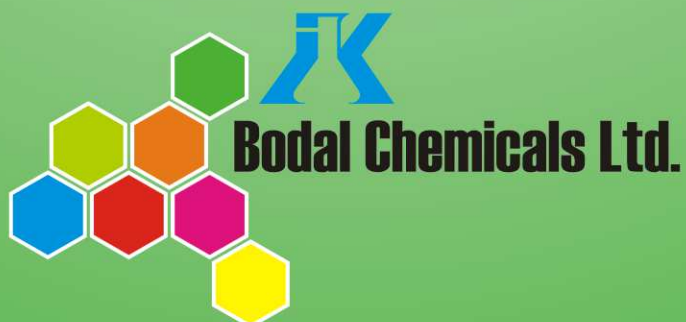


26th Annual Report 2011-2012

BODAL



We believe in excellence



MESSAGE FROM THE CHAIR



Dear Shareholders,

The financial year 2011-12 has been one of the most challenging years for the Company as well as Dyes and Dye Intermediates industry. The political upheaval in Middle East, unprecedented economic uncertainty due to sovereign debt crisis in the European countries and weak recovery hopes for other developed economies threatened to derail the global economic environment.

Your company has faced several unprecedented adversities like uncertainty in global market leading to lower demand, higher inflation leading to higher inputs cost, volatility in crude prices, fluctuation in currencies and high interest rate and others. In fact, most of adversities have been faced

by Dyes and Dye Intermediates Industry.

In spite of this, your company has achieved highest ever Total Income from operation of Rs. 603.35 crore in the financial year 2011-12. However, this landmark did not reflect in bottom line for the financial year 2011-12 due to micro and macro economic factors affected company's performance and the company has incurred net loss of Rs.28.32 crore for the financial year 2011-12.

Your Company has performed satisfactory in the first quarter for the current financial year 2012-13 compared to average performance of Dyes, Dye Intermediates industry. The Company has posted positive Rs. 3.59 crore EBIDTA (excluding Foreign Exchange Fluctuation Loss) by achieving Total Income from operation of Rs. 136.17 crore. However, your company has incurred net loss of Rs. 14.90 crore due to Foreign Exchange Fluctuation Loss of Rs. 12.95 crore and heavy interest burden/finance cost of Rs. 8.44 crore for the period of April to June, 2012. It is very clear from this result that the company has suffered from macro economic factors like higher interest rate, unpredictable volatilities in Forex market etc.

However, the business environment has been considerably stabilizing after the sudden impact in the financial year 2011-12. I expect that margins will also slowly improve in coming years. The company has been taking several measures to improve margin and to get maximum productivity. I hope that your company will set several benchmarks on various parameters for Dyes and Dye Intermediates Industry. The financial performance of the company will be improved in the second half of the year 2012-13.

Bodal Chem is now focused on consolidating its businesses and improving efficiencies as well as restructuring its loans and unlocking value through strategic partnerships to raise equity and deleverage. Business activities of Bodal Agrotech Ltd., the wholly owned subsidiary and Sun Agrigenetics Pvt. Ltd., fellow subsidiary of Bodal Chemicals Ltd. will be accelerated in coming years and contribute positively in consolidated bottom line of your company in coming years and create values for Bodal Chem's investors.

I wish to place on record my deep appreciation to all of you for your unstinted support towards our journey. Also I express my sincere gratitude to my colleagues in Bodal Chem for their support and valuable guidance and to our employees at all levels for their dedication and commitment. I also thank the Union Bank of India and Bank of India for their support extended to the Company. I also take this opportunity to thank the Government of India and the State Governments for their support and co-operation.

The future holds immense potential and opportunities for growth and I assure you that we will strive to capitalize on them by remaining focused on growth and operational excellence. I look forward to your continued support and assure you of our total commitment to the objective of enhancing stakeholders' values.

Warm regards,

Yours sincerely,

Suresh J. Patel

Chairman & Managing Director

(This does not purport to be part of the proceedings at the meeting)

NOTICE

Notice is hereby given that the 26th Annual General Meeting of the Members of **BODAL CHEMICALS LTD.** will be held on **Friday, the 28th September, 2012 at 4.00 P.M.** at ATMA, Auditorium, Opp. Old RBI Office, Ashram Road, Ahmedabad -380 009, to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and the Profit and Loss Account of the Company for the year ended on that date and reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Ankit S. Patel, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Mr. Prakash B. Patel, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

5. **To consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution :**

"RESOLVED THAT pursuant to sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, read with schedule XIII of the said Act, including any statutory modification and re-enactment thereof for the time being in force, approval of the company be and is hereby accorded to the re-appointment of Mr. Suresh J. Patel, as Chairman & Managing Director of the company for a further period of three (3) years with effect from 13th May, 2012 to 12th May, 2015 on the terms & conditions and remuneration as set out below :

- (1) Basic Salary : Rs. 3,00,000/- per month.
- (2) Commission will be payable upto @ 2% of the net profit of the Company, as calculated for the whole financial year.
- (3) Perquisites :

In addition to Salary and commission, the following perquisites shall be allowed to him.

Category A

Housing:

The House Rent allowance will be paid as per the rules of the Company but subject to maximum 50% of Basic Salary.

Gas, Electricity, Water and Furniture:

The expenses on Gas, Electricity, Water and Furnishing will be as per rules of the Company but subject to maximum 10% of Basic Salary.

Medical Reimbursement:

Expenses incurred for him and the family subject to ceiling of one month's salary in a year or three month's salary over a period of three years.

Leave Travel Concession:

For him and his family once in a year incurred in accordance with any rules specified by the Company.

Club Fees:

Fees of club subject to a maximum of two clubs. This will not include Admission and life membership fees.

Personal Accident Insurance :

Personal Accident Insurance Premium for self.

Medical Insurance Premium :

For him, his spouse and children in a year, Premium not to exceed Rs.15,000/- per annum.

Category B:

Contribution to Provident Fund and Superannuation Fund :

Contribution to Provident Fund, Superannuation fund or annuity fund will not be included in the computation of ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.

Gratuity :

Gratuity payable should not exceed half a month's salary for each completed year of service.

Leave Encashment:

Leave encashment equivalent to one month's salary calculated on the basis of one month's leave over eleven month's services. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

Category C :

Car with Driver and Telephone:

Provision of car with Driver for use on Company's business and telephone including Mobile phone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car with driver for private purpose shall be billed by the Company to him.

RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorised to vary, alter or modify the different components of the above stated remuneration as may be agreed to between the Board of Directors and Mr. Suresh J. Patel.

RESOLVED FURTHER THAT notwithstanding any thing mentioned above, where in any financial year during the currency of Chairman & Managing Director, the company has no profit or its profit are inadequate, the remuneration will have to be limited to amounts specified in section II of Part II of schedule XIII of the Companies Act, 1956."

6. To consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution :

"RESOLVED THAT pursuant to sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, read with schedule XIII of the said Act, including any statutory modification and re-enactment thereof for the time being in force, approval of the company be and is hereby accorded to the re-appointment of Mr. Bhavin S. Patel, as Executive Director of the company for a further period of three (3) years with effect from 13th May, 2012 to 12th May, 2015 on the terms & conditions and remuneration as set out below :

(1) Basic Salary : Rs. 1,00,000/- per month.

(2) Perquisites :

In addition to Salary, the following perquisites shall be allowed to him.

Category A

Housing :

The House Rent allowance will be paid as per the rules of the Company but subject to maximum 50% of Basic Salary.

Gas, Electricity, Water and Furniture :

The expenses on Gas, Electricity, Water and Furnishing will be as per rules of the Company but subject to maximum 10% of Basic Salary.

Medical Reimbursement:

Expenses incurred for him and the family subject to ceiling of one month's salary in a year or three month's salary over a period of three years.

Leave Travel Concession :

For him and his family once in a year incurred in accordance with any rules specified by the Company.

Club Fees :

Fees of club subject to a maximum of two clubs. This will not include Admission and life membership fees.

Personal Accident Insurance :

Personal Accident Insurance Premium for self.

Medical Insurance Premium :

For him, his spouse and children in a year, Premium not to exceed Rs.15,000/- per annum.

Category B :

Contribution to Provident Fund and Superannuation Fund :

Contribution to Provident Fund, Superannuation fund or annuity fund will not be included in the computation of ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.

Gratuity :

Gratuity payable should not exceed half a month's salary for each completed year of service.

Leave Encashment :

Leave encashment equivalent to one month's salary calculated on the basis of one month's leave over eleven month's services. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

Category C :

Car with Driver and Telephone :

Provision of car with Driver for use on Company's business and telephone including Mobile phone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car with driver for private purpose shall be billed by the Company to him.

RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorised to vary, alter or modify the different components of the above stated remuneration as may be agreed to between the Board of Directors and Mr. Bhavin S. Patel.

RESOLVED FURTHER THAT notwithstanding any thing mentioned above, where in any financial year during the currency of Executive Director, the company has no profit or its profit are inadequate, the remuneration will have to be limited to amounts specified in section II of Part II of schedule XIII of the Companies Act, 1956."

7. To consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution :

"RESOLVED THAT pursuant to sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, read with schedule XIII of the said Act, including any statutory modification and re-enactment thereof for the time being in force, approval of the company be and is hereby accorded to the re-appointment of Mr. Ramesh P. Patel, as Executive Director of the company for a further period of three (3) years with effect from 13th May, 2012 to 12th May, 2015 on the terms & conditions and remuneration as set out below :

(1) Basic Salary : Rs. 1,00,000/- per month.

(2) Perquisites : In addition to Salary, the following perquisites shall be allowed to him.

Category A

Housing:

The House Rent allowance will be paid as per the rules of the Company but subject to maximum 50% of Basic Salary.

Gas, Electricity, Water and Furniture:

The expenses on Gas, Electricity, Water and Furnishing will be as per rules of the Company but subject to maximum 10% of Basic Salary.

Medical Reimbursement:

Expenses incurred for him and the family subject to ceiling of one month's salary in a year or three month's salary over a period of three years.

Leave Travel Concession:

For him and his family once in a year incurred in accordance with any rules specified by the Company.

Club Fees :

Fees of club subject to a maximum of two clubs. This will not include Admission and life membership fees.

Personal Accident Insurance :

Personal Accident Insurance Premium for self.

Medical Insurance Premium :

For him, his spouse and children in a year, Premium not to exceed Rs.15,000/- per annum.

Category B :

Contribution to Provident Fund and Superannuation Fund :

Contribution to Provident Fund, Superannuation fund or annuity fund will not be included in the computation of ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.

Gratuity :

Gratuity payable should not exceed half a month's salary for each completed year of service.

Leave Encashment :

Leave encashment equivalent to one month's salary calculated on the basis of one month's leave over eleven month's services. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

Category C :

Car with Driver and Telephone :

Provision of car with Driver for use on Company's business and telephone including Mobile phone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car with driver for private purpose shall be billed by the Company to him.

RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorised to vary, alter or modify the different components of the above stated remuneration as may be agreed to between the Board of Directors and Mr. Ramesh P. Patel.

RESOLVED FURTHER THAT notwithstanding any thing mentioned above, where in any financial year during the currency of Executive Director, the company has no profit or its profit are inadequate, the remuneration will have to be limited to amounts specified in section II of Part II of schedule XIII of the Companies Act, 1956."

By Order of Board of Directors
For Bodal Chemicals Limited

Place: Ahmedabad
Date : 31st August, 2012

Ashutosh B. Bhatt
Company Secretary

NOTES :

1. A member entitled to attend and vote at the Annual General Meeting of the company may appoint a proxy to attend and vote on a poll on his behalf. The instrument appointing a proxy must be deposited with the company at its registered office not less than 48 hours before the time for holding the meeting.
2. The Register of Members and Share Transfer Book of the company will be closed from Saturday, 22nd September, 2012 to Friday, 28th September, 2012 (both days inclusive) for the purpose of Annual General Meeting.
3. Members are requested to contact our Registrar and Transfer Agent for any query related to shares, dividend and other inquiry at following address.

Unit : Bodal Chemicals Ltd.

Sharepro Services (India) Pvt Ltd.

(Ahmedabad Branch)

416-420, 4th Floor, Devnandan Mall, Opp.Sanyas Ashram, Ellisbridge,AHMEDABAD-380006.

Tel Nos.079 26582381 to 84, Fax No 079 26582385, Email sharepro@shareproservices.com

Contact Person: Ms. Bharti Parikh

- Please Quote folio no. / DP ID & CL ID for any communication for your shareholding.
 - Bring the copy of Annual Report at the meeting.
4. The Company's equity shares are presently listed and traded at Bombay Stock Exchanges Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) The Company has paid the listing fees to BSE and NSE for the financial year 2012-13.
 5. Members wishing to claim their unclaimed dividend of 2005-06, 2006-07 (Interim as well as Final Dividend), 2007-08 (Interim as well as Final Dividend), 2009-10 (Interim as well as Final Dividend) and 2010-11, are requested to correspond with said Registrar and Transfer Agent (RTA) or Secretarial Department at the Registered office of the Company.
 6. Explanatory Statement, as required under section 173(2) of the Companies Act, 1956, is annexed hereto.
 7. The details of Directors seeking re-appointment in the Annual General Meeting to be held on 28th September, 2012 are covered in the Corporate Governance Report.

8. **Any member desiring any clarification/explanation in respect of the information given in this annual report is requested to submit query to the company at least 7 days in advance before the meeting so as to enable the management to keep information ready.**
9. The Ministry of Corporate Affairs has taken a "Green Initiative in the corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through which their concerned Depository Participants.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956 :

Item No : 5,6 & 7.

The Board of Directors, on the recommendation of the Remuneration Committee, at their meeting held on 30th June, 2009 had re-appointed Mr. Suresh J. Patel as Chairman & Managing Director, Mr. Bhavin S. Patel and Mr. Ramesh P. Patel as Executive Directors of the company for the period of Three (3) years with effect from 13th May, 2009 at such remuneration and terms & conditions of appointment as agreed by Board of Directors and subsequently approved by members at Annual General Meeting held on 30th September, 2009 in terms of sections 198,269,309 and other applicable provisions of the Companies Act, 1956. Their terms ending on 12th May, 2012. Their re-appointments as Chairman & Managing Director and Executive Directors are permissible in accordance with the provisions of Schedule XIII to the Companies Act, 1956, if their re-appointment is approved by the members in General Meeting.

The Board of Directors, on the recommendation of the Remuneration Committee, at their meeting held on 14th May, 2012 has approved re-appointment of Mr. Suresh J. Patel as Chairman & Managing Director, Mr. Bhavin S. Patel and Mr. Ramesh P. Patel as Executive Directors of the company for a further period of three years from 13th May, 2012 to 12th May, 2015.

Mr. Suresh J. Patel is promoter of the company. He has very wide and rich experience in the chemical industry specifically in manufacturing of Dyes and Dyes Intermediates. He is instrumental in the strategic decision-making and production of high quality Dyes and Dyes Intermediates. He has ability to stay ahead of competition and offered maximum price advantage to Customers. It is in the interest of the company to avail his valuable services for the further growth and conduction of affairs and business of the company. The company can retain his precious services by re-appointing him as Chairman & Managing Director of the company for the further period of three (3) years with effect from 13th May, 2012 on such terms and conditions and remuneration as set out in resolution no.5 of the accompanying notice.

Mr. Bhavin S. Patel is part of promoter group of the company. He is elder son of Mr. Suresh J. Patel, promoter of the company. He is young and dynamic personality, who contributed significantly in development of dyestuff business of the company. It is highly beneficial for the company to avail his valuable services for further development of the company by re-appointing him as Executive Director of the company for the further period of three (3) years with effect from 13th May, 2012 on such terms and conditions and remuneration as set out in resolution no.6 of the accompanying notice.

Mr. Ramesh P. Patel is co-promoter of the company and he has vast experience in marketing and commercial matters and Forex market. He has ability to manage affairs of the company in efficient and effective manner. He contributed significantly in the progress of the company. The company can take advantage of his vast experience and valuable services by re-appointing him as Executive Director of the company for the further period of three (3) years with effect from 13th May, 2012 on such terms and conditions and remuneration as set out in resolution no.7 of the accompanying notice.

None of the Directors other than Mr. Suresh J. Patel, himself and Mr. Bhavin S. Patel and Mr. Ankit S. Patel, relatives of him, are interested in the resolution of Item No.5.

None of the Directors other than Mr. Bhavin S. Patel, himself and Mr. Suresh J. Patel and Mr. Ankit S. Patel, relatives of him, are interested in the resolution of Item No.6.

None of the Directors other than Mr. Ramesh P. Patel is interested in the resolution of Item No.7.

The approval of members is required for said re-appointments and payment of remuneration. Your Directors, therefore, recommend special resolutions for approval of the members.

By Order of Board of Directors
For Bodal Chemicals Limited

Place: Ahmedabad
Date : 31st August, 2012

Ashutosh B. Bhatt
Company Secretary

DIRECTORS' REPORT

To, The Members

Your Directors hereby present the 26th ANNUAL REPORT of the Company along with the Audited Accounts for the Financial Year ended 31st March, 2012.

BODAL'S BUSINESS

Your company has created Bodal group, engaged in manufacturing of chemicals, Agriculture and its technologies related business from single business entity. Bodal group includes Bodal Chemicals Ltd and its subsidiaries. Bodal's core business is manufacturing of Dyestuffs, Dyes Intermediates and other Chemicals falling under the broad category of Chemicals and new business is Agriculture and its related technologies. The said business carried out by the following companies :

Bodal Chemicals Ltd.(BCL) - one of the leading Manufacturer of Dyes, Dyes Intermediates and other chemicals in India.

Bodal Agrotech Ltd. (BAL) - engaged in Agricultural related business. BAL is wholly owned subsidiary company of BCL.

Sun Agrigenetics Pvt. Ltd. (SAPL)- engaged in production of tissue culture plants, Microbial bio-fertilizers, Genetic Improvement of crops, contract research etc. SAPL is subsidiary company of BAL.

The broader area of operation of BCL, BAL and SAPL are as follows :

Bodal Chem (BCL)

Bodal Chem is well-known in the field of manufacturing Dyestuffs, Dyes Intermediates and other Chemicals falling under the broad category of Chemicals. Dyestuff is further used in Textile, Leather and Paper Industry. The Company has total 8 separate units having manufacturing facilities located in Gujarat. Due to Forward and Backward – both Integration from dye Intermediates division, we use about 60 % of our own raw materials when we produce intermediates and we use about 80% of our own raw materials when we produce dyestuffs. This is our Strength. Out of the total sales about 42% is export and balance is domestic. Your company is listed on Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE).

The broader area of operation of your company is as under:

Dyes

Your Company is a leading manufacturer of Reactive, Acid and Direct Dyes. Bodal has more than 150 different products of Dyes to cater to Textile, Leather and Paper Industry.

Dye Intermediates

Bodal is amongst the leading manufacturers of Dye Intermediates globally. Your Company manufactures more than 25 Dyes Intermediates. These Dye Intermediates are directly sold as well as consumed captively for manufacturing different kinds of Dyes.

Other/Basic Chemicals

Bodal is also a manufacturer of Other Chemicals like Sulphuric Acid, CSA, Oleums, Beta Napthol, Acetanilide, Para Nitro Aniline etc. These Chemicals are used as key raw materials for production of Dye Intermediates, which is highly beneficial in terms of improving profitability of the company.

Bodal Agro (BAL)

Your company had forayed into Agriculture and its technologies business through BAL. BAL had been incorporated as wholly owned subsidiary company of BCL in the year 2010. This is new business line for the company. However, your Directors expects that BAL will contribute significantly in Bodal group's bottom line in coming years and create values for our stakeholders.

There are ample opportunities in Agriculture business and its related technologies business. BAL is exploring various business opportunities from Farm to direct customers. This line of business gives tremendous scope for business starting from farming/ contract farming, seeds and plants, cold storage, food and beverage business etc.

BAL has vision to become a leading player in the field of Agriculture business by way of complete chain from farm to customer.

BAL is currently engaged in the business of retail and wholesale trading of foodgrains, pulses, vegetable and fruits. It has already opened retail stores for vegetables, fruits, food grains, pulses etc. under the company's brand name in the different areas in Ahmedabad initially. BAL plans to open more stores in coming months in Ahmedabad city and latter on in Gujarat. BAL has received very good response from the market for retail stores of the company.

BAL plans to manufacture Single Super Phosphate (SSP)-Fertilizer with 3.5 lacs MTPA capacity near by our existing manufacturing facility of Sulphuric Acid, Dye Intermediates and Dyes, located at our Padra unit, Vadodara. During the year, BAL had applied to government authorities/agencies for licenses/approvals of SSP project. The company has already received some licenses/approvals for said project and remaining licenses/approvals are being pending at various levels.

SSP plant will use Sulphuric Acid and Spent Sulphuric Acid (Concentrate 25 to 30%) as key raw materials for producing SSP. Your company has its own 500TPD Sulphuric Acid plant, which is running successfully and Spent Sulphuric Acid (Concentrate 25 to 30%) , which available from production of Dye Intermediates like Vinyl Sulphone Esater, DASA, F C Acid. It is available at free of cost and there is also saving in purification cost.

The construction work of SSP plant will start after all necessary licenses/approvals and financial closure of said plant.

Sun Agrigenetics (SAPL)

SAPL is fellow subsidiary of BCL. SAPL is in business of production of tissue culture plants, Microbial bio-fertilizers, Genetic Improvement of crops, contract research etc. SAPL has tissue culture laboratory with production capacity of 2 million plants p.a. Green House and Nursery complex spread over an area of 70,000 sq.ft. R&D centre recognized by Department of Science and Industrial Research (DSIR), Gov. of India, New Delhi. SAPL plans to expand its capacities and also launch new products through R&D.

Information relating to performance/financials of the subsidiary companies are disclosed in the Consolidated Financial Statements. Statement pursuant to Section 212(1)(e) of the Companies Act, 1956 forms part of this Annual Report.

Compliance of Section 212 of the Companies Act, 1956.

In accordance with the general circular no. 2/2011 bearing reference no. 5/12/2007-CL-III, dtd.8th February, 2011, issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies.

In accordance with the requirement of Accounting Standards issued by The Institute of Chartered Accountants of India, the consolidated accounts of the company and its subsidiaries have been prepared and the same are annexed to this report.

FINANCIAL RESULT (Standalone)

Particulars	(Rs. In Lacs)	
	31-3-2012	31-3-2011
Total Income from Operations	60334.62	57132.10
Profit before Interest, depreciation & amortization and taxation	610.17	6157.37
Less : Depreciation/Amortization of Goodwill	1600.38	1379.90
Less : Interest/Finance cost	3380.77	2263.02
Add : Exceptional Item	505.00	0
Less : Tax Expense	(1034.37)	838.76
(Loss) / Profit after Taxation	(2831.61)	1675.69
Dividend on Equity Shares (Including Tax)	Nil	624.53
EPS-face value of Rs. 2/- each-(in Rs.)	(2.74)	1.68

DIVIDEND

In view of the loss incurred by the company, the Directors regret their inability to recommend any dividend for the financial year 2011-12. The company had declared and paid dividend of Rs.0.54 i.e. 27% per equity share for the financial year 2010-11.

PERFORMANCE OF THE COMPANY

The Year Under Review-2011-12

The company's performance has adversely impacted due to external headwinds like uncertainty in global market, higher inflation, volatility in crude prices, fluctuation in currency and high interest rate and many more. In spite of this, your company has achieved highest ever Turnover during the year. This indicate itself that the company's management has proved its ability to retain business, in fact added new customers, in tough times.

Your company has achieved highest ever Total Income from Operation of Rs. 603.35 crore in the financial year 2011-12. However, this milestone did not reflect in bottom line for the financial year 2011-12 and the company has incurred net loss of Rs. 28.32 crore for the financial year 2011-12.

Current Year-2012-13

Your company is making all efforts to cope up with the challenges through continuous cost reduction, process improvements, imparting training to the workforce on the continued basis, developing and launching new products and improved customer services to mitigate the growing cost pressure.

The Company is continuously spreading its wings for further growth every year by entering into new geographies, adding its customer base and expanding its businesses.

Your Company has performed during the first quarter i.e. April-June, of the current financial year as per the following details.

- Total Income from operation at Rs. 136.17 crore
- EBIDTA at Rs. 3.59 crore (excluding Rs. 12.95 crore Foreign Exchange Fluctuation Loss)
- Finance cost (Interest and Bank Charges) at Rs. 8.44 crore
- Net Loss at Rs. 14.90 crore

Your Directors are hopeful of better performance in the second half of the current financial year 2012-13.

CORPORATE DEBT RESTRUCTURING (CDR)

The company has incurred heavy loss and the financial liquidity remained tight during the year under review. Hence, the company has approached, through its lead banker i.e. Union Bank of India, to the Corporate Debt Restructuring cell (CDR) for the suitable realignment of its entire debt. The proposal has been admitted by CDR cell and the final proposal is under process to get approval from CDR cell.

ALLOTMENT OF EQUITY SHARES PURSUANT TO WARRANTS CONVERSION

The Board of Directors has allotted 95,95,860 equity shares of Rs.2/-each at a premium of Rs.10.60 per share pursuant to conversion of warrants into equity shares to three allottees, promoter group and one allottee, non promoter group on 10th November, 2011.

The Company has received Rs. 9.06 crore as part of 75% i.e. Rs.9.45 per warrant, remaining balance for conversion of warrants into equity shares from allottees before allotment.

The Company has forfeited Rs.7.60 crore due to non-exercise option of 2,41,54,140 (after considering split effect in the ratio of 5:1) warrants conversion into the same number of equity shares by promoter group/non-promoters.

The said amount has been fully utilized for Long Term Working Capital/general corporate purposes.

The Board of Directors had allotted 3,37,50,000 (after considering split effect in the ratio of 5:1) warrants convertible into equivalent number of equity shares at a price of Rs.12.60 per share (including premium Rs.10.60 per share) to Promoter Group/ Non Promoters on 11th May, 2010, as per terms approved by shareholders vide EGM dtd. 28th April, 2010.

PAID UP SHARE CAPITAL

Consequent upon the allotment of equity shares, the paid up share capital of the company has been increased to Rs. 21,82,14,740/- divided into 10,91,07,370 equity shares of Rs.2/- each fully paid.

LISTING OF SECURITIES

10,91,07,370 equity shares of Rs.2/- each fully paid, are listed on the following Stock Exchanges:

1. The Bombay Stock Exchange Ltd. (BSE)
2. The National Stock Exchange of India Ltd. (NSE)

The company has already paid listing fee to both the Stock Exchanges for the financial year 2012-2013.