



24th

ANNUAL REPORT

2008-2009

Link

Pharma Chem Limited

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LINK PHARMA CHEM LIMITED

24th Annual Report

BOARD OF DIRECTORS	B. V. RETAREKAR	CHAIRMAN
	S. G. THAKUR	MANAGING DIRECTOR
	S. B. DHATRAK	DIRECTOR
	M. V. KELKAR	DIRECTOR
REGISTERED OFFICE	162, G.I.D.C. NANDESARI IND. ESTATE, NANDESARI - 391 340. DIST. : VADODARA	
MANUFACTURING FACILITY AT	161/1,162,163,164, G.I.D.C. IND. ESTATE, NANDESARI-391 340. DIST. : BARODA.	
AUDITORS	KHEDKAR & CO.	
BANKERS	BANK OF INDIA	
REGISTRARS AND TRANSFER AGENTS	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 24th 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 Tuesday, 26th September, 2009 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 31st March 2009 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. Dhatriak 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 special resolution:
"RESOLVED THAT pursuant to section 269 and other applicable provisions, if any, of the Companies Act 1956, read with Schedule XIII of the said Act, subject to request permission from the Central Government, if required, approval be and is hereby granted to the re-appointment of Mr. S. G. Thakur as the Managing Director of the Company, with the effect from July 1, 2009 for a period of five years.

RESOLVED FURTHER THAT subject to the limits contained in Section 198 and 309 of the Companies Act, 1956. Mr. S. G. Thakur, as the Managing director of the company be paid effective from July 1, 2009, such remuneration comprising of salary and perquisites, as may be determined by the Board from time to time within the maximum limits specified below:

1. Salary : Rs. 1,25,000/- per month
2. Perks: Rs. 7,50,000/- per annum which includes rent free residential accommodation (inclusive of 1 above) Expenditure incurred by the Company on his electricity, water and furnishing shall be evaluated as per Income Tax Rules, 1962, subject to a ceiling of 10% of Salary.

Perquisites:**Category A :**

- Education allowance for children, furnishings at residence, medical and personal accident insurance, Leave Travel Allowance/Concession for self and family, club fees and other allowances and benefits as per the Rules of the Company.

Exempted Perquisites:

Mr. S. G. Thakur shall also be eligible for the following perquisites which shall not be included in computation of the ceiling on remuneration:

- Contribution to Provident Fund, Superannuation Fund or Annuity Fund up to the non taxable limit under Income Tax Act, 1961;

- Gratuity not exceeding half a month Salary for each completed year of Service; and
- Encashment of Leave at the end of tenure.

Category B:

- **Car:** The Company shall provide a Car for the Company's business and if no Car is provided reimbursement of the Conveyance shall be as per actual on the basis of claims made by him.
- **Telephone:** Free use of telephone at his residence provided that personal long distance falls on the telephone shall be billed by the Company to the Managing Director.

Note: For the purpose of perquisites stated in Category A above, "Family" means the spouse, the dependent children and dependent parents of the appointee.

3. The limits stipulated in this resolution are the maximum limits and the board may in its absolute discretion pay a lower remuneration and revise the same from time to time within the maximum limits stipulated by this resolution.
4. In the absence or inadequacy of Profits in any financial year, the remuneration payable to a Managing Director by way of salary and perquisites shall not the exceed the maximum limits prescribed under schedule XIII of the Companies Act 1956.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as in its absolute discretion, it may consider necessary, expedient or desirable and to settle any question or doubt that may arise in relation thereto."

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

"RESOLVED THAT pursuant to section 269 and other applicable provisions, if any, of the Companies Act 1956, read with Schedule XIII of the said Act, subject to request permission from the Central Government, if required, approval be and is hereby granted to the re-appointment of Mr. B.V. Retarekar as the Executive Chairman of the Company, with the effect from July 1, 2009 for a period of five years.

RESOLVED FURTHER THAT subject to the limits contained in Section 198 and 309 of the Companies Act, 1956. Mr. B.V.Retarekar, as the Executive Chairman of the company be paid effective from July 1, 2009, such remuneration comprising of salary and perquisites, as may be determined by the Board from time to time within the maximum limits specified below:

- 1 Salary : Rs. 1,25,000/- per month
2. Perks: Rs. 7,50,000/- per annum which includes rent free residential accommodation (Inclusive of 1 above). Expenditure incurred by the Company on his electricity, water and furnishing shall be evaluated as per Income

Tax Rules, 1962, subject to a ceiling of 10% of Salary. Perquisites:

Category A:

- Education allowance for children, furnishings at residence, medical and personal accident insurance, Leave Travel Allowance/Concession for self and family, club fees and other allowances and benefits as per the Rules of the Company.

Exempted Perquisites :

Mr. B.V.Retarekar shall also be eligible for the following perquisites which shall not be included in computation of the ceiling on remuneration:

- Contribution to Provident Fund, Superannuation Fund or Annuity Fund up to the non taxable limit under Income Tax Act, 1961;.
- Gratuity not exceeding half a month Salary for each completed year of Service; and Encashment of Leave at the end of tenure.

Category B:

- Car: The Company shall provide a Car for the Company's business and if no Car is provided reimbursement of the Conveyance shall be as per actual on the basis of claims made by him.
- Telephone: Free use of telephone at his residence provided that personal long distance falls on the telephone shall be billed by the Company to the Managing Director.

Note: For the purpose of perquisites stated in Category A above, "Family" means the spouse, the dependent children and dependent parents of the appointee.

3. The limits stipulated in this resolution are the maximum limits and the board may in its absolute discretion pay a lower remuneration and revise the same from time to time within the maximum limits stipulated by this resolution.
4. In the absence or inadequacy of Profits in any financial year, the remuneration payable to the Executive Chairman by way of salary and perquisites shall not exceed the maximum limits prescribed under schedule XIII of the Companies Act 1956.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as in its absolute discretion, it may consider necessary, expedient or desirable and to settle any question or doubt that may arise in relation thereto."

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

B.V.RETAREKAR
CHAIRMAN

PLACE: VADODARA
DATE: 30.06.2009

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 & 5 of the accompanying Notice is annexed hereto.

ANNEXURE TO NOTICE**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.****ITEM NO. 04**

The Board of Directors at their meetings held on 30.06.2009 re appointed Mr S.G.Thakur as the Managing Director of the Company and proposed to pass necessary resolution by shareholders re appointing him for five years with effect from 1st July 2009. Mr S.G.Thakur is licenciate of Technical Chemistry and hold reach experience of Company Management. In view of this background coupled with Qualification and experience it is proposed to pay following remuneration to him:

- 1 Salary : Rs. 1,25,000/- per month
2. Perks: Rs. 7,50,000/- per annum which includes rent free residential accommodation. (Inclusive of 1 above) Expenditure incurred by the Company on his electricity, water and furnishing shall be evaluated as per Income Tax Rules, 1962, subject to a ceiling of 10% of Salary

Perquisites:**Category A:**

- Education allowance for children, furnishings at residence, medical and personal accident insurance, Leave Travel Allowance/Concession for self and family, club fees and other allowances and benefits as per the Rules of the Company.

Exempted Perquisites :

Mr S.G.Thakur shall also be eligible for the following perquisites which shall not be included in computation of the ceiling on remuneration:

- Contribution to Provident Fund, Superannuation Fund or Annuity Fund up to the non taxable limit under Income Tax Act, 1961;.
- Gratuity not exceeding half a month Salary for each completed year of Service; and Encashment of Leave at the end of tenure.

Category B:

- Car: The Company shall provide a Car for the Company's business and if no Car is provided reimbursement of the Conveyance shall be as per actual on the basis of claims made by him.
- Telephone: Free use of telephone at his residence provided that personal long distance falls on the telephone shall be billed by the Company to the Managing Director. Note: For the purpose of perquisites stated in Category A above, "Family" means the spouse, the dependent children and dependent parents of the appointee.

3. The limits stipulated in this resolution are the maximum limits and the board may in its absolute discretion pay a lower remuneration and revise the same from time to time within the maximum limits stipulated by this resolution.
4. Minimum Remuneration: In the absence or inadequacy of Profits in any financial year, the remuneration payable to the Executive Chairman by way of salary and perquisites shall not exceed the maximum limits prescribed under schedule XIII of the Companies Act 1956.

Inspection:

Draft of the proposed resolution containing terms and conditions of the re appointment of Mr.S.G.Thakur is available for inspection by the members of the company at its registered office between the hours of 3:30 p.m. to 5:30 p.m. on any working day up to and inclusive of the dates of ensuing annual general meeting.

Abstract:

The above Explanatory statement concerning Mr.S.G.Thakur together with the relevant resolution in accompanying notice setting out the terms of his re appointment may be treated as an abstract circulated the members pursuant to Section 302 of the Companies Act 1956. Accordingly, the Board recommends in this item of the notice for your approval.

Memorandum of Interest:

Mr S.G.Thakur is deemed to be interested in this resolution pertaining to his re appointment.

ITEM NO. 05

The Board of Directors at their meetings held on 30.06.2009 re appointed Mr B.V.Retarekar as the Executive Chairman of the Company and proposed to pass necessary resolution by shareholders re appointing him for five years with effect from 1st July 2009. Mr B.V.Retarekar is post graduate in Science and possesses varied experience of Company Management also. He is entrusted with responsibility of over all company management as Executive Chairman proposed to be paid remuneration as per following details:

- 1 Salary : Rs. 1,25,000/- per month
2. Perks: Rs. 7,50,000/- per annum which includes rent free residential accommodation. (Inclusive of 1 above)
Expenditure incurred by the Company on his electricity, water and furnishing shall be evaluated as per Income Tax Rules, 1962, subject to a ceiling of 10% of Salary

Perquisites:**Category A:**

- Education allowance for children, furnishings at residence, medical and personal accident insurance, Leave Travel Allowance/Concession for self and family, club fees and other allowances and benefits as per the Rules of the Company.

Exempted Perquisites :

Mr B.V.Retarekar shall also be eligible for the following perquisites which shall not be included in computation of the ceiling on remuneration:

- Contribution to Provident Fund, Superannuation Fund or Annuity Fund up to the non taxable limit under Income Tax Act, 1961,;
- Gratuity not exceeding half a month Salary for each completed year of Service; and Encashment of Leave at the end of tenure.

Category B:

- Car: The Company shall provide a Car for the Company's business and if no Car is provided reimbursement of the Conveyance shall be as per actual on the basis of claims made by him.
- Telephone: Free use of telephone at his residence provided that personal long distance falls on the telephone shall be billed by the Company to the Managing Director. Note: For the purpose of perquisites stated in Category A above, "Family" means the spouse, the dependent children and dependent parents of the appointee. 3. The limits stipulated in this resolution are the maximum limits and the board may in its absolute discretion pay a lower remuneration and revise the same from time to time within the maximum limits stipulated by this resolution.

4. Minimum Remuneration: In the absence or inadequacy of Profits in any financial year, the remuneration payable to the Executive Chairman by way of salary and perquisites shall not exceed the maximum limits prescribed under schedule XIII of the Companies Act 1956.

Inspection:

Draft of the agreement relating to the re appointment Mr Retarekar is available for inspection by the members of the company at its registered office between the hours of 3:30 p.m. to 5:30 p.m. on any working day up to and inclusive of the dates of ensuing annual general meeting.

Abstract: The above Explanatory statement concerning Mr B.V.Retarekar together with the relevant resolution in accompanying notice setting out the terms of his re appointment may be treated as an abstract circulated the members pursuant to Section 302 of the Companies Act 1956. Accordingly, the Board recommends in this item of the notice for your approval.

Memorandum of Interest:

Mr Retarekar is deemed to be interested in this resolution pertaining to his re appointment.

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

PLACE: VADODARA
DATE: 30.06.2009

B.V.RETAREKAR
CHAIRMAN

DIRECTORS' REPORT

To,
Members of **LINK PHARMA CHEM LIMITED**
The Directors have pleasure in presenting the 24th Annual Report and the Audited Accounts for the financial year ended March 31, 2009:-

	(Rs. in Lacs)	
	FOR THE YEAR ENDED 31-3-2009	FOR THE YEAR ENDED 31-3-2008
SALES	1279.64	1218.33
OTHER INCOME	23.76	66.49
PROFIT BEFORE INTEREST, DEPRECIATION AND TAX	72.38	176.63
INTEREST	45.14	49.00
DEPRECIATION	49.50	58.30
PROVISION FOR TAXATION (DEFERRED & CURRENT TAX)	(3.78)	5.87
PROFIT/(LOSS) AFTER TAXATION (18.48)		63.45
LESS: SHORT INSURANCE CLAIM		0.08
NET PROFIT / (LOSS)	(18.48)	63.37
ADD: TRANSFERRED FROM -PREVIOUS YEAR		
BALANCE AVAILABLE FOR APPROPRIATION (18.48)		63.37
LESS: TRANSFER TO RESERVES (18.48)		63.37
BALANCE CARRIED TO BALANCE SHEET		-

2) OPERATING RESULTS :

During the year under review, the turnover of your Company has increased to Rs. 1279.64 lacs from Rs. 1218.33 lacs of the previous year. However, your company has made loss of Rs. 18.48 lacs against profit of Rs. 63.37 lacs of the previous year.

3) DIVIDEND :

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 has incurred meagre loss.

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 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 Suresh B. Dhattrak 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 2008-09. The Notes to the Accounts referred to in the Auditors' Report are self- explanatory and therefore do not call for any further comments.

11) DIRECTORS' RESPONSIBILITY STATEMENT :

As required under Section 217 (2AA) of the Companies Act, the Directors hereby confirm that :

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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;
- 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;
- the Directors had prepared the annual accounts on a going concern basis.

12) ACKNOWLEDGEMENTS :

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

PLACE : BARODA

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

DATE : 30.06.2009

**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, 2009.

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 and 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 and energy consumption per unit of production is given as below 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 :

	2008-2009 Current Year	2007-2008 Previous Year
1. Electricity :		
(a) Purchased Unit	1310812	1343738
Total Amount (Rs.)	75,24,573	67,48,313
Rate /Unit (Rs.)	5.74	5.02
(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)	-	-
Quantity (Tonnes)	895080	465330
Total Cost	25,79,403	10,55,277
Average Rate	2/88	2/27

3. Furnace Oil (LDO)

Quantity	Nil	Nil
Total Amount	Nil	Nil
Average Rate	Nil	Nil

4. Other Generation (Gas)

Quantity (Cu.Mt.)	15908	63236
Total Cost	5,39,575	7,83,547
Rate/Unit	33.92	12.39

B. CONSUMPTION PER UNIT OF PRODUCTION :

Consumption per M.T.

Current Year	Previous Year
-----------------	------------------

2008-2009 2007-2008

Product (With Details)	ALL PRODUCTS	ALL PRODUCTS
Electricity (Units)	4033.26	3458.78
GAS (Cu.m.)	2042.99	1197.76

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)

	2008-2009	2007-2008
Capital	2.96	4.30
Recurring	7.85	5.33
Total	10.81	9.63

Total R & D expenditure

as a percentage of total turnover 0.84 0.79

TECHNOLOGY ABSORPTION, ADAPTATION AND

INNOVATION : NOT APPLICABLE

	2008-2009 Current Year	2007-2008 Previous Year
III FOREIGN EXCHANGE OUTGO	Rs. Nil	Rs. 41,99,686

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 31st March, 2009, 8 Board Meetings were held viz. 30th April, 2008, 30th June, 2008, 31st July, 2008, 30th September, 2008, 31st October, 2008, 17th March, 2009, 26th March, 2009 and 31st March 2009. 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 Meeting		Attendance at the last AGM	Remarks
		Held during the year	Attended during the year		
Mr. B.V.Retarekar	Non-Independent	8	8	Yes	-
Mr.S.G.Thakur	Non-Independent	8	8	Yes	-
Mr. S.B.Dhatrak	Independent	8	5	Yes	-
Mr. Milind Kelkar	Independent	8	5	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 5th March, 2003 and comprise of 2 Independent Directors.

Name of member	Status	No. of meeting held	No. of meeting attended
Mr. S.B.Dhatrak	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 30th January, 2004 with S.B.Dhatrak 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 2008-2009 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 th March, 2003 and comprised of two 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 Resolution Passed
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	10.30 A.M.	Nil
AGM	25-09-2006	NIA -Hall, Nandesari Industrial Estate, Nandesari - 391 340, Dist. Baroda.	10.30 A.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 :

- Quarterly and Half-yearly results to shareholders are intimated through newspaper as per the requirements.
- The Quarterly and Half-yearly results are published in the Gujarati & English edition of Western Times.
- 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. General Shareholder information :

- AGM date, time and venu : 26th day of September, 2009 at 11-00 A.M.at
163/164, G.I.D.C., Nandesari, Dist. Vadodara.
- Financial Calendar for Financial Year 2009-2010
 - 1st quarter results : On or before 31st July, 2009
 - 2nd quarter & half yearly results : On or before 31 st January, 2010
 - 3rd quarter results : On or before 31st January, 2010
 - 4th quarter & Audited Accounts : On or before 30th June, 2010
- Date of Book Closure : 22nd September, 2009 to
26th September,2009.
- Dividend Payment Date : Not Applicable
- Listing on Stock Exchange : The Bombay Stock Exchange Ltd.
- Demat connectivity : National Securities Depository Ltd.
Central Depository Services (I) Ltd.
- Stock Code
 - The Bombay Stock Exchange Limited : 524748
 - NSDL / CDSL : ISIN:INE302F01011
- Stock Market price data for the year 2008-2009 of the company on BSE :

Month	Month's low price	Month's high price	Sensex	
			High	Low
April- 2008	8.41	10.25	17,480.74	15,297.96
May - 2008	8.26	10.50	17,735.70	16,196.02
June-2008	6.65	9.79	16,632.72	13,405.54
July - 2008	6.37	9.35	15,130.09	12,514.02
August - 2008	7.11	9.80	15,579.78	14,002.43
September - 2008	5.71	8.16	15,107.01	12,153.55
October - 2008	4.40	6.47	13,203.86	7,697.39
November - 2008	4.01	5.88	10,945.41	8,316.39
December - 2008	3.68	4.80	10,188.54	8,467.43
January - 2009	3.65	4.83	10,469.72	8,631.60
February - 2009	3.76	5.44	9,724.87	8,619.22
March - 2009	3.92	5.40	10,127.09	8,047.17

- h) Registrars & Transfer Agents : LINK INTIME INDIA PVT. LTD.
 (Common Agency 308, Jaldhara Complex, 1st Floor,
 for Physical & demat Opp. Manisha Society,
 Segment) Off. Old Padra Road,
 Vadodara - 390 015.
 Phone - (0265) 2250241
 Fax - (0265) 2250246
- i) Share Transfer System :
 ShareTransfer 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, 2009 :

No. of equity shares held	No. of Share holders	% of Share holders	Share holders	% of Share holding
1 - 2,5000	5102	80.984	5559470	12.52
2,501-5,000	565	8.9683	2337160	5.26
5,001-10,000	290	4.6032	2533620	5.71
10,001-20,000	181	2.8730	2626940	5.92
20,001- 30,000	61	0.9683	1530750	3.45
30,001-40,000	17	0.2698	602860	1.34
40,001-50,000	31	0.4921	1506010	3.39
50,001-1,00,000	24	0.3810	1846770	4.16
1,00,001 & above	29	0.4603	25862100	58.25
TOTAL	6300.00	100.00	44405680	100.00

Categories of Shareholders as on 31st March, 2009 :

Category	Folios & Demat A/cs	Shares held	% of total Shares ¹
Other Bodies Corporate	97	286411	6.4498
Clearing Member	5	83338	1.8767
Directors	2	1055119	23.7604
Mutual Fund	1	800	0.0180
Market Maker	5	5548	0.1240
Non Resident Indians	30	86579	1.9497
Non Resident (Non Repatriable)	3	2100	0.0473
Relatives of Directors	17	986647	22.2175
Public / others	6100	1896434	42.7100
HUF	40	37592	0.8466
TOTAL	6300	4440568	100.00

K) Dematerialisation of shares and liquidity :

At the end of the year 3611841 shares which come to 81.34% of total shares have been dematerialised. Trading in equity shares is permitted in dematerialised form only.

i) Outstanding GD Rs/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, 163, 164, 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

Or its Registrars & Share Transfer Agents

Link Intime India Pvt. Ltd.
308, Jaldhara Complex, 1st Floor,
Opp. Manisha Society,
Off. Old Padra Road, Vadodara - 15.
Phone : (0265) 2250241
Fax : (0265)2250246

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

AUDITOR'S 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, 2009, as stipulated in Clause 49 of the listing Agreements of the said Company with the stock exchange.

The compliance of conditions of Corporate governance is the responsibility of the management. Our examination was limited to 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, 2009, 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 : 30.06.2009
Place : Vadodara

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

AUDITORS' REPORT

To,
The Shareholders,

I have audited the attached Balance Sheet of LINK PHARMA CHEM LTD. as at 31st March, 2009 and also the profit and loss account and the cash flow statement for the year ended on 31st March, 2009 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), 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 31st March, 2009 and taken on record by the Board of Directors, I report that none of the directors is disqualified as on 31st March, 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act 1956;

(f) 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, 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 31st March, 2009.

(ii) in the case of the Profit and Loss Account of the Loss for the year ended on that date; and

(iii) in the case of the Cash flow statement, of the cash flows for the year ended on that date.

For KHEDKAR & CO.
Chartered Accountants

Place: VADODARA

Date : 30th June 2009

D. R. KHEDKAR
Proprietor
M/No. 34963

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.

- | | |
|--|---|
| <p>iii) a 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.</p> <p>b. According to the information and explanations given to us, the company has not taken any loans, secured or unsecured from companies, 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.</p> <p>iv) 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.</p> <p>v) 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.</p> <p>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.</p> <p>vi) 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.</p> <p>vii) In our opinion, the company has an internal audit system, which is commensurate with the size and nature of its business.</p> <p>viii) 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.</p> <p>ix) According to the information and explanations given to us and according to the books and records produced and examined by us, in our opinion, the company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other material statutory dues as applicable with the appropriate authorities.</p> <p>x) 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</p> | <p>xi) According to the information and explanations given to us, the company has not defaulted in repayment dues to any financial institutions, banks or to debenture holders during the year.</p> <p>xii) According to the information and explanations given to us, the company has not granted any loans or advances on the basis of security by way of pledge, shares, debentures and other securities.</p> <p>xiii) 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.</p> <p>xiv) 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.</p> <p>xv) 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.</p> <p>xvi) 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.</p> <p>xvii) According to the information and explanations given to us, and on an overall examination of the balance sheet of the company, we report that 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.</p> <p>xviii) According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.</p> <p>xix) During the year, since the company has not issued any debenture, paragraph 4(xix) of the Order is not applicable.</p> <p>xx) 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.</p> <p>xxi) 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.</p> |
|--|---|

**For KHEDKAR & CO.
Chartered Accountants**

**D. R. KHEDKAR
Proprietor
M/No.34963**

**Place: VADODARA
Date : 30th June 2009**

BALANCE SHEET AS AT 31ST MARCH, 2009

PARTICULARS	SCHEDULE NO.	(Amount in Rupees)	
		FIGURES FOR THE YEAR ENDED ON	FIGURES FOR THE YEAR ENDED ON
		31-03-2009	31-03-2008
SOURCE OF FUNDS :			
SHAREHOLDER'S FUNDS :			
(a) Share Capital	1	4,44,05,680	4,44,05,680
(b) Reserves and Surplus	2	3,80,71,904	3,99,20,123
LOAN FUNDS :			
Secured loan		4,41,41,133	5,17,07,934
UnSecured Loans	3	44,00,000	-
Deferred Tax Liability (Net)		87,49,532	92,06,598
(See Note '13' in Schedule '24' to the Accounts)			
TOTAL		13,97,68,249	14,52,40,335
APPLICATION OF FUNDS :			
FIXED ASSETS :			
(a) Gross Block	4	10,34,26,954	12,08,21,642
(b) Less : Depreciation		3,36,07,433	4,06,06,660
(c) Net Block		6,98,19,520	8,02,14,982
(d) Capital Work in Process		3,81,71,288	2,91,63,174
INVESTMENTS	5	2,29,780	2,29,780
CURRENT ASSETS, LOANS AND ADVANCES			
(a) Inventories	6	1,64,16,297	1,79,86,062
(b) Sundry Debtors		3,80,85,192	2,58,97,270
(c) Cash & Bank Balances		7,56,568	7,34,071
(d) Other Current Assets		92,285	54,699
(e) Loans & Advances		92,25,057	84,80,873
TOTAL		6,45,75,398	5,31,52,975
LESS : CURRENT LIABILITIES AND PROVISIONS : 7			
(a) Current Liabilities		3,20,43,912	1,44,70,380
(b) Provisions		11,49,183	32,15,554
TOTAL		3,31,93,095	1,76,85,934
NET CURRENT ASSETS			
		3,13,82,303	3,54,67,041
Miscellaneous Expenditure to the extent not written off or adjusted	8	1,65,358	1,65,358
TOTAL		13,97,68,249	14,52,40,335
NOTES TO FINANCIAL STATEMENT			
	16		
As per our Report of even date attached		For and on behalf of the Board.	
FOR KHEDKAR & CO.		B. V. RETAREKAR	Chairman
CHARTERED ACCOUNTANTS		S. G. THAKUR	Managing Director
(D. R. KHEDKAR)			
PROPRIETOR			
PLACE : VADODARA		PLACE : VADODARA	
DATE : 30th June, 2009		DATE : 30th June, 2009	

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2009.

PARTICULARS	SCHEDULE NO.	(Amount in Rupees)	
		FIGURES	FIGURES
		FOR THE YEAR ENDED ON 31-03-2009	FOR THE YEAR ENDED ON 31-03-2008
INCOME :			
Sales		12,79,63,691	12,18,32,815
Other Income	9	23,75,963	66,49,116
Increase / (Decrease) in stock	10	21,21,041	2,54,497
TOTAL		12,82,18,613	12,87,36,428
EXPENDITURE :			
Material Cost	11	6,95,73,695	6,15,28,717
Excise Duty		98,70,192	1,08,15,879
Manufacturing and other Cost	12	2,45,12,743	2,15,86,292
Payment to and Provision for Employees	13	1,46,82,610	1,32,22,393
Selling & Administrative Expenses	14	32,10,213	39,19,800
Financial Cost	15	45,13,895	49,00,994
Depreciation		49,50,057	58,30,415
PROFIT/ LOSS BEFORE TAXATION & EXCEPTIONAL ITEM		(30,94,793)	69,31,938
Provision for taxation (Current Tax)		-	7,15,600
(Deferred Tax)		(4,57,066)	(2,24,490)
- FBT		78,938	95,651
Profit after taxation Before Exceptional Item		(27,16,665)	63,45,177
Less : Insurance Claim Short Received		-	7,522
Profit on Sale of asset		8,68,441	-
Net Profit / (Loss)		(18,48,218)	63,37,655
Balance Brought Forward From Previous Year			
Amount Available for Appropriation		(18,48,218)	63,37,655
Less: Tfr. to General Reserve		(18,48,218)	63,37,655
BALANCE CARRIED TO BALANCE SHEET		-	-

As per our Report of even date attached

For and on behalf of the Board.

FOR KHEDKAR & Co.
CHARTERED ACCOUNTANTS
B. V. RETAREKAR Chairman
S. G. THAKUR Managing Director

(D. R. KHEDKAR)
PROPRIETOR

PLACE : VADODARA
DATE : 30th June, 2009

PLACE : VADODARA
DATE : 30th June, 2009

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31st MARCH, 2009.

	FIGURES AS AT 31st MARCH, 2009	(Amount in Rupees) FIGURES AS AT 31st MARCH, 2008
SCHEDULE 1 :		
SHARE CAPITAL		
AUTHORISED CAPITAL		
50,00,000 Equity shares of Rs. 10/- each	5,00,00,000	5,00,00,000
ISSUED, SUBSCRIBED AND PAID UP CAPITAL		
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>
SCHEDULE 2 :		
RESERVES AND SURPLUS		
Share Premium Account.	2,87,12,527	2,87,12,527
General Reserve		
Op. Balance	1,12,07,596	48,69,941
Add : Profit (Loss) Transferred from P&L A/c.	<u>(18,48,218)</u>	<u>63,37,655</u>
	<u>3,80,71,904</u>	<u>3,99,20,123</u>
SCHEDULE 3 :		
SECURED LOANS		
I - WORKING CAPITAL		
FROM BANK		
- Bank of India	2,83,57,782	2,90,54,504
II TERM LOAN		
- Bank of India	1,53,46,961	2,19,78,408
(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)		
IV - HIRE PURCHASE LOAN		
(A) HDFC Bank Ltd.		
(B) ICICI Bank	4,36,389	6,75,022
Secured by Assets Purchase under higher purchased Loan	<u>4,41,41,133</u>	<u>5,17,07,934</u>
UNSECURED LOAN		
GURUDEV MEKETING PVT. LTD.	<u>44,00,000</u>	-
	<u>44,00,000</u>	-

SCHEDULE : 5
FIXED ASSETS

		← GROSS BLOCK →				← DEPRECIATION →				← NET BLOCK →	
Sr. No.	Particulars	As at 01.04.2008	Addition during the year	Deduction/ Transfer Adjustment	As on 31.03.2009	Up to 01.04.2008	For the Year	Deduction / Transfer Adjustment	Up to 31.03.2009	As on 31.03.2009	As on 31.03.2008
1	2.	4. Rs.	5. Rs.	6. Rs.	7. Rs.	8. Rs.	9. Rs.	10. Rs.	11. Rs.	12. Rs.	13. Rs.
1.	Land	83,08,183	3,69,585	3,18,165	83,59,603	0	0	0	0	8359603	8308183
2.	Factory Building	1,77,59,498	-	18,39,265	1,59,20,233	40,55,776	5,29,211	7,34,653	38,50,334	12069899	13703723
3.	Office Building	8,28,045	0	0	8,28,045	1,36,053	13,497	0	1,49,551	678494	691991
4.	Plant & Machinery	8,36,63,655	-	1,56,14,518	6,80,49,137	3,15,87,378	35,59,113	1,12,14,630	2,39,31,861	44117276	52076277
5.	Pollution Control Equip.	2,29,496	-	0	2,29,496	57,565	12,117	-	69,683	159813	171930
6.	Laboratory Equipments	23,00,481	-	0	23,00,481	7,70,170	1,21,465	0	8,91,635	1408846	15,30,311
7.	Safety Equipments	3,76,972	-	0	3,76,972	1,25,637	19,904	0	1,45,541	231431	251335
8.	Office Equipments	25,26,454	7,675	0	25,34,129	23,51,455	2,55,441	0	26,06,896	72766	174999
9.	Furniture & Fixtures	6,13,037	-	0	6,13,037	3,52,588	38,805	0	3,91,393	221644	260449
10.	Vehicles	42,15,820	-	-	42,15,820	11,70,037	4,00,503	-	15,70,540	2645280	3045783
TOTAL		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	3,36,07,433	6,98,19,520	8,02,14,982
Previous Year		124,781.121	10,69,640	2,90,120	12,08,21,642	3,48,64,481	58,30,415	88,236	4,06,06,660	8,02,14,982	8,99,16,640
Capital W.I.P.										3,81,71,288	2,91,63,174

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

	FIGURES AS AT 31st MARCH, 2009	(Amount in Rupees) FIGURES AS AT 31st MARCH, 2008
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SCHEDULE 5 :
INVESTMENTS
UNITS OF UNIT TRUST OF INDIA (QUOTED)

- Master Share (684 - Shares)	6,840	6,840
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UNQUOTED :

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>
TOTAL	2,22,940	2,22,940
	<u>2,29,780</u>	<u>2,29,780</u>

SCHEDULE : 6
CURRENT ASSETS, LOANS AND ADVANCES
INVENTORIES

Stores Spares & Fuel	7,50,000	4,56,791
Packing material	1,07,429	64,556
Raw material	25,83,569	23,68,375
Stock -in-Process	84,85,250	35,22,310
Finished goods	44,90,049	1,15,74,029
	<u>1,64,16,297</u>	<u>1,79,86,061</u>
	1,64,16,297	1,79,86,061

DEBTORS
Considered good :

Outstanding for more than 6 months	75,50,658	82,12,988
Others (Below 6 Months)	3,05,34,533	1,76,84,282
	<u>3,80,85,191</u>	<u>2,58,97,270</u>
	3,80,85,191	2,58,97,270
TOTAL C/F.	5,45,01,488	4,38,83,331

		FIGURES AS AT 31st MARCH, 2009	(Amount in Rupees) FIGURES AS AT 31st MARCH, 2008
CASH AND BANK BALANCES	TOTAL B/F.	5,45,01,488	4,38,83,331
Cash on hand	38,019		1,34,774
Balance with scheduled Banks			
-On Current Account	21,657		15,464
-On Fixed Deposit Account	6,95,060		5,82,000
with others :			
A.S.M. Co-op. Bank Ltd.	1,832		1,832
	<u>7,56,568</u>	7,56,568	<u>7,34,070</u>
OTHER CURRENT ASSETS			
Accrued Income			54,699
Other Assets	<u>92,284</u>		
	92,284	92,284	<u>54,699</u>
			54,699
LOANS AND ADVANCES			
(Unsecured considered good)	41,57,340		31,04,739
Balance with Customs, Central Excise Authority etc.	1703361		9,63,508
Deposits	1801836		22,40,771
Advance Tax and Tax Deducted at Source	258300		11,91,056
Prepaid Expenses	<u>13,04,220</u>		<u>9,80,800</u>
	92,25,057	92,25,057	<u>84,80,874</u>
			84,80,874
TOTAL		6,45,75,397	5,31,52,974
SCHEDULE : 7			
CURRENT LIABILITIES AND PROVISIONS			
CURRENT LIABILITIES			
Sundry creditors	2,93,23,631		1,34,79,146
Other liabilities	<u>27,20,280</u>		<u>9,91,234</u>
	3,20,43,911	3,20,43,911	<u>1,44,70,380</u>
			1,44,70,380
PROVISIONS			
For Expenses	10,70,245		24,04,303
For FBT	78,938		95,651
Provision for Taxation			7,15,600
	<u>11,49,183</u>	11,49,183	<u>32,15,554</u>
			32,15,554
TOTAL		3,31,93,094	1,76,85,934
SCHEDULE : 8			
MISCELLANEOUS EXPENDITURE			
(TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)			
1) Deferred Revenue Expenditure	1,65,358		1,65,358
ISO 9001 Development Expenses			
(See Note '19' in Schedule '24' to the accounts)	<u>1,65,358</u>	1,65,358	<u>1,65,358</u>
			1,65,358
TOTAL		3,33,58,452	1,78,51,292

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31st MARCH, 2009

	FOR THE YEAR ENDED ON 31st MARCH, 2009	(Amount in Rupees) FOR THE YEAR ENDED ON 31st MARCH, 2008
SCHEDULE : 9		
OTHER INCOME		
Interest	1,04,380	1,48,829
Dividend	43,526	45,163
Scrap Sales	-	44,016
Misc. Income	<u>22,28,057</u>	<u>64,11,108</u>
	23,75,963	66,49,116
66,49,116	<u>23,75,963</u>	<u>66,49,116</u>
TOTAL	<u><u>23,75,963</u></u>	<u><u>66,49,116</u></u>

SCHEDULE : 10
INCREASE / (DECREASE) IN STOCK
STOCK IN TRADE (At Close)

Work - in - Process	84,85,250	35,22,310
Finished Goods	<u>44,90,049</u>	<u>1,15,74,029</u>
	1,29,75,299	1,50,96,339

STOCK IN TRADE (At Commencement)

Work - in - Process	35,22,310	17,15,000
Finished Goods	<u>1,15,74,029</u>	<u>1,31,26,842</u>

	1,50,96,339	1,48,41,842
VARIATION IN STOCK	<u>(21,21,040)</u>	<u>2,54,497</u>

SCHEDULE : 11
MATERIAL COST

Opening Stock	24,32,931	42,62,325
Add : Purchases	<u>6,98,31,761</u>	<u>5,96,99,323</u>
	7,22,64,692	6,39,61,648
Less : Closing Stock	<u>26,90,998</u>	<u>24,32,931</u>
TOTAL	<u><u>6,95,73,694</u></u>	<u><u>6,15,28,717</u></u>

		(Amount in Rupees)
	FOR THE YEAR ENDED ON 31st MARCH, 2009	FOR THE YEAR ENDED ON 31st MARCH, 2008

SCHEDULE : 12
MANUFACTURING AND OTHER COST

Consumable Stores	28,34,070	18,34,454
Power & Fuel	1,27,60,586	98,71,480
Water Charges	2,53,285	2,42,022
Freight, Octroi & Carting	12,34,744	11,63,640
Insurance Expenses	16,09,142	24,73,498
Factory General Expenses	56,68,078	58,20,010
Rates & Taxes	1,52,838	1,81,188
Total	<u>2,45,12,743</u>	<u>2,15,86,272</u>

SCHEDULE : 13
STAFF COST AND BENEFIT

Remuneration, Salaries, Wages, Bonus	1,09,33,194	1,03,18,899
Welfare Expenses	1,03,021	77,743
Labour Charges	28,96,958	20,79,234
Contribution to Provident Fund / FPF/ ESI	7,33,098	7,35,660
Contribution to Group Gratuity Insurance Scheme	16,339	10,857
TOTAL	<u>1,46,82,610</u>	<u>1,32,22,393</u>

SCHEDULE : 14
SELLING AND ADMINISTRATIVE EXPENSES

(a) Selling and Distribution Expenses	5,95,580	5,80,826
(b) Administrative Expenses	<u>26,14,633</u>	<u>33,38,974</u>
TOTAL	<u>32,10,213</u>	<u>39,19,800</u>

SCHEDULE : 15
FINANCIAL COST

Interest :		
(A) On working Capital Loan	33,99,024	30,94,724
(B) On Corporate Loan/Term Loan	<u>5,43,802</u>	<u>13,48,818</u>
	39,42,826	44,43,542
Bank & Other Financial charges	<u>5,71,069</u>	<u>4,57,452</u>
TOTAL	<u>45,13,895</u>	<u>49,00,994</u>

**Schedules forming part of the Accounts for the year ended
31st March, 2009.**

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. 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

B.V.RETAREKAR
Chairman

S.G.THAKUR.
Managing Director

Date: 30/06/2009.
Place: Vadodara.

Date: 30/06/2009.
Place: Vadodara.

Schedules forming part of the Accounts for the year ended 31st March, 2009.
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. 78,938/-
- 5) Research & Development Expenditure is as follows:-

(Rs.in Lacs.)

Particulars	2008-09	2007-08
Capital	NIL	4.30
Recurring	7.85	5.34
Capital W-I-P	2.96	0.00
Total	10.81	9.64
Total R & D expenditure as a % of Total Turnover	0.84	0.79

- 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	2008-09	2007-08
1.	Yamuna Ice & Cold Storage.	318,110.00	147,003.00
2.	Prime Organics.	1,829,596.85	1,692,390.00

The above Information has been complied 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 gain of Rs. NIL (Previous year Rs. 30,190/-) 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.367, 685/- for financial year 2003-04.
- 9) Auditors Remuneration is detailed here below:

(Amount in Rs.)

Particulars	2008-09	2007-08
Audit Fees	70,000.00	70,000.00
Out of pocket expenses	8,652.00	8,652.00
Total	78,652.00	78,652.00

- 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	2008-09	2007-08
Net Profit after Tax available for the Equity Shareholders (Rupees)	(1,848,218.42)	6,337,654.53
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)	NIL	1.43

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

(Amount in Rs.)		
Particulars	2008-09	2007-08
Director's Remuneration	3,000,000.00	3,000,000.00
Contribution to Provident	18,720.00	18,720.00
Fund and Superannuation Fund		
Total	3,018,720.00	3,018,720.00

- 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:

- Key Managerial Personnel
Executive Directors. B.V.Retarekar
S.G.Thakur
- Relatives of Key Managerial Personnel
- Firms in which the Key Managerial Personnel & their relatives are interested Pharma Inter Chemie
Chloro Chem of India
- 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	292.28(157.48)	0.00(0.00)	292.28(157.48)
2	Sale of Goods	223.68(34.21)	0.00(0.00)	223.68(34.21)
3	Other Income	9.00(1.05)	0.00(0.00)	9.00(1.05)
4	Other Expenses	0.00(1.05)	0.00(0.00)	0.00(1.05)
5	Managerial Remuneration	0.00(0.00)	30.00(30.00)	30.00(30.00)
6	Receivable at the year end	0.00(3.37)	0.00(0.00)	0.00(3.37)
7	Payable at the year end	44.04(0.00)	0.00(0.00)	44.04(0.00)
8	Job work charges Paid	20.96(1.04)	(0.00)(0.00)	20.96(1.04)
9	Job work charges Received	0.00(3.93)	(0.00)(0.00)	0.00(3.93)

- 13) As per AS-22 on Accounting for Taxes on Income issued by the ICAI, the deferred tax liability as at 31st March 2009 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 31.3.09.
Deferred Tax Liability on Account of Depreciation. [A]	1,06,36,753.00	(2,10,397.00)	1,08,47,150.00
Deferred tax Assets.	—	—	—
Unabsorbed Depreciation.	14,30,157.00	(57,377.00)	13,72,780.00
Unabsorbed Losses.	—	7,24,840.00	7,24,840.00
[B]	14,30,157.00	6,67,463.00	20,97,620.00
Total deferred Tax Liability (Net).	92,06,596.00	(4,57,066.00)	87,49,530.00

- 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	
		2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
Organic Intermediates	M.T.	N.A.	N.A.	540.00	540.00	325.00	400.00

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

Description	Unit	Particulars	2008-09		2007-08	
			Quantity	Value in Lacs.	Quantity	Value in
Organic Intermediates	M.T.	Turnover/ Sales	370.441	1279.64	371.27	1218.32
		Closing Stock	12.295	44.90	60.56	115.74
		Opening Stock	60.560	115.74	37.78	131.26

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

Description	Unit	Particulars	2008-09		2007-08	
			Quantity	Value in Lacs.	Quantity	Value in
Organic Intermediates	M.T.	Consumption 1	1049.801	698.32	1017.40	602.30
		Closing Stock	77.451	26.91	111.51	24.32
		Opening Stock	111.51	24.32	114.19	42.62
		WIP				
		Closing Stock	46.095	84.85	19.37	35.22

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

Description	2008-09		2007-08	
	Amount in Lacs.	Percentage	Amount in Lacs.	Percentage
Consumption of Raw Material				
Imported	-	0.00 %	35.05	5.82%
Indigenous	687.84	100.00 %	567.24	94.18%
Total	687.84	100.00%	602.30	100.00%
Consumption of Stores / Spares etc.				
Imported	0.00	0.00%	0.00	0.00%
Indigenous	28.34	100.00%	18.34	100.00%
Total	28.34	100.00%	18.34	100.00%

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

Description	2008-09	2007-08
Raw Materials	NIL	3,505,936.00
Capital Goods	NIL	693,750.00
Total		4,199,686.00

f) **Particulars of Earnings in Foreign Exchange:****(Amount in Rs.)**

Description	2008-09	2007-08
Export of Goods / Services	NIL	11,281,738.00
Total	NIL	11,281,738.00

- 15) During the year the Company has Capitalized Rs. 30,45,587/- 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) During the year the company has approached the Bank of India for fresh Term Loan & the bank has sanctioned term loan for Rs. 324 lacs which was pending for disbursement as on 31.03.2009.
- 17) 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	2008-09			
	India	Outside	India	Outside India
Segment revenue	128,218,613.05	NIL	119,814,249.00	8,922,178.00
Segment Assets	172,961,342.00	NIL	162,926,719.17	NIL
Capital Expenditure	9,385,373.77	NIL	18,033,033.66	526,911.00

- 18) 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 except Lupin Ltd. for which Reconciliation has been given by the Company.
- 19) Expenditure incurred on obtaining ISO has been treated as Deferred Revenue Expenditure. Moreover the same has not been written off by the Management for the current period but will be written off from next year onwards.

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.

B.V.RETAREKAR

Chairman

S.G.THAKUR.

Managing Director

Date:30/06/2009.

Place:Vadodara

Date:30/06/2009.

Place:Vadodara.

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

Registration No.

7540

State Code

4

Balance Sheet Date :

31/03/2008

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 :

145240335.42

Total Assets :

145240335.42

SOURCE OF FUNDS

Paid up Capital :

44,405,680.00

Reserves & Surplus :

39,920,122.83

Secured Loans :

51,707,934.59

Unsecured Loans

-

APPLICATION OF FUNDS :

Net Fixed Assets :

80,214,982.19

Investments :

229,780.00

Net Current Assets :

35,467,041.15

Deferred Tax Assets (net) :

-

Miscellaneous Expenditure :

165,358.00

Accumulated Losses :

-

IV PERFORMANCE OF COMPANY :

Turnover :

121,832,815.12

Total Expenditure :

121,804,490.18

Profit / (Loss) Before Tax :

6,931,937.53

Profit / (Loss) After Tax :

6,345,176.53

Earning per Share in Rs :

1.43

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.

For & on behalf of Board of Directors,

CHARTERED ACCOUNTANTS.

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

 B.V. RETAREKAR
 Chairman

 S.G. THAKUR.
 Managing Director

 Date : 30/06/2008
 Place : Vadodara.

 Date : 30/06/2008
 Place : Vadodara.

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2009

PARTICULARS	AS ON	
	31st MARCH 2009	31st MARCH 2008
	AMOUNT (RS.)	AMOUNT (RS.)
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before Taxes & Extra Ordinary Items	(3,094,792.69)	6,931,937.53
Add/ Less : Adjustments for :		
Depreciation	4,950,057.22	5,830,414.85
Interest Income	(104,380.14)	(148,828.67)
Dividend Income	(43,525.80)	(45,162.50)
Discount/Kasar written off	-	6,771.69
Service Tax Expense written off	-	2,196.00
Loss on Sale Motor Car/ Land	-	356,683.92
Insurance Claim Short Received	-	(1,200.00)
H.P. Financial Charges	49,127.00	25,937.79
Foreign Exchange Income Net	-	(30,190.00)
Operating Profit before change in Working Capital	4,851,278.28	5,996,623.08
Add/Less : Adjustment for changes in :		
Decrease/(Increase) in other assets & Loans and advances	(781,768.65)	-
Decrease/(increase) in trade & other receivables	(12,187,921.62)	(3,997,634.50)
(Increase)/Decrease in inventories	1,569,765.10	1,432,483.43
(Decrease)/Increase in Current liabilities	17573532.09	(2,150,852.56)
Decrease in Provision & FBT	(2,145,309.21)	-
Realised Foreign Exchange Income	-	30,190.00
	4,028,297.71	(4,685,813.63)
Taxes Paid	-	675,472.00
A Net Cash Flow from Operations	5,784,783.30	7,567,274.98
Cash Flow from Investing Activities		
Purchase of fixed assets	(377,260.00)	(1,069,640.67)
Sales of Car	-	135,000.00
Sales of Assets	6,691,111.00	3,949,200.00
Increase in Capital Work in Progress	(9,008,113.69)	(21,992,513.19)
Dividend Received	43,525.80	45,162.50
Interest received	104,380.14	109,129.00
B Net Cash used in Investing Activities	(2,546,356.75)	(18,823,662.36)

PARTICULARS	AS ON	AS ON
	31st MARCH 2009 AMOUNT (RS.)	31st MARCH 2008 AMOUNT (RS.)
CASH FLOW FROM OPERATION ACTIVITIES		
Cash Flow from Financing Activities		
Hire Purchase Financial Charges	(49,127.00)	(25,937.79)
Increase in Secured Loan	-	11,310,647.54
Increase in unsecured Loan	4,400,000.00	-
Repayment of secured loan	(7,566,801.92)	-
C Net Cash used in Financing activities	(3,215,928.92)	11,284,709.75
Net Cash Inflow/ (Outflow) A + B + C	22,497.63	28,322.37
Add :- Opening Cash & Cash Equivalents	734,070.45	700,363.21
Add :- Opening Balance Difference Adjusted	-	5,384.87
Closing Cash & Cash Equivalents	756,568.08	734,070.45

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 2009 and we found the same to be in Agreement therewith.

For Khedkar & Co.
Chartered Accountants

(D. R. Khedkar)
Proprietor

M.No.: 034963

Place : Baroda
Date : 30th June, 2009.

For and on behalf of the Board of Directors

(B.V. Retrekar) **(S.G. Thakur)**
Chairman Managing Director

Place : Baroda
Date : 30th June, 2009.

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 24th ANNUAL GENERAL MEETING, held at plot 1631164, Nandesari Industrial Estate, Nandesari - 391 340. Dist. Vadodara on Saturday, 26th Sept. 2009 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
24th Annual General Meeting of the Company to be held on Saturday, 26th Sept. 2009 at 11 a.m. and at any adjournment
thereof.

signed this _____ day of _____ 2009

Date of Receipt _____ day of _____ 2009

(For office use only.)

Signature

**Affix
Revenue
Stamp of
1 Rupee**

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.

BOOK-POST

To,

If Undelivered please return to :

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

HEM PRINTING PRESS, Baroda Ph. 2580233,2580244