

MASTER CHEMICALS LIMITED

Annual Report

2011-12



MASTER CHEMICALS LIMITED

SAHARA INDIA POINT, CTS 40-44, S. V. ROAD, GOREGAON (WEST), MUMBAI 400 104. Ph 022-56981111, Fax. 022-28738824

BOARD OF DIRECTORS

SHRI R. S. DUBEY
Director

SHRI SOMESH BOSE
Director

SHRI TAPAS BASAK
Director

STATUTORY AUDITORS

M/S. CHATURVEDI & CO.
Chartered Accountants

BANKERS

ICICI Bank Limited

REGISTRAR & SHARE TRANSFER AGENT

M/S LINK INTIME INDIA PRIVATE LIMITED

C- 13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (West),
Mumbai - 400 078.

REGISTERED OFFICE

Sahara India Point,
CTS 40-44, S. V. Road,
Goregaon (West),
Mumbai - 400 104.



MASTER CHEMICALS LIMITED

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DIRECTOR'S REPORT

To,

The Members,

The Directors of your Company are presenting their Thirty Second Annual Report of the Company on the operations and financials of the Company for the year ended 31st March 2012.

FINANCIAL RESULTS

(Rs. In Thousand)

PARTICULARS	2011-2012	2010-2011
Total Income	10.22	653.50
Total Expenditure	475.77	309.13
Profit (+) / Loss (-) before Tax	(466.55)	344.38
Provision for Taxation	0.00	106.50
Net Profit (+) / Loss (-) after Tax	(476.58)	235.22
Balance carried forward to next year	1830.05	2306.63

OPERATIONS

During the year under review, the total income of the Company was Rs. 10,218 as against Rs. 6,53,504 in the previous year. The Loss for current fiscal is Rs. 4,76,584.

DIVIDEND

Due to lack of profit, the Board of Directors have not recommended any dividend for the financial year 2011-2012.

DIRECTORS

Shri Tapas Basak was re-appointed as Director of the Company in the Annual General Meeting of the Company held on 28th September 2011 and is liable to retire by rotation.



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In accordance with the provisions of Section 256 of the Companies Act, 1956, Shri R. S. Dubey, Director of the Company is retiring by rotation at the ensuing Annual General Meeting of the Company and is eligible for re-appointment. The Board recommends his name for re-appointment as Director of the Company.

AUDITORS

M/s Chaturvedi & Co., Chartered Accountants, Mumbai was appointed as Statutory Auditors of the Company in the last Annual General Meeting, to hold office until the conclusion of the ensuing Annual General Meeting. The Company has received a certificate from the Statutory Auditors to the effect that their appointment, if made, would be within the prescribed limits U/s 224(1B) of the Companies Act, 1956. The Board recommends their re-appointment as the Statutory Auditor of the company in the ensuing Annual General Meeting.

AUDITORS' REPORT

The Report of the Statutory Auditors M/s. Chaturvedi & Company, on the financials of the Company for the Financial Year 2011-2012 is self-explanatory and is devoid of any qualifications and hence needs no further explanations.

PUBLIC DEPOSITS

The Company has not accepted any public deposit during the year under review.

COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES 1988

The particulars required U/s 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 are not applicable to the Company. During the year under review there was no foreign exchange earning and outgo.



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PARTICULARS OF THE EMPLOYEES

The provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Amendment Rules, 2011 are not attracted to the Company, since during the year under review, the Company has not paid any remuneration to any of its employee exceeding the limits specified under the said section.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors, based on the representation received from the Operating Management, confirm that:-

- a For the preparation of the Annual Accounts, the applicable Accounting Standards had been followed, and there is no material departure from following the Accounting Standards.
- b They have, in selection of accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgment and estimates that are reasonable and prudent, so as to give true and fair view of the state of affairs of the Company at the end of the Financial Year and of the Profit or Loss of the Company for that period.
- c They have taken proper and sufficient care to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 1956 for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities.
- d They have prepared the Annual Accounts on a Going Concern basis

COMPLIANCE CERTIFICATE

In terms of the provisions of Section 383A of the Companies Act, 1956, the Company has appointed M/s. Nikita Agarwal & Associates, Practicing Company Secretary, C. P. No. 9907 and their report dated 1st August, 2012 is attached to this report. The observations made therein are self-explanatory and do not call for any further clarifications / comments.



MASTER CHEMICALS LIMITED

SAHARA INDIA POINT, CTS 40-44, S. V. ROAD, GOREGAON (WEST), MUMBAI 400 104. Ph 022-56981111, Fax. 022-28738824

ACKNOWLEDGEMENTS

Employees are our vital and most valuable assets of the Company. Your Directors value the professionalism and commitment of all employees of the Company and place on record their appreciation of the contribution made by employees of the Company at all levels that has contributed to your Company's success. Your Directors thank and express their gratitude for the support and co-operation received from the Central and State Governments / regulatory authorities viz. Ministry of Corporate Affairs, SEBI, the Stock Exchange, Depositories and other stakeholders including viewers, producers and vendors.

**For and on behalf of the Board of
Master Chemicals Limited**

Sd/-

**R. S. Dubey
(Director)**

Sd/-

**Somesh Bose
(Director)**

Place: Mumbai

Date: 3rd August, 2012



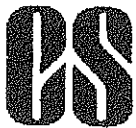
MASTER CHEMICALS LIMITED

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GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting

Date	: Tuesday 25 th September, 2012
Time	: 11:00 A.M.
Venue	: Sahara India Point, CTS 40-44, S. V. Road, Goregaon (West), Mumbai - 400 104.
Date of Book closure	: 18 th September, 2012 to 25 th September, 2012 (both days inclusive).
Last date of receipt of proxy forms	: 23 rd September, 2012 by 11:00 A.M.
Financial Calendar	: 1 st April, 2011 to 31 st March, 2012.
Last Annual General Meeting	: 28 th September, 2011.
Registrar and Share Transfer Agents	: M/s. Link Intime India Private Limited, C- 13, Pannalal Silk Mill Compound, L. B. S. Marg, Bhandup (West) Mumbai - 400 078.
Share Transfer System	: Shares received for physical transfer on dematerialization or rematerialization requests are generally registered and returned within a period of 21 days from the date of receipt of complete and validly executed documents.
Dematerialisation of shares and liquidity	: Equity Shares of the Company can be traded in dematerialized form. To facilitate the trading in dematerialized form, the Company has entered into agreements with both the Depositories viz. National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As of date approximately 76.78% of the Equity Shares of the Company are in dematerialized form.
Listing on Stock Exchanges	: The Bombay Stock Exchange
BSE Stock Code	: 506867
ISIN No.	: INE523D01017
Addresses for correspondence	: Sahara India Point, CTS 40-44, S. V. Road, Goregaon (West), Mumbai – 400 104.



Nikita Agarwal & Associates

COMPANY SECRETARIES

LGF 17-18, Shri Ram Tower, 33 Kasia Road, Betiahata Chowk
Gorakhpur-273011, Contact :- 09161188046, 09793257878
nikita.cs22@yahoo.in; cs22.nikita@gmail.com

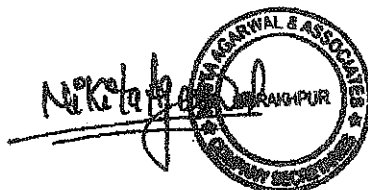
SECRETARIAL COMPLIANCE CERTIFICATE U/sec. 383A of the Companies Act, 1956 and Rule 3 of the Companies (Compliance Certificate) Rules, 2001

CIN:	L99999MH1980PLC022653
Nominal Capital:	Rs. 25,00,00,000/-
Paid Up Capital:	Rs. 24,50,000/-

To,
The Members,
Master Chemicals Limited,
Sahara India Point,
CTS 40-44, S. V. Road,
Goregaon (West),
Mumbai - 400 104.

I have examined the registers, records, books and papers of M/s MASTER CHEMICALS LIMITED ('the Company') as required to be maintained under the Companies Act, 1956, ('the Act') and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March 2012 ('the financial year'). In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

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



4. The Board of Directors have duly met 4 times in a year on 27th May, 2011, 2nd August, 2011, 12th November, 2011 and 8th February, 2012 in respect of which meetings, proper notices were given and the proceedings thereof were properly recorded and signed in the minutes books maintained for the purpose.
5. The Company closed its Register of Members from 22nd September 2011 to 28th September 2011 (both days inclusive) and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31st March 2011 was held on 28th September 2011 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its Directors, persons, firms or companies referred to under section 295 of the Act during the financial year.
9. The Company has not entered into contracts falling within the purview of section 297 of the Act the financial year under report.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members of the Company or Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.
13. The Company :-
 - (i) was not required to deliver the certificates on allotment of securities and on lodgment thereof for transfer / transmission or any other purpose in accordance with the provisions of the Act as there was no allotment of shares during the financial year.
 - (ii) has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
 - (iii) was not required to post warrants for dividends to any member of the Company as no dividend was declared during the financial year.
 - (iv) has no amounts in unpaid dividend accounts, application money due for refund, matured deposits, matured debentures and the interest accrued thereon



which have remained unclaimed or unpaid for a period of seven years requiring transfer to Investor Education & Protection Fund.
(v) has duly complied with requirements under section 217 of the Act.

14. The Board of Directors of the Company is duly constituted consisting of Shri R. S. Dubey, Shri Somesh Bose and Shri Tapas Basak as members of Board.

15. Since the paid up capital of the Company is less than Rs. 5 Crore, the Company was not required to appoint a Managing Director / Whole Time Director / Manager under section 269 of the Act.

16. The Company has not appointed any Sole Selling Agents during the financial year.

17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities as may be prescribed under the various provisions of the Act during the financial year.

18. The Directors of the Company have disclosed their concern / interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.

19. The Company has not issued any shares, debentures or other securities during the financial year.

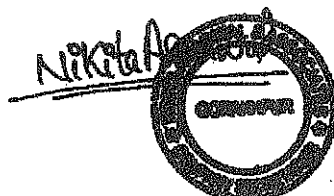
20. The Company has not bought back any shares during the financial year.

21. The Company has not issued any preference shares or debentures and hence there was no redemption of preference shares or debentures during the financial year.

22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.

23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of section 58A of the Act during the financial year.

24. The Company has not made any borrowings during the Financial Year.



25. The Company has not made any loans or advances or investments in or given guarantees or provided securities to other bodies corporate and consequently was not required to make entries in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the Objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to Name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company was not required to constitute its Provident Fund since the provisions of section 418 of the Act is not applicable to the Company.

For Nikita Agarwal & Associates
Company Secretaries

Place: Gorakhpur
Date: 1st August, 2012



Signature. Nikita Agarwal

(Nikita Agarwal)
(Proprietor)

Mem. No. ACS 26819
C.P. No.: 9907

Annexure A:

Registers as maintained by the Company:

STATUTORY REGISTERS

Sr. No.	Particulars	Applicable Provisions
1	Register of investments	U/s 49
2	Register of Members	U/s 150
3	Books of Accounts	U/s 209
4	Register of Directors	U/s 303
5	Register of Directors' shareholding	U/s 307
6	Register of Contracts in which Directors are interested	U/s 301

OTHER REGISTERS

Sr. No.	Particulars
1	Minute Books for Board Meeting and Shareholders' Meeting
2	Register of Renewed and Duplicate Share Certificates
3	Register of Directors' Attendance
4	Register of Shareholders' Attendance
5	Register of Proxies
6	Register of Transfers
7	Register of Fixed Assets

The Company has not maintained the following registers as it was informed that there were no entries / transactions to be recorded therein:

Sr. No.	Particulars	Applicable Provisions
1	Register of Deposits	As per Rule 7 of the Companies (Acceptance of Deposits) Rules, 1975
2	Register of Securities Bought Back	U/s 77 A
3	Register of Debenture Holders	U/s 152
4	Foreign Register of Members	U/s 157
5	Register of Investment and Loans	U/s 372 A
6	Register of Charges	U/s 143



Annexure B:

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Directors, Central Government or other authorities during the financial year ending 31st March, 2012:

Sr. No.	Form Returns	No./ Filed Under Section	Date of Filing	Whether filed within prescribed time	In case of delay in filing, whether requisite additional fee paid: Yes/No
1.	Annual Accounts (Form 23ACXBRL & 23ACAXBRL)	220	10/12/2011	Yes	No
2.	Annual Return (Form 20B)	159	05/12/2011	No	Yes
3.	Compliance Certificate (Form 66)	383A	09/12/2011	No	Yes
4.	Information by Auditor (Form 23B)	224(1A)	22/11/2011	No	Not Applicable

Place: Gorakhpur
Date: 1st August, 2012



For Nikita Agarwal & Associates
Company Secretaries

Signature.....

(Nikita Agarwal)
(Proprietor)

Mem. No. ACS 26819
C.P. No.: 9907

AUDITOR'S REPORT

To,
The Members of
MASTER CHEMICALS LIMITED

1. We have audited the attached Balance Sheet of **MASTER CHEMICALS LIMITED** as at 31st March, 2012, the Profit and Loss Account and also the Cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order 2003, and 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 Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraph 4 & 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - iii) The Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report are in agreement with the books of account.

- iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- v) According to the information and explanations given to us and on the basis of written representations received from the Directors, as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012.
 - b) In the case of the Profit and Loss account, of the "Loss" for the year ended on that date; and
 - c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For CHATURVEDI & CO.
Chartered Accountants
(Firm Regn. No. 302137E)

Sd/-
(S.N. Chaturvedi)
Partner
Mem. No. 040479

Place: Mumbai
Date: 25th May, 2012

ANNEXURE TO THE AUDITORS' REPORT
Referred to in paragraph 3 of our Report of even date

- i) As the company had no fixed assets during the year, provisions of paragraph 4(i) of the Order are not applicable.
- ii) As explained to us, the company did not carry any inventory at any time during the year. In view of the foregoing, the provisions of paragraph 4(ii) of the Order are not applicable.
- iii) As per the information furnished, the company has not granted or taken any loans, secured or unsecured, from /to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. In view of the foregoing, the provisions of paragraph 4(iii) of the Order are not applicable.
- 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. During the course of our audit, no major weakness has been noticed in the internal controls.
- v) According to the information and explanations given to us, during the year, the Company has not entered into transactions with parties that would require it to be entered in the Register maintained under section 301 of the Companies Act, 1956.
- vi) According to the information and explanations given to us, the Company has not accepted any deposits during the year from the public within the meaning of the provisions of sections 58A and 58AA of the Companies Act, 1956 and rules made thereunder.
- vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- viii) Maintenance of Cost Accounts under section 209(1) (d) of the Companies Act, 1956 has not been prescribed for the Company.
- ix) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income tax and other material statutory dues applicable to it.
- x) There are no accumulated losses of the company as at 31st March 2012. The company has incurred cash losses during the financial year covered by our audit. However, there was no cash loss in the immediately preceding financial year.

- xi) In our opinion, and according to the information and explanations given to us, the company has not defaulted in payment of dues to financial institutions, banks or debenture holders.
- xii) Based on our examination of the records and the information and explanations given to us, the company has not granted any loans and/or 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 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) 2003 are not applicable to the Company.
- xv) According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks or financial institutions.
- xvi) The Company has not availed any term loans.
- xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment.
- xviii) The Company has not made any preferential allotment of shares during the year.
- xix) The Company has not issued any debentures during the year.
- xx) The Company has not raised any money by public issue during the year covered by our Report.
- xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For CHATURVEDI & CO.
Chartered Accountants
(Firm Regn. No. 302137E)

Sd/-
(S.N. Chaturvedi)
Partner
Mem. No. 040479

Place: Mumbai
Date: 25th May, 2012

Master Chemicals Limited
Balance sheet as at 31 March 2012

	Notes	31 March 2012 Rs.	31 March 2011 Rs.
Equity and liabilities			
Shareholders' Funds			
Share capital	3	2,450,000	2,450,000
Reserves and surplus	4	3,018,549	3,495,133
		<u>5,468,549</u>	<u>5,945,133</u>
Current liabilities			
Trade payables	5	151,314	128,984
Other current liabilities	6	317	51,175
		<u>151,631</u>	<u>180,159</u>
TOTAL		<u>5,620,180</u>	<u>6,125,292</u>
Assets			
Non-current assets			
Non-current investments	7	3,694,270	3,694,270
Long-term loans and advances	8	196,879	158,579
		<u>3,891,149</u>	<u>3,852,849</u>
Current assets			
Trade receivables	9	-	433,916
Cash and bank balances	10	1,724,031	1,833,527
Short-term loans and advances	8	5,000	5,000
		<u>1,729,031</u>	<u>2,272,443</u>
TOTAL		<u>5,620,180</u>	<u>6,125,292</u>

Summary of significant accounting policies 2.1

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For and on behalf of the Board of Directors of
Master Chemicals Limited

For Chaturvedi & Co.
Firm Registration No. 302137E
Chartered Accountants

Sd/-
S.N.Chaturvedi
Partner
Membership No. 040479
Mumbai: 25th May, 2012

Sd/-
R. S. Dubey
Director
(DIN 00097186)

Sd/-
Somesh Bose
Director
(DIN 00183634)

Master Chemicals Limited**Statement of profit and loss for the year ended 31 March 2012**

	Notes	31 March 2012 Rs.	31 March 2011 Rs.
Income			
Other income	11	10,218	653,504
Total		<u>10,218</u>	<u>653,504</u>
Expenses			
Employee benefits expense	12	18,000	18,000
Other expenses	13	457,772	291,126
Total		<u>475,772</u>	<u>309,126</u>
Profit/(loss) before tax		(465,554)	344,378
Tax expenses			
Current tax		-	106,500
Deferred tax		-	-
Total tax expense		<u>-</u>	<u>106,500</u>
Profit/(loss) for the year		(465,554)	237,878
Less:- Prior period items		<u>(11,030)</u>	<u>(2,658)</u>
Net profit/(loss) for the year		(476,584)	235,220
Earnings per equity share [nominal value of share Rs. 10 (31 March 2011: Rs. 10)]			
Basic and Diluted	14	(1.95)	0.96
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Chaturvedi & Co.

Firm Registration No. 302137E

Chartered Accountants

Sd/-

S.N.Chaturvedi

Partner

Membership No. 040479

Mumbai: 25th May, 2012

For and on behalf of the Board of Directors of
Master Chemicals Limited

Sd/-

R. S. Dubey

Director

(DIN 00097186)

Sd/-

Somesh Bose

Director

(DIN 00183634)

Master Chemicals Limited**Cash flow statement for the year ended March 31, 2012**

	31 March 2012 Rs.	31 March 2011 Rs.
Cash flow from operating activities		
Net profit before tax	(454,524)	347,036
Credit balances written back	(10,218)	-
Operating profit before working capital changes	(464,742)	347,036
Movements in working capital :		
Increase/ (decrease) in trade payables	32,548	69,462
Increase/ (decrease) in other current liabilities	(50,858)	(57,265)
Decrease / (increase) in trade receivables	433,916	544,753
Cash generated from /(used in) operations	(49,136)	903,986
Direct taxes paid (net of refunds)	(38,300)	(54,586)
Net cash flow from/ (used in) operating activities (A)	(87,436)	849,400
Cash flows from investing activities		
Interest received	-	-
Net cash flow from/ (used in) investing activities (B)	-	-
Cash flows from financing activities		
Interest paid	-	-
Net cash flow from/ (used in) in financing activities (C)	-	-
Net increase in cash and cash equivalents (A + B + C)	(87,436)	849,400
Cash and cash equivalents at the beginning of the year	1,838,843	989,443
Cash and cash equivalents at the end of the year	1,751,407	1,838,843
Components of cash and cash equivalents		
Cash on hand	15,769	15,769
With banks -		
on current account	1,708,262	1,817,758
Total cash and cash equivalents	1,724,031	1,833,527
Cash and cash equivalents in Cash Flow Statement	1,724,031	1,833,527
Summary of significant accounting policies	2.1	

For Chaturvedi & Co.
Firm Registration No. 302137E
Chartered Accountants

For and on behalf of the Board of Directors
Master Chemicals Limited

Sd/-
S.N.Chaturvedi
Partner
Membership No. 040479
Mumbai: 25th May, 2012

Sd/-
R. S. Dubey
Director
(DIN 00097186)

Sd/-
Somesh Bose
Director
(DIN 00183634)

Master Chemicals Limited

(FY 2011-12)

Notes forming part of the financial statements

1. Corporate Information

Master Chemicals Limited is a public company domiciled in India and incorporated under the provisions of Companies Act, 1956. Its shares are listed on Bombay Stock Exchange in India. The company's main object of business is mentioned in the Memorandum and Articles Association of the company.

2. Basis of Preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

2.1. Summary of significant accounting Policies

(a) Change in accounting policies

Presentation and disclosure of financial statements

During the year ended 31st March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statement. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

(b) Use of estimates

The preparation of financial statement in conformity with Indian GAAP requires the management to make judgment, 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 amount of assets or liabilities in future periods.

(c) Investments

Investment, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Long Term Investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

(d) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

i. Income from services

Revenues from contracts priced on a time and material basis are recognized when services are rendered and related costs are incurred. Revenues from turnkey contracts, which are generally time bound fixed price contracts, are recognized over the life of the contract using the proportionate completion method, with contract costs determining the degree of completion. Foreseeable losses on such contracts are recognized when probable. Revenues from maintenance contracts are recognized pro-rata over the period of the contract.

ii. Interest

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

iii. Dividend

Revenue is recognized when the shareholders' right to receive payment is established by the balance sheet date.

(e) Income taxes

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the company.

Deferred tax is recognized on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognized for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized only if there is virtual certainty that there will be sufficient future taxable income available to realize such assets. Deferred tax assets are recognized for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realized. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their reliability.

(f) Earning Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a right issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earning 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.

(g) Provisions

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

(h) Contingent Liabilities

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 can not be recognized because it cannot be measured reliably. The company does not have any contingent liability.

(i) Cash and cash equivalents

Cash and cash equivalents in the cash flow statement comprise cash at bank and in hand and short term investment with an original maturity of three months or less.

(j) Cash Flow statement

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the company are segregated based on the available information.

Master Chemicals Limited
Notes to financial statements for the year ended 31 March 2012

3. Share capital

	31 March 2012 Rs.	31 March 2011 Rs.
Authorized shares		
2,50,00,000 (31 March 2011: 2,50,00,000) equity shares of Rs. 10 each	250,000,000	250,000,000
Issued, subscribed and fully paid-up shares		
2,45,000 (31 March 2011: 2,45,000) equity shares of Rs. 10 each	2,450,000	2,450,000
Total issued, subscribed and fully paid-up share capital	2,450,000	2,450,000

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	31 March 2012		31 March 2011	
Equity shares	No.	Amount	No.	Amount
At the beginning of the period	245,000	2,450,000	245,000	2,450,000
Issued during the period	-	-	-	-
Outstanding at the end of the period	245,000	2,450,000	245,000	2,450,000

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year ended 31 March 2012, the amount of per share dividend recognized as distributions to equity shareholders was Nil (31 March 2011: Nil).

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) Details of shareholders holding more than 5% shares in the company

Name of the shareholder	31 March 2012		31 March 2011	
	No.	% holding in the class	No.	% holding in the class
Equity shares of Rs.10 each fully paid				
Sahara India Corp Investment Limited	52,900	21.59	52,900	21.59
Sahara Prime City Limited	118,900	48.53	118,900	48.53
Bajrang Ispat and Plywood Ltd	24,050	9.82	24,050	9.82

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

4. Reserves and surplus

	31 March 2012 Rs.	31 March 2011 Rs.
General Reserve		
Balance as per the last financial statements	1,188,500	1,188,500
Closing Balance	1,188,500	1,188,500
Surplus/ (deficit) in the statement of profit and loss		
Balance as per the last financial statements	2,306,633	2,071,413
Profit/(loss) for the year	(476,584)	235,220
Net surplus in the statement of profit and loss	1,830,049	2,306,633
Total reserves and surplus	3,018,549	3,495,133

5. Trade payables

	31 March 2012 Rs.	31 March 2011 Rs.
Trade payables (including acceptances) (refer note 18 for details of dues to micro and small enterprises)	151,314	128,984
	151,314	128,984

6. Other current liabilities

	31 March 2012 Rs.	31 March 2011 Rs.
Other liabilities		
Others	317	51,175
	317	51,175

7. Non-current investments

	31 March 2012 Rs.	31 March 2011 Rs.
Trade investments (valued at cost unless stated otherwise)		
Unquoted equity instruments		
Investment in associates		
3,69,427 (31 March 2011: 3,69,427) shares of Rs. 10 each fully paid - up in Sahara India Life Insurance Company Limited	3,694,270	3,694,270
	3,694,270	3,694,270
Aggregate amount of quoted investments (Market value: Nil (31 March 2011: Nil))	-	-
Aggregate amount of unquoted investments	3,694,270	3,694,270

8. Loans and advances

	Non-current		Current	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
Security deposit				
Unsecured, considered good	-	-	5,000	5,000
	-	-	5,000	5,000
Other loans and advances				
Advance income-tax (net of provision for taxation)	196,879	158,579	-	-
	-	-	-	-
Total	196,879	158,579	5,000	5,000

9. Trade receivables and other assets

Trade receivables (unsecured)	31 March 2012 Rs.	31 March 2011 Rs.
Outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	-	433,916
Doubtful	-	-
	-	433,916
Provision for doubtful receivables	-	-
	-	433,916

10. Cash and bank balances

	31 March 2012 Rs.	31 March 2011 Rs.
Cash and cash equivalents		
Balance with banks		
- On current accounts	1,708,262	1,817,758
Cash on hand	15,769	15,769
	1,724,031	1,833,527
Other bank balances		
Deposits with original maturity for more than 12 months		
Deposits with original maturity for more than 3 months but less than 12 months		
	-	-
Total	1,724,031	1,833,527

11. Other income

	31 March 2012	31 March 2011
	Rs.	Rs.
Income from commission	-	653,499
Credit balances written back	10,218	-
Miscellaneous income	-	5
	10,218	653,504

12. Employee benefits expense

	31 March 2012	31 March 2011
	Rs.	Rs.
Salaries, wages and bonus (Reimbursement)	18,000	18,000
	18,000	18,000

13. Other expenses

	31 March 2012	31 March 2011
	Rs.	Rs.
Rent	24,000	24,000
Rates and taxes	2,500	2,500
Advertising Expenses	34,549	50,252
Legal and professional fees	51,740	43,195
Directors' sitting fees	120,000	70,000
Payment to auditor (Refer details below)	30,746	30,334
Membership & Subscription	47,296	31,148
Miscellaneous expenses	146,941	39,697
	457,772	291,126

Payment to auditor

	31 March 2012	31 March 2011
	Rs.	Rs.
As auditor:		
Audit fee	22,472	22,060
Limited Review	8,274	8,274
	30,746	30,334

14. Earnings per share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

	31 March 2012	31 March 2011
	Rs.	Rs.
Net profit/ (loss) for calculation of basic & diluted EPS	(476,584)	235,220
Weighted average number of equity shares in calculating basic & diluted EPS	245,000	245,000

15. Related party disclosures

Related parties with whom transactions have taken place during the year is NIL

16. Capital and other commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for are Rs – NIL (31st March 2011: Rs NIL)

17. Contingent liabilities

Contingent liabilities of the company as on 31st March 2012 is Rs –NIL (31st March 2011: Rs NIL)

18. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

As per the information available with the company, no amounts are due to Micro, Small and Medium enterprises as per MSMED Act, 2006 as at 31st March 2012 (31st March 2011 : Rs –NIL)

19 Previous year figures

Till the year ended 31st March 2011, the company was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended 31st March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company. The company has reclassified previous year figures to conform to this year's classification. Except accounting for dividend on investments in subsidiaries, the adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statement. However, it significantly impacts presentation and disclosures made in the financial statement, particularly presentation of balance sheet.

For Chaturvedi & Co.
Firm Regn. No 302137E
Chartered Accountants

**For and on behalf of Board of Directors of
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Partner
Membership No 040479
Mumbai: 25th May, 2012

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