

# **LIME CHEMICALS LIMITED**

***40TH  
ANNUAL REPORT  
2009-2010***

# LIME CHEMICALS LIMITED

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## **BOARD OF DIRECTORS**

H.I.Dawoodani	- Chairman
A.H.Dawoodani	- Managing Director
M. S. Chandani	
B. S. Mujawar	
A.R. Somjee	

## **REGISTERED OFFICE**

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

## **AUDITORS**

M/s. VMD & CO.  
Chartered Accountants, Mumbai

## **BANKERS**

Bank of Baroda  
Development Credit Bank Ltd.  
UTI Bank Ltd.  
HDFC Bank

## **REGISTRAR & SHARE TRANSFER AGENT**

Bigshare Services Pvt. Ltd.  
E-2, Ansa Industrial Estate  
Sakivihar Road, Saki Naka  
Andheri East, Mumbai – 400 072

## **FACTORIES**

Plot No. 43, Roha Industrial Area  
Village Dhatav, Roha, Raigad (M.S)

31-32-33 & 34 Industrial Area  
Paonta Sahib – 173 023 (H.P)

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## NOTICE

NOTICE IS HEREBY GIVEN THAT the Fortieth Annual General Meeting of the Members of Lime Chemicals Limited will be held at the Registered Office at Light House Building, Ground Floor, Sitaphalwadi, Mazgaon, Mumbai – 400 010 on Thursday, the 30th September, 2010 at 10.00 a.m. to transact the following business.

### ORDINARY BUSINESS

1. To receive and adopt the Profit and Loss Account for the year ended on 31st March, 2010 and the Balance Sheet as on that date and the reports of Auditors and Directors thereon.
2. To appoint a Director in place of Mr. M. S. Chandani, who retires by rotation and offers himself for reappointment.

### SPECIAL BUSINESS

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

#### 3. APPOINTMENT OF AUDITORS

RESOLVED THAT M/s. Chokshi & Chokshi, Chartered Accountants, a peer review certificate holder having Registration Number 101872W, be and is hereby appointed as Statutory Auditors of the Company instead of the retiring Auditors, M/s. VMD & Associates to hold the office upto conclusion of the next Annual General Meeting of the Company at such remuneration and reimbursement of out of pocket expenses as the Board of Directors may fix in this behalf.

#### 4. REAPPOINTMENT OF MANAGING DIRECTOR MR. A.H. DAWOODANI

“RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, Schedule XIII and other applicable provisions of the Companies Act 1956, Mr. A.H. Dawoodani be and is hereby re-appointed as Managing Director of the Company for a further period of three years with effect from 1st August, 2010 on the terms and conditions including remuneration as set out in the draft agreement to be entered between the Company and the Managing Director, which is hereby specifically sanctioned with a liberty to the Directors to alter and vary the terms and conditions of the said appointment and/ or agreement so as not to exceed the limits of remuneration, if any specified in Schedule XIII to the companies Act, 1956 or any amendments thereto as may be agreed to between the Directors and Shri A.H. Dawoodani.

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

#### ITEM NO. 3

The Auditors M/s. VMD & Co, Chartered Accountants, will retire at the forthcoming annual General Meeting. The Board of Directors have proposed M/s. Chokshi & Chokshi, Chartered Accountants, a peer review certificate holder to be appointed as Auditors of the Company to hold the Office upto conclusion of the next Annual General Meeting.

#### ITEM NO. 4

The present term of Mr. A. H. Dawoodani as Managing Director is upto 31st July 2010. The Board of Directors at their meeting held on 26th July 2010 reappointed Mr. A. H. Dawoodani as Managing Director of the Company with effect from 1st August 2010 for a further period of three years, subject to the approval of the members in the General Meeting in accordance with Schedule XIII to the Companies Act, 1956. The terms and conditions including remuneration payable to Mr. A. H. Dawoodani are set out in the draft Agreement to be entered into by the Company with Mr. A.H. Dawoodani which contains inter alia the following terms and conditions:

#### OVERALL REMUNERATION

Subject to the provisions of Sections 198, 269, 309, 310, 311, Schedule XIII and other provisions applicable of the Companies Act, 1956, if any, the combined remuneration payable to Mr. A. H. Dawoodani, in any financial year shall not exceed 10% (Ten percent) of the net profits of the Company.

#### MINIMUM REMUNERATION

Where in any financial year during the currency of the tenure of Mr. A. H. Dawoodani, the Company has no profits or its profits are inadequate, the remuneration payable to Mr. A. H. Dawoodani will be according to the applicable provisions of Schedule XIII of the Companies Act, 1956.

#### SALARY, PERQUISITES AND ALLOWANCES

Presently the net worth of the Company has been eroded and when becomes positive, the Salary shall be paid in accordance with minimum salary and perquisites allowed to pay under the provisions of Schedule XIII of the Companies Act, 1956.

#### OTHER TERM AND CONDITIONS

- a. Leave of 30 working days once in every year of service, with encashment of unavailed leave at the end of his tenure
- b. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961; gratuity payable at a rate not exceeding half a month salary for each completed year of service and encashment of unavailed leave at the end of tenure shall not be included in the computation of the ceiling on remuneration in terms of Schedule XIII of the Companies Act, 1956. The expenses incurred for travelling, conveyance and business meetings shall be reimbursed.
- c. Mr. A. H. Dawoodani shall not be entitled to sitting fees for meetings of the Board / Committee of the Board attended by him.
- d. Mr. A. H. Dawoodani shall not be liable to retire by rotation.

#### NOTES

- a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- b) The form of proxy should be deposited at the registered office of the Company not less than 48 hours before commencement of meeting.
- c) The Register of members and Share Transfer Books of the Company will be closed from 28th September, 2010 to 30th September, 2010 (both days inclusive)
- d) Members are requested to please bring their copies of the Annual Report to the Meeting.

For and on behalf of the Board of Directors

#### REGISTERED OFFICE

Light House Building, Ground Floor  
Sitafalwadi, Mazgaon

Mumbai : 400 010

Dated : 26th July, 2010.

**A. H. DAWOODANI**  
Managing Director

## DIRECTORS' REPORT

The Directors present their 40th Annual Report on the business and operations of the Company and the financial accounts for the year ended on 31st March, 2010.

### FINANCIAL RESULTS

(Rs. In lacs)

Particulars	For the year ended on 31/03/2010	For the previous year ended on 31/03/2009
Gross Profit (before interest, depreciation & taxation)	94.46	(68.68)
Less: Interest	452.20	428.26
Depreciation	187.64	194.40
Miscellaneous expenses written off	29.09	27.37
Profit before tax	(574.47)	(718.71)
Less: Fringe Benefit Tax	—	9.30
Profit / Loss after Tax	(574.47)	(728.01)
Add: Balance brought from previous year	(2982.94)	(2267.33)
Profit / (Loss) available for appropriations	(3557.41)	(3557.41)
<b>APPROPRIATIONS / TRANSFERS</b>		
Previous year write back (net)	6.21	12.40
Profit/(loss) carried to Balance Sheet	(3551.20)	(2982.94)

### DIVIDEND

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

### REFERENCE TO BIFR

The Company had made Reference to the Board for Industrial & Financial Reconstructions (BIFR) under Section 15 of the Sick Industrial Companies (Special Provisions) Act, 1985 and has been registered as case No. 14/2008 on 10.03.2008 as the entire net worth of the Company has been eroded. As per the draft Rehabilitation Scheme submitted consultation with the consortium Banks to the BIFR, the Company has been declared as Sick Company by an Order issued by the BIFR on 24th February 2010 and has appointed Bank of Baroda as the Operating Agency with directions to prepare a revival scheme for the Company and to submit before BIFR. The Operating Agency i.e. Bank of Baroda is in the process of preparation and submission of revival scheme to BIFR.

### OPERATION AND FUTURE OUTLOOK

During the year under review, the Company could achieve a turnover of Rs. 45.81 crores against Rs. 34.33 crores in the previous year. The management could also able to curtail loss from Rs. 7.19 crores to Rs. 5.76 crores. The Company has taken various steps to boost better working results and operating profit, which will result in the coming years. The Company's manufacturing facilities at Roha and at Paonta Sahib is working at its optimum capacity. The management hopes to achieve better results on account of increased turnover and the measures to increase profitability in the years to come.

The Company is negotiating with the Consortium Banks for restructuring of its existing Long Term Working Capital Facilities with Bank of Baroda, the Operating Agency appointed by BIFR to implement its plans to reduce the cost of production and improve efficiency of the Plants.

### DIRECTORATE :

Mr. M. S. Chandani, a Director of the Company, who retires by rotation and being eligible offered himself for reappointment.

The present terms of appointment of Mr. A. H. Dawoodani, the Managing Director is upto 31st July 2010. The Board of Directors have decided to reappoint Mr. A. H. Dawoodani as Managing Director for a period of three years from 1st August 2010.

The present terms of appointment of Mr. H.I. Dawoodani, as Managing Director is upto 31st July 2010. Mr. H. I. Dawoodani does not offer for reappointment as Managing Director. However, he will continue as Chairman of the Board of Directors.

Resolutions for reappointment of Mr. M. S. Chandani and Mr. A. H. Dawoodani are set out in the Notice of the Annual general Meeting. You are requested to approve the same.

### EXPORTS

During the year under review, the Company exported its products to various countries. Total exports during the year on FOB basis was Rs. 132.35 lacs against Rs. 93.51 lacs in the previous year.

### FIXED DEPOSITS

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

### MANAGEMENT DISCUSSION AND ANALYSIS

#### INDUSTRY STRUCTURE OPPORTUNITY AND THREATS

During the year 2009-10, the Calcium Carbonate Industry in India as well as in the World have been in good demand. The increasing application of calcium carbonate in industrial production and ancillary products will boost growth in further higher levels.

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

## RISK MANAGEMENT

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

## SEGMENT WISE FINANCIAL PERFORMANCE

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

## OUTLOOK

The Management has taken various steps to improve working and confident that the Company will achieve better results.

## INTERNAL CONTROL SYSTEMS AND ADEQUACY

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

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

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

## RELATED PARTY TRANSACTION

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

## MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

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

## HEALTH AND SAFETY

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

## CAUTIONARY STATEMENT

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

## DIRECTOR'S RESPONSIBILITY STATEMENT

The Board of Directors of your Company confirms that:

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

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION ETC.

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

## PARTICULARS OF EMPLOYEES

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

## CORPORATE GOVERNANCE

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

## AUDITORS & AUDITOR'S REPORT

The Company's Auditors M/s. VMD & Co, Chartered Accountants, will retire at the forthcoming annual General Meeting. The Board of Directors have proposed M/s. Chokshi & Chokshi, Chartered Accountants, a peer review certificate holder to be appointed as Auditors of the Company to hold the Office upto conclusion of the next Annual General Meeting. Members are requested to appoint M/s. Chokshi & Chokshi as Statutory Auditors of the Company.

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

## INDUSTRIAL RELATIONS

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

## ACKNOWLEDGEMENT

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

On behalf of the Board of Directors

PLACE: MUMBAI  
DATE : 26th July 2010

**H. I. DAWOODANI**  
Chairman

# LIME CHEMICALS LIMITED

## ANNEXURE TO DIRECTOR'S REPORT

Information as per Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of the particulars in the report of Board of Directors) Rules, 1988 and forming part of Directors Report for the year ended 31st March, 2010

### FORM 'A'

Form for Disclosures of particulars with respect to Conservation of Energy

		Year ended 31st March 2010	Year ended 31st March, 2009
A.	POWER & FUEL CONSUMPTION		
1.	ELECTRICITY		
a)	Purchased		
	*Units (KWH in thousands)	8188.47	6002.31
	Total amount (Rupees in thousands)	35041	23930
	Rate / Unit (Rupees)	4.28	3.99
b)	Own generation (Diesel)		
	Units		57900
62200	Unit per unit of fuel	1.89	2.27
	Cost / Unit (Rupees)	15.21	13.74
2.	Coal (used in producing gas)		
	Quantity (Tonnes)	11442.81	9151.50
	Total Cost (Rupees in thousands)	104988.56	87590.00
	Average rate / Tonne (Rupees in thousands)	9.18	9.57
3.	Furnace Oil		Nil
Nil			
4.	Pet Coke		
	Quantity (Tonnes)	6993.67	6062.64
	Total Cost (Rupees in thousands)	40507.30	43712.00
	Average rate / Tonne (Rupees in thousands)	5.79	7.21
5.	Others		
a)	Kerosene		
	Quantity (K.L)	233.54	143.07
	Total Cost (Rupees in thousands)	6824.25	4292.92
	Rate / Unit (Rupees)	29.22	30.01
b)	L.D.O		
	Quantity (K.L)	Nil	Nil
	Total Cost (Rupees in thousands)	Nil	Nil
	Average Rate / Unit (Rupees)	Nil	Nil
c)	Rice / Pop Husk (Paonta Plant)		
	Quantity (M.T)	Nil	Nil
	Total Cost (Rupees in thousands)	Nil	Nil
	Average Rate / Unit (Rupees)	Nil	Nil
d)	Baggas (Paonta Plant)		
	Quantity (M.T)	77.70	1554.82
	Total Cost (Rupees in thousands)	93.55	3196.17
	Average Rate / Unit (Rupees)	1.20	2.06
B.	Energy Consumption per Tonne of Calcium Carbonate		
	Units	Standards	
	Electricity	KWH	N.A
	Furnace Oil	K. L	N.A
	Coal	M. T	N.A
	Others:		
a)	Kerosene	K. L	N.A
b)	L.D.O K. L	N.A	Nil
c)	Rice Husk/Bagasse M. T	N.A	0.00

### FORM 'B'

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

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

#### Technology absorption, adaptation and innovation:

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

#### Foreign Exchange Earnings and Outgo:

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

For and on behalf of Board

Place: Mumbai  
Date : 26th July 2010

**H.I.Dawoodani**  
Chairman

## REPORT ON CORPORATE GOVERNANCE

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

### 1. BOARD OF DIRECTORS

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

During the financial year ended on 31.3.2010, 5 Board meetings were held. The attendance of each Director at the Board Meetings and last Annual General Meeting (AGM) and number of other Directorship and Membership/Chairmanship of Committee are as follows:

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

### 2. Brief profile of re-appointment of Director in compliance with Corporate Governance

- a. Name : Mr. M.S.Chandani  
Age : 53 years  
Qualification : Cost Accountant  
Experience : Morethan 28 years of experience in the field of Costing, Financeand Accounts. He is a self employed professional.  
Directorship in other Companies : Nil
- b. Name : Mr. A. H. Dawoodani  
Age : 49 years  
Qualification : Commerce Graduate  
Experience : Mr. A. H. Dawoodani has morethan 27 years rich experience in promotion and management manufacturing companies.  
Directorship in other Companies: Himachal Polyolefins Limited  
Silvo Liacal Chemicals Limited  
West Points Chemicals & Mineral Pvt. Ltd.  
Sahid Investments & Trading Co. Pvt. Ltd

### 3. REMUNERATION OF DIRECTORS

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

### 4. AUDIT COMMITTEE

The Audit Committee comprised 4 Directors viz Mr. A.H.Dawoodani, Mr. M.S.Chandani, Mr. B.A.Mujawar and Mr. Anis R. Somjee. Mr. M.S.Chandani is the Chairman of the Committee. Except Mr. A.H.Dawoodani, all other Directors are Non Executive and Independent Directors. During the financial year under review, 5 meetings were held on 29.04.2009, 30.07.2009, 27.08.2009, 30.10.2009 & 29.01.2010.

### 5. SHARE TRANSFERAND INVESTORS' GRIEVANCE COMMITTEE

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

### 6. GENERAL BODY MEETINGS

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

Date	AGM/EGM	Venue	Time	No. of Special Resolution
30.09.2009	AGM	Registered Office at 10, Light House Ground Floor, Sitaphalwadi, Mazgaon Mumbai – 400 010	10.00 a.m.	1
29.09.2008	AGM	Registered Office at 10, Light House Ground Floor, Sitaphalwadi, Mazgaon Mumbai – 400 010	10.00 a.m.	–
29.09.2007	AGM	Methodist Centre 21, YMCA Road, Mumbai Central, Mumbai – 400 008	10.00 a.m.	3

There were no proposals requiring special resolution to be passed through Postal ballot and also no Extra Ordinary General Meeting was held.

# LIME CHEMICALS LIMITED

## 7. GENERAL INFORMATION FOR SHAREHOLDERS

i) AGM: Date, Time & Venue	30th September, 2010 at 10.00 a. m Registered Office at Light House Building, Ground Floor Sitafalwadi, Mazgaon, Mumbai – 400 010
ii) Financial Year	1st April 2009 - 31st March, 2010
iii) Book closure	28.09.2010 to 30.09.2010
iv) Dividend payment date	No dividend recommended
v) Listing on Stock Exchange	The Bombay Stock Exchange (BSE)
vi) Listing fees paid for the year	2010-2011
vi) Dematerialisation of shares	As on 31.03.2010, 77.09% of total paid-up equity capital is dematerialized.
vii) ISIN of the Company for demat	INE891G01011
viii) Registrar & Share Transfer Agent	Big Share Services Private Limited E/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East), Mumbai – 400 072

## 8. DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2010

No. of Equity Shares Held	No. of Shareholders	No. of Shares	% Total
1 - 500	5,029	6,99,894	21.27
501 - 1000	243	1,95,019	5.93
1001 - 2000	89	1,39,284	4.23
2001 - 3000	16	43,496	1.32
3001 - 4000	18	68,315	2.09
4001 - 5000	9	52,438	1.6
5001 - 10000	26	2,03,620	6.18
10001 and above	34	18,88,210	57.38
<b>TOTAL</b>	<b>5,464</b>	<b>32,90,276</b>	<b>100</b>

## 9. SHAREHOLDING PATTERN AS ON 31.03.2010 IS AS FOLLOWS :

SR.NO	CATEGORY	NO.OF SHARES HELD	% OF SHARE-HOLDING
1	Promoters Holding		
	Indian Promoters and Persons Acting in concert	11,51,989	35.01
	- Foreign Promoters	—	—
	Banks, Financial Institutions / Insurance Cos.	64,000	1.95
2	Mutual Funds & UTI	3,420	0.1
3	Private Corporate Bodies	1,95,874	5.95
4	NRIs/OCBs	4, 68,247	14.23
5	Clearing Members	1,167	0.04
6	Indian Public	14,05,579	42.72
	<b>TOTAL</b>	<b>32,90,276</b>	<b>100</b>

On behalf of the Board of Directors

A.H. DAWOODANI  
Managing Director

MUMBAI

DATED : 26th July 2010



### **Auditors' Certificate on compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement.**

#### **To the members of Lime Chemicals Ltd.**

We have examined the compliance of the conditions of Corporate Governance by LIME CHEMICALS LIMITED (the Company) for the year ended 31st March 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an Audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of the information and according to the explanations given to us and representation made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

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

For V.M.D & CO.  
Chartered Accountant

Mumbai  
26th July 2010

Amit Ganpule  
Partner  
Membership No. 114222

## AUDITORS' REPORT TO THE SHAREHOLDERS

1. We have audited the attached Balance Sheet of Lime Chemicals Limited, as at 31st March 2010, and the Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
  - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, except for short provisioning of gratuity liability amount which is not ascertained as actuarial valuation has not been done as required under Accounting Standard 15 on Accounting for Retirement Benefit in the Financial Statements of Employers issued by the Institute of Chartered Accountants of India and note no 5 in schedule no 18.
  - e) On the basis of written representations received from the directors, as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
  - f) Attention is invited to the following notes in Schedule no 18:
    - I. Note no.2 regarding company's investment in Regent Chemicals Ltd., (cost Rs. 8280 thousands). We are unable to express our opinion on the shortfall in realisability of the investment and its consequent impact on the Profit and Loss account.
    - II. Note no.3 regarding overdue sundry debtors of Rs.5917/- thousands. We are unable to express our opinion on the short fall on realization of these balances.
    - III. Note no 4 regarding outstanding statutory dues of Rs.39,549/- thousands.
  - g) Subject to para 4 (f) above, in our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the other notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true & fair view in conformity with the accounting principles generally accepted in India:
    - i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2010.
    - ii. in the case of the Profit and Loss Account, of the Loss for the year ended on that date; and
    - iii. in the case of Cash Flow Statement, of the cash flows for the year ended on that date

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

Place: Mumbai.  
Date: 26/07/2010

V . M. DESAI  
Partner  
Membership No.: F 9219  
Firm No. : 125002W

## ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date on the accounts for the Year ended 31st March, 2010 of Lime Chemicals Limited)

- (i) In respect of its fixed assets:
- The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets except in respect of Roha factory, where details are maintained from 1st July 1981. In case of Poanta factory, we are informed that assets register was under preparation upto 31st March, 1998 and the same has been misplaced upto this date. However assets register is duly maintained from 1st April, 1998
  - Some of the fixed assets were physically verified during the Year by the management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification at the Roha factory.
  - The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (ii) In respect of its inventories:
- As explained to us, inventories were physically verified during the year by the management at reasonable intervals.
  - In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) (a) According to information and explanation given to us, the company has not granted loan, unsecured or secured to Companies, Firms or other parties covered in registered maintained under section 301 of the companies Act 1956.
- In view of the above paragraph 4 (iii), (b) (c) (d) of the order are not applicable.
- According to information and explanation given to us, the company has taken loans, unsecured from three parties covered in the registered maintained under section 301 of the companies Act 1956 and amount involved is Rs. 2,20,01,600.65/-.
  - In our opinion, the rate of interest and other term and condition on which loans have been taken from parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.
  - The company has not paid the principal amount as stipulated and has not made any interest payment.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and we have not observed any continuing failure to correct major weaknesses in such internal controls.
- (v) In respect of transactions entered in the register maintained in pursuance of section 301 of the Companies Act 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
- The transactions that needed to be entered into the register, have been so entered.
  - Where each of such transactions (excluding loans reported under paragraph (iii) above) is in excess of Rs 5 lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58 and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 (except Rule No.4) with regard to the deposits accepted from the public.
- (vii) In our opinion and according to the information and explanations given to us, no internal audit function carried out during the year.
- (viii) We are informed that maintenance of Cost records has not been prescribed by the central government under section 209 (1) (d) of the Companies Act, 1956 for the products of the company. Accordingly the provisions of clause 4(viii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (ix) In respect of statutory dues
- According to the information and explanations given to us, the Company has been irregular in depositing undisputed statutory dues (except Provident Fund, Employees State Insurance, Sales Tax, Professional Tax, Refer to note no 4 of Notes to Accounts), and any other material statutory dues with the appropriate authorities during the Period though there has been a slight delay in a few cases.
  - According to information and explanation given to us, no undisputed amounts payable in respect of, income tax, customs duty, excise duty and cess were in arrears, as at 31st March 2010 for a Period of more than six months from the date they became payable, except sales tax amounting to Rs. 3,12,81,820/-, Provident Fund Roha amounting to Rs. 8,69,903/- & Employees State Insurance amounting to Rs. 584590/-
  - According to the information and explanations given to us, details of disputed sales tax, income tax, customs duty, wealth tax, excise duty and cess which have not been deposited as on 31st March 2010 on account of any dispute are given below:

Name of statute	Nature of the dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	20,16,993	A.Y 1994-95	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	4,68,905	A.Y 1997-98	Commissioner of Income Tax (Appeals)
Income Tax Act 1961	Income Tax	64,10,841	A.Y. 2005-06	Commissioner of Income Tax (Appeals)

- (x) The company has accumulated losses. The Company has incurred cash losses (Rs.3,35,19,246.95) during the financial year covered by our audit and the immediately preceding financial year (5,00,86,651.12).

# LIME CHEMICALS LIMITED

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- (xi) In our opinion and according to the information and explanations given to us, the company has defaulted in the repayment of dues to financial institutions and banks. The company had no dues to debenture holders during the year.
- (xii) In our opinion and according to the information and explanation given to us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4 (xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiii) In our opinion, the company is not a nidhi/mutual benefit fund/ society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) In our opinion and according to the information and explanation given to us, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xv) According to the information and explanations given to us, the company has given guarantee for loan taken by Himachal Polyolefins Ltd. from ICICI Bank, however terms and conditions thereof are not prejudicial to the interest of the Company.
- (xvi) To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, term loans availed by the Company were, prima facie, were applied by the Company during the year for the purposes for which the loans were obtained, other than temporary deployment pending application.
- (xvii) According to the information and explanations given to us, and on an overall examination of the balance sheet of the Company, funds raised on short term basis have, prima facie, have been used during the year for long term investment No long term funds have been used to finance short term assets other than temporary deployment pending application.
- (xviii) According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956
- (xix) In our opinion and according to the information and explanations given to us, the company does not have any debentures outstanding during the period covered by our report. Accordingly, the provisions of clause 4 (xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xx) During the period covered by our audit report, the company has not raised any money by public issues. Accordingly, the provisions of clause 4 (xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year .

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

No. : A/02/0710  
Date : 26th July., 2010.

Partner  
Membership No: F 9219  
Firm No: 125002W

## COMPLIANCE CERTIFICATE

The Members  
Lime Chemicals Limited  
10, Light House Building, Ground Floor  
Sitaphalwadi, Mazgaon  
Mumbai – 400 010

I have examined the registers, records, books and papers of M/s. Lime Chemicals Limited, 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 31st March 2010.

In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate with the Registrar of Companies.
3. The Company, being a public limited company, comments as per Sec. 3 (1) (iii) of the Act are not required.
4. The Board of Directors duly met 5 (Five) times on 30.04.2009, 31.07.2009, 28.08.2009, 31.10.2009 & 31.01.2010 in respect of which meetings proper notices were given and the resolutions passed were recorded in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members from 29th September 2009 to 30th September 2009 (both days inclusive) during the financial year.
6. The Annual General Meeting for the financial year ended on 31.03.2009 was held on 30th September 2009 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No extra ordinary general meeting was held during the financial year.
8. It was informed that the Company has not advanced any loans to its directors and/or persons or firms or companies referred in the Section 295 of the Act during the financial year.
9. It was informed that the Company has not entered into any fresh contracts during the financial year falling within the provisions of Section 297 of the Act.
10. It was informed that since there were no contracts during the financial year the Company has not made any 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. That
  - i) the Company has not deposited any amount in a separate bank account as no dividend was declared during the financial year.
  - ii) The Company was not required to post any warrants to the members as no dividend was declared during the financial year.
  - iii) There are no amount lying in unpaid dividend account, application money due for refund, matured deposits and debentured and the interest accrued thereon and no amount has remained unclaimed or unpaid for a period of seven years for the requirement to transfer to Invest Education and Protection Fund.
  - iv) The requirement of Section 217 of the Act has been duly complied with.
13. The Board of Directors of the Company is duly constituted and the appointment of directors has been duly made. There was no appointment of alternate directors and directors to fill casual vacancies during the financial year.
14. The Company has not appointed any sole selling agents during the financial year.
15. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act during the financial year.
16. 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.
17. The Company has not issued any shares, debentures or other securities during the financial year.
18. The Company has not bought back any shares during the financial year.
19. There was no redemption of preference shares / debentures during the financial year.
20. 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.
21. The Company has not invited / accepted any deposits including any unsecured loan falling within the purview of Section 58A of the Act during the financial year.
22. The Company has not altered the provisions of the memorandum with respect to the name, share capital, situation of the registered office from one state to another during the year under scrutiny.
23. The Company has not altered its Articles of Association during the financial year.
24. It was informed that there were no prosecution initiated against or show cause notices received by the company and no fines or penalties or any other punishments was imposed on the company during the financial year for offences under the Act.
25. The Company has not received any amount as security from its employees during the financial year.
26. The Company has not created any trust as defined in Section 418 of the Act, hence the said section is not applicable.

P.V.Ramaswamy  
Company Secretary  
Membership No. 1708 C.P. No. 2087  
Place: Mumbai  
Date: 26th July, 2010

## Annexure 'A'

Registers as kept by the Company  
Statutory Registers:

1. Register of members u/s. 150
2. Register of share transfer u/s. 108
3. Register of Directors, Managing Director, Secretary u/s. 303
4. Register of Directors shareholding u/s. 307
5. Minutes Books of General Meetings and Board Meetings u/s. 193
6. Register of Charges u/s. 143
7. Books of Account u/s. 209
8. Registers and Returns u/s. 163
9. Register of Disclosure of Interest of Directors.

## Annexure 'B'

Forms and Returns as filed by the Company with the Registrar of Companies or other authorities, during the financial year ending on 31st March, 2010

S.No.	Form/Return No.	U/S.	Description	Date of filing
1	Form 23 AC & 23 ACA	220	Balance Sheet and Profit & Loss Account for the year ended 31.3.2009	22.03.2010

P.V.Ramaswamy  
Company Secretary  
Membership No. 1708 C.P. No. 2087  
Place: Mumbai  
Date: 26th July 2010

# LIME CHEMICALS LIMITED

## AUDITED BALANCE SHEET AS AT 31ST MARCH 2010

(Rs ' 000 )

	Schedule No.		As at 31.03.2010	As at 31.03.2009
<b>I. SOURCES OF FUNDS</b>				
<b>1. Shareholders' Fund</b>				
a) Share Capital	1	32,566		32,566
b) Reserves & Surplus	2	86,419		86,419
			<b>118,985</b>	<b>118,985</b>
<b>2. Loans Funds</b>				
a) Secured Loans	3	297,262		260,638
b) Unsecured Loans	4	76,877		70,763
			<b>374,139</b>	<b>331,401</b>
<b>3. Deferred Tax Liability ( Net )</b>			<b>7,350</b>	<b>7,350</b>
<b>TOTAL</b>			<b>500,474</b>	<b>457,736</b>
<b>II. APPLICATION OF FUNDS</b>				
<b>1. Fixed Assets</b>				
a) Gross Block	5	379,949		378,445
b) Less Depreciation		219,776		201,029
c) Net Block		160,173		177,416
d) Capital Work - in-Progress		1,318		528
			<b>161,491</b>	<b>177,944</b>
<b>2. Investments</b>	6		<b>11,036</b>	<b>11,036</b>
<b>3. Current Assets, Loans and Advances</b>				
a) Inventories	7	54,224		48,587
b) Sundry Debtors	8	71,061		71,558
c) Cash & Bank balances	9	4,214		2,163
d) Loans and Advances	10	39,410		32,496
		<b>168,909</b>		<b>154,804</b>
<b>Less: Current Liabilities and Provisions</b>				
a) Current Liabilities	11	192,556		193,981
b) Provisions	12	12,721		1,609
		<b>205,278</b>		<b>195,590</b>
Net Current Assets			<b>(36,368)</b>	<b>(40,786)</b>
<b>4. Miscellaneous Expenditure</b> (to the extent not written off or adjusted)	13		<b>9,197</b>	<b>11,248</b>
<b>5. Profit &amp; Loss Account</b>			<b>355,119</b>	<b>298,294</b>
<b>TOTAL</b>			<b>500,474</b>	<b>457,736</b>
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS	18			
As per our attached report of even date <b>For V.M.D. &amp; CO.</b> Chartered Accountants		For and on behalf of the Board of Directors		
V.M.DESAI Partner Membership No. : F 9219 Firm No. : 125002W No. : A/02/0710 PLACE : MUMBAI DATE : 26/07/2010		<b>H . I. DAWOODANI</b> (Chairman)  <b>A . H. DAWOODANI</b> (Managing Director)  PLACE : MUMBAI DATE : 26/07/2010		

**AUDITED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010**

(Rs ' 000 )

	Schedule No.		As at 31.03.2010	As at 31.03.2009
<b>INCOME</b>				
1. Sales ( Gross )		<b>487,850</b>		371,817
Less : Excise Duty recovered on sales		<b>29,742</b>		28,503
Sales ( Net )			<b>458,108</b>	343,314
2. Other Income	14		<b>2,313</b>	3,664
			<b>460,421</b>	346,978
3. Increase / (Decrease ) in Stocks	15		<b>4,747</b>	8,385
			<b>465,168</b>	355,363
<b>EXPENDITURE</b>				
4. Manufacturing and Other Expenses	16	<b>454,398</b>		361,497
5. Excise Duty		<b>1,324</b>		734
6. Interest	17	<b>45,220</b>		42,826
			<b>500,942</b>	405,057
PROFIT BEFORE DEPRECIATION			<b>(35,774)</b>	(49,694)
7. Depreciation			<b>18,764</b>	19,440
8. Miscellaneous Expenditure Written off			<b>2,909</b>	2,737
PROFIT BEFORE TAX AND PRIOR PERIOD ADJUSTMENT			<b>(57,447)</b>	(71,871)
9. Less : Fringe Benefit Tax			—	930
PROFIT AFTER TAX			<b>(57,447)</b>	(72,801)
10. Less :- Prior Year Adjustment			<b>113</b>	—
11. Balance brought forward from previous year			<b>(298,293)</b>	(226,733)
<b>PROFIT AVAILABLE FOR APPROPRIATION</b>			<b>(355,853)</b>	<b>(299,534)</b>
12. Appropriations				
Write Back Previous Year Excise Stock			<b>734</b>	1,240
Balance Carried to Balance Sheet			<b>(355,119)</b>	(298,294)
			<b>(355,119)</b>	(299,534)
13. Basic Earnings Per Share ( EPS ) (Rs.)			<b>(17.68)</b>	(22.36)
Diluted Earnings Per Share ( EPS ) (Rs.)			<b>(17.68)</b>	(22.36)
(Note no 11 of schedule 18 ) Face value Rs. 10 /- per Share				
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS	18			
As per our attached report of even date <b>For V.M.D. &amp; CO.</b> Chartered Accountants		For and on behalf of the Board of Directors		
V.M.DESAI Partner Membership No. : F 9219 Firm No. : 125002W No. : A/02/0710 PLACE : MUMBAI DATE : 26/07/2010		<b>H . I. DAWOODANI</b> (Chairman)  <b>A . H. DAWOODANI</b> (Managing Director)  PLACE : MUMBAI DATE : 26/07/2010		

# LIME CHEMICALS LIMITED

## SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH,2010

(Rs ' 000 )

		As at 31.03.2010	As at 31.03.2009
<b>SCHEDULE 1</b>			
<b>SHARE CAPITAL</b>			
<b>Authorised</b>			
75,00,000 ( Previous Year 50,00,000) Equity Shares of Rs.10/- each.		<b>75,000</b>	75,000
<b>Issued and Subscribed :</b>			
32,90,276 Equity shares of Rs. 10/- each fully paid up		<b>32,903</b>	32,903
Less : Allotment money / Call in Arrears.		<b>337</b>	337
<b>Notes :</b>			
(1) 13,07,157 shares issued on amalgamation of erstwhile Thirani Chemicals Ltd. ( w.e.f. 01-04-97 ) with the company.			
(2) The company has allotted 1,71,340 fully paid shares on 3-10-97 against exercise of detachable warrant.			
(3) The company has allotted 1,34,000 fully paid shares on conversion of warrant issued on 31st March,2006.			
<b>SCHEDULE 2</b>			
<b>RESERVES AND SURPLUS</b>			
<b>General Reserve</b>			
As per last Balance Sheet	<b>51,330</b>		51,330
		<b>51,330</b>	51,330
<b>Securities Premium Account</b>			
Balance as per last Balance Sheet	<b>30,581</b>		30,581
		<b>30,581</b>	30,581
<b>Capital Reserve:</b>			
Special State Level Capital Incentive received		<b>1,700</b>	1,700
Capital Subsidy on Project Cost		<b>2,786</b>	2,786
Profit on Forfeiture Share		<b>22</b>	22
<b>TOTAL</b>		<b>86,419</b>	<b>86,419</b>



## SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH,2010

(Rs ' 000 )

		As at 31.03.2010	As at 31.03.2009
<b>SCHEDULE 3</b>			
<b>SECURED LOANS</b>			
<b>1. From Banks</b>			
(a) Term Loan — BOB	7,043		7,043
(b) Term Loan — DCB	19,581		19,581
(c) Pegasus Assets Reconstructions P Ltd (Indus Ind Bank )	11,807		13,617
(d) Term Loan — UTI	60,000		60,000
(e) Unpaid Interest on Term Loan and Cash Credit	71,130		30,976
(f) Cash Credit, Packing Credit ,FBP & FCNRB	127,701		129,421
<b>TOTAL</b>		<b>297,262</b>	<b>260,638</b>
<b>Notes:</b>			
(a) Bank of Baroda ( BOB ) term loan is secured by way of first charge on pari passu basis on the Company's immovable properties and movable Plant & Machinery both present and future situated at Roha and Paonta factory and is guaranteed by three Directors of the Company			
(b) Development Credit Bank Ltd ( DCB ) term loan is secured by way of first charge on pari passu basis on the Company's immovable properties and movable Plant & Machineries both present & future situated at Roha&Paonta factory is guaranteed by three Directors of the Company			
(c) UTI Bank Ltd term loan is secured by way of first charge on pari passu basis on the Company's immovable properties and movable Plant & Machineries both present & future situated at Roha & Paonta factory and is guaranteed by two Directors.			
(d) Bank of Baroda( BOB ) and Development Credit Bank Ltd(DCB) Working Capital facilities are secured by hypothecation of Stocks and Book debts of the Company and also second charge on pari passu basis of the Company's immovable properties and movable Plant & Machineries both present and future situated at Roha and Paonta factory and guaranteed by three Directors of the Company.			
(e) Indus Ind Bank Loan assigned to the Pegasus Assets Reconstructions P Ltd but charged still with the Indus Ind Bank i.e. Secured by Equitable Mortgage of Company Office Premises at New Delhi.			
<b>SCHEDULE 4</b>			
<b>UNSECURED LOANS</b>			
Fixed Deposits :			
(a) From Directors ( Due within 1 year Rs.NIL/- )	—		250
(Previous year Rs. 250000/- )			
(b) From others ( Due within 1 year Rs.1912886/- )	14,114		10,452
(Previous year Rs. 9360676/- )			
		<b>14,114</b>	10,702
Short Term Loan :			
From Others		<b>1,750</b>	1,750
Other Loans and Advances:			
(a) From SICOM (Interest free Capital Incentive Loan)	49	49	
(b) From SICOM (Interest free Sales Tax Deferment)	25,540	25,540	
(c) Due to Hire Purchase Vendors ( who have lien on and right of repossession of specific assets )	1,884	4,036	
{Due within 1 year Rs. 1163500/- ( Previous year Rs.1661019/- )}			
{Includes an amount of Rs. 220128/- ( Previous year Rs.405097/-) guaranteed by one Director of the company }			
(d) Trade Deposit	400	400	
(e) From Others	11,526	4,055	
(f) From Directors	21,615	24,230	
		<b>61,013</b>	58,310
<b>TOTAL</b>		<b>76,877</b>	70,762

## SCHEDULE 5

### SCHEDULE OF FIXED ASSETS AS ON 31ST MARCH , 2010.

(Rupees. in Thousand)

	FIXED ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Cost as at 01-04-2009	Additions during the year	Deductions during the year	Cost as at 31-03-2010	Total as at 01-04-2009	For the year	Deduction during the year	Total upto 31-03-2010	As at 31-03-2010	As at 31-03-2009
1	FREE HOLD	8	—	—	8	—	—	—	—	8	8
2	LEASE HOLD	1,499	—	—	1,499	207	17	—	224	1,275	1,292
3	BUILDING	40,691	—	—	40,691	13,326	1,220		— 14,546	26,145	27,365
4	PLANT & MACHINERY	295,781	599	—	296,380	160,652	15,321	—	175,973	120,407	135,128
5	FURNITURE & FIXTURE	6,762	518	—	7,280	5577	204	0	5,781	1,499	1,185
6	VEHICLES	8,253	70	47	8,276	7121	444	17	7,548	728	1,132
7	OFFICE EQUIPMENT	7993	359	—	8,352	6624	319	0	6,943	1,409	1,369
8	TELEPHONE EQUIP DELHI	755	0	—	755	336	36	0	372	383	419
9	LABORATORY	2214	—	—	2,214	1096	101	0	1,197	1,017	1,118
10	ELECTRICAL EQUIPMENT	7370	6	—	7,376	4024	308	0	4,332	3,044	3,346
11	TRUCK * INTANGIBLE ASSETS	6944	0	—	6,944	1933	785	0	2,718	4,226	5,011
12	COMPUTER SOFTWARE	175	—	—	175	133	9	—	142	33	42
	TOTAL	378,445	1,552	47	379,950	201,029	18,764	17	219,776	160,174	177,415
	PREVIOUS YEAR	376,269	2,818	642	378,445	181,882	19,439	292	201,029	177,415	
13	CAPITAL Work-In-Progress									1,318	528

\* Intangible Assets are regrouped from Office Equipments

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

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

\* Intangible Assets are regrouped from Office Equipments

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

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

## SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH,2010

(Rs ' 000 )

	As at 31.03.2010	As at 31.03.2009
<b>SCHEDULE 6</b>		
<b>INVESTMENT ( AT COST ) ( LONG TERM INVESTMENT )</b>		
<b>1. Trade Investments:</b>		
<b>Quoted</b>		
Fully Paid Equity Shares:-		
8,39,700 (8,39,700) shares of Regent Chemicals Ltd. of Rs. 10/- each	8,280	8,28
(Note No. 2 of schedule 18).	8,280	8,280
<b>2. Other Investments</b>		
<b>Quoted</b>		
Fully Paid Equity Shares:-		
(a) 60 (60) shares of Rs. 10/- each of Reliance Industries Ltd.	1	1
(b) 6,300 (6,300) shares of Rs. 10/- each of Lloyd Finance Ltd.	260	260
(c) 3360 (3,360) shares of Development Credit Bank Ltd. Of Rs.10/- each	74	74
	335	335
<b>Partly Paid Equity Shares :-</b>		
5000 (5000 ) shares of Gold Crest Finance (India) Ltd. of Rs. 10/- each ( Rs. 5/- paid up.)	50	50
<b>Unquoted</b>		
(a) 3,14,750 (3,14,750) shares of Silvo Liacal Chemicals Ltd. Of Rs. 10/- each	3,006	3,006
(B) 250 (250) shares of Rs. 30/- each of Bombay Mercantile Co-Op. Bank Ltd.	8	8
	3,014	3,014
	11,679	11,679
<b>Less : Provision for dimunition in value of Investments</b>	643	643
<b>TOTAL</b>	11,036	11,036
(1) Aggregate of Quoted Investment - Cost Rs. 86.15 Lacs		
(2) Aggregate of Unquoted Investment - Cost Rs. 30.64 Lacs		
(3) Market Value of Quoted Invesment Rs. 1.85 Lacs		
<b>SCHEDULE 7</b>		
<b>INVENTORIES</b>		
Stores and Spare Parts	12,066	14,423
Stores and Spare Parts In Transit	448	—
Raw Material	14,592	13,306
Raw Material in Transit	1,513	—
Work in Process	962	756
Closing Stock in Trade	794	794
Finished Goods	23,190	19,308
Finished Goods Rejected in Transit	659	—
<b>TOTAL</b>	54,224	48,587
<b>SCHEDULE 8</b>		
<b>SUNDRY DEBTORS (UNSECURED AND CONSIDERED GOOD)</b>		
Debts outstanding for a period exceeding six months	15,983	20,126
Other Debts	55,078	51,432
<b>TOTAL</b>	71,061	71,558

# LIME CHEMICALS LIMITED

## SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH,2010

(Rs ' 000 )

	As at 31.03.2010	As at 31.03.2009
<b>SCHEDULE 9</b>		
<b>CASH AND BANK BALANCES</b>		
a) Cash on hand	1,637	844
b) Current Account with Scheduled Banks	1,971	782
c) Fixed Deposit with Bank	604	535
d) With others:		
In current account with Pen Co-op. Urban Bank Ltd (maximum amount outstanding at any time during the year Rs 1502.86/- (Previous year Rs.1502.86/- )	2	2
<b>TOTAL</b>	<b>4,214</b>	<b>2,163</b>
<b>SCHEDULE 10</b>		
<b>LOANS AND ADVANCES (Unsecured and considered good)</b>		
Advances recoverable in Cash or in kind or for value to be received	25,477	28,718
Balance with Central Excise Authorities	2,799	3,778
Advance Payment of Taxes	11,130	—
Interest Receivable on Fixed Deposit BOB	4	—
<b>TOTAL</b>	<b>39,410</b>	<b>32,496</b>
1 Advance includes due from a firm ( Rent Deposit ) in which Directors of the Company are Partners Rs.26,00,000/- ( Previous year Rs.26,00,000/-) Maximum amount due at any time during the period Rs.26,00,000/- (Previous year Rs.26,00,000/-)		
<b>SCHEDULE 11</b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors ( see note 6 of schedule 18 )		
For Goods	90,651	79,302
For Expenses	29,560	24,342
* Unpaid Dividend	399	400
Interest accrued but not due	785	575
Balances in current account with scheduled Bank, overdrawn as per books	4,967	4,007
Advance Share Application A/c.	20	20
Other Liabilities	66,175	85,335
	<b>192,556</b>	<b>193,981</b>
Sundry creditors includes creditors for capital expenditure Rs NIL ( Previous year Rs. NIL )		
* These figures do not include any amounts due & outstanding to be credited to Investor Education & Protection Fund .		
<b>SCHEDULE 12</b>		
<b>PROVISIONS</b>		
Provision for Tax ( amount gross in current year and amount net of advance tax in previous year )	12,721	1,609
<b>TOTAL</b>	<b>12,721</b>	<b>1,609</b>

## SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH,2010

(Rs ' 000 )

	As at 31.03.2010	As at 31.03.2009
<b>SCHEDULE 13</b>		
<b>MISCELLANEOUS EXPENDITURE</b>		
Prof. Issue Expenses	896	1,045
Less: Written off during the year	149	149
	747	896
Voluntary Retirement Scheme expenses	11,210	12,939
Less: Written off during the year	2,760	2,587
•	8,450	10,352
<b>TOTAL</b>	<b>9,197</b>	<b>11,248</b>
<b>SCHEDULE 14</b>		
<b>OTHER INCOME</b>		
Dividend on non - trade long - term investments	1	1
Interest on Deposits	145	146
{Tax deducted at source Rs. 17483 /- ( Previous year Rs. 17826/-.)}		
Exchange Difference	-	458
Interest Refund By Axis bank	-	180
Interest Received on Others	300	-
Sales of Scrap	745	839
Sales of Sludge	-	5
Sundry Income	9	1
DEPB Licence	221	225
Credit Balance W/Back	892	(40)
MSEB Refund	-	1,849
<b>TOTAL</b>	<b>2,313</b>	<b>3,664</b>
<b>SCHEDULE 15</b>		
<b>Increase / ( Decrease) in stocks</b>		
Less:- Closing Stock		
Traded Stock	794	794
Finished Goods	23,190	19,308
Stock in Process	962	756
Finished Goods Rejected in Transit	659	
	25,605	20,858
Less:- Opening Stock		
Traded Stock	794	794
Finished Goods	19,308	9,779
Stock in Process	756	1,900
By Products and Scrap etc.	-	
	20,858	12,473
<b>TOTAL</b>	<b>4,747</b>	<b>8,385</b>

# LIME CHEMICALS LIMITED

## SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH,2010

(Rs ' 000 )

	As at 31.03.2010	As at 31.03.2009
<b>SCHEDULE 16</b>		
<b>MANUFACTURING AND OTHER EXPENSES</b>		
1. Raw Materials consumed	232,746	172,426
2. Packing Materials consumed	23,441	18,882
3. Payments to and Provisions for employees:		
a) Salary, wages, allowances, bonus and gratuity	41,589	46,466
b) Contribution to Provident and other Funds	2,149	2,086
c) Employees' Welfare and other Amenities	1,368	1,507
	45,106	50,059
4. Operating and other expenses		
a) Stores and spare parts consumed	13,446	10,339
b) Electricity, power, Fuel and water	88,674	80,136
c) Labour charges	14,104	11,931
d) Repairs to Building	53	64
e) Repairs to Plant & Machinery	4,094	2,791
f) Repairs to others	601	406
g) Rent	809	859
h) Rates and taxes	600	315
l) Insurance	623	637
j) Travelling, Conveyance and Vehicle expenses	8,118	5,675
k) Printing & Stationery, Postage, Telephone expenses	2,544	2,306
l) Loss on Assets Sold	7	195
m) Selling & Distribution Expenses {Including Rs. 2597943/- ( previous year Rs.1351134/-) Commission paid to Sales Agents and Rs.4155444.58/- ( previous year Rs. 2528923.82) Discount }	5,876	(1,551)
n) Service Tax GTA I/W Trpt (ACC)	144	280
o) Lime Stone Cess	10	4
p) Donations	76	95
q) Irrecoverable Debtors / Advances w. Off.	2,424	-
r) Service Tax -GTA - O/w Trpt	775	656
s) Sales Tax Paid	2	-
t) Miscellaneous Expenses	10,125	4,992
	153,105	120,130
<b>TOTAL</b>	454,398	361,497
<b>SCHEDULE 17</b>		
<b>INTEREST</b>		
a) On Fixed Deposits :		
To Directors	2,123	-
To Others	1,181	1,026
	3,304	1,026
b) On Term Loans from Bank, Financial Institution & Others	15,604	16,052
c) On Cash Credit Accounts, Loan etc.	26,312	25,748
<b>TOTAL</b>	45,220	42,826

**SCHEDULE : 18**

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

**I SIGNIFICANT ACCOUNTING POLICIES:**

a) Use of Estimates :

The presentation of financial statements is in conformity with the generally accepted accounting principles requiring estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognised in the period in which the results are known / materialised.

b) Fixed Assets: Fixed Assets are stated at cost of acquisition or construction including attributable interest and financial cost till the date of acquisition / installation of the Assets and improvement thereon (net of Modvat / Cenvat.) less accumulated depreciation.

c) Intangible Assets:

Intangible Assets are stated at cost of acquisition less accumulated amortization. Computer Software is amortised over a period of 5 years on straight line basis.

d) Long Term Investments:

Long Term Investments are stated at cost. Provision for diminution is made only if such a decline is other than temporary in the opinion of the management.

e) Inventories:

Inventories are valued at cost or net realisable value whichever is less. Cost is determined by using the FIFO formula. By products are valued at net realisable value. Cost comprises all cost of purchase, cost of conversion, and cost incurred to bring inventories to present location and condition.

f) Contingent Liabilities:

Contingent liabilities are disclosed by way of note on the balance sheet. Provision is made in the accounts in respect of those liabilities which are likely to materialise after the year end till the finalisation of accounts, and have material effect on the position stated in balance sheet at the year end.

g) Sales / Turnover:

Sales / Turnover (Gross) includes Central excise duty but excludes transport, octroi and sales tax etc. Inter divisional transfers and branch transfers are treated as sales when actual sales take place on delivery of goods to customers Excise Duty on sales is shown as a deduction from sales.

h) Timing of Revenue Recognition:

In appropriate circumstances, revenue (income) is recognised when no significant uncertainty as to measurability or collectability exists.

i) Export benefits are accounted when realised / received.

j) Retirement Benefits:

Provident fund and Family Pension fund contribution is accounted on accrual basis and charged to Profit and Loss account. The company has not ascertained and provided for the liability in respect of gratuity payable

k) Deferred Revenue Expenses: (Miscellaneous Expenses)

1) Share issue expenses are regarded as deferred revenue expenses and written off over a period of 10 years.

2) Voluntary retirement scheme expenses are deferred over a period of 5 years.

l) Method of Depreciation:

1. At Roha factory

a) Depreciation in respect of fixed assets installed on or before 30.6.1982 has been provided on written down value basis as per the provisions of Section 205(2) (a) of the Companies Act, 1956 at the rates specified in schedule XIV of the said Act.

b) Depreciation in respect of assets acquired after 30.6.1982 has been provided as under:

(i) On plant and machinery on straight line basis as per provisions of Section 205(2)(b) of the Companies Act, 1956 at the rates specified in Schedule XIV of the said Act.

(ii) On other assets acquired during 1.7.1982 to 30.6.1986 on written down value basis as per the provisions of Section 205(2) (a) of the Companies Act, 1956 at the rates specified in schedule XIV of the said Act.

(iii) On other assets acquired since 1.7.1986 on straight line basis as per note (i) above.

c) Depreciation in respect of assets acquired / purchased during the year has been provided on pro-rata basis according to the period such asset was put to use.

2. At Paonta factory

Depreciation has been provided under 'Straight Line Method' as per rates specified in schedule XIV to the Companies Act, 1956.

3. Leasehold land taken over on amalgamation is amortised over the balance period of lease.

m) Foreign Currency Transactions:

Foreign currency transactions are recorded at original rate of exchange in force at the time of occurrence of transactions. Exchange difference on settlement / translation of monetary assets and liabilities at closing rates are recognised in Profit and Loss account, except in case where they relate to acquisition of fixed assets in which case they are adjusted in carrying cost of such assets.

n) Excise duty has been accounted on the basis of both payments made in respect of goods dispatched and also provision made for goods lying in bonded warehouse.

o) Modvat / Cenvat Credit:

Modvat / Cenvat Credit is accounted on the basis of material purchased and appropriated against payment of excise duty on clearance of finished goods.

p) Borrowing Cost:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

q) Leave Encashment:

Provision for leave encashment has been made taking into consideration the accumulated leave of the employees and the company's rules in this regard.

r) Leases:

The assets taken on lease prior to April 1, 2001 have been accounted as per the 'Guidance Note on Accounting for Leases' issued by the Institute of Chartered Accountants of India, in 1995.

Assets taken as finance lease on or after 1st April 2001, is capitalised as fixed assets at lower of fair value of the assets and present value of minimum lease rentals. The principal components in the lease rental is adjusted against the lease liability and the interest components is charged to profit and loss account.

s) Taxes on Income :

Current tax is determined as the tax payable in respect of taxable income of the year.

Deferred tax for the year is recognised on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised and carried forward only if there is a reasonable / virtual certainty of its realisation.

## II NOTES TO ACCOUNTS:

1. a) Contingent Liability not provided for in respect of :

- (i) Uncalled liability on shares of Rs.150 thousand (Previous year Rs.150 thousand )
- (ii) Income Tax demand disputed in appeal Rs. 2486 thousand (Previous year Rs. 2486 thousand )
- (iii) Income Tax Demand For A.Y. 2005-06 of Rs. 6410841/- is disputed and appeal filed in CIT.
- (iv) Water charges at MIDC (Roha) Rs. Nil (Previous year Rs. 1771 thousand)
- (v) Guarantee given to ICICI Bank on behalf of Himachal Polylefins Ltd. US \$ 2.20 million equalling to approx. Rs. 102000 Thousand

2. The Company has an investment of 839,700 shares of Regent Chemicals Ltd. (RCL) of Rs. 10/- each acquired at a aggregate cost of Rs. 8280 thousand ( market value Rs. 1679 thousand as at 15.09.2004 being the last traded date) .RCL has substantial losses as compared to its paid up Capital and Reserves. RCL has shut down its manufacturing operation in May 1993. The realisability of the investment is dependent upon the future course of action adopted by RCL and hence no provision for diminution in value of the investment has been made in the accounts.

3. Sundry Debtors considered good include Rs.5917 thousand (Previous year Rs. 6554 thousand) which is outstanding for more than 3 years. In some of the cases some recoveries have been made during the year ; the company is following up and expects to recover the balance

4. The overdue statutory dues are as follows:- (Rs. In '000')

Staff Profession Tax	838
Provident Fund	2604
Employees State Insurance Scheme	686
* Sales Tax Payable	20597
* Central Sales Tax Payable	14824
<b>Total</b>	<b>39549</b>

5. The company has not ascertained and provided for the liability in respect of gratuity payable.

6. (a) Sundry Creditors include Rs. 14150/- thousand ( Previous year Rs. 5912 thousand ) due to small scale undertakings.

(b) The names of Small Scale Industries to whom the company owes any sum together with interest outstanding for more than thirty days are as follows :



Sr.No.	Name	Sr.No.	Name
1	Mayura Marketing Agencies.	10	Punjab Acid Chem P. Ltd.
2	Siri Ram Filtration & Engg.	11	Sellon Dynamice Pvt. Ltd.
3	Shamco Plastics Pvt. Ltd.	12	Morwal Fabrics P Ltd.
4	Elson Packaginhg Industries	13	Mico Minerals Product
5	Coatwell Paints	14	Kandoi Fabrics P Ltd.
6	Aristuio Chemicals	15	Laxmi Minerals
7	Newage Lamination P. Ltd.	16	Kandoi Polytex
8	Davis Chemicals P. Ltd., Delhi	17	Pooja Minerals
9	Kamal Bearing P. Ltd.	18	Shreenivas Chemicals Industries

7. (a) Depreciation in respect of fixed assets is provided on written down value basis and on straight line basis as per provisions under Section 205(2) of the Companies Act, 1956 at the rates specified in the Schedule XIV of the said Act.
- (b) Depreciation in respect of assets acquired / purchased during the year has been provided on pro-rata basis according to the period such asset was put to use.

8. Deferred Tax

In view of the Loss incurred during the period and accumulated Loss in the Proceeding year, the Management is not correctly able to estimate the deferred tax Assets/Liability. Provision for deferred tax has not been made in absence of reasonable/virtual certainty of future taxable income.

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

10. Related party disclosure as required by Accounting Standard 18 "Related Party

Disclosures" are given below :

Name of related party's and description of relationship :

1) Associates :

Silvo Liacal Chemicals

Diamond Jubilee Stores

Pearl Enterprises

Himachal Polylefins Ltd.

Sahid Investment & Trading Co. Pvt. Ltd.

2) Key Managerial Personnel :

Shri. H.I.Dawoodani

Shri. A.H.Dawoodani

3) Relative of Key Managerial Personnel :

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

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

Miss. Zahara A. Dawoodani (Daughter of Shri A.H. Dawoodani)

# LIME CHEMICALS LIMITED

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

(Rupees in Thousand)

Nature of Transaction	Silvo Liacal Chemicals Limited (Associates)	Other Associates	Key Management personnel	Relatives of Key Management Personnel	Total
<b>Purchases of Goods</b>	— (—)	1265 (—)	— (—)	—	1265
<b>Sale of Goods</b>	—	727	—	—	727
<b>Rent paid</b>		492 (624 )	— (—)	—	492 (624)
<b>Investments</b>					
Opening balance	3006 (3006)	(3006)			3006
Purchases	—				—
Closing balance	3006 (3006)	3006 (3006)			
<b>Loans Given</b>					
Opening Balance	— (—)	50 (50)			50 (50)
Add Given during the year	—	226			226
Less Repaid during the year	(—) (—)	(50) (—)	(—)		(50) (50)
Closing Balance	— (—)	276 (50)	276 (50)		
<b>Finance</b> (including equity contribution)		—	2082 (2082)	— (2082)	2082
<b>Remuneration</b>		—	3252 (3252)	1402 ( 922 )	4654 (4174)
<b>Rent Deposit Given</b>					
Opening Balance		2600 (2600)	— (3743)		2600 (6343)
Less : Refunded during the year		— (—)	— (3743)		— (3743)
Add: Given during the year		(—)	(—)		(—)
Closing Balance		2600 (2600)	— (—)		2600 (2600)

Note: Figures in brackets represents previous year's amount

## 11. Earnings per share ( EPS)

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

Basic and Diluted EPS	Current Year	Previous Year
Net Profit / ( Loss ) attributable to equity shareholders ( Rs. thousand )	-57560	-72801
Weighted average no.of shares for basic EPS :		
Outstanding Shares as at year end	32,90,276	33,726
Less : Proportionate no. of shares on which allotment / call money are in arrears	32,56,550	32,90,276
Weighted average no.of shares for basic EPS	33,726	32,56,550
Basic and Diluted EPS (Rs.)	- 17.68	-22.36
Face Value of Equity Shares	Rs. 10/-	Rs. 10/-

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

	Current Year Rs. in thousand	Previous year Rs.in thousand
Managing Director		
1) Salaries	3000	3000
2) Company's contribution towards P.F and other Funds	252	252
TOTAL	3252	3252

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

## 14. Payment to Auditors:

	Current year Rs. in thousand	Previous year Rs. in thousand
a) As audit fees	138 138	
b) As advisor or in any other capacity in respect of		
(i) Taxation matters	—	—
(ii) Other services *	6 2	
c) Tax audit fees	30	30
d) As expenses	—	—
TOTAL	174	170

\* Other services include certification work and limited review of accounts.

## 15. Details of future obligations towards lease rentals:

Rs. in thousands

DUE	Total Lease Payments Outstanding		Future Interest on outstanding		Present Value of Minimum Lease Payments	
	2009-2010	2008-2009	2009-2010	2008-2009	2009-2010	2008-2009
With in one year	1,345	2,030	181	369	1164	1661
Later than one year and not later than five years	672	2,017	58	239	614	1778
Later than five years	-	-	-			
Total	2,017	4,047	239	608	1778	3439

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

# LIME CHEMICALS LIMITED

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

			Unit Current Year	Previous Year
a) Licensed capacity annually calcium carbonate		M.T.	N.A	N.A.
b) Installed capacity annually ( as certified by the management ) Calcium Carbonate		M.T.	81000.00	81000.00
c) Actual production during the period* # Calcium Carbonate		M.T.	49828.35	37059.95

d) Opening and closing stock of finished goods

	Current Year		Previous Year	
	Qty(Mt)	Value(Rs) In thousand	Qty(Mt)	Value(Rs) In thousand
Opening Stock Calcium Carbonate	2064.76	19308	1162.75	9779
Closing Stock Calcium Carbonate	2415.71	23190	2064.76	19308
e) Turnover Calcium Carbonate*	49477.40	457881	36157.94	342653
Others		227	—	661
		458108		469687

\* Actual production and turnover includes reprocessed goods of 270.00 MT.( Previous-year 485.00 MT )

# Include semi finished goods processed 933.500 MT ( Previous year 195.00 MT ).

	Current Year		Previous Year	
	Qty(Mt)	Value(Rs) In thousand	Qty(Mt)	Value(Rs) In thousand
f) Raw Materials Consumed				
Lime stone	41562.28	45028.28	35971.35	35954.25
Coke & Charcoal	11442.81	104988.56	9151.50	87589.53
Stearic Acid	490.74	22002.65	271.96	13940.43
Others	60725.32	—	—	34428.72
		232744.81		171912.93
g) Goods Traded				
Opening Stock	—	794	—	794
Purchases	—	—	—	—
Calcium Carbonate	—	—	—	—
Others	—	—	—	—
		794		794
Closing Stock	—	794	—	794

h) Earnings in Foreign Currency ( On accrual basis)

	Current Year Rs. in thousand	Previous Year Rs. in thousand
FOB value of exports	13235	9351

	Current Year		Previous Year	
	Rupees in thousand	%of Total Consumption	Rupees in thousand	%of Total Consumption
i) Value of Raw Materials consumed				
i) Imported	—	—	—	—
ii) Indigenous	232744.81	100.00	171912.93	100.00
	232744.81	100.00	171912.93	100.00
j) Value of Stores and Spares				
Parts consumed				
a) Imported	—	—	—	—
b) Indigenous	13890	100.00	10339	100.00
	13890	100.00	10339	100.00

k) Expenditure in foreign currency ( On accrual basis )

	Current Year Rs. in thousand	Previous Year Rs. in thousand
Travelling	—	—
Traded Goods	—	—

l) Value of Imports calculated on

	Current Year Rs. in thousand	Previous Year Rs. in thousand
C.I.F. basis in respect of Raw Material	—	—

## 17. BALANCE SHEET ABSTRACT AND COMPANIES GENERAL BUSINESS PROFILE.

### I. Registration Details

Registration No.	14842	State Code	11
Balance Sheet Date	31-03-2010		

### II. Capital Raised During the Period 31-03-2010 ( Amount Rs. In thousand )

Public Issue:	Nil	Right Issue:	Nil
Bonus Issue:	Nil	Private Placement:	Nil

### Position of Mobilisation and Deployment of Funds ( Amount Rs. In thousand )

Total Liabilities:	705752	Total Assets :	705752
Sources of Funds			
Paid-up-Capital :	32566	Reserves & Surplus :	86419
Secured Loans :	297262	Deferred Tax	
Unsecured Loans:	76877	Liability ( net ) :	7350
	76877		

### Application of Funds

Net Fixed Assets:	161491	Investments :	11036
Net Current Assets	(36368)	Misc. Expenditure :	9197
Profit & Loss A/C	(355119)		

### III. Performance of Company ( Amount Rs. In thousand )

Turnover ( Gross Revenue ):	465168	Total Expenditure :	522615
Profit Before Tax :	(57447)		
Profit After Tax & Prior year adjustment :	(57447)		
Earning Per Share ( Rs. ) :	(17.46)	Dividend Rate % :	Nil

### Generic Name of Principal Product of Company ( as per monetary terms)

Item Code No. ( ITC Code ) :	283650.00
Product Description:	Calcium Carbonate

18. According to information and explanation given to us a fraud of Rs. 22, 88,152/- committed by an employee was noticed and reported during the Financial year 2006-07. The Company is taking proper step for recovery of the said amount.
19. The Company has received the demand notices for A.Y. 2006-07 from the Income Tax authorities for Income tax and fringe benefit tax inclusive of interest for Rs.5273073/- & Rs.454280/- respectively. A.Y.2007-08 No Provision has been made in respect of these liabilities.
20. Previous year's figures have been regrouped wherever necessary to correspond to the figures of current year
21. The Balances of Sundry Debtors and Sundry Creditors are subject to confirmation ,reconciliation & adjustment if any . The Management is of the opinion that such adjustment will not have a material effect in the account.
22. Vide order issued by the Board for Industrial and Financial Reconstruction (BIFR) on 23.03.2010 the company has been declared a sick industrial company. In spite of being sick, the company's both the plant are in operation and it has carried on the business operations. As directed by BIFR the company is in the process of framing fully tied up Draft Rehabilitation Scheme (DRS) for submission to Bank of Baroda, the Operating Agency (O.A.) appointed by BIFR in this regard.

### Signatures to the Schedules 1 to 22

As per our attached Report of even date  
For V.M.D & CO.  
Chartered Accountants  
V . M . DESAI  
Partner  
Membership No. : F 9219  
Firm No : 125002W

For and on behalf of the Board of Directors  
H. I. DAWOODANI                      A. H. DAWOODANI  
(Chairman)                              (Managing Director)

Place : Mumbai  
Dated : 26th July, 2010

Place : Mumbai  
Dated : 26th July, 2010

# LIME CHEMICALS LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 ST MARCH, 2010

(Rs. In Thousand)

	3/31/2010		3/31/2009	
<b>A Cash Flow From Operating Activities :</b>				
Net Profit before tax and Extraordinary items		(57,447)		(71,871)
Adjustments for :				
Depreciation	18,764		19,440	
Write Back Previous Year Excise Duty on F.G. Stock	734		—	
Prior Year Exps W/off	(113)		—	
Investment written off	—		1	
Gratuity, LTA & Leave Encashment	—		6,685	
Unrealised Exchange Difference	—		(458)	
Loss / (Profit) on sale of Assets	7		195	
Interest Income	(145)		(163)	
Dividend Income	(1)		(1)	
Interest on borrowings	45,220		42,827	
Miscellaneous Expenditure (amortised)	2,909	67,375	2,737	71,263
		9,928		(608)
Operating Profit before Working Capital Changes				
Adjustments for:				
Trade & other Receivables	4,646		7,740	
Inventories	(5,638)		(10,134)	
VRS Paid	(858)			
Trade payables & other Liabilities	(2,022)	(3,872)	13,071	10,677
Net Cash from Operating Activities		6,056		10,069
<b>B Cash Flow from Investing Activities</b>				
Purchase of Fixed Assets	(2,342)		(2,451)	
Unrealised Exchange Difference	—		458	
Sale of Fixed Assets	23		150	
VRS & PRAWARA PAID	—		(1,499)	
Interest received	128		163	
Dividend received	1		1	
Net Cash Used in Investing Activities		(2,190)		(3,178)
<b>C. Cash Flow Financing Activities</b>				
Interest paid	(2,781)		(43,295)	
Proceeds from borrowings	60,048		157,158	
Repayment of borrowings	(59,151)		(123,092)	
Net Cash from Financing Activities..... C		(1,883)		(9,229)
Net (Decrease) in Cash & Cash equivalents (A,B,C)		1,983		(2,338)
Cash & Cash equivalents as at 1st April, 2009		1,627		3,965
( Opening Balance )( See Note 2 )				
Cash & Cash equivalents as at 31st March, 2010		3,610		1,627
Note 1 : Figures in brackets represent outflows				
Note 2: Cash and Cash Equivalents				
Cash & Bank Balance as on 1st April, 2009		2,162		6,502
Less: Fixed Deposit with Bank		535		2,538
		1,627		3,965
Cash & Bank Balance as at 31st March, 2010		4,213		2,162
Less : Fixed Deposit with Bank		604		535
		3,610		1,627

### Note:-

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

### As per our Attached Report of even date

FOR V. M. D. & CO.  
Chartered Accountants  
V.M. DESAI

PARTNER  
Membership No. 9219  
Firm No. : 125002W  
No. : A/02/0710

PLACE: Mumbai  
DATE : 26th July, 2010

### For and on behalf of the Board

H. I. DAWOODANI  
(Chairman)

A H DAWOODANI  
(Managing Director)

PLACE: Mumbai  
DATE : 26th July, 2010

# LIME CHEMICALS LIMITED

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

## FORM OF PROXY

Reg Folio No./ Client ID No.:

I / We \_\_\_\_\_ of \_\_\_\_\_ being a member / members of LIME CHEMICALS LIMITED hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or failing him \_\_\_\_\_ of \_\_\_\_\_ as my / our proxy to vote for me / us and on my / our behalf at the 40<sup>th</sup> Annual General Meeting of the Company to be held on Thursday, the 30<sup>th</sup> September, 2010.

Affix  
One Rupee  
revenue  
Stamp

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2010

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

# LIME CHEMICALS LIMITED

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

## ADMISSION SLIP

Full name of the Shareholder  
(In block letters) \_\_\_\_\_

Ledger Folio No. / Client ID No. \_\_\_\_\_ No. of shares held \_\_\_\_\_

Name of Proxy  
(In block letters) \_\_\_\_\_

I hereby record my presence at the 40<sup>th</sup> Annual General Meeting of the Company to be held at the Registered Office at Light House Building, Ground Floor, Sitafalwadi, Mazgaon, Mumbai – 400 010 on 30<sup>th</sup> September, 2010 at 10.00 a.m.

\_\_\_\_\_  
Member / Proxy signature

BOOK - POST

*If undelivered please return to :*

**LIME CHEMICALS LIMITED**

LIGHT HOUSE BUILDING, GROUND FLOOR

SITAFALWADI, MAZGAON

MUMBAI – 400 010