63rd

2013-2014

annual report

A LEAP-
Sudarshan's turnover crosses Rs. 1,000 crores.

SUDARSHAN

growing together ...

SUDARSHAN

Global HR Excellence Award for Organization with Innovative HR Practices

Our HR practices are not just appreciated internally but have also got recognition in the International forum.

We won the " Global HR Excellence Award for Organization with Innovative HR Practices" for our Induction & On boarding process at the World HRD Congress – 2014 on 16th February 2014 at Hotel Taj Lands End, Mumbai .

We were the only winners from the Chemical Industry.

BOARD OF DIRECTORS

Mr. K. L. Rathi	Chairman (Executive Chairman upto 26th October, 2013)
Mr. P. R. Rathi	Vice Chairman and Managing Director
Mr. R. B. Rathi	Dy. Managing Director (w.e.f. 1st April, 2014)
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
Mrs. R. F. Forbes	Non-Executive, Independent Director (w.e.f. 29th March, 2014)

COMPANY SECRETARY

Mr. P. S. Raghavan

BANKERS

Bank of Maharashtra
State Bank of India
Bank of Baroda
ICICI Bank Limited
HDFC Bank Limited
HSBC Limited
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
CIN : L24119PN1951PLC008409

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

Financial Highlights	2013 - 2014	2012 - 2013	2011 - 2012	2010 - 2011	2009 - 2010
Income from Operations (Excluding Excise)	**102,665**	78,525	74,423	70,712	56,797
Profit Before Tax	**5,483**	2,505	5,018	7,919	6,579
Profit After Tax	**3,442**	2,106	3,615	5,581	4,591
Equity Share Capital	**692**	692	692	692	692
Net Worth	**25,352**	23,125	22,032	19,423	14,847
Net Fixed Assets (including CWIP)	**32,202**	33,068	23,389	16,413	9,769

Key Financial Ratios	2013 - 2014	2012 - 2013	2011 - 2012	2010 - 2011	2009 - 2010
Current Ratio	**1.27**	1.28	1.41	1.57	1.55
Debt Equity Ratio	**1.31**	1.47	1.04	0.80	0.72
PBDIT (% to Net Sales)	**12.50**	10.42	12.00	14.81	15.61
PAT (% to Net Sales)	**3.37**	2.70	4.90	7.97	8.13
Return (PBIT) on Capital Employed %	**13.48**	8.36	13.86	19.85	28.67
Dividend (Per Share) (Rs.)	**15.00**	12.50	12.50	12.50	12.50
Earnings Per Share (Rs.)	**49.72**	30.41	52.22	80.62	66.32

DIRECTORS' REPORT TO THE SHAREHOLDERS : 2013 - 2014

Your Directors are pleased to present the 63rd Annual Report together with the Audited Financial Statements for the year ended on 31st March, 2014.

1. FINANCIAL HIGHLIGHTS :

Particulars	**2013-2014 (Rupees in millions)**	2012-2013 (Rupees in millions)
Total Revenue	**10313.79**	7968.04
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	**1277.76**	812.66
Less : Interest / Finance Cost	**375.97**	311.79
Less : Provision for Taxation	**204.10**	39.95
Less : Depreciation	**353.51**	250.37
Profit after Tax	**344.18**	210.55
Add : Surplus in the Statement of Profit and Loss as per last Balance Sheet	**561.98**	482.67
Net Profit available for appropriation	**906.16**	693.22
Appropriations		
(1) Dividend proposed @ Rs. 15.00 per share on the face value of Rs. 10.00 (150%) (previous year dividend paid @ 125%)	**103.84**	86.53
(2) Tax on Dividend	**17.65**	14.71
(3) General Reserve	**60.00**	30.00
Total	**181.49**	131.24
Balance to be carried forward	**724.67**	561.98

2. THE YEAR IN RETROSPECT :

(A) SALES :

The Financial Year 2013 - 14 turned out to be a good year for your Company. For the first time Sales have crossed Rs. 10000 Million in the year under review, notwithstanding the challenging macro economic conditions and negative business sentiments prevalent throughout the year, both in the domestic and international market and across the Industry. The impressive performance is the result of sustained drive and team work of the organization as a whole.

Total Revenue from operations for the year ended 31st March, 2014 aggregated to Rs. 10314 million as against Rs. 7968 million achieved during the previous year thereby recording a good growth of around 29%. Profit after tax for the year ended 31st March, 2014 was Rs. 344 million as against Rs. 211 million earned during the previous year. Margins could have higher but for the increase in interest costs, input costs and forex loss all of which had to be absorbed by the Company.

Pigment revenue rose from Rs. 6967 million in the previous year to Rs. 9167 million in the year under review thereby recording an excellent growth of 32%. Profits for the Pigment Division for the year under review amounted to Rs. 1058 million as compared to Rs. 772 million of the previous year.

Agro revenue for the year ended 31st March, 2014 amounted to Rs. 1100 million as against Rs. 886 million achieved during the previous year thereby recording a growth of 24%. Profits for the Agro Division for the year under review amounted to Rs. 77 million as compared to Rs. 45 million of the previous year.

(B) EXPORTS :

The Company's subsidiaries in The Netherlands and North America continue to record improved performance in terms of revenue. The natural mica based pearlescent business for cosmetics, sold under the brand Prestige and Flonac C, has been well integrated in the Cosmetic Pigment Products Portfolio and has yielded good results.

In view of the increasing opportunities in the overseas markets the Company has also taken steps in the staffing of manpower in The Netherlands and North America for addressing the requirements of the overseas markets. The Company also has set up an efficient sales and distribution network in core overseas markets. All these measures are expected to give a boost to exports and contribute to consolidation in the export market.

Revenue from pigment exports for the year ended 31st March, 2014 amounted to Rs. 4380 million as against Rs. 3005 million for the previous year thereby registering an excellent growth of 46% over the previous year.

3. DIVIDEND :

Considering the excellent performance of the Company the Directors recommend, subject to approval of the members, dividend of Rs. 15.00 per share on a face value of Rs. 10.00 (150%) for the year ended 31st March, 2014. The total outgo on account of dividend @ 150% and dividend distribution tax will be Rs. 121.49 million for the year under review.

4. DIRECTORS :

Mr.B.S.Mehta, Director and Chairman of Audit Committee, has informed his decision to step down from the Board of Directors of the Company and hence does not offer himself for reappointment at the 63rd Annual General Meeting. The Board places on record its appreciation of the ready advice and guidance offered by Mr.B.S.Mehta during his tenure as Director.

As per Section 152 of the Companies Act, 2013, Independent Directors are not liable to retire by rotation and accordingly have been appointed for a term of 5 years. The Non Independent Directors of the Company representing the Promoter Group are liable to retire by rotation in accordance with Section 152 of the Companies Act, 2013.

The Board has resolved that Mr.P.R.Rathi, Vice Chairman and Managing Director shall not be liable to retire by rotation and Mr.K.L.Rathi, Chairman, Mr.N.J.Rathi, Non-Executive Director and Mr.R.B.Rathi, Dy. Managing Director shall be liable to retire by rotation.

The Board recommends the above appointments / changes for the consideration of the Members.

Mrs.R.F.Forbes has joined the Board w.e.f. 29th March, 2014 as an Independent Director and holds the office upto the date of this Annual General Meeting. Members are requested to consider appointing her as an Independent Director for a period of 5 years.

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, 2014, 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 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 have shown improved performance in sales. However, profits continue to be under pressure. With continued focus on market penetration, 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 present scenario looks encouraging with indications of Prescient Color Limited recording 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 with regard to not attaching the Balance Sheet and 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, 2014 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 are annexed and forms part of the Annual Report.

9. CORPORATE GOVERNANCE :

Your Company has always aimed for the strengthening and further improvement in the standards of Corporate Governance keeping in mind the requirements and meeting the aspirations of various 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 M/s. Parkhi Limaye & Co., Cost Accountants, Pune as cost auditors to audit the cost accounts maintained by the Company in respect of Pigments and Insecticides for the year under review.

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 and at R & D Laboratory situated at Ambedvet, Amralevadi, 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 :

Sudarshan is committed to its mission of 'Creating an exciting and vibrant performance driven work culture'. In line with the Company's vision of "Soaring Global", various strategic initiatives were carried out during the Financial Year 2013 - 14 viz.

- Technical competency building programs under the brand name of 'SUDA Tech' for enhancing the technical competency of the organization as a whole. Separate modules for different levels and functions have been created for this purpose.
- Initiation of a 'Development centre' for a systematic, detailed and scientific method for assessing and developing the potential of employees for taking up bigger and challenging roles.
- 'SUDHA', the 'Corporate Sustainability' Initiative of the Company was taken to its next level of operational excellence and got recognition of its effort by winning an award at the World HRD Congress.
- Promotion of spiritually fulfilling life for its employees, by tying up with the 'Art of Living Foundation' which has organized a series of programs for creating spiritual awareness.
- Good Job Done cards were distributed to employees to inculcate the culture of appreciation. Your Company believes in long-term employee engagement and as such an Employee Engagement Survey was conducted popularly known as "SUR".
- Further improvements in the Performance Management System for strengthening the "Appreciative Conversations" which has helped to assess the individual performances and build a vibrant work culture.
- Campus hiring from management and engineering schools have helped in infusing young blood in the organization and building a 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 saving and process improvements.
- Channels of communication were also improved as a part of employee engagement building. A 'SUDA Connect', employee communication meet was organized for all employees for sharing the Company's performance and future plans of the organization.

14. FIXED DEPOSITS :

The Company's earlier Fixed Deposit Scheme had a very good response from the general public as well as shareholders. The Board of Directors thank the investing public and the shareholders for their support and look forward to continued patronage in future.

During the year under review, the Company accepted deposits amounting to Rs. 277.26 million. The total amount of deposits as on 31st March, 2014 stood at Rs. 554.11 million.

In respect of deposits accepted, deposits amounting to Rs. 1.02 million from 13 Depositors, which fell due for repayment, but which remained unclaimed before 31st March, 2014 have been repaid as on date of this report.

15. AUDITORS :

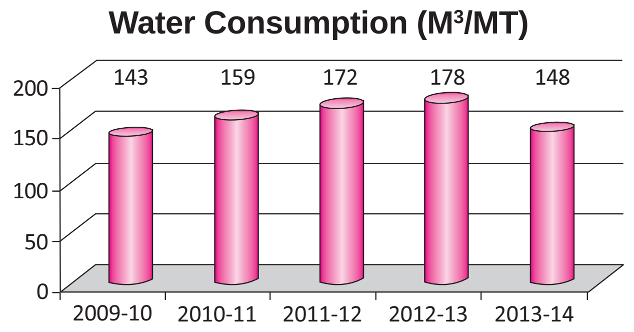
B.K. Khare & Co., Statutory Auditors of the Company are due to retire at the ensuing Annual General Meeting. Members are requested to consider reappointing them and to authorise the Board of Directors to fix their remuneration.

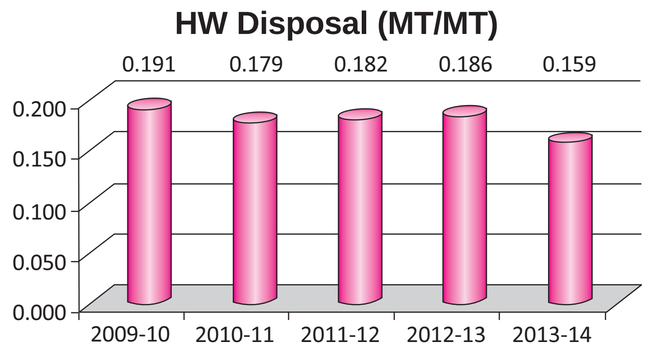
16. ENVIRONMENT, HEALTH, SAFETY (EHS) AND POLLUTION :

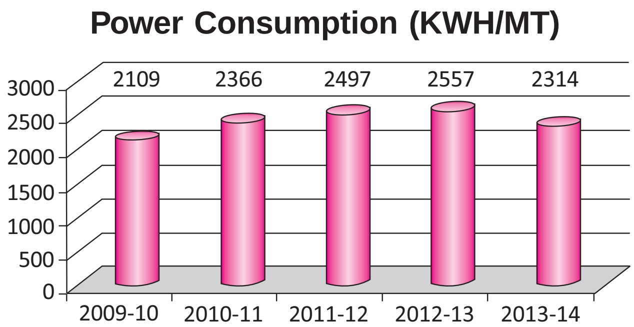
The Company is committed to ensuring that there is a positive impact of operations on our community and that the operations must serve as a model for others at places we operate. The Company is committed to continuous progress towards the vision of no accidents, injuries or harm to the environment, a fact which is reflected in the Environment, Health and Safety (EHS) performance. Being committed to integrating EHS into everything which is done and every decision made, this year number of initiatives have been taken up to further enhance the Company's performance. Emphasis has been laid on upgrading the infrastructure to achieve EHS Goals. Occupational Health

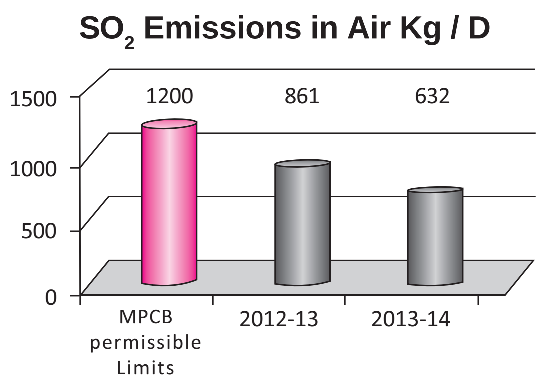
Program has also been upgraded. Process Safety Risk Management training is also being given more focus. This has given us very good results in terms of productivity at all levels.

Your Company has consolidated and strengthened its Environmental standards and practices. Steps have been taken to reduce emissions by Technological up-grades and monitoring of all Pollution Control Equipment. Modifications to the EHS programme have been introduced to become more efficient in water and energy consumption. Our Solvents are recycled and hazardous waste generated has reduced. Some of our achievements are shown below :









The initiatives and the results achieved have been well recognized and appreciated by all Government agencies and Regulatory bodies.

17. CORPORATE SOCIAL RESPONSIBILITY :

As a responsible corporate citizen, the Company under the aegis of 'SUDHA' continues its efforts to meet the Environmental, Health and Safety expectations of our neighbours. Tree plantation, waste management (vermiculture), self employment development, emergency preparedness and response plan and environment control initiatives continue to occupy an integral place in the overall objective to make the neighbourhood and the community a better place to live.

'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 initiative has been in operation for the past two years or so. The SUDHA movement has helped the Company in supporting community development, activities such as village meetings, social functions, making of paper bags and cloth stitching by women residing at nearby villages in Roha, construction of bus shelters, providing of drinking water facilities etc.

Your Company has formed a CSR Committee of the Board of Directors w.e.f. 29th March, 2014 in accordance with Section 135 of the Companies Act, 2013 and the relevant Rules thereof to implement and monitor the CSR activities of the Company.

18. RESEARCH AND DEVELOPMENT

The Company recognizes the need to have well equipped R&D Facilities to meet customer requirements and developing cutting edge products. Members are aware that the Company has spruced up its R&D facilities at Ambedvet, Amralevadi, Tal. Mulshi, Dist. Pune and Roha, Dist. Raigad. The Company has spent approx. Rs. 98.45 million, during the year under review, on research and development. The Ministry of Science and Technology, New Delhi, on behalf of Government of India vide letter dated 2nd April, 2012 has recognized our said 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. Dyestuffs Manufacturers' Association of India (DMAI) award for the Financial Year 2013 - 2014 for -

    a) Excellent performance in pollution control for Large Scale Unit

    b) Excellent performance in Safety and Hazards control (Second Award for Large Scale Unit)

    c) Excellent performance in exports of Pigments (Award for Large Scale Unit)

    Above awards signify our commitment towards Environment, Health, Safety and significant contribution in exports.

2. World Women in Leadership Award in Corporate Social Responsibility (CSR) awarded to Mrs. Rachna R. Rathi wife of Mr.R.B.Rathi, Dy. Managing Director towards her contribution in several projects in CSR in society around us and in SUDHA (Sudarshan's Holistic Aspiration).

3. "Global HR Excellence Award for Organization with Innovative HR Practices" for Induction and on boarding process at the World HRD Congress – 2014 for having aligned our HR practices as per Global Standards.

4. "Global CSR Excellence & Leadership Award for Women Empowerment" at the World CSR Congress – 2014 for commitment to Corporate Sustainability by SUDHA Team towards sustainable livelihood initiatives to empower women and help them to rise in their lives.

20. OUTLOOK FOR THE FUTURE :

The Financial Year 2014 - 15 is expected to be another challenging year. Indications are that the global economy will grow as compared to the previous Financial Year.

The domestic demand for Pigments continues to be good. However, the rising input costs on account of inflationary conditions coupled with the adverse foreign currency may not augur well for the Company. The demand for export of pigments also continues to be good. The Company's overseas subsidiaries in The Netherlands and North America are fully geared up and will play a major role in achieving quantum growth.

The Company aims to closely associate with its Customers and increase operational and technical excellence, while pruning the costs. Research and Development will play a bigger role in improving the competitiveness through innovations.

Agro Chemicals Division is also expected to do well. However much depends on the monsoon which has played truant in the past.

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

21. APPRECIATION :

Your Directors place on record their gratitude to Bank of Maharashtra, State Bank of India, Bank of Baroda, ICICI Bank Limited, HDFC Bank Limited, HSBC Limited and Export Import Bank of India for their co-operation and assistance. Your Directors are also grateful to the shareholders, fixed deposit holders, customers, suppliers, business associates, employees and other stakeholders of the Company for their continued co-operation and support.

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

K.L.RATHI
CHAIRMAN

Pune : 23rd May, 2014

ANNEXURE TO DIRECTORS' REPORT : 2013 - 2014

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

A. Power and Fuel Consumption :

Particulars	2013 - 2014	2012 - 2013
1. Electricity		
(a) Purchased		
Units ('000 KWH)	**54,089**	45,303
Total amount (Rs. in million)	**386**	342
Rate per unit (Rs.)	**7.13**	7.56
(b) Own Generation		
Units ('000KWH)	**2,317**	226
Units per litre of diesel oil	**3.50**	3.50
Cost per unit (Rs.)	**1.71**	13.78
2. (a) Furnace Oil		
Quantity (Tonnes)	**332**	387
Total amount (Rs. in million)	**13.4**	15.6
Average Rate (Rs. / Ton)	**40,386**	40,271
(b) LDO		
Quantity (K. Litres)	**58**	33
Total amount (Rs. in million)	**3.6**	2.0
Average Rate (Rs. / K.L.)	**62,564**	60,151
(c) Coal		
Quantity (Tonnes)	**34,754**	29,450
Total amount (Rs. in million)	**181.5**	165.1
Average Rate (Rs. / Ton)	**5,222**	5,606
(d) HSD		
Quantity (K. Litres)	**79**	91
Total amount (Rs. in million)	**4.5**	4.4
Average Rate (Rs. / K.L.)	**57,526**	48,224
(e) LPG		
Quantity (Tonnes)	**25**	24
Total amount (Rs. in million)	**1.7**	1.6
Average Rate (Rs. / Ton)	**69,332**	67,633

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) 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 products by following Six Sigma / Lean methodology
(c) Reduction in waste generated and energy input

4. Expenditure on R&D for 2013 - 2014 :

(a)	Capital	:	Rs.	2.26	million
(b)	Recurring	:	Rs.	96.19	million
(c)	Total	:	Rs.	98.45	million

5. Foreign Exchange Earnings and Outgo for 2013 - 2014 :

(a)	Total Foreign Exchange Earned	:	Rs.	4402.24	million
(b)	Total Foreign Exchange Used	:	Rs.	2186.85	million
(c)	Net Foreign Exchange Earned	:	Rs.	2215.39	million

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

K.L.RATHI
CHAIRMAN

Pune : 23rd May, 2014

MANAGEMENT DISCUSSION AND ANALYSIS 2013-14

Overview

The Global economic environment during the year 2013 - 14 continued to be under stress in the background of recession in Europe, slow growth in the United States, 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.

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 affected 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, Amralevadi, 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.

Profits were affected on account of high inflation, higher input costs, tightening credit market conditions etc. Inspite of these adverse market conditions, the Company has done exceedingly well in terms of sales. Of the total sales revenue of 10225 Million achieved during the year, export of contribute 43%.

The Company’s overseas subsidiaries viz. Sudarshan Europe B.V., 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 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 the National Accreditation Board for Testing and Calibration Laboratories (NABL), Government of India and has received recognition 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, i.e. Pigments and Agro Chemicals.

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

The 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 a collective revenue 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 35% market share. The Pigment Division manufactures a wide range of Organic, Inorganic and Effect Pigments catering to domestic and export markets and mainly catering to 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, Amralevadi, 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

There exist opportunities for growth in the Pigment Industry considering the low per capita income spending as compared to the developed economies. 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 and Plastics market also holds lot of promise as the Paper and Printing Industry is poised to record growth.

Pigment manufacturers in the developed countries, owing to high manufacturing costs and stringent environment control regulations 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 and 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 spiralling 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 revenue in the year 2013 - 14 to Rs. 9167 million from Rs. 6967 million in 2012 - 13, recording an excellent increase of around 32% over the previous year. Sales from exports for the year under review amounted to Rs. 4380 million as against Rs. 3005 million achieved during the previous year recording an excellent growth of around 46%.

4. Outlook

The Company’s globalization plans and its strong base in the Indian Market provides a great opportunity for growth. Also the Company’s strategy of focusing on High Performance Pigments and specialized Azo Pigments provides 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 many opportunities 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 and 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 and 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 its 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 is an ongoing, time consuming and an expensive proposition making penetration of the Company's 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 its Global Policy, the relevant EHS 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 concerning 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 Structure and Developments**

As India continues to grow its economy in a greater way, the agriculture sector must also keep pace in improving its infrastructure, efficiency and productivity in a sustainable manner and contribute to the food security of over a billion people. Weather fluctuations continue to affect agriculture sector significantly. Favourable monsoon has in general helped to improve the agriculture sector's production prospects. Excess rainfall towards the end of the monsoon season in some of the areas led to crop damage. The unseasonal rainfall and hailstorms in many parts of the country in February / March, 2014 has damaged the standing Rabi crop which has resulted in a decline in overall crop production.

The Agro Chemical Industry has also seen a change in the product mix owing to a change in the crop pattern and also due to a change in the pattern of pest formation. The average per hectare consumption of agrochemicals in India is comparatively 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 and also unavailability of key raw materials from China. The Industry also witnessed a further slide in the demand for conventional pesticide products.

2. **Opportunities and Threats**

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

Large areas exist in India for agricultural cultivation. We are the 7th largest country geographically and a large area is under crop cultivation. The Indian Agro Chemical Industry has potential for growth considering the cost advantage we enjoy as compared to developed countries and also considering 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 the 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. 1100 million as against Rs. 886 million made in the previous year thereby recording a growth of around 24%. 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 could 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 profits.

4. Outlook

The Company expects to improve the performance by laying more emphasis on Technical and Bulk as well as Brand business. 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. The below expectation of a normal monsoon coupled with various uncertainties 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 and also in other functional and operational areas which are 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, 2014 a total of 1071 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 operates, changes in Government regulations, tax laws and other statues 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 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 following Members / Key individuals as detailed below :

Sr.No.	Category of Directors	Name of the Director
1.	Promoters (Nominees of Promoter Group)	1. Mr.K.L.Rathi – Chairman 2. Mr.P.R.Rathi – Vice Chairman and Managing Director 3. Mr.R.B.Rathi – Executive Director (Appointed as Dy. Managing Director w.e.f. 1st April, 2014) 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 7. Mrs.R.F.Forbes (w.e.f. 29th March, 2014)

Notes :

1. 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 2013 - 2014 which, in the judgment of the Board may affect independence of judgment of the Directors.

2. The Directors mentioned at Serial No. 2 above fall within the expression of "Independent Directors" as mentioned in Clause 49 (I) (A) (iii) of the Listing Agreement.

3. The present composition of the Board is in compliance with Clause 49 (I) (A) of the Listing Agreement.

Profile of Promoter Directors :

1. **Mr.K.L.Rathi**, 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**, Dy. Managing 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 M/s. 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**, 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 the 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 Bombay University. Mr. Sanjay Asher is senior partner of M/s. Crawford Bayley & Co., Mumbai and is also on the Board of several other Companies.

7. **Mrs.R.F.Forbes**, is a Graduate in Psychology and Sociology from Bombay University and has further done special courses on Women in Leadership, Human Resources and Organisational Behaviour and Social Entrepreneurship and Philanthropy from IIM Ahmedabad and Stanford University. She is also on the Board of other companies including Forbes Marshall Private Ltd. (since 1999).

II.2. Meetings and Attendance :

During the Financial Year 2013-2014, six meetings of the Board of Directors were held on 30th May, 2013, 9th August, 2013, 20th September, 2013, 26th October, 2013, 7th February, 2014 and 29th March, 2014.

Details regarding attendance of the Directors at the Board Meetings held during the Financial Year 2013 - 2014 and at the last Annual General Meeting held on 20th September, 2013 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	Chairman *	Non-Executive*	6	Yes
2.	Mr.P.R.Rathi	Vice Chairman and Managing Director	Executive	6	Yes
3.	Mr.N.J.Rathi	Director	Non-Executive	6	Yes
4.	Mr.R.B.Rathi	Dy. Managing Director	Executive	5	Yes
5.	Mr.B.S.Mehta	Director	Non-Executive	5	Yes
6.	Mr.S.N.Inamdar	Director	Non-Executive	4	Yes
7.	Mr.P.P.Chhabria	Director	Non-Executive	3	No
8.	Mr.D.N.Damania	Director	Non-Executive	5	Yes
9.	Mr.S.Padmanabhan	Director	Non-Executive	4	Yes
10.	Mr.S.K.Asher	Director	Non-Executive	4	No
11.	Mrs.R.F.Forbes**	Director	Non-Executive	–	NA

* Executive Chairman upto 26th October, 2013.

** Co-opted on 29th March, 2014.

II.3. Details of Directorship(s) and Committee Membership(s) in Companies :

(No. of companies)

Name of the Director	Directorship *	Committee Membership **
Mr.K.L.Rathi	11	1
Mr.P.R.Rathi	19	9
Mr.N.J.Rathi	11	3
Mr.R.B.Rathi	13	2
Mr.B.S.Mehta	16	19
Mr.S.N.Inamdar	11	12
Mr.P.P.Chhabria	10	4
Mr.D.N.Damania	12	10
Mr.S.Padmanabhan	7	5
Mr.S.K.Asher	52	17
Mrs.R.F.Forbes	4	4

* (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 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 2013 - 2014
Mr.B.S.Mehta, Chairman	Independent, Non-Executive Director	5
Mr.S.N.Inamdar, Member	Independent, Non-Executive Director	4
Mr.D.N.Damania, Member	Independent, Non-Executive Director	4
Mr.P.R.Rathi, Member	Non-Independent, Executive Director	5

During the Financial Year 2013 - 2014, five meetings of the Audit Committee were held on 23rd May, 2013, 9th August, 2013, 20th September, 2013, 26th October, 2013, and 7th February, 2014.

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 20th September, 2013.

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 2013 - 2014
Mr.P.P.Chhabria, Chairman	Independent, Non-Executive Director	2
Mr.S.N.Inamdar, Member	Independent, Non-Executive Director	1
Mr.D.N.Damania, Member	Independent, Non-Executive Director	2

During the Financial Year 2013 - 2014, two meetings of the Remuneration Committee were held on 7th February, 2014 and 29th March, 2014.

Terms of Reference :

- To appraise the performance of Managing and Executive Directors and
- To determine and recommend to the Board, commission, 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 further 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 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, 2014 :

Sr. No.	Name of the Non-Executive Director	No. of shares of Rs. 10 each
1.	Mr.K.L.Rathi	107,430
2.	Mr.N.J.Rathi	241,765
3.	Mr.D.N.Damania	93

Remuneration to Executive Directors for the year ended 31st March, 2014 :

(Amount in Rs.)

Particulars	Mr. K.L.Rathi Executive Chairman (Remuneration paid up to 26th October, 2013)	Mr. P.R.Rathi Vice Chairman and Managing Director	Mr. R.B.Rathi Director
Salary and Other allowances	4,827,598	8,835,888	7,688,556
Contribution to Provident Fund and Other Funds	914,166	1,879,200	1,280,772
Other Perquisites	279,414	432,600	299,626
Commission	3,200,000	5,500,000	5,500,000
Total	9,221,178	16,647,688	14,768,954

Remuneration to Non-Executive Directors for the year ended 31st March, 2014 :

(Amount in Rs.)

Name of the Director	Sitting Fees	Others (Professional Fees)	Total
Mr.K.L.Rathi	40,000	–	40,000
Mr.B.S.Mehta	200,000	–	200,000
Mr.S.N.Inamdar	215,000	650,000	865,000
Mr.P.P.Chhabria	120,000	–	120,000
Mr.D.N.Damania	220,000	–	220,000
Mr.S.Padmanabhan	80,000	–	80,000
Mr.S.K.Asher	80,000	–	80,000
Mr.N.J.Rathi	140,000	–	140,000
Mrs.R.F.Forbes	–	–	–
Total	**1,095,000**	**650,000**	**1,745,000**

In addition to sitting fees, Mr.S.N.Inamdar was 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 2013 - 2014, 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	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 2013 - 2014
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 2013 - 2014, one meeting of the Shareholders' / Investors' Grievance Committee was held on 7th February, 2014. 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 :

1. **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, M/s. 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 Share 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.

4. **Adhoc Committee :** The scope of this Committee is to recommend to the Board regarding the development of the Sangam Land situated at 162 Wellesley Road, Pune 411 001. The Members of the Committee are Mr.P.P.Chhabria, Mr.S.N.Inamdar and Mr.S.K.Asher. Mr.P.P.Chhabria is acting as Chairman of the Committee.

   During the Financial Year 2013 - 14, no meeting of this Committee was held.

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. Vivek Garg, 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
2012 - 2013	20-09-2013	Mahratta Chamber of Commerce, Industries And Agriculture, Tilak Road, Pune	8
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

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

Date of AGM	Details of Special Resolution(s) passed	Remarks
20-09-2013	Nil	Nil
10-08-2012	Nil	Nil
12-08-2011	For obtaining the consent of the shareholders for payment of remuneration to Mr. Anuj N. Rathi, relative of Mr.N.J.Rathi, Director and Mr. Rahul P. Rathi, relative of Mr.P.R.Rathi, Managing Director w.e.f. 1st 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

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

Date of EOGM	Details of Special Resolution(s) passed	Remarks
29-03-2014	For obtaining the consents of the shareholders for re-appointment of Mr.P.R.Rathi as Vice Chairman & Managing Director for the period of five years, w.e.f. 1st April, 2014 and for revision in the remuneration payable to him thereon and revision in remuneration payable to Mr.R.B.Rathi, Executive Director w.e.f. 1st April, 2014	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, 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 : M/s. 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 (NSDL) and Central Depository Services 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 – English Newspaper and The Loksatta – Marathi Newspaper, both Pune Editions and The Economic Times - Pune and Mumbai Editions - English Newspaper, The Maharashtra Times - 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, 2013 to 31st March, 2014. The declaration dated 15th May, 2014 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, 2013 to 31st March, 2014."

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

K.L.RATHI
CHAIRMAN

Pune : 23rd May, 2014

AUDITORS' CERTIFICATE

To,

The Members of
Sudarshan Chemical Industries Limited
162 Wellesley Road
Pune 411001

We have examined the compliance of conditions of Corporate Governance by Sudarshan Chemical Industries Limited for the year ended 31st March, 2014 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 : 23rd May, 2014

SHAREHOLDERS' INFORMATION

1. **Annual General Meeting :**

Day and Date	Saturday, 9th August, 2014
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 - 2014 to March - 2015

Sr. No.	Particulars of Meetings	Date
1.	Audited Financial Results for the year ended 31st March, 2014	23rd May, 2014
2.	Unaudited Quarterly Results for the Quarter ended 30th June, 2014.	9th August, 2014
3.	63rd Annual General Meeting	9th August, 2014
4.	Unaudited Quarterly Results for the Quarter ended 30th September, 2014.	14th November, 2014
5.	Unaudited Quarterly Results for the Quarter ended 31st December, 2014.	13th February, 2015
6.	Unaudited Quarterly Results for the Quarter ended on 31st March, 2015 / Audited Annual Results for the year ended on 31st March, 2015.	22nd May, 2015

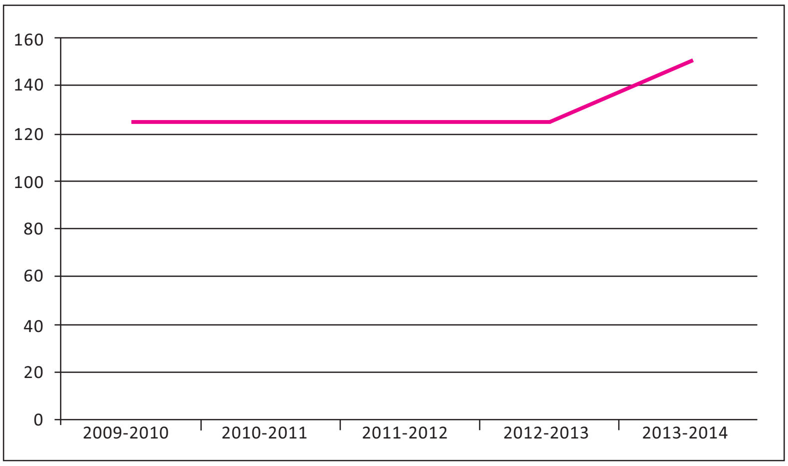
3. **Date of Book Closure :**

Monday, 28th July, 2014 to Saturday, 9th August, 2014 (both days inclusive).

4. **Dividend Payment Date :**

The Board of Directors at its meeting held on 23rd May, 2014 have recommended dividend of Rs. 15.00 per equity share (150%) on a face value of Rs. 10.00 for the year Financial Year ended 31st March, 2014 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 8th September, 2014 to those members whose names appear on the Register of Members of the Company / beneficial owners as on 9th August, 2014.

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.

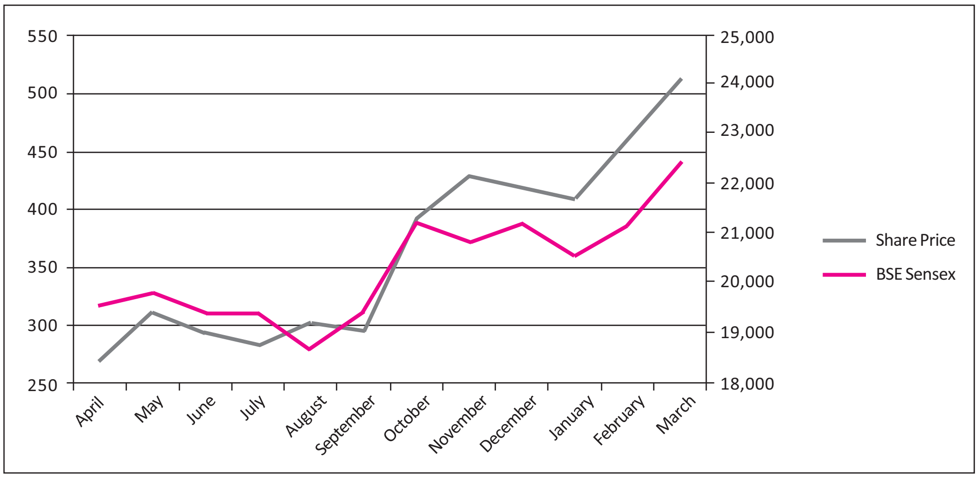
The Company has paid the Annual Listing fees in respect of Bombay Stock Exchange Limited and The National Stock Exchange of India Limited for the Financial Year 2014 - 2015. The Company has also paid the Annual Custodial fees to NSDL and CDSL for the Financial Year 2014 - 2015.

7. Stock Prices :

	Bombay Stock Exchange Limited		National Stock Exchange of India Limited	
Month	**High (Rs.)**	**Low (Rs.)**	**High (Rs.)**	**Low (Rs.)**
April - 2013	336.90	256.00	325.00	293.10
May - 2013	315.00	258.10	Not Traded Due to Illiquid Scrip	Not Traded Due to Illiquid Scrip
June - 2013	323.40	281.50	- do -	- do -
July - 2013	324.00	281.00	- do -	- do -
August - 2013	308.90	275.05	- do -	- do -
September - 2013	310.00	285.10	- do -	- do -
October - 2013	390.10	292.50	- do -	- do -
November - 2013	425.00	377.00	- do -	- do -
December - 2013	439.00	385.00	- do -	- do -
January - 2014	436.75	397.00	431.05	404.90
February - 2014	474.00	401.00	472.50	401.00
March - 2014	514.75	441.00	514.90	455.00

(Source: BSE and NSE - Websites)

Comparison of Sudarshan share price with BSE Sensex - April - 2013 to March - 2014 :



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, 2014)

No. of equity shares held	No. of shareholders	% of shareholders	No. of shares	% of shareholding
1 – 3000	9,185	98.82	1,125,322	16.25
3001 – 5000	21	0.22	79,634	1.15
5001 & Above	89	0.96	5,717,769	82.60
Total	**9,295**	**100.00**	**6,922,725**	**100.00**

11. Shareholding pattern :

(As on 31st March, 2014)

Category	No. of shares held	% to total paid up share capital
Rathi Promoter Group	3,661,626	52.89
Foreign Companies / NRI's / Foreign Individuals	565,033	8.16
FII's / Financial Institutions / Banks / Insurance Companies / Mutual Funds / UTI	36,158	0.52
Corporate Bodies	54,334	0.78
Non Promoter Directors / Resident Individuals	2,605,574	37.65
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, 2014, 86.83 % of the total shareholding in the Company is held in dematerialized form which includes the promoters shareholding of 52.89%.

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
SUDARSHAN CHEMICAL INDUSTRIES LIMITED

Report on the Financial Statements

1. We have audited the accompanying Financial Statements of **Sudarshan Chemical Industries Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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.

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

Opinion

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

   (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;

   (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on 31st March, 2014; and

   (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on 31st March, 2014.

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act (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.

8. 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 purpose of our audit;

   b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts;

   d. in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report, comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;

   e. on the basis of written representations received from the directors as on 31st March, 2014, and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2014, from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

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

Prasad Paranjape
Partner
Membership No. – 047296

Pune : 23rd May, 2014

ANNEXURE TO THE AUDITORS' REPORT

ANNEXURE REFERRED TO IN PARAGRAPH 7 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 assets.

(c) During the year, the Company has not disposed of any substantial or major part 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 two 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. 751,423,107and the year-end balance of loan granted to such companies is Rs. 63,718,242.

(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 12 parties covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 49,490,000 and the year-end balance of loan taken from such parties is Rs. 126,400,000.

(b) According to the information and explanations given to us, in our opinion, the rate of interest and other terms and conditions of the 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	6,827,374	2004 - 05 to 2013 - 14	Assistant Commissioner of Central Excise
The Central Excise Act, 1944	Excise Duty	4,264,193	2004 - 05 to 2011 - 12	Custom, Excise and Service Tax Appellate Tribunal
The Central Excise Act, 1944	Excise Duty	72,949	2012 - 13 and 2013 - 14	Supt. Of Central Excise
Maharashtra VAT Act, 2002	VAT	8,907,535	2006 - 07 to 2009 - 10	Joint Commissioner Of Sales Tax (Appeal - 01)
Tamil Nadu VAT Act, 2006	VAT	623,691	2003 - 04	Assistant Commissioner, Commercial Tax Department , Coimbatore
Andhra Pradesh VAT Act, 2005	VAT	826,015	2007 - 08	Assistant Commissioner, Commercial Tax Department (LTU)
Karnataka VAT Act, 2003	VAT	76,959	2008 - 09	The Commercial Tax Inspector, Commercial Tax Check Post
TOTAL		**21,598,716**		

x. The Company does not have accumulated losses as at the end of the financial year and the Company has not incurred cash loss during current and in 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 Sudarshan Europe B.V amounting to EURO 3 Million 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 issue 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 : 23rd May, 2014

BALANCE SHEET AS AT 31ST MARCH, 2014

	Particulars	Note No.	As at 31-03-2014 Rs.	As at 31-03-2013 Rs.
I.	**EQUITY AND LIABILITIES**			
	(1) Shareholders' Funds			
	(a) Share Capital	1	**69,227,250**	69,227,250
	(b) Reserves and Surplus	2	**2,964,394,151**	2,741,705,109
			3,033,621,401	2,810,932,359
	(2) Non-current Liabilities			
	(a) Long-term borrowings	3	**1,768,647,057**	2,103,899,000
	(b) Deferred tax liabilities (Net)	4	**348,158,093**	252,261,161
	(c) Other long-term liabilities	5	**27,793,708**	27,811,160
	(d) Long-term provisions	6	**54,708,024**	52,871,082
			2,199,306,882	2,436,842,403
	(3) Current Liabilities			
	(a) Short-term borrowings	7	**1,469,851,666**	1,443,165,901
	(b) Trade payables	8	**1,077,143,598**	1,017,263,505
	(c) Other current liabilities	9	**1,093,991,396**	882,487,108
	(d) Short-term provisions	10	**167,509,611**	145,069,617
			3,808,496,271	3,487,986,131
		Total ...	**9,041,424,554**	8,735,760,893
II.	**ASSETS**			
	(1) Non-current Assets			
	(a) Fixed assets			
	(i) Tangible assets	11	**3,030,558,283**	2,959,989,919
	(ii) Intangible assets	12	**126,762,925**	120,943,902
	(iii) Capital work-in-progress		**62,871,647**	225,878,876
	(b) Non-current investments	13	**292,762,112**	251,839,612
	(c) Long-term loans and advances	14	**202,567,097**	210,069,401
	(d) Other non-current assets	15	**2,500,000**	3,000,000
			3,718,022,064	3,771,721,710
	(2) Current Assets			
	(a) Inventories	16	**2,113,438,730**	1,858,572,266
	(b) Trade receivables	17	**2,645,502,948**	1,995,930,740
	(c) Cash and cash equivalents	18	**121,305,176**	217,040,015
	(d) Short-term loans and advances	19	**158,644,692**	644,334,600
	(e) Other current assets	20	**284,510,944**	248,161,562
			5,323,402,490	4,964,039,183
		Total ...	**9,041,424,554**	8,735,760,893
	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
Chairman

P.R.RATHI
Vice-Chairman &
Managing Director

PRASAD PARANJAPE
Partner
Membership No.:047296

R.B.RATHI
Deputy
Managing Director

N.J.RATHI
Director

P.S.RAGHAVAN
Company Secretary

Pune : *23rd May, 2014*

Pune : *23rd May, 2014*

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

	Particulars	Note No.	Current Year Rs.	Previous Year Rs.
I.	Revenue from operations	21	**11,037,434,065**	8,471,688,910
	Less : Excise duty		**770,932,129**	619,149,981
			10,266,501,936	7,852,538,929
II.	Other Income	22	**47,283,831**	115,504,449
III.	**Total Revenue (I +II)**		**10,313,785,767**	7,968,043,378
IV.	Expenses :			
	Cost of materials consumed	23	**5,710,391,115**	4,520,131,390
	Cost of goods traded	24	**313,382,734**	298,575,030
	Changes in inventories of finished goods and work-in-progress	25	**51,847,736**	(323,554,175)
	Employee benefit expense	26	**644,559,015**	602,042,306
	Finance costs	27	**375,966,364**	311,790,206
	Depreciation and amortization expense	11, 12	**353,515,197**	250,372,367
	Other expenses	28	**2,315,848,997**	2,058,185,246
	Total Expenses		**9,765,511,158**	7,717,542,370
V.	Profit / (Loss) before exceptional, extraordinary items and tax (III - IV)		**548,274,609**	250,501,008
VI.	Exceptional Items		**-**	-
VII.	Profit / (Loss) before extraordinary items and tax (V - VI)		**548,274,609**	250,501,008
VIII.	Extraordinary Items		**-**	-
IX.	Profit / (Loss) before tax (VII - VIII)		**548,274,609**	250,501,008
X.	Tax expense :			
	(1) Current Tax		**116,300,000**	48,000,000
	(2) MAT Credit (Entitlement) / Utilised (Net)		**(8,100,000)**	(48,000,000)
	(3) Deferred Tax		**95,896,932**	39,950,992
XI.	Profit / (Loss) for the period from continuing operations		**344,177,677**	210,550,016
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)		**344,177,677**	210,550,016
XVI.	Earnings per equity share, Basic and Diluted (Rs. Per Equity Share of Rs. 10 each (Previous Year : Rs. 10 each)) *(Ref. Note No. 22 of Note No. 29)*		**49.72**	30.41
	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 B.K.KHARE & Co.
Chartered Accountants
Firm Regn. No.:105102W

PRASAD PARANJAPE
Partner
Membership No.:047296

Pune : *23rd May, 2014*

For and on behalf of the Board of Directors

K.L.RATHI
Chairman

P.R.RATHI
Vice-Chairman &
Managing Director

R.B.RATHI
Deputy
Managing Director

N.J.RATHI
Director

P.S.RAGHAVAN
Company Secretary

Pune : *23rd May, 2014*

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

Particulars		March 31, 2014 Rs.	March 31, 2013 Rs.
A.	**Cash flows from operating activities :**		
	Profit / (Loss) before tax from operations	**548,274,609**	250,501,008
	Non-cash adjustment to reconcile profit before tax to net cash flows :		
	Depreciation / amortization	**353,515,197**	250,372,367
	Loss / (Profit) on sale or write off of fixed assets	**13,233,742**	1,481,219
	Provision for decline in the value of long-term investment written back	**-**	(205,000)
	Unrealized foreign exchange Loss / (Gain)	**9,767,802**	(15,099,665)
	Provision for doubtful debt	**(464,773)**	893,702
	Provision for doubtful advances	**3,000,000**	-
	Bad Debts written-off	**2,767,885**	2,308,486
	Interest expense	**375,966,364**	311,790,206
	Interest income	**(16,217,399)**	(54,409,912)
	Operating profit before working capital changes	**1,289,843,427**	747,632,411
	Movements in working capital :		
	Increase / (decrease) in trade payables	**65,984,365**	54,787,924
	Increase / (decrease) in long-term provisions	**1,836,942**	3,061,805
	Increase / (decrease) in short-term provisions	**2,191,892**	4,896,449
	Increase / (decrease) in other current liabilities	**46,363,536**	6,809,026
	Increase / (decrease) in other long-term liabilities	**(17,452)**	40,700
	Decrease / (increase) in trade receivables	**(658,735,717)**	(142,569,456)
	Decrease / (increase) in inventories	**(254,866,464)**	(289,449,070)
	Decrease / (increase) in long-term loans and advances	**(3,264,381)**	102,872,061
	Decrease / (increase) in short-term loans and advances	**485,689,908**	(243,766,581)
	Decrease / (increase) in other current assets	**(37,196,476)**	(60,401,537)
	Decrease / (increase) in other non-current assets	**500,000**	2,500,000
	Cash generated from / (used in) operations	**938,329,580**	186,413,732
	Direct taxes paid	**(110,000,000)**	(60,500,000)
	Net cash flows from operating activities (A)	**828,329,580**	125,913,732
B.	**Cash flows from investing activities :**		
	Purchase of fixed assets, including intangible assets and CWIP	**(274,968,023)**	(1,201,427,466)
	Proceeds from sale of fixed assets	**5,031,407**	1,846,096
	Redemption of non-current investments	**1,000,000**	135,303
	Investment in Subsidiaries	**(41,922,500)**	-
	Decrease / (increase) in bank deposits (Margin Money) (Net) (Original maturity of more than three months)	**17,996,944**	(3,983,206)
	Interest received	**17,064,493**	53,004,474
	Net cash flows used in investing activities (B)	**(275,797,679)**	(1,150,424,799)
C.	**Cash flows from financing activities :**		
	Proceeds from long-term borrowings	**446,575,183**	1,375,902,500
	Repayment of long-term borrowings	**(624,774,377)**	(464,934,000)
	Dividend and Dividend Tax Paid	**(101,240,533)**	(100,572,053)
	Proceeds from short-term borrowings (Net)	**25,650,765**	396,197,568
	Interest paid	**(376,480,834)**	(307,361,450)
	Net cash flows from / (used in) financing activities (C)	**(630,269,796)**	899,232,565
	Net increase / (decrease) in cash and cash equivalents (A + B + C)	**(77,737,895)**	(125,278,502)
	Cash and cash equivalents at the beginning of the year	**179,887,764**	305,166,266
	Cash and cash equivalents at the end of the year	**102,149,869**	179,887,764
	Components of cash and cash equivalents		
	Cash on hand	**2,025,576**	2,386,602
	With banks :		
	On current account	**97,118,611**	174,135,974
	On deposit account	**-**	1,389,018
	Unpaid dividend accounts*	**3,005,129**	1,960,668
	Lien account	**553**	15,502
	Total cash and cash equivalents (Ref. Note No. 18 and Note No. 1 (xv) of Note No. 29)	**102,149,869**	179,887,764

Notes :

1) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard-3 on Cash Flow Statements issued by ICAI.

2) Previous year's figures have been regrouped wherever necessary to conform to the current year's 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 PARANJAPE
Partner
Membership No.:047296

Pune : *23rd May, 2014*

For and on behalf of the Board of Directors

K.L.RATHI
Chairman

P.R.RATHI
Vice-Chairman & Managing Director

R.B.RATHI
Deputy Managing Director

N.J.RATHI
Director

P.S.RAGHAVAN
Company Secretary

Pune : *23rd May, 2014*

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	Particulars		As at 31-03-2014 Rs.		As at 31-03-2013 Rs.
	SHAREHOLDERS' FUNDS :				
1	**SHARE CAPITAL**				
	Equity Share Capital :				
	AUTHORISED :				
	8,000,000 (Previous Year : 8,000,000) Equity Shares of Rs. 10 each.		**80,000,000**		80,000,000
	ISSUED :				
	* 6,922,775 (Previous Year : 6,922,775) Equity Shares of Rs. 10 each.		**69,227,750**		69,227,750
	SUBSCRIBED AND PAID-UP :				
	6,922,725 (Previous Year : 6,922,725) Equity Shares of Rs. 10 each fully paid-up.		**69,227,250**		69,227,250
	* 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 31st March, 2014, the amount of per share proposed dividend recognised as distribution to the equity shareholders is Rs. 15.00 (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	**382,762**	**5.53**	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 31-03-2014 Rs.		As at 31-03-2013 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	5,044,100	5,044,100	5,044,100	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	132,115,000	132,115,000	132,115,000	132,115,000
	(c) REVALUATION RESERVE				
	Ref. Note No. 4 of Note No. 29				
	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	498,450,000	498,450,000	498,450,000	498,450,000
	(d) GENERAL RESERVE				
	Balance at the beginning of the year	1,544,115,720		1,514,115,720	
	Add : Amounts transferred from Profit and Loss Account (Surplus)	60,000,000		30,000,000	
	Less : Deduction during the year	-		-	
	Balance at the end of the year	1,604,115,720	1,604,115,720	1,544,115,720	1,544,115,720
	(e) PROFIT AND LOSS ACCOUNT (SURPLUS)				
	Surplus at the beginning of the year	561,980,289		482,670,806	
	Add : Profit After Tax for the year	344,177,677		210,550,016	
	Less : Appropriations				
	Proposed Equity Dividend	103,840,875		86,534,063	
	Tax on Proposed Equity Dividend	17,647,760		14,706,470	
	Amount transferred to General Reserve	60,000,000		30,000,000	
		724,669,331	724,669,331	561,980,289	561,980,289
	Total ...		2,964,394,151		2,741,705,109

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2014 Rs.	As at 31-03-2013 Rs.
	NON-CURRENT LIABILITIES :		
3	**LONG-TERM BORROWINGS**		
	(a) SECURED LOAN FROM BANKS :		
	HDFC Bank Limited	**128,000,000**	224,000,000
	Ref. Note Nos. i) and x) below		
	Export - Import Bank of India (EXIM Bank)	**94,652,268**	206,460,000
	Ref. Note Nos. ii), iii), viii) and x) below		
	Bank of Maharashtra	**729,659,789**	991,149,000
	Ref. Note Nos. iv) to vii) and x) below		
	State Bank of India	**200,000,000**	200,000,000
	Ref. Note Nos. ix) and x) below		
		1,152,312,057	1,621,609,000
	(b) UNSECURED LOAN FROM OTHERS :		
	Loans and Advances from Related Parties :		
	i) Intercorporate Deposits	**103,835,000**	175,610,000
	Ref. Note No. xi) below		
	ii) Fixed Deposits		
	1) From Public	**-**	5,600,000
	2) From Shareholders	**10,080,000**	10,880,000
	Ref. Note No. xii) below and Note No. 8 of Note No. 29		
	Loans and Advances from Others :		
	i) Intercorporate Deposits	**8,510,000**	26,900,000
	Ref. Note No. xi) below		
	ii) Fixed Deposits		
	1) From Public	**453,105,000**	239,190,000
	2) From Shareholders	**40,805,000**	24,110,000
	Ref. Note No. xii) below and Note No. 8 of Note No. 29		
		616,335,000	482,290,000
	Total ...	**1,768,647,057**	2,103,899,000

i) *Term Loan from HDFC Bank Limited of Rs. 36 Crores (outstanding Rs. 128,000,000 (P.Y. Rs. 224,000,000)) was taken in Financial Year 2011-12 and carries interest @ 10.70% p.a. The loan is repayable in 45 monthly instalments of Rs. 80 Lacs each from November 2012.*

ii) *Term Loan from EXIM Bank of Rs. 15 Crores (outstanding Rs. Nil (P.Y. Rs. 20,000,000)) was taken in Financial Year 2008-09 and carries interest @ 11.20% p.a. The loan is repayable in 60 monthly instalments of Rs. 25 Lacs each from December 2009.*

iii) *Term Loan from EXIM Bank of Rs. 36 Crores (outstanding Rs. 60,000,000 (P.Y. Rs. 150,000,000)) was taken in parts till March 31, 2012 and carries interest @ 11.30% p.a. The loan is repayable in 48 monthly instalments of Rs. 75 Lacs each from February 2012.*

iv) *Term Loan from Bank of Maharashtra of Rs. 35 Crores (outstanding Rs. 79,848,771 (P.Y. Rs. 167,500,000)) was taken in Financial Year 2010-11 and carries interest @ 10.50% p.a. The loan is repayable in 46 monthly instalments of Rs. 73 Lacs each from March 2012 and 1 instalment is of Rs. 69 Lacs.*

v) *Term Loan from Bank of Maharashtra of Rs. 42 Crores (outstanding Rs. 251,866,043 (P.Y. Rs. 336,000,000)) was taken in parts till March 31, 2012 and carries interest @ 10.70% p.a. The loan is repayable in 20 quarterly instalments of Rs. 210 Lacs each from May 2013.*

vi) *Term Loan from Bank of Maharashtra of Rs. 16.85 Crores (outstanding Rs. 117,944,975 (P.Y. Rs. 151,649,000)) was taken in Financial Year 2012-13 and carries interest @ 10.50% p.a. The loan is repayable in 60 monthly instalments of Rs. 28.08 Lacs each from October 2013.*

vii) *Term Loan from Bank of Maharashtra of Rs. 42 Crores (outstanding Rs. 280,000,000 (P.Y. Rs. 336,000,000)) was taken in Financial Year 2012-13 and carries interest @ 10.25% p.a. The loan is repayable in 48 monthly instalments of Rs. 87.50 Lacs each from May 2013.*

viii) *Term Loan from EXIM Bank of USD 1 Million (outstanding Rs. 34,652,268 (P.Y. Rs. 36,460,000)) was taken in parts till March 31, 2014 and carries interest @ LIBOR + 475 b.p.s. p.a. The loan is repayable in 12 quarterly instalments of USD 0.83 Lacs each from March 2014.*

ix) *Corporate Term Loan from SBI of Rs. 30 Crores (outstanding Rs. 200,000,000 (P.Y. Rs. 200,000,000)) was taken in parts till March 31, 2014 and carries interest @ 10.80% p.a. The loan is repayable in 8 quarterly instalments of Rs. 250 Lacs each from June 2014.*

x) ***Nature of Security :*** *The Term Loans from Export Import Bank of India (EXIM Bank), Bank of Maharashtra (BOM) and HDFC Bank Limited 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, Amralevadi, 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, Amralevadi, 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 and 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, Amralevadi, Dist. Pune.*

xi) *Intercorporate Deposits are generally accepted for period of 3 years. Rate of Interest varies from 10 - 11.50% p.a.*

xii) *Fixed Deposits are generally accepted for period of 1 - 3 years. Rate of Interest varies from 9 - 11.50% p.a.*

xiii) *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 31-03-2014 Rs.	As at 31-03-2013 Rs.
4	**DEFERRED TAX LIABILITIES (NET)**			
	Deferred Tax Liabilities :			
	Depreciation		**368,362,634**	314,315,845
			368,362,634	314,315,845
	Deferred Tax Assets :			
	Expenditure accrued, allowable on actual payment		**20,204,541**	22,996,562
	Unabsorbed Depreciation		**-**	39,058,122
			20,204,541	62,054,684
	Deferred Tax Liabilities (Net)	Total ...	**348,158,093**	252,261,161
	Ref. Note No. 1 (xii) of Note No. 29			
5	**OTHER LONG-TERM LIABILITIES**			
	Security Deposits		**27,793,708**	27,811,160
		Total ...	**27,793,708**	27,811,160
6	**LONG-TERM PROVISIONS**			
	PROVISION FOR EMPLOYEE BENEFITS :			
	Pension *Ref. Note No. 1 (xi) and Note No. 5 (A) 2 (a) of Note No. 29* *For Current maturity Ref. Note No. 9 (d)*		**54,708,024**	52,871,082
		Total ...	**54,708,024**	52,871,082

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2014 Rs.	As at 31-03-2013 Rs.
	CURRENT LIABILITIES :		
7	**SHORT-TERM BORROWINGS**		
	LOANS REPAYABLE ON DEMAND :		
	FROM BANKS -		
	(a) SECURED LOANS :		
	Working Capital Borrowings *Ref. Note Nos. i) to xi) below*	**977,351,666**	698,712,776
	(b) UNSECURED LOANS :		
	Short-Term Loans *Ref. Note Nos. xii) to xix) below*	**492,500,000**	744,453,125
	Total ...	**1,469,851,666**	1,443,165,901

i) *Working Capital Loan (Cash Credit) Rs. 266,263,384 (P.Y. Rs. 119,245,994) from Bank of Maharashtra carries interest @ 11.25% p.a.*

ii) *Working Capital Loan (Cash Credit) Rs. 434,035,188 (P.Y. Rs. 165,709,098) from State Bank of India carries interest @ 10.90% p.a.*

iii) *Working Capital Loan (Cash Credit) Rs. 4,088,703 (Debit) (P.Y. Rs. 2,835,514) from Bank of Baroda carries interest @ 11.25% p.a.*

iv) *Working Capital Loan (Cash Credit) Rs. 10,723,487 (P.Y. Rs. 29,706,495) from HDFC Bank Limited carries interest @ 13.00% p.a.*

v) *Working Capital Loan (Cash Credit) Rs. 103,459,971 (P.Y. Rs. 53,425,326) from ICICI Bank Limited carries interest @ 11.50 % p.a.*

vi) *Working Capital Loan (PCFC) Rs. Nil (P.Y. Rs. 54,690,000) from Bank of Maharashtra carries interest @ LIBOR + 250 b.p.s. p.a. The Loan is repayable within 180 days from the date of borrowing.*

vii) *Working Capital Loan (PCFC) Rs. 90,660,000 (P.Y. Rs. Nil) from State Bank of India carries interest @ LIBOR + 180 b.p.s. p.a. The Loan is repayable within 90 days from the date of borrowing.*

viii) *Working Capital Loan (EPC) Rs. 76,298,339 (P.Y. Rs. Nil) from HSBC Limited carries interest @ 10.10% p.a. The Loan is repayable within 180 days from the date of borrowing.*

ix) *Working Capital Loan (Packing Credit (Post-shipment)) Rs. Nil (P.Y. Rs. 156,686,472) from Bank of Maharashtra carries interest @ 10.25% p.a. The Loan is repayable within 90 days from the date of borrowing.*

x) *Working Capital Loan (Packing Credit (Post-shipment)) Rs. Nil (P.Y. Rs. 116,413,877) from State Bank of India carries interest @ 9.70 % p.a. The Loan is repayable within 90 days from the date of borrowing.*

xi) ***Nature of Security :** Working Capital Borrowings from Bank of Maharashtra led Consortium Banks consisting of Bank of Maharashtra, State Bank of India, Bank of Baroda, ICICI Bank Limited, HDFC Bank Limited and The Hong Kong and Shanghai Banking Corporation Limited are secured by hypothecation of stock-in-trade, book debts and receivables. These are further secured by second charge on the immovable properties of the Company situated at Roha, Mahad, Dist. Raigad and Ambadvet, Amralewadi, Dist. Pune by creation of a joint registered mortgage.*

xii) *Short-Term Loan Rs. Nil (P.Y. Rs. 140,000,000) from State Bank of India carries interest @ 10.50% p.a. The Loan is repayable within 90 days from the date of borrowing.*

xiii) *Short-Term Loan Rs. 250,000,000 (P.Y. Rs. 300,000,000) from Bank of Maharashtra carries interest @ 10.50% p.a. The Loan is repayable within 90 days from the date of borrowing.*

xiv) *Short-Term Loan Rs. 82,500,000 (P.Y. Rs. Nil) from HSBC Limited carries interest @ 10.15% p.a. The Loan is repayable within 90 days from the date of borrowing.*

xv) *Short-Term Loan Rs. 80,000,000 (P.Y. Rs. Nil) from Bank of Baroda carries interest @ 10.50% p.a. The Loan is repayable within 90 days from the date of borrowing.*

xvi) *Short-Term Loan Rs. 80,000,000 (P.Y. Rs. Nil) from HDFC Bank Limited carries interest @ 10.30% p.a. The Loan is repayable within 90 days from the date of borrowing.*

xvii) *Buyer's Credit Loan Rs. Nil (P.Y. Rs. 205,062,913) from HSBC Limited carries interest @ LIBOR + 195 / 205 & 235 b.p.s. p.a. The Loan is repayable within 180 days from the date of borrowing.*

xviii) *Buyer's Credit Loan Rs. Nil (P.Y. Rs. 43,194,378) from Citibank N.A. carries interest @ LIBOR + 175 b.p.s. p.a. The Loan is repayable within 180 days from the date of borrowing.*

xix) *Buyer's Credit Loan Rs. Nil (P.Y. Rs. 56,195,834) from ICICI Bank Limited carries interest @ LIBOR + 170 b.p.s. p.a. The Loan is repayable within 180 days from the date of borrowing.*

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2014 Rs.	As at 31-03-2013 Rs.
8	**TRADE PAYABLES**		
	(a) Other than acceptances *Ref. Note No. 6 of Note No. 29*	**980,851,437**	974,048,399
	(b) Acceptances	**94,062,025**	41,610,766
	(c) Others		
	Trade Payables - For Capital Goods *Ref. Note No. 6 of Note No. 29*	**2,230,136**	1,604,340
	Total ...	**1,077,143,598**	1,017,263,505
9	**OTHER CURRENT LIABILITIES**		
	(a) Current maturities of long-term debt : *For Non-current maturity Ref. Note No. 3*		
	- Secured Loans from Banks :		
	HDFC Bank Limited	**96,000,000**	96,000,000
	Export - Import Bank of India (EXIM Bank)	**130,146,666**	124,557,500
	Bank of Maharashtra	**310,302,000**	283,598,000
	State Bank of India *For security & other terms Ref. Note Nos. i) to x) of Note No. 3*	**100,000,000**	-
	- Unsecured Loans :		
	Loans and Advances from Related Parties :		
	i) Intercorporate Deposits *Ref. Note No. xi) of Note No. 3*	**4,475,000**	450,000
	ii) Fixed Deposits		
	1) From Public	**5,600,000**	370,000
	2) From Shareholders *Ref. Note No. xii) of Note No. 3 & Note No. 8 of Note No. 29*	**10,880,000**	5,370,000
	Loans and Advances from Others :		
	i) Intercorporate Deposits *Ref. Note No. xi) of Note No. 3*	**15,000,000**	610,000
	ii) Fixed Deposits		
	1) From Public	**33,130,000**	30,705,000
	2) From Shareholders *Ref. Note No. xii) of Note No. 3 & Note No. 8 of Note No. 29*	**505,000**	2,820,000
	(b) Interest accrued but not due on borrowings :	**500,544**	1,015,014
	(c) Liability towards Investor Education and Protection Fund : (Under Section 205 C of the Companies Act, 1956)		
	Unclaimed Dividend	**3,005,129**	1,960,668
	Unclaimed Matured Fixed Deposits *Ref. Note No. 8 of Note No. 29*	**1,015,000**	145,000
	(d) Current maturities of employee benefits :		
	Pension *Ref. Note No. 1 (xi) & Note No. 5 (A) 2 (a) of Note No. 29* *For Non-current maturity Ref. Note No. 6*	**4,927,576**	3,582,234
	(e) Other payables :		
	Statutory Dues	**27,104,878**	23,621,685
	Other Liabilities	**351,399,603**	307,682,007
	Total ...	**1,093,991,396**	882,487,108

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2014 Rs.	As at 31-03-2013 Rs.
10	**SHORT-TERM PROVISIONS**		
	(a) PROVISION FOR EMPLOYEE BENEFITS :		
	Short-Term Compensated Absences *Ref. Note No. 1 (xi) of Note No. 29*	**46,020,976**	43,829,084
	(b) OTHERS :		
	i) Proposed Equity Dividend	**103,840,875**	86,534,063
	ii) Tax on Proposed Equity Dividend	**17,647,760**	14,706,470
	Total ...	**167,509,611**	145,069,617

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NON-CURRENT ASSETS :

FIXED ASSETS

Note No.	Description	GROSS BLOCK Balance As on 01-04-2013 Rs.	GROSS BLOCK Additions Rs.	GROSS BLOCK Deductions Rs.	GROSS BLOCK Balance As on 31-03-2014 Rs.	DEPRECIATION Balance As on 01-04-2013 Rs.	DEPRECIATION For the Year Rs.	DEPRECIATION Deductions Rs.	DEPRECIATION Balance As on 31-03-2014 Rs.	NET BLOCK Balance As on 31-03-2014 Rs.	NET BLOCK Balance As on 31-03-2013 Rs.
11	**TANGIBLE ASSETS :** *Ref. Note No. 24 of Note No. 29*										
	FREEHOLD LAND	**29,673,288**	-	-	**29,673,288**	-	-	-	-	**29,673,288**	**29,673,288**
		(29,673,288)	(-)	(-)	(29,673,288)	(-)	(-)	(-)	(-)	(29,673,288)	(29,673,288)
	LEASEHOLD LAND	**12,740,447**	-	-	**12,740,447**	**2,028,404**	**145,999**	-	**2,174,403**	**10,566,044**	**10,712,043**
		(12,740,447)	(-)	(-)	(12,740,447)	(1,882,405)	(145,999)	(-)	(2,028,404)	(10,712,043)	(10,858,042)
	BUILDINGS	**553,921,494**	**116,877,978**	-	**670,799,472**	**156,414,190**	**17,648,313**	-	**174,062,503**	**496,736,969**	**397,507,304**
		(454,514,566)	(99,406,928)	(-)	(553,921,494)	(143,457,514)	(12,956,676)	(-)	(156,414,190)	(397,507,304)	(311,057,052)
	PLANT & MACHINERY	**4,368,700,981**	**275,881,545**	**193,081,194**	**4,451,501,332**	**2,047,440,255**	**288,932,295**	**180,146,957**	**2,156,225,593**	**2,295,275,739**	**2,321,260,726**
		(3,359,411,347)	(1,015,525,065)	(6,235,431)	(4,368,700,981)	(1,858,912,359)	(194,242,104)	(5,714,208)	(2,047,440,255)	(2,321,260,726)	(1,500,498,988)
	VEHICLES	**45,273,380**	**15,671,994**	**9,493,410**	**51,451,964**	**17,320,492**	**4,269,317**	**4,326,115**	**17,263,694**	**34,188,270**	**27,952,888**
		(45,616,147)	(4,024,840)	(4,367,607)	(45,273,380)	(15,029,427)	(4,074,396)	(1,783,331)	(17,320,492)	(27,952,888)	(30,586,720)
	FURNITURE & FIXTURES	**39,918,458**	**958,678**	**216,710**	**40,660,426**	**17,932,443**	**2,363,931**	**66,844**	**20,229,530**	**20,430,896**	**21,986,015**
		(39,708,330)	(468,141)	(258,013)	(39,918,458)	(15,615,118)	(2,353,523)	(36,198)	(17,932,443)	(21,986,015)	(24,093,212)
	OFFICE EQUIPMENTS	**12,607,243**	**2,554,045**	**52,500**	**15,108,788**	**5,909,546**	**621,318**	**44,521**	**6,486,343**	**8,622,445**	**6,697,697**
		(12,118,595)	(488,648)	(-)	(12,607,243)	(5,358,794)	(550,752)	(-)	(5,909,546)	(6,697,697)	(6,759,801)
	FIXED ASSETS - R&D										
	BUILDINGS	**97,268,968**	-	-	**97,268,968**	**13,998,699**	**3,290,042**	-	**17,288,741**	**79,980,227**	**83,270,269**
		(96,510,888)	(758,080)	(-)	(97,268,968)	(10,732,787)	(3,265,912)	(-)	(13,998,699)	(83,270,269)	(85,778,101)
	PLANT & MACHINERY	**130,078,027**	**2,259,472**	**22,822**	**132,314,677**	**70,999,507**	**7,863,143**	**17,050**	**78,845,600**	**53,469,077**	**59,078,520**
		(110,773,695)	(19,304,332)	(-)	(130,078,027)	(64,236,797)	(6,762,710)	(-)	(70,999,507)	(59,078,520)	(46,536,898)
	FURNITURE & FIXTURES	**6,050,964**	-	-	**6,050,964**	**4,199,795**	**235,841**	-	**4,435,636**	**1,615,328**	**1,851,169**
		(6,050,964)	(-)	(-)	(6,050,964)	(3,859,237)	(340,558)	(-)	(4,199,795)	(1,851,169)	(2,191,727)
	Sub-Total	**5,296,233,250**	**414,203,712**	**202,866,636**	**5,507,570,326**	**2,336,243,331**	**325,370,199**	**184,601,487**	**2,477,012,043**	**3,030,558,283**	**2,959,989,919**
		(4,167,118,267)	(1,139,976,034)	(10,861,051)	(5,296,233,250)	(2,119,084,438)	(224,692,630)	(7,533,737)	(2,336,243,331)		
12	**INTANGIBLE ASSETS :** *Ref. Note No. 25 of Note No. 29*										
	COMPUTER SOFTWARES	**34,271,941**	**9,526,943**	-	**43,798,884**	**6,032,140**	**4,355,806**	-	**10,387,946**	**33,410,938**	**28,239,801**
		(21,702,367)	(12,569,574)	(-)	(34,271,941)	(2,819,124)	(3,213,016)	(-)	(6,032,140)	(28,239,801)	(18,883,243)
	TECHNICAL KNOW-HOW	**140,963,677**	**1,631,470**	-	**142,595,147**	**56,953,036**	**22,722,497**	-	**79,675,533**	**62,919,614**	**84,010,641**
		(139,117,676)	(1,846,001)	(-)	(140,963,677)	(34,559,369)	(22,393,667)	(-)	(56,953,036)	(84,010,641)	(104,558,307)
	REGISTRATIONS	**8,766,514**	**22,805,608**	-	**31,572,122**	**73,054**	**1,066,695**	-	**1,139,749**	**30,432,373**	**8,693,460**
		(-)	(8,766,514)	(-)	(8,766,514)	(-)	(73,054)	(-)	(73,054)	(8,693,460)	(-)
	Sub-Total	**184,002,132**	**33,964,021**	-	**217,966,153**	**63,058,230**	**28,144,998**	-	**91,203,228**	**126,762,925**	**120,943,902**
		(160,820,043)	(23,182,089)	(-)	(184,002,132)	(37,378,493)	(25,679,737)	(-)	(63,058,230)		
	TOTAL	**5,480,235,382**	**448,167,733**	**202,866,636**	**5,725,536,479**	**2,399,301,561**	**353,515,197**	**184,601,487**	**2,568,215,271**	**3,157,321,208**	**3,080,933,821**
		(4,327,938,310)	(1,163,158,123)	(10,861,051)	(5,480,235,382)	(2,156,462,931)	(250,372,367)	(7,533,737)	(2,399,301,561)		

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2014 Rs.		As at 31-03-2013 Rs.	
13	**NON-CURRENT INVESTMENTS**				
	Long-Term and Non-Trade Investments				
	(a) Investments in Equity Instruments (unquoted) :				
	Investments 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
	28,100 (Previous Year : 23,100) Equity shares of Euro 100 each fully paid-up in Sudarshan Europe B.V.		**190,897,415**		148,974,915
	(b) Investments in Preference Shares (unquoted) :				
	Investments in Subsidiaries :				
	390,000 (Previous Year : 400,000) 10% Non-cumulative, redeemable and with a right of call and put option, Preference shares of Rs. 100 each fully paid-up in Prescient Color Limited.		**39,000,000**		40,000,000
			289,897,415		248,974,915
	(c) Investments in Mutual Funds (quoted) :				
	Aggregate amount of quoted investments and market value thereof :				
	202,715.67 (Previous Year : 202,715.67) Units of Rs. 10 each in UTI Gilt Advantage-LTP-Dividend Payout Fund. *[Market Value Rs. 3,148,255 (Previous Year : Rs. 3,057,175)]*		**2,864,697**		2,864,697
			2,864,697		2,864,697
	Aggregate amount of quoted investments	**2,864,697**		2,864,697	
	Aggregate amount of unquoted investments	**289,897,415**		248,974,915	
	Total ...	**292,762,112**	**292,762,112**	251,839,612	251,839,612

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2014 Rs.	As at 31-03-2013 Rs.
14	**LONG-TERM LOANS AND ADVANCES**		
	Unsecured (Considered Good unless stated otherwise) :		
	(a) Capital Advances	**35,016,529**	47,583,214
	Considered doubtful	**3,000,000**	-
	Less : Provision for doubtful advances	**3,000,000**	-
		-	-
		35,016,529	47,583,214
	(b) Security Deposits :		
	Deposit with Government etc.	**21,651,845**	16,636,935
	Tender Deposit	**919,800**	847,562
	Deposit with Others	**5,077,532**	4,897,910
	(c) Other Loans and Advances :		
	Loan to Employees	**320,600**	302,450
	(d) MAT Credit Entitlement	**103,100,000**	95,000,000
		166,086,306	165,268,071
	(e) Income Tax Paid	**1,108,902,136**	1,220,401,330
	Less : Provision for Tax	**1,072,421,345**	1,175,600,000
	Income Tax Paid (Net)	**36,480,791**	44,801,330
	Total ...	**202,567,097**	210,069,401
15	**OTHER NON-CURRENT ASSETS**		
	Margin Money with Banks with maturity of more than 12 months *Ref. Note No. 18*	**2,500,000**	3,000,000
	Total ...	**2,500,000**	3,000,000
	CURRENT ASSETS :		
16	**INVENTORIES**		
	(a) Raw Materials	**402,671,141**	296,994,608
	Goods in Transit	**202,102,732**	-
	(b) Work-in-progress	**226,176,744**	340,919,441
	(c) Finished Goods	**651,359,645**	581,545,166
	Goods in Transit	**4,011,133**	10,930,651
	(d) Stores and Spares	**77,074,489**	96,190,567
	(e) Trading Goods	**39,529,629**	22,407,933
	(f) Packing Materials	**12,063,217**	11,133,900
	(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 ...	**2,113,438,730**	1,858,572,266

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2014 Rs.	As at 31-03-2013 Rs.
17	**TRADE RECEIVABLES**		
	Unsecured :		
	(a) Outstanding for a period exceeding six months from the due date (Considered good)	**59,221,636**	66,529,001
	Considered doubtful	**3,124,883**	3,589,656
	Less : Provision for doubtful debt	**3,124,883**	3,589,656
		-	-
	(b) Others (Considered good)	**2,586,281,312**	1,929,401,739
	Total ...	**2,645,502,948**	1,995,930,740
18	**CASH AND CASH EQUIVALENTS**		
	(a) Cash and Cash Equivalents		
	i) Cash on hand	**2,025,576**	2,386,602
	ii) In Current Accounts	**97,118,611**	174,135,974
	iii) Other Bank Balances (Original maturity between 3 - 12 months)		
	- Lien Account	**553**	15,502
	- Dividend Account	**3,005,129**	1,960,668
	- On Deposit Account	**-**	1,389,018
		102,149,869	179,887,764
	(b) Other Bank Balances (Original maturity More than 3 months)		
	i) Lien Account	**16,155,307**	14,838,919
	ii) Balances with banks to the extent held as margin money		
	- With remaining maturity less than 12 months	**3,000,000**	22,313,332
	- With remaining maturity more than 12 months	**2,500,000**	3,000,000
	Less : Amount disclosed under non-current assets *Ref. Note. No. 15*	**2,500,000**	3,000,000
		121,305,176	217,040,015
19	**SHORT-TERM LOANS AND ADVANCES**		
	Unsecured and considered good :		
	Loans and Advances to Related Parties	**63,718,242**	557,969,050
	Others:		
	Housing Loan to Employees	**117,325**	252,800
	Advances recoverable in cash or in kind or for value to be received	**41,377,591**	37,126,540
	Deposit with Excise, Customs etc.	**53,431,534**	48,986,210
	Total ...	**158,644,692**	644,334,600
20	**OTHER CURRENT ASSETS**		
	Export Incentives Receivable	**28,253,037**	9,495,351
	Service Tax Receivable	**14,036,861**	13,084,476
	VAT Refund Receivable	**194,527,037**	172,136,352
	Prepaid Expenses	**14,838,063**	15,085,860
	Contribution to Gratuity Fund (Advance) *Ref. Note No. 5 (A) 1 (c) of Note No. 29*	**19,312,474**	8,919,762
	Others	**13,543,472**	29,439,761
	Total ...	**284,510,944**	248,161,562

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	Particulars	Current Year Rs.		Previous Year Rs.	
21	**REVENUE FROM OPERATIONS**				
	(a) Sale of products	**10,995,899,471**		8,421,239,589	
	Less: Excise duty	**770,932,129**		619,149,981	
	Ref. Note. No. 13 of Note No. 29		**10,224,967,342**		7,802,089,608
	(b) Services rendered		**415,674**		395,442
	(c) Other operating revenues				
	Export Incentives (Net)	**23,204,628**		23,858,270	
	Miscellaneous Operating Income (Net of Excise Duty)	**17,914,292**		26,195,609	
			41,118,920		50,053,879
	Total ...		**10,266,501,936**		7,852,538,929
22	**OTHER INCOME**				
	(a) Interest Income				
	Interest earned on :				
	Bank Deposits		**3,811,972**		4,348,528
	Others		**12,405,427**		50,061,384
	[T.D.S. Rs. 1,130,738 (Previous Year : Rs. 2,153,717)]				
	(b) Other Non-Operating Income :				
	Miscellaneous Income		**30,601,659**		7,598,422
	Provision for diminution in the value of Long-term investments written back		**-**		205,000
	Provision for doubtful debts written back		**464,773**		496,055
	Foreign Exchange Difference (Net)		**-**		52,795,060
	Total ...		**47,283,831**		115,504,449

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	Particulars		Current Year Rs.	Previous Year Rs.
23	**COST OF MATERIALS CONSUMED**			
	Opening Stock		**296,994,608**	338,613,983
	Add : Purchases		**6,018,170,380**	4,478,512,015
			6,315,164,988	4,817,125,998
	Less : Closing Stock		**604,773,873**	296,994,608
		Total ...	**5,710,391,115**	4,520,131,390
	Ref. Note No. 14 of Note No. 29			
24	**COST OF GOODS TRADED**			
	Opening Stock		**22,407,933**	30,236,455
	Add : Purchases		**330,504,430**	290,746,508
			352,912,363	320,982,963
	Less : Closing Stock		**39,529,629**	22,407,933
		Total ...	**313,382,734**	298,575,030
25	**CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS**			
	Stocks at Commencement :			
	Finished Products		**592,475,817**	399,940,426
	Work-in-progress (Semi-finished Products)		**340,919,441**	209,900,657
			933,395,258	609,841,083
	Less :			
	Stocks at Close :			
	Finished Products		**655,370,778**	592,475,817
	Work-in-progress (Semi-finished Products)		**226,176,744**	340,919,441
			881,547,522	933,395,258
	Ref. Note No. 12 of Note No. 29	Total ...	**51,847,736**	(323,554,175)
26	**EMPLOYEE BENEFIT EXPENSE**			
	Salaries and Wages :			
	Other Than Research and Development		**540,791,570**	482,121,756
	For Research and Development *(Ref. Note No. 9 of Note No. 29)*		**51,011,702**	51,190,261
	Contribution to Provident and Other Funds		**30,911,257**	25,988,470
	Staff Welfare Expenses		**14,472,680**	10,850,940
	Gratuity *(Ref. Note No. 5 (A) 1 (d) of Note No. 29)*		**607,288**	21,120,977
	Pension *(Ref. Note No. 5 (A) 2 (b) of Note No. 29)*		**6,764,518**	10,769,902
		Total ...	**644,559,015**	602,042,306

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	Particulars	Current Year Rs.	Previous Year Rs.
27	**FINANCE COSTS**		
	(a) Interest expenses	**350,165,953**	290,335,511
	(b) Other borrowing costs	**2,955,432**	3,376,945
	(Includes Bank charges for Bank Guarantee, Loan Processing etc.)		
	(c) Foreign Exchange difference to the extent considered as borrowing cost	**22,844,979**	18,077,750
	Total ...	**375,966,364**	311,790,206
28	**OTHER EXPENSES**		
	Consumption of Stores and Spare parts *Ref. Note No. 16 of Note No. 29*	**185,360,282**	170,978,991
	Consumption of Packing Material	**124,410,366**	107,832,940
	Power and Fuel	**591,767,526**	548,075,437
	Water Charges	**91,134,493**	79,129,944
	Rent	**8,757,158**	8,312,002
	Repairs to Buildings	**51,870,795**	49,169,228
	Repairs to Plant and Machinery	**103,370,994**	81,184,257
	Repairs to Others	**5,302,905**	6,261,956
	Insurance	**14,806,605**	15,054,584
	Rates and Taxes (excluding taxes on income)	**10,314,464**	6,284,982
	Advertisement	**7,200,280**	9,867,121
	Auditors' Remuneration *(Ref. Note No. 7 of Note No. 29)*	**1,383,220**	1,658,490
	Bad Debts Written Off	**2,767,885**	2,308,485
	Provision for Doubtful Debts	**-**	1,389,757
	Provision for Doubtful Advances	**3,000,000**	-
	Bank Charges	**15,404,358**	13,194,167
	Export Market Development Expenses :		
	Commission on Exports	**26,327,637**	20,068,101
	Travelling, Postage, Forwarding, etc.	**92,393,503**	105,347,500
	Commission to Selling Agents	**202,340,230**	164,263,922
	Directors' Sitting Fees	**1,274,220**	1,117,306
	Discounts (Other Than Trade Discounts)	**112,011,470**	89,526,523
	Foreign Exchange Difference (Net)	**22,868,562**	-
	ERP / Computer related expenses	**12,614,180**	9,050,687
	Freight and Octroi	**14,035,989**	7,566,521
	General Expenses *(Ref. Note No. 26 of Note No. 29)*	**51,799,101**	32,825,809
	Legal, Professional and Consultancy Charges	**115,429,156**	117,778,557
	Licence Fees	**2,153,734**	2,767,991
	Loss on Sale / Disposal of Fixed Assets (Net)	**13,233,742**	1,481,219
	Printing, Stationery and Communication Expenses	**19,998,509**	19,763,049
	Sales Tax Surcharge / Turnover Tax	**8,347,241**	2,894,360
	Selling and Distribution Expenses	**55,459,301**	41,082,923
	Research and Development Expenses *(Ref. Note No. 9 of Note No. 29)* :		
	Stores, Spares and Consumables etc.	**18,554,920**	22,011,251
	Other Expenses	**26,624,248**	35,031,046
	Travelling and Conveyance	**31,343,118**	29,467,169
	Labour Charges	**220,940,645**	190,696,525
	Other Manufacturing Expenses	**51,248,160**	64,742,446
	Total ...	**2,315,848,997**	2,058,185,246

NOTE NO. 29 : NOTES TO THE FINANCIAL STATEMENTS

1. Significant Accounting Policies :

(i) Basis of Preparation :

The Financial Statements are prepared in accordance with the Generally Accepted Accounting Principles (GAAP) in India under the historical cost convention on an accrual basis, and are in conformity with mandatory accounting standards, as prescribed by the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of the Companies Act, 2013 and guidelines issued by the Securities and Exchange Board of India (SEBI).

The accounting policies have been consistently applied by the Company during the period and are consistent with those used in the 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 costs, including related borrowing costs, 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 an 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. Leasehold land is amortised over the lease period.

(b) The intangible assets are amortised over their useful economic life. Computer software, Technical know-how and Other registrations are amortised over 10 years, 3 to 5 years and 10 years respectively.

(v) Impairment of Assets :

The carrying amounts of Cash Generating Units / Assets are reviewed at the 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 and fair value.

(vii) Inventories :

Inventories are valued at lower of Cost and Net Realisable Value.

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

(b) The cost of Finished Goods and Work-in-progress (Semi-finished Goods) 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 a capital nature is added to Fixed Assets and depreciation is provided thereon. All other expenditure on Research and Development is charged to the 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. Monetary items 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 monetary items, 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 coincides 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 :

The 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 and also the Projected Terminal Salary at the time of exit. Actuarial Gains and Losses are recognized immediately in the Statement of Profit and Loss as income or expense, as the case may be. Obligation is measured as the Present Value of estimated future cash flows using a discount rate that is determined by reference to market yields as on 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 :

The Company has a pension scheme for their Executives, Directors, Presidents and Senior Vice-Presidents.

The Company meets the pension cost from the Company's revenue. The liability is provided for on the basis of an independent actuarial valuation using Projected Unit Credit Method.

(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 assets 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 Alternate 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) Provisions and Contingent Liabilities :

(a) A provision is recognized when the Company has a present obligation as a result of past events, 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) Earnings 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 the 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.

1 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.

2 Unallocated items -
Unallocated items include general corporate income and expense items which are not allocated to any business segment. Assets and liabilities which relate to the Company as a whole but are not allocable to segments on a reasonable basis, have been included under "Unallocable Assets / Liabilities".

3 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. 5,900,395** (Previous Year : Rs. 6,521,024).

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

(A) Excise Duty – **Rs. 7,183,604** (Previous Year : Rs. 8,488,600).

(B) Corporate Guarantee issued on behalf of the wholly owned subsidiary company Sudarshan Europe B.V. – **Euro 3,000,000** (Previous Year : Euro Nil).

(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 3,000,000).

(D) Income Tax – **Rs. 30,388,050** (Previous Year : Rs. 28,862,580).

(E) VAT – **Rs. 11,861,000** (Previous Year : Rs. 6,177,091).

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) :**

(A) **Pertaining to Defined Benefit Plans :**

1 **Gratuity**

	Particulars	As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
(a)	**Present value of the defined benefit obligation :**		
	Obligations at period beginning	**141,936,812**	128,751,390
	Service cost	**7,156,205**	7,767,080
	Acquisition adjustment	**–**	–
	Interest cost	**10,466,057**	10,109,472
	Past service cost	**–**	–
	Curtailment cost / (credit)	**–**	–
	Settlement cost / (credit)	**–**	–
	Actuarial (gain) / loss	**(4,589,769)**	14,941,729
	Benefits paid	**(28,603,948)**	(19,632,859)
	Obligations at period end	**126,365,357**	141,936,812
(b)	**Fair value of plan assets :**		
	Plans assets at period beginning, at fair value	**150,856,574**	136,940,239
	Expected return on plan assets	**12,784,914**	12,424,478
	Acquisition adjustment	**–**	–
	Actuarial gain / (loss)	**(359,709)**	(727,174)
	Contributions	**11,000,000**	21,132,581
	Benefits paid	**(28,603,948)**	(18,913,550)
	Plans assets at period end, at fair value	**145,677,831**	150,856,574
	Actual returns on plan assets	**12,425,205**	11,697,304
(c)	**Assets and liabilities recognized in the Balance Sheet :**		
	Fair value of the plan assets at the end of the year	**145,677,831**	150,856,574
	Present value of the defined benefit obligations at the end of the period	**126,365,357**	141,936,812
	Asset / (liability) recognized in the Balance Sheet	**19,312,474**	8,919,762
(d)	**Expense recognized in the Statement of Profit and Loss :**		
	Current service cost	**7,156,205**	7,767,080
	Past service cost	**–**	–
	Interest cost	**10,466,057**	10,109,472
	Expected return on plan assets	**(12,784,914)**	(12,424,478)
	Curtailment cost / (credit)	**–**	–
	Settlement cost / (credit)	**–**	–
	Actuarial (gain) / loss	**(4,230,060)**	15,668,903
	Net gratuity cost	**607,288**	21,120,977
(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 31st March, 2014	As at 31st March, 2013
(f)	**Summary of Actuarial Assumptions :**		
	Discount Rate	**9.20%**	8.20%
	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)	**14.35**	14.60

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 * :	As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
	On plan liability (loss) / gain	**(6,223,441)**	(12,072,291)	(4,554,315)	–
	On plan asset (loss) / gain	**(359,709)**	(727,174)	(24,680)	–
	Present value of benefit obligation	**126,365,357**	141,936,812	128,751,390	124,628,825
	Fair value of plan assets	**145,677,831**	150,856,574	136,940,239	127,024,258
	Surplus / (deficit)	**19,312,474**	8,919,762	8,188,849	2,395,433

* Data as per actuary is available only for current year and previous three years.

2 Pension

	Particulars	Current Year Rs.	Previous Year Rs.
(a)	**Reconciliation of PBO :**		
	Projected Benefit Obligation at beginning of the year	**56,453,316**	48,254,384
	Current service cost	**233,777**	515,858
	Interest cost	**4,391,679**	3,778,146
	Contributions by plan participation	**–**	–
	Actuarial (gain) / loss due to change in assumptions	**2,139,062**	6,475,898
	Benefits paid	**(3,582,234)**	(2,570,970)
	Past service cost	–	–
	Amalgamations	–	–
	Curtailments	–	–
	Settlements	–	–
	Projected Benefit Obligation at end of the year	**59,635,600**	56,453,316
	Includes Current maturity Rs. 4,927,576 (Previous Year : Rs. 3,582,234)		
(b)	**Statement of Profit and Loss**		
	Current service cost	**233,777**	515,858
	Interest cost	**4,391,679**	3,778,146
	Expected return on plan asset	–	–
	Net actuarial (gain) / loss to be recognised in the year	**2,139,062**	6,475,898
	Past service cost	–	–
	Effect of Curtailments	–	–
	(Income)/Expense recognised in the Statement of Profit and Loss	**6,764,518**	10,769,902

(B) Pertaining to Defined Contribution Plans :

	Particulars	As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
(a)	**Expected contribution to the fund in the next year :**		
	Gratuity	**24,859,390**	23,233,075
	Superannuation	**4,226,288**	3,949,802
	Provident fund	**29,564,723**	27,630,582
(b)	**Defined contribution plans :**		
	Provident fund paid to the authorities	**28,550,887**	25,118,711

6. **Trade Payables (Creditors) :**

(A) Outstanding to creditors other than Micro, Small and Medium Enterprise : **Rs. 1,077,143,598** (Previous Year : Rs. 1,017,263,505) (Interest Paid / Payable is **Rs. Nil** (Previous Year : Rs. Nil)).

(B) Outstanding to Micro, Small and 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 :

		31-03-2014 Rs.	31-03-2013 Rs.
(a)	Principal amount due	**Nil**	Nil
(b)	Interest paid under MSMED Act, 2006	**Nil**	Nil
(c)	Interest due	**448,614**	385,310
(d)	Interest accrued and due	**Nil**	Nil
(e)	Interest due and payable till actual payment	**448,614**	385,310

7. **Auditors' Remuneration :**

		Current Year Rs.	Previous Year Rs.
(a)	Audit Fees	**600,000**	540,000
(b)	Tax Audit Fees	**180,000**	180,000
(c)	Other Services –		
	Certification and Limited Review	**460,000**	795,000
	Stock Verification	**120,000**	120,000
(d)	Reimbursement of Expenses	**23,220**	23,490
	Total ...	**1,383,220**	1,658,490

8. **Fixed Deposits :**

(Accepted under Section 58A of the Companies Act, 1956)

		31-03-2014 Rs.	31-03-2013 Rs.
(a)	Fixed Deposits with Maturity less than 12 months	**50,115,000**	39,265,000
(b)	Fixed Deposits with Maturity more than 12 months	**503,990,000**	279,780,000
(c)	Unclaimed Matured Fixed Deposits	**1,015,000**	145,000
	Total ...	**555,120,000**	319,190,000

9. **Research and Development Expenditure :**

This includes expenditure incurred by the Company on in-house research and development in respect of eligible facilities at Roha and Pune, approved by the Department of Scientific & Industrial Research, Ministry of Science and Technology.

Ref. Note No. 26 and Note No. 28

		31-03-2014 Rs.	31-03-2013 Rs.
(a)	Revenue Expenditure		
	Roha Unit	**20,846,108**	21,130,074
	Pune Unit	**75,344,762**	87,102,484
	Total ...	**96,190,870**	108,232,558
(b)	Capital Expenditure		
	Roha Unit	**1,567,128**	6,811,782
	Pune Unit	**692,344**	13,250,630
	Total ...	**2,259,472**	20,062,412

10. Segment Reporting :

Particulars		Year Ended 31-03-2014 Rs.	Year Ended 31-03-2013 Rs.
(A) Primary Segment Information :			
1 Segment Revenue			
(a) Pigments		**9,166,828,163**	6,966,826,487
(b) Agro Chemicals		**1,099,673,773**	885,712,442
	Total ...	**10,266,501,936**	7,852,538,929
Less : Inter-segment revenue		**–**	–
Net Sales / Income from Operations		**10,266,501,936**	7,852,538,929
2 Segment Results			
Profit / (Loss) before tax			
(a) Pigments		**1,057,721,726**	772,394,917
(b) Agro Chemicals		**77,334,224**	45,309,895
	Total ...	**1,135,055,950**	817,704,812
Less : i. Finance Cost		**375,966,364**	311,790,206
ii. Other Unallocable Expenditure (Net of Unallocable Income)		**210,814,977**	255,413,598
Profit Before Tax		**548,274,609**	250,501,008
Less : Tax Expense		**204,096,932**	39,950,992
Profit After Tax		**344,177,677**	210,550,016
3 Other information			
Segment assets (*)			
(a) Pigments		**6,701,748,456**	6,564,092,238
(b) Agro Chemicals		**311,944,305**	255,697,955
(c) Unallocated		**1,529,281,793**	1,417,520,700
	Total ...	**8,542,974,554**	8,237,310,893
Segment liabilities			
(a) Pigments		**1,138,102,643**	1,125,717,033
(b) Agro Chemicals		**193,316,274**	197,687,802
(c) Unallocated		**354,880,048**	229,805,978
	Total ...	**1,686,298,965**	1,553,210,813
(*) Does not include leasehold rights at Pune, treated as stock-in-trade.			
4 Capital Expenditure			
(a) Pigments		**66,544,100**	1,157,598,923
(b) Agro Chemicals		**4,785,124**	–
(c) Unallocated		**213,831,280**	63,971,520
	Total ...	**285,160,504**	1,221,570,443
5 Depreciation			
(a) Pigments		**283,335,458**	186,164,128
(b) Agro Chemicals		**5,276,178**	5,538,564
(c) Unallocated		**64,903,561**	58,669,675
	Total ...	**353,515,197**	250,372,367

	Particulars		Year Ended 31-03-2014 Rs.	Year Ended 31-03-2013 Rs.
(B)	**Secondary Segment Disclosures :**			
	1 Revenue from External Customers			
	(a) Indigenous		**5,848,308,066**	4,813,830,194
	(b) Exports (including export incentives)		**4,418,193,870**	3,038,708,735
		Total...	**10,266,501,936**	7,852,538,929
	2 Carrying amount of Assets			
	(a) In India		**7,523,513,893**	7,225,070,060
	(b) Outside India		**1,517,910,661**	1,510,690,833
		Total...	**9,041,424,554**	8,735,760,893
	3 Capital Expenditure			
	(a) In India		**285,160,504**	1,221,570,443
	(b) Outside India		**–**	–
		Total...	**285,160,504**	1,221,570,443

11. Related Party Disclosures :

List of Related Parties and description of relationship :

(a) Key Management Personnel : Mr. K.L.Rathi (Retired on 26th October, 2013)
Mr. P.R.Rathi
Mr. R.B.Rathi
Mr. A.V.Vij

(b) 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
Mrs. R.R.Agarwal	–	Daughter of Mr. P.R.Rathi

(c) Subsidiary Companies : Prescient Color Limited
Sudarshan Europe B.V.
Sudarshan North America, Inc. (Step-down subsidiary of Sudarshan, India)

(d) Entities in which Key Management Personnel and / or their relatives exercise significant influence (SKMP) :
Rathi Brothers Poona Limited
Rathi Brothers Madras Limited
Rathi Brothers Calcutta Limited
Rathi Brothers Delhi Limited
Manan Rathi Trust
Balkrishna Rathi Finance Private Limited
PRR Finance Private Limited
Laxminarayan Finance Private Limited
Marathwada Chemical Industries Private Limited
RIECO Industries Limited
Rathi Vessels & Systems Private Limited

Transactions with Related Parties :

Nature of transactions	2013 - 14				2012 - 13			
	Key Management Personnel	**Relatives of Key Management Personnel**	**Subsidiary Companies**	**SKMP***	Key Management Personnel	Relatives of Key Management Personnel	Subsidiary Companies	SKMP*
	Rs.	**Rs.**	**Rs.**	**Rs.**	Rs.	Rs.	Rs.	Rs.
● **Salary, Pension, Reimbursement of expenses etc. :**								
Mr. K.L.Rathi	**9,221,178**	**–**	**–**	**–**	9,682,162	–	–	–
Mr. P.R.Rathi	**16,647,688**	**–**	**–**	**–**	10,885,235	–	–	–
Mr. R.B.Rathi	**14,768,954**	**–**	**–**	**–**	7,476,942	–	–	–
Ms. Christine Gehres	**–**	**–**	**–**	**–**	19,357,004	–	–	–
Mr. A.V.Vij	**6,409,363**	**–**	**–**	**–**	6,094,724	–	–	–
Mr. R.P.Rathi	**–**	**2,483,158**	**–**	**–**	–	2,153,742	–	–
Mrs. K.B.Rathi	**–**	**1,127,357**	**–**	**–**	–	1,024,870	–	–
● **Interest paid / payable :**								
Mr. P.R.Rathi	**55,082**	**–**	**–**	**–**	140,000	–	–	–
Mr. K.L.Rathi	**619,581**	**–**	**–**	**–**	476,212	–	–	–
Mrs. K.R.Rathi	**–**	**160,000**	**–**	**–**	–	326,564	–	–
Mr. R.P.Rathi	**–**	**311,855**	**–**	**–**	–	266,654	–	–
Mrs. A.K.Rathi	**–**	**269,015**	**–**	**–**	–	208,708	–	–
Mrs. S.P.Rathi	**–**	**241,148**	**–**	**–**	–	486,408	–	–
Mrs. R.R.Agarwal	**–**	**350,000**	**–**	**–**	–	260,461	–	–
Manan Rathi Trust	**–**	**–**	**–**	**345,000**	–	–	–	312,705
Rathi Brothers Poona Ltd.	**–**	**–**	**–**	**878,251**	–	–	–	731,524
Rathi Brothers Madras Ltd.	**–**	**–**	**–**	**439,089**	–	–	–	436,725
Rathi Brothers Calcutta Ltd.	**–**	**–**	**–**	**55,999**	–	–	–	71,268
Rathi Brothers Delhi Ltd.	**–**	**–**	**–**	**1,309,726**	–	–	–	1,120,519
Balkrishna Rathi Finance Pvt. Ltd.	**–**	**–**	**–**	**5,175,097**	–	–	–	3,222,629
PRR Finance Pvt. Ltd.	**–**	**–**	**–**	**5,579,204**	–	–	–	5,753,840
Laxminarayan Finance Pvt. Ltd.	**–**	**–**	**–**	**1,043,956**	–	–	–	1,133,928
Others	**–**	**–**	**–**	**607,111**	–	67,500	–	683,803
● **Acceptance of Deposits :**								
Mr. K.L.Rathi	**2,500,000**	**–**	**–**	**–**	3,500,000	–	–	–
Mrs. A.K.Rathi	**–**	**2,500,000**	**–**	**–**	–	400,000	–	–
Mr. R.P.Rathi	**–**	**2,400,000**	**–**	**–**	–	500,000	–	–
Mrs. S.P.Rathi	**–**	**–**	**–**	**–**	–	1,900,000	–	–
Rathi Brothers Poona Ltd.	**–**	**–**	**–**	**15,550,000**	–	–	–	15,750,000
Rathi Brothers Madras Ltd.	**–**	**–**	**–**	**2,950,000**	–	–	–	3,400,000
Rathi Brothers Delhi Ltd	**–**	**–**	**–**	**10,750,000**	–	–	–	10,000,000
Balkrishna Rathi Finance Pvt. Ltd.	**–**	**–**	**–**	**8,000,000**	–	–	–	34,300,000
Others	**–**	**–**	**–**	**4,840,000**	–	5,100,000	–	43,655,000
● **Repayments of Deposits :**								
Mr. P.R.Rathi	**1,400,000**	**–**	**–**	**–**	–	–	–	–
Mr. K.L.Rathi	**1,170,000**	**–**	**–**	**–**	3,500,000	–	–	–
Mrs. S.P.Rathi	**–**	**1,300,000**	**–**	**–**	–	6,290,000	–	–
Mr. R.P.Rathi	**–**	**2,400,000**	**–**	**–**	–	420,000	–	–
Rathi Brothers Poona Ltd.	**–**	**–**	**–**	**23,550,000**	–	–	–	13,150,000
Rathi Brothers Delhi Ltd.	**–**	**–**	**–**	**15,350,000**	–	–	–	6,350,000
Laxminarayan Finance Pvt. Ltd.	**–**	**–**	**–**	**13,000,000**	–	–	–	5,200,000
PRR Finance Pvt. Ltd.	**–**	**–**	**–**	**34,400,000**	–	–	–	1,100,000
Balkrishna Rathi Finance Pvt. Ltd.	**–**	**–**	**–**	**13,000,000**	–	–	–	–
Others	**–**	**–**	**–**	**8,360,000**	–	14,290,000	–	9,235,000
● **Sale of Fixed Asset:**								
Mr. K.L.Rathi	**22,222**	**–**	**–**	**–**	–	–	–	–
Mr. P.R.Rathi	**17,850**	**–**	**–**	**–**	–	–	–	–
Prescient Color Ltd.	**–**	**–**	**1,543,269**	**–**	–	–	–	–
● **Sale of Chemicals :**								
Sudarshan Europe B.V.	**–**	**–**	**1,207,301,993**	**–**	–	–	854,874,883	–
Prescient Color Ltd.	**–**	**–**	**10,378,175**	**–**	–	–	10,965,613	–
Sudarshan North America, Inc.	**–**	**–**	**335,806,062**	**–**	–	–	248,039,330	–
Marathwada Chemical Inds. Pvt.Ltd.	**–**	**–**	**–**	**1,154,983**	–	–	–	1,648,961
● **Purchase of Goods :**								
Sudarshan Europe B. V.	**–**	**–**	**2,880,886**	**–**	–	–	6,269,143	–
RIECO Industries Ltd.	**–**	**–**	**–**	**3,811,816**	–	–	–	25,482,812
Marathwada Chemical Inds. Pvt.Ltd.	**–**	**–**	**–**	**10,476,937**	–	–	–	11,832,193
● **Car lease rent received :**								
Prescient Color Ltd.	**–**	**–**	**231,000**	**–**	–	–	252,000	–

Nature of transactions	2013 - 14				2012 - 13			
	Key Management Personnel	Relatives of Key Management Personnel	Subsidiary Companies	SKMP*	Key Management Personnel	Relatives of Key Management Personnel	Subsidiary Companies	SKMP*
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
● **Subscription to Share Capital :**								
Sudarshan Europe B.V.	–	–	41,922,500	–	–	–	–	–
● **Proceeds from Redemption of Preference Share Capital :**								
Prescient Color Ltd.	–	–	1,000,000	–	–	–	–	–
● **Unsecured Loans given :**								
Sudarshan Europe B.V.	–	–	46,225,582	–	–	–	374,207,728	–
Prescient Color Ltd.	–	–	364,000,000	–	–	–	123,937,158	–
● **Unsecured Loans repayments received :**								
Sudarshan Europe B.V.	–	–	491,126,390	–	–	–	154,556,234	–
Prescient Color Ltd.	–	–	413,350,000	–	–	–	214,087,158	–
● **Interest received / accrued :**								
Sudarshan Europe B.V.	–	–	7,247,548	–	–	–	31,823,289	–
Prescient Color Ltd.	–	–	2,237,105	–	–	–	11,083,828	–
● **Commission on Sales :**								
Rathi Brothers Calcutta Ltd.	–	–	–	4,885,988	–	–	–	4,840,043
Rathi Brothers Delhi Ltd.	–	–	–	20,786,402	–	–	–	16,608,618
Rathi Brothers Madras Ltd.	–	–	–	6,051,117	–	–	–	6,812,854
Rathi Brothers Poona Ltd.	–	–	–	34,892,464	–	–	–	29,530,779
● **Management Consultancy fees received :**								
Prescient Color Ltd.	–	–	408,000	–	–	–	393,400	–
● **Rent received :**								
Prescient Color Ltd.	–	–	336,312	–	–	–	336,312	–
RIECO Industries Ltd.	–	–	–	1,186,920	–	–	–	1,186,920
Rathi Vessels & Systems Private Ltd.	–	–	–	726,276	–	–	–	726,276
Rathi Brothers Poona Ltd.	–	–	–	319,620	–	–	–	319,620
● **Corporate Guarantee issued :**								
Sudarshan North America Inc.	–	–	–	–	–	–	1.5 Mn USD	–
Sudarshan Europe B.V.	–	–	3 Mn EUR	–	–	–	–	–
● **Reimbursement of Expenses :**								
Sudarshan Europe B.V.	–	–	2,697,860	–	–	–	196,630	–
Prescient Color Ltd.	–	–	82,697	–	–	–	236,737	–
Sudarshan North America, Inc.	–	–	(2,190,464)	–	–	–	(17,924,452)	–
● **Balance outstanding at year end :**								
- **Customer / Vendor Account**								
Prescient Color Ltd.	–	–	2,731,205	–	–	–	1,742,512	–
Sudarshan Europe B.V.	–	–	437,218,620	–	–	–	257,737,279	–
Sudarshan North America, Inc.	–	–	116,860,654	–	–	–	(2,585,357)	–
RIECO Industries Ltd.	–	–	–	2,325,756	–	–	–	1,096,348
Rathi Vessels & Systems Private Ltd.	–	–	–	1,468,846	–	–	–	734,423
Marathwada Chemical Inds. Pvt.Ltd.	–	–	–	(1,433,107)	–	–	–	(560,406)
- **Loan given**								
Prescient Color Ltd.	–	–	–	–	–	–	49,350,000	–
Sudarshan Europe B.V.	–	–	63,718,242	–	–	–	508,619,050	–
- **Corporate guarantee**								
Sudarshan North America Inc.	–	–	3 Mn USD	–	–	–	3 Mn USD	–
Sudarshan Europe B.V.	–	–	3 Mn EUR	–	–	–	–	–
- **Deposits**								
Mr. K.L.Rathi	2,500,000	–	–	–	–	–	–	–
Mrs. A.K.Rathi	–	2,500,000	–	–	–	–	–	–
Mr. R.P.Rathi	–	2,400,000	–	–	–	–	–	–
Smriti Trust	–	–	–	960,000	–	–	–	–
Tanvi Trust	–	–	–	1,220,000	–	–	–	–
PRR Finance Pvt. Ltd.	–	–	–	74,400,000	–	–	–	40,000,000
Balkrishna Rathi Finance Pvt. Ltd.	–	–	–	53,000,000	–	–	–	48,000,000
Others	–	–	–	46,275,000	–	–	–	18,825,000
- **Salary and Commission**								
Mr. K.L.Rathi	7,166,631	–	–	–	3,966,631	–	–	–
Mr. P.R.Rathi	9,947,445	–	–	–	4,447,445	–	–	–
Mr. R.B.Rathi	8,537,674	–	–	–	3,037,674	–	–	–

* Entities in which Key Management Personnel and / or their relatives exercise significant influence

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

		As at 31st March, 2014	As at 31st March, 2013
(a) Finished Products :		**Value Rs.**	Value Rs.
(i) Inorganic Pigments		**157,326,048**	156,915,293
(ii) Organic Pigments		**428,345,813**	393,663,913
(iii) Intermediates		**3,194,802**	65,391
(iv) Pesticides (100%)		**66,504,115**	41,831,220
	Total...	**655,370,778**	592,475,817
(b) Semi-finished Products (Work-in-progress) :			
(i) Inorganic Pigments		**61,528,935**	82,357,888
(ii) Organic Pigments		**156,997,287**	242,102,642
(iii) Intermediates		**1,946,456**	12,869,174
(iv) Pesticides (100%)		**5,704,066**	3,589,737
	Total...	**226,176,744**	340,919,441

13. Sales (Net of Excise Duty) :

		Current Year Rs.	Previous Year Rs.
(i) Inorganic Pigments		**2,357,701,791**	1,816,615,627
(ii) Organic Pigments		**6,767,720,110**	5,083,253,706
(iii) Intermediates		**–**	16,342,863
(iv) Pesticides (100%)		**679,001,167**	506,394,833
(v) Trading Sales		**420,544,274**	379,482,579
	Total...	**10,224,967,342**	7,802,089,608

14. Raw Materials Consumed :

		Current Year Rs.	Previous Year Rs.
(i) Litharge and Lead Metal		**324,627,591**	207,411,124
(ii) Sodium Bichromate		**96,182,431**	86,965,079
(iii) Organo Phosphorous Intermediates		**133,999,800**	112,343,407
(iv) C P C Blue		**102,119,170**	62,902,833
(v) C Acid		**96,239,451**	52,079,203
(vi) Others		**4,957,222,672**	3,998,429,744
	Total...	**5,710,391,115**	4,520,131,390

15. Value of Imported and Indigenous Raw Materials consumed during the year :

		Rs.	% to Total Consumption
(a) Value of Imported Raw Materials including duty, handling, clearance charges etc.		**1,510,991,989** (1,106,996,506)	**26%** (25%)
(b) Value of Indigenous Raw Materials		**4,199,399,126** (3,413,134,884)	**74%** (75%)
	Total...	**5,710,391,115** (4,520,131,390)	**100%** (100%)

16. Value of Imported and Indigenous Stores, Spares and Components consumed during the year :

	Rs.	% to Total Consumption
(a) Value of Imported Stores, Spares and Components including duty, handling, clearance charges etc.	**12,402,619**	**7%**
	(84,425,213)	(49%)
(b) Value of Indigenous Stores, Spares and Components	**172,957,663**	**93%**
	(86,553,778)	(51%)
Total...	**185,360,282**	**100%**
	(170,978,991)	(100%)

17. Expenditure / Payments in Foreign Currencies on Account of :

	Current Year Rs.	Previous Year Rs.
(a) Commission	**21,904,094**	6,878,741
(b) Foreign Travel	**10,526,310**	12,690,612
(c) Interest	**4,349,568**	1,556,056
(d) Legal and Professional Charges	**66,931,325**	76,632,657
(e) Others	**28,238,648**	44,547,937
Total...	**131,949,945**	142,306,003

18. C.I.F. Value of Imports :

	Current Year Rs.	Previous Year Rs.
(a) Raw Materials (including through Canalising Agencies)	**2,033,985,501**	1,316,967,163
(b) Stores and Components	**13,729,689**	74,831,052
(c) Capital Goods	**210,496**	76,228,772
Total...	**2,047,925,686**	1,468,026,987

19. Remittances during the year in foreign currencies on account of dividend to non-resident shareholders were as follows :

	Current Year	Previous Year
Number of Shareholders	**1**	1
Number of Equity Shares (Shares of Rs. 10 each)	**557,989**	557,989
Amount remitted for the year (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 :

	Current Year Rs.	Previous Year Rs.
(a) Export of goods on F.O.B. Basis (inclusive of exports of Export House)	**4,394,989,243**	3,014,850,465
(b) Others	**7,247,548**	31,823,289
Total...	**4,402,236,791**	3,046,673,754

21. Hedged / Un-hedged Foreign Exposure :

The following currency transactions remain outstanding :

(A) Un-hedged Exposure

Nature	Currency	As at 31-03-2014 Rs.	As at 31-03-2013 Rs.
Export Receivables	EURO	**30,618,221**	113,745,663
Export Receivables	USD	**778,896,106**	486,795,252
Export Receivables	GBP	**–**	3,067,752
Import Payables	USD	**203,633,355**	99,263,104
Import Payables	EURO	**805,041**	–
Packing Credit (Pre-shipment)	USD	**90,660,000**	54,765,000
Post-shipment Export Finance	EURO	**–**	80,374,270
Post-shipment Export Finance	USD	**–**	192,728,716
EXIM Bank Term Loan	USD	**54,798,933**	40,601,250
Buyer's Credit	USD	**–**	304,453,125
Loan to Sudarshan Europe B.V.	USD	**41,657,000**	18,182,500
Loan to Sudarshan Europe B.V.	EURO	**22,061,265**	345,525,923

(B) Hedged Exposure (Forward Exchange Contracts)

Nature	Currency	As at 31-03-2014 Rs.	As at 31-03-2013 Rs.
Export Receivables	EURO	**387,774,399**	279,745,803
Export Receivables	USD	**69,311,702**	92,646,937

22. Earnings per Share (EPS) :

Sr. No.	Particulars	31-03-2014	31-03-2013
(A)	Net Profit / Amount attributable to equity shareholders (Rs.)	**344,177,677**	210,550,016
(B)	Weighted average no. of shares	**6,922,725**	6,922,725
(C)	Earnings per share basic and diluted (Rs.)	**49.72**	30.41
(D)	Face value per equity share (Rs.)	**10**	10

23. Managerial Remuneration :

(Amount in Rs.)

	Mr. K.L.Rathi Chairman	Mr. P.R. Rathi Vice Chairman and Managing Director	Mr. R.B.Rathi Deputy Managing Director
Salary and Other Allowances	**4,827,598** (7,560,000)	**8,835,888** (8,400,000)	**7,688,556** (5,628,000)
Contribution to Provident Fund and Other Funds	**914,166** (1,458,000)	**1,879,200** (1,620,000)	**1,280,772** (1,085,400)
Other Perquisites	**279,414** (664,162)	**432,600** (865,235)	**299,626** (763,542)
Commission	**3,200,000** (–)	**5,500,000** (–)	**5,500,000** (–)
Total...	**9,221,178** (9,682,162)	**16,647,688** (10,885,235)	**14,768,954** (7,476,942)

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) Employee Cost	**2,003,270**	3,004,323
(C) Borrowing Cost	**3,995,790**	38,184,551
Total...	**5,999,060**	117,096,716

25. Intangibles – disclosure as per AS - 26 :

Asset	Remaining amortization	Carrying amount Rs.
Computer Software	**7 years** (8 years)	**33,410,938** (28,239,801)
Technical Know-how	**3 years** (4 years)	**62,919,614** (84,010,641)
Registrations	**8 years** (9 years)	**30,432,373** (8,693,460)
Total...		**126,762,925** (120,943,902)

26. General expenses include donation to Political Party (Nationalist Congress Party) **Rs. 2,500,000** (Previous Year : Rs. Nil)

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

PRASAD PARANJAPE
Partner
Membership No.:047296

Pune : *23rd May, 2014*

For and on behalf of the Board of Directors

K.L.RATHI
Chairman

P.R.RATHI
Vice-Chairman &
Managing Director

R.B.RATHI
Deputy
Managing Director

N.J.RATHI
Director

P.S.RAGHAVAN
Company Secretary

Pune : *23rd May, 2014*

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	01-04-2013 to 31-03-2014	01-04-2013 to 31-03-2014	01-04-2013 to 31-03-2014
3	(a) No. of shares held in subsidiary company as at 31st March, 2014:			
	- Equity	6,000,000 shares of Rs. 10 each	28,100 shares of EURO 100 each (Equivalent to Rs. 190,897,415)	50,005 shares of US$ 0.01 each (Equivalent to Rs. 97,858,688)
	- Preference	390,000 shares of Rs. 100 each	Nil	Nil
	(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 2013-14	Rs. 37,527,321 Profit	Rs. 1,860,682 Loss	Rs. 789,315 Loss
	(b) For the previous financial years since it became the holding company's subsidiary	Rs. 20,257,383 Loss	Rs. 77,229,509 Loss	Rs. 66,413,532 Loss
	(ii) Dealt with in the holding company's accounts :			
	(a) Of the subsidiary for the year 2013-14	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. 99,000,000	Rs. 190,897,415	Rs. 97,858,688
	(b) Reserves	Rs. 17,269,938	Nil	Nil
	(c) Total assets	Rs. 351,055,099	Rs. 828,016,999	Rs. 174,231,585
	(d) Total liabilities	Rs. 351,055,099	Rs. 828,016,999	Rs. 174,231,585
	(e) Investments	Nil	Rs. 97,858,688	Nil
	(f) Turnover	Rs. 699,883,155	Rs. 1,395,789,865	Rs. 477,153,203
	(g) Profit / (Loss) before taxation	Rs. 37,527,321	Rs. (1,860,682)	Rs. (789,315)
	(h) Provision for taxation	Nil	Nil	Nil
	(i) Profit / (Loss) after taxation	Rs. 37,527,321	Rs. (1,860,682)	Rs. (789,315)
	(j) Proposed dividend	Nil	Nil	Nil

For and on behalf of the Board of Directors

K.L.RATHI
Chairman

P.R.RATHI
Vice Chairman & Managing Director

R.B.RATHI
Deputy Managing Director

N.J.RATHI
Director

P.S.RAGHAVAN
Company Secretary

Pune : 23rd May, 2014

INDEPENDENT AUDITORS' REPORT FOR CONSOLIDATION

TO THE BOARD OF DIRECTORS OF
SUDARSHAN CHEMICAL INDUSTRIES LIMITED

We have audited the accompanying Consolidated Financial Statements of **Sudarshan Chemical Industries Limited** ("the Company") and its subsidiaries (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2014, and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with 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 misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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 auditors' judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors on the financial statements of the subsidiaries**,** the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2014;

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

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

Other Matter

We did not audit the Financial Statements of all the subsidiaries whose Financial Statements reflect total assets (net) of Rs. 1,353,303,683 as at 31st March, 2014, total revenues of Rs. 2,500,566,079 and net cash flows amounting to Rs. (194,898,021) for the year then ended.

The Financial Statements referred to above have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion insofar as it relates to these Financial Statements, is based solely on the reports 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 : 23rd May, 2014

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014

Particulars	Note No.	As at 31-03-2014 Rs.	As at 31-03-2013 Rs.
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	**69,227,250**	69,227,250
(b) Reserves and Surplus	2	**2,640,679,569**	2,473,314,398
		2,709,906,819	2,542,541,648
(2) Non-current Liabilities			
(a) Long-term borrowings	3	**1,830,817,720**	2,154,957,399
(b) Deferred tax liabilities (Net)	4	**348,158,093**	252,261,161
(c) Other long-term liabilities	5	**27,793,708**	27,811,160
(d) Long-term provisions	6	**54,708,024**	52,871,082
		2,261,477,545	2,487,900,802
(3) Current Liabilities			
(a) Short-term borrowings	7	**1,858,194,021**	1,657,474,629
(b) Trade payables	8	**1,132,991,971**	1,037,561,479
(c) Other current liabilities	9	**1,151,941,347**	929,862,274
(d) Short-term provisions	10	**171,304,565**	147,977,381
		4,314,431,904	3,772,875,763
	Total ...	**9,285,816,268**	8,803,318,213
II. ASSETS			
(1) Non-current Assets			
(a) Fixed assets			
(i) Tangible assets	11	**3,145,897,201**	3,068,184,215
(ii) Intangible assets	12	**126,762,925**	120,943,902
(iii) Capital work-in-progress		**67,147,122**	226,745,331
(b) Non-current investments	13	**2,864,697**	2,864,697
(c) Long-term loans and advances	14	**225,880,759**	214,199,834
(d) Other non-current assets	15	**2,500,000**	3,000,000
		3,571,052,704	3,635,937,979
(2) Current Assets			
(a) Inventories	16	**2,583,111,312**	2,276,381,877
(b) Trade receivables	17	**2,583,259,297**	2,101,278,448
(c) Cash and cash equivalents	18	**153,040,337**	443,673,200
(d) Short-term loans and advances	19	**106,672,320**	97,853,177
(e) Other current assets	20	**288,680,298**	248,193,532
		5,714,763,564	5,167,380,234
	Total ...	**9,285,816,268**	8,803,318,213
See accompanying Notes to The Consolidated Financial Statements	29		

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

As per our report of even date.

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

PRASAD PARANJAPE
Partner
Membership No.:047296

Pune : *23rd May, 2014*

For and on behalf of the Board of Directors

K.L.RATHI
Chairman

P.R.RATHI
Vice-Chairman &
Managing Director

R.B.RATHI
Deputy
Managing Director

N.J.RATHI
Director

P.S.RAGHAVAN
Company Secretary

Pune : *23rd May, 2014*

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

	Particulars	Note No.	Current Year Rs.	Previous Year Rs.
I.	Revenue from operations	21	12,032,564,635	9,411,519,089
	Less : Excise duty		846,260,584	682,608,289
			11,186,304,051	8,728,910,800
II.	Other Income	22	37,830,265	72,819,928
III.	**Total Revenue (I +II)**		11,224,134,316	8,801,730,728
IV.	Expenses :			
	Cost of materials consumed	23	6,122,238,360	4,866,409,366
	Cost of goods traded	24	424,319,378	417,442,305
	Changes in inventories of finished goods and work-in-progress	25	(9,803,495)	(341,069,146)
	Employee benefit expense	26	796,466,274	740,019,066
	Finance costs	27	406,545,820	326,801,849
	Depreciation and amortization expense	11, 12	367,641,745	263,568,788
	Other expenses	28	2,562,153,658	2,268,477,854
	Total Expenses		10,669,561,740	8,541,650,082
V.	Profit / (Loss) before exceptional, extraordinary items and tax (III - IV)		554,572,576	260,080,646
VI.	Exceptional Items		-	-
VII.	Profit / (Loss) before extraordinary items and tax (V - VI)		554,572,576	260,080,646
VIII.	Extraordinary Items		-	-
IX.	Profit / (Loss) before tax (VII - VIII)		554,572,576	260,080,646
X.	Tax expense :			
	(1) Current Tax		124,000,000	50,950,000
	(2) MAT Credit (Entitlement) / Utilised (Net)		(15,800,000)	(50,950,000)
	(3) Deferred Tax		95,896,932	39,950,992
XI.	Profit / (Loss) for the period from continuing operations		350,475,644	220,129,654
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)		350,475,644	220,129,654
XVI.	Earnings per equity share, Basic and Diluted (Rs. Per Equity Share of Rs. 10 each (Previous Year : Rs. 10 each)) *(Ref. Note No. 12 of Note No. 29)*		50.63	31.80
	See accompanying Notes to The Consolidated Financial Statements	29		

The accompanying notes form an integral part of The Consolidated 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
Chairman

P.R.RATHI
Vice-Chairman &
Managing Director

PRASAD PARANJAPE
Partner
Membership No.:047296

R.B.RATHI
Deputy
Managing Director

N.J.RATHI
Director

P.S.RAGHAVAN
Company Secretary

Pune : *23rd May, 2014*

Pune : *23rd May, 2014*

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

	Particulars	March 31, 2014 Rs.	March 31, 2013 Rs.
A.	**Cash flows from operating activities :**		
	Profit / (Loss) before tax from operations	**554,572,576**	260,080,646
	Non-cash adjustment to reconcile profit before tax to net cash flows :		
	Depreciation / amortization	**367,641,745**	263,568,787
	Loss / (Profit) on sale or write off of fixed assets	**13,233,742**	1,481,219
	Provision for decline in the value of long-term investment written back	**-**	(205,000)
	Unrealized foreign exchange Loss / (Gain)	**(51,854,036)**	(32,430,968)
	Provision for doubtful debt	**441,007**	893,702
	Provision for doubtful advances	**3,000,000**	-
	Bad Debts written-off	**2,767,885**	2,308,486
	Interest expense	**406,545,820**	326,801,849
	Interest income	**(6,842,645)**	(11,809,349)
	Operating profit before working capital changes	**1,289,506,094**	810,689,372
	Movements in working capital :		
	Increase / (decrease) in trade payables	**101,534,764**	(35,851,799)
	Increase / (decrease) in long-term provisions	**1,836,942**	3,675,243
	Increase / (decrease) in short-term provisions	**3,079,082**	5,335,941
	Increase / (decrease) in other current liabilities	**56,937,150**	64,937,335
	Increase / (decrease) in other long-term liabilities	**(17,452)**	40,700
	Decrease / (increase) in trade receivables	**(492,050,138)**	(152,804,237)
	Decrease / (increase) in inventories	**(306,729,435)**	(313,281,873)
	Decrease / (increase) in long-term loans and advances	**(3,305,980)**	(36,823,025)
	Decrease / (increase) in short-term loans and advances	**(8,819,143)**	29,752,751
	Decrease / (increase) in other current assets	**(41,333,860)**	(60,230,690)
	Decrease / (increase) in other non-current assets	**500,000**	2,500,000
	Cash generated from / (used in) operations	**601,138,024**	317,939,718
	Direct taxes paid	**(117,970,000)**	(63,425,000)
	Net cash flows from operating activities (A)	**483,168,024**	254,514,718
B.	**Cash flows from investing activities :**		
	Purchase of fixed assets, including intangible assets and CWIP	**(309,276,573)**	(1,206,881,041)
	Proceeds from sale of fixed assets	**3,488,137**	1,846,095
	Redemption of non-current investments	**-**	135,303
	Decrease / (increase) in bank deposits (Margin Money) (Net) (Original maturity of more than three months)	**17,574,331**	(3,983,204)
	Interest received	**7,689,739**	10,403,911
	Net cash flows used in investing activities (B)	**(280,524,366)**	(1,198,478,936)
C.	**Cash flows from financing activities :**		
	Proceeds from long-term borrowings	**457,618,755**	1,386,365,945
	Repayment of long-term borrowings	**(624,774,377)**	(464,934,000)
	Dividend and Dividend Tax Paid	**(101,240,533)**	(100,572,053)
	Proceeds from short-term borrowings (Net)	**199,684,392**	512,889,607
	Interest paid	**(406,990,427)**	(322,373,093)
	Net cash flows from / (used in) financing activities (C)	**(475,702,190)**	1,011,376,406
	Net increase / (decrease) in cash and cash equivalents (A + B + C)	**(273,058,532)**	67,412,188
	Cash and cash equivalents at the beginning of the year	**406,520,949**	339,108,761
	Cash and cash equivalents at the end of the year	**133,462,417**	406,520,949
	Components of cash and cash equivalents		
	Cash on hand	**2,079,499**	2,545,915
	With banks :		
	On current account	**128,153,236**	400,208,319
	On deposit account	**224,000**	1,790,545
	Unpaid dividend accounts*	**3,005,129**	1,960,668
	Lien account	**553**	15,502
	Total cash and cash equivalents (Ref. Note No. 18 and Note No. 1 (xv) of Note No. 29)	**133,462,417**	406,520,949

Notes :

1) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard-3 on Cash Flow Statements issued by ICAI.

2) Previous year's figures have been regrouped wherever necessary to conform to the current year's 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 PARANJAPE
Partner
Membership No.:047296

Pune : *23rd May, 2014*

For and on behalf of the Board of Directors

K.L.RATHI
Chairman

P.R.RATHI
Vice-Chairman & Managing Director

R.B.RATHI
Deputy Managing Director

N.J.RATHI
Director

P.S.RAGHAVAN
Company Secretary

Pune : *23rd May, 2014*

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2014 Rs.	As at 31-03-2013 Rs.
	SHAREHOLDERS' FUNDS :		
1	**SHARE CAPITAL**		
	Equity Share Capital :		
	AUTHORISED :		
	8,000,000 (Previous Year : 8,000,000) Equity Shares of Rs. 10 each.	**80,000,000**	80,000,000
	ISSUED :		
	* 6,922,775 (Previous Year : 6,922,775) Equity Shares of Rs. 10 each.	**69,227,750**	69,227,750
	SUBSCRIBED AND PAID-UP :		
	6,922,725 (Previous Year : 6,922,725) Equity Shares of Rs. 10 each fully paid-up.	**69,227,250**	69,227,250
	* 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 :

	As at 31-03-2014 No.	As at 31-03-2014 Rs.	As at 31-03-2013 No.	As at 31-03-2013 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 31st March, 2014, the amount of per share proposed dividend recognised as distribution to the equity shareholders is Rs. 15.00 (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 :

	As at 31-03-2014 No.	As at 31-03-2014 %	As at 31-03-2013 No.	As at 31-03-2013 %
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	**382,762**	**5.53**	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 31-03-2014 Rs.		As at 31-03-2013 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	**5,044,100**	**5,044,100**	5,044,100	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	**132,115,000**	**132,115,000**	132,115,000	132,115,000
	(c) REVALUATION RESERVE *Ref. Note No. 6 of Note No. 29*				
	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	**498,450,000**	**498,450,000**	498,450,000	498,450,000
	(d) GENERAL RESERVE				
	Balance at the beginning of the year	**1,544,115,720**		1,514,115,720	
	Add : Amounts transferred from Profit and Loss Account (Surplus)	**60,000,000**		30,000,000	
	Less : Deduction during the year	**-**		-	
	Balance at the end of the year	**1,604,115,720**	**1,604,115,720**	1,544,115,720	1,544,115,720
	(e) FOREIGN CURRENCY TRANSLATION RESERVE				
	Balance at the beginning of the year	**(38,648,533)**		(26,192,499)	
	Additions during the year	**(61,621,838)**		(12,456,034)	
	Less : Deduction during the year	**-**		-	
	Balance at the end of the year	**(100,270,371)**	**(100,270,371)**	(38,648,533)	(38,648,533)
	(f) PROFIT AND LOSS ACCOUNT (SURPLUS)				
	Surplus at the beginning of the year	**332,238,111**		243,348,990	
	Add : Profit After Tax for the year	**350,475,644**		220,129,654	
	Less : Appropriations				
	Proposed Equity Dividend	**103,840,875**		86,534,063	
	Tax on Proposed Equity Dividend	**17,647,760**		14,706,470	
	Amount transferred to General Reserve	**60,000,000**		30,000,000	
		501,225,120	**501,225,120**	332,238,111	332,238,111
	Total ...		**2,640,679,569**		2,473,314,398

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2014 Rs.	As at 31-03-2013 Rs.
	NON-CURRENT LIABILITIES :		
3	**LONG-TERM BORROWINGS**		
	(a) SECURED LOAN FROM BANKS :		
	HDFC Bank Limited *Ref. Note Nos. i) and xiv) below*	**128,000,000**	224,000,000
	Export - Import Bank of India (EXIM Bank) *Ref. Note Nos. ii), iii), viii) and xiv) below*	**94,652,268**	206,460,000
	Bank of Maharashtra *Ref. Note Nos. iv) to vii), xi) to xiv) below*	**791,830,452**	1,042,090,018
	State Bank of India *Ref. Note Nos. ix) and xiv) below*	**200,000,000**	200,000,000
	Kotak Mahindra Prime Limited *Ref. Note Nos. x), xiv) and xv) below*	**-**	117,381
		1,214,482,720	1,672,667,399
	(b) UNSECURED LOAN FROM OTHERS :		
	Loans and Advances from Related Parties :		
	i) Intercorporate Deposits *Ref. Note No. xvi) below*	**103,835,000**	175,610,000
	ii) Fixed Deposits		
	1) From Public	**-**	5,600,000
	2) From Shareholders *Ref. Note No. xvii) below and Note No. 9 of Note No. 29*	**10,080,000**	10,880,000
	Loans and Advances from Others :		
	i) Intercorporate Deposits *Ref. Note No. xvi) below*	**8,510,000**	26,900,000
	ii) Fixed Deposits		
	1) From Public	**453,105,000**	239,190,000
	2) From Shareholders *Ref. Note No. xvii) below and Note No. 9 of Note No. 29*	**40,805,000**	24,110,000
		616,335,000	482,290,000
	Total ...	**1,830,817,720**	2,154,957,399

i) *Term Loan from HDFC Bank Limited of Rs. 36 Crores (outstanding Rs. 128,000,000 (P.Y. Rs. 224,000,000)) was taken in Financial Year 2011-12 and carries interest @ 10.70% p.a. The loan is repayable in 45 monthly instalments of Rs. 80 Lacs each from November 2012.*

ii) *Term Loan from EXIM Bank of Rs. 15 Crores (outstanding Rs. Nil (P.Y. Rs. 20,000,000)) was taken in Financial Year 2008-09 and carries interest @ 11.20% p.a. The loan is repayable in 60 monthly instalments of Rs. 25 Lacs each from December 2009.*

iii) *Term Loan from EXIM Bank of Rs. 36 Crores (outstanding Rs. 60,000,000 (P.Y. Rs. 150,000,000)) was taken in parts till March 31, 2012 and carries interest @ 11.30% p.a. The loan is repayable in 48 monthly instalments of Rs. 75 Lacs each from February 2012.*

iv) *Term Loan from Bank of Maharashtra of Rs. 35 Crores (outstanding Rs. 79,848,771 (P.Y. Rs. 167,500,000)) was taken in Financial Year 2010-11 and carries interest @ 10.50% p.a. The loan is repayable in 46 monthly instalments of Rs. 73 Lacs each from March 2012 and 1 instalment is of Rs. 69 Lacs.*

v) *Term Loan from Bank of Maharashtra of Rs. 42 Crores (outstanding Rs. 251,866,043 (P.Y. Rs. 336,000,000)) was taken in parts till March 31, 2012 and carries interest @ 10.70% p.a. The loan is repayable in 20 quarterly instalments of Rs. 210 Lacs each from May 2013.*

vi) *Term Loan from Bank of Maharashtra of Rs. 16.85 Crores (outstanding Rs. 117,944,975 (P.Y. Rs. 151,649,000)) was taken in Financial Year 2012-13 and carries interest @ 10.50% p.a. The loan is repayable in 60 monthly instalments of Rs. 28.08 Lacs each from October 2013.*

vii) *Term Loan from Bank of Maharashtra of Rs. 42 Crores (outstanding Rs. 280,000,000 (P.Y. Rs. 336,000,000)) was taken in Financial Year 2012-13 and carries interest @ 10.25% p.a. The loan is repayable in 48 monthly instalments of Rs. 87.50 Lacs each from May 2013.*

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

viii) *Term Loan from EXIM Bank of USD 1 Million (outstanding Rs. 34,652,268 (P.Y. Rs. 36,460,000)) was taken in parts till March 31, 2014 and carries interest @ LIBOR + 475 b.p.s. p.a. The loan is repayable in 12 quarterly instalments of USD 0.83 Lacs each from March 2014.*

ix) *Corporate Term Loan from SBI of Rs. 30 Crores (outstanding Rs. 200,000,000 (P.Y. Rs. 200,000,000)) was taken in parts till March 31, 2014 and carries interest @ 10.80% p.a. The loan is repayable in 8 quarterly instalments of Rs. 250 Lacs each from June 2014.*

x) *Term Loan from Kotak Mahindra Prime Limited of Rs. 8.09 Lacs (outstanding Rs. Nil (P.Y. Rs. 117,381)) was taken in Financial Year 2009-10 and carries interest @ 9.96% p.a. The loan is repayable in 59 monthly installments of Rs. 0.17 Lacs each from December 2009.*

xi) *Term Loan from Bank of Maharashtra of Rs. 6.16 Crores (outstanding Rs. 40,110,614 (P.Y. Rs. 49,013,940)) was taken in Financial Year 2012-13 and carries interest @ 12.75% p.a. The loan is repayable in 84 monthly installments of Rs. 7.34 Lacs each from October 2012.*

xii) *Term Loan from Bank of Maharashtra of Rs. 66 lacs (outstanding Rs. 4,446,534 (P.Y. Rs. 1,927,078)) was taken in parts till March 31, 2014 and carries interest @ 12.75% p.a. The loan is repayable in 84 monthly installments of Rs. 0.79 Lacs each from December 2012.*

xiii) *Term Loan from Bank of Maharashtra of Rs. 10 Crores (outstanding Rs. 17,613,515 (P.Y. Rs. Nil)) was partly taken in Financial Year 2013-14 and carries interest @ 12.75% p.a. The loan is repayable in 84 monthly installments of Rs. 16.67 Lacs each from February 2016.*

xiv) ***Nature of Security :*** *The Term Loans from Export Import Bank of India (EXIM Bank), Bank of Maharashtra (BOM) and HDFC Bank Limited 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, Amralevadi, 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, Amralevadi, 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 and 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, Amralevadi, Dist. Pune.*

xv) *The Loan from Kotak Mahindra Prime Limited is secured by hypothecation of vehicle procured out of the said loan.*

xvi) *Intercorporate Deposits are generally accepted for period of 3 years. Rate of Interest varies from 10 - 11.50% p.a.*

xvii) *Fixed Deposits are generally accepted for period of 1 - 3 years. Rate of Interest varies from 9 - 11.50% p.a.*

xviii) *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 31-03-2014 Rs.	As at 31-03-2013 Rs.
4	**DEFERRED TAX LIABILITIES (NET)**			
	Deferred Tax Liabilities :			
	Depreciation		**368,362,634**	314,315,845
			368,362,634	314,315,845
	Deferred Tax Assets :			
	Expenditure accrued, allowable on actual payment		**20,204,541**	22,996,562
	Unabsorbed Depreciation		**-**	39,058,122
			20,204,541	62,054,684
	Deferred Tax Liabilities (Net) *Ref. Note No. 1 (xii) of Note No. 29*	Total ...	**348,158,093**	252,261,161
5	**OTHER LONG-TERM LIABILITIES**			
	Security Deposits		**27,793,708**	27,811,160
		Total ...	**27,793,708**	27,811,160
6	**LONG-TERM PROVISIONS**			
	PROVISION FOR EMPLOYEE BENEFITS :			
	Pension *Ref. Note No. 1 (xi) and Note No. 7 (A) 2 (a) of Note No. 29* *For Current maturity Ref. Note No. 9 (d)*		**54,708,024**	52,871,082
		Total ...	**54,708,024**	52,871,082

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2014 Rs.	As at 31-03-2013 Rs.
	CURRENT LIABILITIES :		
7	**SHORT-TERM BORROWINGS**		
	LOANS REPAYABLE ON DEMAND :		
	FROM BANKS -		
	(a) SECURED LOANS :		
	Working Capital Borrowings *Ref. Note Nos. i) to xii), xix), xxiii) and xxiv) below*	**1,120,804,021**	913,021,504
	(b) UNSECURED LOANS :		
	Short-Term Loans *Ref. Note Nos. xiii) to xviii), xx) to xxii) below*	**737,390,000**	744,453,125
	Total ...	**1,858,194,021**	1,657,474,629

i) *Working Capital Loan (Cash Credit) Rs. 266,263,384 (P.Y. Rs. 119,245,994) from Bank of Maharashtra carries interest @ 11.25% p.a.*

ii) *Working Capital Loan (Cash Credit) Rs. 86,382,278 (P.Y. Rs. 52,364,860) from Bank of Maharashtra carries interest @ 12.75% p.a.*

iii) *Working Capital Loan (Cash Credit) Rs. 434,035,188 (P.Y. Rs. 165,709,098) from State Bank of India carries interest @ 10.90% p.a.*

iv) *Working Capital Loan (Cash Credit) Rs. 4,088,703 (Debit) (P.Y. Rs. 2,835,514) from Bank of Baroda carries interest @ 11.25% p.a.*

v) *Working Capital Loan (Cash Credit) Rs. 10,723,487 (P.Y. Rs. 29,706,495) from HDFC Bank Limited carries interest @ 13.00% p.a.*

vi) *Working Capital Loan (Cash Credit) Rs. 103,459,971 (P.Y. Rs. 53,425,326) from ICICI Bank Limited carries interest @ 11.50 % p.a.*

vii) *Working Capital Loan (PCFC) Rs. Nil (P.Y. Rs. 54,690,000) from Bank of Maharashtra carries interest @ LIBOR + 250 b.p.s. p.a. The Loan is repayable within 180 days from the date of borrowing.*

viii) *Working Capital Loan (PCFC) Rs. 90,660,000 (P.Y. Rs. Nil) from State Bank of India carries interest @ LIBOR + 180 b.p.s. p.a. The Loan is repayable within 90 days from the date of borrowing.*

ix) *Working Capital Loan (EPC) Rs. 76,298,339 (P.Y. Rs. Nil) from HSBC Limited carries interest @ 10.10% p.a. The Loan is repayable within 180 days from the date of borrowing.*

x) *Working Capital Loan (Packing Credit (Post-shipment)) Rs. Nil (P.Y. Rs. 156,686,472) from Bank of Maharashtra carries interest @ 10.25% p.a. The Loan is repayable within 90 days from the date of borrowing.*

xi) *Working Capital Loan (Packing Credit (Post-shipment)) Rs. Nil (P.Y. Rs. 116,413,877) from State Bank of India carries interest @ 9.70 % p.a. The Loan is repayable within 90 days from the date of borrowing.*

xii) ***Nature of Security :*** *Working Capital Borrowings from Bank of Maharashtra led Consortium Banks consisting of Bank of Maharashtra, State Bank of India, Bank of Baroda, ICICI Bank Limited, HDFC Bank Limited and The Hong Kong and Shanghai Banking Corporation Limited are secured by hypothecation of stock-in-trade, book debts and receivables. These are further secured by second charge on the immovable properties of the Company situated at Roha, Mahad, Dist. Raigad and Ambadvet, Amralewadi, Dist. Pune by creation of a joint registered mortgage.*

xiii) *Short-Term Loan Rs. Nil (P.Y. Rs. 140,000,000) from State Bank of India carries interest @ 10.50% p.a. The Loan is repayable within 90 days from the date of borrowing.*

xiv) *Short-Term Loan Rs. 250,000,000 (P.Y. Rs. 300,000,000) from Bank of Maharashtra carries interest @ 10.50% p.a. The Loan is repayable within 90 days from the date of borrowing.*

xv) *Short-Term Loan Rs. 82,500,000 (P.Y. Rs. Nil) from HSBC Limited carries interest @ 10.15% p.a. The Loan is repayable within 90 days from the date of borrowing.*

xvi) *Short-Term Loan Rs. 80,000,000 (P.Y. Rs. Nil) from Bank of Baroda carries interest @ 10.50% p.a. The Loan is repayable within 90 days from the date of borrowing.*

xvii) *Short-Term Loan Rs. 80,000,000 (P.Y. Rs. Nil) from HDFC Bank Limited carries interest @ 10.30% p.a. The Loan is repayable within 90 days from the date of borrowing.*

xviii) *Short-Term Loan Rs. 244,890,000 (P.Y. Rs. Nil) from HSBC Limited carries interest @ 3.62% p.a. The Loan is repayable within 90 days from the date of borrowing.*

xix) *Short-Term Loan Rs. 10,000,000 (P.Y. Rs. Nil) from Bank of Maharashtra carries interest @ 12.75 % p.a. The Loan is repayable within 90 days from the date of borrowing.*

xx) *Buyer's Credit Loan Rs. Nil (P.Y. Rs. 205,062,913) from HSBC Limited carries interest @ LIBOR + 195 / 205 & 235 b.p.s. p.a. The Loan is repayable within 180 days from the date of borrowing.*

xxi) *Buyer's Credit Loan Rs. Nil (P.Y. Rs. 43,194,378) from Citibank N.A. carries interest @ LIBOR + 175 b.p.s. p.a. The Loan is repayable within 180 days from the date of borrowing.*

xxii) *Buyer's Credit Loan Rs. Nil (P.Y. Rs. 56,195,834) from ICICI Bank Limited carries interest @ LIBOR + 170 b.p.s. p.a. The Loan is repayable within 180 days from the date of borrowing.*

xxiii) *Buyer's Credit Loan Rs. 47,070,077 (P.Y. Rs. 161,943,868) from EXIM Bank carries interest @ LIBOR+500 b.p.s. p.a. The loan is repayable within 180 days from the date of borrowing.*

xxiv) *Buyer's Credit Loan from EXIM Bank is secured by corporate guarantee issued by Sudarshan Chemical Industries Ltd.*

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2014 Rs.	As at 31-03-2013 Rs.
8	**TRADE PAYABLES**		
	(a) Other than acceptances	**1,036,699,810**	994,346,373
	(b) Acceptances	**94,062,025**	41,610,766
	(c) Others		
	Trade Payables - For Capital Goods	**2,230,136**	1,604,340
	Total ...	**1,132,991,971**	1,037,561,479
9	**OTHER CURRENT LIABILITIES**		
	(a) Current maturities of long-term debt : *For Non-current maturity Ref. Note No. 3*		
	- Secured Loans from Banks :		
	HDFC Bank Limited	**96,000,000**	96,000,000
	Export - Import Bank of India (EXIM Bank)	**130,146,666**	124,557,500
	Bank of Maharashtra	**320,058,000**	293,354,000
	State Bank of India	**100,000,000**	-
	Kotak Mahindra Prime Limited *For security & other terms Ref. Note Nos. i) to xv) of Note No. 3*	**117,381**	186,073
	- Unsecured Loans :		
	Loans and Advances from Related Parties :		
	i) Intercorporate Deposits *Ref. Note No. xvi) of Note No. 3*	**4,475,000**	450,000
	ii) Fixed Deposits		
	1) From Public	**5,600,000**	370,000
	2) From Shareholders *Ref. Note No. xvii) of Note No. 3 & Note No. 9 of Note No. 29*	**10,880,000**	5,370,000
	Loans and Advances from Others :		
	i) Intercorporate Deposits *Ref. Note No. xvi) of Note No. 3*	**15,000,000**	610,000
	ii) Fixed Deposits		
	1) From Public	**33,130,000**	30,705,000
	2) From Shareholders *Ref. Note No. xvii) of Note No. 3 & Note No. 9 of Note No. 29*	**505,000**	2,820,000
	(b) Interest accrued but not due on borrowings :	**570,407**	1,015,014
	(c) Liability towards Investor Education and Protection Fund : (Under Section 205 C of the Companies Act, 1956)		
	Unclaimed Dividend	**3,005,129**	1,960,668
	Unclaimed Matured Fixed Deposits *Ref. Note No. 9 of Note No. 29*	**1,015,000**	145,000
	(d) Current maturities of employee benefits :		
	Pension *Ref. Note No. 1 (xi) & Note No. 7 (A) 2 (a) of Note No. 29* *For Non-current maturity Ref. Note No. 6*	**4,927,576**	3,582,234
	(e) Other payables :		
	Statutory Dues	**31,019,948**	23,621,684
	Other Liabilities	**395,491,240**	345,115,101
	Total ...	**1,151,941,347**	929,862,274

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2014 Rs.	As at 31-03-2013 Rs.
10	**SHORT-TERM PROVISIONS**		
	(a) PROVISION FOR EMPLOYEE BENEFITS :		
	Short-Term Compensated Absences *Ref. Note No. 1 (xi) of Note No. 29*	**49,815,930**	46,736,848
	(b) OTHERS :		
	i) Proposed Equity Dividend	**103,840,875**	86,534,063
	ii) Tax on Proposed Equity Dividend	**17,647,760**	14,706,470
	Total ...	**171,304,565**	147,977,381

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NON-CURRENT ASSETS :

FIXED ASSETS

Note No.	Description	GROSS BLOCK Balance As on 01-04-2013 Rs.	GROSS BLOCK Additions Rs.	GROSS BLOCK Deductions Rs.	GROSS BLOCK Balance As on 31-03-2014 Rs.	DEPRECIATION Balance As on 01-04-2013 Rs.	DEPRECIATION For the Year Rs.	DEPRECIATION Deductions Rs.	DEPRECIATION Balance As on 31-03-2014 Rs.	NET BLOCK Balance As on 31-03-2014 Rs.	NET BLOCK Balance As on 31-03-2013 Rs.
11	**TANGIBLE ASSETS :** *Ref. Note No. 14 of Note No. 29*										
	FREEHOLD LAND	**49,555,932**	**-**	**-**	**49,555,932**	**-**	**-**	**-**	**-**	**49,555,932**	**49,555,932**
		(49,555,932)	(-)	(-)	(49,555,932)	(-)	(-)	(-)	(-)	(49,555,932)	(49,555,932)
	LEASEHOLD LAND	**12,740,447**	**-**	**-**	**12,740,447**	**2,028,404**	**145,999**	**-**	**2,174,403**	**10,566,044**	**10,712,043**
		(12,740,447)	(-)	(-)	(12,740,447)	(1,882,405)	(145,999)	(-)	(2,028,404)	(10,712,043)	(10,858,042)
	BUILDINGS	**578,701,681**	**118,018,875**	**-**	**696,720,556**	**159,822,027**	**18,508,171**	**-**	**178,330,198**	**518,390,358**	**418,879,654**
		(477,682,326)	(101,019,355)	(-)	(578,701,681)	(146,150,576)	(13,671,451)	(-)	(159,822,027)	(418,879,654)	(331,531,750)
	PLANT & MACHINERY	**4,467,015,250**	**280,272,181**	**193,081,194**	**4,554,206,237**	**2,096,322,455**	**299,475,077**	**180,146,957**	**2,215,650,575**	**2,338,555,662**	**2,370,692,795**
		(3,454,389,002)	(1,018,861,679)	(6,235,431)	(4,467,015,250)	(1,897,741,580)	(204,295,083)	(5,714,208)	(2,096,322,455)	(2,370,692,795)	(1,556,647,422)
	VEHICLES	**46,227,063**	**15,671,994**	**7,244,700**	**54,654,357**	**17,623,320**	**4,372,369**	**3,620,675**	**18,375,014**	**36,279,343**	**28,603,743**
		(46,569,830)	(4,024,840)	(4,367,607)	(46,227,063)	(15,241,655)	(4,164,996)	(1,783,331)	(17,623,320)	(28,603,743)	(31,328,175)
	FURNITURE & FIXTURES	**41,516,794**	**2,313,482**	**216,710**	**43,613,566**	**18,172,685**	**2,511,493**	**66,844**	**20,617,334**	**22,996,232**	**23,344,109**
		(40,629,137)	(1,145,670)	(258,013)	(41,516,794)	(15,780,834)	(2,428,049)	(36,198)	(18,172,685)	(23,344,109)	(24,848,303)
	OFFICE EQUIPMENTS	**13,438,428**	**2,811,130**	**52,500**	**16,197,058**	**6,035,543**	**665,355**	**44,521**	**6,656,377**	**9,540,681**	**7,402,885**
		(12,713,895)	(724,533)	(-)	(13,438,428)	(5,456,154)	(579,389)	(-)	(6,035,543)	(7,402,885)	(7,257,741)
	FIXED ASSETS - R&D										
	BUILDINGS	**97,268,967**	**-**	**-**	**97,268,967**	**13,998,700**	**3,290,042**	**-**	**17,288,742**	**79,980,225**	**83,270,267**
		(96,510,887)	(758,080)	(-)	(97,268,967)	(10,732,788)	(3,265,912)	(-)	(13,998,700)	(83,270,267)	(85,778,099)
	PLANT & MACHINERY	**152,166,405**	**14,809,115**	**22,822**	**166,952,698**	**78,367,548**	**10,286,653**	**17,050**	**88,637,151**	**78,315,547**	**73,798,857**
		(131,475,350)	(20,691,055)	(-)	(152,166,405)	(69,373,398)	(8,994,150)	(-)	(78,367,548)	(73,798,857)	(62,101,952)
	FURNITURE & FIXTURES	**6,127,192**	**34,835**	**-**	**6,162,027**	**4,203,262**	**241,588**	**-**	**4,444,850**	**1,717,177**	**1,923,930**
		(6,050,964)	(76,228)	(-)	(6,127,192)	(3,859,240)	(344,022)	(-)	(4,203,262)	(1,923,930)	(2,191,724)
	Sub-Total	**5,464,758,159**	**433,931,612**	**200,617,926**	**5,698,071,845**	**2,396,573,944**	**339,496,747**	**183,896,047**	**2,552,174,644**	**3,145,897,201**	**3,068,184,215**
		(4,328,317,770)	(1,147,301,440)	(10,861,051)	(5,464,758,159)	(2,166,218,630)	(237,889,051)	(7,533,737)	(2,396,573,944)		
12	**INTANGIBLE ASSETS :** *Ref. Note No. 15 of Note No. 29*										
	COMPUTER SOFTWARES	**34,271,941**	**9,526,943**	**-**	**43,798,884**	**6,032,140**	**4,355,806**	**-**	**10,387,946**	**33,410,938**	**28,239,801**
		(21,702,367)	(12,569,574)	(-)	(34,271,941)	(2,819,124)	(3,213,016)	(-)	(6,032,140)	(28,239,801)	(18,883,243)
	TECHNICAL KNOW-HOW	**140,963,677**	**1,631,470**	**-**	**142,595,147**	**56,953,036**	**22,722,497**	**-**	**79,675,533**	**62,919,614**	**84,010,641**
		(139,117,676)	(1,846,001)	(-)	(140,963,677)	(34,559,369)	(22,393,667)	(-)	(56,953,036)	(84,010,641)	(104,558,307)
	REGISTRATIONS	**8,766,514**	**22,805,608**	**-**	**31,572,122**	**73,054**	**1,066,695**	**-**	**1,139,749**	**30,432,373**	**8,693,460**
		(-)	(8,766,514)	(-)	(8,766,514)	(-)	(73,054)	(-)	(73,054)	(8,693,460)	(-)
	Sub-Total	**184,002,132**	**33,964,021**	**-**	**217,966,153**	**63,058,230**	**28,144,998**	**-**	**91,203,228**	**126,762,925**	**120,943,902**
		(160,820,043)	(23,182,089)	(-)	(184,002,132)	(37,378,493)	(25,679,737)	(-)	(63,058,230)		
	TOTAL	**5,648,760,291**	**467,895,633**	**200,617,926**	**5,916,037,998**	**2,459,632,174**	**367,641,745**	**183,896,047**	**2,643,377,872**	**3,272,660,126**	**3,189,128,117**
		(4,489,137,813)	(1,170,483,529)	(10,861,051)	(5,648,760,291)	(2,203,597,123)	(263,568,788)	(7,533,737)	(2,459,632,174)		

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2014 Rs.		As at 31-03-2013 Rs.	
13	**NON-CURRENT INVESTMENTS**				
	Long-Term and Non-Trade Investments				
	Investments in Mutual Funds (quoted) :				
	Aggregate amount of quoted investments and market value thereof :				
	202,715.67 (Previous Year : 202,715.67) Units of Rs. 10 each in UTI Gilt Advantage-LTP-Dividend Payout Fund. *[Market Value Rs. 3,148,255 (Previous Year : Rs. 3,057,175)]*		**2,864,697**		2,864,697
	Aggregate amount of quoted investments	**2,864,697**		2,864,697	
	Total ...	**2,864,697**	**2,864,697**	2,864,697	2,864,697
14	**LONG-TERM LOANS AND ADVANCES**				
	Unsecured (Considered Good unless stated otherwise) :				
	(a) Capital Advances		**46,188,159**		47,583,214
	Considered doubtful		**3,000,000**		-
	Less : Provision for doubtful advances		**3,000,000**		-
			-		-
			46,188,159		47,583,214
	(b) Security Deposits :				
	Deposit with Government etc.		**21,869,550**		16,854,639
	Tender Deposit		**919,800**		847,562
	Deposit with Others		**5,639,716**		5,135,206
	(c) Other Loans and Advances :				
	Loan to Employees		**320,600**		302,450
	(d) MAT Credit Entitlement		**113,750,000**		97,950,000
			188,687,825		168,673,071
	(e) Income Tax Paid		**1,120,388,289**		1,224,376,763
	Less : Provision for Tax		**1,083,195,355**		1,178,850,000
	Income Tax Paid (Net)		**37,192,934**		45,526,763
	Total ...		**225,880,759**		214,199,834
15	**OTHER NON-CURRENT ASSETS**				
	Margin Money with Banks with maturity of more than 12 months *Ref. Note No. 18*		**2,500,000**		3,000,000
	Total ...		**2,500,000**		3,000,000

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2014 Rs.	As at 31-03-2013 Rs.
	CURRENT ASSETS :		
16	**INVENTORIES**		
	(a) Raw Materials	**389,550,498**	300,173,769
	Goods in Transit	**207,607,072**	823,336
	(b) Work-in-progress	**226,732,195**	340,919,441
	(c) Finished Goods	**884,558,719**	879,298,182
	Goods in Transit	**239,110,821**	120,380,617
	(d) Stores and Spares	**84,211,372**	102,794,699
	(e) Trading Goods	**39,529,629**	22,407,933
	(f) Packing Materials	**13,361,006**	11,133,900
	(g) Leasehold Rights *For Leasehold Rights Ref. Note No. 6 of Note No. 29*	**498,450,000**	498,450,000
	Total ...	**2,583,111,312**	2,276,381,877
17	**TRADE RECEIVABLES**		
	Unsecured :		
	(a) Outstanding for a period exceeding six months from the due date (Considered good)	**66,960,211**	77,445,466
	Considered doubtful	**4,030,663**	3,589,656
	Less : Provision for doubtful debt	**4,030,663**	3,589,656
		-	-
	(b) Others (Considered good)	**2,516,299,086**	2,023,832,982
	Considered doubtful	**91,383**	-
	Less : Provision for doubtful debt	**91,383**	-
		-	-
	Total ...	**2,583,259,297**	2,101,278,448
18	**CASH AND CASH EQUIVALENTS**		
	(a) Cash and Cash Equivalents		
	i) Cash on hand	**2,079,499**	2,545,915
	ii) In Current Accounts	**128,153,236**	400,208,319
	iii) Other Bank Balances (Original maturity between 3 - 12 months)		
	- Lien Account	**553**	15,502
	- Dividend Account	**3,005,129**	1,960,668
	- On Deposit Account	**224,000**	1,790,545
		133,462,417	406,520,949
	(b) Other Bank Balances (Original maturity More than 3 months)		
	i) Lien Account	**16,577,920**	14,838,919
	ii) Balances with banks to the extent held as margin money		
	- With remaining maturity less than 12 months	**3,000,000**	22,313,332
	- With remaining maturity more than 12 months	**2,500,000**	3,000,000
	Less : Amount disclosed under non-current assets *Ref. Note. No. 15*	**2,500,000**	3,000,000
		153,040,337	443,673,200

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2014 Rs.	As at 31-03-2013 Rs.
19	**SHORT-TERM LOANS AND ADVANCES**		
	Unsecured and considered good :		
	Others:		
	Housing Loan to Employees	**117,325**	308,600
	Advances recoverable in cash or in kind or for value to be received	**50,501,780**	46,564,059
	Deposit with Excise, Customs etc.	**56,053,215**	50,980,518
	Total ...	**106,672,320**	97,853,177
20	**OTHER CURRENT ASSETS**		
	Export Incentives Receivable	**28,253,037**	9,495,350
	Service Tax Receivable	**14,036,861**	13,084,476
	VAT Refund Receivable	**195,743,574**	172,136,352
	Prepaid Expenses	**20,197,711**	24,005,622
	Contribution to Gratuity Fund (Advance) *Ref. Note No. 7 (A) 1 (c) of Note No. 29*	**16,905,643**	6,701,745
	Others	**13,543,472**	22,769,987
	Total ...	**288,680,298**	248,193,532

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	**11,986,137,410**		9,356,985,390	
	Less: Excise duty	**846,260,584**		682,608,289	
			11,139,876,826		8,674,377,101
	(b) Services rendered		**5,308,305**		4,479,820
	(c) Other operating revenues				
	Export Incentives (Net)	**23,204,628**		23,858,270	
	Miscellaneous Operating Income (Net of Excise Duty)	**17,914,292**		26,195,609	
			41,118,920		50,053,879
	Total ...		**11,186,304,051**		8,728,910,800
22	**OTHER INCOME**				
	(a) Interest Income				
	Interest earned on :				
	Bank Deposits		**3,837,865**		4,348,528
	Others		**3,004,780**		7,460,821
	[T.D.S. Rs. 1,130,738 (Previous Year : Rs. 2,153,717)]				
	(b) Other Non-Operating Income :				
	Miscellaneous Income		**30,522,847**		7,350,033
	Provision for diminution in the value of Long-term investments written back		**-**		205,000
	Provision for doubtful debts written back		**464,773**		496,055
	Foreign Exchange Difference (Net)		**-**		52,959,491
	Total ...		**37,830,265**		72,819,928

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No.	Particulars		Current Year Rs.	Previous Year Rs.
23	**COST OF MATERIALS CONSUMED**			
	Opening Stock		**300,997,105**	337,914,117
	Add : Purchases		**6,418,398,825**	4,829,492,354
			6,719,395,930	5,167,406,471
	Less : Closing Stock		**597,157,570**	300,997,105
		Total ...	**6,122,238,360**	4,866,409,366
24	**COST OF GOODS TRADED**			
	Opening Stock		**22,407,933**	30,236,455
	Add : Purchases		**441,441,074**	409,613,783
			463,849,007	439,850,238
	Less : Closing Stock		**39,529,629**	22,407,933
		Total ...	**424,319,378**	417,442,305
25	**CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS**			
	Stocks at Commencement :			
	Finished Products		**999,678,799**	788,896,803
	Work-in-progress (Semi-finished Products)		**340,919,441**	210,632,291
			1,340,598,240	999,529,094
	Less:			
	Stocks at Close :			
	Finished Products		**1,123,669,540**	999,678,799
	Work-in-progress (Semi-finished Products)		**226,732,195**	340,919,441
			1,350,401,735	1,340,598,240
		Total ...	**(9,803,495)**	(341,069,146)
26	**EMPLOYEE BENEFIT EXPENSE**			
	Salaries and Wages :			
	Other Than Research and Development		**662,996,282**	600,103,445
	For Research and Development		**51,011,702**	51,190,260
	Contribution to Provident and Other Funds		**51,257,564**	43,188,946
	Staff Welfare Expenses		**23,238,163**	12,975,823
	Gratuity *(Ref. Note No. 7 (A) 1 (d) of Note No. 29)*		**1,198,045**	21,790,690
	Pension *(Ref. Note No. 7 (A) 2 (b) of Note No. 29)*		**6,764,518**	10,769,902
		Total ...	**796,466,274**	740,019,066

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No.	Particulars	Current Year Rs.	Previous Year Rs.
27	**FINANCE COSTS**		
	(a) Interest expenses	**380,172,373**	305,347,154
	(b) Other borrowing costs (Includes Bank charges for Bank Guarantee, Loan Processing etc.)	**3,528,468**	3,376,945
	(c) Foreign Exchange difference to the extent considered as borrowing cost	**22,844,979**	18,077,750
	Total ...	**406,545,820**	326,801,849
28	**OTHER EXPENSES**		
	Consumption of Stores and Spare parts	**186,332,135**	171,739,451
	Consumption of Packing Material	**125,708,732**	108,641,367
	Power and Fuel	**604,994,018**	561,482,408
	Water Charges	**91,337,017**	79,351,858
	Rent	**15,620,556**	13,661,909
	Repairs to Buildings	**52,059,699**	49,240,076
	Repairs to Plant and Machinery	**108,036,993**	85,161,684
	Repairs to Others	**6,720,733**	8,921,137
	Insurance	**17,102,813**	17,251,317
	Rates and Taxes (excluding taxes on income)	**10,622,519**	7,730,676
	Advertisement	**9,300,909**	16,274,062
	Auditors' Remuneration *(Ref. Note No. 8 of Note No. 29)*	**2,291,801**	2,217,770
	Bad Debts Written Off	**2,767,885**	2,308,485
	Provision for Doubtful Debts	**997,163**	1,389,757
	Provision for Doubtful Advances	**3,000,000**	-
	Bank Charges	**22,148,544**	16,513,913
	Export Market Development Expenses :		
	Commission on Exports	**26,327,637**	20,068,101
	Travelling, Postage, Forwarding, etc.	**93,011,291**	105,507,614
	Commission to Selling Agents	**206,684,881**	168,107,796
	Directors' Sitting Fees	**1,274,220**	1,117,306
	Discounts (Other Than Trade Discounts)	**114,496,408**	94,928,287
	Foreign Exchange Difference (Net)	**28,408,437**	-
	ERP / Computer related expenses	**12,614,180**	9,050,687
	Freight and Octroi	**30,910,130**	64,071,578
	General Expenses *(Ref. Note No. 16 of Note No. 29)*	**59,361,109**	35,925,964
	Legal, Professional and Consultancy Charges	**140,557,837**	142,026,709
	Licence Fees	**2,607,816**	2,785,991
	Loss on Sale / Disposal of Fixed Assets (Net)	**13,233,742**	1,481,219
	Printing, Stationery and Communication Expenses	**24,191,069**	24,162,938
	Sales Tax Surcharge / Turnover Tax	**8,839,782**	2,973,035
	Selling and Distribution Expenses	**103,114,993**	43,127,940
	Research and Development Expenses :		
	Stores, Spares and Consumables etc.	**18,554,920**	22,011,251
	Other Expenses	**50,635,665**	56,329,824
	Travelling and Conveyance	**59,808,098**	52,916,674
	Royalty	**25,230,500**	15,731,055
	Labour Charges	**220,940,645**	190,696,525
	Other Manufacturing Expenses	**62,308,781**	73,571,490
	Total ...	**2,562,153,658**	2,268,477,854

NOTE NO. 29 : NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Significant Accounting Policies :

(i) Basis of Preparation :

The Consolidated Financial Statements are prepared in accordance with the Generally Accepted Accounting Principles (GAAP) in India under the historical cost convention on an accrual basis, and are in conformity with mandatory accounting standards, as prescribed by the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of the Companies Act, 2013 and guidelines issued by the Securities and Exchange Board of India (SEBI).

The accounting policies have been consistently applied by the Company during the period and are consistent with those used in the previous year.

(ii) Use of Estimates :

The preparation of the 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 costs, including related borrowing costs, 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 an 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. Leasehold land is amortised over the lease period.

(b) The intangible assets are amortised over their useful economic life. Computer software, Technical know-how and Other registrations are amortised over 10 years, 3 to 5 years and 10 years respectively.

(v) Impairment of Assets :

The carrying amounts of Cash Generating Units / Assets are reviewed at the 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 and fair value.

(vii) Inventories :

Inventories are valued at lower of Cost and Net Realisable Value.

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

(b) The cost of Finished Goods and Work-in-progress (Semi-finished Goods) 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 a capital nature is added to Fixed Assets and depreciation is provided thereon. All other expenditure on Research and Development is charged to the 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. Monetary items 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 monetary items, 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 coincides 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 :

The 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 and also the Projected Terminal Salary at the time of exit. Actuarial Gains and Losses are recognized immediately in the Statement of Profit and Loss as income or expense, as the case may be. Obligation is measured as the Present Value of estimated future cash flows using a discount rate that is determined by reference to market yields as on 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 :

The Company has a pension scheme for their Executives, Directors, Presidents and Senior Vice-Presidents.

The Company meets the pension cost from the Company's revenue. The liability is provided for on the basis of an independent actuarial valuation using Projected Unit Credit Method.

(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 assets 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 Alternate 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) Provisions and Contingent Liabilities :

(a) A provision is recognized when the Company has a present obligation as a result of past events, 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) Earnings 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 the 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.

1 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.

2 Unallocated items -
Unallocated items include general corporate income and expense items which are not allocated to any business segment. Assets and liabilities which relate to the Company as a whole but are not allocable to segments on a reasonable basis, have been included under "Unallocable Assets / Liabilities".

3 Segment accounting policies -
The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the Consolidated 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
	2013-14	2012-13	
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. 17,587,188** (Previous Year : Rs. 6,521,024).

4. The Foreign Subsidiary Company accounts have been prepared in conformity with the Companies Act, 1956 and Generally Accepted Accounting Principles in India, as applicable, and considered accordingly for the purpose of consolidation of accounts.

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

(A) Excise Duty – **Rs. 7,183,604** (Previous Year : Rs. 8,488,600).

(B) Income Tax – **Rs. 30,388,050** (Previous Year : Rs. 28,862,580).

(C) VAT – **Rs. 11,861,000** (Previous Year : Rs. 6,177,091).

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) :**

(A) Pertaining to Defined Benefit Plans :

1 Gratuity

	Particulars	As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
(a)	**Present value of the defined benefit obligation :**		
	Obligations at period beginning	**144,498,452**	130,617,863
	Service cost	**7,716,057**	8,322,688
	Acquisition adjustment	**–**	–
	Interest cost	**10,661,992**	10,268,122
	Past service cost	**–**	–
	Curtailment cost / (credit)	**–**	–
	Settlement cost / (credit)	**–**	–
	Actuarial (gain) / loss	**(4,731,604)**	14,922,638
	Benefits paid	**(29,005,891)**	(19,632,859)
	Obligations at period end	**129,139,006**	144,498,452
(b)	**Fair value of plan assets :**		
	Plans assets at period beginning, at fair value	**151,200,197**	137,258,408
	Expected return on plan assets	**12,815,840**	12,453,113
	Acquisition adjustment	**–**	–
	Actuarial gain / (loss)	**(367,440)**	(730,355)
	Contributions	**11,000,000**	21,132,581
	Benefits paid	**(28,603,948)**	(18,913,550)
	Plans assets at period end, at fair value	**146,044,649**	151,200,197
	Actual returns on plan assets	**12,448,400**	11,722,758
(c)	**Assets and liabilities recognized in the Balance Sheet :**		
	Fair value of the plan assets at the end of the year	**146,044,649**	151,200,197
	Present value of the defined benefit obligations at the end of the period	**129,139,006**	144,498,452
	Asset / (liability) recognized in the Balance Sheet	**16,905,643**	6,701,745
(d)	**Expense recognized in the Statement of Profit and Loss :**		
	Current service cost	**7,716,057**	8,322,688
	Past service cost	**–**	–
	Interest cost	**10,661,992**	10,268,122
	Expected return on plan assets	**(12,815,840)**	(12,453,113)
	Curtailment cost / (credit)	**–**	–
	Settlement cost / (credit)	**–**	–
	Actuarial (gain) / loss	**(4,364,164)**	15,652,993
	Net gratuity cost	**1,198,045**	21,790,690

	Particulars	As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
(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	**9.20%**	8.20%
	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)	**14.35**	14.60

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 * :	As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
On plan liability (loss) / gain	**(6,481,377)**	(11,980,388)	(4,478,379)	–
On plan asset (loss) / gain	**(367,440)**	(730,355)	(24,680)	–
Present value of benefit obligation	**129,139,006**	144,498,452	130,617,863	126,180,498
Fair value of plan assets	**146,044,649**	151,200,197	137,258,408	127,316,156
Surplus / (deficit)	**16,905,643**	6,701,745	6,640,545	1,135,658

* Data as per actuary is available only for current year and previous three years.

2 Pension

	Particulars	Current Year Rs.	Previous Year Rs.
(a)	**Reconciliation of PBO :**		
	Projected Benefit Obligation at beginning of the year	**56,453,316**	48,254,384
	Current service cost	**233,777**	515,858
	Interest cost	**4,391,679**	3,778,146
	Contributions by plan participation	–	–
	Actuarial (gain) / loss due to change in assumptions	**2,139,062**	6,475,898
	Benefits paid	**(3,582,234)**	(2,570,970)
	Past service cost	–	–
	Amalgamations	–	–
	Curtailments	–	–
	Settlements	–	–
	Projected Benefit Obligation at end of the year	**59,635,600**	56,453,316
	Includes Current maturity Rs. 4,927,576 (Previous Year : Rs. 3,582,234)		
(b)	**Statement of Profit and Loss**		
	Current service cost	**233,777**	515,858
	Interest cost	**4,391,679**	3,778,146
	Expected return on plan asset	–	–
	Net actuarial (gain) / loss to be recognised in the year	**2,139,062**	6,475,898
	Past service cost	–	–
	Effect of Curtailments	–	–
	(Income)/Expense recognised in the Statement of Profit and Loss	**6,764,518**	10,769,902

(B) Pertaining to Defined Contribution Plans :

Particulars	As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
(a) Expected contribution to the fund in the next year :		
Gratuity	**25,232,234**	23,581,527
Superannuation	**4,642,304**	4,338,602
Provident fund	**32,127,260**	30,025,476
(b) Defined contribution plans :		
Provident fund paid to the authorities	**30,945,781**	27,122,218

8. Auditors' Remuneration :

	Current Year Rs.	Previous Year Rs.
(a) Audit Fees	**1,358,581**	999,280
(b) Tax Audit Fees	**255,000**	230,000
(c) Other Services –		
Certification and Limited Review	**535,000**	845,000
Stock Verification	**120,000**	120,000
(d) Reimbursement of Expenses	**23,220**	23,490
Total ...	**2,291,801**	2,217,770

9. Fixed Deposits :

(Accepted under Section 58A of the Companies Act, 1956)

	31-03-2014 Rs.	31-03-2013 Rs.
(a) Fixed Deposits with Maturity less than 12 months	**50,115,000**	39,265,000
(b) Fixed Deposits with Maturity more than 12 months	**503,990,000**	279,780,000
(c) Unclaimed Matured Fixed Deposits	**1,015,000**	145,000
Total ...	**555,120,000**	319,190,000

10. Segment Reporting :

Particulars	Year Ended 31-03-2014 Rs.	Year Ended 31-03-2013 Rs.
(A) Primary Segment Information :		
1 Segment Revenue		
(a) Pigments	**10,086,630,278**	7,843,198,358
(b) Agro Chemicals	**1,099,673,773**	885,712,442
Total ...	**11,186,304,051**	8,728,910,800
Less : Inter-segment revenue	**–**	–
Net Sales / Income from Operations	**11,186,304,051**	8,728,910,800
2 Segment Results		
Profit / (Loss) before tax		
(a) Pigments	**1,094,599,149**	796,986,198
(b) Agro Chemicals	**77,334,224**	45,309,895
Total ...	**1,171,933,373**	842,296,093
Less : i. Finance Cost	**406,545,820**	326,801,849
ii. Other Unallocable Expenditure (Net of Unallocable Income)	**210,814,977**	255,413,598
Profit Before Tax	**554,572,576**	260,080,646
Less : Tax Expense	**204,096,932**	39,950,992
Profit After Tax	**350,475,644**	220,129,654

Particulars		Year Ended 31-03-2014 Rs.	Year Ended 31-03-2013 Rs.
3 Other information			
Segment assets (*)			
(a) Pigments		**7,236,037,590**	6,876,701,795
(b) Agro Chemicals		**311,944,305**	255,697,955
(c) Unallocated		**1,239,384,373**	1,172,468,463
	Total ...	**8,787,366,268**	8,304,868,213
Segment liabilities			
(a) Pigments		**1,255,553,857**	1,066,557,053
(b) Agro Chemicals		**193,316,274**	197,687,802
(c) Unallocated		**354,880,048**	283,078,657
	Total ...	**1,803,750,179**	1,547,323,512
(*) Does not include leasehold rights at Pune, treated as stock-in-trade.			
4 Capital Expenditure			
(a) Pigments		**89,681,020**	1,164,446,038
(b) Agro Chemicals		**4,785,124**	–
(c) Unallocated		**213,831,280**	63,971,520
	Total...	**308,297,424**	1,228,417,558
5 Depreciation			
(a) Pigments		**297,462,006**	199,360,549
(b) Agro Chemicals		**5,276,178**	5,538,564
(c) Unallocated		**64,903,561**	58,669,675
	Total...	**367,641,745**	263,568,788
(B) Secondary Segment Disclosures :			
1 Revenue from External Customers			
(a) Indigenous		**8,302,933,559**	6,796,614,361
(b) Exports (including export incentives)		**2,883,370,492**	1,932,296,439
	Total...	**11,186,304,051**	8,728,910,800
2 Carrying amount of Assets			
(a) In India		**8,022,529,828**	7,950,217,899
(b) Outside India		**1,263,286,440**	853,100,314
	Total...	**9,285,816,268**	8,803,318,213

11. Related Party Disclosures :

List of Related Parties and description of relationship :

(a) Key Management Personnel : Mr. K.L.Rathi (Retired on 26th October, 2013)
Mr. P.R.Rathi
Mr. R.B.Rathi
Mr. A.V.Vij

(b) 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
Mrs. R.R.Agarwal	–	Daughter of Mr. P.R.Rathi

(c) Entities in which Key Management Personnel and / or their relatives exercise significant influence (SKMP) :
Rathi Brothers Poona Limited
Rathi Brothers Madras Limited
Rathi Brothers Calcutta Limited
Rathi Brothers Delhi Limited
Manan Rathi Trust
Balkrishna Rathi Finance Private Limited
PRR Finance Private Limited
Laxminarayan Finance Private Limited
Marathwada Chemical Industries Private Limited
RIECO Industries Limited
Rathi Vessels & Systems Private Limited

Transactions with Related Parties :

Nature of transactions	2013 - 2014			2012 - 2013		
	Key Management Personnel	**Relatives of Key Management Personnel**	**SKMP***	Key Management Personnel	Relatives of Key Management Personnel	SKMP*
	Rs.	**Rs.**	**Rs.**	Rs.	Rs.	Rs.
● **Salary, Pension, Reimbursement of expenses etc. :**						
Mr. K.L.Rathi	**9,221,178**	**–**	**–**	9,682,162	–	–
Mr. P.R.Rathi	**16,647,688**	**–**	**–**	10,885,235	–	–
Mr. R.B.Rathi	**14,768,954**	**–**	**–**	7,476,942	–	–
Ms. Christine Gehres	**–**	**–**	**–**	19,357,004	–	–
Mr. A.V.Vij	**6,409,363**	**–**	**–**	6,094,724	–	–
Mr. R.P.Rathi	**–**	**2,483,158**	**–**	–	2,153,742	–
Mrs. K.B.Rathi	**–**	**1,127,357**	**–**	–	1,024,870	–
● **Interest paid / payable :**						
Mr. P.R.Rathi	**55,082**	**–**	**–**	140,000	–	–
Mr. K.L.Rathi	**619,581**	**–**	**–**	476,212	–	–
Mrs. K.R.Rathi	**–**	**160,000**	**–**	–	326,564	–
Mr. R.P.Rathi	**–**	**311,855**	**–**	–	266,654	–
Mrs. A.K.Rathi	**–**	**269,015**	**–**	–	208,708	–
Mrs. S.P.Rathi	**–**	**241,148**	**–**	–	486,408	–
Mrs. R.R.Agarwal	**–**	**350,000**	**–**	–	260,461	–
Manan Rathi Trust	**–**	**–**	**345,000**	–	–	312,705
Rathi Brothers Poona Ltd.	**–**	**–**	**878,251**	–	–	731,524
Rathi Brothers Madras Ltd.	**–**	**–**	**439,089**	–	–	436,725
Rathi Brothers Calcutta Ltd..	**–**	**–**	**55,999**	–	–	71,268
Rathi Brothers Delhi Ltd.	**–**	**–**	**1,309,726**	–	–	1,120,519
Balkrishna Rathi Finance Pvt. Ltd.	**–**	**–**	**5,175,097**	–	–	3,222,629
PRR Finance Pvt. Ltd.	**–**	**–**	**5,579,204**	–	–	5,753,840
Laxminarayan Finance Pvt. Ltd.	**–**	**–**	**1,043,956**	–	–	1,133,928
Others	**–**	**–**	**607,111**	–	67,500	683,803

Nature of transactions	2013 - 2014			2012 - 2013		
	Key Management Personnel	Relatives of Key Management Personnel	SKMP*	Key Management Personnel	Relatives of Key Management Personnel	SKMP*
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
● **Acceptance of Deposits :**						
Mr. K.L.Rathi	2,500,000	–	–	3,500,000	–	–
Mrs. A.K.Rathi	–	2,500,000	–	–	400,000	–
Mr. R.P.Rathi	–	2,400,000	–	–	500,000	–
Mrs. S.P.Rathi	–	–	–	–	1,900,000	–
Rathi Brothers Poona Ltd.	–	–	15,550,000	–	–	15,750,000
Rathi Brothers Madras Ltd.	–	–	2,950,000	–	–	3,400,000
Rathi Brothers Delhi Ltd.	–	–	10,750,000	–	–	10,000,000
Balkrishna Rathi Finance Pvt. Ltd.	–	–	8,000,000	–	–	34,300,000
Others	–	–	4,840,000	–	5,100,000	43,655,000
● **Repayments of Deposits :**						
Mr. P.R.Rathi	1,400,000	–	–	–	–	–
Mr. K.L.Rathi	1,170,000	–	–	3,500,000	–	–
Mrs. S.P.Rathi	–	1,300,000	–	–	6,290,000	–
Mr. R.P.Rathi	–	2,400,000	–	–	420,000	–
Rathi Brothers Poona Ltd.	–	–	23,550,000	–	–	13,150,000
Rathi Brothers Delhi Ltd.	–	–	15,350,000	–	–	6,350,000
Laxminarayan Finance Pvt. Ltd.	–	–	13,000,000	–	–	5,200,000
PRR Finance Pvt. Ltd.	–	–	34,400,000	–	–	1,100,000
Balkrishna Rathi Finance Pvt. Ltd.	–	–	13,000,000	–	–	–
Others	–	–	8,360,000	–	14,290,000	9,235,000
● **Sale of Fixed Asset:**						
Mr. K.L.Rathi	22,222	–	–	–	–	–
Mr. P.R.Rathi	17,850	–	–	–	–	–
● **Sale of Chemicals :**						
Marathwada Chemical Inds. Pvt.Ltd.	–	–	1,154,983	–	–	1,648,961
● **Purchase of Goods :**						
RIECO Industries Ltd.	–	–	3,811,816	–	–	25,482,812
Marathwada Chemical Inds. Pvt.Ltd.	–	–	10,476,937	–	–	11,832,193
● **Commission on Sales :**						
Rathi Brothers Calcutta Ltd.	–	–	4,885,988	–	–	4,840,043
Rathi Brothers Delhi Ltd.	–	–	20,786,402	–	–	16,608,618
Rathi Brothers Madras Ltd.	–	–	6,051,117	–	–	6,812,854
Rathi Brothers Poona Ltd.	–	–	34,892,464	–	–	29,530,779
● **Rent received :**						
RIECO Industries Ltd.	–	–	1,186,920	–	–	1,186,920
Rathi Vessels & Systems Private Ltd.	–	–	726,276	–	–	726,276
Rathi Brothers Poona Ltd.	–	–	319,620	–	–	319,620
● **Balance outstanding at year end :**						
- **Customer / Vendor Account**						
RIECO Industries Ltd.	–	–	2,325,756	–	–	1,096,348
Rathi Vessels & Systems Private Ltd.	–	–	1,468,846	–	–	734,423
Marathwada Chemical Inds. Pvt.Ltd.	–	–	(1,433,107)	–	–	(560,406)
- **Deposits**						
Mr. K.L.Rathi	2,500,000	–	–	–	–	–
Mrs. A.K.Rathi	–	2,500,000	–	–	–	–
Mr. R.P.Rathi	–	2,400,000	–	–	–	–
Smriti Trust	–	–	960,000	–	–	–
Tanvi Trust	–	–	1,220,000	–	–	–
PRR Finance Pvt. Ltd.	–	–	74,400,000	–	–	40,000,000
Balkrishna Rathi Finance Pvt. Ltd.	–	–	53,000,000	–	–	48,000,000
Others	–	–	46,275,000	–	–	18,825,000
- **Salary and Commission**						
Mr. K.L.Rathi	7,166,631	–	–	3,966,631	–	–
Mr. P.R.Rathi	9,947,445	–	–	4,447,445	–	–
Mr. R.B.Rathi	8,537,674	–	–	3,037,674	–	–

* Entities in which Key Management Personnel and / or their relatives exercise significant influence

12. Earnings per Share (EPS) :

Sr. No.	Particulars	31-03-2014	31-03-2013
(A)	Net Profit / Amount attributable to equity shareholders (Rs.)	**350,475,644**	220,129,654
(B)	Weighted average no. of shares	**6,922,725**	6,922,725
(C)	Earnings per share basic and diluted (Rs.)	**50.63**	31.80
(D)	Face value per equity share (Rs.)	**10**	10

13. Managerial Remuneration :

(Amount in Rs.)

	Mr. K.L.Rathi Chairman	Mr. P.R. Rathi Vice Chairman and Managing Director	Mr. R.B.Rathi Deputy Managing Director
Salary and Other Allowances	**4,827,598**	**8,835,888**	**7,688,556**
	(7,560,000)	(8,400,000)	(5,628,000)
Contribution to Provident Fund and Other Funds	**914,166**	**1,879,200**	**1,280,772**
	(1,458,000)	(1,620,000)	(1,085,400)
Other Perquisites	**279,414**	**432,600**	**299,626**
	(664,162)	(865,235)	(763,542)
Commission	**3,200,000**	**5,500,000**	**5,500,000**
	(–)	(–)	(–)
Total...	**9,221,178**	**16,647,688**	**14,768,954**
	(9,682,162)	(10,885,235)	(7,476,942)

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)	Employee Cost	**2,003,270**	3,004,323
(C)	Borrowing Cost	**4,789,150**	38,184,551
	Total...	**6,792,420**	117,096,716

15. Intangibles – disclosure as per AS - 26 :

Asset	Remaining amortization	Carrying amount Rs.
Computer Software	**7 years** (8 years)	**33,410,938** (28,239,801)
Technical Know-how	**3 years** (4 years)	**62,919,614** (84,010,641)
Registrations	**8 years** (9 years)	**30,432,373** (8,693,460)
Total...		**126,762,925** (120,943,902)

16. General expenses include donation to Political Party (Nationalist Congress Party) **Rs. 2,500,000** (Previous Year : Rs. Nil)

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

PRASAD PARANJAPE
Partner
Membership No.:047296

Pune : *23rd May, 2014*

For and on behalf of the Board of Directors

K.L.RATHI
Chairman

P.R.RATHI
Vice-Chairman &
Managing Director

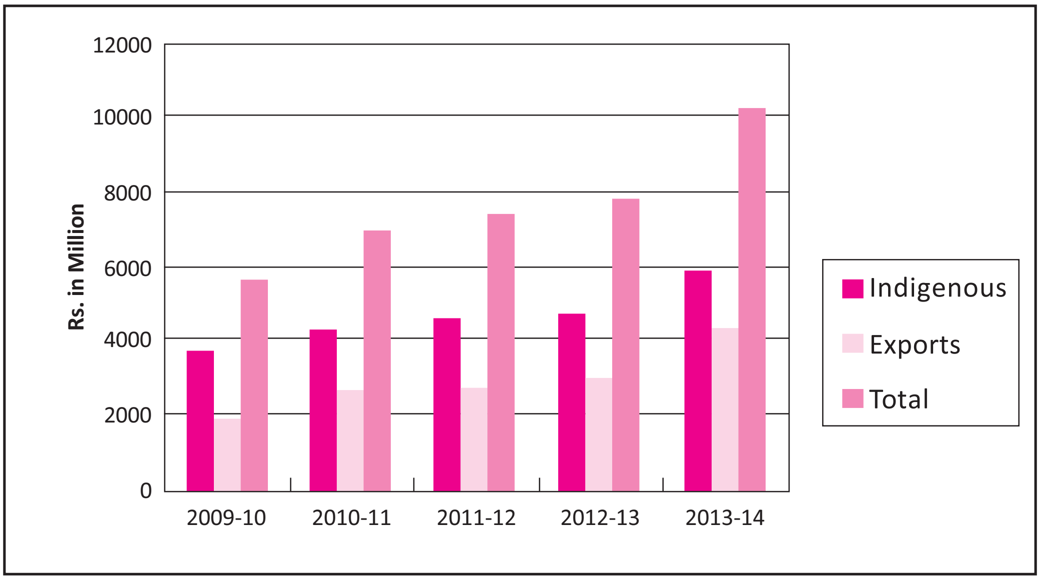
R.B.RATHI
Deputy
Managing Director

N.J.RATHI
Director

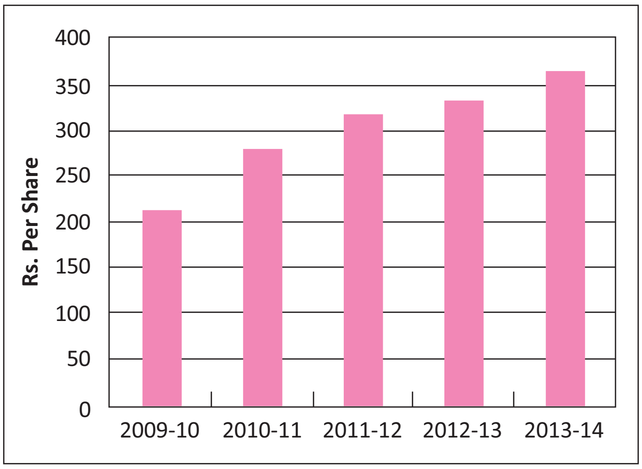
P.S.RAGHAVAN
Company Secretary

Pune : *23rd May, 2014*

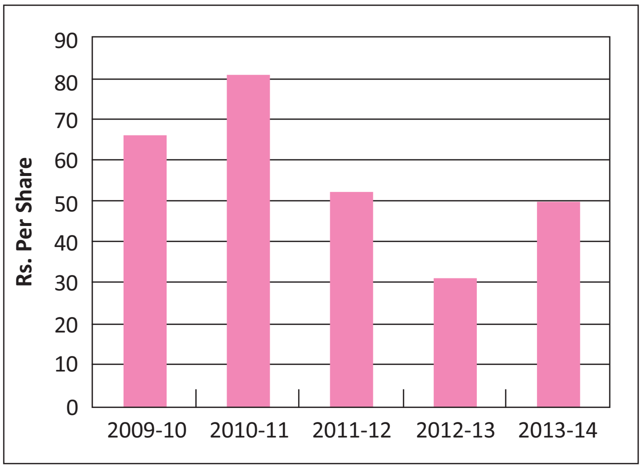
SALES



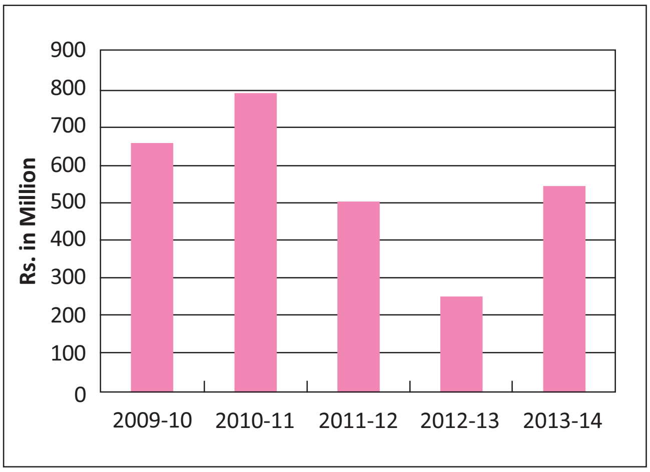
BOOK VALUE



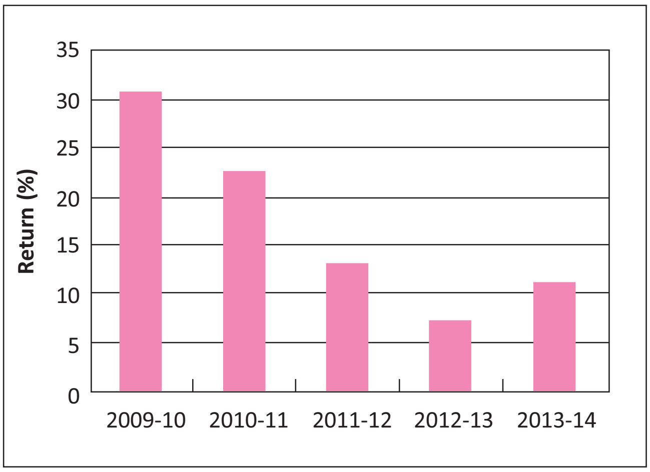
EARNINGS PER SHARE



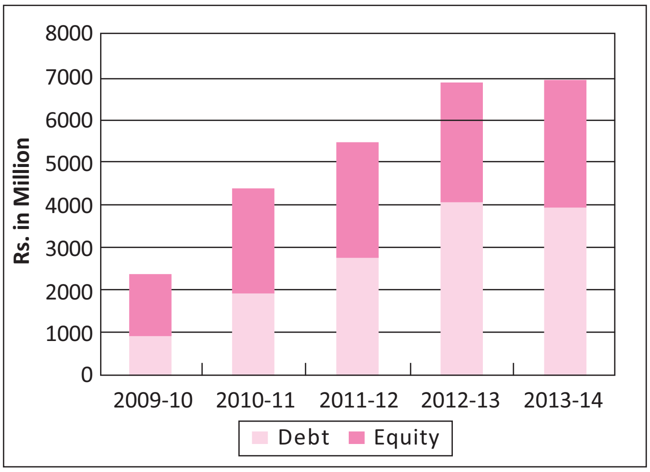
PROFIT BEFORE TAX



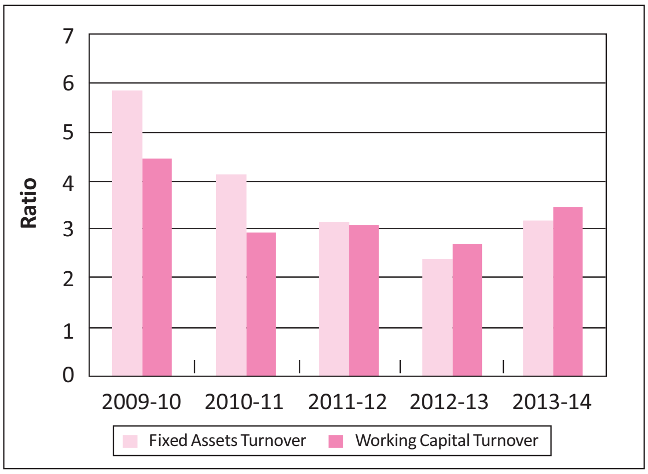
RETURN ON NET WORTH



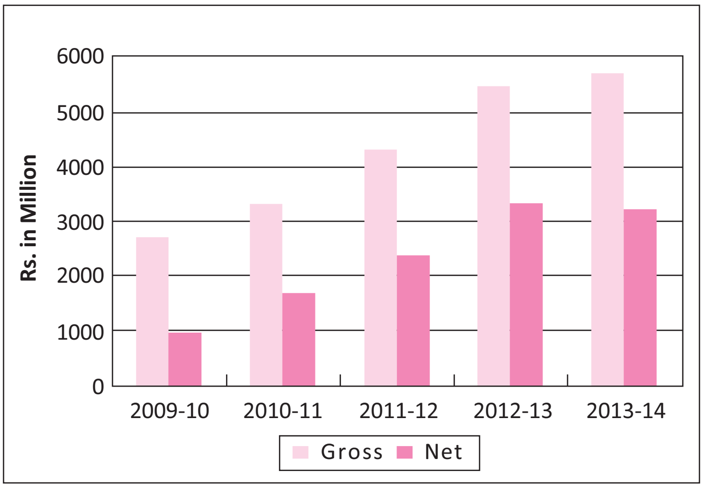
DEBT - EQUITY



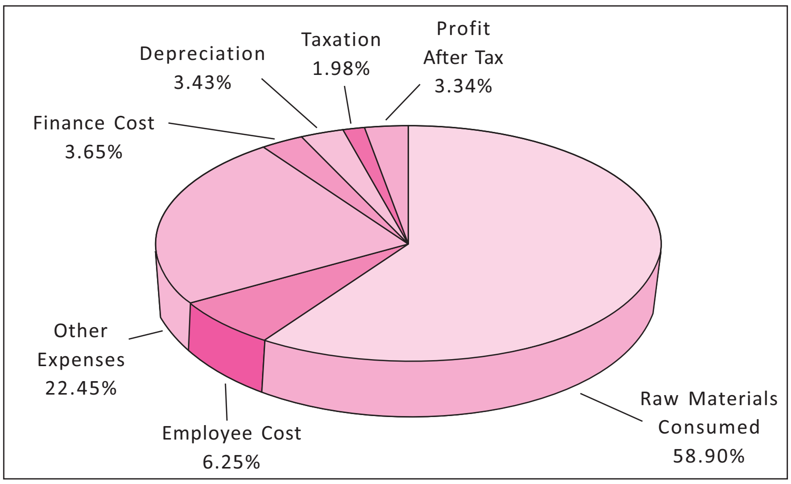
FIXED ASSETS TURNOVER & WORKING CAPITAL TURNOVER



FIXED ASSETS



DISTRIBUTION OF REVENUE for the year ended 31st March, 2014



Notes

Notes

SUDHA
Corporate Sustainability Initiative

SUDARSHAN

Global CSR Excellence & Leadership Award for Women Empowerment

The efforts of our CS team have been recognized in an international forum & we have won "Global CSR Excellence & Leadership Award for Women Empowerment" at the World CSR Congress – 2014 on 18th February 2014 at Hotel Taj Lands End, Mumbai.

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