



# 26th

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ANNUAL REPORT

---

# 2010-2011

# Link

Pharma Chem Limited

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**CONTENTS****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

## *26<sup>th</sup> 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
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<b>MANUFACTURING FACILITY AT</b>	161/1,162,163,164, G.I.D.C. IND. ESTATE, NANDESARI-391 340. DIST. : BARODA.
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<b>AUDITORS</b>	KHEDKAR & CO.
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<b>BANKERS</b>	BANK OF INDIA
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<b>REGISTRARS AND TRANSFER AGENTS</b>	LINK INTIME INDIA PVT. LTD. B -102 & 103, Shangrila Complex, First Floor,Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara - 390020. Tel. No. 0265 - 2356573/2356794 Fax : (0265) 2250246
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**NOTICE**

Notice is hereby given that the 26<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 Thursday, 29<sup>th</sup> September, 2011 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 2011 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 Suresh B Dhattrak who retires by rotation and being eligible, offers himself for re-appointment.
03. To appoint auditors and 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 Mr. Devang U. Shah, who was appointed as an additional director of the Company by the Board of directors w.e.f 31<sup>st</sup> July, 2011 and in respect of whom the Company has received a notice under section 257 in writing proposing his candidature for the office of director, be and is hereby elected and appointed as a director of the Company."

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

PLACE : VADODARA  
DATE : 25.08.2011

B. V. RETAREKAR  
CHAIRMAN

**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 Tuesday 27<sup>th</sup> September, 2011 to Thursday 29<sup>th</sup> September, 2011 (both days inclusive).

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

Mr. Devang U. Shah was appointed as an additional director of the Company on 31.07.2011 by the Board of directors of the Company. As required by section 257 of the Act, a notice has been received from member signifying his intention to propose appointment of Mr. Devang U. Shah as a director along with deposit of Rs. 500/-. The Board considers itself of his services and recommends appointment of him.

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 : 25.08.2011

B. V. RETAREKAR  
CHAIRMAN

**DIRECTORS' REPORT**

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

Your Directors are pleased to present the 26th Annual Report together with Audited Statement of Accounts for the period ended on 31<sup>st</sup> March 2011:-

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

	FOR THE YEAR ENDED 31-3-2011	FOR THE YEAR ENDED 31-3-2010
SALES	1442.47	1179.52
OTHER INCOME	121.42	10.98
PROFIT BEFORE INTEREST, DEPRECIATION AND TAX	139.11	179.33
INTEREST	68.02	52.47
DEPRECIATION	48.26	48.80
PROVISION FOR TAXATION (DEFERRED & CURRENT TAX)	(5.41)	(10.87)
PROFIT AFTER TAXATION	22.83	88.94
<b>NET PROFIT</b>	<b>22.83</b>	<b>88.94</b>

**2) OPERATING RESULTS :**

During the year under review, the turnover of your Company has increased to Rs.1442.47 lacs from Rs.1179.52 lacs of the previous year. However, your company has made lower profit of Rs.22.83 lacs as against profit of Rs.88.94 lacs of the previous year due to increased cost of production.

**3) DIVIDEND :**

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

**4) FUTURE OUTLOOK :**

Along with present manufacturing activities, your company has identified jobwork of some of reputed companies to utilise the present installed capacity of the company.

**5) DEPOSITS :**

The Company has neither received nor accepted any deposit from public in terms of Section 58A of the Companies Act, 1956.

**6) 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 and foreign exchange earning and outgo are given in the annexure A forming part of this report.

**7) 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 (Particulars of Employees) Rules, 1975 as amended are not attracted.

**8) DIRECTORS :**

Shri Suresh B Dhattrak retires by rotation and being eligible, offers himself for re-appointment. Mr. Devang Shah was appointed as an additional Director of the Company with effect from 31st July, 2011 by your Directors. Members are requested to reappoint him at the ensuing annual general meeting of the Company.

**9) 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 2011 - 12. The notes to the accounts referred to in the Auditors' Report are self explanatory and therefore do not call for further comments.

**10) COMPLIANCE CERTIFICATE :**

The Compliance certificate in terms of Section 383A of the Companies Act 1956, issued by a practicing Company Secretary is annexed to this report as Annexure "B".

**11) 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.

**12) ACKNOWLEDGEMENTS :**

Your directors express their thanks for the services rendered by the Government agencies, Banks and employees at all levels and all other concerned.

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

PLACE : VADODARA

DATE : 25.08.2011

B. V. RETAREKAR

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, 2011.**

**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 :

**F O R M - A**

(See Rule 2)

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

**A. Power and Fuel Consumption :**

	2010-2011 <u>Current Year</u>	2009-2010 <u>Previous Year</u>
<b>1. Electricity :</b>		
(a) Purchased Unit	14,11,918	14,03,468
Total Amount (Rs.)	77,72,169	80,11,139
Rate/Unit (Rs.)	5.50	5.70
(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	-	-

**2. Coal (Specify Quality and where used)**

	4,32,925	3,05,370
Quantity (Tonnes)		
Total Cost	22,22,987	12,39,524
Average Rate	5.13	4.05

**3. Furnace Oil (LDO)**

	Nil	Nil
Quantity		
Total Amount	Nil	Nil
Average Rate	Nil	Nil

**4. Other Generation (Gas)**

	1,96,252	3,837
Quantity (Cu.Mt.)		
Total Cost	45,96,763	73,072
Rate/Unit	23.42	19.04

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

Consumption per M.T.

Product (With Details)	Current Year <u>2010-2011</u>	Previous Year <u>2009-2010</u>
	Electricity (Units)	4670.57
GAS (Cu.m.)	649.19	1120.27

**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.

	2010-2011	2009-2010
Capital	1.19	3.99
Recurring	7.53	7.68
Total	<b>8.72</b>	<b>11.67</b>
Total R & D expenditure as a percentage of total turnover	0.60	0.98

**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:**

NOT APPLICABLE

**III. FOREIGN EXCHANGE EARNING & OUTGO**

	2010-2011 <u>Current Year</u>	2009-2010 <u>Previous Year</u>
	A. Activities relating to exports	0.16
B. Foreign Exchange Earning	0.84	0.10
C. Foreign Exchange Outgo	0.13	0.37

**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, 2011. 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 11 times on 30.04.2010,15.06.2010,30.06.2010, 23.07.2010, 29.09.2010,22.10.2010,26.11.2010, 18.12.2010, 31.12.2010,15.02.2011 and 31.03.2011 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 27.09.2010 to 29.09.2010 (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 29.09.2010 after giving notice to the members of the company and the resolutions passed thereat were recorded in Minutes Book maintained for the purpose.
07. One Extra Ordinary General Meeting was held on 08.03.2011 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, 2011 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 41B of the Act.

Place : Vadodara

Date : 04-08-2011

For Vijay Bhatt &amp; 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 2011.

01. Annual Return filed u/s 163 of the Companies Act, 1956 in Form 20B on 13.10.2010 vide MCA Challan No.P54473293 for the Annual General Meeting held on 29.09.2010.
02. Annual Accounts filed u/s 220 of the Companies Act, 1956 in Form 23AC and Form 23ACA on 01.10.2010 vide MCA Challan No. P53363719 adopted at the Annual General Meeting of the company held on 29.09.2010.
03. Compliance Certificate filed u/s 383A of the Companies Act, 1956 in Form 66 on 01.10.2010 vide MCA Challan No.P53361341 for the Financial year ended on 31st March 2010.
04. Form No.8 filed u/s 125/127/135 of the Companies Act, 1956 on 23.07.2010 vide MCA Challan No.A89793640 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 23.07.2010 vide MCA Challan No.A89794146 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 14.10.2010 vide MCA Challan No.A96038823 for borrowing powers of the company.

Place : Vadodara

Date : 04-8-2011

**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, 2011, 11 Board Meetings were held viz. 30<sup>th</sup> April, 2010, 15<sup>th</sup> June, 2010, 30<sup>th</sup> June, 2010, 23<sup>rd</sup> July, 2010, 29<sup>th</sup> September, 2010, 22<sup>nd</sup> October, 2010, 26<sup>th</sup> November, 2011, 18<sup>th</sup> December, 2010, 31<sup>st</sup> December, 2010, 15<sup>th</sup> February, 2011 and 31<sup>st</sup> March 2011. 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	11	11	Yes	-
Mr. S.G. Thakur	Non-Independent	11	11	Yes	-
Mr. S.B. Dhattrak	Independent	11	7	Yes	-
Mr. Milind Kelkar	Independent	11	7	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. B. V. Retarekar	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 2010-2011 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 5<sup>th</sup> 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
EGM	08.03.2011	163/164, G.I.D.C., Industrial Estate, Nandesari, Dist. Baroda - 391 340	11.00 A.M.	2
AGM	29-09-2010	163/164, G.I.D.C., Industrial Estate, Nandesari, Dist. Baroda-391 340	11.00 A.M.	1
AGM	26-09-2009	163/164, G.I.D.C., Industrial Estate, Nandesari, Dist. Baroda - 391 340	11.00A.M.	2
AGM	30-09-2008	NIA Hall, Nandesari, 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 of 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

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 26<sup>th</sup> Annual general Meeting of the Company

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

#### (i) Mr. Suresh Balram Dhatrik

Name of the director	Suresh Balram Dhatrik
Date of Birth	01 <sup>st</sup> Septmber, 1952
Education Qualification	M.Com, Master of Management Science, Diploma in Business Management
Specific Functional Area	Accounting and Financial Management
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 15<sup>th</sup> August, 2011  
 2nd quarter & half yearly results : On or before 15<sup>th</sup> November, 2011  
 3<sup>rd</sup> quarter results : On or before 15<sup>th</sup> February, 2011  
 4<sup>th</sup> quarter & Audited Accounts : On or before 15<sup>th</sup> May, 2012
- c) Date of Book Closure : Tuesday, 27<sup>th</sup> September, 2011 to Thursday, 29<sup>th</sup> September, 2011 (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 2010-2011 of the company on BSE:

Month	Month's low price	Month's high price	Sensex	
			High	Low
April-2010	8.14	10.45	18,047.86	17,276.80
May-2010	8.03	9.74	17,536.86	15,960.15
June-2010	8.00	11.25	17,919.62	16,318.39
July-2010	8.27	10.19	18,237.56	17,395.58
August-2010	8.06	9.94	18,475.27	17,819.99
September-2010	8.03	9.90	20,267.98	18,027.12
October-2010	8.42	14.98	20,854.55	19,768.96
November-2010	8.41	12.40	21,108.64	18,954.82
December-2010	8.11	10.50	20,552.03	19,074.57
January-2011	8.09	10.48	20,664.80	18,038.48
February-2011	7.51	8.98	18,690.97	17,295.62
March-2011	7.42	8.83	19,575.16	17,792.17

- h) Registrars & Transfer Agents : LINK INTIME INDIA PVT. LTD.  
 (Common Agency for Physical & demat Segment)  
 B - 102 & 103, Shangrila Complex,  
 First Floor,  
 Off : HDFC Bank, Near Radhakrihna Char Rasta, Akota.  
 Vadodara-390 020.  
 Phone: 0265 - 2356573/2356794  
 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, 2011 :**

No. of equity shares Held	No. of Share Holders	% of Share holders	Share holding	% of Share holding
1 – 500	5376	90.0503	743705	16.7480
501 – 1000	252	4.2211	217660	4.9016
1001 – 2000	183	3.0653	264871	5.9648
2001 – 3000	59	0.9883	145177	3.2693
3001 – 4000	14	0.2345	49230	1.1086
4001 – 5000	24	0.4020	117327	2.6422
5001 – 10000	30	0.5025	224199	5.0489
10001 & above	32	0.5360	2678399	60.3166
<b>TOTAL</b>	<b>5970</b>	<b>100.00</b>	<b>4440568</b>	<b>100.00</b>

**Categories of Shareholders as on 31<sup>st</sup> March, 2011 :**

Category	Folios & Demat A/cs	Shares held	% of Total Shares
Other Bodies Corporate	80	265945	5.9890
Clearing Member	13	14605	0.3289
Directors	2	1055119	23.7609
Mutual Fund	1	700	0.0158
Non Resident Indians	30	96479	2.1727
Non Resident ( Non Repatriable)	3	2100	0.0473
Promoters	6	130568	2.9403
Relatives of Directors	17	986647	22.2189
Public/others	5818	1888405	42.5262
<b>TOTAL</b>	<b>5970</b>	<b>4440568</b>	<b>100.00</b>

- K)** Dematerialisation of shares and liquidity: At the end of the year 3649241 shares which come to 82.18% 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 B - 102 & 103, Shangrila Complex, First Floor,  
Opp. HDFC Bank, Near Radhakrishna Char Rasta,  
Akota,  
Vadodara - 390020.  
Tel. No. 0265 - 2356573/2356794  
Fax : (0265) 2250246

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, 2011 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, 2011 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 : 25 August, 2011  
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, 2011 and also the profit and loss account and the cash flow statement for the year ended on 31<sup>st</sup> March, 2011 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), 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, 2011 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, 2011 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, 2011.
  - (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: 25 August 2011

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 loan 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 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 has not 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.
- xx) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty and other material statutory dues applicable to it.
- Further, since the central government has till date not prescribed the amount of cess payable under section 441A of the companies Act 1956, we are not in a position to comment upon the regularity or otherwise of the company in positioning the same.
- (b) According to the information and explanations given to us no disputed amounts payables in respect of income tax, sales tax, wealth tax, service tax, custom duty, and excise duty, where arrears as at ..... For a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, service tax, custom duty, and excise duty which have not been deposited on account of any dispute

Place : VADODARA

For KHEDKAR &amp; Co.

Date : 25 August 2011

CHARTERED ACCOUNTANTS

(D. R. KHEDKAR)

Proprietor

M.No: 34963.

Firm Reg. No. 130838W

**BALANCE SHEET AS AT 31ST MARCH, 2011**

PARTICULARS	SCHEDULE NO.	(Amount in Rupees)	
		FIGURES FOR THE YEAR ENDED ON 31-03-2011	FIGURES FOR THE YEAR ENDED ON 31-03-2010
<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	4,92,48,715	4,69,65,423
<b>LOAN FUNDS :</b>			
Secured loan	3	7,61,38,130	4,98,50,307
UnSecured Loans	4	1,18,08,122	44,00,000
Deferred Tax Liability (Net)		60,39,232	69,86,352
(See Note '13' in Schedule '24' to the Accounts)			
<b>TOTAL</b>		<b>18,76,39,880</b>	<b>1,52,67,763</b>
<b>APPLICATION OF FUNDS :</b>			
<b>FIXED ASSETS :</b>			
(a) Gross Block	5	10,01,01,734	10,45,91,215
(b) Less : Depreciation		4,33,14,170	3,84,87,806
(c) Net Block		5,67,87,564	6,61,03,409
(d) Capital Work in Process		8,07,96,886	5,51,55,833
<b>INVESTMENTS</b>	6	2,44,780	2,29,780
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>	7		
(a) Inventories		3,56,94,956	3,21,95,541
(b) Sundry Debtors		2,77,47,256	2,20,66,329
(c) Cash & Bank Balances		64,97,298	16,19,008
(d) Other Current Assets		49,583	44,478
(e) Loans & Advances		1,62,71,380	1,11,50,973
<b>TOTAL</b>		<b>8,62,60,473</b>	<b>6,70,76,328</b>
<b>LESS : CURRENT LIABILITIES AND PROVISIONS : 8</b>			
(a) Current Liabilities		3,52,84,792	3,45,05,883
(b) Provisions		12,64,245	15,83,991
<b>TOTAL</b>		<b>3,65,49,037</b>	<b>3,60,89,874</b>
<b>NET CURRENT ASSETS</b>			
		4,97,11,437	3,09,86,455
Miscellaneous Expenditure to the extent not written off or adjusted	9	99,214	1,32,286
<b>TOTAL</b>		<b>18,76,39,880</b>	<b>15,26,07,763</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 : 25 August, 2011

For and on behalf of the Board.

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

PLACE : VADODARA  
DATE : 25 August, 2011

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2011.**

PARTICULARS	SCHEDULE NO.	(Amount in Rupees)	
		FIGURES FOR THE YEAR ENDED ON 31-03-2011	FIGURES FOR THE YEAR ENDED ON 31-03-2010
<b>INCOME :</b>			
Sales		14,42,47,481	11,79,51,628
Other Income	10	1,21,42,077	10,97,546
Increase / (Decrease) in stock	11	4,03,038	1,56,65,913
<b>TOTAL</b>		<b>15,67,92,596</b>	<b>13,47,15,087</b>
<b>EXPENDITURE :</b>			
Material Cost	12	7,69,34,388	6,47,05,182
Excise Duty		1,13,01,542	69,35,294
Manufacturing and other Cost	13	2,93,84,656	2,48,71,689
Payment to and Provision for Employees	14	2,02,38,383	1,63,31,568
Selling & Administrative Expenses	15	55,30,613	39,04,670
Financial Cost	16	68,01,567	52,46,741
Preliminary Exp. written off		33,072	33,072
Depreciation		48,26,364	48,80,372
<b>PROFIT BEFORE TAXATION &amp; EXCEPTIONAL ITEM</b>		<b>17,42,011</b>	<b>78,06,500</b>
Provision for taxation - Current Tax		4,05,840	6,76,161
- Deferred Tax		(9,47,120)	(17,63,180)
<b>Net Profit / (Loss)</b>		<b>22,83,291</b>	<b>88,93,519</b>
Amount Available for Appropriation		22,83,291	88,93,519
Less: Tfr. to General Reserve		22,83,291	88,93,519
<b>BALANCE CARRIED TO BALANCE SHEET</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 : 25 August, 2011

For and on behalf of the Board.

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

PLACE : VADODARA  
DATE : 25 August, 2011

**SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31st MARCH, 2011.**

	FIGURES AS AT 31st MARCH, 2011	(Amount in Rupees) FIGURES AS AT 31st MARCH, 2010
<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 Fully paid up	4,44,05,680	4,44,05,680
	<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	18252897	93,59,378
Add : Profit (Loss) Transferred from P&L A/c.	<u>2283291</u>	<u>88,93,518</u>
	<u>4,92,48,715</u>	<u>4,69,65,423</u>
<b>SCHEDULE 3 :</b>		
<b>SECURED LOANS</b>		
<b>I - WORKING CAPITAL</b>		
<b>FROM BANK</b>		
- Bank of India	3,65,88,256	3,29,07,342
<b>II TERM LOAN</b>		
- Bank of India	3,64,99,829	1,59,75,411
(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.	30,50,045	8,04,544
(B) ICICI Bank	-	1,63,010
Secured by Assets Purchase under higher purchased Loan		
	<u>7,61,38,130</u>	<u>4,98,50,307</u>
<b>SCHEDULE 4 :</b>		
<b>UNSECURED LOAN</b>		
<b>GURUDEV MEKETING PVT. LTD.</b>		
Grishma Special Material	48,22,400	44,00,000
From Directors	10,00,000	
	<u>59,85,722</u>	
	<u>1,18,08,122</u>	<u>44,00,000</u>

**SCHEDULE : 5  
FIXED ASSETS**

Sr. No.	Particulars	← GROSS BLOCK →			← DEPRECIATION →			← NET BLOCK →			
		As at 01.04.2010	Addition during the year	Deduction/ Transfer Adjustment	As on 31.03.2011	Up to 01.04.2010	For the Year	Deduction / Transfer Adjustment	Up to 31.03.2011	As on 31.03.2011	As on 31.03.2010
1	2.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1.	Land	83,59,603	11,13,234	57,19,097	37,53,740	0	0	0	0	37,53,740	83,59,603
2.	Factory Building	1,59,20,233	-	-	1,59,20,233	43,82,070	5,31,736	-	49,13,806	1,10,06,428	1,15,38,163
3.	Office Building	8,28,045	0	0	8,28,045	1,63,048	13,497	0	1,76,545	6,51,500	6,64,997
4.	Plant & Machinery	6,80,49,137	-	-	6,80,49,137	2,75,24,855	35,92,994	-	3,11,17,849	3,69,31,288	4,05,24,282
5.	Pollution Control Equip.	2,29,496	-	0	2,29,496	81,801	12,117	-	93,918	1,35,577	1,47,695
6.	Laboratory Equipments	23,00,481	-	0	23,00,481	10,13,101	1,21,465	0	11,34,566	11,65,915	12,87,380
7.	Safety Equipments	3,76,972	25,400	0	4,02,372	1,65,445	20,180	0	1,65,625	2,16,748	2,11,527
8.	Office Equipments	27,38,529	82,300	0	28,20,829	27,38,529	4,367	0	27,42,896	77,933	-
9.	Furniture & Fixtures	6,43,037	8,682	0	6,51,719	4,31,941	41,167	0	4,73,108	1,78,612	2,11,096
10.	Vehicles	51,45,681	-	-	51,45,681	19,87,016	4,88,840	-	24,75,856	26,69,825	31,58,665
<b>TOTAL</b>		<b>10,45,91,214</b>	<b>12,29,616</b>	<b>57,19,097</b>	<b>10,01,01,734</b>	<b>3,84,87,806</b>	<b>48,26,364</b>	<b>-</b>	<b>4,33,14,170</b>	<b>5,67,87,564</b>	<b>6,61,03,408</b>
Previous Year		10,34,26,954	11,64,261	-	10,45,91,215	3,36,07,434	48,80,372	-	3,84,87,806	6,61,03,409	6,98,19,520
Capital W.I.P.										8,07,96,886	5,51,55,833

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

	FIGURES AS AT 31st MARCH, 2011	(Amount in Rupees) FIGURES AS AT 31st MARCH, 2010	
<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)	18,660		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
National Saving Certificate	15,000		-
	<u>2,37,940</u>	<u>2,37,940</u>	<u>2,22,940</u>
<b>TOTAL</b>		<u>2,44,780</u>	<u>2,29,780</u>
<b>SCHEDULE : 7</b>			
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
<b>INVENTORIES</b>			
Stores Spares & Fuel	17,54,663		7,85,000
Packing material	1,17,867		1,94,880
Raw material	47,78,177		25,74,449
Stock -in-Process	2,49,41,700		2,39,54,870
Finished goods	41,02,550		46,86,342
	<u>3,56,94,956</u>	<u>3,56,94,956</u>	<u>3,21,95,541</u>
<b>DEBTORS</b>			
Considered good :			
Outstanding for more than 6 months	75,31,003		1,04,72,727
Others (Below 6 Months)	2,02,16,253		1,15,93,603
	<u>2,77,47,256</u>	<u>2,77,47,256</u>	<u>2,20,66,329</u>
<b>TOTAL C/F.</b>		<u>6,34,42,212</u>	<u>5,42,61,870</u>



		(Amount in Rupees)	
		FIGURES AS AT 31st MARCH, 2011	FIGURES AS AT 31st MARCH, 2010
	TOTAL B/F.	6,34,42,212	5,42,61,870
<b>CASH AND BANK BALANCES</b>			
Cash on hand	2,24,721		2,15,840
Balance with scheduled Banks			
- On Current Account	3,57,326		8,55,916
- On Fixed Deposit Account	59,13,420		5,45,420
with others :			
A.S.M. Co-op. Bank Ltd.	<u>1,832</u>		<u>1,832</u>
	64,97,298	64,97,298	16,19,008
<b>OTHER CURRENT ASSETS</b>			
Accrued Income	49,583		44,478
Other Assets	<u>-</u>		<u>-</u>
	49,583	49,583	44,478
<b>LOANS AND ADVANCES</b>			
<b>(Unsecured considered good)</b>			
Balance with Customs, Central Excise Authority etc.	1,08,26,331		65,11,658
Deposits	19,87,737		10,80,790
Advance Tax and Tax Deducted at Source	22,87,460		22,78,095
Prepaid Expenses	89,164		9,23,210
	<u>2,71,688</u>		<u>3,57,220</u>
	1,62,71,380	1,62,71,380	1,11,50,973
<b>TOTAL</b>		<b>8,62,60,473</b>	<b>6,70,76,329</b>
<b>SCHEDULE : 8</b>			
<b>CURRENT LIABILITIES AND PROVISIONS</b>			
<b>CURRENT LIABILITIES</b>			
Sundry creditors	3,20,54,582		3,05,45,931
Other liabilities	<u>32,30,210</u>		<u>39,59,952</u>
	3,52,84,792	3,52,84,792	3,45,05,883
<b>PROVISIONS</b>			
For Expenses	8,58,405		9,07,830
Provision for Taxation	<u>4,05,840</u>		<u>6,76,161</u>
	12,64,245	12,64,245	15,83,991
<b>TOTAL</b>		<b>3,65,49,037</b>	<b>3,60,89,874</b>
<b>SCHEDULE : 9</b>			
<b>MISCELLANEOUS EXPENDITURE</b>			
<b>(TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)</b>			
1) Deferred Revenue Expenditure	1,32,286		1,65,358
(ISO 9001 Development Expenses)			
Less 1/5th written off	<u>33,072</u>		<u>33072</u>
(See Note '19' in Schedule '24' to the accounts)	99,214	99,214	1,32,286
<b>TOTAL</b>		<b>3,66,48,251</b>	<b>3,62,22,160</b>

**SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31st MARCH, 2011**

	(Amount in Rupees)	
	FOR THE YEAR ENDED ON 31st MARCH, 2011	FOR THE YEAR ENDED ON 31st MARCH, 2010
<b>SCHEDULE : 10</b>		
<b>OTHER INCOME</b>		
Interest	1,22,383	97,780
Dividend	20,000	43,777
Misc. Income	1,19,99,694	9,55,989
	<u>1,21,42,077</u>	<u>10,97,546</u>
	1,21,42,077	10,97,546
<b>TOTAL</b>	<u><u>1,21,42,077</u></u>	<u><u>10,97,546</u></u>
<b>SCHEDULE : 11</b>		
<b>INCREASE / (DECREASE) IN STOCK</b>		
<b>STOCK IN TRADE (At Close)</b>		
Work - in - Process	2,49,41,700	2,39,54,870
Finished Goods	<u>41,02,550</u>	<u>46,86,342</u>
	2,90,44,250	2,86,41,212
<b>STOCK IN TRADE (At Commencement)</b>		
Work - in - Process	2,39,54,870	84,85,250
Finished Goods	<u>46,86,342</u>	<u>44,90,049</u>
	2,86,41,212	1,29,75,299
<b>VARIATION IN STOCK</b>	<u><u>4,03,038</u></u>	<u><u>1,56,65,913</u></u>
<b>SCHEDULE : 12</b>		
<b>MATERIAL COST</b>		
Opening Stock	27,69,329	26,90,998
Add : Purchases	<u>7,90,61,103</u>	<u>6,47,83,513</u>
	8,18,30,432	6,74,74,511
Less : Closing Stock	<u>48,96,044</u>	<u>27,69,329</u>
<b>TOTAL</b>	<u><u>7,69,34,388</u></u>	<u><u>6,47,05,182</u></u>

	FOR THE YEAR ENDED ON 31st MARCH, 2011	(Amount in Rupees) FOR THE YEAR ENDED ON 31st MARCH, 2010
<b>SCHEDULE : 13</b>		
<b>MANUFACTURING AND OTHER COST</b>		
Consumable Stores	31,10,456	30,32,918
Power & Fuel	1,58,89,705	1,18,55,964
Water Charges	1,70,849	1,47,937
Freight, Octroi & Carting	10,67,851	11,86,529
Insurance Expenses	10,90,930	19,75,926
Factory General Expenses	79,95,309	66,45,535
Rates & Taxes	59,556	26,880
Total	<u>2,93,84,656</u>	<u>2,48,71,689</u>
<b>SCHEDULE : 14</b>		
<b>STAFF COST AND BENEFIT</b>		
Remuneration, Salaries, Wages, Bonus	1,38,12,657	1,20,95,448
Welfare Expenses	1,57,262	98,749
Labour Charges	53,00,155	32,43,018
Contribution to Provident Fund / PPF/ ESI	9,51,970	8,78,014
Contribution to Group Gratuity Insurance Scheme	16,339	16,339
TOTAL	<u>2,02,38,383</u>	<u>1,63,31,568</u>
<b>SCHEDULE : 15</b>		
<b>SELLING AND ADMINISTRATIVE EXPENSES</b>		
(a) Selling and Distribution Expenses	7,03,950	12,07,430
(b) Administrative Expenses	48,26,663	26,97,240
TOTAL	<u>55,30,613</u>	<u>39,04,670</u>
<b>SCHEDULE : 16</b>		
<b>FINANCIAL COST</b>		
Interest :		
(A) On working Capital Loan	46,92,185	42,21,724
(B) On Corporate Loan/Term Loan	10,76,399	4,37,888
Bank & Other Financial charges	57,68,584	46,59,612
TOTAL	<u>68,01,567</u>	<u>52,46,740</u>

**Schedules forming part of the Accounts for the year ended 31<sup>st</sup> March, 2011.****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 account-ting 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 : 25 August 2011  
Place : Vadodara.

Date : 25 August 2011  
Place : Vadodara.

**Schedules forming part of the Accounts for the year ended 31<sup>st</sup> March, 2011.**

**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. 4,05,840/-
- 5) Research & Development Expenditure is as follows :

(Rs.in Lacs.)

Particulars	2010-11	2009-10
Capital	1.19	3.99
Recurring	7.53	7.68
Capital W-I-P	NIL	NIL
<b>Total</b>	<b>8.72</b>	<b>11.67</b>
Total R & D expenditure as a % of Total Turnover	0.60	0.99

- 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	2010-11	2009-10
1.	Yamuna Ice & Cold Storage.	4,64,338.00	3,04,943.00
2.	Prime Organics.	30,55,652.85	22,15,26,485

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 profit of Rs. 71,516 (Previous year Rs. 26,770/-) 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	2010-11	2009-10
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	2010-11	2009-10
Net Profit after Tax available for the Equity Shareholders (Rupees)	22,83,291	88,93,519.00
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)	0.51	2.00

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

(Amount in Rs.)

Particulars	2010-11	2009-10
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	<b>Purchase of Goods</b>	214.86(237.96)	0.00(0.00)	214.86(237.96)
2	<b>Sale of Goods</b>	254.97(241.33)	0.00(0.00)	254.97(241.33)
3	<b>Other Income</b>	9.00(9.00)	0.00(0.00)	9.00(9.00)
4	<b>Other Expenses</b>	0.00(0.00)	0.00(0.00)	0.00(0.00)
5	<b>Managerial Remuneration</b>	0.00(0.00)	30.00(30.00)	30.00(30.00)
6	<b>Receivable at the year end</b>	32.02(6.31)	0.00(0.00)	32.02(6.31)
7	<b>Payable at the year end</b>	0.00(3.42)	0.00(0.00)	0.00(3.42)
8	<b>Job work charges Paid</b>	0.00(22.91)	(0.00)(0.00)	0.00(22.91)
9	<b>Job work charges Received</b>	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 2011 comprises of the following :

**Deferred Tax Computation :**

(Amount in Rs.)

Particulars	Accumulated Balance as at 1.4.2010	Charges/ Credits During the Year.	As at 31.3.2011
Deferred Tax Liability on Account of Depreciation. [A]	1,11,75,513.00	(14,21,324.00)	97,54,189.00
Deferred tax Assets.	—	—	—
Unabsorbed Depreciation.	27,59,018.00	(8,50,000.00)	19,09,018.00
Unabsorbed Losses.	14,30,144.00	3,95,796.00	18,05,940.00
[B]	41,89,162.00	(4,74,204.00)	37,14,958.00
<b>Total deferred Tax Liability (Net). (A-B)</b>	<b>69,86,351.00</b>	<b>(9,47,120.00)</b>	<b>60,39,231.00</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	
		2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Organic Intermediates	M.T.	N.A.	N.A.	540.00	540.00	302.00	324.00
By Products	M.T.	N.A.	N.A.	N.A.	N.A.	1183.00	857

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

Description	Unit	Particulars	2010-11		2009-10	
			Quantity	Value in Lacs.	Quantity	Value in Lacs.
Organic Intermediates	M.T.	Turnover/Sales	303.000	1442.27	333.240	1179.52
		Closing Stock	19.023	41.03	36.080	46.86
		Opening Stock	36.080	46.86	12.295	44.90

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

Description	Unit	Particulars	2010-11		2009-10	
			Quantity	Value in Lacs.	Quantity	Value in Lacs.
Organic Intermediates	M.T.	Consumption	2027.561	737.880	1523.840	637.880
		Closing Stock	127.080	47.78	71.027	25.74
		Opening Stock	71.027	25.74	77.451	26.91
		WIP Closing Stock	69.781	249.41	66.250	239.55



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

Description	2010-11		2009-10	
	Amount in Lacs.	Percentage	Amount in Lacs.	Percentage
Consumption of Raw Material				
Imported	3.81	0.52%	26.16	4.64%
Indigenous	134.08	99.48%	564.29	95.36%
<b>Total</b>	<b>737.89</b>	<b>100.0%</b>	<b>590.45</b>	<b>100%</b>
Consumption of Stores / Spares etc.				
Imported	0.00	0.00%	0.00	0.00%
Indigenous	40.80	100.00%	30.33	100.00%
<b>Total</b>	<b>40.80</b>	<b>100.00%</b>	<b>30.33</b>	<b>100.00%</b>

- e) C.I.F. value of Imports : (Amount in Rs.)

Description	2010-11	2009-10
Raw Materials	3.81	26.16
Capital Goods	NIL	NIL
<b>Total</b>	<b>3.81</b>	<b>26.16</b>

- f) Particulars of Earnings in Foreign Exchange :

(Amount in Rs.)

Description	2010-11	2009-10
Export of Goods / Services	16,275.00	11,78,460.00
<b>Total</b>	<b>16,275.00</b>	<b>11,78,460.00</b>

- 15) During the year the Company has Capitalized Rs.45,46,227/- towards interest, 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	2010-11		2009-10	
	Outside	India	Outside	India
Segment revenue	14,42,31,206	16,275.00	11,67,73,168.00	11,78,460.00
Segment Assets	22,41,88,917	NIL	18,86,97,636.00	NIL
Capital Expenditure	2,56,41,053	NIL	1,81,48,806.00	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.

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

For & on behalf of Board of Directors,

B. V. RETAREKAR  
Chairman

S. G. THAKUR  
Managing Director

Date : 25 August 2011  
Place : Vadodara.

Date : 25 August 2011  
Place : Vadodara

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**
**I. REGISTRATION DETAILS**

Registration No.	7540
State Code	4
Balance Sheet Date :	31/03/2011

**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 :	18,76,39,880
Total Assets :	18,76,39,880

**SOURCE OF FUNDS**

Paid up Capital :	4,44,05,680
Reserves & Surplus :	4,92,48,715
Secured Loans :	7,61,38,130
Unsecured Loans	1,18,08,122

**APPLICATION OF FUNDS :**

Net Fixed Assets :	5,67,87,564
Investments :	2,44,780
Net Current Assets :	4,97,11,437
Deferred Tax Assets (net) :	(60,39,232)
Miscellaneous Expenditure :	99,214
Accumulated Losses :	-

**IV PERFORMANCE OF COMPANY :**

Turnover :	14,42,47,481
Total Expenditure :	14,25,05,470
Profit / (Loss) Before Tax :	17,42,011
Profit / (Loss) After Tax :	22,83,391
Earning per Share in Rs :	0.51
Dividend Rate (%)	0.00

**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 : 25 August 2011  
 Place : Vadodara.

Date : 25 August 2011  
 Place : Vadodara.

**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2011**

PARTICULARS	AS ON 31st MARCH 2011 AMOUNT(Rs.)	AS ON 31st MARCH 2010 AMOUNT(Rs.)
<b><u>Cash Flow From Operating Activities</u></b>		
Net Profit before Taxes & Extra Ordinary Items	1,742,011	7,806,500
<b>Add/ Less : Adjustments for :</b>		
Depreciation	4,826,364	4,950,057
Interest Income	(122,383)	(97,780)
Dividend Income	(20,000)	(43,777)
Preliminary Expenses Written off	33,072	33,072
Profit on sales of land	(1,02,80,903)	
H.P. Financial Charges	208,911	30,877
Foreign Exchange Income Net	(71,516)	26,770
<b>Operating Profit before change in Working Capital</b>	<b>(5,426,455)</b>	<b>4,829,534</b>
<b>Add/Less : Adjustment for changes in :</b>		
Decrease/(Increase) in other assets & Loans and advances	(51,25,512)	(1,878,109)
Decrease/(increase) in trade & other receivables	(56,80,927)	16,018,863
(Increase)/Decrease in inventories	(34,99,415)	(15,779,244)
(Increase)/Decrease in investment	(15,000)	-
(Decrease)/Increase in Current liabilities	778,908	2,461,971
Decrease in Provision & FBT	(725,584)	(241,353)
Realised Foreign Exchange Income	71,516	(26,770)
	<b>(14,196,014)</b>	<b>555,358</b>
<b>Net Cash Flow from Operations</b>	<b>A (17,880,458)</b>	<b>1,31,91,392</b>
<b><u>Cash Flow from Invensting Activities</u></b>		
Purchase of fixed assets	(1,229,616)	(1,164,261)
Sales of Assets	16,000,000	-
Increase in Capital Work in Progress	(25,641,053)	(16,984,545)
Dividend Received	20,000	43,777
Interest received	122,383	97,780
<b>Net Cash used in Investing Activities</b>	<b>B (10,728,286)</b>	<b>(18,007,249)</b>

PARTICULARS	AS ON 31st MARCH 2011 AMOUNT(Rs.)	AS ON 31st MARCH 2010 AMOUNT(Rs.)
<b><u>Cash Flow From Operation Activities</u></b>		
<b><u>Cash Flow from Financing Activities</u></b>		
Hire Purchase Financial Charges	(208,911)	(30,877)
Increase in Secured Loan	26,287,823	5,709,174
Increase in unsecured Loan	7,408,122	-
Repayment of secured loan	-	-
<b>Net Cash used in Financing activities</b> C	<b>33,487,034</b>	<b>5,678,297</b>
<b><u>Net Cash Inflow/ (Outflow)      A + B + C</u></b>	<b><u>4,878,290</u></b>	<b><u>862,440</u></b>
Add :- Opening Cash & Cash Equivalents	1,619,008	756,568
Add :- Opening Balance Difference Adjusted	-	-
Closing Cash & Cash Equivalents	<b><u>6,497,298</u></b>	<b><u>1,619,008</u></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 2011 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 : 25 August 2011  
Place : Vadodara.

Date : 25 August 2011  
Place : Vadodara.

# LINK PHARMA CHEM LIMITED

Registered Office :

162, G.I.D. C Nandesari Ind. Estate, Nandesari - 391 340 Dist. Vadodara.

## ATTENDANCE SLIP

NAME OF THE SHAREHOLDER :			
FOR PHYSICAL HOLDING	FOR ELECTRONIC FORM (DEMAT)		NO. OF SHARES
LF NO.	DP ID	CLIENT ID	

I hereby record my presence at the 26th ANNUAL GENERAL MEETING, held at plot 163, 164, Nandesari Industrial Estate, Nandesari - 391 340. Dist. Vadodara on Thursday, 29th Sept. 2011 at 11 a.m. as a Shareholder/Proxy\*.

\_\_\_\_\_  
\* NAME OF PROXY IN BLOCK LETTERS

\_\_\_\_\_  
SIGNATURE OF THE SHAREHOLDER/PROXY\*

### NOTES :

1. Shareholder/Proxyholder wishing to attend the meeting must bring the Attendance Slip to the meeting and hand over the same at the entrance duly signed.
2. Shareholder/Proxyholder desiring to attend the meeting should bring his copy of the Annual Report for reference at the meeting.

# LINK PHARMA CHEM LIMITED

Registered Office :

162, G.I.D. C Nandesari Ind. Estate, Nandesari - 391 340 Dist. Vadodara

## PROXY

FOR PHYSICAL HOLDING	FOR ELECTRONIC FORM (DEMAT)		NO. OF SHARES
LF NO.	DP ID	CLIENT ID	

I/We, \_\_\_\_\_ of \_\_\_\_\_  
\_\_\_\_\_ being a Member/Members of Link Pharma Chem Ltd. hereby appoint \_\_\_\_\_  
\_\_\_\_\_ of \_\_\_\_\_

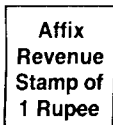
or failing him \_\_\_\_\_  
of \_\_\_\_\_ as my/our proxy to vote for me/us and on my/our behalf at the  
26th Annual General Meeting of the Company to be held on Thursday, 29th Sept. 2011 at 11 a.m. and at any adjournment  
thereof.

signed this \_\_\_\_\_ day of \_\_\_\_\_ 2011

Date of Receipt \_\_\_\_\_ day of \_\_\_\_\_ 2011

(For office use only.)

Signature .....



**N. B. :** Proxies to be valid must be deposited at the Registered Office of the Company not later than 48 hours before the time for holding the meeting.

**LINK PHARMA CHEM LIMITED**

Admn. Off. 503-504 Center Point

R. C. Dutt Road,

Alkapuri, Vadodara - 390 007.

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