education, Community Development and Livelihood.

SUDHA'S Initiatives

People Initiatives

- Women empowerment
- Promotion of health & hygiene
- Holistic development of children & youth
- Sustainable source of livelihood
- Generating awareness

Environment Initiatives

- Organic farming
- Tree plantation
- Composting
- Waste management
- Cleanliness drive

BOARD OF DIRECTORS

Mr. K. L. Rathi	Executive Chairman
Mr. P. R. Rathi	Vice Chairman and Managing Director
Mr. B. S. Mehta	Non-Executive, Independent Director
Mr. S. N. Inamdar	Non-Executive, Independent Director
Mr. P. P. Chhabria	Non-Executive, Independent Director
Mr. D. N. Damania	Non-Executive, Independent Director
Mr. S. Padmanabhan	Non-Executive, Independent Director
Mr. S. K. Asher	Non-Executive, Independent Director
Mr. N. J. Rathi	Non-Executive Director
Mr. R. B. Rathi	Executive Director

COMPANY SECRETARY

Mr. P. S. Raghavan

BANKERS

Bank of Maharashtra
State Bank of India
Bank of Baroda
ICICI Bank Ltd.
HDFC Bank Ltd.
Export - Import Bank of India

AUDITORS

B. K. Khare & Company
Chartered Accountants,
Mumbai.

REGISTERED OFFICE / GLOBAL HEAD OFFICE

162, Wellesley Road,
Pune - 411 001, Maharashtra (India)
Phone : +91 020 26058888
Fax : +91 020 26058222

FACTORIES

Roha : 46 MIDC Estate, Dhatav, Roha 402 116,
Dist. Raigad, Maharashtra (India)
Mahad : Plot No. A-19/1+2, MIDC Estate,
Mahad 402 301, Dist. Raigad,
Maharashtra (India)

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FINANCIALS AT A GLANCE

Rs. in Lacs

	2012 - 2013	2011 - 2012	2010 - 2011	2009 - 2010	2008 - 2009
Income from Operations (Excluding Excise)	78,525	74,423	70,712	56,797	45,290
Profit Before Tax	2,505	5,018	7,919	6,579	2,836
Profit After Tax	2,106	3,615	5,581	4,591	1,884
Equity Share Capital	692	692	692	692	692
Net Worth	28,109	27,016	24,407	14,847	11,265
Net Fixed Assets	30,809	21,715	13,295	8,663	7,890
Key Financial Ratios					
Current Ratio	1.28	1.41	1.57	1.55	1.36
Debt Equity Ratio	1.47	1.04	0.80	0.72	0.73
PBDIT (% to Gross Sales)	9.61	11.14	13.79	14.73	11.15
PAT (% to Gross Sales)	2.50	4.56	7.47	7.67	3.84
Return (PBIT) on Capital Employed %	8.36	13.86	19.85	28.67	20.83
Dividend (Per Share) (Rs.)	12.50	12.50	12.50	12.50	8.00
Earnings (Per Share) (Rs.)	30.41	52.22	80.62	66.32	27.21

DIRECTORS' REPORT TO THE SHAREHOLDERS : 2012 - 2013

Your Directors are pleased to present the 62nd Annual Report together with the Audited Statement of Accounts for the year ended on 31st March, 2013.

1. FINANCIAL HIGHLIGHTS :

Particulars	2012-2013 (Rupees in millions)	2011-2012 (Rupees in millions)
Total Revenue	7967.54	7522.18
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	812.66	886.43
Less : Interest	311.79	213.10
Less : Provision for Taxation	39.95	140.34
Less : Depreciation	250.37	171.48
Profit after Tax	210.55	361.51
Add : Surplus in the Statement of Profit & Loss as per last Balance Sheet	482.67	421.73
Net Profit available for appropriation	693.22	783.24
Appropriations		
(1) Dividend proposed @ Rs.12.50 per share on the face value of Rs 10/- (125 %) (previous year dividend paid @ 125%)	86.53	86.53
(2) Tax on Dividend	14.71	14.04
(3) General Reserve	30.00	200.00
Total	131.24	300.57
Balance to be carried forward	561.98	482.67

2. THE YEAR IN RETROSPECT :

BACKGROUND :

Overall the business sentiment during the year under review remained extremely challenging on account of steep rise in input prices coupled with a slowdown in demand and also delay in commissioning capacities installed as a part of the on going capital expenditure.

The Global Business recessionary conditions continued with Europe and America showing no signs of a major recovery, impacting exports as well as realizations. A direct fallout of this on the Company was a major build up in inventory and export receivables. Interest costs also went up significantly on account of major capital expenditure undertaken in the last few years. All these factors had an impact on the Sales and Profitability. Overall it has been a difficult year for the Company.

Given the difficult operating conditions, the results achieved for the year ended 31st March, 2013 are considered to be satisfactory.

(A) SALES :

Total Revenue for the year ended 31st March, 2013 amounted to Rs. 7967 million as against Rs. 7522 million achieved during the previous year. Profit after tax for the year ended 31st March, 2013 was Rs. 211 million as against Rs. 361 million earned during the previous year.

Pigment sales rose from Rs. 6647 million in the previous year to Rs. 6966 million in the year under review recording a nominal growth of 5%. Profits for the Pigment Division for the year under review amounted to Rs. 772 million as compared to Rs. 869 million of the previous year.

Pesticides Sales for the year ended 31st March, 2013 amounted to Rs. 885 million as against Rs. 795 million achieved during the previous year recording growth of 11%. Profits for the Agro Division for the year under review amounted to Rs. 45.30 million as compared to Rs. 34.58 million of the previous year.

(B) EXPORTS :

The Company's subsidiaries in The Netherlands and North America continue to make aggressive efforts to tap new markets and key customers by offering, among others, customized products at competitive prices. The China Representative Office has been reorganized keeping in mind the market requirements and customer preferences in the Asia Pacific Region.

The acquisition of the natural mica based pearlescent business for cosmetics sold under the brand "Prestige" and "Flonac C" from Eckart, GmbH and its Affiliates has been well integrated in the Cosmetic Pigment Products Portfolio and has added more value to the Exports.

The Company is continuing with the process of staffing and building an efficient sales and distribution network, tapping key customers and appointment of key personnel to increase export penetration. All these measures are expected to give a boost to exports.

Revenue from exports for the year ended 31st March, 2013 amounted to Rs. 3015 million as against Rs. 2746 million for the previous year registering a growth of 10 % over the previous year.

3. DIVIDEND :

While the results for the year under Report have seen a down-turn, the Board believes that the results for the coming years will reflect the beneficial effect of the substantial capital expenditure incurred by the Company till now and having regard thereto, recommend maintaining the rate of dividend @ 125% (Rs. 12.50 per share on a face value of Rs. 10) for the year ended 31st March, 2013 subject to approval of the members. The total outgo on account of dividend @ 125% and dividend distribution tax @16.99 % will be Rs. 101.24 million for the year under review.

4. DIRECTORS :

In accordance with the provisions of the Companies Act, 1956 read with the Articles of Association of the Company, Mr. S. N. Inamdar and Mr. S. Padmanabhan, Directors, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Board recommends their re-appointment.

Details of aforesaid Directors seeking re-appointment are provided in the Notice of the 62nd Annual General Meeting as required under Clause 49 of the Listing Agreement with Stock Exchanges.

5. DIRECTORS' RESPONSIBILITY STATEMENT :

In accordance with the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to the Directors' Responsibility Statement, it is hereby confirmed that :

- (i) in the preparation of accounts for the Financial Year ended 31st March, 2013, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments 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 the Statement of Profit and Loss of the Company for the year under review;
- (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, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors have prepared the Annual Accounts for the year under review on a going concern basis.

6. SUBSIDIARY COMPANIES :

During the year under review, the Company's overseas subsidiaries, Sudarshan Europe B.V. and Sudarshan North America, Inc. have shown better performance in sales and profitability. With key focus on improving market share

the subsidiaries are expected to record better performance.

The other Indian Wholly Owned Subsidiary, Prescient Color Ltd., has recorded good financial performance with good growth in Sales and Profit. The domestic slowdown notwithstanding, indications point to a better performance in the current year.

7. EXEMPTION UNDER SECTION 212 (8) OF THE COMPANIES ACT, 1956 :

Government of India, Ministry of Corporate Affairs, New Delhi vide Press Note No. 3/2011 dated 8.2.2011, has exempted and directed all Companies under Section 212 of the Companies Act, 1956 from attaching the Balance Sheet and the Statement of Profit and Loss of the Subsidiary Company with the Annual Report of the Holding Company, subject to fulfillment of certain terms and conditions. The Company complies with all the terms and conditions.

The Annual Accounts of the aforesaid Subsidiary Companies for the year ended 31st March, 2013 will be made available to any shareholder of the Company on request and will also be available for inspection at the Registered Office of the Company during working hours till the date of the Annual General Meeting. The Annual Accounts of the aforesaid Subsidiary Companies and the related detailed information will also be made available to the investors seeking such information at any point of time.

8. CONSOLIDATED FINANCIAL STATEMENTS :

In accordance with the requirements of Accounting Standard - 21, the Consolidated Financial Statements of the Company and its subsidiaries is annexed and forms part of the Annual Report.

9. CORPORATE GOVERNANCE :

Your Company has always focused on improving standards of good Corporate Governance keeping in mind the regulatory requirements and meeting the aspirations of stakeholders. The Board is pleased to inform that the Company has complied with the mandatory requirements of the Corporate Governance as detailed in Clause 49 of the Listing Agreement.

A separate statement on Management Discussion and Analysis and Corporate Governance is enclosed as a part of the Annual Report along with the certificate of the Statutory Auditors, B. K. Khare & Co., Chartered Accountants, Mumbai confirming compliance of the code of Corporate Governance.

10. COST AUDIT :

The Board of Directors in pursuance of an order under Section 233B of the Companies Act, 1956 issued by the Central Government, has appointed Parkhi Limaye & Co., Cost Accountants, Pune as Cost Auditors to audit the cost accounts maintained by the Company in respect of Pigments and Insecticides.

11. COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988 :

Information in accordance with Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given in the annexure and forms part of this report.

12. INDUSTRIAL RELATIONS :

Industrial relations continue to remain cordial at Roha and Mahad plants, Dist. Raigad and at R & D Laboratory situated at Ambadvet, Amrlevadi, Tal. Mulshi, Dist. Pune. The Board records its appreciation of the commitment and support of employees at all levels.

Details of employees drawing remuneration of Rs. 0.5 million per month or Rs. 6.0 million per annum are given in the annexure and they form part of this report.

13. HUMAN RESOURCES :

The Company believes that people are its core assets to build a "Soaring Global" culture towards achieving its vision to be - the 4th largest pigment player by the year 2015.

During the year the Company organized developmental activities such as team building, improving skills and

building talent and improving organizational and human capability through competency mapping of managerial positions. The Company has put in place structures aiding career aligned roles, best practices people policies, world class HR practices and a culture of “Fun@work”. It is with a sense of pride that we inform that the Company has won “Fun@work” Award at the World HRD Congress-2013. This is the first Global HR Award in recognition of our Best in Class practices of HR across Industries.

The Company has also launched a performance management system branded as “Appreciative Conversations” which has helped to build a vibrant work culture through alignment of organization goals with individual performance. Campus hiring from management and engineering schools have helped in infusing young blood in the organization and building long-term managerial and leadership talent pipeline.

The Company continues to put great emphasis on the Six Sigma process to identify further opportunities of cost savings and process improvements. The Company is committed to provide the right environment to its employees to work and to inculcate a sense of ownership and pride.

14. FIXED DEPOSITS :

The Company’s amended Fixed Deposit Scheme which opened during mid February, 2013 had a very good response both from the general public as well as shareholders. The Board of Directors thank the investing public and the shareholders for their support to the Fixed Deposit mobilization of the Company.

During the year under review, the Company accepted deposits amounting to Rs. 269.78 million. The total amount of deposits at the end of 31st March, 2013 stood at Rs. 319.04 million.

In respects of deposits accepted, deposits amounting to Rs. 0.145 million from 4 Depositors, which fell due for repayment, but which remained unclaimed before 31st March, 2013, still remain unclaimed as on the date of this report.

15. AUDITORS :

B. K. Khare & Co., Statutory Auditors of the Company are due to retire at the ensuing Annual General Meeting. Members are requested to consider reappointing them and to authorise the Board of Directors to fix their remuneration.

16. ENVIRONMENT, HEALTH AND SAFETY (EHS) :

Sudarshan’s Environment, Health and Safety Programme primarily focuses on “Health” which essentially means ensuring the well being of our employees. The Company is committed to providing its employees a safe workplace and offering programs that promote and improve their health and well being. Systems are in place to identify and reduce any potential injuries and occupational illnesses that could arise out of the workplace as a result of exposure to physical, chemical, biological or ergonomic factors. Emergency Management System is put in place to quickly respond and minimize the consequences of any negative impact. Towards this end the Company conducts continuous risk assessment and implementation of the best safety practices and periodic medical examination. Systems are also in place to ensure that all our products are safe and environmentally compatible from the research and development phase through the production and distribution phase.

The Company’s relentless efforts in conserving the environment and promoting Health and Safety have been appreciated and recognized by several government and safety regulating bodies.

17. CORPORATE SOCIAL RESPONSIBILITY :

Societal well being is a part of Sudarshan’s business strategy. Initiatives are monitored on monthly basis to ensure no negative impact on society. Members are aware that the Company has started **SUDHA**, a movement to involve its people and the community around to create better living standards. **SUDHA** is mainly driven by women power within the Company to reach out to women, children and the under privileged sections of the society. This movement is an off shoot of the Company’s aspirations to create holistic awareness and impact the lives of people in a positive way. The Company’s pet social projects – **JAGRUTI** aimed at creating awareness of the importance of health, hygiene, nutrition and societal balance for creating a better life, **PHULORA** aimed at blossoming of lives by encouraging use of organic food items through organic farming, **JEEVIKA** aimed at empowering under privileged ladies by giving them sustainable livelihood sources and **UDAAN** aimed at improving lives of children today for a better of tomorrow have all taken off successfully.

18. RESEARCH AND DEVELOPMENT :

The Company has upgraded its R & D Facilities at Amrlevadi, Tal. Mulshi, Dist. Pune and Roha, Dist. Raigad to meet customer requirements and for developing cutting edge products. The Company has spent approximately Rs. 128 million during the year under report on Research and Development. The Board is pleased to inform that The Ministry of Science and Technology, New Delhi, on behalf of Govt. of India vide letter dated 2nd April, 2012 has recognized our in house R & D facilities for a further period of 4 years i.e. upto 31st March, 2016 .

19. RECOGNITION :

The Board is pleased to announce that the Company has received the following awards :

1. The Company's Roha unit has been awarded in 2012 by National Safety Council – Maharashtra Chapter for achieving –
 - (a) Longest Accident Free period in 2011
 - (b) Lowest Accident Frequency Rate in 2011
2. Receipt of 5 Star award – Sword of Honour from the British Safety Council for Health & Safety Management Audit.
3. Receipt of Awards from the Dyestuffs Manufacturers Association of India (DMAI) for the year 2012-13 for :
 - i. Excellent performance in Pollution Control.
 - ii. Excellent performance in Safety and Hazards Control.
 - iii. Excellent performance in respect of Export of Pigments of a Large Scale Unit.
4. Conferring of the Business Leader of the Year for Environment, Leadership & Excellence in 2013 by CHEMTECH.
5. SAP ACE Award for Customer Excellence, 2012 in the category of “Best Run Award in Supply Chain in the Indian Subcontinent”.
6. EDGE Award for Roha plant (Enterprise Driving Growth and Excellence Through IT - SAP-WMS (Warehouse Management System)).

20. OUTLOOK FOR THE FUTURE :

The year 2013-14 is expected to be another challenging year. Indications are that the global economy will grow slightly faster than in the previous year. The Indian economy is also expected to do better with promising signs of revival in demand and growth.

The Company aims to harness its efforts to align more closely with its customers and increase operational and technological excellence, while reining in costs. Research and Development will also play a key role in improving competitiveness through Innovations. The Company's overseas subsidiaries are also fully geared up and are expected to play a key role in achieving organizational objectives.

Barring any unforeseen circumstances, the current year's prospects look to be good.

21. ACKNOWLEDGEMENT :

The Board of Directors place on record its sincere appreciation for the dedicated efforts put in by all employees and their commitment and contribution in the operations of the Company. Your Directors place on record their gratitude to Bank of Maharashtra, State Bank of India, Bank of Baroda, ICICI Bank Limited, HDFC Bank Limited and Export - Import Bank of India for their co-operation and assistance. Your Directors are also grateful for the support and co-operation that your Company has received from the customers, suppliers, business associates whom your Company regards as partners in progress. Your Directors thank the members for their confidence in the Company.

For and on behalf of the Board of Directors
For SUDARSHAN CHEMICAL INDUSTRIES LIMITED

Pune, 30th May, 2013

K.L.RATHI
EXECUTIVE CHAIRMAN

ANNEXURE TO DIRECTORS' REPORT : 2012 - 2013

FORM A - DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. Power and Fuel Consumption :

Particulars	2012 - 2013	2011 - 2012
1. Electricity		
(a) Purchased		
Units('000 KWH)	45303	44794
Total amount (Rs. in million)	342	297
Rate per unit (Rs.)	7.56	6.64
(b) Own Generation		
Units('000KWH)	226	139
Units per litre of diesel oil	3.50	3.50
Cost per unit (Rs.)	13.78	12.42
2. (a) Furnace Oil		
Quantity (Tonnes)	387	1077
Total amount (Rs. in million)	15.6	38.7
Average Rate(Rs. / Ton)	40271	35946
(b) LDO		
Quantity(K. Litres)	33	44
Total amount (Rs. in million)	2.0	2.3
Average Rate(Rs. K. L.)	60151	52432
(c) Coal		
Quantity (Tonnes)	29450	30083
Total amount (Rs. in million)	165.1	183.0
Average Rate (Rs. / Ton)	5606	6083
(d) HSD		
Quantity (K. Litres)	91	24
Total amount (Rs. in million)	4.4	1.1
Average Rate (Rs. / Ton)	48224	43475
(e) LPG		
Quantity (Tonnes)	24	30
Total amount (Rs. in million)	1.6	1.6
Average Rate (Rs. / Ton)	67633	52432

B. Consumption per unit of Production :

The Company's products comprise a wide range of diverse pigments, pesticides and intermediates. The product mix varies each year and the production process involves several operations in different plants. It is therefore not feasible to apportion the cost and consumption per unit of production.

FORM B – DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION:

RESEARCH & DEVELOPMENT (R & D)

1. Specific areas in which R & D has been carried out are :

- a) New grades of Pigments – Development and Introduction
- b) High Performance Pigments and Effect Pigments – Development of Pigments for Automotive paint application
- c) Existing Pigments – Improvement in quality, productivity and cost reduction to meet the customer's changing requirements
- d) New grades of Effects Pigments for cosmetic application
- e) Cost Reduction by process improvement and cycle time reduction
- f) Newer pesticides
- g) Cost reduction in the present pesticides manufacturing

2. Benefits derived as a result of the above R & D :

- a) Improvement in product quality and productivity
- b) Increase in capacities of existing products to meet the growing demand
- c) Cost competitive products to meet the Chinese competition
- d) Generation of additional business through New Products
- e) Reduction in waste generated and energy input

3. Future plan of action :

- a) Continuous development of new products and High Performance Pigments
- b) Continuous improvement in quality, productivity and cost reduction in existing pigments
- c) Reduction in waste generated and energy input

4. Expenditure on R & D for 2012 - 2013 :

(a) Capital	:	Rs. 20.06 million
(b) Recurring	:	Rs. 108.23 million
(c) Total	:	Rs. 128.29 million

5. Foreign Exchange Earnings and Outgo :

(a) Total Foreign Exchange Earned	:	Rs. 2883.60 million
(b) Total Foreign Exchange Used	:	Rs. 1617.30 million
(c) Net Foreign Exchange Earned	:	Rs. 1266.30 million

For and on behalf of the Board of Directors
For SUDARSHAN CHEMICAL INDUSTRIES LIMITED

Pune, 30th May, 2013

K.L.RATHI
EXECUTIVE CHAIRMAN

MANAGEMENT DISCUSSION AND ANALYSIS 2012-13

Overview

The Global economic environment continues to be under stress in the background of recession in Europe, anaemic growth in the United States and a sharp slowdown in China and in most emerging market economies. The Euro – zone crisis continues to affect key economies in Central and Eastern Europe. On the other hand turmoil in the Middle East is causing serious economic risks – both there and elsewhere, contributing to high oil prices, constraining global growth, besides fueling inflation.

The Indian Economy though reasonably insulated from Global downturn continues to battle rising input costs, adverse foreign exchange situation, high current account deficit and tight credit conditions all of which have pulled down growth.

Business of the Company

The Company is a globally renowned player in the Pigment Industry and manufactures a wide range of Organic and Inorganic Pigments, Effect Pigments, Agro Chemicals and other products with facilities at Roha and Mahad, Dist. Raigad, Maharashtra. The Company has also set up an ultra modern R&D Facility at Ambedvet, Amrlevadi, Tal. Mulshi, Dist. Pune, India.

Financial and Operational Performance

The business environment has been extremely challenging given the recessionary economic conditions leading to slowdown in global economic growth. Revenues have been under pressure on account of low demand and unfavourable market conditions.

Profits were also under tremendous pressure on account of steep rise in input costs on account of the cascading effect of high inflation owing to a number of factors and increase in interest costs on account of ongoing capital expenditure coupled with delay in commissioning & standardization of new capacities. As a result the Company could not achieve benefits of economies of scale. Of the total sales revenue of Rs. 7802 Million achieved during the year, 39% is contributed by export of Pigments.

The Company's overseas Subsidiaries viz. Sudarshan Europe BV, Sudarshan North America, Inc., step down Subsidiary of Sudarshan, India and Indian Subsidiary, Prescient Color Limited have posted improved results in the year under review as can be seen from the Company's Consolidated Financial Results. The operations of the Company's Representative Office in China have also been revamped to focus on furthering its interests in the Asia Pacific region.

The certification of ISO 9001 and ISO 14001 and OHSAS –ISO 18001 from BVQI is a testimony to the Company's commitment towards quality, safety and sustainable environment friendly approach. The Roha and Mahad factories of the Company have received British Five Star Rating which is a testimony to strenuous efforts taken by the Company to achieve operational excellence in Environment Health and Safety. The Company has also well established R & D laboratories recognized by Department of Scientific & Industrial Research (DSIR). Also, our Labs are ISO 17025:2001 certified by National Accreditation Board for Testing and Calibration Laboratories (NABL), Government of India. The Ministry of Science and Technology, New Delhi, acting on behalf of Government of India has recognised the Company's in house R & D Units at Roha, Dist. Raigad and Ambadvet, Amrlevadi, Tal. Mulshi, Dist. Pune for a further period of 4 years i.e. upto 31st March, 2016.

Segmental Overview

In accordance with Accounting Standard -17, the Company has two reportable business segments, Pigments and Agro Chemicals.

The pigment business of the Company mainly comprises manufacturing of High Performance Pigments and Commodity Pigments apart from customized pigments for niche segments catering to domestic and international customers as also manufacture of Effect Pigments for cosmetics, coating applications etc.

Agro Chemical business of the Company consists primarily of Products which are generic in nature.

Segment I – Pigments

1. Industry Structure and Developments

The Pigment Industry worldwide is one of the dominant industries with collective revenues of over USD 5 billion. The growth of the Pigment Industry has more or less moved in tandem with the growth of Global economy. Growth in per capita income leading to growth in per capita spending fuels demand for Pigments ranging from paints to plastics to polymer, ink to cosmetics and more, encompassing every sphere of life.

The Company is one of the largest domestic manufacturers of Pigments in India with a 30% market share. The Pigment Division manufactures a wide range of Organic, Inorganic and Effect Pigments catering to domestic and export markets mainly for paint, inks, plastics, cosmetics, fashion accessories and automobiles as the user industries. The Company's Pigments are exported to most of the discerning markets in Europe, America and Asia. The manufacturing activity is carried out at Roha and Mahad factories with R&D facilities at Ambadvet, Amravaladi, Tal. Mulshi, Dist. Pune.

There is an excess capacity for the manufacture of commodity pigments worldwide. This results in intense price competition in the commodity segments market. The China factor also continues to affect the Pigment industry.

2. Opportunities and Threats

The Indian Paint industry in particular has undergone sophistication in the last couple of years in terms of high end product range and technological competence. This along with growing domestic housing needs hold promise for varied Pigment applications. Automotive paints and personal care segment on the back of increasing disposable income of a growing middle class provides opportunity for growth. Inks & Plastics market also holds lot of promise as the Paper and Printing Industry is poised for record growth.

Pigment manufacturers in the developed countries, owing to high manufacturing costs are shifting their manufacturing bases to developing countries. This provides an opportunity to Indian manufacturers to implement world class manufacturing practices.

The Pigment Industry has to address the issues of REACH Compliance in the European Union as also issues relating to clean and green environment apart from the competitive pressure from China and other developed markets.

Escalation of crude oil prices responsible for spiraling and cascading price of inputs and the volatility of the Rupee vis a vis the US Dollar is a matter of concern and needs to be tackled if the Indian Pigment Industry has to remain competitive. Another matter of concern is the gestation period involved in evaluation and acceptability of the Company's products by overseas customers and the costs associated with it, since many times proposals do not get converted into firm orders.

3. Performance

The Pigment Division increased its sales in the year 2012 - 13 to Rs. 6966 million from Rs. 6647 million in 2011-12, recording an increase of 5% over the previous year. Sales from exports for the year under review amounted to Rs. 3005 million as against Rs. 2737 million achieved during the previous year recording a growth of 10%.

4. Outlook

Sudarshan's globalization plans and its already strong base in India provides a great opportunity for growth. Also Sudarshan's strategy of focusing on High Performance Pigments and specialized Azo Pigments provide a great future.

The Indian Pigment Industry has evolved from a basic Pigment producer to that of a knowledge intensive industry catering to requirement of colorants for all segments. The domestic demand for Pigments offers opportunity to the Company to improve its market share. Many new High Performance and Effect Pigments are also being launched for cosmetic and coating markets. The Company's strategy of setting up sales offices to cater to European and North American Customers as also a representative office in China is expected to give a push to Pigment exports as the Company is better equipped to understand and comply with their preferences.

As a result of the slow down in Western markets, end consumers of Pigment Products are on the look out for alternative suppliers to meet their varied requirements. Sudarshan, with a wide range of High Performance Pigments as also Effect Pigments, is ideally placed to meet their requirements.

As a consequence of all these actions, the Company expects better results during the current year.

5. Risks and Concerns

Volatility of the Rupee vis a vis the US Dollar, rise in crude oil prices in India and its cascading effect on other inputs is a matter of grave concern as it negates the key advantage of competitive pricing. There is also a great deal of uncertainty regarding pricing and availability of key intermediates from China.

Compliance of REACH regulations in the European Union is a time consuming and expensive proposition making penetration of the Company Pigments in the European market a challenging task.

The Company is operating in a segment dominated by multinational companies with cutting edge technologies in Pigment manufacturing. This provides an opportunity as well as an operating risk. The Company has a risk management policy in place to assess and minimize business risk, to ensure protection of the environment and enable discharging its legal requirements concerning emission, waste water and waste disposal. As a part of Global Policy, the relevant parameters are analyzed to minimize risk associated with protection of environment, safety of operations and health of people at work vis-a-vis regulatory requirements and Sudarshan risk management guidelines. The Company is in full compliance with legal requirements of emission, waste water and waste disposal and accords top priority to work place safety at all its manufacturing sites.

Segment II – Agro Chemicals

1. Industry Development

Unseasonal rains, unfavourable monsoon and drought in some parts of the country dented the prospects of the Indian Agro Chemical Industry, impacting the consumption of Agro Chemicals. The industry has also seen a change in the Product mix owing to change in the crop pattern as also due to change in the pattern of pest formation. The average per hectare consumption of agrochemicals in India is much lower than consumption in USA, JAPAN and other developed countries. This augurs well for the Agro Chemical Industry. Rapid growth in acreage of Bt Cotton hybrids resulting in improvement in yield of cotton crop is opening new opportunities for more consumption of pesticides for the control of sucking pests and plant growth nutrients.

India being a tropical country, the consumption pattern of pesticides is tilted towards insecticides, accounting for around 58-60% of the crop protection chemical market. It is followed by herbicides and fungicides at 20% and 18% respectively.

The Crop Protection Industry witnessed growing uncertainties owing to variations in the monsoon spread in some parts of the country, change in climatic conditions, fluctuation in end product prices due to variable raw material costs as also unavailability of key raw materials from China. The Industry also witnessed further slide in the demand for conventional products.

2. Opportunities and threats

Rising costs and uncertainty in availability of some key raw materials continue to be a challenge. The exchange rate fluctuations also impact the raw material prices. Genetically modified seeds which have more self-immunity from natural adversaries pose a threat to the Agro Chemical business.

Indian Agro Chemical Industry has potential for growth considering the cost advantage as compared to that prevailing in developed countries as also the fact that usage of Insecticides in India on acreage basis as compared to developed countries is comparatively low. The need of the Industry is to invest in new products considering the change in crop pattern and pest formation. However the costs associated with development and introduction of new molecules are a deterrent to domestic agro chemical companies with low technology base and limited area of operations. The number of pesticides imported from China is also increasing.

3. Performance

During the year under review, the Agro Division achieved a turnover of Rs. 885 million as against Rs. 795 million made in the previous year thereby recording a growth of 11%. Notwithstanding the adverse business environment, the Agro Division has managed to earn reasonable profits for the year under review. The Company expects to improve performance by concentrating more on the sale of Technical and Bulk pesticides.

The Agro Chemical Industry is more than ever subjected to the vagaries of the monsoon and can impact sale of Agrochemicals. The Company is mainly into the generic segment which faces cut throat competition from other unorganized and organized players in the Agro Chemical Industry. This may lead to stagnation in revenues and bottom line.

4. Outlook

Notwithstanding availability constraints of key raw materials and difficult market conditions, the current year should end on a positive note.

5. Risks and concerns

Increasing number of Indian Companies are registering Chinese material in India. Any change in the Chinese supply position will adversely affect Indian Agro Chemical Industry. Uncertainties of monsoon is also a matter of concern as it impacts the overall crop pattern and resultant pest formation.

Internal Controls Systems

The Company has an internal control system commensurate with the size and nature of business. The Company is committed to ensuring a comprehensive internal control structure to ensure across the Board operational efficiency and compliance with applicable laws besides ensuring that all its assets are adequately safeguarded and protected. All internal control systems are regularly reviewed to ensure efficacy and suitability to changing requirements and regulations. The Company has retained the services of independent firms of professionals to conduct internal audits and provide reports on the adequacy or otherwise of internal control systems. All these reports and observations are regularly reviewed by the top management and also by the Audit Committee of the Board and gaps if any are addressed by rectifying systems and policies.

The Company has established a risk management policy to maintain the highest standards of environment, safety and health as also in other functional and operational areas which is strictly adhered to.

Human Resource Development

The Company continued its efforts to face the challenging business environment by upgrading the capability of its Human Resources through various initiatives in development and training of employees at all levels. For more details refer to the Director's Report. As on 31st March 2013 a total of 1148 persons were employed by the Company.

CAUTIONARY STATEMENT

Statement made in this report describing the Company's objectives, projections, estimates, explanations may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand / supply and price conditions in the domestic and overseas markets in which the Company operations, changes in the Government regulations, tax laws and other statutes and incidental factors.

REPORT ON CORPORATE GOVERNANCE

I. Company's Philosophy on Code of Corporate Governance :

The Company's philosophy on Corporate Governance envisages attainment of transparency and accountability in all spheres including its dealings with employees, shareholders, customers, vendors, lenders and others. Thus, Corporate Governance is a reflection of our culture, policies, our relationship with stakeholders and our commitment to values. The Company believes that the systems and the actions lead to enhance the performance and increase stakeholders' value.

The Corporate Governance Philosophy of the Company has been further strengthened with the adoption of the Code of Conduct and among others the Code for Prevention of Insider Trading. The Company, through its Board and committees, endeavours to maintain high standards of Corporate Governance for the benefit of its stakeholders.

Compliance with the requirements of Clause 49 of the Listing Agreement relating to Corporate Governance are set out below :

II. Board of Directors :

II.1. Composition :

The Board of Directors comprises of the following Members / Key individuals as detailed below :

Sr.No.	Category of Directors	Name of the Director
1.	Promoters (Nominees of Rath Group)	1. Mr. K.L.Rathi – Executive Chairman 2. Mr. P.R.Rathi – Vice Chairman and Managing Director 3. Mr. R.B.Rathi – Executive Director 4. Mr. N.J.Rathi – Non-Executive Director
2.	Non-Promoter (Independent)	1. Mr. B.S.Mehta 2. Mr. S.N.Inamdar 3. Mr. P.P.Chhabria 4. Mr. D.N.Damania 5. Mr. S.Padmanabhan 6. Mr. S.K.Asher

Notes :

- None of the Non-Promoter Directors of the Company had any material pecuniary relationship or transactions with the Company, its Promoters, its Management during the Financial Year 2012-2013 which, in the judgment of the Board may affect independence of judgment of the Directors.
- The Directors mentioned at Serial No. 2 above fall within the expression of "Independent Directors" as mentioned in I (A) (iii) of Clause 49 of the Listing Agreement.

The Chairman of the Board is an Executive Director and the Board of Directors of the Company consists of more than fifty percent Non-Executive Independent Directors. This is in compliance with the Clause 49(I)(A) of the listing agreement.

Profile of Promoter Directors :

- Mr. K.L.Rathi**, Executive Chairman, is B.Sc, B.Sc.(Tech) and M.A.(Chem) from Columbia University, USA and has been associated with the Company for more than four decades. Mr. K.L. Rathi is also the Chairman of Roha Manufacturers Association.

2. **Mr. P.R.Rathi**, Vice Chairman and Managing Director, is MS in Chemical Engineering from MIT, USA and MBA from Columbia University, USA and has been associated with the Company for more than three decades.
3. **Mr. R.B.Rathi**, Director, is B.E.Mech.Engg from MIT, Pune, B.S.Chem. Engg. from Ohio University USA and M.B.A.from Pittsburgh University, USA. Mr. R.B. Rathi has been associated with the Company for the past two decades.
4. **Mr. N.J.Rathi**, Non Executive Director, is M.Com from University of Pune and M.B.A. from USA.

Profile of Non-Executive Independent Directors :

1. **Mr. B.S.Mehta**, is a Fellow Member of the Institute of Chartered Accountants of India. Mr. B.S.Mehta is Senior Partner of Bansi S. Mehta & Co., a firm of Chartered Accountants. Mr. B.S.Mehta is also on the Board of several other Companies.
2. **Mr. S.N.Inamdar**, is a leading advocate and an expert in Income Tax matters. Mr. S.N.Inamdar is also on the Board of several other Companies.
3. **Mr. P.P.Chhabria** Mr. P.P.Chhabria is the original Promoter of Finolex companies coming under Finolex Group. Mr.P.P.Chhabria is also on the Board of several other Companies.
4. **Mr. D.N.Damania** is B.E Mechanical Engineering from Pune University and a renowned technocrat. Mr.D.N.Damania is also on the Board of several other Companies.
5. **Mr. S.Padmanabhan** is M.Sc. (Physics) from Delhi University and Bachelor of General Law from Mumbai University. Mr. S.Padmanabhan has a diploma in Development Economics from University of Cambridge, U.K. and a Diploma in Management Accounting from Bajaj Institute of Management, Mumbai. A former IAS Officer, Mr. S.Padmanabhan has wide experience in industrial projects, finance and administration. Mr. S.Padmanabhan is also on Board of several other Companies.
6. **Mr. S.K.Asher** is a Fellow member of the Institute of Chartered accountants of India and Commerce & Law graduate from the Bombay University. Mr. Sanjay Asher is senior partner of Crawford Bayley & Co., Mumbai and is also on the Board of several other Companies.

II.2. Meetings and Attendance :

During the Financial Year 2012-2013, six meetings of the Board of Directors were held on 25th May, 2012, 10th August, 2012, 3rd September, 2012, 3rd November, 2012, 8th February, 2013 and 22nd March, 2013.

Details regarding attendance of the Directors at the Board Meetings held during the Financial Year 2012-2013 and at the last Annual General Meeting held on 10th August, 2012 are given below :

Sr. No.	Name of the Director	Designation	Status	No. of Board Meetings attended	Attendance at the last AGM
1.	Mr. K. L.Rathi	Executive Chairman	Executive	6	Yes
2.	Mr. P. R.Rathi	Vice Chairman and Managing Director	Executive	6	Yes
3.	Mr. R.B.Rathi	Director	Executive	4	Yes
4.	Mr. N. J.Rathi	Director	Non-Executive	5	Yes
5.	Mr. B.S.Mehta	Director	Non-Executive	4	Yes
6.	Mr. S. N.Inamdar	Director	Non-Executive	5	Yes
7.	Mr. P. P.Chhabria	Director	Non-Executive	5	Yes
8.	Mr. D.N.Damania	Director	Non-Executive	2	No
9.	Mr. S.Padmanabhan	Director	Non-Executive	5	Yes
10.	Mr. S.K.Asher	Director	Non-Executive	5	Yes

II.3 Details of Directorship/s and Committee membership/s in Companies :

(No. of companies)

Name of the Director	Directorship * (Excluding Sudarshan)	Committee Membership ** (Including Sudarshan)
Mr. K.L.Rathi	11	1
Mr. P.R.Rathi	21	11
Mr. R.B.Rathi	12	2
Mr. N.J.Rathi	11	3
Mr. B.S.Mehta	14	14
Mr. S.N.Inamdar	12	11
Mr. P.P.Chhabria	2	4
Mr. D.N.Damania	10	10
Mr. S.Padmanabhan	17	11
Mr. S.K.Asher	41	16

* (Includes Directorships held in Private Companies, Section 25 Companies, Body Corporate incorporated outside India and Alternate Directorships)

** (Includes Chairmanship / Membership of Remuneration / Compensation Committees which is non mandatory under Clause 49 of the Listing Agreement)

None of the Directors is a member in more than 10 committees or acting as Chairman of more than five committees across all companies in which he is a Director. The necessary disclosures regarding Committee positions have been made by the Directors.

III. Delegation of Authority and Responsibilities :

The Company has established a system of Delegation of Authority to define the limits of authority delegated to specified positions of responsibility within the Company and to establish the obligations that are to be performed by individuals. The approval of commitments and responsibilities outlined in this system are approved by the Managing Director and noted by the Board of Directors.

The Working Directors of the Company have delegated responsibilities coupled with necessary authorities to Officials of the Company so as to designate them as "Responsible Persons" and to vest in them the Authority and Responsibility to ensure that all statutory compliances as applicable are complied. The Board periodically reviews the compliance report in relation to all laws applicable to the Company.

IV. Information placed before the Board of Directors :

The information as required under Annexure IA to Clause 49 of the listing agreement is made available to the Board in every meeting.

V. Audit Committee :

The Company has constituted a qualified Audit Committee complying with Clause II (A) of Clause 49 of the Listing Agreement.

The Audit Committee comprises of the following Directors :

Name of the Members	Category	No. of Meetings attended during the year
Mr. B.S. Mehta, Chairman	Independent, Non-Executive Director	4
Mr. S.N. Inamdar, Member	Independent, Non-Executive Director	5
Mr. D.N. Damania, Member	Independent, Non-Executive Director	2
Mr. P.R. Rathi, Member	Non-Independent, Executive Director	5

During the Financial Year 2012-2013, five meetings of the Audit Committee were held on 25th May, 2012, 10th August, 2012, 3rd September, 2012, 3rd November, 2012, and 8th February, 2013.

Mr. P.S.Raghavan, Company Secretary is Secretary to the Audit Committee.

Mr. B.S.Mehta, Chairman of the Audit Committee was present at the previous Annual General Meeting held on 10th August, 2012.

The brief terms of reference of the Audit Committee include :

- (a) Review of the Company's financial reporting process and financial statements.
- (b) Review of accounting and financial policies and practices.
- (c) Review of internal control and internal audit systems.
- (d) Pre-audit and Post-audit discussions with external auditors on nature and scope of audit and areas of concern, if any, respectively.
- (e) Appointment / Reappointment of Statutory Auditors, Internal Auditors, Cost Auditors and recommending remuneration.
- (f) Reviewing the Company's financial and risk management policies.
- (g) Review of Financial Statements, Investments made in Wholly Owned Subsidiary Companies i.e. Prescient Color Limited – Unlisted Indian Company, Sudarshan Europe B.V. – A Private Limited Company incorporated in The Netherlands and Sudarshan North America, Inc., – A Private Limited Company incorporated in the State of Delaware, USA (Wholly Owned Subsidiary of Sudarshan Europe B.V. and step down subsidiary of Sudarshan Chemical Industries Limited, Pune, India).

VI. Remuneration Committee :

The Remuneration Committee of the Board comprises of following Directors :

Name of the Members	Category	No. of Meetings attended during the year 2012-2013
Mr. P.P. Chhabria, Chairman	Independent, Non-Executive Director	2
Mr. S.N. Inamdar, Member	Independent, Non-Executive Director	2
Mr. D.N. Damania, Member	Independent, Non-Executive Director	1

During the Financial Year 2012-2013, two meetings of the Remuneration Committee were held on 25th May, 2012 and 8th February, 2013.

Terms of Reference :

- To appraise the performance of Managing and Executive Directors and
- To determine and recommend to the Board, commission and compensation payable to Managing and Executive Directors.

Criteria for payments to Executive Directors :

The remuneration of the Executive Directors is recommended by the Remuneration Committee based on criteria such as industry benchmarks, the Company's performance vis-à-vis the industry, responsibilities shouldered, performance / track record, macroeconomic review on remuneration packages of heads of other organizations and is decided by the Board of Directors. The Company pays remuneration by way of salary, perquisites and allowances (fixed component), Performance Linked Variable Allowance and / or commission (variable components) to its Executive Directors.

Criteria for payments to Non-Executive Directors :

The Board of Directors has set up mandatory and non mandatory committees for discharging various functions with Non-Executive Directors being member of such committees. Such Directors attending Board Meetings and Committee Meetings are remunerated by payment of sitting fees.

The Schedule of sitting fees presently being paid are as follows :

Sr. No.	Particulars	Sitting fees per meeting Amount (Rs.)
1.	Board of Directors	20,000
2.	Audit Committee	20,000
3.	Shareholders / Investors Grievance Committee	20,000
4.	Remuneration Committee	20,000
5.	Selection Committee	20,000
6.	Finance Committee	20,000
7.	Adhoc Committee (for specific purposes)	20,000
8.	Issue of Share Certificates / Duplicate Share Certificates	5,000

No. of shares held by Non Executive Directors : (As on 31st March, 2013)

Sr. No.	Name of the Non Executive Director	No. of shares of Rs. 10/- each held
1.	Mr. D.N.Damania	93
2.	Mr. S.N.Inamdar	493*

* Holding is Nil as on date of adoption of Annual Accounts.

Remuneration to Executive Directors : (As on 31st March, 2013)

(Amount in Rs.)

Particulars	Mr. K.L.Rathi Executive Chairman	Mr. P.R.Rathi Vice Chairman and Managing Director	Mr. R.B.Rathi Director
Salary & Other Allowances	7,560,000	8,400,000	5,628,000
Contribution to Provident Fund & Other Funds	1,458,000	1,620,000	1,085,400
Other Perquisites	664,162	865,235	763,542
Total	9,682,162	10,885,235	7,476,942

Remuneration to Non-Executive Directors : (As on 31st March, 2013)

(Amount in Rs.)

Name of the Director	Sitting Fees	Others (Professional Fees)	Total
Mr. B.S.Mehta	160,000	—	160,000
Mr. S.N.Inamdar	305,000	550,000	855,000
Mr. P.P.Chhabria	160,000	—	160,000
Mr. D.N.Damania	100,000	—	100,000
Mr. S.Padmanabhan	100,000	—	100,000
Mr. S.K.Asher	100,000	—	100,000
Mr. N.J.Rathi	120,000	—	120,000
Total	1,045,000	550,000	1,595,000

In addition to sitting fees, Mr. S.N. Inamdar is also paid fees for rendering professional services. However these are not material in nature.

VII. Selection Committee :

The Selection Committee of the Board consists of following members :

Name of the Members	Category	Remarks
Mr. P.P.Chhabria, Chairman	Independent, Non-Executive Director	During the Financial Year 2012-2013, no meeting of the Selection Committee was held.
Mr. S.N.Inamdar, Member	Independent, Non-Executive Director	
Mr. D.N.Damania, Member	Independent, Non-Executive Director	
Mr. K.L.Rathi, Member	Executive Chairman	
Mr. P.R.Rathi, Member	Vice Chairman and Managing Director	
Mr. V.Desai, Outside Member	Consultant, HRD	

Terms of Reference :

To propose and / or to review and recommend appropriate remuneration payable to relatives of directors proposing to or holding office or place of profit under the Company.

VIII. Shareholders' / Investors' Grievance Committee :

The Shareholders' / Investors' Grievance Committee comprises of the following Directors :

Name of the Members	Category	No. of Meetings attended during the year 2012-2013
Mr. P.P.Chhabria, Chairman	Independent, Non-Executive Director	1
Mr. P.R.Rathi, Member	Vice Chairman and Managing Director	1
Mr. N.J.Rathi, Member	Non-Executive Director	1

Terms of Reference :

To redress investors' complaints and requests such as share transfers, dematerialization of shares, non-receipt of annual reports, interest / dividend payments, issue of duplicate share certificates, transmission (with and without legal representation) of shares and other miscellaneous complaints.

During the Financial Year 2012-2013, one meeting of the Shareholders' / Investors' Grievance Committee was held on 8th February, 2013. All the members of this Committee attended the meeting.

Based on the report received from the Company's Registrars, no complaint was received from SEBI and Stock Exchange(s).

Name, Designation and address of Compliance Officer :

Mr. P.S.Raghavan
Company Secretary
Sudarshan Chemical Industries Limited
162, Wellesley Road, Pune – 411 001
Maharashtra, India

IX. Other Committees constituted by the Company :

- Finance Committee** : The scope of the Committee is to approve raising of short-term finance within the overall limits set up by the Board.

Mr. P.R. Rathi, Mr. K.L. Rathi, Mr. N.J. Rathi and Mr. S.N. Inamdar, Directors constitute members of the Committee.

- 2. Share Transfer Committee :** The scope is to approve / reject the transfers based on the report of the Company's Registrar and Transfer Agents, Link Intime India Private Limited.

Mr. K.L. Rathi, Mr. P.R. Rathi and Mr. N.J. Rathi, Directors constitute members of the Committee.

Meetings are held at convenient intervals to ensure transfer and dispatch of share certificates within the stipulated deadline prescribed by the stock exchanges.

- 3. Issue of Share Certificates / Duplicate Shares Certificates Committee :** The scope of the Committee is to approve issue of duplicate share certificates arising out of split / consolidation and loss of share certificates.

Mr. K.L. Rathi, Mr. N.J. Rathi and Mr. S.N. Inamdar, Directors constitute members of the Committee.

Meetings are held at convenient intervals to ensure issue and dispatch of share certificates within the stipulated deadline prescribed by the stock exchanges.

X. Risk Management :

Risk Management is a practice with processes, methods and tools for managing risks. The Company believes that successful risk management is one in which risks are continuously identified, analysed and monitored on a regular basis. Mr. Nagesh V. Kamat, Sr. General Manager – Engg, Roha Plant is entrusted with the responsibility of risk management. The necessary reporting is being made to the Audit Committee and Board of Directors.

XI. General Body Meeting :

Details of last three Annual General Meetings are given below :

Financial Year	Date	Venue	No. of Directors present
2011-2012	10-08-2012	Mahratta Chamber of Commerce, Industries And Agriculture, Tilak Road, Pune	9
2010-2011	12-08-2011	Mahratta Chamber of Commerce, Industries And Agriculture, Tilak Road, Pune	10
2009-2010	14-08-2010	Mahratta Chamber of Commerce, Industries And Agriculture, Tilak Road, Pune	9

XII. A. Details of Special Resolutions passed at the previous three Annual General Meetings :

Date of AGM	Details of Special Resolution/s passed	Remarks
10-08-2012	Nil	Nil
12-08-2011	For obtaining the consents of shareholders for payment of remuneration to Mr. Anuj N. Rathi, relative of Mr. N.J.Rathi, Non-Executive Director and Mr. Rahul P. Rathi, relative of Mr. P.R.Rathi, Vice Chairman and Managing Director w.e.f. 1 st August, 2011 under Section 314(1-B) of the Companies Act, 1956 read with Director's Relatives (Office or Place of Profit) Rules, 2011.	Passed by three fourth's majority
14-08-2010	Nil	Nil

XII. B. Details of Special Resolutions passed at the previous Extra-Ordinary General Meeting :

Date of EOGM	Details of Special Resolution/s passed	Remarks
22-03-2013	For obtaining the consents of shareholders for payment of remuneration to Mr. K.L. Rath, Executive Chairman, Mr. P.R. Rath, Vice Chairman and Managing Director and Mr. R.B. Rath, Director for the Financial Years 2012-2013, 2013-2014 and 2014-2015 consequent to the inadequacy of profits with due compliance of the provisions of Part II, Section II (C) of Schedule XIII of the Companies Act, 1956 presently in force.	Passed by three fourth's majority

XIII. Disclosures :

During the year under review, there were no material significant transactions entered into by the Company with its Promoters, Directors or the Management or relatives etc. that may have a potential conflict with the interest of the Company.

There were no instances of non compliance or penalty, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets, during the last three years.

The Company has complied with all the mandatory requirements of Clause 49 of the listing agreement with the Stock Exchanges.

The Company does not have any material non-listed Indian Subsidiary Company and hence, it is not required to have an Independent Director of the Company on the Board of such Subsidiary Company. The Audit Committee also reviews presentation made on significant issues in audit, internal control, risk management, etc. relating to subsidiaries.

The minutes of the Board Meetings of Wholly Owned Subsidiary Companies i.e. Prescient Color Limited and Sudarshan Europe B.V. and Sudarshan North America, Inc., Wholly Owned Subsidiary of Sudarshan Europe B.V. and first level step down subsidiary of Sudarshan, India were tabled before the Board at respective Board Meetings and noted.

Except for the constitution of Remuneration Committee, other non mandatory requirements under Clause 49 of the listing agreement have not been adopted.

Secretarial Audit : Rajesh Karunakaran & Co., Company Secretaries, Pune have been entrusted with the task of carrying out Secretarial Audit to reconcile the total admitted capital with NSDL e-Governance Infrastructure Limited (previously known as National Securities Depository Limited (NSDL)) and Central Depository Services India Limited (CDSL) and the total issued and listed capital. The audit report submitted every quarter to the Board of Directors confirms that the total issued / paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

XIV. Means of Communication :

The Quarterly, Half-Yearly, Nine Monthly (Unaudited) and Yearly Consolidated Audited financial results of the Company are announced / published within the prescribed time period stipulated under the listing agreement. These financial results are ordinarily published in The Financial Express - Pune Edition - English Newspaper and in The Loksatta - Pune Edition - Marathi Newspaper.

The Company also displays all unaudited / audited financial results, any major announcements, decisions, Press releases or significant developments on its website: www.sudarshan.com.

In terms of SEBI Circular the Company has designated an e-mail address - grievance.redressal@sudarshan.com for enabling investors to post their grievances and to enable timely action on investor grievances, if any. Members are requested to forward their grievances, if any, at the designated e-mail address.

XV. Shareholders Information :

Shareholders information is separately provided in the Annual Report.

XVI. Code of Conduct :

The Board has laid down a Code of Conduct for all Board members and Senior Management consisting of members of the Corporate Executive Committee and other Employees / Executives of the Company. The Code of Conduct is posted on the Company's website.

All the Board members and Senior Management personnel have affirmed compliance to the Code of Conduct of the Company for the period 1st April, 2012 to 31st March, 2013. The declaration dated 2nd May, 2013 received from Mr. P.R.Rathi, Vice Chairman and Managing Director in this regard is given below :

"I hereby declare that all Board Members of the Company and Senior Management personnel have affirmed compliance with the Code of Conduct for the period from 1st April, 2012 to 31st March, 2013."

For and on behalf of the Board of Directors
For SUDARSHAN CHEMICAL INDUSTRIES LIMITED

Pune, 30th May, 2013

K.L.RATHI
EXECUTIVE CHAIRMAN

AUDITOR'S CERTIFICATE

To,

The Members of
Sudarshan Chemical Industries Limited
162, Wellesley Road
Pune - 411 001

We have examined the compliance of conditions of Corporate Governance by Sudarshan Chemical Industries Limited for the year ended 31st March, 2013 as stipulated in Clause 49 of the listing agreement of the Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us :

We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreement.

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

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Prasad Paranjape
Partner
Membership No – 047296

Pune : 30th May, 2013

SHAREHOLDERS INFORMATION

1. Annual General Meeting :

Day and Date	Friday, 20 th September, 2013
Time	11.30 A.M.
Venue	Pudumjee Hall, Mahratta Chamber of Commerce, Industries And Agriculture, Tilak Road, Pune 411 002

2. Financial Calendar (Tentative) :

April 2013 to March 2014

Sr. No.	Particulars of Meetings	Date
1.	Audited Financial Results for the year ended 31 st March, 2013	30 th May, 2013
2.	Unaudited Financial Results for the Quarter ended 30 th June, 2013.	9 th August, 2013
3.	62 nd Annual General Meeting	20 th September, 2013
4.	Unaudited Financial Results for the Quarter ended 30 th September, 2013.	25 th October, 2013
5.	Unaudited Financial Results for the Quarter ended 31 st December, 2013.	7 th February, 2014
6.	Unaudited Financial Results for the Quarter ended on 31 st March, 2014 / Audited Annual Results for the year ended on 31 st March, 2014.	On or before 30 th May, 2014 / Last week of May, 2014

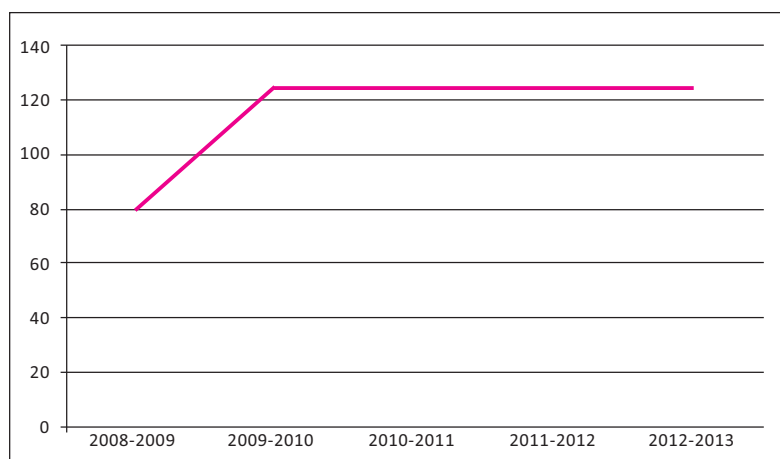
3. Date of Book Closure :

10th September, 2013 to 20th September, 2013 (both days inclusive).

4. Dividend Payment Date :

The Board of Directors at its meeting held on 30th May, 2013 have recommended dividend of Rs. 12.50 per equity share (125%) on a face value of Rs. 10/- for the year Financial Year ended 31st March, 2013 subject to the approval of the shareholders in the Annual General Meeting. The dividend, if approved by the shareholders at the Annual General Meeting, will be paid on or before 19th October, 2013 to those members whose names appear on the Register of Members of the Company / beneficial owners as on 20th September, 2013.

5. Dividend Trend for past five years :



% of Dividend paid by the Company during past five years is shown above.

6. Listing on Stock Exchanges and Stock Code :

Name	Code
Bombay Stock Exchange Limited	506655
The National Stock Exchange of India Limited	Sudarschem

The International Security Identification Number (ISIN) for Company's equity shares registered with NSDL and CDSL is INE659A01015.

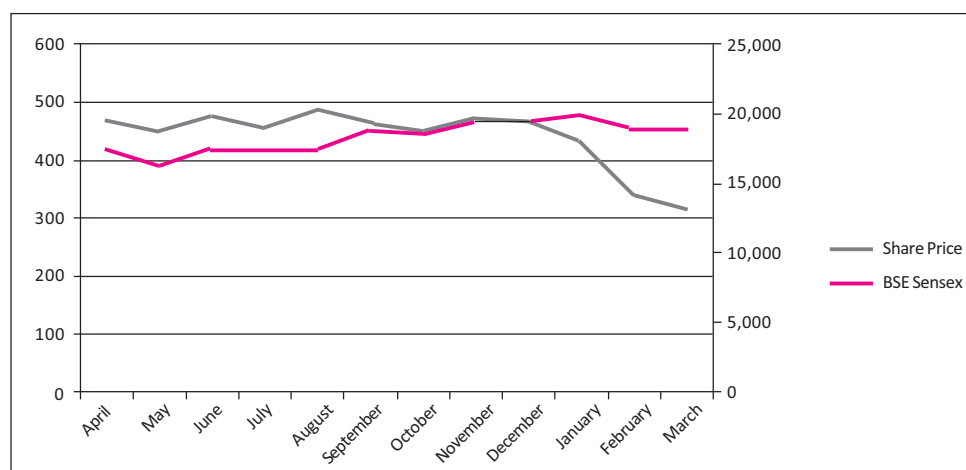
The Company has paid the Annual Listing fees in respect of Bombay Stock Exchange Limited and The National Stock Exchange of India Limited for the Financial Year 2013-2014. The Company has also paid the Annual Custodial fees to NSDL and CDSL for the Financial Year 2013-2014.

7. Stock Prices :

	Bombay Stock Exchange Limited		National Stock Exchange of India Limited	
Month	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April, 2012	533.00	453.00	539.00	475.00
May, 2012	508.70	370.00	484.95	420.00
June, 2012	478.00	410.00	475.05	415.00
July, 2012	479.00	431.75	528.00	431.00
August, 2012	523.80	431.10	484.95	429.95
September, 2012	550.00	450.00	510.00	440.25
October, 2012	488.80	440.10	475.00	442.05
November, 2012	473.00	415.00	479.95	405.55
December, 2012	479.90	440.00	475.00	440.00
January, 2013	474.90	425.10	468.75	412.00
February, 2013	449.85	324.10	425.10	329.00
March, 2013	362.00	282.10	357.00	278.00

(Source: BSE and NSE - Websites)

Comparison of Sudarshan share price with BSE Sensex - April, 2012 to March, 2013 :



8. Registrar and Transfer Agents :

Link Intime India Private Limited, Pune is acting as Company's Registrar and Transfer Agents to take care of all share related work including giving electronic credit of dematerialized shares of the Company. All share related matters are handled under the supervision of Mr. P.S.Raghavan Company Secretary who is also the Compliance Officer under the Listing Agreement.

9. Share Transfer System :

The Board has constituted a Share Transfer Committee for expeditious transfer of shares. The shares lodged with the Company and complete in all respects are usually transferred within a period of three weeks from the date of lodgment.

10. Distribution of Shareholding :(As on 31st March, 2013)

No. of equity shares held	No. of shareholders	% of shareholders	No. of shares	% of shareholding
1 – 3000	10,420	98.87	1,235,236	17.84
3001 – 5000	31	0.30	118,501	1.71
5001 & Above	88	0.83	5,568,988	80.45
Total	10,539	100.00	6,922,725	100.00

11. Shareholding Pattern :(As on 31st March, 2013)

Category	No. of shares held	% to total paid up share capital
Rathi Promoter Group	3,652,103	52.76
Foreign Companies / NRI's / Foreign Individuals	586,290	8.47
FII's / Financial Institutions / Banks / Insurance Companies / Mutual Funds / UTI	255,343	3.69
Corporate Bodies	64,846	0.93
Non Promoter Directors / Resident Individuals	2,364,143	34.15
Total	6,922,725	100.00

12. Dematerialization of Shares and Liquidity :

The Company's shares are presently traded on the BSE and NSE in dematerialized form.

100% Promoters holding is now held in dematerialized form.

As on 31st March, 2013, 86.64 % of the total shareholding in the Company is held in dematerialized form which includes the promoters shareholding of 52.76%.

13. Outstanding GDRs / ADRs / Warrants and other Convertible instruments, conversion dates and likely impact on equity :

Not applicable as not issued.

14. Plant locations :

Location	Address
Roha	46 MIDC Estate, Dhatav, Roha 402 116, Dist Raigad
Mahad	Plot No. A-19/1+2, MIDC Estate, Mahad 402 301, Dist. Raigad
Ambadvet	R & D Laboratory, Ambadvet, Amrlevadi, Tal. Mulshi, Dist. Pune

15. Address for Correspondence :

(1) The Company Secretary
Sudarshan Chemical Industries Limited,
162, Wellesley Road,
Pune - 411 001
Tel No. 020 - 26058888
Email: grievance.redressal@sudarshan.com

(2) Link Intime India Private Limited
"Akshay Complex"
Block No. 202, 2nd Floor
Off Dhole Patil Road
Near Ganesh Temple
Pune - 411 001
Tel.No. 020 – 26160084, 020-26161629
Telefax 020-26163503
E-mail : pune@linkintime.co.in

Disclosure under Regulation 10(1)(a)(ii) of the Securities and Exchange Board of India (Substantial Acquisition of shares and Takeovers) Regulations, 2011 :

Persons named as Promoters in the shareholding pattern filed by the Company pursuant to Clause No. 35 of the Listing Agreement.

1)Mrs.Kusum Ramwilas Rath i 2) Mr. Pradeep Ramwilas Rath i 3) Mrs.Subhadra Pradeep Rath i 4) Mr. Rahul Pradeep Rath i 5) Mr. Balkrishna Jagannath Rath i (HUF) 6) Mrs.Kusum Balkrishna Rath i 7) Mr. Ajay Balkrishna Rath i 8) Mr.Ajay Balkrishna Rath i (HUF) 9) Mr. Ajay Balkrishna Rath i, Trustee of Manan Rath i Trust 10) Mrs.Nisha Ajay Rath i 11) Mr. Rajesh Balkrishna Rath i 12) Mr. Rajesh Balkrishna Rath i (HUF) 13) Mr. Rajesh Balkrishna Rath i, Trustee of Shri.Balkrishna Rath i Family Trust 14) Mr. Rajesh Balkrishna Rath i, Trustee of Sow Rachana Rath i Family Trust 15) Mrs.Rachana Rajesh Rath i 16) Mr.Kishor Laxminarayan Rath i 17) Mrs. Aruna Kishor Rath i 18) Mr. Rohit Kishor Rath i 19) Mr. Narayandas Jagannath Rath i 20) Mr. Anuj Narayandas Rath i 21) Mr. Anuj Narayandas Rath i (HUF) 22) Mrs. Archana Anuj Rath i 23) Balkrishna Rath i Finance Private Limited 24) Laxminarayan Finance Private Limited 25) NJR Finance Private Limited.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SUDARSHAN CHEMICAL INDUSTRIES LIMITED

1. Report on the Financial Statements

We have audited the accompanying Financial Statements of SUDARSHAN CHEMICAL INDUSTRIES LIMITED ('the Company') which comprise the Balance Sheet as at 31st March, 2013, Statement of Profit and Loss and Cash Flow Statement for the year ended and a summary of significant Accounting Policies and other explanatory information.

2. 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 (as amended) 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 misstatements, whether due to fraud or error.

3. 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 misstatements.

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 misstatements 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.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the Company's Accounting Policies and the Notes thereto, 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;

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

5. 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) (Amended) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the 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 accounts as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
 - d) in our opinion, 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 Act;
 - e) on the basis of written representations received from the directors, as on 31st March, 2013 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2013 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - f) 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 Act, 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.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Prasad Paranjape
Partner
Membership No – 047296

Pune : 30th May, 2013

ANNEXURE TO THE AUDITORS' REPORT

ANNEXURE REFERRED TO IN PARAGRAPH 4 OF OUR REPORT OF EVEN DATE :

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification, which in our opinion, is reasonable having regard to the size of the operations of the Company and nature of its fixed asset.
- (c) During the year, the Company has not disposed of any substantial or major portion of fixed assets.
- ii. (a) As explained to us, the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, 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) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of inventory, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to the book records were not material and have been properly dealt with in the books of accounts.
- iii. 1 (a) According to the information and explanations given to us, the Company has granted unsecured loans to wholly owned subsidiaries covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 702,283,050 and the year-end balance of loan granted to such companies is Rs. 557,969,050.
- (b) According to the information and explanations given to us, in our opinion, the rate of interest and other terms and conditions of above unsecured loans granted by the Company are not prima facie, prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us, the company to whom loans and advances in the nature of loan have been given is repaying the principal amount as stipulated and is also regular in payment of interest.
- (d) There is no overdue amount of loan granted to the companies listed in the register maintained under Section 301 of the Companies Act, 1956.
- 2 (a) According to the information and explanations given to us, the Company has taken unsecured loans and fixed deposits from 11 parties covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 210,320,000 and the year-end balance of loan taken from such parties is Rs. 203,570,000.
- (b) According to the information and explanations given to us, in our opinion, the rate of interest and other terms and conditions of above unsecured loans taken by the Company are not prima facie, prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us, the company is regular in repayment of principal and interest.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets, and with regard to the sale of goods and services. During the course of our audit, no continuing failure to correct major weakness has been noticed in the internal controls.
- v. In respect of transactions entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956,
- (a) Based on audit procedures applied by us, to the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the contracts or arrangements that needed to be entered into the register maintained under Section 301 have been so entered.

- (b) According to the information and explanations given to us, transactions of purchase of goods and services exceeding the value of Rs. 5 lacs during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Rules framed thereunder in respect of the deposits accepted from the public.
- vii. In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.
- viii. We have broadly reviewed the books of accounts maintained by the Company pursuant to the Order made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956, in respect of Pesticides and Pigments and are of the opinion that prima facie the prescribed accounts and records have been maintained. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete.
- ix. (a) According to the records of the Company and information and explanations given to us, the Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities during the year.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty, Excise Duty, Cess and other undisputed statutory dues were outstanding, at the year end or for a period of more than six months from the date they became payable.
- (c) According to the records of the Company and information and explanation given to us, details of dues of Excise Duty, Sales Tax and Income Tax which have not been deposited on account of any dispute are given below :

Name of the Statute	Nature of Dues	Amount (Rs.)	Financial Years to which it pertains	Forum where the dispute is pending
The Central Excise Act, 1944	Excise duty	227,682 26,032 5,193 2,355 1,742,851 31,020	2002-03 2004-05 2005-06 2005-06 2010-11 2011-12	Assistant Commissioner of Central Excise
The Central Excise Act, 1944	Excise duty	3,954,881 123,369 185,943	2004-05 2009-10 2011-12	Custom, Excise & Service Tax Appellate Tribunal
The Central Excise Act, 1944	Excise duty	4,286,106	2012-13	Addl. Commissioner of Central Excise
The Central Excise Act, 1944	Excise duty	114,177	2012-13	Dy. Commissioner Central Excise
The Central Excise Act, 1944	Excise duty	8,292	2012-13	Supt. Commissioner of Central Excise
The Central Excise Act, 1944	Excise duty	25,562	2012-13	Supt. Of Central Excise
The Income Tax Act, 1961	Income Tax	653,233	2007-08	Dy. Commissioner Income Tax
MVAT Act 2002	MVAT	5,250,291	2006-07 & 2008-09	Jt. Commissioner of Sales Tax (Appeal), Pune
TOTAL		16,636,987		

- x. The Company does not have accumulated losses as at the end of the financial year and the Company has not incurred cash losses during current and the immediately preceding financial year.
- xi. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institutions and banks.
- xii. According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended), are not applicable to the Company.
- xv. 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, except for the corporate guarantee issued on behalf of its wholly owned subsidiary Prescient Color Limited (cancelled during the year) and its step down subsidiary Sudarshan North America, Inc. amounting to Rs. 122,500,000 and USD 3,000,000 respectively and terms and conditions thereof are not prejudicial to the interest of the company.
- xvi. Based on the information and explanation given to us by the management, term loans availed by the Company were, prima facie, applied by the Company during the year for the purpose for which loans were obtained.
- xvii. According to Cash Flow Statement as on the Balance Sheet date and records examined by us and according to the information and explanations given to us, on overall basis, we report that no funds raised on short term basis have, prima facie, been used during the year for long term investment.
- xviii. The Company has not made any preferential allotment to parties and companies covered under register maintained under Section 301 of the Companies Act, 1956, during the year and the question of whether the price at which the shares have been issued is prejudicial to the interest of the Company does not arise.
- xix. The Company has not issued any debentures and hence the question of creation of any securities does not arise.
- xx. The Company has not raised money by any public issues during the year and hence the question of disclosure and verification of end use of such money does not arise.
- xxi. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Financial Statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Prasad Paranjape
Partner
Membership No – 047296

Pune : 30th May, 2013

BALANCE SHEET AS AT 31ST MARCH, 2013

Particulars	Note No.	As at 31-03-2013 Rs.	As at 31-03-2012 Rs.
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	69,227,250	69,227,250
(b) Reserves and Surplus	2	2,741,705,109	2,632,395,626
		<u>2,810,932,359</u>	<u>2,701,622,876</u>
(2) Non-Current Liabilities			
(a) Long-term borrowings	3	2,103,899,000	1,233,222,000
(b) Deferred tax liabilities (Net)	4	252,261,161	212,310,169
(c) Other Long-term liabilities	5	27,811,160	27,770,460
(d) Long-term provisions	6	56,453,316	53,391,511
		<u>2,440,424,637</u>	<u>1,526,694,140</u>
(3) Current Liabilities			
(a) Short-term borrowings	7	1,443,165,901	1,051,553,640
(b) Trade payables	8	1,017,263,505	963,132,548
(c) Other current liabilities	9	877,108,599	823,157,861
(d) Short-term provisions	10	145,069,617	139,504,688
		<u>3,482,607,622</u>	<u>2,977,348,737</u>
Total...		<u><u>8,733,964,618</u></u>	<u><u>7,205,665,753</u></u>
II. ASSETS			
(1) Non-current Assets			
(a) Fixed assets			
(i) Tangible assets	11	2,959,989,919	2,048,033,829
(ii) Intangible assets	12	120,943,902	123,441,550
(iii) Capital work-in-progress		225,878,876	167,466,556
(b) Non-current investments	13	251,839,612	251,769,915
(c) Long-term loans and advances	14	210,069,401	274,096,279
(d) Other non-current assets	15	3,000,000	5,500,000
		<u>3,771,721,710</u>	<u>2,870,308,129</u>
(2) Current Assets			
(a) Inventories	16	1,858,572,266	1,569,123,196
(b) Trade receivables	17	1,995,930,740	1,842,772,784
(c) Cash and cash equivalents	18	217,040,015	338,335,313
(d) Short-term loans and advances	19	642,538,325	398,771,744
(e) Other current assets	20	248,161,562	186,354,587
		<u>4,962,242,908</u>	<u>4,335,357,624</u>
Total...		<u><u>8,733,964,618</u></u>	<u><u>7,205,665,753</u></u>
See accompanying Notes to The Financial Statements	29		

The accompanying notes form an integral part of the Financial Statements.

As per our report of even date.

For and on behalf of the Board of Directors

For B.K.KHARE & Co.
Chartered Accountants
Firm Regn No:105102W

K.L.RATHI
Executive Chairman

P.R.RATHI
Vice-Chairman &
Managing Director

PRASAD PARANJPE
Partner
Membership No.:047296

N.J.RATHI
Director

R.B.RATHI
Director

P.S.RAGHAVAN
Company Secretary

Pune : 30th May, 2013

Pune : 30th May, 2013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	Note No.	Current Year Rs.	Previous Year Rs.
I. Revenue from operations	21	8,472,880,356	7,948,628,374
Less : Excise duty		620,341,427	506,284,685
		7,852,538,929	7,442,343,689
II. Other Income	22	115,008,394	79,836,089
III. Total Revenue (I + II)		7,967,547,323	7,522,179,778
IV. Expenses :			
Cost of materials consumed	23	4,520,131,390	4,042,208,210
Cost of goods traded	24	298,575,030	284,850,597
Changes in inventories of finished goods, work-in-progress	25	(323,554,175)	(133,618,686)
Employee benefit expense	26	602,042,306	536,333,316
Finance costs	27	311,790,206	213,109,639
Depreciation and amortization expense	11, 12	250,372,367	171,485,036
Other expenses	28	2,057,689,191	1,905,964,893
Total Expenses		7,717,046,315	7,020,333,005
V. Profit / (Loss) before exceptional and extraordinary items and tax (III - IV)		250,501,008	501,846,773
VI. Exceptional Items		-	-
VII. Profit / (Loss) before extraordinary items and tax (V - VI)		250,501,008	501,846,773
VIII. Extraordinary Items		-	-
IX. Profit / (Loss) before tax (VII - VIII)		250,501,008	501,846,773
X. Tax expense :			
(1) Current Tax		48,000,000	96,000,000
(2) MAT Credit Entitlement		(48,000,000)	(47,000,000)
(3) Deferred Tax		39,950,992	91,336,130
XI. Profit / (Loss) for the period from continuing operations		210,550,016	361,510,643
XII. Profit / (Loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit / (Loss) from discontinuing operations (after tax) (XII - XIII)		-	-
XV. Profit / (Loss) for the period (XI + XIV)		210,550,016	361,510,643
XVI. Earning per equity share, Basic & Diluted (Rs. Per Equity Share of Rs. 10 each (Previous Year : Rs. 10 each)) (Ref. Note No. 22 of Note No. 29)		30.41	52.22
See accompanying Notes to The Financial Statements	29		

The accompanying notes form an integral part of the Financial Statements.

As per our report of even date.

For and on behalf of the Board of Directors

For B.K.KHARE & Co.
Chartered Accountants
Firm Regn No:105102W

K.L.RATHI
Executive Chairman

P.R.RATHI
Vice-Chairman &
Managing Director

PRASAD PARANJAPÉ
Partner
Membership No.:047296

N.J.RATHI
Director

R.B.RATHI
Director

P.S.RAGHAVAN
Company Secretary

Pune : 30th May, 2013

Pune : 30th May, 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	March 31, 2013 Rs.	March 31, 2012 Rs.
Cash flow from operating activities		
Profit / (Loss) before tax from operations	250,501,008	501,846,773
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation / amortization	250,372,367	171,485,036
Loss / (Profit) on sale or write off of fixed assets	1,481,219	(11,256)
Provision for decline in the value of long-term investment written back	(205,000)	—
Unrealized foreign exchange Loss / (Gain)	(15,099,665)	4,754,773
Provision for doubtful debt (Net)	893,702	(207,155)
Interest expense	2,317,428	6,726,512
Interest income	(2,838,373)	(1,575,456)
Operating profit before working capital changes	487,422,686	683,019,227
Movements in working capital :		
Increase / (decrease) in trade payables	53,276,084	293,907,117
Increase / (decrease) in long-term provisions	3,061,805	9,336,202
Increase / (decrease) in short-term provisions	(196,247,657)	(194,229,040)
Increase / (decrease) in other current liabilities	49,211,855	370,950,752
Increase / (decrease) in other long-term liabilities	40,700	(420,395)
Decrease / (increase) in trade receivables	(140,260,971)	(109,885,006)
Decrease / (increase) in inventories	(289,449,070)	(194,568,934)
Decrease / (increase) in long-term loans and advances	124,526,878	(27,481,474)
Decrease / (increase) in short-term loans and advances	(243,766,581)	(50,407,048)
Decrease / (increase) in other current assets	(58,968,602)	(111,975,631)
Decrease / (increase) in other non-current assets	2,500,000	—
Cash generated from / (used in) operations	(208,652,873)	668,245,770
Direct taxes paid	(60,500,000)	(100,000,000)
Net cash flow from / (used in) operating activities (A)	(269,152,873)	568,245,770
Cash flows from investing activities :		
Purchase of fixed assets, including intangible assets and CWIP	(1,221,570,444)	(871,932,654)
Proceeds from sale of fixed assets	1,846,096	2,828,707
Proceeds of non-current investments	135,303	(33,195,000)
Net cash flow from / (used in) investing activities (B)	(1,219,589,045)	(902,298,947)
Cash flows from financing activities :		
Proceeds from long-term borrowings	870,677,000	195,506,000
Dividend and Dividend Tax Paid	100,572,053	100,572,053
Proceeds from short-term borrowings	396,197,567	258,312,313
Net cash flow from / (used in) in financing activities (C)	1,367,446,620	554,390,366
Net increase / (decrease) in cash and cash equivalents (A + B + C)	(121,295,298)	220,337,189
Cash and cash equivalents at the beginning of the year	338,335,313	117,998,124
Cash and cash equivalents at the end of the year	217,040,015	338,335,313
Components of cash and cash equivalents		
Cash on hand	2,386,602	1,703,627
With banks :		
on current account	174,135,974	101,086,522
on deposit account	38,541,269	234,498,067
unpaid dividend accounts*	1,960,668	1,041,544
Lien Account	15,502	5,553
Total cash and cash equivalents (Ref. Note No. 18)	217,040,015	338,335,313

Notes :

- The above Cash Flow Statement have been prepared under the 'Indirect Method' as set out in the Accounting Standard-3 on Cash Flow Statements issued by ICAI.
 - Previous year's figures have been regrouped wherever necessary to conform to the current year classification.
- * The Company can utilise these balances only towards settlement of the respective unpaid dividend.

As per our report of even date.

For and on behalf of the Board of Directors

For B.K.KHARE & Co.
Chartered Accountants
Firm Regn No:105102W

K.L.RATHI
Executive Chairman

P.R.RATHI
Vice-Chairman &
Managing Director

PRASAD PARANJPE
Partner
Membership No.:047296

N.J.RATHI
Director

R.B.RATHI
Director

P.S.RAGHAVAN
Company Secretary

Pune : 30th May, 2013Pune : 30th May, 2013

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2013 Rs.	As at 31-03-2012 Rs.		
	SHAREHOLDER'S FUNDS				
1	SHARE CAPITAL				
	Equity share capital :				
	AUTHORISED :				
	8,000,000 (8,000,000) Equity Shares of Rs. 10 each	<u>80,000,000</u>	<u>80,000,000</u>		
	ISSUED :				
	* 6,922,775 (6,922,775) Equity Shares of Rs. 10 each	<u>69,227,750</u>	<u>69,227,750</u>		
	SUBSCRIBED AND PAID-UP :				
	6,922,725 (6,922,725) Equity Shares of Rs. 10 each fully paid-up.	<u>69,227,250</u>	<u>69,227,250</u>		
	* Allotment of 50 Rights Equity Shares of Rs. 10 each is kept in abeyance, matter being sub-judice.				
	(a) Reconciliation of the shares outstanding at the beginning and at the end of the year :				
		No.	Rs.	No.	Rs.
	At the beginning of the year	6,922,725	69,227,250	6,922,725	69,227,250
	Add: Allotted during the year	—	—	—	—
	Less: Shares bought back during the year	—	—	—	—
	Outstanding at the end of the year	6,922,725	69,227,250	6,922,725	69,227,250
	(b) Terms / Rights attached to equity shares :				
	The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.				
	During the financial year ended 31 st March, 2013, the amount of per share dividend recognised as distribution to the equity shareholders is Rs. 12.50 (Previous Year : Rs. 12.50)				
	In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.				
	(c) Shares held by holding / ultimate holding company and / or their subsidiaries / associates :				
	The Company does not have any holding or ultimate holding company.				
	(d) Details of shareholders holding more than 5% shares in the company :				
		No.	%	No.	%
	Mr.Pradeep R. Rathi	382,345	5.52	382,345	5.52
	Mr.Rahul P. Rathi	475,454	6.87	475,454	6.87
	Mr.Anuj N. Rathi	377,762	5.46	377,762	5.46
	DIC Corporation, Japan	557,989	8.06	557,989	8.06

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2013 Rs.		As at 31-03-2012 Rs.	
2	RESERVES AND SURPLUS				
	(a) CAPITAL RESERVE				
	Balance at the beginning of the year	5,044,100		5,044,100	
	Additions during the year	—		—	
	Less : Deduction during the year	—		—	
	Balance at the end of the year	<u>5,044,100</u>	<u>5,044,100</u>	<u>5,044,100</u>	5,044,100
	(b) SECURITIES PREMIUM ACCOUNT				
	Balance at the beginning of the year	132,115,000		132,115,000	
	Additions during the year	—		—	
	Less : Deduction during the year	—		—	
	Balance at the end of the year	<u>132,115,000</u>	<u>132,115,000</u>	<u>132,115,000</u>	132,115,000
	(c) REVALUATION RESERVE				
	<i>Ref. Note No. 4 of Note No. 29</i>				
	Balance at the beginning of the year	498,450,000		498,450,000	
	Additions during the year	—		—	
	Less : Deduction during the year	—		—	
	Balance at the end of the year	<u>498,450,000</u>	<u>498,450,000</u>	<u>498,450,000</u>	498,450,000
	(d) GENERAL RESERVE				
	Balance at the beginning of the year	1,514,115,720		1,314,115,720	
	Add : Amounts transferred from Surplus balance in Statement of Profit and Loss	30,000,000		200,000,000	
	Less : Deduction during the year	—		—	
	Balance at the end of the year	<u>1,544,115,720</u>	<u>1,544,115,720</u>	<u>1,514,115,720</u>	1,514,115,720
	(e) SURPLUS IN THE STATEMENT OF PROFIT AND LOSS				
	Surplus at the beginning of the year	482,670,806		421,732,216	
	Add : Current Year Profit After Tax	210,550,016		361,510,643	
	Less : Appropriations				
	Proposed Equity Dividend	86,534,063		86,534,063	
	Tax on Proposed Equity Dividend	14,706,470		14,037,990	
	Amount transferred to General Reserve	30,000,000		200,000,000	
		<u>561,980,289</u>	<u>561,980,289</u>	<u>482,670,806</u>	482,670,806
	Total ...		<u><u>2,741,705,109</u></u>		<u><u>2,632,395,626</u></u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2013 Rs.	As at 31-03-2012 Rs.
	NON CURRENT LIABILITIES :		
3	LONG-TERM BORROWINGS		
	(a) SECURED LOAN FROM BANKS :		
	HDFC Bank	224,000,000	320,000,000
	Ref. Note Nos. i) & xii) below		
	Export-Import Bank of India (EXIM Bank)	206,460,000	290,000,000
	Ref. Note Nos. ii), iii), x) & xii) below		
	Bank of Maharashtra	991,149,000	556,247,000
	Ref. Note Nos. iv) to ix) & xii) below		
	State Bank of India	200,000,000	—
	Ref. Note Nos. xi) to xii) below		
		1,621,609,000	1,166,247,000
	(b) UNSECURED LOAN FROM OTHERS :		
	Loans & Advances from Related Parties :		
	i) Intercompany Deposits	202,510,000	32,045,000
	Ref. Note No. xiii) below		
	ii) Fixed Deposits		
	Ref. Note No. xiv) below & Note No. 8 of Note No. 29	16,140,000	7,890,000
	Loans & Advances from Others :		
	Fixed Deposits	263,640,000	27,040,000
	Ref. Note No. xiv) below & Note No. 8 of Note No. 29		
		482,290,000	66,975,000
	Total ...	2,103,899,000	1,233,222,000

- i) Term Loan from HDFC Bank of Rs. 36 Crores (outstanding Rs. 224,000,000 (P.Y. Rs. 320,000,000)) was taken in Financial Year 2011-12 and carries interest @ 10.50% p.a. The loan is repayable in 45 monthly installments of Rs. 80.00 Lacs from November 2012. Moratorium period of 12 months from the date of first disbursement.
- ii) Term Loan from EXIM Bank of Rs. 15 Crores (outstanding Rs. 20,000,000 (P.Y. Rs. 50,000,000)) was taken in Financial Year 2008-09 and carries interest @ 11.10% p.a. The loan is repayable in 60 monthly installments of Rs. 25.00 Lacs from December 2009.
- iii) Term Loan from EXIM Bank of Rs. 36 Crores (outstanding Rs. 150,000,000 (P.Y. Rs. 240,000,000)) was taken in parts till March 31, 2012 and carries interest @ 11.00% p.a. The loan is repayable in 48 monthly installments of Rs. 75 Lacs from February 2012.
- iv) Term Loan from Bank of Maharashtra of Rs. 7 Crores (outstanding Rs. Nil (P.Y. Rs. 7,000,000)) was taken in Financial Year 2007-08 and carries interest @ 12.00% p.a. The loan is repayable in quarterly installments of Rs. 35.00 Lacs from October 2010.
- v) Term Loan from Bank of Maharashtra of Rs. 3.10 Crores (outstanding Rs. Nil (P.Y. Rs. 4,147,000)) was taken in Financial Year 2008-09 and carries interest @ 12.00% p.a. The loan is repayable in monthly installments of Rs. 5.17 Lacs from April 2009.
- vi) Term Loan from Bank of Maharashtra of Rs. 35 Crores (outstanding Rs. 167,500,000 (P.Y. Rs. 255,100,000)) was taken in Financial Year 2010-11 and carries interest @ 10.25% p.a. The loan is repayable in 46 monthly installments of Rs. 73 Lacs from March 2012 & 1 installment is of Rs. 69 Lacs.
- vii) Term Loan from Bank of Maharashtra of Rs. 42 Crores (outstanding Rs. 336,000,000 (P.Y. Rs. 290,000,000)) was taken in parts till March 31, 2012 and carries interest @ 10.70% p.a. The loan is repayable in 20 quarterly installments of Rs. 210 Lacs from May 2013. Moratorium period of 12 months from the date of first disbursement.
- viii) Term Loan from Bank of Maharashtra of Rs. 16.85 Crores (outstanding Rs. 151,649,000 (P.Y. Rs. Nil)) was taken in Financial Year 2012-13 and carries interest @ 10.70% p.a. The loan is repayable in 60 quarterly installments of Rs. 28.08 Lacs from October 2013. Moratorium period of 12 months from the date of first disbursement.
- ix) Term Loan from Bank of Maharashtra of Rs. 42 Crores (outstanding Rs. 336,000,000 (P.Y. Rs. Nil)) was taken in Financial Year 2012-13 and carries interest @ 10.25% p.a. The loan is repayable in 20 quarterly installments of Rs. 210 Lacs from May 2013. Moratorium period of 12 months from the date of first disbursement.
- x) Term Loan from EXIM Bank of USD 1 Million (outstanding Rs. 36,460,000 (P.Y. Rs. Nil)) was taken in parts till March 31, 2013 and carries interest @ LIBOR + 475 BASIS POINTS p.a. The loan is repayable in 12 quarterly installments of USD 0.83 Lacs from March 2014. Moratorium period of 12 months from the date of first disbursement.
- xi) Corporate Term Loan from SBI of Rs. 30 Crores (outstanding Rs. 200,000,000 (P.Y. Rs. Nil)) was taken in parts till March 31, 2013 and carries interest @ 10.50% p.a. The loan is repayable in 8 quarterly installments of Rs. 25,000,000 from April 2014. Moratorium period of 12 months from the date of first disbursement.
- xii) The Term Loans from Export Import Bank of India (EXIM Bank), Bank of Maharashtra (BOM) & HDFC Bank are secured by First Pari Passu charge by way of hypothecation of all movable fixed assets and further secured by way of mortgage on all immovable fixed assets of the Company situated at Roha, Mahad, Dist. Raigad and at Ambadvet, Amravaladi, Dist. Pune. The Term Loan of EXIM Bank of Rs. 15 Crores is also secured by a charge on the Company's current assets, both present and future. The Foreign Currency Term Loan of USD 1.00 Million (Rs. 5.50 Crores approx.) from Export Import Bank of India (EXIM Bank) is secured by a First Pari Passu charge on the entire fixed assets of the Company. Also the said Foreign Currency Term Loan is to be secured by a mortgage charge on the immovable properties of the Company situated at Roha, Mahad, Dist. Raigad and Ambadvet, Amravaladi, Dist. Pune. The Corporate Loan of Rs. 30 Crores from State Bank of India, Pune (SBI) is secured by a First Pari Passu charge on the movable fixed assets & current assets of the Company. Also the said Corporate Loan is to be secured by a mortgage charge on the immovable properties of the Company situated at Roha, Mahad, Dist. Raigad and Ambadvet, Dist. Pune.
- xiii) Intercompany Deposits are generally accepted for period of 3 years. Rate of Interest varies from 9 - 11% p.a.
- xiv) Fixed Deposits are generally accepted for period of 1-3 years. Rate of Interest varies from 9 - 11.50% p.a.
- xv) Above Loans exclude those maturing within 12 months (Ref. Note No. 9 a))

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2013 Rs.	As at 31-03-2012 Rs.
4	DEFERRED TAX LIABILITIES (NET)		
	Deferred Tax Liabilities :		
	Depreciation	314,315,845	239,924,911
		<u>314,315,845</u>	<u>239,924,911</u>
	Deferred Tax Assets :		
	Expenditure accrued but not deductible for tax purpose, allowable on actual payment	22,996,562	27,614,742
	Unabsorbed Depreciation	39,058,122	—
		<u>62,054,684</u>	<u>27,614,742</u>
	Deferred tax liabilities (Net) Total ...	<u>252,261,161</u>	<u>212,310,169</u>
	<i>Ref. Note No. (1) (xii) of Note No. 29</i>		
	Note :		
	The Company has recognised Deferred Tax Asset since the management believes that the reversal of timing difference on account of depreciation would result in sufficient future taxable income against which the said deferred tax can be realised.		
5	OTHER LONG TERM LIABILITIES		
	Security Deposits	27,811,160	27,770,460
		<u>27,811,160</u>	<u>27,770,460</u>
	Total ...		
6	LONG TERM PROVISIONS		
	(a) PROVISION FOR EMPLOYEE BENEFITS :		
	Pension	56,453,316	48,254,384
	(b) OTHERS :		
	Provision for Tax	—	1,127,600,000
	Less : Taxes Paid	—	1,122,462,873
	Provision for Tax (Net)	<u>—</u>	<u>5,137,127</u>
	Total ...	<u>56,453,316</u>	<u>53,391,511</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2013 Rs.	As at 31-03-2012 Rs.
	CURRENT LIABILITIES :		
7	SHORT-TERM BORROWINGS		
	LOAN REPAYABLE ON DEMAND :		
	FROM BANKS -		
	(a) SECURED LOANS :		
	Working Capital Borrowings From Banks Ref. Note Nos. i) to viii) & xiv) below	698,712,776	559,444,960
	(b) UNSECURED LOANS :		
	Short Term Loan Ref. Note Nos. ix) to xiii) below	744,453,125	492,108,680
	Total ...	<u>1,443,165,901</u>	<u>1,051,553,640</u>
i)	Working Capital Loan (Cash Credit) Rs. 119,245,994 (P.Y. Rs. 73,709,103) from Bank of Maharashtra carries interest @ 11.25% p.a. The Loan is secured by hypothecation of stock-in-trade, book debts & receivables.		
ii)	Working Capital Loan (Cash Credit) Rs. 165,709,098 (P.Y. Rs. 44,645,691) from State Bank of India carries interest @ 10.20% p.a. The Loan is secured by hypothecation of stock-in-trade, book debts & receivables.		
iii)	Working Capital Loan (Cash Credit) Rs. 2,835,514 (P.Y. Rs. 13,543,728) from Bank of Baroda carries interest @ 11.75 % p.a. The Loan is secured by hypothecation of stock-in-trade, book debts & receivables.		
iv)	Working Capital Loan (Cash Credit) Rs. 29,706,495 (P.Y. Rs. 76,811,922) from HDFC Bank carries interest @ 12.70 % p.a. The Loan is secured by hypothecation of stock-in-trade, book debts & receivables.		
v)	Working Capital Loan (Cash Credit) Rs. 53,425,326 (P.Y. Rs. 54,505,295) from ICICI Bank carries interest @ 11.50 % p.a. The Loan is secured by hypothecation of stock-in-trade, book debts & receivables.		
vi)	Working Capital Loan (PCFC) Rs. 54,690,000 (P.Y. Rs. 73,399,165) from Bank of Maharashtra carries interest @ LIBOR + 250 BASIS POINTS p.a. The Loan is repayable within 180 days from the date of borrowing. The Loan is secured by inventories for exports.		
vii)	Working Capital Loan (FOBN) Rs. 156,686,472 (P.Y. Rs. 108,420,625) from Bank of Maharashtra carries interest @ 10.25% p.a. The Loan is repayable within 90 days from the date of borrowing. The Loan is secured by charge on export bills.		
viii)	Working Capital Loan (FOBN) Rs. 116,413,877 (P.Y. Rs. 114,409,431) from State Bank of India carries interest @ 9.70 % p.a. The Loan is repayable within 90 days from the date of borrowing. The Loan is secured by charge on export bills.		
ix)	Short Term Loan Rs. 140,000,000 (P.Y. Rs. 100,000,000) from State Bank of India carries interest @ 10.50% p.a. The Loan is repayable within 90 days from the date of borrowing.		
x)	Short Term Loan Rs. 300,000,000 (P.Y. Rs. 300,000,000) from Bank of Maharashtra carries interest @ 10.25 % p.a. The Loan is repayable within 90 days from the date of borrowing.		
xi)	Buyer's Credit Loan Rs. 205,062,913 (P.Y. Rs. 36,466,278) from HSBC Bank carries interest @ LIBOR + 195 / 205 & 235 BASIS POINTS p.a. The Loan is repayable within 180 days from the date of borrowing.		
xii)	Buyer's Credit Loan Rs. 43,194,378 (P.Y. Rs. 55,642,402) from CITI Bank carries interest @ LIBOR + 175 BASIS POINTS p.a. The Loan is repayable within 180 days from the date of borrowing.		
xiii)	Buyer's Credit Loan Rs. 56,195,834 (P.Y. Rs. Nil) from ICICI Bank carries interest @ LIBOR + 170 BASIS POINTS p.a. The Loan is repayable within 180 days from the date of borrowing.		
xiv)	Working Capital Borrowings from BOM led Consortium Banks consisting of BOM, SBI, BOB, ICICI Bank Limited and HDFC Bank Limited are secured by hypothecation of stock-in-trade, book debts & receivables. These are further secured by second charge on the immovable properties of the Company situated at Roha, Mahad, Dist. Raigad and at Ambadvet, Amrablewadi, Tal. Mulshi, Dist. Pune by creation of a joint registered mortgage.		

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2013 Rs.	As at 31-03-2012 Rs.
8	(a) TRADE PAYABLES <i>Ref. Note No.6 of Note No. 29</i>	974,048,399	916,150,165
	Acceptances	41,610,766	43,866,203
	(b) OTHERS Trade Payable - For Capital Goods <i>Ref. Note No.6 of Note No. 29</i>	1,604,340	3,116,180
	Total...	<u>1,017,263,505</u>	<u>963,132,548</u>
9	OTHER CURRENT LIABILITIES		
	(a) Current maturities of long term debt :		
	- Secured Loans from Banks :		
	HDFC Bank	96,000,000	40,000,000
	Export-Import Bank of India	124,557,500	120,000,000
	Bank of Maharashtra	283,598,000	107,804,000
	<i>For security & other terms Ref. Note Nos. i) to xii) of Note No. 3 a)</i>		
	- Unsecured Loans :		
	Loans & Advances from Related Parties :		
	i) Intercompany Deposits <i>Ref. Note No. xiii) of Note No. 3 b)</i>	1,060,000	96,075,000
	ii) Fixed Deposits <i>Ref. Note No. xiv) of Note No. 3 b) and No. 8 of Note No. 29</i>	7,290,000	25,330,000
	Loans & Advances from Others :		
	Fixed Deposits <i>Ref. Note No. xiv) of Note No. 3 b) and No. 8 of Note No. 29</i>	31,975,000	114,980,000
	(b) Interest accrued but not due on borrowings	1,015,014	5,443,770
	(c) Unpaid dividends :		
	* Unclaimed Dividend	1,960,668	1,041,544
	(d) Unpaid matured deposits and interest accrued thereon :		
	* Unclaimed Matured Fixed Deposits <i>Ref. Note No. 8 of Note No. 29</i>	145,000	15,000
	(e) Other payables :		
	Statutory Dues	22,007,035	25,960,749
	Other Liabilities	307,500,382	286,507,798
	Total...	<u>877,108,599</u>	<u>823,157,861</u>
	* The amount reflects the position as at 31 st March, 2013. The actual amount to be transferred to the Investor Education and Protection Fund in this respect shall be determined before the due date.		
10	SHORT-TERM PROVISIONS		
	(a) PROVISION FOR EMPLOYEE BENEFITS :		
	Short Term Compensated Absence	43,829,084	38,932,635
	(b) OTHERS :		
	i) Proposed Equity Dividend	86,534,063	86,534,063
	ii) Tax on Proposed Equity Dividend	14,706,470	14,037,990
	Total...	<u>145,069,617</u>	<u>139,504,688</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NON-CURRENT ASSETS

FIXED ASSETS

Note No.	Description	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		Balance As on 01-04-2012 Rs.	Additions Rs.	Deductions Rs.	Balance As on 31-03-2013 Rs.	For the Year Rs.	Deductions Rs.	Balance As on 31-03-2013 Rs.	Balance As on 31-03-2012 Rs.
11	TANGIBLE ASSETS:								
	FREEHOLD LAND	29,673,288 (29,767,840)	- (-)	- (94,552)	29,673,288 (29,673,288)	- (-)	- (-)	29,673,288 (29,673,288)	29,673,288 (29,767,840)
	LEASEHOLD LAND	12,740,447 (12,740,447)	- (-)	- (-)	12,740,447 (12,740,447)	145,999 (145,999)	- (-)	10,712,043 (10,858,042)	10,858,042 (11,004,041)
	BUILDINGS	454,514,566 (399,623,449)	99,406,928 (55,028,563)	- (137,446)	553,921,494 (454,514,566)	12,956,676 (11,388,268)	- (44,705)	397,507,304 (311,057,052)	311,057,052 (267,509,498)
	PLANT & MACHINERY <i>Ref. Note No. 24 of Note No. 29</i>	3,359,411,347 (2,559,189,489)	1,015,525,065 (806,238,623)	6,235,431 (6,016,765)	4,368,700,981 (3,359,411,347)	194,242,104 (127,003,454)	5,714,208 (5,527,800)	2,321,260,726 (1,500,498,988)	1,500,498,988 (821,752,784)
	VEHICLES	45,616,147 (45,763,228)	4,024,840 (3,174,019)	4,367,607 (3,321,100)	45,273,380 (45,616,147)	4,074,396 (4,130,442)	1,783,331 (1,730,788)	27,952,888 (30,586,720)	30,586,720 (33,133,455)
	FURNITURE & FIXTURES	39,708,330 (36,290,481)	468,141 (4,300,669)	258,013 (882,820)	39,918,458 (39,708,330)	2,353,523 (2,130,963)	36,198 (338,462)	21,986,015 (24,093,212)	24,093,212 (22,467,864)
	OFFICE EQUIPMENTS	12,118,595 (9,561,549)	488,648 (2,572,696)	- (15,650)	12,607,243 (12,118,595)	550,752 (459,146)	- (9,129)	6,697,697 (6,759,801)	6,759,801 (4,652,772)
	FIXED ASSETS - R&D								
	BUILDINGS	96,510,888 (82,587,500)	758,080 (13,923,388)	- (-)	97,268,968 (96,510,888)	3,265,912 (2,797,502)	- (-)	83,270,269 (85,778,101)	85,778,101 (74,652,215)
	PLANT & MACHINERY	110,773,695 (99,663,871)	19,304,332 (11,109,824)	- (-)	130,078,027 (110,773,695)	6,762,710 (6,602,382)	- (-)	59,078,520 (46,536,898)	46,536,898 (42,029,456)
	FURNITURE & FIXTURES	6,050,964 (6,050,964)	- (-)	- (-)	6,050,964 (6,050,964)	340,558 (340,579)	- (-)	1,851,169 (2,191,727)	2,191,727 (2,532,306)
	Sub-Total	4,167,118,267 (3,281,238,818)	1,139,976,034 (896,347,782)	10,861,051 (10,468,333)	5,296,233,250 (4,167,118,267)	224,692,630 (154,998,735)	7,533,737 (7,650,884)	2,959,989,919 (2,119,084,438)	2,048,033,829
12	INTANGIBLE ASSETS:								
	<i>Ref. Note No. 25 of Note No. 29</i>								
	COMPUTER SOFTWARES	21,702,367 (9,686,250)	12,569,574 (12,016,117)	- (-)	34,271,941 (21,702,367)	3,213,016 (1,728,666)	- (-)	28,239,801 (18,883,243)	18,883,243 (8,595,792)
	OTHERS	139,117,676 (31,178,679)	10,612,515 (107,938,997)	- (-)	149,730,191 (139,117,676)	22,466,721 (14,757,635)	- (-)	92,704,101 (104,558,307)	104,558,307 (11,376,945)
	Sub-Total	160,820,043 (40,864,929)	23,182,089 (119,955,114)	- (-)	184,002,132 (160,820,043)	25,679,737 (16,486,301)	- (-)	120,943,902 (37,378,493)	123,441,550
	TOTAL	4,327,938,310 (3,322,103,747)	1,163,158,123 (1,016,302,896)	10,861,051 (10,468,333)	5,480,235,382 (4,327,938,310)	250,372,367 (171,485,036)	7,533,737 (7,650,884)	3,080,933,821 (2,156,462,931)	2,171,475,379

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2013 Rs.	As at 31-03-2012 Rs.
13	NON-CURRENT INVESTMENTS		
	Long Term & Non Trade Investments		
	(a) Investments in Equity Instruments (unquoted) :		
	Investment in Subsidiaries :		
	6,000,000 (Previous Year : 6,000,000) Equity shares of Rs. 10 each fully paid-up in Prescient Color Limited.	60,000,000	60,000,000
	23,100 (Previous Year : 23,100) Equity shares of Euro 100 each fully paid-up in Sudarshan Europe B.V.	148,974,915	148,974,915
	(b) Investments in Preference Shares (unquoted) :		
	Investment in Subsidiaries :		
	400,000 (Previous Year : 400,000) 10% Non cumulative, redeemable & with a right of call & put option Preference shares of Rs. 100 each fully paid-up in Prescient Color Limited.	40,000,000	40,000,000
		<u>248,974,915</u>	<u>248,974,915</u>
	(c) Investment in Government Securities (quoted) :		
	Aggregate amount of quoted investments and market value thereof :		
	Nil (Previous Year : 257,392) units of Rs. 10 each in Unit Trust of India-UTI G-SEC Fund	—	3,000,000
	Less : Aggregate provision for diminution in value of investments	—	205,000
	[Market Value Rs. Nil (Previous Year : Rs. 2,795,045)]	—	2,795,000
	(d) Investment in Mutual Funds (quoted) :		
	Aggregate amount of quoted investments and market value thereof :		
	202,715.67 (Previous Year : Nil) Units of Rs. 10 each in UTI Gilt Advantage-LTP-Dividend Payout Fund	2,864,697	—
	[Market Value Rs. 3,057,175 (Previous Year : Rs. Nil)]	<u>2,864,697</u>	<u>—</u>
	<i>Aggregate amount of quoted investments</i>	2,864,697	3,000,000
	<i>Aggregate amount of unquoted investments</i>	248,974,915	248,974,915
	<i>Less : Aggregate provision made for diminution in value of investments</i>	—	205,000
	Total...	<u>251,839,612</u>	<u>251,839,612</u>
			<u>251,769,915</u>
			<u>251,769,915</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2013 Rs.	As at 31-03-2012 Rs.
14	LONG TERM LOANS AND ADVANCES		
	Unsecured and considered good :		
(a)	Capital Advances	47,583,214	69,238,031
(b)	Security Deposits :		
	Deposit with Government etc.	16,636,935	11,356,534
	Tender Deposit	847,562	855,562
	Deposit with Others	4,897,910	5,370,395
(c)	Loans and Advances To Related Parties	—	139,500,000
(d)	Other Loans and Advances :		
	Housing Loan to Employees	302,450	775,757
(e)	MAT Credit Entitlement	95,000,000	47,000,000
		<u>165,268,071</u>	<u>274,096,279</u>
(f)	Income Tax Paid	1,220,401,330	—
	Less : Provision for Tax	1,175,600,000	—
	Income Tax Paid (Net)	44,801,330	—
	Total...	<u>210,069,401</u>	<u>274,096,279</u>
15	OTHER NON-CURRENT ASSETS :		
	Margin Money with Banks with maturity of more than 12 months	3,000,000	5,500,000
	Ref. Note No. 18		
	Total...	<u>3,000,000</u>	<u>5,500,000</u>
	CURRENT ASSETS		
16	INVENTORIES		
(a)	Raw Materials	296,994,608	255,194,128
	Goods in Transit	—	83,419,855
(b)	Work-in-progress	340,919,441	209,900,657
(c)	Finished Goods	592,475,817	399,940,426
(d)	Stores, Spares	96,190,567	80,307,909
(e)	Trading Goods	22,407,933	30,236,455
(f)	Packing Materials	11,133,900	11,673,766
(g)	Leasehold Rights	498,450,000	498,450,000
	For Leasehold Rights Ref. Note No. 4 of Note No. 29		
	For breakup of inventories Ref. Note No. 12 of Note No. 29		
	Total...	<u>1,858,572,266</u>	<u>1,569,123,196</u>
17	TRADE RECEIVABLES		
	Unsecured and considered good :		
(a)	Outstanding for a period exceeding six months from the due date (Considered good)	66,529,001	48,203,293
	Considered doubtful	3,589,656	2,695,954
	Less : Provision for doubtful debt	3,589,656	2,695,954
		—	—
(b)	Others (Considered good)	1,929,401,739	1,794,569,491
	Total...	<u>1,995,930,740</u>	<u>1,842,772,784</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2013 Rs.	As at 31-03-2012 Rs.
18	CASH AND CASH EQUIVALENTS		
	(a) Balances with banks		
	In Current Accounts	174,135,974	101,086,522
	In Fixed Deposit Accounts		
	Fixed Deposits with maturity for less than 3 months	–	200,000,000
	(b) Cash on hand	2,386,602	1,703,627
	(c) Earmarked balances with banks :		
	Lien Account	15,502	5,553
	Dividend Account	1,960,668	1,041,544
	(d) Balances with banks to the extent held as margin money		
	Margin Money with maturity less than 12 months	38,541,269	34,498,067
	Margin Money with maturity more than 12 months	3,000,000	5,500,000
	Less : Amount disclosed under non current assets <i>Ref. Note No. 15</i>	3,000,000	5,500,000
	Total...	<u>217,040,015</u>	<u>338,335,313</u>
19	SHORT-TERM LOANS AND ADVANCES		
	Unsecured and considered good :		
	Loans & Advances to Related Parties	557,969,050	288,967,556
	Others :		
	Housing Loan to Employees	252,800	368,600
	Advances recoverable in cash or in kind or for value to be received	35,330,265	64,398,921
	Deposit with Excise, Customs etc.	48,986,210	45,036,667
	Total...	<u>642,538,325</u>	<u>398,771,744</u>
20	OTHER CURRENT ASSETS		
	Export Incentives Receivable	9,495,351	16,713,085
	Service Tax Receivable	13,084,476	6,092,543
	VAT Refund Receivable	172,136,352	120,212,321
	Prepaid Expenses	24,005,622	20,497,260
	Gratuity Paid in Advance <i>Ref. Note No. 5 of Note No. 29</i>	8,919,762	8,188,849
	Others	20,519,999	14,650,529
	Total...	<u>248,161,562</u>	<u>186,354,587</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	Particulars	Current Year Rs.	Previous Year Rs.
21	REVENUE FROM OPERATIONS		
	(a) Sale of products <i>Ref. Note No.13 of Note No. 29</i>	8,422,431,035	7,890,355,143
	(b) Sale of services	395,442	592,517
	(c) Other operating revenues		
	Export Incentives	23,858,270	29,085,122
	Miscellaneous Operating Income	26,195,609	28,595,592
		8,472,880,356	7,948,628,374
	(d) Less: Excise duty	620,341,427	506,284,685
		7,852,538,929	7,442,343,689
	Total...	7,852,538,929	7,442,343,689
22	OTHER INCOME		
	(a) Interest Income		
	Interest earned on :		
	Bank Deposits	4,348,528	2,696,295
	Others	50,061,384	40,779,213
	<i>[T.D.S. Rs. 2,153,717</i>		
	<i>(Previous Year : Rs. 1,702,009)]</i>		
	(b) Other Non-Operating Income :		
	Miscellaneous Income	7,102,367	2,887,765
	Provision for diminution in value of long term Investment written back	205,000	—
	Provision for doubtful debts written back	496,055	207,155
	Foreign Exchange Difference (Net)	52,795,060	33,254,405
	Profit on sale / disposal of Fixed Assets (Net)	—	11,256
	Total...	115,008,394	79,836,089

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	Particulars	Current Year Rs.	Previous Year Rs.
23	COST OF MATERIALS CONSUMED		
	Opening Stock	338,613,983	320,369,232
	Add : Purchases	4,478,512,015	4,060,452,961
		<u>4,817,125,998</u>	<u>4,380,822,193</u>
	Less : Closing Stock	296,994,608	338,613,983
	Consumption of Raw Materials	<u>4,520,131,390</u>	<u>4,042,208,210</u>
	<i>Ref. Note No. 14 of Note No. 29</i>		
	Total...		
24	COST OF TRADED GOODS		
	Opening Stock	30,236,455	20,819,505
	Add : Purchases	290,746,508	294,267,547
		<u>320,982,963</u>	<u>315,087,052</u>
	Less : Closing Stock	22,407,933	30,236,455
	Cost of Traded Goods	<u>298,575,030</u>	<u>284,850,597</u>
	Total...		
25	CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS		
	Stocks at Commencement :		
	Finished Products	399,940,426	323,566,828
	Semi-finished Products (Work-in-progress)	209,900,657	152,655,569
		<u>609,841,083</u>	<u>476,222,397</u>
	Less:		
	Stocks at Close :		
	Finished Products	592,475,817	399,940,426
	Semi-finished Products (Work-in-progress)	340,919,441	209,900,657
		<u>933,395,258</u>	<u>609,841,083</u>
	<i>Ref. Note No. 12 of Note No. 29</i>	<u>(323,554,175)</u>	<u>(133,618,686)</u>
26	EMPLOYEE BENEFIT EXPENSE		
	Salaries, Wages :		
	Other Than Research & Development	492,891,658	451,481,228
	For Research & Development	51,190,261	38,441,911
	Contribution to Provident and Other Funds	25,988,470	29,095,391
	Staff Welfare Expenses	10,850,940	12,088,522
	Gratuity Expenses (<i>Ref. Note No. 5 of Note No. 29</i>)	21,120,977	5,226,264
	Total...	<u>602,042,306</u>	<u>536,333,316</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	Particulars	Current Year Rs.	Previous Year Rs.
27	FINANCE COSTS		
	(a) Interest expenses	290,335,511	204,903,954
	(b) Other borrowing costs (include Bank charges for Bank Guarantee, Loan Processing etc.)	3,376,945	4,307,833
	(c) Exchange difference to the extent considered as borrowing cost	18,077,750	3,897,852
	Total...	311,790,206	213,109,639
28	OTHER EXPENSES		
	Consumption of Stores and Spare parts <i>Ref. Note No. 16 of Note No. 29</i>	170,978,991	183,583,914
	Consumption of Packing Material	107,832,940	96,997,425
	Power and Fuel	548,075,437	529,596,427
	Water Charges	79,129,944	70,039,790
	Rent	8,312,002	6,814,196
	Repairs to Buildings	49,169,228	53,145,147
	Repairs to Machinery	81,184,257	85,803,606
	Repairs to Others	6,261,956	6,014,693
	Insurance	15,054,584	12,004,063
	Rates and Taxes (excluding taxes on income)	6,284,982	6,808,092
	Advertisement	9,867,121	19,112,713
	Auditors' Remuneration (<i>Ref. Note No. 7 of Note No. 29</i>)	1,658,490	1,324,250
	Bad Debts Written Off	1,812,430	—
	Provision for Doubtful Debts	1,389,757	—
	Bank Charges	13,194,167	10,294,314
	Export Market Development Expenses :		
	Commission on Exports	20,068,101	11,911,648
	Travelling, Postage, Forwarding, etc.	105,347,500	83,338,357
	Commission to Selling Agents	164,263,922	161,451,327
	Directors' Sitting Fees	1,117,306	1,095,000
	Discounts	89,526,523	85,659,921
	ERP / Computer related expenses	9,050,687	8,042,405
	Freight and Octroi	7,566,521	7,764,577
	General Expenses	32,825,809	28,891,085
	Legal, Professional and Consultancy Charges	117,778,557	83,449,098
	Licence Fees	2,767,991	2,943,922
	Loss on Sale / Disposal of Fixed Assets (Net)	1,481,219	—
	Printing, Stationery and Communication Expenses	19,763,049	19,882,103
	Sales Tax Surcharge / Turnover Tax	2,894,360	2,061,086
	Selling and Distribution Expenses	41,082,923	41,790,095
	Research & Development Expenses :		
	Stores, Spares and Consumables etc.	22,011,251	19,057,666
	Other Expenses	35,031,046	18,954,195
	Travelling and Conveyance	29,467,169	30,759,851
	Other Manufacturing Expenses	255,438,971	217,373,927
	Total...	2,057,689,191	1,905,964,893

NOTE NO. 29 : NOTES TO THE FINANCIAL STATEMENTS

1. Significant Accounting Policies :

(i) Basis of Preparation :

The Financial Statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these Financial Statements to comply in all material respects with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The Financial Statements have been prepared on assumptions of going concern, consistency, accrual basis & under the historical cost convention.

The accounting policies adopted in the preparation of Financial Statements are consistent with those of previous year

(ii) Use of Estimates :

The preparation of Financial Statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(iii) Fixed Assets :

- (a) Fixed Assets are stated at cost of acquisition along with attributable cost including related borrowing cost for bringing the assets to its working condition for its intended use less accumulated depreciation.
- (b) Borrowing costs that are directly attributable to the acquisition or production of a qualifying asset are capitalized as part of the cost of that asset. Other borrowing costs are recognized as expense in the period in which they are incurred.

(iv) Depreciation :

- (a) Depreciation on Fixed Assets is provided on Straight Line Method on prorata basis, at the rates and in the manner prescribed by Schedule XIV to the Companies Act, 1956. The leasehold land is amortised over the lease period.
- (b) The intangible assets are amortised over its useful economic life.

(v) Impairment of Assets :

The carrying amounts of Cash Generating Unit / Assets are reviewed at Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount is estimated as the higher of net selling price and value in use. Impairment loss is recognized wherever carrying amount exceeds recoverable amount.

(vi) Investments :

Long-term Investments are carried at cost including related expenses, provision for diminution being made, if necessary, to recognize a decline, other than temporary, in the value thereof.

Current investments are valued at lower of cost or fair value.

(vii) Inventories :

The inventories are valued at lower of Cost or Net Realisable Value.

- (a) Raw Materials, Packing Materials, Stores and Consumables are valued at Weighted Average Cost.

- (b) The cost of Finished Goods and Semi-finished Goods (Work-in-progress) is ascertained by Weighted Average of Cost of Raw Material and standard rate of conversion and other related costs for bringing the inventory to the present location and condition.
- (c) Provision is made for obsolete and non-moving items.
- (d) Leasehold Rights are valued at conversion value.

(viii) Research and Development :

Research and Development expenditure of capital nature is added to Fixed Assets and depreciation is provided thereon. All other expenditure on Research and Development is charged to Statement of Profit and Loss in the year of incurrence.

(ix) Foreign Currency Transactions :

- (a) Transactions in foreign currencies are recorded at the exchange rates prevailing as on the date of the transaction. Current assets and current liabilities are translated at the year-end rate. The difference between the rate prevailing as on the date of the transaction and as on the date of settlement and also on translation of current assets and current liabilities, at the end of the year is recognised as income or expense, as the case may be.
- (b) In respect of forward exchange contracts, the difference between the forward rate and the exchange rate at the inception of the contract is recognised as income or expense over the period of the contract. Losses on cancellation of forward exchange contracts are recognised as expense.

(x) Revenue Recognition :

Sale of goods is recognised on dispatches to customers, which coincide with the transfer of significant risks and rewards associated with ownership, inclusive of excise duty and net of trade discount.

Dividend income is accounted for when the right to receive is established.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

(xi) Employee Benefits :

(a) Defined Contribution Plan :

Contributions are made to approved Superannuation and Provident Fund.

(b) Defined Benefit Plan :

Company's liability towards Gratuity is determined using the Projected Unit Credit Method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past service Gratuity liability is computed with reference to the service put in by each employee till the date of valuation as also the Projected Terminal Salary at the time of exit. Actuarial Gains and Losses are recognized immediately in the Statement of Profit & Loss as income or expense, as the case may be. Obligation is measured as the Present Value of estimated future cash flow using a discount rate that is determined by reference to market yields at the Balance Sheet date on Government Bonds where the currency and Government Bonds are consistent with the currency and estimated term of Defined Benefit Obligation.

(c) Non-Contributory Pension Scheme :

Pension Scheme applicable to the eligible employees, using Projected Unit Credit Method, reliable estimates are made and provided in the books of accounts.

(d) Short Term Compensated Absences (Leave Encashment) :

Liability on account of short-term compensated absences (Leave Encashment) is provided on actuals.

(xii) **Taxation :**

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss shown as "MAT Credit Entitlement". The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

(xiii) **Provision and Contingent Liability :**

- (a) A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.
- (b) A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably.

(xiv) **Earning Per Share :**

Basic Earnings Per Share are calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating Diluted Earnings Per Share, the net profit or loss for the period attributable to Equity Shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(xv) **Cash and cash equivalents :**

Cash and cash equivalents for the purposes of Cash Flow Statement comprise of cash at bank, cash in hand and short-term investments with an original maturity of three months or less.

(xvi) **Segment Reporting :**

The Business segment has been considered as the primary segment for disclosure. The categories included in each of the reported business segments are as follows :

- i) Pigments
- ii) Agro Chemicals

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

(a) Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

(b) Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

(c) Segment accounting policies

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the Financial Statements of the company as a whole.

2. Estimated amount of contracts remaining to be executed on capital account – **Rs. 6,521,024** (Previous Year : Rs. 60,058,051).

3. **Contingent liabilities not provided for :**

- (a) Excise Duty – **Rs. 8,488,600** (Previous Year : Rs. 4,560,996).

- (b) Corporate Guarantee issued on behalf of the wholly owned subsidiary company Prescient Color Limited – **Rs. Nil** (Previous Year : Rs.122,500,000).

- (c) Corporate Guarantee issued on behalf of Sudarshan North America, Inc., wholly owned subsidiary company of Sudarshan Europe B.V. – **USD 3,000,000** (Previous Year : USD 1,500,000).

- (d) Income Tax – **Rs. 28,862,580** (Previous Year : Rs. 28,862,580).

- (e) Sales Tax – **Rs. 6,177,091** (Previous Year : Rs. Nil).

4. During the Financial Year 2010-11, the Company has converted the Leasehold Rights of the Company in respect of land situated at Final Plot No. 90, Sangamwadi, corresponding 'House No. 162', Wellesley Road, Pune 411 001 into stock-in-trade and valued the same for a sum of Rs. 49.85 Crores and accordingly created a revaluation reserve.

5. The following disclosures are made in accordance with Accounting Standard – 15 (Revised) pertaining to defined benefit plans :

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
(a) Present value of the defined benefit obligation :		
Obligations at period beginning	128,751,390	124,628,825
Service cost	7,767,080	6,772,913
Acquisition adjustment	–	–
Interest cost	10,109,472	9,472,427
Past service cost	–	–
Curtailment cost / (credit)	–	–
Settlement cost / (credit)	–	–
Actuarial (gain) / loss	14,941,729	324,199
Benefits paid	(19,632,859)	(12,446,974)
Obligations at period end	141,936,812	128,751,390
(b) Fair value of plan assets :		
Plans assets at period beginning, at fair value	136,940,239	127,024,258
Expected return on plan assets	12,424,478	11,367,955
Acquisition adjustment	–	–
Actuarial (gain) / loss	(727,174)	(24,680)
Contributions	21,132,581	11,019,680
Benefits paid	(18,913,550)	(12,446,974)
Plans assets at period end, at fair value	150,856,574	136,940,239
Actual returns on plan assets	11,697,304	11,343,275
(c) Assets and liabilities recognized in Balance Sheet :		
Fair value of the plan assets at the end of the year	150,856,574	136,940,239
Present value of the defined benefit obligations at the end of the period	141,936,812	128,751,390
Asset / (liability) recognized in the Balance Sheet	8,919,762	8,188,849
(d) Expense recognized in Statement of Profit and Loss :		
Current service cost	7,767,080	6,772,913
Past service cost	–	–
Interest cost	10,109,472	9,472,427
Expected return on plan assets	(12,424,478)	(11,367,955)
Curtailment cost / (credit)	–	–
Settlement cost / (credit)	–	–
Actuarial (gain) / loss	15,668,903	348,879
Net gratuity cost	21,120,977	5,226,264
(e) Investment details of the plan assets* :		
Government of India Securities	0.00%	0.00%
High quality Corporate Bonds	0.00%	0.00%
Equity shares of listed Companies	0.00%	0.00%
Property	0.00%	0.00%
Special deposit scheme	0.00%	0.00%
Funds managed by Insurer	100.00%	100.00%
Others	0.00%	0.00%
* Plan assets are invested in the debt instruments prescribed by IRDA.		

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
(f) Summary of Actuarial Assumptions :		
Discount Rate	8.20%	8.50%
Rate of return on plan assets	9.00%	9.00%
Rate of increase in Compensation levels	7.00%	7.00%
Expected Average remaining working lives of employees (Years)	14.60	14.43
The estimates of future salary increase, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.		
(g) Experience adjustment * :	2013	2012
	Rs.	Rs.
On plan liability (loss) / gain	(12,072,291)	(4,554,315)
On plan asset (gain) / loss	(727,174)	(24,680)
Present value of benefit obligation	141,936,812	128,751,390
Fair value of plan assets	150,856,574	136,940,239
Surplus / (deficit)	8,919,762	8,188,849
*Data as per actuary is available only for current year and previous two years.		
(h) Expected contribution to the fund in the next year :	2013	2012
	Rs.	Rs.
Gratuity	23,233,075	21,120,977
Superannuation	3,949,802	3,590,729
Provident fund	27,630,582	25,118,711
Defined contribution plans :		
Provident fund paid to the authorities	25,118,711	25,455,612

6. Trade Payables (Creditors) :

- (a) Outstanding to creditors other than Micro, Small & Medium Enterprise : **Rs. 1,017,263,505** (Previous Year : Rs. 963,132,548) (Interest Paid / Payable is **Rs. Nil** (Previous Year : Rs. Nil)).
- (b) Outstanding to Micro, Small & Medium Enterprise : **Rs. Nil** (Previous Year : Rs. Nil).

The identification of suppliers under "Micro, Small and Medium Enterprises Development Act, 2006" was done on the basis of the information to the extent provided by the suppliers to the Company. Total outstanding dues of Micro and Small Enterprises, which were outstanding for more than stipulated period, are given below :

	31-03-2013	31-03-2012
	Rs.	Rs.
a) Principal amount due	Nil	Nil
b) Interest paid under MSMED Act, 2006	Nil	Nil
c) Interest due	48,315	336,995
d) Interest accrued and due	Nil	Nil
e) Interest due and payable till actual payment	48,315	336,995

7. Auditor's Remuneration :

	Current year	Previous year
	Rs.	Rs.
(a) Audit Fees	540,000	540,000
(b) Tax Audit Fees	180,000	180,000
(c) Other Services –		
Certification & Limited Review	795,000	460,000
Stock Verification	120,000	120,000
(d) Reimbursement of Expenses	23,490	24,250
Total ...	1,658,490	1,324,250

8. Fixed Deposits :

	31-03-2013	31-03-2012
	Rs.	Rs.
(a) Fixed Deposits with Maturity less than 12 months	39,265,000	140,310,000
(b) Fixed Deposits with Maturity more than 12 months	279,780,000	34,930,000
(c) Unclaimed Matured Fixed Deposits	145,000	15,000
Total ...	319,190,000	175,255,000

9. Research & Development Expenditure :

Expenditure incurred by the Company on in-house research and development facility approved by the Department of Scientific & Industrial Research, Ministry of Science and Technology.

Expenditure (charged out through the natural heads of the Accounts) in respect of eligible facilities at Roha and Pune.

	31-03-2013	31-03-2012
	Rs.	Rs.
(a) Revenue Expenditure		
Roha Unit	21,130,074	24,876,858
Pune Unit	87,102,484	51,576,914
Total...	108,232,558	76,453,772
(b) Capital Expenditure		
Roha Unit	6,811,782	3,013,667
Pune Unit	13,250,630	22,019,545
Total...	20,062,412	25,033,212

10. Segment Reporting :

Particulars	Year ended 31-03-2013 Rs.	Year ended 31-03-2012 Rs.
(A) Primary Segment Information :		
1 Segment Revenue		
a) Pigments	6,966,826,487	6,647,041,025
b) Agro Chemicals	885,712,442	795,302,664
Total...	7,852,538,929	7,442,343,689
Less : Inter-segment revenue	—	—
Net Sales / Income from Operations	7,852,538,929	7,442,343,689
2 Segment Results		
Profit / (Loss) before tax		
a) Pigments	772,394,917	869,350,935
b) Agro Chemicals	45,309,895	34,586,292
Total...	817,704,812	903,937,227
Less : i. Financial Cost	311,790,206	213,109,639
ii. Exceptional Item	—	—
iii. Other Unallocable expenditure (Net of Unallocable income)	255,413,598	188,980,815
Profit Before Tax	250,501,008	501,846,773

Particulars	Year ended 31-03-2013 Rs.	Year ended 31-03-2012 Rs.
3 Other information		
Segment assets (*)		
a) Pigments	6,564,092,238	4,920,341,341
b) Agro Chemicals	255,697,955	229,588,181
Segment liabilities		
a) Pigments	1,125,717,033	1,050,536,692
b) Agro Chemicals	197,687,802	155,222,914
Capital employed in segments (*)		
a) Pigments	5,438,375,205	3,869,804,649
b) Agro Chemicals	58,010,153	74,365,267
	<u>5,496,385,358</u>	<u>3,944,169,916</u>
Add : Unallocable Corporate assets less liabilities	1,187,714,722	1,288,063,228
Total capital employed	<u>6,684,100,080</u>	<u>5,232,233,144</u>
(*) Does not include leasehold rights at Pune, treated as stock-in-trade.		
4 Capital Expenditure		
a) Pigments	1,157,598,923	573,733,314
b) Agro Chemicals	—	298,870
c) Unallocated	63,971,520	297,900,469
Total capital expenditure	<u>1,221,570,443</u>	<u>871,932,653</u>
5 Depreciation		
a) Pigments	186,164,128	117,552,572
b) Agro Chemicals	5,538,564	6,980,223
c) Unallocated	58,669,675	46,952,241
Total Depreciation	<u>250,372,367</u>	<u>171,485,036</u>
(B) Secondary Segment Disclosures :		
i) Revenue from External Customers		
Indigenous	4,813,830,194	4,669,668,404
Exports (including export incentives)	3,038,708,735	2,772,675,285
Total...	<u>7,852,538,929</u>	<u>7,442,343,689</u>
ii) Carrying amount of Assets		
In India	7,223,273,785	6,077,698,266
Outside India	1,510,690,833	1,127,967,487
Total...	<u>8,733,964,618</u>	<u>7,205,665,753</u>
iii) Capital expenditure		
In India	1,221,570,443	871,932,653
Outside India	—	—
Total...	<u>1,221,570,443</u>	<u>871,932,653</u>

11. Related Party Disclosures :

List of Related Parties and description of relationship :

- i) Key Management Personnel : Mr. K.L.Rathi
Mr. P.R.Rathi
Mr. R.B.Rathi
Mr. A.V.Vij
Ms. Christine Gehres
(on deputation from Sudarshan North America, Inc.)
(Upto 30th November, 2012)
- ii) Relatives of Key Management Personnel : Mrs. R.R.Rathi – Wife of Mr. R.B.Rathi
Mr. R.P.Rathi – Son of Mr. P.R.Rathi
Mrs. K.B.Rathi – Mother of Mr. R.B.Rathi
Mrs. K.R.Rathi – Mother of Mr. P.R.Rathi
Ms. S.R.Rathi – Daughter of Mr. R.B.Rathi
Mr. A.B.Rathi – Brother of Mr. R.B.Rathi
Mrs. A.K.Rathi – Wife of Mr. K.L.Rathi
Mrs. S.P.Rathi – Wife of Mr. P.R.Rathi
- iii) Subsidiary Companies : Prescient Color Limited,
Sudarshan Europe B.V.,
Sudarshan North America, Inc.
(Subsidiary of Sudarshan Europe B.V.)
- iv) Associate Companies : Rathi Brothers Poona Limited,
Rathi Brothers Madras Limited,
Rathi Brothers Calcutta Limited,
Rathi Brothers Delhi Limited.

Transactions with Related Parties :

Nature of transactions	2012-2013				2011-2012			
	Key Management Personnel	Relatives of Key Management Personnel	Subsidiary Companies	Associates	Key Management Personnel	Relatives of Key Management Personnel	Subsidiary Companies	Associates
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
● Salary, Pension, Reimbursement of expenses etc. :								
Mr. K.L.Rathi	9,682,162	–	–	–	14,483,830	–	–	–
Mr. P.R.Rathi	10,885,235	–	–	–	19,634,576	–	–	–
Mr. R.B.Rathi	7,476,942	–	–	–	16,149,283	–	–	–
Mr. K.R.Ambekar	–	–	–	–	7,727,063	–	–	–
Ms. Christine Gehres	19,357,004	–	–	–	7,954,650	–	–	–
Others	6,094,724	–	–	–	5,584,236	–	–	–
Mr. R.P.Rathi	–	2,153,742	–	–	–	1,892,735	–	–
Mrs. K.B.Rathi	–	1,024,870	–	–	–	931,700	–	–
● Interest :								
Mr. P.R.Rathi	140,000	–	–	–	84,918	–	–	–
Mr. K.L.Rathi	476,212	–	–	–	490,300	–	–	–
Mrs. K.R.Rathi	–	326,564	–	–	–	555,500	–	–
Mrs. K.B.Rathi	–	–	–	–	–	943,651	–	–
Mrs. A.K.Rathi	–	208,708	–	–	–	502,700	–	–
Mrs. S.P.Rathi	–	486,408	–	–	–	770,752	–	–
Others	–	1,902,701	–	–	–	911,002	–	–
Rathi Brothers Poona Ltd.	–	–	–	731,524	–	–	–	613,786
Rathi Brothers Madras Ltd.	–	–	–	436,725	–	–	–	295,832
Rathi Brothers Calcutta Ltd.	–	–	–	71,268	–	–	–	139,735
Rathi Brothers Delhi Ltd.	–	–	–	1,120,519	–	–	–	837,698
● Acceptance of Deposits :								
Mr. P.R.Rathi	–	–	–	–	1,400,000	–	–	–
Mr. K.L.Rathi	3,500,000	–	–	–	–	–	–	–

Nature of transactions	2012-2013				2011-2012			
	Key Management Personnel	Relatives of Key Management Personnel	Subsidiary Companies	Associates	Key Management Personnel	Relatives of Key Management Personnel	Subsidiary Companies	Associates
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Meena B.Rathi Trust	-	-	-	-	-	750,000	-	-
Mr. R.P.Rathi	-	500,000	-	-	-	2,400,000	-	-
Mrs. S.P.Rathi	-	1,900,000	-	-	-	1,300,000	-	-
Others	-	13,540,000	-	-	-	650,000	-	-
Rathi Brothers Poona Ltd.	-	-	-	17,750,000	-	-	-	13,700,000
Rathi Brothers Madras Ltd.	-	-	-	3,875,000	-	-	-	5,225,000
Rathi Brothers Delhi Ltd.	-	-	-	12,000,000	-	-	-	12,275,000
Others	-	-	-	925,000	-	-	-	1,425,000
● Repayments of Deposits :								
Mr. R.B.Rathi	-	-	-	-	507,300	-	-	-
Mr. K.L.Rathi	3,500,000	-	-	-	-	-	-	-
Mrs. K.B.Rathi	-	-	-	-	-	17,850,000	-	-
Mrs. R. R. Rathi	-	-	-	-	-	5,150,000	-	-
Mr. R.P.Rathi	-	420,000	-	-	-	-	-	-
Others	-	20,290,000	-	-	-	2,907,300	-	-
Rathi Brothers Poona Ltd.	-	-	-	15,150,000	-	-	-	9,700,000
Rathi Brothers Madras Ltd.	-	-	-	3,475,000	-	-	-	3,075,000
Rathi Brothers Delhi Ltd.	-	-	-	8,350,000	-	-	-	8,400,000
Others	-	-	-	1,425,000	-	-	-	1,375,000
● Sale of Chemicals :								
Sudarshan Europe B.V.	-	-	854,874,883	-	-	-	686,604,796	-
Prescient Color Ltd.	-	-	10,965,613	-	-	-	8,593,797	-
Sudarshan North America, Inc.	-	-	248,039,330	-	-	-	222,339,893	-
● Purchase of Traded Goods :								
Sudarshan Europe B. V.	-	-	6,269,143	-	-	-	-	-
● Car lease rent received :								
Prescient Color Ltd.	-	-	252,000	-	-	-	244,400	-
● Subscription to Share Capital :								
Sudarshan Europe B.V.	-	-	-	-	-	-	33,200,000	-
● Unsecured Loans given :								
Sudarshan Europe B.V.	-	-	374,207,728	-	-	-	1,011,249,228	-
Prescient Color Ltd.	-	-	123,937,158	-	-	-	112,368,605	-
● Unsecured Loans repayments received :								
Sudarshan Europe B.V.	-	-	154,556,234	-	-	-	897,281,672	-
Prescient Color Ltd.	-	-	214,087,158	-	-	-	32,568,605	-
● Interest received / accrued :								
Sudarshan Europe B.V.	-	-	31,823,289	-	-	-	24,243,739	-
Prescient Color Ltd.	-	-	11,083,828	-	-	-	11,126,662	-
● Commission :								
Rathi Brothers Calcutta Ltd.	-	-	-	4,840,043	-	-	-	4,319,613
Rathi Brothers Delhi Ltd.	-	-	-	16,608,618	-	-	-	18,366,059
Rathi Brothers Madras Ltd.	-	-	-	6,812,854	-	-	-	5,891,078
Rathi Brothers Poona Ltd.	-	-	-	29,530,779	-	-	-	27,546,098
● Management Consultancy fees recd. :								
Prescient Color Ltd.	-	-	393,400	-	-	-	576,000	-
● Usage of Table Space :								
Prescient Color Ltd.	-	-	336,312	-	-	-	-	-
● Corporate guarantee :								
Sudarshan North America Inc.	-	-	1.5 Mn USD	-	-	-	1.5 Mn USD	-
● Reimbursement of Expenses :								
Sudarshan Europe B.V.	-	-	196,630	-	-	-	601,660	-
Prescient Color Ltd.	-	-	236,737	-	-	-	163,131	-
Sudarshan North America, Inc.	-	-	(17,924,452)	-	-	-	345,406	-
● Balance outstanding at year end :								
- Customer / Vendor Account								
Prescient Color Ltd.	-	-	1,742,512	-	-	-	4,633,286	-
Sudarshan Europe B.V.	-	-	257,737,279	-	-	-	188,907,585	-
Sudarshan North America, Inc.	-	-	(2,585,357)	-	-	-	56,942,862	-
- Loan Account								
Prescient Color Ltd.	-	-	49,350,000	-	-	-	139,500,000	-
Sudarshan Europe B.V.	-	-	508,619,050	-	-	-	288,967,556	-
- Corporate guarantee								
Prescient Color Ltd.	-	-	-	-	-	-	122,500,000	-
Sudarshan North America Inc.	-	-	3 Mn USD	-	-	-	1.5 Mn USD	-

12. Inventories (At Cost or Net Realisable Value) :

Stocks :

(a) Finished Products :	At Commencement	At Close
	Value	Value
	Rs.	Rs.
(i) Inorganic Pigments	149,323,082 (80,114,069)	156,915,293 (149,323,082)
(ii) Organic Pigments	188,378,751 (202,351,011)	393,663,913 (188,378,751)
(iii) Intermediates	36,533,843 (3,126,550)	65,391 (36,533,843)
(iv) Pesticides (100%)	25,704,750 (37,975,198)	41,831,220 (25,704,750)
Total...	399,940,426 (323,566,828)	592,475,817 (399,940,426)

(b) Semi Finished Products (Work-in-progress) :	At Commencement	At Close
	Value	Value
	Rs.	Rs.
(i) Inorganic Pigments	45,741,965 (36,013,929)	82,357,888 (45,741,965)
(ii) Organic Pigments	148,096,139 (106,703,868)	242,102,642 (148,096,139)
(iii) Intermediates	10,941,673 (1,764,267)	12,869,174 (10,941,673)
(iv) Pesticides (100%)	5,120,880 (8,173,505)	3,589,737 (5,120,880)
Total...	209,900,657 (152,655,569)	340,919,441 (209,900,657)

13. Sales :

	Current Year	Previous Year
	Rs.	Rs.
(i) Inorganic Pigments	1,816,615,627	1,795,258,998
(ii) Organic Pigments	5,083,253,706	4,778,201,287
(iii) Intermediates	16,342,863	16,637,843
(iv) Pesticides (100%)	506,394,833	412,494,546
(v) Trading Sales	379,482,579	381,477,784
Total...	7,802,089,608	7,384,070,458

14. Raw Materials Consumed :

	Current year	Previous year
	Rs.	Rs.
(i) Litharge and Lead Metal	207,411,124	160,642,390
(ii) Sodium Bichromate	86,965,079	84,639,812
(iii) Organo Phosphorous Intermediates	112,343,407	83,933,517
(iv) C P C Blue	62,902,833	170,946,650
(v) C Acid	52,079,203	90,818,263
(vi) Others	3,998,429,744	3,451,227,578
Total...	4,520,131,390	4,042,208,210

15. Value of Imported and Indigenous Raw Materials consumed during the year :	Rs.	% to total consumption
(i) Value of Imported Raw Materials including duty, handling, clearance charges etc.	1,106,996,506 (998,564,184)	25% (25%)
(ii) Value of Indigenous Raw Materials	3,413,134,884 (3,043,644,026)	75% (75%)
Total...	4,520,131,390 (4,042,208,210)	100% (100%)
16. Value of Imported and Indigenous Stores, Spares and Components consumed during the year :	Rs.	% to total consumption
(i) Value of Imported Stores, Spares and Components including duty, handling, clearance charges etc.	84,425,213 (15,938,802)	49% (9%)
(ii) Value of Indigenous Stores, Spares and Components	86,553,778 (167,645,112)	51% 91%
Total...	170,978,991 (183,583,914)	100% (100%)
17. Expenditure in Foreign Currencies (cash basis) on Account of :	Rs.	
(i) Commission	6,878,741 (6,465,508)	
(ii) Foreign Travel	12,690,612 (7,467,138)	
(iii) Interest	1,556,056 (2,020,043)	
(iv) Others	121,180,594 (88,920,307)	
Total...	142,306,003 (104,872,996)	
18. C.I.F. Value of Imports :	Rs.	
(i) Raw Materials (including through Canalising Agencies)	1,316,967,163 (1,103,185,106)	
(ii) Stores and Components	74,831,052 (10,778,342)	
(iii) Capital Goods	76,228,772 (18,986,896)	
Total...	1,468,026,987 (1,132,950,344)	
19. Remittances during the year in foreign currencies on account of dividend to non-resident shareholders were as follows :		
Number of Shareholders		1 (1)
Number of Equity Shares (Shares of Rs. 10 each) for final dividend of 2011-12		557,989 (557,989)
Amount remitted for the year ended 31-3-2012 (Rs.)		6,974,863 (6,974,863)
The above information pertains to a non-resident shareholder to whom direct remittance has been made by the Company.		

20. Earnings in Foreign Exchange :

	Rs.
(a) Export of goods on F.O.B. Basis (inclusive of exports of Export House)	2,851,778,613 (3,105,423,141)
(b) Others	31,823,289 (24,243,739)
Total...	2,883,601,902 (3,129,666,880)

21. Hedged / Unhedged Foreign Exposure :

The following currency transactions remain outstanding :

(A) Un-hedged Exposure

Nature	Currency	As at 31-03-2013 Rs.	As at 31-03-2012 Rs.
Export Receivables	EURO	113,745,663	30,602,408
Export Receivables	USD	486,795,252	446,971,969
Export Receivables	GBP	3,067,752	707,742
Import Advance	EURO	2,212,332	356,659
Import Payables	USD	99,263,104	81,587,260
Import Payables	JYP	–	245,193
Import Advance	GBP	1,046,509	–
Import Advance	USD	15,167,660	–
Packing Credit (Pre-shipment)	USD	54,765,000	73,399,164
Packing Credit (Post-shipment)	EURO	80,374,270	33,268,977
Packing Credit (Post-shipment)	USD	192,728,716	189,561,078
Packing Credit (Post-shipment)	GBP	–	–
Buyer's Credit	USD	304,453,125	92,108,680

(B) Hedged Exposure (Forward exchange contracts)

Nature	Currency	31-03-2013 Rs.	31-03-2012 Rs.
Export Receivables	EURO	279,745,803	147,692,772
Export Receivables	USD	92,646,937	52,164,652

22. Earning per Share (EPS) :

Sr. No.	Particulars	31-03-2013	31-03-2012
(A)	Net Profit / Amount attributable to equity shareholders (Rs.)	210,550,016	361,510,643
(B)	Weighted average no. of shares	6,922,725	6,922,725
(C)	Earnings per share basic and diluted (Rs.)	30.41	52.22
(D)	Face value per equity share (Rs.)	10	10

23. Managerial Remuneration :

(Amount in Rs.)

	Mr. K.L.Rathi Executive Chairman	Mr. P.R. Rathi Vice Chairman and Managing Director	Mr. R.B.Rathi Director
Salary & Other Allowances	7,560,000 (6,867,900)	8,400,000 (11,760,445)	5,628,000 (9,015,323)
Contribution to Provident Fund & Other Funds	1,458,000 (1,387,530)	1,620,000 (1,543,334)	1,085,400 (1,000,269)
Other Perquisites	664,162 (728,400)	865,235 (830,797)	763,542 (633,691)
Commission	— (5,500,000)	— (5,500,000)	— (5,500,000)
Total :	9,682,162 (14,483,830)	10,885,235 (19,634,576)	7,476,942 (16,149,283)

In view of the inadequacy of profits for the Financial Year ended 31st March, 2013, the aforesaid remuneration to each Whole-time Director for the said Financial Year has, wherever applicable, been decided to be restricted to the ceiling limit provided in Schedule XIII of the Companies Act, 1956. Approval of shareholders has been taken in the Extra Ordinary General Meeting held on 22nd March, 2013 and also application has been made to Central Government for the same.

24. Expenses Capitalized during the year are as below :

	Current Year Rs.	Previous Year Rs.
(A) Trial Run Expenses		
I. RM Consumption	56,457,014	—
II. Utilities and other related expenses	19,450,828	—
(B) Salaries	3,004,323	2,025,330
(C) Borrowing cost (Interest)	38,184,551	31,197,827
Total :	117,096,716	33,223,157

25. Intangibles – disclosure as per AS - 26 :

Asset	Remaining amortization	Carrying amount (Rs.)
Computer Softwares	8 years (9 years)	28,239,801 (18,883,243)
Technical Know How	4 years (5 years)	84,010,641 (104,558,307)
Other Registrations	9 years (—)	8,693,460 (—)
Total :		120,943,902 (123,441,550)

26. The Company has reclassified previous year's figures to conform to this year's classification.

The figures in brackets are those in respect of previous year.

As per our report of even date.	For and on behalf of the Board of Directors		
For B.K.KHARE & Co. Chartered Accountants Firm Regn No:105102W	K.L.RATHI Executive Chairman	P.R.RATHI Vice-Chairman & Managing Director	
PRASAD PARANJPE Partner Membership No.:047296	N.J.RATHI Director	R.B.RATHI Director	P.S.RAGHAVAN Company Secretary
Pune : 30 th May, 2013	Pune : 30 th May, 2013		

Statement pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Companies

1	Name of the subsidiary company	Prescient Color Limited	Sudarshan Europe B.V.	Sudarshan North America, Inc.
2	Financial Year of the subsidiary	01-04-2012 to 31-03-2013	01-04-2012 to 31-03-2013	01-04-2012 to 31-03-2013
3	(a) No. of shares held in subsidiary company as at 31st March, 2013:			
	- Equity	6,000,000 shares of Rs. 10 each	23100 shares of EURO 100 each (Equivalent to Rs. 148,974,915)	50004 shares of US\$ 0.01 each (Equivalent to Rs. 90,129,688)
	- Preference	400,000 shares of Rs. 100 each		
	(b) Extent of holding	100%	100%	100%
4	The net aggregate profits less losses of subsidiary company as far as it concerns the members of the holding company :			
	(i) Not dealt with in the holding company's accounts :			
	(a) Of the subsidiary for the year 2012-13	Rs. 17,156,312 Profit	Rs. 15,127,405 Profit	Rs. 13,860,202 Loss
	(b) For the previous financial years since it became the holding company's subsidiary	Rs. 37,413,692 Loss	Rs. 92,356,913 Loss	Rs. 52,553,330 Loss
	(ii) Dealt with in the holding company's accounts :			
	(a) Of the subsidiary for the year 2012-13	Nil	Nil	Nil
	(b) For the previous financial years since it became the holding company's subsidiary	Nil	Nil	Nil
5	Change in the interest of the holding company between the end of the financial year of the subsidiary and the end of the holding company's financial year :	Not applicable	Not applicable	Not applicable
6	Material changes between the end of the financial year of the subsidiary and the end of the holding company's financial year in respect of the subsidiary's :			
	(i) Fixed assets	Not applicable	Not applicable	Not applicable
	(ii) Investments	Not applicable	Not applicable	Not applicable
	(iii) Moneys lent by the subsidiary	Not applicable	Not applicable	Not applicable
	(iv) Moneys borrowed by the subsidiary	Not applicable	Not applicable	Not applicable
7	Financial details :			
	(a) Capital	Rs. 100,000,000	EURO 2,310,000	USD 1,855,500
	(b) Reserves	Nil	Nil	Nil
	(c) Total assets	Rs. 290,880,724	Rs. 855,705,299	Rs. 184,716,137
	(d) Total liabilities	Rs. 290,880,724	Rs. 855,705,299	Rs. 184,716,137
	(e) Investments	Nil	Rs. 90,129,688	Nil
	(f) Turnover	Rs. 575,206,076	Rs. 1,108,369,141	Rs. 410,469,668
	(g) Profit / (Loss) before taxation	Rs. 17,156,312	Rs. 15,127,405	Rs. (13,860,202)
	(h) Provision for taxation	Nil	Nil	Nil
	(i) Profit / (Loss) after taxation	Rs. 17,156,312	Rs. 15,127,405	Rs. (13,860,202)
	(j) Proposed dividend	Nil	Nil	Nil

For and on behalf of the Board of Directors

K. L. RATHI
Executive Chairman

P. R. RATHI
Vice Chairman & Managing Director

N. J. RATHI
Director

R. B. RATHI
Director

P.S. RAGHAVAN
Company Secretary

Pune : 30th May, 2013

INDEPENDENT AUDITORS' REPORT FOR CONSOLIDATION

TO,
THE MEMBERS OF
SUDARSHAN CHEMICAL INDUSTRIES LIMITED

Auditors' Report to the Board of Directors of Sudarshan Chemical Industries Limited on the Consolidated Financial Statements of Sudarshan Chemical Industries Limited and its Subsidiaries.

1. We have audited the accompanying Consolidated Financial Statements of SUDARSHAN CHEMICAL INDUSTRIES LIMITED ('the Company') and its subsidiaries hereinafter referred to as the "Group", as at 31st March, 2013, which comprise the Consolidated Balance Sheet, Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. Management is responsible for the preparation of these Financial Statements that give a true and fair view of the Consolidated Financial Position, Consolidated Financial Performance and Consolidated Cash Flows of the Company 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 Consolidated Financial Statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatements.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Consolidated 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 Consolidated Financial Statements.
5. We report that the Consolidated Financial Statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, notified pursuant to the Companies (Accounting Standards) Rules, 2006 (as amended).

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

Opinion

6. Based on our audit and on consideration of report of other auditors on separate Financial Statements of the components, and to the best of our information and according to the explanations given to us, in our opinion that the attached Consolidated Financial Statements, read together with the Company's Accounting Policies and the Notes thereto, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
 - ii) in the case of the Consolidated Statement of Profit and Loss, of the Profit for the year ended on that date; and
 - iii) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matters

7. We did not audit the Financial Statements of any of the subsidiaries included in the Consolidated Financial Statements, which constitute total assets of Rs. 1,331,302,160 as at 31st March, 2013, total revenue of Rs. 2,039,465,606 and cash flows amounting to Rs. 163,966,654 for the year ended. These Financial Statements have been audited by other auditors whose report has been furnished to us, and our opinion on the Consolidated Financial Statements to the extent they have been derived from such Financial Statements is based solely on the report of the other auditors. Our opinion is not qualified in respect of this matter.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Prasad Paranjape
Partner

Membership No – 047296

Pune : 30th May 2013

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013

Particulars	Note No.	As at 31-03-2013 Rs.	As at 31-03-2012 Rs.
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	69,227,250	69,227,250
(b) Reserves and Surplus	2	2,473,314,398	2,366,881,311
		<u>2,542,541,648</u>	<u>2,436,108,561</u>
(2) Non-Current Liabilities			
(a) Long-term borrowings	3	2,154,957,399	1,233,525,454
(b) Deferred tax liabilities (Net)	4	252,261,161	212,310,169
(c) Other Long-term liabilities	5	27,811,160	27,770,460
(d) Long-term provisions	6	56,453,316	52,778,073
		<u>2,491,483,036</u>	<u>1,526,384,156</u>
(3) Current Liabilities			
(a) Short-term borrowings	7	1,657,474,629	1,149,170,326
(b) Trade payables	8	1,037,561,479	1,074,104,094
(c) Other current liabilities	9	924,483,765	857,539,130
(d) Short-term provisions	10	147,977,381	141,972,960
		<u>3,767,497,254</u>	<u>3,222,786,510</u>
Total...		<u>8,801,521,938</u>	<u>7,185,279,227</u>
II. ASSETS			
(1) Non-current Assets			
(a) Fixed assets			
(i) Tangible assets	11	3,068,184,215	2,162,099,140
(ii) Intangible assets	12	120,943,902	123,441,550
(iii) Capital work-in-progress		226,745,331	168,811,301
(b) Non-current investments	13	2,864,697	2,795,000
(c) Long-term loans and advances	14	214,199,834	137,000,166
(d) Other non-current assets	15	3,000,000	5,500,000
		<u>3,635,937,979</u>	<u>2,599,647,157</u>
(2) Current Assets			
(a) Inventories	16	2,276,381,877	1,963,100,003
(b) Trade receivables	17	2,101,278,448	1,937,887,201
(c) Cash and cash equivalents	18	443,673,200	372,277,808
(d) Short-term loans and advances	19	96,056,902	125,809,653
(e) Other current assets	20	248,193,532	186,557,405
		<u>5,165,583,959</u>	<u>4,585,632,070</u>
Total...		<u>8,801,521,938</u>	<u>7,185,279,227</u>
See accompanying Notes to The Consolidated Financial Statements	29		

The accompanying notes form an integral part of the Financial Statements.

As per our report of even date.

For and on behalf of the Board of Directors

For B.K.KHARE & Co.
Chartered Accountants
Firm Regn No:105102W

K.L.RATHI
Executive Chairman

P.R.RATHI
Vice-Chairman &
Managing Director

PRASAD PARANJAPÉ
Partner
Membership No.:047296

N.J.RATHI
Director

R.B.RATHI
Director

P.S.RAGHAVAN
Company Secretary

Pune : 30th May, 2013

Pune : 30th May, 2013

STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	Note No.	Current Year Rs.	Previous Year Rs.
I. Revenue from operations	21	9,412,710,535	8,555,249,784
Less : Excise duty		683,799,735	552,310,333
		8,728,910,800	8,002,939,451
II. Other Income	22	72,323,873	38,325,446
III. Total Revenue (I +II)		8,801,234,673	8,041,264,897
IV. Expenses :			
Cost of materials consumed	23	4,866,409,366	4,334,686,495
Cost of goods traded	24	417,442,305	388,860,479
Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	(341,069,146)	(230,725,004)
Employee benefit expense	26	740,019,066	631,820,894
Finance costs	27	326,801,849	223,651,447
Depreciation and amortization expense	11, 12	263,568,788	184,393,533
Other expenses	28	2,267,981,799	2,032,591,066
Total Expenses		8,541,154,027	7,565,278,910
V. Profit / (Loss) before exceptional and extraordinary items and tax (III - IV)		260,080,646	475,985,987
VI. Exceptional Items		-	-
VII. Profit / (Loss) before extraordinary items and tax (V - VI)		260,080,646	475,985,987
VIII. Extraordinary Items		-	-
IX. Profit / (Loss) before tax (VII - VIII)		260,080,646	475,985,987
X. Tax expense :			
(1) Current Tax		50,950,000	96,000,000
(2) MAT Credit Entitlement		(50,950,000)	(47,000,000)
(3) Deferred Tax		39,950,992	91,336,130
XI. Profit / (Loss) for the period from continuing operations		220,129,654	335,649,857
XII. Profit / (Loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit / (Loss) from discontinuing operations (after tax) (XII - XIII)		-	-
XV. Profit / (Loss) for the period (XI + XIV)		220,129,654	335,649,857
XVI. Earning per equity share, Basic & Diluted (Rs. Per Equity Share of Rs. 10 each (Previous Year : Rs. 10 each)) (Ref. Note No. 12 of Note No. 29)		31.80	48.49
See accompanying Notes to The Consolidated Financial Statements	29		

The accompanying notes form an integral part of the Financial Statements.

As per our report of even date.

For and on behalf of the Board of Directors

For B.K.KHARE & Co.
Chartered Accountants
Firm Regn No:105102W

K.L.RATHI
Executive Chairman

P.R.RATHI
Vice-Chairman &
Managing Director

PRASAD PARANJAPÉ
Partner
Membership No.:047296

N.J.RATHI
Director

R.B.RATHI
Director

P.S.RAGHAVAN
Company Secretary

Pune : 30th May, 2013

Pune : 30th May, 2013

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	March 31, 2013 Rs.	March 31, 2012 Rs.
Cash flow from operating activities		
Profit / (Loss) before tax from operations	260,080,646	475,985,987
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation / amortization	263,568,787	184,393,533
Loss / (Profit) on sale or write off of fixed assets	1,481,219	51,107
Provision for decline in the value of long-term investment written back	(205,000)	–
Unrealized foreign exchange Loss / (Gain)	(32,430,968)	(21,437,727)
Provision for doubtful debt (Net)	893,702	(207,155)
Interest expense	2,317,428	6,726,512
Interest income	(2,838,373)	(1,575,456)
Operating profit before working capital changes	492,867,441	643,936,801
Movements in working capital :		
Increase / (decrease) in trade payables	(37,363,639)	349,745,008
Increase / (decrease) in long-term provisions	3,675,243	8,722,765
Increase / (decrease) in short-term provisions	(195,808,165)	(193,932,879)
Increase / (decrease) in other current liabilities	67,048,664	374,828,232
Increase / (decrease) in other long-term liabilities	40,700	(420,395)
Decrease / (increase) in trade receivables	(150,495,752)	(250,607,548)
Decrease / (increase) in inventories	(313,281,873)	(284,613,141)
Decrease / (increase) in long-term loans and advances	(13,774,668)	52,001,319
Decrease / (increase) in short-term loans and advances	29,752,751	27,782,442
Decrease / (increase) in other current assets	(58,797,755)	(112,101,597)
Decrease / (increase) in other non-current assets	2,500,000	–
Cash generated from / (used in) operations	(173,637,053)	615,341,007
Direct taxes paid	(63,425,000)	(100,000,000)
Net cash flow from / (used in) operating activities (A)	(237,062,053)	515,341,007
Cash flows from investing activities :		
Purchase of fixed assets, including intangible assets and CWIP	(1,228,417,558)	(875,184,474)
Proceeds from sale of fixed assets	1,846,095	2,899,817
Proceeds of non-current investments	135,303	5,000
Net cash flow from / (used in) investing activities (B)	(1,226,436,160)	(872,279,657)
Cash flows from financing activities :		
Proceeds from long-term borrowings	921,431,945	182,686,754
Dividend and Dividend Tax Paid	100,572,053	100,572,053
Proceeds from short-term borrowings	512,889,607	303,507,715
Net cash flow from / (used in) in financing activities (C)	1,534,893,605	586,766,522
Net increase / (decrease) in cash and cash equivalents (A + B + C)	71,395,392	229,827,872
Cash and cash equivalents at the beginning of the year	372,277,808	142,449,936
Cash and cash equivalents at the end of the year	443,673,200	372,277,808
Components of cash and cash equivalents		
Cash on hand	2,545,915	1,788,328
With banks :		
on current account	400,208,319	134,944,316
on deposit account	38,942,796	234,498,067
unpaid dividend accounts*	1,960,668	1,041,544
Lien Account	15,502	5,553
Total cash and cash equivalents (Ref. Note No. 18)	443,673,200	372,277,808

Notes :

- The above Consolidated Cash Flow Statement have been prepared under the 'Indirect Method' as set out in the Accounting Standard-3 on Cash Flow Statements issued by ICAI.
 - Previous year's figures have been regrouped wherever necessary to conform to the current year classification.
- * The Company can utilise these balances only towards settlement of the respective unpaid dividend.

As per our report of even date.

For B.K.KHARE & Co.
Chartered Accountants
Firm Regn No:105102W

PRASAD PARANJPE
Partner
Membership No.:047296

Pune : 30th May, 2013

For and on behalf of the Board of Directors

K.L.RATHI
Executive Chairman

N.J.RATHI
Director

Pune : 30th May, 2013

P.R.RATHI
Vice-Chairman &
Managing Director

R.B.RATHI
Director

P.S.RAGHAVAN
Company Secretary

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2013 Rs.	As at 31-03-2012 Rs.		
	SHAREHOLDER'S FUNDS				
1	SHARE CAPITAL				
	Equity share capital :				
	AUTHORISED :				
	8,000,000 (8,000,000) Equity Shares of Rs. 10 each	<u>80,000,000</u>	<u>80,000,000</u>		
	ISSUED :				
	* 6,922,775 (6,922,775) Equity Shares of Rs. 10 each	<u>69,227,750</u>	<u>69,227,750</u>		
	SUBSCRIBED AND PAID-UP :				
	6,922,725 (6,922,725) Equity Shares of Rs. 10 each fully paid-up.	<u>69,227,250</u>	<u>69,227,250</u>		
	* Allotment of 50 Rights Equity Shares of Rs. 10 each is kept in abeyance, matter being sub-judice.				
	(a) Reconciliation of the shares outstanding at the beginning and at the end of the year :				
		No.	Rs.	No.	Rs.
	At the beginning of the year	6,922,725	69,227,250	6,922,725	69,227,250
	Add: Allotted during the year	—	—	—	—
	Less: Shares bought back during the year	—	—	—	—
	Outstanding at the end of the year	6,922,725	69,227,250	6,922,725	69,227,250
	(b) Terms / Rights attached to equity shares :				
	The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.				
	During the financial year ended 31 st March, 2013, the amount of per share dividend recognised as distribution to the equity shareholders is Rs. 12.50 (Previous Year : Rs. 12.50)				
	In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.				
	(c) Shares held by holding / ultimate holding company and / or their subsidiaries / associates :				
	The Company does not have any holding or ultimate holding company.				
	(d) Details of shareholders holding more than 5% shares in the company :				
		No.	%	No.	%
	Mr.Pradeep R. Rath	382,345	5.52	382,345	5.52
	Mr.Rahul P. Rath	475,454	6.87	475,454	6.87
	Mr.Anuj N. Rath	377,762	5.46	377,762	5.46
	DIC Corporation, Japan	557,989	8.06	557,989	8.06

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2013 Rs.		As at 31-03-2012 Rs.	
2	RESERVES AND SURPLUS				
	(a) CAPITAL RESERVE				
	Balance at the beginning of the year	5,044,100		5,044,100	
	Additions during the year	—		—	
	Less : Deduction during the year	—		—	
	Balance at the end of the year	<u>5,044,100</u>	<u>5,044,100</u>	<u>5,044,100</u>	<u>5,044,100</u>
	(b) SECURITIES PREMIUM ACCOUNT				
	Balance at the beginning of the year	132,115,000		132,115,000	
	Additions during the year	—		—	
	Less : Deduction during the year	—		—	
	Balance at the end of the year	<u>132,115,000</u>	<u>132,115,000</u>	<u>132,115,000</u>	<u>132,115,000</u>
	(c) REVALUATION RESERVE				
	<i>Ref. Note No. 6 of Note No. 29</i>				
	Balance at the beginning of the year	498,450,000		498,450,000	
	Additions during the year	—		—	
	Less : Deduction during the year	—		—	
	Balance at the end of the year	<u>498,450,000</u>	<u>498,450,000</u>	<u>498,450,000</u>	<u>498,450,000</u>
	(d) GENERAL RESERVE				
	Balance at the beginning of the year	1,514,115,720		1,314,115,720	
	Add : Amounts transferred from Surplus balance in Statement of Profit and Loss	30,000,000		200,000,000	
	Less : Deduction during the year	—		—	
	Balance at the end of the year	<u>1,544,115,720</u>	<u>1,544,115,720</u>	<u>1,514,115,720</u>	<u>1,514,115,720</u>
	(e) FOREIGN CURRENCY TRANSLATION RESERVE				
	Balance at the beginning of the year	(26,192,499)		—	
	Additions during the year	(12,456,034)		(26,192,499)	
	Less : Deduction during the year	—		—	
	Balance at the end of the year	<u>(38,648,533)</u>	<u>(38,648,533)</u>	<u>(26,192,499)</u>	<u>(26,192,499)</u>
	(f) SURPLUS IN THE STATEMENT OF PROFIT AND LOSS				
	Surplus at the beginning of the year	243,348,990		208,271,186	
	Add : Current Year Profit After Tax	220,129,654		335,649,857	
	Less : Appropriations				
	Proposed Equity Dividend	86,534,063		86,534,063	
	Tax on Proposed Equity Dividend	14,706,470		14,037,990	
	Amount transferred to General Reserve	30,000,000		200,000,000	
		<u>332,238,111</u>	<u>332,238,111</u>	<u>243,348,990</u>	<u>243,348,990</u>
	Total ...		<u>2,473,314,398</u>		<u>2,366,881,311</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2013 Rs.	As at 31-03-2012 Rs.
	NON CURRENT LIABILITIES :		
3	LONG-TERM BORROWINGS		
	(a) SECURED LOAN FROM BANKS :		
	HDFC Bank <i>Ref. Note Nos. i) & xvi) below</i>	224,000,000	320,000,000
	Export-Import Bank of India (EXIM Bank) <i>Ref. Note Nos. ii), iii), x) & xvi) below</i>	206,460,000	290,000,000
	Bank of Maharashtra <i>Ref. Note Nos. iv) to ix), xiv), xv) & xvi) below</i>	1,042,090,018	556,247,000
	State Bank of India <i>Ref. Note Nos. xi) & xvi) below</i>	200,000,000	—
	Kotak Mahindra Prime Ltd. <i>Ref. Note Nos. xii) & xviii) below</i>	117,381	303,454
		1,672,667,399	1,166,550,454
	(b) UNSECURED LOAN FROM OTHERS :		
	Loans & Advances from Related Parties :		
	i) Intercompany Deposits <i>Ref. Note No. xix) below</i>	202,510,000	32,045,000
	ii) Fixed Deposits <i>Ref. Note No. xx) below & Note No. 9 of Note No. 29</i>	16,140,000	7,890,000
	Loans & Advances from Others :		
	Fixed Deposits <i>Ref. Note No. xx) below & Note No. 9 of Note No. 29</i>	263,640,000	27,040,000
		482,290,000	66,975,000
	Total ...	2,154,957,399	1,233,525,454
i)	Term Loan from HDFC Bank of Rs. 36 Crores (outstanding Rs. 224,000,000 (P.Y. Rs. 320,000,000)) was taken in Financial Year 2011-12 and carries interest @ 10.50% p.a. The loan is repayable in 45 monthly installments of Rs. 80.00 Lacs from November 2012. Moratorium period of 12 months from the date of first disbursement.		
ii)	Term Loan from EXIM Bank of Rs. 15 Crores (outstanding Rs. 20,000,000 (P.Y. Rs. 50,000,000)) was taken in Financial Year 2008-09 and carries interest @ 11.10% p.a. The loan is repayable in 60 monthly installments of Rs. 25.00 Lacs from December 2009.		
iii)	Term Loan from EXIM Bank of Rs. 36 Crores (outstanding Rs. 150,000,000 (P.Y. Rs. 240,000,000)) was taken in parts till March 31, 2012 and carries interest @ 11.00% p.a. The loan is repayable in 48 monthly installments of Rs. 75 Lacs from February 2012.		
iv)	Term Loan from Bank of Maharashtra of Rs. 7 Crores (outstanding Rs. Nil (P.Y. Rs. 7,000,000)) was taken in Financial Year 2007-08 and carries interest @ 12.00% p.a. The loan is repayable in quarterly installments of Rs. 35.00 Lacs from October 2010.		
v)	Term Loan from Bank of Maharashtra of Rs. 3.10 Crores (outstanding Rs. Nil (P.Y. Rs. 4,147,000)) was taken in Financial Year 2008-09 and carries interest @ 12.00% p.a. The loan is repayable in monthly installments of Rs. 5.17 Lacs from April 2009.		
vi)	Term Loan from Bank of Maharashtra of Rs. 35 Crores (outstanding Rs. 167,500,000 (P.Y. Rs. 255,100,000)) was taken in Financial Year 2010-11 and carries interest @ 10.25% p.a. The loan is repayable in 46 monthly installments of Rs. 73 Lacs from March 2012 & 1 installment is of Rs. 69 Lacs.		
vii)	Term Loan from Bank of Maharashtra of Rs. 42 Crores (outstanding Rs. 336,000,000 (P.Y. Rs. 290,000,000)) was taken in parts till March 31, 2012 and carries interest @ 10.70% p.a. The loan is repayable in 20 quarterly installments of Rs. 210 Lacs from May 2013. Moratorium period of 12 months from the date of first disbursement.		
viii)	Term Loan from Bank of Maharashtra of Rs. 16.85 Crores (outstanding Rs. 151,649,000 (P.Y. Rs. Nil)) was taken in Financial Year 2012-13 and carries interest @ 10.70% p.a. The loan is repayable in 60 quarterly installments of Rs. 28.08 Lacs from October 2013. Moratorium period of 12 months from the date of first disbursement.		
ix)	Term Loan from Bank of Maharashtra of Rs. 42 Crores (outstanding Rs. 336,000,000 (P.Y. Rs. Nil)) was taken in Financial Year 2012-13 and carries interest @ 10.25% p.a. The loan is repayable in 20 quarterly installments of Rs. 210 Lacs from May 2013. Moratorium period of 12 months from the date of first disbursement.		
x)	Term Loan from EXIM Bank of USD 1 Million (outstanding Rs. 36,460,000 (P.Y. Rs. Nil)) was taken in parts till March 31, 2013 and carries interest @ LIBOR + 475 BASIS POINTS p.a. The loan is repayable in 12 quarterly installments of USD 0.83 Lacs from March 2014. Moratorium period of 12 months from the date of first disbursement.		
xi)	Corporate Term Loan from SBI of Rs. 30 Crores (outstanding Rs. 200,000,000 (P.Y. Rs. Nil)) was taken in parts till March 31, 2013 and carries interest @ 10.50% p.a. The loan is repayable in 8 quarterly installments of Rs. 250 Lacs from April 2014. Moratorium period of 12 months from the date of first disbursement.		

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- xii) Term Loan from Kotak Mahindra Prime Ltd. of Rs. 8.09 Lacs (outstanding Rs. 117,381 (P.Y. Rs. 303,454)) was taken in Financial Year 2009-10 and carries interest @ 9.96 % p.a. The loan is repayable in 59 monthly installments of Rs. 17 lacs from December 2009.
- xiii) Term Loan from Standard Chartered Bank of Rs. 9.5 Crores (outstanding Rs. Nil (P.Y. Rs. Nil)) was taken in Financial Year 2007-08 and 2008-09 and carries interest @ 13% p.a. The loan is repayable in 15 quarterly installments of Rs. 63.33 lacs from January 2009.
- xiv) Term Loan from Bank of Maharashtra of Rs. 6.16 Crores (outstanding Rs. 49,013,940 (P.Y. Rs. Nil)) is taken in Financial Year 2012-13 and carries interest @ 13.00% p.a. The loan is repayable in 84 quarterly installments of Rs. 7.34 Lacs from October 2012.
- xv) Term Loan from Bank of Maharashtra of Rs. 66 lacs (outstanding Rs. 1,927,078 (P.Y. Rs. Nil)) is taken in Financial Year 2012-13 and carries interest @ 13.00% p.a. The loan is repayable in 84 quarterly installments of Rs. 0.79 Lacs from December 2012.
- xvi) Term Loans from Export Import Bank of India (EXIM Bank), Bank of Maharashtra (BOM) & HDFC Bank are secured by First Pari Passu charge by way of hypothecation of all movable fixed assets and further secured by way of mortgage on all immovable fixed assets of the Company situated at Roha, Mahad, Dist. Raigad and at Ambadvet, Amrablevadi, Tal. Mulshi, Dist. Pune. The Term Loan of EXIM Bank of Rs. 15 Crores is also secured by a charge on the Company's current assets, both present and future. The Foreign Currency Term Loan of USD 1.00 Million (Rs. 5.50 Crores approx) from Export Import Bank of India (EXIM Bank) is secured by a First Pari Passu charge on the entire fixed assets of the Company. Also the said Foreign Currency Term Loan is to be secured by a mortgage charge on the immovable properties of the Company situated at Roha, Mahad, Dist. Raigad and Ambadvet, Amrablevadi, Tal. Mulshi, Dist. Pune. The Corporate Loan of Rs. 30 Crores from State Bank of India, Pune (SBI) is secured by a First Pari Passu charge on the movable fixed assets & current assets of the Company. Also the said Corporate Loan is to be secured by a mortgage charge on the immovable properties of the Company situated at Roha, Mahad, Dist. Raigad and Ambadvet, Amrablevadi, Tal. Mulshi, Dist. Pune.
- xvii) The Term Loan from Standard Chartered Bank is secured by first charge by way of mortgage by deposit of title deeds of land & building at Pirangut. The same is further secured by corporate guarantee issued by the holding company, Sudarshan Chemical Industries Ltd.
- xviii) The Loan from Kotak Mahindra Prime Ltd. is secured by hypothecation of vehicle procured out of the said loan.
- xix) Intercompany Deposits are generally accepted for period of 3 years. Rate of Interest varies from 9 - 11% p.a.
- xx) Fixed Deposits are generally accepted for period of 1-3 years. Rate of Interest varies from 9 - 11.50% p.a.
- xxi) Above Loans exclude those maturing within 12 months (Ref. Note No.9 a))

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2013 Rs.	As at 31-03-2012 Rs.
4	DEFERRED TAX LIABILITIES (NET)		
	Deferred Tax Liabilities :		
	Depreciation	<u>314,315,845</u>	<u>239,924,911</u>
		<u>314,315,845</u>	<u>239,924,911</u>
	Deferred Tax Assets :		
	Expenditure accrued but not deductible for tax purpose, allowable on actual payment	<u>22,996,562</u>	<u>27,614,742</u>
	Unabsorbed Depreciation	<u>39,058,122</u>	<u>—</u>
		<u>62,054,684</u>	<u>27,614,742</u>
	Deferred tax liabilities (Net) Total ... <i>Ref. Note No. (1) (xii) of Note No. 29</i>	<u><u>252,261,161</u></u>	<u><u>212,310,169</u></u>
	Note : The Company has recognised Deferred Tax Asset since the management believes that the reversal of timing difference on account of depreciation would result in sufficient future taxable income against which the said deferred tax can be realised.		
5	OTHER LONG TERM LIABILITIES		
	Security Deposits	<u>27,811,160</u>	<u>27,770,460</u>
	Total ...	<u><u>27,811,160</u></u>	<u><u>27,770,460</u></u>
6	LONG TERM PROVISIONS		
	(a) PROVISION FOR EMPLOYEE BENEFITS :		
	Pension	<u>56,453,316</u>	<u>48,254,384</u>
	(b) OTHERS :		
	Provision for Tax	<u>—</u>	<u>1,127,900,000</u>
	Less : Taxes Paid	<u>—</u>	<u>1,123,376,311</u>
	Provision for Tax (Net)	<u>—</u>	<u>4,523,689</u>
	Total ...	<u><u>56,453,316</u></u>	<u><u>52,778,073</u></u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2013 Rs.	As at 31-03-2012 Rs.
CURRENT LIABILITIES :			
7	SHORT-TERM BORROWINGS		
	LOAN REPAYABLE ON DEMAND :		
	FROM BANKS -		
	(a) SECURED LOANS :		
	Working Capital Borrowings From Banks Ref. Note Nos. i) to ix), xvi), xvii) & xix) below	913,021,504	582,583,646
	(b) UNSECURED LOANS :		
	Short Term Loan Ref. Note Nos. x) to xv), xviii) & xix) below	744,453,125	566,586,680
	Total ...	<u>1,657,474,629</u>	<u>1,149,170,326</u>
i)	Working Capital Loan (Cash Credit) Rs. 171,610,854 (P.Y. Rs. 73,709,103) from Bank of Maharashtra carries interest @ 11.25% p.a. The Loan is secured by hypothecation of stock-in-trade, book debts & receivables.		
ii)	Working Capital Loan (Cash Credit) Rs. 165,709,098 (P.Y. Rs. 44,645,691) from State Bank of India carries interest @ 10.20% p.a. The Loan is secured by hypothecation of stock-in-trade, book debts & receivables.		
iii)	Working Capital Loan (Cash Credit) Rs. 2,835,514 (P.Y. Rs. 13,543,728) from Bank of Baroda carries interest @ 11.75 % p.a. The Loan is secured by hypothecation of stock-in-trade, book debts & receivables.		
iv)	Working Capital Loan (Cash Credit) Rs. 29,706,495 (P.Y. Rs. 76,811,922) from HDFC Bank carries interest @ 12.70 % p.a. The Loan is secured by hypothecation of stock-in-trade, book debts & receivables.		
v)	Working Capital Loan (Cash Credit) Rs. 53,425,326 (P.Y. Rs. 54,505,295) from ICICI Bank carries interest @ 11.50 % p.a. The Loan is secured by hypothecation of stock-in-trade, book debts & receivables.		
vi)	Working Capital Loan (Cash Credit) Rs. Nil (P.Y. Rs. 22,480,263) from Standard Chartered Bank carries interest @ Nil p.a. The Loan is secured by hypothecation of stock-in-trade, book debts & receivables.		
vii)	Working Capital Loan (PCFC) Rs. 54,690,000 (P.Y. Rs. 73,399,165) from Bank of Maharashtra carries interest @ LIBOR + 250 BASIS POINTS p.a. The Loan is repayable within 180 days from the date of borrowing. The Loan is secured by inventories for exports.		
viii)	Working Capital Loan (FOBN) Rs. 156,686,472 (P.Y. Rs. 108,420,625) from Bank of Maharashtra carries interest @ 10.25% p.a. The Loan is repayable within 90 days from the date of borrowing. The Loan is secured by charge on export bills.		
ix)	Working Capital Loan (FOBN) Rs. 116,413,877 (P.Y. Rs. 114,409,431) from State Bank of India carries interest @ 9.70 % p.a. The Loan is repayable within 90 days from the date of borrowing. The Loan is secured by charge on export bills.		
x)	Short Term Loan Rs. 140,000,000 (P.Y. Rs. 100,000,000) from State Bank of India carries interest @ 10.50% p.a. The Loan is repayable within 90 days from the date of borrowing.		
xi)	Short Term Loan Rs. 300,000,000 (P.Y. Rs. 300,000,000) from Bank of Maharashtra carries interest @ 10.25 % p.a. The Loan is repayable within 90 days from the date of borrowing.		
xii)	Buyer's Credit Loan Rs. 205,062,913 (P.Y. Rs. 36,466,278) from HSBC Bank carries interest @ LIBOR + 195 / 205 & 235 BASIS POINTS p.a. The Loan is repayable within 180 days from the date of borrowing.		
xiii)	Buyer's Credit Loan Rs. 43,194,378 (P.Y. Rs. 55,642,402) from CITI Bank carries interest @ LIBOR + 175 BASIS POINTS p.a. The Loan is repayable within 180 days from the date of borrowing.		
xiv)	Buyer's Credit Loan Rs. 56,195,834 (P.Y. Rs. Nil) from ICICI Bank carries interest @ LIBOR + 170 BASIS POINTS p.a. The Loan is repayable within 180 days from the date of borrowing.		
xv)	Buyer's Credit Loan Rs. Nil (P.Y. Rs. 74,478,000) from EXIM Bank carries interest @ LIBOR + 425 to 450 BASIS POINTS p.a. The Loan is repayable within 180 days from the date of borrowing.		
xvi)	Bill discounting Loan Rs. Nil (P.Y. Rs. 658,423) from Standard Chartered Bank carries interest @ Nil p.a. The loan is repayable within 180 days from the date of borrowing.		
xvii)	Buyer's Credit Loan Rs. 161,943,868 (P.Y. Rs. Nil) from Exim Bank carries interest @ LIBOR+500 Basis Points p.a. The loan is repayable within 180 days from the date of borrowing.		
xviii)	Buyer's Credit Loan from Exim Bank is secured by corporate guarantee issued by Sudarshan Chemical Industries Ltd.		
xix)	Working Capital Borrowings from BOM led Consortium Banks consisting of BOM, SBI, BOB, ICICI Bank Limited and HDFC Bank Limited are secured by hypothecation of stock-in-trade, book debts & receivables. These are further secured by second charge on the immovable properties of the Company situated at Roha, Mahad, Dist. Raigad and at Ambadvet, Amrlevadi, Tal. Mulshi, Dist. Pune by creation of a joint registered mortgage.		

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2013 Rs.	As at 31-03-2012 Rs.
8	(a) TRADE PAYABLES	994,346,373	1,027,121,711
	Acceptances	41,610,766	43,866,203
	(b) OTHERS		
	Trade Payable - For Capital Goods	1,604,340	3,116,180
	Total...	1,037,561,479	1,074,104,094
9	OTHER CURRENT LIABILITIES		
	(a) Current maturities of long term debt :		
	- Secured Loan from Banks :		
	HDFC Bank	96,000,000	40,000,000
	Export-Import Bank of India	124,557,500	120,000,000
	Bank of Maharashtra	293,354,000	107,804,000
	Standard Chartered Bank	—	12,666,667
	Kotak Mahindra Prime Ltd.	186,073	168,498
	<i>For security & other terms Ref. Note Nos. i) to xviii) of Note No. 3 a)</i>		
	- Unsecured Loans :		
	Loans & Advances from Related Parties :		
	i) Intercompany Deposits	1,060,000	96,075,000
	<i>Ref. Note No. xix) of Note No. 3 b)</i>		
	ii) Fixed Deposits	7,290,000	25,330,000
	<i>Ref. Note No. xx) of Note No. 3 b) and No. 9 of Note No. 29</i>		
	Loans & Advances from Others :		
	Fixed Deposits	31,975,000	114,980,000
	<i>Ref. Note No. xx) of Note No. 3 b) and No. 9 of Note No. 29</i>		
	(b) Interest accrued but not due on borrowings	1,015,014	5,443,770
	(c) Unpaid dividends :		
	* Unclaimed Dividend	1,960,668	1,041,544
	(d) Unpaid matured deposits and interest accrued thereon :		
	* Unclaimed Matured Fixed Deposits	145,000	15,000
	<i>Ref. Note No. 9 of Note No. 29</i>		
	(e) Other payables :		
	Statutory Dues	22,007,034	25,960,749
	Other Liabilities	344,933,476	308,053,902
	Total...	924,483,765	857,539,130
	* The amount reflects the position as at 31 st March, 2013. The actual amount to be transferred to the Investor Education and Protection Fund in this respect shall be determined before the due date.		
10	SHORT-TERM PROVISIONS		
	(a) PROVISION FOR EMPLOYEE BENEFITS :		
	Short Term Compensated Absence	46,736,848	41,400,907
	(b) OTHERS :		
	i) Proposed Equity Dividend	86,534,063	86,534,063
	ii) Tax on Proposed Equity Dividend	14,706,470	14,037,990
	Total...	147,977,381	141,972,960

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NON-CURRENT ASSETS

FIXED ASSETS

Note No.	Description	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		Balance As on 01-04-2012 Rs.	Additions Rs.	Deductions Rs.	Balance As on 31-03-2013 Rs.	For the Year Rs.	Deductions Rs.	Balance As on 31-03-2013 Rs.	Balance As on 31-03-2012 Rs.
11	TANGIBLE ASSETS:								
	FREEHOLD LAND	49,555,932 (49,650,484)	- (-)	- (94,552)	49,555,932 (49,555,932)	- (-)	- (-)	49,555,932 (49,555,932)	49,555,932 (49,650,484)
	LEASEHOLD LAND	12,740,447 (12,740,447)	- (-)	- (-)	12,740,447 (12,740,447)	145,999 (145,999)	- (-)	10,712,043 (10,858,042)	10,858,042 (11,004,041)
	BUILDINGS	477,682,326 (422,363,574)	101,019,355 (55,456,198)	- (137,446)	578,701,681 (477,682,326)	13,671,451 (12,072,294)	- (44,705)	418,879,654 (331,531,750)	331,531,750 (288,240,587)
	PLANT & MACHINERY <i>Ref. Note No. 14 of Note No. 29</i>	3,454,389,002 (2,651,900,507)	1,018,861,679 (808,505,260)	6,235,431 (6,016,765)	4,467,015,250 (3,454,389,002)	204,295,083 (136,900,729)	5,714,208 (5,527,800)	2,370,692,795 (1,556,647,422)	1,556,647,422 (885,531,856)
	VEHICLES	46,569,830 (46,916,911)	4,024,840 (3,174,019)	4,367,607 (3,521,100)	46,227,063 (46,569,830)	4,164,996 (4,221,042)	1,783,331 (1,797,315)	28,603,743 (31,328,175)	31,328,175 (34,098,983)
	FURNITURE & FIXTURES	40,629,137 (37,093,408)	1,145,670 (4,418,549)	258,013 (882,820)	41,516,794 (40,629,137)	2,428,049 (2,185,149)	36,198 (338,462)	23,344,109 (24,848,303)	24,848,303 (23,159,261)
	OFFICE EQUIPMENTS	12,713,895 (10,150,149)	724,533 (2,579,396)	- (15,650)	13,438,428 (12,713,895)	579,389 (487,283)	- (9,129)	7,402,885 (7,257,741)	7,257,741 (5,172,149)
	FIXED ASSETS - R&D								
	BUILDINGS	96,510,887 (82,587,499)	758,080 (13,923,388)	- (-)	97,268,967 (96,510,887)	3,265,912 (2,797,502)	- (-)	83,270,267 (85,778,099)	85,778,099 (74,652,213)
	PLANT & MACHINERY	131,475,350 (120,105,190)	20,691,055 (11,370,160)	- (-)	152,166,405 (131,475,350)	8,994,150 (8,756,655)	- (-)	73,798,857 (62,101,952)	62,101,952 (59,488,447)
	FURNITURE & FIXTURES	6,050,964 (6,050,964)	76,228 (-)	- (-)	6,127,192 (6,050,964)	344,022 (340,579)	- (-)	1,923,930 (2,191,724)	2,191,724 (2,532,303)
	Sub-Total	4,328,317,770 (3,439,559,133)	1,147,301,440 (899,426,970)	10,861,051 (10,668,333)	5,464,758,159 (4,328,317,770)	237,889,051 (167,907,232)	7,533,737 (7,717,411)	3,068,184,215 (2,166,218,630)	2,162,099,140
12	INTANGIBLE ASSETS: <i>Ref. Note No. 15 of Note No. 29</i>								
	COMPUTER SOFTWARES	21,702,367 (9,686,250)	12,569,574 (12,016,117)	- (-)	34,271,941 (21,702,367)	3,213,016 (1,728,666)	- (-)	28,239,801 (18,883,243)	18,883,243 (8,595,792)
	OTHERS	139,117,676 (31,178,679)	10,612,515 (107,938,997)	- (-)	149,730,191 (139,117,676)	22,466,721 (14,757,635)	- (-)	92,704,101 (104,558,307)	104,558,307 (11,376,945)
	Sub-Total	160,820,043 (40,864,929)	23,182,089 (119,955,114)	- (-)	184,002,132 (160,820,043)	25,679,737 (16,486,301)	- (-)	120,943,902 (37,378,493)	123,441,550
	TOTAL	4,489,137,813 (3,480,424,062)	1,170,483,529 (1,019,382,084)	10,861,051 (10,668,333)	5,648,760,291 (4,489,137,813)	263,568,788 (184,393,533)	7,533,737 (7,717,411)	3,189,128,117 (2,203,597,123)	2,285,540,690

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2013 Rs.	As at 31-03-2012 Rs.
13	NON-CURRENT INVESTMENTS		
	Long Term & Non Trade Investments		
	(a) Investment in Government Securities (quoted) :		
	Aggregate amount of quoted investments and market value thereof :		
	Nil (Previous Year : 257,392) units of Rs. 10 each in Unit Trust of India-UTI G-SEC Fund	—	3,000,000
	Less : Aggregate provision for diminution in value of investments	—	205,000
	<i>[Market Value Rs. Nil (Previous Year : Rs. 2,795,045)]</i>		
		—	2,795,000
	(b) Investment in Mutual Funds (quoted) :		
	Aggregate amount of quoted investments and market value thereof :		
	202,715.67 (Previous Year : Nil) Units of Rs. 10 each in UTI Gilt Advantage-LTP-Dividend Payout Fund	2,864,697	—
	<i>[Market Value Rs. 3,057,175 (Previous Year : Rs. Nil)]</i>		
		2,864,697	—
	<i>Aggregate amount of quoted investments</i>	2,864,697	3,000,000
	<i>Less : Aggregate provision made for diminution in value of investments</i>	—	205,000
	Total...	2,864,697	2,795,000
14	LONG TERM LOANS AND ADVANCES		
	Unsecured and considered good :		
	(a) Capital Advances	47,583,214	70,631,571
	(b) Security Deposits :		
	Deposit with Government etc.	16,854,639	11,574,239
	Tender Deposit	847,562	855,562
	Deposit with Others	5,135,206	6,163,037
	(c) Other Loans and Advances :		
	Housing Loan to Employees	302,450	775,757
	(d) MAT Credit Entitlement	97,950,000	47,000,000
		168,673,071	137,000,166
	(e) Income Tax Paid	1,224,376,763	—
	Less : Provision for Tax	1,178,850,000	—
	Income Tax Paid (Net)	45,526,763	—
	Total...	214,199,834	137,000,166
15	OTHER NON-CURRENT ASSETS :		
	Margin Money with Banks with maturity of more than 12 months	3,000,000	5,500,000
	<i>Ref. Note No. 18</i>		
	Total...	3,000,000	5,500,000

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2013 Rs.	As at 31-03-2012 Rs.
	CURRENT ASSETS		
16	INVENTORIES		
	(a) Raw Materials	300,173,769	253,707,222
	Goods in Transit	823,336	84,206,895
	(b) Work-in-progress	340,919,441	210,632,291
	(c) Finished Goods	999,678,799	788,896,803
	(d) Stores, Spares	102,794,699	84,652,942
	(e) Trading Goods	22,407,933	30,236,455
	(f) Packing Materials	11,133,900	12,317,395
	(g) Leasehold Rights	498,450,000	498,450,000
	<i>For Leasehold Rights Ref. Note No. 6 of Note No. 29</i>		
	Total...	<u>2,276,381,877</u>	<u>1,963,100,003</u>
17	TRADE RECEIVABLES		
	Unsecured and considered good :		
	(a) Outstanding for a period exceeding six months from the due date (Considered good)	77,445,466	50,738,415
	Considered doubtful	3,589,656	2,695,954
	Less : Provision for doubtful debt	<u>3,589,656</u>	<u>2,695,954</u>
		-	-
	(b) Others (Considered good)	<u>2,023,832,982</u>	<u>1,887,148,786</u>
	Total...	<u>2,101,278,448</u>	<u>1,937,887,201</u>
18	CASH AND CASH EQUIVALENTS		
	(a) Balances with banks		
	In Current Accounts	400,208,319	134,944,316
	In Fixed Deposit Accounts	401,527	-
	Fixed Deposits with maturity for less than 3 months	-	200,000,000
	(b) Cash on hand	2,545,915	1,788,328
	(c) Earmarked balances with banks :		
	Lien Account	15,502	5,553
	Dividend Account	1,960,668	1,041,544
	(d) Balances with banks to the extent held as margin money		
	Margin Money with maturity less than 12 months	38,541,269	34,498,067
	Margin Money with maturity more than 12 months	3,000,000	5,500,000
	Less : Amount disclosed under non current assets	3,000,000	5,500,000
	<i>Ref. Note No. 15</i>		
	Total...	<u>443,673,200</u>	<u>372,277,808</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2013 Rs.	As at 31-03-2012 Rs.
19	SHORT-TERM LOANS AND ADVANCES		
	Unsecured and considered good :		
	Housing Loan to Employees	308,600	444,800
	Advances recoverable in cash or in kind or for value to be received	44,767,784	69,319,625
	Deposit with Excise, Customs etc.	50,980,518	56,045,228
	Total...	<u>96,056,902</u>	<u>125,809,653</u>
20	OTHER CURRENT ASSETS		
	Export Incentives Receivable	9,495,350	16,713,085
	Service Tax Receivable	13,084,476	6,092,544
	VAT Refund Receivable	172,136,352	120,388,238
	Prepaid Expenses	24,005,622	21,548,150
	Gratuity Paid in Advance <i>Ref. Note No. 7 of Note No. 29</i>	6,701,745	6,369,769
	Others	22,769,987	15,445,619
	Total...	<u>248,193,532</u>	<u>186,557,405</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No.	Particulars	Current Year Rs.	Previous Year Rs.
21	REVENUE FROM OPERATIONS		
	(a) Sale of products	9,358,176,836	8,492,792,333
	(b) Sale of services	4,479,820	4,579,045
	(c) Other operating revenues		
	Export Incentives	23,858,270	29,282,814
	Miscellaneous Operating Income	26,195,609	28,595,592
		9,412,710,535	8,555,249,784
	(d) Less: Excise duty	683,799,735	552,310,333
		8,728,910,800	8,002,939,451
	Total...	8,728,910,800	8,002,939,451
22	OTHER INCOME		
	(a) Interest Income		
	Interest earned on :		
	Bank Deposits	4,348,528	2,696,295
	Others	7,460,821	7,613,671
	[T.D.S. Rs. 2,153,717 (Previous Year : Rs. 1,702,009)]		
	(b) Other Non-Operating Income :		
	Miscellaneous Income	6,853,978	2,959,693
	Provision for diminution in value of long term Investment written back	205,000	—
	Provision for doubtful debts written back	496,055	207,156
	Foreign Exchange Difference (Net)	52,959,491	24,848,631
	Total...	72,323,873	38,325,446

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No.	Particulars	Current Year Rs.	Previous Year Rs.
23	COST OF MATERIALS CONSUMED		
	Opening Stock	337,914,117	328,053,431
	Add : Purchases	4,829,492,354	4,344,547,181
		5,167,406,471	4,672,600,612
	Less : Closing Stock	300,997,105	337,914,117
	Consumption of Raw Materials	4,866,409,366	4,334,686,495
	Total...		
24	COST OF TRADED GOODS		
	Opening Stock	30,236,455	20,819,505
	Add : Purchases	409,613,783	398,277,429
		439,850,238	419,096,934
	Less : Closing Stock	22,407,933	30,236,455
	Cost of Traded Goods	417,442,305	388,860,479
	Total...		
25	CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS		
	Stocks at Commencement :		
	Finished Products	788,896,803	615,411,628
	Semi-finished Products (Work-in-progress)	210,632,291	153,392,462
		999,529,094	768,804,090
	Less:		
	Stocks at Close :		
	Finished Products	999,678,799	788,896,803
	Semi-finished Products (Work-in-progress)	340,919,441	210,632,291
		1,340,598,240	999,529,094
		(341,069,146)	(230,725,004)
26	EMPLOYEE BENEFIT EXPENSE		
	Salaries, Wages :		
	Other Than Research & Development	610,873,347	532,780,960
	For Research & Development	51,190,260	38,441,911
	Contribution to Provident and Other Funds	43,459,722	39,548,585
	Staff Welfare Expenses	12,975,823	15,263,239
	Gratuity Expenses (Ref. Note No.7 of Note No. 29)	21,519,914	5,786,199
	Total...	740,019,066	631,820,894

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No.	Particulars	Current Year Rs.	Previous Year Rs.
27	FINANCE COSTS		
	(a) Interest expenses	305,347,154	215,445,762
	(b) Other borrowing costs (include Bank charges for Bank Guarantee, Loan Processing etc.)	3,376,945	4,307,833
	(c) Exchange difference to the extent considered as borrowing cost	18,077,750	3,897,852
	Total...	326,801,849	223,651,447
28	OTHER EXPENSES		
	Consumption of Stores and Spare parts	171,739,451	184,819,072
	Consumption of Packing Material	108,641,367	99,336,575
	Power and Fuel	561,482,408	541,183,648
	Water Charges	79,351,858	70,215,065
	Rent	13,661,909	11,263,222
	Repairs to Buildings	49,240,076	53,327,243
	Repairs to Machinery	85,161,684	89,361,131
	Repairs to Others	8,921,137	6,761,525
	Insurance	17,251,317	13,315,195
	Rates and Taxes (excluding taxes on income)	7,730,676	7,301,420
	Advertisement	16,274,062	20,715,307
	Auditors' Remuneration (Ref. Note No. 8 of Note No. 29)	2,217,770	1,905,133
	Bad Debts Written Off	1,812,430	—
	Provision for Doubtful Debts	1,389,757	—
	Bank Charges	16,513,913	11,938,910
	Export Market Development Expenses :		
	Commission on Exports	20,068,101	11,911,648
	Travelling, Postage, Forwarding, etc.	105,507,614	83,843,824
	Commission to Selling Agents	168,107,796	162,080,628
	Directors' Sitting Fees	1,117,306	1,095,000
	Discounts	94,928,287	87,738,918
	ERP / Computer related expenses	9,050,687	8,042,405
	Freight and Octroi	64,071,578	39,395,688
	General Expenses	35,925,964	31,916,426
	Legal, Professional and Consultancy Charges	142,026,709	98,931,042
	Licence Fees	2,785,991	2,964,922
	Loss on Sale / Disposal of Fixed Assets (Net)	1,481,219	51,107
	Printing, Stationery and Communication Expenses	24,162,938	22,626,618
	Sales Tax Surcharge / Turnover Tax	2,973,035	2,088,630
	Selling and Distribution Expenses	43,127,940	45,189,109
	Research & Development Expenses :		
	Stores, Spares and Consumables etc.	22,011,251	19,057,666
	Other Expenses	56,329,824	28,040,466
	Travelling and Conveyance	52,916,674	47,900,325
	Royalty Eckart	15,731,055	2,204,271
	Other Manufacturing Expenses	264,268,015	226,068,927
	Total...	2,267,981,799	2,032,591,066

NOTE NO. 29 : NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Significant Accounting Policies :

(i) Basis of Preparation :

The Consolidated Financial Statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these Financial Statements to comply in all material respects with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The Financial Statements have been prepared on assumptions of going concern, consistency, accrual basis & under the historical cost convention.

The accounting policies adopted in the preparation of Financial Statements are consistent with those of previous year.

(ii) Use of Estimates :

The preparation of Consolidated Financial Statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(iii) Fixed Assets :

- (a) Fixed Assets are stated at cost of acquisition along with attributable cost including related borrowing cost for bringing the assets to its working condition for its intended use less accumulated depreciation.
- (b) Borrowing costs that are directly attributable to the acquisition or production of a qualifying asset are capitalized as part of the cost of that asset. Other borrowing costs are recognized as expense in the period in which they are incurred.

(iv) Depreciation :

- (a) Depreciation on Fixed Assets is provided on Straight Line Method on prorata basis, at the rates and in the manner prescribed by Schedule XIV to the Companies Act, 1956. The leasehold land is amortised over the lease period.
- (b) The intangible assets are amortised over its useful economic life.

(v) Impairment of Assets :

The carrying amounts of Cash Generating Unit / Assets are reviewed at Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount is estimated as the higher of net selling price and value in use. Impairment loss is recognized wherever carrying amount exceeds recoverable amount.

(vi) Investments :

Long-term Investments are carried at cost including related expenses, provision for diminution being made, if necessary, to recognize a decline, other than temporary, in the value thereof.

Current investments are valued at lower of cost or fair value.

(vii) Inventories :

The inventories are valued at lower of Cost or Net Realisable Value.

- (a) Raw Materials, Packing Materials, Stores and Consumables are valued at Weighted Average Cost.
- (b) The cost of Finished Goods and Semi-finished Goods (Work-in-progress) is ascertained by Weighted Average of Cost of Raw Material and standard rate of conversion and other related costs for bringing the inventory to the present location and condition.
- (c) Provision is made for obsolete and non-moving items.
- (d) Leasehold Rights are valued at conversion value.

(viii) Research and Development :

Research and Development expenditure of capital nature is added to Fixed Assets and depreciation is provided thereon. All other expenditure on Research and Development is charged to Statement of Profit and Loss in the year of incurrence.

(ix) Foreign Currency Transactions :

- (a) Transactions in foreign currencies are recorded at the exchange rates prevailing as on the date of the transaction. Current assets and current liabilities are translated at the year-end rate. The difference between the rate prevailing as on the date of the transaction and on the date of settlement and also on translation of current assets and current liabilities, at the end of the year is recognised as income or expense, as the case may be.
- (b) In respect of forward exchange contracts, the difference between the forward rate and the exchange rate at the inception of the contract is recognised as income or expense over the period of the contract. Losses on cancellation of forward exchange contracts are recognised as expense.

(x) Revenue Recognition :

Sale of goods is recognised on dispatches to customers, which coincide with the transfer of significant risks and rewards associated with ownership, inclusive of excise duty and net of trade discount.

Dividend income is accounted for when the right to receive is established.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

(xi) Employee Benefits :

- (a) Defined Contribution Plan :

Contributions are made to approved Superannuation and Provident Fund.

- (b) Defined Benefit Plan :

Company's liability towards Gratuity is determined using the Projected Unit Credit Method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past service Gratuity liability is computed with reference to the service put in by each employee till the date of valuation as also the Projected Terminal Salary at the time of exit. Actuarial Gains and Losses are recognized immediately in the Statement of Profit & Loss as income or expense, as the case may be. Obligation is measured as the Present Value of estimated future cash flow using a discount rate that is determined by reference to market yields at the Balance Sheet date on Government Bonds where the currency and Government Bonds are consistent with the currency and estimated term of Defined Benefit Obligation.

(c) Non-Contributory Pension Scheme :

Pension Scheme applicable to the eligible employees, using Projected Unit Credit Method, reliable estimates are made and provided in the books of accounts.

(d) Short Term Compensated Absences (Leave Encashment) :

Liability on account of short-term compensated absences (Leave Encashment) is provided on actuals.

(xii) **Taxation :**

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss shown as "MAT Credit Entitlement". The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

(xiii) **Provision and Contingent Liability :**

- (a) A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.
- (b) A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably.

(xiv) **Earning Per Share :**

Basic Earning Per Share are calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating Diluted Earnings Per Share, the net profit or loss for the period attributable to Equity Shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(xv) **Cash and cash equivalents :**

Cash and cash equivalents for the purposes of Cash Flow Statement comprise of cash at bank, cash in hand and short-term investments with an original maturity of three months or less.

(xvi) **Segment Reporting :**

The Business segment has been considered as the primary segment for disclosure. The categories included in each of the reported business segments are as follows :

- i) Pigments
- ii) Agro Chemicals

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

- (a) Allocation of common costs
Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.
- (b) Unallocated items
Unallocated items include general corporate income and expense items which are not allocated to any business segment.
- (c) Segment accounting policies
The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the Financial Statements of the company as a whole.

2. Principles of Consolidation :

- (a) The Consolidated Financial Statements are based on the audited Financial Statements of the Subsidiaries.
- (b) The Financial Statements of the holding Company and Subsidiaries have been combined to the extent possible on a line by line basis by adding together like items of assets, liabilities, income and expenses. All significant intra-group balances and transactions have been eliminated on consolidation.
- (c) The Consolidated Financial Statements have been prepared using uniform accounting policies for the transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Parent Company's Financial Statements.

(d) Name of the subsidiaries	Ownership in % either directly or through subsidiaries		Country of Incorporation
	2012-13	2011-12	
Prescient Color Limited	100 %	100 %	India
Sudarshan Europe B.V.	100 %	100 %	The Netherlands
Sudarshan North America, Inc. (Subsidiary of Sudarshan Europe B.V.)	100 %	100 %	The United States of America

3. Estimated amount of contracts remaining to be executed on capital account – Rs. 6,521,024 (Previous Year : Rs. 60,058,051).
4. The Foreign Subsidiary Company accounts have been prepared in conformity with the Companies Act, 1956 and Generally Accepted Accounting Practices in India, as applicable, and considered accordingly for the purpose of consolidation of accounts.
5. **Contingent Liabilities not provided for :**
- (a) Excise Duty – Rs. 8,488,600 (Previous Year : Rs. 4,560,996).
- (b) Income Tax – Rs. 28,862,580 (Previous Year : Rs. 28,862,580).
- (c) Sales Tax – Rs. 6,177,091 (Previous Year : Rs. Nil).
6. During the Financial Year 2010-11, the Company has converted the Leasehold Rights of the Company in respect of land situated at Final Plot No. 90, Sangamwadi, corresponding 'House No. 162', Wellesley Road, Pune 411 001 into stock-in-trade and valued the same for a sum of Rs. 49.85 Crores and accordingly created a revaluation reserve.
7. **The following disclosures are made in accordance with Accounting Standard – 15 (Revised) pertaining to Defined Benefit Plans :**

Particulars	As at 31 st March, 2013 Rs.	As at 31 st March, 2012 Rs.
(a) Present value of the defined benefit obligation :		
Obligations at period beginning	130,888,639	126,180,498
Service cost	8,051,912	7,188,277
Acquisition adjustment	–	–
Interest cost	10,268,122	9,596,561
Past service cost	–	–
Curtailment cost / (credit)	–	–
Settlement cost / (credit)	–	–
Actuarial (gain) / loss	14,922,638	370,277
Benefits paid	(19,632,859)	(12,446,974)
Obligations at period end	144,498,452	130,888,639
(b) Fair value of plan assets :		
Plans assets at period beginning, at fair value	137,258,408	127,316,156
Expected return on plan assets	12,453,113	11,394,226
Acquisition adjustment	–	–
Actuarial (gain) / loss	(730,355)	(24,680)
Contributions	21,132,581	11,019,680
Benefits paid	(18,913,550)	(12,446,974)
Plans assets at period end, at fair value	151,200,197	137,258,408
Actual returns on plan assets	11,722,758	11,369,546
(c) Assets and liabilities recognized in Balance Sheet :		
Fair value of the plan assets at the end of the year	151,200,197	137,258,408
Present value of the defined benefit obligations at the end of the period	144,498,452	130,888,639
Asset / (liability) recognized in the Balance Sheet	6,701,745	6,369,769
(d) Expense recognized in Statement of Profit and Loss :		
Current service cost	8,051,912	7,188,277
Past service cost	–	–
Interest cost	10,268,122	9,596,561
Expected return on plan assets	(12,453,113)	(11,394,226)
Curtailment cost / (credit)	–	–
Settlement cost / (credit)	–	–
Actuarial (gain) / loss	15,652,993	395,587
Net gratuity cost	21,519,914	5,786,199

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
(e) Investment details of the plan assets* :		
Government of India Securities	0.00%	0.00%
High quality Corporate Bonds	0.00%	0.00%
Equity shares of listed Companies	0.00%	0.00%
Property	0.00%	0.00%
Special deposit scheme	0.00%	0.00%
Funds managed by Insurer	100.00%	100.00%
Others	0.00%	0.00%
* Plan assets are invested in the debt instruments prescribed by IRDA.		
(f) Summary of Actuarial Assumptions :		
Discount Rate	8.20%	8.50%
Rate of return on plan assets	9.00%	9.00%
Rate of increase in Compensation levels	7.00%	7.00%
Expected Average remaining working lives of employees (Years)	14.60	14.43
The estimates of future salary increase, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.		
(g) Experience adjustment * :	2013	2012
	Rs.	Rs.
On plan liability (loss) / gain	(11,980,388)	(4,478,379)
On plan asset (gain) / loss	(730,355)	(24,680)
Present value of benefit obligation	144,498,452	130,888,639
Fair value of plan assets	151,200,197	137,258,408
Surplus / (deficit)	6,701,745	6,369,769
*Data as per actuary is available only for current year and previous two years.		
(h) Expected contribution to the fund in the next year :	2013	2012
	Rs.	Rs.
Gratuity	23,729,214	21,572,013
Superannuation	4,197,302	3,815,729
Provident fund	29,834,440	27,122,218
Defined contribution plans :		
Provident fund paid to the authorities	27,122,218	27,046,470
Contribution plans (entities outside India)	15,159,594	8,490,784

8. Auditor's Remuneration :

	Current year Rs.	Previous year Rs.
(a) Audit Fees	999,280	1,020,883
(b) Tax Audit Fees	230,000	280,000
(c) Other Services –		
Certification & Limited Review	845,000	280,000
Stock Verification	120,000	300,000
(d) Reimbursement of Expenses	23,490	24,250
Total ...	2,217,770	1,905,133

9. Fixed Deposits :

	31-03-2013 Rs.	31-03-2012 Rs.
(a) Fixed Deposits with Maturity less than 12 months	39,265,000	140,310,000
(b) Fixed Deposits with Maturity more than 12 months	279,780,000	34,930,000
(c) Unclaimed Matured Fixed Deposits	145,000	15,000
Total ...	319,190,000	175,255,000

10. Segment Reporting :

Particulars	Year ended 31-03-2013 Rs.	Year ended 31-03-2012 Rs.
(A) Primary Segment Information :		
1 Segment Revenue		
a) Pigments	7,843,198,358	7,207,636,787
b) Agro Chemicals	885,712,442	795,302,664
	8,728,910,800	8,002,939,451
Less : Inter-segment revenue	—	—
Net Sales / Income from Operations	8,728,910,800	8,002,939,451
2 Segment Results		
Profit / (Loss) before tax		
a) Pigments	796,986,198	858,339,791
b) Agro Chemicals	45,309,895	34,586,292
	842,296,093	892,926,083
Less : i. Finance Cost	326,801,849	223,651,447
ii. Exceptional Item		
iii. Other Unallocable expenditure (Net of Unallocable income)	255,413,598	193,288,649
Profit Before Tax	260,080,646	475,985,987
3 Other information		
Segment assets (*)		
a) Pigments	6,876,701,795	5,289,043,167
b) Agro Chemicals	255,697,955	229,588,181
Segment liabilities		
a) Pigments	1,066,557,053	1,730,332,237
b) Agro Chemicals	197,687,802	155,222,914
Capital employed in segments (*)		
a) Pigments	5,810,144,742	3,558,710,930
b) Agro Chemicals	58,010,153	74,365,267
	5,868,154,895	3,633,076,197
Add : Unallocable Corporate assets less liabilities	889,389,807	899,588,314
Total capital employed	6,757,544,702	4,532,664,511
(*) Does not include leasehold rights at Pune, treated as stock-in-trade.		

Particulars	Year ended 31-03-2013 Rs.	Year ended 31-03-2012 Rs.
4 Capital Expenditure		
a) Pigments	1,164,446,038	576,985,135
b) Agro Chemicals	–	298,870
c) Unallocated	63,971,520	297,900,469
Total capital expenditure	1,228,417,558	875,184,474
5 Depreciation		
a) Pigments	199,360,548	130,461,069
b) Agro Chemicals	5,538,564	6,980,223
c) Unallocated	58,669,676	46,952,241
Total Depreciation	263,568,788	184,393,533
(B) Secondary Segment Disclosures :		
i) Revenue from External Customers		
Indigenous	6,796,614,361	6,139,010,262
Exports (including export incentives)	1,932,296,439	1,863,929,189
Total ...	8,728,910,800	8,002,939,451
ii) Carrying amount of Assets		
In India	7,948,421,624	6,294,958,977
Outside India	853,100,314	890,320,250
Total ...	8,801,521,938	7,185,279,227

11. Related Party Disclosures :

List of Related Parties and description of relationship :

- i) Key Management Personnel :
- Mr. K.L.Rathi
Mr. P.R.Rathi
Mr. R.B.Rathi
Mr. A.V.Vij
Ms. Christine Gehres
(on deputation from Sudarshan North America, Inc.)
(upto 30th November, 2012)
- ii) Relatives of Key Management Personnel :
- Mrs. R.R.Rathi – Wife of Mr. R.B.Rathi
Mr. R.P.Rathi – Son of Mr. P.R.Rathi
Mrs. K.B.Rathi – Mother of Mr. R.B.Rathi
Mrs. K.R.Rathi – Mother of Mr. P.R.Rathi
Ms. S.R.Rathi – Daughter of Mr. R.B.Rathi
Mr. A.B.Rathi – Brother of Mr. R.B.Rathi
Mrs. A.K.Rathi – Wife of Mr. K.L.Rathi
Mrs. S.P.Rathi – Wife of Mr. P.R.Rathi
- iii) Associate Companies :
- Rathi Brothers Poona Limited,
Rathi Brothers Madras Limited,
Rathi Brothers Calcutta Limited,
Rathi Brothers Delhi Limited.

Nature of transactions	2012-2013			2011-2012		
	Key Manage- ment Personnel	Relatives of Key Manage- ment Personnel	Associates	Key Manage- ment Personnel	Relatives of Key Manage- ment Personnel	Associates
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
● Salary, Pension, Reimbursement of expenses etc. :						
Mr. K.L.Rathi	9,682,162	—	—	14,483,830	—	—
Mr. P.R.Rathi	10,885,235	—	—	19,634,576	—	—
Mr. R.B.Rathi	7,476,942	—	—	16,149,283	—	—
Mr. K.R.Ambekar	—	—	—	7,727,063	—	—
Ms. Christine Gehres	19,357,004	—	—	7,954,650	—	—
Others	6,094,724	—	—	5,584,236	—	—
Mr. R.P.Rathi	—	2,153,742	—	—	1,892,735	—
Mrs. K.B.Rathi	—	1,024,870	—	—	931,700	—
● Interest :						
Mr. P.R.Rathi	140,000	—	—	84,918	—	—
Mr. K.L.Rathi	476,212	—	—	490,300	—	—
Mrs. K.R.Rathi	—	326,564	—	—	555,500	—
Mrs. K.B.Rathi	—	—	—	—	943,651	—
Mrs. A.K.Rathi	—	208,708	—	—	502,700	—
Mrs. S.P.Rathi	—	486,408	—	—	770,752	—
Others	—	1,902,701	—	—	911,002	—
Rathi Brothers Poona Ltd.	—	—	731,524	—	—	613,786
Rathi Brothers Madras Ltd.	—	—	436,725	—	—	295,832
Rathi Brothers Calcutta Ltd.	—	—	71,268	—	—	139,735
Rathi Brothers Delhi Ltd.	—	—	1,120,519	—	—	837,698
● Acceptance of Deposits :						
Mr. P.R.Rathi	—	—	—	1,400,000	—	—
Mr. K.L.Rathi	3,500,000	—	—	—	—	—
Meena B.Rathi Trust	—	—	—	—	750,000	—
Mr. R.P.Rathi	—	500,000	—	—	2,400,000	—
Mrs. S.P.Rathi	—	1,900,000	—	—	1,300,000	—
Others	—	13,540,000	—	—	650,000	—
Rathi Brothers Poona Ltd.	—	—	177,500,000	—	—	13,700,000
Rathi Brothers Madras Ltd.	—	—	3,875,000	—	—	5,225,000
Rathi Brothers Delhi Ltd.	—	—	12,000,000	—	—	12,275,000
Rathi Brothers Calcutta Ltd.	—	—	925,000	—	—	1,425,000
● Repayments of Deposits :						
Mr. R.B.Rathi	—	—	—	507,300	—	—
Mr. K.L.Rathi	3,500,000	—	—	—	—	—
Mrs. K.B.Rathi	—	—	—	—	17,850,000	—
Mrs. R.R.Rathi	—	—	—	—	5,150,000	—
Mr. R.P.Rathi	—	420,000	—	—	—	—
Others	—	20,290,000	—	—	2,907,300	—
Rathi Brothers Poona Ltd.	—	—	15,150,000	—	—	9,700,000
Rathi Brothers Madras Ltd.	—	—	3,475,000	—	—	3,075,000
Rathi Brothers Delhi Ltd.	—	—	8,350,000	—	—	8,400,000
Others	—	—	1,425,000	—	—	1,375,000
● Commission :						
Rathi Brothers Calcutta Ltd.	—	—	4,840,043	—	—	4,319,613
Rathi Brothers Delhi Ltd.	—	—	16,608,618	—	—	18,366,059
Rathi Brothers Madras Ltd.	—	—	6,812,854	—	—	5,891,078
Rathi Brothers Poona Ltd.	—	—	29,530,779	—	—	27,546,098

12. Earning per Share (EPS) :

Sr. No.	Particulars	31-03-2013	31-03-2012
(A)	Net Profit / Amount attributable to equity shareholders (Rs.)	220,129,654	335,649,857
(B)	Weighted average no. of shares	6,922,725	6,922,725
(C)	Earnings per share basic and diluted (Rs.)	31.80	48.49
(D)	Face value per equity share (Rs.)	10	10

13. Managerial Remuneration :

	Mr. K.L.Rathi Executive Chairman	Mr. P.R. Rathi Vice Chairman and Managing Director	Mr. R.B.Rathi Director
			(Amount in Rs.)
Salary & Other Allowances	7,560,000 (6,867,900)	8,400,000 (11,760,445)	5,628,000 (9,015,323)
Contribution to Provident Fund & Other Funds	1,458,000 (1,387,530)	1,620,000 (1,543,334)	1,085,400 (1,000,269)
Other Perquisites	664,162 (728,400)	865,235 (830,797)	763,542 (633,691)
Commission	— (5,500,000)	— (5,500,000)	— (5,500,000)
Total :	9,682,162 (14,483,830)	10,885,235 (19,634,576)	7,476,942 (16,149,283)

In view of the inadequacy of profits for the Financial Year ended 31st March, 2013, the aforesaid remuneration to each Whole-time Director for the said Financial Year has, wherever applicable, been decided to be restricted to the ceiling limit provided in Schedule XIII of the Companies Act, 1956. Approval of shareholders has been taken in the Extra Ordinary General Meeting held on 22nd March, 2013 and also application has been made to Central Government for the same.

14. Expenses Capitalized during the year are as below :

	Current Year Rs.	Previous Year Rs.
(A) Trial Run Expenses		
I. RM Consumption	56,457,014	—
II. Utilities and other related expenses	19,450,828	—
(B) Salaries	3,004,323	2,025,330
(C) Borrowing cost (Interest)	38,184,551	31,197,827
Total :	117,096,716	33,223,157

15. Intangibles – disclosure as per AS -26 :

Asset	Remaining amortization	Carrying amount Rs.
Computer Softwares	8 years (9 years)	28,239,801 (18,883,243)
Technical Know How	4 years (5 years)	84,010,641 (104,558,307)
Other Registrations	9 years (-)	8,693,460 (-)
Total :		120,943,902 (123,441,550)

16. The Company has reclassified previous year figures to conform to this year's classification.

The figures in brackets are those in respect of previous year.

As per our report of even date.

For B.K.KHARE & Co.
Chartered Accountants
Firm Regn No:105102W

PRASAD PARANJPE
Partner
Membership No.:047296

Pune : 30th May, 2013

For and on behalf of the Board of Directors

K.L.RATHI
Executive Chairman

N.J.RATHI
Director

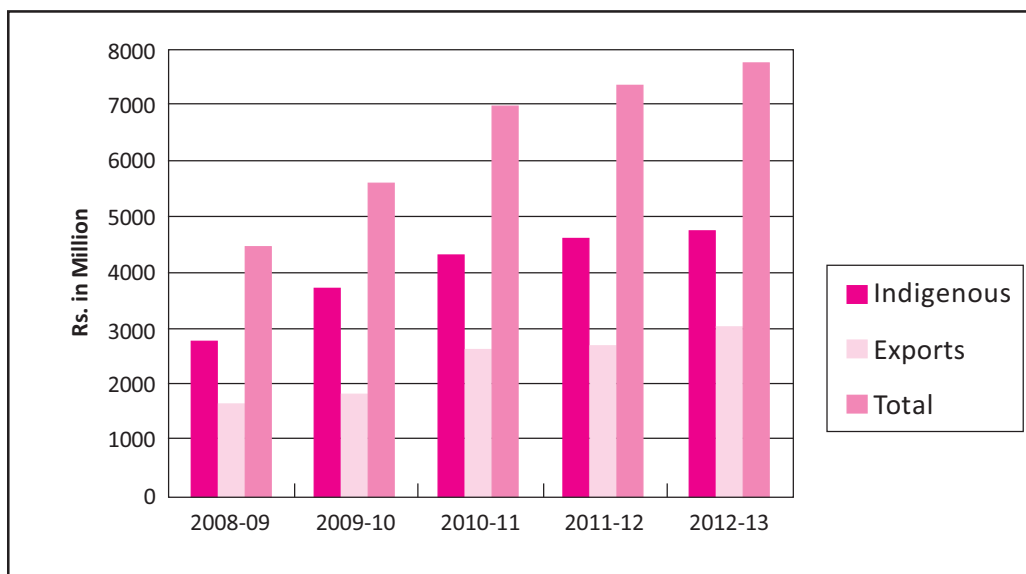
Pune : 30th May, 2013

P.R.RATHI
Vice-Chairman &
Managing Director

R.B.RATHI
Director

P.S.RAGHAVAN
Company Secretary

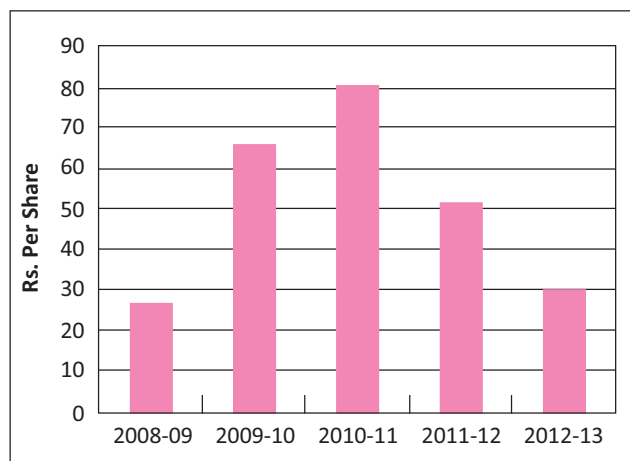
SALES



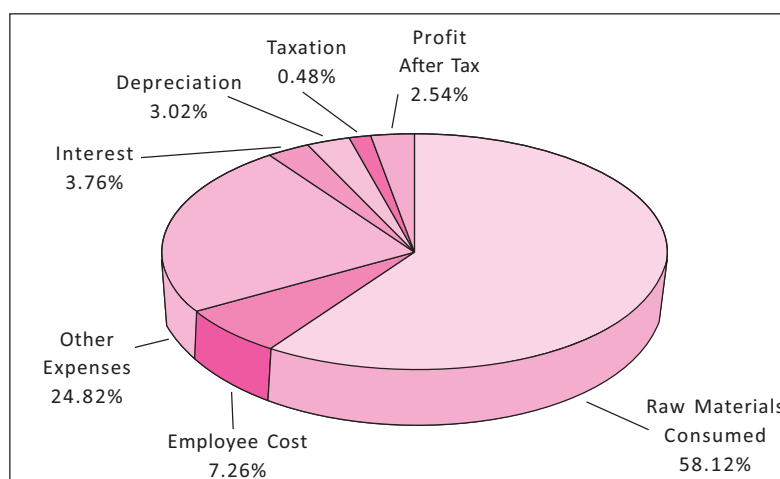
BOOK VALUE



EARNING PER SHARE



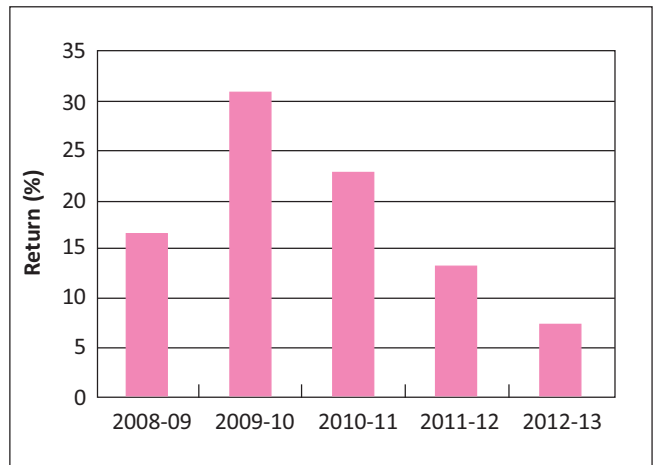
DISTRIBUTION OF REVENUE for the year ended 31st March, 2013



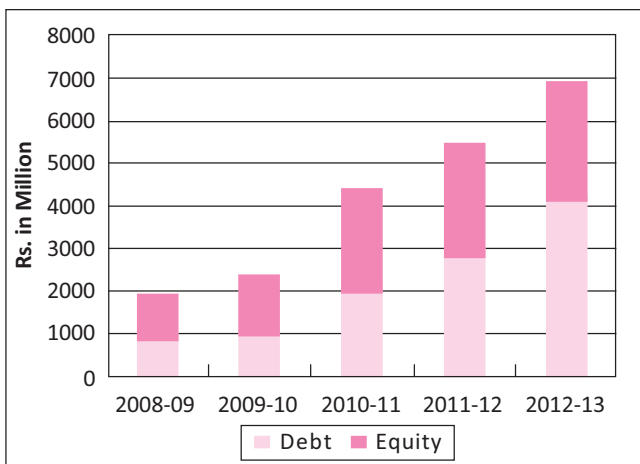
PROFIT BEFORE TAX



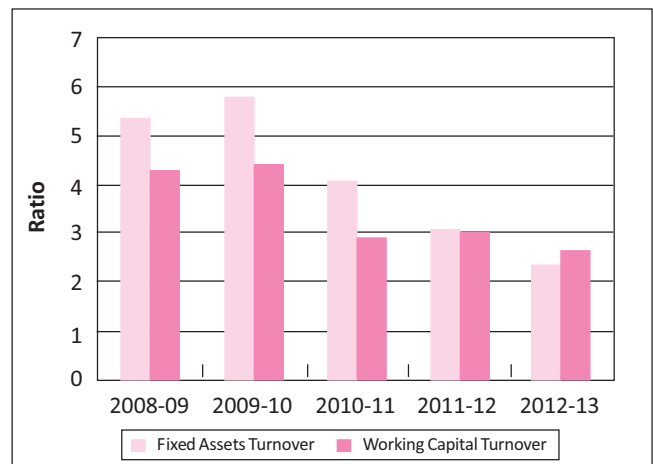
RETURN ON NET WORTH



DEBT - EQUITY



FIXED ASSETS TURNOVER & WORKING CAPITAL TURNOVER



FIXED ASSETS



Notes

[illegible]



Making a change by selling newspaper bags

Sudarshan believes in empowering women for their better future. To inculcate entrepreneurship, women of two villages in Roha; Vishnunagar and Anandnagar, have been trained on how to recycle and make newspaper bags in various sizes. Their biggest customers are MAPRO in Mahableshwar. This initiative has met with great success in changing the lives of 80 families in these villages. These ladies have now joined hands to train women in neighbouring villages. Anjali, a beneficiary says, " now even I can make monetary contributions to the family and do not have to rely on my husband's earning only"



Holistic development of children

Children are the future of tomorrow and must be groomed in the right direction. With this thought, Sudarshan tries to foster holistic growth for the village children and youth. JMRES was established in 1976 by Rathi group to provide quality education to the children of Roha. Spouses of the Sudarshan family work as volunteers with the children and youth from neighbouring villages near Roha and Sutarwadi in areas of career guidance, training and recreational activities, and conducting various competitions for the children.



Sustainability @ farming

Sudarshan has always believed in sustaining and protecting our environment. Along with tree plantations and waste management awareness, regular clean up drives are carried out by our own employees in the villages around Roha and Sutarwadi. We have tied up with a NGO "INNORA" who is now working with 3 villages near Sutarwadi. 52 vermicomposting pits have been set up along with the farmers to educate and help them learn the technic of Vermi Culture, thus discouraging the use of fertilizers and encouraging organic farming practices.





Sudarshan Chemical Industries Limited
Registered Office & Global Head Office :
162 Wellesley Road
Pune – 411 001, India
Tel: +91 20 260 58 888
Fax: +91 20 260 58 222
Email: contact@sudarshan.com

Prescient Color Limited
Registered Office & Factory:
Gat No. 1162, Pirangut
Taluka – Mulshi, Pune 412 108, India
Tel: +91 20 665 21 509
Fax: +91 20 665 21 500
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Email: usa@sudarshan.com

www.sudarshan.com

SUDARSHAN

SUDARSHAN CHEMICAL INDUSTRIES LIMITED
 Regd. Office / Global Head Office : 162 Wellesley Road, Pune 411 001

PROXY FORM

(Reg. Folio No. / DPID No. and Client ID No. and Name of the Member/Joint holders and Address IN BLOCK LETTERS to be furnished below)

I/We _____ of
 _____ being
 a member/members of SUDARSHAN CHEMICAL INDUSTRIES LIMITED hereby appoint _____
 _____ of _____
 or failing him/her _____
 _____ of _____
 or failing him/her _____
 _____ of _____

as my/our proxy to vote for me/us and on my/our behalf at the 62nd Annual General Meeting of the Company to be held on Friday the 20th day of September, 2013 at 11.30 a.m. at Pudumjee Hall, Mahratta Chamber of Commerce, Industries And Agriculture, Tilak Road, Pune 411 002 and at any adjournment thereof.

Signed this _____ day of _____ 2013.

Signed by the said _____

Affix
30 Paise
Revenue
Stamp

NOTE : The Proxy Form must be deposited at the Registered Office of the Company not less than 48 hours before the time of the meeting.

SUDARSHAN CHEMICAL INDUSTRIES LIMITED

Regd. Office / Global Head Office : 162 Wellesley Road, Pune 411 001

Dear Member,

As you may be aware, in the past some dividend warrants mailed by Companies to their members' residential addresses have been fraudulently encashed by unscrupulous persons.

In order to give you better service and also to safeguard your interest, you are requested to inform us your Bank Account details, if not already informed, to be printed on all future dividend warrants to be mailed to you at your address registered with the Company. You are requested to fill in the coupon below (signature should match with your signature on record) and mail the same to the Company at the earliest.

The dividend warrant, printed with your name, bank, branch name and account number, will be mailed to your residential address, as usual, or directly to your bank, if instructed by you.

Thank you.

Yours truly,

P. S. RAGHAVAN
Company Secretary

Notes :

Incorporation of Bank Account details in Dividend Warrants shall be without any liability whatsoever on the part of the Company.

You are also requested to intimate any error or change in your name and/or address as given on the envelope of this communication.

----- (Tear here) -----

Company Secretary
Sudarshan Chemical Industries Limited
162 Wellesley Road, Pune 411 001

Name : _____

Address : _____

Dear Sir,

Ref : Folio No.

I/We refer to your recent communication. As desired, I/We give my/our Bank Account details to be printed on my/our Dividend Warrant(s):

Name of first named member _____
(Capital letters)

Current/Saving Account No. _____

Name of Bank _____

Branch at _____

Address of Bank _____

Date _____

Signature _____

SUDARSHAN CHEMICAL INDUSTRIES LIMITED

Regd. Office / Global Head Office : 162 Wellesley Road, Pune 411 001

STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO THE PROVISIONS OF SECTION 217(2A) OF COMPANIES ACT, 1956 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2013.

Sr. No.	Name & Age (Years)	Designation	Total Remuneration Rs.	Qualification and Experience (Years)	Date of Commence-ment of Service	Last employ-ment held before joining the Company
1	Mr. K. L. Rathi (74)	Executive Chairman	9,682,162	B.Sc, B.Sc.(Tech) M.A. (Chem) (Columbia) (49)	01-01-1964	–
2	Mr. P. R. Rathi (60)	Vice Chairman and Managing Director	10,885,235	M.S.(M.I.T.) M.B.A. (Columbia) (37)	01-04-1976	–
3	Mr. R. B. Rathi (44)	Director	7,476,942	B.E.Mech.Engg. MIT, Pune B.S.Chem.Engg. Ohio University, USA M.B.A., Pittsburgh University, USA (21)	01-10-1992	–
4	Mr. A. Vij (43)	Chief Operating Officer – Pigment Division	6,126,274	B.E. Chemical, Punjab University (23)	08-12-2005	Jubilant Organosys Limited, Gajraula

NOTES :

1. The gross remuneration as above, includes Salary, Company's contribution to Provident Fund and Superannuation Scheme, Leave Travel Allowance, Medical, House Rent Allowance etc. and value of perquisites in respect of car facility, which is calculated in accordance with the provisions of the Income tax Act, 1961, and the rules made there under.
2. The conditions of employment are contractual.
3. Other terms and conditions are as per the rules of the Company.