



**25th**  

---

**ANNUAL REPORT**  

---

**2009-2010**

**Link**

**Pharma Chem Limited**

## CONTENTS

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### Page

Notice.....	2
Directors' Report.....	3
Compliance Certificate.....	6
Corporate Governance.....	9
Auditors' Report.....	15
Balance Sheet.....	18
Profit & Loss A/c.....	19
Schedules forming part of the Accounts .....	26
Notes forming part of the Accounts .....	28
Balance Sheet abstract and Company's General Business Profile.....	33
Cash Flow Statement.....	34



# LINK PHARMA CHEM LIMITED

## *25th Annual Report*

<b>BOARD OF DIRECTORS</b>	B. V. RETAREKAR    CHAIRMAN S. G. THAKUR        MANAGING DIRECTOR S. B. DHATRAK       DIRECTOR M. V. KELKAR        DIRECTOR
<b>REGISTERED OFFICE</b>	162, G.I.D.C. NANDESARI IND. ESTATE, NANDESARI - 391 340. DIST. : VADODARA
<b>MANUFACTURING FACILITY AT</b>	161/1,162,163,164, G.I.D.C. IND. ESTATE, NANDESARI-391 340. DIST. : BARODA.
<b>AUDITORS</b>	KHEDKAR & CO.
<b>BANKERS</b>	BANK OF INDIA
<b>REGISTRARS AND TRANSFER AGENTS</b>	LINK INTIME INDIA PVT. LTD. 1ST, FLOOR 308 JALDHARA COMPLEX, OPP. MANISHA SOCIETY, OFF. OLD PADRA ROAD, VASNA ROAD, VADODARA- 390 015.

**NOTICE**

Notice is hereby given that the 25<sup>th</sup> Annual General Meeting of the Members of LINK PHARMA CHEM LIMITED will be held at Plot No.163/164, Nandesari Ind. Estate, Nandesari – 391 340, Dist. Vadodara on Wednesday, 29<sup>th</sup> September, 2010 at 11.00 a.m. to transact the following business:

**ORDINARY BUSINESS:**

01. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March 2010 and the Profit and Loss Account for the year ended on that date together with the reports of the Directors' and the Auditors' thereon.
02. To appoint a Director in place of Shri Milind V Kelkar who retires by rotation and being eligible, offers himself for re-appointment.
03. To appoint auditor and to fix their remuneration.

**SPECIAL BUSINESS:**

04. To consider and if thought fit, to pass with or without modification following resolution as an ordinary resolution:

RESOLVED THAT pursuant to provisions of Section 293(1)(d) of the Companies Act 1956 and subject to approval of members of the Company, the consent of the Company be and is here by accorded to the Board of Directors of the Company to borrow any sum or sums of money from time to time, on such terms and conditions and with or without security as the board of Directors may in its discretion think fit, notwithstanding that the money or monies to be borrowed to together with monies already borrowed by the company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up share capital of the Company and its free reserves, that is to say, reserves not so set aside for any specific purposes, however that the total amounts so borrowed and remaining outstanding at any particular time shall not exceed Rs 100 crores (Rs Hundred Crores Only)".

**Note:**

1. A MEMBER ENTITLED TO ATTEND THE MEETING IS ENTITLED TO APPOINT A PROXY INSTEAD OF HIMSELF TO ATTEND AND VOTE AT THE MEETING AND THE PROXY NEED NOT BE A MEMBER.
2. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Items Nos.4 of the accompanying Notice is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Monday 27<sup>th</sup> September, 2010 to Wednesday 29<sup>th</sup> September, 2010 (both days inclusive).

**ANNEXURE TO NOTICE****EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.****ITEM NO 4**

Looking into requirements of the business activities carried by the company, it may require additional funds. Hence, the Board of Directors of the Company should be authorized to borrow moneys from time to time, from Banks, Financial Institution and any other sources. The monies to be borrowed by the Company may exceed the aggregate of paid up capital and its free reserves, provided however, the total amount of such borrowings shall not exceed the sum of Rs 100 crores at any time. The authority can only be exercised by the board in accordance with provisions of Section 293(1)(d) of the Companies Act 1956.

Hence, this resolution is proposed as an ordinary resolution for approval of the members.

None of the directors is directly or indirectly interested in passing of this resolution.

By the Order of Board of Directors of  
**LINK PHARMA CHEM LIMITED**

PLACE : VADODARA  
DATE : 30.06.2010

B. V. RETAREKAR  
CHAIRMAN

**DIRECTORS' REPORT**

To,  
Members of **LINK PHARMA CHEM LIMITED**

The Directors have pleasure in presenting the 25th Annual Report and the Audited Accounts for the financial year ended March 31, 2010-:

**1) FINANCIAL RESULTS : (Rs. in Lacs)**

	<b>FOR THE YEAR ENDED 31-3-2010</b>	<b>FOR THE YEAR ENDED 31-3-2009</b>
SALES	1179.52	1279.64
OTHER INCOME	10.98	23.76
PROFIT BEFORE INTEREST, DEPRECIATION AND TAX	179.33	72.38
INTEREST	52.47	45.14
DEPRECIATION	48.80	49.50
PROVISION FOR TAXATION (DEFERRED & CURRENT TAX)	(10.87)	(3.78)
PROFIT AFTER TAXATION	88.94	(18.48)
LESS:	-	-
<b>NET PROFIT</b>	<b>88.94</b>	<b>(18.48)</b>
ADD : TRANSFERRED FROM PREVIOUS YEAR	-	-
BALANCE AVAILABLE FOR APPROPRIATION	88.94	(18.48)
LESS : TRANSFER TO RESERVES	88.94	(18.48)
BALANCE CARRIED TO BALANCE SHEET	-	-

**2) OPERATING RESULTS :**

During the year under review, the turnover of your Company has decreased to Rs.1179.52 lacs from Rs.1279.64 lacs of the previous year. However, your company has made profit of Rs.88.94 lacs as against loss of Rs.18.48 lacs of the previous year.

**3) DIVIDEND :**

In view of meagre profit, your Directors do not recommend any dividend for the year under review.

**4) OPERATIONS :**

Due to recessionary conditions prevailing in the chemical segment, your company could not achieve the desirable turnover & also due to fixed overhead, the company could not generate more profits.

**5) FUTURE OUTLOOK :**

Your company has received Environment clearance from Ministry of Environment and Forest for the newly acquired land and building i.e. Plot No.163 & 164 G.I.D.C. Nandesari. Your company has already started the project work at new site.

**6) DEPOSITS :**

Your Company has neither invited nor accepted any deposits in terms of Section 58A of the Companies Act, 1956.

**7) PARTICULARS REGARDING CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :**

Pursuant to the applicable Rules read with Section 217(1)(e) of the Companies Act, 1956, details relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earning and Out-go are given in the Annexure A forming part of this Report.

**8) PERSONNEL :**

During the year under review, none of the Employees was in receipt of remuneration of Rs. 24,00,000/- per annum when employed through out the year or Rs. 2,00,000/- per month when employed for part of the year and therefore the provisions of Section of 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended are not attracted.

9) **DIRECTORS :**  
Shri Milind Kelkar retires by rotation and being eligible, offers himself for reappointment.

10) **AUDITORS AND AUDITORS' REPORT :**  
M/s. Khedkar & Co. Chartered Accountants, Vadodara, Statutory Auditors of the company who retires at the ensuing Annual General Meeting of the Company, have given their consent to be reappointed as Statutory Auditors of the Company. Your Directors recommend their appointment as Statutory Auditors for the year 2010-11. The Notes to the Accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

11) **COMPLIANCE CERTIFICATE :**  
The Compliance certificate in terms of Section 383A of the Companies Act 1956, issued by a practising Company Secretary is annexed to this report as Annexure "B".

12) **DIRECTORS' RESPONSIBILITY STATEMENT :**  
As required under Section 217 (2AA) of the Companies Act, 1956 the Directors hereby confirm that :

- i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- iii) 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) the Directors had prepared the annual accounts on a going concern basis.

13) **ACKNOWLEDGEMENTS :**

Your Directors place on record their sincere appreciation for the continued co-operation received from the Central, State and Local Government Authorities, the large family of shareholders and last but not the least, the contribution made by the dedicated employees of the company at all levels.

By the Order of Board of Directors of  
**LINK PHARMA CHEM LIMITED**

PLACE : VADODARA

B. V. RETAREKAR

DATE : 30.06.2010

CHAIRMAN

**ANNEXURE - A**

**INFORMATION AS PER SECTION 217 (1) (e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2010.**

**1. CONSERVATION OF ENERGY :**

- a) Energy conservation measures taken :
  - i) The company has proposed the condensation recovery system for the boiler, so that water consumption & fuel consumption will reduce.
  - ii) All vessels and pipeline are properly insulated to get energy conservation.
  - iii) Annual energy audit is being carried out by the Company.

**b) Additional Investment :**

Additional Investment is done in the plant for the manufacturing of some products on contract basis.

Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods :

It has resulted in achieving lesser energy consumption thereby reducing cost of production.

Total energy consumption & energy consumption per unit of production is given as per Form-A of the rules :

**FORM - A**

(See Rule 2)

**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY**

**A. Power and Fuel Consumption :**

	2009-2010 Current Year	2008-2009 Previous Year
<b>1. Electricity :</b>		
(a) Purchased Unit	14,03,468	1310812
Total Amount (Rs.)	80,11,139	75,24,573
Rate/Unit (Rs.)	5.70	5.74
(b) Own Generation :	Nil	Nil
(i) Through Diesel Generation Unit	-	-
Unit per lit. of diesel Oil Cost/Unit	-	-
(ii) Through Steam turbine/generator Units	-	-
Units per Lit. of Fuel Oil/Gas Cost/Units	-	-
<b>2. Coal (Specify Quality and where used)</b>		
Quantity (Tonnes)	305370	895080
Total Cost	12,39,524	25,79,403
Average Rate	4.05	2.88
<b>3. Furnace Oil (LDO)</b>		
Quantity	Nil	Nil
Total Amount	Nil	Nil
Average Rate	Nil	Nil
<b>4. Other Generation (Gas)</b>		
Quantity (Cu.Mt.)	3837	15908
Total Cost	73,072	5,39,575
Rate/Unit	19.04	33.92

**B. CONSUMPTION PER UNIT OF PRODUCTION :**

Product (With Details)	Consumption per M.T.	
	Current Year 2009-2010	Previous Year 2008-2009
	ALL PRODUCTS	
Electricity (Units)	4097.63	4033.26
GAS (Cu.m.)	1120.27	2042.99

**II TECHNOLOGY ABSORPTION :**

Efforts made in the Technology Absorption in Form B are as given below:

**FORM - 'B'**

**RESEARCH & DEVELOPMENT :**

- i) Specific areas in which in house R & D activities carried out by the company :  
Efforts have been made to improve the quality of existing products & certain new products are under development.
- ii) Benefits derived as a result of the above R & D activities:  
Quality has been improved of existing products to achieve more customer Satisfaction.
- iii) Future Plan of action:  
The Company intends to concentrate on product development for forward integration purpose.
- iv) Expenditure on R & D.

	(Rs. in Lacs)	
	2009-2010	2008-2009
Capital	3.99	2.96
Recurring	7.68	7.85
Total	11.67	10.81
Total R & D expenditure as a percentage of total turnover	0.98	0.84

**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:**

NOT APPLICABLE

**III. FOREIGN EXCHANGE EARNING & OUTGO**

	(Rs.in lacs)	
	2009-2010 Current Year	2008-2009 Previous Year
A. Activities relating to exports	11.78	Nil
B. Foreign Exchange Earning	0.10	Nil
C. Foreign Exchange Outgo	0.37	Nil

**COMPLIANCE CERTIFICATE**

To,  
The Members of  
**LINK PHARMA CHEM LIMITED**

We have examined the registers, records books and papers of LINK PHARMA CHEM LIMITED (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31<sup>st</sup> March, 2010. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year:

01. The company has kept and maintained all registers as stated in Appendix 'A' to this certificate, as per the provisions and the rules made there under and all entries have been duly recorded.
02. The company has filed forms and returns as stated in the Appendix 'B' to this certificate with the Registrar of Companies, Regional Director, the Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
03. The company being Public Limited company, comments are not required.
04. The Board of Directors met 9 times on 21.04.2009, 05.05.2009, 30.06.2009, 31.07.2009, 09.09.2009, 26.09.2009, 31.10.2009, 30.01.2010 and 31.03.2010 in respect of which meeting proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
05. The company closed its Register of Members from 22.09.2009 to 26.09.2009 (Both days inclusive) and necessary compliance of Section 154 of the Act has been made.
06. The annual general meeting for the financial year ended on 31.03.2010 was held on 26.09.2009 after giving notice to the members of the company and the resolutions passed thereat were recorded in Minutes Book maintained for the purpose.
07. No Extra Ordinary General Meeting was held during the financial year.
08. The company has not advanced any loans to its directors or person or firm or companies referred to under section 295 of the Act.
09. The company has entered into contracts falling within the purview of section 297 of the Act.
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 or Central Government.
12. The company has not issued any duplicate share certificates during the financial year.
13. i) There was no allotment. The company has delivered all the certificates on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act.  
ii) The company has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.  
iii) The company was not required to post warrants to any member of the company as no dividend was declared during the financial year.  
iv) There was no amount in the unpaid dividend account, applications 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 and hence transferring of the same to Investor Protection Fund does not arise.  
v) The company has complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the company is constituted. There was no appointment of



- additional directors, alternate directors and directors to fill casual vacancy during the financial year.
15. The Company has reappointed Managing Director and Executive Chairman and except this, no Whole Time Director / Manager was appointed during the financial year.
  16. The Company has not appointed any sole selling agents during the financial year.
  17. The company was required to obtain an approval of the Regional Director under section 297 of the Companies Act, which is not obtained. Except this the Company was not required to obtain any approval of the Central Government, Company Law Board, Regional Director, Registrar of Companies or such other authorities prescribed under the various provisions of the Act.
  18. The directors have disclosed their 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 or other securities during the financial year.
  20. The company has not bought back any shares during the Financial Year.
  21. 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 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 during the financial year.
  24. The amount borrowed by the company from directors, members, public, financial institutions, banks and others during the financial year ending 31st March, 2010 are within the borrowing limits of the company and that necessary resolution as per section 293 (1) (d) of the Act have been passed in the general meeting.
  25. The company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the Register kept for the purpose.
  26. The company has not altered the provisions of the Memorandum of Association of the company with respect to situation of the company's registered office from one state to another during the financial year.
  27. The company has not altered the provisions of the Memorandum of Association of the company with respect to the objects of the company during the year under scrutiny.
  28. The company has not altered the provisions of the Memorandum of Association of the company with respect to name of the company during the financial year.
  29. The company has not altered the provisions of the Memorandum of Association of the company with respect to Share Capital of the company during the year.
  30. The company has not altered its Articles of Association during the financial year.
  31. There was / were 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 has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to section 418 of the Act.
- Place : Vadodara  
Date : 31-5-2010
- For Vijay Bhatt & Co.  
Company Secretaries
- V. J. Bhatt  
Proprietor  
CP : 2265

**APPENDIX 'A'**

Registers as maintained by LINK PHARMA CHEM LIMITED :

01. Register of charges u/s 143 of the Companies Act, 1956.
02. Register of Members u/s 150 of the Companies Act, 1956.
03. Index of Members u/s 151 of the Companies Act, 1956.
04. Registers and Returns u/s 163 of the Companies Act, 1956.
05. Register of particulars of contracts in which directors are interested u/s 301 of the Companies Act, 1956.
06. Register of Directors, Managing Director etc. u/s 303 of the Companies Act, 1956.
07. Register of Directors' Shareholding u/s 307 of the Companies Act, 1956.
08. Register of transfers.

**APPENDIX 'B'**

Forms and Returns as filed by the LINK PHARMA CHEM LIMITED with the Registrar of Companies during the financial year ending on 31st March 2010.

01. Annual Return filed u/s 163 of the Companies Act, 1956 in Form 20B on 24.11.2009 vide MCA Challan No.P42456228 for the Annual General Meeting held on 26.09.2009.
02. Annual Accounts filed u/s 220 of the Companies Act, 1956 in Form 23AC and Form 23ACA on 13.11.2009 vide MCA Challan No. P40755282 adopted at the Annual General Meeting of the company held on 26.09.2009.
03. Compliance Certificate filed u/s 383A of the Companies Act, 1956 in Form 66 on 11.11.2009 vide MCA Challan No.P40457129 for the Financial year ended on 31st March 2009.
04. Form No.8 filed u/s 125/127/135 of the Companies Act, 1956 on 02.05.2009 vide MCA Challan No.A61072872 for modification of charge in favour of Bank of India.
05. Form No.8 filed u/s 125/127/135 of the Companies Act, 1956 on 11.11.2009 vide MCA Challan No.A72516575 for modification of charge in favour of Bank of India.
06. Form No.23 filed u/s 192 (1) (a) of the Companies Act, 1956 09.11.2009 vide MCA Challan No.A72328214 for re-appointment of Managing Director.
07. Form No.23 filed u/s 192 (1) (a) of the Companies Act, 1956 10.11.2009 vide MCA Challan No.A72390420 for re-appointment of Managing Director and Executive Chairman.
08. Form No.17 filed u/s 138 of the Companies Act, 1956 on 23.04.2009 vide MCA Challan No.A60475373 for satisfaction of charge
09. Form No.25-C filed u/s 269(2) of the Companies Act; 1956 on 10.11.2009 vide MCA Challan No.A72397094 for re-appointment of Executive Chairman
10. Form No.25-C filed u/s 269 (2) of the Companies Act; 1956 on 10.11.2009 vide MCA Challan No.A72395494 for re-appointment of Managing Director.

Place : Vadodara

Date : 31-5-2010

**For Vijay Bhatt & Co.**

Company Secretaries

**V. J. Bhatt**

Proprietor

CP : 2265

**REPORT ON CORPORATE GOVERNANCE**

(Pursuant to Clause 49 of the Listing Agreement)

The following is a report on Corporate Governance code as implemented by your Company.

**A. MANDATORY REQUIREMENTS**

**1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

Link Pharma Chem Limited has over the years followed the best business practices. The Company believes that good Corporate Governance is essential to achieve long-term corporate goals and to enhance stakeholders' value. In this pursuit, the company is committed to conducting business in accordance with the highest legal and ethical standard, superior product quality and services to its customers. All employees are bound by a Code of Conduct, which sets forth Company's policies on important issues, including relationship with customers, vendors and the Government.

**2. BOARD OF DIRECTORS**

Non-Independent - 2 – Chairman and Managing Director  
 Independent - 2 Directors

During the Financial Year ended on 31<sup>st</sup> March, 2010, 9 Board Meetings were held viz. 21<sup>st</sup> April, 2009, 05<sup>th</sup> May, 2009, 30<sup>th</sup> June, 2009, 31<sup>st</sup> July, 2009, 09<sup>th</sup> September, 2009, 26<sup>th</sup> September, 2009, 31<sup>st</sup> October, 2009, 30<sup>th</sup> January, 2010 and 31<sup>st</sup> March, 2010. The attendance of each director at Board Meetings and the last Annual General Meeting (AGM) is as under:

**Composition of the Board of Directors and Attendance of them:**

Name of Director	Category of Directorship	No. of Board Meetings		Attendance at the last AGM	Remarks
		Held during the year	Attended during the year		
Mr. B.V. Retarekar	Non-Independent	9	9	Yes	-
Mr. S.G. Thakur	Non-Independent	9	9	Yes	-
Mr. S.B. Dhattrak	Independent	9	6	Yes	-
Mr. Milind Kelkar	Independent	9	4	Yes	-

**3. Committees:**

**A. Audit Committee:**

**BROAD TERMS OF REFERENCE**

The terms of reference of the Audit Committee include:

- To review the Company's financial reporting process and its financial statements
- To review the accounting and financial policies and practices
- To review the efficacy of the internal control mechanism and monitor risk management policies adopted by the company and ensure compliance with regulatory guidelines
- To review reports furnished by the internal and statutory auditors and ensure that suitable follow-up action is taken
- To recommend appointment/removal of auditors and fix/approve fees and other payments audit Committee was formed in the Board Meeting of 5<sup>th</sup> March, 2003 and comprise of 2 Independent Directors.

Name of member	Status	No. of meetings held	No. of meetings attended
Mr. S. B. Dhattrak	Chairman	4	4
Mr. Milind Kelkar	Member	4	4

Managing Director Mr. S. G. Thakur and Internal Auditor Mr. Subhash Shah of Subhash Shah & Co. are invitees.

**B. REMUNERATION COMMITTEE :**

As per Clause 49 of the Listing Agreement, constitution of remuneration committee is non-mandatory. However, company formed the remuneration committee on 30<sup>th</sup> January, 2004 with S. B. Dhattrak as Chairman and Mr. Milind Kelkar as Member.

The Board of Directors determines the remuneration of whole time/executive directors within the framework as approved by the shareholders/the Central Government.

**DETAILS OF REMUNERATION :**

**(a) Pecuniary Relationships:**

None of the Non-Executive Directors of your company have any pecuniary relationships or material transactions with the company except for sitting fees and traveling expenses paid to them for attending Board Meetings thereof.

In compliance with the requirements of Accounting Standard 18 (AS-18) issued by ICAI, transactions with related parties have been furnished under Notes to the Accounts of the Financial Statements.

**(b) The remuneration of Executive Directors for the year 2009-2010 is as under :**

Name of the Director	Salary(Rs.)	Perquisites(Rs.)	Contribution to PF and other fund (Exempted Perks) (Rs.)
Mr. B.V. Retarekar	15,00,000	Nil	18,720
Mr. S. G. Thakur	15,00,000	Nil	18,720

**C. Investors / Shareholders Grievance Committee :**

The Committee was formed on 5th March, 2003 and comprised of two independent directors to specifically look in to issue relating to investors including share related matters.

Name of the Director	Status	No. of Meetings held	No. of Meetings attended
Mr.S.G.Thakur	Chairman	2	2
Mr. B.V.Retarekar	Member	2	2

**4. General Body Meeting :**

The location and time of the General Meetings held during the last three years is as follow :

AGM/EGM	Date	Venue	Time	No. of Special Resolutions Passed
AGM	26-09-2009	162, G.I.D.C., Industrial Estate, Nandesari, Dist. Baroda-391340	11.00 A.M.	2
AGM	30-09-2008	162, G.I.D.C., Industrial Estate, Nandesari, Dist. Baroda-391 340	10.30 A.M.	Nil
AGM	20-09-2007	162, G.I.D.C., Industrial Estate, Nandesari, Dist. Baroda - 391 340	10.30A.M.	Nil

- Whether Special resolutions were put through postal ballot last year - N.A.
- Person who conducted the postal ballot exercise - N.A.
- Whether Special resolutions are proposed to be conducted through postal ballot - None.

Resolutions are generally passed on a show off hands.

## 5. Disclosure

- There are no materially significant related party transactions entered into by the Company with its Promoters, Directors of Management their subsidiaries of relatives etc. that may have potential conflict with the interests of the Company at large.
- Transactions with the related parties are disclosed in Clause 13 of Notes to the Accounts of Schedule 22 to the financial statements in the Annual Report.
- During the last three years, there were no strictures or penalties imposed by either the Securities Exchange Board of India or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets.

## 6. Means Of Communication:

- a. Quarterly and Half-yearly results to shareholders are intimated through newspaper as per the requirements.
- b. The Quarterly and Half-yearly results are published in the Gujarati & English edition of Western Times.
- c. Presentations made to institutional investors or to the analyst – None
- d. Management Discussion and Analysis forms part of the Annual Report which is posted to the shareholders of the company.

## 7. Particulars of Directors seeking re-appointment at the ensuing 25<sup>th</sup> Annual general Meeting of the Company

### (a) Details of Directors who retire by rotation and seek re-appointment:

#### (i) Mr. Milind Kelkar

Name of the director	:	Milind Vasant Kelkar
Date of Birth	:	03rd August, 1958
Education Qualification	:	Bachelor of Science. Bachelor of Pharmacy, Master of Business Administration, DTL
Specific Functional Area	:	Marketing, Trading & Distribution of Products
Other Directorships held	:	Nil
Other Committees of Directors were memberships held	:	None

**8. General Shareholder information:**

- a) AGM date, time and venue : 29<sup>th</sup> day of September, 2010 at 11:00 A.M. at 163/164, G.I.D.C., Nandesari, Dist. Vadodara.
- b) Financial Calendar for Financial Year 2010-2011
- 1st quarter results : On or before 31<sup>st</sup> July, 2010
- 2nd quarter & half yearly results : On or before 31<sup>st</sup> October, 2010
- 3<sup>rd</sup> quarter results : On or before 31<sup>st</sup> January, 2011
- 4<sup>th</sup> quarter & Audited Accounts : On or before 30<sup>th</sup> June, 2011
- c) Date of Book Closure : Monday, 27<sup>th</sup> September, 2010 to Wednesday, 29<sup>th</sup> September, 2010 (both days inclusive)
- d) Dividend Payment Date : Not Applicable
- e) Listing on Stock Exchange : The Bombay Stock Exchange Ltd.  
Demat connectivity : National Securities Depository Ltd.  
Central Depository Services (I) Ltd.
- f) Stock Code
- The Bombay Stock Exchange Limited : 524748
- NSDL/CDSL : ISIN:INE302F01011
- g) Stock Market price data for the year 2009-2010 of the company on BSE:

Month	Month's low price	Month's high price	Sensex	
			High	Low
April-2009	3.76	4.95	11,492.10	9,546.29
May-2009	3.81	5.67	14,930.54	11,621.30
June-2009	5.43	6.77	15,600.30	14,016.95
July-2009	4.16	5.41	15,732.81	13,219.99
August-2009	4.50	5.40	16,002.46	14,684.45
September-2009	5.67	7.94	17,142.52	15,356.72
October-2009	5.39	6.85	17,493.17	15,805.20
November-2009	5.20	7.00	17,290.48	15,330.56
December-2009	5.68	8.95	17,530.94	16,577.78
January-2010	7.70	14.30	17,790.33	15,982.08
February-2010	8.32	11.55	16,669.25	15,651.99
March-2010	7.02	9.74	17,793.01	16,438.45

- h) Registrars & Transfer Agents : LINK INTIME INDIA PVT. LTD.  
(Common Agency for Physical & demat Segment)  
308, Jaldhara Complex, 1<sup>st</sup> Floor,  
Opp. Manisha Society,  
Off : Old Padra Road,  
Vadodara-390 015.  
Phone: (0265) 2250241  
Fax: (0265) 2250246

**i) Share Transfer System :**

Share Transfer requests received in physical mode are normally registered within 30 days from the date of receipt and demat requests are normally confirmed within an average of 15 days from the date of receipt.

**j) Distribution and Shareholding Pattern as on March 31, 2010 :**

No. of equity shares Held	No. of Share Holders	% of Share holders	Share holding	% of Share holding
1 – 500	5529	89.9610	762386	17.1687
501 – 1000	277	4.5070	241527	5.4391
1001 – 2000	179	2.9125	259049	5.8337
2001 – 3000	60	0.9762	151446	3.4105
3001 – 4000	18	0.2929	63031	1.4194
4001 – 5000	26	0.4230	127091	2.8620
5001 – 10000	27	0.4393	207467	4.6721
10001 & above	30	0.4881	2628571	59.1945
<b>TOTAL</b>	<b>6146</b>	<b>100.0000</b>	<b>4440568</b>	<b>100.0000</b>

**Categories of Shareholders as on 31<sup>st</sup> March, 2010 :**

Category	Folios & Demat A/cs	Shares held	% of Total Shares
Other Bodies Corporate	96	268194	6.0396
Clearing Member	15	25013	0.5633
Directors	2	1055119	23.7609
Mutual Fund	1	800	0.0180
Non Resident Indians	29	86000	1.9367
Non Resident ( Non Repatriable)	4	2700	0.0608
Promoters	6	130568	2.9403
Relatives of Directors	17	986647	22.2189
Public/others	5976	1885527	42.4615
<b>TOTAL</b>	<b>6146</b>	<b>4440568</b>	<b>100.0000</b>

- K) Dematerialisation of shares and liquidity:** At the end of the year 3623441 shares which come to 81.60% of total shares have been dematerialised. Trading in equity shares is permitted in dematerialised form only.
- l) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, its conversion date and likely impact on equity:** Not Applicable
- m) Plant Locations :** 1) Plot No. 161/1, 162, G.I.D.C., Nandesari, Dist. Baroda.
- n) Address for correspondence :** Share Department -  
 Link Pharma Chem Limited,  
 504, Center Point, Alkapuri, Vadodara – 390 007.  
 Phone : (0265) 3295723 Fax : (0265) 3054194  
 E-mail: [linkpharmachem@hotmail.com](mailto:linkpharmachem@hotmail.com)

Or its Registrars & Share : Link Intime India Pvt. Ltd.  
Transfer Agents 308, Jaldhara Complex, 1<sup>st</sup> Floor,  
Opp. Manisha Society,  
Off: Old Padra Road, Vadodara-15.

Shareholders holding share in electronic mode should address all their correspondence to their respective Depository Participants (DPs).

### **AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

To,  
**The Members of  
Link Pharma Chem Limited**

We have examined the compliance of the conditions of Corporate Governance by Link Pharma Chem Limited for the year ended March 31, 2010 as stipulated in Clause 49 of the listing Agreements of the said Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to 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 our information and according to the explanations given to us and the representation made by the directors and the management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We state that in respect of investor grievances received during the year ended March 31, 2010 no investor grievances are pending against the company as per records maintained by the company and presented to the Shareholders/Investors Grievances Committee.

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.

**FOR KHEDKAR & CO.  
CHARTERED ACCOUNTANTS**

Date : 30.06.2010  
Place : Vadodara

**D. R. KHEDKAR  
PROPRIETOR**



**AUDITORS' REPORT**

To,  
The Shareholders,

I have audited the attached Balance Sheet of LINK PHARMA CHEM LTD. as at 31<sup>st</sup> March, 2010 and also the profit and loss account and the cash flow statement for the year ended on 31<sup>st</sup> March, 2010 annexed thereto. These financial statements are the responsibility of the company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I have conducted my audit in accordance with the auditing standards generally accepted in India. Those Standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

1. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government in terms of section 227(4A) of the Companies Act, 1956; I enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order.
2. Further to my comments in the Annexure referred to in paragraph (1) above, I report that:
  - (a) I have obtained all the information and explanations, which to the best of my knowledge and belief were necessary for the purposes of my audit;
  - (b) In my opinion proper books of accounts as required by law have been kept by the Company so far as appears from my 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 my opinion the balance sheet, profit and loss account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- (e) On the basis of written representations received from the directors, as on 31<sup>st</sup> March, 2010 and taken on record by the Board of Directors, I report that none of the directors is disqualified as on 31<sup>st</sup> March, 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act 1956;
- (f) In my opinion and to the best of my information and according to explanations given to me the said accounts read with the notes thereon give the information as required by The Companies Act of India, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
  - (i) In the case of the Balance Sheet of the state of affairs of the Company as at 31<sup>st</sup> March, 2010.
  - (ii) In the case of the Profit and Loss Account of the Profit for the year ended on that date; and
  - (iii) In the case of the Cash flow statement of the cash flows for the year ended on that date.

Place : VADODARA  
Date : 30 June 2010

**For KHEDKAR & Co.**  
CHARTERED ACCOUNTANTS

(D. R. KHEDKAR)  
Proprietor  
M.No: 34963.  
Firm Reg. No. 130838W

**ANNEXURE TO THE AUDITOR'S REPORT**  
(Referred in paragraph (1) of report of even date)

- i) a. The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. The management has carried out a physical verification of most of its fixed assets during the year. In our opinion, the frequency of verification is reasonable having regard to the size of the company and nature of its fixed assets. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of accounts.
- c. During the year, the Company has not disposed off substantial part of its fixed assets so as to affect it as a going concern.
- ii) a. As informed to us, inventories were physically verified during the period by the management at reasonable interval.
- b. In our opinion and according to 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. According to the information and explanations given to us, the company has maintained proper book records of its inventories and the discrepancies noticed on the verification between the physical stocks and book records have been properly dealt with in the books of account.
- d. According to the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, paragraphs 4(iii) (b),(c) & (d) of the Order are not applicable.
- e. According to the information and explanations given to us, the company has not taken from firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, paragraphs 4(iii) (f) & (g) of the Order are not applicable.
- iii) In our opinion and according to the information and explanations given to us, there is no an adequate internal control system commensurate with the size of the company and the nature of its business, with regard to the purchase of inventories and fixed assets and with regard to the sale of goods. During the course of audit, no major weakness has been noticed in the internal controls.
- iv) a. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that need to be entered in the Register maintained under section 301 of the Companies Act, 1956 have been so entered.
- b. In our opinion and according to the information and explanations given to us, the transactions made in pursuances of contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of sections 58A and 58AA of the Companies Act, 1956 and the rules framed there under.

- vi) In our opinion, the company has an internal audit system, which is commensurate with the size and nature of its business.
- vii) According to the information and explanations given to us, the Central Government of India has not prescribed the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956, for any of the products of the company.
- viii) The Company does not have accumulated losses nor has it incurred cash losses during the financial year covered by our Audit and its immediate preceding financial year
- ix) According to the information and explanations given to us the company has not defaulted in repayment of dues to any financial institutions, banks or to debenture holders during the year.
- x) According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xi) In our opinion, company is not a Chit Fund or a Nidhi Fund or a Mutual Benefit Fund / Society. Accordingly, paragraphs 4(xiii) (a), (b), (c) & (d) of the Order are not applicable
- xii) In our opinion and according to the information and explanations given to us, the company is not dealing in or trading in securities, debentures or other investments. Accordingly, paragraphs 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xiii) According to the information and explanations given to us, the company has not given any guarantees for loans taken by others from banks or financial institutions.
- xiv) In our opinion and according to the information and explanations given to us, the term loans taken during the year have been applied for the purpose for which they were obtained.
- xv) According to the information and explanations given to us, and on an overall examination of the balance sheet of the company, we report that no funds raised on short term basis have been used for long term investment. No long term funds have been used to finance short term assets except for permanent working capital.
- xvi) 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
- xvii) During the year, since the company has not issued any debenture, paragraph 4(xix) of the Order is not applicable.
- xviii) According to the information and explanations given to us, the company has not raised any money through a public issue during the year under audit
- xix) According to the information and explanations given by the management no fraud on or by the company has been noticed or reported during the course of our audit.

Place : VADODARA  
Date : 30 June 2010

**For KHEDKAR & Co.**  
CHARTERED ACCOUNTANTS

(D. R. KHEDKAR)  
Proprietor  
M.No: 34963.  
Firm Reg. No. 130838W

**BALANCE SHEET AS AT 31ST MARCH, 2010**

PARTICULARS	SCHEDULE NO.	(Amount in Rupees)	
		FIGURES FOR THE YEAR ENDED ON 31-03-2010	FIGURES FOR THE YEAR ENDED ON 31-03-2009
<b>SOURCE OF FUNDS :</b>			
<b>SHAREHOLDER'S FUNDS :</b>			
(a) Share Capital	1	4,44,05,680	4,44,05,680
(b) Reserves and Surplus	2	4,59,65,423	3,80,71,904
<b>LOAN FUNDS :</b>			
Secured loan	3	4,98,50,307	4,41,41,133
UnSecured Loans	4	44,00,000	44,00,000
Deferred Tax Liability (Net)		69,86,352	87,49,532
(See Note '13' in Schedule '24' to the Accounts)			
<b>TOTAL</b>		<b>1,52,67,763</b>	<b>13,97,68,249</b>
<b>APPLICATION OF FUNDS :</b>			
<b>FIXED ASSETS :</b>			
(a) Gross Block	5	10,45,91,215	10,34,26,954
(b) Less : Depreciation		3,84,87,806	3,36,07,433
(c) Net Block		6,61,03,409	6,98,19,520
(d) Capital Work in Process		5,51,55,833	3,81,71,288
<b>INVESTMENTS</b>			
	6	2,29,780	2,29,780
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
(a) Inventories	7	3,21,95,541	1,64,16,297
(b) Sundry Debtors		2,20,66,329	3,80,85,192
(c) Cash & Bank Balances		16,19,008	7,56,568
(d) Other Current Assets		44,478	92,285
(e) Loans & Advances		1,11,50,973	92,25,057
<b>TOTAL</b>		<b>6,70,76,328</b>	<b>6,45,75,398</b>
<b>LESS : CURRENT LIABILITIES AND PROVISIONS : 8</b>			
(a) Current Liabilities		3,45,05,883	3,20,43,912
(b) Provisions		15,83,991	11,49,183
<b>TOTAL</b>		<b>3,60,89,874</b>	<b>3,31,93,095</b>
<b>NET CURRENT ASSETS</b>			
		3,09,86,455	3,13,82,303
Miscellaneous Expenditure to the extent not written off or adjusted	9	1,32,286	1,65,358
<b>TOTAL</b>		<b>15,26,07,763</b>	<b>13,97,68,249</b>
<b>NOTES TO FINANCIAL STATEMENT</b>	17		

As per our Report of even date attached

FOR KHEDKAR & CO.  
CHARTERED ACCOUNTANTS

(D. R. KHEDKAR)  
PROPRIETOR  
M.No: 34963.  
Firm Reg. No. 130838W  
PLACE : VADODARA  
DATE : 30th June, 2010

For and on behalf of the Board.

**B. V. RETAREKAR** Chairman  
**S. G. THAKUR** Managing Director

PLACE : VADODARA  
DATE : 30th June, 2010

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2010.**

PARTICULARS	SCHEDULE NO.	(Amount in Rupees)	
		FIGURES FOR THE YEAR ENDED ON 31-03-2010	FIGURES FOR THE YEAR ENDED ON 31-03-2009
<b>INCOME :</b>			
Sales		11,79,51,628	12,79,63,691
Other Income	10	10,97,546	23,75,963
Increase / (Decrease) in stock	11	<u>1,56,65,913</u>	<u>(21,21,041)</u>
<b>TOTAL</b>		<b>13,47,15,087</b>	<b>12,82,18,613</b>
<b>EXPENDITURE :</b>			
Material Cost	12	6,47,05,182	6,95,73,695
Excise Duty		69,35,294	98,70,192
Manufacturing and other Cost	13	2,48,71,689	2,45,12,743
Payment to and Provision for Employees	14	1,63,31,567	1,46,82,610
Selling & Administrative Expenses	15	39,04,670	32,10,213
Financial Cost	16	52,46,741	45,13,895
Preliminary Exp. written off		33,072	
Depreciation		<u>48,80,372</u>	<u>49,50,057</u>
<b>PROFIT/ LOSS BEFORE TAXATION &amp; EXCEPTIONAL ITEM</b>		<b>78,06,500</b>	<b>(30,94,793)</b>
Provision for taxation - Current Tax		6,76,161	-
- Deferred Tax		(17,63,180)	(4,57,066)
- FBT		-	78,938
<b>Net Profit / (Loss)</b>		<u><b>88,93,519</b></u>	<u><b>(27,16,665)</b></u>
Balance Brought Forward From Previous Year		-	8,68,446
Amount Available for Appropriation		88,93,519	(18,48,218)
Less: Tfr. to General Reserve		88,93,519	(18,48,218)
<b>BALANCE CARRIED TO BALANCE SHEET</b>		<b>-</b>	<b>-</b>

As per our Report of even date attached

FOR KHEDKAR & CO.  
CHARTERED ACCOUNTANTS

(D. R. KHEDKAR)  
PROPRIETOR  
M.No: 34963.  
Firm Reg. No. 130838W  
PLACE : VADODARA  
DATE : 30th June, 2010

For and on behalf of the Board.

**B. V. RETAREKAR** Chairman  
**S. G. THAKUR** Managing Director

PLACE : VADODARA  
DATE : 30th June, 2010

**SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31st MARCH, 2010.**

	(Amount in Rupees)	
	FIGURES AS AT 31st MARCH, 2010	FIGURES AS AT 31st MARCH, 2009
<b>SCHEDULE 1 :</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED CAPITAL</b>		
50,00,000 Equity shares of Rs. 10/- each	5,00,00,000	5,00,00,000
<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>		
44,40,568 Equity Shares of Rs. 10/- each	4,44,05,680	4,44,05,680
Fully paid up	<u>4,44,05,680</u>	<u>4,44,05,680</u>
<b>SCHEDULE 2 :</b>		
<b>RESERVES AND SURPLUS</b>		
Share Premium Account.	2,87,12,527	2,87,12,527
General Reserve		
Op. Balance	93,59,378	1,12,07,596
Add : Profit (Loss) Transferred from P&L A/c.	<u>88,93,518</u>	<u>(18,48,218)</u>
	<u>4,69,65,423</u>	<u>3,80,71,904</u>
<b>SCHEDULE 3 :</b>		
<b>SECURED LOANS</b>		
<b>I - WORKING CAPITAL</b>		
<b>FROM BANK</b>		
- Bank of India	3,29,07,342	2,83,57,782
<b>II TERM LOAN</b>		
- Bank of India	1,59,75,411	1,53,46,961
(Loan from bank and secured by way of hypothecation of stock & book debts and charge created of all the fixed assets & Personal Guarantee of Directors)		
<b>IV - HIRE PURCHASE LOAN</b>		
(A) Kotak Mahindra Prime Ltd.	8,04,544	-
(B) ICICI Bank	1,63,010	4,36,389
Secured by Assets Purchase under higher purchased Loan	<u>4,98,50,307</u>	<u>4,41,41,133</u>
<b>SCHEDULE 4 :</b>		
<b>UNSECURED LOAN</b>		
GURUDEV MEKETING PVT. LTD.	44,00,000	44,00,000
	<u>44,00,000</u>	<u>44,00,000</u>

**SCHEDULE : 5**
**FIXED ASSETS**

Sr. No.	Particulars	← GROSS BLOCK →				← DEPRECIATION →			← NET BLOCK →		
		As at 01.04.2009	Addition during the year	Deduction/ Transfer Adjustment	As on 31.03.2010	Up to 01.04.2009	For the Year	Deduction / Transfer Adjustment	Up to 31.03.2010	As on 31.03.2010	As on 31.03.2009
1	2.	4. Rs.	5. Rs.	6. Rs.	7. Rs.	8. Rs.	9. Rs.	10. Rs.	11. Rs.	12. Rs.	13. Rs.
1.	Land	83,59,603	-	-	83,59,603	0	0	0	0	83,59,603	83,59,603
2.	Factory Building	1,59,20,233	-	-	1,59,20,233	38,50,334	5,31,736	-	43,82,070	1,15,38,163	1,20,69,899
3.	Office Building	8,28,045	0	0	8,28,045	1,49,551	13,497	0	1,63,048	6,64,997	6,78,494
4.	Plant & Machinery	6,80,49,137	-	-	6,80,49,137	2,39,31,861	35,92,994	-	2,75,24,855	4,05,24,282	4,41,17,276
5.	Pollution Control Equip.	2,29,496	-	0	2,29,496	69,683	12,117	-	81,801	1,47,695	1,59,813
6.	Laboratory Equipments	23,00,481	-	0	23,00,481	8,91,635	1,21,465	0	10,13,101	12,87,380	14,08,846
7.	Safety Equipments	3,76,972	-	0	3,76,972	1,45,541	19,904	0	1,65,445	2,11,527	2,31,431
8.	Office Equipments	25,34,129	204400	0	27,38,529	26,06,896	1,31,634	0	27,38,529	-	(72,766)
9.	Furniture & Fixtures	6,13,037	30,000	0	6,43,037	3,91,373	40,548	0	4,31,941	2,11,096	2,21,644
10.	Vehicles	42,15,820	9,29,861	-	51,45,681	15,70,540	4,16,476	-	19,87,016	31,58,665	26,45,280
<b>TOTAL</b>		<b>10,34,26,954</b>	<b>11,64,261</b>	<b>-</b>	<b>10,45,91,215</b>	<b>3,36,07,434</b>	<b>48,80,372</b>	<b>-</b>	<b>3,84,87,806</b>	<b>6,61,03,409</b>	<b>6,98,19,520</b>
Previous Year		12,08,21,642	3,77,260	1,77,71,948	10,34,26,954	4,06,06,660	49,50,057	1,19,49,283	3,36,07,434	6,98,19,520	8,02,14,982
Capital W.I.P.										5,51,55,833	3,81,71,288

Note : See Note '2' &amp; '3' in Schedule '23' to the accounts

	FIGURES AS AT 31st MARCH, 2010	(Amount in Rupees) FIGURES AS AT 31st MARCH, 2009	
<b>SCHEDULE 6 :</b>			
<b>INVESTMENTS</b>			
<b>UNITS OF UNIT TRUST OF INDIA (QUOTED)</b>			
- Master Share (684 - Shares)		6,840	6,840
<b>UNQUOTED :</b>			
Anyonya Sahakari Bank Ltd., Baroda (1866 - Equity Shares @ Rs. 10/- each)	18,600		18,660
Enviro Technology Ltd. (20,000- Equity Shares @ Rs. 10/- each)	2,00,000		2,00,000
Bharuch Enviro Infrastructure Ltd. (378 - Equity Shares @ Rs. 10/- each)	3,780		3,780
Centre Point Association (05 - Share @ Rs. 100/- each)	500		500
	<u>2,22,940</u>	<u>2,22,940</u>	<u>2,22,940</u>
<b>TOTAL</b>		<u>2,29,780</u>	<u>2,29,780</u>
<b>SCHEDULE : 7</b>			
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
<b>INVENTORIES</b>			
Stores Spares & Fuel	7,85,000		7,50,000
Packing material	1,94,880		1,07,429
Raw material	25,74,449		25,83,569
Stock -in-Process	2,39,54,870		84,85,250
Finished goods	46,86,342		44,90,049
	<u>3,21,95,541</u>	<u>3,21,95,541</u>	<u>1,64,16,297</u>
<b>DEBTORS</b>			
<i>Considered good :</i>			
Outstanding for more than 6 months	1,04,72,727		75,50,658
Others (Below 6 Months)	1,15,93,603		3,05,34,533
	<u>2,20,66,329</u>	<u>2,20,66,329</u>	<u>3,80,85,192</u>
<b>TOTAL C/F.</b>		<u>5,42,61,870</u>	<u>5,45,01,489</u>



		(Amount in Rupees)	
		FIGURES AS AT 31st MARCH, 2010	FIGURES AS AT 31st MARCH, 2009
<b>TOTAL B/F.</b>		5,42,61,870	5,45,01,489
<b>CASH AND BANK BALANCES</b>			
Cash on hand	2,15,840		38,019
Balance with scheduled Banks			
- On Current Account	8,55,916		21,657
- On Fixed Deposit Account	5,45,420		6,95,060
with others :			
A.S.M. Co-op. Bank Ltd.	<u>1,832</u>		<u>1,832</u>
	16,19,008	16,19,008	7,56,568
			7,56,568
<b>OTHER CURRENT ASSETS</b>			
Accrued Income	44,478		92,285
Other Assets	<u>-</u>		<u>-</u>
	44,478	44,478	98,285
			92,285
<b>LOANS AND ADVANCES</b>			
<b>(Unsecured considered good)</b>			
Balance with Customs, Central Excise Authority etc.	65,11,658		41,57,340
Deposits	10,80,790		17,03,361
Advance Tax and Tax Deducted at Source	22,78,095		18,01,836
Prepaid Expenses	9,23,210		2,58,300
	<u>3,57,220</u>		<u>13,04,220</u>
	1,11,50,973	1,11,50,973	92,25,057
			92,25,057
<b>TOTAL</b>		<b>6,70,76,329</b>	<b>6,45,75,397</b>
<b>SCHEDULE : 8</b>			
<b>CURRENT LIABILITIES AND PROVISIONS</b>			
<b>CURRENT LIABILITIES</b>			
Sundry creditors	3,05,45,931		2,93,23,631
Other liabilities	<u>39,59,952</u>		<u>27,20,280</u>
	3,45,05,883	3,45,05,883	3,20,43,911
			3,20,43,911
<b>PROVISIONS</b>			
For Expenses	9,07,830		10,70,245
For FBT	-		78,938
Provision for Taxation	<u>6,76,161</u>		<u>-</u>
	15,83,991	15,83,991	11,49,183
			11,49,183
<b>TOTAL</b>		<b>3,60,89,874</b>	<b>3,31,93,094</b>
<b>SCHEDULE : 9</b>			
<b>MISCELLANEOUS EXPENDITURE</b>			
<b>(TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)</b>			
1) Deferred Revenue Expenditure	1,65,358		1,65,358
(ISO 9001 Development Expenses)	-		-
Less 1/5th written off	<u>33072</u>		<u>-</u>
(See Note '19' in Schedule '24' to the accounts)	1,32,286	1,32,286	1,65,358
			1,65,358
<b>TOTAL</b>		<b>3,62,22,160</b>	<b>3,33,58,452</b>

**SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31st MARCH, 2010**

	(Amount in Rupees)	
	FOR THE YEAR ENDED ON 31st MARCH, 2010	FOR THE YEAR ENDED ON 31st MARCH, 2009
<b>SCHEDULE : 10</b>		
<b>OTHER INCOME</b>		
Interest	97,780	1,04,380
Dividend	43,777	43,526
Misc. Income	9,55,989	22,28,057
	<u>10,97,546</u>	<u>23,75,963</u>
<b>TOTAL</b>	<u><u>10,97,546</u></u>	<u><u>23,75,963</u></u>
<b>SCHEDULE : 11</b>		
<b>INCREASE / (DECREASE) IN STOCK</b>		
<b>STOCK IN TRADE (At Close)</b>		
Work - in - Process	2,39,54,870	84,85,250
Finished Goods	46,86,342	44,90,049
	<u>2,86,41,212</u>	<u>1,29,75,299</u>
<b>STOCK IN TRADE (At Commencement)</b>		
Work - in - Process	84,85,250	35,22,310
Finished Goods	44,90,049	1,15,74,029
	<u>1,29,75,299</u>	<u>1,50,96,339</u>
<b>VARIATION IN STOCK</b>	<u><u>1,56,65,913</u></u>	<u><u>(21,21,040)</u></u>
<b>SCHEDULE : 12</b>		
<b>MATERIAL COST</b>		
Opening Stock	26,90,998	24,32,931
Add : Purchases	6,47,83,513	6,98,31,761
	<u>6,74,74,511</u>	<u>7,22,64,692</u>
Less : Closing Stock	27,69,329	26,90,998
<b>TOTAL</b>	<u><u>6,47,05,182</u></u>	<u><u>6,95,73,694</u></u>

	FOR THE YEAR ENDED ON 31st MARCH, 2010	(Amount in Rupees) FOR THE YEAR ENDED ON 31st MARCH, 2009
--	--	--

**SCHEDULE : 13**

**MANUFACTURING AND OTHER COST**

Consumable Stores	30,32,918	28,34,070
Power & Fuel	1,13,55,964	1,27,60,586
Water Charges	1,47,937	2,53,285
Freight, Octroi & Carting	11,86,529	12,34,744
Insurance Expenses	19,75,926	16,09,142
Factory General Expenses	66,45,535	56,68,078
Rates & Taxes	26,880	1,52,838
<b>Total</b>	<b>2,48,71,689</b>	<b>2,45,12,743</b>

**SCHEDULE : 14**

**STAFF COST AND BENEFIT**

Remuneration, Salaries, Wages, Bonus	1,20,95,448	1,09,33,194
Welfare Expenses	98,749	1,03,021
Labour Charges	32,43,018	28,96,958
Contribution to Provident Fund / FPF/ ESI	8,78,014	7,33,098
Contribution to Group Gratuity Insurance Scheme	16,339	16,339
<b>TOTAL</b>	<b>1,63,31,568</b>	<b>1,46,82,610</b>

**SCHEDULE : 15**

**SELLING AND ADMINISTRATIVE EXPENSES**

(a) Selling and Distribution Expenses	12,07,430	5,95,580
(b) Administrative Expenses	26,97,240	26,14,633
<b>TOTAL</b>	<b>39,04,670</b>	<b>32,10,213</b>

**SCHEDULE : 16**

**FINANCIAL COST**

Interest :		
(A) On working Capital Loan	42,21,724	33,99,024
(B) On Corporate Loan/Term Loan	4,37,888	5,43,802
	46,59,612	39,42,826
Bank & Other Financial charges	5,87,128	5,71,069
<b>TOTAL</b>	<b>52,46,740</b>	<b>45,13,895</b>

**Schedules forming part of the Accounts for the year ended 31<sup>st</sup> March, 2010.****Schedule 23****Significant Accounting Policies**

- 1) **Accounting Conventions** : These accounts are prepared under historical cost convention, with revenues recognized and expenses accounted on their accrual including provisions / adjustments for committed obligations and amounts determined as receivable or payable during the year as a going concern and in accordance with the accounting standards referred to in section 211(3C) of the Companies Act, 1956.
- 2) **Fixed Assets** : All fixed assets, except Land, are stated at cost net of Modvat less accumulated Depreciation. Land is valued at cost. Fixed Assets include all expenditure of capital nature, pre operation expenses including interest and financial cost of borrowing during the period of construction.
- 3) **Depreciation** : Depreciation is provided on straight Line Method at the rate prescribed in Schedule XIV to the Companies Act, 1956 and rounded off to nearest 15 days. For the purpose of charging depreciation on Plant & Machinery falling in the category of "Continuous Process Plant " the company has identified such plants on the basis of technical opinion obtained and depreciation has been provided at special rates prescribed in Schedule XIV to the Companies Act, 1956.
- 4) **Income Recognition** : The company recognizes sales on the basis of actual delivery of goods. Sales are recorded at invoice values net of trade discounts. The purchases are recorded at the invoice value. All expenses and income to the extent considered payable and receivable respectively are accounted for on accrual basis except encashment of leave salary and interest on income tax refunds, which are accounted on cash basis.
- 5) **Inventories** : Raw materials are stated at cost or net realisable value, whichever is lower. Cost includes expenses for procuring the same and is computed on first in first out basis.  
  
Stocks of finished goods have been valued at cost or net realisable value, whichever is lower. The cost includes manufacturing expenses and appropriate overheads.  
  
Stock of by-products and waste have been valued at net realisable value.  
  
Packing material, stores and spares are stated at cost or net realisable value, whichever is lower. Cost is computed on first in first out basis.  
  
Work in process is valued at proportionate value of finished goods upto the stage of completion of the work in progress.
- 6) **Investments** :  
  
Current investments are valued at cost or market value which ever is less. Long term investments are stated at cost, and where applicable provision is made for erosion in its valuation.
- 7) **Foreign Currency Transactions** :  
  
Transactions in foreign currencies are recorded at the exchange rate prevailing at the time of the transaction. Foreign Currency Assets and Liabilities are stated at the exchange rates prevailing at the date of Balance Sheet and at forward contract rates, wherever so covered. Exchange difference relating to Fixed Assets is adjusted to the cost of Fixed Assets. Any other exchange difference is dealt in the Profit and Loss Account. Premium in respect of forward contract is recognized over the life of the contract. Any income or expense on account of exchange difference on settlement is recognized in the Profit and Loss Account.

- 8) **Borrowing Costs** : The company capitalizes interest and foreign exchange rate difference on credit acquired for the construction of plant and installation of machinery as part of the cost of assets. The capitalization of interest and foreign exchange rate differences discontinued when the plant construction and machinery installation are completed and are ready for their intended use.
- 9) **Retirement Benefits** : The gratuity liabilities is funded through a scheme administered by the Life Insurance Corporation of India, on the basis of LIC's demand (on the basis of actuarial valuation of liabilities) which specifies the contribution to be made by the company, the same is charged to Profit and Loss account. However, the actuarial valuation is for the period from 1st June to 31 May of each year and consistently accounted for same period on payment basis. The liabilities in respect of unutilized leave due to employees is accounted for as and when become payable.
- 10) **Research and Development Expenditure** : All revenue expenditure on research and development are charged to the Profit and Loss Account. Fixed Assets used for research and development are capitalized.
- 11) **Taxes on Income** : The company provides for income tax on estimated taxable income and based on expected outcome of assessments appeals, in accordance with the provisions of the Income Tax Act, 1961 and rules framed there under.

Consequent to the issuance of the Accounting Standard 22 - ' Accounting for Taxes on Income ' by the Institute of Chartered Accountants of India which states that deferred tax should be recognized based on timing differences between the accounting income and the estimated taxable income for the year and quantify the same using the tax rates and laws enacted or substantively enacted as at the balance sheet date. Deferred tax assets are recognized and carried forward to the extent there is virtual certainty that sufficient future taxable income will be available against which deferred tax assets can be realized.

- 12) **Preliminary & Pre-operative Expenditure** : The Company writes off preliminary & pre-operative expenditure over a period of 5 years.

Signature to schedules.  
As per our report of even date attached.

FOR KHEDKAR & Co.  
CHARTERED ACCOUNTANTS.

For & on behalf of Board of Directors,

(D.R.KHEDKAR)  
PROPRIETOR  
M.No: 34963.  
Firm Reg. no. 130838W

B. V. RETAREKAR  
Chairman

S. G. THAKUR  
Managing Director

Date : 30 June 2010  
Place : Vadodara.

Date : 30 June 2010  
Place : Vadodara.

**Schedules forming part of the Accounts for the year ended 31<sup>st</sup> March, 2010.**

**SCHEDULE: 24**

**NOTES TO ACCOUNTS**

- 1) The schedules referred to in the Balance Sheet and Profit and Loss Account form an integral part of the accounts.
- 2) In the opinion of the Board and to the best of their knowledge and belief, the value on realization of loans and advances and current assets, in the ordinary course of business, will not be less than the amount at which they are stated in the balance sheet.
- 3) Previous year figures have been regrouped, rearranged and recast to correspond with the figures of the current year.
- 4) During the year company has provided for income tax provision for Rs. 6,76,161/-
- 5) Research & Development Expenditure is as follows :

(Rs.in Lacs.)

Particulars	2009-2010	2008-09
Capital	3.99	NIL
Recurring	7.68	7.85
Capital W-I-P	NIL	2.96
<b>Total</b>	<b>11.67</b>	<b>10.81</b>
Total R & D expenditure as a % of Total Turnover	0.99	0.84

- 6) Names of Small Scale Industrial undertakings to which the company owes sums outstanding for more than 30 days as at the date of balance sheet are as under :

(Amount in Rs.)

Sr.No.	Particulars	2009-10	2008-09
1.	Yamuna Ice & Cold Storage.	3,04,943.00	3,18,110.00
2.	Prime Organics.	22,15,26,485	18,29,596.85

The above information has been compiled in respect of Parties to the extent to which they could be identified as Small Scale & Ancillary Undertakings on the basis of information available with the Company.

- 7) Net loss of Rs. NIL (Previous year Rs. Nil) on account of exchange difference has been considered under foreign exchange earnings under the head of other income in the profit and loss account.
- 8) We are of the opinion that company will be contingently liable in respect of Gujarat Sales Tax of Rs.3,67, 685/- for financial year 2003-04.
- 9) Auditors Remuneration is detailed here below :

(Amount in Rs.)

Particulars	2009-10	2008-09
Audit Fees	70,000.00	70,000.00
Out of pocket expenses	8,652.00	8,652.00
<b>Total</b>	<b>78,652.00</b>	<b>78,652.00</b>

- 10) Disclosure of Earnings per Share (EPS) computation as per Accounting Standard- 20 of the Institute of Chartered Accountants of India:

(Amount in Rs.)

Particulars	2009-10	2008-09
Net Profit after Tax available for the Equity Shareholders(Rupees)	88,93,519.00	(1,848,218.42)
Weighted average number of Equity Shares	4,440,568	4,440,568
Nominal/Face Value of Equity shares (Rupees)	10.00	10.00
Basic and Diluted Earnings Per Share (Rupees)	2.00	NIL

11) Managerial Remuneration for the year is as under, as per the provisions of the Companies Act, 1956.

(Amount in Rs.)

Particulars	2009-10	2008-09
Director's Remuneration	3,000,000.00	3,000,000.00
Contribution to Provident Fund and Superannuation Fund	18,720.00	18,720.00
<b>Total</b>	<b>3,018,720.00</b>	<b>3,018,720.00</b>

12) In accordance with the requirements of AS-18 on related party disclosures, the names of the related parties where control exists and / or with whom transactions have taken place during the year and description of relationships, as identified and certified by the management are as under :

1. Key Managerial Personnel Executive Directors : B. V. Retarekar, S. G. Thakur
2. Relatives of Key Managerial Personnel : -----
3. Firms in which the Key Managerial Personnel & their relatives are interested : Pharma Inter Chemie, Chloro Chem of India
4. Fellow / Subsidiary Associates : None

Figures in bracket represent Previous Year's figures.

During the year there is no write off or right back of any amount due from or payable to related parties.

Transactions with Related parties during the period are as under.

(Rs.in Lacs.)

Sr. No.	Particulars	Associates	Key managerial Personnel	Total
1	Purchase of Goods	237.96(292.28)	0.00(0.00)	237.96(292.28)
2	Sale of Goods	241.33(223.68)	0.00(0.00)	241.33(223.68)
3	Other Income	9.00(9.00)	0.00(0.00)	9.00(9.00)
4	Other Expenses	0.00(0.00)	0.00(0.00)	0.00(0.00)
5	Managerial Remuneration	0.00(0.00)	30.00(30.00)	30.00(30.00)
6	Receivable at the year end	6.31(0.00)	0.00(0.00)	6.31(0.00)
7	Payable at the year end	3.42(44.04)	0.00(0.00)	3.42(44.04)
8	Job work charges Paid	22.91(20.96)	(0.00)(0.00)	22.91(20.96)
9	Job work charges Received	0.00(0.00)	(0.00)(0.00)	0.00(0.00)

- 13) As per AS-22 on Accounting for Taxes on Income issued by the ICAI, the deferred tax liability as at 31st March 2010 comprises of the following :

**Deferred Tax Computation :** (Amount in Rs.)

Particulars	Accumulated Balance as at 1.4.08	Charges/ Credits During the Year.	As at 31.3.10
Deferred Tax Liability on Account of Depreciation. [A]	1,08,47,150.00	3,28,363.00	1,11,75,513.00
Deferred tax Assets.	—	—	—
Unabsorbed Depreciation.	13,72,780.00	13,86,238.00	27,59,018.00
Unabsorbed Losses.	7,24,840.00	7,05,304.00	14,30,144.00
[B]	20,97,620.00	20,91,542.00	41,89,162.00
<b>Total deferred Tax Liability (Net). (A-B)</b>	<b>87,49,530.00</b>	<b>(17,63,179.00)</b>	<b>69,86,351.00</b>

- 14) Additional information pursuant to the provisions of paragraph 3 and 4 part II of schedule VI of the Companies Act, 1956.
- a) Particulars of Licensed and Installed Capacity and Actual Production (as certified by the management and accepted by the auditors without verification being a technical matter) :

Description	Unit	Licensed Capacity		Installed Capacity		Actual Production	
		2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Organic Intermediates	M.T.	N.A.	N.A.	540.00	540.00	324	325.00
By Products	M.T.	N.A.	N.A.	N.A.	N.A.	857	-

- b) Particulars of Turnover / Sales and Finished Goods Stocks :

Description	Unit	Particulars	2009-10		2008-09	
			Quantity	Value in Lacs.	Quantity	Value in Lacs.
Organic Intermediates	M.T.	Turnover/Sales	333.240	1179.52	370.441	1279.64
		Closing Stock	36.080	46.86	12.295	44.90
		Opening Stock	12.295	44.90	60.560	115.74

- c) Particulars of Raw Material Consumption and its Stocks and WIP Stocks :

Description	Unit	Particulars	2009-10		2008-09	
			Quantity	Value in Lacs.	Quantity	Value in Lacs.
Organic Intermediates	M.T.	Consumption	1523.840	637.880	1049.801	698.32
		Closing Stock	71.027	25.74	77.451	26.91
		Opening Stock	77.451	26.91	111.510	24.32
		WIP Closing Stock	66.250	239.55	46.095	84.85



- d) Value of Raw Material and Stores / Spares Consumed and Percentage thereof :

Description	2009-10		2008-09	
	Amount in Lacs.	Percentage	Amount in Lacs.	Percentage
Consumption of Raw Material				
Imported	26.16	4.64%	0.00	0.00%
Indigenous	564.29	95.36%	687.84	100%
<b>Total</b>	<b>590.45</b>	<b>100%</b>	<b>687.84</b>	<b>100%</b>
Consumption of Stores / Spares etc.				
Imported	0.00	0.00%	0.00	0.00%
Indigenous	30.33	100.00%	28.34	100.00%
<b>Total</b>	<b>30.33</b>	<b>100.00%</b>	<b>28.34</b>	<b>100.00%</b>

- e) C.I.F. value of Imports :

(Amount in Rs.)

Description	2009-10	2008-09
Raw Materials	26.16	NIL
Capital Goods	NIL	NIL
<b>Total</b>	<b>26.16</b>	<b>NIL</b>

- f) Particulars of Earnings in Foreign Exchange :

(Amount in Rs.)

Description	2009-10	2008-09
Export of Goods / Services	11,78,460.00	NIL
<b>Total</b>	<b>11,78,460.00</b>	<b>NIL</b>

- 15) During the year the Company has Capitalized Rs.21,84,096/- towards interest, Rs.3,18,386/- towards bank charges and commission and Rs.81,900/- towards legal and filing charges as borrowing Cost. Company follows the policy of Capitalizing Borrowing Costs that are directly attributable to the acquisition, Construction or Purchase of any Qualifying Asset.
- 16) The Company's business activity falls within a single primary business segment namely, manufacturing of Chemicals, however the segment reporting of revenues for the Company is on the geographical location of the customers are as under :-

(Amount in Rs.)

Particulars	2009-10		2008-09	
	Outside	India	Outside	India
Segment revenue	11,67,73,168.00	11,78,460.00	128,218,613.05	NIL
Segment Assets	18,86,97,636.00	NIL	172,961,342.00	NIL
Capital Expenditure	1,81,48,806.00	NIL	9,385,373.77	NIL

- 17) We have selected some Debtors and Creditors on random basis to which confirmation letters have been sent, out of which some have confirmed the balance. Those who have confirmed, out of them all are tallying with balance as per books.

- 18) AS – 15 Accounting For Retirement Benefits in Financial Statements of Employees:
- Employee benefits are not classified into short-term benefits, Post employment benefits and termination benefits.
  - There is no VRS expenses incurred during the year.
  - There is no provision made for retirement Benefits in books of accounts.
- 19) Ankleshwar Unit is sold but still Cess, Modvate & Other excise balance is pending in the books of accounts.

Signature to schedules.  
As per our report of even date attached.

FOR KHEDKAR & Co.  
CHARTERED ACCOUNTANTS.

For & on behalf of Board of Directors,

(D.R.KHEDKAR)  
Proprietor  
M. No. 34963  
Firm Reg. No. 130838W

B. V. RETAREKAR  
Chairman

S. G. THAKUR  
Managing Director

Date : 30 June 2010  
Place : Vadodara.

Date : 30 June 2010  
Place : Vadodara

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

**I. REGISTRATION DETAILS**

Registration No.	7540
State Code	4
Balance Sheet Date :	31/03/2010

**II CAPITAL RAISED DURING THE YEAR :**

(Rs. In Thousands)

Public Issue :	0
Right Issue :	0
Bonus Issue :	0
Private Placement :	0

**III POSITION OF MOBILISATION AND DEVELOPMENT OF FUNDS :**

Total Liabilities :	15,26,07,763
Total Assets :	15,26,07,763

**SOURCE OF FUNDS**

Paid up Capital :	444,05.68
Reserves & Surplus :	4,69,65.42
Secured Loans :	49,850.31
Unsecured Loans	4,400.00

**APPLICATION OF FUNDS :**

Net Fixed Assets :	66,103.41
Investments :	229.78
Net Current Assets :	30,986.45
Deferred Tax Assets (net) :	(6,986.35)
Miscellaneous Expenditure :	132.29
Accumulated Losses :	-

**IV PERFORMANCE OF COMPANY :**

Turnover :	1,17,951.63
Total Expenditure :	1,26,908.59
Profit / (Loss) Before Tax :	7,806.50
Profit / (Loss) After Tax :	8,893.52
Earning per Share in Rs :	2.00
Dividend Rate (%)	0

**V GENERIC NAMES OF THREE RINCIPAL PRODUCTS/SERVICES OF COMPANY**

(As per monetary terms) :

Product Description Item	Code No.
TRI CHLORO SALICYLIC ACID	291500
4,4' DIHYDROXY DIPHENYL SULPHIDE	290719

As per our report of even date attached.

FOR KHEDKAR & Co.  
CHARTERED ACCOUNTANTS.

For & on behalf of Board of Directors,

(D.R. KHEDKAR)  
PROPRIETOR  
M.No. 34963

B.V. RETAREKAR  
Chairman

S.G. THAKUR.  
Managing Director

Date : 30 June 2010  
Place : Vadodara.

Date : 30 June 2010  
Place : Vadodara.

**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2010**

PARTICULARS	AS ON 31st MARCH 2010 AMOUNT(Rs.)	AS ON 31st MARCH 2009 AMOUNT(Rs.)
<b><u>Cash Flow From Operating Activities</u></b>		
Net Profit before Taxes & Extra Ordinary Items	7,806,500	(3,094,793)
<b>Add/ Less : Adjustments for :</b>		
Depreciation	4,880,372	4,950,057
Interest Income	(97,780)	(104,380)
Dividend Income	(43,777)	(43,526)
Preliminary Expenses Written off	33,072	-
H.P. Financial Charges	30,877	49,127
Foreign Exchange Income Net	26,770	-
<b>Operating Profit before change in Working Capital</b>	<b>4,829,534</b>	<b>4,851,278</b>
<b>Add/Less : Adjustment for changes in :</b>		
Decrease/(Increase) in other assets & Loans and advances	(1,878,109)	(781,769)
Decrease/(increase) in trade & other receivables	16,018,863	(12,187,922)
(Increase)/Decrease in inventories	(15,779,244)	1,569,765
(Decrease)/Increase in Current liabilities	2,461,971	17,573,532
Decrease in Provision & FBT	(241,353)	(2,145,309)
Realised Foreign Exchange Income	(26,770)	-
	<b>555,358</b>	<b>4,028,298</b>
<b>Net Cash Flow from Operations</b>	<b>A</b>	<b>1,31,91,392</b>
		<b>5,784,783</b>
<b><u>Cash Flow from Invensting Activities</u></b>		
Purchase of fixed assets	(1,164,261)	(377,260)
Sales of Car	-	-
Sales of Assets	-	6,691,111
Increase in Capital Work in Progress	(16,984,545)	(9,008,114)
Dividend Received	43,777	43,526
Interest received	97,780	104,380
<b>Net Cash used in Investing Activities</b>	<b>B</b>	<b>(18,007,249)</b>
		<b>(2,546,357)</b>

<b>PARTICULARS</b>	<b>AS ON 31st MARCH 2010 AMOUNT(Rs.)</b>	<b>AS ON 31st MARCH 2009 AMOUNT(Rs.)</b>
<b><u>Cash Flow From Operation Activities</u></b>		
<b><u>Cash Flow from Financing Activities</u></b>		
Hire Purchase Financial Charges	(30,877)	(49,127)
Increase in Secured Loan	5,709,174	-
Increase in unsecured Loan	-	4,400,000
Repayment of secured loan	-	(7,566,802)
<b>Net Cash used in Financing activities</b>	<b>5,678,297</b>	<b>(3,215,929)</b>
<b>Net Cash Inflow/ (Outflow) A + B + C</b>	<b>862,440</b>	<b>22,498</b>
Add :- Opening Cash & Cash Equivalents	756,568	734,070
Add :- Opening Balance Difference Adjusted	-	-
Closing Cash & Cash Equivalents	<b>1,619,008</b>	<b>756,568</b>

**Notes :-**

1. Figures in brackets represents outflows.

**AUDITORS' CERTIFICATE**

We have verified the above cash flow statement of M/s. Link Pharma Chem Ltd with reference to the Audited Annual Account for the year ended on 31st March 2010 and we found the same to be in Agreement therewith.

**FOR KHEDKAR & Co.  
CHARTERED ACCOUNTANTS.**

**For & on behalf of Board of Directors,**

**(D. R. KHEDKAR)  
PROPRIETOR  
M.No. 34963**

**B. V. RETAREKAR  
Chairman**

**S. G. THAKUR.  
Managing Director**

**Date : 30 June 2010  
Place : Vadodara.**

**Date : 30 June 2010  
Place : Vadodara.**

If Undelivered please return to :

**LINK PHARMA CHEM LIMITED**  
Admn. Off. 503-504 Center Point  
R. C. Dutt Road,  
Alkapuri, Vadodara - 390 007.

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