

LIME CHEMICALS LIMITED

**39TH
ANNUAL REPORT
2008-2009**

LIME CHEMICALS LIMITED

BOARD OF DIRECTORS

H.I.Dawoodani – Chairman & Managing Director

A.H.Dawoodani - Managing Director

M. K. Ghelani (upto 28th August 2009)

M. S. Chandani

B. S. Mujawar

A.R. Somjee (w.e.f 28th August 2009)

COMPANY SECRETARY

U. K. Das

REGISTERED OFFICE

Light House Building, Ground Floor

Sitafalwadi, Mazgaon

Mumbai – 400 010

AUDITORS

M/s. VMD & CO.

Chartered Accountants, Mumbai

BANKERS

Bank of Baroda

Development Credit Bank Ltd.

UTI Bank Ltd.

REGISTRAR & SHARE TRANSFER AGENT

Bigshare Services Pvt. Ltd.

E-2, Ansa Industrial Estate

Sakivihar Road, Saki Naka

Andheri East, Mumbai – 400 072

FACTORIES

Plot No. 43, Roha Industrial Area

Village Dhatav, Roha, Raigad (M.S)

31-32-33 & 34 Industrial Area

Paonta Sahib – 173 023 (H.P)

CONTENTS

Page No.

Board of Directors	2
Notice	3
Directors' Report	4
Auditors' Report	12
Annexure to Auditors' Report	14
Balance Sheet	18
Profit & Loss Account	19
Schedules forming part of the Balance Sheet and Profit & Loss Account	20
Notes on Accounts	27
Balance sheet Abstract	36
Cash Flow Statement	38

LIME CHEMICALS LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT the Thirty Ninth Annual General Meeting of the Members of Lime Chemicals Limited will be held at the Registered Office at Light House Building, Ground Floor, Sitafalwadi, Mazgaon, Mumbai – 400 010 on Monday, the 30th September, 2009 at 10.00 a.m. to transact the following business.

ORDINARY BUSINESS

1. To receive and adopt the Profit and Loss Account for the year ended on 31st March, 2009 and the Balance Sheet as on that date and the reports of Auditors and Directors thereon.
2. To appoint Auditors to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting and fix their remuneration.

SPECIAL BUSINESS

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

RESOLVED THAT Mr. Anis R. Somjee, who has appointed as an additional Director of the Company on 28th August 2009 and who in terms of Section 260 of the Companies Act, 1956 hold office upto the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company liable to rotation.

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT 1956

ITEM NO. 3

Mr. Anis R. Somjee was appointed as a Director of the Company at the meeting of the Board of Directors held on 28th August, 2009. Mr. Anis R. Somjee holds the office of Director upto this Annual General Meeting.

The Company has received a notice in writing under Section 257 of the Companies Act, 1956 from a member signifying their intention to propose candidature of Mr. Anis R. Somjee for the office of the Director. Brief details of Mr. Anis R. Somjee are given in the Corporate Governance Report forming part of Directors Report.

NOTES

- a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- b) The form of proxy should be deposited at the registered office of the Company not less than 48 hours before commencement of meeting.
- c) The Register of members and Share Transfer Books of the Company will be closed from 29th September, 2009 to 30th September, 2009 (both days inclusive)
- d) Members are requested to please bring their copies of the Annual Report to the Meeting.

For and on behalf of the Board of Directors

REGISTERED OFFICE

Light House Building, Ground Floor
Sitafalwadi, Mazgaon
Mumbai – 400 010

A.H.DAWOODANI
Managing Director

DATED: 28th August 2009.

LIME CHEMICALS LIMITED

DIRECTORS' REPORT

The Directors present their 39th Annual Report on the business and operations of the Company and the financial accounts for the year ended on 31st March, 2009.

FINANCIAL RESULTS

Particulars	For the year ended on 31/03/2009	For the previous year ended on 31/03/2008
Gross Profit (before interest, depreciation & taxation)	(68.68)	(1480.26)
Less: Interest	428.26	359.03
Depreciation	194.40	160.61
Miscellaneous expenses written off	27.37	2.19
Profit before tax	(718.71)	(2002.09)
Less: Fringe Benefit Tax	9.30	12.97
Less: Deferred Tax	---	---
Profit / Loss after Tax	(728.01)	(2015.06)
Add: Balance brought from previous year	(2267.33)	(252.27)
Profit / (Loss) available for appropriations	(2995.34)	(2267.33)
APPROPRIATIONS / TRANSFERS		
Previous year write back	12.40	---
Profit/(loss) carried to Balance Sheet	(2982.94)	(2267.33)

DIVIDEND

Your Directors do not recommend any dividend on equity shares in view of the loss and carry forward loss incurred by the Company.

REFERENCE TO BIFR

The Company has made Reference to the Board for Industrial & Financial Reconstructions (BIFR) under Section 15 of the Sick Industrial Companies (Special Provisions) Act, 1985 and has been registered as case No. 14/2008 on 10.03.2008 as the entire net worth of the Company has been eroded. The Company is in the process of submitting the Draft Rehabilitation Scheme in consultation with the consortium Banks to the BIFR for the approval.

OPERATION AND FUTURE OUTLOOK

During the year under review, the Company's plant at Roha could restart its operation in the first week of October 2008, which was closed since 10th February 2008 on account of huge loss incurred due to shortage of working capital finance, frequent power breakdowns, steep increase in raw material cost and increased borrowing cost. The management could curtail expenses to some extent, and operating the Roha Plant satisfactorily. The Company's Plant at Paonta Sahib is working at its optimum capacity. The management hopes to achieve better results on account of increased turnover and the measures to increase profitability in the years to come.

The Company is negotiating with the Consortium Banks for restructuring of its existing Long Term Working Capital Facilities to implement its plans to reduce the cost of production and improve efficiency of the Plants.

DIRECTORATE :

Mr. M. K. Ghelani, a Director of the Company shall retire by rotation at the forthcoming Annual General Meeting and does not offer himself for re-appointment.

Mr. Anis R. Somjee has been appointed as an additional Director with effect from 28th August, 2009.

EXPORTS

During the year under review, the Company exported its products to various countries. Total exports during the year on FOB basis was Rs. 93.51 lacs against Rs. 87.93 lacs in the previous year.

FIXED DEPOSITS

The Company does not accept fresh deposits from Public / Members. There was unclaimed deposit from some depositors, to whom reminders were sent to claim the same.

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE OPPORTUNITY AND THREATS

During the year under review, industries all over the world witnessed recessionary trend. The Calcium Carbonate Industry in which the Company operates also witnessed recession in the domestic market as well as in export market for the year under review.

The major threat the Company facing are, ever increasing borrowing cost, rising inflation and delay in arranging working capital finance. The other major threats the Company foresees like increase in petroleum products, increase in raw material cost and shortage of power supply and hike in power tariffs.

RISK MANAGEMENT

The Company is evolving a Risk Management Programme covering in its scope an Adequate Risk Identification process and Risk Mitigation methodology. Steps to reduce Raw Material Wastage, Increase Yields, and generally improving production efficiency are being taken regularly.

SEGMENT WISE FINANCIAL PERFORMANCE

Since the Company is engaged in manufacturing only one product i.e. Calcium Carbonate, segment wise performance is not given. However, the Financial Performance is given under the head "Operations".

OUTLOOK

With the steps already taken by the management and proposed to be taken in the immediate future, your Directors are confident of achieving better improvement of working in future.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Company has an adequate system of internal control of procedure commensurate with the size and nature of its business. It maintains a system of well established policies and procedures for its operations and activities. It ensures optimum use of the Company's resources and provides guidelines authorization and approved procedures. It endeavors to use its resources efficiently.

The Company has obtained ISO 9001 certification and adheres to the Standard Operating Practices its manufacturing and operating activities.

The Company's internal auditors carry out audit of accounts, internal control systems and procedures on regular basis. Any significant issues are brought to the attention of the Audit Committee, which reviews it periodically and suggestions and recommendations made by it are carried out for further improvement.

RELATED PARTY TRANSACTION

These have been discussed in detail in the notes to the accounts in the financial statements.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

The Company has focused on building the organization for developing human resources. Training was imparted to the various sections of employees for improving their skills. The relationship with the employees trade union continues to be cordial.

HEALTH AND SAFETY

The Company continues to focus on health and safety of all its workers and staff. It operates in sound health and safety and secured environment system. Adequate safety measures have been taken at both the plants and offices for the prevention of accidents or any untoward incidents.

CAUTIONARY STATEMENT

Some of the statements contained within this report may be forward looking in nature and may involve risks and uncertainties. Actual Result and Outcomes in future may vary materially from those discussed herein. Factors that may cause such variances include, but are not limited to management of growth, market acceptance of Company's product and services, risk associated with new product version, dependence on third party relationship and the activities of competitors.

DIRECTOR'S RESPONSIBILITY STATEMENT

The Board of Directors of your Company confirms that:

- i) in the preparation of the annual accounts, applicable Accounting Standards have been followed ;
- ii) the Accounting Policies are consistently applied and reasonable, prudent judgment and estimates are made so as to give a true and fair view of the state of affairs of the Company at the end of the Financial year and of the profit of the Company for that period;
- iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv) That the Directors have prepared the Annual Accounts on a going concern basis.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION ETC.

The particulars of conservation of Energy, Technology, Absorption, foreign Exchange Earnings and outgo as required under Section 217 (i)(e) of the Companies Act, 1956 have not been given since the same are not applicable to the Company.

PARTICULARS OF EMPLOYEES

The Company did not have any employee falling within the purview of Section 217(2A) of the Companies Act, 1956.

CORPORATE GOVERNANCE

A separate report on Corporate Governance along with the Auditor's Statement of its compliance is given in a separate annexure.

AUDITORS & AUDITOR'S REPORT

The Company's Auditors M/s. A. VMD & Co, Chartered Accountants, will retire at the forthcoming annual General Meeting and is eligible for re-appointment. Members are requested to re-appoint M/s. VMD & Co., as Auditors of the Company and fix their remunerations.

The Auditors M/s. VMD & Co., have referred to certain notes forming part of Accounts in their report to the members. The notes referred to by Auditors are self explanatory.

INDUSTRIAL RELATIONS

The Industrial Relations continued to be cordial during the year under review.

ACKNOWLEDGEMENT

The Directors wish to place on record their sincere appreciation for the continued co-operation by the Company's Bankers and Financial Institutions and the support given by the Company's valued customers. The Board also express its sincere appreciation to the commitment and dedicated employees at all levels. Last but not least the Board places on record their gratitude to the Investors, Depositors, Clients and Shareholders of the Company.

PLACE: MUMBAI
DATE : 28th August 2009

On behalf of the Board of Directors
H.I. DAWOODANI
Chairman

ANNEXURE TO DIRECTOR'S REPORT

Information as per Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of the particulars in the report of Board of Directors) Rules, 1988 and forming part of Directors Report for the year ended 31st March, 2009

FORM 'A'

Form for Disclosures of particulars with respect to Conservation of Energy

	Year ended 31 st March 2009	Year ended 31 st March, 2008
A. POWER & FUEL CONSUMPTION		
1. ELECTRICITY		
a) Purchased		
*Units (KWH in thousands)	6002.31	9526.24
Total amount (Rupees in thousand)	23930	43813
Rate / Unit (Rupees)	3.99	4.60
b) Own generation (Diesel)		
Units	62200	73512
Unit per unit of fuel	2.27	1.64
Cost / Unit (Rupees)	13.74	18.76
2. Coal (used in producing gas)		
Quantity (Tonnes)	9151.50	15039.95
Total Cost (Rupees in thousand)	87590	157856
Average rate / Tonne (Rupees in thousand)	9.57	10.50
3. Furnace Oil		
	Nil	Nil
4. Pet Coke		
Quantity (Tonnes)	6062.64	Nil
Total Cost (Rupees in thousand)	43712	Nil
Average rate / Tonne (Rupees in thousand)	7.21	Nil

5. Others

a) Kerosene			
Quantity (K.L)	143.07		202.49
Total Cost (Rupees in thousand)	4292.92		4440
Rate / Unit (Rupees)	30.01		21.93
b) L.D.O			
Quantity (K.L)	Nil		7.40
Total Cost (Rupees in thousand)	Nil		505
Average Rate / Unit (Rupees)	Nil		27.76
c) Rice / Pop Husk (Paonta Plant)			
Quantity (M.T)	Nil		1383.67
Total Cost (Rupees in thousand)	Nil		15496
Average Rate / Unit (Rupees)	Nil		11198.86
d) Baggas (Paonta Plant)			
Quantity (M.T)	1554.82		344.86
Total Cost (Rupees in thousand)	3196.17		454.00
Average Rate / Unit (Rupees)	2.06		1.32

B. Energy Consumption per Tonne of Calcium Carbonate

	Units	Standards		
Electricity	KWH	N.A	162.69	177.53
Furnace Oil	K. L	N.A	Nil	Nil
Coal	M. T	N.A	0.25	0.28
Others: a) Kerosene	K. L	N.A	0.0086	0.0060
b) L.D.O	K. L	N.A	Nil	0.0002
c) Rice Husk/Bagasse	M. T	N.A	0.08	0.85

FORM 'B'

Form of Disclosure of particulars with respect to Absorption of Technology, Research & Development.

1. Specific areas in which R & D carried out by the Company
- The work in the R & D primarily relates to the improvement of quality.
2. Benefits derived as a result of the above R & D
- Development work led to the increase in Qualitative Product, Sales & Profits of the Company.
3. Future plan of Action
- Efforts will be directed to have better quality of the product and to increase export.
4. Expenditure on R & D - Nil

Technology absorption, adaptation and innovation:

- The existing production system is reviewed regularly and the emphasis is on improvement of quality.

Foreign Exchange Earnings and Outgo:

- Details of Foreign Exchange earnings and outgo are given in Schedule No. 18, Notes 16 (h).

For and on behalf of Board

H.I.Dawoodani
Chairman

Place: Mumbai
Date : 28th August 2009

LIME CHEMICALS LIMITED

REPORT ON CORPORATE GOVERNANCE

In terms of clause 49 of the listing agreement with the Stock Exchanges, a report on Corporate Governance is given below:

1. BOARD OF DIRECTORS

The present strength of Board consist 5 Directors comprising 2 Executive and 3 non-executive Directors.

During the financial year ended on 31.3.2009, 5 Board meetings were held. The attendance of each Director at the Board Meetings and last Annual General Meeting (AGM) and number of other Directorship and Membership/Chairmanship of Committee are as follows:

Name of the Director	Attendance Particulars		No. of directorship/and Committee Membership / Chairmanship in other Companies			
	Board Meetings	Last AGM	Director ship in private Companies	Director ship in public Companies	Committee Member or Chairman	Committee Chairmanships
Mr. H.I.Dawoodani Promoter/ Non Independent / Executive	5	Yes	1	2	Nil	Nil
Mr. A.H. Dawoodani Promoter / Non Independent / Executive	5	Yes	1	2	1	1
Mr. M. K. Ghelani Non Executive / Independent	0	No	1	2	Nil	Nil
Mr. M. S. Chandani Non Executive / Independent	0	No	Nil	Nil	Nil	Nil
Mr. B. A. Mujawar Non Executive / Independent	5	No	Nil	Nil	Nil	Nil

2. APPOINTMENT OF DIRECTOR

Mr. Anis R. Somjee has been appointed as an additional Director with effect from 28th August 2009

Brief profile of Director appointed in compliance with Corporate Governance

Name : Mr. Anis R. Somjee
Age : 50 years
Qualification : Undergraduate
Experience : Morethan 30 years of experience in management of business in catering and related activities.

3. REMUNERATION OF DIRECTORS

The Board has not set up a Remuneration Committee. At present Independent Directors are not paid any remuneration except sitting fees paid for attending Board and Committee Meeting. The Company does not have any Stock Option Scheme.

4. AUDIT COMMITTEE

The Audit Committee comprised 4 Directors viz Mr. A.H.Dawoodani, Mr. M.K.Ghelani, Mr. M.S.Chandani and Mr. B.A.Mujawar. Mr. M.S.Chandani is the Chairman of the Committee. Except Mr. A.H.Dawoodani, all other Directors are Non Executive and Independent Directors. During the financial year under review, 5 meetings were held on 29.04.2008, 29.06.2008, 30.07.2008, 30.10.2008 & 30.01.2009.

5 SHARE TRANSFER AND INVESTORS' GRIEVANCE COMMITTEE

The Share Transfer and Investors' Grievance Committee comprises of 3 Directors viz. Mr. A.H.Dawoodani, MD, Mr. M.S.Chandani and Mr. B.A.Mujawar. The Committee meets for approval of transfers, transmissions, issue of duplicate share certificates and consolidation of shares etc. as and when such requests are received. The Committee also reviews the status of Investor Grievances and recommends measure to improve in solving Investor Services.

6 GENERAL BODY MEETINGS

The details of last three Annual General Meetings of the Company are given below:

Date	AGM/ EGM	Venue	Time	No. of Special Resolution
29.09.2008	AGM	Registered Office at 10, Light House Ground Floor, Sitaphalwadi, Mazgaon Mumbai – 400 010	10.00 a.m.	--
29.09.2007	AGM	Methodist Centre 21, YMCA Road, Mumbai Central, Mumbai – 400 008	10.00 a.m.	3
30.09.2006	AGM	Methodist Centre 21, YMCA Road, Mumbai Central, Mumbai – 400 008	11.00 a.m.	-

There were no proposals requiring special resolution to be passed through Postal ballot.

During the year, an Extra Ordinary General Meeting was held on 15.4.2008 at the Registered Office to approve audited accounts for the eleven months period ended on 29.02.2008 and take on record the erosion of Net Worth and fact that the Company has become sick company as defined under section 3(O) of the Sick Industrial Companies (Special Provisions) Act, 1985 and report of Directors about the reasons for sickness and steps proposed to make the net worth positive.

7. GENERAL INFORMATION FOR SHAREHOLDERS

i) AGM: Date, Time & Venue	30 th September, 2009 at 10.00 a. m Registered Office at Light House Building, Ground Floor Sitafalwadi, Mazgaon, Mumbai – 400 010
ii) Financial Year	1 st April 2008 - 31 st March, 2009
iii) Book closure	29.09.2009 to 30.09.2009
iv) Dividend payment date	No dividend recommended
v) Listing on Stock Exchange	The Bombay Stock Exchange (BSE)
vi) Listing fees paid for the year	2009-2010
vi) Dematerialisation of shares	As on 31.03.2009, 76.70% of total paid-up equity capital dematerialized.
vii) ISIN of the Company for demat	INE891G01011
viii) Registrar & Share Transfer Agent	Big Share Services Private Limited E/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka Andheri (East), Mumbai – 400 072

8. DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2009

No. of Equity Shares Held	No. of Shareholders	No. of Shares	% Total
1 - 500	5,029	6,99,894	21.27
501 - 1000	243	1,95,019	5.93
1001 - 2000	89	1,39,284	4.23
2001 - 3000	16	43,496	1.32
3001 - 4000	18	68,315	2.09
4001 - 5000	9	52,438	1.60
5001 - 10000	26	2,03,620	6.18
10001 and above	34	18,88,210	57.38
TOTAL	5,464	32,90,276	100.00

SHAREHOLDING PATTERN AS ON 31.03.2009 IS AS FOLLOWS :

SR.NO	CATEGORY	NO.OF SHARES HELD	% OF SHARE-HOLDING
1.	Promoters Holding		
	Indian Promoters and Persons Acting in concert	11,51,989	35.01
	- Foreign Promoters	--	--
	Banks, Financial Institutions / Insurance Cos.	64,000	1.95
2.	Mutual Funds & UTI	3,420	0.10
3.	Private Corporate Bodies	1,95,874	5.95
4.	NRIs/OCBs	4,68,247	14.23
5.	Clearing Members	1,167	0.04
6.	Indian Public	14,05,579	42.72
	TOTAL	32,90,276	100.00

On behalf of the Board of Directors
H.I.DAWOODANI
 Chairman

MUMBAI
 DATED : 28th August, 2009

**Auditors' Certificate on compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement.
 To the members of Lime Chemicals Ltd.**

We have examined the compliance of the conditions of Corporate Governance by LIME CHEMICALS LIMITED (the Company) for the year ended 31st March 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the 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 the information and according to the explanations given to us and representation made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

On the basis of certificate issued by the Managing Director of the Company, we state that, there were no investor's grievances remained unattended / pending for more than thirty days.

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

Mumbai
 28th August, 2009

For V.M.D & CO.
Chartered Accountant
 Amit Ganpule
 Partner
 Membership No. 114222

AUDITORS' REPORT TO THE SHAREHOLDERS.

1. We have audited the attached Balance Sheet of Lime Chemicals Limited, as at 31st March 2009, and the Profit and Loss Account and 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, 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 paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account *as required by law* have been kept by the company so far as appears from our examination of those books;
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) 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, except for short provisioning of gratuity liability amount which is not ascertained as actuarial valuation has not been done as required under Accounting Standard 15 on Accounting for Retirement Benefit in the Financial Statements of Employers issued by the Institute of Chartered Accountants of India and note no 5 in schedule no 18.
 - e) On the basis of written representations received from the directors, as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

f) *Attention is invited to the following notes in Schedule no 18:*

(i) *Note no.2 regarding company's investment in Regent Chemicals Ltd., (cost Rs. 8280 thousands). We are unable to express our opinion on the shortfall in realisability of the investment and its consequent impact on the Profit and Loss account.*

(ii) *Note no.3 regarding overdue sundry debtors of Rs.6,554/- thousands. We are unable to express our opinion on the short fall on realization of these balances.*

(iii) *Note no 4 regarding outstanding statutory dues of Rs.33,884/- thousands.*

g) Subject to para 4 (f) above, in our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the other notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true & fair view in conformity with the accounting principles generally accepted in India:

i. *in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2009.*

ii. *in the case of the Profit and Loss Account, of the Loss for the year ended on that date; and*

iii. *in the case of Cash Flow Statement, of the cash flows for the year ended on that date.*

For V . M . D . & Co.
Chartered Accountants

No: A: /06/0809
Place: Mumbai.
Date: 28th Aug. , 2009

V . M . DESAI
Partner
Membership No.: F 9219

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date on the accounts for the Year ended 31st March, 2009 of Lime Chemicals Limited)

- (i) In respect of its fixed assets:
- (a) *The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets except in respect of Roha factory, where details are maintained from 1st July 1981. In case of Poanta factory, we are informed that assets register is under preparation upto 31st March, 1998 as the same has been misplaced upto this date. However assets register is duly maintained from 1st April, 1998*
 - (b) Some of the fixed assets were physically verified during the Year by the management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification at the Roha factory.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (ii) In respect of its inventories:
- (a) As explained to us, inventories were physically verified during the year by the management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) (a) According to information and explanation given to us, the company has not granted loan, unsecured or secured to Companies, Firms or other parties covered in registered maintained under section 301 of the companies Act 1956.

In view of the above paragraph 4 (iii), (b) (c) (d) of the order are not applicable.

- (e) According to information and explanation given to us, the company has taken loans, unsecured from four parties covered in the registered maintained under section 301 of the companies Act 1956 and amount involved is Rs. 2,48,68,318.54/-.
- (f) In our opinion, the rate of interest and other term and condition on which loans have been taken from parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.

- (g) The company is regular in repaying the principal amounts as stipulated and has been regular in the payment of 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 for the purchase of inventory and fixed assets and for the sale of goods and we have not observed any continuing failure to correct major weaknesses in such internal controls.
- (v) In respect of transactions entered in the register maintained in pursuance of section 301 of the Companies Act 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
- (a) The transactions that needed to be entered into the register, have been so entered.
- (b) Where each of such transactions (excluding loans reported under paragraph (iii) above) is in excess of Rs 5 lakhs in respect of any party, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58 and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975(except Rule No.4) with regard to the deposits accepted from the public.
- (vii) In our opinion, the internal audit function carried out during the year by a firm of Chartered Accountants appointed by the management has been commensurate with the size of the Company and the nature of its business.
- (viii) We are informed that maintenance of Cost records has not been prescribed by the central government under section 209 (1) (d) of the Companies Act, 1956 for the products of the company. Accordingly the provisions of clause 4(viii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (ix) In respect of statutory dues
- (a) According to the information and explanations given to us, the Company has been regular in depositing undisputed statutory dues(except Provident Fund, Employees State Insurance, Sales Tax , Professional Tax refer to note no 4 of Notes to Accounts), and any other material statutory dues with the appropriate authorities during the Period though there has been a slight delay in a few cases.
- (b) According to information and explanation given to us, no undisputed amounts payable in respect of, income tax, customs duty, excise duty and cess were in arrears, as at 31st March 2009 for a Period of more than six months from the date they became payable, except sales tax amounting to Rs. 2,04,56,879/-, Provident Fund amounting to Rs.5,58,253/- & Employees State Insurance amounting to Rs.7,68,350/-
- (c) According to the information and explanations given to us, details of disputed sales tax, income tax, customs duty, wealth tax, excise duty and cess which have not been deposited as on 31st March 2009 on account of any dispute are given below:

Name of statute	Nature of the dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	20,16,993	A.Y 1994-95	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	4,68,905	A.Y 1997-98	Commissioner of Income Tax (Appeals)
MIDC	Water charges	17,71,807	Up to 31-03-2008	Roha Industrial Association
Income Tax Act, 1961	Income Tax	64,10,841	A.Y. 2005-06	Commissioner of Income Tax (Appeals)

- (x) The company has accumulated losses. The Company has incurred cash losses (Rs.5,00,86,651.12) during the financial year covered by our audit and the immediately preceding financial year (18,42,11,513).
- (xi) In our opinion and according to the information and explanations given to us, the company has defaulted in the repayment of dues to financial institutions and banks. The company had no dues to debenture holders during the year.
- (xii) In our opinion and according to the information and explanation given to us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4 (xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiii) In our opinion, the company is not 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 and according to the information and explanation given to us, 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 are not applicable to the company.
- (xv) According to the information and explanations given to us, the company has given guarantee for loan taken by Himachal Polyolefins Ltd. from ICICI Bank, however terms and conditions thereof are not prejudicial to the interest of the Company.
- (xvi) To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, term loans availed by the Company were, prima facie, applied by the Company during the year for the purposes for which the loans were obtained, other than temporary deployment pending application.
- (xvii) According to the information and explanations given to us, and on an overall examination of the balance sheet of the Company, funds raised on short term basis have, prima facie, not been used during the year for long term investment. No long term funds have been used to finance short term assets other than temporary deployment pending application.

- (xviii) According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) In our opinion and according to the information and explanations given to us, the company does not have any debentures outstanding during the period covered by our report. Accordingly, the provisions of clause 4 (xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xx) During the period covered by our audit report, the company has not raised any money by public issues. Accordingly, the provisions of clause 4 (xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year .

For V.M.D. & Co.
Chartered Accountants

No. : A/06/0809
Place : Mumbai
Date : 28th Aug., 2009.

V . M . DESAI
Partner
Membership No: F 9219

LIME CHEMICALS LIMITED

AUDITED BALANCE SHEET AS AT 31ST MARCH 2009

		(Rs. ' 000)	
		As at 31.03.2009	As at 31.03.2008
I. SOURCES OF FUNDS			
1. Shareholders' Fund			
a) Share Capital	1	32,566	32,566
b) Reserves & Surplus	2	86,419	86,419
		118,985	118,985
2. Loans Funds			
a) Secured Loans	3	260,638	234,053
b) Unsecured Loans	4	70,763	63,608
		331,401	297,661
3. Deferred Tax Liability (Net)		7,350	7,350
TOTAL		457,736	423,996
II. APPLICATION OF FUNDS			
1. Fixed Assets			
a) Gross Block	5	378,445	377,172
b) Less Depreciation		201,029	182,790
c) Net Block		177,416	194,382
d) Capital Work - in-Progress		528	-
		177,944	194,382
2. Investments		11,036	11,036
3. Current Assets, Loans and Advances			
a) Inventories	7	48,587	38,453
b) Sundry Debtors	8	71,558	79,066
c) Cash & Bank balances	9	2,163	6,502
d) Loans and Advances	10	32,496	30,727
		154,804	154,748
Less: Current Liabilities and Provisions			
a) Current Liabilities	11	193,981	163,251
b) Provisions	12	1,609	697
		195,590	163,948
Net Current Assets		(40,786)	(9,200)
4. Miscellaneous Expenditure			
(to the extent not written off or adjusted)	13	11,248	1,045
5. Profit & Loss Account		298,294	226,733
TOTAL		457,736	423,996
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS			
	18		

As per our attached report of even date

For V.M.D. & CO.

Chartered Accountants

AMIT GANPULE

Partner

Membership No. : 114222

No. : A/06/0809

PLACE : MUMBAI

DATE : 28th Aug.,2009

For and on behalf of the Board of Directors

H . I. DAWOODANI (Chairman)

A . H. DAWOODANI (Managing Director)

PLACE : MUMBAI

DATE : 28th Aug.,2008

LIME CHEMICALS LTD.

AUDITED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009

		(Rs. '000)	
		For the	For the
		year ended	year ended
		31.03.2009	31.03.2008
	Schedule No.		
INCOME			
1. Sales (Gross)		371,817	528,557
Less : Excise Duty recovered on sales		<u>28,503</u>	<u>58,870</u>
Sales (Net)		343,314	469,687
2. Other Income	14	<u>3,664</u>	<u>5,142</u>
		346,978	474,829
3. Increase / (Decrease) in Stocks	15	8,385	(25,095)
		<u>355,363</u>	<u>449,734</u>
EXPENDITURE			
4. Manufacturing and Other Expenses	16	361,497	603,871
5. Excise Duty		734	(6,111)
6. Interest	17	<u>42,826</u>	<u>35,903</u>
		405,057	633,663
PROFIT BEFORE DEPRECIATION		(49,694)	(183,929)
7. Depreciation		19,440	16,061
8. Miscellaneous Expenditure Written off		<u>2,737</u>	<u>219</u>
PROFIT BEFORE TAX AND PRIOR PERIOD ADJUSTMENT		(71,871)	(200,209)
9. Less : Current Tax		-	-
10. Less : Fringe Benefit Tax		930	1,297
11. Less : Deferred Tax		-	-
PROFIT AFTER TAX		(72,801)	(201,506)
12. Balance brought forward from previous year		(226,733)	(25,226)
PROFIT AVAILABLE FOR APPROPRIATION		<u>(299,534)</u>	<u>(226,733)</u>
13. Appropriations			
Transfer to General Reserve		-	-
Write Back Previous Year Proposed Dividend on Equity Shares		-	-
Write Back Previous Year Excise on Stock		1,240	-
Balance Carried to Balance Sheet		<u>(298,294)</u>	<u>(226,733)</u>
		<u>(298,294)</u>	<u>(226,733)</u>
14. Basic Earnings Per Share (EPS) (Rs.)			-
Diluted Earnings Per Share (EPS) (Rs.)			-
(Note no 11 of schedule 18) Face value Rs. 10 /- per Share			
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS		18	

As per our attached report of even date
For V.M.D. & CO.
Chartered Accountants

For and on behalf of the Board of Directors

AMIT GANPULE
Partner
Membership No. : 114222
No. : A/06/08-09
PLACE : MUMBAI
DATE : 28th Aug., 2009

H . I. DAWOODANI (Chairman)

A . H. DAWOODANI (Managing Director)
PLACE : MUMBAI
DATE : 28th Aug., 2009

LIME CHEMICALS LTD.

(Rs. '000)

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

SCHEDULE 1

SHARE CAPITAL

	As at 31.03.2009	As at 31.03.2008
Authorised		
75,00,000 (Previous Year 50,00,000) Equity Shares of Rs.10/- each.	75,000	75,000
Issued and Subscribed :		
32,90,276 Equity shares of Rs. 10/- each fully paid up	32,903	32,903
Less : Allotment money / Call in Arrears.	337	337
TOTAL	32,566	32,566

Notes :

- (1) 13,07,157 shares issued on amalgamation of erstwhile Thirani Chemicals Ltd. (w.e.f. 01-04-97) with the company.
- (2) The company has allotted 1,71,340 fully paid shares on 3-10-97 against exercise of detachable warrant.
- (3) The company has allotted 1,34,000 fully paid shares on conversion of warrant issued on 31st March,2006.

SCHEDULE 2

RESERVES AND SURPLUS

General Reserve		
As per last Balance Sheet	51,330	50,808
Add: Transfer from Profit & Loss Accounts	-	-
Add:- Warrant Application Money Forfeited	-	522
	51,330	51,330
Securities Premium Account		
Balance as per last Balance Sheet	30,581	30,581
Add : Received during the Year	-	-
	30,581	30,581
Less: Securities Premium payable on allotment money unpaid	-	-
	30,581	30,581
Capital Reserve:		
Special State Level Capital Incentive received	1,700	1,700
Capital Subsidy on Project Cost	2,786	2,786
Profit on Forfeiture Share	22	22
Profit and Loss Account	-	-
TOTAL	86,419	86,419

(Rs. '000)

Schedule 3

	As at 31.03.2009	As at 31.03.2008
--	---------------------	---------------------

SECURED LOANS**1. From Banks**

(a) Term Loan -- BOB	7,043	7,043
(b) Term Loan -- DCB	19,581	19,717
(c) Indus Ind Bank Factoring A/c.Ooo1717139020	13,617	13,617
(d) Term Loan -- Axis Bank	60,000	60,000
(e) Unpaid Interest on Term Loan and Cash Credit	30,976	
(f) Cash Credit, Packing Credit	129,421	133,676
		<u>260,638</u>
		<u>234,053</u>

TOTAL

	<u>260,638</u>	<u>234,053</u>
--	----------------	----------------

Notes:

- 1) (a) Bank of Baroda (BOB) term loan is secured by way of first charge on pari passu basis on the Company's immovable properties and movable Plant & Machinery both present and future situated at Roha and Paonta factory and is guaranteed by three Directors of the Company.
- (b) Development Credit Bank Ltd (DCB) term loan is secured by way of first charge on pari passu basis on the Company's immovable properties and movable Plant & Machineries both present & future situated at Roha & Paonta factory and is guaranteed by three Directors of the Company.
- (c) UTI Bank Ltd term loan is secured by way of first charge on pari passu basis on the Company's immovable properties and movable Plant & Machineries both present & future situated at Roha & Paonta factory and is guaranteed by two Directors of the Company.
- (d) Bank of Baroda (BOB) and Development Credit Bank Ltd (DCB) Working Capital facilities are secured by hypothecation of Stocks and Book debts of the Company and also second charge on pari passu basis of the Company's immovable properties and movable Plant & Machineries both present and future situated at Roha and Paonta factory and guaranteed by three Directors of the Company.
- (e) Indus Ind Bank Secured by Equitable Mortgage of Company Office Premises at New Delhi.

Schedule 4**UNSECURED LOANS****Fixed Deposits :**

(a) From Directors (Due within 1 year Rs.250000/-) (Previous year Rs. 250000/-)	250	250
(b) From others (Due within 1 year Rs.9360676/-) (Previous year Rs. 1,00,03,187/-)	10,452	10,953
		<u>10,702</u>
		<u>11,203</u>

Short Term Loan :

From Others		1,750	1,750
Other Loans and Advances:			
(a) From SICOM (Interest free Capital Incentive Loan)	49	49	
(b) From SICOM (Interest free Sales Tax Deferment)	25,540	25,540	
(c) Due to Hire Purchase Vendors (who have lien on and right of repossession of specific assets) { Due within 1 year Rs. 1661019/- (Previous year Rs.1606249/-) } { Includes an amount of Rs. 405097/- (Previous year Rs.476614/-) gauranted by one Director of the company }	4,036	6,682	
(d) Trade Deposit	400	599	
(e) From Others	4,055	1,388	
(f) From Directors	24,230	16,397	
		<u>58,310</u>	<u>50,655</u>
		<u>70,762</u>	<u>63,608</u>

TOTAL

	<u>70,762</u>	<u>63,608</u>
--	---------------	---------------

LIME CHEMICALS LIMITED

SCHEDULE OF FIXED ASSETS AS ON 31ST MARCH, 2009.

(Rupees. in Thousand)

SCHEDULE 5

FIXED ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as at 01.04.2008	Additions during the year	Deductions during the year	Cost as at 31.03.2009	Total as at 01.04.2008	For the year	Deduction during the year	Total upto 31.03.2009	As at 31.03.2009	As at 31.03.2008
1 FREE HOLD	8	-	-	8	-	-	-	-	8	8
2 LEASE HOLD	1,499	-	-	1,499	190	17	-	207	1,292	1,311
3 LAND (ROHA)	-	-	-	-	-	-	-	-	-	-
4 BUILDING	40,691	-	-	40,691	12,103	1,223	-	13,326	27,365	28,588
5 PLANT & MACHINERY	294,419	1,362	-	295,781	145,394	15,258	-	160,652	135,128	149,024
6 FURNITURE & FIXTURE	6,768	-	6	6,762	5182	395	0	5,577	1,185	1,580
7 VEHICLES	8,889	-	636	8,253	6704	709	292	7,121	1,132	2,185
8 OFFICE EQUIPMENT	7812	181	-	7,993	5956	668	0	6,624	1,369	1,856
9 TELEPHONE EQUIP DELH	755	0	-	755	300	36	0	336	419	455
10 LABORATORY	2214	-	-	2,214	995	101	0	1,096	1,118	1,220
11 ELECTRICAL EQUIPMENT	7370	0	-	7,370	3716	308	0	4,024	3,346	3,654
12 TRUCK	5712	1232	-	6,944	1232	701	0	1,933	5,011	4,480
13 * INTANGIBLE ASSETS COMPUTER SOFTWARE	132	43	-	175	110	23	-	133	42	23
TOTAL	376,269	2,818	642	378,445	181,882	19,439	292	201,029	177,415	194,382
PREVIOUS YEAR	302,897	75,563	1,288	377,171	166,830	16,061	101	182,790	194,382	
14 CAPITAL Work-In-Progress (Including Capital advances)									528	-

* Intangible Assets are regrouped from Office Equipments

Notes:-Included in the Gross Block above, are items acquired under Hire Purchase, to the extent of Rs.16398432/- (Previous Year Rs. 15165587/-)

These include Plant & Machinery Rs.4536300 /- (Previous year Rs. 4536300/-), and Vehicles Rs.11862132/- (Previous Year Rs. 10629287/-)

(Rs. '000)

Schedule 6

As at 31.03.2009 As at 31.03.2008

INVESTMENT (AT COST) (LONG TERM INVESTMENT)

1. Trade Investments:

Quoted

Fully Paid Equity Shares:-

8,39,700 (8,39,700) shares of Regent Chemicals Ltd. of Rs. 10/- each 8,280 8,280 8,280
(Note No. 2 of schedule 18).

2. Other Investments

Quoted

Fully Paid Equity Shares:-

(a) 60 (60) shares of Rs. 10/- each of Reliance Industries Ltd. 1 1
(b) 6,300 (6,300) shares of Rs. 10/- each of Lloyd Finance Ltd. 260 260
(c) 3360 (3,360) shares of Development Credit Bank Ltd. Of Rs.10/- each 74 74

335 335

Partly Paid Equity Shares :-

5000 (5000) shares of Gold Crest Finance (India) Ltd. of Rs. 10/- each 50 50
(Rs. 5/- paid up.)

Unquoted

(a) 3,14,750 (3,14,750) shares of Silvo Liacal Chemicals Ltd. Of Rs. 10/- each 3,006 3,006
(b) 3,840 (3,840) shares of Ropa Laboratories P Ltd. of Rs.100/-each - -
(c) 250 (250) shares of Rs. 30/- each of Bombay Mercantile Co-Op. Bank L 8 8

3,014 3,014

11,679 11,679

Less : Provision for dimunition in value of Investments

643 643

TOTAL

11,036 11,036

- (1) Aggregate of Quoted Investment - Cost Rs.86.15 Lacs
(2) Aggregate of Unquoted Investment - Cost Rs. 30.64 Lacs
(3) Market Value of Quoted Investment Rs.1.62 Lacs

(Rs. '000)

As at 31.03.2009 As at 31.03.2008

Schedule 7

INVENTORIES

Stores and spare parts	14,423	11,040
Raw materials { Includes material in transit Rs.42734/-(previous year Rs.9475097/-)}	13,306	14,940
Work in process	756	1,900
Closing Stock in Trade	794	794
Finished goods	19,308	9,779
By products and scrap	-	-
TOTAL	48,587	38,453

SCHEDULE 8

SUNDRY DEBTORS (UNSECURED AND CONSIDERED GOOD)

Debts outstanding for a period exceeding six months	20,126	15,888
Other Debts	51,432	63,178
TOTAL	71,558	79,066

SCHEDULE 9

CASH AND BANK BALANCES

a) Cash on hand	844	1,242
b) Current Account with Scheduled Banks	782	2,458
c) Fixed Deposit with Bank	535	2,538
d) With others: In current account with Pen Co-op. Urban Bank Ltd (maximum amount outstanding at any time during the year Rs 1502.86/- (Previous year Rs.264243.86/-)	2	264
TOTAL	2,163	6,502

SCHEDULE 10

LOANS AND ADVANCES (Unsecured and considered good)

Advances recoverable in Cash or in kind or for value to be received	28,718	29,754
Balance with Central Excise Authorities	3,778	973
TOTAL	32,496	30,727

Notes :

1. Advance includes due from a firm (Rent Deposit) in which Directors of the Company are Partners Rs.26,00,000/- (Previous year Rs.26,00,000/-) Maximum amount due at any time during the period Rs.26,00,000/- (Previous year Rs.26,00,000/-)

(Rs. '000)

As at 31.03.2009 As at 31.03.2008

SCHEDULE 11**CURRENT LIABILITIES**

Sundry Creditors (see note 6 of schedule 18)		
For Goods	79,302	80,524
For Expenses	24,342	31,621
* Unpaid Dividend	400	400
Interest accrued but not due	575	1,042
Balances in current account with scheduled Bank, overdrawn as per books	4,007	3,825
Advance Share Application A/c.	20	20
Other Liabilities	85,335	45,819
	193,981	163,251

Sundry creditors includes creditors for capital expenditure Rs NIL (Previous year Rs. NIL)

* These figures do not include any amounts due & outstanding to be credited to Investor Education & Protection Fund .

SCHEDULE 12**PROVISIONS**

Provision for Tax (Net of Advance Tax)	1,609	697
Provision for Leave Encashment	-	-
Proposed Dividend	-	-
Tax on Dividend	-	-
TOTAL	1,609	697

SCHEDULE 13**MISCELLANEOUS EXPENDITURE**

Prof. Issue Expenses	1,045	1,196
Less: Written off during the year	149	151
	896	1,045
Voluntary Retirement Scheme expenses	12,939	69
Less: Written off during the year	2,587	69
	10,352	-
TOTAL	11,248	1,045

SCHEDULE 14**OTHER INCOME**

	For the year ended 31.03.2009	For the year ended 31.03.2008
Dividend on non - trade long - term investments	1	1
Insurance Claim	-	9
Interest on Deposits	146	179
{ Tax deducted at source Rs. 17826 /- (Previous year Rs. 34054/-)}		
Exchange Difference	458	290
Interest on Loan to Company	-	-
Interest Refund by Axis Bank	180	
Sales of Scrap	839	1,365
Sales of Sludge	5	42
Sundry Income	1	
DEPB Licence	225	391
Credit Balance W/Back	(40)	2
Sale of Fixed Asstes	-	2,863
MSEB Refund	1,849	
TOTAL	3,664	5,142

(Rs. '000)

SCHEDULE 15**increase / (Decrease) in stocks**

	For the year ended 31.03.2009	For the year ended 31.03.2008
Closing Stock in Trade	794	794
Finished Goods	19,308	9,779
Stock in Process	756	1,900
By Products and Scrap etc.	-	-
	<u>20,858</u>	<u>12,473</u>
Less: Opening Stock in Trade		
Finished Goods with Traded Stock	10,573	34,431
Stock in Process	1,900	3,050
By Products and Scrap etc.	-	87
	<u>12,473</u>	<u>37,568</u>
TOTAL	<u>8,385</u>	<u>(25,095)</u>

SCHEDULE 16**MANUFACTURING AND OTHER EXPENSES**

1. Raw Materials consumed	172,426	324,723
2. Packing Materials consumed	18,882	25,443
3. Payments to and Provisions for employees:		
a) Salary, wages, allowances, bonus and gratuity	46,466	46,617
b) Contribution to Provident and other Funds	2,086	2,497
c) Employees' Welfare and other Amenities	1,507	2,241
	<u>50,059</u>	<u>51,355</u>
4. Operating and other expenses		
a) Stores and spare parts consumed	10,339	13,167
b) Electricity, power, Fuel and water	80,136	108,358
c) Labour charges	11,931	15,380
d) Repairs to Building	64	1,348
e) Repairs to Plant & Machinery	2,791	2,954
f) Repairs to others	406	3,046
g) Rent	859	1,479
h) Rates and taxes	315	1,147
i) Insurance	637	1,063
j) Travelling, Conveyance and Vehicle expenses	5,675	10,325
k) Printing & Stationery, Postage, Telephone expenses	2,306	3,265
l) Directors' sitting Fees	195	-
m) Selling & Distribution Expenses	(1,551)	14,690
{ Including Rs. 1351134/- (previous year Rs.2322621.90/-) Commission paid to Sales Agents and Rs.2528923.82/- (previous year Rs. 1692458.09) Discount }		
n) Sales Tax	0	2,380
o) Service Tax Credit Avail (ACC)	280	
p) Lime Stone Cess	4	
q) Donations	95	299
r) Loss on sale of fixed assets (Net)	-	7
s) Service Tax GTA OW Trpt	656	
t) Miscellaneous Expenses	4,992	23,442
	<u>120,130</u>	<u>202,350</u>
TOTAL	<u>361,497</u>	<u>603,871</u>

SCHEDULE 17**INTEREST**

a) On Fixed Deposits :		
To Directors	-	-
To Others	1,026	1,174
	<u>1,026</u>	<u>1,174</u>
b) On Term Loans from Bank, Financial Institution & Others	16,052	10,315
c) On Cash Credit Accounts, Loan etc.	25,748	24,414
TOTAL	<u>42,826</u>	<u>35,903</u>

SCHEDULE : 18

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT.

Significant Accounting Policies and Notes to Accounts forming Part of Accounts

I SIGNIFICANT ACCOUNTING POLICIES:

- a) Use of Estimates :
The presentation of financial statements is in conformity with the generally accepted accounting principles requiring estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognised in the period in which the results are known / materialised.
- b) Fixed Assets:
Fixed Assets are stated at cost of acquisition or construction including attributable interest and financial cost till the date of acquisition /installation of the Assets and improvement thereon (net of Modvat / Cenvat.) less accumulated depreciation.
- c) Intangible Assets : Intangible Assets are stated at cost of acquisition less accumulated amortization. Computer Software is amortised over a period of 5 years on straight line basis.
- d) Long Term Investments:
Long Term Investments are stated at cost. Provision for diminution is made only if such a decline is other than temporary in the opinion of the management.
- e) Inventories:
Inventories are valued at cost or net realisable value whichever is less. Cost is determined by using the FIFO formula. By products are valued at net realisable value. Cost comprises all cost of purchase, cost of conversion, and cost incurred to bring inventories to present location and condition.
- f) Contingent Liabilities:
Contingent liabilities are disclosed by way of note on the balance sheet. Provision is made in the accounts in respect of those liabilities which are likely to materialise after the year end till the finalisation of accounts, and have material effect on the position stated in balance sheet at the year end.
- g) Sales / Turnover:
Sales / Turnover (Gross) includes Central excise duty but excludes transport, octroi and sales tax etc. Inter divisional transfers and branch transfers are treated as sales when actual sales take place on delivery of goods to customers Excise Duty on sales is shown as a deduction from sales.
- h) Timing of Revenue Recognition:
In appropriate circumstances, revenue (income) is recognised when no significant uncertainty as to measurability or collectability exists.
- i) Export benefits are accounted when realised / received.

- j) Retirement Benefits:
Provident fund and Family Pension fund contribution is accounted on accrual basis and charged to Profit and Loss account. The company has not ascertained and provided for the liability in respect of gratuity payable
- k) Deferred Revenue Expenses: (Miscellaneous Expenses)
- 1) Share issue expenses are regarded as deferred revenue expenses and written off over a period of 10 years.
 - 2) Voluntary retirement scheme expenses are deferred over a period of 5 years.
- l) Method of Depreciation:
1. At Roha factory
 - (a) Depreciation in respect of fixed assets installed on or before 30.6.1982 has been provided on written down value basis as per the provisions of Section 205(2) (a) of the Companies Act, 1956 at the rates specified in schedule XIV of the said Act.
 - (b) Depreciation in respect of assets acquired after 30.6.1982 has been provided as under:
 - (i) On plant and machinery on straight line basis as per provisions of Section 205(2)(b) of the Companies Act, 1956 at the rates specified in Schedule XIV of the said Act.
 - (ii) On other assets acquired during 1.7.1982 to 30.6.1986 on written down value basis as per the provisions of Section 205(2) (a) of the Companies Act, 1956 at the rates specified in schedule XIV of the said Act.
 - (iii) On other assets acquired since 1.7.1986 on straight line basis as per note (i) above.
 - (c) Depreciation in respect of assets acquired / purchased during the year has been provided on pro-rata basis according to the period such asset was put to use.
 2. At Paonta factory
Depreciation has been provided under 'Straight Line Method' as per rates specified in schedule XIV to the Companies Act, 1956.
 3. Leasehold land taken over on amalgamation is amortised over the balance period of lease.
- m) Foreign Currency Transactions:
Foreign currency transactions are recorded at original rate of exchange in force at the time of occurrence of transactions. Exchange difference on settlement / translation of monetary assets and liabilities at closing rates are recognised in Profit and Loss account, except in case where they relate to acquisition of fixed assets in which case they are adjusted in carrying cost of such assets.
- n) Excise duty has been accounted on the basis of both payments made in respect of goods dispatched and also provision made for goods lying in bonded warehouse.
- o) Modvat / Cenvat Credit:
Modvat / Cenvat Credit is accounted on the basis of material purchased and appropriated against payment of excise duty on clearance of finished goods.

- p) **Borrowing Cost:**
Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.
- q) **Leave Encashment:**
Provision for leave encashment has been made taking into consideration the accumulated leave of the employees and the company's rules in this regard.
- r) **Leases:**
The assets taken on lease prior to April 1, 2001 have been accounted as per the 'Guidance Note on Accounting for Leases' issued by the Institute of Chartered Accountants of India, in 1995.
Assets taken as finance lease on or after 1st April'2001, is capitalised as fixed assets at lower of fair value of the assets and present value of minimum lease rentals. The principal components in the lease rental is adjusted against the lease liability and the interest components is charged to profit and loss account.
- s) **Taxes on Income :**
Current tax is determined as the tax payable in respect of taxable income of the year.
Deferred tax for the year is recognised on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.
Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised and carried forward only if there is a reasonable / virtual certainty of its realisation.

II NOTES TO ACCOUNTS :

1. a) Contingent Liability not provided for in respect of :
 - (i) Uncalled liability on shares of Rs.150 thousand (Previous year Rs.150 thousand)
 - (ii) Income Tax demand disputed in appeal Rs. 2486 thousand (Previous year Rs. 2486 thousand)
 - (iii) Income Tax Demand For A.Y. 2005-06 of Rs. 6410841/- is disputed and appeal filed in CIT.
 - (iv) Water charges at MIDC (Roha) Rs.1771 thousand (Previous year Rs. 1607 thousand).
 - (v) Guarantee given to ICICI Bank on behalf of Himachal Polylefins Ltd. US \$ 2.20 million equalling to approx.Rs. 102000 Thousand.
2. The Company has an investment of 839,700 shares of Regent Chemicals Ltd. (RCL) of Rs. 10/- each acquired at a aggregate cost of Rs. 8280 thousand (market value Rs. 1679 thousand as at 15.09.2004 being the last traded date) .RCL has substantial losses as compared to its paid up Capital and Reserves. RCL has shut down its manufacturing operation in May 1993. The realisibility of the investment is dependent upon the future course of action adopted by RCL and hence no provision for dimunition in value of the investment has been made in the accounts.
3. Sundry Debtors considered good include Rs.6554 thousand (Previous year Rs. 5530 thousand) which is outstanding for more than 3 years. In some of the cases some recoveries have been made during the year ; the company is following up and expects to recover the balance.

4. The overdue statutory dues are as follows:- (Rs. In '000')	
Staff Profession Tax	729
Provident Fund	1790
Employees State Insurance Scheme	1136
* Sales Tax Payable	17239
* Central Sales Tax Payable	<u>12990</u>
Total	<u>33884</u>

5. The company has not ascertained and provided for the liability in respect of gratuity payable.
6. (a) Sundry Creditors include Rs. 5912/- thousand (Previous year Rs. 5886 thousand) due to small scale undertakings.
(b) The names of Small Scale Industries to whom the company owes any sum together with interest outstanding for more than thirty days are as follows :
- 1) Mayura Marketing Agencies.
 - 2) Siri Ram Filtration & Engg.
 - 3) Shamco Plastics P.Ltd.
 - 4) Elson Packaging Industries.
 - 5) Coatwell Paints.
 - 6) Aristio Chemicals.
 - 7) Newage Lamination P Ltd.
 - 8) Davis Chemicals P Ltd Delhi.
 - 9) Kamal Bearing P Ltd.
 - 10) Punjab Acids- Chem P Ltd.
 - 11) Zodia Chemicals Works
 - 12) Morwal Fabrics P Ltd.
 - 13) Mico Minerals Product
 - 14) Laxmi Minerals
7. (a) Depreciation in respect of fixed assets is provided on written down value basis and on straight line basis as per provisions under Section 205(2) of the Companies Act, 1956 at the rates specified in the Schedule XIV of the said Act.
(b) Depreciation in respect of assets acquired / purchased during the year has been provided on pro-rata basis according to the period such asset was put to use.
8. Deferred Tax
In view of the Loss incurred during the period and accumulated Loss in the Proceeding year, the Management is not correctly able to estimate the deferred tax Assets/Liability. Provision for deferred tax has not been made in absence of reasonable/virtual certainty of future taxable income.

	Rupees in Thousand	
Deferred Tax Liability (Net):	31-03-2009	31-3-2008
Depreciation	----	----
Total Deferred Tax Liability - 1	----	----
Deferred Tax Asset :		
Carried forward unabsorbed Depreciation / business loss	---	----
Disallowance U/s. 43B – Bonus & Leave encashment	---	----
Total Deferred Tax Asset - 2	----	----

9. The company is engaged in manufacturing of Calcium Carbonate which is considered the only reportable business segment, as per Accounting Standard 17 on Segment Reporting issued by the Institute of Chartered Accountants of India.

10. Related party disclosure as required by Accounting Standard 18 "Related Party Disclosures" are given below :

Name of related party's and description of relationship :

1) Associates :

Silvo Liacal Chemicals Limited

Diamond Jubilee Stores

Pearl Enterprises

Himachal Polylefins Ltd.

Sahid Investment & Trading Co. Pvt. Ltd.

2) Key Managerial Personnel :

Shri. H.I.Dawoodani

Shri. A.H.Dawoodani

3) Relative of Key Managerial Personnel :

Smt. S. A. Dawoodani (Wife of Shri A. H. Dawoodani)

Shri Rahim A. Dawoodani (Son of Shri A.H. Dawoodani)

b) The following transactions were carried out with the related parties in the ordinary course of business :

Rupees in Thousand

Nature of Transaction	Silvo Liacal Chemicals Limited (Associates)	Other Associates	Key Management personnel	Relatives of Key Management Personnel	Total
Purchases of Goods	---- (388)	---- (----)	----	----	---- (388)
Sale of Goods	---- (----)	---- (5274)	----	----	---- (5274)
Rent paid		624 (624)	---- (12)	----	624 (636)
Interest received	----				----
Investments					
Opening balance	3006 (3006)				3006 (3006)
Purchases	---- (----)				---- (----)
Closing balance	3006 (3006)				3006 (3006)
Loans Given					
Opening Balance	----	----			----
Add Given during the year	(----) ---- (----)	(----) 50 (3295)			(----) 50 (3295)
Less Repaid during the year	---- (----)	---- (3295)			---- (3295)
Closing Balance	---- (----)	50 (----)			50 (----)
Finance(including equity contribution)		-----	2082 (2082)	----	2082 (2082)
Remuneration		-----	3252 (2652)	922 (381)	4174 (3033)
Rent Deposit Given					
Opening Balance		2600 (2600)	3743 (3743)		6343 (6343)
Less : Refunded during the year		---- (----)	3743 (----)		3743 (----)
Add: Given during the year		(----)	(----)		(--)
Closing Balance		2600 (2600)	---- (3743)		2600 (6343)
Fixed Deposit Received			----		----
Closing Balance			(----)		(----)
Interest on Fixed Deposit			----		----

Note: Figures in brackets represents previous year's amounts.

11. Earnings per share (EPS)

The earnings per share, computed as per the requirements under Accounting Standard 20 on Earnings per Share (EPS) issued by The Institute of Chartered Accountants of India, is as under :

Basic and Diluted EPS	Current Year	Previous Year
Net Profit / (Loss) attributable to equity shareholders (Rs. thousand)	-72801	-201506
Weighted average no.of shares for basic EPS :		
Outstanding Shares as at year end	32,90,276	32,90,276
Less : Proportionate no. of shares on which allotment / call money are in arrears	33,726	33,726
Weighted average no.of shares for basic EPS	32,56,550	32,56,550
Basic and Diluted EPS (Rs.)	- 22.36	-61.88
Face Value of Equity Shares	Rs. 10/-	Rs. 10/-

12. Managerial Remuneration under section 198 of the Companies Act, 1956.

	Current Year	Previous year
	Rs. in thousand	Rs.in thousand
Managing Director		
1) Salaries	3000	2400
2) Company's contribution towards P.F. and Other Funds	252	252
Total	<u>3252</u>	<u>2652</u>

13. Computation of net profit under Section 349 of Companies Act, 1956 is not furnished as no commission is payable to the Managing Director.

14. Payment to Auditors:	Current year	Previous year
	Rs. in thousand	Rs. in thousand
a) As audit fees	138	138
b) As advisor or in any other capacity in respect of		
(i) Taxation matters	---	--
(ii) Other services *	2	40
c) Tax audit fees	30	30
d) As expenses	---	--
	<u>170</u>	<u>208</u>

- Other services include certification work and limited review of accounts.

15. Details of future obligations towards lease rentals:

Rs. in thousands

DUE	Total Lease Payments Outstanding		Future Interest on outstanding		Present Value of Minimum Lease Payments	
	2008-2009	2007-08	2008-2009	2007-2008	2008-2009	2007-2008
With in one year	2,030	2,060	369	454	1661	1,606
Later than one year and not later than five years	2,017	3,110	239	388	1778	2,722
Later than five years		-		-		-
Total	4,047	5,170	608	842	3,439	4,328

Lease rentals pertains to Vehicles and Plant & Machinery and are charged on the basis of agreed terms.

16. Additional information pursuant to paragraphs 3,4C and 4D Of part II of schedule VI to the Companies Act, 1956.

	Unit	Current Year	Previous Year
a) Licensed capacity annually calcium carbonate	M.T.	N.A	N.A.
b) Installed capacity annually (as certified by the management) Calcium Carbonate	M.T.	81000.00	81000.00
c) Actual production during the period* # Calcium Carbonate	M.T.	37059.95	54073.60

d) Opening and closing stock of finished goods

	Current Year		Previous Year	
	Qty(Mt)	Value(Rs) In thousand	Qty(Mt)	Value(Rs) In thousand
<u>Opening Stock</u>				
Calcium Carbonate	1162.75	9779	3901.22	34431
<u>Closing Stock</u>				
Calcium Carbonate	2064.76	19308	1162.75	9779

e) Turnover

Calcium Carbonate*	36157.94	342653	56812.07	469514
Others		661	---	173
		<u>343314</u>		<u>469687</u>

* Actual production and turnover includes reprocessed goods of 485.00 MT.(Previous- year 36.00 MT)

Include semi finished goods processed 195.00 MT (Previous year 1338.00 MT).

	<u>Current Year</u>		<u>Previous Year</u>	
	Qty(Mt)	Value(Rs) In thousand	Qty(Mt)	Value(Rs) In thousand
f) <u>Raw Materials Consumed</u>				
Lime stone	35971.35	35954.25	49266.50	69290.65
Coke & Charcoal	9151.50	87589.53	15039.95	159528.40
Stearic Acid	271.96	13940.43	654.58	29988.82
Others		34428.72	----	65914.99
		<u>171912.93</u>		<u>324722.86</u>

	<u>Current Year</u>		<u>Previous Year</u>	
	Qty(Mt)	Value(Rs) In thousand	Qty(Mt)	Value(Rs) In thousand
g) <u>Goods Traded</u>				
Opening Stock	----	794	----	1455
Purchases				
Calcium Carbonate	----	----	290	2244
Others	----	----	----	388
		<u>794</u>		<u>4087</u>
Closing Stock	----	794	----	794

h) Earnings in Foreign Currency (On accrual basis)

	<u>Current Year</u> Rs. in thousand	<u>Previous Year</u> Rs. in thousand
FOB value of exports	9351	8793

i) <u>Value of Raw Materials consumed</u>	<u>Current Year</u>		<u>Previous Year</u>	
	Rupees in thousand	%of Total Consumption	Rupees in thousand	%of Total Consumption
i) Imported	----	----	----	----
ii) Indigenous	171912.93	100.00	324722.86	100.00
	<u>324722.86</u>	<u>100.00</u>	<u>276945</u>	<u>100.00</u>

j) Value of Stores and Spares

Parts consumed				
	<u>Current Year</u>	<u>%of Total</u>	<u>Previous Year</u>	<u>%of Total</u>
a) Imported	-----	-----	-----	-----
b) Indigenous	10339	100.00	13167	100.00
	<u>13167</u>	<u>100.00</u>	<u>5659</u>	<u>100.00</u>

k) Expenditure in foreign currency (On accrual basis)

	<u>Current Year</u> Rs. in thousand	<u>Previous Year</u> Rs. in thousand
Travelling	----	----
Traded Goods	----	----

l) Value of Imports calculated on

	<u>Current Year</u> Rs. in thousand	<u>Previous Year</u> Rs. in thousand
C.I.F. basis in respect of Raw Material	---	---

17. BALANCE SHEET ABSTRACT AND COMPANIES GENERAL BUSINESS PROFILE.

I.	Registration Details		
	Registration No.	14842	State Code 11
	Balance Sheet Date	31-03-2009	
II.	Capital Raised During the Period 31-03-2009 (Amount Rs. In thousand)		
	Public Issue		Right Issue
	NIL		NIL
	Bonus Issue		Private Placement
	NIL		NIL
III.	Position of Mobilisation and Deployment of Funds (Amount Rs. In thousand)		
	Total Liabilities		Total Assets
	653326		653326
	Sources of Funds		
	Paid-up-Capital		Warrant Application Money
	32566		----
	Secured Loans		Reserves & Surplus
	260638		86419
	Unsecured Loans		Deferred Tax Liability (net)
	70763		7350
	Application of Funds		
	Net Fixed Assets		Investments
	177944		11036
	Net Current Assets		Misc. Expenditure
	(40786)		11248
	Profit & Loss A/C		
	(298294)		
IV.	Performance of Company (Amount Rs. In thousand)		
	Turnover (Gross Revenue)		Total Expenditure
	355363		427234
	Profit Before Tax		Profit After Tax & Prior year adjustment
	(71871)		(72801)
	Earning Per Share (Rs.)		Dividend Rate %
	(22.36)		----
V.	Generic Name of Principal Product of Company (as per monetary terms)		
	Item Code No. (ITC Code)		283650.00
	Product Description		Calcium Carbonate
18.	According to information and explanation given to us a fraud of Rs. 22, 88,152/- committed by an employee was noticed and reported during the Financial year 2006-07. The Company is taking proper step for recovery of the said amount.		
19.	The Company has received the demand notices for A.Y. 2006-07 from the Income Tax authorities for Income tax and fringe benefit tax inclusive of interest for Rs.5273073/- & Rs.454280/- respectively. No Provision has been made in respect of these liabilities.		
20.	Previous year's figures have been regrouped wherever necessary to correspond to the figures of current year.		

21. The Balances of Sundry Debtors and Sundry Creditors are subject to confirmation ,reconciliation & adjustment if any .The Management is of the opinion that such adjustment will not have a material effect in the account.
-

Signatures to the Schedules 1 to 21

As per our attached Report of even date
For VMD & CO.
Chartered Accountants

H. I. DAWOODANI

(Chairman)

V . M . DESAI

Partner

Membership No. : F 9219

No. : A/06/0809

Place : Mumbai

Date : 28th Aug., 2009

A. H. DAWOODANI

(Managing Director)

Place : Mumbai

Date : 28th Aug., 2009

LIME CHEMICALS LIMITED**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 ST MARCH, 2009**

	2008-09 Rs. In Thousand	2007-08 Rs. In Thousand.	
A Cash Flow From Operating Activities :			
Net Profit before tax and Extraordinary items	(71,870.80)	(200,209.38)	
Adjustments for :			
Depreciation	19,439.69	16,061.17	
Investment written off	1.00	-	
Unrealised Exchange Difference	(458.03)	-	
Loss / (Profit) on sale of Assets	194.66	(2,863.18)	
Interest Income	(163.37)	(179.33)	
Dividend Income	(0.87)	(0.71)	
Interest on borrowings	42,826.72	35,903.73	
Miscellaneous Expenditure (Amortised)	2,737.18	219.33	49,141.01
	(7,292.84)	(151,068.38)	
Operating Profit before Working Capital Changes			
Adjustments for:			
Trade & other Receivables	7,740.40	98,636.30	
Inventories	(10,133.79)	62,372.56	
Trade payables & other Liabilities	13,070.63	40,152.95	201,161.81
Cash Generated From Operations	3,384.39	-	50,093.43
Issue Expenses Paid	-	-	
Direct Taxes Paid / Refund	-	(954.04)	(954.04)
Cash Flow before adjustments relating to earlier years	3,384.39	-	49,139.39
Adjustments relating to earlier year	-	-	-
Net Cash from Operating Activities A	3,384.39	-	49,139.39
B Cash Flow from Investing Activities			
Purchase of Fixed Assets	(2,450.65)	(18,903.98)	
Unrealised Exchange Difference	458.03	290.49	
Sale of Fixed Assets	150.00	4,050.00	
Interest received	163.37	179.33	
Dividend received	0.71	0.71	
Net Cash Used in Investing Activities..... B	(1,679.54)	(14,383.45)	
C. Cash Flow Financing Activities			
Interest paid	(43,293.97)	(35,929.12)	
Proceeds from issue of share capital	-	-	
Share premium received	-	-	
Dividend paid	-	-	
Corporate Dividend Tax Paid	-	-	
Warrant application received	-	-	
Proceeds from borrowings	157,157.80	402,817.10	
Repayment of borrowings	(123,093.10)	(402,949.86)	
Net Cash from Financing Activities..... C	(9,229.26)	(36,061.88)	
Net (Decrease) in Cash & Cash equivalents (A,B,C)	(7,524.41)	(1,305.94)	

Cash & Cash equivalents as at 1st April, 2008 (Opening Balance)(See Note 2)	3,964.68	5,176,918.00
Cash & Cash equivalents as at 31ST March, 2009 (See Note 2)	1,627.03	3,964,684.02
Note 1 :Figures in brackets represent outflows		
Note 2: Cash and Cash Equivalents		
** Cash & Bank Balance as on 1st April,2008	** 6,502.28	7,342,647.00
Less: Fixed Deposit with Bank	<u>2,537.60</u>	<u>2,165,729.00</u>
	3,964.68	5,176,918.00
Cash & Bank Balance as at 31st March, 2009	2,162.03	6,502,282.00
Less : Fixed Deposit with Bank	<u>535.00</u>	<u>2,537,598.00</u>
	1,627.03	** 3,964,684.00

As per our Attached Report of even date

For and on behalf of the Board

FOR V. M. D. & CO.
CHARTERED ACCOUNTANTS

H. I. DAWOODANI (Chairman)

A H DAWOODANI (Managing Director)

PARTNER

No. : A/06/0809

PLACE: MUMBAI

DATE : 28th Aug.,2009

PLACE: MUMBAI

DATE : 28th Aug.,2009

Note:-

- 1 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow statement issued by the Institute of Chartered Accountants of India.
- 2 Cash & Cash equivalents consists of Cash on hand and balance with bank.

LIME CHEMICALS LIMITED

Registered Office : 10, Light House Building, Ground Floor, Sitafalwadi, Mazgaon, Mumbai – 400 010

FORM OF PROXY

Reg Folio No./ Client ID No.:

I / We _____ of _____ being a member /
members of LIME CHEMICALS LIMITED hereby appoint _____ of
_____ or failing him _____ of _____ as my / our proxy to
vote for me / us and on my / our behalf at the 39th Annual General Meeting of the Company to be held on
Monday, the 30th September, 2009.

Affix One
Rupee
revenue
Stamp

Signed this _____ day of _____ 2009.

NOTE: The Proxy and the Power of Attorney (if any) under which it is signed or a notary certified copy of the Power of Attorney must be deposited at the Registered Office of the Company, not less than 48 hours before the time for holding the aforesaid Meeting.

LIME CHEMICALS LIMITED

Registered Office : 10, Light House Building, Ground Floor, Sitafalwadi, Mazgaon, Mumbai – 400 010

ADMISSION SLIP

Full name of the Shareholder
(In block letters) _____

Ledger Folio No. / Client ID No. _____ No. of shares held _____

Name of Proxy
(In block letters) _____

I hereby record my presence at the 39th Annual General Meeting of the Company to be held at the Registered Office at Light House Building, Ground Floor, Sitafalwadi, Mazgaon, Mumbai – 400 010 on 30th September, 2009 at 10.00 a.m.

Member / Proxy signature

BOOK – POST

If undelivered please return to :

LIME CHEMICALS LIMITED
LIGHT HOUSE BUILDING, GROUND FLOOR
SITAFALWADI, MAZGAON
MUMBAI – 400 010